

WESTAURUM INDUSTRIES INC. (WRU-Alberta)  
LORNEX INTERNATIONAL INC. (Proposed New Name)  
BGM DIVERSIFIED ENERGY INC. (BGM-V)

DEJA-VU - THE RACING RIVER COPPER PROJECT  
NINE PROPERTIES INCLUDED IN LAND ASSEMBLAGE

<u>CHURCHILL COPPER - MAGNUM VEIN</u>	629,000 tons	3.92% copper
<u>DAVIS-KEYS - EAGLE VEIN</u>	1,570,000	3.42%
<u>FORT RELIANCE - TOAD RIVER</u>	272,250	5.5%
<u>COPPER KEYS - NEIL VEIN</u>	1,000,000	PROBABLE RESERVES
<u>BRONSON-WINDERMERE PROPERTY</u>	1,000,000	PROBABLE RESERVES
TORO - CHURCHILL CREEK PROPERTY		EXPLORATION TARGET
DAVIS-KEYS NORTH -		EXPLORATION TARGET
ANN CLAIMS -		EXPLORATION TARGET

TOTAL RESERVES 2,470,000 3.18% to 5.5%  
POSSIBLE TARGET RESERVES 20,000,000 High grade + gold  
A POTENTIAL FOR 2,000,000,000 POUNDS COPPER

Reserve reports have been prepared by David Genn, P.Eng., and Burton Consulting Inc. Limited test work suggests the value of the reserves could be increased \$10.00 by including previous metal values.

REVERSE TAKE OVER - Westaurum Industries shareholders  
ACQUISITION TERMS met April 30, 1992, at the offices of Beaumont Church, 2200 AGT Tower, 411 - 1st St., SE Calgary, Alberta at 10:00 a.m., and approved a reverse takeover, name change to Lornex International Inc., and purchase of high grade copper projects in the Racing River area of north central B.C.

Westaurum now has 6,700,000 shares issued plus 558,000 options outstanding and has proposed to acquire claims from Lornex Int. for \$2,030,000 payable \$30,000 cash, now paid, 20,000,000 escrowed shares at 10¢ each.

EXPLORATION FUNDS RAISED - The funds for the 1992 exploration program have been negotiated under an April 7, 1992, contract from General Metal Fund GBR of Berlin, Germany, through the purchase of 20,000,000 private placement shares of Westaurum/Lornex for \$5,000,000 or 25¢ each to increase the issued shares to 49,458,000. This purchase has been agreed in principle by regulatory bodies and is subject to completion of the acquisition by Westaurum of Lornex. These shares are to be held until sale is approved by regulatory authorities.

OFFICERS - Egil H. Lorntzen is proposed to be Honourary chairman of Lornex Int. New directors are: Thomas E.W. Sawyer, president, Nils O.Hagglund, secretary, Peter Kavan, George Kahle, P.Eng., Marilyn I.Kordula, David M.Goldenberg, Edward F. Skoda, Lawrence D.Barr, and L.J.Manning, P.Eng.

LOCATION AND CURRENT - On the Eastern slopes of the Rocky Mountains, 190 km west of Fort Nelson, NE B.C., a

mining group has assembled the Racing River Copper project comprising 19 properties, 50,000 acres, covering most of a mineral belt 15 miles by 40 miles. Access to the property is 19 miles of mine road south from Mile Post 401 on the Alaska Highway to the Magnum mill site and a further 12 miles to the Magnum mine. The Magnum mine and the Daves Keays underground workings are at the same 6,400-foot elevation. -CONTINUED ON PAGE 2-

94K 50

p. 1 of 3

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CONTINUED FROM PAGE ONE - The historic exploration, underground development, road access and infrastructure have cost some \$20,000,000 to develop and would cost in excess of \$30,000,000 to duplicate. Recent preliminary studies suggest renewed production could be achieved at 500 tons per day building to 1,000 tons per day at a total cost of \$6,500,000. A first stage feasibility study, at a cost of \$400,000 and requiring some 90 days to complete, is needed before a production decision consideration can be undertaken. A study completed several years ago using 30% mine dilution, and \$1.00 per pound copper suggested with mining and milling costs of \$31.00 per ton, operating and smelting - freight costs could total \$69.69 per ton with a recovered copper value of \$101.58 for a profit per ton of \$31.90 per ton.

**METALLURGY-METAL RECOVERY** - The copper is in chalcopyrite in near-vertical, quartz/carbonate veins each some 2,000 feet long which occur in Proterozoic argillites, quartzites and limestones, associated with gabbroic dikes within structural weaknesses along anticlinal limbs. The gangue is argillite, quartz and calcite.

Historic production and metallurgical research work has demonstrated a standard flotation recovery concentrator will provide in excess of 95% copper recovery in a smelter-ready product grading in excess of 30% copper. Between 1970 and 1974 Churchill produced from the Mangum vein, at a rate of 750 tonnes per day, a total of 598,000 tonnes of 3% copper ore.

Recent research suggests a 10% to 20% copper concentrate can be produced at 410 tons ore per day by gravity, jig separation, screening, cycloning and gravity concentration. It is proposed the concentrates will be further processed in a small flotation plant in Fort Nelson, then in a refinery based on the patented Great Central Mines chloride leach-electrowinning process, SX-EW to produce 99.99% copper as a powder with recovery of the sulphur as a separate purity product and recovery of the separated gold and silver. Work in 1990 by Bacon, Donaldson using the chloride leach gave exceptionally good results which suggest costs of 60¢ per pound for 99.99% copper.

**RE-EXAMINED** - A one-year, \$1,602,700 exploration program has been proposed with the objective of increasing reserves to 9,000,000 tons and to determine the gold/silver content to support a seven-year production program.

As part of the initial 1992 funding proposal, BGM DIVERSIFIED ENERGY INC. (BGM-V) has agreed to buy 2,000,000 units of Westaurum/Lornex for \$200,000 or 10¢ each, with warrants to buy a further 666,000 shares at 25¢ each, funds for this purchase have been placed in trust. Plus a letter of intent has been signed for BGM Diversified Energy to acquire a 25% working interest in the project carried to completion of the first \$3,000,000 worth of exploration, all subject to regulatory approvals.-SEE LOCATION MAP OVERLEAF PAGE ONE-

94K 50  
P 2 of 3

94K 50  
p. 30f3

*George Cross News Letter*

*"Reliable Reporting"*

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