

MYRA FALLS OPERATIONS

*Westmin
1997-First Qtr
Rpt.*

883412

DIVIDEND

At Myra Falls Operations, mill production improved to 327,536 tonnes of ore for an average of 3,680 tonnes per day (tpd) during the quarter, substantially better than last year's first quarter which was 287,284 (3,184 tpd). Unit operating costs were \$46.03 per tonne compared with \$49.90 for last year's first quarter - reflecting the benefits of the completed rail haulage system and increased production from the Battle Zone. With Battle Zone ore making up 28% of millfeed, head grades rose to 1.64% copper and 5.40% zinc compared with 1.54% and 3.55% respectively for the quarter last year. Combined with improved mill recoveries, these improved head grades resulted in increased production of 18,138 tonnes of copper concentrate and 30,569 tonnes of zinc concentrate compared with 15,059 tonnes and 17,375 tonnes, respectively, for first quarter of 1996. The quarterly output of payable metals totaled 9.9 million pounds of copper and 29.8 million pounds of zinc versus 8.2 and 16.6 million pounds respectively for the period in 1996.

Metal prices also improved on balance with a zinc price rise of US\$0.065/lb to US\$0.535/lb, more than offsetting a fall of similar magnitude in the copper price to US\$1.098/lb. The result was Myra Falls generated a net profit of \$4.9 million after mineral taxes for the first quarter of 1997 as against a loss of \$1.0 million for the quarter last year.

GIBRALTAR MINE

At the Gibraltar Mine, during the first quarter ore milled increased to 3,224,592 tonnes (35,829 tpd) compared with 3,130,770 tonnes (34,786 tpd) for the first quarter 1996. The grade of copper also improved to 0.273% versus 0.260% last year, resulting in a mill recovery increase to 80.3% from 78.1%. Because of these factors, copper concentrate production rose to 25,310 tonnes compared with 22,407 tonnes for the quarter last year. Payable copper in concentrate and in cathode in 1997 totalled 15.01 and 0.64 million pounds respectively compared with 13.54 and 0.27 million pounds for the period in 1996.

The Gibraltar Mine generated a net profit after mineral taxes of \$2.1 million for the first quarter 1997 as against a profit of \$0.3 million for last year's first quarter, when the Gibraltar Mine was not part of Westmin.

LOMAS BAYAS PROJECT

The project is on budget and on schedule for a June 1998 start-up. The construction of Lomas Bayas progressed well during the period. Excavation had begun for most of the key facilities and is complete for the primary crusher which is on the critical path. Detailed engineering of the plant facilities was 59% complete at the end of March and commitments had been made on 80% of the project equipment and material requirements. Fluor Daniel Wright has 380 engineering and construction personnel working on the project.

FINANCING ACTIVITIES

During the quarter the Company issued US\$120 million of Senior Secured Notes to repay an existing term loan and to provide the balance of funds required for Lomas Bayas.

EXPLORATION

The first phase of drilling at the Fin Del Mundo, Argentina joint venture encountered base metal sulphides and defined a continuation of copper-lead-zinc mineralization beneath the surface showings on the Arroyo Rojo prospect. Results of drilling on other prospects within this large property holding are still awaited.

Drilling and other exploration work are now under way on the Wolverine Joint Venture in the Yukon. Another 17,000 metres of drilling is planned to explore for other zones along the favourable stratigraphic sequence and to delineate the size of the Wolverine Deposit.

A dividend of \$0.530, 1997 to shareholders of record June 1

PAUL MARSHAL

Sadly, Paul Marshall, longest serving director, has recently passed away. We have the pleasure of working with Westmin.

OTHER

Further information for 1997 and other background information from:

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