CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
1520 West Adams St.
Phoenix, AZ 85007
602-771-1601
http://www.azgs.az.gov
inquiries@azgs.az.gov

Dec. 5, 2002: B R X (file # 7) This file has information on the 10-K's Parts 1 through Part 4
International Precious Metals 1996 Form 10-K
mils # 838 BRX,< La Paz County file 7 of 11 tmm.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

97 10 6009

TOTAL NUMER OF PAGES: 203
EXHIBIT INDEX BEGINS PAGE 34

FORM 10-K 405

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission file number
0-16019

INTERNATIONAL PRECIOUS METALS CORPORATION

(Exact name of registrant as specified in its charter)

Ontario (Canada) (State or other jurisdiction of incorporation or organization)	86 0766060 (I.R.S. Employer Identification No.)
4633 South 36th Place Phoenix, Arizona 85040 (Address of principal executive offices)	85040 (Zip Code)

RECD S.E.C.
JUN 16 1997
138

Registrant's telephone number, including area code (602) 414-1830

PROCESSED BY
203 - 203 T
JUN 17 1997
DISCLOSURE, INC.
L49

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Shares, no par value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes___ No ✓.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

JUN 16 1997

The aggregate market value of voting stock held by non-affiliates as of March 20, 1997, was approximately $176,175,380.

Number of common shares outstanding on March 20, 1997: 16,586,090.

662147.6

TABLE OF CONTENTS

Currency

All dollar amounts set forth in this report are in Canadian dollars, except where otherwise indicated. The following table sets forth (i) the rates of exchange for the Canadian dollar, expressed in United States dollars, in effect at the end of each of the periods indicated; (ii) the average of exchange rates in effect on the last day of each month during such periods; and (iii) the high and low exchange rates during each such periods, in each case based on the noon buying rate in New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York:

	Year ended December 31,				
	1996	1995	1994	1993	1992
Rate at end of period	$.7301	$.7323	$.7128	$.7544	$.7865
Average rate during period	.7334	.7305	.7300	.7729	.8235
High	.7515	.7527	.7632	.8046	.8757
Low	.7215	.7023	.7103	.7439	.7761

On April 14, 1997, the noon buying rate for $1.00 Canadian was $.7151 United States.

Forward-Looking Statements

Statements throughout this document that are not historical facts may be "forward-looking statements" within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. The Company intends that such statements will qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements sometimes include words to the effect that the Company or management believes, anticipates, or expects a stated condition or result. In addition, all estimates and all statements that describe the Company's future plans, objectives or goals are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of any number of factors, including variables such as new information regarding the amount of recoverable minerals at the Company's properties, changes in general economic conditions and conditions in the financial markets, changes in demand and prices for the minerals for which the Company explores, legislative, environmental and other regulatory, political and competitive developments in areas in which the Company operates and other factors discussed in this report. See Items 1 and 2 "Business and Property - Certain Risk Factors."

Glossary

The glossary which follows defines certain terms used in this Report.

Chromite layers: found within a layered intrusion generally ultramafic and occasionally hosting platinum mineralization.

DCRS: differential charge recovery system, a gravity recovery system for concentrating gold.

Diamond drill: a rotary drill, whose bit is studded with diamonds, used to penetrate rock.

Gabbro: an igneous rock consisting of the minerals calci-plagiociase, clinopyroxene, orthopyroxene and olivine.

Geophysical survey: exploration using instruments which detect the electromagnetic and other behavior of rocks. Examples of types of geophysical surveys include electromagnetic, magnetic, radiometric and gravity.

Intrusion: a body of molten rock that penetrates older rock.

Mafic: rocks dominantly composed of the magnesium rock-forming minerals. Example include basalt and gabbro.

opt: ounces per short ton.

PGE: See "PGM".

PGM: "platinum group metals": includes platinum, palladium, osmium, rhodium, iridium and ruthenium.

Pyroxenite: a medium or coarse-grained rock consisting essentially of pyroxene.

Staking: to delineate a tract of land by either physically placing markers on the ground or by marking out an area on government maps. This tract of land is then registered with the appropriate governmental agency. The staker then has the right to explore for mineral substances on that land as long as he complies with the government regulations.

Strike: the bearing (direction) of the outcrop of an inclined bed on a level surface.

Ultramafic: rocks composed essentially of ferro magnesian minerals, metallic oxides and sulphide, and native metals. Examples include peridotite, pyroxenite, and dunite.

PART I

ITEMS 1 AND 2. BUSINESS AND PROPERTIES

General

International Precious Metals Corporation ("IPM" or the "Company") is principally engaged in the acquisition and exploration of precious metal and industrial mineral resource properties in North America. The Company was incorporated under the laws of the Province of Ontario on July 22, 1980. The Company's principal executive offices are located at 4633 South 36th Place, Phoenix, Arizona 85040 (telephone (602) 414-1830). The Company's common shares are traded on the Canadian Dealing Network ("CDN") under the symbol IPMC and on the NASDAQ SmallCap Market ("NASDAQ") under the symbol IPMCF.

The Company was incorporated as Silver Claim Lake Resources Inc. and subsequently changed its name to Silver Lake Resources, Inc. (on April 27, 1981), to International Platinum Corporation (on June 25, 1986), and to its current name on October 11, 1995. On December 31, 1987, the Company was amalgamated with its wholly-owned subsidiary, Platinum Exploration Canada, Inc. A 1-for-10 consolidation (reverse split) of the common shares of the Company ("common shares") took effect on October 23, 1995 and all share figures in this Report give retroactive effect to such reverse split.

The Company has raised approximately $42.7 million since its formation in 1980 to December 31, 1996 from the issue of its common shares. These funds have been primarily used for the exploration of three silver and six gold prospects, nineteen platinum prospects, one lithium prospect and an oil joint venture in southern Illinois. As discussed below, the Company has used standard and non-standard methods to evaluate its properties. It can be anticipated, because of the nature of the business, that exploration on one or more of the Company's properties will prove unsuccessful and that the Company will terminate its interest in such properties.

In May 1992, new management was installed and for a period changed the focus of the Company from North American exploration activities to exploration in South Africa. New management also increased the Company's activities during the latter half of 1992 and 1993. In 1993, an exploration office was maintained in South Africa (which the Company has closed) and an administrative office in Australia was established where most of the Company's financing activity took place. In 1995, the Australian administrative office was closed and all administration functions moved to the operations offices of the Company in Phoenix, Arizona and Toronto, Ontario.

Properties

The following lists in order of importance to the Company the properties in which the Company holds an interest. This order reflects Management's best judgment but may well change as new information is obtained. The primary metal being sought on the properties is listed beside the name of the property.

1. Black Rock	(Gold) (Platinum Group Metals)
2. Big Trout Lake	(Platinum)
3. Eagle Lake	(Base Metals)
4. Georgia Lake	(Lithium)
5. Gold Hill	(Gold)

The Company is actively exploring only the Black Rock property. Development costs aggregating $17,051,000 relating to 9 properties which had been explored for gold, silver or platinum were written off in 1995 or prior years as management determined that these properties were unlikely to become economically profitable.

Black Rock

The Company believes that its most important property consists of unpatented mining claims on federal land administered by the U.S. Bureau of Land Management located in La Paz County, Arizona (the "Black Rock Property"). The Black Rock Property is located approximately 92 miles west of Phoenix, Arizona between the southern Little Harquahala Mountains and the Eagletail Mountains and is accessible directly from Interstate 10. The Company has invested more than three years and $10 million exploring and advancing the Black Rock Property. Although the Company has not established the existence of any proved or probable reserves at the Black Rock Property, independent tests have from the beginning indicated that economically attractive grades of gold and platinum may be present on the property. Subsequent technical work involving drilling, assaying and recovery has further confirmed these indications.

The Black Rock Property includes two portions which are of particular interest to the Company. The "hard rock portion" generally is made up of areas of the Black Rock Property which are part of the Harquahala Mountains and have a higher elevation than the average elevation of the property. The "basin portion" generally is made up of relatively low-lying areas and is part of the Harquahala Plain.

More than 40 tunnels, pits and shafts have been dug on quartz and copper outcroppings in the immediate hard rock of the Little Harquahala Mountains prior to 1993. Many of the "diggings" are up to 100 years old. Although only shallow pits remain, past claims staked in the Black Rock Property are evidenced by weathered claim markers and claim filing papers dating in the 1950's. The Company believes that all such past claims have lapsed due to nonperformance of annual work or nonpayment of rental fees.

Acquisition

In October 1993 the Company acquired the right under an option agreement to purchase from Phoenix International Mining, Inc. ("Phoenix") an unpatented mining claim on one square mile of the Black Rock Property. Consideration for the option was 196,575 common shares of the Company (which had a market price of $1.00 per share on the day of issue). The Company extensively sampled the area and extended the option agreement, but did not exercise its rights to purchase the claim thereunder.

On April 13, 1995 the Company entered into a heads of agreement with Phoenix to explore and develop claims covering fifteen square miles surrounding and including the original one square mile area, and issued to Phoenix debentures totaling US$2,400,000 (on which the Company has made full payment, including a final payment of US$400,000 in January 1997). Under the terms of the agreement, the Company earned a 25% interest in the joint venture by expending $1,583,000 on exploration, testing and assaying. The joint venture agreement provided that the Company could earn further incremental interests in the Black Rock Property by completing further drilling, assaying and feasibility studies, commencing construction of mining and processing facilities, commencing mining and processing operations, and demonstrating sustainable mining throughput. Additionally, the joint venture agreement provided the Company an option to purchase a 10% interest in the Black Rock Property for cash or gold.

On May 9, 1997, the Company entered into an agreement with an affiliate of Phoenix pursuant to which a wholly-owned subsidiary of the Company will pay an aggregate of US$27,000,000 to an affiliate of Phoenix's affiliate, consisting of US$17,000,000 in cash and 1,000,000 common shares valued at US$10.00 per share, to acquire all of the rights to the unpatented mining claims comprising the Black Rock Property which the Company does not presently own. As the first of two payments under the Purchase Agreement, the Company's subsidiary on May 9, 1997 paid to Phoenix's affiliate US$500,000 plus 4,000,000 common shares (of which 3,000,000 common shares will be held by Phoenix's affiliate to secure the Company's obligation to make the second payment). The Company's subsidiary will make a second payment of US$16,500,000 on July 15, 1997 (at which time Phoenix's affiliate will return 3,000,000 common shares to the Company). The Company expects to raise cash for the second payment through private placements of its securities, but its ability to do so will depend on factors beyond its control, including economic and market conditions.

On May 1997, the Company acquired rights to an additional 40 square miles north of and contiguous to the Black Rock Property by staking and filing lode claims (each relating to a 40-acre hard-rock area) and placer claims (each relating to a 160-acre area) with respect to that area. Aerial photography, regional and detailed geological mapping, sampling, a geophysical survey and compilation of existing and new data is currently under way to generate potential drill targets in the area.

Kilborn Report

On March 28, 1994, the Toronto Stock Exchange ("TSE") instituted a temporary trading halt on the Company's common shares as a result of the proposed issuance of a press release by the Company concerning its findings on the Black Rock Property. After reviewing the press release, the Market Integrity Division of the TSE stated that the halt trade order would be continued pending "independent verification of the information previously issued by the Company." In this regard, the TSE retained Kilborn Inc. ("Kilborn") to visit the Black Rock Property and take independent samples in order to verify this information. Pursuant to its arrangements with the TSE, NASDAQ instituted a trading halt as soon as it was notified of the TSE's trading halt.

Samples were taken by Kilborn and sent to two independent laboratories. The two laboratories reported no significant precious metal values (i.e. not greater than an average of .02 grams per ton) from the samples that were tested. The Kilborn report did, however, confirm that one of the Company's preferred assay methods was a valid method for determining the presence of gold. Upon announcement of the results of the Kilborn report, the common shares of the Company resumed trading on the TSE, and on NASDAQ, on April 29, 1994. Trading was halted again, for unrelated reasons, on May 24, 1994 and recommenced on the CDN and on NASDAQ in November 1994.

Although the Kilborn report stated that the samples were taken to a depth of three feet, subsequent physical examination by the Company indicates that the samples were in fact taken only to a depth of 1/2 to 1-1/2 feet. The Company believes that this difference is significant since the Company had previously discovered and reported values at a depth in excess of two feet. The Company view of the Kilborn report is confirmed by the subsequent work performed by Behre Dolbear & Company, Inc. ("Behre Dolbear" or "BDC") as described below.

Behre Dolbear Report

In May 1994, BDC was appointed as an independent consultant to the Company, specifically for the Black Rock Property. BDC was hired to conduct tests to determine if gold in recoverable quantities was present at the Black Rock Property and to assist the Company in bringing the Black Rock Property through the proving up stage of ore reserves, culminating with a feasibility study.

In September, 1994, the Company commissioned BDC to determine, independently, whether gold could be recovered from the Black Rock Property. BDC took samples from the Black Rock Property and then proceeded to operate the recovery equipment in an effort to recover gold. BDC recovered gold via a gravity process from each of 76 drill samples. This free gold fraction recovered by BDC ranged from 0.0028 to 0.03 opt. The Company questions the recovery efficiency of this gravity process as in 5 samples 'salted' by BDC with known amounts of gold, gold was not recovered. Further, BDC found measurable amounts of gold in the tailings and the slag, providing further evidence of the fact that the Black Rock Property contained gold and that the recovery process then being used was inefficient at recovering the gold contained in the samples.

Behre Dolbear issued its Interim Report on the Black Rock Property (the "Interim Report") in October 1994 stating that fire assays (which are supposed to be a standard method for the determination of the presence of precious metals) performed by registered assayers indicated only traces or nil amounts of gold. However, BDC did recover gold (average of 0.0082 opt, with a range of 0.0007 to 0.03 opt) by the amalgamation of concentrates produced by the gravity processing of splits of every one of the same samples. A copy of the Interim Report is filed with the Securities and Exchange Commission ("SEC") as an exhibit to this report and is incorporated herein by reference. Statements regarding and excerpts from the Interim Report contained herein are incomplete and are qualified in their entirety by reference to the full text of the Interim Report.

While Behre Dolbear was not capable of recovering the same values for free gold as seen in Company's gravity recovery studies, it stated in the Interim Report that it suspected that the amalgamation procedure it used had resulted in losses of gold and that assays of the amalgamation tails verified these losses. Further, under the "Conclusions" section, Behre Dolbear stated as follows:

> *"Behre Dolbear has determined that measurable amounts of gold were in fact recovered from all the 76 samples obtained under their direction.... Although material from the [Black Rock Property] does not respond to standard fire assay techniques, Behre Dolbear has verified that the DCRS process does recover gold from the material."*

Additionally, Behre Dolbear stated in its last paragraph:

> *"On the basis of Behre Dolbear's evaluation of data obtained to date, it is concluded that the [Black Rock Property] displays anomalous gold values and continued assessment is warranted. Of prime importance, IPC must address the development of an optimal technique of fire assay for the [Black Rock Property] material and must also evaluate other potential recovery processes in addition to that of DCRS."*

Finally, Behre Dolbear included in the Interim Report, this statement about the Company's management:

"Behre Dolbear wishes to acknowledge the cooperation provided by IPC management. During the course of the project, Behre Dolbear had the opportunity to observe IPC management. IPC management was cooperative at all times and did not attempt to influence or interfere with Behre Dolbear's completion of the project. Behre Dolbear was impressed with the professionalism displayed and the obvious straightforward desire of IPC's management to determine whether or not the [Black Rock Property] has economic potential."

The Interim Report clearly stated that gold was recovered despite the fact that the samples, as tested by fire assay, showed only trace or nil amounts. The Company reached the logical conclusion that fire assay alone would be an inadequate process by which to test for the presence of mineralization on the Black Rock Property. It was the Company's belief that the failure to recover precious metals at commercial grades was the result of inefficiencies in particular recovery processes with regard to the type of mineralization contained in the Black Rock Property material.

Initial Leach Testing

During 1994, the Company began preliminary interpretation of the data from its regional drilling exploration activity at the Black Rock Property. Values seen at near surface showed an amorphous anomalism with little shape and no obvious boundaries. Values at the 50 foot (15 m) depth, though, were dramatic and much more distinct. Highest values for gold appeared to trend in a north-westerly direction, somewhat parallel to the nearby mountains. Grades dropped off dramatically to the north, and unless values are discovered at depths greater than 50 feet (15 m), which have not yet been attained, the geochemical anomaly terminates approximately 0.6 miles (1 km) to the north of the original one-square mile Black Rock Property. Delineations to the east, west and south were not as clear due to insufficient data, other than a northwest/southeast trend.

The Company has continued scientific and metallurgical work in order to better understand the Black Rock Property. Certain peculiarities relating to the mineralization soon became apparent through this scientific and geological work. First of all, the mineralization appears to be encapsulated or completed in other geological elements, such as sulphides, tellurides and silicates, which hinders the mineralization from being recovered. Secondly, the very fine nature of the mineralization, microscopic or possibly even molecular, predetermined an even more arduous recovery process. Consequently, the Company was confronted with a two-phased endeavor: 1) liberate the mineralization from its complexes; and 2) recover the mineralization. Thus began the Company's renewed interest and scientific evaluation of leach procedures as possible valid recovery procedures suited to Black Rock Property material. During 1993 and 1994, tests with chloride-rich leaches consistently returned interesting grades of precious metals. The Company believed that similar type leach procedures could prove effective in overcoming the potential difficulties as discussed above.

Behre Dolbear's assistance in auditing a chloride leach procedure was requested in June of 1995. Behre Dolbear's Project Leader for the Company, Dr. Samuel Shaw, III, Mining Engineer, was brought in personally to perform the leach procedure on samples collected by Behre Dolbear personnel. Results showed significant values of gold recovery into solution. The samples were sent to independent laboratories, which reported the results. The actual assay procedure was not observed by Behre Dolbear. (Subsequently, on April 1, 1997, Dr. Shaw joined the Company as Vice President - Engineering Services.)

1995 Drilling Program

In October 1995, the Company began implementing its systematic tactics for advancing the basin portion of the Black Rock Property. The Company's plan was to begin a drill program and to continue developing and improving the efficiency and effectiveness of its recovery process. An area of six square kilometers which had tested most favorably for precious metals was designated for pre-development. A resource drilling program was established that would methodically sample the area. To maintain manageability and assure the quality of information that would be produced, the area was divided into six separate grids. The program design over the first Black Rock Property grid consisted of one hundred twenty-one drill holes over the initial one square kilometer to a depth of thirty meters. Samples were collected every 1.32m, or until auger drill refusal. The program was designed to measure and test over 50 million tons of material for economic grades of gold and platinum. Ultimately, the information obtained will be used to produce a Black Rock Property measured resource determination. The total of 2,251 samples collected were then leached for precious metals analysis. Check assays were performed on 20% of the samples at a separate independent laboratory. In total, nearly 6,000 assays were performed using a chloride leach procedure developed by the Company and tested by Behre Dolbear. Independent laboratories chosen by the Company confirmed the recovery of attractive grades of gold.

2,400 assays were performed at the primary third party laboratory. 300 duplicates were assayed at a second third party laboratory. Acceptable correlation was exhibited between the laboratories. The Company reported in April 1996 that the average amount of gold and platinum recovered via the leach procedure from the entire drill grid was 0.046 opt and 0.09 opt, respectively.

Behre Dolbear provided the Company with a letter dated December 1995 regarding the analysis of the first nine holes of the Company's drilling program stating as follows:

> *"Behre Dolbear has been engaged in an ongoing program to aid IPM in a precious metals evaluation of the [Black Rock Property] project. On site observation of the drilling program, including the collection, handling and security of the samples was completed. Additionally, Behre Dolbear observed and monitored IPM's sample preparation laboratory to verify that sample preparation and treatment procedures consistently followed previously*

established accepted methodology. All of the above was subject to close scrutiny and given approval by Behre Dolbear."

"It is evident that IPM is executing a well-planned program. Behre Dolbear notes no shortcomings in equipment, operating procedures, or security measures in either phase of their program. Both the sample preparation and laboratory personnel are well trained and supervised."

"The analytical results of approximately 103 samples submitted to two independent and industry recognized laboratories were made available to Behre Dolbear. On the basis of currently available analysis, it is concluded that the IPM-developed leaching procedures is extracting measurable amounts of gold from [Black Rock Property] material. This has been verified by correlation of the analytical results from the two independent laboratories."

"Behre Dolbear noted with interest that other precious metal values, including PGE's were reported by the laboratories. Behre Dolbear, however, has not evaluated the significance of these other precious metal values and recommends further study on the part of IPM."

Mountford Report and Vearncombe Study

In January 1996, the Company brought in an independent senior geologist, Roland Mountford, to begin evaluation of the geologic setting of the Black Rock Property. Mr. Mountford provided a report discussing the sedimentary deposit and the hard rock surrounding the primary the Black Rock Property anomaly. The report included his discovery of a 1,400 foot (425 m) long by 1,000 foot (303 m) wide epithermal stockwork occurrence on the Black Rock Property. Epithermal stockwork is indicative of large amounts of mineralizing fluids that had been present on the site and are often coincidental with significant mineralization. He recommended a structural geology program be undertaken and, in April 1996, the Company brought the renowned structural geologists, Drs. Julian and Susan Vearncombe in for an extensive four-week structural study of the Black Rock Property. Copies of the report dated February 1, 1996 of Mr. Mountford and the report dated May 1, 1996 of Drs. Julian and Susan Vearncombe have been filed with the SEC as an exhibit to this report.

Recent Developments

Initially, it was believed that the basin portion was the extent of a large geochemical anomaly. In February, 1996, while IPM was completing gold and platinum testing on the samples derived from the basin portion, continuing exploration efforts of the surrounding portion of the property led to the discovery of the hard- rock portion of the Black Rock Property. This recent discovery added a new dimension to the project in that it provided a possible scientific and geological explanation for the presence of gold and platinum.

The discovery of hard rock mineralization prompted the Company to initiate further structural geology investigations from which Management concluded:

-There is clear evidence that there have been periods of epithermal mineralizing activity at the Black Rock Property (viz. a low hill containing extensive stockwork veining some 300 meters in length).

-There are mineralizing foci identified as being silt-stone-sandstone rock exhibiting wide spread pyrite alteration with a mapped strike length of 5 kilometers.

Essentially, this geology documents that over time, about 20 million years, there have been many forceful acts of nature on the Black Rock Property. They created a unique geological setting for gold and platinum mineralization over a substantial area - the basin portion and the hard rock portion.

In May of 1996, following the completion of the initial resource drilling, the Company instituted two new exploration drilling programs: a reverse circulation drilling program to drill down to bedrock, determining both depth of sedimentary material and potential of mineralization continuing to depth; and a core diamond drilling program to test specific hard rock targets for geologic study and primary and indicator elements related to precious metal deposits.

While recovery of precious metals at commercial grades from the Black Rock Property had now been achieved, the Company was convinced that a larger amount of precious metals were still not being recovered due to inefficiencies in the recovery process. Therefore, IPM spent the balance of 1996 doing more analysis and metallurgical work to develop a recovery method which would efficiently recover additional amounts of precious metals from Black Rock Property material. Additionally, fire assay methodologies were being tested to develop a flux composition which would provide accurate analyses for Black Rock Property samples. Many of the techniques utilized and/or developed by IPM have met with success. However, high throughput gravity concentration methods, which use high volumes of water to recover precious metals, do not. In a press release dated June 4, 1996, IPM originally announced that good results had been obtained through this method. Unfortunately, however, further testing with larger scale bulk samples produced unsatisfactory results and a press release to that effect was issued on July 16, 1996. Testwork expanding on gravity recovery methods has since shown that typical tabling techniques are ineffective at recovering any but the coarsest fraction of gold from Black Rock Property samples. Numerous gravity tests have been performed which show significant values of gold in concentrates as analyzed by a 'standard' fire assay. (Likewise, tailings from such samples also often show significant grades for gold by fire assay after passing through the gravity recovery circuit.) But gravity work done to date has not been effective for the Black Rock Property.

In conjunction with a process mineralogist and a private research laboratory, IPM has now developed a method by which increased amounts of precious metals are recovered from

Black Rock Property samples. Performing the new recovery process on composite samples from six drill holes of the original 121-hole program recovered gold. One independent laboratory reported an average grade of 0.297 opt and another laboratory recovered 0.256 opt; this represents an average of 0.277 opt. These results were announced on December 19, 1996. Since the announcement of the results, IPM has been demonstrating that the new process is able to recover precious metals from larger scale bulk samples. In this regard, IPM has purchased a mini-demonstration plant and is implementing a testing program to prove that recoveries of precious metals could be obtained from larger scale samples. To date, the recovery process has successfully recovered gold from samples of up to 250 kg., without any degradation of gold values, i.e., upwards of 0.25 opt.

Management's strategy is to intensely apply the technological methodologies required to ascertain the qualitative and quantitative parameters of the Black Rock Property.

The Company is continuously striving to optimize its gold and PGM recovery techniques and advancing to large-scale testing. This test work is also invaluable with regard to establishing a head grade of the Black Rock Property mineralization. To that end, the Company has under development fire assay procedures on raw Black Rock Property samples, gravity concentrates and evaporative residues from leach solutions. The fire assay development is yielding positive results with gold and PGM produced as physical metal prills. Non-destructive elemental determination has been used to verify elemental composition of the metal prills recovered by fire assay procedures. Examples of successful fire assay procedures for gold, platinum and rhodium are shown in the electron microphotographs and elemental spectrographs (plotted via Emission Dispersion Spectroscopy). Fire assay will eventually be applied toward the Black Rock Property as the "yard stick" by which all recovery procedures will be measured regarding amenability and efficiency.

IPM has launched further drilling and exploration work on the Black Rock Property to more fully and completely define the extent of the precious metal deposit. The new exploration drilling began March 17, 1997. The reverse circulation drilling, on one kilometer spacings, drilling to bedrock, will test material in areas previously unexplored by the Company on the property. This drilling will also provide important data on the surrounding eight square kilometers believed to make up the larger portion of the observed geochemical anomaly.

Big Trout Lake

The Company holds an interest in 223 claims, totaling 8,920 acres, on a property located near Big Trout Lake in northwestern Ontario, Canada, approximately 400 miles north of Thunder Bay. The closest all-weather public road extends north from Pickle Lake (the nearest sizable community) to within approximately 100 miles of the property. From there, a private road, usable only in winter, extends to the property. The property is accessible in summer only by helicopter.

The claims cover a four-mile strike length of the Big Trout Lake mafic to ultramafic intrusion, and expire in 1999. An expenditure of approximately $200,000 is necessary to keep the property in good standing. The Company holds a 66.7% interest in the claims, subject to the Overseas Platinum Corporation holding a 10% net profit interest in the Company's interest.

Previous drilling by Canadian Occidental Petroleum in 1981 intersected 0.28 ounces of PGM per ton over 6.7 feet within layered chromite seams. A 6,595 foot, 9 hole surface drill program in late 1985 successfully outlined 8 foot and 160 foot wide PGM bearing zones.

In 1986 a 550 line mile airborne magnetometer survey was completed to help locate the platinum bearing chromite units. A 12 hole drill program in 1987 tested this zone in four holes and other targeted areas in eight holes. Continuity of the chromite bands was established with values reaching 0.07 ounces per ton platinum/palladium. A drilling program of 13 holes was conducted during 1988. This program returned grades of 0. 15 ounces per ton of platinum group metals over 2.0 feet, and 0.07 ounces per ton over 1.6 feet. During 1989, 20 holes were drilled. Six of twenty holes intersected platinum group metals in excess of 0. 13 ounces per ton over thickness' of 1.0 foot to 7.6 feet. Two of these intersections graded 0.37 ounces and 0.38 ounces of platinum group metals per ton over 3.3 feet and 5.0 feet.

The Company has expended approximately $1.7 million on this property. Since 1990, the company has limited its work on the property because of financial constraints. The Company in 1996 refreshed prior survey grids and camp sites and conducted a geophysical survey using electromagnetic techniques. The work delineated further electromagnetic conductors for the express purpose of locating new drill targets along strike from the prior platinum/palladium drill intersections. Joint venture partners are being sought to assist with the exploration funding for this prospect.

Eagle Lake

The Company holds 327 claims, consisting of 10,320 acres, located 20 miles west-southwest of Dryden, Ontario, Canada. All of these claims are in good standing at least until 1999. No public roads provide access to the property and the property is accessible in summer only by helicopter. No costs are associated with holding the claims.

To date, exploration of the property has identified several east-northeasterly trending zones which carry anomalous gold, silver and/or base metal values over a significant stratigraphic column. Results from the 1988 drill program which targeted geophysical conductors included a 2.5 foot wide zone of stringer type mineralization assaying 0.174 ounces gold per ton, 0.32 ounces silver per ton and 0.35% copper from the North Twin Island - Poplar Island area. The mineralization occurs stratigraphically below a massive sulphide horizon containing anomalous base and precious metal values. Geological mapping in the summer of 1988 along the northern portion of the property traced out an anomalous zone over a 5 mile strike length in which gold and zinc mineralization were associated with a quartz eye tuff.

Subsequently, geophysical surveys identified several targets along this favorable geological horizon on which drilling occurred in early 1989. Values of 0.06 ounces of silver and 0.93% zinc over .23 feet and 0.10% zinc over 4.6 feet were intersected within widespread broader anomalous sulphide and graphitic zones. Exploration confirmed a widespread presence of precious and base metal mineralization on the Eagle Lake Property.

In early 1990 an option agreement was concluded with Teck Corporation ("Teck") which entitled Teck to earn a 50% joint venture interest in the property by expending $1,650,000 on exploration over four and a half years. Teck spent a total of approximately $370,000 on the property up to March 1991, principally on geophysical surveys and drilling. On June 12, 1991 Teck advised the Company that it was terminating the agreement and returning the claims to the Company.

The Company in 1996 refreshed prior survey grids and camp sites and conducted geophysical survey using electromagnetic techniques. The work delineated further electromagnetic conductors for the express purpose of locating new drill targets along strike from the prior massive sulfide/gold intersections. Drilling from lake ice, 600 meters of core drilling was completed in early 1997. Each of the two drill holes intersected massive sulfides up to 10 meters in width, with no visible precious metals. One distinct zone of sphalerite (zinc) with a true width of 0.9 meters was also intersected. Assays are yet to be received. The expenditures upon these claims will enable them to be held in good standing.

The Company has done limited work on the property since 1990, but still holds an interest in the ground and, subject to the availability of funds, plans to explore the property when conditions are favorable.

Georgia Lake

In 1994, the Company acquired a 100% interest in 1020632 Ontario Limited, a mineral exploration company. 1020632 Ontario Limited holds 14 claims covering 710.7 acres located at the west end of Georgia Lake, 144 kilometers northeast of Thunder Bay, Mining Division, northwestern Ontario, Canada. The claims are held under fourteen 10-year leases which are in good standing until June 1, 2001 and thirteen 2 1-year leases which are in default. The annual aggregate rent for the fourteen 10-year leases is $863.40.

Access to the property is by traveling west on private logging roads which are connected to Highway 11 and Highway 17 of the Trans-Canada Highway.

Prior exploration performed on the property consisted of stripping, trenching, geological mapping and drilling. Fifty-five holes were drilled for 13,555 feet. Bulk samples of trenched spodumene bearing pegmatite and one ton of composted rejects from drill core samples were sent to Ottawa for mineral dressing tests. The surface showings were further tested by 20 drill holes totaling 1221 feet. Five distinct lithium deposits were partially explored in this period but the property has remained dormant since that time. The Point deposits, Salo deposits and Southwest deposits are all exposed in outcrop, and have been drill tested on a limited basis. Each of these three areas has been defined in two dimensions and contains slightly sub-economic values of up to 1% lithium oxide in showings containing up to 25% spodumene in pegmatites. The Island deposit is a roughly circular exposure in Georgia Lake approximately 75 feet in diameter. The average grade of 58 foot channel samples taken from this outcrop is 1.2% lithium oxide. A 470 pound bulk sample taken from the outcrop graded 1.4% lithium oxide and was sent to Ottawa for sink float and flotation tests. Recoveries and concentrate grades similar to then existing operations were achieved and then spodumene was found to contain 7.16% lithium oxide and 1.23% iron oxide. Initial drilling appears to have limited the extent of this deposit.

The No. 2 pegmatite dike of the Jackpot deposit strikes N-85'E and dips W-25' NW. It has been drilled over a strike length of 700 feet and a dip extent of 1,000 feet revealing a continuous zoned pegmatite which is sheet like with minor undulations and some pinch and swell. The average thickness is 38 feet. Spodumene is the only lithium bearing mineral and is described to be medium to coarsely crystalline, but the mineral dressing reports and pictures of other pegmatites suggest that "medium grained" in this case probably refers to minerals that are 2.5 cm. in diameter. The spodumene is concentrated towards the center of the die such that lithium content decreases outward more rapidly towards the lower contact than the upper one.

An independent evaluation done in February 1993 based on available data enabled an estimate of the resource in this deposit to be 1,180,000 tons grading 1.084% lithium oxide over an average thickness of 18 feet. Mineral dressing tests yielded good recoveries and grade for the concentrate.

The property is untested for other metals which normally occur in granite terrain. This property is held by the Company as a strategic reserve as it expects lithium to become of interest and value with the advent of electric autos.

Subject to the availability of funds the Company intends to undertake further exploration on the property through additional geological and other research and analysis, and, to the extent consistent with this analysis, the design and implementation of a core drilling program.

Gold Hill

During 1995, the Company entered into a four year agreement with Gold Hill Mining Joint Venture Partnership for the rights to explore 20 square miles of the Gold Hill property located 92 miles northeast of Phoenix. Additionally, within the terms of the agreement the Company may purchase the rights to the property for US $1,000,000. The Company has paid a $15,000 down payment pursuant to the terms of the agreement. The Company also agrees to pay a minimum annual option fee of $15,000 commencing August 1, 1996, which is applied against total purchase price.

Segmented Information

Certain financial data of the Company, segmented by geographic region, are set forth in Note 13 to the Consolidated Financial Statement appearing elsewhere herein.

The Mining Process

The mining industry involves several different stages of mine development. The first stage of this development is exploration which is the part of the industry in which the Company is presently active. Exploration is the identification of geographical areas having geological formations that have a relatively high probability of containing mineral bearing ore in quantities and concentrations that would make economical mine development possible. Once such potential mine sites have been identified through various sophisticated sensing techniques and after the mineral rights in such locations have been acquired from the owners of the potential mine site, more extensive testing proceeds are completed, usually by drilling samples to determine the extent and concentration of the mineral being sought. If the more extensive testing demonstrates that a viable mine site has been found, then mining is planned and commenced provided sufficient funds are available.

Mining is the actual removal from the mine site of the mineral bearing material or ore. This is accomplished either by strip mining in which a large pit is dug thereby removing material overlying the entire ore body or by sinking vertical shaft(s) downward to the ore body and then digging tunnels more or less perpendicular to the shaft(s) in order to help remove the ore. The ore that is thus removed is brought to a mill where the ore is physically broken down to a uniform size. Depending on the type of ore, further processing may proceed in a variety of different ways to extract the metal contained in the ore. Once crudely extracted, the resultant material is smelted, i.e. melted, to separate the desired metal from slag or waste material still present. The metal bars produced in this process are then further refined, usually at another location, and the almost pure metals produced by this refining are then sold.

Platinum group metal deposits currently mined in the western world are located almost exclusively in the Bushveld Complex of South Africa. Production of platinum ranges from 0.15 ounces per ton in the Bushveld Complex up to 0.8 ounces per ton in the Slitter region of the U.S. The bulk of silver production is a by-product from lead, zinc, copper and gold production. Primary silver producers are located in Mexico and the Cour D'Alene region of the U.S. The world's largest gold producers are located in South Africa with the remaining gold producers scattered through the Cordilleran belt of North and South America, the South Pacific region, the Precambrian belts of North America, and Australia.

The prices paid for these metals are based upon demand in the trading market. Factors which influence these markets include currency values, political considerations both in the producing regions themselves and worldwide, governmental sales and purchases, including sales originating in the former USSR, commercial demand, particularly for silver and platinum, and demand for jewelry purchases. Production of metals generally changes more slowly than demand. The April 10, 1997 spot prices for gold and silver as quoted by the New York Commodities Exchange were US$349.04 an ounce and US$4.81 an ounce, respectively. The April 10, 1997 spot price for platinum on the Mercantile Exchange was US$379.75 an ounce.

The Company's exploration activities and projected development activities are subject to extensive federal, state and local laws and regulations governing exploration, development, production, labor standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring the Company's properties. It is possible that the costs and delays associated with compliance with such regulations could prevent the Company from proceeding with the exploration and development of one or more of its properties.

Certain Risk Factors

Competition

There is aggressive competition within the minerals industry to discover and acquire properties considered to have commercial potential. The Company competes for the opportunity to participate in promising exploration projects with other entities, many of which have greater resources than the Company. In addition, the Company competes with others in efforts to obtain financing to explore and develop mineral properties.

Risks Inherent in the Mining Industry

Mineral exploration and development is highly speculative and capital intensive. Most exploration efforts are not successful, in that they do not result in the discovery of mineralization of sufficient quantity or quality to be profitably mined. The operations of the Company are also indirectly subject to all of the hazards and risks normally incident to exploring and developing mining properties. These risks include insufficient ore reserves, fluctuations in production costs that may make mining of reserves uneconomic; significant environmental and other regulatory restrictions; geological problems; force majeure events; and the risk of injury to persons, property or the environment.

Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in evaluating possible reserves and mineralization, including many factors beyond the control of the Company. The evaluation of possible reserves and mineralization is a subjective process and the accuracy of any such evaluation is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production subsequent to the date of any evaluation may justify revision of such evaluation. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Declines in the market price of gold or other precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit.

Title to Properties

The validity of unpatented mining claims, which constitute a significant portion of the Company's property holdings in the United States, is often uncertain, and such validity is always subject to contest. Unpatented mining claims are unique property interests and are generally considered subject to greater title risk than patented mining claims, or real property interests that are owned in fee simple. The Company has not yet filed a patent application for any of its properties that are located on federal public lands in the United States and, under proposed legislation to change the General Mining Law, patents may be hard to obtain. Although the Company has attempted to acquire satisfactory title to its properties, the Company does not intend to obtain title opinions until financing is sought to develop a property, with the attendant risk that title to some properties may be defective.

ITEM 3. LEGAL PROCEEDINGS

There are no material legal proceedings to which the Company is a party.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The common shares were listed and posted for trading on the Toronto Stock Exchange ("TSE") in November 1982 and on NASDAQ on May 26, 1989.

At certain times since October 28, 1993, trading of the Company's common shares has been halted by NASDAQ and the TSE. On October 28, 1993, NASDAQ halted trading of the common shares because it believed that the Company was not in compliance with NASDAQ's continuing listing requirements. However, on January 26, 1994, NASDAQ reversed its decision to halt trading of the common shares, and trading of the common shares resumed on January 31, 1994.

On March 28, 1994, the TSE instituted a temporary halt on the trading of the common shares as a result of the proposed issuance of a press release by the Company concerning its findings on the Black Rock Property. NASDAQ, consistent with its general policy of adhering to trading halts imposed by other exchanges, halted trading on the common shares as soon as it was notified of the TSE's trading halt. On April 29, 1994, upon the announcement of the results of independent testing performed on samples from the Black Rock Property, the common shares resumed trading on the TSE and NASDAQ.

On May 24, 1994, the TSE suspended trading of the common shares. The TSE indicated that the Company had not timely filed all of its requisite financial reports with the TSE and Ontario Securities Commission. NASDAQ again halted trading on the common shares as soon as it was notified of the TSE's suspension. NASDAQ trading recommenced on November 3, 1994. As well, on such date, the Company's common shares commenced trading on The Canadian Dealing Network. The TSE delisted the Company on June 5, 1995 following 12 months suspension.

The following table sets forth the high and low closing sales prices reported by the Canadian Dealing Network and NASDAQ for the common shares for the periods indicated. The quotations are presented after giving retroactive effect to a reverse 1 for 10 split on October 23, 1995.

	Canadian Dealing Network (CDN) (Canadian $)	Canadian Dealing Network (CDN) (Canadian $)	NASDAQ SmallCap Market (US$)	NASDAQ SmallCap Market (US$)
Date	High	Low	High	Low
1995- 1st Quarter	2.50	1.25	1.875	1.25
1995- 2nd Quarter	2.50	1.50	1.875	0.625
1995- 3rd Quarter	1.75	1.00	1.875	0.625
1995- 4th Quarter	4.10	0.75	3.50	1.16
1996- 1st Quarter	6.625	3.00	5.75	2.25
1996- 2nd Quarter	7.00	5.375	6.375	3.375
1996- 3rd Quarter	6.25	3.00	5.063	1.875
1996- 4th Quarter	6.375	2.75	4.938	1.938
1997 - 1st Quarter	20.00	2.50	14.50	3.50

As of March 20, 1997 there were 1,388 registered holders of common shares and 16,586,090 common shares issued and outstanding.

During 1996, the Company issued an aggregate of 5,363,309 common shares, of which 4,923,000 were issued outside the United States in reliance on Regulation S (2,700,000 pursuant to private placements of units, including warrants to purchase common shares, at prices ranging from US$2.20 to US$2.55 (per unit) and 2,223,00 pursuant to the exercise of warrants at $1.20

per common shares. The remaining 440,309 common shares were issued primarily for cash upon exercise of options granted under the Company's Stock Option Plan at prices ranging from $1.45 to $3.28 per common share, for which the private offering exemption under Section 4(2) of the Securities Act of 1933, as amended, is claimed.

The Company has no intention of declaring or paying dividends on its common shares and, in any event, its current financial position precludes it from doing so.

Currently, there are no governmental laws, decrees or regulations in Canada, the country in which the Company is amalgamated, which restrict the export or import of capital (including foreign exchange controls), or, except for withholding taxes, which affect the remittance of dividends or other payments to nonresident holders of the securities of Canadian corporations. Any cash dividends paid by the Company to shareholders resident in the United States will be subject to a withholding tax of 15% (for which a shareholder may be able to claim a credit). There no limitations currently imposed by Canadian law or by the Company's Articles of Incorporation or By-Laws on the right of nonresident or foreign owners to hold or vote the Company's common shares.

ITEM 6. SELECTED FINANCIAL DATA

December 31, 1996, 1995, 1994, 1993, 1992 (in Canadian Dollars)

The following table shows selected financial data in accordance with accounting principles generally accepted in Canada. In the opinion of the Company's auditors, these principles, in all material respects, conform with accounting principles generally accepted in the United States, except as explained in Note 16 to the Consolidated Financial Statements appearing elsewhere herein.

	1996	1995	1994	1993	1992
Operating Revenues	$ 0	$ 0	$ 0	$ 0	$ 0
Loss for the Year	1,916,000	3,059,000	1,855,000	1,319,000	1,279,000
Loss Per Share	0.15	0.36	0.30	0.40	0.60
Total Assets	18,064,000	10,689,000	7,217,000	5,510,000	4,891,000
Deferred Mineral Exploration Expenditures	13,050,000	9,658,000	5,944,000	4,640,000	4,522,000
Long Term Liabilities	695,000	464,000	0	0	0
Working Capital	2,564,000	(3,818,000)	(1,270,000)	(1,358,000)	(1,875,000)
Share Capital	47,590,000	34,749,000	30,689,000	26,698,000	24,524,000
Deficit Accum. during Development Stage	31,641,000	29,189,000	25,973,000	23,888,000	22,364,000
Shareholders Equity	15,949,000	5,560,000	4,716,000	2,818,000	2,160,000

	1996	1995	1994	1993	1992
Cash dividends	0	0	0	0	0
Number of Common Shares Outstanding at Year End	14,859,407	9,496,098	7,219,000	4,648,526	2,735,839
Note: Share and per share figures are adjusted to give retroactive effect to a 1 for 10 reverse split on October 23, 1995.					

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto included elsewhere herein as well as the data set forth in "Selected Financial Data."

Liquidity, Capital Resources and Limited Operations

From inception, July 22, 1980, to the end of 1986, the Company's sole activity related to the exploration for and investigation of precious metal deposits in Canada and the United States. In early 1987, the Company entered into an agreement to participate in an oil exploration program in the State of Illinois; in June 1987, the resulting oil wells commenced production and the Company realized its first operating revenues. The Company has financed virtually all of its exploration activities through various equity financings, which continue to be the Company's major source of capital. Interest income realized from excess cash balances has been applied to the Company's administrative costs. Exploration for precious metals continues to be the Company's major activity. The Company acquires its interests in various properties either by its own grass-roots exploration efforts, or by participation in the exploration of properties owned by others, in which case the Company may earn an interest in the properties by the expenditure of its funds on the properties or by making payments or issuing its shares to the property owner. Conversely, the Company may allow others to earn an interest in its properties by the expenditure of their funds on the exploration of the Company's properties.

On May 9, 1997, the Company entered into an agreement with an affiliate of Phoenix pursuant to which a wholly-owned subsidiary of the Company will pay an aggregate of US$27,000,000 to Phoenix's affiliate, consisting of US$17,000,000 in cash and 1,000,000 common shares valued at US$10.00 per share, to acquire all of the rights to the unpatented mining claims comprising the Black Rock Property which the Company does not presently own. As the first of two payments under the Purchase Agreement, the Company's subsidiary on May 9, 1997 paid to Phoenix's affiliate US$500,000 plus 4,000,000 common shares (of which 3,000,000 common shares will be held by Phoenix's affiliate to secure the Company's obligation to make the second payment). The Company's subsidiary will make second payment of US$16,500,000 on July 15, 1997 (at which time Phoenix will return 3,000,000 common shares to the Company).

The Company expects to raise cash for the second payment through private placements of its securities, but its ability to do so will depend on factors beyond its control, including economic and market conditions.

From inception, July 22, 1980, to December 31, 1996, the Company raised gross proceeds of $42,700,000 through the issue of its common shares. In addition, $750,000 was raised by the sale of convertible debentures in 1990. Of these amounts, approximately $13,325,264 has been expended on exploration and development activities.

In 1996, proceeds from shares issued totaled $12,841,000 and exploration activities resulted in expenditures of $3,290,000. At December 31, 1996, the Company had cash resources of approximately $2,644,000.

Of the 16,586,000 common shares of the Company outstanding on March 20, 1997, 459,473 were "flow-through" shares. "Flow-through" shares are common shares of the Company issued to investors under the terms of agreements which provide that the funds received will be expended on Canadian Explorations Expenditures ("CEE"), as defined in the Income Tax Act Canada, and that unexpended funds will be held in trust. The CEE so incurred are deductible for income tax purposes only by the shareholder and, accordingly, are not available to the Company. (See Note 8 of Notes to Financial Statements of the Company contained herein.)

The Company in 1996 made non-interest bearing loans to Namibian Copper Mines ("Namibian") to cover the operating expenses of Namibian, including the salaries of its executive officers. Namibian is controlled by Alan Doyle and shares office space with the Company. Several of the executive officers of Nimibian also are executive officers of the Company. At December 31, 1996, Namibian owed $350,000 to the Company on account of such loans. Failure of Namibian to repay such loans would have a negative effect on the liquidity and capital resources of the Company.

The Company is in default on an outstanding debenture in the amount of $250,000 and is negotiating with the holder of the debenture. A failure of such negotiations could have a negative effect on the liquidity and capital resources of the Company.

Results of Operations

1996 Compared to 1995

The loss for 1996 of $1,916,000 was smaller than the loss for 1995 of $3,059,000 due primarily to the write off in 1995 of exploration costs of $1,788,000, offset in part by an increase in administrative expenses in 1996.

During 1996, the Company: (i) issued 2,484,000 common shares under private placements ranging from $3.00 to $3.45 per share, resulting in proceeds of $8,244,000; (ii) issued 2,103,000 common shares pursuant to the exercise of warrants at prices ranging from $1.00 to $3.80 per share for cash consideration of $3,004,000; (iii) issued 336,000 common shares under private placements and pursuant to the exercise of warrants at prices ranging from $1.20 to $3.00 per share for consideration of $792,000 to retire debentures and interest; (iv) issued 424,475 common shares pursuant to the exercise of options at prices ranging from $1.45 to $3.28 per share for cash consideration of $773,000, and 15,834 common shares at prices ranging from $1.45 to $2.50 per share pursuant to the exercise of options for services valued at $27,000; and issued warrants providing the right to purchase 2,700,000 common shares at prices ranging from US$2.82 to US$4.40 per share in connection with the private placements.

Working capital increased to $2,564,000 in 1996 from a deficit of $3,818,000 in 1995 principally because of the issuance of securities.

During 1996, the Company repaid US$2,000,000 of debentures of a total of US$2,400,000 of debentures issued to Phoenix in 1995.

1995 Compared to 1994

The loss of $3,059,000 for 1995 was larger than the loss of $1,855,000 for 1994 due to the write off in 1995 of exploration costs of $1,788,000, offset in part by a decrease in administrative expenses in 1995.

On April 13, 1995, the Company renegotiated an option agreement with Phoenix extending to 15 square miles the claims optioned to the Company at the Black Rock Property, and issued to Phoenix debentures totalling US$2,400,000. (See Items 1 and 2 -- Business and Properties.)

In addition, during 1995, the Company: (i) issued 1,700,000 common shares under private placements at prices ranging from $1.35 to $2.00 per share for cash consideration of $2,869,000; (ii) issued 5,000 common shares upon the exercise of options at a price of $2.12 per share for cash consideration of $10,600 and 495,098 common shares upon the exercise of options at prices ranging from $0.84 to $3.28 per share for services valued at $1,083,000; and (iii) issued 77,000 common shares on exercise of warrants at prices ranging from $1.20 to $1.35 per share for cash consideration of $98,000.

During January 1995 the Board decided to centralize the Company's accounting and administration in North America. This decision resulted in the closure of the Australian accounting and administrative office and caused the Company to incur certain costs associated with the relocation of the Company's accounting administration office to Phoenix, Arizona and Toronto, Canada.

Major items included in administrative expenses were consulting fees of approximately $450,000, professional fees of approximately $200,000 and travel and promotion costs of approximately $200,000. The decrease in administrative costs to $1,198,000 in 1995, as compared to $1,566,000 in 1994, was due primarily to the closing of the Australian office.

1994 Compared to 1993

The loss of of $1,855,000 in 1994 was larger than the loss of $1,319,000 in 1993 principally because administrative expenses increased to $1,566,000 in 1994 from $960,000 in 1993.

During 1994, the Company: (i) issued 87,260 common shares upon the exercise of options at prices ranging from $0.84 to $1.76 per share for cash consideration of $99,000; (ii) issued 794,202 common shares upon the exercise of options at prices ranging from $0.84 to $0.176 per share for services valued at $929,997; (iii) issued 1,360,000 common shares in private placements at prices ranging from $0.90 per share to $2.775 per share, for cash consideration of $2,124,000; and (iv) issued 120,000 common shares upon conversion of a convertible debenture.

Major items included in administrative expenses were consulting fees of $535,000, promotion costs of $95,000, public Company costs of $39,000, and travel costs of $101,000. The increase in administrative costs during 1994, as compared to 1993, was due to increased activity in financing and exploration.

Impact of Inflation on the Company

The Company has no control over the prices of the products in which it deals, i.e. precious metals. The prices of these commodities are determined by world markets and are subject to volatile fluctuation over short periods of time.

To date, the major impact of inflation on the Company has been with respect to costs which have increased moderately in recent years in North America, where most of the Company's activities take place.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of the Company for periods ended December 31, 1996 are listed in Item 14 and attached to this Report. The Company's Consolidated Financial Statements are prepared in Canadian dollars and in accordance with accounting principles generally accepted in Canada. The major difference between these accounting principles and those generally accepted in the United States is discussed in Note 16 of the Notes to the Consolidated Financial Statements of the Company contained herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with accountants on accounting and financial disclosure in 1996.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The directors and executive officers of the Company at March 31, 1997 were as follows:

Name	Age	Profession	Position
Alan D. Doyle	43	Geologist	Chairman, Director
VL (Lee) Furlong	58	Geophysicist	President & CEO, Director
David Kornhauser	38	Attorney	Secretary, Director
Bill Allred	60	CPA	Treasurer & CFO
Paul Mentzer	34	Earth Scientist	V.P. Operations
Tanya Nelson	26	CPA	Asst Secretary, Controller
Russell French	50	Geologist	Director
John Blaikie	59	Stockbroker	Director

Each director is elected at the annual general meeting of shareholders of the Company and holds office until his successor is elected or until his or her earlier death, resignation or removal. Each executive officer of the Company is appointed by the board of directors and serves at the pleasure of the board of directors.

Alan Doyle joined the Company on March 13, 1995 as Chairman and Director. Prior to that time, he was a partner at Turnball Doyle & Partners, a merchant bank in Sydney. He is a graduate of Macquarie University with a degree in Economic Geology. For the past 15 years he has been involved in mining research and analysis, corporate advisory management and financing international resource projects.

V.L. Furlong joined the Company on May 8, 1992 as President and Director and also became Chief Executive Officer on April 13, 1995. Before joining the Company, he was a private exploration consultant in Montana and Australia. He holds a Diploma of Education (Science) from Central Washington University and attended Colorado State University. For the past 35 years he has been involved in mine development and management in Australia, the South West Pacific Islands, Spain and the United States.

David Kornhauser is a corporate, commercial and securities lawyer. He began working for the Company on August 30, 1993 as Secretary and Director. Before that, he was a sole practitioner affiliated with Conway Kleinman Kornhauser & Gotlieb, a law firm in which he became a partner on December 1, 1996. He graduated with a MBA in 1982 and received his Law Degree from Dalhousie University in 1985. Mr. Kornhauser was called to the Bar in the Province of Ontario in 1987.

Bill Allred is a Certified Public Accountant and a graduate of Brigham Young University with a degree in Accounting. He has been the Chief Financial Officer and Treasurer of the Company since joining it on May 24, 1995. Prior to that date, he worked in public accounting in private practice and for Arthur Young & Company and was from 1977 to 1979 the Deputy Auditor General for the State of Arizona.

Paul Mentzer is an Earth Scientist and a graduate of Purdue University. Prior to joining the Company as Vice President of Operations on September 24, 1995, he spent eight years as a Research Scientist at Purdue University.

Tanya Nelson is a Certified Public Accountant and a graduate of Arizona State University with a degree in Accounting. She has been the Controller of the Company since joining it on May 24, 1995. Prior to that date, she worked in public accounting and as an Assistant Controller of Gary Hall & Associates, a medical practice in Phoenix, Arizona.

Russell French was first qualified as a director on March 13, 1995. For the past five years he has worked as a mining consultant in private practice based in Vancouver, Canada.

John Blaikie is a graduate of Queens University and became a Director on May 22, 1996. He has served as branch manager of the Correspondence Bank of Montreal and he has been the Vice President and Director of Cassels Blaikie and Company (stock brokers) for 35 years.

There are no family relationships among the officers and directors of the Company.

ITEM 11. EXECUTIVE COMPENSATION

In 1996, the Company paid consulting and other fees to executive officers and directors aggregating $820,000. See "Item 13 - Certain Relationships and Related Transactions."

The following table summarizes, for the years indicated, the compensation paid by the Company to the Chief Executive Officer and each other executive officer of the Company who received in 1996 salary and bonus exceeding US$100,000.

Summary Compensation Table (in U.S. Dollars)

			Annual Compensation			Long Term Compensation Awards		Payout	
Name	Position	Year	Salary (US$)	Bonus (US$)	Other Annual Compensation (US$)	Restricted stock awards (US$)	Securities underlying options/SARs (#)	LTIP payout (US$)	All other compensation (US$)
V.L. Furlong	CEO & President	1994	0	0	482,555	0	0	0	0
		1995	24,570	0	90,200	0	0	0	0
		1996	117,420	0	190,350	0	0	0	0
Alan Doyle	Chairman	1994	0	0	0	0	0	0	0
		1995	12,500	0	0	0	0	0	0
		1996	105,000	0	0	0	0	0	0

The following table lists each grant of options during 1996 by the Company to the executive officers named in the Summary Compensation Table.

Option/SAR Grants in Last Fiscal Year (in U.S. Dollars)

					Potential Realized Value at Assumed Annual Rates of Stock Price Appreciation for option term	
Name	Number of common shares underlying options granted	% of total options granted to employees in year	Exercise or base Price (US$/sh)	Expiration date	5% (US$)	10% (US$)
V.L. Furlong	150,000	16.3%	4.32	Nov 10, 2001	32,400	64,800
Alan Doyle	150,000	16.3%	4.32	Nov 10, 2001	32,400	64,800

Aggregate Option Exercise and Fiscal Year End Option Value Table (in U.S. Dollars)

The following table indicates the number and value of options exercised by executive officers named in the Summary Compensation Table during 1996 and the number of exercisable and unexercisable options held by such executive officers as of December 31, 1996.

Name	Shares Acquired on Exercise #	Value Realized (US$)	# of Shares Underlying Unexercised Options at 12/31/96 (Exercisable/ Unexercisable)	Value of Unexercised in-the-money options at 12/31/96 Exercisable/Unexercisable (US$)
V.L. Furlong	150,000	190,350	187,886/75,000	287,570/4,125
Alan Doyle	0	0	325,000/75,000	761,275/4,125

From time to time the Board of Directors of the Company has granted options to certain directors, officers and employees, including options granted under its Employee Stock Option Plan. As of March 20, 1997, directors, officers and employees held in the aggregate options to acquire 2,286,386 common shares.

Long-Term Incentive, Defined Benefit and Actuarial Plan Disclosure

The Company in 1996 did not make any awards to any executive officer named in the Summary Compensation Table under any long-term incentive plan. The Company does not have in effect any defined benefit or actuarial plan.

Compensation of Directors

The directors of the Company are entitled to receive $10,000 per year for services provided as directors.

Compensation Committee Interlocks and Insider Participation

Alan Doyle, Lee Furlong and David Kornhauser participated in deliberations of the Board of Directors regarding officer compensation.

During the year ended December 31, 1996, the Company incurred consulting fees in the aggregate amount of $440,000 for services provided by directors and senior officers of the Company. Of that amount, $80,000 was paid to Bill Allred and $60,000 was paid to David Kornhauser. The balance was paid to Lee Furlong and Alan Doyle and is shown (in U.S. dollars) as their respective salaries for 1996 in the Summary Compensation Table above.

The Company in 1996 made non-interest bearing loans to Namibian Copper Mines Inc. ("Namibian") to cover the operating expenses of Namibian, including the salaries of its executive officers. Namibian is controlled by Alan Doyle and shares office space with the Company. Several of the executive officers of Nimibian also are executive officers of the Company. At December 31, 1996, Namibian owed $368,286 to the Company on account of such loans.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information at March 20, 1997, regarding the beneficial ownership, including common shares which may be acquired upon the exercise of stock options or warrants that are presently exercisable or will become exercisable within 60 days of that date, of the Company's common shares by (i) persons known to the Company to own more than 5% of the Company's common shares, (ii) each director of the Company and (iii) the executive officers and directors as a group.

Name and address of beneficial owner	Amount of beneficial ownership[1]	% of class
V.L. Furlong	622,886[2]	3.65
Alan D. Doyle	662,500[2]	3.89
Paul Mentzer	185,000[2]	1.10
David Kornhauser	172,250[2]	1.03
John Blaikie	21,250[2]	0.13
Russell French	6,250[2]	0.03
Executive Officers and Directors as a group (8 persons)	1,782,636[2]	9.92

---

(1) Each person directly owns, and has sole voting and investment power with respect to, the indicated shares.

(2) Includes the following number of shares subject to options that were exercisable at or within 60 days after March 20, 1997: V.L. Furlong - 470,386; Alan Doyle - 462,500; Paul Mentzer - 185,000; David Kornhauser - 172,500; John Blaikie - 20,250; Russell French - 6,250; Executive Officers and Directors as a group- 1,389,136.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

No officer or director, nor any spouse or relative of such persons, has had any interest in any material transaction with the Company as either a party or as a holder of a direct or indirect material interest in 1996 except as set forth below.

During the year ended December 31, 1996, the Company incurred consulting fees in the aggregate amount of $440,000 for services provided by directors and senior officers of the Company. Of that amount, $80,000 was paid to Bill Allred and $60,000 was paid to David Kornhauser. The balance was paid to Lee Furlong and Alan Doyle and is shown (in U.S. dollars) as their respective salaries for 1996 in the Summary Compensation Table above.

The Company in 1996 made non-interest bearing loans to Namibian to cover the operating expenses of Namibian, including the salaries of its executive officers. Namibian is controlled by Alan Doyle and shares office space with the Company. All of the executive officers of Nimibian also are executive officers of the Company. At December 31, 1996, Namibian owed $368,286 to the Company on account of such loans.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Report:

1. Financial Statements

The following financial statements of the Company are attached hereto:

Auditors' Report

Consolidated Balance Sheets as at December 31, 1996 and 1995

Consolidated Statements of Loss and Deficit for the years ended December 31, 1996, 1995 and 1994 and cumulative from inception, July 22, 1980 to December 31, 1996.

Consolidated Statements of Changes in Financial Position for the years ended December 31, 1996, 1995, and 1994 and cumulative from inception, July 22, 1980 to December 31, 1996.

Consolidated Statements of Deferred Mineral Exploration Expenditures for the years ended December 31, 1996, 1995 and 1994 and cumulative from inception, July 22, 1980 to December 31, 1996.

Notes to Consolidated Financial Statements

2. Exhibits

See Index to Exhibits on page E-1 of this Report for statement of Exhibits filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONAL PRECIOUS METALS CORPORATION

By: /s/ V.L. Furlong
V.L. Furlong
President and
Chief Executive Officer

Date: June 12, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated.

	Position	Date
/s/ V.L. Furlong V.L. Furlong	President, Chief Executive Officer and Director (Principal Executive Officer)	June 12, 1997
/s/ Bill Allred Bill Allred	Treasurer and Chief Financial Officer (Principal Financial Officer)	June 12, 1997
/s/ Tanya Nelson Tanya Nelson	Controller (Principal Accounting Officer)	June 12, 1997
Alan D. Doyle	Chairman of the Board and Director	June __, 1997
/s/ David Kornhauser David Kornhauser	Secretary and Director	June 12, 1997
/s/ John Blaikie John Blaikie	Director	June 12, 1997
Russell French	Director	June __, 1997

33

INTERNATIONAL PRECIOUS METALS CORPORATION
Annual Report on Form 10-K For
The Year Ended December 31, 1996

EXHIBIT INDEX

Exhibit	Description	Page
3	Articles of Incorporation and By-Laws (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
4	Specimen Stock Certificates (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(a)	Joint Venture Agreement between BP Resources Canada Limited and Platinum Exploration Canada, Inc. dated January 9, 1986 (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(b)	Joint Venture Agreement dated June 12, 1987 between Fuellstoff GmbH, International Platinum Corporation and Platinum Exploration Canada, Inc. (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(c)	Joint Venture Agreement dated December 31, 1987 between Fuellstoff GmbH, International Platinum Corporation, Platinum Exploration Canada, Inc. and Jenkim Investments Ltd (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(d)	Operating Agreement dated January 12, 1987 between Quatro Energies Corporation and International Platinum (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(e)	Letter Agreement dated January 12, 1987 between Quatro Energies Corporation and International Platinum Corporation (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	

Exhibit	Description	Page
10(f)	Letter Agreement dated March 16, 1987 between Quatro Energies Corporation and International Platinum Corporation (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(g)	Letter Agreement dated June 14, 1990 between Quatro Energies Corporation and International Platinum Corporation (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(h)	Debenture Agreements between Defever Minet, Nobels & Co dated March 26, 1990 Allen & Co Incorporated and Bruce Allen dated April 27, 1990 (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(i)	Letter Agreement dated April 16, 1992 between Jamestone Platinum and International Platinum Corporation (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1992).	
10(j)	Letter Agreement dated April 1, 1993 between 1020632 Ontario Inc. and International Platinum Corporation (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(k)	Heads of Agreement (Business Terms) For Black Rock Property between International Platinum Corporation and Phoenix International Mining Corporation executed in March 1994 (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(l)	Heads of Agreement (Business Terms) For Extended Black Rock Property between International Platinum Corporation and Phoenix International Mining Corporation executed in March 1994 (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(m)	Agreement in Principal between Phoenix International Mining Inc. and Tacatura Investments Pty Ltd dated October 1, 1993, (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	

Exhibit	Description	Page
10(n)	Assignment Agreement And Acknowledgment among Tacatura Investment (Pty) Limited and New Ventures Development Corporation and Phoenix International Mining Inc. dated October 18, 1993, (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(o)	Letter Agreement between New Ventures Development Corporation and International Platinum Corporation dated October 18, 1993. (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(p)	Assignment Agreement And Acknowledgment among International Platinum Corporation and New Ventures Development Corporation and Phoenix International Mining Inc. dated October 18, 1993. (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(q)	Agreement dated September 7, 1993 between Falconbridge Limited and Starmin Mining Inc. and Hellens Eplett Mining Inc. and International Platinum Corporation. (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(r)	Notorial Prospecting Contract dated December 17, 1990 between Jamestone Platinum (Pty) Limited and Susan Bekker. (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(s)	Notorial Prospecting Contract dated December 6, 1990 between Jamestone Platinum (Pty) Limited and Alan John Wilson, (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1993).	
10(t)	Letter Agreement between Behre Dolbear and Company dated May 20, 1994. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	
10(u)	Amendment to Letter Agreement between Behre Dolbear and Company dated May 23, 1994. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	

Exhibit	Description	Page
10(v)	Letter Agreement with Behre Dolbear and Company relating to modification of the drilling program dated July 19, 1994. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	
10(w)	Joint Venture Revised Heads of Agreement Black Rock and Extended Black Rock Property dated April 13, 1995. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	
10(x)	Mining Lease - Purchase Agreement between Gold Hill Mining Joint Venture Partnership and International Precious Metals Corporation dated August 18, 1995. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	
10(y)	Convertible Debenture Agreement between Phoenix International Mining, Inc. and International Precious Metals Corporation dated November 22, 1995. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	
10(z)	Letter Agreement between Behre Dolbear and Company relating assaying procedures dated March 25, 1996. (Incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 1995).	
10(aa)	Stock Option Plan.	80
10(bb)	Property Purchase Agreement among the Company, International Precious Metals Corporation of Arizona, and Omega Investment Corporation dated May 9, 1997.	87
21	Subsidiaries	100
99(a)	Report of Kilborn Inc. to the Toronto Stock Exchange dated April 22, 1994. (incorporated by reference from the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 194).	
99(b)	Interim Report of Behre Dolbear & Company, Inc. dated October 1994.	102
99(c)	Letter dated December 15, 1995 of Behre Dolbear & Company, Inc.	116
99(d)	Report of Roland Mountford dated February 1, 1996.	126

Exhibit	Description	Page
99(e)	Report of Drs. Julian and Susan Vearncombe dated May 1, 1996.	140

AUDITORS' REPORT

To the directors of
International Precious Metals Corporation

We have audited the consolidated balance sheets of International Precious Metals Corporation as at December 31, 1996 and 1995 and the consolidated statements of loss and deficit, changes in financial position and deferred mineral exploration expenditures for the years ended December 31, 1996, 1995 and 1994. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1996 and 1995 and the results of its operations and changes in its financial position and deferred mineral exploration expenditures for the years ended December 31, 1996, 1995 and 1994 in accordance with accounting principles generally accepted in Canada (which differ in certain material respects from accounting principles generally accepted in the United States - see Note 16).

Stern Cohen

Toronto, Canada.
February 24, 1997.

Chartered Accountants.

COMMENTS BY AUDITORS FOR U.S. READERS ON CANADA - U.S. REPORTING CONFLICTS

In the United States, reporting standards for auditors require the addition of explanatory paragraphs, following the opinion paragraph, when the financial statements are affected by significant uncertainties such as those referred to in the attached consolidated balance sheets as at December 31, 1996 and 1995 as described in Note 1 to the consolidated financial statements. Our report to the shareholders dated February 24, 1997 is expressed in accordance with Canadian reporting standards which do not permit a reference to such uncertainties in the Auditors' Report when uncertainties are adequately disclosed in the financial statements.

STERN
COHEN
CHARTERED
ACCOUNTANTS

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
(In Canadian Dollars)

	December 31, 1996	December 31, 1995
ASSETS		
CURRENT ASSETS		
Cash	$ 2,644,000	$ 480,000
Other assets (Note 3)	1,340,000	367,000
Total current assets	3,984,000	847,000
OTHER ASSETS		
Deferred mineral exploration expenditures (Note 4)	13,050,000	9,658,000
Capital assets (Note 5)	1,030,000	184,000
Total other assets	14,080,000	9,842,000
Total assets	$ 18,064,000	$ 10,689,000

41

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
(In Canadian Dollars)

	December 31, 1996	December 31, 1995
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 553,000	$ 1,141,000
Debentures (Note 6)	798,000	3,524,000
Vehicle and equipment loans (Note 7)	69,000	-
Total current liabilities	1,420,000	4,665,000
LONG-TERM LIABILITIES		
Vehicle and equipment loans (Note 7)	231,000	-
Deferred premium on flow-through shares (Note 8)	464,000	464,000
Total long-term liabilities	695,000	464,000
Total liabilities	2,115,000	5,129,000
CONTINGENCIES AND COMMITMENTS (Note 1, 12, 14, 16)	-	-
SHAREHOLDERS' EQUITY		
Share capital (Notes 8 and 9)	47,590,000	34,749,000
Deficit	(31,641,000)	(29,189,000)
Total stockholders' equity	15,949,000	5,560,000
Total liabilities and stockholders' equity	$ 18,064,000	$ 10,689,000

42

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(In Canadian Dollars)

	Cumulative from Inception, July 22, 1980 to December 31, 1996	Year Ended December 31 1996	1995	1994
EXPENSES				
Mineral exploration expenditures written off (Note 4)	$ 15,575,000	$ -	$ 1,788,000	$ -
Debenture interest	432,000	102,000	43,000	42,000
Administrative	11,049,000	1,674,000	1,198,000	1,566,000
Amortization	170,000	140,000	30,000	-
Bad debt	247,000	-	-	247,000
LOSS FROM CONTINUING OPERATIONS	27,473,000	1,916,000	3,059,000	1,855,000
DISCONTINUED PETROLEUM OPERATIONS	1,210,000	-	-	-
LOSS FOR THE PERIOD	28,683,000	1,916,000	3,059,000	1,855,000
DEFICIT, BEGINNING OF PERIOD		29,189,000	25,973,000	23,888,000
COSTS OF ISSUING SHARES	2,958,000	536,000	157,000	230,000
DEFICIT, END OF PERIOD	$ 31,641,000	$ 31,641,000	$ 29,189,000	$ 25,973,000
LOSS PER SHARE (Note 9)				
Before discontinued operations		$ 0.15	$ 0.36	$ 0.31
After discontinued operations		$ 0.15	$ 0.36	$ 0.31

43

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(a Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
(in Canadian dollars)

	Cumulative from Inception, July 22, 1980, to December 31, 1996	Year Ended December 31		
		1996	1995	1994
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Loss for the period from continuing operations (less write-off of mineral exploration expenditures)	$(14,096,000)	$ (1,916,000)	$ (1,271,000)	$ (1,855,000)
Items not affecting cash	2,740,000	226,000	1,113,000	171,000
	(11,356,000)	(1,690,000)	(158,000)	(1,684,000)
Changes in non-cash working capital components affecting operations				
Prepaids, deposits and accounts receivable	(228,000)	(261,000)	(41,000)	(26,000)
Accounts payable and accrued charges	389,000	(588,000)	(646,000)	301,000
	161,000	(849,000)	(687,000)	275,000
Mineral exploration expenditures	(25,883,000)	(3,392,000)	(5,056,000)	(1,304,000)
Cash used in contiuing operations	(37,078,000)	(5,931,000)	(5,901,000)	(2,713,000)
Discontinued petroleum operations	(1,258,000)	-	-	-
Cash used in operating activities	(38,336,000)	(5,931,000)	(5,901,000)	(2,713,000)
INVESTING				
Exploration advances	(132,000)	-	-	-
Loans and advances	(107,000)	-	-	-
Related party advances	(438,000)	(303,000)	(135,000)	578,000
Related party shares	(409,000)	(409,000)	-	-
Furniture, fixtures and capital assets	(1,470,000)	(1,045,000)	(154,000)	(60,000)
Cash of acquired entities	116,000	-	-	-
Investment	(25,000)	-	-	-
Acquisition of mineral rights to property	(446,000)	-	-	(446,000)
Cash (used in) provided by investing activities	(2,911,000)	(1,757,000)	(289,000)	72,000
FINANCING				
Issue of convertible debentures for cash	750,000	-	-	-
Debentures	(2,126,000)	(2,726,000)	-	600,000
Repayment of debenture	2,774,000	-	3,274,000	(500,000)
Issue of shares for cash	42,941,000	12,814,000	2,977,000	3,220,000
Premium on flow-through shares	2,043,000	-	-	-
Costs of issuing shares	(2,791,000)	(536,000)	(157,000)	(230,000)
Vehicle and equipment loans	300,000	300,000	-	-
Cash provided by financing activities	43,891,000	9,852,000	6,094,000	3,090,000
INCREASE (DECREASE) IN CASH DURING PERIOD		2,164,000	(96,000)	449,000
CASH, BEGINNING OF PERIOD		480,000	576,000	127,000
CASH, END OF PERIOD	$ 2,644,000	$ 2,644,000	$ 480,000	$ 576,000

44

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF DEFERRED MINERAL EXPLORATION EXPENDITURES
(In Canadian dollars)

	Cumulative from Inception, July 22,1980 to December 31, 1996	Year Ended December 31 1996	1995	1994
Balance, beginning of period	$ -	$ 9,658,000	$ 5,944,000	$ 4,640,000
Acquisition of rights	446,000	-	446,000	-
	446,000	9,658,000	6,390,000	4,640,000
Property acquisition costs and option payments	7,132,000	-	3,298,000	-
EXPLORATION EXPENDITURES	22,523,000	3,392,000	1,758,000	1,304,000
	30,101,000	13,050,000	11,446,000	5,944,000
EXPENDITURES WRITTEN OFF	17,051,000	-	1,788,000	-
BALANCE, END OF PERIOD	$ 13,050,000	$ 13,050,000	$ 9,658,000	$ 5,944,000

45

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

The company is amalgamated under the laws of the Province of Ontario, Canada. During the year the company changed its name from International Platinum Corporation to International Precious Metals Corporation. On October 23, 1995, the company consolidated (reverse split) its issued and outstanding capital by changing each common share into one-tenth of a common share. Information pertaining to share capital, options and warrants for 1996 AND 1995, as well as loss per share for 1996 and 1995, have been stated on a post consolidated (reverse split) basis.

1. CONTINUATION OF BUSINESS

These consolidated financial statements have been prepared on a going concern basis which assumes the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

The company is a development stage corporation and as all of the company's properties are presently in the exploration stage, the continuation of the company as a going concern is dependent upon its ability to obtain equity financing to permit the further exploration and development of its properties.

As well, it is the intention of the company's management to seek joint venture partners for several of the company's properties. To achieve this end, management has prepared detailed reports on each of the properties and engaged independent consultants to market the company's properties.

The consolidated financial statements do not give effect to adjustments, if any, that may be necessary should the company be unable to continue as a going concern and be required to realize its assets and liquidate its liabilities in other than the normal course of business. In this event, the amounts realized on disposal of its assets may be substantially less than their recorded amounts.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of financial statement presentation

The accompanying consolidated financial statements are prepared in accordance with the accounting principles generally accepted in Canada. These consolidated financial statements include accounts of its subsidiary 1020632 Ontario Inc. (Georgia Lake). Additionally, the accounts of Hellens-Eplett Mining Inc., Jamestone Platinum (Pty) Limited and South Africa Mining (Pty) Limited, corporate exploration joint ventures, have been included in the financial statements using the proportionate consolidation method. The exploration operations of these joint ventures were discontinued as of December 31, 1995.

(b) Deferred mineral exploration expenditures

All direct expenditures related to the exploration and development of mineral properties in which the company has a continuing interest are deferred, pending the determination of the economic viability of the project. Costs related to projects terminated or abandoned are written off; costs related to successful projects will be capitalized and amortized over the estimated life of the projects using a unit of production method.

46

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Deferred premium on flow-through shares

The premium received on flow-through shares, representing the excess of the price paid by an investor for flow-through shares over the market value stipulated in the offering memorandum with respect to such shares, has been deferred and is written-off or amortized as the related projects on which the flow-through funds were expended are writen off or amortized.

(d) Amortization

Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of vehicles and office equipment and fixtures to operations over their estimated useful lives of five years on a straight-line basis. Amortization relating to machinery and equipment used directly in the exploration of projects has been deferred. Maintenance and repairs are charged to operations as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included in income.

(e) Foreign currency translation

Monetary assets and liabilities in foreign currencies have been translated into Canadian dollars at the exchange rates prevailing at the balance sheet date. Other assets and liabilities, revenue and expenses arising from foreign currency transactions have been translated at the exchange rate prevailing at the date of the transaction. Gains and losses arising from these translation policies are included in income.

3. OTHER ASSETS

	1996	1995
Related parties (Note 11)		
- Advances	$ 598,000	$ 295,000
- Investment in common shares, at cost		
Namibian Copper Mines, Inc., 1% interest	409,000	-
Prepaids, deposits and sundry receivables	333,000	72,000
	$1,340,000	$ 367,000

The advances to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Canadian dollars)

DECEMBER 31, 1996 AND 1995

4. DEFERRED MINERAL EXPLORATION EXPENDITURES

Properties	Bal. Beg of Year	Expend. For The Year	Expend. Write off In The Year	Balance end of Year
North America				
-Big Trout Lake	$1,732,000	$ –	$ –	$1,732,000
-Eagle Lake	1,172,000	87,000	–	1,259,000
-Georgia Lake	115,000	–	–	115,000
-Black Rock	6,615,000	3,290,000	–	9,905,000
-Gold Hill	24,000	15,000	–	39,000
1996	$9,658,000	$3,392,000	$ –	$13,050,000
1995	$6,390,000	$5,056,000	$ 1,788,000	$9,658,000

From the company's inception on July 22, 1980, $17,051,000 of mineral exploration expenditures have been written-off.

(a) Big Trout Lake

The company is party to a platinum joint venture agreement with respect to certain of its own claims whereunder the company's joint venture partners, Degussa A.G. ("Degussa") and Jenkim Holdings (Canada) Ltd. ("Jenkim"), earned a 60% interest in the claims by making contributions to the joint venture to December 31, 1989. In 1991, Degussa withdrew from the joint venture, thereby forfeiting its interest in the joint venture property. As at December 31, 1996, the company exercises joint control of the venture property. No joint venture company is in place owning the property and as such all joint venture partners own their respective shares in the property directly. In 1995 and 1996 there were no expenditures made in connection with this property.

(b) Black Rock and Black Rock Extended (The "Black Rock Properties")

The company's initial agreement to earn an interest in the Black Rock properties was renegotiated during 1995 to provide that the company can earn its interest directly from Phoenix International Mining Corporation ("Phoenix"). With respect to the work accomplished to date, the company has earned a 29% interest in the Black Rock properties.

Under terms of the renegotiated agreement, the company issued to Phoenix debentures totaling US$2,400,000 comprised of four amounts of US$500,000 with due dates in 1996 of January 1, April 1, July 1 and October 1, which amounts were discharged in the year, and one US$400,000 with a due date of January 1, 1997. Each debenture bears interest beginning on its due date at the prime rate of the company's bank in Phoenix, Arizona, plus 2%. As at December 31, 1996, the January 1, 1997 debenture remained outstanding which debenture was repaid on January 7, 1997.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Canadian dollars)

DECEMBER 31, 1996 AND 1995

4. DEFERRED MINERAL EXPLORATION EXPENDITURES (CONTINUED)

Under the existing agreement, the company has the right to earn up to an 80% interest in the Black Rock properties conditional upon the company completing the following:

(i) By October 1998, the company must have commenced construction of a mining and processing facility capable of 1,000 tons per day throughput capacity.

Upon commencing mining and processing operations the company will have earned a combined 50% interest in the Black Rock properties.

(ii) The company may earn an additional interest in the properties by demonstrating that it can sustain a mining throughput rate of more than 1,000 tons per day. The maximum additional interest that can be earned is 20% in pro-rata increments of sustained production of between 1,000 and 10,000 tons per day. Additionally, at any time up to 3 months after the completion of a feasibility study or April 1997 whichever is earlier, the company may purchase a further 10% interest from Phoenix by paying 10,000 ounces of gold or cash equivalent. This option can be extended until October 1998 at a penalty of 1% per month.

Subsequent to the year end, the company renegotiated its agreement with Phoenix to acquire the remaining 20% interest in the Black Rock properties and to remove all of the conditions precedent to the company's right to earn up to an 80% interest in such properties. After the completion of the purchase of Phoenix's 20% interest, the company will own outright all of the Black Rock properties unconditionally.

Under the terms of the purchase transaction, the company will pay an aggregate of US$27,000,000 to Phoenix, consisting of US$17,000,000 in cash and one million common shares valued at US$10.00 per common share. The cash portion of the payment will be made in two stages: US$500,000 upon the closing of the purchase transaction, presently contemplated for May 1, 1997, and US$16,500,000 on July 15, 1997. Coincidentally with the payment of the US$500,000, the company will also issue 4 million common shares as security for the payment of the aforesaid US$16,500,000, of which 3 million common shares will be returned to the company for cancellation upon the receipt by Phoenix of the US$16,500,000 payment.

Additionally, Phoenix and the company agree to negotiate the terms and conditions of a formal escrow agreement relating to the balance of the 1 million common shares of the company to be retained by Phoenix, providing restrictions on Phoenix's right to sell or otherwise dispose of the shares.

(c) Gold Hill

In 1995 the company entered into a four year agreement for the rights to explore the Gold Hill property. Additionally, within the terms of the agreement the company may purchase the rights to the property for US$1,000,000.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

5. CAPITAL ASSETS

	Cost	Accumulated amortization	Net 1996	Net 1995
Machinery and equipment	$ 408,000	$ 71,000	$ 337,000	$ 66,000
Vehicles	353,000	42,000	311,000	83,000
Office equipment and fixtures	447,000	65,000	382,000	35,000
	$1,208,000	$178,000	$1,030,000	$184,000

6. DEBENTURES

The company has not paid the amount outstanding on a debenture of $250,000 by its due date and is negotiating the settlement of this amount. This amount remains outstanding as at December 31, 1996.

Relating to the Black Rock properties, the company issued in 1995 to "Phoenix" debentures totaling $3,274,000 (US$2,400,000). These debentures are convertible into common shares and bear interest starting in 1996 as disclosed in Note 4(ii). During 1996, the company repaid $2,726,000 (US$2,000,000) of debentures using cash of $2,026,000 (US$1,500,000) and issuing 303,000 common shares for $700,000.

Accounts payable includes $186,000 (1995 - $168,000) unpaid debenture interest, including interest on a debenture discharged in 1994.

7. VEHICLE AND EQUIPMENT LOANS

Repayable monthly at US$1,343 principal and interest at 11.5% per annum, due April 1999	$ 46,000
Repayable monthly at US$975 principal and interest at 21.5% per annum, due January 2001	43,000
Repayable monthly at US$2,706 principal plus interest at 7% per annum, due October 2001	211,000
	300,000
Current portion,	69,000
	$ 231,000

The loans are secured by the related vehicles and equipment.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Canadian dollars)

DECEMBER 31, 1996 AND 1995

8. SHARE CAPITAL

The Company's authorized share capital comprises an unlimited number of common shares. A summary of the share transactions from July 22, 1980 to December 31, 1995:

	Number of Shares	Amount
Issued on incorporation, July 22, 1980	10,000	$3,000
Balance, December 31, 1980 and 1981	10,000	$3,000
Shares issued for cash		
Sale of units	830,000	622,000
Exercise of warrants	918,250	918,000
Shares issued for other consideration		
Settlement of share issue commission	83,000	—
Exercise of option to acquire a mining property	500,000	125,000
Acquisition of partnership interest (Note 2)	1,200,000	300,000
Balance, December 31, 1982	3,541,250	$1,968,000
Shares issued for cash		
Sale of units	300,000	549,000
Exercise of warrants	230,000	230,000
Exercise of stock options	105,000	148,000
Balance, December 31, 1983	4,176,250	$2,895,000
Shares issued for cash		
Rights offering	700,000	1,050,000
Exercise of stock options	200,000	500,000
Balance, December 31, 1984	5,076,250	$4,445,000
Shares issued for cash under private placement agreements	400,000	625,000
Shares issued in settlement of share issue commission	120,000	168,000
Flow-through shares issued for cash	880,163	1,584,000
Balance, December 31, 1985	6,476,413	$6,822,000

51

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Canadian dollars)

DECEMBER 31, 1996 AND 1995

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1985 (carried forward)	6,476,413	$6,822,000
Flow-through shares (1985 agreement) issued for cash	250,000	395,000
Issued to acquire Platinum Exploration Canada Inc.	595,000	1,071,000
Shares issued for cash		
Private placement agreements	800,000	1,875,000
Exercise of stock options	60,000	51,000
Exercise of warrants	250,000	498,000
Shares issued to acquire options on mining properties	50,000	100,000
Flow-through shares issued for cash	710,000	1,945,000
Balance, December 31, 1986	9,191,413	$12,757,000
Issued for cash under private placement agreements		
At $2.95 per share on April 24, 1987	500,000	1,475,000
At $3.40 per share on August 12, 1987	400,000	1,360,000
At $4.50 per share on October 14, 1987	75,000	338,000
Issued for cash under stock options	139,250	220,000
Flow-through shares issued for cash	685,973	1,723,000
Issued to acquire an interest in mining properties	25,000	60,000
Balance, December 31, 1987	11,016,636	$17,933,000
Flow-through shares issued for cash	1,007,084	2,131,000
Issued for cash under private placement agreements		
At $2.25 per share on April 6, 1988	234,000	526,000
At $1.65 per share on July 29, 1988	182,000	300,000
At $1.30 per share on December 13, 1988	96,000	125,000
At $1.20 per share on December 22, 1988	45,000	54,000
Balance, December 31, 1988	12,580,720	$21,069,000

52

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Canadian dollars)

DECEMBER 31, 1996 AND 1995

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1988 (carried forward)	12,580,720	$21,069,000
Flow-through shares issued for cash	738,346	850,000
Issued for cash under private placement agreements		
At $1.20 per share on January 13, 1989	200,000	240,000
At $1.20 per share on January 31, 1989	500,000	600,000
At $1.10 per share on June 26, 1989	200,000	220,000
At $1.20 per share on August 3, 1989	35,200	42,000
At $.90 per share on August 11, 1989	200,000	180,000
At $.90 per share on December 22, 1989	20,400	19,000
Issued for cash under stock options	26,000	26,000
Issued to acquire an interest in mining properties	11,000	11,000
Balance, December 31, 1989	14,511,666	$23,257,000
Flow-through shares issued for cash	323,165	220,000
Issued for cash under private placement agreement at $0.40 per share on September 13, 1990	24,000	10,000
Issued to acquire an interest in mining properties at $0.75 per share	38,421	29,000
Balance, December 31, 1990	14,897,252	$23,516,000
Issued for services under stock options options (at $0.05 per share)	300,000	15,000
Issued for cash under stock options (at prices ranging from $0.05 to $0.10 per share)	557,500	41,000
Balance, December 31, 1991	15,754,752	$23,572,000

53

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Canadian dollars)

DECEMBER 31, 1996 AND 1995

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1991 (carried forward)	15,754,752	$23,572,000
Issued for cash under a private placement at $0.0825 per share	3,699,394	305,000
Issued to acquire 50% of Jamestone Platinum (Pty) Limited at $0.0825 per share (Note 3)	4,000,000	330,000
Issued for services under stock options (at prices ranging from $0.05 to $0.12 per share)	1,894,833	130,000
Issued for cash under stock options (at prices ranging from $0.05 to $0.12 per share)	1,009,417	77,000
Issued for cash on exercise of warrants at $0.11 per share	1,000,000	110,000
Balance, December 31, 1992	27,358,396	$24,524,000
Issued for cash under private placements (at prices ranging from $0.104 to $0.10875 per share)	8,500,000	901,000
Issued for cash under stock options (at prices ranging from $0.13 to $0.15 per share)	275,000	38,000
Issued for cash on exercise of warrants (at prices ranging from $0.11 to $0.135 per share)	1,500,000	180,000
Issued for services under stock options (at prices ranging rom $0.088 to $0.176 per share)	6,024,029	759,000
Issued to acquire New Ventures Development Corporation (at $0.10 per share)	1,965,750	196,000
Issued to acquire 1020632 Ontario Inc. (Georgia Lake lithium property) (at $0.13 per share)	769,229	100,000
Balance, December 31, 1993	46,392,404	$26,698,000

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

The company is amalgamated under the laws of the Province of Ontario, Canada. During the year the company changed its name from International Platinum Corporation to International Precious Metals Corporation. On October 23, 1995, the company consolidated (reverse split) its issued and outstanding capital by changing each common share into one-tenth of a common share. Information pertaining to share capital, options and warrants for 1996 AND 1995, as well as loss per share for 1996 and 1995, have been stated on a post consolidated (reverse split) basis.

1. CONTINUATION OF BUSINESS

These consolidated financial statements have been prepared on a going concern basis which assumes the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

The company is a development stage corporation and as all of the company's properties are presently in the exploration stage, the continuation of the company as a going concern is dependent upon its ability to obtain equity financing to permit the further exploration and development of its properties.

As well, it is the intention of the company's management to seek joint venture partners for several of the company's properties. To achieve this end, management has prepared detailed reports on each of the properties and engaged independent consultants to market the company's properties.

The consolidated financial statements do not give effect to adjustments, if any, that may be necessary should the company be unable to continue as a going concern and be required to realize its assets and liquidate its liabilities in other than the normal course of business. In this event, the amounts realized on disposal of its assets may be substantially less than their recorded amounts.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of financial statement presentation

The accompanying consolidated financial statements are prepared in accordance with the accounting principles generally accepted in Canada. These consolidated financial statements include accounts of its subsidiary 1020632 Ontario Inc. (Georgia Lake). Additionally, the accounts of Hellens-Eplett Mining Inc., Jamestone Platinum (Pty) Limited and South Africa Mining (Pty) Limited, corporate exploration joint ventures, have been included in the financial statements using the proportionate consolidation method. The exploration operations of these joint ventures were discontinued as of December 31, 1995.

(b) Deferred mineral exploration expenditures

All direct expenditures related to the exploration and development of mineral properties in which the company has a continuing interest are deferred, pending the determination of the economic viability of the project. Costs related to projects terminated or abandoned are written off; costs related to successful projects will be capitalized and amortized over the estimated life of the projects using a unit of production method.

55

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Deferred premium on flow-through shares

The premium received on flow-through shares, representing the excess of the price paid by an investor for flow-through shares over the market value stipulated in the offering memorandum with respect to such shares, has been deferred and is written-off or amortized as the related projects on which the flow-through funds were expended are written off or amortized.

(d) Amortization

Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of vehicles and office equipment and fixtures to operations over their estimated useful lives of five years on a straight-line basis. Amortization relating to machinery and equipment used directly in the exploration of projects has been deferred. Maintenance and repairs are charged to operations as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included in income.

(e) Foreign currency translation

Monetary assets and liabilities in foreign currencies have been translated into Canadian dollars at the exchange rates prevailing at the balance sheet date. Other assets and liabilities, revenue and expenses arising from foreign currency transactions have been translated at the exchange rate prevailing at the date of the transaction. Gains and losses arising from these translation policies are included in income.

3. OTHER ASSETS

	1996	1995
Related parties (Note 11)		
- Advances	$ 598,000	$ 295,000
- Investment in common shares, at cost		
- Namibian Copper Mines, Inc., 1% interest	409,000	-
Prepaids, deposits and sundry receivables	333,000	72,000
	$1,340,000	$ 367,000

The advances to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

56

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

4. DEFERRED MINERAL EXPLORATION EXPENDITURES

Properties	Bal. Beg of Year	Expend. For The Year	Expend. Write off In The Year	Balance end of Year
North America				
-Big Trout Lake	$1,732,000	$ --	$ --	$1,732,000
-Eagle Lake	1,172,000	87,000	--	1,259,000
-Georgia Lake	115,000	--	--	115,000
-Black Rock	6,615,000	3,290,000	--	9,905,000
-Gold Hill	24,000	15,000	--	39,000
1996	$9,658,000	$3,392,000	$ --	$13,050,000
1995	$6,390,000	$5,056,000	$ 1,788,000	$9,658,000

From the company's inception on July 22, 1980, $17,051,000 of mineral exploration expenditures have been written-off.

(a) Big Trout Lake

The company is party to a platinum joint venture agreement with respect to certain of its own claims whereunder the company's joint venture partners, Degussa A.G. ("Degussa") and Jenkim Holdings (Canada) Ltd. ("Jenkim"), earned a 60% interest in the claims by making contributions to the joint venture to December 31, 1989. In 1991, Degussa withdrew from the joint venture, thereby forfeiting its interest in the joint venture property. As at December 31, 1996, the company exercises joint control of the venture property. No joint venture company is in place owning the property and as such all joint venture partners own their respective shares in the property directly. In 1995 and 1996 there were no expenditures made in connection with this property.

(b) Black Rock and Black Rock Extended (The "Black Rock Properties")

The company's initial agreement to earn an interest in the Black Rock properties was renegotiated during 1995 to provide that the company can earn its interest directly from Phoenix International Mining Corporation ("Phoenix"). With respect to the work accomplished to date, the company has earned a 25% interest in the Black Rock properties.

Under terms of the renegotiated agreement, the company issued to Phoenix debentures totaling US$2,400,000 comprised of four amounts of US$500,000 with due dates in 1996 of January 1, April 1, July 1 and October 1, which amounts were discharged in the year, and one US$400,000 with a due date of January 1, 1997. Each debenture bears interest beginning on its due date at the prime rate of the company's bank in Phoenix, Arizona, plus 2%. As at December 31, 1996, the January 1, 1997 debenture remained outstanding which debenture was repaid on January 7, 1997.

57

4. DEFERRED MINERAL EXPLORATION EXPENDITURES (CONTINUED)

Under the existing agreement, the company has the right to earn up to an 80% interest in the Black Rock properties conditional upon the company completing the following:

(i) By October 1998, the company must have commenced construction of a mining and processing facility capable of 1,000 tons per day throughput capacity.

Upon commencing mining and processing operations the company will have earned a combined 50% interest in the Black Rock properties.

(ii) The company may earn an additional interest in the properties by demonstrating that it can sustain a mining throughput rate of more than 1,000 tons per day. The maximum additional interest that can be earned is 20% in pro-rata increments of sustained production of between 1,000 and 10,000 tons per day. Additionally, at any time up to 3 months after the completion of a feasibility study or April 1997 whichever is earlier, the company may purchase a further 10% interest from Phoenix by paying 10,000 ounces of gold or cash equivalent. This option can be extended until October 1998 at a penalty of 1% per month.

Subsequent to the year end, the company renegotiated its agreement with Phoenix to acquire the remaining 20% interest in the Black Rock properties and to remove all of the conditions precedent to the company's right to earn up to an 80% interest in such properties. After the completion of the purchase of Phoenix's 20% interest, the company will own outright all of the Black Rock properties unconditionally.

Under the terms of the purchase transaction, the company will pay an aggregate of US$27,000,000 to Phoenix, consisting of US$17,000,000 in cash and one million common shares valued at US$10.00 per common share. The cash portion of the payment will be made in two stages: US$500,000 upon the closing of the purchase transaction, presently contemplated for May 1, 1997, and US$16,500,000 on July 15, 1997. Coincidentally with the payment of the US$500,000, the company will also issue 4 million common shares as security for the payment of the aforesaid US$16,500,000, of which 3 million common shares will be returned to the company for cancellation upon the receipt by Phoenix of the US$16,500,000 payment.

Additionally, Phoenix and the company agree to negotiate the terms and conditions of a formal escrow agreement relating to the balance of the 1 million common shares of the company to be retained by Phoenix, providing restrictions on Phoenix's right to sell or otherwise dispose of the shares.

(c) Gold Hill

In 1995 the company entered into a four year agreement for the rights to explore the Gold Hill property. Additionally, within the terms of the agreement the company may purchase the rights to the property for US$1,000,000.

58

(in Canadian dollars)

5. CAPITAL ASSETS

	Cost	Accumulated amortization	Net 1996	Net 1995
Machinery and equipment	$ 408,000	$ 71,000	$ 337,000	$ 66,000
Vehicles	353,000	42,000	311,000	83,000
Office equipment and fixtures	447,000	65,000	382,000	35,000
	$1,208,000	$178,000	$1,030,000	$184,000

6. DEBENTURES

The company has not paid the amount outstanding on a debenture of $250,000 by its due date and is negotiating the settlement of this amount. This amount remains outstanding as at December 31, 1996.

Relating to the Black Rock properties, the company issued in 1995 to "Phoenix" debentures totaling $3,274,000 (US$2,400,000). These debentures are convertible into common shares and bear interest starting in 1996 as disclosed in Note 4(ii). During 1996, the company repaid $2,726,000 (US$2,000,000) of debentures using cash of $2,026,000 (US$1,500,000) and issuing 303,000 common shares for $700,000.

Accounts payable includes $186,000 (1995 - $168,000) unpaid debenture interest, including interest on a debenture discharged in 1994.

7. VEHICLE AND EQUIPMENT LOANS

Repayable monthly at US$1,343 principal and interest at 11.5% per annum, due April 1999	$ 46,000
Repayable monthly at US$975 principal and interest at 21.5% per annum, due January 2001	43,000
Repayable monthly at US$2,706 principal plus interest at 7% per annum, due October 2001	211,000
	300,000
Current portion,	69,000
	$231,000

The loans are secured by the related vehicles and equipment.

59

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

8. SHARE CAPITAL

The Company's authorized share capital comprises an unlimited number of common shares. A summary of the share transactions from July 22, 1980 to December 31, 1995:

	Number of Shares	Amount
Issued on incorporation, July 22, 1980	10,000	$3,000
Balance, December 31, 1980 and 1981	10,000	$3,000
Shares issued for cash		
Sale of units	830,000	622,000
Exercise of warrants	918,250	918,000
Shares issued for other consideration		
Settlement of share issue commission	83,000	-
Exercise of option to acquire a mining property	500,000	125,000
Acquisition of partnership interest (Note 2)	1,200,000	300,000
Balance, December 31, 1982	3,541,250	$1,968,000
Shares issued for cash		
Sale of units	300,000	549,000
Exercise of warrants	230,000	230,000
Exercise of stock options	105,000	148,000
Balance, December 31, 1983	4,176,250	$2,895,000
Shares issued for cash		
Rights offering	700,000	1,050,000
Exercise of stock options	200,000	500,000
Balance, December 31, 1984	5,076,250	$4,445,000
Shares issued for cash under private placement agreements	400,000	625,000
Shares issued in settlement of share issue commission	120,000	168,000
Flow-through shares issued for cash	880,163	1,584,000
Balance, December 31, 1985	6,476,413	$6,822,000

60

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1985 (carried forward)	6,476,413	$6,822,000
Flow-through shares (1985 agreement) issued for cash	250,000	395,000
Issued to acquire Platinum Exploration Canada, Inc.	595,000	1,071,000
Shares issued for cash		
Private placement agreements	800,000	1,875,000
Exercise of stock options	60,000	51,000
Exercise of warrants	250,000	498,000
Shares issued to acquire options on mining properties	50,000	100,000
Flow-through shares issued for cash	710,000	1,945,000
Balance, December 31, 1986	9,191,413	$12,757,000
Issued for cash under private placement agreements		
At $2.95 per share on April 24, 1987	500,000	1,475,000
At $3.40 per share on August 12, 1987	400,000	1,360,000
At $4.50 per share on October 14, 1987	75,000	338,000
Issued for cash under stock options	139,250	220,000
Flow-through shares issued for cash	685,973	1,723,000
Issued to acquire an interest in mining properties	25,000	60,000
Balance, December 31, 1987	11,016,636	$17,933,000
Flow-through shares issued for cash	1,007,084	2,131,000
Issued for cash under private placement agreements		
At $2.25 per share on April 6, 1988	234,000	526,000
At $1.65 per share on July 29, 1988	182,000	300,000
At $1.30 per share on December 13, 1988	96,000	125,000
At $1.20 per share on December 22, 1988	45,000	54,000
Balance, December 31, 1988	12,580,720	$21,069,000

61

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1988 (carried forward)	12,580,720	$21,069,000
Flow-through shares issued for cash	738,346	850,000
Issued for cash under private placement agreements		
At $1.20 per share on January 13, 1989	200,000	240,000
At $1.20 per share on January 31, 1989	500,000	600,000
At $1.10 per share on June 26, 1989	200,000	220,000
At $1.20 per share on August 3, 1989	35,200	42,000
At $.90 per share on August 11, 1989	200,000	180,000
At $.90 per share on December 22, 1989	20,400	19,000
Issued for cash under stock options	26,000	26,000
Issued to acquire an interest in mining properties	11,000	11,000
Balance, December 31, 1989	14,511,666	$23,257,000
Flow-through shares issued for cash	323,165	220,000
Issued for cash under private placement agreement at $0.40 per share on September 13, 1990	24,000	10,000
Issued to acquire an interest in mining properties at $0.75 per share	38,421	29,000
Balance, December 31, 1990	14,897,252	$23,516,000
Issued for services under stock options (at $0.05 per share)	300,000	15,000
Issued for cash under stock options (at prices ranging from $0.05 to $0.10 per share)	557,500	41,000
Balance, December 31, 1991	15,754,752	$23,572,000
Issued for cash under a private placement at $0.0825 per share	3,699,394	305,000
Issued to acquire 50% of Jamestone Platinum (Pty) Limited at $0.0825 per share (Note 3)	4,000,000	330,000
Issued for services under stock options (at prices ranging from $0.05 to $0.12 per share)	1,894,833	130,000
Issued for cash under stock options (at prices ranging from $0.05 to $0.12 per share)	1,009,417	77,000
Issued for cash on exercise of warrants at $0.11 per share	1,000,000	110,000
Balance, December 31, 1992	27,358,396	$24,524,000

62

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1992 (carried forward)	27,358,396	$24,524,000
Issued for cash under private placements (at prices ranging from $0.104 to $0.10875 per share)	8,500,000	901,000
Issued for cash under stock options (at prices ranging from $0.13 to $0.15 per share)	275,000	38,000
Issued for cash on exercise of warrants (at prices ranging from $0.11 to $0.135 per share)	1,500,000	180,000
Issued for services under stock options (at prices ranging rom $0.088 to $0.176 per share)	6,024,029	759,000
Issued to acquire New Ventures Development Corporation (at $0.10 per share)	1,965,750	196,000
Issued to acquire 1020632 Ontario Inc. (Georgia Lake lithium property) (at $0.13 per share)	769,229	100,000
Balance, December 31, 1993	46,392,404	$26,698,000
Issued for cash under private placements (at prices ranging from $0.09 to $0.2775 per share	13,600,000	2,124,000
Issued to convert $500,000 debenture plus interest at $0.50 per share	1,200,000	600,000
Issued for cash on exercise of warrants (at prices ranging from $0.11 to $0.13 per share)	8,500,000	1,035,000
Issued of cash under stock options (at prices ranging from $0.084 to $0.176 per share)	597,600	61,000
Issued for services under stock options (at prices ranging from $0.084 to $0.176 per share)	1,900,000	171,000
Balance, December 31, 1994	72,190,004	30,689,000
10 shares exchanged for 1 (See below)	7,219,000	30,689,000
Issued for cash under private placements (at prices ranging from $1.35 to $2.00 per share)	1,700,000	2,869,000
Issued for cash on exercise of warrants (at prices ranging from $1.20 to $1.35 per share)	77,000	98,000
Issued for cash under stock options (at a price of $2.12 per share)	5,000	10,000
Issued for services under stock options (at prices ranging from $.84 to $3.28 per share)	495,098	1,083,000
	2,277,098	4,060,000
Balance, December 31, 1995	9,496,098	$34,749,000

63

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

Balance, December 31, 1995 (carried forward)	9,496,098	$34,749,000
Issued for cash under private placements (at prices ranging from $3.00 to $3.45 per share)	2,484,000	8,245,000
Issued for cash on exercise of warrants (at prices ranging from $1.00 to $3.80 per share)	2,103,000	3,004,000
Issued under private placement and on exercise of of warrants to retire debentures and interest (at prices ranging from $1.20 to $3.00 per share)	336,000	792,000
Issued for cash under stock options (at price of $1.45 to $3.28 per share)	424,475	773,000
Issued for cash services under stock options (at prices ranging from $1.45 to $2.50 per share	15,834	27,000
	5,363,309	12,841,000
Balance, December 31, 1996	14,859,407	47,590,000

On October 23, 1995, the Company consolidated (reverse split) its issued and outstanding capital by changing each common share into one-tenth of a common share.

a) In July 1980, the Company was incorporated and issued 10,000 shares for $3,000 cash.

b) In July 1982, the Company exercised an option to acquire the Cameron property and issued 500,000 shares at an ascribed value of $125,000. Under the terms of a partnership agreement related to the option to acquire the Cameron property, the partnership was immediately dissolved and transferred its net assets to the Company for 1,200,000 shares.

Also in July 1982, the Company sold to the public 830,000 units at $0.75 per unit, each unit comprising one share and one share purchase warrant entitling the holder to purchase one additional share of the Company at $1.00 per share; 83,000 units were issued to the agent as additional commission. Warrants to acquire 748,750 shares were exercised and the balance expired in 1982.

In 1982, 169,500 warrants to acquire shares at $1.00 each were exercised by the partners of the aforementioned partnership.

c) On March 10, 1983, the Company sold 50,000 units, each unit consisting of six shares and five share purchase warrants, at $10.98 per unit.

During 1983, previously issued warrants to acquire 230,000 shares at $1.00 per share were exercised and options to acquire 50,000 shares, 30,000 shares and 25,000 shares at $0.85 per share, $1.83 per share and $2.00 per share, respectively, were exercised.

64

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

d) On November 2, 1984, the Company concluded a rights offering to shareholders and issued 700,000 shares at $1.50 per share.

During 1984, an option to purchase 200,000 shares at $2.50 per share was exercised.

e) During 1985, the Company completed negotiations, through a London-based European banking group, of two agreements with respect to the issue of shares through private placement offerings. In August 1985, 300,000 shares were issued at a price of $1.50 per share, and commissions paid were $40,500. In September 1985 an additional 100,000 shares were issued at $1.75 per share and commissions amounted to $18,000.

In May 1985, the Company, through an agency agreement with an investment dealer, issued 850 flow-through share units at $2,000 per unit. Each unit provided the right to earlier shares of the Company at a rate of one share for each $2 of the funds, including interest earned thereon, expended on CEE. The agent received a commission of 120,000 shares of the Company with a value of $168,000. The proceeds of issue of $1,700,000, together with interest earned of $60,000, were expended by December 31, 1985 and earned 880,163 shares. Of the total proceeds, an amount of $1,584,000, representing the market value of the shares stipulated in the agreement, was included in share capital and $176,000 was included in the deferred premium on flow-through shares.

In December 1985, the Company agreed to issue 50 flow-through share units at $10,000 per unit. Each unit provided the right to earn shares of the Company at a rate of one share for each $2 of funds expended during 1985 or the first sixty days of 1986 on CEE. The agent received a cash commission of $50,000 in connection with this issue. The funds were expended in 1986 and an amount of $395,000, representing the market value of the 250,000 shares stipulated in the agreement was included in share capital and $105,000 was included in the deferred premium on flow-through shares.

f) In March 1986 share purchase warrants issued in 1983 were exercised to purchase 250,000 shares at $1.99 per share.

In June and July 1986, the Company entered into two private placement agreements to issue 500,000 shares and 300,000 shares at $2.25 per share and $2.50 per share, respectively.

In 1986, the Company issued shares under the following flow-through share agreements:

Date of Agreement	Price per share	Number of shares earned
February 10, 1986	$3.50	250,000
August 8, 1986	$3.64	275,000
November 6, 1986	$3.65	185,000
		710,000

To December 31, 1986, the Company had incurred CEE aggregating $2,550,000 under the terms of these agreements entitling the subscribers to 710,000 shares. An amount of $1,945,000, representing the market value of

65

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

the 710,000 shares stipulated in the agreements, was included in share capital and $605,000 was included in the deferred premium on flow-through shares.

g) In 1987, the Company issued shares under the following flow-through share agreements:

Date of Agreement	Price per share	Number of shares earned
November 6, 1986	$3.66	115,000
February 13, 1987	$3.08	391,280
September 25, 1987	$6.09	36,768
November 3, 1987	$4.22	29,878
December 4, 1987	$5.00	14,000
December 10, 1987	$4.45	20,862
December 31, 1987	$4.55	78,185
		685,973

December 31, 1987, the Company had incurred CEE aggregating $2,447,000 under the terms of these agreements entitling the subscribers to 685,973 shares. An amount of $1,723,000, representing the market value of the 685,973 shares stipulated in the agreements, was included in share capital and $724,000 was included in the deferred premium on flow-through shares.

h) In 1988, the Company issued shares under the following flow-through share agreements:

Date of Agreement	Price per share	Number of shares earned
December 31, 1987	$4.55	346,569
February 25, 1988	$2.50	156,000
April 29, 1988	$2.00	125,000
June 21, 1988	$2.10	62,970
August 29, 1988	$1.25	240,000
October 28, 1988	$1.30	76,545
		1,007,084

To December 31, 1988, the Company had incurred CEE aggregating $2,544,000 under the terms of these agreements entitling the subscribers to 1,007,084 shares. An amount of $2,131,000, representing the market value of the 1,007,084 shares stipulated in the agreements, was included in share capital and $413,000 was included in the deferred premium on flow-through shares.

66

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

i) In 1989, the Company issued shares under the following flow-through share agreements:

Date of Agreement	Price per share	Number of shares earned
February 28, 1989	$2.10	30,630
February 28, 1989	$1.30	211,455
April 18, 1989	$1.06	201,396
November 1, 1989	$0.96	222,430
December 31, 1989	$1.21	72,435
		738,346

To December 31, 1989, the Company had incurred CEE aggregating $855,000 under the terms of these agreements entitling the subscribers to 738,346 shares. An amount of $850,000 representing the market value of the 738,346 shares stipulated in the agreements, was included in share capital and $5,000 was included in the deferred premium on flow-through shares.

j) In 1990, the Company issued shares under the following flow-through share agreements:

Date of Agreement	Price per share	Number of shares earned
June 16, 1989	$1.21	37,565
December 19, 1989	$0.90	149,600
July 17, 1990	$0.40	136,000
		323,165

To December 31, 1990, the Company had incurred CEE aggregating $235,000 under the terms of these agreements entitling the subscribers to 323,165 shares. An amount of $220,000 representing the market value of the 323,165 shares stipulated in the agreements, was included in share capital and $15,000 was included in the deferred premium on flow-through shares.

The above analysis of share capital transactions includes all flow-through shares earned with respect to CEE incurred during each period, although some of the related shares were not issued until some time after the CEE had been incurred. The analysis includes the following shares which, although earned, were not issued until the subsequent fiscal year.

	Shares Earned Unissued	Share Capital CEE Incurred
December 31, 1989	72,435	$ 88,000
December 31, 1990	136,000	$ 54,400

67

8. SHARE CAPITAL (CONTINUED)

k) In April 1992, the Company completed a private placement with an Australian investor in which 3,699,394 common shares were issued for gross consideration of $305,200.

In July 1992, the Company purchased a 50% interest in Jamestone Platinum (Pty) Limited, a South African company (Note 5). Consideration for the purchase was the issue of 4,000,000 common shares valued at $0.0825 per share and the issue of 5,400,000 common share purchase warrants exercisable of $0.11 per share until July 14, 1994. 1,000,000 of these warrants were exercised in 1992 for proceeds of $110,000

l) During 1993 the Company completed private placements with five investors in which 8,500,000 common shares were issued for a gross consideration of $901,000.

In April 1993 the Company completed the exercise of warrants to purchase 900,000 common shares for a consideration of $99,000.

In November 1993 the Company purchased the Option on a property in Arizona USA. Consideration for the option was the issue of 1,965,750 common shares valued at $0.10 per share.

In December 1993 the Company purchased a lithium property situated at Georgia Lake Ontario. Consideration for the property was the issue of 769,229 common shares valued at $0.13 per share and the issue of 600,000 common share purchase warrants exercisable at $0.135 per share which were exercised for a consideration of $81,000.

During 1994, the company completed private placements in which 13,600,000 common shares were issued for a gross consideration of 2,124,000.

In March 1994, the company issued 1,200,000 common shares to convert a $500,000 debenture plus accrued interest of $100,000.

During 1994, the company completed the exercise of warrant and stock options in which 10,997,600 common shares were issued for a gross consideration of 1,267,000.

m) During 1995, the company completed private placements in which 1,700,000 common shares were issued for a gross consideration of $2,869,000.

Additionally, during 1995, the Company completed the exercise of warrant and stock options in which 577,098 common shares for services were issued for consideration of $1,191,000.

On October 23, 1995, the Company consolidated (reverse split) its issued and outstanding capital by changing each common share into one-tenth of a common share.

n) During 1996, the company completed private placements in which 2,484,000 common shares were issued for a gross consideration of $8,245,000.

Additional during 1996, the company completed the exercise of warrant and stock options in which 2,543,309 common shares were issued for services and consideration of $3,804,000. Also, 336,000 common shares were issued to retire debentures and interest totalling $792,000.

68

(in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

Prior to 1991, the company has financed a significant position of its exploration activities in Canada through the issue of flow-through shares. Under the terms of the flow-through share agreements, the funds so received are to be expended on Canadian Exploration Expenditures ("CEE"), as defined in the Income Tax Act, Canada. The CEE, so incurred is deductible for income tax purposes only by investors and is not available for deduction by the company. Generally, the share prices for flow-through shares represent the market price of the company's common shares on dates stipulated in the agreements, plus a premium attributable to the tax benefit transferred to the investor. The company includes the appropriate market price of the flow-through shares in its share capital account and accounts for the premium on flow-through shares in accordance with the policy set out in Note 2.

9. SHARE OPTIONS AND WARRANTS

Under the terms of the Employee Stock Option Plan (the "Plan"), the Company may issue options to eligible employees to purchase an aggregate of 1,050,000 common shares of the Company at prices not lower than the market price of the shares at the date prior to the grant. Changes to options from July 22, 1980, date of inception, to December 31, 1996 are as follows:

Year	Price	Number	Expired	Exercised	Cancelled	Outstanding Dec 31, 1995	Expiration Date
1982	2.500	1,000,000	800,000	200,000	-	-	
1982	0.850	160,000	50,000	110,000	-	-	
1983	1.830	30,000	-	30,000	-	-	
1983	2.000	25,000	-	25,000	-	-	
1984	2.100	250,000	250,000	-	-	-	
1985	1.460	125,000	-	36,250	88,750	-	
1985	1.970	40,000	22,000	18,000	-	-	
1985	1.970	25,000	-	-	25,000	-	
1986	1.970	50,000	-	-	50,000	-	
1986	2.250	75,000	-	-	75,000	-	
1986	2.100	105,000	-	-	105,000	-	
1986	1.550	85,000	-	85,000	-	-	
1987	2.200	20,000	20,000	-	-	-	
1987	2.750	115,000	-	-	115,000	-	
1987	2.830	50,000	-	-	50,000	-	
1987	2.750	13,000	-	-	13,000	-	
1988	3.500	60,000	60,000	-	-	-	
1988	2.100	240,000	-	-	240,000	-	
1988	2.100	33,000	-	-	33,000	-	
1988	1.850	25,000	25,000	-	-	-	
1988	1.300	150,000	100,000	-	50,000	-	
1989	1.300	22,000	-	-	22,000	-	
1989	1.010	88,750	62,750	26,000	-	-	
1989	1.010	75,000	75,000	-	-	-	

69

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

9. SHARE OPTIONS AND WARRANTS (CONTINUED)

Year	Price	Number	Expired	Exercised	Cancelled	Outstanding Dec 31, 1995	Expiration Date
1989	1.010	75,000	75,000	–	–	–	
1989	1.010	105,000	70,000	–	35,000	–	
1989	1.010	50,000	50,000	–	–	–	
1989	1.010	240,000	185,000	–	55,000	–	
1989	0.760	150,000	–	–	150,000	–	
1989	1.150	35,000	35,000	–	–	–	
1989	0.760	50,000	–	–	50,000	–	
1989	2.000	100,000	100,000	–	–	–	
1989	1.500	60,000	60,000	–	–	–	
1990	0.450	50,000	–	–	50,000	–	
1990	0.430	218,000	25,000	–	193,000	–	
1990	0.450	383,000	50,000	–	333,000	–	
1990	0.600	50,000	–	–	50,000	–	
1990	0.100	515,000	–	257,500	257,500	–	
1991	0.120	25,000	–	–	25,000	–	
1991	0.050	600,000	–	600,000	–	–	
1991	0.050	1,230,250	40,000	1,190,250	–	–	
1992	0.050	1,030,000	100,000	930,000	–	–	
1992	0.110	84,000	–	84,000	–	–	
1992	0.150	200,000	–	200,000	–	–	
1992	0.120	1,300,000	50,000	1,250,000	–	–	
1992	0.140	600,000	–	587,500	12,500	–	July 7, 1994
1992	0.100	100,000	–	100,000	–	–	
1993	0.130	200,000	–	200,000	–	–	
1993	0.130	650,000	500,000	150,000	–	–	
1993	0.104	1,300,000	–	1,300,000	–	–	
1993	0.088	910,000	–	910,000	–	–	March 25, 1995
1993	0.176	1,950,000	–	1,950,000	–	–	May 3, 1995
1993	0.088	2,450,000	–	2,450,000	–	–	Sept 14, 1995
1994	0.084	2,650,000	–	399,129		2,250,871	January 7, 1996
1994	0.328	3,300,000	–	–	–	3,300,000	March 3, 1996
		23,522,000	2,804,750	13,088,629	2,077,750	5,585,935	
10:1 conversion	2,352,20 0	280,475	1,308,863	207,775	555,087		

70

(in Canadian dollars)

9. SHARE OPTIONS AND WARRANTS (CONTINUED)

Options granted in 1995:								
	1995							
	1995	1.30	5,000	–	–	–	5,000	February 9, 1997
	1995	1.50	115,000	–	–	–	115,000	March 6, 1997
	1995	1.50	45,000	–	–	–	45,000	March 24, 1997
	1995	2.50	395,000	–	–	–	395,000	May 24, 1997
	1995	1.45	475,000	–	–	–	475,000	November 3, 1997
	1995	2.75	10,000	–	–	–	10,000	November 27, 1997
Options exercised		0.84-3.28	--	--	500,094	–	(500,094)	
Options expired		0.88	--	5,000	–	–	(5,000)	
Options outstanding at December 31, 1995			3,397,200	285,475	1,808,957	207,775	1,094,993	
Options granted in 1996:								
	1996	6.00	760,000	–	–	–	760,000	March 14, 2001
	1996	2.80	160,000	–	–	–	160,000	August 15, 1999
Options exercised		1.30-3.28	--	–	(440,219)	–	(440,219)	
Options expired		3.28	--	(56,171)	–	–	(56,171)	
Options outstanding at December 31, 1996			4,317,200	229,304	1,368,738	207,775	1,518,603	

Share Options - Plan

As at December 31, 1989, there were options outstanding under the Plan to purchase at any time up to 870,000 shares at various prices ranging from $0.76 to $1.30 per share expiring at various dates from January 14, 1990 to December 4, 1994.

During 1990, options to purchase 575,000 shares at prices ranging from $1.01 to $1.30 per share expired. Additionally, options to purchase 280,000 shares at prices ranging between $0.76 and $1.30 were canceled. Also in 1990, the Company granted options under the plan to purchase up to 218,000 shares at $0.43 per share expiring May 11, 1993, 383,000 shares at $0.45 per share expiring June 28, 1993 and 515,000 shares at $0.10 per share expiring October 30, 1993.

71

9. SHARE OPTIONS AND WARRANTS (CONTINUED)

At December 31, 1990, there were options outstanding under the Plan to purchase at any time up to 1,131,000 shares at various prices ranging from $0.10 to $1.15 per share at various dates from September 7, 1991 to October 30, 1993.

During 1991 options to purchase 808,500 shares at prices ranging from $0.10 to $0.45 per share were canceled. Additionally, options to purchase 90,000 shares at prices ranging from $0.43 to $1.15 per share expired. Also in 1991, the Company granted options under the Plan to purchase up to 25,000 shares at $0.12 per share expiring January 3, 1994, up to 600,000 shares at $0.05 per share expiring July 10, 1992 and 1,230,250 shares at $0.05 per share expiring November 8, 1992.

At December 31, 1991, there were options outstanding under the Plan to purchase at any time up to 1,230,250 shares at $0.05 per share to November 8, 1992.

During 1992 options to purchase 140,000 shares at prices ranging from $0.05 to $0.055 expired. Additionally in 1992, the Company granted options under the Plan to purchase up to 1,030,000 shares at $0.055 per share, 84,000 shares at $0.11 per share and 200,000 shares at $0.15 per share, all expiring on April 16, 1993. Options were also granted to purchase up to 1,300,000 shares at $0.12 per share expiring May 8, 1994, up to 600,000 shares at $0.144 per share expiring July 7, 1994 and up to 100,000 shares at $0.10 expiring December 3, 1994.

At December 31,1992, there were options outstanding under the Plan to purchase at any time up to 1,500,000 shares at various prices ranging from $0.10 to $0.15 per share at various dates from April 16, 1993 to December 3, 1994.

During 1993 options to purchase 550,000 shares at prices between $0.12 - $0.13 expired. Additionally the Company granted options under the Plan to purchase up to 1,300,000 shares at $0.104 per share, expiring on February 5, 1995; up to 850,000 shares at $0.13 per share expiring on August 8, 1993; up to 910,000 shares at $0.088 per share expiring on March 25, 1995; up to 1,950,000 shares at $0.176 per share expiring on May 3, 1995 and up to 2,450,000 shares at $0.088 per share expiring on September 14, 1995.

At December 31, 1993 there were options outstanding under the Plan to purchase at any time up to 2,110,971 at various prices ranging from $0.088 to $0.176 per share at various dates from July 7, 1994 to September 15, 1995.

During 1995 options to purchase 1,045,000 common shares were granted at prices between $1.30 to $2.75 per share expiring on various dates in 1997 as listed above.

During 1996 options to purchase 920,000 common shares were granted prices of $2.80 (or US$2.125) and $6.00 per share expiring on August 15, 1999 and March 14, 2001, as listed above.

In 1995, warrants providing the right to purchase an aggregate of 1,250,000 common shares at a price of US$1.00 per common share were issued in connection with private placements in the year, of which, 35,000 were exercised during the year. The remaining warrants outstanding as at December 31, 1995 of 1,215,000 have expiry dates of July 31, 1996 and November 30, 1996. Additionally, warrants issued in 1994 providing the right to purchase an aggregate of 758,000 common shares at a price of $1.20 per share remain outstanding as at December 31, 1995 with an expiry date of January 1997.

72

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

9. SHARE OPTIONS AND WARRANTS (CONTINUED)

Share Options - Non Plan

As at December 31, 1988, there were options, not covered by the Plan, outstanding to certain directors to purchase at any time up to 160,000 shares at prices ranging from $1.30 to $3.50 per share expiring at various dates from January 21, 1989 to November 2, 1991.

During 1989, options to purchase 20,000 shares at $2.20 per share expired. Also in 1989, the Company granted options to purchase 50,000 shares at $0.76 per share at any time before December 4, 1992.

As at December 31, 1989, there were options outstanding to these directors to purchase at any time up to 350,000 shares at prices ranging from $0.76 to $3.50 per share expiring at various dates from May 6, 1990 to December 4, 1992.

During 1990, options to purchase 60,000 shares at $3.50 per share expired and options to purchase 55,000 shares at prices ranging from $1.30 to $2.10 were canceled. Also in 1990, the Company granted options to purchase 50,000 shares at $0.45 per share and 50,000 shares at $0.60 per share at any time before March 20, 1993 and June 30, 1993, respectively.

As at December 31, 1990, there were options outstanding to these directors to purchase at any time up to 335,000 shares at prices ranging from $0.45 to $1.85 per share expiring at various dates from June 23, 1991 to June 30, 1993.

During 1991, options to purchase 150,000 shares at prices ranging from $0.45 to $0.76 per share were canceled and options to purchase 25,000 shares at $1.85 per share expired.

At December 31, 1991, there were non-plan options outstanding to purchase at any time up to 160,000 shares at prices ranging from $1.50 to $2.00 per share and expiring at various dates from February 15, 1992 to September 19, 1992.

During 1991, options to purchase 150,000 shares at prices ranging from $0.45 to $0.76 per share were canceled and options to purchase 25,000 shares at $1.85 per share expired.

At December 31, 1991, there were non-plan options outstanding to purchase at any time up to 160,000 shares at prices ranging from $1.50 to $2.00 per share and expiring at various dates from February 15, 1992 to September 19, 1992.

During 1992, options to purchase 160,000 shares at prices ranging from $1.50 to $2.00 per share expired.

At December 31, 1994, 1995 and 1996, there were no non-plan options outstanding.

Options outstanding at December 31, 1996 expire at various dates from March 6, 1997 to March 14, 2001.

Warrants providing the right to purchase an aggregate of 2,700,000 common shares at prices ranging from US$2.82 to US$4.40 (or to US$6.00) per common share were issued in connection with private placements in

73

(in Canadian dollars)

9. SHARE OPTIONS AND WARRANTS (CONTINUED)

1996, of which 120,000 were exercised during the year. The remaining warrants outstanding as at December 31, 1996 of 2,580,000 have expiry dates of February 23, 1997 and November 1, 1997 (or May 1, 1998). Additionally, warrants issued in 1995 providing the right to purchase an aggregate of 200,000 common shares at prices ranging from $1.20 to US$1.20 per common share remain outstanding with expiry dates from January 10, 1997 to January 17, 1997.

10. INCOME TAXES

The company has income tax loss carry-forwards which are available to reduce future years income taxes otherwise payable in future years.

The loss carry-forwards, if unused, will expire as follows:

1998	$ 35,000
1999	$ 50,000
2000	$ 400,000
2001	$ 900,000
2002	$ 700,000

In addition, exploration expenditures of approximately $17,000,000 have been written-off as at December 31, 1996 in the financial statements, but may be available for deduction from taxable income of future years.

The potential future benefit of these loss carry-forwards and exploration expenditures have not been recognized in these financial statements.

To December 31, 1996, expenditures made under flow-through share agreements aggregating $2,603,000, which are included in deferred mineral exploration expenditures, are deductible by investors, and accordingly, are not available for deduction from taxable income of the company.

11. RELATED PARTY TRANSACTIONS

Other assets (Note 3) relate to amounts owing from and investment in corporations which have senior management in common with the company.

In addition to items disclosed separately in the financial statements, the following transactions took place in the normal course of business with related parties. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) In 1996, the company incurred legal and secretarial fees provided by directors and senior officers of the company amounting to $60,000 (1995 - $96,000). These fees have been charged to administrative expenses.

74

(in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) In 1996, consulting fees were charged by directors and senior officers of the company in accordance with existing contracts totaling $380,000 (1995 - $758,000). Of the total fees, $245,000 (1995 - $461,000) has been charged to administrative expenses and $135,000 (1995 - $297,000) pertaining to time spent overseeing the Black Rock exploration have been included in the company's deferred mineral exploration expenditures.

12. CONTINGENCIES

(a) Interest on debenture

In 1994, the company negotiated a settlement of a $500,000 debenture plus a portion of interest owing. As of December 31, 1996, the amount of the interest owing is currently in dispute due to alternate methods used in interest calculation. The company is negotiating a settlement of this dispute and an additional amount of $75,000 may become payable

(b) Recovery of deferred mineral exploration expenditures

The recoverability of deferred expenditures is dependent upon various factors, including the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete development of future profitable operations or profitable disposal of the properties. Pending the profitable operation or disposal of a property, cash requirements must be provided by future debt or equity financings.

13. SEGMENTED INFORMATION

The company's major activity relates to the exploration for precious metal (gold, silver and platinum) in Canada, the United States of America and South Africa as follows:

	Canada	United States	South Africa
Year ended 1996:			
Mineral expenditures	$ 87,000	$ 3,305,000	$ -
Identifiable assets	$3,106,000	$14,958,000	$ -
Year ended 1995:			
Mineral expenditures	$ -	$ 5,056,000	$ -
Write-downs	$ 896,000	$ -	$ 892,000
Identifiable assets	$3,019,000	$ 7,670,000	$ -

75

(in Canadian dollars)

14. MINIMUM PROPERTY COMMITMENTS

In order to keep its property leases in good order, the company is committed to the following amounts:

	1997	1998	1999	2000 and subsequent years
Black Rock	$300,000	$300,000	$300,000	$300,000
Eagle Lake	103,000	103,000	103,000	103,000
Big Trout Lake	60,000	89,000	89,000	89,000
Flambeau Lake	20,000	20,000	20,000	20,000
	$483,000	$512,000	$512,000	$512,000

Additionally, the company leases office and warehouse premises under leases expiring up to the year 2000 at an annual base rental of approximately $55,000.

15. OTHER INFORMATION

(a) Subsequent events

On various dates between January 1, 1997 and February 24, 1997, options and warrants were exercised to purchase 1,600,000 common shares at various prices, ranging from $1.45 to $6.00 per share for cash consideration of $5,700,000.

On February 14, 1997 the company issued options to purchase 890,000 common shares at $6.25 per share (or US$4.53 per share) expiring February 14, 2001.

(b) Fair Value

The fair value of the company's financial assets and liabilities such as investments and advances in corporations, sundry receivables, accounts payable, vehicle and equipment loans and debentures is approximated by its carrying value.

The estimated fair value is made at a specific point in time, based on information provided by management. These estimates are subjective in nature and involve certain uncertainties and therefore cannot by determined with precision. Changes in assumptions could significantly alter the estimates.

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

16. DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN CANADA AND THOSE IN THE UNITED STATES

The financial statements are prepared in accordance with accounting principles generally accepted in Canada. In these financial statements, the major differences between accounting principles generally accepted in Canada ("Canadian GAAP") and those in the United States ("U.S. GAAP") are as follows:

a) The company follows the practice of charging share issue costs to the deficit account. Under U.S. GAAP, such costs would be charged to the share capital account. Although this difference does not affect net shareholders' equity, under U.S. GAAP the company's share capital and deficit accounts would be reduced as indicated below.

b) The Company follows the practice of accounting for the premium on flow-through shares as a deferred credit which is written off or amortized as the related project expenditures, on which the flow through funds were expended, are written off or amortized. Under U.S. GAAP, this premium would be treated as a reduction of deferred mineral exploration expenditures. Although this difference does not affect net loss, the deferred premium on flow-through shares would be eliminated and deferred mineral exploration expenditures would be reduced as indicated below.

c) A business combination in 1986 was accounted for using the purchase method of accounting. Under U.S. GAAP, this business combination would have been accounted for as a pooling of interests. This difference does not affect net loss for the years ended 1996, 1995 and 1994. The deferred exploration expenditures would have been reduced by $605,000 as at December 31, 1996, 1995 and 1994, and the Company's share capital account would have been reduced by $676,000 as at December 31, 1996, 1995 and 1994.

d) U.S. GAAP does not follow the practice of deferral of period costs such as certain administrative expenses. This difference would have increased the net loss and decreased the deferred exploration expenditures by $290,000 for the year ended 1995. This difference does not affect net loss for the years ended December 31, 1996 and 1994.

The effect of these differences on the financial statements is as follows:

77

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

16. DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN CANADA AND THOSE IN THE UNITED STATES (CONTINUED)

(a) Balance sheet:

	1996	1995
Deferred mineral exploration expenditures		
Under Canadian GAAP	$13,050,000	$ 9,658,000
Premium on flow-through shares - b) above	(464,000)	(464,000)
Pooling - c) above	(605,000)	(605,000)
Period costs - d) above	-	(290,000)
Under U.S. GAAP	$11,981,000	$ 8,299,000
Deferred premium on flow-through shares		
Under Canadian GAAP	$ 464,000	$ 464,000
Applied to deferred mineral exploration expenditures - b) above	(464,000)	(464,000)
Under U.S. GAAP	$ 0	$ 0
Share capital		
Under Canadian GAAP	$47,590,000	$34,749,000
Share issue costs - a) above	(2,958,000)	(2,422,000)
Pooling - c) above	(676,000)	(676,000)
Under U.S. GAAP	$43,956,000	$31,651,000
Deficit		
Under Canadian GAAP	$31,641,000	$29,189,000
Share issue costs - a) above	(2,958,000)	(2,422,000)
Pooling - c) above	(71,000)	(71,000)
Period costs - d) above	-	290,000
Under U.S. GAAP	$28,612,000	$26,986,000

78

INTERNATIONAL PRECIOUS METALS CORPORATION
(Amalgamated under the laws of Ontario)
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in Canadian dollars)

DECEMBER 31, 1996 AND 1995

16. DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN CANADA AND THOSE IN THE UNITED STATES (CONTINUED)

(b) Statement of loss and deficit

	Cumulative from inception July 22, 1980 to December 31, 1996	Year Ended December 31, 1996		
		1996	1995	1994
Net loss for the period under Canadian GAAP	$28,683,000	$1,916,000	$3,059,000	$1,855,000
Pooling adjustment - c) above	(71,000)	–	–	–
Period cost adjustment - d) above	613,000	–	290,000	–
Net loss for the period - under U.S. GAAP	$29,225,000	$1,916,000	$3,349,000	$1,855,000
Loss per share (Note 9) - under U.S. GAAP		$ 0.15	$ 0.40	$ 0.31

79