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International Platinum Corporation

Annual Report 1993

MR. NYAL NIEMUTH,

Dear NYAL;

Thanks so much for ph. time and reviewing this material. I have highlighted a few areas, but really hope you read all of material - I am an amateur when it comes to mining.

Again, THANKS FOR EVERYTHING!

P.S. I am disabled and have very low income levels so I can't afford to ~~to~~ lose these funds invested.

Sincerely,

Steve Reniger
2930 MAYFAIR DR.
LANSING, MI
48912-5146

(517) 484-1070

Meeting November 29, 1994

P.S.S. I found BEKRE DOLBEAR'S
PH. no. - Thanks, anyway!

International Platinum Corporation

CORPORATE PROFILE

International Platinum Corporation is a Canadian Company undertaking precious metal exploration in North America and South Africa. Since present managements entry into IPC in May 1992, significant emphasis has been directed towards existing and new assets that are amenable to early development.

MISSION STATEMENT

It is managements goal to;

- Maintain an ongoing market in the shares of your Company
- Move ahead as rapidly as possible to bring assets of the Company to production

ANNUAL MEETING

Tuesday, November 29, 1994
4:15 PM
Dominion Ballroom
Sheraton Centre
123 Queen Street West
Toronto, Ontario

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PRESIDENTS LETTER TO SHAREHOLDERS

October 15, 1994

Dear Shareholder,

The last eight months of the Company's activities have been very difficult, not only for shareholders, but for your Company's management as well. Having trading in the common shares stopped twice, all in a space of two months, has placed burdens on us all.



VLR (Lee) Furlong, President

BLACK ROCK PROPERTY, ARIZONA

Yes, there is gold at Black Rock. We ARE right. Independent mining consultant Behre Dolbear & Company, Inc. confirms that gold exists on the Arizona property and has demonstrated that part of the free gold can be recovered via a gravity recovery process. Behre Dolbear's brief was specifically to confirm whether gold existed or not. The Toronto Stock Exchange required IPC to prove that the Black Rock Property had sufficient merit to warrant continued exploration as a condition to lifting the trading suspension and approval of the extended property acquisition transaction.

IPC has discovered, confirmed, and recovered gold from the Black Rock Property by three recovery methods; chloride leach, smelting 24 pounds of material for the formation of a

doré (precious metal) bar, and physical gold recovery from an advanced design hydro-concentration process.

For a small explorer, IPC has accomplished a great deal in a short time — ten months since the initial property investigation began. The discovery and reporting of less conventional precious metal mineralization has meant that IPC has attracted unfounded criticism and been placed under close scrutiny. We have defended our position and have been vindicated by findings of independent consultants. Shareholders will find their faith in IPC justified as we proceed forward with our exploration and development program for Black Rock.

Besides gold, AA, ICP and XRD/XRF¹ analysis report the presence of possible economic concentrations of other valuable minerals on the Black Rock Property. These include titanium, zircon, copper, barium, and other precious metals (silver and PGE's). We will immediately begin assaying for these minerals to determine their economic significance.

By the time you read this letter, we expect the shares of the company will be trading with normal market forces prevailing. This management report and president's letter were printed to meet statutory deadlines, thus we were unable to print detailed features of the Behre Dolbear report. For that reason, IPC will print its third Information Bulletin for 1994 specifically relating to Black Rock Arizona for distribution to shareholders at the time of the Company's Annual General Meeting on 29 November 1994.

The next stages of exploration and development have been initiated and are detailed in the following technical report. The future looks bright for the Black Rock Property. As we near 1995 and an accelerated program, shareholders should feel increasingly happy with their faith in IPC.

The Black Rock Property has a lot going for it. The project is located approximately 90 miles west of Phoenix, 4 miles from Interstate 10 on Federal (BLM) lands. The anomalous gold indicated is expected to be easy to mine, certainly for the top 100 feet tested. The gold geochemical anomaly reported from geochemical sampling at depths from two to three feet is larger than one square mile in size. The lowest quantitative gold values reported from a physical recovery method (DCRS) described in the Technical Report are greater than gold grades being pursued and reported and under development by many exploration companies in Latin and South America, yet our indicated gold anomaly is right here in the heartland of mining. IPC expects to be able to begin reporting quantitative ore reserve estimates near mid-1995. All quantitative ore reserves will be reported by independent mining engineering consultants such as Behre Dolbear who currently consult to International Platinum.

¹ Please see Glossary for full description of abbreviations and terms

CANADIAN EXPLORATION

IPC's exploration history commencing in 1980 has been largely directed towards platinum group element (PGE) exploration. It has successfully located several significant PGE prospects, the most notable being Big Trout Lake and Muskox. The company has had a low exploration profile in Canada since 1990 for a variety of economic reasons. Currently, IPC management and its Canadian consultants are re-evaluating the PGE potentials on the Canadian properties and are preparing programs and budgets for the 1995 summer season.

IPC takes a long-term view concerning the world's move towards electric powered transportation. In 1993 IPC acquired a lithium property with a drilled geologic reserve of 1,180,000 tons at 1.084% Li₂O in Western Ontario in response to its view concerning this strategic metal. Further exploration programs are presently being planned for the next operating season, and Joint-Venture partners are being sought to further boost the exploration funds for these important Canadian assets.

IPC management is quite justifiably optimistic about the future development of the Black Rock Property; however, the highly prospective Canadian platinum prospect, Big Trout Lake, is also an important project of the Company. At Big Trout, two intersections graded 0.37 ounces and 0.38 ounces platinum group metals per ton over 3.3 feet and 5.0 feet. This project and the other Canadian properties are significant exploration assets of IPC and further programs are under review.

REPUBLIC OF SOUTH AFRICA

Although there has been an unexpectedly smooth political transition in South Africa, investors are still uncomfortable with the new government's attitude towards mining titles. The expected new money 'rush' to South Africa that was predicted following an all-black majority government has not happened.

IPC has platinum group element interests in South Africa via a subsidiary in the Rooywal Property on the Bushveld, and through a grassroots, low-budget exploration program which discovered a 'new' platinum occurrence. When the mining title questions are resolved in South Africa, and favorable financial conditions exist for IPC, we will extend our platinum interests in that geologically attractive area.

IN CONCLUSION

IPC's commitment to shareholders is to have a stock freely trading on a major stock exchange. Your management has gone to extraordinary lengths to address and comply with every concern of the regulatory authorities. I wish to thank all of you for your patience and understanding. It is my view, and that of my colleagues, that we have a substantive precious metal property at Black Rock, Arizona, and significant exploration targets on our Canadian platinum and lithium assets. IPC's directors and management will 'get on' with the job of converting the exploration assets of the Company into production assets.

Again, may I give my hearty 'thank you' to our loyal shareholders.

Yours sincerely,



VLR (Lee) Furlong
President
October 15, 1994

The Arizona Black Rock Property

Introduction

In this technical report we are bringing you a chronological history of the Black Rock Project for the purpose of complete disclosure of all information and to explain how this information forms the basis of our continuing program. There were times when many avenues of research were being explored simultaneously. The narrative attempts to place the more pertinent datum in their most logical positions. Please refer to Appendix C for assistance in clarification of terms.

The Arizona Properties

Beginning in September 1993, IPC's President, Mr. V.L.R. (Lee) Furlong met with Vendors of several properties in Arizona who were reporting the properties had potential for gold and platinum group elements (PGE's). Furlong, being familiar with similar arid environments and complex gold and PGE's in Australia and southwest Pacific islands where he had acquired much of his 33 years of experience as a geophysicist/earth scientist, thought the vendors' properties warranted examination.

The Vendors of the properties, while adamant about their prospects containing precious metals, informed IPC that the material assayed poorly by standard fire assay. Furlong was

accustomed to utilizing many geochemical and geophysical determination techniques in arid environments. Often these areas prove challenging to mineral exploration due to complex salts, calcium compounds and silicates. Knowing of several elusive anomalies which initially proved difficult to even detect, and are now sites of viable producing mines, he was not deterred. The prospects exhibited excellent potential and a "due diligence" program was initiated.

In early November, Furlong and Paul Mentzer, Earth Scientist (BSc., Purdue), came to Arizona to visit several of the sites with the Vendors. Preliminary samples were personally taken at several properties and sent to a Nevada lab for assay. This lab was chosen by IPC because it specialized in a geochemical assay technique involving complete sample dissolution followed by atomic absorption spectrography (AA).

JORDAN?

Assay results were returned several days later with promising values of precious metals reported from several locations. Furlong chose to confine his due diligence to a single property, first to sample and study the apparent anomaly using a more complete grid; and secondly, to verify assay results with at least one more independent assay laboratory.

The property chosen for further testing, named "Black Rock," was the one which returned the highest precious metal values (0.163 ounces gold per short ton) and code-named "BRX" for Black Rock Exploration Project.



Lee Furlong and Paul Mentzer at the IPC USA Office, Phoenix, Arizona

The Black Rock Prospect

A grid pattern of 15 holes, each 0.1 mile apart, was completed with a gasoline-powered hand auger on the Black Rock Property. The auger samples, collected at a depth of two feet, were sent to two assay laboratories: one set or 'split' for complete dissolution/AA; a second split sent for confirmatory cross-check analysis to a lab which utilized inductively-coupled and direct-coupled plasma (ICP/DCP) as its spectrographic technique.

Both geochemical assay techniques yielded positive values. AA averaged 0.113 ounces gold per ton and ICP/DCP reaffirmed the AA results, averaging 0.097 ounces gold per ton.

IPC believed these assay results justified more detailed work on the Property. Deeper samples were required to get a larger quantity of material to test and to analyze more representative material. A backhoe was employed to dig atop part of the previous auger grid (12 holes) to an average depth of 9.7 feet. Approximately three tons of material were dug from each pit, four types of samples being taken during excavation:

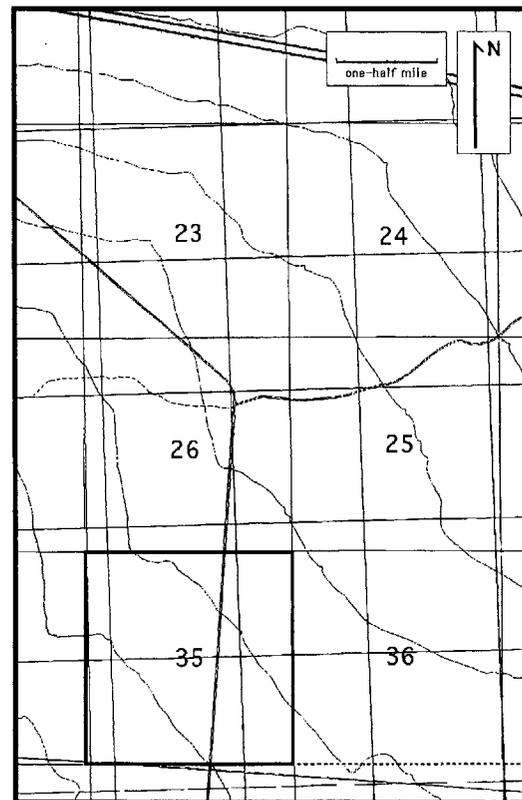
- 1) a bulk composite sample of 20 pounds was taken representing the entire profile, excluding the two feet of topsoil;
- 2) a five-pound sample was retrieved from the bottom of each hole as representative of the total depth;
- 3) a sixty-pound sample was taken from each hole to attempt preliminary gravity concentration tests on the material;
- 4) small samples from the profile of every pit were taken to form a single bulk composite representative of the entire area.

The 60-pound samples from each bulk pit, a total of 720 pounds, were sent to a lab which specializes in concentration testing. Utilizing conventional tables and spirals, results of this concentration testing on the BRX material demonstrated a large proportion of the precious metals was discarded in the tails; therefore, this first test suggested this material was unlikely to be amenable to simple gravity concentration.

Initial Assaying

Geochemical assay results from the initial samples had consistently returned economic grades of precious metals. Still, Furlong and Mentzer deemed it necessary to employ as many assay and recovery techniques as possible by a cross-section of labs on the bulk grid samples to irrefutably confirm the veracity of the metal results being reported.

Figure 1: The Black Rock Property Location



Splits of the complete series of bulk samples were sent first for complete dissolution/AA and X-ray fluorescence techniques (XRF). A portion of the composite bulk sample was also tested by "leaching" in a chlorination process, ICP/DCP, and smelting the sample into a nickel or a copper "button."

See Figure 2 for complete summarization of results from the various assay types. All the techniques tested for analysis showed appreciable amounts of gold with an average across all samples of 0.39 ounces gold per short ton. (See footnote²) This was the value which the Company deemed appropriate to release to the public on January 24, 1994, for complete disclosure purposes and as the most accurate information available at the time of its release.

² Subsequent exploration, especially the drilling, now reveals these high values to be due to near-surface precious metal enrichments and not characteristic of the material deeper than ten feet. However, drilling does indicate that there may be other highly enriched layers at what were probably previous land surfaces at depths of approximately 40 and 80 feet. Based on information from drilling, the combined average of geochemical assays and the IPC fire assay (RI) of samples deeper than ten feet is 0.130 ounces gold per ton. (See Appendix A for drill-hole results)

Figure 2: Summary of Assay Results, 15 January 1994

Sample	Assay Method on Material and Recovered Metals							
	Complete Dissolution/AA	ICP	XRF on Raw Material	Gold Recovered by Chloride Leach	Gold Recovered by Smelting			
7B	0.178	Split Bulk Composite	0.400	Split Bulk Composite	Split Bulk Composite			
8B	0.180		0.450					
9B	0.119		0.480					
10B	0.163		0.580					
11B	0.211		#1 - 0.45			#1 - 0.29	#1 - 0.21	
12B	0.159		0.460			#2 - 0.28	#2 - 0.31	
13B	0.101		#2 - 0.39			0.710	#3 - 0.25	#3 - 1.15
14B	0.122		0.650			#3 - 0.25		
15B	0.266		#3 - 0.35			0.480	#4 - 0.45	
16B	0.152		0.570					
17B	0.171		0.440					
18B	0.209		0.480					
Means	0.169	0.397	0.525	0.317	0.557			
Original Bulk Sample Sites at an Average Depth to 9.7 Feet Average grade across all assay and recovery methods yields 0.39 ounces gold per ton Date: 15 January 1994								

These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusion should be drawn.

Assaying Technology

Historically, fire assay techniques for gold and silver were well defined by the 1860's. Since a 'fire assay' actually produces a tiny weighable grain of metal as part of the procedure, it is deemed that a scale up from the assay is directly related to that metal recovered in production. This "tried and true" method has served the industry well, and in the vast majority of known geological and mineralogical settings, it produces a reputable gold and silver assay result.

With most of the world's 'easy' precious metal deposits already found, modern exploration activities are aimed at discovering obscure deposits or those with more complex mineralogical settings, often by geochemical or geophysical means. Whatever the mineralogy of the 'ore,' the objective remains the same: to viably extract the precious metals.

Geochemical techniques: AA, ICP/DCP, XRF, neutron activation, etc., are instrumental methods which register contained elements from samples (usually after sample preparation, such as milling or digestion in strong acids).

Geochemical techniques read ALL the contained elements regardless of their chemical associations or complexes. Fire assays, by contrast, report gold (and silver) that litharge (lead oxide), assisted by chemical fluxes, extract from the sample. Precious metal compounds (such as tellurides, sulfides, chlorides, etc.) report to geochemical assaying, but these complexes can prove difficult in fire assay techniques.

While complex 'ores' posed extraction problems for miners historically, today's processing technology is quite able to remedy such mineralogical situations.

IPC's Development of a Fire Assay Procedure

The TSE, after consultation with their technical advisors, expressed concerns about the Company releasing numbers in the January 24, 1994, press release derived from geochemical assaying procedures.

The TSE ultimately requested that the Company confine all future releases regarding the BRX material to fire assay results. IPC stepped up its existing research on assaying the BRX material via that recommended in the authoritative texts on fire assaying (for example, see: Bugbee, E.E., A Textbook of Fire Assaying, Pub. Legend Metallurgical Lab., Inc. for use at Colo. School of Mines, 1991 printing).

Two research avenues were simultaneously underway: a) a pre-treatment procedure before fire assaying, and b) a fire assay procedure with a modified flux.

From this research IPC adopted a fire assay procedure utilizing an inquant of rhodium, or fire assay (RI). A pre-treatment method later established was dubbed 'the peroxide method' but has not been widely applied. Figure 3 compares fire assay results on the BRX material from two labs: a 'conventional' fire assay procedure to that of fire assay (RI).

IPC is happy that this fire assay procedure reports at least some of the contained precious metals.

Figure 3: Conventional Fire Assay Compared to Fire Assay (RI)

Sample	Assay Method on BRX Material	
	Conventional Fire	Fire Assay rhodium in quart !
7B	0.004	0.148
8B	0.005	0.193
9B	0.004	0.135
10B	0.004	0.090
11B	0.007	0.088
12B	0.005	0.054
13B	0.008	0.040
14B	0.009	-
15B	0.006	0.095
16B	0.004	0.123
17B	0.005	0.119
18B	0.005	0.204
Means	0.006	0.117
Original Bulk Sample Sites All Values Reported in ounces gold per ton Date: 15 March 1994		

These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusion should be drawn.

General Geology & Mineralogy

Considerable information on the basic geology and mineralogy of the Black Rock material has been gathered during IPC's extensive research. This information has proved valuable to the formation of hypotheses regarding the possible geological genesis of the BRX area, as well as for determining chemical methodologies for assay and recovery of the valuable minerals contained therein.

The BRX Property is located in the Harquahala Valley in western Arizona. The valley is flat, the mountains rising sharply from its edge. Nearby mountains are largely sedimentary and volcanics.

The BRX material is largely comprised of sand, fine gravel, and repetitive layers of caliche. Most particles are sub-millimeter. Under a microscope one observes zircons, hematite, alkali earth carbonates and sulfates, graphite and clay.

An X-ray diffraction analysis of the BRX material yields information about the mineral state of the gold. This preliminary work shows the majority of the gold to be in the form of petzite (a silver-gold telluride) with a small proportion of native gold.

The identification of major components in a sample is as important as the determination of minor elements - and the identification of precious metals.

X-ray diffraction and X-ray fluorescence results assist the exploration process by identification of compounds, some of which have to be understood and addressed prior to determining the best assay procedures and developing the most effective metal recovery technologies.

Appendix A shows XRF/XRD compositional determinations on typical samples of the Black Rock material.

Regional Sampling

Other sampling on Section 35 suggests there may be a second geochemical anomaly. From one sample, IPC 130, one-half mile north of the bulk grid site, an unusually high geochemical assay of 0.32 ounces gold per ton was returned. Fire assay (RI) reported an assay of 0.189 ounces gold per ton for this same sample. Follow-up work to this anomalous reading consisted of a step-out grid 330 feet north, east, south and west centered on IPC 130. The results from this test, as well as the assays from the metal bar, were reported to the public on March 29, 1994. (Due to more recent information, see footnote² - these results again suggest surface enrichment.)

Figure 4: Fire Assay (RI) Results from IPC 130 Grid

Sample	Au	Pt	Pd
IPC 158	0.181	0.190	0.066
IPC 159	0.159	0.158	0.054
IPC 160	0.229	0.179	0.084
IPC 161	0.200	0.192	0.053

These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusion should be drawn.

IPC's Demonstration of Gold Recovery

IPC's management continued in its pursuit to demonstrate to itself and its shareholders that gold both physically existed and could be recovered from the Black Rock Property. IPC contracted with an independent laboratory to produce real metal from BRX material.

IPC has conducted three distinctive extraction procedures to confirm the presence of gold and other precious metals. They are:

- 1) chloride leach tests
- 2) the production of a metal bar
- 3) hydro-concentration process and gold recovery.

1) Chloride Leach Tests:

Two separate chloride leach experimental tests were initiated by IPC at two distinct independent laboratories in two different states. IPC is encouraged by these preliminary extraction tests as they more nearly reflect replicate sample assays from geochemical assay techniques reported from the property. Management will now transfer the chloride leach technologies from the small developer labs to a large established research facility.

Figure 5: Assay Results from Chloride Leach Tests

December 1993 Results, Read by AA			
Sample	Au	Pt	Pd
BRX #1	0.28	1.60	0.32
BRX #2	0.25	1.40	0.24
BRX #3	0.29	1.70	0.35
BRX #4	0.45	0.72	0.19

June 1994 Results, Read by IPC/DCP			
Sample	Au	Pt	Pd
Sample 1069A	0.09	0.60	0.03
Sample 1070A	0.15	0.56	0.03

All results expressed in ounces per ton.

These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusion should be drawn.

2) The production of a metal bar:

Utilizing 24 pounds of the BRX composite bulk sample, twenty-four 1-pound samples were smelted in a fashion similar to that of the rhodium inquart fire assay. The resultant metals and the lead collector were separated in an electrolytic cell and the refined metal from the cell was then added to 100 grams of silver (99.999% pure) to produce a metal bar. The assays received from drill cuttings of the bar are seen in Figure 6.

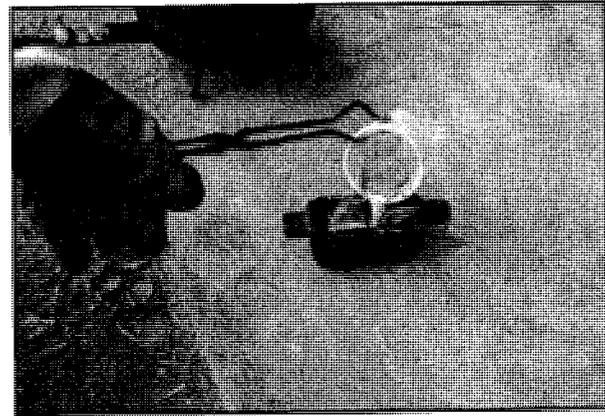


Figure 6: Metal Bar Assays

Assayer	Au	Pt
Texas Laboratory	0.229	0.062
Nevada Laboratory	0.247	0.353
Canadian Laboratory	0.249	0.011
Arizona Laboratory (precious metal producer)	0.774	6.103

All results expressed in ounces per ton.

These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusion should be drawn.

IPC management is satisfied with the recovered gold assay on the metal bar; however, the results from other precious metal assays on the bar confirm their presence but suggest that they are unevenly distributed within the bar itself.

3) Hydro-Concentration Process and Gold Recovery:

Simple gravity techniques undertaken by two independent laboratories, and other tests carried out at IPC's own testing facility, have indicated that conventional gravity concentration yield poor recoveries with a great amount of metal reporting to the tailings.

A different approach to gravity processing developed by a Canadian research company with an Arizona facility, called DCRS, appears to be an advance in gravity concentration.

Although DCRS appears to be an improvement on what we have seen in older gravity concentration devices, its preliminary testing shows its efficiency at recovering precious metals from the BRX material may be inconsistent.

Figure 7 contains results from preliminary tests of the DCRS recovery system. Tests #1, #2, & #3 were as reported in Information Bulletin #2:

Sample #	Weight (lbs.)	Recovery		
		mgs	Fineness	oz./ton
Test #1				
BRX-D36 #3	48	3	90%	0.004
BRX-D36 #4	48	48	90%	0.051
BRX-D36 #5	48	22	90%	0.026
Test #2				
BRX-18-1	55	153	90%	0.161
BRX-18-2	56	99	90%	0.102
BRX-18-3	54	57	90%	0.061
Test #3				
IPC-005	46	1113	60%	0.934
IPC-010	50	25	80%	0.026
IPC-015	52	67	80%	0.066
IPC-020	51	188	75%	0.178
IPC-025	55	117	80%	0.109
IPC-030	55	212	75%	0.186
IPC-035	52	160	90%	0.178
IPC-040	53	1020	80%	0.990
IPC-045	53	12	85%	0.012
IPC-050	53	11	85%	0.011
Test #4				
Sample 9-1	52	60	95%	0.071
Sample 9-2	52	52	95%	0.062
Sample 9-3	52	24	85%	0.025
Sample 9-4	49	25	85%	0.028
Sample 18-1	50	40	95%	0.049
Sample 18-2	51	6	95%	0.007
Sample 18-3	52	15	95%	0.018
Sample 18-4	52	4	90%	0.005

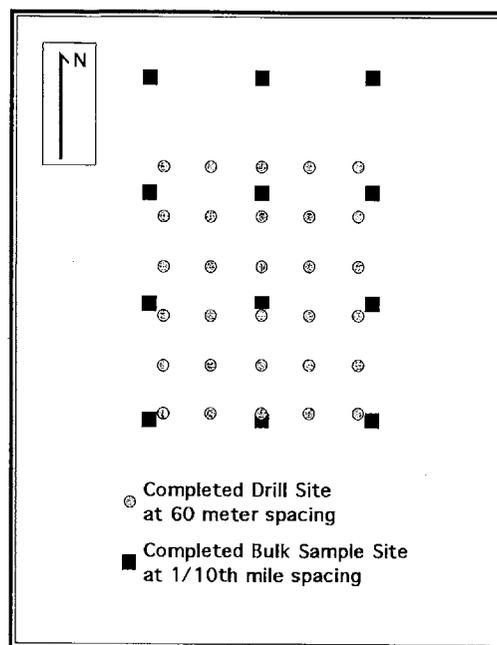
These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusion should be drawn.

Let it be understood that the purpose of producing metal 'in hand' was to demonstrate that gold and other precious metals physically existed on the property. These tests were not conducted to establish ore reserves.

Drill Sampling on the Black Rock Property

A drill program of 30 holes was initiated to evaluate the depth of the geochemical anomaly. The drill-holes were spaced 200 feet apart in a five-by-six hole grid within the limits of the previous bulk sample grid. Drilled first by auger and later by reverse-circulation drilling equipment, the holes reached depths up to 100 feet. Samples were collected representing each five-foot section of the drilled holes plus a sample collected at the total depth of each hole.

Figure 8: The Black Rock Bulk sample grid and the subsequent auger/air rotary drill grid



The samples from the drill grid were analyzed by complete dissolution/AA (eight holes) until the advent of the fire assay (RI) method. The depth component of the geochemical anomaly was confirmed using these assay methods. Some holes have not been analyzed at this time. Splits of all drill-hole and surface samples remain in IPC's sample library.

The Company is releasing the drill-hole assays to-date to ensure completeness of disclosure to shareholders. The results from the assays on the drill grid material can be seen in Appendix B as histograms (less those samples which have not yet been analyzed).

Appointment of Behre Dolbear & Company, Mining Consultants

IPC management contacted the noted Mining Industry Consultants Behre Dolbear & Company Inc. in late April 1994. Work commenced on the first phase of that multi-faceted consulting agreement by May 17, 1994.

Under the terms of a letter agreement between Behre Dolbear and IPC dated May 17, 1994, Behre Dolbear "undertook an assignment for an independent verification involving the sample collection, transportation, gravity concentration processing, and precious metal collection from up to 100 tons of samples at IPC's Black Rock Property in Arizona. The purpose of Behre Dolbear's investigation is to determine if gold values are present in the samples to be collected. A secondary objective is to determine if the pro

cessing method utilized by DCRS (U.S.) Ltd. is valid to produce precious metals.”

When it was determined in mid-June that the capacity to process large (up to 100-ton) samples at the DCRS Plant would be delayed for up to three months, an alternative testing program of drill-hole sampling was undertaken. This involved the drilling of 8 drill holes to 50 feet with samples weighing approximately 55 pounds each taken from each five-foot section (a total of 80 samples). Each 55-pound bucket sample was processed through the small hydro-concentrator at DCRS as an alternative to processing a large tonnage sample. IPC, prior to this test, had had more than 20 bucket samples ‘run’ through the DCRS hydro-concentrator. (See Figure 7)

Because Behre Dolbear was also determining the validity of the DCRS processing method (as well as whether gold existed in the samples), Behre Dolbear undertook to actually operate the DCRS plant. From their ‘hands-on processing,’ gold was produced from the samples, the results of which will be reported when Behre Dolbear concludes its contracted study and produces its full independent report.

Letter From Behre Dolbear

In an interim letter from the President of Behre Dolbear addressed to the President of IPC, dated 7 September, Behre Dolbear makes the following statements;

quote:

“ Assay results from the commercial laboratories are still being received. Consequently results are preliminary and no conclusions should as yet be drawn. Behre Dolbear however, can state that:

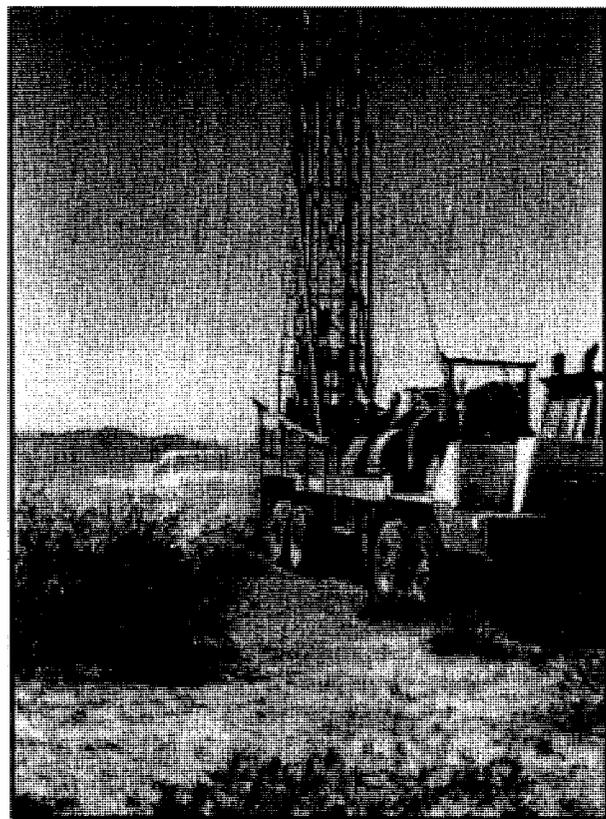
1. *It has recovered gold from its processing samples from the BRX property at the DCRS plant employing methodology prescribed by DCRS;*
2. *Head samples of the materials processed at the DCRS plant were also analyzed by several commercial laboratories using fire assay methods but yielded only traces of gold;*
3. *BRX samples “salted” by Behre Dolbear with measured weights of 999.9 fine gold and subsequently processed by Behre Dolbear in the DCRS plant to evaluate its recovery efficiency, applying the methodologies prescribed by DCRS recovered only minor amounts (on average less than 5 percent) of the gold intentionally added to the sample; and,*

4. *Test work involving larger samples of material from BRX is currently continuing under Behre Dolbear supervision.”*

unquote:

IPC has welcomed Behre Dolbear’s positive confirmation that gold mineralization exists on the BRX property, and that physical gold can be recovered from the BRX material via the DCRS technique. It is a preliminary view shared by both Behre Dolbear and IPC that the recovery efficiency of the DCRS processing plant appears low and erratic, yet the DCRS process has served Behre Dolbear and IPC by confirming that gold is physically present on the Black Rock Property.

IPC intends to continue its consulting relationship with Behre Dolbear to move the Black Rock Project forward to development and mining.



Canadian Properties

Canadian Platinum

The Company holds interests in approximately 45,000 acres of platinum exploration properties in Canada. This represents one of the largest North America land positions held by any mining interests which are capable of hosting the unique South African style platinum deposits. Preliminary investigations began during 1986, and the results are outlined below.

Big Trout Lake, Ontario - Platinum

The Big Trout Lake claim group is 400 miles north of Thunder Bay in northwestern Ontario, Canada. The Company holds 225 claims totaling 9,000 acres covering a four-mile strike length of the Big Trout Lake. To date, the Company has spent over \$1.7 million on this property.

A drilling program of 13 holes conducted during 1988 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 thicknesses 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.

IPC management regards this property as one of the most promising large platinum prospects in Canada. An ambitious exploration program has been designed this year for execution during 1995, finances permitting.

Cobalt, Ontario - Silver and Base Metals

In March 1993, an agreement was signed with Falconbridge Limited ("Falconbridge") in which Falconbridge may acquire a 65% interest (with an option to acquire an additional 10%) in the base metal zone by spending \$1.5 million on exploration on or before February 1, 1998, and drilling a minimum of 3,050 meters of core in addition to making option payments of \$145,000.

The Company also entered into a conditional agreement to sell the surface rights of a portion of this property along with the tailing pond and building, previously used as a mill, for \$150,000. This agreement has been concluded.

Eagle Lake, Ontario - Base Metals

The Company holds 237 claims consisting of 10,320 acres, which are located 20 miles west-southwest of Dryden, Ontario, Canada.

Results from a 1988 drill program which targeted geophysical conductors included a 2.5 foot wide zone of 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 sulfide horizon containing anomalous base and precious metal values.

Further drilling occurred in early 1989. Values of 0.06 ounces silver and 0.93% zinc over .23 feet and 0.10% zinc over 4.6 feet were intersected within widespread broader anomalous sulfide and graphitic zones. Exploration confirmed a widespread presence of precious and base metal mineralization on the Eagle Lake Property.

The Company still holds its interest in the ground, and plans to explore the property have been drawn up during 1994. That program will be carried out in 1995 if conditions are favorable.

Muskox, Northwest Territories - Platinum

The Company currently holds a 100% interest in claims totaling 22,948 acres on the Muskox Intrusion, subject to a 10% net profits interest in the property held by Overseas Platinum Corporation. This property is located 300 miles north of the town of Yellowknife in the Northwest Territories, Canada.

Systematic field evaluation of the property in August 1986 confirmed the geological environment for economic platinum-palladium deposits. A total of 285 rock samples and 467 soil samples were collected. During this systematic field evaluation in August 1986, a new zone of platinum-palladium mineralization associated with continuous layers, but beneath the known platinum bearing Muskox Reef, was found on the property. Values of 0.05 and 0.208 ounces platinum/palladium per ton were returned in chip samples over 1.0 foot and 2.7 feet, respectively.

The Muskox property is within an area known as Nunavit Territory. The Company is currently evaluating an exploration program to explore for platinum group metals deposits on the property. During 1993, the Northwest Territories achieved self-governance, and under the new administration, existing claims have been grandfathered. Exploration programs suitable for this remote but promising prospect have been developed this year, and the company is proposing to attempt to renew exploration at Muskox in 1995.

Georgia Lake, Ontario - Lithium

The Company has acquired a 100% interest in 1020632 Ontario Limited, a mineral exploration company. 1020632 Ontario Limited holds 14 claims covering 710.7 acres locat-

ed at the west end of Georgia Lake, 144 kilometers north-east of Thunder Bay, in the Thunder Bay Mining Division.

Prior exploration performed on the property consisted of stripping, trenching, geological mapping and drilling. Fifty-five AX holes were drilled for 13,555 feet. The outcrops was 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.

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% Li_2O over an average thickness of 18 feet. Mineral dressing tests yielded good recoveries and grade for the concentrate.

The Company intends to undertake 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. The property is untested for other metals which normally occur in exotic pegmatite and greisen environments.

RSA Activity

Platinum, Republic of South Africa

Rooywal Prospect - Transvaal

The Corporation acquired a 50% interest in Jamestone Platinum Pty Limited of South Africa ("Jamestone"), which in turn holds the rights to acquire the Rooywal property located within the layered intrusive known as the Bushveld Complex. The Rooywal property consists of 14,000 acres which lies twelve miles east of the operating platinum mines of Northam (which are owned by Goldfields of South Africa). Prior exploration on the property has been performed by Goldfields and Jamestone in the form of deep drilling and seismic refraction. Core from Goldfields' drilling is not available, but some drill logs have been released. The seismic survey information is available.

From 1992 to 1993, the International Platinum technical team re-evaluated the seismic survey utilizing the computer enhancement facilities at the Witswatersrand University of Johannesburg. This re-evaluation, coupled with a detailed look at the drill logs, confirmed the presence of Merensky and UG2 platinum bearing chromite reefs on the Rooywal property. Due to an up-faulted normal fault across part of the property, part of the reef may be as shallow as 600 meters, while some may be at the present mining depth at the Northam Mine of 1,200 meters. Further exploration is warranted. No further work was done on the property in 1993, but the Company still holds the ground and plans to return if and when conditions become favorable.

New Project

Management in South Africa have recently discovered a new platinum prospect from fundamental exploration on Bushveld rocks.

When land rights have been firmed up with farmers holding the mineral rights, the area and near surface platinum results will be disclosed.

Summary - Black Rock

The Company has used specialized professional laboratories within the mining industry, whether in assaying per se or expertise in modern recovery techniques. A wide variety of independent research and assay laboratories in geographically diverse locations have been employed: six in Arizona, five other labs scattered around the USA, three labs in Canada, and two labs in South Africa.

Research among these labs on the BRX material has included complex compound identification by X-ray Diffraction (XRD) and Inductively-Coupled Plasma Spectroscopy (ICP); the identification of constituent quantities of elements by X-ray Fluorescence (XRF), Atomic Absorption Spectroscopy (AA), and ICP; and the identification of precious metal components in the material by all the above geochemical tools as well as by fire assay techniques.

Of primary concern to IPC management from the very beginning of the Black Rock project was to absolutely confirm beyond any doubt that gold and other precious metals were present. The only way to do this was to perform a plethora of analytical techniques and technologies for assaying and to perform preliminary extraction methodologies which end with 'gold in hand'.

Further Exploration and Development

The staff of your company is small. All of the exploration work is directed and personally undertaken by President, Lee Furlong and Black Rock Project Manager, Paul Mentzer: a real 'hands-on' management style.

For a small explorer, IPC has amassed an enormous quantity of data, particularly since the Black Rock Property (the original one-square mile) was acquired only seven months ago. IPC has an option on the surrounding 15 square miles.

The development of a Property follows a logical sequence, although customized for each project;

Phase 1 is the exploration involved in the discovery and confirmation of a potentially exploitable mineralization. This phase has now been completed. The Company is now moving into the second phase of exploration.



The following program has already been initiated:

PHASE 2 — Exploration Expansion

- the technical resources of the Company will be expanded to meet the challenge the BRX property exhibits. Supervisory professional staff: engineers, geologists, and support technicians will be brought into the Company in a sequential up-scaling program;
- optimizing a fire assay procedure specifically developed for ore delineation purposes;
- analysis of samples on-hand for other metals whose presence is indicated by X-ray determination and visual examination;
- regional sampling and determination of additional anomalies in the surrounding 15 square miles.

PHASE 3 — Ore Definition

- wide spaced exploration drilling on Section 35, probably at 500-foot centers to define more highly mineralized zones;
- detailed follow-up drilling, probably at 100-foot centers for 'ore' reserve definition purposes;
- bulk samples taken representing various depths

and sent for metallurgical testing which will include chlorine leach, flotation, cyanidation, and physical/gravity recovery.

PHASE 4 — Pre-Development

- definition of initial "ore" reserves
- definition of initial "ore" reserves by independent consultants
- initial feasibility studies
- initial feasibility studies conducted by independent consultants

PHASE 5 — Initial Development

- final feasibility accepted
- initial development and construction of the Project
- "ore" reserve drilling on surrounding 15 square miles

PHASE 6 — Mining

- initial mining operation is launched
- second stage development feasibility initiated

Summary — Canada and South Africa

During the four years ended December 31, 1990, an aggregate of approximately \$10.4 million was expended to acquire interests in, and to explore, the Company's platinum properties. Because of difficulty in raising the required capital or finding joint venture partners, only low levels of activity were undertaken on the Canadian assets during the last four years. Commensurate with the Company's acquisition of the Georgia Lake lithium deposit and prospect, IPC intends to activate exploration on all of the Canadian assets, either through Joint-Venture or through direct expenditures commencing in 1995. Our Canadian consultants have been re-evaluating the complete Canadian asset portfolio and are presently developing the appropriate exploration programs.

In South Africa, the Company will endeavor to Joint-Venture the Rooyval Property. The newly discovered platinum mineralization is worthy of a further low-budget exploration program.

Conclusion

1993 and the first part of 1994 has been an exciting time for International Platinum. IPC's firm objective is to move at least one of its assets to production in the immediate future.

End Technical Report

V.L.R. (Lee) Furlong
Paul E. Mentzer

Appendix A: X-ray Diffraction and X-ray Fluorescence Analysis

Typical X-ray Diffraction Analysis Results from the Black Rock Material

X-ray Diffraction Analysis	
Element/Compound	Relative %
1. Alpha Quartz or Silicon Dioxide: SiO ₂	43.680%
2. Calcite or Calcium Carbonate: CaCO ₃	20.500%
3. Microcline or Potassium Aluminum Silicate: AlKSi ₃ O ₈	6.080%
4. Albite or Sodium Calcium Aluminum Silicate: (Na,Ca)Al(Si,Al) ₃ O ₈	4.250%
5. Celsian or Barium Aluminum Silicate: BaAl ₂ Si ₂ O ₈	1.090%
6. Anorthite or Calcium Aluminum Silicate: CaAl ₂ Si ₂ O ₈	2.080%
7. Graphite or Carbon: C	1.150%
8. Pyrite or Iron Sulfide: FeS ₂	3.590%
9. Chalcopyrite or Copper Iron Sulfide: (Cu, Fe)S ₂	0.580%
10. Hematite or Iron Oxide: Fe ₂ O ₃	7.650%
11. Illmenite or Titanium Iron Oxide: TiFeO ₃	2.130%
12. Bixbyite or Manganese Oxide: Mn ₂ O ₃	0.210%
13. Witherite or Barium Carbonate: BaCO ₃	0.140%
14. Titanite or Calcium Titanium Silicate: CaTiSiO ₅	1.130%
15. Rutile or Titanium Dioxide: TiO ₂	0.250%
16. Strontianite or Strontium Carbonate: SrCO ₃	0.670%
17. Zircon or Zirconium Silicate: ZrSiO ₄	0.600%
18. Anorthoclase or Sodium Potassium Aluminum Silicate: (Disordered)(Na,K)(Si ₃ Al)O ₈	Trace
19. Cordierite or Magnesium Aluminum Silicate: Mg(Si ₃ Al)O ₈	2.310%
20. Other Elements and/or Their Compounds	1.380%
21. Noble Metal Compounds:	0.038%
Gold Free	
Petzite: Ag ₃ AuTe ₂	
Hessite: Ag ₂ Te	
Argentopyrite: AgFe ₂ S ₃	
PGE Group (Sulfide Compounds)	

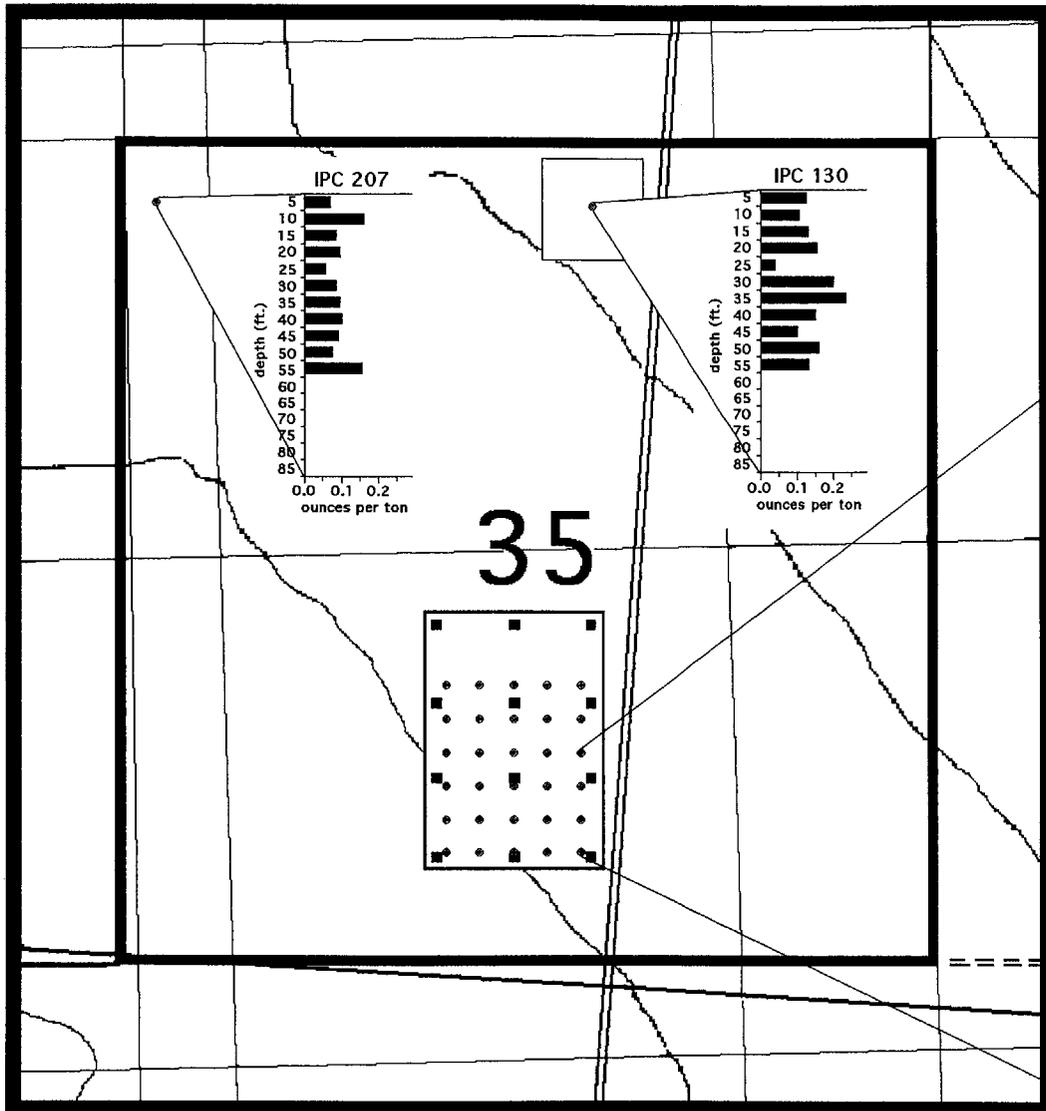
These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure.
This investigative information is preliminary and no conclusion should be drawn.

Typical X-ray Fluorescence Analysis Results from the Black Rock Material

X-ray Fluorescence Analysis				
Element	Relative %		Element	Relative %
Arsenic	Trace		Rubidium	0.1%
Barium	0.5%		Strontium	0.4%
Bismuth	N/D		Thorium	N/D
Chromium	0.2%		Tin	0.1%
Cobalt	Trace		Titanium	1.1%
Copper	0.2%		Tungsten	Trace
Iron	8.0%		Uranium	N/D
Lead	0.3%		Vanadium	Trace
Manganese	0.1%		Yttrium	N/D
Molybdenum	Trace		Zinc	0.4%
Nickel	0.1%		Zirconium	0.3%
Tellurium	0.1%			

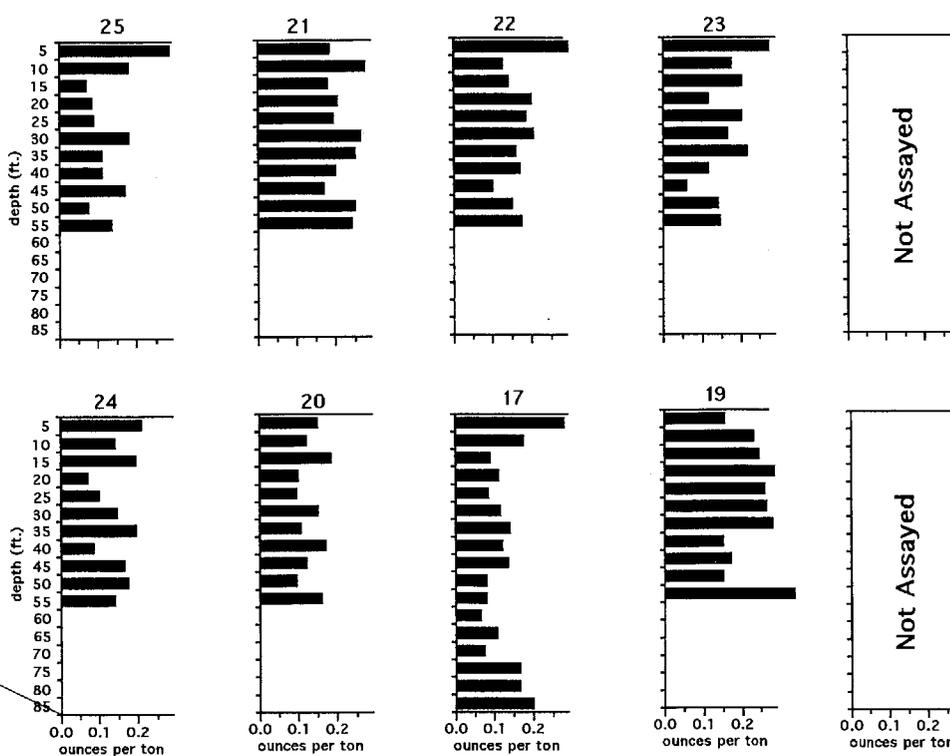
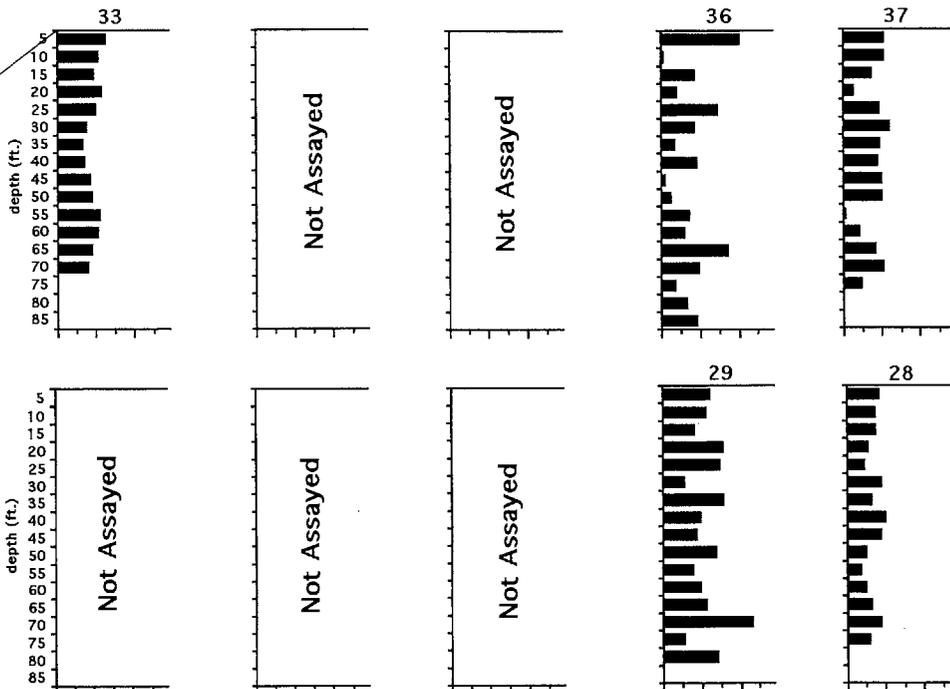
These results are acquired from normal exploration activities and reported here to ensure completeness of disclosure.
This investigative information is preliminary and no conclusion should be drawn.

Appendix B: Drill-Hole Analysis Results



Black Rock, Section 35 Exploration Drilling
Gold Assays in ounces per ton

Drilling on the Black Rock Property followed by geochemical assaying was undertaken to determine if the discovered geochemical anomaly had a third dimension (depth). Drilling was not undertaken to determine 'ore reserves'. The results are reported here to ensure completeness of disclosure. This investigative information is preliminary and no conclusions should be drawn.



Appendix C: Glossary

AA, Atomic Absorption Spectrophotometry: An exploration geochemistry analytical technique widely used for the detection of minute traces of elements. The sample to be tested is solubilized in acids, and the solution is analyzed, the unique wavelength of light of each element being quantified instrumentally. "Flame AA" is a commonly used AA technique, the solution being atomized into a flame, the quantity of the element being read by a lamp specifically attuned to the wavelength of that element.

Alluvial: A term used to describe erosional deposition. The deposition is commonly in depressional areas or along streams and rivers and commonly the by-product of water or wind erosion of parent material locally or up to many hundreds of kilometers away. 'Placer' is also a common term used to describe an alluvial deposit.

Anomaly, Geochemical: An area of above normal determinations of valuable mineral(s) as determined by geochemical analysis. Anomalies are sought after often as indicators of nearby 'ore' grade mineralogical deposits. An anomaly may be a low-grade occurrence of a valuable mineral or a non-economic mineral which is known to occur near or with a valuable mineral.

Au: The elemental symbol for gold.

Caliche: (pronounced call-ee-chee) The common name for the hardened layers of mostly calcium salts, chlorides, carbonates and sulfates which cement together the material. In other parts of the world it is sometimes known as "calcrete" where the name is descriptive of its rock-hard nature.

Chlorination: The process where a sample is subjected to acids and chlorine which solubilize precious metals. The resulting 'pregnant' liquor is then analyzed via AA or ICP. The precious metals are stripped from the pregnant liquor to physically recover the metals.

Chromite: Material which is rich in the chrome compound Cr₂O₃. Often used as a geochemical indicator of platinum group elements.

Collectors, 'Buttons': Metals whose physical properties make precious metals soluble and collect into a solid button when smelted. Lead, mercury, copper, and nickel are collectors commonly used in metallurgical techniques.

Confirmatory Assays: Secondary assays on a sample from a second analytical laboratory or another analytical technique.

Cyanidation: The exposure of a material to a cyanide solution to solubilize precious metals; gold in particular.

Drilling, Auger: A method for extracting geologic samples from depth. Auger drilling uses a screw-type bit to bring material to the surface along the outside of the drill itself.

Drilling, Reverse Circulation: A method for extracting geologic samples from depth. Reverse circulation drilling uses compressed air or water to bring the material to the surface along the inside of the drill itself.

Electrolytic Cell: A common use for an electrolytic cell is for 'electro-plating.' A direct current is passed through a solution; metals from the anode being dissolved into solution and then 'plated' onto the cathode.

Fire Assay, Lead Fusion: An assay methodology for the determination of primarily gold and silver. A known quantity of a sample to be tested is mixed with fluxes specific to the chemistry of the sample. The flux is added to allow for the solubilization and collection of precious metals in lead and the removal of non-metallic elements and other metals into a glassine slag or by vaporization when heated in a furnace @1800°F.

Flotation (as applied to metals): A methodology used for separating metals in ore. The very basic methodology is based on the affinity of precious metals to oils, the finely milled material being passed into an agitated, foamy solution where the small particles of precious metals are held by the surface tension of the bubbles which rise to the surface of the solution and can be removed. The material is then typically dried and refined.

Flux, Fluxing Agents: The term used to describe the chemical ingredients added to the fire assay to aid in the separation of the sample: the precious metals into the lead, and the remainder into a glassine slag. The quantity and types of fluxes may be modified to specifically suit the unique chemistry of each sample.

Geochemical Assays: High precision analytical techniques utilized to determine the concentration of an element. Geochemical methods commonly are based on the unique chemical or atomic characteristics of an element: spectral emission, atomic fluorescence, or radioactivity. These particular values, while quite small, can often be accurately determined to a few parts per billion. Because geochemical determinations are made instrumentally rather than physically, the assays are considered 'semi-quantitative,' but the speed and cost-efficiency of geochemical assays make them a preferred method for searching for mineralogical anomalies.

Geophysics: This science uses the natural and induced attributes of rocks/minerals as an adjunct in understanding the geology of a specific area. Geophysics uses the natural fields of magnetics, gravity, natural electro-potential and radioactivity as well as induced electrical or atomic physics which all aid in the interpretation of the geology of a site.

Gravity Recovery, Concentration: Precious metals are often among the heaviest fraction of a sample; therefore techniques involving the use of water can be used to remove the lighter fraction to produce a heavy concentrate. 'Panning' is an unsophisticated example of gravity concentration.

Appendix C: Glossary (continued)

Head Sample, 'Heads': A sample of a material prior to exposure to any processing or gravity concentration technique. Determinations on untreated samples before processing are mandatory to determine efficiency of a recovery process.

Independent Consultants: An 'uninterested party,' usually an expert(s) whom can be called upon to give unbiased opinions, advise, and assessment. In mining terms, this would be a person or persons of expertise in the mining field who are contracted/employed to work up solutions to various difficulties such as in exploration, assaying, ore definition, processing, and production.

Inquart: An inquart is often a precious metal, silver being commonly used. The inquart is added to the flux ingredients of a fire assay, often assisting as an additional collector for precious metals. In fire assays, lead is used as the primary collector of precious metals in a sample.

ICP/DCP, Inductively-Coupled Plasma/Direct-Coupled

Plasma: An exploration geochemistry analytical technique widely used for the detection of minute traces of elements. The sample to be tested is solubilized in acids, and the solution is analyzed, the unique wavelength of light being analyzed and quantified instrumentally. Unlike AA, ICP atomized the solution into a plasma flame within a strong magnetic field which produces extremely high temperatures. The quantity of the element is determined by the intensity of the wavelengths of light unique to each element. ICP can make determinations on many elements simultaneously and quickly.

Li₂O: The chemical symbol for dilithium oxide, the most common native form of lithium.

Neutron Activation: A method of elemental determination where a sample is irradiated to excite the neutrons of all elements in the sample. The neutrons thus 'activated' irradiate at a wavelength unique to each element. Elements are determined instrumentally.

Pd: The elemental symbol for palladium.

PGE, PGM: The abbreviation for 'Platinum Group Elements' or 'Platinum Group Minerals/Metals.' This mineral group is comprised of metals of similar physical and chemical characters which commonly occur together; either in alloys or compounds. They are: platinum (Pt), palladium (Pd), rhodium (Rh), osmium (Os), iridium (Ir), and ruthenium (Ru).

Pretreatment: A physical or chemical treatment of a sample prior to assay or processing.

Profile, Soil: The term given to the layers of soils, gravel, rock, etc. which occur down a vertical 'face.' The layering is usually indicative of alluvial activity: soils and rocks being transported into a site in succeeding geologic eras.

Pt: The elemental symbol for platinum.

Reserves: The term given to a defined grade and size of an ore body. A reserve cannot be determined until a predetermined number of drill holes are taken in a sufficiently close grid and assayed completely to give an accurate and complete estimate of an average grade of an economic mineral which can be quantified over an definite three-dimensional area.

Rh: The elemental symbol for rhodium.

Tail Sample, 'Tails': A sample of a material after exposure to any processing or gravity concentration technique which is considered to be 'barren' of the desired mineral and discarded.

X-Ray Diffraction: An analytical technique often used in geochemical exploration. In the most common form of analysis, X-rays are focused through a sample where the unique crystal structures of the elements as they occur in the sample, be it as a native element or complex compound, scatter the X-rays in a known pattern.

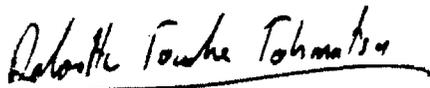
X-Ray Fluorescence: An analytical technique often used in geochemical exploration. The sample is bombarded with X-rays where the unique atomic fluorescence of the elements as they occur in the sample can be measured.

To the Shareholders of International Platinum Corporation

We have audited the consolidated balance sheets of International Platinum Corporation as at December 31, 1993 and 1992 and the consolidated statements of loss and deficit and of changes in financial position for the years then ended (all expressed in Canadian dollars). 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 auditing standards generally accepted in Canada. 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 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, 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in Canada.



Deloitte Touche Tohmatsu
Chartered Accountants

Brisbane, Australia

Dated 11 July, 1994

INTERNATIONAL PLATINUM CORPORATION
Consolidated Balance Sheets

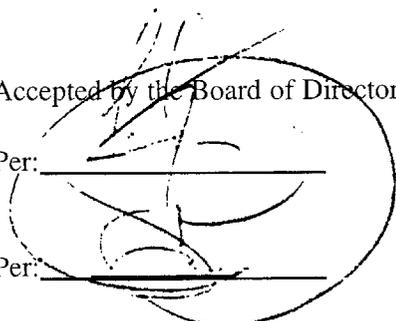
December 31, 1993 and 1992
(in Canadian dollars)

	<u>1993</u>	<u>1992</u>
	\$	\$
ASSETS		
CURRENT		
Cash	127,000	50,000
Accounts Receivable (Note 4)	<u>743,000</u>	<u>319,000</u>
	870,000	369,000
DEFERRED MINERAL EXPLORATION EXPENDITURES (Note 5)		
	<u>4,640,000</u>	<u>4,522,000</u>
	<u>\$5,510,000</u>	<u>\$4,891,000</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	1,486,000	1,494,000
Debentures (Note 6)	<u>750,000</u>	<u>750,000</u>
	<u>2,236,000</u>	<u>2,244,000</u>
DEFERRED PREMIUM ON FLOW-THROUGH SHARES (Notes 5 and 7)		
	<u>464,000</u>	<u>487,000</u>
CONTINGENCIES (Notes 1 and 11)		
SHAREHOLDER'S EQUITY		
Share Capital (Notes 7, 8 and 14)	26,698,000	24,524,000
Deficit	<u>(23,888,000)</u>	<u>(22,364,000)</u>
	<u>2,810,000</u>	<u>2,160,000</u>
	<u>\$5,510,000</u>	<u>\$4,891,000</u>

Accepted by the Board of Directors of International Platinum Corporation

Per: _____

Per: _____



INTERNATIONAL PLATINUM CORPORATION
Consolidated Statements of Loss and Deficit

Page No. 20

December 31, 1993 and 1992
(in Canadian dollars)

	<u>1993</u>	<u>1992</u>
	\$	\$
EXPENSES		
- Mineral exploration expenditures written off (Note 5)	311,000	642,000
- Debenture and demand note interest	48,000	61,000
- Administrative	960,000	574,000
- Depreciation	-	2,000
	<hr/>	<hr/>
LOSS FOR THE YEAR	1,319,000	1,279,000
DEFICIT, BEGINNING OF YEAR	22,364,000	21,021,000
COSTS OF ISSUING SHARES	<u>205,000</u>	<u>64,000</u>
DEFICIT, END OF YEAR	<u><u>\$23,888,000</u></u>	<u><u>\$22,364,000</u></u>
LOSS PER SHARE	<u><u>\$0.040</u></u>	<u><u>\$0.060</u></u>

INTERNATIONAL PLATINUM CORPORATION
Consolidated Statements of Changes in Financial Position

December 31, 1993 and 1992
(in Canadian dollars)

	<u>1993</u>	<u>1992</u>
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
- Loss for the year (less write-off of mineral exploration expenditures)	(1,008,000)	(637,000)
- Items not affecting cash -		
Depreciation	-	2,000
Administrative services provided for common shares	<u>759,000</u>	<u>130,000</u>
	<u>(249,000)</u>	<u>(505,000)</u>
- Changes in non-cash working capital components affecting operations -		
Accounts Receivable	(4,000)	-
Accounts payable and accrued charges	<u>(8,000)</u>	<u>568,000</u>
	<u>(12,000)</u>	<u>568,000</u>
Mineral exploration expenditures	<u>(452,000)</u>	<u>(617,000)</u>
Cash used in operating activities	<u>(713,000)</u>	<u>(554,000)</u>
FINANCING		
- Issue of shares for cash	1,415,000	822,000
- Costs of issuing shares	<u>(205,000)</u>	<u>(64,000)</u>
- Cash provided by financing activities	<u>1,210,000</u>	<u>758,000</u>
INVESTING		
- Advances to related parties	<u>(420,000)</u>	<u>(158,000)</u>
INCREASE IN CASH, DURING THE YEAR	77,000	46,000
CASH, BEGINNING OF YEAR	<u>50,000</u>	<u>4,000</u>
CASH, END OF YEAR	<u><u>\$127,000</u></u>	<u><u>\$50,000</u></u>

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 1 CONTINUATION OF BUSINESS

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

Several adverse conditions and events cast substantial doubt upon the validity of the going concern assumption for the Company. The Company has incurred losses of \$1,319,000 in 1993 and \$1,279,000 in 1992, and has a working capital deficiency of \$1,338,000 as at December 31, 1993. The working capital deficiency includes principal and accrued interest payable on two convertible debentures (Note 6) of \$963,000 which were in default as of December 31, 1993, and a demand note of \$142,000. Subsequent to December 31, 1993, the Company negotiated the settlement of one of the debentures with an outstanding balance of \$644,000, including accrued interest of \$144,000. The other debenture is still in default (Note 6).

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 arrange debt or equity financing to permit the further exploration and development of its properties, and ultimately upon the future profitable operation or disposal of these 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.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of financial statement presentation.

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada; the accounts of Hellens-Eplett Mining Inc., Jamestone Platinum (Pty) Limited and South Africa Mining (Pty) Limited, corporate exploration joint ventures, in each of which the Company holds a 50% interest, have been included in the financial statements using the proportionate consolidation method (Note 13).

The recoverability of deferred mineral exploration expenditures is dependent upon various factors, including the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete development of the properties and the profitability of future operations or, alternatively, upon the disposal of properties or the Company's interest therein, on an advantageous basis. Pending the profitable operation or disposal of the Company's properties, cash requirements must be provided by working capital and debt or equity financing.

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred mineral exploration expenditures:

It is the Company's policy to defer all direct expenditures related to the exploration and development of mineral properties in which it has a continuing interest, including a portion of the administrative expenditures related thereto, 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.

Deferred premium on flow-through shares:

It is the Company's policy to defer the premium 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, and to write off or amortize this premium as the related projects on which the flow-through funds were expended are written off or amortized.

NOTE 3 ACQUISITION OF INTEREST IN CORPORATE EXPLORATION JOINT VENTURE

Effective April 16, 1992, the Company acquired 50% of the outstanding common shares of Jamestone Platinum (Pty) Limited, a South African company engaged in the exploration of a platinum property, the Rooywal project (Note 5). Total consideration of \$349,000 was given and consisted of the issue of 4,000,000 common shares of the Company valued at \$0.0825 per share, being their approximate market value at the date of the agreement, and a cash payment of \$19,000. In addition, the Company issued common share purchase warrants, as a finder's fee, entitling the holder to purchase 5,400,000 common shares of the Company at any time during a period of two years from July 14, 1992, at a price of \$0.11 per share (no value was ascribed to these warrants).

The Company's share of assets and liabilities at the date of acquisition were as follows:

- Deferred mineral exploration expenditures	\$523,000
- Due from related party	160,000
- Due to optionor of the platinum property	(160,000)
- Accounts payable	<u>(174,000)</u>
- Net assets acquired	<u><u>\$349,000</u></u>

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 3 ACQUISITION OF INTEREST IN CORPORATE EXPLORATION JOINT VENTURE
(continued)

The acquisition was accounted for by the purchase method and the results of operations are included in the financial statements from the effective date of acquisition using the proportionate consolidation method.

The Company is presently negotiating a settlement of the amount due to the optionor of the platinum property of \$160,000 (Note 4). It is expected that the liability may be settled for an amount significantly less than its stated amount. However, as the amount due from the related party of \$160,000 represents a guarantee of this liability, any reduction in the liability will result in a corresponding reduction of the amount due from the related party and there will be no gain or loss to the Company on this settlement.

NOTE 4 ACCOUNTS RECEIVABLE

	<u>1993</u>	<u>1992</u>
	\$	\$
Interest-free advances to related company		
- joint venture partner	560,000	138,000
Due from shareholder (Note 3)	160,000	160,000
Due from directors	18,000	20,000
Other	<u>5,000</u>	<u>1,000</u>
	<u>\$743,000</u>	<u>\$319,000</u>

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 5 DEFERRED MINERAL EXPLORATION EXPENDITURES

Details of deferred mineral exploration expenditures by major project are as follows:

Property	Balance Beginning of Year	Acquisitions and Expenditures for the Year	Expenditures Written Off in the Year	Balance End of Year
North America				
- Big Trout Lake	\$1,736,000	\$ -	\$15,000	\$1,721,000
- Eagle Lake	1,161,000	-	-	1,161,000
- Cobalt	642,000	-	2,000	640,000
-Flambeau Lake	324,000	-	317,000	7,000
-Muskox	235,000	3,000	-	238,000
- Georgia Lake	-	111,000	-	111,000
- Black Rock	-	328,000	-	328,000
South Africa				
- Rooywal	424,000	10,000	-	434,000
1993	\$4,522,000	\$452,000	\$334,000	\$4,640,000
1992	\$4,627,000	\$617,000	\$722,000	\$4,522,000

In 1993, accumulated expenditures on exploration projects of \$334,000 were written off, as current activity has terminated. In 1992, the corresponding write off was \$722,000. The write offs were reduced by \$23,000 in 1993 and \$80,000 in 1992 representing the flow-through share premiums related to the funds used on these exploration projects.

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 properties; at December 31, 1993, the Company owns approximately 67% of the joint venture properties consisting of Big Trout Lake and Muskox. The Company was not funded by joint venture partners in 1991 for expenditures it incurred as operator of the joint venture. In 1993, expenditures of \$3,000 were incurred (1992 - nil).

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 5 DEFERRED MINERAL EXPLORATION EXPENDITURES (continued)

The Company purchased the entire issued share capital of 1020632 Ontario Inc. The consideration of \$100,000 paid for the shares consisted of 769,229 common shares and options to acquire a further 600,000 common shares (exercisable at \$0.13 per share) of International Platinum Corporation. This company holds the mineral leases for the Georgia Lake property and consideration forms the deferred mineral exploration expenditure.

In October, 1993, New Ventures Development Corporation (NVDC) entered into a joint venture agreement (the "JV") with Phoenix International Mining Corporation ("Phoenix") whereby NVDC had the right to earn up to a fifty percent (50%) interest in a one square mile claim block (the "Black Rock Prospect"). The JV allowed NVDC six (6) months to decide whether or not to expend the amounts required to develop the Black Rock Prospect and hence earn its 50% interest. NVDC assigned all of its right, title and interest in the JV to the Company pursuant to an assignment agreement between NVDC and the Company. Upon earning its 50% interest, the Company will be required to pay to NVDC an aggregate amount of \$2,150,000.00 (US) in various stages to be satisfied by the issuance of common shares of the Company (subject to regulatory approval).

Option Agreements

Cobalt Property

- (a) The Company (IPC), along with Starmin Mining Inc. (Starmin) and Hellens-Eplett Mining Inc., entered into an agreement with Falconbridge Limited (Falconbridge) whereby Falconbridge may acquire a 65% interest (with an option to acquire an additional 10% interest) in property owned jointly by Starmin and IPC as well as certain adjoining properties owned by Starmin. To maintain in force its option Falconbridge must incur exploration expenditures of at least \$500,000 on or before February 1, 1998 and drill a minimum of 3050 metres of core, in addition to making the following option payments to the Company.
 - (a) \$10,000 on or before February 1, 1994
 - (b) \$15,000 on or before February 1, 1995
 - (c) \$20,000 on or before February 1, 1996
 - (d) \$35,000 on or before February 1, 1997
 - (e) \$50,000 on or before February 1, 1998

- (b) Hellens-Eplett Mining Inc., also entered into a conditional agreement to sell the surface rights of a portion of its property along with the tailings pond and a building, previously used as a mill, for \$150,000. This agreement is anticipated to close in 1994.

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 6 DEBENTURES

During 1990, the Company issued two unsecured, convertible debentures for \$500,000 and \$250,000 which were due on April 6, 1992 and May 9, 1992, respectively.

In each case, interest is payable annually at 11% per annum for the first year and at bank prime less 2% for the second year. The debentures, plus accrued interest, were convertible into a maximum of 1,800,000 common shares of the Company at a price of \$0.50 per share at any time until maturity.

The debenture for \$500,000, plus accrued interest of \$144,000, was converted into 1,200,000 common shares of the Company at a price of \$0.50 per share on March 29, 1994.

The Company was unable to repay the amount outstanding on the debenture for \$250,000 on the due date and is negotiating the settlement of this amount.

Included in accounts payable and accrued charges is \$213,000 representing the unpaid interest on the debentures to December 31, 1993; \$176,000 at December 31, 1992.

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 7 SHARE CAPITAL

The Company's authorized share capital comprises an unlimited number of common shares. A summary of share transactions during 1992 and 1993 is as follows;

	Number of Shares	Amount
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 \$0.144 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	<u>1,000,000</u>	<u>110,000</u>
Balance, December 31, 1992	<u>27,358,396</u>	<u>24,524,000</u>
Issued for cash under private placements (at prices ranging from \$0.104 to \$0.10875 per share)	8,500,000	901,000
Issued for services 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 from \$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) (at \$0.13 per share)	<u>769,229</u>	<u>100,000</u>
Balance, December 31, 1993	<u>46,392,404</u>	<u>\$26,698,000</u>

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 7 SHARE CAPITAL (continued)

Prior to 1991, the Company has financed a significant portion 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.

NOTE 8 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 up to 10% of the issued and outstanding common shares of the Company at prices not lower than the market price of the shares on The Toronto Stock Exchange (the "TSE") at the time of granting, less a discount allowable by the TSE.

Changes to options during 1992 and 1993 are as follows:

	<u>Plan</u>	<u>Non-Plan</u>	<u>Total</u>	<u>Price Range</u>
Options outstanding				
- December 31, 1991	1,230,250	160,000	1,390,250	\$0.05 - \$2.00
Options granted in 1992				
- April 16	1,314,000	-	1,314,000	\$0.055 - \$0.15
- May 8	1,300,000	-	1,300,000	\$0.12
- July 8	600,000	-	600,000	\$0.144
- December 3	100,000	-	100,000	\$0.10
Options Exercised	(2,904,250)	-	(2,904,250)	\$0.05 - \$0.144
Options expired or cancelled	<u>(140,000)</u>	<u>(160,000)</u>	<u>(300,000)</u>	\$0.05 - \$2.00
Options outstanding				
- December 31, 1992	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	\$0.10 - \$0.15

December 31, 1993 and 1992
 (in Canadian dollars)

NOTE 8 SHARE OPTIONS AND WARRANTS (continued)

	<u>Plan</u>	<u>Non-Plan</u>	<u>Total</u>	<u>Price Range</u>
Options outstanding				
- December 31, 1992	1,500,000	-	1,500,000	\$0.10 - \$0.15
Options granted in 1993				
- February 3	650,000	-	650,000	\$0.130
- February 3	1,500,000	-	1,500,000	\$0.104 - \$0.130
- March 25	910,000	-	910,000	\$0.088
- May 3	1,950,000	-	1,950,000	\$0.176
- September 14	2,450,000	-	2,450,000	\$0.084
Options Exercised	(6,299,029)	-	(6,299,029)	\$0.088 - \$0.176
Options expired or cancelled	<u>(550,000)</u>	<u>-</u>	<u>(550,000)</u>	\$0.12 - \$0.13
Options outstanding				
- December 31, 1993	<u>2,110,971</u>	<u>-</u>	<u>2,110,971</u>	\$0.088 - \$0.176

Options outstanding at December 31, 1993 were granted at the then current market prices, or at discounts of 20% as allowable by the TSE, and expire at various dates from July 7, 1994 to September 15, 1995 - see Note 14 (a).

In conjunction with the acquisition of Jamestone Platinum (Pty) Limited (Note 3), the Company issued share purchase warrants entitling the holder to purchase 5,400,000 common shares of the Company at a price of \$0.11 per share, at any time until July 14, 1994. During 1992, the holder exercised warrants to purchase 1,00,000 shares.

On April 21, 1993 warrants to purchase 900,000 common shares at \$0.11 per share were exercised for a consideration of \$99,000.

On December 24, 1993 warrants to purchase 600,000 common shares at \$0.135 per share were issued and exercised for a consideration of \$81,000.

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 9 INCOME TAXES

For income tax purposes, the Company has losses carried forward amounting to approximately \$938,000 which expire as follows;

1994	\$238,000
1996	113,000
1997	66,000
1998	61,000
1999	<u>460,000</u>
	<u>\$938,000</u>

In addition, exploration expenditures of approximately \$11,299,000 have been written off as at December 31, 1993 in the financial statements, but are available for deduction from taxable income of future years.

Income tax reductions applicable to the losses and exploration expenditures will be recorded when realized.

To December 31, 1993, 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.

NOTE 10 RELATED PARTY TRANSACTIONS

In addition to items disclosed separately in the financial statements, the following transactions took place with related parties.

- (a) In 1993, the Company incurred fees for legal services provided by directors and senior officers of the Company amounting to \$60,708 (1992 - \$46,000). These fees have been charged to administrative expenses
- (b) In 1993, consulting fees charged by directors and senior officers of the Company were included in administrative expenses, totalling \$505,219 (1992 - \$201,000). As at December 31, 1993, accrued expenses include \$126,160 (1992 - \$108,000) owing with respect to these fees.
- (c) In 1993, fees charges by a company controlled by a director and senior officer of the Company, included in administrative expenses, amounted to \$29,728 (1992 - \$12,000).
- (d) In 1993, consulting fees charged by a director and senior officer of the Company were included in exploration expenditure in the amount of \$50,000 (1992 - \$8,000).

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 11 CONTINGENCIES

(a) Lein claims

Lein claims for \$1,200,000 have been made in respect of a property in which the Company has a 50% interest for amounts payable for materials and services provided by a contractor, who abandoned the project prior to its completion, and by a bonding company, which completed the project pursuant to a performance bond. A counter-claim for \$2,000,000 has been filed on behalf of the Company and its joint venture partner. The cost, if any, to the Company in this matter is not currently determinable.

(b) Rehabilitation costs

The Company's Cobalt property indicates that the Company is contingently liable for 50% of the remediation and rehabilitation of the property. A report prepared for the remediation and costs of preparation of interim management and rehabilitation plans will fall in the range from \$35,700 to \$45,300. The company, Hellens-Eplett Mining Inc., was incorporated to manage the joint venture between Starmin Mining Inc. and International Platinum Corporation, has made provision in its financial statements by accruing \$35,700 as additional expenditures. The costs of remediation and rehabilitation are contingent upon both the Ministry of Environment and the Ministry of Natural Resources being satisfied that the property will not pose future environmental problems.

(c) As explained in Note 1 to the consolidated financial statements, the recoverability of the deferred exploration expenditures is dependent upon various factors, including the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete development, and future profitable operations, or alternatively, upon the disposal of the properties, or the Company's interest therein, on an advantageous basis. Pending the profitable operation or disposal of the Company's properties, cash requirements must be provided by existing working capital and debt or equity financings.

NOTE 12 SEGMENTED INFORMATION

The Company's major activity relates to the exploration for precious metals (silver, gold and platinum) in Canada and South Africa. During 1993, mineral exploration expenditures of \$114,000, \$328,000 and \$10,000 were incurred in Canada, the United States and South Africa respectively (1992 - \$30,000 in Canada and \$587,000 in South Africa). At December 31, 1993, identifiable assets aggregating \$4,567,000 were in Canada, \$615,000 were in South Africa and \$328,000 were in the United States. (1992 - \$4,307,000 in Canada and \$584,000 in South Africa).

INTERNATIONAL PLATINUM CORPORATION
Notes to the Consolidated Financial Statements (continued)

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 13 CORPORATE JOINT VENTURES

The Company's share of the assets, liabilities and expenses of corporate exploration joint ventures, which are included in these financial statements using the proportionate consolidation method, is as follows:

	<u>1993</u>	<u>1992</u>
	\$	\$
Current assets	53,000	3,000
Deferred mineral and exploration expenditures	649,000	1,066,000
Current liabilities	<u>(277,000)</u>	<u>(185,000)</u>
Net Assets	<u>\$425,000</u>	<u>\$884,000</u>
Expenses and loss for the year	<u>\$53,110</u>	<u>\$202,000</u>

NOTE 14 SUBSEQUENT EVENTS

(a) Share Options

Under the Company's stock option plan, options to purchase common shares of the Company were granted between January 1, 1994 and March 3, 1994 as follows:

Grant Date	Number Shares	Price per Share	Expiry Date
January 7	2,650,000	\$0.084	January 10, 1996
March 3	3,300,000 5,950,000	\$0.328	March 4, 1996

At various dates between January 1, 1994 and June 14, 1994, options were exercised to purchase 2,697,600 common shares of the Company at various prices, ranging from \$0.084 to \$0.176 per share, for an aggregate consideration of \$247,748.

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 14 SUBSEQUENT EVENTS (continued)

(b) Exercise of share purchase warrants

On February 28, 1994, the Company completed the sale of warrants to purchase 1,500,000 common shares at \$0.11 per share for a consideration of \$165,000.

On October 26, 1993, the Company was advised of the exercise of warrants to purchase 5,000,000 common shares at \$0.13 per shares for a consideration of \$650,000. The Company did not receive the funds until after December 31, 1993.

(c) Private placements of common shares

On March 2, 1994, the Company completed the issue of 8,000,000 common shares at \$0.09 per share for proceeds of \$720,000 to three Australian investors and the issue of 8,000,000 share purchase warrants, each warrant entitling the holder to purchase one common share for \$0.12 per share at any time prior to January 17, 1997.

On March 4, 1994, the Company completed the issue of 600,000 common shares under the terms of a private placement agreement with one British investor at \$0.2775 per share for proceeds of \$166,500.

On April 7, 1994, the Company completed the issue of 5,000,000 common shares under the terms of a private placement agreement with one British and two Australian investors at \$0.2475 per share for proceeds of \$1,237,000.

(d) Black Rock Prospect

The Company's initial joint venture with the Phoenix International Mining Corporation has been re-negotiated as to pre-mining stages as follows:

	Initial Joint Venture Agreement	Re-negotiated Joint Venture Agreement
Black Rock Prospect	50%	50%
Extended Black Rock Prospect		50%

to give it an interest in a further area of 15 square miles around the initial 1 square mile Black Rock Prospect.

December 31, 1993 and 1992
 (in Canadian dollars)

NOTE 14 SUBSEQUENT EVENTS (continued)

(d) (continued)

The agreement necessitates the Company expending approximately \$US4,000,000 to take up its 50% interest in two transfers

	%
1. If successful in proving 300,000 ounces of ore - it will be eligible to take up its first transfer of (approximately \$1,000,000 cost)	25
2. If completion of a feasibility study into mine operating capacity shows a minimum capacity of 1000 tons/day (for 250 days a year) a further transfer of (approximately \$3,000,000 cost)	25
3. Additionally, the agreement provides for an additional 30% interest depending upon increases in mine production if commenced. The maximum interest that may be achieved is 80% after mining operations commence. The agreement provides for ten equal increments of an additional 1,000 tons/day each to achieve the extra 30% interest.	30
	<u>80%</u>

On March 28, 1994, the Toronto Stock Exchange (TSE) instituted a temporary halt trade on the Company's common shares pending the issuance of a press release by the Company. 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. to visit the Black Rock Prospect and take independent samples.

The samples were sent by Kilborn to two independent laboratories. The two laboratories reported no significant precious metal values (i.e. not greater than an average of .02 grams/ton) from the samples 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 (April 29, 1994)

December 31, 1993 and 1992
(in Canadian dollars)

NOTE 14 SUBSEQUENT EVENTS (continued)

(d) (continued)

It is the Company's view that the Kilborn report is inconclusive. Although the report states that the samples were taken to a depth of 3 feet, subsequent physical examination by the Company indicates that the samples were taken from a depth of 1 1/2 feet. The Company feels that this difference is significant since it had previously reported values at a depth of two feet.

In May, 1994, Behre Dolbear & Company, Inc., were appointed as independent consultants to the Company specifically for the Black Rock Prospect. Aside from independently verifying the Company's findings to date, Behre Dolbear & Company, Inc., will assist the Company to bring the Black Rock Prospect through the proving up stage of ore reserves and culminating with a feasibility study.

(e) Debentures

The debenture for \$500,000 plus accrued interest of \$144,000 was converted into 1,200,000 common shares of the Company at a price of \$0.50 per share on March 29, 1994.

BOARD OF DIRECTORS

VLR (Lee) Furlong
President

Warren E. Tschannen
Chief Executive Officer

David N. Kornhauser
Secretary/Treasurer

Michael A. Kleinman
Director

Todd E. Gottlieb
Director

LEGAL

Horlick Kleinman Associates

Toronto, Canada

Cassels Brock & Blackwell

Toronto, Canada

Smith, Lyons, Torrance, Stevenson & Mayer

Toronto, Canada

Bearman, Talesnick & Clowdus

Denver, USA

AUDITORS

Deloitte & Touche

Toronto, Canada

Deloitte Touche Tohmatsu

Brisbane, Australia

REGISTRAR & TRANSFER AGENT

R-M Trust Company

Toronto, Canada

STOCK LISTING

NASDAQ

(Symbol TIPNF)

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President

Warren E. Tschannen
Chief Executive Officer

David N. Kornhauser
Secretary/Treasurer

Paul E. Mentzer
Manager, USA

Paul Scott, Chartered Accountant
Accounting

Lorraine Templeton
Comptroller/Accounting

TECHNICAL CONSULTANTS

Behre Dolbear & Co., Inc.

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James E. Trusler, P. Eng.

Geologist, Canada

Dr. John Stasko

Physical/Chemical Process Analyst, USA

Dr. Sergio Martinez

X-ray Crystallography, USA

Owen R. Dix, P. Eng.

Geologist, Republic of South Africa

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Annual Meeting

The Annual Meeting of Stockholders of International Precious Metals Corporation will be held at 4:15 p.m. on July 10, 1996 at the Ontario Club, Commerce Court South, Toronto, Ontario, Canada.

Corporate Information

Copies of the company's annual report and press releases are available without charge to stockholder's upon request to the company at its USA Office.

Exchange Listings

NASDAQ IPMCF
CDN IPMC

Legal Counsel

CANADA
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Toronto, Canada

USA
Bearman Talesnick & Clowdus
Denver, Colorado

Transfer Agent

R-M Trust
Toronto, Canada

Auditors

Stern Cohen
Toronto, Canada

USA Office

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ELI CONSTANTINE
Corporate Relations

NIELS WOISIN
MICHELLE GORENC
Design & Media

Technical Consultants

BEHRE DOLBEAR & CO., INC.
Mining Engineers, North America

HAWKEYE RESOURCES PTY LTD
B.R. Mountford, BSc (Hons) MAusIMM

VEARNCOMBE & ASSOCIATES PTY LTD
Julian R. Vearncombe BSc, PhD, FGS, MAusIMM
Susan Vearncombe, BSocSci, MSc, PhD

Geological Exploration Consultants

R.A. CREELMAN & ASSOCIATES
R.A. Creelman, B.A., MSc (Hons), PhD.
Fellow Aust. I.M.M., Member S.M.E.
Process Mineralogist

SURTEC GEOSURVEYS PTY LTD
Geological and Geophysical Consultants

ANNUAL REPORT 1995



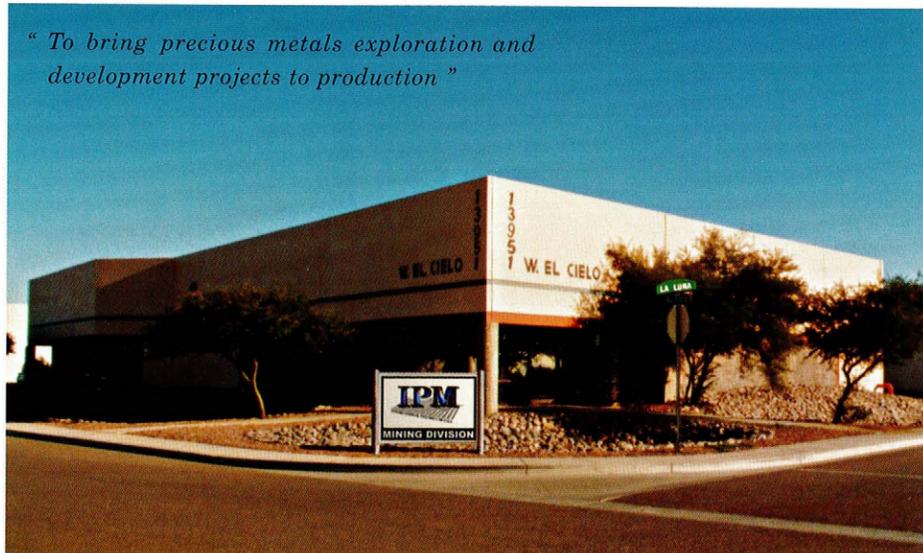
Canada & Registered Office

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World Wide Web

<http://www.ipmcf.com>

International Precious Metals Corporation (IPM) is a dynamic precious metal exploration company that is committed to becoming a profitable and significant producer within the mining industry. The company intends to achieve this objective by aggressively guiding commercially viable exploration projects through to production. In acknowledgment of the expansive commercial potential of its BRX property, IPM is now focusing all efforts and resources on its development. This priority recognizes the impact that the BRX project's success would bring to the Company and its shareholders.



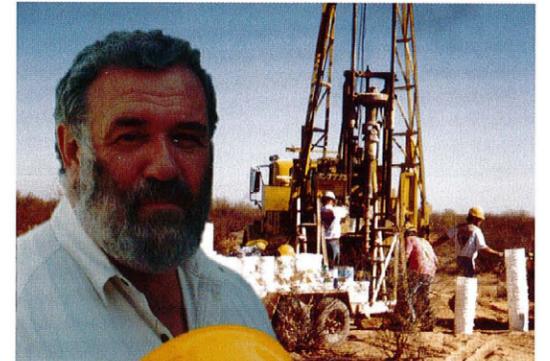
IPM Mining Division Headquarters

IPM's concentration on BRX is based on the recovery of economically attractive grades of gold and platinum. In order to accelerate the development of the project, the Company has formed a Mining Division and is building an experienced team of professionals to bring BRX to production.

Traditionally messages of this type conclude with the president of the company offering acknowledgments to shareholders and supporters. *Let me break with that tradition.*

International Precious Metals has achieved what many thought and said was impossible: the re-establishment of its corporate momentum and the development of its most promising project — a project that as of this writing is of indeterminable wealth. Your faith in the management of the company has sustained us all. This was reflected in the market and through your various communications. Your acceptance of risk, in what appeared to be a high risk vs. high reward opportunity, provided the required capital. Your patience allowed us to advance our programs according to the highest standards of the mining industry. For all this we are grateful. We give our sincerest thanks and pledge our continued effort to bring IPM to the forefront of precious metals producers.

As we see our strategy taking hold I reflect back just nine months ago to our September 21, 1995 Annual General Meeting and the recollection of a shareholder asking for a description of 1994. He good-naturedly received my reply — *tumultuous*. If the same question were asked of this past year, my reply would be — *evolution*. Although challenges remain, over the last year we have achieved many of our objectives. In May of 1995, at the conclusion of some of our most stressful times, Alan Doyle was elected Chairman of the Board. He, together with management, planned and initiated a corporate reorganization strategy to better position the company in the market. Alan then promptly went out and raised adequate capital to commence a drill program on BRX, IPM's most important property. At the 1995 AGM, shareholders overwhelmingly approved a share consolidation (reverse split), and, as required by regulation, our corporate name and identity were changed effective October 23rd. We also began the resource drilling program on BRX in October. By mid-December we released the results from the first nine drill holes. At year end our strategy began to bear fruit. Energy and enthusiasm increased throughout the company and among investors. This strengthened us to meet and work through even greater challenges, and as time would show — realize greater opportunities.



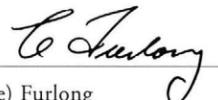
IPM now has adequate financing to last more than a year; enough time to develop the BRX asset to a significantly higher level of valuation. We have announced the raw gold and platinum assay results from the entire first one square kilometer BRX grid. Technical advancements continue at an ever-increasing rate. A distinguished team of geologists completed an intense structural geological investigation of BRX, giving us a better definition and understanding of the project's scope. This of course means that IPM is growing — and getting stronger.

I believe a fair description of the first five months of 1996 would be — *substantial progress*. In my previous letter to you I recall writing that "the anticipated value of the BRX property establishes a compelling economic incentive". In view of recent developments we have the opportunity for tremendous increases of those incentives.

It is management's and my belief that:

- IPM will move BRX to production
- IPM shareholders will participate in the recognition of the economic merits of the BRX project
- IPM will take its place as a profitable producer within the mining industry

To this president, the dedication of IPM's employees, executive consultants and management team has been a continuing source of strength, as have our investors.


VLR (Lee) Furlong
President & CEO

GEORGIA LAKE, ONTARIO

Currently being held by the Company as a strategic reserve with the expectation that lithium will become of interest and value as electric automobiles gain popularity. Previous exploration work resulted in an independent evaluation in February, 1993. Based on available data an estimate of the resource in this deposit is 1,180,000 tons grading 1.084% Li₂O over an average thickness of 18 feet. The mineral dressing tests also yielded good recoveries and grade for the concentrate. The Company intends to undertake exploration on the property through additional geological and other research and analysis as soon as practicable. Should the analysis be consistent, the design and implementation of a core drilling program would follow.

BIG TROUT LAKE, ONTARIO

The company regards this property as one of the most promising large platinum prospects in Canada. As of December 31, 1994, IPM held 223 claims totaling 8,920 acres which cover a four-mile strike length of the Big Trout Lake mafic to ultramafic intrusion. The company is in good standing through 1997, however, a field expenditure of \$90,000 per year will be required to hold the property beginning in 1998.

EAGLE LAKE, ONTARIO

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. IPM still holds an interest in the ground and plans to explore the property when conditions are favorable.

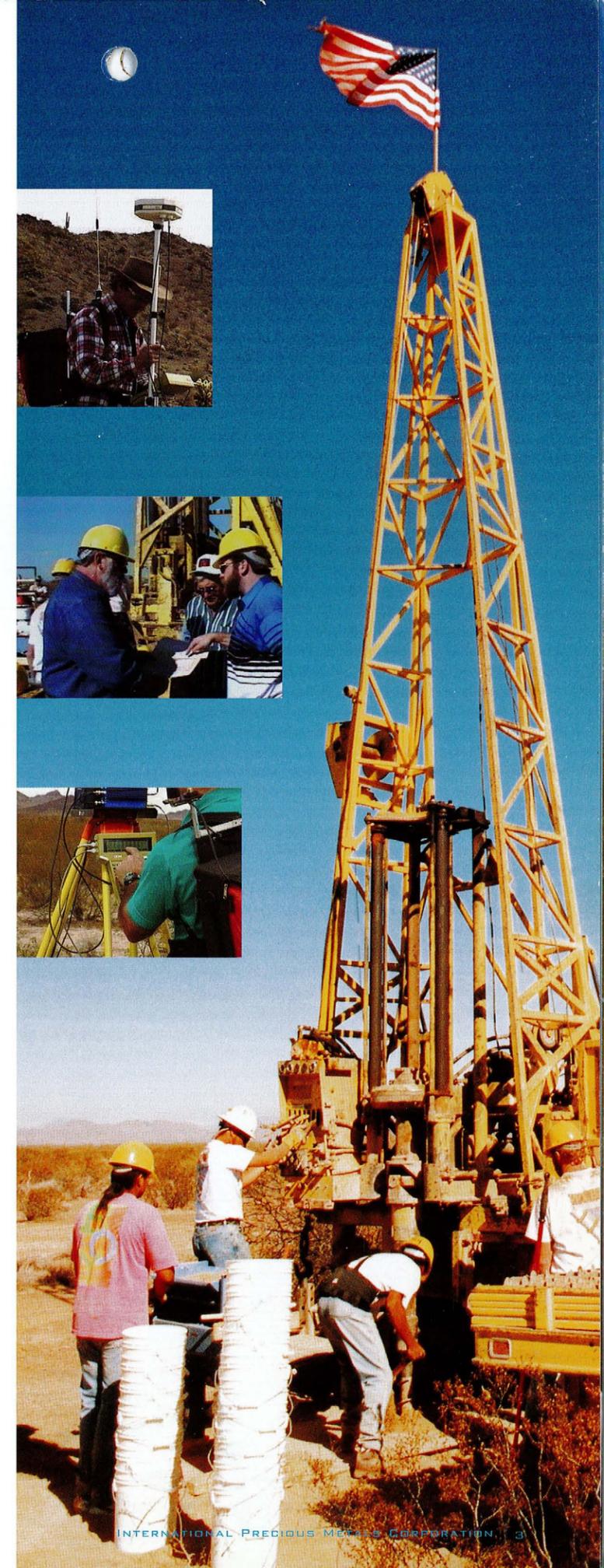
The BRX project is a story of exploration and discovery—challenge and achievements. It also is a story that, as of now, is incomplete. IPM's cornerstone project is located approximately 90 miles west of Phoenix, Arizona. The Company has invested more than two years and \$6 million exploring and advancing BRX. From the beginning, independent laboratory tests indicated that economically attractive grades of gold and platinum were present on the property. Subsequent technical work involving drilling, assaying and recovery further confirmed these indications. Initially it was believed that what is referred to as the *basin area* 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 area, continuing exploration efforts of the surrounding portion of the property led to the discovery of the *hard-rock source* of BRX. This recent discovery added a new dimension to the project. It provided a scientific and geological explanation for the presence of the gold and platinum, as well as the realization of the wealth that the development of BRX could bring.

The discovery prompted IPM to initiate a thorough structural geology investigation (see page 6 Abstract by Vearncombes). The two most significant geological events follow in summary:

- There is clear evidence that there have been periods of epithermal mineralizing activity at BRX (viz. a low hill containing extensive stockwork veining some 300 meters in length).
- There are mineralizing foci identified as being siltstone-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 BRX. They created an unique geological setting for the gold and platinum mineralization over a substantial area — *the basin and the hard-rock source*.

Management's strategy is to intensely apply the solid scientific and technological methodologies required to ascertain the qualitative and quantitative parameters of the vast BRX area. The company continues to employ the most advanced testing methods and procedures to the critical issue of precious metals recovery (see page 7 Creelman Report). The following four pages document the extent of IPM's commitment to high standards, demonstrate how the company is meeting the challenges, and exhibit what is being achieved.



In October of 1995, IPM began implementing its systematic tactics for advancing the Basin portion of BRX. IPM's plan was to begin a drill program and to continue developing and improving the efficiency and effectiveness of its recovery process for precious metals contained on BRX.

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 expansive enriched 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 BRX 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 BRX measured resource determination.

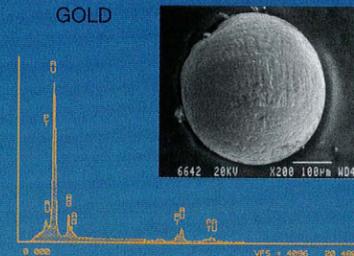
The total of 2,251 samples collected were then leached for precious metals analysis. Check assays were performed on 20% of the samples at a separate independent laboratory. In total, nearly 6,000 assays were performed using a chloride leach procedure developed by IPM and tested by mining engineering consultants Behre Dolbear & Company. Independent laboratories chosen by Behre Dolbear confirmed the recovery of commercially attractive grades of gold.

At the request of IPM, independent assay labs routinely analyzed for platinum as well as gold. Average recoveries were 0.046 oz/short ton (1.46 grams/metric ton) for gold and 0.090 oz/ton (2.88 grams/metric ton) for platinum. These results, although economically attractive, will unquestionably progress to better efficiencies and increased recovery. The graphic to the right represents the leach solution raw assay results for gold and platinum from the first grid.

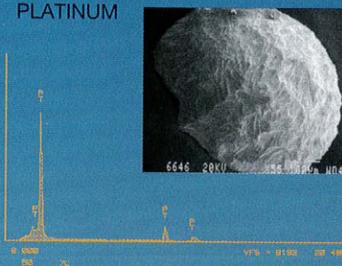


Electron micro-photographs & Elemental spectrographs

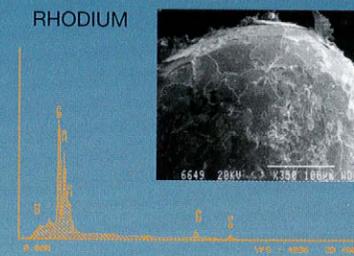
GOLD



PLATINUM



RHODIUM

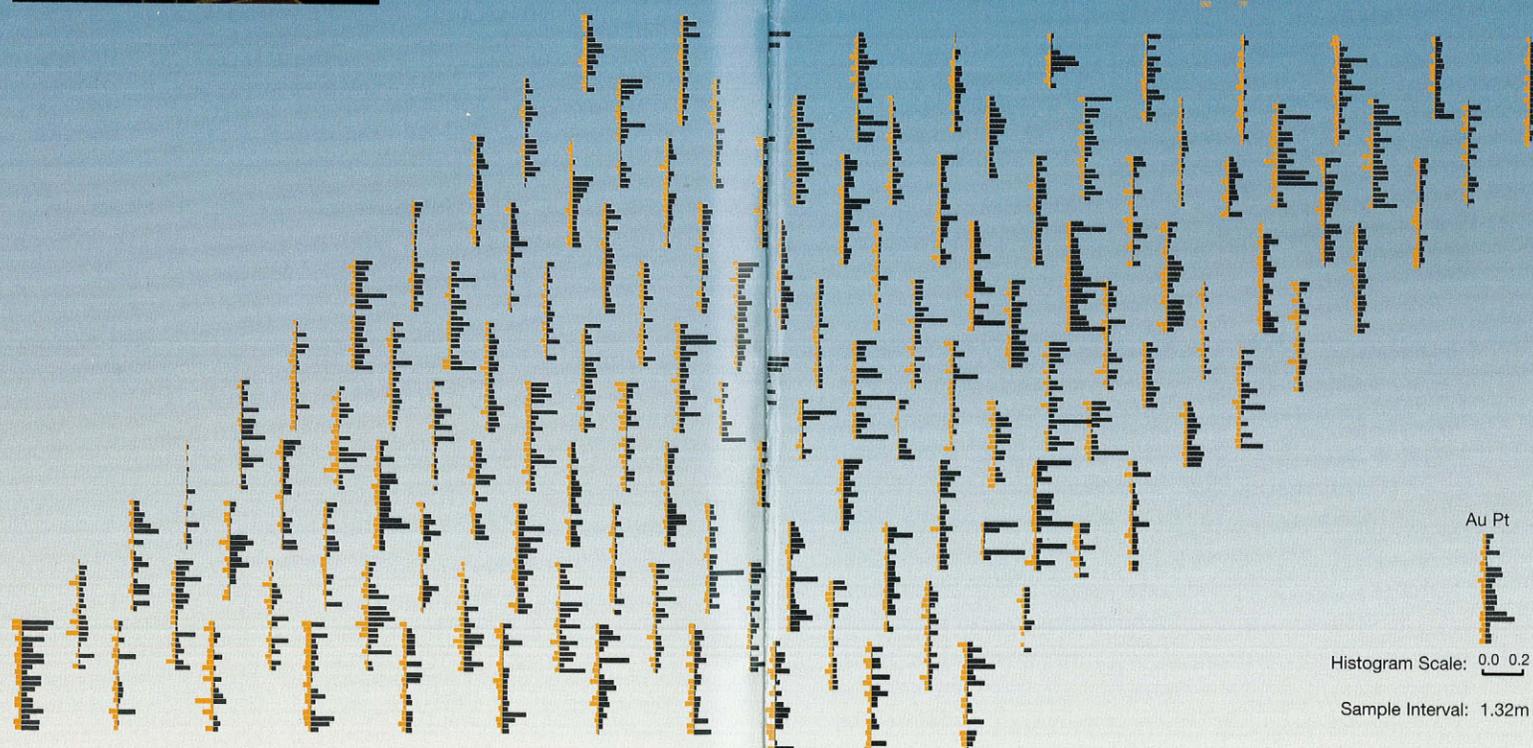


Completion of the 121 hole drill program was the first step in defining a measured resource at BRX. Further engineering determinations required to complete the resource definition include specific gravity tests, limited infill drilling, and three dimensional modeling of mineralization continuity.

IPM is continuously striving to optimize its gold and PGE recovery techniques and advancing to large-scale testing. This test work is also invaluable with regard to establishing a head grade of the BRX mineralization. To that end, the Company has under development fire assay procedures on raw BRX samples, gravity concentrates and evaporative residues from leach solutions. This fire assay development is yielding positive results with gold and PGE's 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 micro-photographs and elemental spectrographs (plotted via Emission Dispersion Spectroscopy, or EDS). Fire assay will eventually be applied towards BRX as the "yard stick" by which all recovery procedures will be measured regarding amenability and efficiency.

It is management's firm belief that bringing BRX to production holds no greater challenge than that which is faced by any developer bringing an ore body to production.



Au Pt

Histogram Scale: 0.0 0.2

Sample Interval: 1.32m

Scale: 100m between holes

Roland Mountford
Exploration Geologist



SHORT ABSTRACT

The BRX precious metals prospect, southern Little Harquahala Mountains and Eagletail Mountains, Arizona

by

Julian R. Vearncombe BSc, PhD, FGS, MAusIMM and
Susan Vearncombe BSocSci, MSc, PhD

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Geological Exploration Consultants

14A Barnett Street, Fremantle, 6160 Western Australia

for

International Precious Metals Corporation
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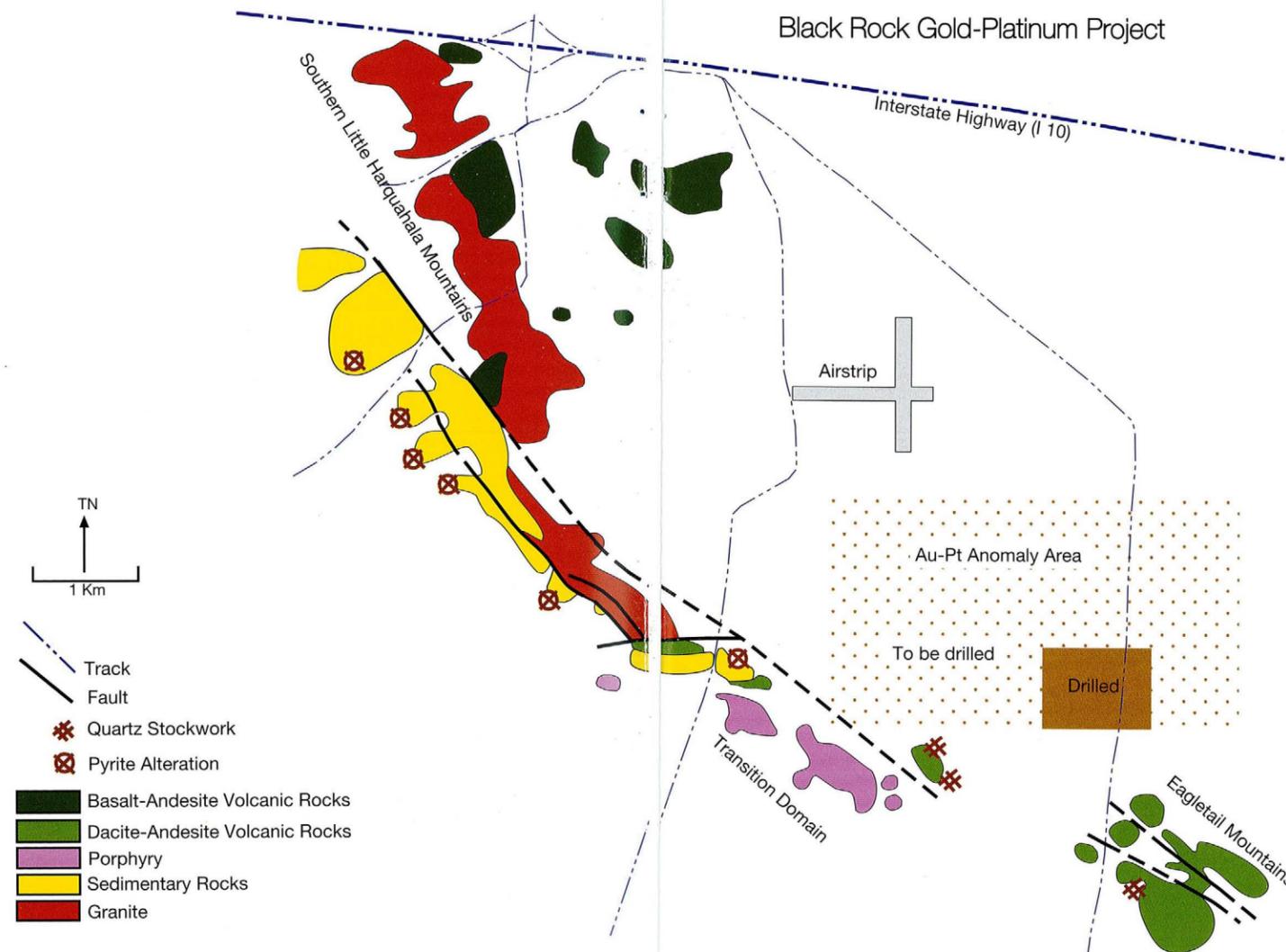
May 1, 1996

Quartz vein stockwork in felsic volcanic rocks and pyrite alteration in silty sedimentary rocks in the BRX exploration project area are at the break in mountains between the southern Little Harquahala Mountains and the Eagletail Mountains, 92km west of Phoenix, Arizona. The southern Little Harquahala Mountains are of granites and granite mylonite, unconformably overlain by immature sediments comprising conglomerates and a siltstone-sandstone sequence, capped by a volcanic andesite-basalt unit. Faults in this domain are listric, northeast-dipping and responsible for back-rotation of the strata.

A transitional domain between the southern Little Harquahala and Eagletail Mountains comprises intrusive porphyry with quartzites, a siltstone-sandstone sequence and conformable dacite-rhyolite volcanic rocks. The Eagletail Mountains comprise banded, spherulitic and coarse-grained fragmental dacite-rhyolite volcanic rocks and vitrophyre. Faults in this domain are planar and steeply southwest-dipping.

The mid-Tertiary extensional style of deformation changes between listric faults with large displacements linked to recumbent detachments in the southern Little Harquahala, as compared to steep planar faults in the Eagletail Mountains which lack exposure of the granites and related midcrustal rocks.

Quartz stockwork mineralization in the transitional domain and, in the Eagletail Mountains, show hydro-



thermal brecciation, chalcedony, crustiform and cockade quartz veining, and adularia-sericite alteration characteristic of classic low sulfidation-style epithermal systems. Mineralization was mid- to late-Tertiary in age. These epithermal systems, as demonstrated elsewhere in the world, have the potential to be large precious metal producers. Pyroclastic-fragmental rocks drape the stockwork volcanic rocks in the transitional domain where surface outcrop demonstrates a continuity in the stockwork veining over 300m in length. Assay results from surface rock chip samples have yielded gold-platinum group element results at potentially economic levels. This style of deposit is typically zoned vertically, and drilling is required to determine depth extent of mineralization. Siltstone-sandstone

rocks of the southern Little Harquahala Mountains and the transitional domain with widespread pyrite alteration have also yielded assay results for gold and platinum group elements at potentially economic levels. This style of mineralization is well known for base metal occurrences, but is unexpected for precious metals and may represent a previously unrecognized style of mineralization.

On-going geological studies include rock sampling, geophysical surveys and geochemical exploration work aimed at defining the extent of mineralization and providing critical drill targets.



I have reviewed your company's brief study of the mineralization with respect to its beneficiation (recovery). The results of that study are that gravity concentration techniques are effective and it appears that there is a strong and clear association with the high specific gravity fine-sized fraction of the pulps prepared from bulk sam-

ples. A number of gravity techniques were tested. The most effective was the Knelson concentrator, an advanced technique that separates on combined size/specific gravity criteria.

Concentrate grades in the test program were variable, with platinum grades as high as twelve oz/ton and palladium grades of eight oz/ton. Platinum and palladium values back-calculated to head grade, averaged across eighteen initial samples, would be 0.126 oz/ton and 0.086 oz/ton respectively. Platinum and palladium concentration properties appear to coincide, suggesting a linked mineralogical association.

Gold appears to have concentration properties at variance with platinum, yielding a preliminary calculated head grade of 0.066 oz/ton.

The company has begun a systematic program of studies in Process Mineralogy linked to the formulation of a beneficiation process. Prime objectives of this program are to determine actual mineralogies and mineral associations of this occurrence. Included in the study will be attempts to determine the physical parameters of the gold and precious metals, thus providing insights into the grade variances encountered in the course of previous investigations.

R.A. Creelman, B.A., MSc (Hons), PhD.
Fellow Aust. I.M.M., Member S.M.E.
Process Mineralogist

OBJECTIVES

- To achieve measured resource status for the gold and platinum on the initial 1 sq/km grid
- To confirm the economic boundaries within the adjacent hard-rock area
- To build a major mining company

Management believes that the accomplishments of the last year have only set a foundation for the exciting times ahead. Investors have seen IPM's share price go from the October 23, 1995 post-consolidation share price of US \$1.00 to a much improved trading range. Moreover, IPM has broadened its shareholder base to include many supportive foreign and domestic institutional investors. The Company is confident that ultimately the market will recognize and reflect the full value of BRX. To reach that goal IPM will continue to diligently execute its strategy.

IPM plans to enhance its geological investigation to help determine the configuration and actual size of the project. The basin area of six grids itself represents a solid economic foundation for the Company. When combined with the adjacent mineralized hard-rock occurrences, the economic potential of BRX is stunning, a fact agreed to by our consulting geologists.

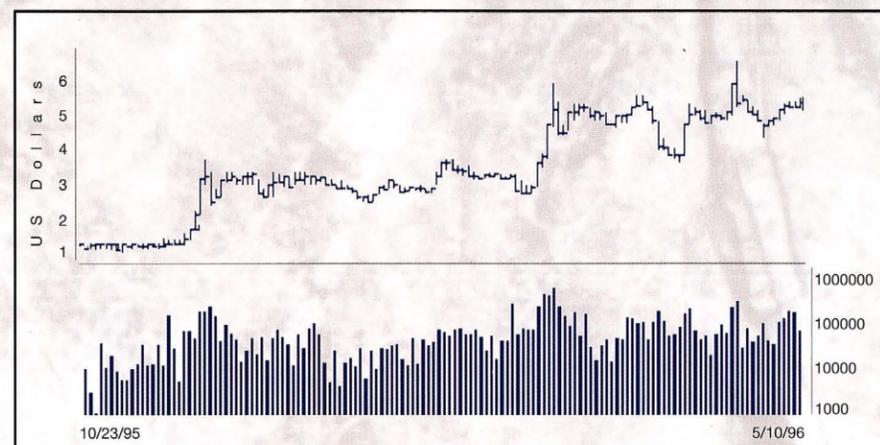
In order to best define and maximize the economics of the project, geologists, geochemists and geophysicists are also honing in on the hard-rock mineralized areas. The objective is to specifically determine the best drilling sites. IPM has initiated a drilling program aimed at testing the hard-rock mineralization and the grid areas at depth.

The IPM team of accomplished professionals with their extensive expertise and talents are prepared to meet the challenge of the exceptional scope of BRX and to complete the task of bringing it to production.

Management has charted the course that will in the final analysis produce the highest valuation of BRX. The potential rewards for shareholders could be outstanding and would complete a chapter of the BRX story.

Price history and volume charts reflect information from October 23, 1995 to May 10, 1996.

The company's common shares are traded in the USA on NASDAQ under the trading symbol IPMCF and in Canada on the CDN under the trading symbol IPMC.



**STERN
COHEN**
CHARTERED ACCOUNTANTS

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Keith M. Rosen, C A
Lorne Lebow, C A
Michael McCleave, C A

To the shareholders of International Precious Metals Corporation

We have audited the consolidated balance sheets of International Precious Metals Corporation as at December 31, 1995 and 1994 and the consolidated statements of loss and deficit and changes in financial position for the years then ended. 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, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Stern Cohen

Chartered Accountants

Toronto, Canada
March 12, 1996, except as to Note 16
which is as of April 15, 1996.



Member of ACPA International Inc
An Association of Independent Accounting Firms

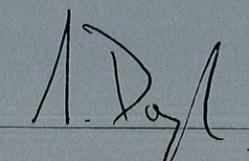
CONSOLIDATED **BALANCE SHEETS**

December 31

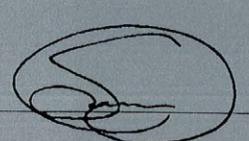
	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets		
Cash	\$ 480,000	\$ 576,000
Other (Note 3)	<u>367,000</u>	<u>191,000</u>
	847,000	767,000
Deferred mineral exploration expenditures (Note 4)	9,658,000	5,944,000
Acquisition of mineral rights to property (Note 5)	-	446,000
Capital assets (Note 6)	<u>184,000</u>	<u>60,000</u>
	<u>\$ 10,689,000</u>	<u>\$ 7,217,000</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	\$ 1,141,000	\$ 1,787,000
Debentures (Note 7)	<u>3,524,000</u>	<u>250,000</u>
	4,665,000	2,037,000
Deferred premium on flow-through shares (Note 9)	<u>464,000</u>	<u>464,000</u>
SHAREHOLDERS' EQUITY		
Share capital (Notes 8 and 9)	34,749,000	30,689,000
Deficit	<u>(29,189,000)</u>	<u>(25,973,000)</u>
	<u>5,560,000</u>	<u>4,716,000</u>
	<u>\$ 10,689,000</u>	<u>\$ 7,217,000</u>

Contingencies, commitments and other information (Notes 1, 12, 14, 15, and 16)

See accompanying notes.



Alan Doyle
Director



David N. Kornhauser
Director

Approved by the Board:

CONSOLIDATED STATEMENTS OF **LOSS AND DEFICIT**

Year ended December 31

	<u>1995</u>	<u>1994</u>
Expenses		
Administrative	\$ 1,198,000	\$ 1,566,000
Mineral exploration expenditures written off (Note 4)	1,788,000	-
Debenture and demand note interest	43,000	42,000
Amortization	30,000	-
Bad debt	-	<u>247,000</u>
Loss for the year	3,059,000	1,855,000
Deficit, beginning of year	25,973,000	23,888,000
Costs of issuing shares	<u>157,000</u>	<u>230,000</u>
Deficit, end of year	<u>\$ 29,189,000</u>	<u>\$ 25,973,000</u>
Loss per share (Note 9)	<u>\$ 0.36</u>	<u>\$ 0.31</u>

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

Year ended December 31

	1995	1994
Cash from (required by):		
Operating activities		
Net loss for the year	\$ (3,059,000)	\$ (1,855,000)
Items not involving cash		
Administrative services provided in exchange for common shares	1,083,000	171,000
Mineral exploration expenditures written off	1,788,000	-
Amortization	30,000	-
Working capital required by operations	(158,000)	(1,684,000)
Changes in non-cash working capital balances related to operations		
Prepays, deposits and sundry receivables	(41,000)	(26,000)
Accounts payable	(646,000)	301,000
	(687,000)	275,000
Mineral exploration expenditures	(5,056,000)	(1,304,000)
Cash required by operations	(5,901,000)	(2,713,000)
Investing activities		
Advances - related parties	(135,000)	560,000
- directors	-	18,000
Purchase of capital assets	(154,000)	(60,000)
Acquisition of mineral rights to property (Note 6)	-	(446,000)
	(289,000)	72,000
Financing activities		
Shares issued for cash	2,977,000	3,220,000
Debentures	3,274,000	(500,000)
Costs of issuing shares	(157,000)	(230,000)
Shares issued for repayment of debenture and interest payable	-	600,000
	6,094,000	3,090,000
Change in cash during the year	(96,000)	449,000
Cash, beginning of year	576,000	127,000
Cash, end of year	\$ 480,000	\$ 576,000

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 1995, as well as loss per share for 1995 and 1994, 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.

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. Subsequent to December 31, 1995, the company completed the private placement issue of 1,700,000 common shares at US \$2.55 per share for a total consideration of US \$4,335,000. 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

(i) BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying consolidated financial statements are prepared in accordance with the accounting principals generally accepted in Canada. 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 these financial statements using the proportionate consolidation method. The exploration operations of

these joint ventures have been substantially wound up as of December 31, 1995.

(ii) 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.

(iii) 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.

(iv) CAPITAL ASSETS

Capital assets are recorded at cost and amortized using the straight-line method over their estimated useful lives of five years.

(v) 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

Year ended December 31

	1995	1994
Due from related parties (Note 11)	\$ 295,000	\$ 160,000
Prepays, deposits and sundry receivables	72,000	31,000
	\$ 367,000	\$ 191,000

4. DEFERRED MINERAL EXPLORATION EXPENDITURES

Properties	Balance beginning of year	Expenditures for the year	Expenditures written off in the year	Balance end of year
North America				
-Big Trout Lake	\$ 1,732,000	\$	\$	\$ 1,732,000
-Eagle Lake	1,172,000			1,172,000
-Cobalt	640,000		640,000	
-Flambeau Lake	7,000		7,000	
-Muskox	249,000		249,000	
-Georgia Lake	115,000			115,000
-Black Rock	1,583,000	5,032,000		6,615,000
-Gold Hill		24,000		24,000
South Africa				
-Rooywal	446,000		446,000	
	5,944,000			
-Acquisition of rights	446,000		446,000	
1995	\$ 6,390,000	\$ 5,056,000	\$ 1,788,000	\$ 9,658,000
1994	\$ 4,640,000	\$ 1,304,000	\$ -	\$ 5,944,000

(i) BIG TROUT LAKE & MUSKOX

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 properties. As at December 31, 1995, the company exercises joint control of the venture properties consisting of Big Trout Lake and Muskox. No joint venture company is in place owning the properties and as such all joint venture partners own their respective shares in the properties directly. In 1995, there were no expenditures made in connection with these properties (1994 - \$22,000). Furthermore, management has decided that based on its current assessment of the Muskox property, further development will not be pursued and accordingly expenditures to date have been written-off.

(ii) 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 has issued to Phoenix debentures totalling US

\$2,400,000. These debentures are convertible into common shares at the lesser of the average bid price of the company's shares on NASDAQ for the 20 trading days prior to the debenture's due date and US \$5.00 per share, subject to the approval of all regulatory authorities. The debentures are comprised of four amounts of US \$500,000 with due dates in 1996 of January 1, April 1, July 1 and October 1, and one US \$400,000 with a due date of January 1, 1997. Each debenture accrues interest beginning on its due date at the prime rate of the company's bank in Phoenix, Arizona, plus 2%. In the event that the company is not able to obtain regulatory approval to effect the conversion of the debentures by September 1, 1996, the debentures become payable on demand.

For the company to earn a further interest in the Black Rock properties it must complete the following:

a. Spend sufficient funds (at least \$1,600,000) to complete any drilling, assaying and feasibility studies in order to indicate a contained resource of 300,000 ounces of gold and capable of sustaining a mining capacity of at least 1,000 tons per day. The company has until April 1997 to complete this stage.

b. 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.

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(ii) BLACK ROCK PROPERTIES (CONTINUED)

c. The company may earn an additional interest in the Black Rock 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 which ever 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.

(iii) COBALT PROPERTY

During 1995 the company sold its rights to the property in exchange for release from disputed lien claims and potential environmental liability associated with the property. Accordingly expenditures to date have been written-off.

(iv) GOLD HILL

During 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.

5. ACQUISITION OF MINERAL RIGHTS TO PROPERTY

In 1994, an agreement was signed with Swansea Gold Mines Inc. ("Swansea") to transfer to the company its 50% interest in the rights to the property Rooywal through its 50% ownership of Jamestone Platinum (Pty) Limited. In exchange the company forgave the debt owing from Swansea of \$693,000. However, management has decided that based on its current assessment of the Rooywal property, further development will not be pursued and accordingly expenditures to date have been written-off.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	NET	
			1995	1994
Machinery and equipment	\$ 77,000	\$ 11,000	\$ 66,000	\$ 37,000
Vehicles	87,000	4,000	83,000	-
Office equipment and fixtures	39,000	4,000	35,000	23,000
	\$ 203,000	\$ 19,000	\$ 184,000	\$ 60,000

7. DEBENTURES

The company has not paid the amount outstanding on the debenture for \$250,000 by its due date and is negotiating the settlement of this amount. This amount remains outstanding as at December 31, 1995.

Relating to the Black Rock Properties, the company issued to "Phoenix", debentures totalling \$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).

Accounts payable includes \$168,000 (1994 - \$142,000) unpaid debenture interest, including interest on a debenture discharged in 1994.

8. SHARE CAPITAL

Prior to 1991, the company had financed a significant portion 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.

CONTINUED ON NEXT PAGE

8. SHARE CAPITAL (CONTINUED)

The company's authorized share capital comprises an unlimited number of common shares. A summary of the share transactions during 1994 and 1995 is as follows:

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.

	Year ended December 31	
	Number of Shares	Amount
Balance, December 31, 1993	46,392,404	26,698,000
Issued for cash under private placements (at prices ranging from \$.09 to \$.2775 per share)	13,600,000	2,124,000
Issued to convert \$500,000 Debenture plus interest at \$.50 per share	1,200,000	600,000
Issued for cash on exercise of warrants (at prices ranging from \$.11 to \$.13 per share)	8,500,000	1,035,000
Issued of cash under stock options (at prices ranging from \$.084 to \$.176 per share)	597,600	61,000
Issued for services under stock options (at prices ranging from \$.084 to \$.176 per share)	1,900,000	171,000
Balance, December 31, 1994	72,190,004	30,698,000
10 shares exchanged for 1 (See below)	7,219,000	30,698,000
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
	<u>2,277,098</u>	<u>4,060,000</u>
Balance, December 31, 1995	<u>9,469,098</u>	<u>\$ 34,749,000</u>

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 grant. Changes to options during 1994 and 1995 are as follows:

CONTINUED ON NEXT PAGE

	Year ended December 31	
	Plan	Price Range
Options outstanding - December 31, 1993	2,110,971	(Note 8) \$.088-\$.176
Options granted in 1994 - January 7	2,650,000	\$.084
- March 3	3,300,000	\$.328
Options exercised	(2,497,600)	\$.088-\$.176
Options expired or cancelled	(12,500)	\$.144
	<u>3,439,900</u>	
Options outstanding - December 31, 1994	5,550,871	\$.084-\$.328
10:1 conversion	555,087	\$.84-\$3.28
Options granted in 1995 - February 9	5,000	\$1.30
- March 6	110,000	\$1.50
- March 24	45,000	\$1.50
- May 24	395,000	\$2.50
- November 3	475,000	\$1.45
- November 27	10,000	\$2.75
Options exercised	(500,094)	\$.084-\$3.28
Options expired or cancelled	(5,000)	\$.88
	<u>539,906</u>	
	<u>1,049,993</u>	<u>\$.84-\$3.28</u>

9. SHARE OPTIONS AND WARRANTS (CONTINUED)

Options outstanding at December 31, 1995 expire at various dates from January 10, 1996 to November 27, 1997.

Warrants providing the right to purchase an aggregate of 1,250,000 common shares at a price of US \$1.00 per common were issued in connection with private placements in the year, of which, 35,000 were exercised during the year. The remaining warrants outstanding 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 with an expiry date of January 1997.

10. INCOME TAXES

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

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

1996	113,000
1997	66,000
1998	61,000
1999	460,000
2000	750,000
2001	1,500,000
2002	1,000,000

In addition, exploration expenditures of approximately \$13,087,000 have been written-off as at December 31, 1995 in the financial statements, but are available for deduction from taxable income of future years.

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

To December 31, 1995, 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 due from related parties relate to amounts from a corporation which has senior management in common with the company.

In addition to items disclosed separately in the financial statements, the following transactions took place with related parties.

- In 1995, the company incurred legal fees provided by directors and senior officers of the company amounting to \$96,000 (1994 - \$143,000). These fees have been charged to administrative expenses.
- In 1995, consulting fees were charged by directors and senior officers of the company in accordance with existing contacts and settlements in the year totalling \$758,000 (1994 - \$440,000). Of the total fees, \$461,000 (1994 - \$296,000) has been charged to administrative expenses and \$297,000 (1994 - \$144,000) pertaining to time spent overseeing the Black Rock exploration has been included in the company's deferred mineral exploration expenditures.

12. CONTINGENCIES

(A) CONTINGENT LEASE CLAIMS

A claim relating to 1992 for \$23,000, not including interest, has been made by the State of Minnesota, Department of Natural Resources, for the minimum rentals on leases for which the company was the highest bidder.

(B) 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, 1995, 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.

(C) 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 1995:			
Mineral expenditures	-	\$ 5,056,000	-
Write-downs	\$ 896,000	-	\$ 892,000
Identifiable assets	\$ 3,019,000	\$ 7,670,000	-
Year ended 1994:			
Mineral expenditures	\$ 37,000	\$ 1,255,000	\$ 12,000
Write-downs	-	-	-
Identifiable assets	\$ 4,742,000	\$ 1,583,000	\$ 892,000

14. MINIMUM PROPERTY COMMITMENTS

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

	1996	1997	1998	1999 and subsequent years
Black Rock	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000
Eagle Lake	60,000	103,000	103,000	103,000
Big Trout Lake	-	60,000	89,000	89,000
Gold Hill	20,000	20,000	20,000	20,000
	\$ 216,000	\$ 319,000	\$ 348,000	\$ 348,000

Additionally, the company leases office and warehouse premises under leases expiring up to the year 2000 at an annual base rental of approximately \$53,000.

15. OTHER INFORMATION

(A) CHANGE IN HEAD OFFICE

In 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 to Phoenix, Arizona and Toronto, Ontario.

In 1995 the company settled a lawsuit with its former CFO/CEO which resulted in the company incurring expenses of approximately \$240,000, which amount has been included in administrative expenses for the year.

(B) During 1995 the company was delisted from trading on the TSE.

16. SUBSEQUENT EVENTS

(A) On March 14, 1996, the company was served with a Statement of Claim by Jenkim Holdings (Canada) Limited for an amount owing of \$174,232, which amount has been included in these financial statements. This matter was settled in April 1996 for a cash consideration of \$155,000.

(B) On April 3, 1996, the company completed the private placement of 1,700,000 units at US \$2.55 per unit for a consideration of US \$4,335,000. Each unit consists of one common share and one warrant entitling the holder to purchase one common share for US \$2.82 per share any time prior to February 23, 1997.

(C) On various dates between January 1, 1996 and April 15, 1996, options and warrants were exercised to purchase 780,000 common shares at various prices, ranging from \$1.20 to \$3.28 per share, for cash consideration of \$1,060,000.

Board of Directors

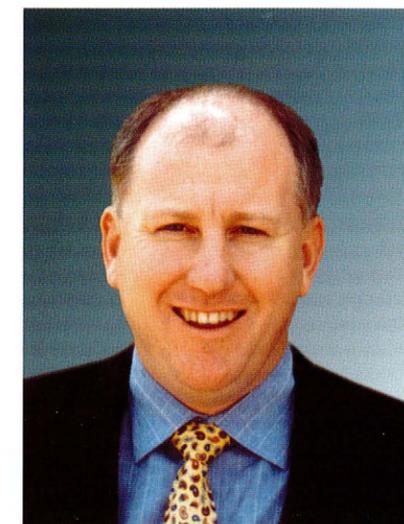
Alan Doyle
CHAIRMAN OF THE BOARD

VLR (Lee) Furlong
PRESIDENT & CEO

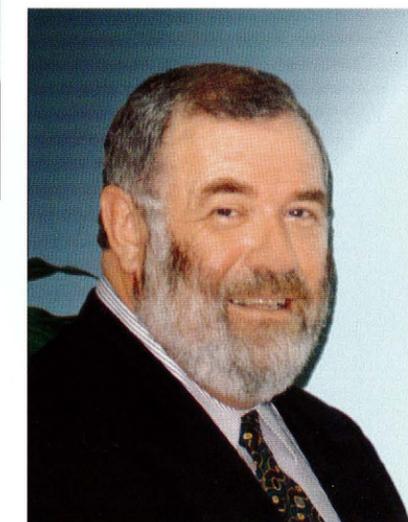
David N. Kornhauser
CORPORATE SECRETARY

Russell French
DIRECTOR

IN MEMORY OF:
David Powell
DIRECTOR



Alan Doyle



Lee Furlong

Lee Furlong, President
Bill Allred, Treasurer & CFO
Alan Doyle, Chairman
Jake Henneman, Project Foreman
Paul Mentzer, VP Operations

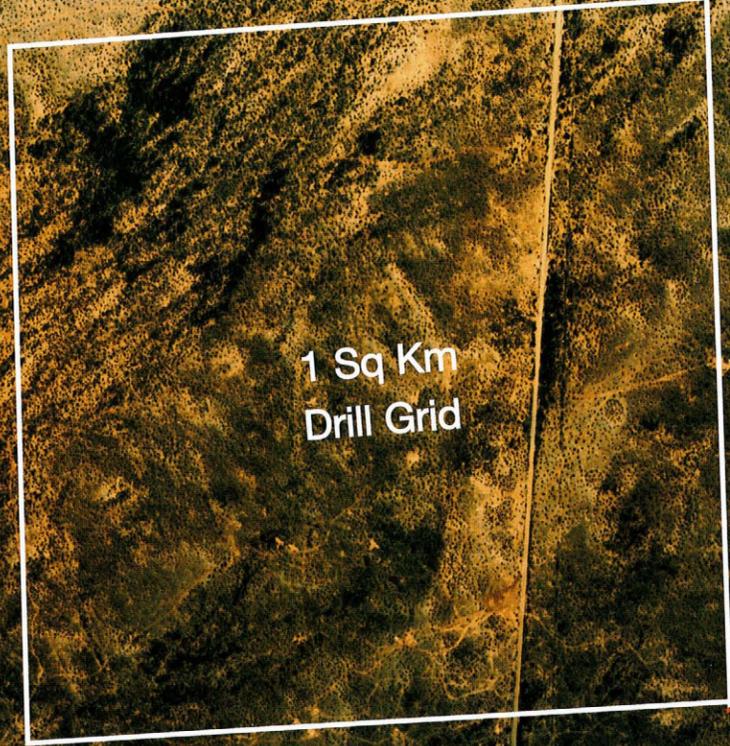


Tony Pezzana, Administrative
Tanya Fanning, Assistant Secretary/Accountant
Kathy Gascon, Administrative

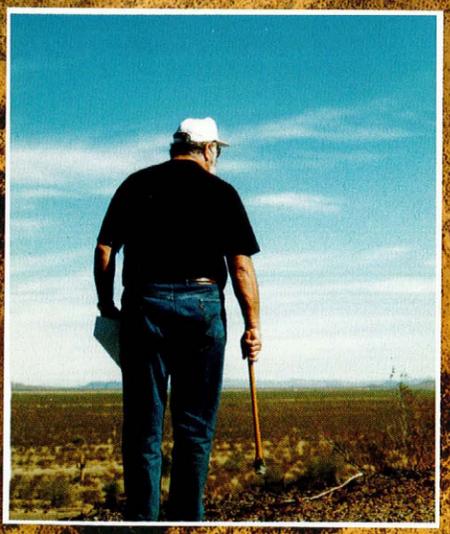
AERIAL VIEW OF BRX

Pyrite Alteration

Stockwork



1 Sq Km
Drill Grid



International Platinum Corporation

ANNUAL REPORT 1994

International Platinum Corporation

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OUR MISSION:

“ To bring precious metals exploration and development projects to production ”

ANNUAL MEETING

Thursday, September 21, 1995
4:15 PM
Salon A
The Royal York Hotel
Toronto, Ontario

MESSAGE TO SHAREHOLDERS

The management and directors of International Platinum Corporation are pleased to report to their shareholders on the activities of the fiscal year ended December 31, 1994.

The past year has been one of intensive efforts by IPC to continue its programs for the advancement of key properties. The Company has, however, experienced some resistance to accomplishing certain objectives. As of this writing, IPC is poised to move forward vigorously with the development of its most promising assets with the full support of the Board of Directors.

On June 5, 1995, IPC announced the completion of a corporate reorganization that strengthened the Company's management at the highest levels. Alan Doyle, merchant banker and geologist, was elected Chairman of the Board. Other new board members also possess experience and expertise of significant value to the Company.

Although IPC has a number of properties that indicate substantive precious metals, the Arizona Black Rock Property has been the primary focus of the Company's resources since we believe the Arizona prospect can be advanced through development and into production sooner than other IPC assets. Moreover, considering BRX's qualitative and quantitative indications of precious metals, the anticipated value of the property establishes a compelling economic incentive.

Independent verification by engineering mining consultants, Behre Dolbear & Company, has confirmed the economic merits of Black Rock further substantiating the encouraging results the Company reported throughout 1994. Once the technical characteristics of the prospect are mastered, those results are expected to form the basis for defining the economic parameters of Black Rock.

INTERNATIONAL PLATINUM CORPORATION

In mid-September, IPC will begin development of Black Rock through an extensive resource drilling program. Funding for development of Black Rock, initiated by Alan Doyle, has been achieved through private placements.

The future profitability of IPC is dependent upon its success in identifying and economically recovering valuable resources and its ability to finance those projects. The Company has assembled a unique combination of technical and executive expertise to attain its objectives, which include first-class consultants to complement its highly qualified management team's experience in finance, accounting, legal affairs, exploration and project management. Especially important, the dedication and loyalty of those individuals is beyond question. For that I consider myself fortunate, and wish to express my sincerest gratitude in acknowledging their continued effort. Finally, I wish to thank our loyal shareholders as well for their continued support.

August 15, 1995

A handwritten signature in cursive script, appearing to read "Lee Furlong".

VLR (Lee) Furlong
President & CEO

DEVELOPMENT PROJECTS

BLACK ROCK PROPERTY, ARIZONA

Over the last year, the technical management of IPC has been testing the amenability of Black Rock material to leach procedures tailored for the complex metallurgical structure of Black Rock material. Significant in-house progress has been made in this regard, and we will continue our efforts until such time that an economical maximum is achieved. To that end, we have engaged experts in chemical and metallurgical processing, as necessary, to collaborate with IPC staff on the development of a final optimized recovery process.

TECHNICAL:

The Board's decision to progress the Black Rock property (BRX) from exploration into a resource drilling program has been established upon the strength of the technical evidence. Management announced at the November 1994 AGM that its highest priority was the resolution of an acceptable fire assay routine and to test the amenability of the Black Rock mineralization to leaching. This objective was achieved.

Fire Assay, 1994 Work:

The premise of a fire assay is that a minute amount of precious metal is smelted from a raw sample through the application of heat when the sample is mixed with fluxing agents and a collector. Some ores are simple, while some are metallurgically complex. BRX mineralization falls into the latter category. Independent laboratory test work undertaken during 1994 and reported in the last annual report to shareholders showed that a fire assay routine which employed copper as a collector achieved positive results. Those results are repeated below:

Sample	Au
#1	0.21
#2	0.31
#3	1.15

All results expressed as ounces per short ton

Table #1: Copper collector assays, repeated from IPC annual report, 1993.

Further studies conducted in 1994 by an independent laboratory involved the production of a metal bar from smelting 24 pounds of BRX mineralized material. The results from assaying the drill cuttings from this 200-gram metal bar calculated back to head grade can be seen in the following table.

Assayer	Au	Pt
Texas Laboratory	0.229	0.062
Nevada laboratory	0.247	0.353
Canadian Laboratory	0.249	0.011
Arizona Company (precious metal producer)	0.774	6.103

All results expressed as ounces per short ton
 Table #2: Metal Bar Assays, repeated from IPC Annual Report, 1993.

Fire Assay, 1995 Work:

Following up on the 1994 information, IPC management began working with a precious metals refiner who was granted a patent (May 1995) for a precious metal smelting process which utilizes copper as a collector. Under guidance of the refiner, a further application of their patent evolved into a fire assay procedure suitable for routine assay work on BRX mineralization. For completeness of disclosure, here are results of this fire assay procedure:

Sample	Au	Au
Depth (ft)	g/tonne	oz/ton
55-90	0.039	0.001
Blank	----	----
55-90	0.78	0.023
55-90	7.767	0.227
1-50	12.131	0.355
1-50	7.812	0.288
55-90	4.925	0.144
55-90	5.37	0.157
55-90	0.52	0.015
55-90	10.204	0.298
AVERAGE	5.505	0.161

All results expressed as ounces per short ton
 Table #3: Copper collector Fire assay results

Two samples from this work exhibited 'nugget effects,' returning assays of 2.377 oz/t and 4.442 oz/t which, while naturally occurring, are not representative of recovery values. These assays were omitted from the calculation of average grade.

Discussion:

A fire assay procedure based on this work will be utilized as the routine assay for the development drilling program and other exploratory work at Black Rock.

Leaching Tests, 1994 Work:

IPC has reported upon two chloride leach tests conducted independently during late 1993 and 1994. The results are set out below.

December 1993 Results, Read by AA			
Sample	Au	Pt	Pd
BRX #1	0.28	1.60	0.32
BRX #2	0.25	1.40	0.24
BRX #3	0.29	1.70	0.35
BRX #4	0.45	0.72	0.19

June 1994 Results, Read by IPC/DCP			
Sample	Au	Pt	Pd
Sample 1069A	0.09	0.60	0.03
Sample 1070A	0.15	0.56	0.03

All results expressed as ounces per short ton

Table #4: Chloride leach results from BRX material as performed by independent labs, first in December 1993, and then again in June of 1994 (repeated from IPC Annual Report, 1993).

Both of these leach tests successfully brought gold and other precious metals into leach solution at commercially attractive grades.

Leaching Tests, 1995 Work:

Three basic types of leach tests have been conducted to determine the BRX mineralizations' amenability to a leach procedure. The three types are: a Geobrom leach, a Halox leach (these leaching tests were conducted by an independent lab), and a chloride leach (a process developed by IPC and utilized by Behre Dolbear for their independent tests). Each of these three leaching processes successfully brought gold into the leach solution at an attractive recovery grade -- considering that none of these leaching processes have been optimized in any way.

	Au
Geobrom 3400	
10% Solution	0.129
3% Solution	0.110
	0.140
Geobrom 5500	
10% Solution	0.090
3% Solution	0.109

All results expressed as ounces per short ton

Table #5: Commercial Geobrom leach results from BRX material as performed by an independent laboratory

	Au
Halox	
Concentrated	0.136
	0.129
10% Solution	0.066

Table #6: Commercial Halox leach results from BRX material as performed by an independent laboratory

Geobrom is a standard leaching solution produced by Great Lakes Chemical. Halox is a commercially available product produced by Pyramid Chemicals.

INTERNATIONAL PLATINUM CORPORATION

Leaching Tests, 1995 Work (cont'd):

Following an in-house research program, IPC developed a leaching procedure in April 1995 which is effective for Black Rock. IPC technicians conducted the initial chloride-based leaching tests with the solutions determined for gold at an independent lab. The results obtained from the first tests were:

Sample	Au
#001 Solution	0.084
#002 Solution	0.096
#003 Solution	0.141
#004 Solution	0.105
#005 Solution	0.130
#006 Solution	0.087
#007 Solution	0.238
#008 Solution	0.019
#009 Solution	0.008
#010 Solution	0.107

All results expressed as ounces per short ton
 Table #7: Chloride leach test results from IPC's research

The leach tests were successful in bringing gold into solution. Other precious metals such as silver and platinum group elements were also present in solution; however, until consistent and repeatable results are returned and verified through knowledgeable, well-known laboratories who specialize in PGEs, management is not releasing these determinations.

Tests using IPC's leach procedure have been conducted by its independent mining engineering consultants, Behre Dolbear & Co., Inc. based in Denver, Colorado. Selected samples collected by Behre Dolbear from the Black Rock site in August of 1994 were leached by a Behre Dolbear senior consultant.

Splits of the solutions created by the leaching were sent to two independent laboratories of Behre Dolbear's choosing. In this study Behre Dolbear deliberately included blanks and material of very low grade. A noteworthy of this independent test by Behre Dolbear was the correlation between the labs (an astounding 85%), and not the absolute gold values. The results from Behre Dolbear's work are set out below. (Note: These results were released on July 11, 1995.)

Sample	Lab #1	Lab #2
	Au	Au
1A	0.098	0.091
2A	0.035	0.009
3A	0.000	0.000
4A	0.000	0.000
5A	0.187	0.109
BD1A	0.097	0.089
BD1AA	0.098	0.097

All results expressed as ounces per short ton
 Table #8: Chloride leach test results were conducted by Behre Dolbear & Co., Inc.

Discussion:

The leaching tests performed on the Black Rock material employed three types of leach solutions. All have shown that the Black Rock material is amenable to leaching, and that gold can be extracted and brought into solution at commercially attractive grades. The brand name Geobrom and Halox leach preparations are commercially available at local chemical distributors. Likewise, components used in the IPC leach process are common "off the shelf" items. The ready availability and low cost of leaching agents suggests that costs of recovery will likely be comparable to other commonly used gold recovery techniques.

All leaching study information is now being handed over to consulting metallurgists/chemists, skilled in leaching procedures, in order to determine the extraction process which best suits the Black Rock material and will be the most cost efficient for full-scale production. This process optimization work will be conducted simultaneously with the planned extensive resource drill program.

PROPERTY DETAILS:

Black Rock, 640 acres and Black Rock Extended, 9,600 acres - total 10,240 acres. As of a revised agreement of March 1995, the Company has secured a 25% interest in the Black Rock Property through its expenditure of CN\$1,583,000 on exploration, testing and assaying as of December 31, 1994. The maximum equity IPC can acquire in the Project is 80%.

Within two years, the Company must expend sufficient funds (approximately CN\$1,600,000) to complete a feasibility study proving 300,000 ounces of gold exists, as well as the Company's capability of sustaining a mining capacity of at least 1,000 tons per day.

Within 3 1/2 years, provided the prospect warrants the expense of funds, the Company will commence construction of a mining and processing facility capable of 1,000 tons per day throughput capacity. Upon completion of construction, and the demonstration that 1,000 tons per day can be processed, the Company will earn an additional 25% interest in the joint venture (for a total 50% interest).

The Company may earn an additional ownership interest in the joint venture by sustaining mine production at the following levels:

<u>Tonnage Rate</u>	<u>Additional Earn-In</u>
5,000 TPD	10%
10,000 TPD	20%

Anytime within 3 1/2 years from the date of the agreement, the Company may purchase an additional 10% interest in the joint venture by paying 10,000 ounces in gold or the equivalent value in US currency.

EXPLORATION PROJECTS

GEORGIA LAKE, ONTARIO

The Company acquired 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 14 10-year leases which are in good standing until June 1, 2001, and 13 21-year leases which are in default. The annual aggregate rent for the 14 10-year leases is \$863.40. Access to the property is by traveling west on 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 AX 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 have been defined in two dimensions and contains slightly subeconomic values of up to 1% Li_2O 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% Li_2O . A 470-pound bulk sample taken from the outcrop graded 1.4% Li_2O 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% Li_2O and 1.23% Fe_2O_3 . Initial drilling appears to have limited the extent of this deposit.

The No. 2 pegmatite dike of the Jackpot deposit strikes $\text{N}85^\circ\text{E}$ and dips $14^\circ\text{-}25^\circ\text{NW}$. 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 dike 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% Li_2O over an average thickness of 18 feet. Mineral dressing tests yielded good recoveries and grade for the concentrate.

The Company intends to undertake 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.

INTERNATIONAL PLATINUM CORPORATION

The property is untested for other metals which normally occur in exotic pegmatite and greisen environments. This property is held by the Company as a strategic reserve with the expectation that lithium will become of interest and value with the advent of electric autos.

BIG TROUT LAKE, ONTARIO

The property is located 400 miles north of Thunder Bay in northwestern Ontario, Canada. The property is accessed by float or ski-equipped aircraft from Pickle Lake, which is the nearest sizable community with year-round access. The closest all-weather road extends north from Pickle Lake to within 100 miles of the property. From there, a winter road extending north crosses within one mile of the main camp site for the property. As of December 31, 1994, the Company held 223 claims totaling 8,920 acres which cover a four-mile strike length of the Big Trout Lake mafic to ultramafic intrusion.

To date, the Company has spent over \$1.7 million on this property, while no costs are associated with this property. The Company is in good standing through 1997, a field expenditure of \$90,000 per year will be required to hold the property beginning 1998. The Company holds a 66.7% interest in the property, subject to the Overseas Platinum Corporation holding a 10% net profit interest in the Company's interest in the property.

Previous drilling by Canadian Occidental Petroleum in 1981 intersected 0.28 ounces of PGE per ton over 6.7 feet within layered chromite seams. A 6,595 foot, nine-hole surface drill program in late 1985 successfully outlined 8-foot and 160-foot wide PGE 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 elements 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 elements 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 elements per ton over 3.3 feet and 5.0 feet. No work was done on the property in 1991, 1992 and 1993 because of financial constraints, but the Company regards this property as one of the most promising large platinum prospects in Canada. Joint Venture partners are being sought to assist with the exploration funding.

INTERNATIONAL PLATINUM CORPORATION

EAGLE LAKE, ONTARIO

The Company holds 327 claims consisting of 10,320 acres, which are located 20 miles west-southwest of Dryden, Ontario, Canada. All of these claims are in good standing at least until 1996, and no expenses are associated with holding the property.

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 five-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.

An option agreement was concluded with Teck Corporation ("Teck") in early 1990, 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. No further work was done on the property in 1991, 1992, 1993, and 1994, but the Company still holds an interest in the ground and plans to explore the property when conditions are favorable.

MUSKOX, NORTHERN TERRITORIES

The Company currently holds a 100% interest in claims totaling 22,948 acres on the MuskoX Intrusion, subject to a 10% interest net profits interest in the property held by Overseas Platinum Corporation. This property is located 300 miles north of the town of Yellowknife in the Northwest Territories, Canada. Access to the property is by float or ski-equipped aircraft from the town of Yellowknife to one of several lakes on the property. The Company will lose some of its claims to the property if it does not expend funds on exploration between 1996 and 1998.

The Company may be required to clear up diesel fuel from earlier operations on the property. It is estimated that the Company's share of the costs could be between \$6,000 and \$16,000.

Systematic field evaluation of the property in August 1986 confirmed the geological environment for economic platinum-palladium deposits. A total of 285 rock samples and 467 soil samples were collected.

INTERNATIONAL PLATINUM CORPORATION

During systematic field evaluation in August 1986, a new zone of platinum-palladium mineralization associated with continuous layers, but below the known platinum bearing Muskox Reef, was found on the property. Values of 0.05 and 0.208 ounces platinum/palladium per ton were returned in chip samples over 1.0 foot and 2.7 feet, respectively.

The PGE Syndicate relogged and carried out sampling of previously unsampled drill core obtained from earlier government and private drilling programs during 1987. This information, in conjunction with targets located by a geophysical survey, helped establish drill hole locations for the \$900,000 work program in 1988 and \$600,000 drill program in 1989. Although promising, these results give no assurance of commercial productivity.

The Muskox property is within this area known as Nunavut Territory. The Company is currently evaluating an exploration program to investigate for platinum group metals deposits on the property. Various potential Joint Venture partners have been negotiating with the Company which may lead to a Joint Venture on the property.

The Northwest Territories achieved self governance in 1993, and under the new administration, existing claims have been grandfathered.

FLAMBEAU LAKE, ONTARIO

The Company holds, as a joint venture participant, a 33 % interest in 16 claims, all of which are in good standing until 1997. The property covers 640 acres and is located three miles southwest of Dryden, northwestern Ontario, Canada. Access to the property is by Provincial Highway 502.

Trenching on the property exposed an intensively altered and mineralized zone up to 40 feet thick containing visible gold. Grab samples assayed up to 241.1 ounces per ton. Thirty-five holes drilled on this zone have intersected mineralization over significant widths with the best intersection being over 34.5 feet averaging 0.11 ounces of gold per ton. By March 1989 programs comprising 45 drill holes for 18,000 feet of drilling had been completed. Several additional gold bearing zones with values up to 0.104 ounces of gold per ton over 2.2 feet were located. In 1993 three patented claims were sold by the operator of the joint venture, and as most of the exploration work performed by the Company related the three claims which were sold, most of the expenditures associated with the project have been discounted.

COBALT, ONTARIO

1) The Company, along with Tequila Copper Corporation (Tequila) (formerly Tequila Mining Inc.) and Hellens-Eplett Mining Inc., entered into an agreement with Falconbridge Limited (Falconbridge) whereby Falconbridge may acquire a 65% interest in a property owned jointly by Tequila and IPC as well as certain adjoining properties owned by Starmin. IPC has been informed that Falconbridge will not be pursuing its interest in the property.

INTERNATIONAL PLATINUM CORPORATION

2) Hellens-Eplett Mining Inc. also entered into a conditional agreement to sell the surface rights of a portion of its property along with the tailings pond and a building, previously used as a mill, for \$150,000. At this time, the sale has not been completed.

3) Currently, a proposal is being negotiated with respect to the sale of the rights to the property. At this time, no agreement has been reached. This proposal, if completed, will relinquish the Company of all lien claims and environmental liability relating to this property.

ROOYVAL, SOUTH AFRICA

The Corporation acquired 50% interest in Jamestone Platinum (Pty) Limited of South Africa ("Jamestone"), which in turn holds the rights to acquire the Rooywal property located within the layered intrusion known as the Bushveld Complex. The Rooywal property consists of 14,000 acres, which lies 12 miles east of the operating platinum mines of Northam (which are owned by Goldfields of South Africa). Prior exploration on the property has been performed by Goldfields and Jamestone in the form of deep drilling and seismic refraction. Core from Goldfields' drilling is not available, but some drill logs have been released. The seismic survey information is available. From 1992 to 1993, the International Platinum technical team re-evaluated the seismic survey utilizing the computer enhancement facilities at Witswatersrand University in Johannesburg. This re-evaluation, coupled with a detailed look at the drill logs, confirmed the presence of Merensky and UG2 platinum bearing chromite reefs on the Rooywal property. Due to an up-faulted normal fault across part of the property, part of the reef may be as shallow as 600 meters, while some may be at the present mining depth at the Northam Mine of 1,200 meters. Further exploration is warranted. No further work was done on the property in 1994, but the Company still holds the ground and plans to locate a Joint Venture partner to carry out the next phase of exploration. Pending shareholder approval, an agreement was signed with Swansea Gold Mines, Inc. (Swansea) to transfer to the Company its 50% interest in its rights to the Rooywal project through its 50% ownership of Jamestone.

OUTLOOK

Since its founding in 1980, International Platinum Corporation has primarily been involved in mining exploration. Currently, the Company maintains assets consisting of seven properties world-wide, each representing a significant level of economic merit.

The Company intends to concentrate its resources on the Arizona Black Rock property in 1995. This decision is predicated on the expectation that the prospect can be advanced through the development phase more quickly than other projects with more potential benefit for shareholders. The capital required for the initial resource drilling program and other expenses has been secured. IPC will be releasing progress reports throughout the first drilling program at Black Rock, which is scheduled to begin in September, 1995. By early 1996 a comprehensive report should be completed. This report will establish Black Rock, within the area drilled (one square kilometer, to a depth of 30 meters), as a defined and measured resource. Realistic grade and tonnage values will then be firmly documented. A course of action concerning the Company's other properties will be charted at that time.

IPC will be submitting for shareholder approval an amendment to its Articles of Amalgamation to reverse split (consolidate) its outstanding shares of common stock on a 10-for-1 basis. The reverse split is recommended so that the Company -- and thus its shareholders receive the maximum benefits from IPC share price. This proposed split is in response to repeated requests from the financial community as well as major shareholders. In addition IPC would satisfy its NASDAQ maintenance requirement for Small-Caps listing by trading at a share price of over US \$1.00. Management believes that by fulfilling the listing requirement the marketability of IPC shares should be greatly broadened. A share price, substantially higher than the Company's current trading range, should attract more financial professionals and additional investors. This type of new interest usually produces enhanced shareholder value.

Upon approval of the reverse split, and consistent with the regulatory requirements of the Ontario Securities Commission, the Company will also change its name to:

INTERNATIONAL PRECIOUS METALS CORPORATION.

AUDITOR'S REPORT



Marvin Cohen, C A
Leonard Weinstein, C A
Robert F Baines, C.A
Robert J. Masching, C.A.
Harold W Balderson, C.A.
James Horne, C A
Paul Carroll, C A.
Keith M Rosen, C A.
Lorne Lebow, C A
Michael McCleave, C A

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Telephone (416) 967-5100
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AUDITORS' REPORT

To the shareholders of
International Platinum Corporation

We have audited the consolidated balance sheet of International Platinum Corporation as at December 31, 1994 and the consolidated statements of loss and deficit and changes in financial position for the year then ended. 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 audit.

We conducted our audit 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 December 31, 1994 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

The consolidated financial statements as at December 31, 1993 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated July 11, 1994.

A handwritten signature in cursive script that reads "Stern Cohen".

Toronto, Canada.
February 17, 1995.

Chartered Accountants.



Member of ACPA International Inc
An Association of Independent Accounting Firms

CONSOLIDATED BALANCE SHEET

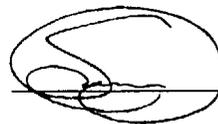
(IN CANADIAN DOLLARS)

	December 31	
	1994	1993
Assets		
Current assets		
Cash	\$ 576,000	\$ 127,000
Sundry receivables (Note 4)	191,000	743,000
	<u>767,000</u>	<u>870,000</u>
Deferred mineral exploration expenditures (Note 5)	5,944,000	4,640,000
Acquisition of mineral rights to property (Note 6)	446,000	-
Capital assets	60,000	-
	<u>\$ 7,217,000</u>	<u>\$ 5,510,000</u>
Liabilities		
Current liabilities		
Accounts payable and accrued charges	\$ 1,787,000	\$ 1,486,000
Debentures (Note 7)	250,000	750,000
	<u>2,037,000</u>	<u>2,236,000</u>
Deferred premium on flow-through shares (Note 8)	464,000	464,000
Shareholders' Equity		
Share capital (Notes 8 and 9)	30,689,000	26,698,000
Deficit	-25,973,000	23,888,000
	<u>4,716,000</u>	<u>2,810,000</u>
	<u>\$ 7,217,000</u>	<u>\$ 5,510,000</u>

Contingencies, commitments and other information (Notes 1,12,15, and 17).

See accompanying notes.

Approved by the Board:


VLR (Lee) Furlong
Director

David N. Kornhauser
Director

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

(IN CANADIAN DOLLARS)

	Year ended December 31	
	1994	1993
Expenses		
Administrative	\$ 1,566,000	\$ 960,000
Debenture and demand note interest	42,000	48,000
Mineral exploration expenditures		
Written off (Note 5)	-	311,000
Bad debt (Note 6)	247,000	-
Loss for the year	1,855,000	1,319,000
Deficit, beginning of year	23,888,000	22,364,000
Costs of issuing shares	230,000	205,000
Deficit, end of year	\$ 25,973,000	\$ 23,888,000
Loss Per Share	\$ 0.03	\$ 0.04

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

(IN CANADIAN DOLLARS)

	Year ended December 31	
	1994	1993
Cash from (required by):		
Operating activities		
Net loss for the year	(1,855,000)	(1,319,000)
Items not involving cash		
Administrative services provided for common shares	171,000	759,000
Mineral exploration expenditures written off	0	311,000
Working capital required by operations	(1,684,000)	(249,000)
Changes in non-cash working capital balances related to operations		
Sundry receivables - other	(26,000)	(4,000)
Accounts payable and accrued charges	301,000	(8,000)
	275,000	(12,000)
Mineral exploration expenditures	(1,304,000)	(452,000)
Cash required by operations	(2,713,000)	(713,000)
Investing activities		
Acquisition of mineral rights to property (Note 6)	(446,000)	-
Advances - related parties (Note 6)	560,000	(420,000)
- directors	18,000	-
Purchase of capital assets	(60,000)	-
	72,000	(420,000)
Financing activities		
Issuance of shares for cash	3,220,000	1,415,000
Issuance of shares for repayment of debenture and interest payable	600,000	-
Repayment of debenture	(500,000)	-
Costs of issuing shares	(230,000)	(205,000)
	3,090,000	1,210,000
Increase in cash during the year	449,000	77,000
Cash, beginning of year	127,000	50,000
Cash, end of year	576,000	127,000

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

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.

Several conditions and events cast doubt upon the validity of the going concern assumptions for the Company. The Company has incurred losses of \$1,855,000 in 1994 and \$1,319,000 in 1993, and has a working capital deficiency of \$1,270,000 (\$1,366,000 as at December 31, 1993).

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. Alternatively, 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 have 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

- (i) Basis of financial statement presentation.

The accompanying consolidated financial statements are prepared in accordance with the accounting principles generally accepted in Canada; the accounts of Hellens-Eplett Mining Inc., Jamestone Platinum (Pty) Limited and South Africa Mining (Pty) Limited, corporate exploration joint ventures, in each of which the Company holds a 50% interest, have been included in the financial statements using the proportionate consolidation method. The Company is currently awaiting shareholder approval for the pending acquisition of an additional 50% interest in Jamestone Platinum (Pty) Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- (ii) Deferred mineral exploration expenditures.

It is the Company's policy to defer all direct expenditures related to the exploration and development of mineral properties in which it has a continuing interest, pending the determination of the economic viability of the prospect. 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.

- (iii) Deferred premium on flow-through shares:

It is the Company's policy to defer the premium 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, and to write off or amortize this premium as the related projects on which the flow-through funds were expended are written off or amortized.

3. INTEREST IN CORPORATE EXPLORATION JOINT VENTURE**Jamestone Platinum (Pty) Limited**

The Company is presently negotiating a settlement of the amount due to the optioner of the platinum property of \$160,000, which amount is included in accounts payable. Relatedly, sundry receivables include an offsetting amount of \$160,000 (Note 4) representing a guarantee of this liability. Accordingly, any reduction in the liability will result in a corresponding reduction of the amount due from the related party.

4. SUNDRY RECEIVABLES

	1,994	1,993
Due from related party (Note 3)	\$ 160,000	\$ 160,000
Interest-free advances to related party, Joint venture partner (Note 6)	--	560,000
Due from directors		18,000
Other	31,000	5,000
	<u>\$ 191,000</u>	<u>\$ 743,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

5. DEFERRED MINERAL EXPLORATION EXPENDITURES

Properties	Balance beginning of year	Expenditures for the year	Expenditures written off in the year	Balance end of year
North America				
Big Trout Lake	1,721,000	11,000		1,732,000
Eagle Lake	1,161,000	11,000		1,172,000
Cobalt	640,000			640,000
Flambeau Lake	7,000			7,000
Muskox	238,000	11,000		249,000
Georgia Lake	111,000	4,000		115,000
Black Rock	328,000	1,255,000		1,583,000
South Africa				
Rooywal	434,000	12,000		446,000
1994	4,640,000	1,304,000	-	5,944,000
1993	4,522,000	452,000	334,000	4,640,000

In 1994, no accumulated expenditures on exploration projects were written off (1993 - \$311,000, net of \$23,000 of flow-through share premiums)

(i) Big Trout Lake & Muskox

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 properties. As at December 31, 1994, the Company directly owns 67% of the joint venture properties consisting of Big Trout Lake and Muskox. No joint venture Company is in place owning the properties and as such all joint venture partners own their respective shares in the properties directly. In 1994, expenditures in connection with the properties totaling \$22,000 were incurred (1993 - \$3,000).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

5. DEFERRED MINERAL EXPLORATION EXPENDITURES (CONT'D)

(ii) Black Rock Properties

In 1993, New Ventures Development Corporation ("NVDC") entered into a joint venture agreement (the "JV") with Phoenix International Mining Corporation ("Phoenix") and the Company, whereby NVDC had the right to earn a 50% interest in a one square mile of Black Rock.

NVDC assigned all of its interest in the JV to the Company in exchange for 1,965,750 common shares of the Company and the following commitments for which the Company has made share allotments:

(a) In the event that the Company completes a feasibility study indicating that the property has a minimum operating capacity of at least 1,000 tons per day, the Company shall issue to NVDC the number of shares equal to the value of US\$1,000,000.

(b) Upon the commencement of commercial mine production, the Company shall issue to NVDC the number of shares equal to the value of US\$1,000,000.

(c) In the event that the Company acquires an aggregate interest in the property in excess of 50%, the Company shall pay to NVDC US\$100,000 for each percentage point in excess of the 50% interest, which amount is payable in cash or common shares of the Company.

The Company's initial agreement to purchase a 50% interest in a one square mile of the Black Rock Prospect was renegotiated in March 1994 to allow the Company to acquire from Phoenix a 50% interest in the 15 square miles ("Black Rock Extended") surrounding the property.

For the Company to earn an interest in Black Rock and Black Rock Extended ("The Properties") it must complete the following for each property:

1. Prove that there are 300,000 ounces of ore on the property. The Company estimates that this will cost US\$1,000,000.

2. Complete a feasibility study which shows a minimum mine capacity of at least 1,000 tons per day for at least 250 days per year. The Company estimates that this will cost approximately US\$3,000,000.

3. Additionally, the agreement provides for an additional 30% interest depending upon increases in mine production. The maximum interest that may be achieved is 80% after operations commence. The agreement provides for ten equal increments of an additional 1,000 tons/day each to achieve the extra 30% interest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

5. DEFERRED MINERAL EXPLORATION EXPENDITURES (CONT'D)

(ii) Black Rock Properties (cont'd)

Additionally, the Company has made the following commitments to Phoenix for August 31, 1995 in respect to the properties:

(a) The Company shall loan Phoenix US\$4,000,000, repayable in five years, bearing interest at "New York" prime plus 1% and secured by Phoenix's interest in the property.

(b) The Company shall issue to Phoenix the greater of 4,000,000 common shares of the Company or the number of shares of the Company equal to US\$2,000,000.

(iii) Cobalt Property

(a) The Company (IPC), along with Tequila Copper Corporation (Tequila) (formerly Starmin Mining Inc.,) and Hellens-Eplett Mining Inc., entered into an agreement with Falconbridge Limited (Falconbridge) whereby Falconbridge may acquire a 65% interest in a property owned jointly by Tequila and IPC as well as certain adjoining properties owned by Starmin. IPC have been informed that Falconbridge will not be pursuing its interest in the property.

(b) Hellens-Eplett Mining Inc., also entered into a conditional agreement to sell the surface rights of a portion of its property along with the tailings pond and a building, previously used as a mill, for \$150,000. At this time, the sale has not been completed.

(c) Currently, a proposal is being negotiated with respect to the sale of the rights to the property. At this time, no agreement has been reached. This proposal, if completed, will relinquish the Company of all lien claims and environmental liability relating to this property.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

6. ACQUISITION OF MINERAL RIGHTS TO PROPERTY

Pending shareholder approval, an agreement was signed with Swansea Gold Mines Inc. ("Swansea") to transfer to the Company its 50% interest in the rights to the property "Rooywal" through its 50% ownership of Jamestone Platinum (Pty) Limited. In exchange the Company will forgive the debt owing from Swansea of \$693,000. Prior to this transaction, the Company owns a 50% interest in the "Rooywal" property which is recorded in deferred mineral exploration expenditures at a book value of \$446,000. Relatedly the Company has valued its pending acquisition from Swansea of the remaining 50% interest in "Rooywal" at the Company's carrying value of \$446,000. The difference between the receivable balance and the carrying value of the 50% interest has been expensed as a bad debt of \$247,000 in the year.

7. DEBENTURES

During 1990, the Company issued two unsecured, convertible debentures for \$500,000 and \$250,000 which were due April 6, 1992 and May 9, 1992 respectively.

In each case, interest is payable annually at 11% per annum for the first year and at bank prime less 2% for the following years. The debentures, plus accrued interest, were convertible into a maximum of 1,800,000 common shares of the Company at a price of \$0.50 per share at any time until maturity.

The Debenture issued to Defever Securities for \$500,000 plus accrued interest of \$100,000, was converted into 1,200,000 common shares of the Company at a price of \$0.50 per share on March 29, 1994.

The Company has been unable to repay the amount outstanding on the debenture for \$250,000 on the due date and is negotiating the settlement of this amount.

Included in accounts payable and accrued charges is \$142,000 representing the unpaid interest on these debentures to December 31, 1994, \$213,000 as at December 31, 1993.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

8. SHARE CAPITAL

The Company's authorized share capital comprises an unlimited number of common shares. A summary of the share transactions during 1993 and 1994 is as follows:

	<u>Number of Shares</u>	<u>Amount</u>
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 services under stock options (at prices ranging from \$.13 to \$0.15 per share)	275,000	38,000
Issued for cash on exercise of warrants (at prices ranging from \$.11 to \$.135 per share)	1,500,000	180,000
Issued for services under stock options (at prices ranging from \$.088 to \$.176 per share)	6,024,029	759,000
Issued to acquire New Ventures Development Corporation's rights in the Black Rock 1 square mile joint venture (at \$.10 per share)(Note 5)	1,965,750	196,000
Issued to acquire 1020632 Ontario Inc. (Georgia Lake)(at \$0.13 per share)	769,229	100,000
	<u>46,392,404</u>	<u>26,698,000</u>
Balance, December 31, 1993		
Issued for cash under private placements (at prices ranging from \$.09 to \$.2775 per share)	13,600,000	2,124,000
Issued to convert \$500,000 Debenture plus interest at \$.50 per share	1,200,000	600,000
Issued for cash on exercise of warrants (at prices ranging from \$.11 to \$.13 per share)	8,500,000	1,035,000
Issued of cash under stock options (at prices ranging from \$.084 to \$.176 per share)	597,600	61,000
Issued for services under stock options (at prices ranging from \$.084 to \$.176 per share)	1,900,000	171,000
	<u>25,797,600</u>	<u>3,991,000</u>
Balance, December 31, 1994	<u>72,190,004</u>	<u>\$ 30,689,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

8. SHARE CAPITAL (CONT'D)

Prior to 1991, the Company has financed a significant portion 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 up to 10% of the issued and outstanding common shares of the Company at prices not lower than the market price of the shares The Toronto Stock Exchange (the "TSE") at the time of granting, less a discount allowable by the TSE. Changes to options during 1993 and 1994 are as follows:

	Plan	Price range
Options outstanding		
December 31, 1992	1,500,000	\$.10-\$.15
Options granted in 1993		
February 03	650,000	0.130
February 03	1,500,000	\$.104-\$.13
March 25	910,000	0.088
May 03	1,950,000	0.176
September 14	2,450,000	0.084
Options exercised	(6,299,029)	\$.088-\$.176
Options expired or canceled	(550,000)	\$.12-\$.13
	<u>610,971</u>	
Options outstanding		
December 31	2,110,971	\$.088-\$.176
Options granted in 1994		
January 07	2,650,000	0.084
March 03	3,300,000	0.328
Options exercised	(2,497,600)	\$.088-\$.176
Options expired or canceled	(12,500)	0.144
	<u>3,439,900</u>	
Options outstanding		
December 31, 1994	<u>5,550,871</u>	<u>\$.084-\$.328</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

9. SHARE OPTIONS AND WARRANTS (CONT'D)

Options outstanding at December 31, 1994 were granted at the current market prices, or at discounts of 20% as allowable by the TSE, and expire at various dates from May 1995 to March 1996. Additionally, options totaling 3,650,000 have been allotted and are pending TSE approval for granting.

In conjunction with the acquisition of Jamestone Platinum (Pty) Limited, the Company issued share purchase warrants entitling the holder to purchase 5,400,000 common shares of the Company at a price of \$.11 per share. As at December 31, 1994 these warrants have been fully exercised, including 3,500,000 exercised in 1994.

In connection with private placements in the year, warrants totaling 8,000,000 at a price of \$.12 per share were issued and remain outstanding with an expiry date of January 1997.

10. INCOME TAXES

The Company has income tax loss carry-forwards which are available to reduce future years income taxes which may be otherwise payable. The loss carry-forwards, if unused, will expire as follows:

1996	113,000
1997	66,000
1998	61,000
1999	460,000
2000	750,000
2001	1,500,000

In addition, exploration expenditures of approximately \$11,299,000 have been written off as at December 31, 1994 in the financial statements, but are 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, 1994, 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 deducting from taxable income of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

11. RELATED PARTY TRANSACTIONS

In addition to items disclosed separately in the financial statements, the following transactions took place with related parties:

(a) In 1994, the Company incurred legal fees provided by directors and senior officers of the Company amounting to \$143,000 (1993 - \$61,000). These fees have been charged to administrative expenses.

(b) In 1994, consulting fees were charged by directors and senior officers of the Company in accordance with existing contracts totaling \$440,000 (1993 - \$555,000), of which \$400,000 (1993 - \$126,000) is unpaid as of the year end and is included in accounts payable and accrued charges. Of the total fees, \$296,000 (1993 - \$505,000) have been charged to administrative expenses and \$144,000 (1993 - \$50,000) pertaining to time spent overseeing the Black Rock exploration have been included in the Company's deferred mineral exploration expenditures.

12. CONTINGENCIES

(a) Lien claims

Lien claims for \$1,200,000 were made in respect to the Cobalt property in which the Company has a 50% interest for amounts payable for materials and services provided by a contractor, who abandoned the project prior to its completion, and by a bonding Company, which completed the project pursuant to a performance bond. A counter-claim for \$2,000,000 has been filed on behalf of the Company and its joint venture partner. The cost, if any, to the Company in this matter is not currently determinable.

There has been a tentative settlement made by Starmin Mining Inc, the joint venture partner in the property, for payment of \$300,000. The Company is potentially liable for 50% of this amount. However, there is a dispute which places the settlement and the Company's liability in question. Negotiations are presently proceeding with respect to this settlement and the sale of the rights to the property.

(b) Rehabilitation costs

The Company is contingently liable for its 50% share of remediation and rehabilitation of the Cobalt property estimated at between \$35,700 and \$45,300. These consolidated statements include a provision of \$35,700. The costs of remediation and rehabilitation are contingent upon both the Ministry of Environment and the Ministry of Natural Resources being satisfied that the property will not pose future environmental problems.

Additionally, potential site restoration costs totaling \$39,000 have been identified by the Company which have not been recorded in these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

12. CONTINGENCIES (CONT'D)

(c) Contingent lease claims

A claim relating to 1992 for \$23,000, not including interest, has been made by the State of Minnesota, Department of Natural Resources, for the minimum rentals on leases for which the Company was the highest bidder.

(d) Defever Securities

During the year the Company negotiated a settlement for a \$500,000 debenture plus a portion of interest owing with Defever Securities. As of the year end, the amount of the interest owing is currently in dispute. The Company is negotiating a settlement of this dispute and accordingly an additional amount of \$75,000 may become payable.

(e) Swansea Gold Mines Inc. ("Swansea")

Upon completion of the Swansea agreement (Note 6), the Company will become liable for \$18,500 to the creditors of Swansea.

(f) 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 and during 1994 incurred mineral expenditures of \$37,000, \$1,255,000 and \$12,000 respectively (1993 - \$114,000, \$328,000 and \$10,000). As at December 31, 1994, identifiable assets aggregated \$4,742,000, \$1,583,000 and \$892,000 respectively (1993 - \$4,567,000, \$328,000 and \$615,000).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

14. CORPORATE JOINT VENTURES

The Company's share of the assets, liabilities and expenses of corporate exploration joint ventures, which are included in these statements using the proportionate consolidation method, is as follows:

	1994	1993
Current assets	\$ 193,000	\$ 53,000
Deferred mineral exploration expenditures	662,000	649,000
Current liabilities	(236,000)	(277,000)
Net assets	\$ 619,000	\$ 425,000
Expenses and loss for the year	\$ 37,000	\$ 53,000

15. MINIMUM PROPERTY COMMITMENTS

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

	1995	1996	1997	1998 and subsequent years
Black Rock	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000
Eagle Lake		60,000	103,000	103,000
Big Trout Lake			60,000	89,000
Flambeau Lake			6,000	6,000
	\$ 136,000	\$ 196,000	\$ 305,000	\$ 334,000

16. OTHER INFORMATION**(a) Trading suspension, Toronto Stock Exchange ("TSE")**

During 1994, the TSE halted trading of the Company's shares pending independent verification of information released by the Company. In this regard the TSE retained Kilborn Inc. to test sample the Black Rock Prospect. Their testing reported no significant metal values. The Company retained the independent consultants Behre Dolbear & Company Inc. ("BDB") to reassess the findings at Black Rock Prospect. BDB compared their results with the Kilborn report and concluded that they were at variance with the scope and the results of Kilborn. BDB concluded that there is gold at Black Rock Prospect, however, there is insufficient data to conclude if an economic quantity of gold is present and that further work is warranted.

The Company's stock remains suspended from trading on the TSE as at December 31, 1994.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994 (IN CANADIAN DOLLARS)

16. OTHER INFORMATION (CONT'D)

(b) Subsequent event

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 will cause the Company to incur certain costs associated with the relocation of the Company's accounting administration office to Phoenix, Arizona and Toronto.

As a consequence of this closure, the Company may have a liability to its former CFO/CEO pursuant to his employment agreement dated March 25, 1993. There is currently outstanding \$72,532 for salary and expenses to the date of termination. Additionally, there is a potential claim for future salary in the amount of \$1,564,000. The former CFO/CEO has proposed a settlement of \$273,000 which was not accepted by the Company.

At this time, the amount of this liability is not determinable.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Alan Doyle
Chairman of the Board

VLR (Lee) Furlong
President & CEO

David N. Kornhauser
Corporate Secretary

Russell French
Director

David Powell
Director

AUDITORS

Stern Cohen
Toronto, Canada

REGISTRAR & TRANSFER AGENT

R-M Trust Company
Toronto, Canada

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EXCHANGE LISTINGS

NASDAQ Symbol: TIPNF
CDN Symbol: IPNC

MANAGEMENT

VLR (Lee) Furlong
President & CEO

David N. Kornhauser
Secretary

Bill Allred
Treasurer & CFO

Paul E. Mentzer
Manager, USA

Tanya Fanning
Assistant Secretary/Accountant

RETIRING DIRECTORS

Michael Kleinman, ret. March 1995

Todd Gottlieb, ret. March 1995

Peter Krack, ret. September 1995

Warren Tschannen, ret. September 1995

LEGAL

Horlick Kleinman Associates
Toronto, Canada

Bearman, Tlesnick & Clowdus
Denver, USA

TECHNICAL CONSULTANTS

Behre Dolbear & Co., Inc.
Mining Engineers, North America

Owen Dix, Pr.Nat.Sci.
Geological Consultant, RSA

James Trusler, P.Eng.
Geological Consultant, Canada

Additional copies of this report may be obtained upon written request to the IPC USA office.