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

The following file is part of the

Arizona Department of Mines and Mineral Resources Mining Collection

ACCESS STATEMENT

These digitized collections are accessible for purposes of education and research. We have indicated what we know about copyright and rights of privacy, publicity, or trademark. Due to the nature of archival collections, we are not always able to identify this information. We are eager to hear from any rights owners, so that we may obtain accurate information. Upon request, we will remove material from public view while we address a rights issue.

CONSTRAINTS STATEMENT

The Arizona Geological Survey does not claim to control all rights for all materials in its collection. These rights include, but are not limited to: copyright, privacy rights, and cultural protection rights. The User hereby assumes all responsibility for obtaining any rights to use the material in excess of "fair use."

The Survey makes no intellectual property claims to the products created by individual authors in the manuscript collections, except when the author deeded those rights to the Survey or when those authors were employed by the State of Arizona and created intellectual products as a function of their official duties. The Survey does maintain property rights to the physical and digital representations of the works.

QUALITY STATEMENT

The Arizona Geological Survey is not responsible for the accuracy of the records, information, or opinions that may be contained in the files. The Survey collects, catalogs, and archives data on mineral properties regardless of its views of the veracity or accuracy of those data.

Head Office
2nd Floor - 1425 W. Pender St.
Vancouver, B.C.
V6G 2S3

Tel: (604) 682-8320
Fax: (604) 682-4286

Royal Oak Mines Inc.

PRESS RELEASE

FOR IMMEDIATE RELEASE FROM KIRKLAND

March 4, 1997

Royal Oak Encouraged by Potential for Underground Mine at Copperstone Gold Property in Arizona

Royal Oak Mines Inc. (TSE and AMEX: RYO) announced today that its wholly owned subsidiary, Royal Oak Mines (U.S.A.) Inc., has completed the second phase of an exploration drilling program at its Copperstone gold property in southwestern Arizona. The program was designed to test the down-plunge extension of the ore body and to measure waterflows for development of an underground mine.

The drill program returned excellent grades and widths indicating that the deposit is open at depth and along strike with grades in excess of 0.20 ounces per ton (opt) of gold over widths greater than 20 feet. The results of both drill programs and geotechnical work underground are very encouraging and indicate high potential for the deposit to be mined by underground methods subject to a positive feasibility study and an economic mineable reserve being defined.

In 1996, the Company successfully traced the mineralization an additional 1,600 feet along the dip of the structure below the pit floor. The latest phase of drilling intersected a number of high grade gold values which has expanded the size and increased the level of continuity of the mineralization.

The Main Zone was tested at a distance of 600 feet north of the pit and returned 1.55 opt gold over a width of 25 feet (1.55 opt/25 feet). This is the most northerly hole along the trend of the structure. This intercept is hosted within a relatively untested brecciated limestone unit near the periphery of the known mineralization. A second hole positioned to investigate an untested area adjacent to two mineralized shoots returned 0.396 opt/35 feet. Another hole yielded 0.25 opt/20 feet at a point 500 feet along the dip of the structure near the north end of the pit. A fourth hole that encountered the Main Zone at a distance of 800 feet down plunge and intersected heavy copper and iron oxide alteration but negligible gold values.

The drill programs are designed to investigate the underground potential of a former open pit operation where in excess of 500,000 ounces of gold were extracted between 1987 and 1992. A pre-feasibility study is being carried out to determine mine operating costs for underground

development. Additional drilling will be carried out to verify the character and continuity of the mineralization and to increase the size of the resource.

In 1997, the Company will carry out an exploration drilling program at a cost of approximately $250,000 with the objective of outlining one million ounces of gold in mineable reserves. Currently the property contains a resource of approximately 500,000 ounces of gold.

$250,000

For further information contact:

Mr. J. Graham Eacott
Vice President, Investor Relations
Royal Oak Mines
5501 Lakeview Drive
Kirkland, WA 98033
Telephone: (206) 822-8992
Facsimile: (206) 822-3552

or in Europe contact:

Mr. David Williamson
David Williamson Associates
International Investor Relations
78 Old Broad Street, 3rd Floor
London, England EC1M 1QP
Telephone: 011-44-171-628-3989
Facsimile: 011-44-171-920-0563

ADMMR
Arizona Department of Mines and Mineral Resources
1502 West Washington, Phoenix, AZ 85007 Phone (602) 255-3795
Toll Free in Arizona 1-800-446-4259 FAX (602) 255-3777

Copperstone Gold Production Summary

Production began in the fourth quarter of 1987.

Original estimate of reserves (1987) was 446,000 recoverable ounces. Grade was 0.083

Cyprus reported in 1988 that it expected to produce 175,000 ounces from underground beginning in late 1989, but these underground efforts were later abandoned.

Mining of ore from the pit depleted reserves in December 1992. The mill was expected to operate on stockpiled low grade ore through April of 1993. Low grade material was also heap leached. The amount produced was not reported in the 1993 annual report and the 1993 10-k was not found.

	1987	1988	1989	1990	1991	1992
Production (troy ounces	3,300	63,000	73,300	106,500	112,000	116,200
Reserve (tons)	5,900,000		3,500,000	3,200,000	2,100,000	
Reserve grade (tr. oz/ton)	0.083		0.069	0.069	0.071	

Production data from Cyprus' Annual Reports and Form 10-K's.

Total ounces reported produced 1987 - 1992 was 474,300. Perhaps another 30,000 ounces would havve been produced in 1993. - Nyal Niemuth July 1999.

MINERAL FRONTIERS ON INDIAN LANDS

STEPHEN A. MANYDEEDS
and
BRUCE D. SMITH,
EDITORS

BUREAU OF INDIAN AFFAIRS
DIVISION OF ENERGY AND MINERAL RESOURCES

DECEMBER, 1991

COLORADO RIVER INDIAN RESERVATION
PARKER, ARIZONA

The Colorado River Indian Reservation is about 165 miles west of Phoenix, on the Colorado River in Yuma County, southwestern Arizona, and San Bernardino and Riverside counties in southeastern California. Eighty-five percent of the reservation is on the eastern side of the Colorado River in Arizona, and the remaining fifteen percent (the northwestern and northern part) is on the western side of the river in California. The reservation extends north and south along the Colorado River, about 45 miles long and 14 miles wide. The total area is 268,691 acres, about one third of which is irrigated and under cultivation.

Topographically the reservation consists of relatively level, low lying land along the river valley and some scattered low mountains rising along the reservation boundaries to the north, northeast, south, and west. The lowest elevation in the reservation is 270 feet on the Colorado River at the southern end of the reservation and the highest point is 2,453 feet at Monument Peak on the northern boundary. Parker Valley, containing the cultivated areas, ranges from 270 feet to about 350 feet in elevation and is the flood plain of the river. From the flood plain, piedmont slopes rise gradually toward the mountains along the reservation boundaries. The boundary only occasionally attains elevations above 1,000 feet. Easterly and westerly flowing ephemeral streams drain toward the perennial Colorado River, but the natural drainage pattern has been extensively altered by man-made irrigation works especially in the flood plain area. The reservation is in the Sonoran Desert Section of the Basin and Range Physiographic Province.

The climate is arid; annual rainfall ranges from 0.5 inch to 8.5 inches, averaging about 3.25 inches, on the flood plains and piedmont slopes and somewhat more than that in the mountains. Temperatures in the summer range well over 100° Fareinheit and rarely go below 32° Fahrenheit in the winter.

The Tribal Council is made up of nine members and meets the second saturday of each month. Exploration permits and development agreements are designed in accordance with the 1982 Indian Mineral Development Act and the rules and regulations contained in 25 CFR Parts 211 and 216. These permits are non-exclusive, non-optional and allow for low disturbance exploration access to Tribal land and review of previous studies. If interest continues, companies can negotiate with the Tribe for any type of lease or joint venture agreement which can satisfy both parties.

For more information contact:

Daniel Eddy, Jr, Chairman
Colorado River Tribal Council
Route 1, Box 23-B
Parker, Arizona 85344

(602) 669-9211

The U.S. Bureau of Mines study "Preliminary Investigation of Bulk Minable Gold Deposits, Colorado River Indian Reservation, Arizona and California" that is represented in the posters can be viewed at the Tribal Headquarters with special permission of the Tribal Council.

PRELIMINARY INVESTIGATION OF BULK MINABLE GOLD DEPOSITS, COLORADO RIVER INDIAN RESERVATION, ARIZONA AND CALIFORNIA

By
Eileen K. Peterson and Jean A. Dupree
U.S. Bureau of Mines, Denver, Colorado

INTRODUCTION

During the period 1987 through 1990, the Bureau of Mines investigated the Colorado River Indian Reservation in Arizona and California for detachment-fault-related bulk-minable gold resources. Geological, geochemical, and geophysical studies were conducted in the search for a gold deposit that could be surface mined. Such a deposit is currently mined at the Copperstone Mine (the largest producing gold mine in Arizona since 1988) near the eastern margin of the reservation.

Six mountainous areas in the reservation were studied geochemically, 82 stream-sediment and 256 rock-chip samples were collected for geochemical analysis. One of these six study areas, the northeastern Dome Rock Mountains, was subsequently selected for further detailed studies because of its proximity to Copperstone Mine, favorable geologic conditions for a large gold deposit, and the results of preliminary geochemical sampling and analyses. Detailed studies included geologic mapping, bedrock analysis, and geophysical surveys.

A large, shallow exploration target was identified by the detailed studies approximately along the geologic trend of the mineralized zone being mined at the Copperstone Mine. Drilling of the exploration target area is recommended as the next step in exploring the area for possible gold mineralization. A second large area between the two northern spurs of the Dome Rock Mountains was also identified as a possible exploration target based on favorable geologic conditions.

REGIONAL GEOLOGICAL AND GEOCHEMICAL SUMMARY

During the last 15 years, understanding of the geology and mineral deposits of the southwestern United States has undergone a revolution as researchers have recognized many detachment faults in the region. "Detachment faults" are gently dipping regional normal faults created during profound extension of the Earth's crust; crustal extension caused the Colorado River region to double in area. Rocks in the upper plate of detachment faults have been extensively fractured; those in the lower plate pulled apart ductilely (as some metals stretch when pulled) and have fewer fractures.

Systems of fractures created during detachment faulting were often later mineralized. Large mineral deposits, especially gold deposits, are believed to be concentrated in three geologic settings where fracturing has been the most intense: in the upper plates of detachment faults, along detachment faults, and in the uppermost part of lower plates. No large precious metal occurrences have been found in deeper lower-plate settings.

Surrounded by detachment faults, the Colorado River Indian Reservation is a favorable area to explore for detachment-fault-related gold deposits like that at the Copperstone Mine. The mine is owned by Cyprus Minerals Company and is within a mile of the eastern boundary of the reservation. At the Copperstone deposit, gold is found in a breccia unit above a listric fault (a high-angle normal fault that probably joins the "Copper Peak" detachment fault at depth), in a quartz latite below the listric fault, and in basalt plugs. Faulting and other structural processes apparently played a major role in providing the correct host for ore deposition. Very likely, the combination of a major listric fault, other large cross faults, and a breccia may be necessary factors in the development of a Copperstone type deposit.

Because the reservation is surrounded by detachment faults, all mountainous areas were examined for possible detachment-fault-related gold mineralization. To describe the work done and the results obtained, the reservation was divided into six geographic areas: the Whipple Mountains, Riverside Mountains, Mesquite Mountain, northwestern Dome Rock Mountains, northeastern Dome Rock Mountains, and southern Dome Rock Mountains (fig. SR1). All six areas were sampled as part of a reservation-wide geochemical survey. Although all study areas contained anomalous gold concentrations, only three mountain ranges also had upper-plate detachment-fault exposures favorable to large gold deposits: the Whipple Mountains, the northwestern Dome Rock Mountains, and the northern tip of the northeastern Dome Rock Mountains.

The Whipple Mountain detachment fault is exposed north of the reservation boundary and is visible from Parker, AZ (fig. SR1). Known gold occurrences in the Whipple Mountains consist of short, thin veins in faulted and fractured upper-plate rocks. In spite of the intense exploration the Whipple Mountains have undergone, no large, bulk-minable gold deposits have been developed. During this study, nine stream-sediment samples and six rock-chip samples were collected. Although the few stream-sediment gold anomalies found could be followed upstream to their source, field observations and other studies suggest that gold mineralization is spotty and not widespread enough to form bulk-minable deposits.

In the northwestern Dome Rock Mountains (the western mountain spur, fig. SR1) an iron-stained detachment-fault ledge stretches along the eastern flank of the mountains. The fault is part of the same detachment-fault system that is exposed in the Whipple Mountains. The small copper-gold prospects found along the fault occur in lower-plate rocks. Seventeen stream-sediment samples were collected; only one contained an anomalous amount of gold. Eighteen rock-chip samples were collected along the detachment fault; three contained anomalous gold concentrations. The gold anomalies were near an east-west canyon where the detachment fault steepens and is either folded or faulted. The area of weak gold mineralization also has anomalies of fluorine and uranium and is ringed by arsenic anomalies. It is possible that the mineralization is weak because of the absence of a suitable trap, such as a breccia unit or large fracture zone, or it may be that the structure in the canyon is not persistent enough vertically or laterally to have been a good conduit for mineral-bearing fluids.

There is a possibility of detachment-related mineralization under the sandy area between the two mountain spurs of the northern Dome Rock Mountains. Starting from the northwestern Dome Rock Mountains, the Whipple Mountains detachment fault is probably offset in a stair-step fashion until it reappears in the eastern spur (referred to as the northeastern Dome Rock Mountains in this report). An extensive geophysical effort might detect buried anomalies related to gold mineralization in this area.

The northeastern Dome Rock Mountains were selected for detailed studies based on several characteristics favorable to detachment-fault-related gold deposit: (1) the proximity to the Copperstone Mine; (2) rocks in this area are similar to those at the Copperstone deposit; and (3) the "Copper Peak" detachment fault was identified on the reservation and several cross faults were identified that could, theoretically, help direct gold bearing fluids to favorable, fractured host rocks. Geologic mapping and geochemical sampling were performed to evaluate areas with outcrops; several geophysical surveys were used to probe beneath the sand covered areas for mineralization-related anomalies and to determine depth to bedrock. The detailed study area was divided into four sub-areas (fig. SR2) and tested by a combination of geophysical techniques.

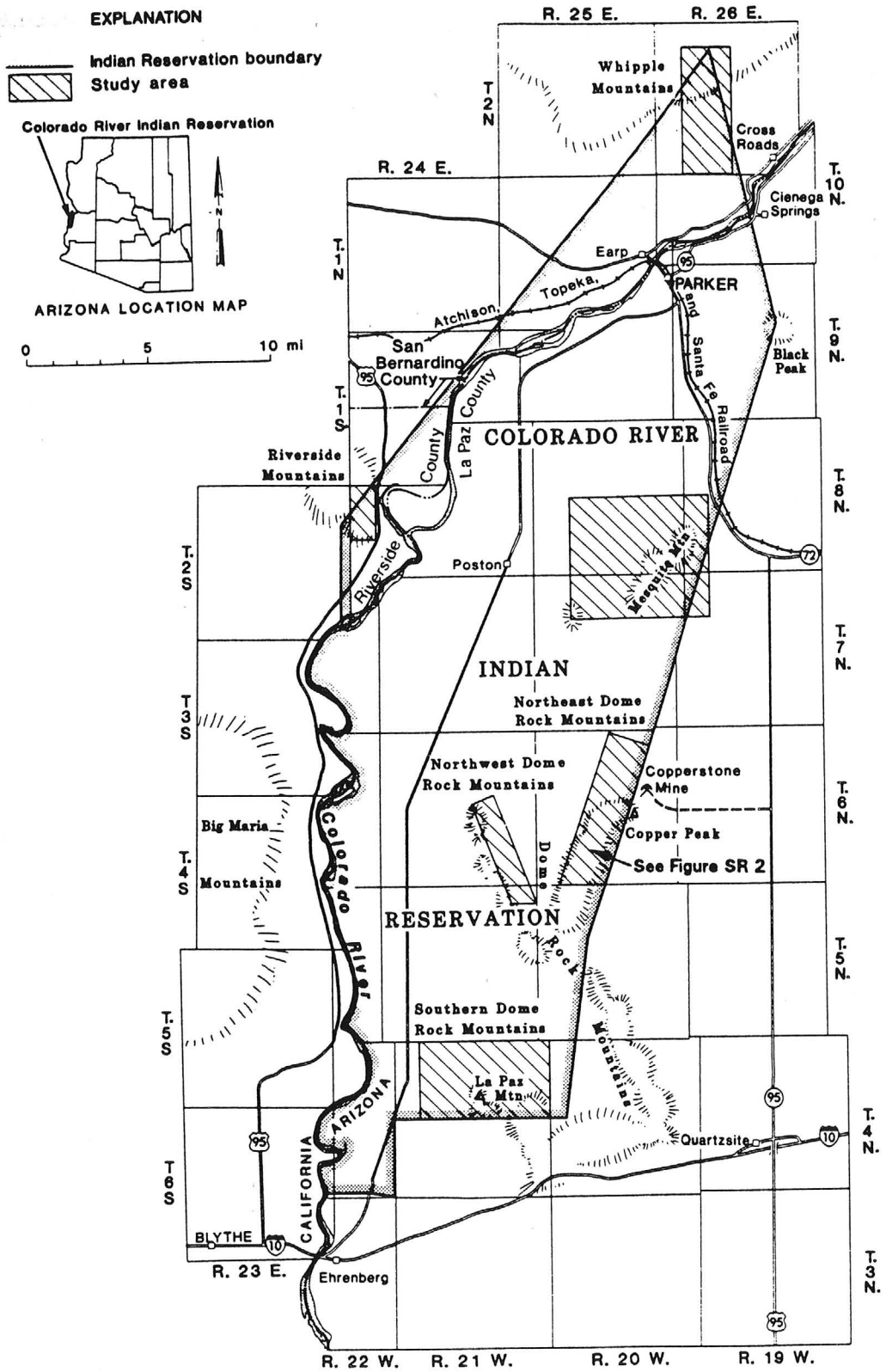


FIGURE SR 1.-Location map of the Colorado River Indian Reservation. Note: Townships and ranges on the Arizona side of the Colorado River refer to Gila River Meridian, those on the California side refer to San Bernardino Meridian.

DETAILED STUDY AREA GEOLOGY AND GEOCHEMISTRY SUMMARY

The detailed study area in the northeastern Dome Rock Mountains is west of the Copperstone deposit, one of the models used to evaluate the possibility of detachment fault-related mineralization on the reservation. The Copperstone Mine (fig. SR2) has developed a gold deposit distributed along a high-angle upper-plate fault created during the era of detachment faulting. This fault, called a "listric fault," curves and joins, at depth, the detachment fault exposed in the extreme northeastern part of the Dome Rock Mountains. Although it is part of the Whipple Mountain detachment fault, it has been locally called the "Copper Peak" detachment fault. Gold ore is found in three host rocks at the Copperstone deposit: a breccia unit found above the listric fault, a Jurassic-age metamorphosed quartz latite below the listric fault, and basalt plugs which show the least gold mineralization.

Rocks on the reservation are similar to those at the Copperstone deposit; both the Jurassic rock units and the breccia are present. In addition to the northern exposure of the Copper Peak detachment fault, there appear to be two offset portions of the detachment fault on the reservation, and, therefore, there is a large area favorable for prospecting. There are also several strong cross faults that could, theoretically, help direct mineral fluids to favorable, fractured host rocks. A total of 218 rock-chip samples was collected in the detailed study area.

Geochemical analyses and field observations suggest that the mineralization in outcrop is not as persistent and did not develop as well on reservation lands as at the Copperstone Mine. There are, however, three small mineralized areas that could be investigated further. The first is a small area of gold-bearing veinlets in northern Area 1 (fig. SR2, feature A1-4a, also see Geophysical Summary). Although some high gold concentrations were found in the veinlets, they are, based on current data, too small and discontinuous to be an economic bulk-minable target. Drilling, or trenching if the depth is shallow, needs to be done to determine if additional mineralization of higher quality and quantity exists at depth. Another small zone of gold anomalies, and a second small exploration target, lies along an offset detachment fault stretching across southern Area 1 (fig. SR2, feature A1-3b). The extent of this mineralization also needs to be further assessed by drilling or trenching. A third target occurs in breccia along a strong northeast trending fault in Area 3 (fig. SR2, feature A3-1). There is, however, only a weak geophysical anomaly along this fault (see Geophysical Summary). Although the geochemical analysis for this area showed only low silver and barium anomalies and spotty anomalous concentrations of other elements, such as gold, of the three exploration target areas it has the most mineralogical resemblance to what the authors observed at the Copperstone deposit. Silver and barium occur on the edges of the Copperstone deposit, similar anomalies on the reservation may represent the

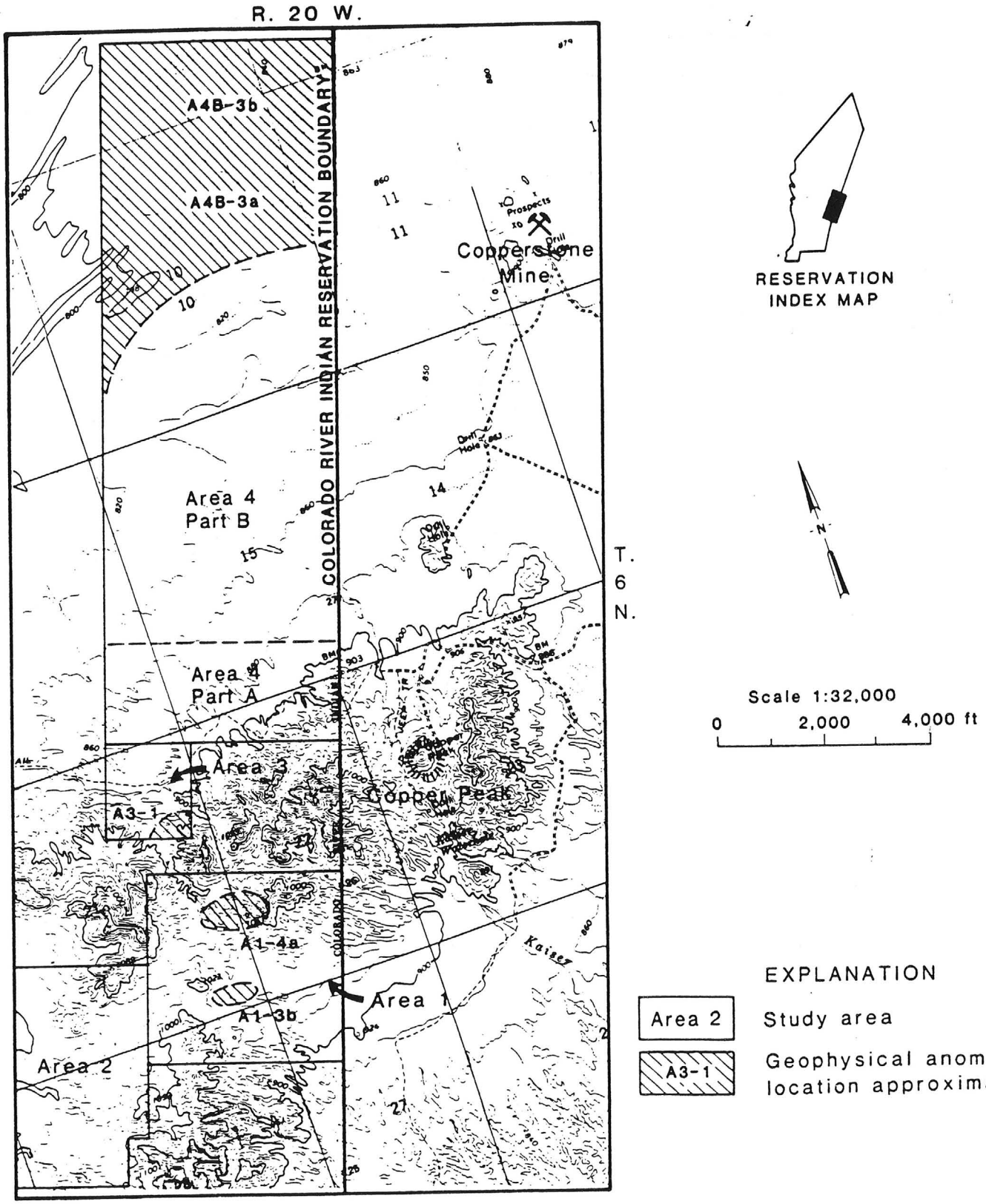


FIGURE SR 2.-Subareas in detailed study area, northeastern Dome Rock Mountains.

remnants of a now eroded deposit. Alternatively, the anomalies may indicate that there may be ore at depth. The site could also be structurally flawed, possessing a breccia unit and a persistent northeast fault but lacking the detachment-related faulting and fracturing to help focus mineralized fluids into the breccias.

GEOPHYSICAL SURVEYS SUMMARY

Geophysical exploration methods used at the Copperstone deposit included extensive induced polarization (IP) and ground magnetic surveys. Anomalous frequency effects reportedly outlined the deposit with considerable accuracy. In the detailed study area, four sub-areas (fig. SR2) were established to outline selected areas for similar geophysical surveys. To identify geophysically anomalous areas, one or more of the following geophysical surveys were conducted in the individual subareas: (1) gravity, (2) induced potential, (3) resistivity, (4) magnetics, and (5) very low frequency electromagnetics (VLF-EM). Anomalous areas are defined as having geophysical characteristics that differ from surrounding areas. Geophysical anomaly areas that were determined to be of possible exploration interest are identified on figure SR2 and are discussed in detail in the Comprehensive Report.

In Area 1, geophysical surveys helped identify two possible exploration sites. Features A1-3b and A1-4a (fig. SR2) are probably shallow, less than 210 feet based on interpretation of gravity data; scattered mineralization was noted in outcrop in both areas (see Detailed Study Area Geology and Geochemistry Summary).

The southeastern corner of Area 3 had geophysical anomalies (feature A3-1, fig. SR2) along the trend of a northeasterly fault. None of the geophysical anomalies were strong but they may be indicative of mineralized rock along the fault or in the breccia seen in the same area (see Detailed Study Area Summary).

In the northern part of Area 4, geophysical anomalies indicated what are apparently two shallow (less than 200 feet deep) subsurface bedrock benches that may be mineralized (features A4B-3a and A4B-3b, fig. SR2). Within the area covered by the geophysical surveys, the bedrock benches appear to range from 4,000 to 7,200 feet wide, north to south, and extend across the entire width of the study area, 4,200 feet east-west. The extent of the benches beyond the limits of the study area was not determined. The northeastern end of the benches appears to intersect the expected geologic trend of the zone mined at the Copperstone Mine. At the mine, the mineralized zone extends along strike for about 3,000 feet, down dip at least 1,000 feet, and has a thickness of several tens of feet.

SUMMARY AND RECOMMENDATIONS

Several mountainous areas of the reservation have geologic features similar to those found in areas where there are detachment-fault-related gold mines in the region; however, the northeastern Dome Rock Mountains appear to be the most favorable area for exploration.

In the northeastern Dome Rock Mountains, rock analyses indicate the presence of gold on the surface in several locations, but it is too widely scattered to constitute a minable deposit unless additional mineralization is found at depth either by drilling or trenching. Geophysical surveys, however, helped identify several possible exploration targets. The most interesting targets identified for exploration during the geophysical study are what appear to be two shallow bedrock benches in Area 4. The bedrock benches are approximately along the trend of the mineralized zone being mined at the Copperstone Mine. Because there are no bedrock outcrops in the area, the exploration targets need to be drilled to obtain samples for analysis to determine if mineralization is present in the subsurface benches, if indeed the benches are located where indicated, and to determine what the causes for anomalous geophysical responses were.

Exploration targets in Areas 1 and 3, although scientifically interesting, are of secondary interest for exploration. Surface sampling did not indicate widespread mineralization in either area, but the possible existence of subsurface mineralization needs to be examined by drilling or trenching.

An examination of the geology in the northwestern and northeastern spurs of the Dome Rock Mountains suggested the area between the two mountainous areas is also a good exploration target. Detachment faults have been mapped in both mountainous areas and, if intersecting northeast trending faults are found between the two areas, the possibility exists for large precious metal targets. Because most of this area is covered by sand, geophysical surveys would be the first step in exploring the area.

COPPERSTONE UNDERGROUND (H)

COMPLETE AND MAIL TO

STATE MINE INSPECTOR
1624 WEST ADAMS, ~~ROOM 200~~
PHOENIX, ARIZONA 85007-~~2606~~ 2627

STATE MINE INSPECTOR
NOV 07 1988

FOR OFFICE USE ONLY
START-UP NUMBER 88144281
STATE NUMBER 19197100
MSHA NUMBER Joe New

NOTICE TO ARIZONA STATE MINE INSPECTOR

In compliance with the Arizona Revised Statute Section 27-303, we are submitting this written notice to the Arizona State Mine Inspector of our intent to start X stop ____ move ____ (Please check one) a mining operation.

If this is a move, please show last location: ____
If you have not operated a mine previously in Arizona, please check here: ____ If you want the Education and Training Division to assist with your mine safety training, please check here: ____
If this operation will use Cyanide for leaching, please check here: ____

COMPANY NAME: American Mine Services, Inc.

DIVISION: Underground Mining

MINE OR PLANT NAME: Cyprus Copperstone Underground Mine TELEPHONE: Temporary 1-619-665-8592 Perm 665-2233 - 2234 Fax 665-6376

CHIEF OFFICER: Bob Dake - Superintendent

COMPANY ADDRESS: P.O. Box 1029

CITY: Parker STATE: AZ ZIP CODE: 85344

MINE OR PLANT LOCATION: (Include county and nearest town, as well as directions for locating property by vehicle: La Paz County 5 miles west of Rt 95 turnoff near mile marker 122 on the highway between Parker and Quartzite. Approx. 3000' decline & possible off-slope dev.

TYPE OF OPERATION: Decline Mine Dev. PRINCIPAL PRODUCT: Gold

STARTING DATE: Dec. 1, 88 CLOSING DATE: Unknown DURATION: 9mos - 1yr.

PERSON COMPLETING NOTICE: Morris E. Fridberg TITLE: Mining Engineer

DATE NOTICE MAILED TO STATE MINE INSPECTOR: Nov. 1, 1988

FORM 101-106 REV. 08/86

MSHA 02-02458-X02

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

VERBAL INFORMATION SUMMARY

1. Mine file: COPPERSTONE UNDERGROUND

2. Mine name if different from above:

3. County: La Paz

4. Information from: George Stephan

   Company: Cyprus Copperstone Gold Corp.

   Address: P.O. Box AI

   Parker, AZ 85344

   Phone: 619-665-9261

5. Summary of information received, comments, etc.:

Talk presented to AIME State Conference, December 4, 1988 in Tucson

"Planned underground operation at the Copperstone Mine"

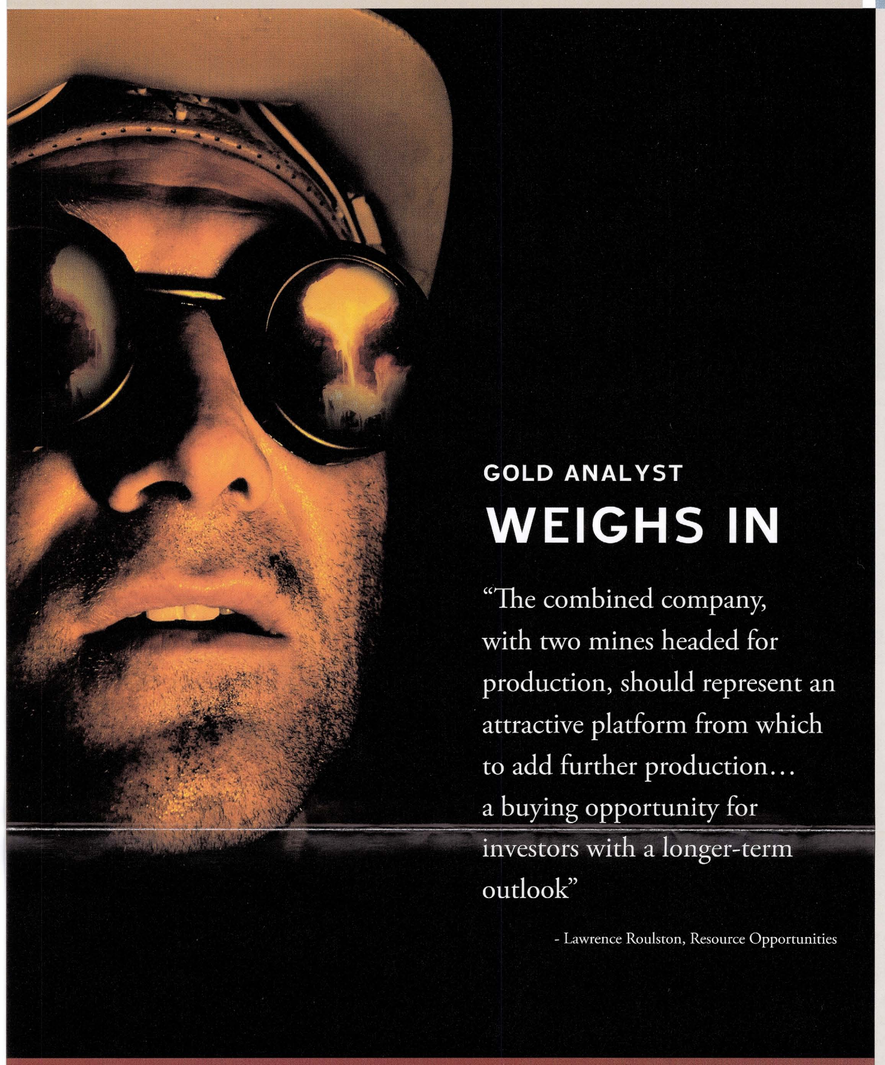
The epithermal, breccia hosted underground ore is widespread but thinner and higher grade than that in the open pit. Based on 82 surface drill holes estimated reserves are 1 million tons grading .2 ounce gold. The feasibility study conducted used 85% extraction, a 13% dilution with a 7′ back minimum.

Construction is underway on a 2800′ approximately 8% decline. The decline is scheduled to be complete in May of 1989 with an underground crushing plant to be installed during the summer. A mining method has not totally been decided upon. A road header may be used if its performance is satisfactory in driving the decline. Workings will be backfilled by delayed hydraulic sandfill. Where the ore is thicker, for example 15′, 2 passes will be made. Estimated productivity is 17 tons/man shift.

Beginning September 1, 1988 the current mine contractor Morris Knudson excavated through 100′ of sand, bedrock, and more sand to the decline's portal. At that point American Mine Service took over driving the decline using a roadheader. The decline will hit high angle mineralization before encountering the main ore zone. Plans are to keep development of the mine in ore and conduct further drilling from the underground development.

Date: December 4, 1988

Nyal J. Niemuth, Mining Engineer



GOLD ANALYST
WEIGHS IN

"The combined company, with two mines headed for production, should represent an attractive platform from which to add further production… a buying opportunity for investors with a longer-term outlook"

- Lawrence Roulston, Resource Opportunities

Our Word, Our Bond: Maximizing Share Value

With the support of our shareholders, we can combine the management talents of Bonanza and Taurus to move the new company to a higher level of operations and market visibility.

The new company will immediately work to complete the development programs designed for its near-term gold producers at Copperstone and Fenelon. We will continue to acquire projects that can be quickly and economically advanced to the production stage, preferably those with the potential to provide quick cash flow and a generous net return on overall investment. To minimize risk and costs over the next few years, North America will continue to be the focus of our operations and acquisitions.

In all ventures, our aim is to serve our shareholders. Our success will be measured by the returns we create and the values we attain.

Brian Kirwin, MSc.
President & Chief Executive Officer
American Bonanza Gold Mining Corp

William H. Bird, Ph.D., PGeo.
President & Chief Executive Officer
International Taurus Resources Inc.

AN ELEGANT CONSOLIDATION OF FENELON OWNERSHIP

The proposed merger also combines various Fenelon interests into one, more substantial entity. On November 23, 2004, Taurus and its Fenelon joint venture partner Fairstar Explorations announced they had agreed to transfer Fairstar's 38 per cent interest in the Fenelon project and other Casa Berardi properties to the new company. Consideration for these interests is the issuance of 6.5 million common shares of the new company and a cash payment of CDN$300,000 to Fairstar. These transactions will resolve the existing Fenelon litigation between Fairstar and Taurus. The new company will then hold a 100 per cent ownership interest in the Fenelon project

LOGISTICS FOR THE TRANSITION TO THE NEW COMPANY

Materials for the shareholders' meetings will be prepared and mailed on February 28, 2005. The shareholders' meetings for each of the companies are scheduled for March 24, 2005. The proposed business combination is to be completed by way of a statutory Plan of Arrangement. The Toronto Stock Exchange has conditionally agreed to list the common shares of the new company subject to fulfillment of certain general listing requirements which are expected to be met in conjunction with the completion of the merger.

Check the Taurus and Bonanza websites for updates through the transition period:

www.americanbonanza.com
OR
www.taurusresources.com

BREAKING NEWS

As an underground drilling program nears completion at Copperstone, Bonanza is reporting fantastic drill intercepts, including a 10.5 metre zone grading 36.4 g/t gold, with 3.2 metres of 89.0 g/t gold; a 3.9 metre zone grading 47.1 g/t gold; and a 5.7 metre zone grading 1.6 g/t gold and 6.8 percent copper. Check Bonanza's website for complete drill results.

MANY MORE HIGH-GRADE INTERCEPTS HAVE BEEN REPORTED BY BONANZA AND ARE FULLY DESCRIBED ON OUR WEBSITE AT WWW.AMERICANBONANZA.COM.

THE DATA PRESENTED HERE SHOULD BE READ ALONG WITH THE FULL DISCLOSURE AVAILABLE ON BONANZA'S WEBSITE.

A NEW GOLD ALLIANCE AND A BULL'S BONANZA

Vote "Yes"

Double your gold investment by voting in favor of the proposed merger. For further information on corporate developments, including the proposed merger, please contact:

Catherine Tanaka,
Investor Relations, 604-688-7523

Wayne Marsden,
Investor Relations, (877) 366-4464
(888) 827-6611

American Bonanza Gold Mining Corp

INTERNATIONAL TAURUS RESOURCES INC

MERGER INFORMATION

eMERGING TIMES

No.01, 2005

CHARGING FORWARD

INVESTING IN THE FUTURE

CORPORATE COMBINATION
A BONANZA FOR GOLD BULLS

American Bonanza Gold Mining Corp. (TSX Venture: BZA) and **International Taurus Resources Inc.** (TSX Venture: ITS), as announced on November 23, 2004 and confirmed with an executed Arrangement Agreement on December 21, 2004, are seeking shareholder approval to form a new, merged company. This new company, to be named **American Bonanza Gold Corp.**, offers shareholders the value of two exceptional gold project portfolios for one investment.

Over the past few years, both Bonanza and Taurus have succeeded in building solid junior-resource exploration companies. Bonanza is engaged in the acquisition, exploration and development of high-grade precious metals properties in Arizona and Nevada. Its most notable project is Copperstone in Arizona, where a significant development-drilling program is underway to estimate reserves and explore for additional resources. Taurus has assembled a significant portfolio of near-production and exploration gold properties, including the high-grade Fenelon gold deposit, in the Casa Berardi area of northwestern Quebec.

Both companies have worked diligently to assemble the financial and technical resources to advance their projects. The proposed merger signals a near-term move to the next level in corporate development. The newly formed company will move rapidly to develop both Copperstone and Fenelon. Several other highly prospective exploration projects await and the new company is set to establish itself as a mid-tier gold company with ever-expanding exploration interests.

BROADER MARKET INTEREST TO BOOST SHAREHOLDER VALUE

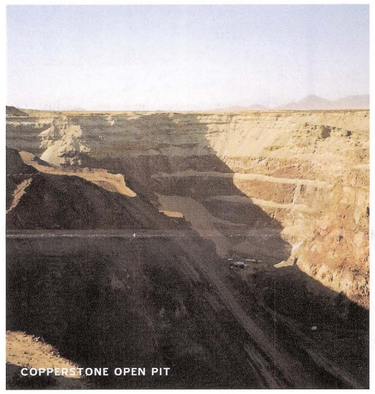
The planned merger of Bonanza and Taurus will forge a company with complete and competent management, solid financing, managed exploration risk and near-term cash-flow potential. The new company will attract broader analyst coverage and investor interest and gain access to a much larger group of funding sources. This will reduce the cost of capital and improve liquidity and value for shareholders. With this kind of momentum, the new company will be able to pursue investment by major institutions and acquire a listing on the Toronto Stock Exchange. A listing on the Toronto Stock Exchange has already been conditionally approved, subject to the completion of the merger. The added visibility and credibility will propel it toward new opportunities, including favourable joint-venture opportunities.

Most investors are aware that market size is a vital component of corporate sustainability. Small companies struggle to stay afloat, while larger companies can withstand the ebb and flow of market cycles. The proposed merger, with its impact in terms of size and holdings, will garner sufficient strength for the new company to flourish in fluctuating markets and outperform its peers in the current gold bull market, which is expected to continue.

MINE DEVELOPMENT IS PRIMARY OBJECTIVE

Bonanza's Copperstone property and Taurus' Fenelon property are two of the best near-term production, high-grade gold properties in North America. There potentials are similar. Since acquisition, through drilling and underground workings, these properties have been established as potential world-class mines. The next stage of evaluation will comprise the work programs required to complete bankable feasibility studies. This work will focus on reserve and resource definition, metallurgical testing, environmental and geo-technical studies and detailed estimates of the capital and operating costs.

Bonanza's Copperstone property is one of the best near-term, high-grade gold properties in North America. Since acquisition, Bonanza has, through drilling and underground workings, established and greatly improved the value of the property and its potential to become a world-class mine.


COPPERSTONE OPEN PIT

- As reviewed by the Mine Development Associates (MDA) report, the Preliminary Assessment by MRDI/Golder Associates estimates the resources for the C and D zones using capped grades as: an Indicated Resource containing 892,000 tons grading 0.32 opt Au (285,700 ounces of gold) plus an additional Inferred Resource containing 1.19 million tons grading 0.35 opt Au (423,000 ounces of gold). This February 1999 Preliminary Assessment by MRDI/Golder Associates is a "Preliminary Assessment" as defined by National Instrument 43-101.

- As reviewed by the MDA report, MRDI's uncapped resource estimate for these same zones is comprised of 2.1 million tons grading 0.58 opt Au, exceeding 1.2 million ounces of contained gold. The uncapped resource was estimated by MRDI for comparison purposes, providing an estimate of the affects of capping the gold grades.

- Within the Indicated and Inferred Resources, MRDI estimated "resources available for mining" as a total of 827,400 tons grading 0.56 opt Au (using capped, diluted grades, this equal 459,000 ounces of gold). Annual gold production in year one is forecast to be 156,000 ounces, with 72,000 ounces of production forecast for years two through five. All of these resource estimates by MRDI are not mineral reserves, are based on conceptual mine modeling, and have not yet been shown to be economically viable.

The new company's short-term plans for Fenelon are to extensively expand the Fenelon resource through underground and surface drilling. This is to be followed by the completion of a feasibility study to support a production decision. Fenelon is a key factor in the new company's plans to produce over 100,000 ounces of gold per year in the near term.

MERGER HIGHLIGHTS

THE NEW COMPANY:

Will have a strong balance sheet with approximately $10 million in cash.

Will be led by an experienced, entrepreneurial management team, which has excellent financial connections with analysts, brokers, investment bankers and other institutions.

Will have near-term, high-grade gold production potential at the Copperstone project in Arizona with a planned production decision in 2005.

Will have near-term production growth potential through the development of the high-grade Fenelon gold project in Quebec and the large Taurus gold project in British Columbia.

Will have several USA and Canada gold projects with excellent exploration potential. The combined portfolios will provide for a greater spread of exploration risk.

Will have the technical resources and personnel to advance its projects on several fronts simultaneously.

Merger Q&A

Two Mines are Better than One

Q Why merge now?

A Both companies have reached a classic growth decision: whether to soldier solo and continue their painstaking progress or to combine troops and make a giant leap forward. With our gold projects nearing production, merging companies would translate into a more productive deployment of financial, technical and management resources and a more energetic growth trajectory.

Q What are the financial benefits of merging the two entities?

A Cost savings from combined management, overheads, listing and regulatory fees, shared engineering and geological project administration staff, and capital cost containment through improved financing opportunities.

Q What will the new company do to ensure an increase in shareholder value?

A The new entity will launch an extensive program to communicate the company's enhanced investment potential and aggressively pursue its exploration and development plans.

Q Will the new company be pursuing other mergers/acquisitions?

A The new company intends to seek out complmentary projects requiring superior geological and financial expertise which will add to the company's future profit potential.

Q Does the new company intend to elevate its existing listing from the TSX-Venture exchange?

A The Toronto Stock Exchange has conditionally agreed to list the common shares of the new company subject to fulfillment of certain general listing requirements which are expected to be met in conjunction with the completion of the merger.

Q Aren't shareholders losing some stock?

A Again, a classic dilemma: do you want a large piece of a small pie, or a smaller piece of an entire delicatessen? This proposed merger provides immediate equity appreciation in the form of tangible assets; going forward, management fully expects returns to be commensurate with the new company's anticipated accelerated growth.

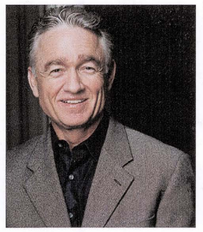
Management is unanimously in support of the proposed merger and urges shareholders to vote "YES" on the proposed corporate combination.

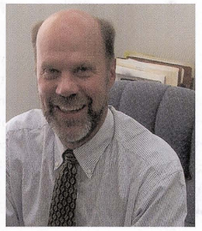
ASK US ABOUT THE MERGER

Management Team Expects Smooth Transition


Brian Kirwin, MSc.
will serve the new company as President and Chief Executive Officer.


William H. Bird, PhD, PGeo
Taurus's President and Chief Executive Officer, will serve as Vice President, Canadian Operations, of the new company.


Ian Telfer
Chairman and CEO of Wheaton River Minerals Ltd. will serve as an advisor to the board of directors.


Robert B. Blakestad, PGeo
will serve as an advisor to the board of directors.

Both companies have management teams that are highly regarded in the mining industry, and the new gold company is expected to benefit from the combined teams' wide range of technical and business experience, especially in exploration, development and production project management. The current boards of both companies are proposing to appoint Brian Kirwin as the President and Chief Executive Officer of the new company. His executive team will include Mr. Giulio T. Bonifacio as Executive Vice President and Chief Financial Officer, Mr. Joe Kircher as Vice President, Chief Operating Officer, and Dr. William Bird, Taurus' current President, as Vice President, Canadian Operations.

Brian P. Kirwin, MSc, will serve the new company as President and Chief Executive Officer. He is the former Vice President of Exploration of Vengold (1997-2000) and served in various senior capacities for Placer Dome between 1990 and 1997. His 20-year career has seen him involved in all aspects of international exploration evaluating deposits, mines and investment conditions worldwide. He is credited with three satellite deposit discoveries on advanced projects in Nevada.

Giulio T. Bonifacio, CGA, the former Vice President Finance and Secretary of Vengold Inc., will serve as Executive Vice President and Chief Financial Officer. He has been a professional accountant for over 22 years in the mining industry. The new company will benefit greatly from his in-depth knowledge of financial, regulatory and acquisition related matters as it continues to execute its growth strategy.

Joe G. Kircher will serve as Vice President, Chief Operating Officer. He is a mining engineer with 23 years of gold-sector experience, the last 17 years in executive or general manager positions. At Kinross Gold Corp. he served as General Manager with oversight of seven mines. Prior to Kinross, he was Vice President of Operations for Dakota Mining Corp. and for seven years was Vice President of Operations at Consolidated Nevada Goldfields. Mr. Kircher has extensive hands-on operations management experience at both open-pit and underground mine complexes. He has built three gold mines from the ground up.

William H. Bird, PhD, PGeo, Taurus's President and Chief Executive Officer, will serve as Vice President, Canadian Operations, of the new company. He has over 35 years of experience in the mining industry, mainly in the Americas. He has been on the board and served as an executive of several successful publicly traded resource companies. He is respected for his technical, financial and administrative abilities and he is credited with the property acquisition and exploration of two gold producers. Mr. Bird received his PhD in geology from the Colorado School of Mines (USA) and he is a registered Professional Geologist with the Association of Professional Engineers and Geoscientists of British Columbia.

THE BOARD OF DIRECTORS OF THE NEW COMPANY WILL CONSIST OF BRIAN P. KIRWIN, GIULIO T. BONIFACIO, ROBERT MCKNIGHT, RONALD NETOLITZKY, JIM BAGWELL, DON LAY AND CARL RAVINSKY.

Robert McKnight, a Professional Engineer and MBA with over 25 years of experience in the resource business, has a wealth of knowledge in project finance, mergers and acquisitions, feasibility studies and valuations. He has served as Vice President of Finance and Corporate Development for Expatriate Resources Ltd. and StrataGold Corporation since February 2004. Previously, he was Manager of Financial Services of AMEC Mining & Energy; Vice President of Pincock Allen & Holt Ltd.; Director and Principal of Endeavour Financial Corporation; and prior thereto held various senior corporate development roles with TOTAL CFP Group Minerals.

Ronald K. Netolitzky will contribute invaluable experience in the mining industry, having achieved exploration success on three major gold deposits which have subsequently been put into production: the Snip, Eskay Creek and Brewery Creek mines. Mr. Netolitzky holds a Bachelor of Science degree from the University of Alberta and a Master of Science degree from the University of Calgary, both in Geology. He was previously Chairman of Viceroy Resources Corporation after serving as its President and Chief Executive Officer. Mr. Netolitzky is also the former Chairman of both Loki Gold Corporation and Baja Gold Inc.

James F. Bagwell is a co-founder of EnviroGas and currently serves as its Chief Executive Officer. He is also co-founder of CEEWHY A FARMS, Inc., a hydroponics operation in Tampa, Florida and a founding partner of Global Service Group, L.C., a Tampa-based international consulting firm, where he specializes in the formation of management of international business trusts. Previously, he served as Vice President and CFO for a privately owned wholesale distributor where he helped grow revenues to approximately $170 million. He is presently a director of Taurus.

Don Lay has over 20 years experience in high-tech and financial areas and is a partner in One Degree Capital Corp., a Vancouver-based corporate finance boutique formed to provide finance and advisory services to emerging companies. Mr. Lay has held a variety of management, sales and technical positions in the enterprise software arena, with firms that include SAS Institute and Dun & Brad Street Software. Mr. Lay is a director of Taurus; Medallion Resources Ltd., a mineral resource junior; Contec Innovations, a global provider of mobile data infrastructure; and privately held China MobileSoft Ltd., a leading Chinese embedded software firm delivering component and platform solutions to major Chinese handset manufacturers.

Carl Ravinsky, Mr. Ravinsky has had extensive experience in the financing of junior resource corporations and has acted as legal counsel to Fairstar Explorations Inc. since April, 1993. Mr. Ravinsky is a lawyer with a Montreal based legal firm and is qualified to practice law in Quebec, Ontario and Alberta.

ADVISORS TO THE BOARD OF DIRECTORS INCLUDE:

Ian Telfer, Chairman and CEO of Wheaton River Minerals Ltd., with over 30 years experience in the mining industry. As a founding director of TVX, he served as its President and CEO during the first ten years and has also held positions as a Director of Lihir Gold and as President and CEO of Vengold Inc. In these capacities, Mr. Telfer has raised well over $1 billion for mining exploration and development around the world.

Robert B. Blakestad, PGeo, who most recently served as President & CEO of Taurus, resigned to take a senior position with Apex Silver Mines Limited. Before joining Taurus, he served as Vice President, Exploration for Amax Gold Inc. and held management positions with Homestake Mining Company and Cypress Amax Minerals Company. He is credited, mainly through his exploration activities, with the discovery and acquisition of deposits containing more than 10 million ounces of gold. Five of these discoveries have been developed into mines.