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Watts, Griffis and McOuat

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REPORT ON GOLD ROAD MINE

MOHAVE COUNTY, ARIZONA

PREPARED FOR

ADDWEST MINERALS, INC.

Denver, Colorado
April, 1994

Watts, Griffis and McOuat Limited
Consulting Geologists and Engineers

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1. SUMMARY

1.0 SUMMARY

The Gold Road mine, in west-central Arizona was discovered in 1902 and produced over 600,000 fine ounces of gold during three periods of concerted activity. Executive Order PL-208 closed the mine during World War II and the mine has remained idle since the successful conclusion of the war. At the time of closure, in 1949, the mine operator reported proven and probable ore reserves totalling 456,000 st grading 0.325 oz Au/st. Addwest Minerals Incorporated (Addwest) became aware of the opportunity represented by Gold Road's ore reserve and, in 1992, purchased an option to acquire the property subject to a 2% royalty on proceeds from the sale of precious metals, ores or concentrates.

The Gold Road vein is one of the major gold producing structures in the San Francisco mining district which lies about 95 miles southeast of Las Vegas, Nevada and about 200 miles northwest of Phoenix, Arizona. Gold production, at Gold Road, was from a quartz calcite vein emplaced along a steeply dipping fracture zone in volcanic rocks. Mining was continuous for over 6000 ft. horizontally and 1400 ft. vertically. The vein is exposed in the easternmost mine workings and drill holes 500 ft. and 1000 ft. east of these workings have intersected the vein.

Addwest has prepared a mining and processing plan to re-enter the mine via a 2800 ft. declined ramp, has applied for and received, from the appropriate agencies, permits for operation and has arranged a $9.33 million gold loan to fund the mine and mill construction.

Addwest has re-interpreted the sample and assay data, which comprises more than 5000 sets of channel samples, and estimates that there are 557,000 st of proven and probable mineable, fully diluted ore grading 0.305 oz Au/st.

Watts, Griffis and McOuat (WGM) has reviewed Addwest's plans and estimates and has modified those plans and estimates in line with experience in the industry. Using the adjusted

plans, WGM calculates an estimated value of the annual cash flows from the operation of $10.4 million discounted to the present at 10%.

Addwest's modified plan is estimated to produce gold at about $187 per ounce which will place it in the lower quartile of north American gold producers.

TABLE 1

AFTER TAX CASH FLOWS DISCOUNTED TO PRESENT VALUE AT 10%

	Millions Dollars		
	Price	Cost	Grade
Plus 10%	13.7	9.0	11.7
Base Case	10.4	10.4	10.4
Less 10%	7.0	11.6	9.0

2. INTRODUCTION

2.1 GENERAL

Addwest Minerals Inc. (Addwest) has acquired over 2000 acres of surface and/or mineral rights which contain the Gold Road gold vein and its projected extensions. The Gold Road vein was discovered in 1902 and produced, during three periods of serious activity, over 600,000 fine ounces of gold. At the close of the latest period of activity in 1942 due to the Executive Order L-208, the then operator reported 148,000 ounces of gold in proven and probable reserves in 456,000 st grading 0.325 oz Au/st.

The Gold Road property is in west-central Arizona, on a paved county road about 25 miles southwest of a regional commercial center, Kingman.

Addwest has re-entered the mine to standing water level and has confirmed ore blocks carried on the previous operator's inventory at the time of mine closure.

Addwest has also completed metallurgical tests on composite samples from the mine, and formulated a mine development plan and a mill flowsheet with construction plans. Furthermore, Addwest has arranged a gold loan of $9.33 million dollars to fund new mill construction and resumption of underground production.

Permit applications have been submitted for public comment and, no adverse testimony having been received, both the Air Quality Permit and the Aquifer Protection Permit have been issued.

2.2 TERMS OF REFERENCE

Watts, Griffis and McOuat Limited (WGM) was engaged to prepare this qualifying report to be included in a Prospectus for an initial offering of shares in Addwest Minerals, Inc. WGM's Manager of the Denver, Colorado office toured the mine site in the company of Addwest's geologist in February, 1994. WGM will be paid a fee for the preparation of this report, said fee comprising a daily fee plus reimbursement of out of pocket expenses. Payment of such fee is not contingent on the conclusions of the report nor the success of the offering. WGM has given and not withdrawn permission for the report to be included in the Prospectus dated-

_____.

2.3 SOURCES OF INFORMATION

WGM's manager toured the Gold Road mine site and the accessible underground workings. WGM also interviewed Addwest's President and Project Manager and reviewed a feasibility study prepared by Addwest integrating tests, studies and design work of various consultants specializing in the diverse disciplines involved in such a complex endeavor.

WGM also reviewed documents in the public domain which are listed under the heading "List of Materials Available for Review" at the end of this report.

2.4 UNITS AND CURRENCY

All measurements herein are in the English system. All values reported herein are in United States dollars unless otherwise noted. A table of conversions is attached as Appendix D.

3. PROPERTY LOCATION, ACCESS AND DESCRIPTION

3.1 GENERAL

The Gold Road Property is located approximately 25 miles south west of Kingman, Arizona. A paved county road from Kingman to Oatman and Topock traverses the property to within 250 ft of the proposed mine portal. The property comprises 18 patented lode mining claims, four patented millsites, 93 unpatented lode mining claims and six unpatented mill sites totalling 2145 acres.

3.2 LOCATION AND ACCESS

Addwest's Gold Road project is on a 2145 acre parcel located approximately 25 miles southwest of Kingman, Arizona in sections 10-14 and 24 of Township 19 north, Range 20 west and sections 17-20 of Township 19 north, Range 19 west. Access is via U.S. Highway 93 to Kingman, about 95 miles southeast from Las Vegas, Nevada, or about 200 miles northwest from Phoenix, Arizona. From Kingman, the Oatman road, old U.S. Route 66 now maintained by Mohave County, traverses the property two miles north of Oatman village, which is 27 miles from Kingman.

3.3 DESCRIPTION

Addwest has assembled, by exercise of an option to purchase and by mineral location, a property covering 2145 acres, consisting of both patented and unpatented lode mining claims and patented and unpatented millsites.

Addwest has purchased, for payments totalling $300,000 to Amwest Exploration Company, and two promissory notes for advance royalty payments of $350,000 each due July 10, 1995 and July 10, 1996, the properties known as the Gold Road Property of Amwest Exploration

Company. Amwest is a wholly owned subsidiary of Arava Resources Inc. which is, in turn, a wholly owned subsidiary of Mueller Industries Inc.

Amwest retains the right to a royalty of 2% of the proceeds received by Addwest from the sale of precious metals, ores, or concentrates from the Amwest and Gold Road Red Top properties (Net Smelter Royalty).

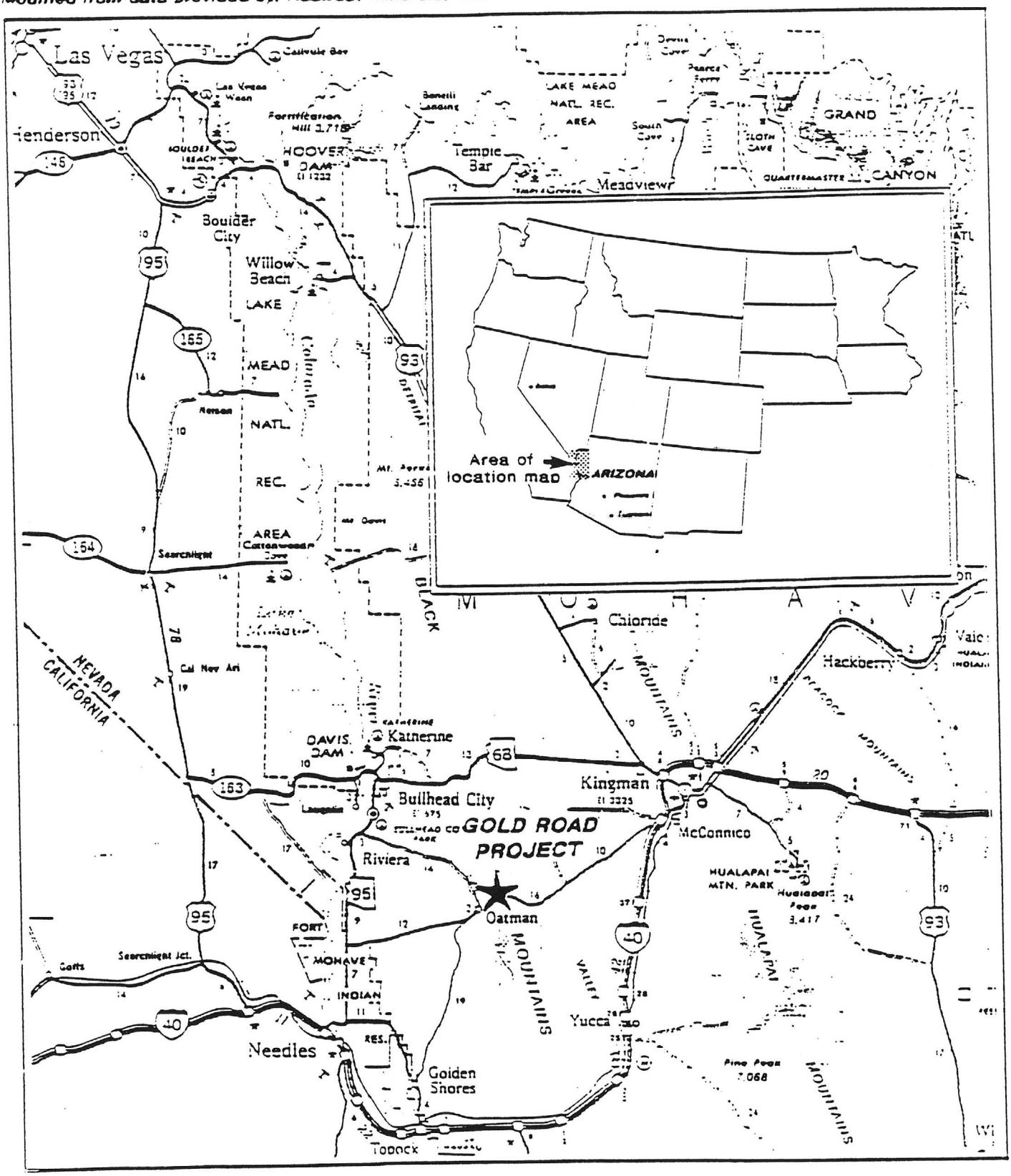
Included in the Amwest purchase is the assignment, to Addwest, of a lease in favor of Amwest from Gold Road Red Top Mining Co. (Gold Road) on four unpatented mining claims contiguous with the Amwest claim block. Addwest purchased the four claims for a total payment of $160,000. Gold Road retains the right to a royalty of 1.5% of the proceeds received by Addwest from the sale of precious metals, ores, or concentrates, from the Amwest and Gold Road Properties (Net Smelter Royalty).

In addition, Addwest has located 64 unpatented lode mining claims surrounding the purchased properties.

All of the ore reserves estimated by Addwest at this time and all of the proposed mine construction are on patented lode mining claims and thus not at risk for assessment of additional U.S. Government royalties or holding costs arising from modifications or revisions to the Mining Law of 1872.

A list of the claims and millsites is included as Appendix C.

Modified from data provided by: Addwest Minerals, Inc. 1994.



March 1994

Figure 1

Location

Gold Road Project Mojave County, Arizona

Note: 2 mill sites in Section 2 (above) are included in royalty position

R 20 W | R 19 W

T 19 N

GOLD ROAD CLAIM BLOCK

mill site

Ruth 1, Ruth 2, Ruth 3, Ruth 4, Ruth 5, Ruth 6, Ruth 7, Ruth 8, Ruth 9, Ruth 10, Ruth 11, Ruth 12, Ruth 13, Ruth 14, Ruth 15, Ruth 16, Ruth 17, Ruth 18, Ruth 19, Ruth 20, Ruth 21, Ruth 22, Ruth 23, Ruth 24, Ruth 25, Ruth 26, Ruth 27, Ruth 28, Ruth 29, Ruth 30, Ruth 31, Ruth 32, Ruth 33, Ruth 34, Ruth 35, Ruth 36, Ruth 37, Ruth 38, Ruth 39, Ruth 40, Ruth 41, Ruth 42, Ruth 43, Ruth 44, Ruth 45, Ruth 46, Ruth 47, Ruth 48, Ruth 49, Ruth 50, Ruth 51, Ruth 52, Ruth 53, Ruth 54, Ruth 55, Ruth 56, Ruth 57, Ruth 58, Ruth 59, Ruth 61, Ruth 62, Ruth 63, Ruth 64, Ruth 65, Ruth 66

Mabel Fraction, Gold Dollar Ext., Gold Dollar, Silver Dollar, Houghton Annex, Houghton Annex No. 1, Tom Tip, Tip Top, Spider, Sampler, Robbie, Fraction, Gold Road, Line Road, Cliff, Section No. 1, Latite Fraction, Latite No. 2, Latite No. 4, Latite No. 5, Latite No. 6, Billy Bryan, Billy Bryan MS, Railroad, Railroad MS, Gold Road MS, Line Road MS, Red Top, Red Top Ext., Red Top Ext. No. 1, Red Top Ext. No. 2, GR 1, GR 2, GR 3, GR 4, GR 5, GR 6, GR 7, GR 8, GR 9, GR 10, GR 11, GR 12, GR 13, GR 16, GR 17, GR 18, GR 19

Spring, Indian Spr., Hidden Valley, Sickreaves Pass, Pipeline, Tailings, United Eastern Mine, Oatman, Elephants Tooth, Mine, Ellis Can

10, 11, 12, 7, 15, 14, 13, 18, 19

LEGEND

- PATENTED
- UNPATENTED
- OTHER CLAIMS

Data provided by: Addwest Minerals, Inc., 1994

0 — 1 mi.

0 — 1 km

Addwest, Gold Road Royalty Properties

MILL SITES IN SECTION 2

Cottonwood Spring, Cottonwood, Trail, Creek, 2

N

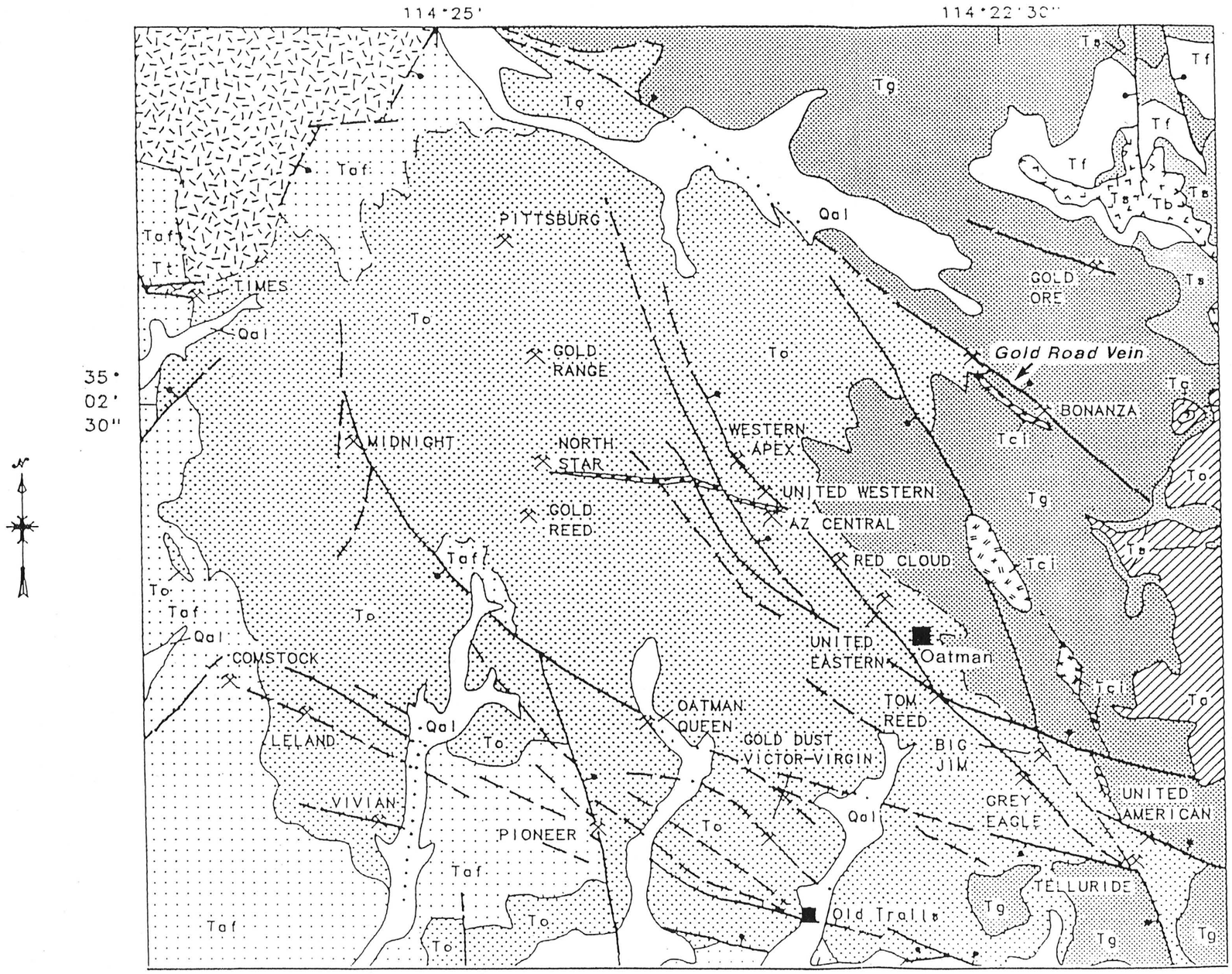
Figure 2

Watts, Griffis and McOuat Limited

Claims

Gold Road Project — Mojave County, Arizona

March 1994



From USGS Bulletin 1857, Geology and Gold Deposits of the Oatman District, NW Arizona, by E. Dewitt, et al., 1991

0 1 2 km

0 1 mi

EXPLANATION

Qal	Quaternary alluvium
Tci	Rhyolite porphyry intrusives
Tc	Times Porphyry
Tb	Basalt
Ts	Sitgreaves Tuff (equivalent to Flat Spring and Antelope rocks)
Tf	Flag Spring Quartz Latite
Ta	Antelope Rhyolite
Tg	Gold Road Dacite
To	Oatman Andesite
Te	Esperanza Quartz Latite
Taf	Alcyone Formation

TERTIARY

80

Fault—Bar and ball on downthrown side; tick with number indicates dip; dashed where projected; dotted where concealed

Contact—Dashed where uncertain

Mine

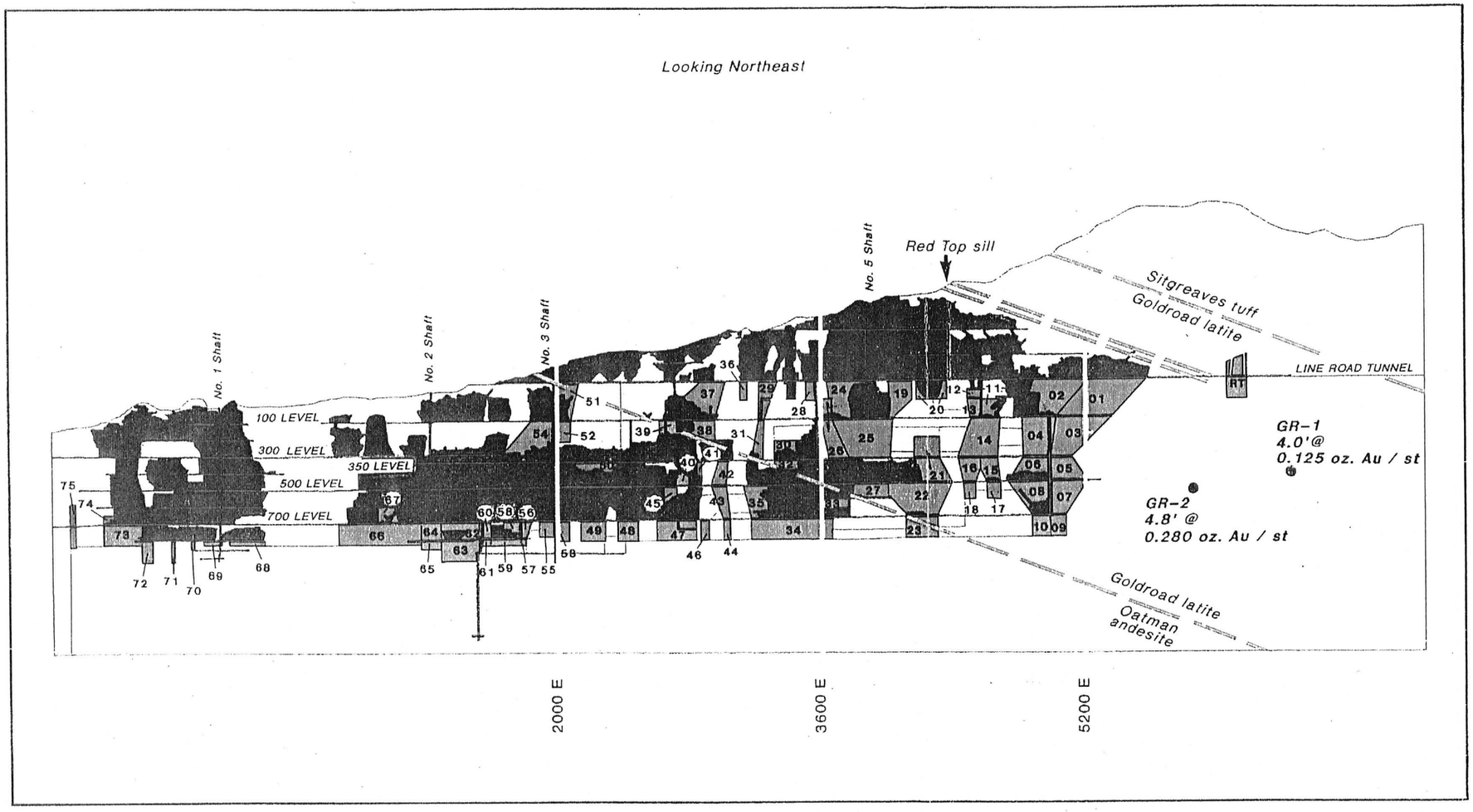
Figure 3

Watts, Griffis and McOuat Limited

Regional Geology

Gold Road Project Mojave County, Arizona

March 1994



Modified from data provided by: Addwest Minerals, Inc. 1994

0 300 1500 ft.

Scale: 1" = 750'

H = V

Calculated blocks

Mined out

Drill hole

Figure 4

Watts, Griffis and McOuat Limited

Longitudinal Section of Gold Road Mine

Gold Road Project Mojave County, Arizona

March 1994

4. CLIMATE AND INFRASTRUCTURE

4.1 CLIMATE

Gold Road lies near the eastern limit of the Basin and Range physiographic province at an elevation of about 3000 ft above sea level. The climate is typical of the high desert at 35° north latitude having cool, dry winter months and hot summer months with infrequent heavy rains as thunderstorms. Daily temperatures range up to 96° F, between 31° and 54° in January and between 67° and 96° in July and August. Precipitation averages 9.8 inches annually with approximately 50% in the summer monsoon season, July to September. Light winter snowfall is not unusual.

4.2 INFRASTRUCTURE

Gold Road is well situated for access to services and supplies. Kingman is a commercial center for northwestern Arizona with a recent history of production from mines such as the Mineral Park porphyry copper deposit and the Portland heap leach gold operation. Kingman is on Interstate 40 and on the Santa Fe railroad main line. An ample labor pool is available, in the local area, to staff the proposed mine. Training will be required for some of the new personnel to attain the level of skill desired for the design mining methods.

Power is available from Citizens Utility Corporation at 20.8 kva within 2800 ft of the mill site.

5. HISTORY AND PREVIOUS PRODUCTION

5.1 ARIZONA

Rich gold placer deposits in the Dome district were discovered in 1858 followed by other discoveries in 1862 along the Colorado River and, in the period 1862 to 1870, other rich placer deposits were found in the Weaver, Lynx Creek, and Big Bug districts. Gold lodes were discovered in the Bradshaw Mountains in Yavapai County and in the San Francisco district, near Oatman in Mohave County in 1863.

In Arizona, to 1965, 42 districts in 10 counties had produced at least 10,000 ounces of gold.

5.2 SAN FRANCISCO DISTRICT

Mohave County ranks second among Arizona's gold producing counties with a total of about 2.5 million ounces prior to 1960. More than one half of this total came from the lode mines of the San Francisco district.

Gold was discovered, in the Oatman area, in 1863 in what became known as the Moss vein. Other veins with prominent outcrops were discovered soon afterward. Although some rich ore was gained from near surface pockets along the Moss vein, most development efforts remained unrewarding and the district was inactive until good ore was found, at shallow depth, on the Tom Reed vein in 1901 and a stampede to the district ensued with the discovery of rich ore, in outcrop, on the Gold Road vein in 1902. Activity continued at a high level through 1924 and revived for a short period from 1930 through 1942.

Total gold production from the district, from 1897 through 1951 has been estimated at over 2.0 million ounces.

5.3 GOLD ROAD MINE

Following discovery in 1902, the Gold Road vein was developed by the Gold Road Mining and Exploration Company who produced 196,000 ounces of gold between 1903 and 1911 from ores averaging 0.60 oz Au/st, The United States Smelting Refining and Mining Company (USSR&M) acquired the property in 1911 and produced another 185,000 ounces of gold by 1916. USSR&M did not operate the mine during World War I but produced some 36,000 ounces of gold in the period 1923 to 1925. When the official gold price increased to $32.00 per ounce in 1932 and then $35.00 in 1934, USSR&M built a new mill and, by 1942, was processing over 400 st/day. USSR&M produced over 190,000 ounces of gold during this last phase of activity. United States gold mines were closed, in 1942, by Executive Order L-208 which defined gold mining as activity not essential to the war effort required for a successful resolution of World War II.

The Gold Road mill and equipment were moved to Bayard, New Mexico and equipped to process zinc ores which were necessary for the war effort. Inflation, prosperity, and a redirection of U.S. skilled labor after the successful conclusion of the war prevented the reopening of the Gold Road mine. In 1992, Addwest entered into an option to purchase agreement with Amwest for the acquisition of the Gold Road properties

Since that time, Addwest has reopened the Line Road tunnel to the number 3 shaft and completed sufficient rehabilitation of the shaft to gain access to portions of the 100 level.

During the extended closure, the mine's lower levels have accumulated water to about 30 ft above the 350 level. Addwest has descended in the 4975 raise to the water level.

6. GEOLOGY AND MINERALIZATION

6.1 REGIONAL

Approximately 80% of Arizona's pre-1951 gold production has been won from mines lying within 75 miles of the southwestern margin of the Colorado Plateau. Within this region, the deformed Precambrian rocks have been tilted, intensely faulted and intruded by masses of igneous rocks. Resting upon older Precambrian rocks in the Black Mountains, a thick sequence of volcanic rocks, long regarded as Tertiary in age, has been intruded by numerous granitic bodies, dikes and plugs

6.2 SAN FRANCISCO DISTRICT

In the San Francisco district, the lower portion of the volcanic series consists of andesite and trachyte, approximately 5,000 ft thick together with a unit comprising about 1,600 ft of latite, andesite and siliceous flows termed the Gold Road volcanics. Rhyolitic flows and tuffs, 1,500 or more feet thick, lie unconformably upon the lower members in some areas and directly upon older Precambrian rocks in other areas.

A monzonitic stock intrudes the trachyte about 3 miles west of the Gold Road Mine. Rhyolite porphyry dikes have been mapped southwest of the Gold Road vein. The dikes are emplaced in two dominant directions, sub parallel to the Gold Road vein at about N50°W and aligned with a N75°W set of veins and fractures.

There are 23 identified vein systems in the seven mile north-south extent of the Oatman district. Of these, the Gold Road and the Tom Reed veins were the only major sources of gold ores. The United Eastern mine exploited a portion of the Tom Reed vein.

6.3 GOLD ROAD

The Gold Road vein is a braided system emplaced within the Gold Road fault structure. The Gold Road fault structure is a northwest striking normal fault dipping 65° to 85° to the northeast with local dip reversals. The fault zone varies in width up to 100 ft and may host several quartz veins within that width. In narrower stretches of the structure, only one quartz vein is found aligned either entirely along the hanging wall or the foot wall or entirely central to the structure. In extremely narrow stretches of the structure, quartz vein may replace the total width.

The fault structure itself is splayed locally and these splits can host mineralization.

The Gold Road vein, as described, has been mapped within three formations, the Oatman andesite, the Gold Road latite and the Sitgreaves tuff. The character of the vein does not change abruptly at formation contacts but there is a general narrowing upward from widths of 30 ft in the Oatman andesite to only a few inches in the Sitgreaves tuff. Historically, mining has terminated upward at the surface or within the uppermost 200 ft of the Gold Road formation at what the miners termed the "Red Top Sill." Little exploration effort has been directed toward the structure within the uppermost Gold Road formation above the "Red Top Sill" or the Sitgreaves tuff, although a raise from the Line Road tunnel at approximately 6100 E reported "ore grade" mineralization above the Red Top Sill.

To date, mining has extracted ore from the Gold Road vein over a horizontal distance of about 6000 ft and a vertical range of 1400 ft. There is a report of a test of the Gold Road structure, in 1916, via a winze to approximately the 1400 level which corresponds to an elevation of 1450 ft above sea level. Production from the Tom Reed (and United Eastern veins) came from depths at elevations down to 1500 ft above sea level. Production along the vein to the west of No. 1 shaft terminated

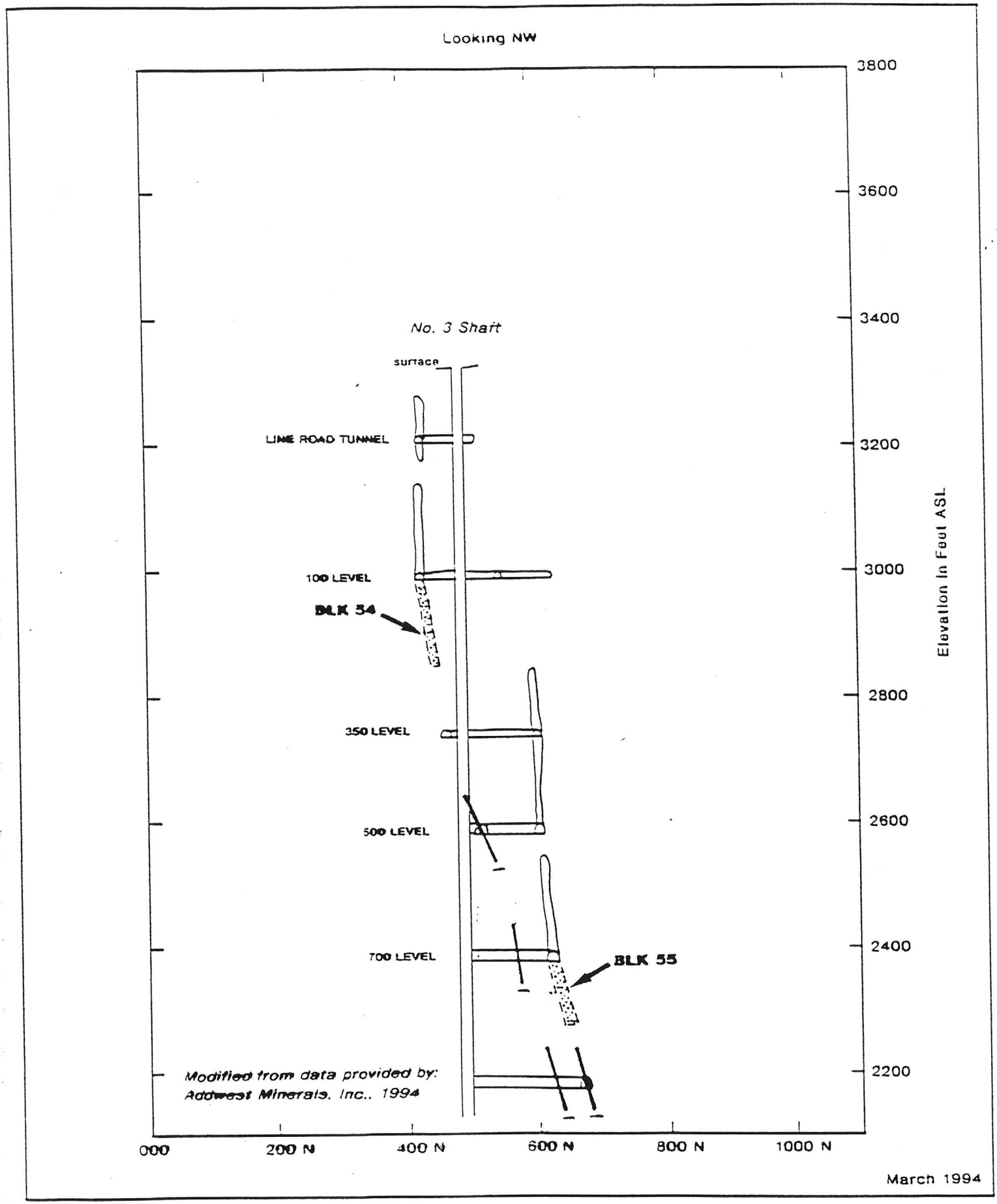


Figure 5

Cross Section 2000 E

Gold Road Project Mojave County, Arizona

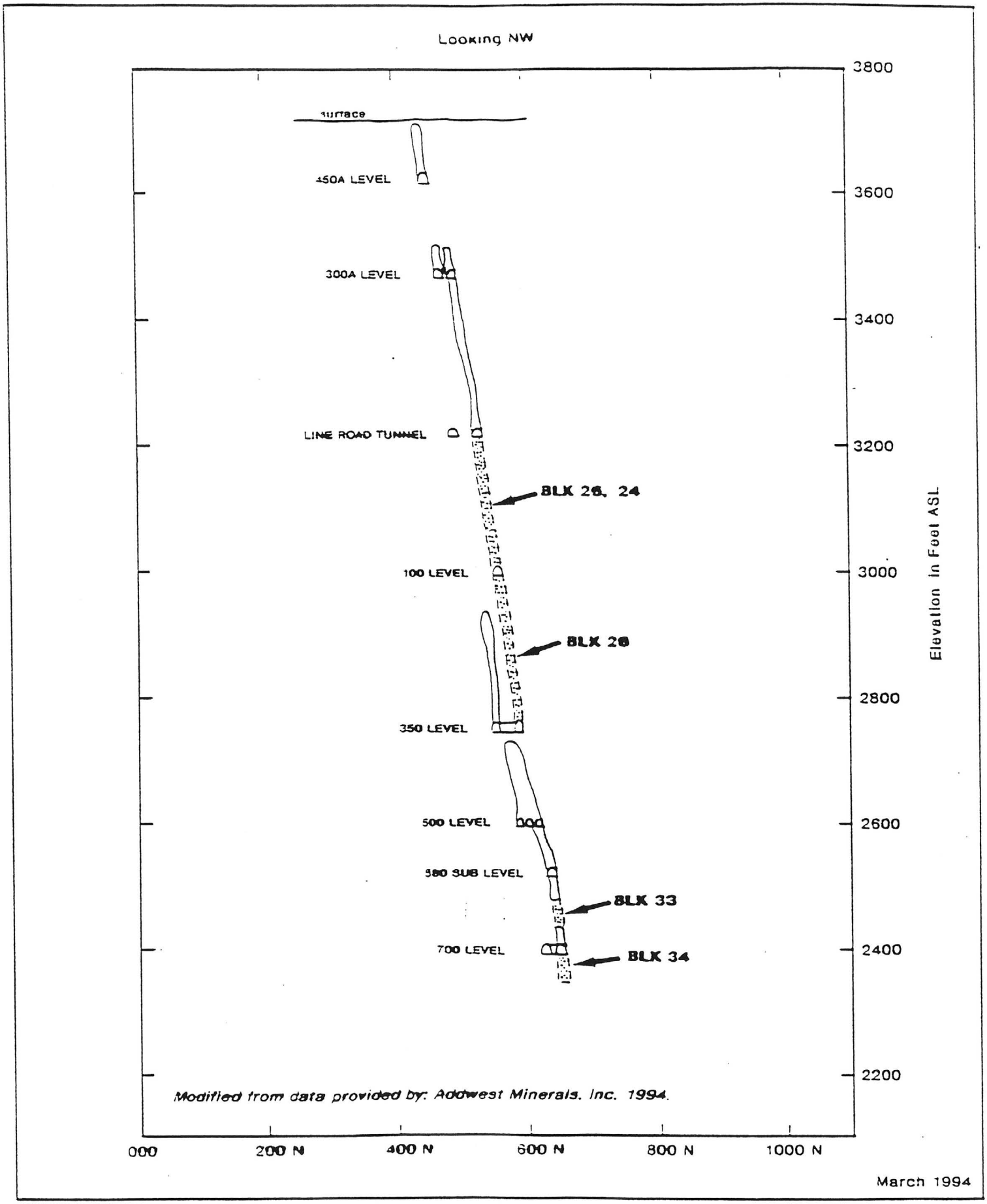


Figure 6

Cross Section 3600 E

Gold Road Project Mojave County, Arizona

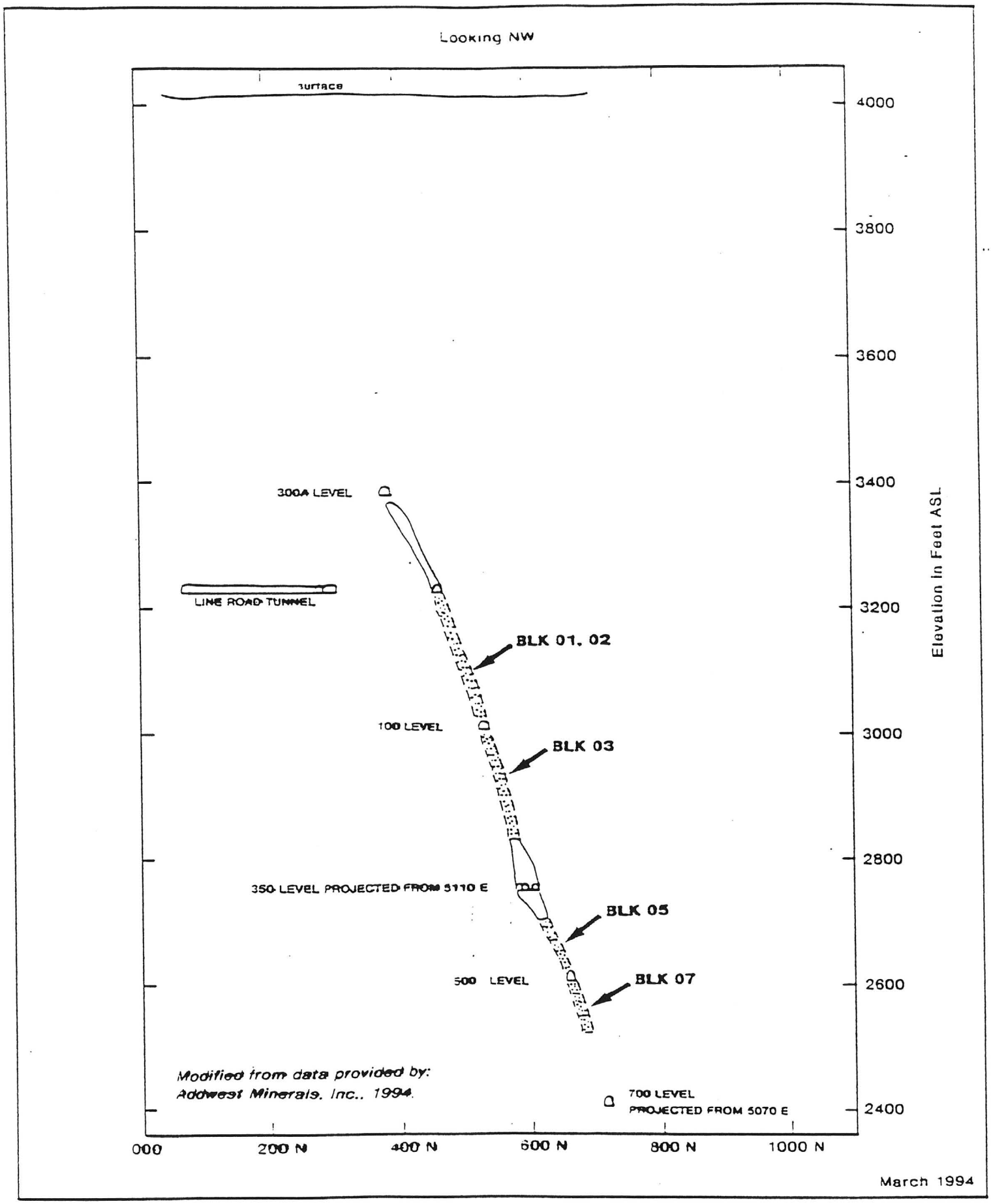


Figure 7

Cross Section 5200 E

Gold Road Project Mojave County, Arizona

abruptly at about 650W. It is not determined whether development was interrupted by faulting which offset the vein or whether USSR&M was unable to come to terms with the adjacent property owners for mutually satisfactory development. USSR&M acquired the West Gold Road Mining Co. claims in 1945 when the mine was inactive.

Mineralogy, within the Gold Road vein, typifies the district and epithermal gold deposits in general. Gold is the most valuable constituent of the ore and, in fact, other metals are present only in very minor quantities. Sulfide minerals rarely occur. The gold occurs primarily as fine grained native gold or alloyed with silver in ratios up to 50%-50% in thin quartz bands. The vein consists of quartz with local concentrations of banded calcite. Fluorine may be present in quantities up to 500 ppm. Where observed along the Line Road tunnel, the footwall of the vein is a fault surface and stoping broke clean to the fault plane.

Of 2388 composited data set intervals used in the ore reserve calculation, nine ranged above 5.0 oz Au/st with a maximum of 17.8 oz Au/st. Mineralized intercepts exceeding 0.10 oz Au/st ranged from 1.0 to 17.0 ft in width averaging 4.59 ft.

6.4 RESERVES

When the Gold Road mine was closed, in 1942, USSR&M estimated a remaining inventory of 456,000 tons averaging 0.325 oz Au/st (148,000 oz Au). Arava Resources, USSR&M's survivor, recalculated an estimate, in 1989, with the same results. Addwest has calculated estimates ranging from 520,000 tons at 0.341 oz Au/st (177,000 oz Au) to 612,000 tons at 0.324 oz Au/st (198,000 oz Au) using different cut off grades. Early in 1993, Addwest contracted for a computer manipulated estimation of tons and grade.

The data base from which the various estimates have been made consists of more than 5000 sets of channel samples across the veins where they were exposed by workings in development drifts and raises. Addwest digitized the locations of the sample sets assigning values for coordinates, elevation, assay, width of sample and host rock type. A check of 10%

of the digitized sample sets found an encoding error rate of 0.4% which was judged acceptable. The sample set locations were plotted, from the encoded data base on level plans and sample sets on structures cojugate or parallel to the primary structure were identified and extracted from the active file. Classical statistical analysis of the sample sets in the active file provided a basis for the decision to cut all composite assays exceeding 5.0 oz Au/st to the 5.0 oz Au/st level. The average grade increases from the Line Road tunnel level to the 500 level and then varies with increasing depth but the data below the 700 level may be insufficient to demonstrate a trend. No systematic gradation laterally was detected.

An inventory of tons and grade of vein material exceeding 0.15 oz Au/st was calculated by constructing a series of blocks 31 ft. x 20 ft. covering a projection of the primary vein and old workings on a longitudinal section. Known excavations on existing plans and sections were digitized, transferred to the block model and removed from consideration. A grade and thickness were calculated for each remaining block using an inverse distance squared weighting algorithm. For grade estimation, the weighting used a minimum of one sample and a maximum of eighteen within distances of 200 ft along the dip direction and 20 ft along the strike. Thicknesses were estimated from a minimum of one and a maximum of six samples within the same distances used for grade estimation.

This calculation, using a density factor of 13.0 ft^3/t, estimated that the vein, within the area under consideration, contains 177,000 oz. of gold in 520,000 st of material grading 0.341 oz Au/st over an average width of 4.5 ft.

A second estimate was compiled in which the minimum vein width was maintained at 5.0 ft. If the vein width was less than 5.0 ft., additional width was added at 0.065 oz. Au/st grade to bring the total to 5.0 ft. Thickness and grade estimates were calculated from the adjusted sample set in the same manner as the previous estimate. The results, 184,000 oz. of gold contained in 579,000 st grading 0.318 oz Au/st was the basis for Addwest's mine plan.

Adjustments to the second estimate were necessary to reflect allowances for pillars, dilution, irregular and small blocks.

Addwest's engineers calculated a cost of extraction for each block and deleted those with a negative value after credit for contained gold. The remaining blocks were compiled into Addwest's ore reserve of 156,000 oz. of gold in 518,000 st of ore grading 0.302 oz Au/st.

WGM found four types of mineral estimation blocks:

1. Blocks sampled on three sides.
2. Blocks sampled on two sides.
   a. Blocks sampled on two adjacent development levels.
   b. Blocks sampled on one development level and projected to a stope.
3. Blocks sampled on one side projected from a development level or a stope.

Addwest introduced dilution by specifying a minimum five foot stoping width. An additional (24.6%) dilution was then added at a historical average grade of 0.027 oz Au/st. Thus vein widths less than 3.5 were doubly diluted and vein widths exceeding six feet were diluted without regard to expected performance in the stopes. Further tonnage and grade dilution was added in blocks bounded by stoped ground for which the grade of the ore actually produced from the stope was used in the calculation. This was already an operationally diluted grade and thickness and adding an additional 24.6% is inappropriate.

Inspection of drifts and stope entries accessible along the Line Road tunnel revealed that, where the vein walls were "frozen" and not delineated by fault planes, overbreak ranged from 0.5 to 1.5 ft. WGM recommended that another estimate of mineable tonnage be made by adding 1.5 ft of dilution to sampled widths greater than 3.5 ft exceeding 0.15 oz Au/st using actual sample assay grades where available and 0.027 oz Au/st where no data were available. Where a block was bounded on one side by a stope, an average width was estimated from the length and area as measured on the longitudinal section. The actual grade of material produced from the stope was assigned over that length. This grade and width are as actually

diluted in production and no further dilution was added to these widths or grades. Where sampled vein-widths exceeding 0.15 oz Au/st were less than 3.5 ft. the vein was diluted to 5.0 ft using actual assays where available or 0.027 oz Au/st an historical average. The overall average vein width is 4.59 ft. and the average diluted mining width is 6.63 ft. which indicates a life of mine dilution factor of 44%

Addwest's estimated unit mining costs were then subtracted from the individual block's value in estimated gold content and blocks with negative mined value were deleted from the inventory. The blocks with positive mined values total 619,000 st grading 0.305 oz Au/st. WGM estimates that 90% of the ore can be extracted and that 95% of the contained gold will be recovered in the mill for a total fully diluted, mineable reserve of 557,000 st grading 0.289 oz. recoverable gold per short ton of diluted ore.

TABLE 2

ORE RESERVES
MINEABLE, FULLY DILUTED

	TONS	GRADE		OUNCES	
		Inplace	Recoverable	Inplace	Recoverable
Proven	60,000	0.297	0.282	17760	16870
Probable	497,000	0.306	0.291	151970	144,370
Total	557,000	0.305	0.289	169,730	161,240

TABLE 3

ORE RESERVE CALCULATIONS

GOLD ROAD PROJECT
ORE RESERVE CALCULATION
MANUAL, HIGH GRADE CUT TO 5 0Z/TON

3/10/94

BLOCK #	RESERV CLASS (# SIDES)	MANUAL AV.GRAD OPT Au	AV. THK. (FEET)	TONS ORE	TONS *90%	OUNCES	TONS PROVEN	OUNCES PROVEN	TONS PROBABLE	OUNCES PROBABLE
1	2	0.296	5.80	32593	29334	8683	0	0	29334	8683
2	2	0.625	6.31	21690	19521	12201	0	0	19521	12201
3	2	0.331	6.55	26892	24203	8011	0	0	24203	8011
4	2	0.815	6.27	19831	17848	14546	0	0	17848	14546
5	3	0.340	9.37	16620	14958	5086	14958	5086	0	0
6	3	0.274	6.25	13337	12003	3289	12003	3289	0	0
7	3	0.309	8.66	20137	18123	5600	18123	5600	0	0
8	3	0.256	6.38	16431	14788	3786	14788	3786	0	0
11	1	0.237	5.51	3928	3535	838	0	0	3535	838
12	stope pro	0.181	5.00	1587	1428	259	0	0	1428	259
13	2	0.211	5.18	3170	2853	602	0	0	2853	602
14	2	0.273	5.99	22063	19857	5421	0	0	19857	5421
15	2	0.270	5.89	6427	5784	1562	0	0	5784	1562
16	2	0.280	6.50	7713	6942	1944	0	0	6942	1944
17	1	0.223	6.15	3681	3313	739	0	0	3313	739
19	2	0.215	5.16	10456	9410	2023	0	0	9410	2023
20	1	0.545	5.40	3098	2788	1520	0	0	2788	1520
21	2	0.188	5.50	18272	16445	3092	0	0	16445	3092
22	2	0.202	6.34	27881	25093	5069	0	0	25093	5069
24	2	0.189	6.02	12432	11189	2115	0	0	11189	2115
25	2	0.178	5.93	31629	28466	5067	0	0	28466	5067
27	1	0.190	7.88	10338	9304	1768	0	0	9304	1768
28	1	0.252	5.05	2388	2149	542	0	0	2149	542
29	2	0.202	5.13	6280	5652	1142	0	0	5652	1142
30	1	0.203	6.73	4705	4235	860	0	0	4235	860
31	2	0.215	5.90	4764	4288	922	0	0	4288	922
33	2	0.280	8.83	7749	6974	1953	0	0	6974	1953
34	1	0.201	6.49	30825	27743	5576	0	0	27743	5576
35	2	0.300	6.75	10184	9166	2750	0	0	9166	2750
38	1	0.216	6.36	8656	7790	1683	0	0	7790	1683
39	1	0.195	5.35	3305	2975	580	0	0	2975	580
41	2	0.191	6.20	2044	1840	351	0	0	1840	351
42	2	0.228	6.66	5373	4836	1103	0	0	4836	1103
43	2	0.256	6.27	6109	5498	1408	0	0	5498	1408
44	1	0.222	5.30	1972	1775	394	0	0	1775	394
45	1	0.380	7.33	3316	2984	1134	0	0	2984	1134
46	1	0.200	5.20	2469	2222	444	0	0	2222	444
47	1	0.406	8.08	17831	16048	6515	0	0	16048	6515
48	1	0.225	7.39	8735	7862	1769	0	0	7862	1769
49	1	0.136	6.41	8954	8059	1096	0	0	8059	1096
50	1	0.232	9.59	7640	6876	1595	0	0	6876	1595
51	2	0.252	5.22	6080	5472	1379	0	0	5472	1379
52	1	0.344	5.00	4654	4189	1441	0	0	4189	1441
54	2	0.890	7.14	19295	17366	15455	0	0	17366	15455
55	1	0.207	6.16	3793	3414	707	0	0	3414	707
56	2	0.579	7.10	2069	1862	1078	0	0	1862	1078
58	2	0.501	5.88	2439	2195	1100	0	0	2195	1100
59	1	0.703	5.57	3164	2848	2002	0	0	2848	2002
60	2	0.202	6.19	2229	2006	405	0	0	2006	405
61	1	0.223	5.14	795	716	160	0	0	716	160
62	2	0.299	6.97	8975	8078	2415	0	0	8078	2415
63	1	0.213	5.84	12445	11201	2386	0	0	11201	2386
64	2	0.197	6.14	5784	5206	1026	0	0	5206	1026
65	1	0.207	5.87	2768	2491	516	0	0	2491	516
66	1	0.218	7.50	35628	32065	6990	0	0	32065	6990
67	1	0.157	6.90	5277	4749	746	0	0	4749	746
69	1	0.486	7.17	1577	1419	690	0	0	1419	690
71	1	0.192	6.46	1249	1124	216	0	0	1124	216
72	1	0.218	6.92	4569	4112	896	0	0	4112	896
73	1	0.275	7.93	16975	15278	4201	0	0	15278	4201
74	1	0.194	7.03	1553	1398	271	0	0	1398	271
75	1	0.164	6.21	4219	3797	623	0	0	3797	623
			6.63	619042	557138	169734	59873	17760	497265	151974
						0.305		0.297		0.306

Because of the continuity of the vein at grades above 0.15 oz Au/st, both along strike and dip, WGM considers those blocks developed and sampled on three sides as measured and those developed on one or two sides as indicated resources. The corresponding blocks showing a positive cash value after all applicable costs have been assigned are considered as proven and probable ore respectively. In this assignment, WGM has relied on the definition of "Proven ore" and "Probable ore" as expressed in National Policy No 2-A, Guide for Engineers, Geologists and Prospectors Submitting Reports on Mining Properties to Canadian Provincial Securities Administrators.

> "Proven ore" or "measured ore" means that material for which tonnage is computed from dimensions revealed in outcrops or trenches or underground workings on drill holes and for which the grade is computed from the results of adequate sampling, and for which the sites for inspection, sampling and measurement are so spaced and the geological character so well defined that the size, shape and mineral content are established, and for which the computed tonnage and grade are judged to be accurate within limits which shall be stated and for which it shall be stated whether the tonnage and grade of proven ore or measured ore are "in situ" or extractable with dilution factors shown and reasons for the use of these dilution factors clearly explained.
>
> "Probable ore" or "indicated ore" means that material for which tonnage and grade are computed partly from specific measurements, samples or production data and partly from projection for a reasonable distance on geological evidence and for which the sites available for inspection, measurement and sampling are too widely or otherwise inappropriately spaced to outline the material completely or to establish its grade throughout.

6.5 POTENTIAL

Potential for development of additional ore at the Gold Road Mine lies in four directions.

1 A. Horizontally, to the east where two drill holes intersected 4.8 ft of vein grading 0.280 oz Au/st and 4.0 ft of vein grading 0.125 oz Au/st along the strike projection of the vein at distances of 500 ft and 1000 ft respectively east of the face of the 500 level east drift.

B. Horizontally, to the west where the vein may persist offset along a transverse fault or where development may have terminated because of adverse ownership. At the

surface, west of the No. 1 shaft, the projection of the vein is concealed by alluvium and slope detritus.

2. Vertically, there are approximately 3000 ft of stopes originating on the 700 level and extending upward. Addwest has projected these areas downward along dip for a distance of 100 feet. Over 700 ft of stoping originates along the 800 level in the No. 1 shaft area with no workings below and there are about 700 ft along the 800 level west of the No. 3 shaft with diluted composite assays exceeding 0.15 oz Au/st over 5.0 ft of width. These blocks have been extended downward along dip for a distance of 100 ft. Where developed above the 700 level, from 750 W to 5000 E, approximately 60% of the vein has been mined. Stratigraphically, the westernmost stopes on the 700 level are 2000 ft below the contact between the Oatman andesite and the Gold Road latite. This contact crosses the 700 E level at about 4100 E and the base of the 700 W level stopes project along the eastward dip over 200 ft. vertically below the 700 level at that point. It is not possible to quantify the potential at depth, but the dimensions of the existing mined out stopes and the current ore reserves which together represent over 2 million tons can be projected onto the unexplored ground below the 700 level.

3. Laterally, splits and parallel veins may provide supplemental ore tonnage that is not possible to quantify.

Addwest estimates that over 2,000,000 additional tons of ore grading 0.355 oz Au/st may remain undeveloped in the Gold Road system. A significant investment of time and resources will be necessary to determine the true potential.

7. ENVIRONMENTAL

7.1 BACKGROUND

In conjunction with its operations and properties, Addwest is subject to extensive and changing federal, state and local laws, regulations and ordinances governing health and safety and the protection of the environment including laws and regulations relating to air and water quality, mined land reclamation, waste handling and disposal, the protection of certain species, and the preservation of certain lands. These environmental laws and regulations may require the acquisition of permits and other authorizations for mining and related activities. The operations and activities at the Gold Road project which require compliance with such environmental laws, regulations and ordinances are discussed below.

7.2 PERMIT REQUIREMENTS AND STATUS

The Gold Road project is located on patented mining claims about two miles north of Oatman, Mohave County, Arizona. The project includes reopening the historic Gold Road mine and mining by underground methods, construction of a 500 tons per day precious metals processing mill and a tailings impoundment along with various support facilities. Some development rock will be placed in existing mine voids underground and the balance will be disposed of on the surface. Existing access to the project is good.

All proposed project disturbance is to patented mining claims (private lands) and therefore project construction, operation, closure and reclamation is not subject to federal reclamation regulation. Arizona does not currently have a state mined land reclamation act in place so the state regulates mine operations, closure and reclamation under authority of the Arizona Aquifer Protection Act and the Arizona Air Quality Control Act. In Arizona, counties are not allowed to regulate mining activities under their zoning regulations or police powers so Addwest does not need to obtain Mohave County approval to operate the project.

The U.S. Army Corps of Engineers determined that the Silver Creek drainage, which bisects the project area, is considered waters of the United States and diversion of uncontaminated flow around the project area requires Corps of Engineers review of project plans prior to construction. Addwest has complied with the applicable portions of the regulations by providing all necessary and requested information.

The Arizona Environmental Quality Act of 1986 established the requirement to develop the Aquifer Protection Permit (APP) program. To obtain an APP for a discharging facility, the applicant must make two demonstrations. The first is that "the facility will be so designed, constructed and operated as to ensure the greatest degree of discharge reduction achievable through the application of the best available demonstrated control technology, processes, operating methods or other alternatives." The second demonstration is that the discharge will not cause or contribute to a violation of an aquifer water quality standard at the point of compliance. Once it is determined that a facility is regulated, all water quality aspects of that facility are subject to regulatory review. A complete application is to include the above demonstrations, detailed information regarding site geology and hydrology and contingency plans, remedial action plans and closure plans. The regulations require bonding to ensure proper closure.

Addwest applied for the Gold Road project APP in early 1993 and the application was deemed complete by letter dated July 23, 1993. Following technical review and negotiation, the Arizona Department of Environmental Quality notified Addwest of its intention to issue the AAP on February 2, 1994.

The approved tailings disposal system includes tailings thickening and cyanide reduction prior to thin layer deposition in a lined impoundment. The approved impoundment design includes double lining, localized leak detection and collection liners, a prepared compacted subgrade and surface water controls. Any drainage from the tailings will be captured in a process water reclaim pond and either be reused in the milling process or allowed to evaporate.

Other facilities reviewed during the AAP process included storage of process chemicals and fuels, the handling of storm water, and development rock disposal practices. Design of the waste rock disposal area did not require unusual methods because Gold Road development rock and ore has been shown not to have the potential to be acid generating or to leach unacceptable metals concentrations.

The approved monitoring plan provides for monitoring the integrity of the process water control technology, surface water, ground water and the characteristics of waste rock.

The approved closure and reclamation plan includes sealing or securing mine entrance points, removal of equipment and facilities, foundation breakup and covering and grading of waste rock to provide drainage and to reduce erosion. Very little revegetation is planned because of the lack of available soils and the low precipitation in the Oatman area. Toward the end of the operations, tailings deposition will be managed to provide appropriate drainage of the surface of the deposited tailings. The surface of the tailings will be covered with development rock which will reduce wind and water erosion. Closure and reclamation activities are bonded and a post operational monitoring program will measure closure success and provide for bond release.

As required by regulation, application was made to the Arizona Department of Environmental Quality for an air quality control permit. This permit was issued in March, 1994.

To summarize, all environmental permits and approvals necessary for the construction and operation of the Gold Road Project have been received.

8. MINING

8.1 GENERAL

Mining operations combine three activities in varying proportions to achieve profitability and longevity. The three activities are exploration, development, and production. (Figure 8). Within the mine, exploration activities may be long hole or diamond core drilling or they may be driving crosscuts or drifts in search of new vein structures or ore shoots. Development involves providing access and haulageways for mining equipment, men, materials and ore. Production is the process of extracting the ore in a pre-planned sequence and transporting it to the mill on a regular, reliable schedule. The proportions of total expenditures committed to the three areas varies with the maturity of the mine.

Exploration is followed by development which is followed by production plus reduced development which then proceeds to a balance of exploration, development and production as necessary to prolong the successful life of the mine.

As for the Gold Road Mine, sufficient ore remained unmined at the time of closure, in 1942, to move the project to the second, development step for Addwest. Addwest considered three alternatives for access and haulage.

- re-habilitate existing workings and use rail haulage.
- sink a new shaft and slash existing workings or drive new haulageways as necessary for trackless mining equipment.
- drive a ramp for access and trackless haulage and drive new haulageways.

Addwest chose to develop a totally new access to the mine via a ramp declined at a 12% grade in the vein hanging wall. The ramp passes the No. 3 shaft at about the 2850 elevation from which the initially chosen ore blocks will be accessed.

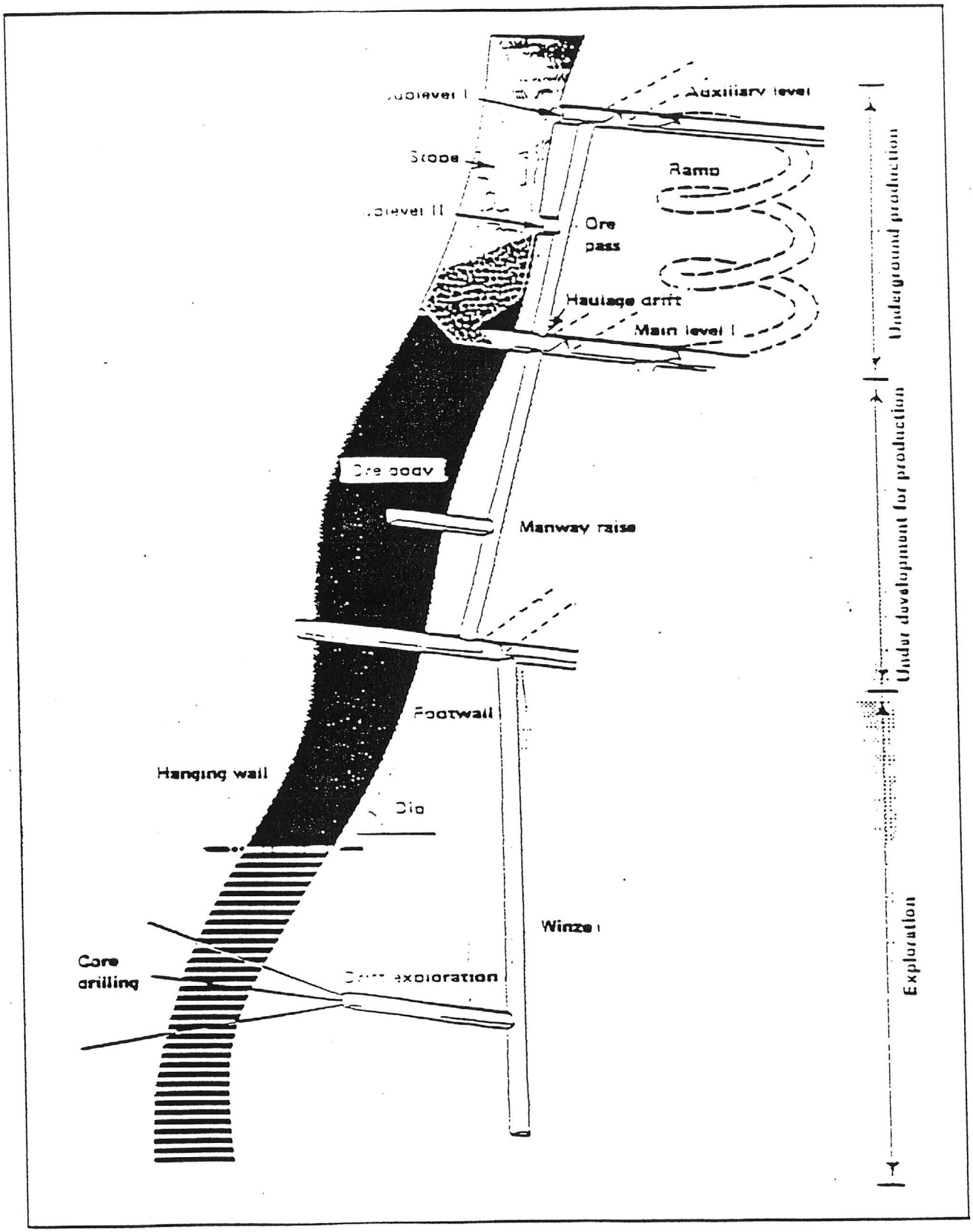


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Figure 8

Three Stages of Mining

For production, Addwest elected to use an extension of the traditional shrink stoping method using sub-levels and long hole drilling equipment. Historically, the Gold Road Mine used the shrink stoping method with rail haulage and transfer via an underground shaft. The proposed Addwest method enjoys the flexibility of rubber tired loading and hauling equipment and the economies of a bulk mining method.

8.2 MINE PLAN AND METHOD

8.2.1 ACCESS AND HAULAGE

Concurrent with the construction of the mill and permanent surface facilities, the decline will be driven from a point near the mill water storage tank at an elevation of approximately 3000 ft above sea level. The decline is planned to extend 2800 ft to the 350 level on a negative 12% grade. A 10 ft x 12 ft cross section is a minimum requirement for trucks and for air, water and ventilation utilities. Re-muck bays will be excavated at nominal 300 ft intervals according to experience. The re-muck bays along the decline, at 50 ft on the hanging wall side of the vein structure, will later serve as drill stations for prospecting the hanging wall of the vein.

At about 1600 ft from the portal, a short crosscut will connect to the No. 3 shaft. This connection will facilitate ventilation of the lower 1200 ft of decline and provide an alternate means of egress from the mine. At an appropriate time in the future, the decline is to be extended another 1800 ft to provide access to the 500 and 700 levels. Ultimately, a ramp will be driven from the 700 level to the 900 level for exploration and development. A 1600 ft incline from the 350 level-decline intersection will provide access to the ore blocks on the 100 level.

Addwest has firm bids for Phase I and Phase II construction of the decline.

About 60,000 cubic feet of underground chambers are planned for installation of shops, materials storage and the explosives magazines.

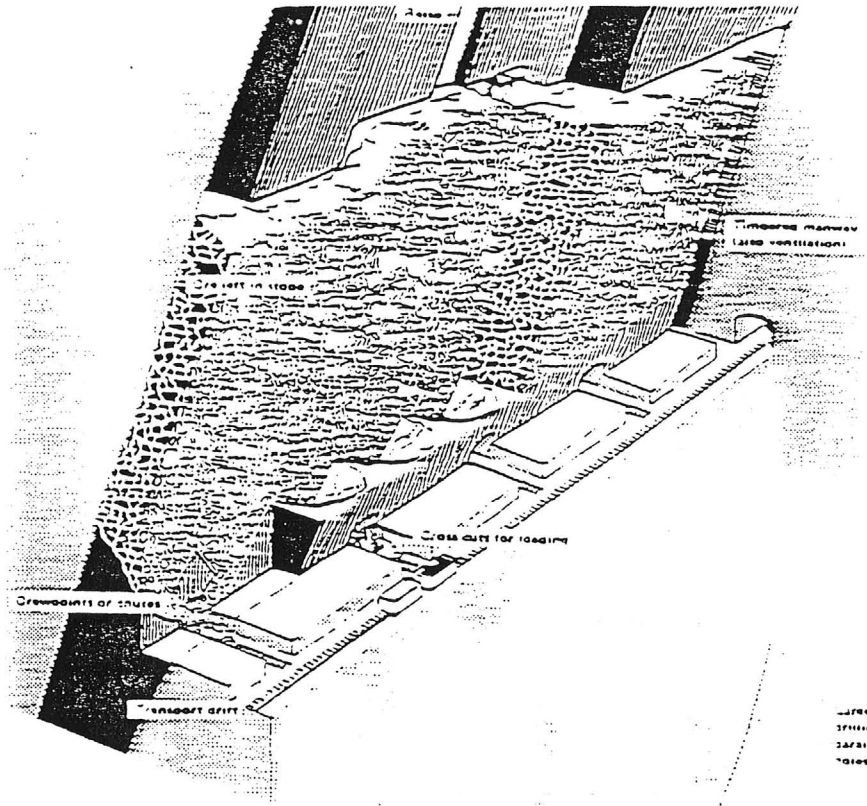
Development on the 100 and 350 level will consist of driving haulage ways 25 to 50 ft from the vein structure, in the footwall rocks. Cross cuts from the haulage ways to the vein ore blocks will be located at the limits of the blocks and spaced about 50 ft apart along the length of the blocks. The cross cuts will be connected, along the vein, by the undercut in preparation for mining. Further access to the ore blocks will be via the service raises driven between haulage levels and spaced about 200 ft apart along the strike of the ore block.

Sub-levels at 50 ft vertical intervals connecting the service raises will conclude stope access and development. Addwest has prepared an estimate of the cost of development for each of 67 blocks through the completion of the undercut on the first sublevel. This estimated cost ranged from $12 to $115 per ton of ore accessed. Additional development in the form of sublevels and slot raises at the block limits will be ongoing as the ore pillars are drilled, blasted and extracted.

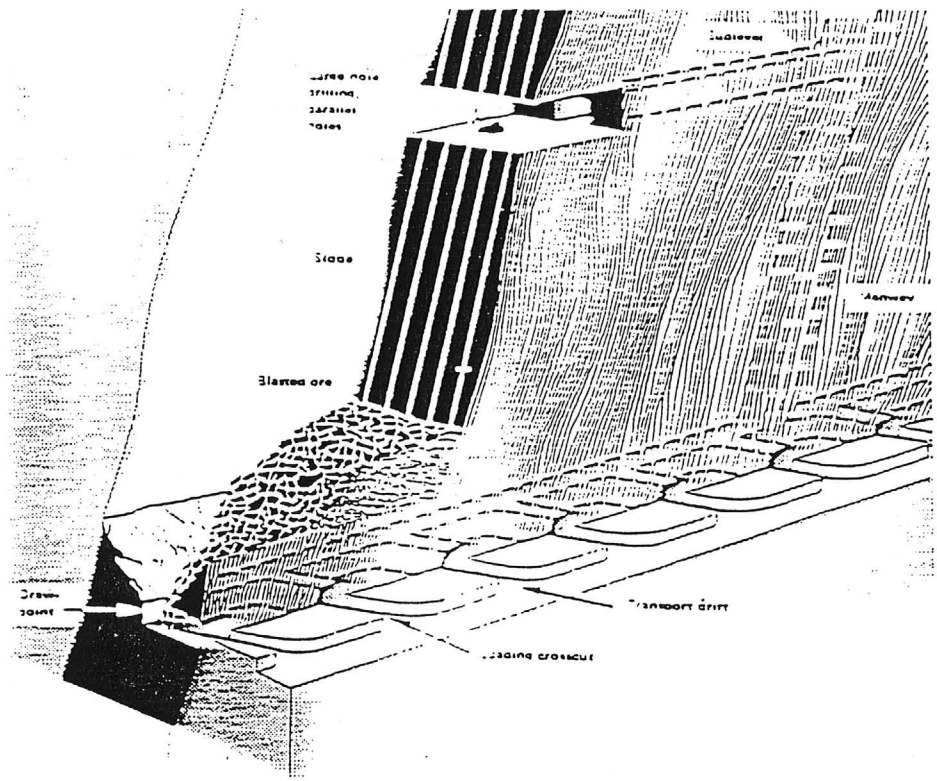
8.2.2 PRODUCTION, STOPING PLAN

From the Gold Road Mine, the most recent past production was by the shrink stoping method in which vertical holes were drilled into the back of the stope and, after blasting, only enough ore was drawn from the stope to lower the surface of the broken ore to a convenient level for drilling the next round. The depth of drill hole was limited by the dimensions of the opening and drilling was by small "stoper" pneumatic drills. (Figure 9 C)

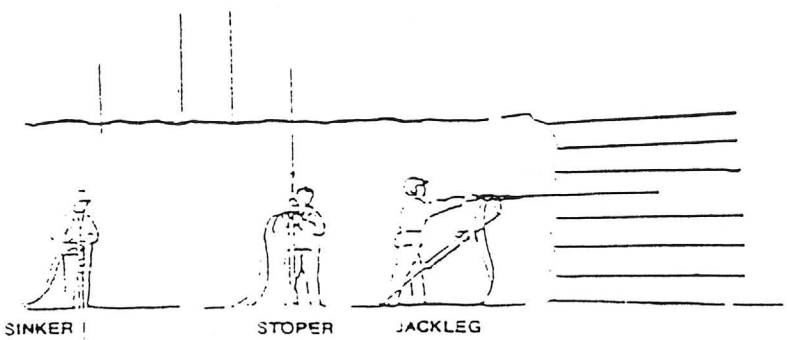
Modern shrink stoping can use horizontal drill holes which permit deeper drill holes and greater productivity per man shift. (Figure 9 A) The "jack leg" pneumatic drill, which permits efficient horizontal drilling, was not introduced to the industry until after the Gold Road Mine closed in 1942.



9a: Shrinkage stoping with cross-cut loading



9b: Sublevel stoping with large hole blasting and drawpoint loading



9c: The sinker, the stoper, and the jackleg drill

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Figure 9

Mining Methods

The present plan for Gold Road production is based on sub-level, long-hole stoping in all ore blocks. WGM expects that the smaller or narrower blocks may be mined by shrink stoping to eliminate excessive development costs.

Addwest's development plan requires access to seven ore blocks and stock piling of 7,000 tons of ore before commissioning the mill. WGM has altered that plan to access nine ore blocks and stockpile 14,000 tons of ore prior to commencing milling. This will ensure a continuous supply of ore to the mill for uninterrupted operations at a small additional development expense.

Following commencement of milling operations, Addwest's plan produces 700 st/day, 5 days/week to supply ore for continuous mill operations 7 days/week at 500 st/day throughput.

8.3 COSTS AND SCHEDULE

8.3.1 CAPITAL COSTS

Capital costs have been estimated in two categories:

- Pre production development
- Continuing development

Pre production costs comprise:

- Contract cost for the decline and crosscuts.
- Level and stope development
- Underground shops and storage
- Mine equipment and inventory
- Site Engineering and Construction Administration

Continuing development costs following mill start up comprise:

- Contract cost for decline extension with associated crosscuts
- Level and stope development
- Additional mine equipment and inventory.

Cost estimates have been based on actual bid quotations for the decline and crosscuts, calculated estimates for level and stope development and prices of new or used equipment provided by vendors dealing in that type of equipment.

TABLE 4

MINE DEVELOPMENT CAPITAL COST ESTIMATE

Pre Production		
Decline and crosscuts	$1,000,000	
Level and stope development	700,000	
Tailings Pond	800,000	
Mine Equipment and Inventory	1,200,000	
Surface Facilities	200,000	
Site Engineering, Construction Administration	300,000	
Sub-total Pre production cost		$4,200,000
Continuing Development		
Decline and crosscuts	$1,000,000	
Level and stope development	700,000	
Mine Equipment and Inventory	300,000	
Sub-total Continuing Development		2,000,000
Total Capital Cost		$6,200,000

8.3.2 OPERATING COST

The largest single component of operating cost is labor which is a direct function of the wage scale and the number of stopes required to be active and under development. WGM has reviewed Addwest's estimate of personnel requirements and wage scales and has adjusted that estimate such that the daily cost for underground labor is $10,966 or $15.67 per ton at 700 tons per day. This is an average hourly rate of $16.12. In addition there are surface and technical support personnel estimated at $3.62/st chargeable to the underground operation and

charges for repair, material and supplies of $9.75/st for a total estimated direct mining cost of $29.04/st.

TABLE 5

SUMMARY, MINE OPERATING COST

Description	Cost$/Day	$Per Ton @ 700 tpd
Labor (underground)	$10,965	$15.66
Labor (support)	2,535	3.62
Equipment Repair	1,100	1.62
Materials	3,350	4.79
Fuel & Supplies	2,200	3.13
Services	150	0.21
Total	$20,301	$29.04

APPENDIX A: CASH FLOW CALCULATIONS

ITEM	DESCRIPTION	CALC	QTR -3	QTR -2	QTR -1	QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6	QTR 7	QTR 8	QTR 9	QTR 10	QTR 11	QTR 12	TOTAL
1	TONS MILLED					45,500	45,500	45,500	45,500	45,500	45,500	45,500	45,500	45,500	45,500	45,500	45,500	548000
2	GRADE (oz AU/st)					0.367	0.376	0.399	0.409	0.320	0.264	0.252	0.273	0.277	0.300	0.233	0.202	0.289
3	CONTAINED OUNCES	1*2				16698.5	17108	18154.5	18609.5	14560	12012	11466	12421.5	12603.5	13650	10601.5	9191	167078
4	RECOVERY, GOLD %					0.9	0.93	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	
5	GOLD PRODUCED, OUNCES	3*4				15028.65	15910.44	17248.78	17679.03	13832	11411.4	10892.7	11800.43	11973.33	12967.5	10071.43	8731.45	157545
6	CUMULATIVE OUNCES, GOLD					15028.65	30939.09	48185.87	65864.89	79696.89	91108.29	102001	113801.4	125774.7	138742.2	148813.7	157545.1	
7	GOLD PRICE US$/OUNCE					380	380	380	380	380	380	380	380	380	380	380	380	
8	REVENUE, GOLD US$	5*7				5.711	6.048	8.554	6.718	5.258	4.338	4.139	4.484	4.550	4.928	3.827	3.318	59.867
9	GRADE, (oz AG/st)					0.275	0.282	0.299	0.307	0.240	0.198	0.189	0.205	0.208	0.225	0.175	0.152	
10	CONTAINED OUNCES, SILVER	1*9				12523.88	12831	13615.88	13957.12	10920	9009	8598.5	9316.125	9452.625	10237.5	7951.125	6893.25	
11	RECOVERY, SILVER %					0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
12	SILVER PRODUCED, OUNCES	9*10				6261.938	6415.5	6807.938	6978.562	5460	4504.5	4299.75	4658.063	4726.313	5118.75	3975.563	3446.625	62654
13	CUMULATIVE OUNCES, SILVER					6261.938	12677.44	19485.38	26463.94	31923.94	36428.44	40728.19	45386.25	50112.56	55231.31	59206.88	62653.5	62654
14	SILVER PRICE, US$/OUNCE					4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	
15	REVENUE , SILVER US$	12*14				0.028	0.029	0.031	0.031	0.025	0.020	0.019	0.021	0.021	0.023	0.018	0.016	0.282
16	TOTAL GROSS REVENUE	8+15				5.739	6.075	8.584	6.749	5.281	4.357	4.159	4.505	4.571	4.951	3.845	3.333	60.149
																		0.000
	OPERATING COST																	
17	MINING X 10^6					1.439	1.374	1.308	1.308	1.308	1.308	1.308	1.308	1.308	1.308	1.308	1.308	15.893
18	MILLING X 10^6					0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	6.588
19	GENERAL & ADMINISTRATION X 10^6					0.137	0.137	0.137	0.137	0.137	0.137	0.137	0.137	0.137	0.137	0.137	0.137	1.644
20	SALES, TRANSP, INS. X 10^6	5*3.5				0.053	0.056	0.061	0.063	0.049	0.041	0.039	0.042	0.043	0.048	0.036	0.031	0.559
21	ROYALTIES X10^6	16*0.036				0.209	0.222	0.240	0.248	0.193	0.159	0.152	0.164	0.167	0.181	0.140	0.122	2.195
22	SEVERANCE TAX X10^6	(16-17)*				0.108	0.118	0.132	0.136	0.099	0.078	0.071	0.080	0.082	0.091	0.063	0.051	1.108
23	PROPERTY TAX X10^6					0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.948
24	INTEREST X 10^6		0.028	0.045	0.047	0.070	0.062	0.060	0.043	0.023	0.012	0.007						0.392
25	TOTAL COSTS	sum(17..2	0.028	0.045	0.047	2.644	2.598	2.568	2.581	2.437	2.360	2.342	2.359	2.364	2.391	2.313	2.278	29.210
26	OPERATING PROFIT	16-26	-0.028	-0.045	-0.047	3.095	3.479	4.018	4.168	2.844	1.998	1.817	2.146	2.207	2.560	1.533	1.057	30.939
28	DEPRECIATION X 10^6					0.737	0.737	0.737	0.737	0.289	0.289	0.289	0.289	0.289	0.289	0.289	0.289	5.260
29	DEPLETION X 10^6	LESSER OF(.15*16) AND (.5*(26-27-28))				0.861	0.911	0.968	1.012	0.792	0.653	0.624	0.678	0.698	0.743	0.577	0.384	8.908
27	LOSS CARRY FORWARD			-0.070	-0.117	0.117	0	0	0	0	0	0	0	0	0	0	0	
30	TAXABLE INCOME X 10^6	26-27-28				1.380	1.830	2.293	2.439	1.762	1.054	0.904	1.181	1.233	1.528	0.667	0.384	18.658
31	INCOME TAX X10^6	AZ(.05)+FED(.28)*(1-AZ(.05))=.318				0.436	0.578	0.725	0.771	0.557	0.333	0.286	0.373	0.389	0.483	0.211	0.121	5.263
32	PROFIT AFTER TAX	30-31				0.944	1.252	1.569	1.668	1.206	0.721	0.618	0.808	0.843	1.045	0.456	0.263	11.393
	CAPITAL																	9.330
33	LOAN PROCEEDS		5.100	3.800	0.430												-0.500	9.700
34	INVESTMENT		5.400	3.800	1.000												0.100	2.013
35	EXPLORATION & DEVELOPMENT					0.017	0.215	0.194	0.312	0.137	0.182	0.144	0.412	0.100	0.100	0.100	-1.000	0.000
36	WORKING CAPITAL		0.333	0.333	0.334													9.330
37	LOAN REPAYMENTS					1.127	0.227	2.268	2.646	1.512	0.605	0.945						0.200
38	PROPERTY PAYMENTS		0.200															13.646
39	CASH FLOW 32+28+29+33-34-35-36-37-38		-0.833	-0.333	-0.904	1.398	2.458	0.831	0.460	0.638	0.876	0.442	1.361	1.718	1.977	1.222	2.336	13.646
40	CUM CASH FLOW		-0.833	-1.166	-2.070	-0.672	1.786	2.618	3.077	3.715	4.591	5.033	6.394	8.112	10.089	11.310	13.646	
41	NET PRESENT VALUE @10%	10.370																
	@15%	9.073																
42	CASH FLOW BEFORE TAX		-0.859	-0.308	-0.951	1.834	3.037	1.556	1.230	1.195	1.209	0.728	1.734	2.107	2.460	1.433	2.457	18.910
43	NET PRESENT VALUE @ 10%	14.610																
	@15%	12.911																

BASE CASE

TABLE 6
UNDERGROUND LABOR REQUIREMENTS AND COSTS

Description	Number	Rate, each/Day	Cost $/Day
Miner	26	141.79	3686.54
Utility Miner	26	117.14	3045.64
Truck Driver	11	117.14	1288.21
Toplander	3	110.97	332.91
Mechanic	7	147.96	1035.72
Oiler	3	123.30	369.90
Electrician	2	147.96	295.92
Longhole Driller	3	129.47	388.41
Sub-total	81		10443.25
Add 5% for unscheduled overtime			522.18
Total Underground Labor per Day			$10,965.43
		Per ton	$15.67

TABLE 7
SURFACE AND TECHNICAL SUPPORT LABOR REQUIREMENTS AND COSTS

Description	Number	Rate, each	Cost$/day
Superintendent	1	399.08	399.08
Shift Boss	3	277.43	832.28
Chief Mechanic	1	157.21	157.21
Geologist	1	215.78	215.78
Engineer	1	215.78	215.78
Safety/Ventilation Engineer	1	215.78	215.78
Engineering Technician	2	129.47	258.94
Grade Control	1	129.47	129.47
Dryhouse/Lampman	1	110.97	110.97
Total support	12		$2535.29
Cost per day			$2535.29
Cost per ton			$3.62

8.3.3 SCHEDULE

The schedule and budget for access and haulage are as follows:

	Time, Wks	Cost $ x 1000
Phase I Decline to No. 3 shaft	9	630,000
Phase II Decline to 350 level	9	380,000
Phase III Incline to 100 level	16	400,000
Phase IV Decline to 700 level	18	500,000
Phase V Decline to 900 level	20	600,000

9. PROCESSING

9.1 GENERAL

Naturally occurring ores are delivered to the processing plant, the mill, as freshly blasted material from the mine. In order for the metals or metal bearing minerals to be separated from the enclosing rocks, the rocks must be crushed and ground to a size that liberates the desired materials to be segregated and removed. Early gold recovery systems relied upon the unique specific gravity of gold relative to the enclosing rocks and recovered any contained gold in simple gravity traps over which the crushed and slurried ores were passed. The introduction, in 1898, of the cyanide process whereby the gold bearing slurry was contacted with a sodium cyanide solution which dissolved the gold for later precipitation from the clarified liquor permitted the successful development of many gold ores in which the gold, although present as elemental gold, was of such fine particulate size that recovery in gravity systems was not highly efficient. Gold Road ores were processed by the cyanidation process. Addwest proposes to use a modern variation of the cyanidation process whereby the gold bearing solution is contacted with activated carbon suspended in the leaching pulp. Gold adsorbs on the carbon and when the carbon has been loaded with gold to a predetermined level, the carbon is removed from the ore pulp and the gold recovered in a separate stripping process.

9.2 TESTING AND RECOVERABILITY

Modern mill design requires determination of not only the characteristics of the ores but also the characteristics of the waste rock and of the tailings remaining after processing. Samples selected to be representative of typical ore and waste were collected by Addwest and submitted to a series of tests to provide data from which a process could be selected and equipment sized to the desired rate of production. Samples of historic tailings remaining on the site were also tested for acid generating potential and for meteoric water mobility. Ore and waste rock samples were found to have very low acid generating potential and moderate to high acid neutralizing potential. Leachability of possible contaminants in the ore and waste

samples proved to be at 1/100th of the recommended maximum contaminant limit (MCL) with most elements less than 1/100th of the limit. Contaminant content of leachate from the historic tailings was 1/10th at most of the MCL.

Three bulk samples from pillars on the Line Road Tunnel were submitted to a commercial testing firm for tests to confirm the assumptions of metallurgical responses and power requirements necessary to provide a basis for a design of the milling facilities. Results of the tests support a process design which will recover 95% of the contained gold and 50% of any contained silver from ores with an average gold content of 0.355 oz Au/st.

The metallurgical test program evaluated the effect of grind, leach retention time, pulp density and cyanide concentration on the efficiency of gold extraction from the ore. Other tests included:

- Thickening tests to determine settling rates for the tailings pulp
- Cyanide destruction tests to determine reagent performance and consumption rates necessary to reduce weak acid dissocciable cyanide to acceptable levels
- Grinding tests to determine the energy required for ore diminution.

9.3 PLAN AND METHOD

Based on the results of the testing, a flow sheet was proposed that included:

- Two stage crushing to approximately 1/2 inch product.
- Ball Mill grinding until 80% of the product is less than 325 mesh. Requires 1000 HP
- Twenty four hours leach time.
- Gold recovery on carbon in the pulp.
- 1.0 lb. cyanide per short ton ore.
- 20 g/l carbon content in pulp.
- 120-150 oz Au/st loading on carbon.
- 0.024 lb flocculent per short ton solids in the tailings

- 1.9 grams chlorine and 2 grams lime per gram cyanide in spent solution.
- 94-96% recovery of contained gold.

Historically, USSR&M used water from springs as far as a mile away from the mill. Addwest acquired the rights to the water in these springs with purchase of the patented and unpatented mill sites.

The proposed flow sheet calls for recovery of decanted water from the tailings and estimates only about 60 gpm average fresh make up water will be necessary. Addwest estimates that as many as 85 million gallons of water are present in the flooded lower levels of the mine and it is their intent to utilize this water in the mill as they de-water those lower workings. Additional water will be developed from the springs and from wells as necessary.

9.4 COSTS AND SCHEDULE

9.4.1 CAPITAL COST

Addwest solicited bids and has accepted a firm price proposal for building and commissioning a mill capable of continuous processing Gold Road ores, at the site, at an average rate of 500 st/day. The successful bid amounts to $5.1 million to which must be added $0.6 million for used equipment which is to be procured directly by Addwest and Addwest administration costs of $0.1 million for a total of $5.8 million.

9.4.2 OPERATING COST

Operating costs consist of three major components, labor, reagents and supplies and power. Results of the testing described above permit estimation of reagent and power consumption with a high level of confidence. Labor costs have been estimated based on prevailing wage rates in the area. WGM adjusted Addwest's estimated costs by adding two additional operating personnel and increasing the power cost by 25%.

TABLE 8

PROCESS STAFFING COST AT 500 ST/DAY

Labor No.	21
$/st	5.07
$st Supplies Reagents	3.72
$/st Materials	---
$/st Equipment	0.31
$/st Services	0.07
$/st Power	2.89
Total $/st	12.06

9.4.3 SCHEDULE

Addwest's contract for construction of the mill calls for completion within seven months of ground breaking. The contract for the decline accessing the mine estimates four months to reach the 350 level. This should permit ample time to develop the necessary number of stopes and build an adequate stockpile of ore before the mill commences operation.

10. ECONOMIC ANALYSIS

10.1 COSTS AND PRODUCTION

10.1.1 GENERAL

WGM examined capital and operating costs estimated for the Gold Road mine as prepared by Addwest and their consultants and adjusted those cost estimates where it was considered appropriate. WGM estimates mine life costs of $53.89 per short ton of ore milled and $186.76 per ounce of gold. Addwest's other estimates ranged from $57.34 per short ton of ore and $164.83 per ounce of gold to $60.44 per short ton of ore and $212.58 per ounce of gold.

TABLE 9

COMPARISON OF PRODUCTION COST ESTIMATES

	$/st ore	$/oz gold
Addwest	57.34	164.83
Addwest Consultant	60.44	212.58
WGM	53.89	186.76

Addwest and Addwest's consultant included a 10% contingency allowance in estimated costs for mining, milling and general and administrative expenses whereas WGM attempted to estimate costs, production and recoveries as realistically as possible. In order to do this WGM made the following assumptions and adjustments to previous cash flow calculations.

1. Sufficient stopes will be developed and an adequate stockpile of mined ore will be available so that the mill may operate at full capacity upon commencement of processing.

2. A 10% surcharge was added to the mining cost in quarter one to allow for unscheduled overtime to maintain a 3500 st/wk production rate.

3. Mill recovery of gold in ore was reduced to 90% in the first production quarter as the mill will be commissioning.

4. A 5% surcharge was added to the mining cost in quarter two to allow for unscheduled overtime to maintain a 3500 st/wk production rate.

5. Mill recovery of gold in ore was reduced to 93% in the second production quarter as the mill will be commissioning.

6. Only 90% of each reserve block will be recovered.

7. The mine will deliver 700 st/day to the mill for five days per week.

8. The mill will process 500 st/day for seven days per week.

9. Administrative personnel will be scheduled on a five day per week basis with weekend supervision rotating.

10. Mill recovery of gold in ore averages 95% over the balance of the mine's life.

11. Mill and mine equipment depreciated in seven year class.

12. Seventy percent of pre-production development was recovered in the first year of production and the balance over five years.

13. Depletion is claimed as the lesser of 15% of gross or 50% of net after depreciation.

14. Income taxes are charged at a 28% federal rate and a 5% state rate.

15. Existing reserves are adequate for 12 quarters of production at 45,500 st/qtr.

16. Loan proceeds drawdown and principal and interest repayment schedule are based on Addwest's schedule provided by the lender.

17. Mineable, fully diluted reserves of 546,000 short tons grading 0.305 oz Au/st containing 157,545 ounces of recoverable gold.

10.1.2 COSTS

Capital costs are based on firm price bids for mill construction and for the initial 2800 feet of decline entry with crosscuts and remuck bays as necessary. Cost of mine equipment is divided between initial requirements and continuing requirements for additional and replacement equipment. Continuing exploration and development is spread over the mine life.

TABLE 10

CAPITAL COST ESTIMATE

Mill	$ 5,800,000
Mine	
Equipment	1,200,000
Access	1,000,000
Surface Facilities	200,000
Level and stope development	700,000
Tailings	800,000
Administration	300,000
Total Pre-production Cost	$10,000,000
Continuing cost	
Equipment	300,000
Development & exploration	1,700,000
Total Continuing Development	$2,000,000

TABLE 11

OPERATING COSTS

	Per Day	Per Qtr
Mining N=93		
Labor	$13,291	
Equipment Repair	1,134	
Materials	3,350	
Fuel & Supplies	2,200	
Services	150	
Total	$20,125	$1,308,135
Milling N=21		
Labor	$ 2,535	
Supplies & Reagents	1,860	
Equipment Repair	155	
Services	35	
Power	1,445	
Total	$ 6,030	$ 548,730
Administration N=5		
Labor	$ 825	
Equipment	56	
Reclamation	280	
Supplies	224	
Services	350	
Indirects	378	
Total	$ 2,113	$ 137,345

10.1.3 PRODUCTION

WGM has reviewed Addwest's proposed mineout plan and sequence and has based the attached estimate of project cash flow on the following assumptions:

1. Sustainable mine production is 700 short tons per day, five days per week.

2. To sustain full production on mill startup, a stockpile of 14,000 tons of ore will be available from nine developed ore blocks.

3. Continuing production will require an average of four active stopes producing 175 short tons per day with two stopes under development.

10.2 CASH FLOW CALCULATION AND SENSITIVITY TO CHANGES IN GOLD PRICE, COST OF PRODUCTION, OR GRADE

A discounted, after tax, net present value was calculated for 12 quarters of production from the Gold Road mine at a steady gold price of $380 per ounce. Other values were calculated by varying the gold price, the mining and milling cost or the grade by 10% higher or lower than the base calculation. The results are tabulated below.

TABLE 12

AFTER TAX CASH FLOWS DISCOUNTED TO PRESENT VALUE AT 10%

	Millions Dollars		
	Price	Cost	Grade
Plus 10%	13.7	9.0	11.7
Base Case	10.4	10.4	10.4
Less 10%	7.0	11.6	9.0

11. CONCLUSIONS AND RECOMMENDATIONS

11.1 GENERAL

Addwest Minerals Inc. recognized the mining opportunity residing in that portion of the Gold Road gold deposit developed but unmined since closure in the World War II era and in the potential for mineralization yet to be discovered along the Gold Road structure. After careful consideration, Addwest has developed a mining and processing plan that utilizes trackless mining methods and is expected to produce gold at a cost of $187 per ounce. WGM has reviewed the Addwest plans and designs and concurs that the plan is reasonable and proper for the ore deposit at Gold Road. Successful implementation of the mine plan is contingent on sustained production sufficient to supply ore to the mill for processing at the designed 500 st/day rate. In order to achieve this sustained rate of production, WGM recommends that Addwest (1) initiate training of underground personnel as soon as possible after the decline is collared and (2) prepare eight to nine stopes for production and/or stockpile 15,000 to 25,000 st of ore before attempting to operate the mill on a continuous basis. The mill flowsheet represents a straightforward processing scheme that should permit continuous operation once all of the systems have been tested individually and collectively.

These tests should be completed to Addwest's satisfaction before final acceptance of the facility.

LIST OF MATERIALS AVAILABLE FOR REVIEW

Gold Road Project, Feasibility Study; Addwest Minerals, Inc. June, 1993

The Gold Road Project; Mineable Reserve Evaluation, Western Services Engineering, January, 1993

Metallurgical and Engineering Evaluation of Samples from the Gold Road Mine; I C Technologies, June, 1993

Budget and Milestone Payments, Gold Road Project; Kilborn International, Inc., February 1994

Tender to Perform Construction Items as Specified, Line Road Decline, J. S. Redpath Corporation; January, 1994

Arizona Lode Gold Mines and Mining, Bull. 137, Arizona Bureau of Geology and Mines, 1967

A Resume of the Geology of Arizona, Bull. 171, Arizona Bureau of Mines, 1962

Geology and Ore Deposits of the Oatman and Katherine Districts, Mohave County, Arizona, Lausen, Carl; Bull 131, Arizona Bureau of Mines, 1931

Geology and Ore Deposits of the Oatman District, Mohave County, Arizona, Dewitt, E. et al, U.S. Geol Surv. Bull 1857, 1991

Geology and Ore Deposits, Oatman, Arizona, Durning, W. and Buchanan, L. Arizona Geological Society Digest, Vol. 15, 1984

Geology of the Oatman District, Ransome, F.L., U.S. Geol. Surv. Bull. 743, 1923

Mineral Deposits of the Cerbat and Black Mtns, Mohave County, Arizona, Schrader, F.C., U.S. Geol. Surv. Bull. 397, 1909

Exploration Procedure and Controls of Mineralization, Oatman District, Buchanan, L., Durning, W., and Clifton, , Preprint 80-143, SME Annual Meeting, 1980

Igneous Petrology of the Oatman District, Mohave County, Arizona, Thorsen, John P., Univ. of Cal, PhD Dissertation, 1971

Principal Gold-Producing Districts of the United States, U.S. Geol. Surv. PP610, 1968

APPENDICES

CERTIFICATE

To Accompany Report to Addwest Minerals Incorporated

on

April ___, 1994

I, Joseph R. Wojcik, do hereby certify that:

1) I reside at 2055 Crestvue Circle, Golden, Colorado, 80401 and that I have been certified as a Certified Professional Geologist by the American Institute of Professional Geologists.

2) I am a graduate of the Ohio State University with a B.Sc. degree in Geology (1956) and I have practiced my profession continuously for more than thirty five years.

3) I visited Gold Road between February 10 and 11, 1994 and this report is based on this visit, review of a number of reports and interviews with key staff in the head office in Arvada, Colorado.

4) I do not own, directly or indirectly, nor do I expect to receive any interest, directly or indirectly, in the properties described in this report nor in any associated or affiliated company. I do not own nor do I expect to receive, directly or indirectly, securities of Addwest Minerals Incorporated or in any associated or affiliated company.

Joseph R. Wojcik, CPG

April ____, 1994

ADDWEST MINERALS INTERNATIONAL, LTD.

"Prospects to Profits"

CORPORATE OBJECTIVES

Addwest Minerals International, Ltd. is an aggressive gold mining company whose primary objective is to create wealth for its stockholders through the discovery, development and production of gold. The company was recently reorganized by a team of seasoned mining executives with a proven track record. Over the past eleven years this team has successfully brought four mines into production and discovered three world-class deposits hosting in excess of ten million ounces of gold. In 1996, the "new" Addwest Minerals produced close to 40,000 ounces.

The successful commissioning of the Gold Road Mine marked the "new" company's first step in generating cash flow that will fund business development and corporate overhead. The next step is to raise sufficient new capital to: 1) expand reserves at each project; 2) fund new acquisitions that fit the project profile of the company. Simultaneously, feasibility and permitting studies will be completed to expedite production decisions on advanced-stage projects. A third objective is to continually optimize each operation to ensure consistent and sustainable production growth.

Historic Golden Zone Mill

MANAGEMENT RECORD

RECENT

- Management buy-out of Addwest Minerals, Inc. (a subsidiary of Addington Resources, Inc.) at a deep discount.
- Achievement of profitable production at Gold Road within four months after its acquisition in early 1996.
- Transformation of Addwest Minerals, Inc. into a Canadian-incorporated and listed (VSE) company.

HISTORICAL

- Development and construction of four mines in 11 years: Portland gold mine, Arizona (1985); Northumberland, Nevada (1985); Kendall, Montana (1988); and Gold Road Mine, Arizona (1996)
- Gold deposits discovered by Addwest (private company) staff: Kendall gold mine, Montana*; Briggs gold mine, California*; McDonald Meadows gold deposit, Montana*; and 7-Up Pete gold deposit, Montana*

** Sold to Canyon Resources Corporation in 1990*

RESOURCE SUMMARY

Project	Tonnage (ST)	Gold Grade (Oz/ST)	Contained Gold (Oz)
Proven and Probable Reserves			
Gold Road, AZ	524,000	0.234	120,000
Drill Indicated Resources			
Golden Zone, AK	6,560,000	0.103	675,000
Moss, AZ	7,400,000	0.038	281,000
Total:	13,960,000	0.069	956,000
Additional Potential to be tested			
Gold Road, AZ	3,500,000	0.234	800,000
Golden Zone, AK	Substantial		
Moss, AZ	Substantial		

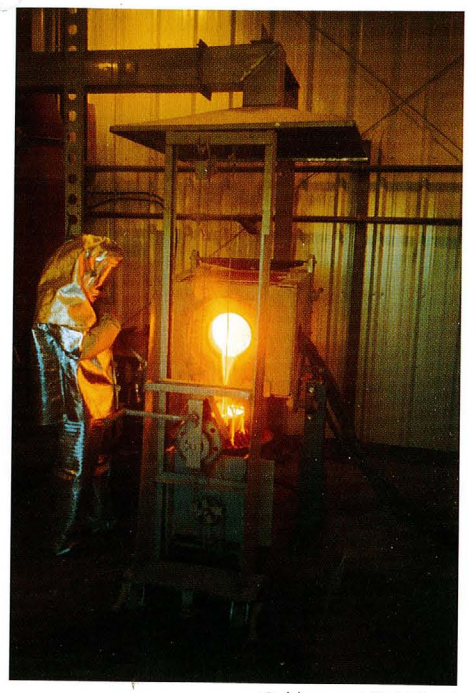
GOLD ROAD MINE

Gold Road Mine is located in the heart of the historic Oatman district in Arizona, which has produced in excess of two million ounces of gold. Addwest's predecessor company acquired an option on the property in 1991 and proceeded to stake additional claims, rehabilitate historic underground workings, permit the operation and build a new mill. Modern production began in 1995. Production in 1996 is expected to approach 40,000 ounces at a cash operating cost of US$230 per ounce.

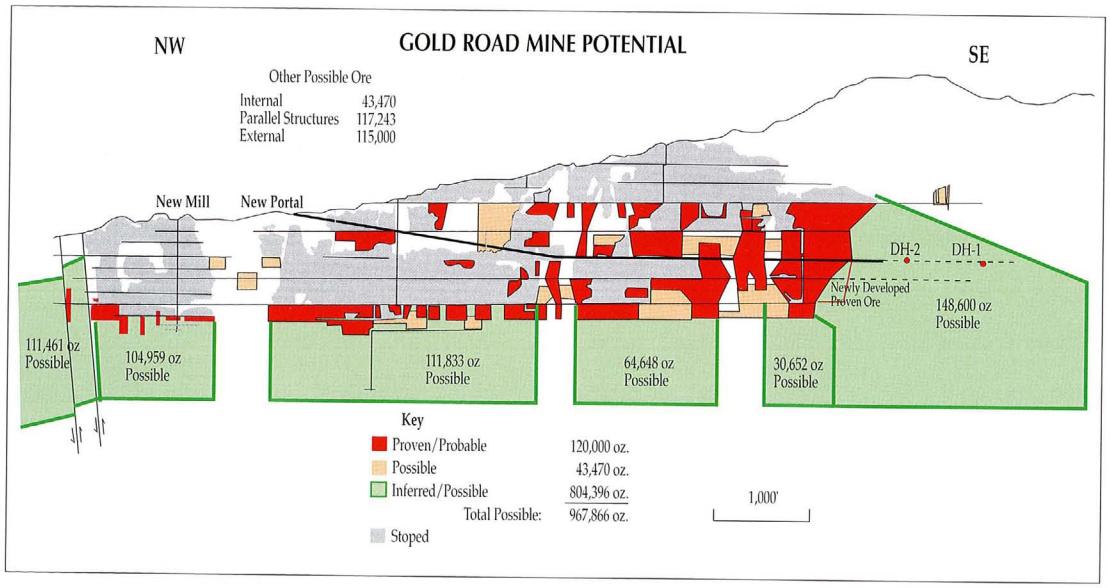
Gold Road is currently processing 500 tons of ore per day, seven days per week, with three shifts per day in both the mine and the mill. An aggressive exploration and development program to extend existing workings to newly-discovered ore zones that will lengthen the mine's life is under-way. The Moss Mine Gold Project was acquired in 1994 as a result of further exploration in this promising district.

GOLD ROAD MINE PROFILE

Ownership:	100% Addwest Minerals, Inc.
Status:	Producing operation, fully permitted
Geology:	High-grade gold veins within Tertiary-age volcanic rocks
Land Position:	2,366 acres
Mining Method:	Modified underground shrinkage stope
Processing Method:	500 TPD Agitated CIP mill with electrowinning and smelting
Recovery Rate:	94% gold and 50% silver (Average 1996)
Current Prod. Rate:	40,000 ounces gold per year
Estm. Operating Cost:	US$230 / gold ounce
Investment to Date:	US$ 25 million (by prior owners)
Current Reserves:	524,000 tons grading 0.234 Oz gold/ton for 120,000 ounces
Potential:	Five-fold increase
Current Work Focus:	Expand and upgrade existing resources through in-fill confirmation drilling. Additional underground development to access and extend known ore zones



Gold pour at Gold Road



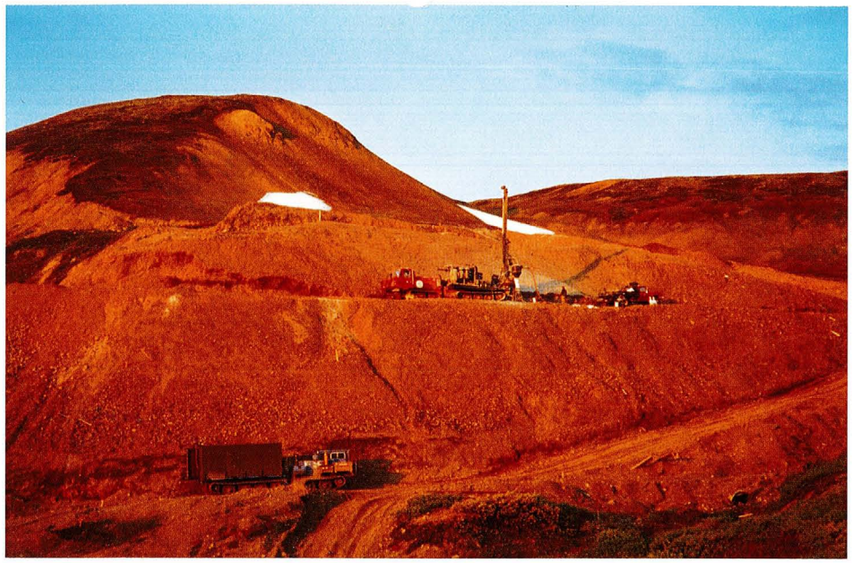
MOSS MINE GOLD PROJECT

The Moss Mine Gold Project is located eight miles northwest of Addwest's Gold Road Mine. It has the potential to add low-cost, open pit, heap leach reserves, as well as high-grade millable gold ores. Preliminary estimates indicate that the property contains resources of more than seven million tons near the surface, which Addwest expects to convert into mineable reserves.

In 1996, the "new" Addwest upgraded the reserve certainty of Moss Mine by completing 15,000 feet of drilling and extensive metallurgical sampling. A continuous stockwork zone extending to 400 feet below the surface has been confirmed. Significant drill intercepts with increasing depth include: 140 feet grading 0.042 Oz Au/ST, 250 feet grading 0.051 Oz Au/ST, 95 feet grading 0.152 Oz Au/ST and 190 feet grading 0.034 Oz Au/ST. An economic pre-feasibility study on this project will be completed in 1997.

MOSS MINE GOLD PROJECT PROFILE

Ownership:	100% Addwest Minerals, Inc.
Status:	Reserve delineation / Feasibility studies
Geology:	High-grade veins and disseminated gold hosted within Tertiary-age volcanic rocks
Land Position:	2,100 acres
Mining Method:	Open pit and underground
Processing Method:	Heap leach, milling
Estm. Prod. Rate:	50,000 ounces gold per year
Estm. Operating Cost:	US$230 / gold ounce
Estm. Capital Cost:	US$9 million
Earliest Poss. Prod.:	1998
Investment to Date:	US$2.5 million (by prior owners)
Resources:	7,400,000 tons grading 0.038 Oz gold/ton for 281,200 ounces
Potential:	Two-fold increase
Current Work Focus:	In-fill and expansion drilling and metallurgical studies



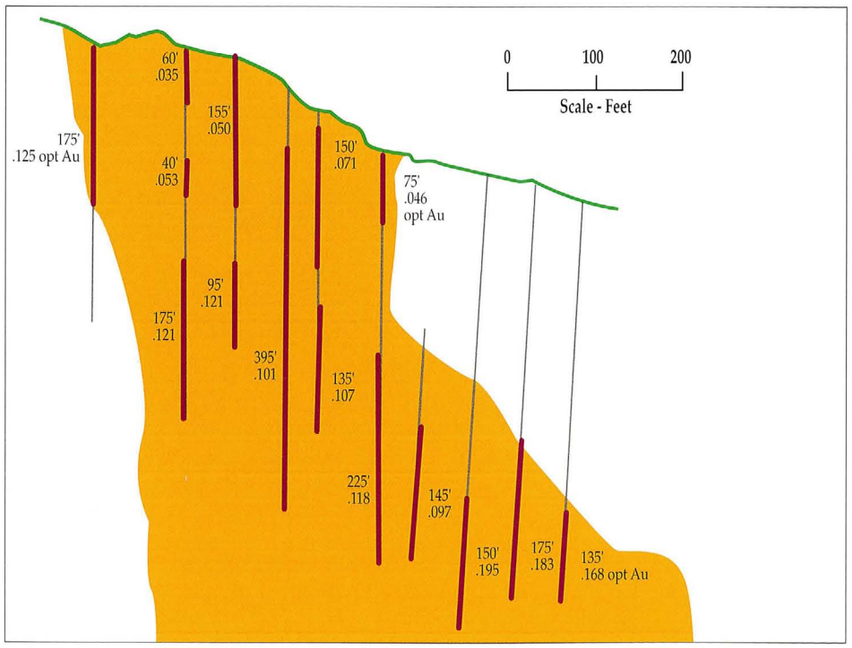
Golden Zone, Breccia Pipe

GOLDEN ZONE GOLD PROJECT

Addwest's largest reserve potential is the Golden Zone Gold Project located in the pro-mining state of Alaska. This project is an excellent example of the types of projects the company is seeking to explore and put into production. Addwest acquired the property in 1994, where a total of 60,000 feet of drilling had been completed. Since the acquisition, Addwest has invested US$2.2 million in the development of this project.

Drilling and underground work have been substantially expanded with the completion of 21,200 feet of drilling and 12,000 feet of trenching. Detailed geological mapping, surface geochemical sampling and an aerial geophysical survey have also been completed. Because of the impressive number of anomalies identified by the regional geophysical surveys, the company staked additional claims, doubling the project area to include 16,200 contiguous acres.

Baseline environmental studies are now underway to prepare for permit applications for Golden Zone. An accelerated exploration program is planned for 1997 and 1998 to expand and upgrade the known reserves and test the multiple geophysical targets. All scientific information is being incorporated into an internal feasibility study in order to expedite a production decision and begin construction on this very large and potentially rich project.

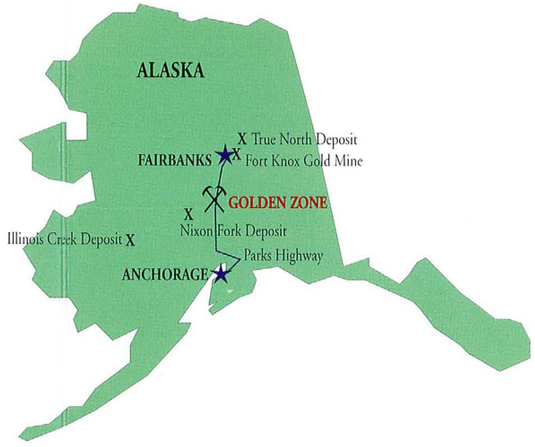


GOLDEN ZONE BRECCIA PIPE

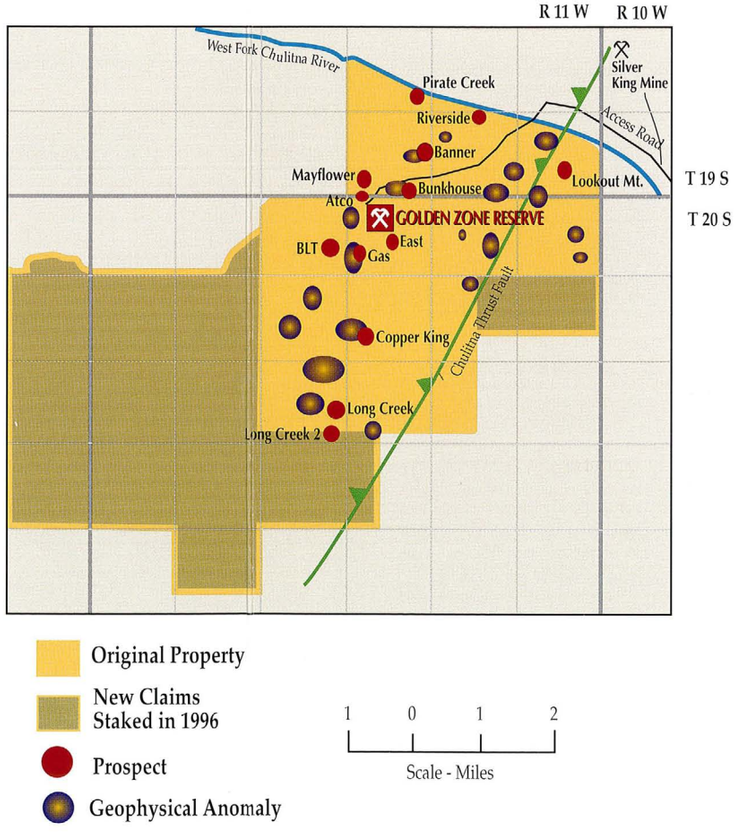
GOLDEN ZONE PROFILE

Ownership:	100% Addwest Minerals, Inc.
Status:	Feasibility
Geology:	Breccia pipes within a shear zone
Land Position:	16,720 acres
Mining Method:	Open pit (W:O = 1.68:1) and underground
Processing Method:	Milling
Recovery Rate:	85% gold
Estm. Prod. Rate:	75,000 ounces gold per year
Estm. Operating Cost:	US$250 / gold ounce
Estm. Capital Cost:	US$30 million
Earliest Poss. Prod.:	1999
Investment to Date:	US$7.7 million
Resources:	6,560,000 tons grading 0.103 Oz gold/ton for 675,000 ounces
Potential:	Multi-million ounce
Current Work Focus:	Additional exploration; completion of Feasibility Study; Baseline data being collected for permits

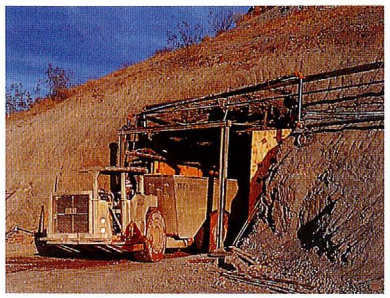
GOLDEN ZONE PROJECT LOCATION MAP

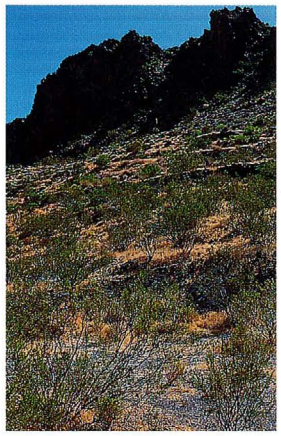


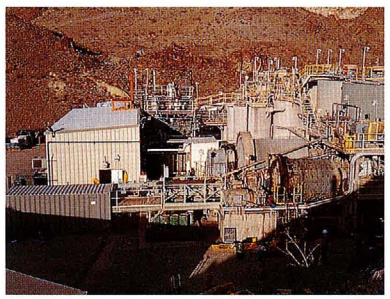
GOLDEN ZONE TARGETS

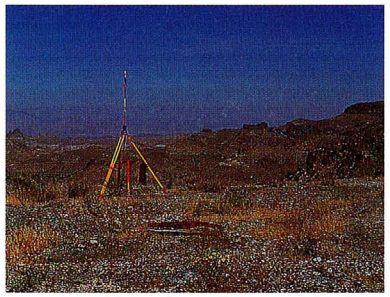


OPERATIONS





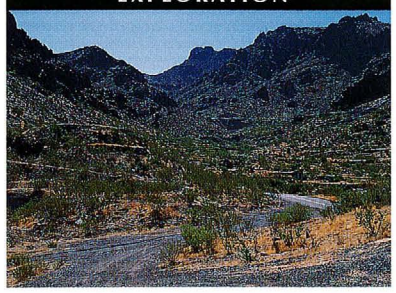




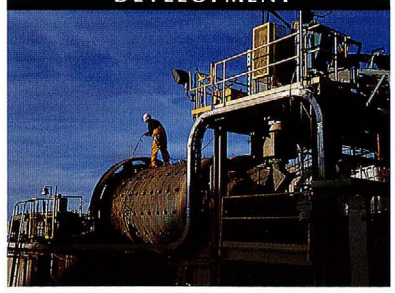
COMPANY GOALS

- *Growth through exploration.*
- *Growth through development.*
- *Growth through production.*
- *Growth through acquisitions.*

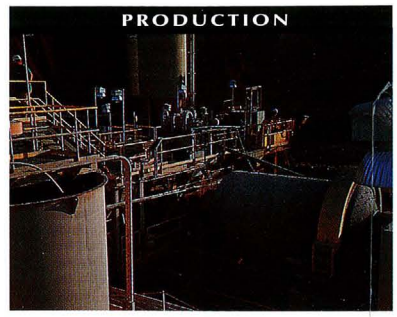
EXPLORATION



DEVELOPMENT



PRODUCTION



OTHER MINERAL PROJECTS

Mt. Selwyn Gold-Silver Project, Omineca division, British Columbia, Canada hosts a large gold-bearing deposit within Cambrian quartzites. Historic reports indicate that the gold is free-milling and the deposit is amenable to open pit mining.

Tibbitt Lake Gold Project, Northwest Territories, Canada hosts multiple gold-bearing quartz veins within metavolcanics and metasediments. Previous sampling returned gold values in excess of one ounce per ton in a regional area with known gold occurrences.

Wind Mountain Project is a large nepheline-syenite deposit located in Otero County, New Mexico. The project offers a 100-year mine life at a 100,000-tons-per-year production capacity. Mine permitting has been completed and permitting for the mill is underway. Prior owners invested US$1.8 million in Wind Mountain and another $5 million is anticipated to place it into production. Marketing studies in the fillers and extenders industries are underway for this high-grade product.

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MISSION STATEMENT

Addwest Minerals International, Ltd. will continue its growth of production and low-cost reserves through its aggressive exploration and development programs, participation in joint ventures, and strategic acquisitions. In implementing its business strategy, the Company continues to focus on:

- Achieving consistent, sustainable production growth.
- Expanding its reserves through exploration of current properties and acquiring new high-quality prospects.
- Maintaining cash costs of production below the industry average.
- Maintaining a proactive program of environmental protection and workplace safety.
- Providing employees with opportunities for professional growth and compensation which is competitive and closely linked to the Company's performance.