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The Canadian Venture Exchange has not in any way passed upon the merits of the transactions described herein and any representation to the contrary is an offence.

INFORMATION CIRCULAR

dated September 15, 2000

for

SPECIAL MEETING

of

SILVER EAGLE RESOURCES LTD.

**2420 North Huachuca Drive
Tucson, Arizona, U.S.A. 85745**

Available Funds

The following table sets forth the funds available (“**Available Funds**”) to Silver Eagle, on a Pro Forma basis upon completion of the Acquisition, based upon the estimated working capital of Silver Eagle and EMP, respectively, as at August 31, 2000, and the estimated minimum proceeds of the Offering:

Source of Funds	
Estimated working capital of Silver Eagle ⁽¹⁾	\$ 432,080
Offering (net of Agent’s commission)	5,152,000
Total:	\$5,584,000⁽²⁾

(1) Including proceeds of \$250,000 special warrant offering of the Company announced on September 20, 2000.

(2) Does not include expected cash flow from operations of EMP.

Silver Eagle will spend the Available Funds to pay the costs associated with the Acquisition and to further the stated business objectives set out in “Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Description of Business – Business Objective - Proposed Mine Expansion by Silver Eagle”. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for Silver Eagle to achieve its stated business objectives. Silver Eagle will only redirect the funds to other properties on the basis of a written recommendation from an independent professional geologist or engineer.

Principal Purposes

The principal purposes for which the Available Funds (as noted above based on the minimum proceeds of the Offering) will be used are set out below.

a.	To pay the costs of the Offering estimated at:	\$270,000
b.	In respect of the expenses of the Mineral Park Mine:	
i.	to pay condemnation drilling costs.	186,000
ii.	to pay mining start up costs (including mobilization, engineering, leach pad, mining/engineering equipment and utility bond expenses).	633,000
iii.	to pay for EW plant modifications.	745,000
iv.	to pay contract mining fees and expenses for seven months.	1,937,000
v.	to provide cash collateral for the Mineral Park Mine reclamation bond.	597,000
c.	To provide general working capital to fund ongoing operations: ⁽¹⁾	<u>1,216,000</u>
TOTAL:		<u>\$5,584,000</u>

(1) Any additional proceeds in excess of the minimum from the Offering and any proceeds realized from the exercise of warrants and options of the Company will be added to general working capital.

Risk Factors

The SER Common Shares to be issued to EMNA pursuant to the Acquisition are speculative and subject to a number of risk factors. The shareholders of Silver Eagle should review carefully the risk factors set forth under “Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Risk Factors”. Certain statements contained herein regarding matters that are not historical facts are forward-looking statements and, because such statements involve risks and uncertainties, actual results may differ

materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those set forth herein under "Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Risk Factors".

Selected Pro Forma Consolidated Financial Information

Upon conclusion of the Acquisition, EMP will become a wholly-owned subsidiary of Silver Eagle. The Pro Forma Condensed consolidated balance sheet of Silver Eagle assumes, among other things, that the Acquisition had occurred on June 30, 2000 for Silver Eagle. The purchase price is 23,060,875 SER Common Shares at a deemed value of \$0.40 per share, the actual price to be used on completion of this transaction. The Pro Forma Condensed Consolidated Financial Information are not necessarily indicative of what Silver Eagle's financial position or results of operations would have been if the events reflected therein had been in effect on the dates indicated, nor do they purport to project Silver Eagle's financial position or results of operations for any future periods. The Selected Pro Forma Consolidated Financial Information should be read in conjunction with the description of the Acquisition included in the Information Circular, the pro forma consolidated financial statements and the financial statements of Silver Eagle and EMP contained herein.

Independent Valuation

Stephen W. Semeniuk, a Chartered Financial Analyst charter holder (the "Valuator"), of West Vancouver, British Columbia, has provided an independent valuation (the "Independent Valuation") of EMP. A copy of the Independent Valuation is attached as Schedule A to this Information Circular.

Recommendation of the Directors

The independent members of the Board of Directors of Silver Eagle have reviewed the proposed Acquisition and the Independent Valuation of the Valuator. See also "Interest of Certain Persons in Matters to Be Acted Upon". The Board of Directors of Silver Eagle recognized that there are certain significant risks associated with the Acquisition, including the factors set forth under "Disclosure of Silver Eagle and SER, the RTO and the Resulting Issuer – Description of Business - Risk Factors" herein, and that there can be no assurance of realizing the full benefits which could be obtained by Silver Eagle shareholders by closing the Acquisition.

Based on the foregoing and taking into consideration the Independent Valuation, the independent members of the Board of Directors of Silver Eagle concluded that the Acquisition is in the best interests of Silver Eagle and fair to its shareholders and recommends that shareholders vote in favour of the Acquisition Resolution.

Change of Name

Shareholders will be asked to consider and, if thought fit, to pass a special resolution changing the name of the Company from "Silver Eagle Resources Ltd." to "Mercator Minerals Ltd." or to such other name as determined upon by the directors and acceptable to the Yukon Registrar of Corporations and the CDNX. The directors are recommending the change of name.

Consolidation of Common Shares and Increase of Capital

It is a condition of the Acquisition Agreement that Silver Eagle obtain shareholder approval to a consolidation of the outstanding SER Common Shares on a 1 (new)-for-5 (old) basis. All references to

SER Common Shares herein are on a pre-consolidation basis. Silver Eagle also proposes to increase its authorized capital to an unlimited number of common shares without par value.

Approval of Stock Option Plan

Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution to approve the establishment of a Stock Option Plan for Silver Eagle.

<u>Name</u>	No. of Common Shares as at the date of this Circular	% of Common Shares as at the date of this Circular	No. of Common Shares as at closing of the RTO	% of Common Shares as at closing of the RTO ⁽¹⁾
Equatorial Mining North America, Ltd.	Nil	0%	23,060,875	33.44%
Michael Sierakoski	3,107,413	10.01%	3,107,413	4.51%

- (1) Assuming 14,000,000 Units are issued under the Offering representing the anticipated minimum number of Units that could be sold to raise \$5,600,000, 833,333 Units are issued in connection with the Special Warrant Private Placement and no warrants or options of the Company are exercised prior to the completion of the RTO.

Executive Compensation

The following sets forth all annual and long term compensation for services in all capacities to Silver Eagle and its subsidiaries for the three most recently completed financial years in respect of each of the individuals comprised of the Chief Executive Officer as at December 31, 1999 and the other four most highly compensated executive officers of Silver Eagle as at December 31, 1999 and any individual who would have satisfied these criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (collectively, the “**Named Executive Officers**”).

Summary Compensation Table

Name and Principal Position	Period Ended ⁽²⁾	Annual Compensation			Long Term Compensation			All other Compensation
		Salary - Bonus - Other Annual Compensation (\$)(*)(*)			Awards		Payouts	
					Securities Under Option/ SAR's granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Michael L. Surratt ⁽¹⁾ President & CEO	Dec. 31, 1999	US\$18,000	Nil	Nil	Nil	Nil	Nil	Nil
	Mar. 31 1999	US\$10,000	Nil	Nil	486,300	Nil	Nil	Nil
J. Michael Sierakoski Vice President of Metallurgy	Dec. 31, 1999	US\$18,000	Nil	Nil	Nil	Nil	Nil	Nil
	Mar. 31 1999	US\$24,000	Nil	Nil	Nil	Nil	Nil	Nil
	Mar. 31 1998	US\$24,000	Nil	Nil	300,000	Nil	Nil	Nil

- (1) Mr. Surratt became the President and Chief Executive Officer in November 1998.
- (2) Nine months ended December 31, 1999 and years ended March 31, 1999 and 1998.
- (3) All salaries indicated in the above table have not been paid and are accrued and owing to the officers listed.

The completion of the Acquisition is subject to a number of conditions including, without limitation: (i) completion of due diligence reviews by EMNA and Silver Eagle to the mutual satisfaction of the parties by June 30, 2000 (which the parties have acknowledged have been completed without either party having given notice of its election not to proceed by the date hereof); (ii) the approval of Equatorial's banks; (iii) the approval of the shareholders of Silver Eagle (which is being sought at the Meeting); (iv) Silver Eagle having received the minimum subscription under the Offering (to occur concurrently with the completion of the Acquisition); (v) shareholder approval of the consolidation of the share capital of Silver Eagle on a five old for one new basis, as well as changing its name to "Mercator Minerals Ltd."; and (vi) as a set out above, satisfactory arrangements being in place for repayment of US\$400,000 representing the cash collateral held under the Mineral Park Mine reclamation bond. Silver Eagle has also agreed to cause two of EMNA's nominees, Gavin Thomas and Robert J. Quinn, to be appointed as directors of the Company upon closing of the Acquisition. See "Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Directors, Officers, Promoters and 10% Shareholders" for information concerning these proposed directors. The Acquisition is also subject to the prior acceptance of the CDNX.

Escrow Agreement

It is anticipated that the 23,060,875 (pre-consolidation) SER Common Shares to be issued to EMNA will be held, together with certain other securities of Silver Eagle of the principals of Silver Eagle upon completion of the RTO, pursuant to an escrow agreement which will provide that such shares will be released as to 25% on the date of the CDNX notice approving the Acquisition, and 25% every 6 months thereafter until all are released on the date which is 18 months after the date of the CDNX notice. See "Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Performance or Escrow Securities".

New Directors

Upon the completion of the Acquisition, the board of Silver Eagle will be reconstituted and be comprised of Michael L. Surratt, J. Michael Sierakoski, Michael D. Lindeman, Bohdan (Bob) Antoniewski, each a current director, Gavin Thomas and Robert J. Quinn, nominees of EMNA. Bohdan (Bob) Antoniewski is Senior Vice-President, Chief Operating Officer and a Director of EMNA and EMP and Gavin Thomas is Managing Director and Chief Executive Officer of Equatorial, the controlling shareholder of EMNA. **The two new directors, Gavin Thomas and Robert J. Quinn will be appointed by the current directors of Silver Eagle, to fill two vacancies on Silver Eagle's Board. The shareholders will not be given the right to vote for the election of such directors.**

See "Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Directors, Officers, Promoters and 10% Shareholders".

Resulting Issuer

Silver Eagle is a Yukon company and the SER Common Shares are listed on the CDNX. The Acquisition will constitute a reverse take-over of Silver Eagle which Silver Eagle must complete in accordance with the policies of the CDNX. The business of EMP will be the most significant part of the business of Silver Eagle upon completion of the Acquisition.

EMP, an Arizona based mining company, operates the Mineral Park Mine in Mohave County, Arizona. The Mineral Park Mine has an operating history of over 30 years. It was converted to a leach-solvent extraction-electrowinning operation in September 1994.

The Company engaged an independent engineer, David W. Armstrong ("**Armstrong**"), to prepare an independent report of the reserve and resources at the Mineral Park Mine. Armstrong produced a report dated June 23, 2000 titled "Review of the Mineral Resources and Ore Reserves, Mineral Park Mine, Kingman, Arizona" (the "**Armstrong Reserve Report**"). The following material is extracted from the Armstrong Reserve Report. The Ore Reserves are contained within the Mineral Resources in the reporting.

Mineral Resources (based on a 0.10% total copper cutoff grade; includes reserves) Pit Area

Measured 164,526,000 tons @ 0.22% total copper

Indicated 39,381,000 tons @ 0.21% total copper

Total 203,907,000 tons @ 0.21% total copper

Dumps

Indicated 106,000,000 tons @ 0.08% total copper

Ore Reserves (based on a 0.10% total copper cutoff grade)

Pit Area

Proven 40,156,000 tons @ 0.26% total copper

Probable 2,688,000 tons @ 0.25% total copper

Total 42,959,000 tons @ 0.26% total copper

Dumps

Probable 106,000,000 tons @ 0.08% total copper

For disclosure of the business and affairs of EMP, see "Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer".

Financing

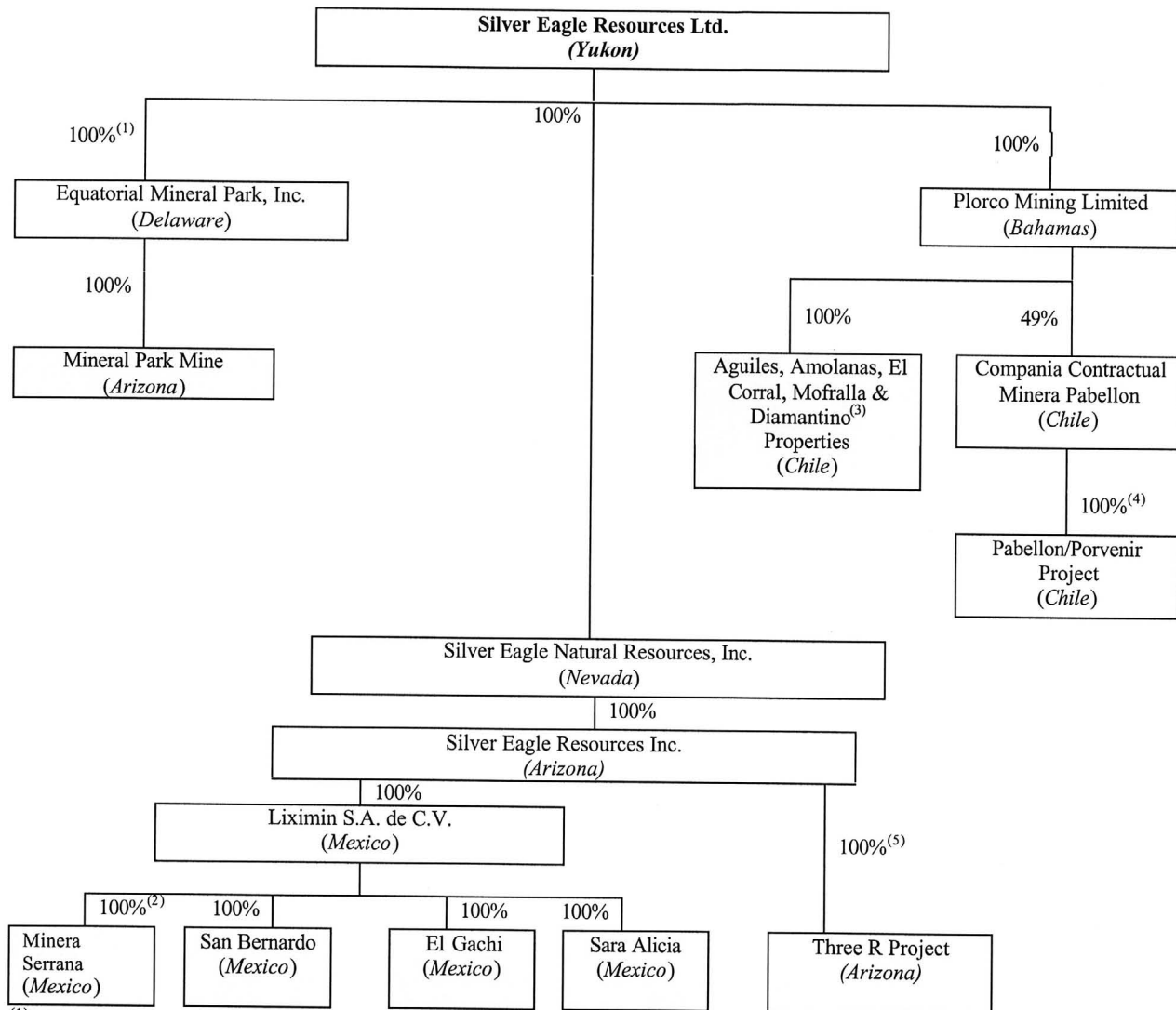
As a condition of the closing of the RTO and to finance Silver Eagle's proposed expansion of the Mineral Park Mine as described herein and for Silver Eagle's immediate capital and operating requirements as well as to provide for general working capital, Silver Eagle has entered into a letter of intent dated May 4, 2000 (the "**Offering LOI**") with Haywood Securities Inc. (the "**Agent**") for an offering (the "**Offering**") of units (the "**Units**") for minimum gross proceeds of \$5,500,000 qualified by a prospectus of Silver Eagle (the "**Prospectus**"). Each Unit will consist of one SER Common Share and one common share purchase warrant (a "**Warrant**"), each Warrant entitling the holder to purchase an additional SER Common Share for one year. Under the Offering LOI, the Agent will use its best efforts to raise a minimum of \$5.5 million under the Offering at a price per Unit to be determined by Silver Eagle and the Agent. The exercise price of the Warrants will also be determined at a future date. In consideration of their services in raising money under the Offering, the Company will pay the Agent a fee of \$50,000, 8% of the gross proceeds raised under the Offering and warrants (the "**Agent's Warrants**") equal in number to 10% of the number of Units sold. Each Agent's Warrant will be exercisable for one year to acquire a Unit.

Independent Valuation

Steven F. Semeniuk, a Chartered Financial Analyst charter holder (the "**Valuator**"), of West Vancouver, British Columbia, has provided an independent valuation (the "**Independent Valuation**") of EMP. A copy of the Independent Valuation is attached as Schedule A to this Information Circular.

Intercorporate Relationships

Following the completion of the RTO, the corporate structure of Silver Eagle will be as follows:



(1) Upon completion of the Offering and the Acquisition.

(2) Subject to the right of Boliden Mexico S.A. de C.V., a subsidiary of Boliden AB, to earn a 51% working interest as described under "Mineral Properties of Silver Eagle (Pre-RTO) – Minera Serrana (San Felipe) Project, Sonora, Mexico".

(3) Plorco Mining Limited has an option to purchase a 50% interest in the Diamantino Property as described under "Mineral Properties of Silver Eagle (Pre-RTO) – Other Properties of Silver Eagle – Diamantino Property, Huasco Province, Region III, Chile".

(4) Equatorial Treasure Ltd. holds a 51% interest in Compania Contractual Minera Pabellon as described under "Mineral Properties of Silver Eagle (Pre-RTO)-Pabellon/Porvenir Silver (Paipoto) Project, Copiapo, Province, Region III, Chile".

(5) Subject to all royalties and the right of Norman Capital Inc. to earn a 50% interest as described under "Mineral Properties of Silver Eagle (Pre-RTO) – Other Properties of Silver Eagle – Three R Project, Santa Cruz County, Arizona".

Three R Project, Santa Cruz County, Arizona

General

The Three R project is a possible in-situ copper leach project at the site of a historic underground copper mine. The project is located five miles south of Patagonia, Arizona, about a one and one-half hour drive time south of Tucson. The mine has six main levels at approximately 100 ft vertical intervals from the 400 ft to the 900 ft levels. The lower three levels (700 through 900) are flooded and contain approximately six million gallons of water. The upper levels are essentially dry. The mine water has a pH of less than 3 and contains copper. The 400 ft and 600 ft levels are accessible through adits.

The Three R Mine operated during and prior to World War I, when some 10 million pounds of copper were extracted from chalcocite ore. Lesser production occurred in the 1920s through the 1950s. Only high grade (+3% Cu) ore was mined, leaving lower grade ore in place.

Property Status

The Three R property consists of 21 patented and 2 unpatented mining claims held by Liximin pursuant to an agreement (the "**Short Form Option Agreement**") between Liximin and Brancote U.S. Inc. ("**Brancote**") under which Brancote assigned its interest in an option agreement (the "**Clark Option**") in respect of the Three R property to Liximin, Inc. for US\$10,000 on signing, a further US\$5,000 on or before September 10, 1992, US\$10,000 annually during the 5 year term of the Short Form Option Agreement and the assumption of Brancote's obligations under the Clark Option. The patented claims, owned by private interests, are subject to a 2.5% net smelter returns royalty on production and a recoverable, annual minimum advance royalty of US\$5,000. The entire property is subject to a net profits royalty on production payable to Brancote. The net profits royalty is payable at a rate of 10% until full capital recovery by the Company; then the royalty increases to 30% for the life of the operation. A recoverable, annual advance minimum royalty of US\$10,000 is payable to Brancote until the start of production. In November 1998, the Short Form Option Agreement was amended (the "**Amendment**") to replace the 10% to 30% royalty with payments of a US\$10,000 annual lease payment, US\$200,000 payable in US\$10,000 monthly installments starting with production, and a 2.5% net smelter returns royalty. The Amendment provided further that Silver Eagle would exercise its option on or before December 31, 1997, which it did. In May 2000 Silver Eagle signed an agreement with Norman Capital Inc. ("**Norman**") to joint venture the Three R property. Under the terms of the joint venture agreement Norman would earn a 50% interest in the property for US\$350,000. Norman would also be entitled to a 6% interest and an accelerated pay back on the investment. To date Norman has invested US\$50,000 for permitting and is not required to invest further until the property is permitted. There is no guarantee that the property can be permitted and, if it is not, then Norman is not required to invest more than the US\$50,000 which will be treated as a loan and repaid, including interest at 6%.

Geology and Mineralization

The Three R deposit consists of a steeply dipping high-grade lens of secondary chalcocite. The ore that has been mined was deposited in altered granite along a north-northwest fault zone where it is intersected by an east-northeast fracture zone. The only primary mineralization found in the area is very low-grade cupriferous pyrite disseminated throughout a large portion of the altered granite phase of the Patagonia batholith. Supergene enrichment, along the steeply dipping fault zone, formed the ore body. In addition to the secondary chalcocite ore, stope walls are covered with a layer of chalcantinite (water-soluble copper sulfate) which has been remobilized and precipitated by surface waters.

SER Arizona, at the time it was acquired, had no history of material revenues from mining operations. SER Arizona had been involved primarily in exploration and development of mining properties for other mining companies and itself. None of its properties had been in the production stage. All of the entities involved in the acquisition by the Company had no history of revenues from mining operations and, following the acquisition, the management of SER Arizona became the management of the Company. The purpose of the various mergers and acquisitions was to consolidate smaller exploration and development mining companies into a larger mining company with a greater ability to move the most promising parcels into production stage properties.

In 1998 the Company acquired Plorco Mining Limited ("**Plorco**") (the "**Plorco Acquisition**"), a Bahamas company, for US\$100,000 cash and 16,000,000 common shares of the Company. The Plorco purchase included real property assets along with the rights to the Pabellon/Porvenir silver tailings, Diamantino, El Corral, Amolanas and Aguilas properties located in Region III Chile.

After the mergers and acquisitions of the various mining entities, and prior to the completion of the acquisition of all of the issued shares of EMP, the remaining entities, included as part of the Company for reporting purposes, are the Company, its direct and indirect wholly-owned subsidiaries, SER Nevada, Plorco, SER Arizona and Liximin S.A. de C.V. The financial statements of all of these entities were consolidated during the last fiscal year and are reported in the Company's financial statements. Because the entities involved in the merger and consolidations had no operating revenues and consisted of real property assets, which were non-performing, the consolidation of the entities' financial statements reflect the operating history of the various entities.

To date only the Company's Pabellon/Porvenir project has moved into the development stage. The Company's goal is to move its Pabellon/Porvenir silver tailings project into the production stage. However, following the completion of the Offering and the completion of the acquisition of the Mineral Park Mine, the Company will hold a producing copper mine that has been in operation for more than thirty years.

Operations

Following the completion of the Offering and the completion of the acquisition of the Mineral Park Mine, the Company will assume the operation of the Mineral Park Mine and intends to proceed to expand copper production at the mine to a rate of 30 million pounds of copper per year. The first phase of the expansion is expected to be financed from the proceeds of the Offering and the balance from cashflow. See "Business Objective – Proposed Mine Expansion by Silver Eagle" and "Principal Purposes".

The Plorco Acquisition was effected pursuant to a Share Exchange Agreement dated as of February 13, 1998 by which the Company acquired a major group of exploration and development properties located in northern Chile. They consist of four exploration properties covering over 23,000 hectares. The Pabellon/Porvenir silver tailings project is being developed and production is currently being tested. The agreed consideration for the Chilean properties was US\$100,000 in cash and 16,000,000 common shares of the Company. The Exchange approved the transaction on October 22, 1998. The Company now owns 100% of three of the exploration projects, an option on the Diamantino gold exploration project and 49% of the Pabellon/Porvenir silver project.

On May 20, 1999 the Company, through its wholly owned subsidiary, Plorco, entered into the CCMP Joint Venture Agreement (as hereinafter defined) with Equatorial Treasure Ltd. ("**ETL**"), a Bermuda company, and Compania Contractual Minera Pabellon ("**CCMP**"). The joint venture is for the operation of the Pabellon/Porvenir silver project through CCMP, a contractual mining company incorporated in Chile.

Liximin, S.A. de C.V., the Company's Mexican subsidiary, acquired the San Bernardo Concession by staking the claims in southern Sonora, Mexico in 1997. The concession is owned outright by the Company with no underlying royalty payments. Although the concession covers a zone from which gold and cobalt mineralization has been mined the Company cannot warrant that the acquired property has exploitable resources.

Liximin S.A. de C.V. also acquired the Zapopa concession near the San Bernardo concession on July 24, 1997 from private owners. Although this concession has historical gold production the Company cannot warrant that the acquired property contains any exploitable reserves.

In 1997 the Company entered into a joint venture with Boliden AB of Stockholm, Sweden, for development of the Minera Serrana property located in Sonora, Mexico. The joint venture provides for Boliden's participation and joint venture earn-in on the Minera Serrana property by spending US\$1.4 million over four years to earn 51% of the Company's 100% working interest in the property. Boliden AB spent US\$200,000 during 1997, US\$350,000 during 1998 and US\$400,000 during 1999, and must spend US\$450,000 during the year 2000. The Minera Serrana property consists of the San Felipe and El Gachi silver/lead/zinc massive sulfide districts in Sonora, Mexico. The San Felipe district also has an existing flotation mill. On completion of the earn-in by Boliden AB, the Company will be required to fund 49% of the development costs or suffer proportionate dilution of its interest down to a carried 10% net profits interest.

Costs and Sources of Funding

To date the Company's activities have been financed primarily through the sale of equity securities, through joint ventures and the issuance of equity for the acquisition of mining operations and property. The proceeds of the Offering will be used primarily to fund the expansion of the copper production at the Mineral Park Mine and to provide working capital. See "Principal Purposes". Two private placements were completed during the fiscal year beginning April 1, 1998, primarily to maintain Company offices and properties. The first private placement was for \$144,498 and was completed in April 1998 with Seven Gold Corporation, the Company's joint venture partner on the High Dollar property in Nevada. The second private placement was for \$98,310 and was completed in December 1998. Additional financing of up to US\$350,000 has been raised through a joint venture to complete the evaluation, permitting and construction of the Three R copper project located in Arizona.

Governmental Approval

The Company is in the process of evaluating and obtaining all necessary governmental approvals for development of its 3R property in the U.S. The Mineral Park Mine and the Pabellon Porvenir project are fully permitted and do not require any additional governmental permits. If additional approvals become necessary for any development in the future the Company intends to provide all the necessary information to regulatory authorities and adjust its development plans to enable it to obtain any requisite approvals. In the event the Company is not able to obtain the necessary approvals, the Company's development plans and operations could be negatively impacted.

Governmental Regulation

The mining industry is regulated in the U.S., Chile and Mexico. The Company currently believes its operations on all of its properties are in compliance with all governmental regulations, and it intends to comply with all governmental regulations as it continues to explore, develop, and exploit its properties.

Mineral Park - fine

The Canadian Venture Exchange has not in any way passed upon the merits of the transactions described herein and any representation to the contrary is an offence.

INFORMATION CIRCULAR

dated September 15, 2000

for

SPECIAL MEETING

of

SILVER EAGLE RESOURCES LTD.

**2420 North Huachuca Drive
Tucson, Arizona, U.S.A. 85745**

Employees

As of June 30, 2000 the Company and its subsidiary, Liximin, S.A. de C.V., had seven employees on a full-time basis. The Company also utilizes the services of various individuals on a consulting basis. The Mineral Park Mine currently employs 25 people. None of the Company's employees and none of the employees at the Mineral Park Mine are covered by a collective bargaining agreement. The Company is not aware of any current disputes at the Mineral Park Mine and the Company considers labour relations to be favourable both internally and at the Mineral Park Mine.

Mineral Properties of Silver Eagle (Pre-RTO)

The Company's right, title or claim to each of its principal properties and each property location, history of known previous operations, present condition, notable rock formations and mineralization, intended exploration and development, reserves data and the nature and state of equipment located at each property is described below. Upon completion of the acquisition of the Mineral Park Mine from EMNA (as hereinafter defined), the Mineral Park Mine will be the Company's principal property. See "Mineral Property of EMP". The Company considers the Pabellon/Porvenir project and the Minera Serrana project as its next most significant properties and the balance of its properties as being grass roots and of much lesser significance at present. Silver Eagle intends to spend the funds available on completion of this Offering to carry out the proposed expansion of the Mineral Park Mine (see "Use of Proceeds"). None of the proceeds from the completion of the Offering will be utilized for exploration or development of any of the Company's various property interests other than the proposed expansion of the Mineral Park Mine.

The following is disclosure on the mineral properties of the Company prior to the completion of the Acquisition.

Minera Serrana (San Felipe) Project, Sonora, Mexico

Location

The Minera Serrana Property incorporates a 34,642 acre package of mining concessions in Sonora, Mexico that include two primary silver/lead/zinc mining prospects (San Felipe and El Gachi) as well as two other exploration prospects (El Carmen and Tres Piedras). The San Felipe District is located approximately 70 miles northeast of Hermosillo, Sonora, Mexico, near the village of San Felipe de Jesus. El Gachi is located approximately 33 miles north-northeast of San Felipe, just southeast of the village of Arizpe. Access to the property is by a paved road that runs from Hermosillo through San Felipe de Jesus and continuously on to the U.S. border.

Minera Serrana Agreement

The Company acquired the Minera Serrana Property in 1996 under the terms of an agreement (the "**Minera Serrana Agreement**") between Liximin S.A. de C.V., a wholly owned subsidiary of the Company, and Compania Minera Serrana, S.A. de C.V. Under the Minera Serrana Agreement the Minera Serrana Property is registered in the name of CCMP, but CCMP has granted security in the property to the vendor, Compania Minera Serrana, S.A. de C.V., to secure payment of the purchase price of US\$3 million. The purchase price is to be paid as to US\$50,000, on or before March 18, 1996, and the balance is to be made in incremental payments of US\$50,000 every April 5 and September 5 until commencement of commercial production of mining within the property, at which time the payments shall be US\$10,000 per month per 100 ton per day of mill throughput until a total of US\$3,000,000 has been paid. The Company is in good standing with respect to its purchase price payment obligations. A three percent net

Production

It is estimated by Silver Eagle that the Silver Eagle operation could produce 6.4 million pounds of copper over a three-year project life. Silver Eagle plans to complete all necessary reviews and testing, including those related to environmental matters on the Three R project. Currently the Company has no environmental liabilities for historic reclamation, however, this could change if the Company puts the property in operation. This risk will be considered in the feasibility process before the operation is started.

Processing

The copper-bearing water from the underground workings will be pumped through a solvent extraction-copper sulfate (SX-CS) plant to produce copper sulfate crystal. The raffinate (barren solution) will be returned to the mine and sprayed on the walls of the drifts and stopes to dissolve the chalcantite and to leach chalcocite. The raffinate will percolate through fractures in the ore zone between levels as well as through the ore in stopes, dissolving additional copper.

El Carmen, Sonora, Mexico

The El Carmen concession is located 6 miles south of the El Gachi property in northeast Sonora. In the 1880s and 1890s French interests mined a zone of east-west structures in Eocene andesites and rhyolites for high-grade gold and silver by underground methods. Silica and argillic alteration containing oxidized sulfide stockworks have been observed to extend over a large area away from the main structures. Little work has been done in this area since the 1920s and the Company does not anticipate commencing any work on this property in the near future.

Zapopa, Sonora, Mexico

The Zapopa concession covers 125 acres and is located approximately 30 miles north of Alamos, Sonora, Mexico. It covers a large oxidized zone of skarn mineralization, located along a prominent ridge. Gold was mined on a small scale in the distant past, as evidenced by old workings and smelter slag. A geochemical survey conducted adjacent to and down slope from the property yielded anomalously high gold values. The purchase price is US\$100,000, payable at US\$1,200 per month for 12 months, then three equal payments of US\$28,534 over the next 12 months. The Company is not in good standing with its purchase price payment obligations and is currently assessing whether it wishes to maintain the concession.

Mineral Property of EMP

Mineral Park Mine, Mohave County, Arizona

General

The Mineral Park Mine is located in northwest Arizona, approximately 16 miles northwest of Kingman, Arizona, in Mohave County and in the Wallapai mining district. The complex is comprised of approximately 6,418 acres (1,266 acres of patented mining claims, 3,561 acres of unpatented mining claims and 1,591 acres of fee land). All current and planned mining activities are within the patented mining claim boundary and within the Permit Management Area (PMA). Current mining operations are primarily dump leaching activities, with recovery of copper from leach solutions using conventional solvent extraction-electrowinning (SXEW) technology.

Production

It is estimated by Silver Eagle that the Silver Eagle operation could produce 6.4 million pounds of copper over a three-year project life. Silver Eagle plans to complete all necessary reviews and testing, including those related to environmental matters on the Three R project. Currently the Company has no environmental liabilities for historic reclamation, however, this could change if the Company puts the property in operation. This risk will be considered in the feasibility process before the operation is started.

Processing

The copper-bearing water from the underground workings will be pumped through a solvent extraction-copper sulfate (SX-CS) plant to produce copper sulfate crystal. The raffinate (barren solution) will be returned to the mine and sprayed on the walls of the drifts and stopes to dissolve the chalcantite and to leach chalcocite. The raffinate will percolate through fractures in the ore zone between levels as well as through the ore in stopes, dissolving additional copper.

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All information herein with respect to the Mineral Park Mine has been prepared by management of Silver Eagle except where specifically stated as being derived or extracted from the independent reports referred to below that the Company arranged to be prepared.

Valuation Report

Silver Eagle, on behalf of the shareholders of the Company, engaged an experienced evaluator, Stephen W. Semeniuk, CFA, to provide an independent valuation report on the Mineral Park Mine. The valuation report entitled "Valuation of the Mineral Park Mine, Mohave County, Arizona" and dated July 14, 2000 (the "**Independent Valuation**"), provides shareholders with an independent source of information as to the fairness of the proposed transaction to the shareholders of the Company from a financial point of view. The summary and conclusions of the Independent Valuation are as follows:

"Silver Eagle Resources Ltd. has agreed to purchase a 100% interest in the Mineral Park Mine located in Mohave County, Arizona from Equatorial Mining North America, Inc. The consideration for the transaction is 23,060,875 Silver Eagle shares, which will represent approximately 40% of the outstanding shares and effective control of Silver Eagle prior to the completion of any equity financing. At the May 26, 2000 halt price, the acquisition can be valued at Cdn.\$9.2 million or about US\$6.2 million."

"The Mineral Park Mine has an operating history of over 30 years. It was converted to a leach-solvent extraction-electrowinning operation in September 1994. The capacity of the facility is 11,000,000 pounds of cathode copper, but current output is approximately 500,000 pounds monthly. Silver Eagle plans to increase output to 30,000,000 pounds of copper annually by resuming active mining and modifying the existing processing facilities. The incremental capital cost requirement is moderate relative to constructing new green field capacity."

"The timing of the transaction and proposed expansion is opportune as copper inventories are falling and copper prices are rising. London Metals Exchange warehouse copper stocks have fallen to below 525,000 tonnes, the lowest level since early December 1998. The current price for high-purity cathode copper has risen above the US\$0.85 level that Silver Eagle Resources Ltd. used in its Mineral Park Mine cash flow projections."

"The writer considers US\$22.7 million to be the low-end value of the Mineral Park Mine. The value incorporates a realistic cathode copper price in keeping with the current supply/demand balance for copper and makes no assumptions of the continued viability of the operations beyond the depletion of current reserves. The high end value of US\$28.4 million assumes that the mineral resources at the Mineral Park Mine are sufficient to support operations until 2015 under a conservative price assumption for cathode copper of US\$0.85 a pound." For the purposes of these net present value estimates a discount rate of 10% was used in the latter case whereas a 15% rate and a price of US\$0.91 a pound was used to arrive at the low-end value.

"The value range of US\$22.7 million to US\$28.4 million translates as US\$1,500 to US\$1,999 per annual ton of installed cathode copper capacity. For reference purposes, the projected capital cost of the Billiton's new BioCOP leach technology, coupled with SX-EW, is in the order of US\$2,500 to US\$3,000 a ton. This estimated cost range applies for plants in the 60,000-tons to 100,000-tons range of annual capacity. The Billiton process does not require relatively expensive chemical reagents or equipment and may succeed the current generation of acid leach SX-EW as the industry turns to find ways to treat more plentiful complex copper ores and concentrates."

"For reference, Silver Eagle's proposed capital expenditures of US\$5.17 million to increase capacity from the 11,000,000 pounds to 30,000,000 pounds annually equates to a cost of US\$550 per ton of incremental annual capacity."

The foregoing conclusions excerpted from the Valuation Report are based on numerous assumptions regarding reserves, production, operating costs, copper prices and appropriate discount factors, amongst other things, which are outlined in greater detail in the Valuation Report. The author considered these assumptions reasonable on the date of his report, but these factors change over time and actual costs and cash flows will differ from projected cash costs and flows.

For example, the evaluator accepted Silver Eagle's cash flow projections to 2009 which are based on current proven and probable reserves of 42.9 million tons grading 0.26% copper and average operating costs over the life of the project of 56.7 cents per pound of copper produced. However, under Silver Eagle's mine plan and capacity expansion to 30 million pounds of copper annually, the operative assumption is that reserves will be mined out by 2009. But, since current measured and indicated mineral resources of 203.9 million tons grading 0.21% copper will likely support mining activities beyond 2009, the evaluator assumed, under an alternate scenario, that operations would continue to at least 2015. Due to the effect of discounting, cash flow beyond 15 years adds minimally to the value of the project.

The cash flow summaries, which are shown in the Independent Valuation, are based on Silver Eagle's mine plan as well as the evaluator's calculations. The (after tax) project cash flow profiles were discounted at 10% and 15% to arrive at a range of values for the project, which are explained and discussed in greater detail in the Independent Valuation.

Whereas Silver Eagle had used a copper price of US\$0.85 cents a pound in its cash flow calculations, the evaluator also prepared additional discounted cash flow profiles using a copper price of US\$0.91. The latter price represents the mid-point of the copper price forecast in the 2000 to 2005 period as published by Natural Resources Canada ("NRC"). Prior to the completion of the Independent Valuation the price for cathode copper was US\$0.85 a pound, which represented a premium of approximately 5% over the quoted spot price for copper then at about \$0.81 a pound.

Location and Access

The Equatorial Mineral Park operation is located in northwestern Arizona in Mohave County. Access to the mine is by highway 93, 16 miles Northwest of Kingman, then 5 miles east on a paved road. Mineral Park Mine is located in a historic mining district at latitude 35°18' north and longitude 114°8' west. It is along the western slope of the Cerbat mountain range.

History of Exploration and Development

The Duval Corporation ("**Duval**") began acquiring a land position around Mineral Park Mine late in 1958. During the period 1959 through 1962 Duval completed a drilling program that outlined a copper, molybdenum orebody around Ithaca Peak.

An underground sampling program was conducted to confirm the drilling results and to provide the basis for an engineering and feasibility study. With this engineering and feasibility study completed, a decision was made to develop the property as an open pit mine with traditional flotation concentration facilities. Stripping activities began in 1963. A 12,000 ton per day concentrator was completed in 1964 and remained in operation until 1981.

The Duval operation continued to produce copper via a leach-iron precipitate plant, commissioned in 1964, until the acquisition of the Mineral Park Mine by Cyprus Mining Company in 1986. Cyprus Mining Company continued the dump leaching operation as an iron precipitation process until converting to solvent extraction electrowinning ("**SXEW**") in September 1994. The original SX plant consisted of two stages of extraction and one stage of stripping. The total flow of Pregnant Leach Solution was nominally 2,500 gallons per minute. The EW circuit had, and still has, a plating capacity for 11,000,000 pounds per year of cathode copper.

Equatorial purchased the property in October 1997, added a third stage of extraction to SX and increased the Pregnant Leachate Solution (“PLS”) flowrate to approximately 6,000 gallons per minute. Equatorial also added a crud removal system to SX, increased surge capacity, purchased new filters for electrolyte and added a new heat exchanger to EW, to increase the efficiency of the system. A laboratory was also installed to provide for solution assays for metallurgical balances and quality control of the cathode produced at site. When the mining resumes the lab will also be used for blast hole assaying for grade control in the pit.

Geology

The Mineral Park Mine is located in the Wallapai mining district on the western flank of the Cerbat Mountains. The Cerbat Mountains trend north and are composed of a Precambrian basement complex, which was later intruded by Laramide age quartz-monzonite magma. The Cerbat Mountains rock complex consists of Schist, Quartz Feldspar, Gneiss and Amphibolite. Biotite Quartz Monzonite, Biotite Quartz Diorite porphyry and rhyolite comprise the Laramide intrusive group of rocks at the Mineral Park Mine site.

The Mineral Park copper deposit is a typical porphyry type “copper-molybdenum” occurrence in a series of quartz-monzonite stocks of Laramide age. These Laramide stocks are localized in the center of a north trending Cerbat Mountain basement complex. The basement complex is comprised of mostly schist and granitic rocks.

Copper and molybdenum mineralization in the Mineral Park Mine is essentially fracture controlled. These fractures are predominantly oriented to the northeast and northwest. Like most of the porphyry copper deposits in the southwest U.S. copper province, better grade copper mineralization at the Mineral Park Mine is found in an irregular chalcocite blanket, which formed during the Mid-Tertiary time by the supergene enrichment process. The enriched chalcocite blanket generally conforms to the pre-mined topography of the mine area and is somewhat irregular in shape, with a maximum thickness of 700 feet. The current copper resources are derived from chalcocite mineralization found in the supergene blanket. Mineralized host rocks at the Mineral Park Mine deposit exhibit a typical “porphyry copper” type of silicate rock alteration. These silicate alteration zones range from sericite to argillic types with a propylitic outer zone encircling the well-developed “copper-molybdenum” mineralization.

The copper mineralization at the Mineral Park Mine can be grouped in three categories:

1. Oxidized zone with heavy red and brown iron oxide stains and some turquoise, with minor azurite and malachite.
2. Chalcocite blanket containing essentially chalcocite, minor covellite and digenite.
3. Primary sulfide zone (Protore) primarily chalcopyrite.

Reserve and Resource Statement

The Company engaged an independent engineer, David W. Armstrong (“**Armstrong**”), to prepare an independent report of the reserve and resources at the Mineral Park Mine. Armstrong produced a report dated June 23, 2000 titled “Review of the Mineral Resources and Ore Reserves Mineral Park Mine Kingman, Arizona” (the “**Armstrong Reserve Report**”). The following material in this section (i.e. to “**Mine Plan**”) is extracted from the Armstrong Reserve Report. The Ore Reserves are contained within the Mineral Resources in the reporting.

Mineral Resources (based on a 0.10% total copper cutoff grade; includes reserves) Pit Area
Measured 164,526,000 tons @ 0.22% total copper

Indicated	39,381,000 tons @ 0.21% total copper
Total	203,907,000 tons @ 0.21% total copper

Dumps	
Indicated	106,000,000 tons @ 0.08% total copper

Ore Reserves (based on a 0.10% total copper cutoff grade)

Pit Area	
Proven	40,156,000 tons @ 0.26% total copper
Probable	2,688,000 tons @ 0.25% total copper
Total	42,959,000 tons @ 0.26% total copper

Dumps	
Probable	106,000,000 tons @ 0.08% total copper

Database

The Armstrong Reserve Report states: "The property has been mined for many years and the existing database has been assembled over the life of the operation by different companies. The computer database consists of 1,026 holes drilled by the Duval Corporation and the Cyprus Mining Company. The drill hole data information has total copper, acid-soluble copper, and a rock code. Only the total copper (TCU) value was used in the block model for the grade estimation."

"There are some discrepancies between the computer data and the original documents but these are not deemed to be a major problem for either the Mineral Resource or the Ore Reserve estimates. The use of 35' assay intervals for the primary data causes unnecessary dilution in the 20'-high blocks in the block model and causes the 0.10% grade zone to be drawn too broadly but this does not materially affect the economic viability of the project."

Block Model

The Armstrong Reserve Report states: "The block model was built using ordinary kriging for blocks contained within the 0.10% TCU ore envelope. Variograms for each of three major areas controlled the kriging and other parameters were used to better control the influence of the drill holes used to estimate each block. Higher-grade copper values were not cut or capped but the extent of their influence was limited in the block model."

"The approach is reasonable and no checks found any problems with the modeling."

Mineral Resource

The Armstrong Reserve Report states: "The Mineral Resource is classified as Measured, Indicated, or Inferred based on the number of drill holes used to estimate the grade in the block and also the distance to the closest composite. This method is a standard industry practice and is reasonable for this deposit. The maximum distance for a Measured block is 290' from the nearest drill hole."

"A tonnage factor of 12.5 cubic feet per ton was used for all intact rock. The accuracy of this number is not known but it is a common tonnage factor used in other Arizona copper properties and has been used historically at Mineral Park."

Pit Design

The Armstrong Reserve Report states: "The pit is based on the Measured and Indicated Mineral Resources. The ultimate pit was computed with a Floating Cone algorithm and checked with a Lerchs-Grossmann algorithm. The Ore Reserves come from the mine plan scheduled with appropriate roads and ramps and mining phases inside that ultimate pit. All Ore Reserves are classified as Proven or Probable."

"The mine design is based on a copper price of US\$0.85/pound, 70% metallurgical recovery, and 97% mining recovery." As at the date of this Information Circular the current market (3 month future) price of copper is approximately US\$0.903/pound.

"The planned mining equipment are a CAT-992 loader and 85-ton trucks. To accommodate this equipment, the pit design uses roads with a 10% grade and designed as 80' wide. Catch benches are placed every three benches, pit slopes are 45 degrees between ramps and 70 degrees for a bank face"

"The approach and assumptions used in the design of the pit and the mine plan are reasonable based on the available information."

Dumps

The Armstrong Reserve Report states that: "The Hardy Dump has 45 million tons of leach-grade material averaging 0.20% TCU combined with 34 million tons of low-grade material averaging 0.07% TCU."

"The Bismark Dump has 17 million tons of leach-grade material averaging 0.17% TCU combined with 10 million tons of low-grade material averaging 0.07% TCU. The copper grade stated for the current Mineral Resource and Ore Reserve was calculated by subtracting the actual copper production from the estimated beginning grade."

"Dump leaching has been ongoing for over 35 years so the resource in the dumps is well established. Except for the period of April, 1992 to October, 1994, the Hardy Dump has been continuously leached since 1965 and the Bismark Dump since 1979."

"Duval records show the grade of the leach-grade material and low-grade material placed in the dumps but only the tonnage of the leach-grade material was reported. To find out the tonnage of both materials, Mintec used the original topography with the current topography map to estimate the volume of material now in the dumps. This was converted to a tonnage with a tonnage factor of 15 cubic feet per ton. The tons of leach-grade material were subtracted from this number to give the estimate of the low-grade tons that are in the dump."

"There is a great deal of historical information on the dumps but there is not sufficient detail on the material in the dumps. The dumps should be classified as Indicated Mineral Resources and Probable Ore Reserves."

Business Objective - Proposed Mine Expansion by Silver Eagle

General

Following the completion of the Offering and the completion of the acquisition of the Mineral Park Mine, the Company will assume the operation of the Mineral Park Mine and intends to proceed to expand copper production at the mine to a rate of 30 million pounds of copper per year. This expansion will be financed from the proceeds of the Offering.

Mine Plan

The Company's design of the Mineral Park Mine is based on a computerized three – dimensional block model of the deposit, which was reviewed by Armstrong, based, in turn, on drilling results and historical data and constructed using a standard program.

The block model was transferred to a computer mine design, and a floating cone optimization technique was applied to develop the ultimate pit configuration. This ultimate pit was then "smoothed" and 10% ramps were incorporated in the design to provide access to the pit bottoms.

Mining at the Mineral Park Mine will be by conventional open pit methods utilizing a contract miner. The mining rates have been designed to match a 85 ton truck and 992 loader spread. There are several contractors located in the Arizona, California, Nevada area with that equipment in stock and with extensive operational experience in this type of mining.

In the current plan pit benches are designed to be 20 feet high. The pit slope is designed at an inter ramp angle of 45 degrees and the face angle is 70 degrees, which has been the practice at the Mineral Park Mine for 40 years. Catch benches are designed to be 39 feet wide and are set every 60 feet. The haul roads are designed at 80 feet with 60 feet of running surface. Ramps are designed at a maximum of 10 degrees.

The Armstrong Reserve Report concluded that "the approach and assumptions used in the design of the pit and the mine plan are reasonable based on the available information."

Leaching & Metallurgy

The Mineral Park Mine is currently leaching run-of-mine ("**ROM**") dumps and processing the leachate through a SXEW facility that was constructed in 1994 and upgraded in 1998. The Mineral Park Mine will be converted to a heap leach operation using ROM ore placed on a new leach pad located in the mined-out Gross Pit. The new leach pad is permitted for use at this time. The main copper mineral at the Mineral Park Mine is chalcocite (Cu_2S), which is a secondary sulfide mineral. In the copper industry chalcocite typically gives heap leach recoveries in the 60-80% range, although preliminary column tests on the Mineral Park Mine ore indicates 80%+ recoveries may be possible. Typical heap leach rates for chalcocite ores are slower than those for oxide minerals and vary between 160 and 250 days in column test, and even slower rates are common in actual production, to achieve 60-80% recovery. Leach rates at the Mineral Park Mine have been estimated by the Company to be 70% over 400 days. A much slower leach rate was used in the financial plan at the Mineral Park Mine in order to present the most conservative case for a production scenario. Leaching of chalcocite is by reaction with sulfuric acid and ferric sulfate to produce low grade copper sulfate. The low grade copper sulfate is then recovered and then purified in the SXEW plant. The production of ferric sulfate in the dumps is catalyzed by the action of bacteria such as *Thiobacillus Ferro-Oxidans*. The iron source for ferric sulfate is from naturally occurring iron pyrite. The Mineral Park Mine ore contains abundant iron pyrite distributed throughout the deposit. Acid consumption is normally lower for leaching ores that contain chalcocite than for oxide ores.

The Mineral Park Mine ore is highly fractured and upon blasting breaks into small fragments. The ore continues to degrade into smaller size fractions when acid is added during the leaching process. As a result of the extensive fragmentation during blasting and continued degradation under leaching, combined with test work and historic operating experience at the Mineral Park Mine over 40 years, it is proposed that ROM stacking be used for processing. Under the current plan the blasted ore will be trucked and stacked into new lifts that will be approximately 15 feet in height. A bulldozer will push the ore to maintain the 15 foot lift height. The new lifts will be ripped from the surface to a depth of 6 feet with a

bulldozer prior to being irrigated with leach solution applied through a drip system. After each lift has been leached for a designated length of time a new 15 foot lift of ore will be placed on top of this ore to continue the cycle. This leaching technique allows for long term recovery of underlying ore from leach solution applied to the top of each lift.

The proposed new leach pad area will be located in a mined out portion of Gross Pit. The pad area is permitted for immediate use. Additional underdrain piping will be installed in advance of the lifts. Piping will be installed under each lift to insure drainage and to allow for air to penetrate the dump. A mild acid solution will be applied at the rate of approximately 0.0025 gallons per square foot per minute. The solution will be distributed by existing trunk lines and then applied by a drip irrigation system with emitters. This system is used widely in the industry and is in current use at the Mineral Park Mine. The current solvent extraction - leaching system at the Mineral Park Mine has a capacity of 6,000 gpm, enough to handle the current production as well as planned future expansions.

The following summary of the metallurgical data is taken from a report prepared by KD Engineering Co., Inc. ("**KD Engineering**") dated June 2000 entitled "Mineral Park Mine Process Assessment" (the "**KD Engineering Report**"):

"Although leaching of dump material has been active for several years at the Mineral Park Mine, specific metallurgical extraction data on ROM ore has never been systematically recorded. As a result, statistical methods were applied on data from two column tests conducted on Turquoise Mountain ore at the Cyprus Metallurgical Testing Laboratory located south of Tucson." This ore type was selected as being representative of the ore that is planned to be mined from the operation.

"Based on the analysis, potential extraction after 156 days at three different ROM size distributions was determined for the two ore samples tested. Since this data is limited to a 156 day leach cycle, additional leach time due to stacking and secondary leaching would be expected to increase the overall extraction. Table 2.3.1 below summarizes this information."

Table 2.3.1 Mineral Park Mine Run-of-Mine Leach Extraction - 156 Day Leach		
Distribution	Percent Extraction	
	Sample MPT-1	Sample MPT-2
80% Passing 8 inches	57.55	47.85
90% Passing 8 inches	65.99	56.26
80% Passing 4 inches	73.36	64.66

SILVER EAGLE RESOURCES LTD.
2420 North Huachuca Drive
Tucson, Arizona, U.S.A.
85745

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of Silver Eagle Resources Ltd. (the "**Company**" or "**Silver Eagle**") will be held at 10th Floor, 595 Howe Street, Vancouver, British Columbia, on Friday, November 3, 2000 at the hour of 10:00 a.m. (local time) for the following purposes:

1. To pass an ordinary resolution (the "**Acquisition Resolution**"), with or without variation, ratifying and approving the agreement (the "**Acquisition Agreement**") dated for reference May 29, 2000 among Silver Eagle, Equatorial Mining North America, Inc. ("**EMNA**") and Equatorial Mineral Park, Inc. ("**EMP**"), providing for the acquisition (the "**Acquisition**" or the "**RTO Transaction**" or the "**RTO**") by Silver Eagle of all of the issued and outstanding shares of EMP, authorizing the issue of 23,060,875 (pre-consolidation) common shares of Silver Eagle (the "**SER Common Shares**") for all of the issued common shares of EMP (the "**EMP Common Shares**") and authorizing the directors to decide when or whether or not to proceed with the transaction subject to the terms of the Acquisition Agreement. See "Approval of Acquisition of the Issued Shares of Equatorial Mineral Park, Inc.";
2. To pass a special resolution, with or without variation, approving the consolidation of Silver Eagle's issued common shares on a 1 (new)-for-5 (old) basis and the increase of the authorized capital to an unlimited number of common shares and the amendment of the Silver Eagle's Articles accordingly and authorizing the directors to decide when or whether or not to proceed with the consolidation. See "Approval of 1-for-5 Consolidation and Increase of Authorized Capital";
3. To pass a special resolution, with or without variation, approving a change of name of Silver Eagle to "**Mercator Minerals Ltd.**" or such other name as may be acceptable to the Directors, the Yukon Registrar of Corporations and the Canadian Venture Exchange Inc. and approving an amendment of the Articles of Silver Eagle accordingly and authorizing the directors to decide when or whether or not to proceed with the name change. See "Approval of Change of Name";
4. To approve, by ordinary resolution, the establishment of a Stock Option Plan by Silver Eagle, subject to regulatory acceptances. See "Approval of Stock Option Plan"; and
5. To transact such further or other business as may properly come before the meeting and any adjournments thereof.

Accompanying this Notice is an Information Circular (which includes the full text of the above resolutions) and a form of Proxy.

Shareholders unable to attend the Meeting in person should read the notes to the enclosed Proxy and complete and return the Proxy to the Transfer Agent, Montreal Trust Company of Canada, by mail or delivery to 4th Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 or by facsimile to (604) 683-3694 to the attention of Jenny Karim no later than 48 hours prior to the commencement of the Meeting.

The enclosed Proxy is solicited by management of the Company and you may amend it, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the Meeting.

DATED at Vancouver, British Columbia as of this 15th day of September, 2000.

(signed) MICHAEL SURRATT
Michael Surratt, President and Chief Executive Officer

Shareholders who are unable to attend the Meeting are requested to date, sign and return their form of proxy in the enclosed envelope.

“The actual column data was analyzed using the METSIM regression analysis. The extraction for MPT-1 increased from 72.8 percent at 156 days to 79.7 percent at 400 days. The extraction for MPT-2 is 83.53 percent at 156 days and 85.6 percent at 400 days.”

Based on the KD Engineering Report the Company has lowered its recoveries from 75% to 70% and increased the leach cycle from 156 days to 400 days. Due to the low capital and low operating cost, the Mineral Park Mine is not as sensitive to the recoveries as many projects. At 70% recovery in 400 days the project shows a 98% rate of return. At 60%, recovery in 400 days the project still shows a 45% rate of return.

Solvent Extraction (SX)

Once the copper is in aqueous solution the next phase is to selectively extract the copper from the impurities to provide a suitable feed for electrowinning. This is accomplished in the solvent extraction section, abbreviated as SX. The SX section comprises a minimum of two stages. The first stage is to “extract” the copper from the aqueous leach solution into an organic phase through the use of an organic solvent. The second stage entails “stripping” the copper back out of the organic phase into an aqueous phase that is strongly acidic and suitable for electrowinning. The Pregnant Leach Solution that has had the copper extracted or removed is then termed raffinate and is returned back into the process solution and returned to the heaps in a closed circuit to leach additional copper.

The current SX plant at the Mineral Park Mine operates at 6,000 gpm and has three stages of extraction and one stage of stripping. The plant has been in continuous operation since 1995 and was upgraded in 1998 from 2,500 gpm to the current 6,000 gpm. In 1998 Equatorial added a third stage of extraction to SX, increased the surge capacity, installed additional raffinate pumps and a new raffinate pipeline and added a crud removal system.

Electrowinning

The next phase of the process is the electrowinning of the electrolyte into high-grade cathode copper. The electrowinning plant was commissioned in 1995 and has the capacity to produce 11 million pounds of cathode copper per year. The Mineral Park Mine currently produces Grade A cathode copper that assays 99.99% copper. The electrowinning plant consists of 60 commercial electrowinning cells, a manual washing and cathode stripping system and an overhead bridge crane. Rectifiers are located at the east end of the tank house in a controlled atmosphere electrical room. Cathodes are sampled by a power punch and are banded and stacked by forklift. The bundles of cathode copper are stacked and catalogued until picked up by a commercial carrier arranged by the buyer. In 1998 Equatorial added new filters for electrolyte and added a new heat exchanger to the EW. The first expansion of the EW plant calls for adding a third rectifier to the current system and raising the amps over the EW cells from the current 28 amps per square foot to 31.2 amps per square foot. The KD Engineering Report states that the 31.2 amps per square foot is a higher than the ideal level for this system but that it can be reasonably operated given proper precautions. KD Engineering's recommendations and estimated costs have been included in the Mine Plan. The increase in amperage will permit an increase in the production from the EW circuit from 11 million to 15 million pounds per year. No other modifications are needed to the current plant to raise production to achieve this level.

KD Engineering stated in the KD Engineering Report that the existing electrowinning plant includes the necessary equipment to produce 11 million pounds of cathode copper per year. The equipment assemblage includes:

- Dual rectifier circuit rated for 9,500 total amps at 150 volts, direct current.
- Sixty electrowinning cells, in series, each capable of holding twenty-one, 36 inch by 42 inch cathodes, and twenty-two anodes of approximately the same dimensions.
- Electrolyte solution tankage for weak, strong and recirculating electrolyte.
- Pumping equipment for weak, strong and recirculating electrolyte.
- Solution heaters and heat exchangers.
- Electrolyte filters.

- Cathode stripping, sampling, weighing and banding equipment.

A phase two expansion is planned to start in year two of the operation. The procurement and construction will take approximately 6 months to complete at an estimated capital cost of \$3.8 million. This expansion will double the current capacity of the EW circuit and the operation to approximately 30 million pounds of cathode copper per year. The expansion will include extending the existing EW facility and will utilize the existing overhead crane. The existing electrolyte pumping and filtering circuit is also suitable for the expansion. An additional tank will need to be added to the electrolyte system to increase surge capacity and the size of the electrowinning cells will have to be increased in order to decrease the travel distances involved in harvesting the cathodes as well as keeping the capital costs to a minimum.

The KD Engineering Report summarized the Phase I and Phase II expansion as follows:

“The Phase I expansion is a logical approach to increasing production at the Mineral Park Mine. The process plant, as currently established, is capable of producing 11 million lbs. per year of cathode copper. The current production of 5 to 6 million lbs. per year is related to the low grade PLS solution emanating from very old dumps. The Phase I plan will improve PLS tenor by mining and placing new ore on a leach pad. In order to achieve the 15 million lb. per year production level, process plant modifications will be necessary to effectively recover the copper from the higher grade PLS.

The general conclusions regarding the Phase I expansion are as follows.

- The electrical supplies at the PLS sump at the Gross Pit heap and at the electrowinning (EW) plant are adequate.
- The pumping capacity and the pipelines from the Gross Pit sump must be expanded. This is included in the capital cost estimate.
- The rectifier capacity at the EW tankhouse must be increased to at least 15,000 amps. The preferred method is installation of a 6,000 amp rectifier connected in parallel to the existing units. This is included in the capital cost.
- The bus system in the EW plant must be upgraded to reduce the current density to less than 1,000 amps per sq. inch.
- The proposed cathode current density of 31.3 amps per sq. foot is higher than the normal design of 28 amps per sq. ft. However, a number of operations have been successfully operated at levels of 32 amps per sq. ft. and produced LME Grade 1 cathodes.
- The increased cathode current density will require operational modifications and monitoring to prevent cathode quality problems, overheating of systems and excess production of acid mist. It should be noted that when the Phase II expansion is complete, the current density will be reduced to a nominal 28 amps per sq. ft., an accepted industry design level.

- The increased production will require a modified harvesting method. The production will increase three fold and the present operation requires additional manpower. This has been accounted for in the Silver Eagle model.
- The capital cost allocated in the Silver Eagle estimate for the above expansion is \$500,000. The KD Engineering estimate is \$229,000, excluding contingency.

The Phase II expansion will double the capacity of the Phase I operation, resulting in a total production level of 30 million pounds per year. This will entail an expansion of the mining and placement rate and an expansion to the EW systems. The general conclusions regarding the Phase II expansion are as follows.

- The plant electrical system is adequate as previously described.
- The SX facility is adequate to process 6,000 gpm with a solution copper tenor of at least 1 gram per litre.
- The expansion will require installation of new cells and rectifier capacity. This is included in the capital cost estimate.
- Based on an industry standard, current density of 28 amps per sq. ft, KD Engineering recommends that the Phase II be designed to produce 16.6 million lbs. per year. This will permit reducing the Phase I current density to 28 amps per sq. ft and reduction to the Phase I production to 13.4 million lbs. per year.
- The electrolyte handling system will have to be expanded. This is included in the capital cost estimate.”

Operating Cost

EMNA provided Silver Eagle with the detailed operating costs for the last year and one-half at the Mineral Park Mine. The current operating costs at the Mineral Park Mine are the basis for Silver Eagle's estimates on processing, general and administration and all property costs. See "Principal Purposes". The current unit costs were used where applicable, such as US\$0.07 per pound for power used in electrowinning, and total costs were used, such as power for the SX circuit, which will be the same 6000 gpm at the expanded production. Acid was included at the current cost per ton (EMP has a two year contract for US\$60 per ton delivered), and the pounds of acid per ton of ore was increased to allow for the new ore production.

Administration was factored up for the increased manpower and other variables while keeping the percentage of labour and labour related costs the same as the current. Severance tax was scaled up on the current cost per pound, and property taxes are the same as current.

The Company's break down for life of mine average cost per pound (US\$) of copper produced is as follows:

Processing	\$0.227
Mining	\$0.261
Administration	\$0.079

Operating (Cash)Cost/ lb.	\$0.567
Total cost (w/capital)/lb.	\$0.595

KD Engineering reviewed the operating costs and concluded in the KD Engineering Report - "A review of the operating cost prepared by Silver Eagle appears reasonable. The increase in production, and the high current density for Phase I, requires the additional operators included in the Silver Eagle model."

Ancillary Facilities

The Mineral Park Mine ancillary facilities include an administration building, a warehouse, a machine shop, a mobile equipment repair shop, an office laboratory, an employee change building, storage and distribution systems for fuel and reagents, a communications network, a water supply and distribution system (which is leased from Cyprus Bagdad Copper Corporation (now Phelps Dodge Bagdad Copper Corporation)) and a substation for the primary supply of electric power.

EMP also has all the mobile equipment necessary to carry out its current leaching operation plus the expansion. Some of the major equipment includes the following:

- D-8 Dozer
- 14-g Blade
- TD-20G Dozer
- 60 ton rough terrain crane
- Boom Truck
- Water Truck
- Service Truck
- Dump Truck
- 5 pickup trucks
- 2 fork lifts

- Cat loader

Some minor equipment will be needed for the start up of mining including 4 computers, 2 engineering trucks, a med system computer program and a GPS survey system.

Environmental Considerations

The Company commissioned an independent review of the environmental compliance and expansion effect on the current permits at the Mineral Park Mine by Bob Spengler ("**Spengler**"), a consulting environmental engineer. The following is the general comments in the executive summary of the report prepared by Spengler dated June, 2000 entitled "Environmental Review of Mineral Park Mine" (the "**Spengler Report**").

"Mineral Park is an operating mine with all of the required federal, state and local environmental permits in place. EMP's attitude of strict compliance with the letter of the law along with proactive environmental management was seen at the mine. The mine is presently being operated in an environmentally sound manner and appears to be on good terms with federal, state and local agencies."

"EMP has instituted an Environmental Management System ("**EMS**") that mandates environmental compliance at all of its operations. The management system was implemented with the guidance of Equatorial's Corporate Environmental Affairs Committee and their attorneys. The management system is

a critical component of compliance, which is a single management system that integrates environmental, health and safety, and related compliance requirements into a line responsibility process.”

Proposed Mine Expansion

After reviewing the Company’s proposed mine plan expansion and the existing operating permits, Spengler states in the Spengler Report that he expects only minor modifications to the existing operating permits will be necessary to satisfy federal, state, and local agency permit requirements. The following is a summary of the potential minor modifications that may be required and the agencies that would be involved, as set out in the Spengler Report.

U.S. Bureau of Land Management (“BLM”):

The proposed mine expansion does not impinge on any adjacent federal lands. No action would be required because the expansion area is on patented mining claims and within the Permitted Mining Area (PMA) boundary. A courtesy letter to the BLM would be appropriate.

Environmental Protection Agency (“EPA”):

Update Emergency Response Procedures and Risk Management Plans to maintain and incorporate EPA standards for the new mining activities.

Arizona State Mine Inspector (“ASMI”):

Upon review of statutes and regulations the mine expansion does not constitute start, stop, suspension or termination of mining operations. No notification to ASMI is required.

Submittal of a notice of proposed change in the Mined Land Reclamation Plan (“MLRP”) would be required. The notice should include the following:

1. Demonstrate that the expansion falls within the existing MLRP. [Spengler comments that the map he reviewed indicates that it does.]
2. If more than 50 acres of new surface is disturbance is incurred then \$3 per acre will be accessed. No additional acres will be disturbed.
3. Prove that the expansion is not a substantial change and is inside of the PMA boundary. [Spengler comments that the map he reviewed indicates that all expansion activities fall within the PMA.]

Arizona Department of Environmental Quality (“ADEQ”):

Air Quality:

It was determined by ADEQ’s Air Quality consultant that the existing permit encompasses the expansion. This can be documented and forwarded to ADEQ as a courtesy.

Aquifer Protection Permit:

Correspondence between ADEQ and EMP environmental staff at the mine indicated that a major modification would not be necessary if the following information was incorporated within their proposal and substantiated with maps and diagrams:

1. Show that the discharges would be captured by Ithacas (the mining pit with the lowest elevation) hydrologic zone of influence.
2. Demonstrate that the mining and leaching areas are within the PMA boundary.
3. Confirm that any lateral accretion has incorporated safety, stability and environmental release risk engineering measures.
4. Recap with ADEQ that future mine development was included within the application. Give references.
5. Prove that the new ore will not alter current leachate characteristics. Use existing column-testing results.
6. Explain that the volume of material added to Gross Pit will not change the vertical discharge characteristics. The discharges are based upon solution head.
7. Assure ADEQ that the maximum operating level will not change. Increased pumping will be utilized.

The above criteria can be satisfied based on the current engineered mine plan.

Bonds

The Mineral Park Mine currently has two bonds, a reclamation bond for US\$1.2 million and a utility bond for US\$100,000. Part of the reclamation bond is secured by US\$400,000 cash. Under the terms of the Acquisition Agreement the Company must assume the bonds at closing and repay the US\$400,000 to EMNA within 180 days of closing.

Potential Environmental Risks

Spengler summarizes the environmental risks by indicating there are generally long-term environmental risks associated with any mining project. He advises that one long-term environmental risk at the Mineral Park Mine is known groundwater contamination. He states that at the present time there is a plume of contaminated groundwater migrating down gradient, which is being addressed with the ADEQ under the approved APP permit. Other long-term risks include reclamation and closure obligations.

Spengler also advises that the pollution management program (Remedial Action Plan) has been defined and approved and the points of compliance for long-term monitoring have been approved by ADEQ and that the ADEQ has been extensively consulted on these groundwater issues and it is expected that final solution control will be resolved by the time of closure.

Employees

EMP currently employs 25 persons on a full-time basis. None of these employees are represented by a labour union or covered by a collective bargaining agreement.

The Company estimates that the expanded Mineral Park Mine will require an additional 4 salaried and 18 hourly employees at full production. Salaried positions will include technical, professional and supervisory personnel. Hourly positions will include labourers, equipment operators and maintenance personnel. The Company foresees no difficulty in obtaining all the entry level and skilled personnel required for the Mineral Park Mine expansion.

Metal Sales and Marketing

EMP is currently selling its production through a metal broker in New York, Trafigura AF (“**Trafigura**”). Trafigura is an experienced metals broker. The contract with Trafigura is in effect until December 31, 2000. The contract calls for buying all the Mineral Park Mine copper on a two month forward price minus a sales commission of US\$0.028 per pound. For example, EMP’s June sales are based on April’s Comex price less Trafigura’s commission of US\$0.028 per pound of copper.

Silver Eagle expects to continue this contract until it is complete and then to sell either to a trader or directly to customers, which may include manufacturers and copper producers.

In addition, EMP has a forward hedge contract with Barclays’ Bank PLC for 400,000 pounds a month at US\$0.865 per pound for July through December 2000.

Summary and Analysis of Financial Operations of EMP

The following discussion and analysis of EMP’s results of operations and financial position should be read in conjunction with the financial statements of EMP and related notes included elsewhere and hereby incorporated in this Information Circular.

The discussion and analysis provides a comparative review of EMP’s operating and financial position for the six month periods ended June 30, 2000 and 1999 and the years ended December 31, 1999 and 1998. Reference should also be made to the discussion under the heading “Risk Factors”.

Selected Financial Information of EMP

The following table sets out selected financial data for EMP which is derived from financial statements of EMP included elsewhere in this Information Circular.

	Six Months Ended June 30, 2000 (unaudited)	Six Months Ended June 30, 1999 (unaudited)	Year Ended Dec. 31, 1999 (audited)	Year Ended Dec. 31, 1998 (audited)
Sales	\$2,448,094	\$2,636,501	\$4,802,233	\$5,125,303
Gross Profit	(117,071)	(344,132)	(1,998,121)	(991,492)
Research and Development Expenses	0	0	0	0
Sales and Marketing Expenses	0	0	0	0
General and Administrative Expenses	0	0	0	0
Net Income (Loss)	(79,761)	(314,314)	(1,929,403)	(915,120)
Working Capital	639,448	181,549	278,260	584,867
Property, Plant and Equipment	4,384,247	6,012,232	4,369,426	6,376,177
Deferred Research and Development	0	0	0	0
Other Intangibles	0	0	0	0
Long Term Liabilities	9,698,016	9,174,701	9,176,246	9,098,201
Deficiency in Net Assets	(3,536,321)	(1,841,472)	(3,456,560)	(1,527,157)
Dollar Amount	100	100	100	100
Number of Securities	100	100	100	100

EMP has no options outstanding or warrants outstanding. At June 30, 2000, EMP had a deficit of \$3,536,421.

Management's Discussion and Analysis of Operating Results of EMP

Six Month Period ended June 30, 2000 compared to Six Month Period ended June 30, 1999

Results of Operations

The Company had losses totalling \$79,761 for the six month period ended June 30, 2000 compared to losses of \$314,314 for the same period ended June 30, 1999. This was a decrease of approximately 75% compared to the same period twelve months prior, due primarily to reductions in operating costs. Production at the Mineral Park Mine decreased 14% to 2,604,899 pounds of copper in 2000 at an average cash cost of U.S. \$0.85 per pound.

Sales decreased 7.1% directly from \$2,636,501 (1999) to \$2,448,094 (2000) as a result of lower production. The average copper price of U.S. \$0.81 per pound realized was approximately U.S. \$0.01 less than the previous year.

Depreciation and depletion charges decreased approximately 93% primarily due to the asset impairment charge of \$1,085,189 taken during the year ended December 31, 1999.

Liquidity and Cash Resources

Working capital increased 252% to \$639,448 in the six months ended June 30, 2000 from \$181,549 in the six months ended June 30, 1999. Operating activities used \$206,638. Financing activities provided \$521,770 from intercompany loans from the parent company. Investing activities used \$39,638 for the purchase of property, plant, and equipment.

Year ended December 31, 1999 compared to Year ended December 31, 1998

Results of Operations

The Company had net losses increase 111% to \$1,929,403 in the year ended December 31, 1999 from \$915,120 in the year ended December 31, 1998. The increase in the net loss is primarily a result of declining flow rate and copper grade. Production at the Mineral Park Mine decreased by 3.2% to 5,889,251 pounds of copper at an average cash cost of U.S. \$0.92 per pound.

Sales decreased 6% to \$4,802,233 in the year ended December 31, 1999 from \$5,125,303 in the year ended December 31, 1998 directly as a result of lower copper production. The average copper price of U.S. \$0.806 per pound realized was approximately U.S. \$0.024 less than the previous year.

EMP adopted the provisions of SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of* in 1996. SFAS No. 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As a result, EMP regularly monitors the provisions of SFAS No. 121. In 1999, EMP recognized \$1,085,189 in an impairment charge to property, plant, and equipment resulting from adverse trends in the copper industry.

The deferred tax assets increased 23% to \$4,125,000. The deferred tax assets represent the tax benefits of net operating loss carryforwards and accruals and reserves not currently deductible. The majority of this

asset is offset by a valuation allowance of \$3,782,000 which is the result of EMP's operating losses. The remaining \$343,000 of deferred tax assets is fully offset by a \$343,000 deferred tax liability which represents the difference in the basis of fixed assets for book and tax purposes.

Liquidity and Cash Resources

Working capital decreased approximately 52% from \$584,867 in the year ended December 31, 1998 to \$278,260 in the year ended December 31, 1999. Operating activities used \$273,698. Financing activities provided \$136,776 due to intercompany loans from the parent company. Investing activities used \$26,371 for the purchase of property, plant, and equipment.

Employees and Personnel of EMP

EMP currently employs 25 persons on a full time basis. None of these employees are represented by a labour union or covered by a collective bargaining agreement.

The Company estimates that the expanded Mineral Park Mine will require an additional 4 salaried and 18 hourly employees at full production. Salaried positions will include technical, professional, and supervisory. Hourly positions will include labourers, equipment operators and maintenance personnel. The Company foresees no difficulty in obtaining all the entry level and skilled personnel required for the Mineral Park Mine expansion.

Summary and Analysis of Financial Operations of Silver Eagle

The following discussion and analysis is based on Silver Eagle's results of operations and financial position prior to giving effect to the Acquisition of EMP and should be read in conjunction with the consolidated financial statements of Silver Eagle and related notes included elsewhere and hereby incorporated in this Information Circular.

Overview

The Company has historically been a resource development company focused on the acquisition and exploration of mineral properties and therefore has no regular cash flow from operations. The level of operations has been determined by the availability of capital resources. To date private placements and joint venture partners have provided funding. Acquisitions have been accomplished through mergers and share exchanges.

Silver Eagle's property holding costs for the 1999 financial year (a period of 9 months) were approximately US\$175,000, of which US\$100,000 was paid by joint venture partners. With the addition of Mineral Park Mine and increased activity in Chile, the Company anticipates holding costs to increase to approximately US\$300,000 per year, of which, approximately one-half will be elective or paid by joint venture partners.

Title Matters

The Mineral Resources on the Mineral Park Property are all located on patented ground and the Company has obtained a title report confirming that EMP has title insurance for the land comprising the Mineral Park Mine. However, the validity of unpatented mining claims, which constitute part of the undeveloped property holdings of Silver Eagle and EMP in the U.S.A., is often uncertain and may be contested by governmental and third parties. Although Silver Eagle has attempted to acquire satisfactory title to its undeveloped property it does not, in accordance with mining industry practice, generally obtain title opinions or title insurance until a decision is made to develop a property, with the attendant risk that some titles, particularly titles to undeveloped properties, may be defective.

In addition, as disclosed above, Silver Eagle is in default with respect to making payments under certain of its property acquisition agreements. Failure to bring such payments up-to-date or to renegotiate payment terms could result in the Company losing its rights to those properties.

Permits and Licenses

The operations of Silver Eagle require licenses and permits from various governmental authorities. Silver Eagle believes it presently holds all necessary licenses and permits to carry on the activities which it is currently conducting, and that it is presently complying in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that Silver Eagle will be able to obtain and maintain, at all times, all necessary licenses and permits required to place its properties into commercial production and to operate mining facilities thereon or to allow for the expansion of the Mineral Park Mine following acquisition by the Company. In the event of commercial production the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the property.

Environmental, Health and Safety Regulation of Mining Industry

Mining operations are subject to federal, provincial and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Mining operations are also subject to federal, provincial and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. No assurance can be given that environmental standards imposed by federal, provincial or local authorities will not be changed or that any such changes would not have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages, which it may not insure against.

No History of Earnings

Silver Eagle has no history of earnings or the provision of a return on investment, and there is no assurance that the Mineral Park Mine, following acquisition and expansion, will continue to generate earnings, operate profitably or provide a return on investment in the future. Silver Eagle has not paid

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Name of Holder	Number of Common Shares Subject to Option	Nature of and Reason for the Grant	Exercise Price	Expiry Date	Market Value on Date of Grant ⁽¹⁾
Fred B. Brost	268,900	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
Bonnie Roripaugh	165,000	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
Marvin A. Mitchell	30,000	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
Adeliado Gutierrez	20,000	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
Cesar Romero	20,000	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
Robert Moon	10,000	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
Linda L. Dufek	7,500	Incentive Stock Options	\$0.30	Aug. 22/02	\$0.22
J. Michael Sierakoski	300,000	Incentive Stock Options	\$0.32	Mar. 2/03	\$0.39
Michael B. Lindeman	375,000	Incentive Stock Options	\$0.32	Mar. 2/03	\$0.39
Bohdan T. Antoniewski	486,300	Incentive Stock Options	\$0.21	Oct. 27/03	\$0.19
Gary L. Simmerman	486,300	Incentive Stock Options	\$0.21	Oct. 27/03	\$0.19
Michael L. Surratt	486,300	Incentive Stock Options	\$0.21	Oct. 27/03	\$0.19
David B. Hackman	300,000	Incentive Stock Options	\$0.21	Oct. 27/03	\$0.19
Joe Wilkins	100,000	Incentive Stock Options	\$0.21	Oct. 27/03	\$0.19
Ann D. Wolfe	50,000	Incentive Stock Options	\$0.21	Oct. 27/03	\$0.19

⁽¹⁾ The SER Common Shares were halted on May 29, 2000 and closed at \$0.40 per share on that day.

Warrants

Following completion of the RTO and the Offering there will be warrants outstanding to purchase an aggregate of 423,430 SER Common Shares in addition to the Warrants, Agent's Warrants, Placement Warrants and Agent's Placement Warrant which are described elsewhere herein. The following table sets forth all such warrants outstanding to purchase an aggregate of 423,430 SER Common Shares:

Name of Holder	Number of Common Shares Subject to Warrant	Nature of and Reason for the Grant	Exercise Price	Expiry Date	Market Value on Date of Grant ⁽¹⁾
Michael B. Lindeman	182,000	Private Placement warrants	\$0.43	Dec. 18/00	\$0.18
David B. Hackman	45,500	Private Placement warrants	\$0.43	Dec. 18/00	\$0.18
Fred B. Brost	45,500	Private Placement warrants	\$0.43	Dec. 18/00	\$0.18
J. Michael Sierakoski	78,930	Private Placement warrants	\$0.43	Dec. 18/00	\$0.18
Christine Slanker	45,500	Private Placement warrants	\$0.43	Dec. 18/00	\$0.18
Charles F. Volk	30,000	Private Placement warrants	\$0.43	Dec. 18/00	\$0.18

⁽¹⁾ The SER Common Shares were halted on May 29, 2000 and closed at \$0.40 per share on that day.

There are no assurances that the options, warrants or other rights described above will be exercised in whole or in part.

Performance or Escrow Securities

Pursuant to an agreement (the "Escrow Agreement") to be entered into among the Company, Montreal Trust Company of Canada (the "Escrow Agent") and other security holders of the Company set out below (collectively, the "Escrowed Shareholders"), the Escrowed Shareholders will deposit in escrow their securities, including the Shares issued to EMNA pursuant to the Acquisition, (collectively, the "Escrowed Securities") with the Escrow Agent. It is anticipated that the Escrow Agreement will provide that the Escrowed Securities will be released from escrow in equal tranches at 6 month intervals over the 18 months following the date of issue, with 25% being released in each tranche and the first 25% being released on the date of closing of the Acquisition.

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Agreement unless the transfers or dealings with escrow are:

- (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Company's board of directors;
- (ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;
- (iii) transfers upon bankruptcy to the trustee in bankruptcy; and
- (iv) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow.

Tenders of escrow securities to a take-over bid are permitted provided that, if the tenderer is a principal of the successor company upon completion of the take-over bid, securities received in exchange for tendered escrowed securities are substituted in escrow on the basis of the successor company's escrow classification.

The following table sets for details of the issued and outstanding securities of the Company that are subject to the Escrow Agreement:

Escrowed Security Holder	No. of Escrowed Securities	Percentage of Outstanding Shares ⁽¹⁾
Equatorial Mining North America, Inc.	23,060,875	33.44%
J. Michael Sierakowski	3,107,413 Shares and 300,000 options	4.51%
Michael Surratt	2,580,645 Shares and 486,300 options	3.74%
Bohdan Antoniewski	2,580,645 Shares and 486,000 options	3.74%
Michael Lindeman	712,782 ⁽²⁾ Shares and 375,000 options	1.03%
Raymond Lee	25,000 Shares	0.04%

⁽¹⁾ Assuming 14,000,000 Units are issued under the Offering representing the anticipated minimum number of Units that could be sold to raise \$5,600,000, 833,333 Units are issued in connection with the Special Warrant Private Placement and no warrants or options of the Company are exercised prior to the completion of the RTO.

The Escrow Agreement provides that in the event of the bankruptcy or death of an escrowholder the Trustee, on written notification to the CDNX, may transmit the escrowholder's securities by operation of the law to the trustee in bankruptcy, executor, administrator, personal representative, surviving joint tenant or such other person as it legally entitled to become the registered owner of the securities, but, notwithstanding such transmission, the securities shall remain in escrow subject to the terms and conditions of the Escrow Agreement.

MINERAL PARK (P) MOUTHE
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1995

TECHNICAL EXCELLENCE AWARDS ENTRY



Arizona Consulting
Engineers Association

Project: Surface Water Control Project
Owner: Cyprus Mineral Park Corporation
Engineer:  Dames & Moore

Introduction

"The surface water control project is a key component to a larger resource recovery effort by Cyprus at Mineral Park. Cyprus is using state-of-the-art copper production and environmental control systems to improve copper production and protect surface and ground water resources."

Rana Medhi, Cyprus Project Manager

The Operation - The Mineral Park mine is located in Mohave County, Arizona, near the town of Kingman. The mine is owned and operated by Cyprus Mineral Park Corporation, a division of Cyprus Climax Metals Company of Tempe, Arizona. The mine was acquired by Cyprus in 1986 from the Duval Corporation. The mill/concentrator/tailing operation is inactive and Cyprus now produces copper by leaching sulphide ore previously placed in the Hardy Dump and in several in-pit heaps of blasted rock. Copper is extracted from the pregnant leachate solution in an iron launder process.

The Project - In conjunction with a plan to replace the outdated iron launder with a more efficient solvent extraction/electrowinning (SX/EW) process, Cyprus decided to develop a plan to improve control of process solutions in Mineral

Park Wash, prevent off-site discharges, and clean up previously-impacted stretches of the Wash. The surface water control project for Cyprus' Mineral Park facility was conceived in late 1992 and constructed in 1994. Completion of the SX/EW facilities and the surface water control facilities have positioned the Mineral Park mine to produce copper in an economical and environmentally responsible manner well into the 21st Century.

1995 ACEA Technical Excellence Award Entry - This package of supplemental information has been prepared to support the entry of the Mineral Park Wash Surface Water Control Project for a technical excellence award. The submittal contains information on the following aspects of the project:

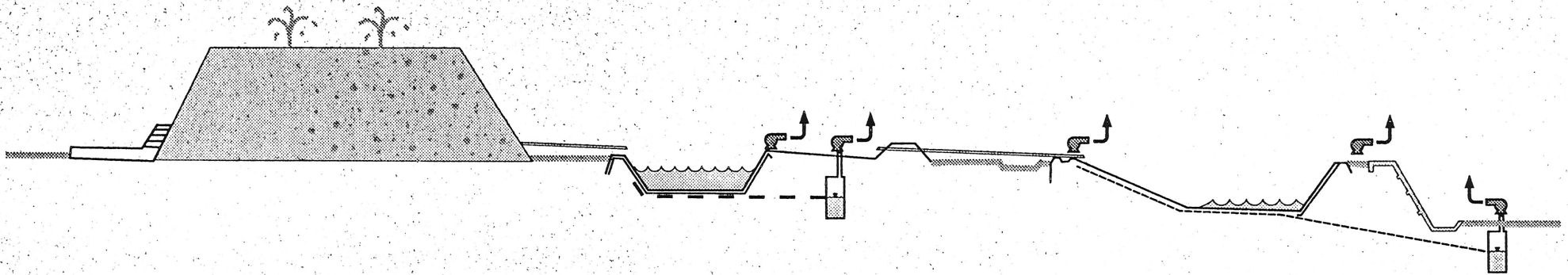
Cyprus' Needs
Problems
Innovations

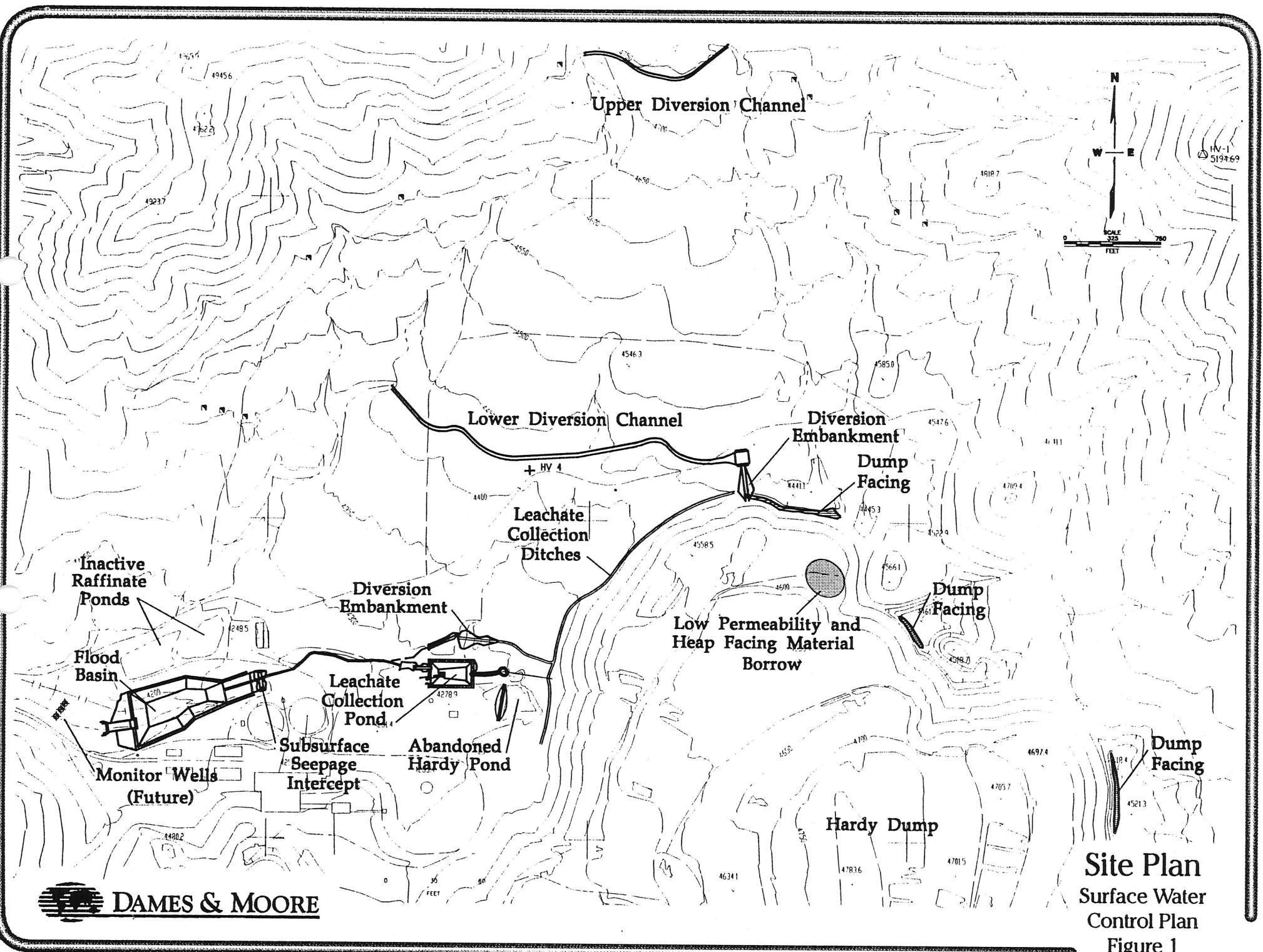
Implementation
Project Components
Acknowledgements

The submittal contains two oblique aerial site photographs with overlay sheets to identify the location and title of principal features of the Project. Two graphic figures present the various components of the Project:

Figure 1 - Site Plan

Figure 2 - Schematic





Site Plan
Surface Water
Control Plan
Figure 1

Cyprus' Needs

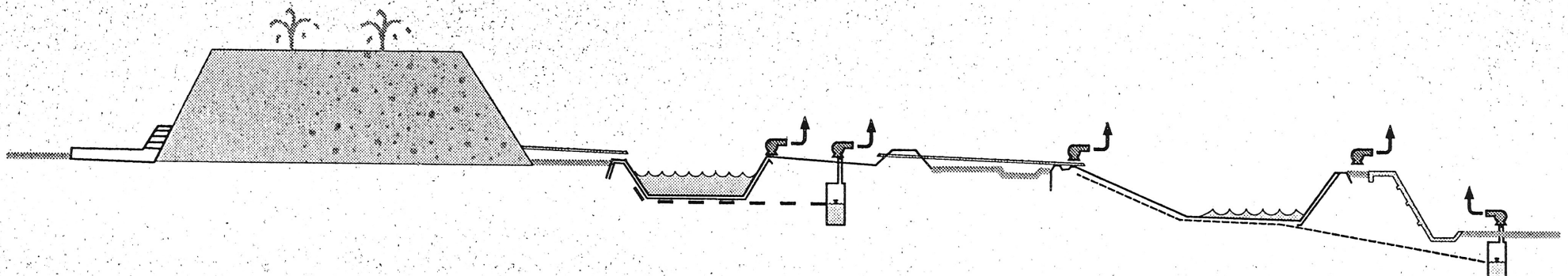
Improved leachate recovery - Cyprus decided that it must improve the leachate collection systems at the Hardy Dump if the firm proceeded with a new SX/EW copper leaching process to extract copper from leachate. The majority of the copper-bearing leachate from the Hardy Dump seeped from the toe of the dump and was collected in a series of unlined, silt-filled basins known as the "Hardy Pond". Leachate within the dump seeped into the underlying alluvium (silts, sands, and gravels) in the base of wash channel. The subsurface seepage discharged downstream at undefined locations.

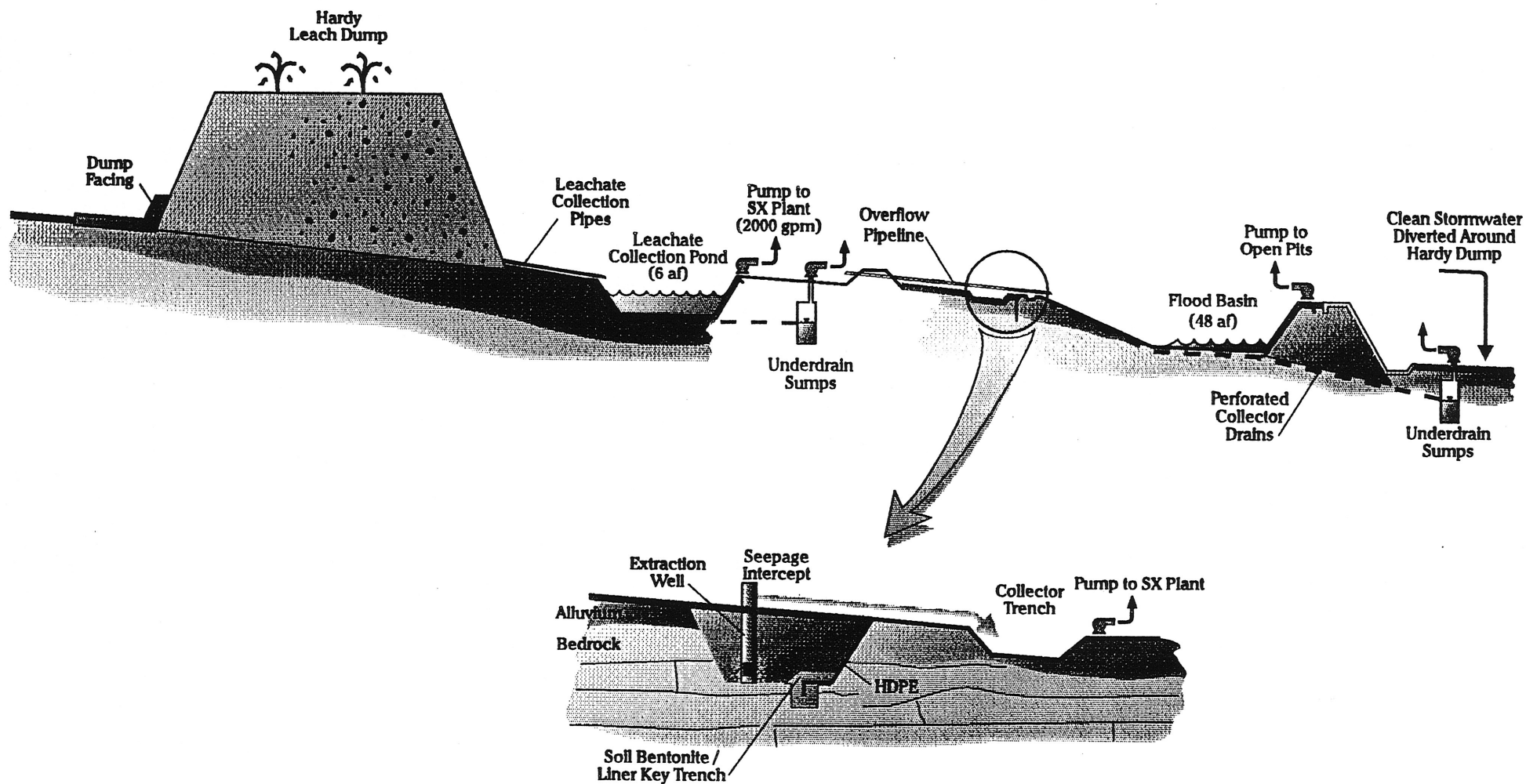
Additional storage, pumping, and overflow protection - The limited capacity of the Hardy Pond and problems with electricity availability for pumps caused pond overflows during storms and, occasionally, during normal operations. Although the flows were diverted onto the tailing dam approximately a mile downstream and did not leave the property, the flows impacted stretches of Mineral Park Wash and carried valuable copper far from the processing area.

Aquifer Protection Permit - Cyprus recognized that if it continued to operate the facility, Arizona Department of Environmental Quality (ADEQ) would require submission of an Aquifer Protection Permit (APP) application in 1995. As a result, Cyprus would have to upgrade the storm water control system to meet ADEQ design standards and eliminate discharges of process water to Mineral Park Wash.

Innovative ways to meet ADEQ requirements - Aquifer Protection Permit guidelines require mines to ensure that there can be no discharge of impacted water from mine facilities during the 100-year, 24-hour design storm. Cyprus needed to identify innovative and cost-effective ways to:

- decrease the quantity of impacted water;
- divert clean water so that it did not become impacted; and/or
- retain impacted water to prevent discharge.





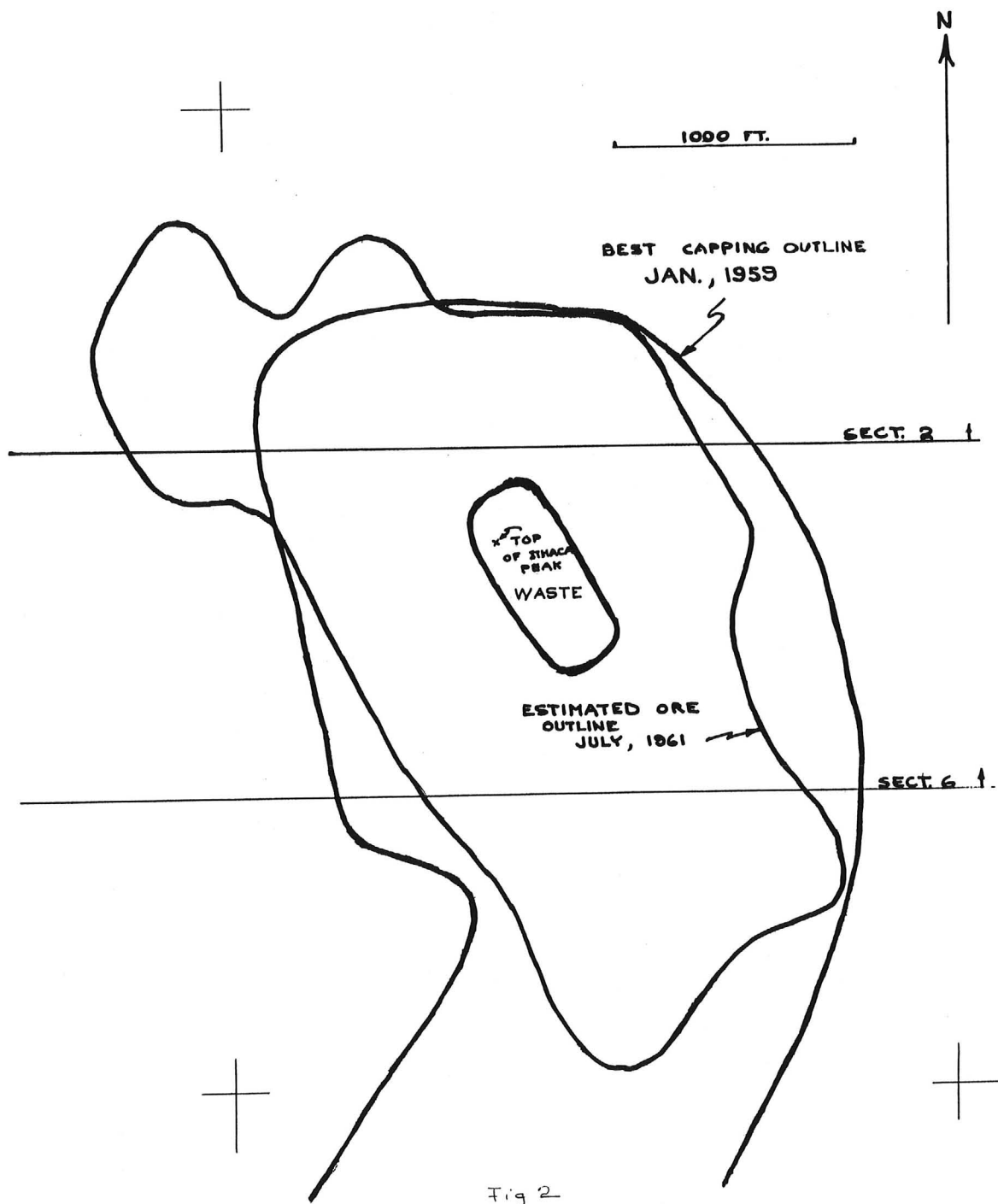


Fig 2
ITHACA PEAK ORE BODY

**Tailing
Dam**

**Mohave County
Diversion Dam**

**Mineral Park
Wash**

**Flood
Basin**

**Leachate
Collection
Pond**

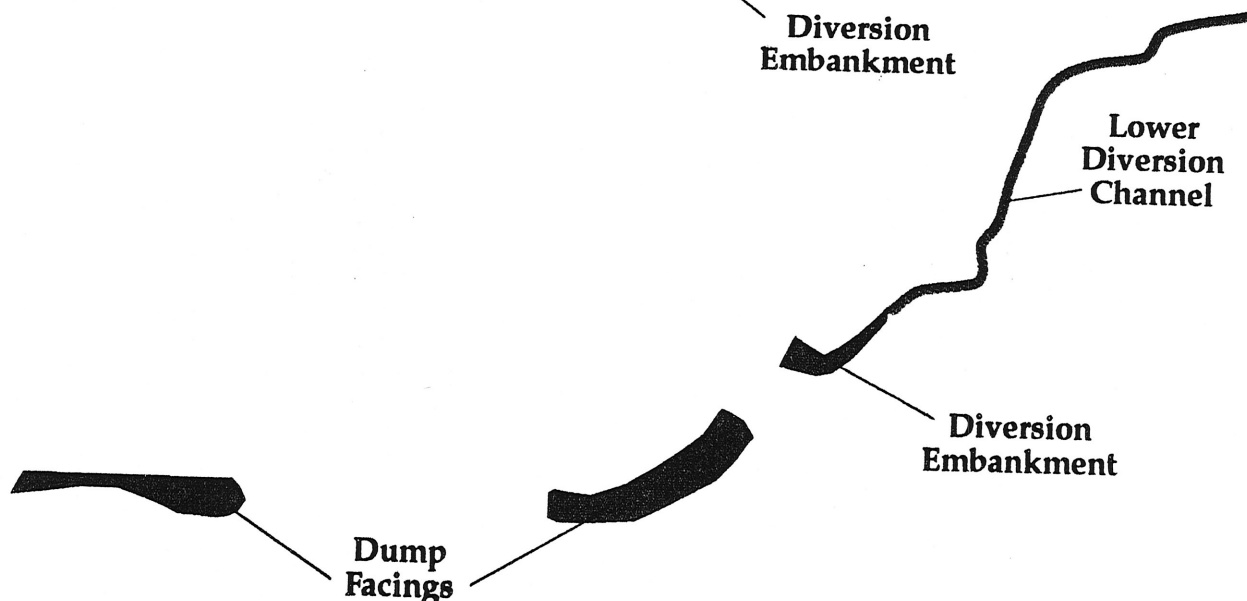
**Diversion
Embankment**

**Lower
Diversion
Channel**

**Diversion
Embankment**

**Dump
Facings**

**Mineral Park Mine
(looking east)**
Surface Water
Control Plan
Photograph 1



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Innovations

Dames & Moore identified several innovative design opportunities which use site conditions to satisfy the demanding retention and remediation requirements of the project:

- **diversion** of unimpacted runoff around the process areas;
- **retention** of runoff upstream of the Hardy Dump reduces the rate at which runoff reports to the process area;
- **flushing** of downstream impacted sections of the Wash with clean stormwater will reduce the impact of decades of mining; and
- **coordination** with the overflow protection and secondary containment needs of the SX/EW project.

Upper Diversion Channel reduces stormwater runoff - Dames & Moore hydrologists identified a topographic oddity high in the drainage to the north of the Wash. A relatively short diversion channel would divert 320 acres of runoff to below the Flood Basin from the Hardy Dump.

Lower Diversion Channel drains water ponded against Hardy Dump - The lower diversion channel intercepts runoff from approximately 90 acres, but also serves as an overflow for 470 acres of runoff ponding against the north side of the Hardy Dump. By draining water ponded against the dump before it

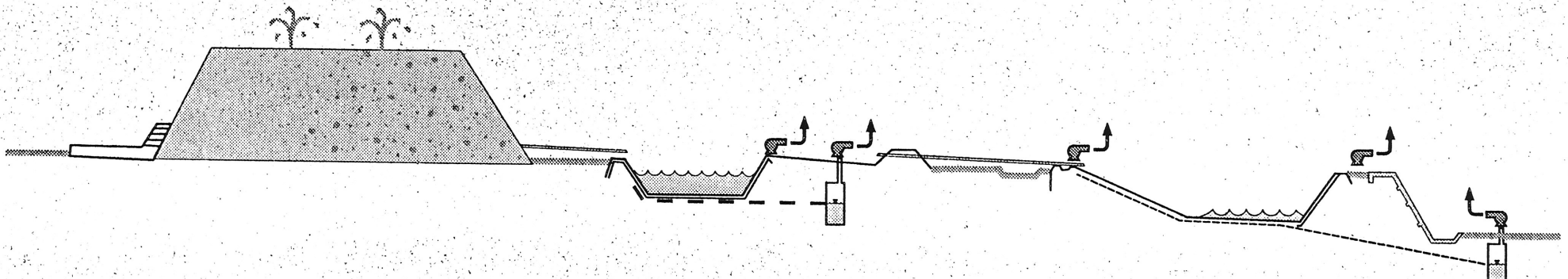
becomes impacted by contact with mine wastes, the volume of water reporting to the Flood Basin is drastically reduced.

Dump facings allow pumps to remove impacted water - Cyprus staff reported that stormwater tended to pond against the Hardy Dump and that toe seepage from the Dump remained at elevated levels for several weeks following large storm events. The design team relied on the lagging effect of the dump to delay stormwater flows to the Flood Basin and to allow use of large capacity pumps to empty the Flood Basin into inactive open pits on the property.

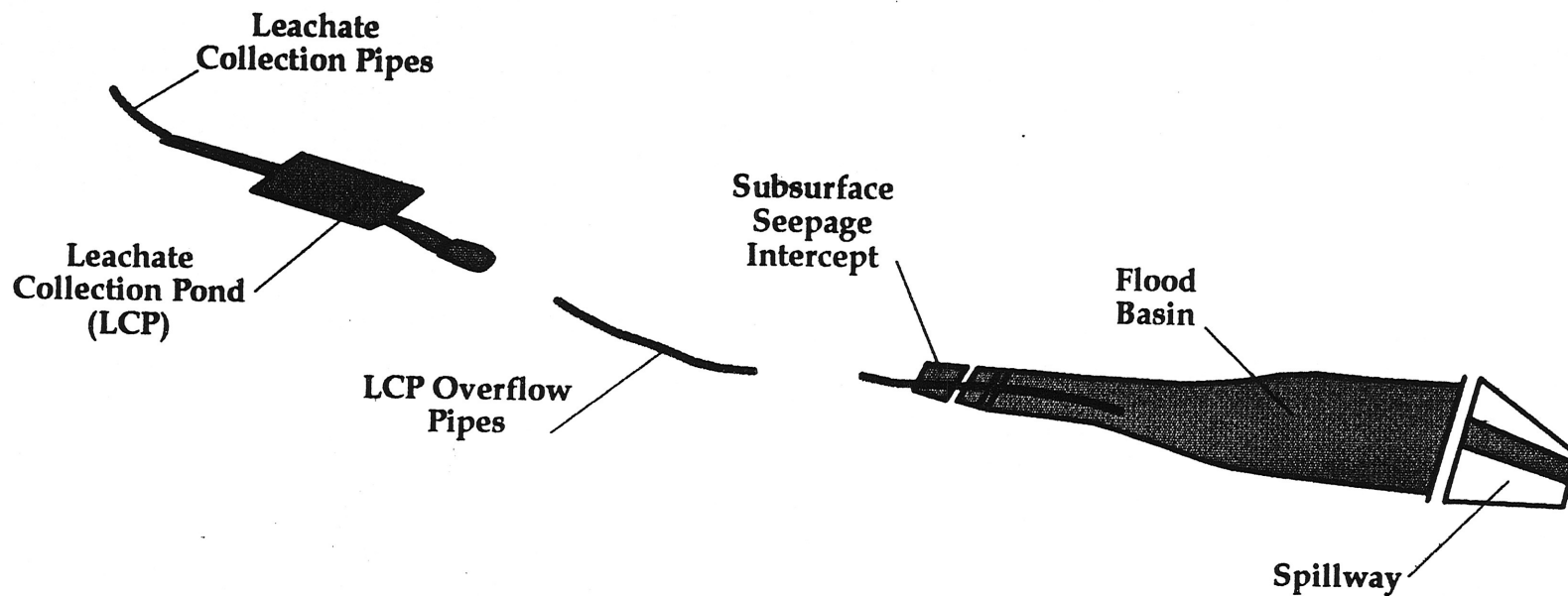
"Dames & Moore's concept for use of dump facings and diversion ditches allowed a major reduction in the required size of the Flood Basin. The dump facings are not only tremendously cost-effective, but they can be expanded easily at any time."

Rana Medhi, Cyprus Project Manager

Site drainage improvements - The surface water control project offered an opportunity to improve overall site drainage around the Wash. Runoff is controlled around the new SX/EW facilities, new ditches and culverts have been installed, and off-site runoff of impacted water is prevented. Unusual flows resulting from process upsets in the SX/EW facilities drain to the Flood Basin where they can be recovered with minimal effort.

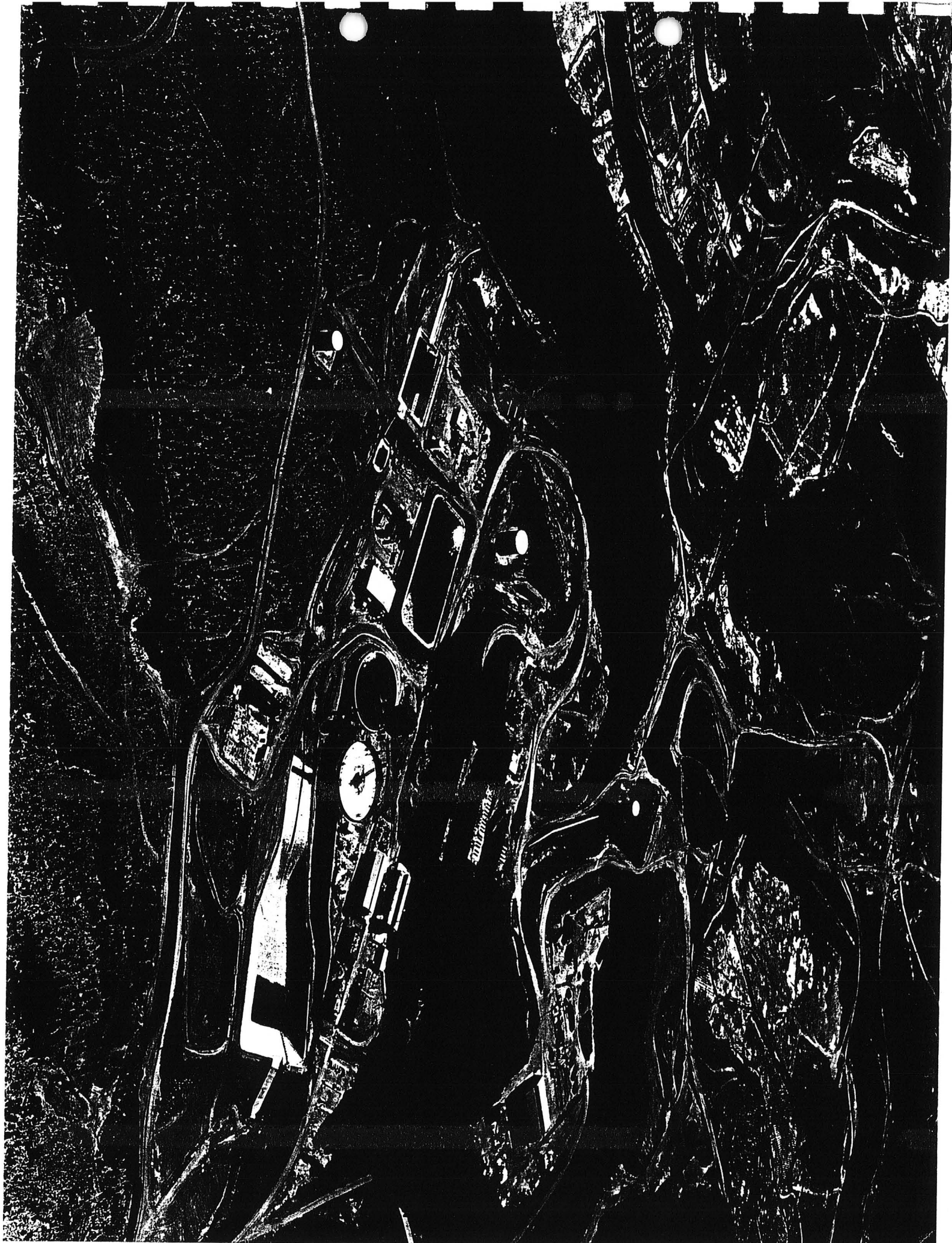


**Hardy
Dump**



**Mineral Park Mine
(looking south)**

Surface Water
Control Plan
Photograph 2



Implementation

"Dames & Moore brought a multi-disciplined group of engineers and scientists to the project team. The long-standing relationship between key Cyprus and Dames & Moore staff resulted in a team approach to problem-solving which produced more innovative solutions than the traditional client-consultant relationship."

Rana Medhi, Cyprus Project Manager

From concept to reality in two years - The overall stormwater control concept was developed by Dames & Moore and Cyprus in late 1992 and presented to ADEQ for review and comment. Following ADEQ concurrence, field investigations and final design began in mid-1993 and were finished in early 1994. Permitting began immediately after completion of design. Construction started in April 1994 and was completed in November 1994.

Design review by ADEQ - Since the mine would need to get an APP within a couple of years, it was prudent to coordinate the design and construction activities with ADEQ staff. Following review of the concept in late 1992, ADEQ provided two critical assurances:

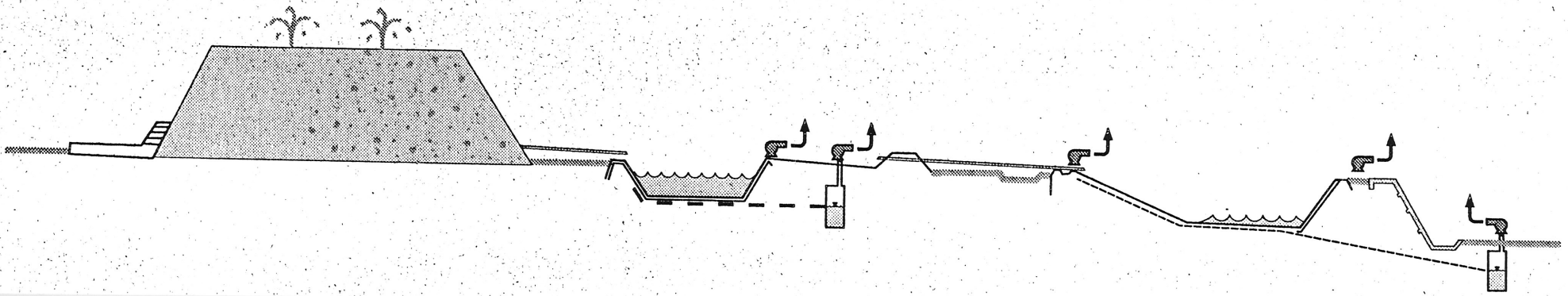
- construction of the project did not, by itself, trigger early submission of an APP application for the facility; and

- the design complied with "Best Available Demonstrated Control Technology" (BADCT) requirements and would not have to be upgraded at a later date.

Dam Permitting by ADWR - The Flood Basin dam was sufficiently large to require a construction and operation permit from ADWR's Safety of Dams Division. Key factors considered by ADWR included hydrology, foundation conditions, embankment fill and stability, seepage, spillway capacity and design, and downstream inhabitants. In their review of the design and actual construction, ADWR paid particular attention to the following unusual conditions and associated design challenges:

- use of HDPE and bentonite mat to limit embankment seepage;
- soft and weak foundation and abutment soils;
- use of french drains to drain seeps in the reservoir area to sumps located at the downstream toe of the dam; and
- use of a spillway within an earthen embankment dam.

The design team worked closely with ADWR staff during the final stages of design and throughout construction to develop the required demonstrations of design adequacy and cost-effective solutions to unexpected conditions encountered during construction.



Project Components

Upstream Dump Facings - The lagging effect of the Hardy Dump was increased by constructing dump facings in three separate areas using fine-grained mine wastes. Clayey sand was compacted against the face of the Dump in areas where stormwater tends to pond. Cyprus can monitor performance of the system and increase the height or lateral extent of the facings to improve the lagging effect. The system will be "fine-tuned" over the next few years.

Diversion Dam - The Diversion Dam is a small embankment which controls overflow from ponded areas on the north side of the Hardy Dump. The embankment directs overflow into the Lower Diversion Ditch and prevents uncontrolled flow down to the Leachate Collection Pond. The Dam also has a low level gravity outlet.

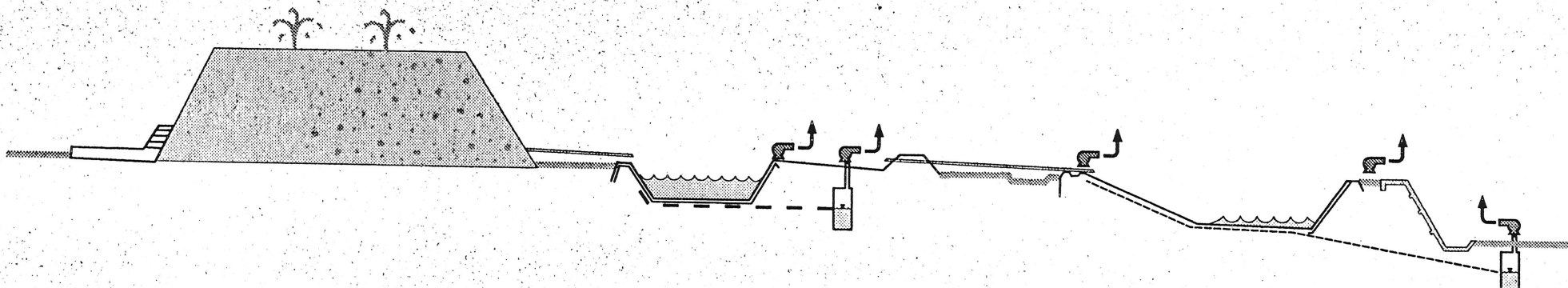
Upper Diversion Ditch - The Upper Diversion Ditch diverts the runoff from 320 acres in the upper reaches of the drainage basin into a natural wash which drains into Mineral Park Wash below the new Flood Basin.

Lower Diversion Ditch - The Lower Diversion Ditch diverts peak flows intercepted by the north side of the Hardy Dump and intercepts overland flow from an additional 90 acres. The minimum depth and width of the ditch are 4 and 10 feet, respectively.

Leachate collection pipes and headwalls - Concentrated flows emerge from the toe of the Hardy Dump at several locations. Cyprus will install small headwalls and pipes to collect these surface flows and convey them to the Leachate Collection Pond.

Leachate Collection Pond (LCP) - The LCP, located at the toe of the Hardy Dump, is the primary facility for collection of pregnant leachate solution produced by the Hardy Dump. The pond is lined with dual HDPE flexible membrane liners, separated by a leak detection and recovery layer. The outlet works include a vertical pipe with inlets which can be closed from the bottom up if siltation occurs. The LCP has a total capacity of 6 acre-feet (af), comprising an operating capacity of 1.5 af and an emergency capacity of 4.5 af corresponding to the capacity required to prevent overflow during a 12 hour power outage.

LCP Spillway - The majority of flows reaching the Flood Basin will flow through the LCP. The concrete LCP spillway will pass the peak flows resulting from the 100-year, 24-hour design storm. Overflows impound behind a small headwall and enter two 24-inch diameter HDPE pipes which convey flows to the Flood Basin. Any blockage of the HDPE pipes will cause an overflow of the headwall, but will not jeopardize the integrity of the LCP or Flood Basin.



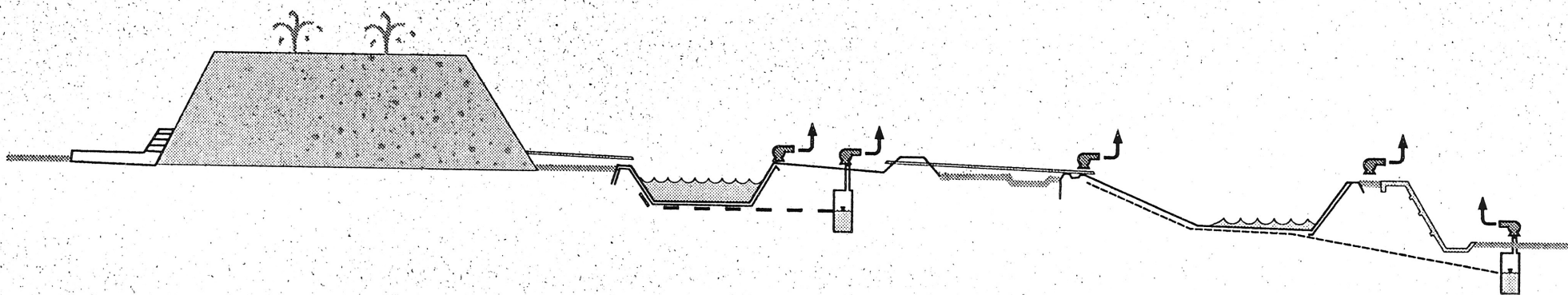
Project Components (continued)

Seepage Intercept Trench - The purpose of the seepage intercept trench is to dewater the alluvium and fractured bedrock that comprise the base of the wash. The trench would ideally have been located further upstream, but the depth to bedrock at the toe of the Hardy Dump was over 40 feet. The trench was excavated to a foundation of relatively intact bedrock; an HDPE flexible membrane liner was installed against the downgradient side of the trench to form a barrier (see Figure 2). Since the bedrock elevation is relatively uniform and did not allow complete containment, a buried dewatering system was installed upgradient of the barrier to prevent flows from going around the edges of the liner.

Flood Basin - The Flood Basin was formed by damming Mineral Park Wash and excavating a contoured basin behind the dam. The basin has a capacity of 48 acre-feet at spillway level. The basin is lined with an HDPE flexible membrane liner to prevent loss of impounded water. A low-flow pumpback trench at the upstream end of the basin allows minor flows to be collected and pumped without activating the main Flood Basin pumps. The outlet of the basin is a 24-inch diameter HDPE pipe which penetrates the embankment. Two vertical turbine pumps are mounted in shafts that connect to the main outlet pipe.

Flood Basin Dam - The dam is 43 feet high with a crest width of 15 feet and crest length of 350 feet. The embankment is composed of a homogenous earthfill excavated from the basin area. The fill was placed on a foundation excavated to bedrock. The north abutment consists of undisturbed terrain under one of the inactive raffinate ponds. The south abutment consisted of relatively loose fill. The upstream face of the dam is lined with an HDPE flexible membrane liner overlying a low permeability bentonite mat. The reinforced concrete spillway is 50 feet wide and can pass the 100-year, 24-hour storm.

French drains and pumpbacks - The LCP and Flood Basin are underlain by a series of french drains which collect subsurface seeps and relieve uplift pressures on the HDPE liners. Although there is no single way to intercept all the subsurface flows, the majority of the flows will be captured by the network of french drains and seepage intercepts. The french drains consist of a gravel-filled trench containing a perforated collection pipe. The drains were installed to drain seep areas identified during construction. Collected seeps flow under the embankments and into buried sumps installed with automatic pumpback systems. The intercepted flows are recycled in the mine's leach system.



Acknowledgements

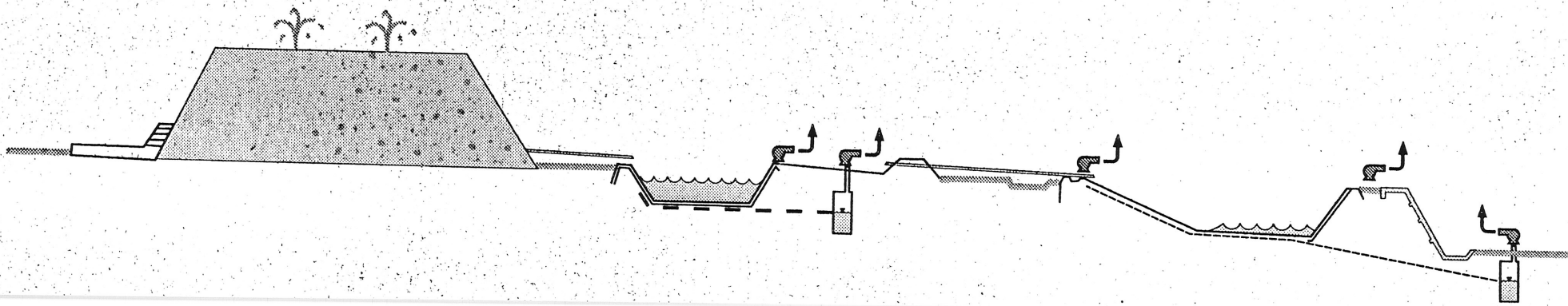
The project could not have been completed without the cooperation and positive contributions of many parties. Of prime importance, of course, has been the commitment of **Cyprus Climax Metals Company** to environmental excellence and "doing the right thing". The genesis and duration of the project have been such that not all key players still have the same responsibilities, but Cyprus employees who have played key roles in the authorization and implementation of the project include Gene Consalus, P.K. Rana Medhi, George Veatch, Bill Hadden, George Burns, Eric Peterson, and Scott Yocum.

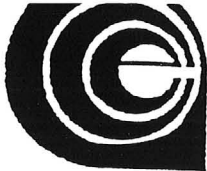
The fast track nature of design and construction of the project has required the active support and contribution of two Arizona regulatory agencies, ADEQ and ADWR. Ed Pond, Mike Wood, and Pat Finton of ADEQ provided timely review, advice, and concurrence with key design concepts to allow the project to move forward. Bill Jenkins, Gerry Cox, and John Linksweller of ADWR provided insightful and constructive review comments during design and construction which have improved the quality of the completed project; their efforts to prioritize permitting of the project are much appreciated.

The **Dames & Moore** design team included Sandy Gourlay, Paul Axelrod, Jeff Irvin, Kevin Somerville, Rod Eisenbraun, and Pat Leslie. Gourlay, as engineer of record and project principal, was responsible for development of the overall concept of the stormwater control project. Axelrod, as project manager and design engineer, was responsible for the detailed design, dealing with ADWR, construction inspection, and design modifications during construction.

M3 Engineering was responsible for design of the separate SX/EW project and contributed to the design of the Flood Basin outlet works.

The project was constructed under the same contract as the new SX/EW copper production facilities. **The Industrial Company (TIC)** was the general contractor and earthworks were subcontracted to **Robinson Construction**. TIC performed all concrete and mechanical work. Synthetic liner materials were installed by **Universal Linings**. Field quality control testing was the responsibility of **Western Technologies, Inc.**





APPLICATION
ACEA TECHNICAL EXCELLENCE AWARD

Submittal deadline is Friday, December 2, 1994

Firm Name: Dames & Moore

Name of Individual Contact Within Firm: Mr. Alexander W. Gourlay, P.E.

(Address) 7500 North Dreamy Draw Drive, Suite 145

(City, Zip) Phoenix, Arizona 85020

(Phone) (602) 371-1110

Title of Project: Surface Water Control Project, Mineral Park Wash

Category: F - Water Resources

Project Location: Mineral Park, near Kingman, Arizona

Owner's Name: Cyprus Mineral Park Corp.

Address: HC37 Box 500, Kingman, Arizona 86402

Client's Name (if different from owner): Mr. Eric Peterson

Client's Phone: (602) 565-2226

Rating Guidelines for Judging:

- | | |
|--|------|
| 1. Meeting and Exceeding Owner's/Client's Needs | 30% |
| 2. Originality/Uniqueness-New Application of Existing Techniques | 25% |
| 3. Social/Economic Considerations | 15% |
| 4. Technical Value to Engineering Profession | 15% |
| 5. Complexity | 15% |
| | 100% |

- A. Description of the Problem:** Mineral Park Wash, which runs through the heart of the processing area of the mine, collected uncontrolled low-pH process water flows and carried them outside the process area. New environmental regulations required improved control process waters and separation of storm and process waters.

(Please continue on reverse side.)

- B. Role of Firm In Project:** Dames & Moore developed the overall concept for the surface water control project, developed an associated concept for mine closure, negotiated design details with ADEQ and ADWR, developed a final design and bid package, and inspected construction progress.
- C. How Did Project Meet/Exceed Owner's/Client's Needs:** The project effectively separates process and storm water, improves the collection of valuable copper-pregnant leachate solutions, and moves the mine one large step closer to obtaining a key environmental permit. The project not only minimizes future environmental impacts, but also allows nature to clean up previously-impacted areas of the mine.
- D. Describe Project Originality/Uniqueness/New Application of Existing Techniques:** The project consists of 20 to 25 separate components, few of which are individually unique or unusual, but which are combined in an economical and efficient solution to a multi-faceted problem. Sophisticated hydrologic modeling was necessary to justify the project's reliance on diversion and lagging of off-site runoff; reducing the quantity of immediate contaminated runoff is critical to the feasibility of the project. Mine wastes were used as construction materials. The suitability of manufactured materials, such as HDPE and bentonite mat, was demonstrated to state regulatory agencies in the absence of suitable on-site borrow sources.
- E. Describe Social/Economic Considerations:** The State of Arizona's efforts to improve environmental performance of copper mines directly impacts the viability of smaller, older properties. The project minimizes future environmental impacts and allows natural flushing to clean up previously-impacted areas of the mine. The project will improve recovery of valuable process water and dramatically reduce the potential for discharge of process waters. The technical and financial feasibility of the project were key factors in assuring the future of the mine.
- F. Describe Technical Value to Engineering Profession:** The project shows that it is possible to bring an old mine into compliance with new environmental control requirements. Immediate runoff quantities and rates can be dramatically decreased by diverting clean flows and lagging the runoff of impacted waters. Storage and pumpbacks can be feasible means to prevent off-site discharge of contaminated stormwater.
- G. Complexity:** The success of civil/earthwork project of this type relies on the relatively unpredictable performance of soil and rock as construction materials. This project uses natural and manufactured construction materials in unusual applications. The complexity of the project derives from the inter-related performance of the many components and the need for balance between appropriate design conservatism and construction budget.
- H. Supplemental Information may be supplied, but NOT to exceed 15 pages and NOT to be larger than 11' x 17".**

Return application and \$25.00 submittal fee to: ACEA Excellence Awards Committee, 24 W. Camelback Road, Suite M, Phoenix, AZ 85013, no later than Friday, December 2, 1994. If you have any questions call 264-4871.

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SCHEDULE A Independent Valuation	

Problems

Mineral Park Wash is an historic mining district - The mine's active and abandoned processing facilities are situated on the banks of the Wash on the north side of the property. The Wash, which has been the center of mining activities for over 100 years, consists of rugged terrain which has been excavated, backfilled, and graded many times over the intervening years. The Wash contained an accumulation of construction debris, remnants of structures, and other material.

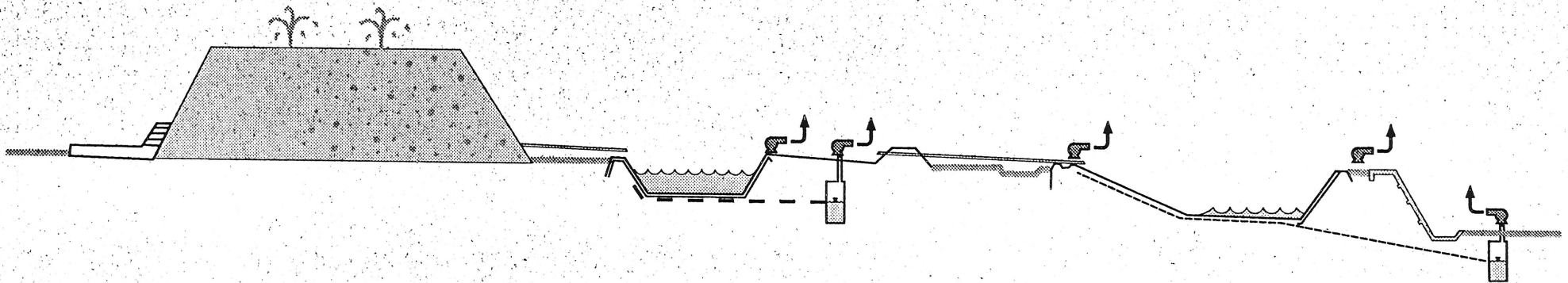
Control of 100-year, 24-hour storm runoff - To meet the requirements of ADEQ's APP program, the mine has to prevent discharge of process water in the 100-year, 24-hour design storm. Without diversion or delay, the design storm (4.4 inches of rain in 24 hours) would cause 540 acre-feet of impacted runoff requiring capture and treatment.

The Wash offered limited reservoir opportunities - Constraints included questionable abutment conditions, a narrow drainage offering minimal storage capacity, and the need to site the reservoir above a downstream tributary. The only feasible site for a dam and reservoir would require permitting by Arizona Department of Water Resources (ADWR) Safety of Dams Division and excavation of a basin to achieve the maximum feasible storage capacity of 48 acre-feet, or less than ten percent of the initial required capacity estimate of 540 acre-feet.

The geology of Mineral Park Wash is complex - Copper mines are generally associated with complex geology, often including severe alteration and weathering of host rocks. The bottom of the Wash consists of alluvial soil deposits varying from zero to 45 feet in depth, underlain by a weathered, fractured granite bedrock. Early investigations indicated that there was a significant subsurface flow of low pH water and that the alluvium thinned downstream of the Hardy Dump. There were no locations at which a cutoff wall could be constructed to provide complete containment.

Subsurface seepage was extensive and unpredictable - Water quality data suggests that there are several different types of seeps in the alluvium and bedrock. Dames & Moore concluded early in the project that a single barrier would not control all the seeps. A series of seepage intercepts, french drains, and pumpback systems could be used to collect the subsurface flows incrementally.

Limited resources - Mineral Park is currently a relatively small mine lacking the resources to take on one the most broad-ranging surface water control projects in an Arizona copper mine. From the beginning, the design team knew that it had to be innovative in its technical solutions and selection of construction materials to control the constructed cost of the project.



SUMMARY

The following is a summary of certain information contained elsewhere in this Information Circular including the schedules hereto. Certain capitalized terms used in this summary are defined elsewhere in this Information Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein.

The Meeting

Time, Date, and Place of Meeting

The Special Meeting (the "**Meeting**") of Silver Eagle Resources Ltd. ("**Silver Eagle**" or the "**Company**") will be held on Friday, November 3, 2000 at 10:00 a.m. (Vancouver time), at 10th Floor 595 Howe Street, Vancouver, British Columbia.

Purposes of the Meeting

At the Meeting, shareholders will be asked to consider the following:

1. to pass an ordinary resolution (the "**Acquisition Resolution**"), with or without variation, ratifying and approving the agreement (the "**Acquisition Agreement**") dated for reference May 29, 2000 among Silver Eagle, Equatorial Mining North America, Inc. ("**EMNA**") and Equatorial Mineral Park, Inc. ("**EMP**"), providing for the acquisition (the "**Acquisition**" or the "**RTO Transaction**" or the "**RTO**") by Silver Eagle of all of the issued and outstanding shares of EMP, authorizing the issue of 23,060,875 (pre-consolidation) common shares of Silver Eagle (the "**SER Common Shares**") for all of the issued common shares of EMP (the "**EMP Common Shares**") and authorizing the directors to decide when or whether or not to proceed with the transaction, subject to the terms of the Acquisition Agreement. See "Approval of Acquisition of the Issued Shares of Equatorial Mineral Park, Inc.";
2. to pass a special resolution, with or without variation, approving the consolidation of Silver Eagle's issued common shares on a 1 (new)-for-5 (old) basis and the increase of the authorized capital to an unlimited number of common shares and the amendment of the Silver Eagle's Articles accordingly and authorizing the directors to decide when or whether or not to proceed with the consolidation. See "Approval of 1-for-5 Consolidation and Increase of Authorized Capital";
3. to pass a special resolution, with or without variation, approving a change of name of Silver Eagle to "Mercator Minerals Ltd." or such other name as may be acceptable to the Directors, the Yukon Registrar of Corporations and the Canadian Venture Exchange Inc. and approving an amendment of the Articles of Silver Eagle accordingly and authorizing the directors to decide when or whether or not to proceed with the name change. See "Approval of Change of Name";
4. to pass an ordinary resolution, with or without variation, ratifying and approving the establishment of a Stock Option Plan by Silver Eagle, subject to regulatory acceptances. See "Approval of Stock Option Plan"; and
5. to transact such further or other business as may properly come before the meeting and any adjournments thereof.

The RTO Transaction

Summary of Transaction, Resulting Issuer and Business

Acquisition Agreement

Pursuant to the Acquisition Agreement dated for reference May 29, 2000 among Silver Eagle, EMNA and EMP, Silver Eagle has agreed to purchase from EMNA all of EMP Common Shares in consideration for the issue by Silver Eagle of 23,060,875 (pre-consolidation) SER Common Shares at a deemed price of \$0.40 per share. EMNA is a wholly owned subsidiary of Equatorial Mining Limited ("**Equatorial**"). Equatorial is an Australian publicly traded corporation whose common shares are listed on the Australian Stock Exchange. Equatorial is 94% owned by AMP Life Limited, one of Australia's largest super-annuation (pension) funds.

The Acquisition is subject to a number of specified conditions, including the approval of the issuance of SER Common Shares pursuant to the Acquisition by an ordinary resolution of the shareholders of Silver Eagle, Silver Eagle raising net proceeds of at least \$5,000,000 under the Offering (as hereinafter defined) and the acceptance of the Acquisition by the Canadian Venture Exchange Inc. ("**CDNX**").

Escrow Agreement

It is anticipated that the 23,060,875 (pre-consolidation) SER Common Shares to be issued to EMNA will be held, together with certain other securities of Silver Eagle owned by principals of Silver Eagle upon completion of the RTO, pursuant to an escrow agreement which will provide that such shares will be released as to 25% on the date of the CDNX notice approving the Acquisition, and 25% every 6 months thereafter until all are released on the date which is 18 months after the date of the CDNX notice.

New Directors

Upon the completion of the Acquisition, the board of Silver Eagle will be reconstituted and be comprised of Michael L. Surratt, J. Michael Sierakoski, Michael D. Lindeman, Bohdan (Bob) Antoniewski, Gavin Thomas, and Robert J. Quinn.

See "Disclosure of Silver Eagle, RTO and Resulting Issuer – Directors, Officers, Promoters and 10% Shareholders".

Resulting Issuer

Silver Eagle is a Yukon company and the SER Common Shares are listed on the CDNX. The Acquisition will constitute a reverse takeover of Silver Eagle as defined under the policies of the CDNX which Silver Eagle must complete in accordance with the policies of the CDNX. The business of EMP will be the most significant part of the business of Silver Eagle upon completion of the Acquisition.

EMP, an Arizona based mining company, operates the Mineral Park Mine in Mohave County, Arizona. The Mineral Park Mine has an operating history of over 30 years. It was converted to a leach-solvent extraction-electrowinning operation in September 1994. The Company engaged an independent engineer, David W. Armstrong ("**Armstrong**"), to prepare an independent report of the reserves and resources at the Mineral Park Mine. Armstrong produced a report dated June 23, 2000 titled "Review of the Mineral Resources and Ore Reserves, Mineral Park Mine, Kingman, Arizona" (the "**Armstrong Reserve Report**"). The following material is extracted from the Armstrong Reserve Report. The Ore Reserves are contained within the Mineral Resources in the reporting.

Mineral Resources (based on a 0.10% total copper cutoff grade; includes reserves) Pit Area

Measured	164,526,000 tons @ 0.22% total copper
Indicated	39,381,000 tons @ 0.21% total copper
Total	203,907,000 tons @ 0.21% total copper

Dumps

Indicated	106,000,000 tons @ 0.08% total copper
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Ore Reserves (based on a 0.10% total copper cutoff grade)

Pit Area

Proven	40,156,000 tons @ 0.26% total copper
Probable	2,688,000 tons @ 0.25% total copper
Total	42,959,000 tons @ 0.26% total copper

Dumps

Probable	106,000,000 tons @ 0.08% total copper
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For disclosure of the business and affairs of EMP, see "Disclosure of Silver Eagle, RTO and Resulting Issuer".

Business Objectives - Mine Expansion

The business objective which Silver Eagle expects to achieve using the funds available upon completion of the Acquisition and the Offering (defined below) are to increase capacity and output at the Mineral Park Mine from its current capacity of 11,000,000 pounds of cathode copper per year and present output of 5,000,000 pounds of cathode copper per year to 30,000,000 pounds of cathode copper per year. It plans to do this by resuming active mining and modifying the existing processing facilities to increase capacity. See "Disclosure of Silver Eagle and EMP, the RTO and the Resulting Issuer – Description of Business – Business Objectives".

Financing

As a condition of the closing of the RTO and to finance Silver Eagle's proposed expansion of the Mineral Park Mine and for Silver Eagle's immediate capital and operating requirements as well as to provide for general working capital, Silver Eagle has entered into a letter of intent dated May 4, 2000 (the "**Offering LOI**") with Haywood Securities Inc. (the "**Agent**") for an offering (the "**Offering**") of units (the "**Units**") for minimum gross proceeds of \$5,500,000 qualified by a prospectus of Silver Eagle (the "**Prospectus**"). Each Unit will consist of one SER Common Share and one common share purchase warrant (a "**Warrant**"), each Warrant entitling the holder to purchase an additional SER Common Share for one year. Under the Offering LOI, the Agent will use its best efforts to raise a minimum of \$5.5 million under the Offering at a price per Unit to be determined by Silver Eagle and the Agent. The exercise price of the Warrants will also be determined at a future date. In consideration of their services in raising money under the Offering, the Company will pay the Agent a fee of \$50,000, 8% of the gross proceeds raised under the Offering and warrants (the "**Agent's Warrants**") equal in number to 10% of the number of Units sold. Each Agent's Warrant will be exercisable for one year to acquire a Unit.