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Phoenix, AZ, 85012
602-771-1601
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inquiries@azgs.az.gov

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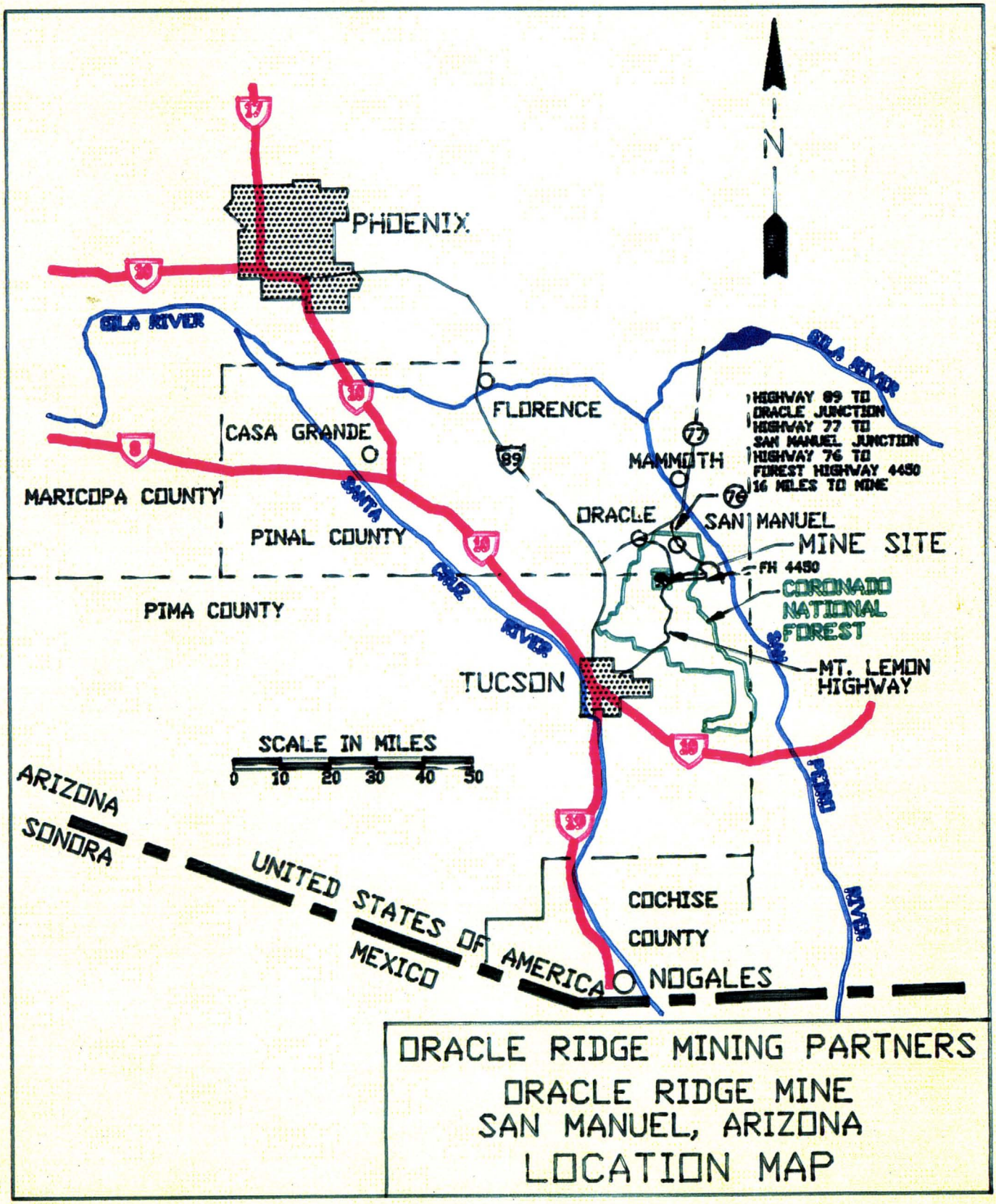
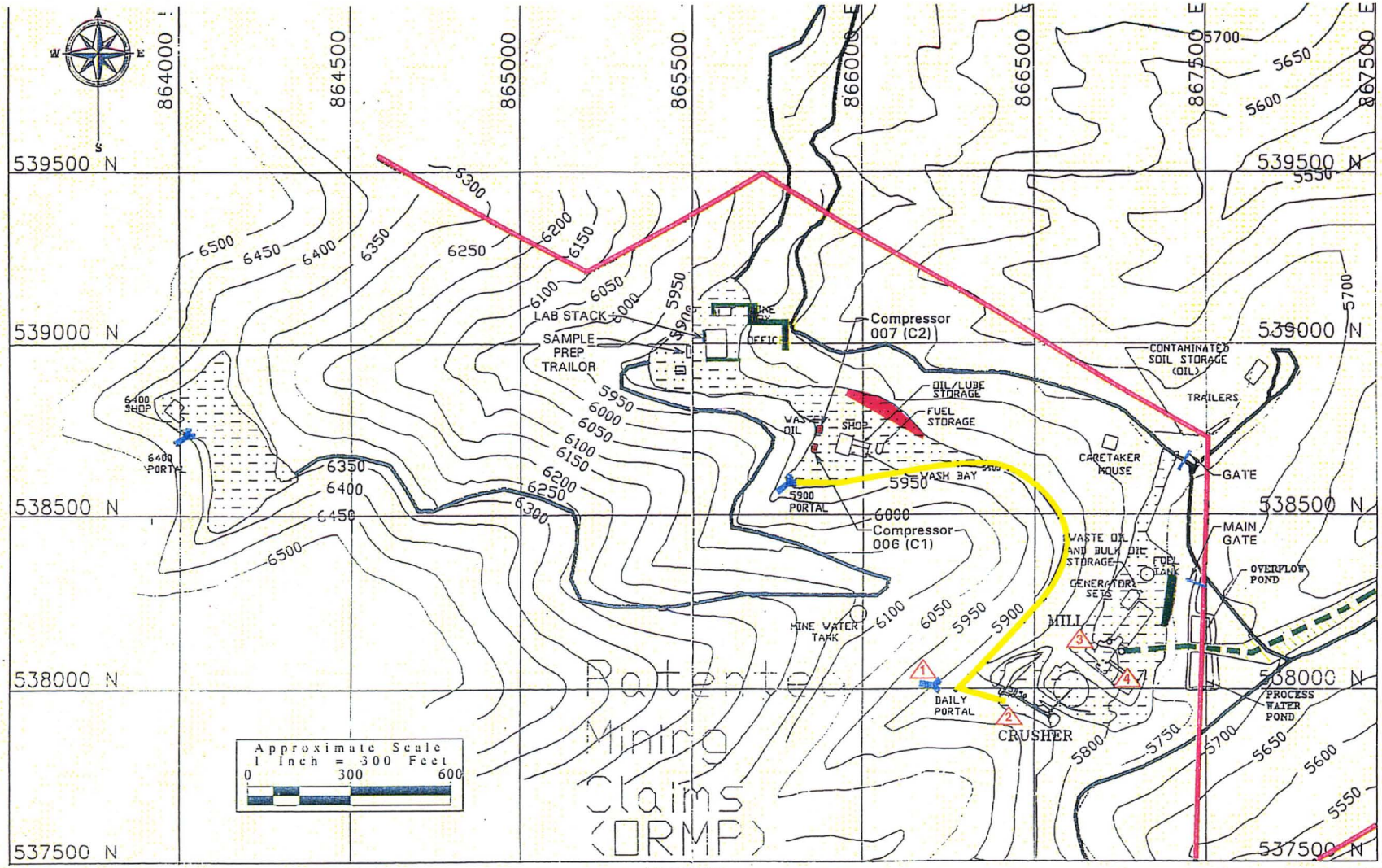
6/7/96
Omeal Ridge
sections

Grades of Blocks dilluted 15% dillution based on grades in holes both hanging wall & footwall.

Many blocks based on 1 hole.
Block - 11 highest grade 2x rest of mine.
Au/Ag values.

Not enough Drilling
low & Zones
to low Develop costs
to low Assay costs
Grade?? Need detailed Drilling within Stopes.
Zones 1 & 2 are real - the rest is
Enough hole in 1 & 2 to say grade is OK ± 10-15%


N
PHOENIX
GILA RIVER
CASA GRANDE
FLORENCE
MARICOPA COUNTY
PINAL COUNTY
PIMA COUNTY
SANTA CRUZ RIVER
TUCSON
MAMMOTH
ORACLE
SAN MANUEL
MINE SITE
FH 4450
CORONADO NATIONAL FOREST
MT. LEMON HIGHWAY
HIGHWAY 89 TO ORACLE JUNCTION
HIGHWAY 77 TO SAN MANUEL JUNCTION
HIGHWAY 76 TO FOREST HIGHWAY 4450
16 MILES TO MINE
SCALE IN MILES
0 10 20 30 40 50
ARIZONA
SONORA
UNITED STATES OF AMERICA
MEXICO
COCHISE COUNTY
NOGALES
SAN PEDRO RIVER
ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
SAN MANUEL, ARIZONA
LOCATION MAP



Facility Processes

1. Ore Mining
2. Ore Crushing
3. Ore Grinding
4. Ore Concentrating
5. Tailings Disposal (see Figure 2)

LEGEND

- General Roads, Dirt
- Claim Boundaries
- Tailings Pipeline
- Mine Portals
- Waste Pads and Dumps
- USFS Special Use Permit

LEGEND

- Contour Interval = 50 Feet
- External Haul Roads, Dirt
- Vehicle Parking, Gravel
- Equipment Parking, Gravel
- Gates

NOTE: Tailings pond and well access roads not shown are gated at main road.

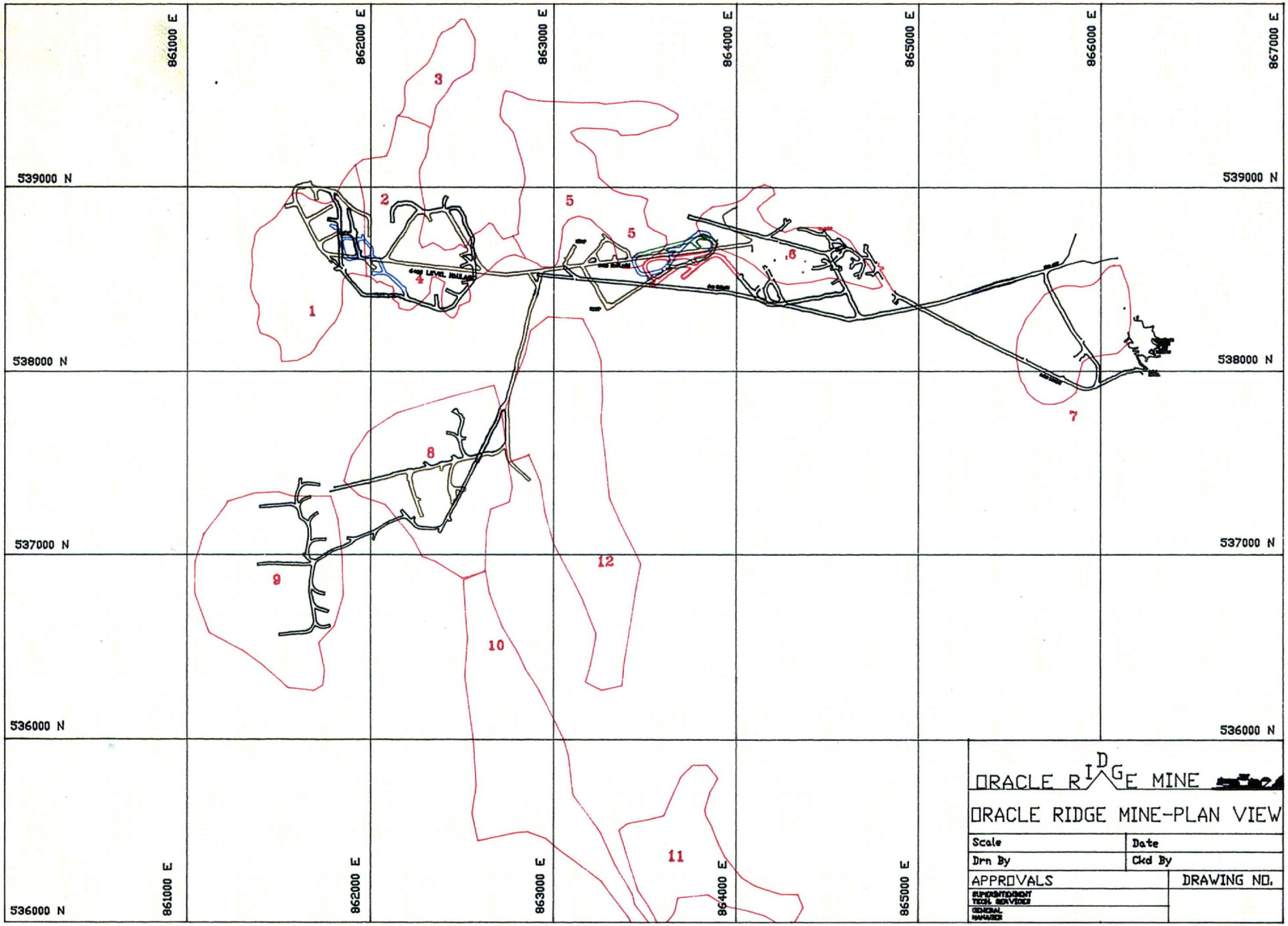
ORACLE RIDGE MINE
Oracle Ridge Mining Partners
San Manuel, Arizona

DETAILED SITE PLAN

FIGURE 3

KLEINFELDER
Project Number 52-1381-01

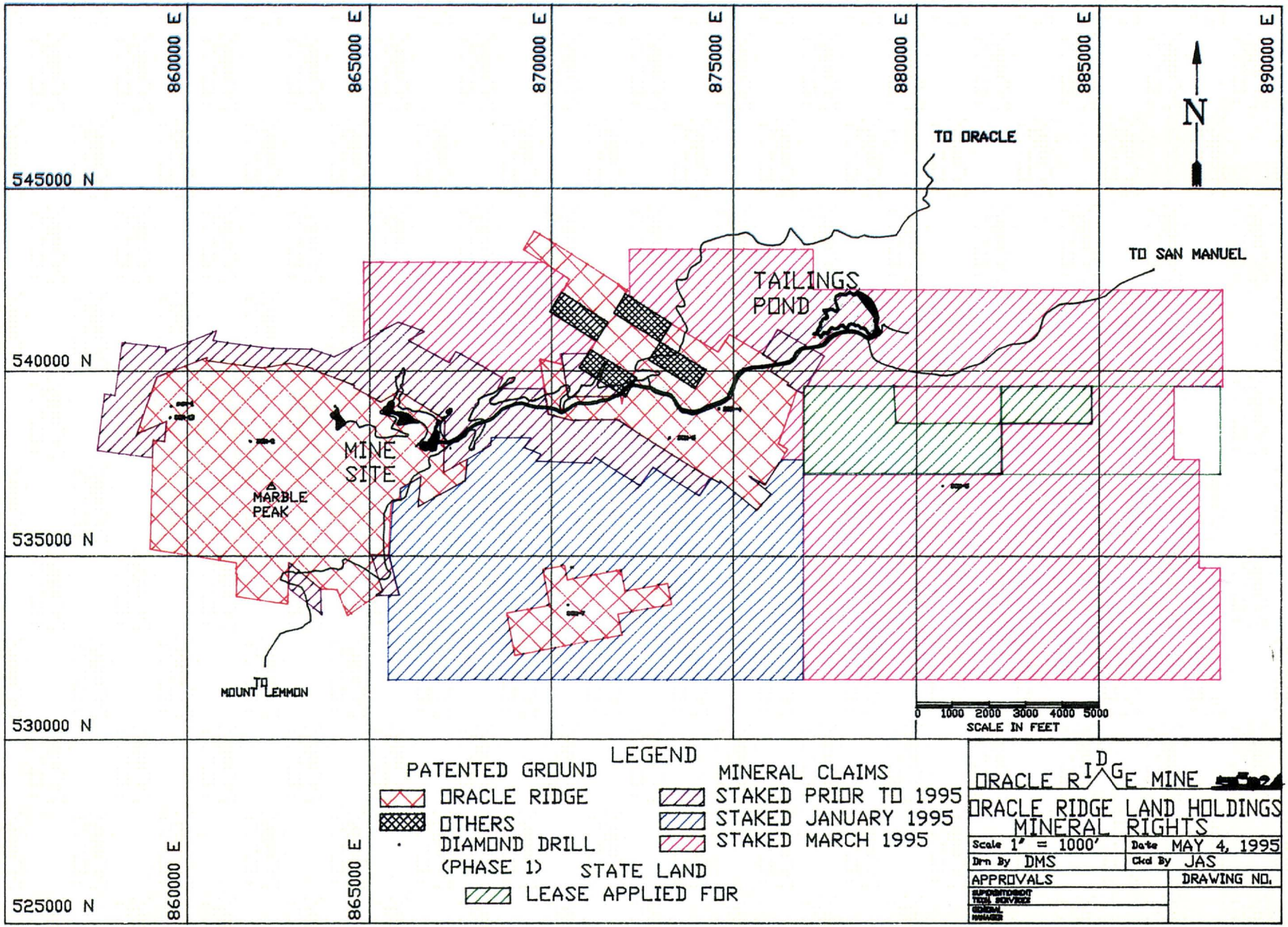
January 19

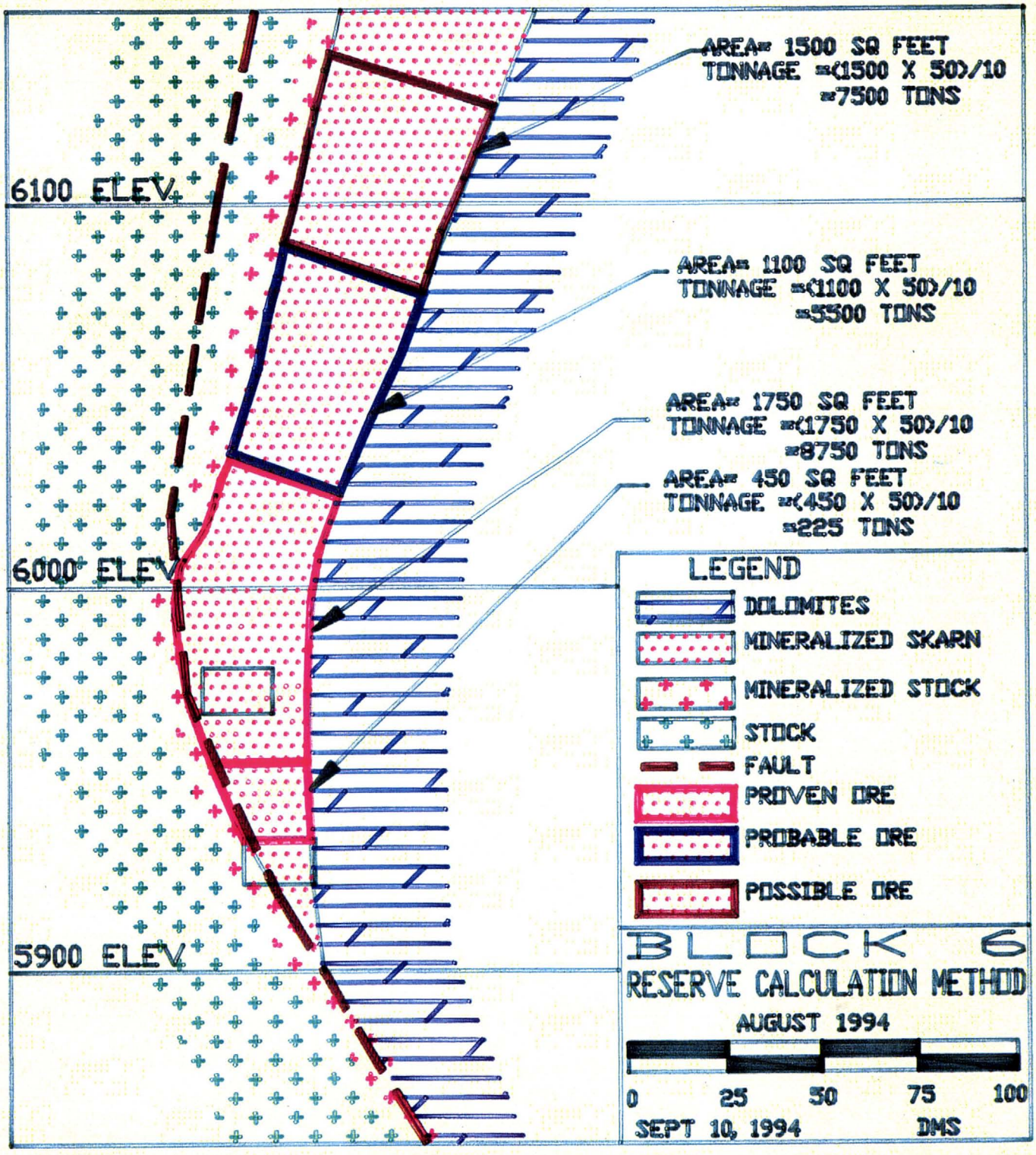


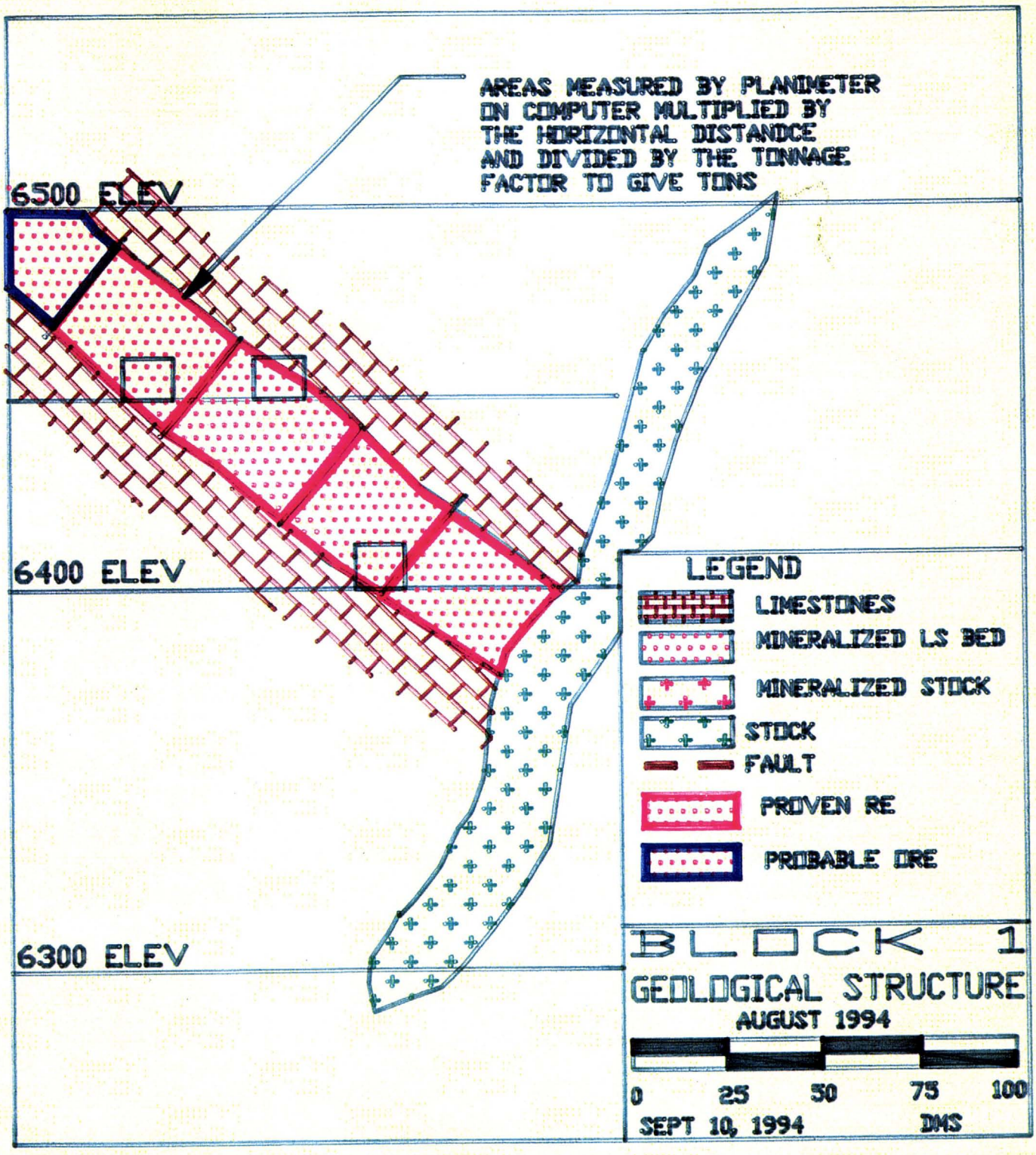
ORACLE RIDGE MINE

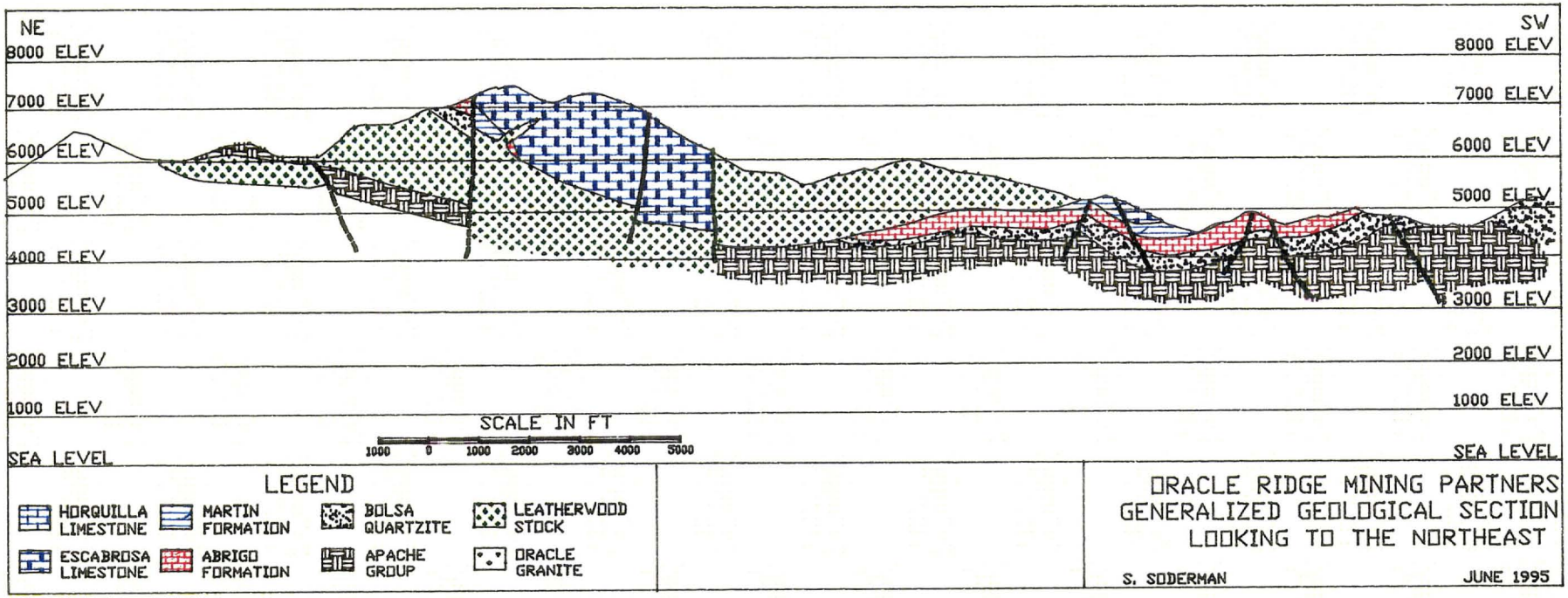
ORACLE RIDGE MINE-PLAN VIEW

Scale	Date
Drn By	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES GENERAL MANAGER	


860000 E
865000 E
870000 E
875000 E
880000 E
885000 E
890000 E
545000 N
540000 N
535000 N
530000 N
525000 N
N
TO ORACLE
TO SAN MANUEL
TAILINGS POND
MINE SITE
MARBLE PEAK
TO MOUNT LEMMON
0 1000 2000 3000 4000 5000
SCALE IN FEET
LEGEND
PATENTED GROUND
ORACLE RIDGE
OTHERS
DIAMOND DRILL (PHASE 1)
STATE LAND LEASE APPLIED FOR
MINERAL CLAIMS
STAKED PRIOR TO 1995
STAKED JANUARY 1995
STAKED MARCH 1995
ORACLE RIDGE MINE
ORACLE RIDGE LAND HOLDINGS
MINERAL RIGHTS
Scale 1" = 1000'
Date MAY 4, 1995
Drn By DMS
Ckd By JAS
APPROVALS
DRAWING NO.

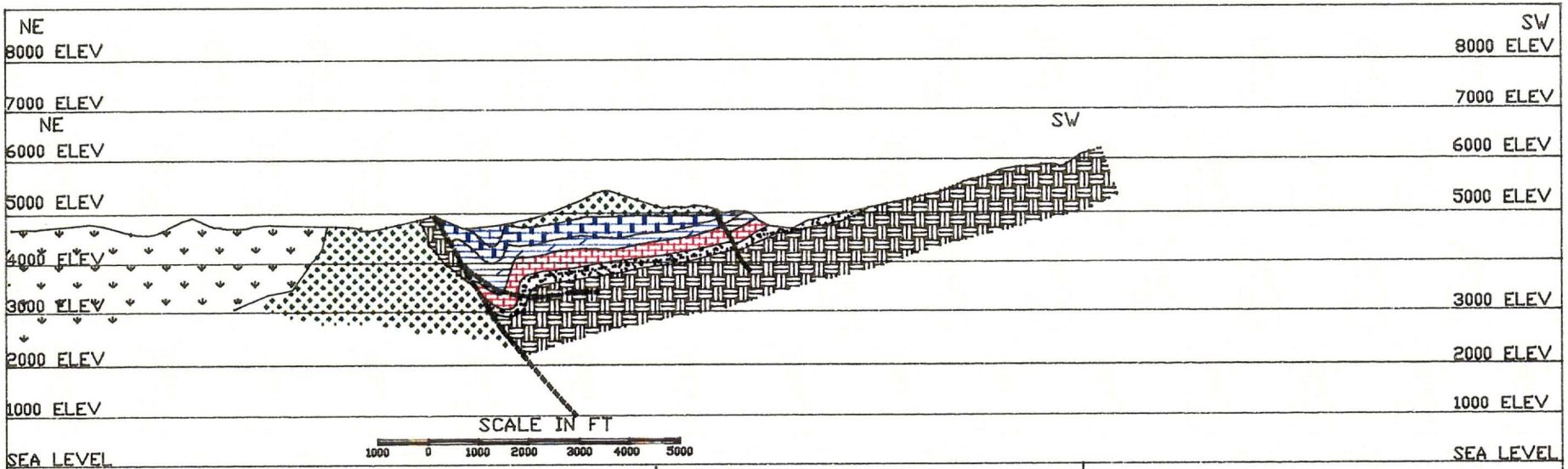

AREA= 1500 SQ FEET
TONNAGE =(1500 X 50)/10
=7500 TONS
6100 ELEV.
AREA= 1100 SQ FEET
TONNAGE =(1100 X 50)/10
=5500 TONS
AREA= 1750 SQ FEET
TONNAGE =(1750 X 50)/10
=8750 TONS
AREA= 450 SQ FEET
TONNAGE =(450 X 50)/10
=225 TONS
6000 ELEV.
LEGEND
DOLOMITES
MINERALIZED SKARN
MINERALIZED STOCK
STOCK
FAULT
PROVEN ORE
PROBABLE ORE
POSSIBLE ORE
5900 ELEV.
BLOCK 6
RESERVE CALCULATION METHOD
AUGUST 1994
0 25 50 75 100
SEPT 10, 1994 DMS


AREAS MEASURED BY PLANIMETER
ON COMPUTER MULTIPLIED BY
THE HORIZONTAL DISTANDCE
AND DIVIDED BY THE TONNAGE
FACTOR TO GIVE TONS
6500 ELEV
6400 ELEV
6300 ELEV
LEGEND
LIMESTONES
MINERALIZED LS BED
MINERALIZED STOCK
STOCK
FAULT
PROVEN RE
PROBABLE ORE
BLOCK 1
GEOLOGICAL STRUCTURE
AUGUST 1994
0
25
50
75
100
SEPT 10, 1994
DMS



ORACLE RIDGE MINING PARTNERS
GENERALIZED GEOLOGICAL SECTION
LOOKING TO THE NORTHEAST

S. SODERMAN JUNE 1995



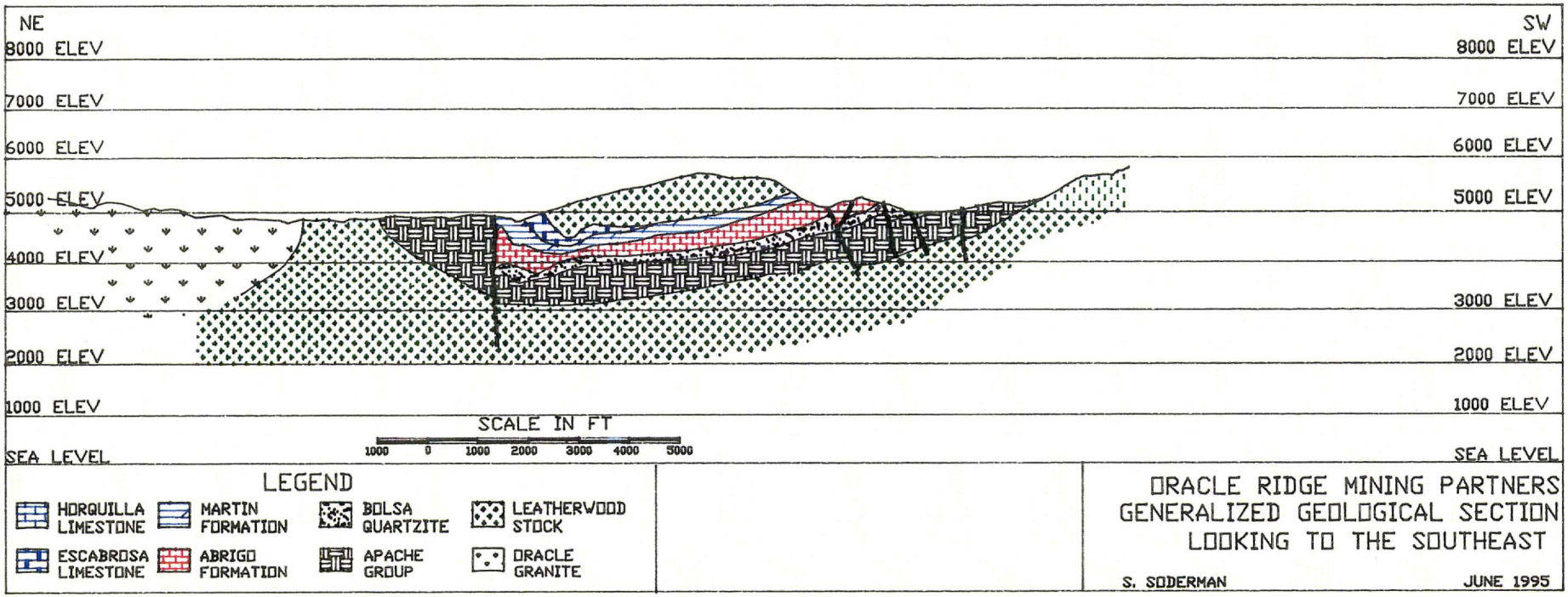
LEGEND

- HORQUILLA LIMESTONE
- MARTIN FORMATION
- BOLSA QUARTZITE
- LEATHERWOOD STOCK
- ESCABROSA LIMESTONE
- ABRIGO FORMATION
- APACHE GROUP
- ORACLE GRANITE

ORACLE RIDGE MINING PARTNERS
GENERALIZED GEOLOGICAL SECTION
LOOKING TO THE NORTHEAST

S. SODERMAN

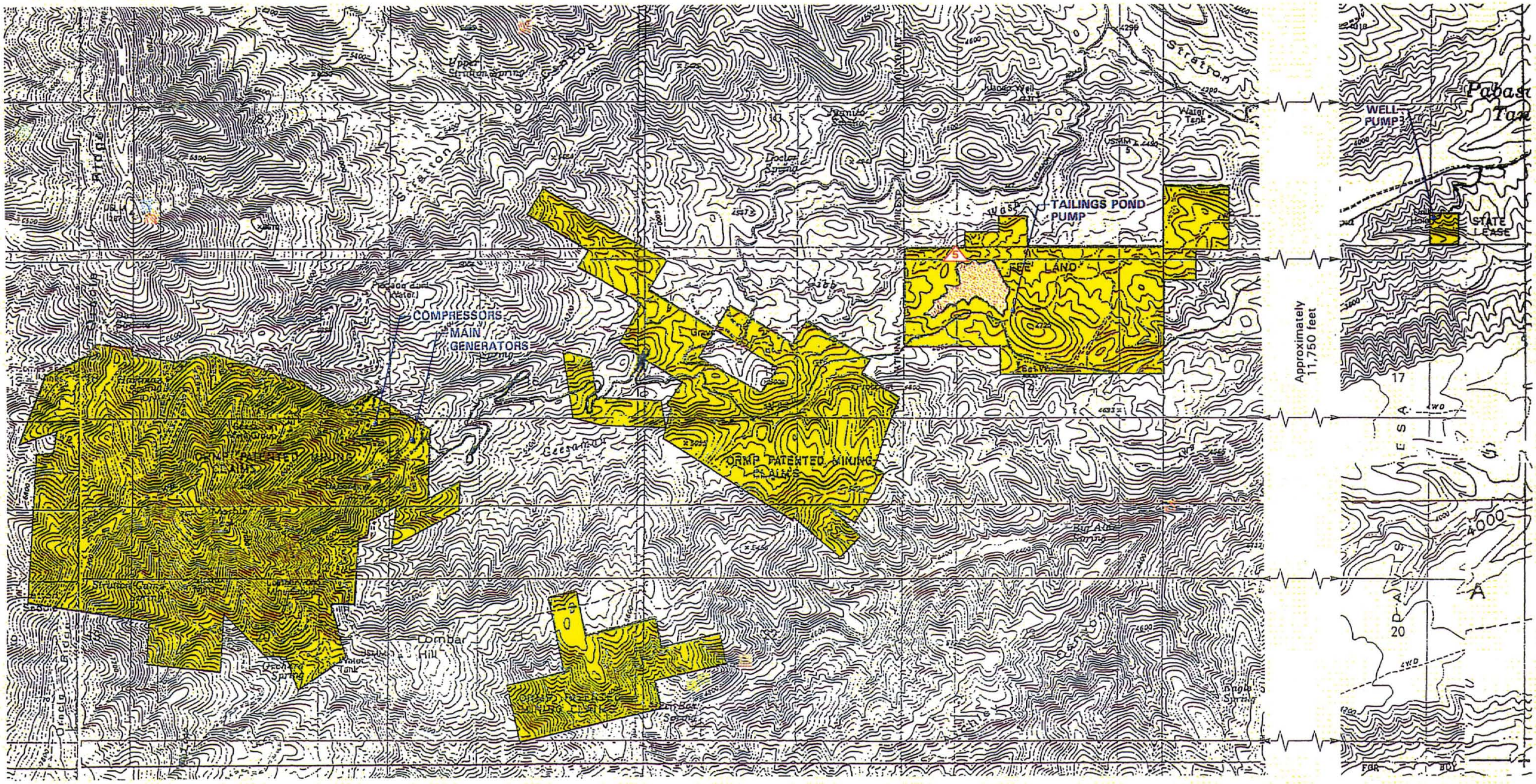
JUNE 1995



ORACLE RIDGE MINING PARTNERS
GENERALIZED GEOLOGICAL SECTION
LOOKING TO THE SOUTHEAST

S. SODERMAN

JUNE 1995



Facility Processes
1 Ore Mining (see Figure 3)
2 Ore Crushing (see Figure 3)
3 Ore Grinding (see Figure 3)
4 Ore Concentrating (see Figure 3)
5 Tailings Disposal

LEGEND
Extent of properties covered by permit
Tailings Pond
Major Equipment

Approximate Scale
1 Inch = 2000 Feet
0 2000 4000

N E S W

ORACLE RIDGE MINE
Oracle Ridge Mining Partners
San Manuel, Arizona

GENERAL SITE PLAN

FIGURE
2

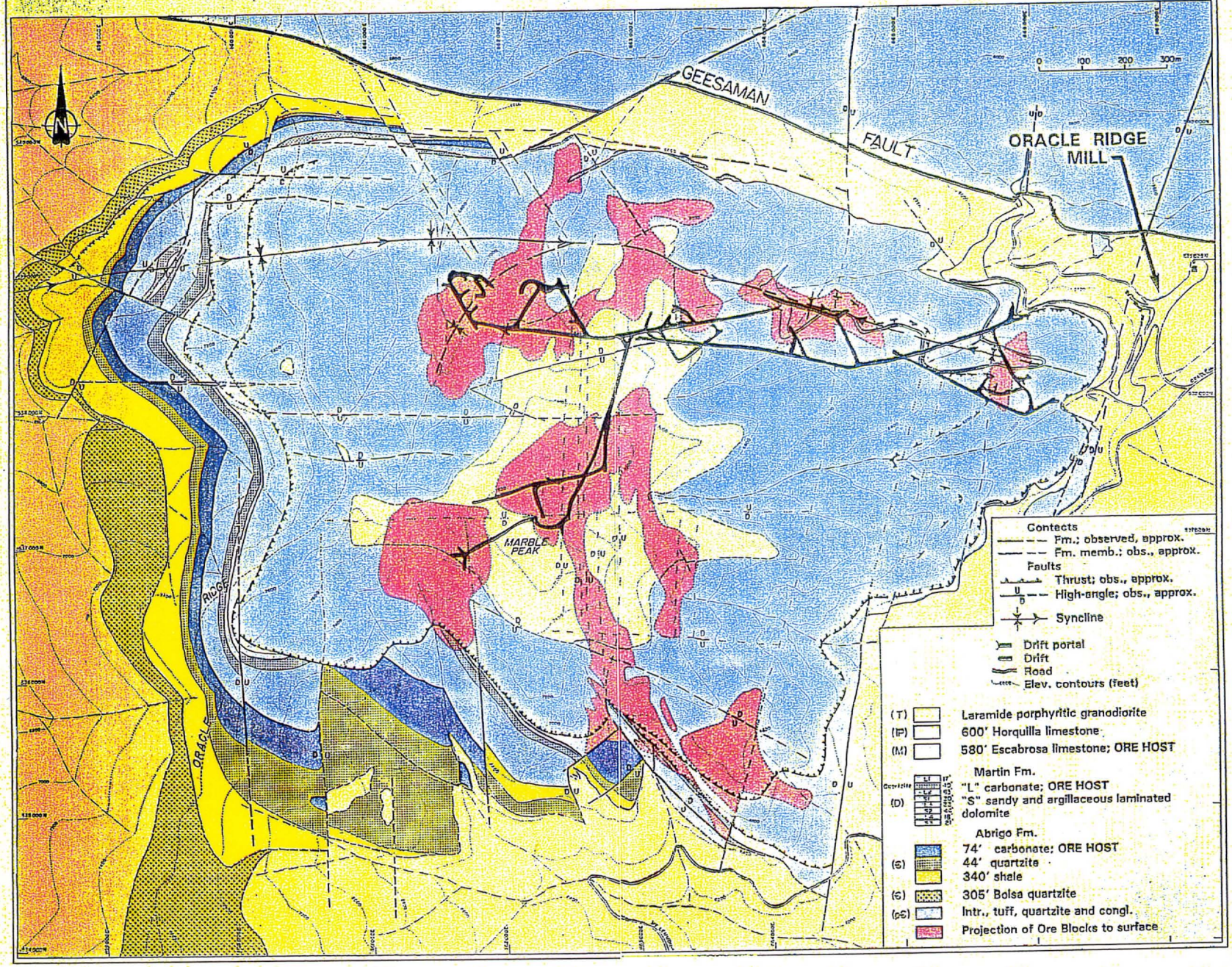
KLEINFELDER
Project Number 52-1381-01
January 1996

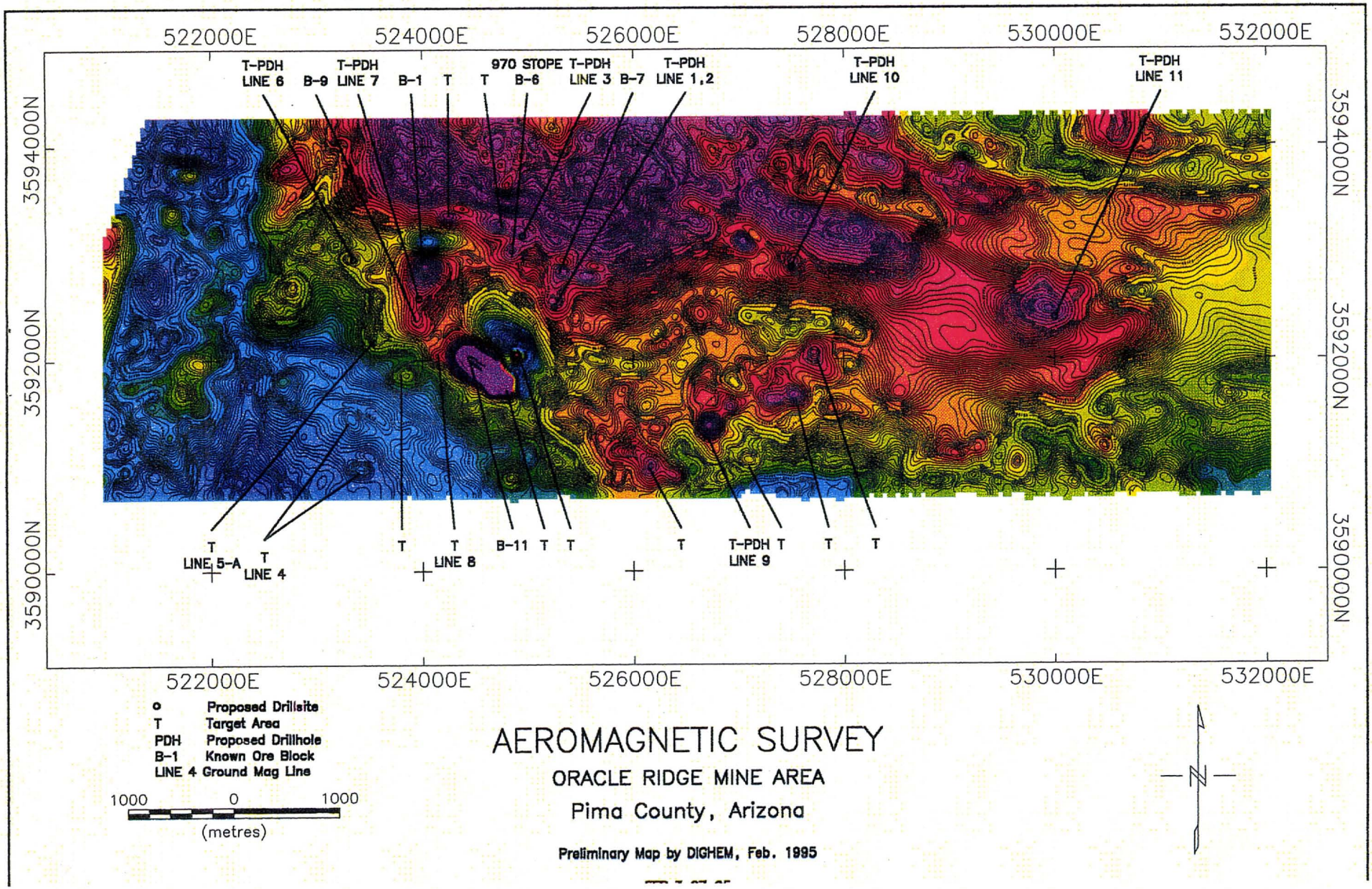
SANTA CATALINA MINING CORP.

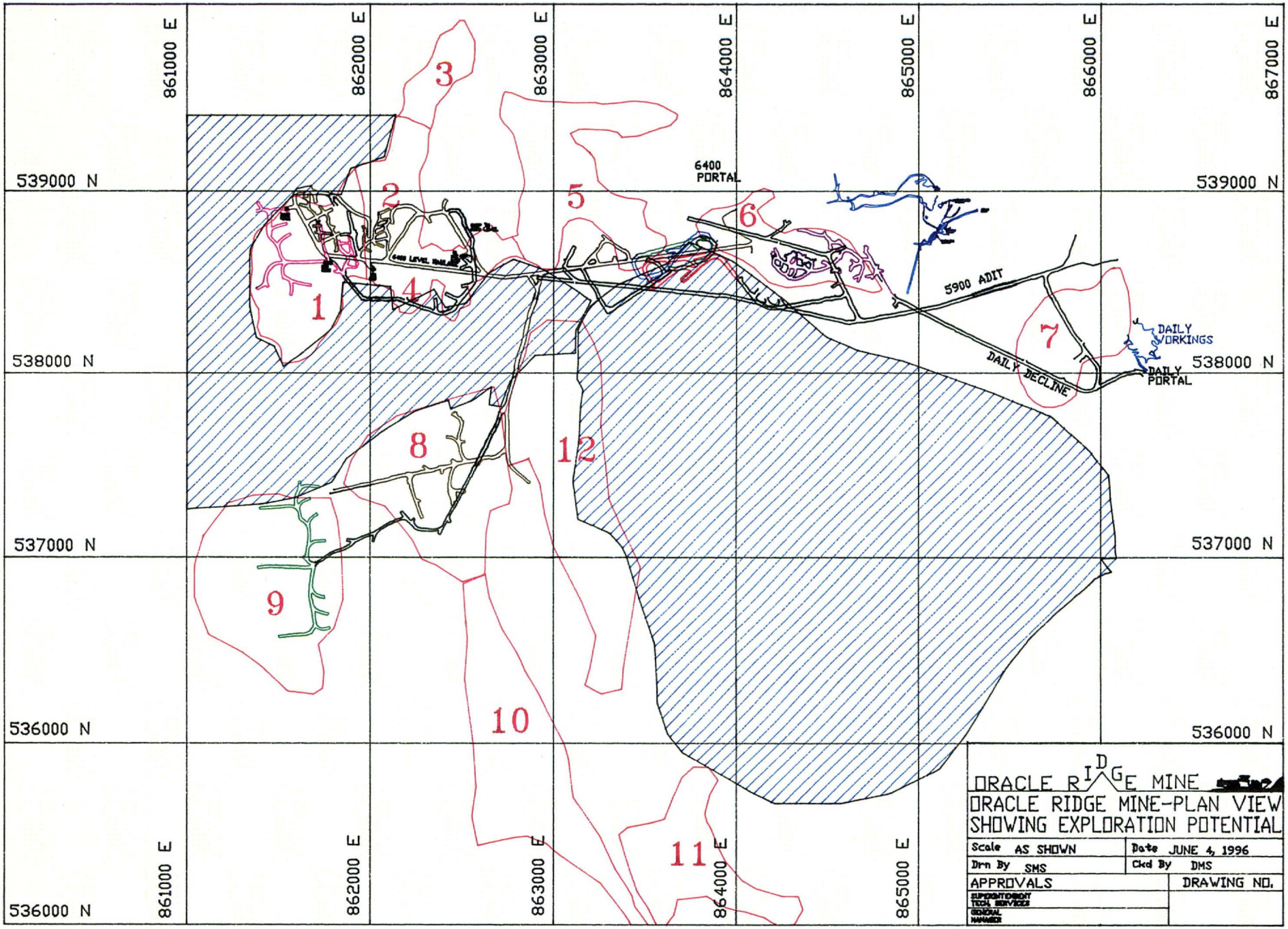
ORACLE RIDGE MINE

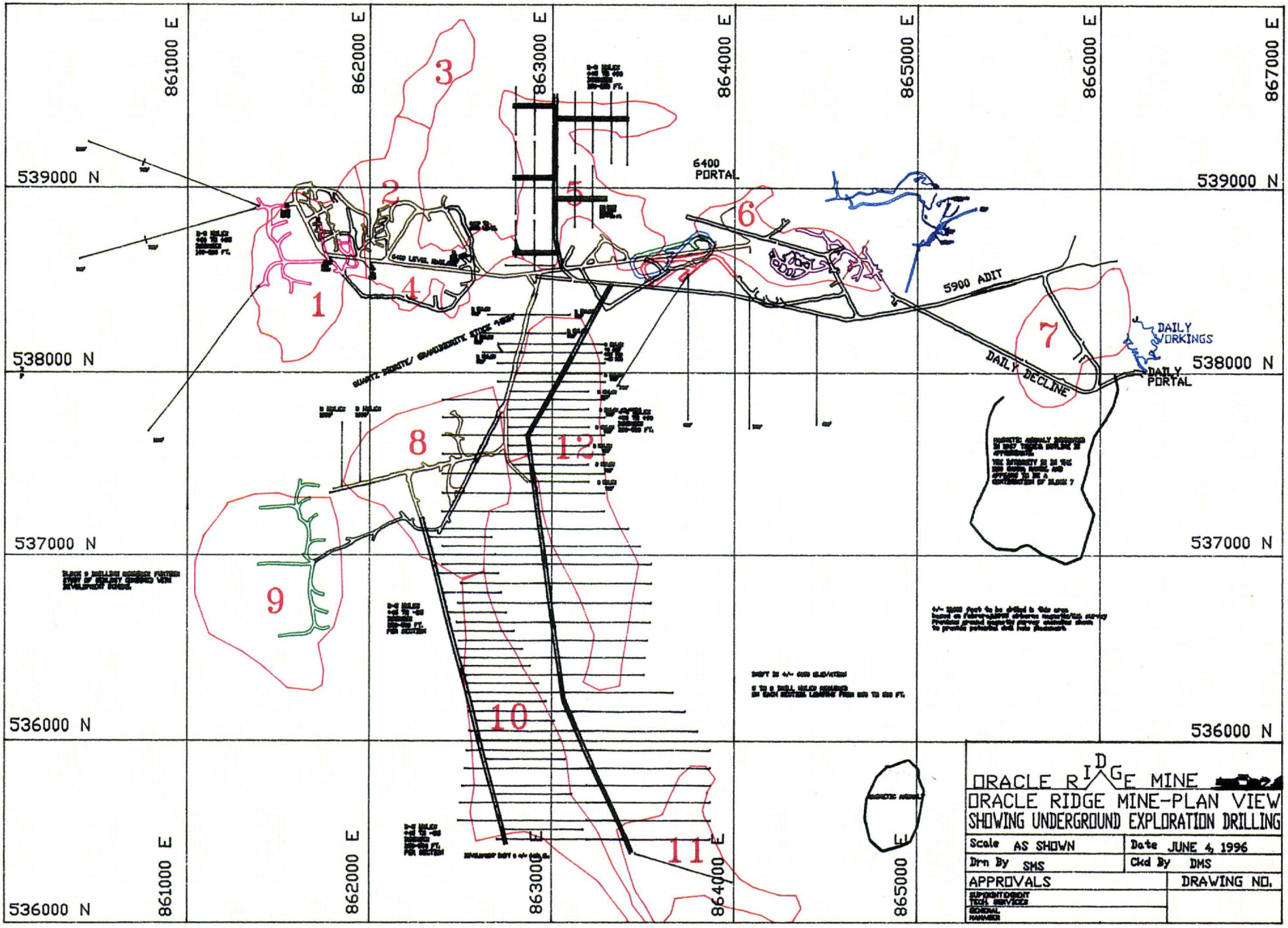
SURFACE GEOLOGY

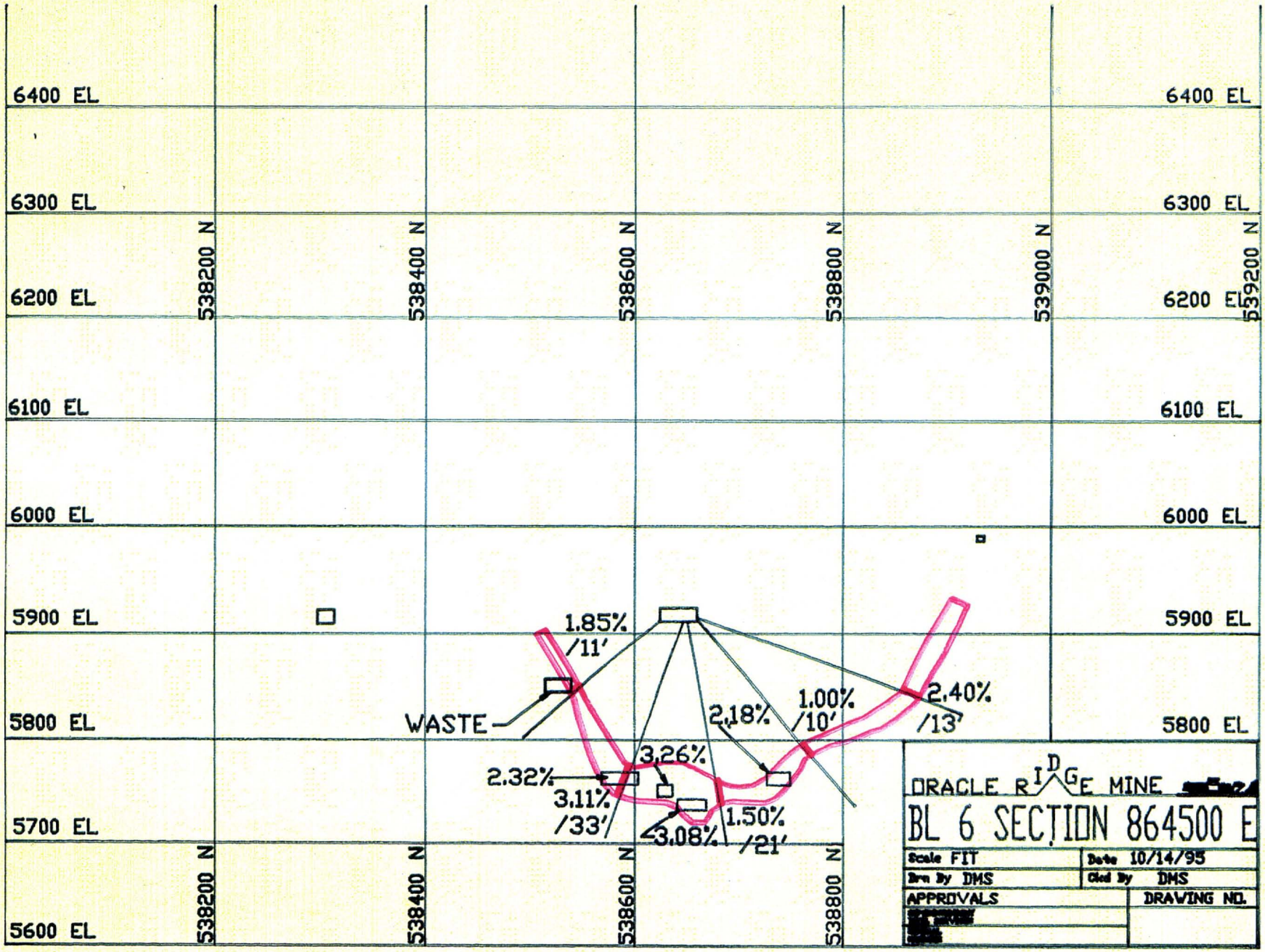
PIMA COUNTY, ARIZONA

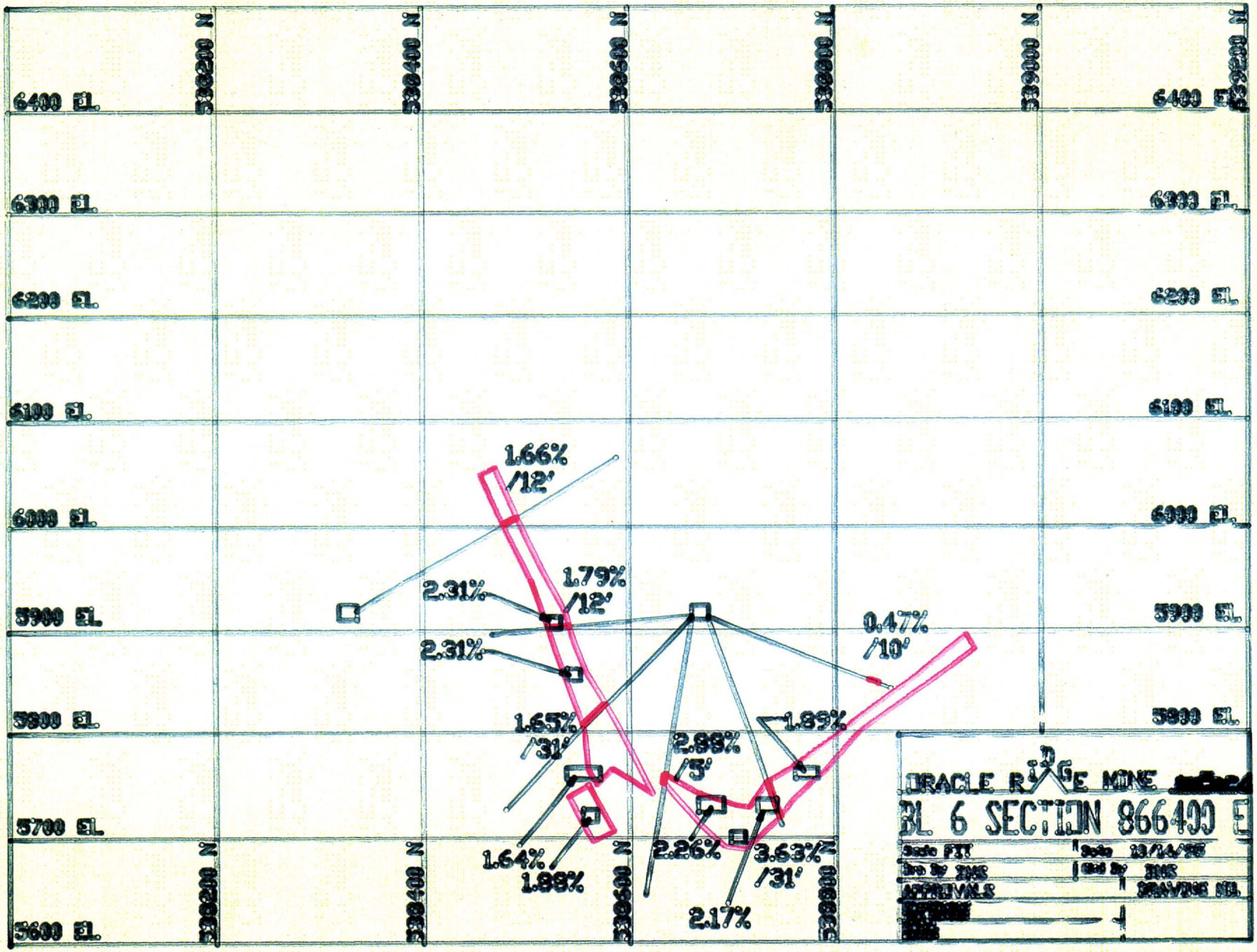


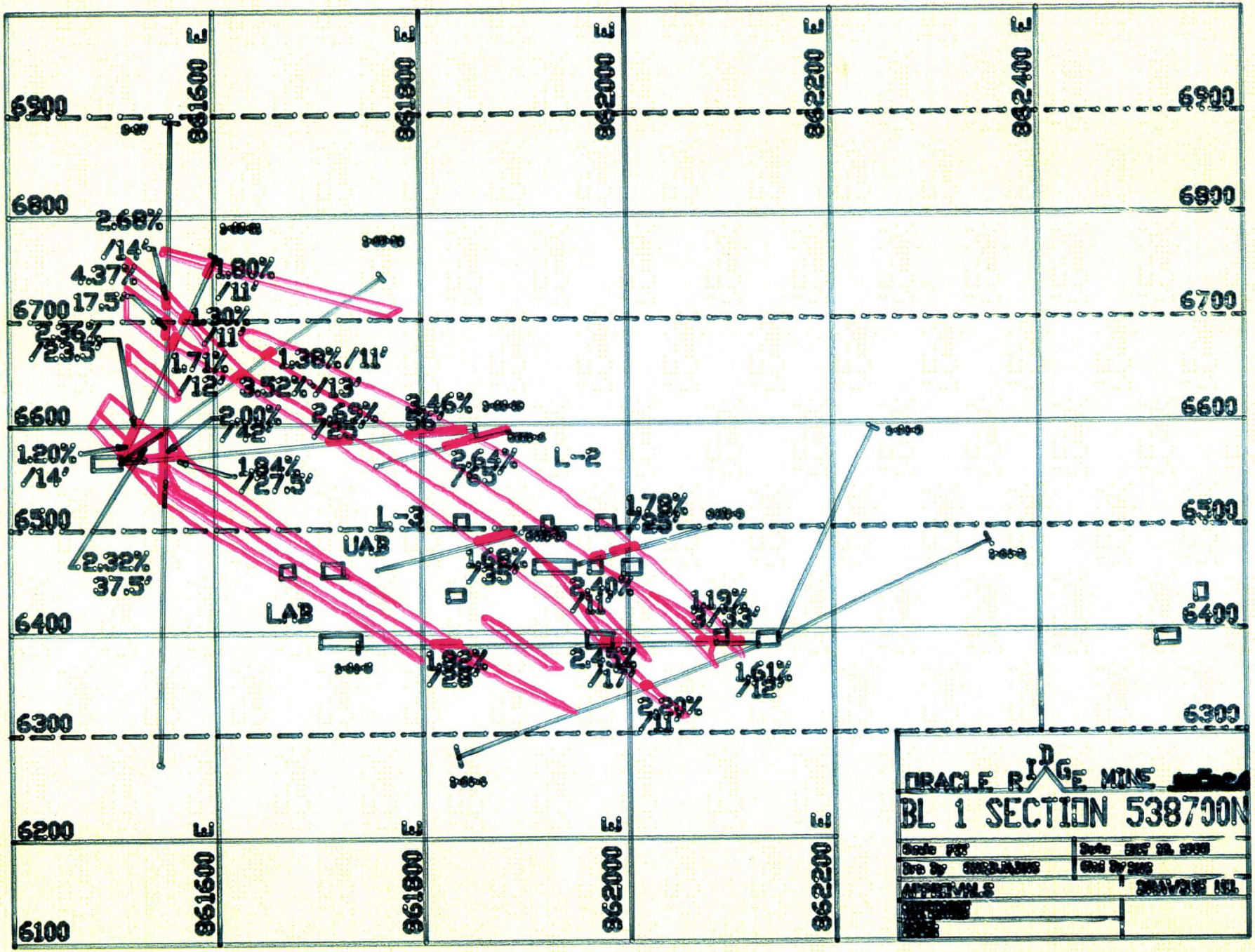

522000E
524000E
526000E
528000E
530000E
532000E
3594000N
3592000N
3590000N
T-PDH LINE 6
T-PDH B-9 LINE 7
B-1
T
T
970 STOPE B-6
T-PDH LINE 3
T-PDH B-7 LINE 1,2
T-PDH LINE 10
T-PDH LINE 11
T LINE 5-A
T LINE 4
T
T LINE 8
B-11
T
T
T
T-PDH LINE 9
T
T
T
o Proposed Drillsite
T Target Area
PDH Proposed Drillhole
B-1 Known Ore Block
LINE 4 Ground Mag Line
1000 0 1000
(metres)
AEROMAGNETIC SURVEY
ORACLE RIDGE MINE AREA
Pima County, Arizona
Preliminary Map by DIGHEM, Feb. 1995
N

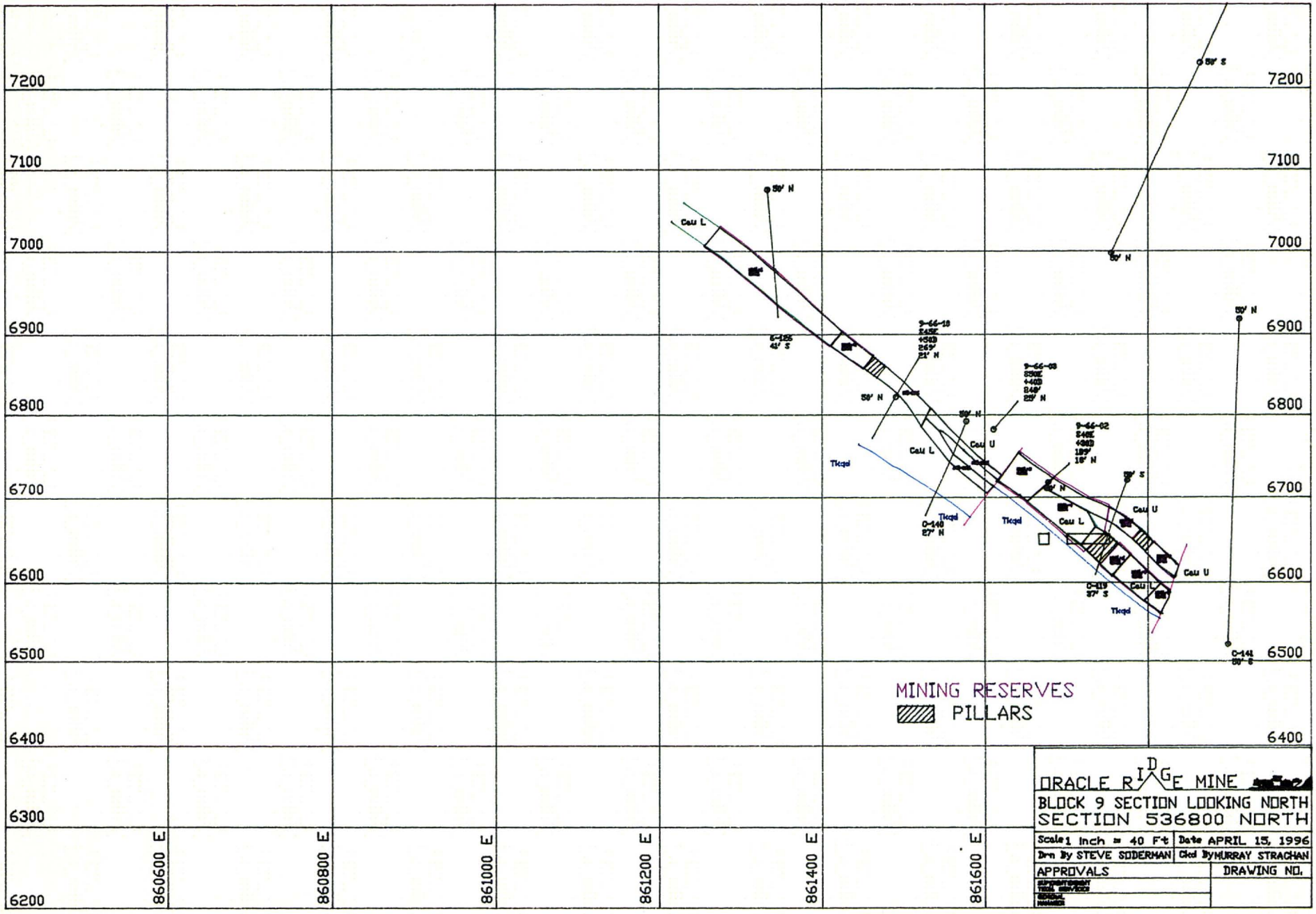

861000 E
862000 E
863000 E
864000 E
865000 E
866000 E
867000 E
539000 N
538000 N
537000 N
536000 N
6400 PORTAL
5900 ADIT
DAILY DECLINE
DAILY WORKINGS
DAILY PORTAL
1
2
3
4
5
6
7
8
9
10
11
12
ORACLE RIDGE MINE
ORACLE RIDGE MINE-PLAN VIEW SHOWING EXPLORATION POTENTIAL
Scale AS SHOWN
Date JUNE 4, 1996
Drn By SMS
Ckd By DMS
APPROVALS
DRAWING NO.


861000 E
862000 E
863000 E
864000 E
865000 E
866000 E
867000 E
539000 N
538000 N
537000 N
536000 N
6400 PORTAL
5900 ADIT
DAILY DECLINE
DAILY WORKINGS
DAILY PORTAL
1
2
3
4
5
6
7
8
9
10
11
12
ORACLE RIDGE MINE
ORACLE RIDGE MINE-PLAN VIEW
SHOWING UNDERGROUND EXPLORATION DRILLING
Scale AS SHOWN
Date JUNE 4, 1996
Drn By SMS
Ckd By DMS
APPROVALS
DRAWING NO.

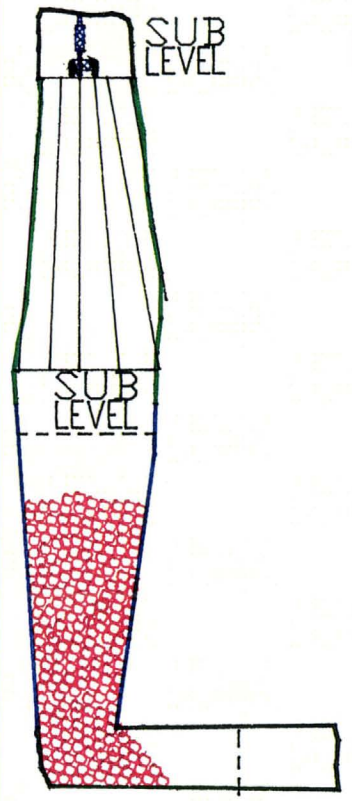

6400 EL
6300 EL
6200 EL
6100 EL
6000 EL
5900 EL
5800 EL
5700 EL
5600 EL
538200 N
538400 N
538600 N
538800 N
539000 N
539200 N
WASTE
1.85%
/11'
2.18%
1.00%
/10'
2.40%
/13'
3.26%
2.32%
3.11%
/33'
3.08%
1.50%
/21'
ORACLE RIDGE MINE
BL 6 SECTION 864500 E
Scale FIT
Date 10/14/95
Drn By DMS
Chkd By DMS
APPROVALS
DRAWING NO.


6400 El.
6300 El.
6200 El.
6100 El.
6000 El.
5900 El.
5800 El.
5700 El.
5600 El.
330200 N
330400 N
330600 N
330800 N
331000 N
331200 N
1.66%
/12'
2.31%
1.79%
/12'
2.31%
0.47%
/10'
1.65%
/31'
2.88%
/5'
1.89%
1.64%
1.88%
2.26%
3.63%
/31'
2.17%
ORACLE RIDGE MINE
BL 6 SECTION 866400 E

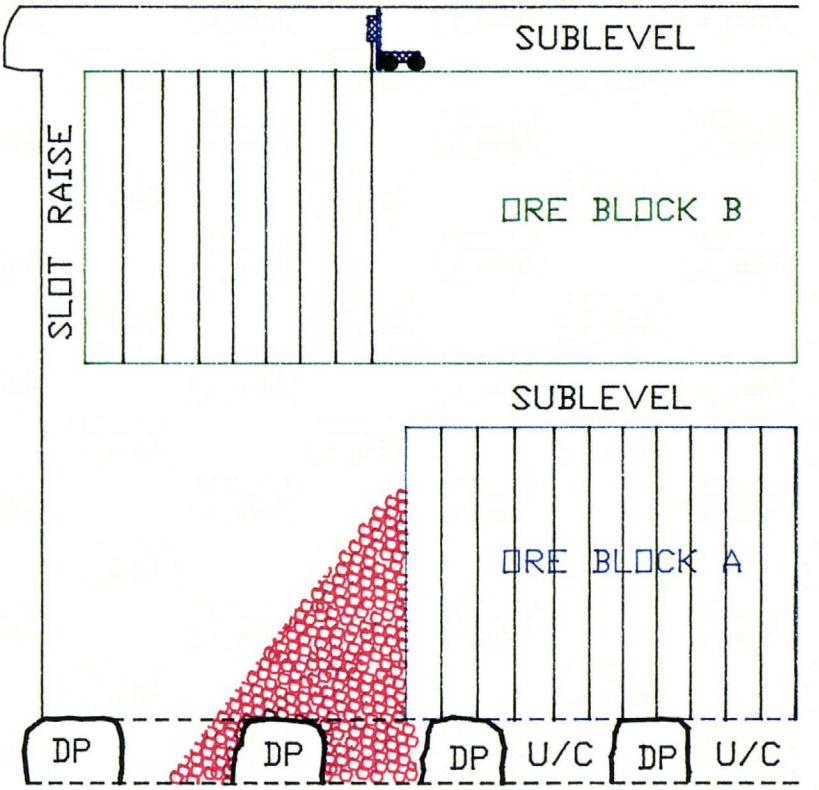

861600 E
861800 E
862000 E
862200 E
862400 E
6900
6800
6700
6600
6500
6400
6300
6200
6100
2.68% /14'
4.37%
17.5'
1.80% /11'
1.30% /11'
2.36% /23.5'
1.71% /12'
1.38% /11'
3.52% /13'
2.00% /12'
2.69% /25'
3.46% 36'
1.20% /14'
1.84% /27.5'
2.64% /65'
L-2
L-3
UAB
LAB
1.78% /25'
2.32% 37.5'
1.68% /35'
2.40% /11'
1.19% 3.33'
1.82% /28'
2.45% /17'
1.61% /12'
2.20% /11'
ORACLE RIDGE MINE
BL 1 SECTION 538700N


7200
7100
7000
6900
6800
6700
6600
6500
6400
6300
6200
860600 E
860800 E
861000 E
861200 E
861400 E
861600 E
50' N
50' S
Cau L
Cau U
Tkqal
MINING RESERVES
PILLARS
ORACLE RIDGE MINE
BLOCK 9 SECTION LOOKING NORTH
SECTION 536800 NORTH
Scale 1 inch = 40 F't
Date APRIL 15, 1996
Drn By STEVE SIDERMAN
Chd By MURRAY STRACHAN
APPROVALS
DRAWING NO.

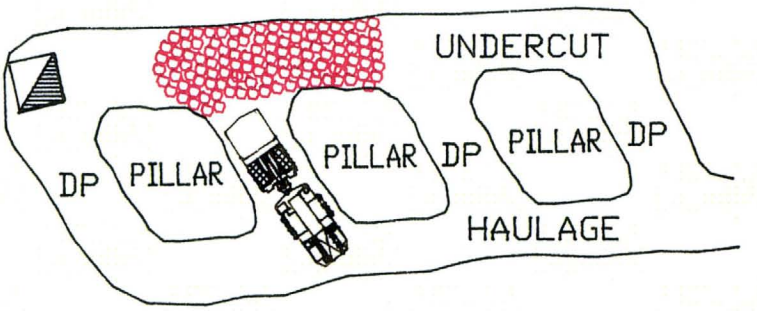
ORACLE RIDGE MINING PARTNERS
MINING METHOD
SAN MANUEL, ARIZONA



CROSS SECTION

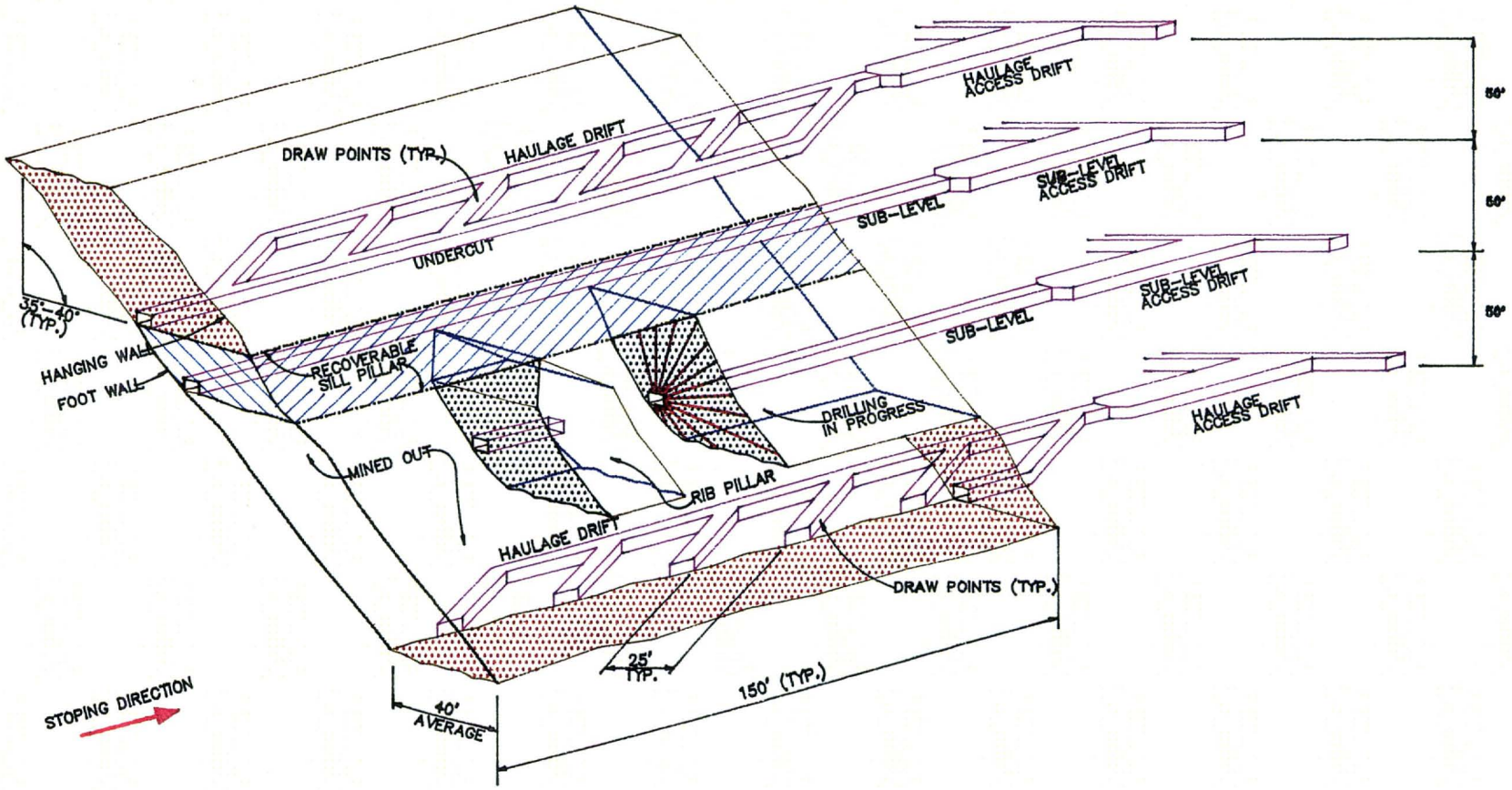


LONGITUDINAL SECTION



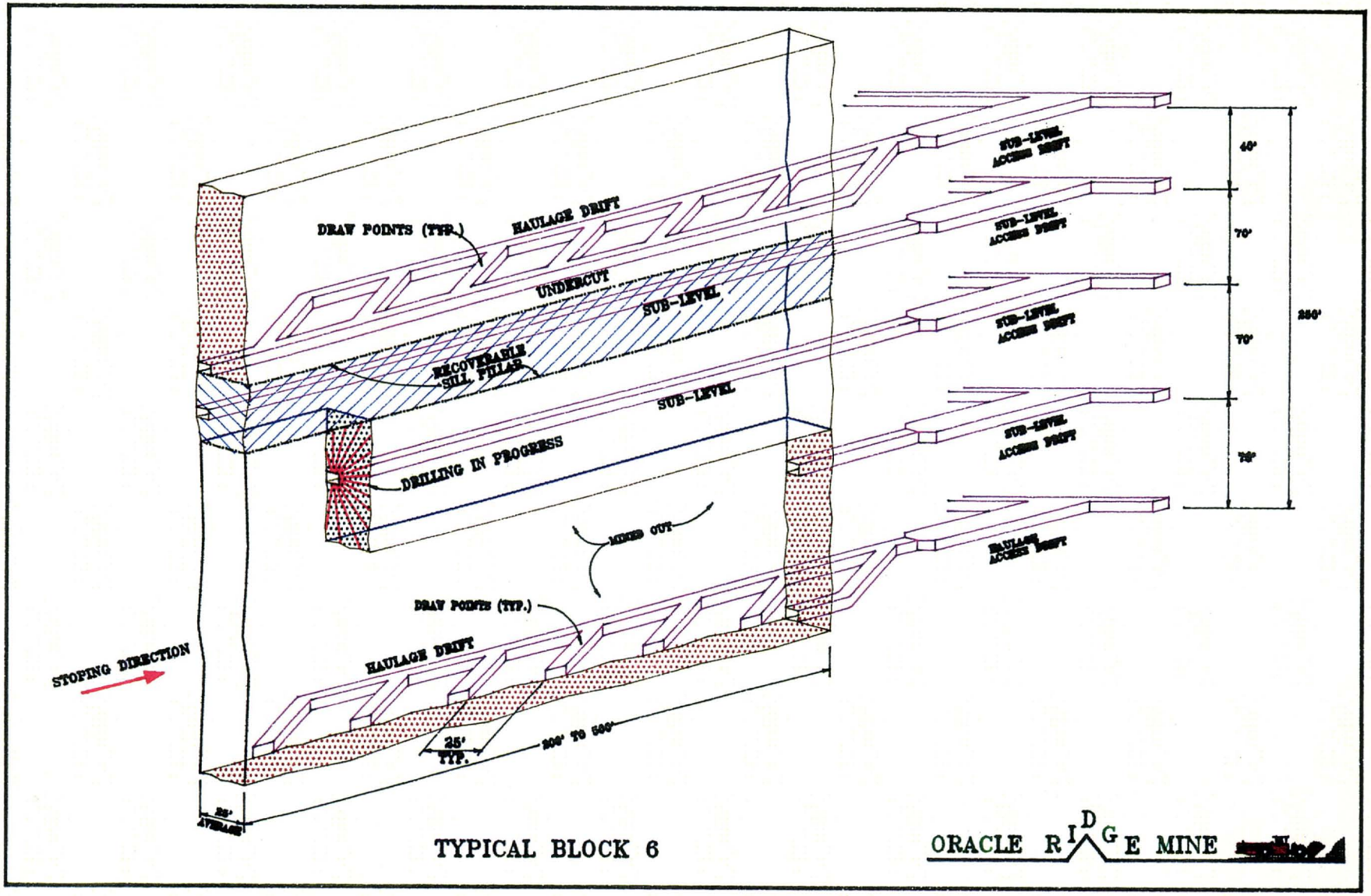
PLAN VIEW

ORACLE RIDGE MINE	
LONGHOLE MINING MENTHOD	
Scale FIT	Date APIRL 29, 1996
Drn By DMS	Chd By DMS
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES CHIEF ENGR. ENGINEER	



TYPICAL BLOCK 1, 2 STOPE

ORACLE RIDGE MINE



TYPICAL BLOCK 6

ORACLE RIDGE MINE

861500 E | 861750 E | 862000 E | 862250 E | 862500 E | 862750 E | 863000E

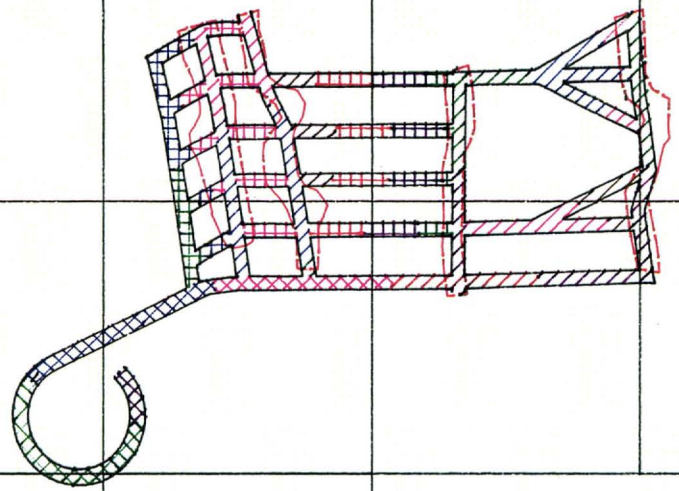
539000 N

538750 N

538500 N

538250 N

861500 E | 861750 E



N

1500 TON/DAY

1997
- FEBRUARY
- MARCH
- APRIL
- MAY
- JUNE
- JULY
- AUGUST
- SEPTEMBER
- OCTOBER
- NOVEMBER
- DECEMBER

1997
- JANUARY
- FEBRUARY
- MARCH
- APRIL
- MAY
- JUNE

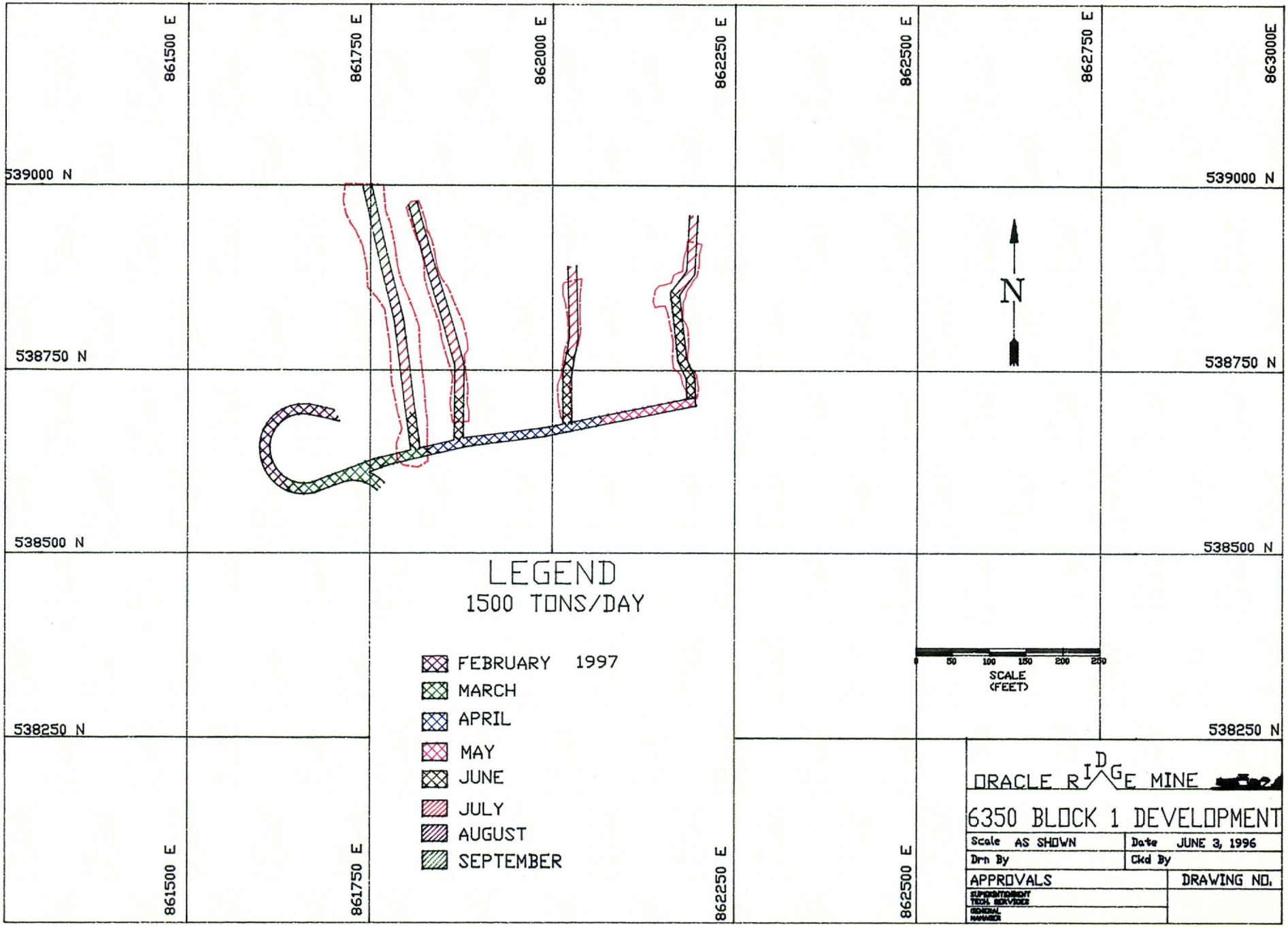
0 50 100 150 200 250
SCALE (FEET)

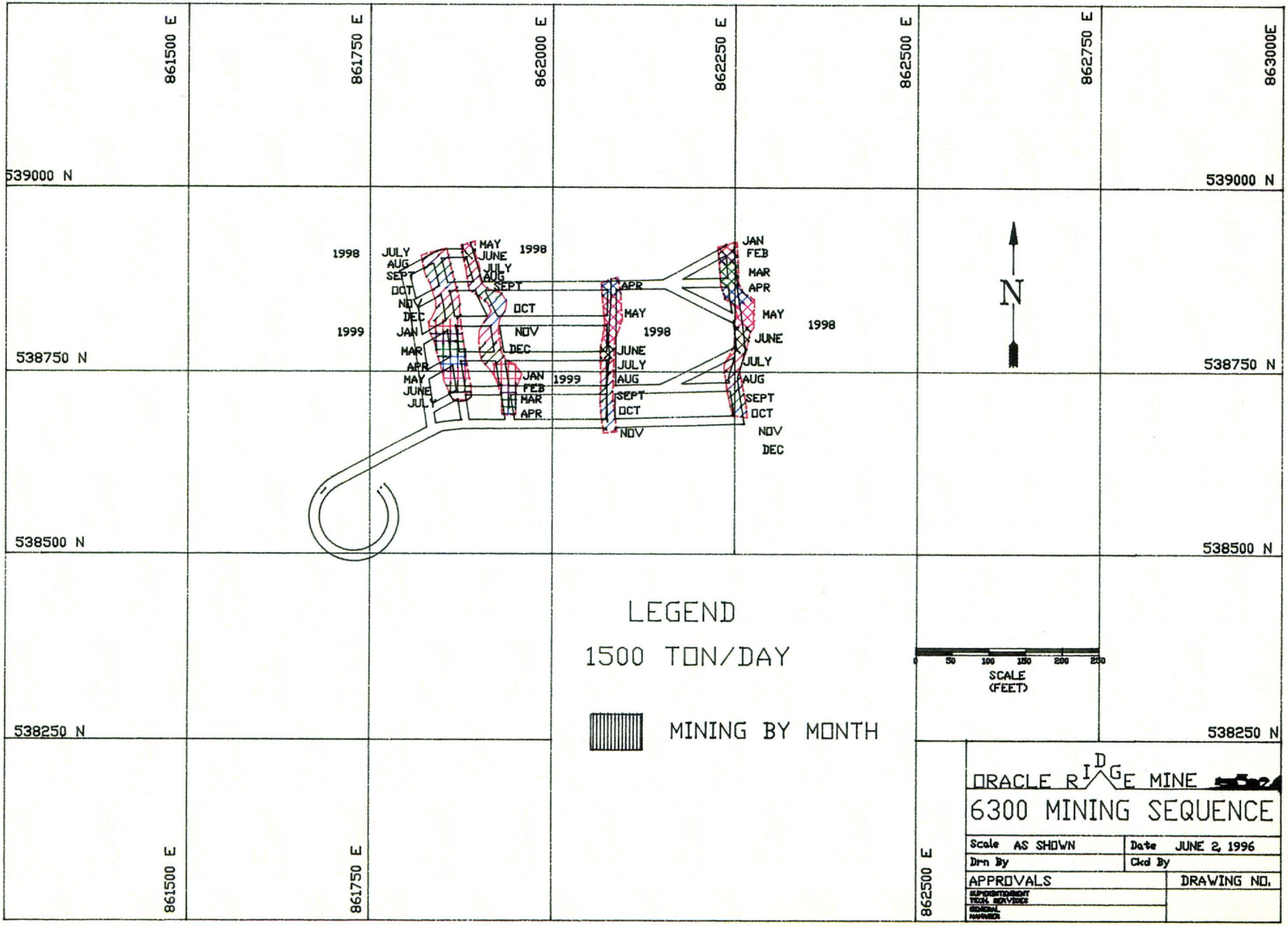
862500 E

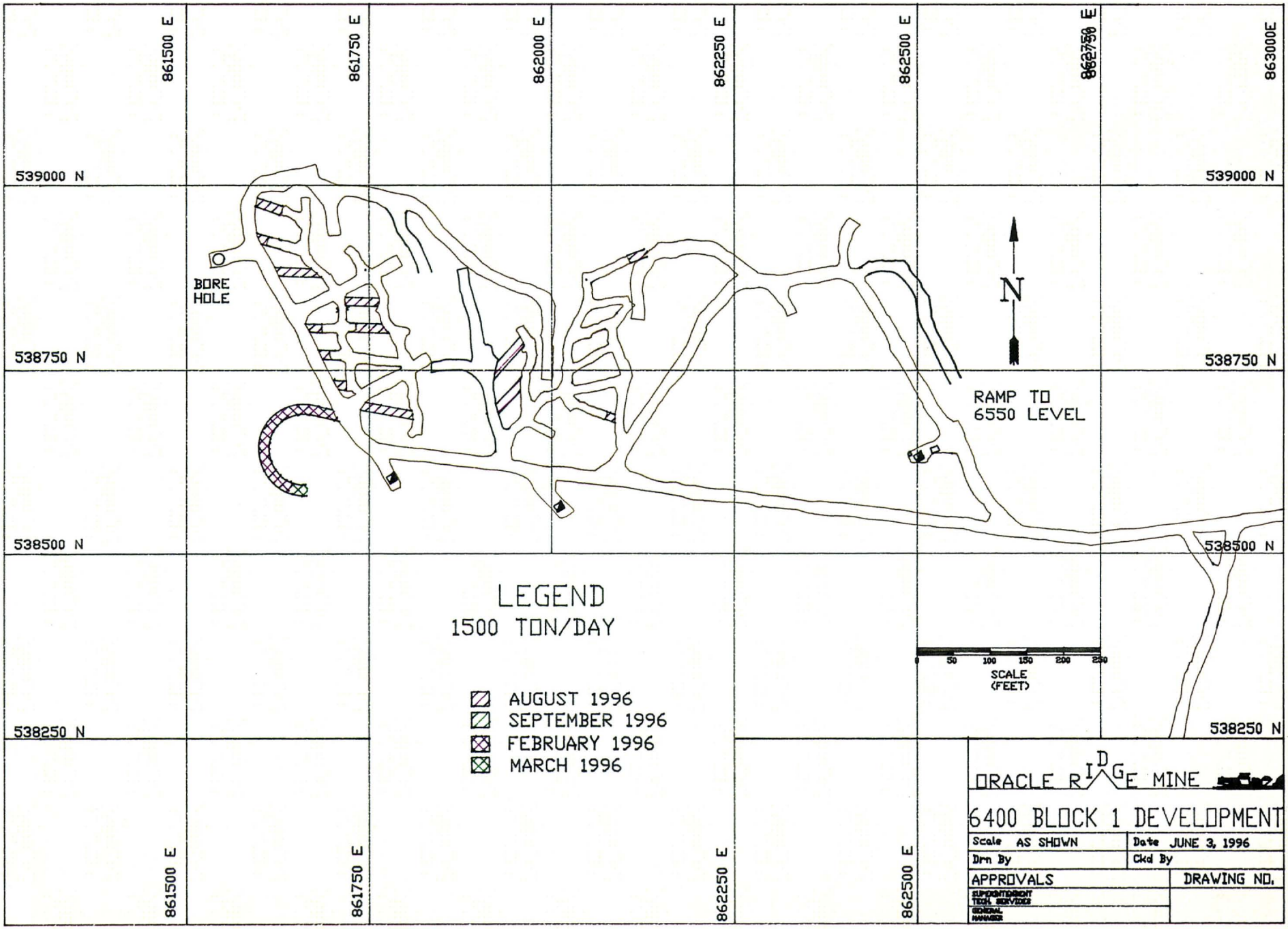
ORACLE RIDGE MINE

6300 BLOCK 1 DEVELOPMENT

Scale AS SHOWN	Date JUNE 2, 1996
Drn By	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES	
GENERAL MANAGER	


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000E
539000 N
538750 N
538500 N
538250 N
N
LEGEND
1500 TONS/DAY
FEBRUARY 1997
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
6350 BLOCK 1 DEVELOPMENT
Scale AS SHOWN
Date JUNE 3, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
ENGINEERING MANAGER


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000E
539000 N
538750 N
538500 N
538250 N
1998
1999
JULY
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
N
LEGEND
1500 TON/DAY
MINING BY MONTH
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
6300 MINING SEQUENCE
Scale AS SHOWN
Date JUNE 2, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT
TECH. SERVICES
GENERAL MANAGER


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000E
539000 N
538750 N
538500 N
538250 N
BORE HOLE
RAMP TO 6550 LEVEL
N
SCALE (FEET)
LEGEND
1500 TON/DAY
AUGUST 1996
SEPTEMBER 1996
FEBRUARY 1996
MARCH 1996
ORACLE RIDGE MINE
6400 BLOCK 1 DEVELOPMENT
Scale AS SHOWN
Date JUNE 3, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.

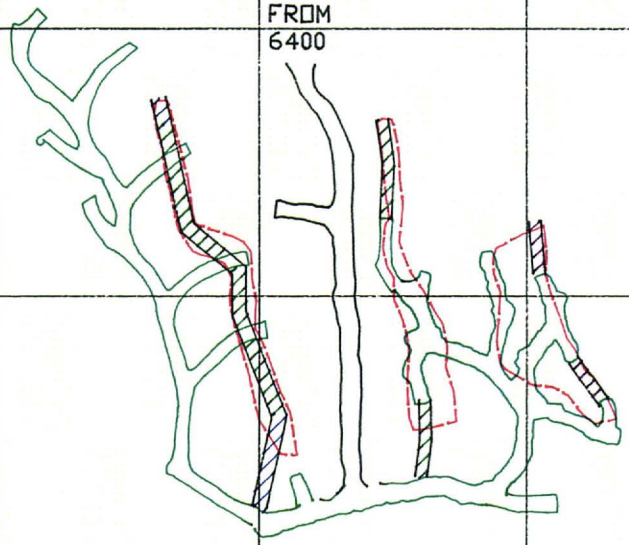
861500 E | 861750 E | 862000 E | 862250 E | 862500 E | 862750 E

539000 N

538750 N

538500 N

538250 N



N

LEGEND

1500 TON/DAY

- AUGUST 1996
- SEPTEMBER 1996
- OCTOBER 1996

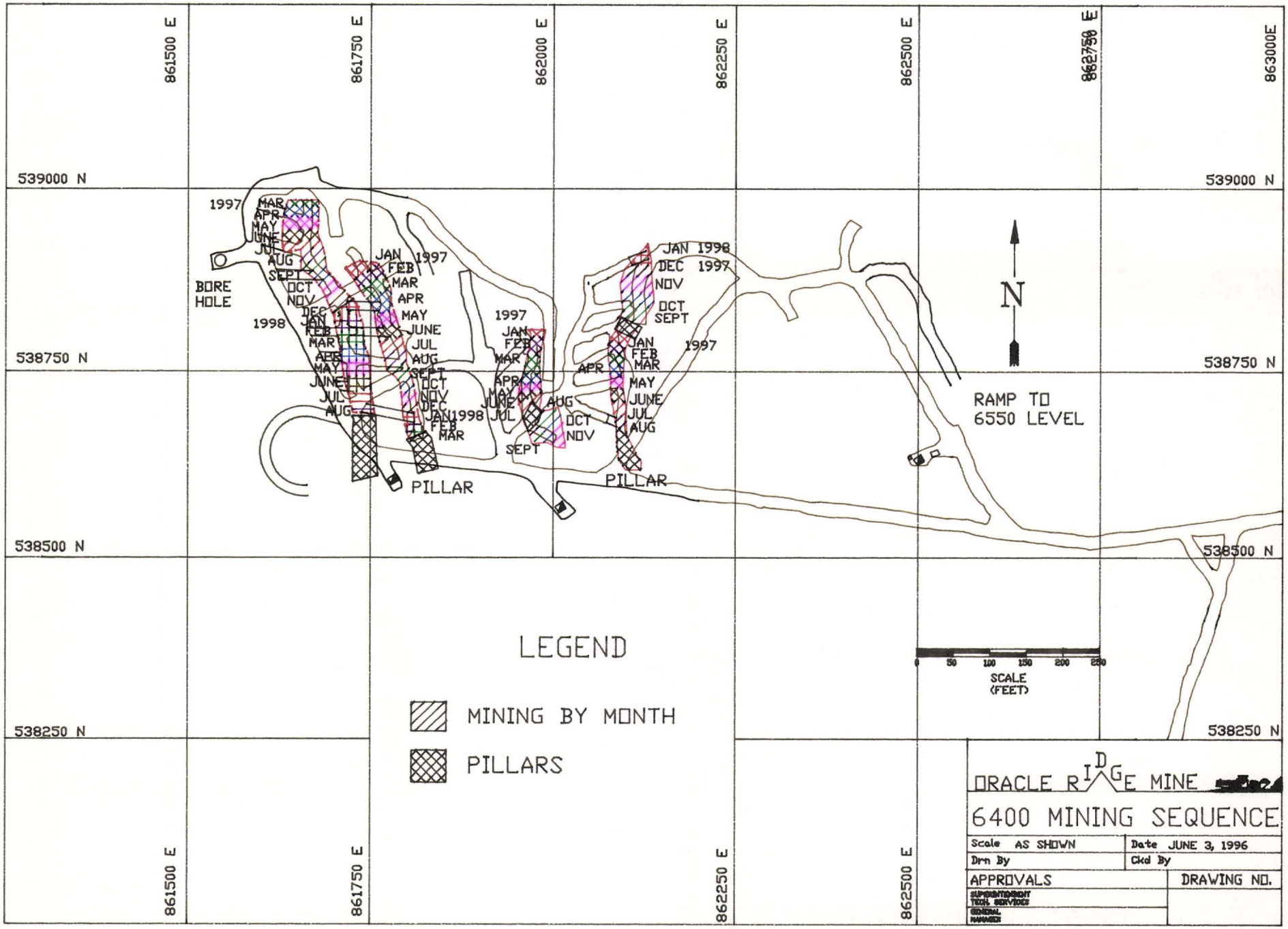
0 50 100 150 200 250

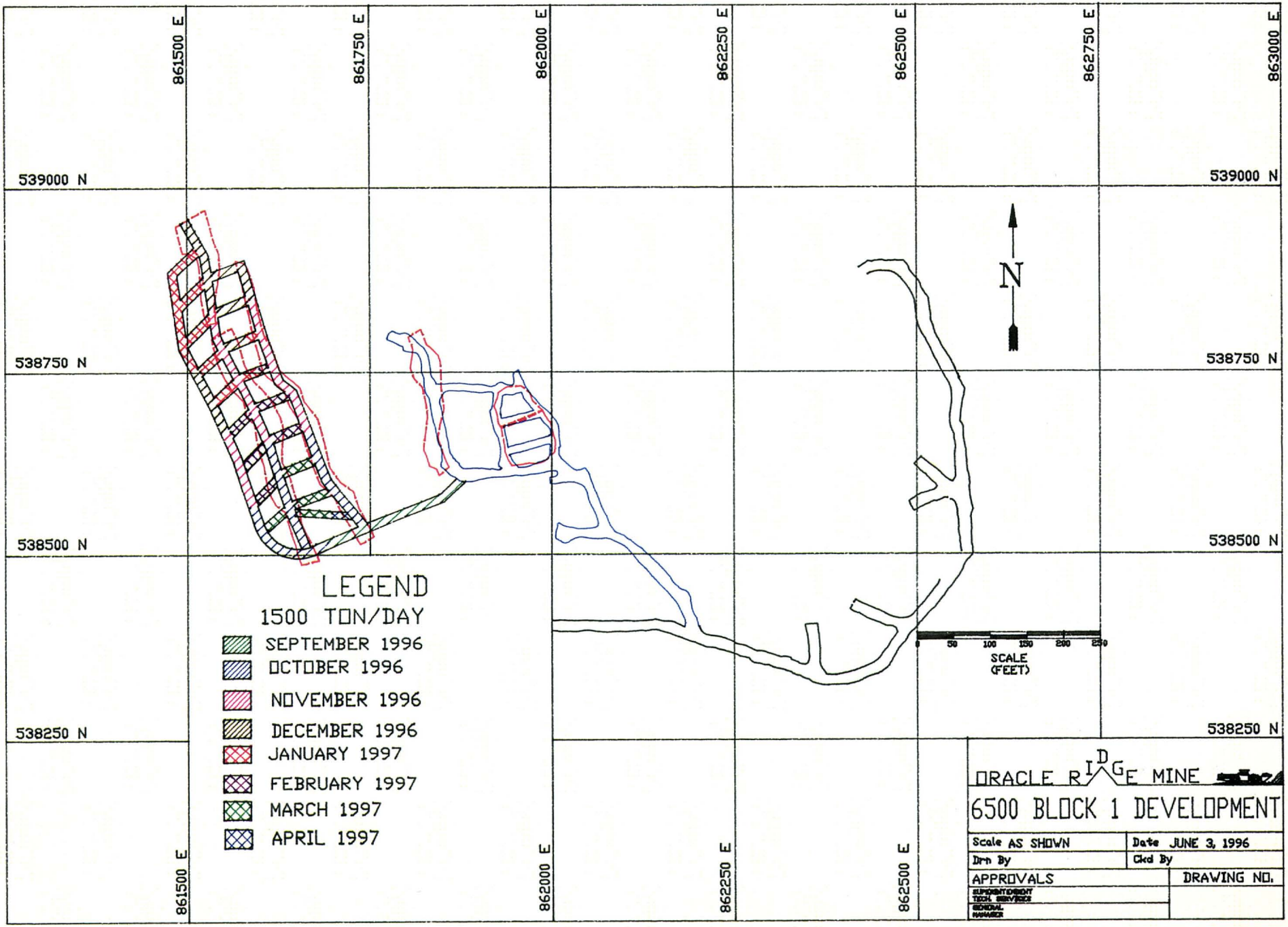
SCALE (FEET)

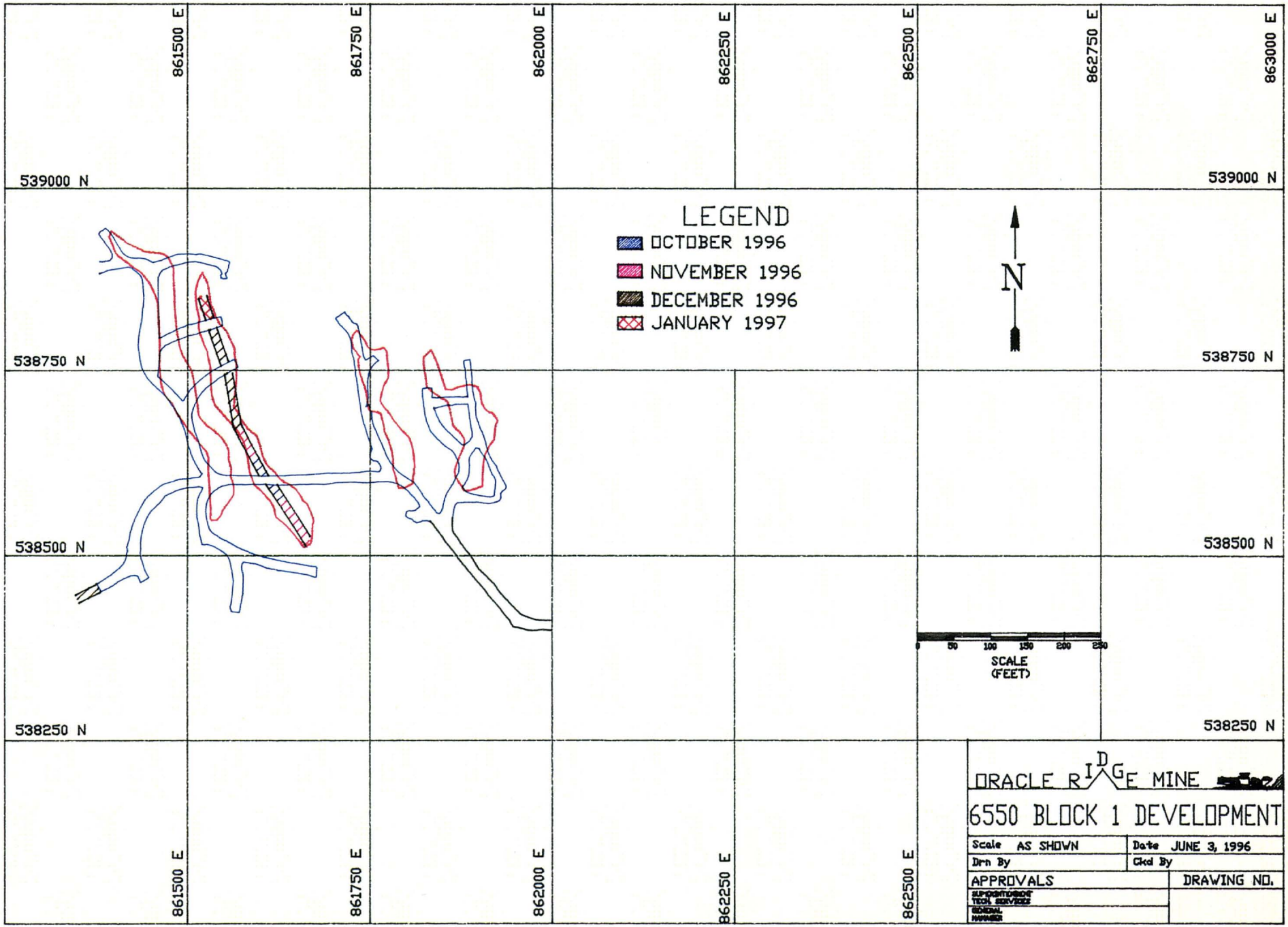
ORACLE RIDGE MINE

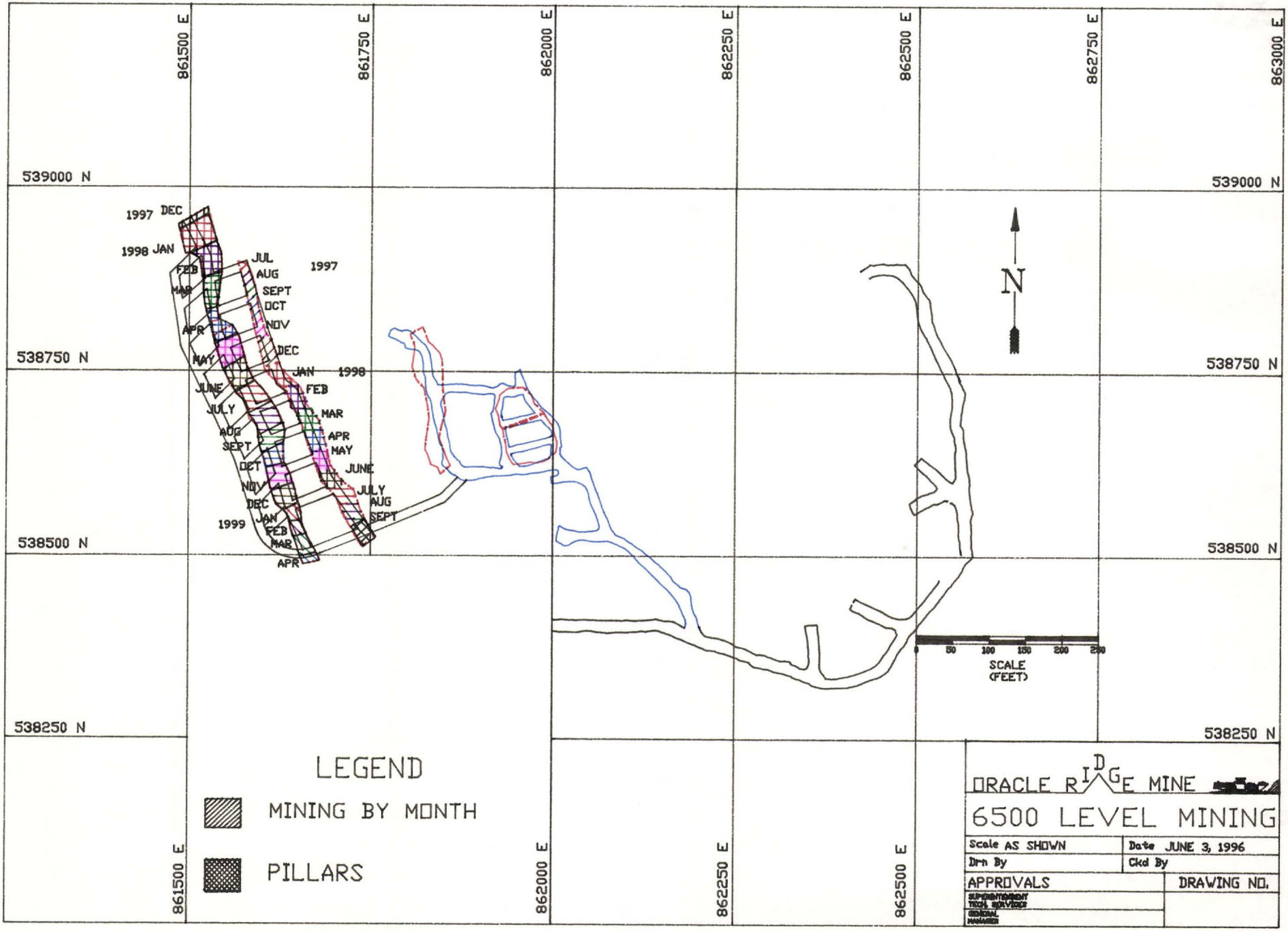
6450 BLOCK 1 DEVELOPMENT

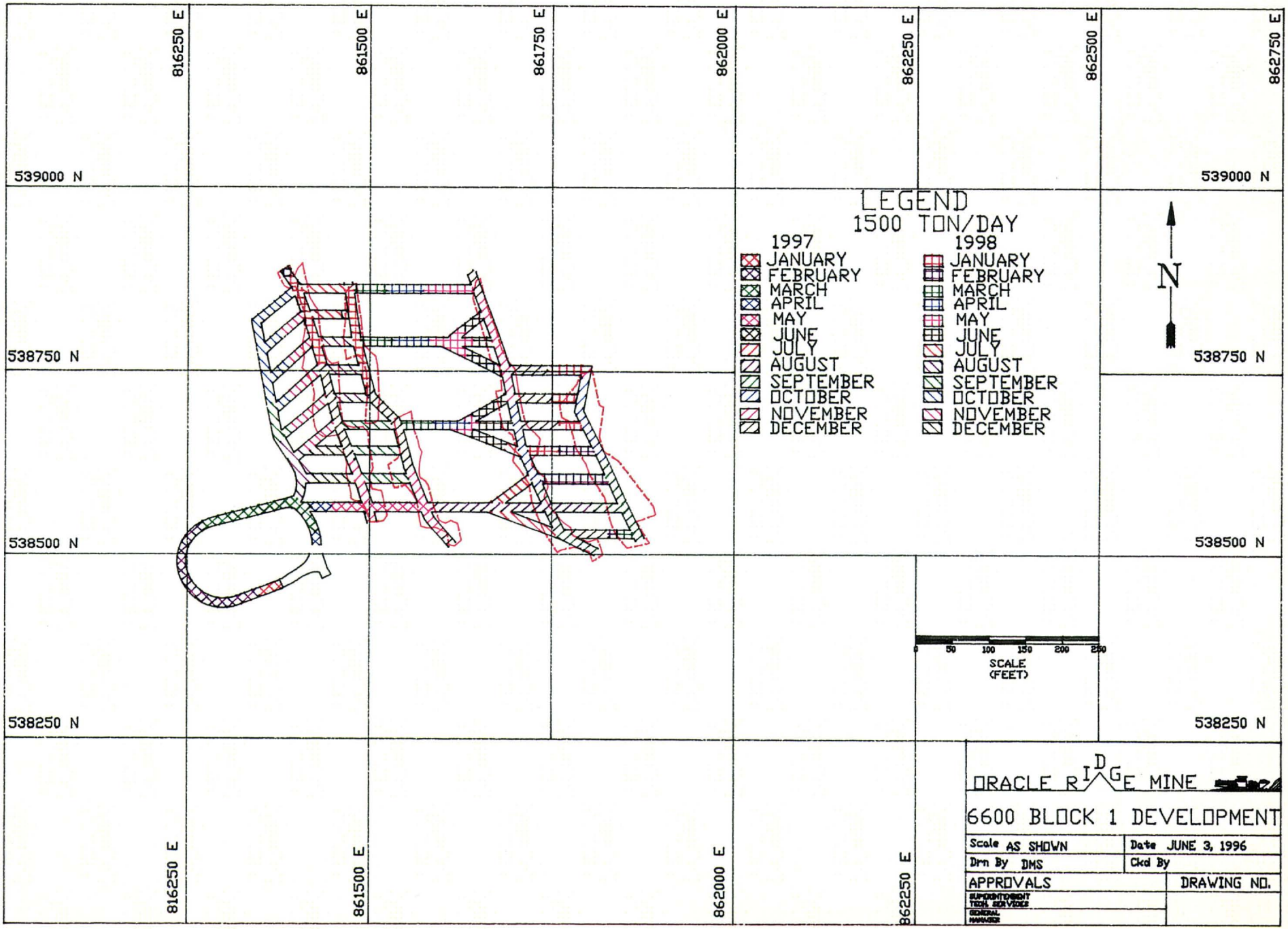
Scale AS SHOWN	Date JUNE 3, 1996
Drn By	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES	
GENERAL MANAGER	


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000E
539000 N
538750 N
538500 N
538250 N
BORE HOLE
1997
1998
PILLAR
PILLAR
RAMP TO 6550 LEVEL
N
LEGEND
MINING BY MONTH
PILLARS
SCALE (FEET)
ORACLE RIDGE MINE
6400 MINING SEQUENCE
Scale AS SHOWN
Date JUNE 3, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000 E
539000 N
538750 N
538500 N
538250 N
N
LEGEND
1500 TON/DAY
SEPTEMBER 1996
OCTOBER 1996
NOVEMBER 1996
DECEMBER 1996
JANUARY 1997
FEBRUARY 1997
MARCH 1997
APRIL 1997
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
6500 BLOCK 1 DEVELOPMENT
Scale AS SHOWN
Date JUNE 3, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000 E
539000 N
538750 N
538500 N
538250 N
LEGEND
OCTOBER 1996
NOVEMBER 1996
DECEMBER 1996
JANUARY 1997
N
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
6550 BLOCK 1 DEVELOPMENT
Scale AS SHOWN
Date JUNE 3, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
863000 E
539000 N
538750 N
538500 N
538250 N
1997 DEC
1998 JAN
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
1997
JAN
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
1998
JAN
FEB
MAR
APR
1999
N
0 50 100 150 200 250
SCALE (FEET)
LEGEND
MINING BY MONTH
PILLARS
ORACLE RIDGE MINE
6500 LEVEL MINING
Scale AS SHOWN
Date JUNE 3, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


816250 E
861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
539000 N
538750 N
538500 N
538250 N
LEGEND
1500 TON/DAY
1997
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
1998
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
N
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
6600 BLOCK 1 DEVELOPMENT
Scale AS SHOWN
Date JUNE 3, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

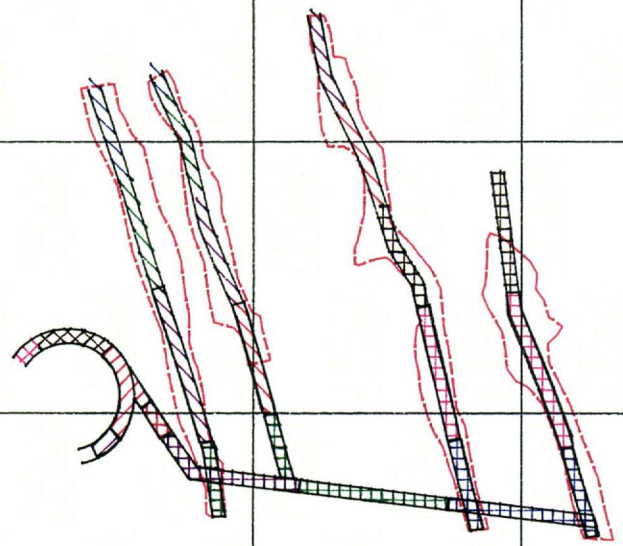
816250 E | 861500 E | 861750 E | 862000 E | 862250 E | 862500 E | 862750 E

539000 N

538750 N

538500 N

538250 N



LEGEND

1500 TONS PER DAY

1997

- MAY
- JUNE
- JULY
- AUGUST

1998

- JANUARY
- FEBRUARY
- MARCH
- APRIL
- MAY
- JUNE
- JULY
- AUGUST
- SEPTEMBER
- OCTOBER

N

0 50 100 150 200 250

SCALE (FEET)

816250 E | 861500 E | 861750 E | 862000 E | 862250 E

ORACLE RIDGE MINE

6650 BLOCK 1 DEVELOPMENT

Scale AS SHOWN	Date JUNE 4, 1996
Drn By DMS	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES	
GENERAL MANAGER	


816250 E
861500 E
861750 E
862000 E
862250 E
862500 E
862750 E
539000 N
538750 N
538500 N
538250 N
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
1999
2000
1998
JAN 2000
N
0 50 100 150 200 250
SCALE (FEET)
LEGEND
1500 TON/DAY
MINING BY MONTH
PILLARS
ORACLE RIDGE MINE
BL 1 6600 MINING SCHEDULE
Scale AS SHOWN
Date JUNE 3, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

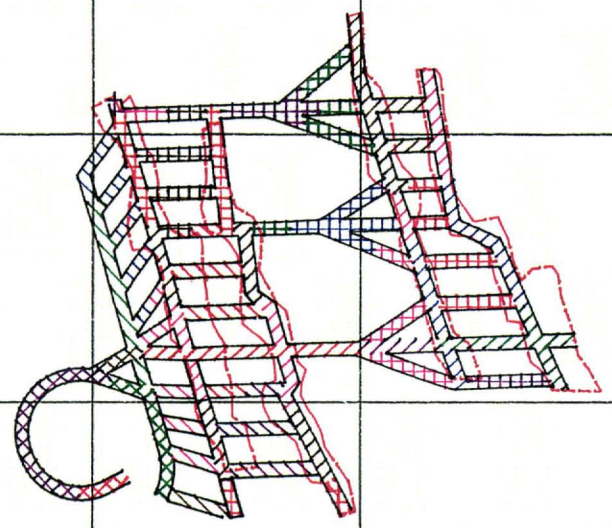
816250 E | 861500 E | 861750 E | 862000 E | 862250 E | 862500 E | 862750 E

539000 N

538750 N

538500 N

538250 N



LEGEND

1500 TON/DAY

1998	1999
JANUARY	JANUARY
FEBRUARY	FEBRUARY
MARCH	MARCH
JUNE	APRIL
JULY	MAY
AUGUST	JUNE
SEPTEMBER	JULY
OCTOBER	AUGUST
NOVEMBER	SEPTEMBER
DECEMBER	OCTOBER
	NOVEMBER
	DECEMBER

N

0 50 100 150 200 250

SCALE (FEET)

816250 E | 861500 E | 862000 E | 862250 E

ORACLE RIDGE MINE

6700 BLOCK 1 DEVELOPMENT

Scale AS SHOWN	Date JUNE 4, 1996
Drn By DMS	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES	
GENERAL MANAGER	

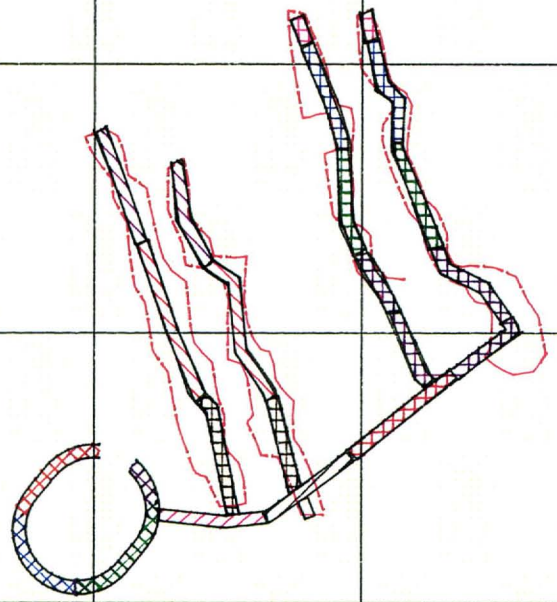
816250 E | 861500 E | 861750 E | 862000 E | 862250 E | 862500 E | 862750 E

539000 N

538750 N

538500 N

538250 N



LEGEND
1500 TONS PER DAY

1998	1998
FEBRUARY	JANUARY
MARCH	FEBRUARY
APRIL	MARCH
MAY	APRIL
NOVEMBER	MAY
DECEMBER	JUNE
	JULY
	AUGUST

N

0 50 100 150 200 250
SCALE (FEET)

ORACLE RIDGE MINE

6750 BLOCK 1 DEVELOPMENT

Scale AS SHOWN	Date JUNE 6, 1996
Drn By DMS	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES	
GENERAL MANAGER	

816250 E | 861500 E | 861750 E | 862000 E | 862250 E | 862500 E | 862750 E

539000 N

538750 N

538500 N

538250 N

LEGEND
1500 TONS PER DAY
1998

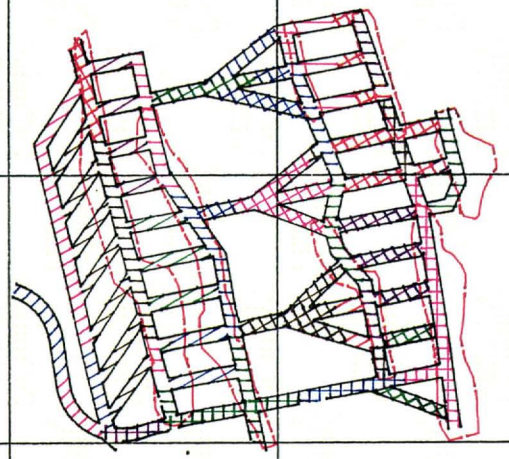
OCTOBER
NOVEMBER

1999

FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER

2000

JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER



N

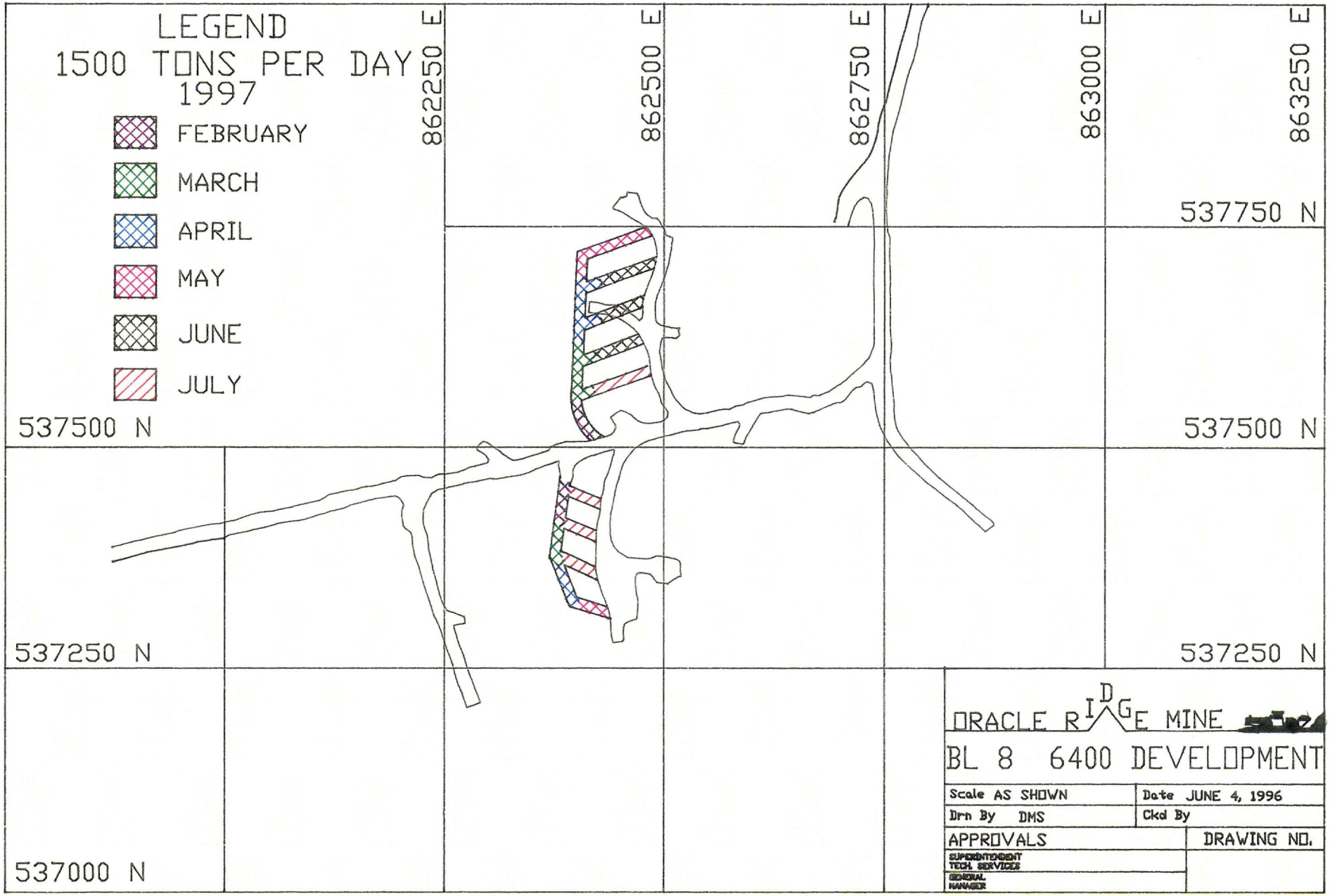
0 50 100 150 200 250
SCALE (FEET)

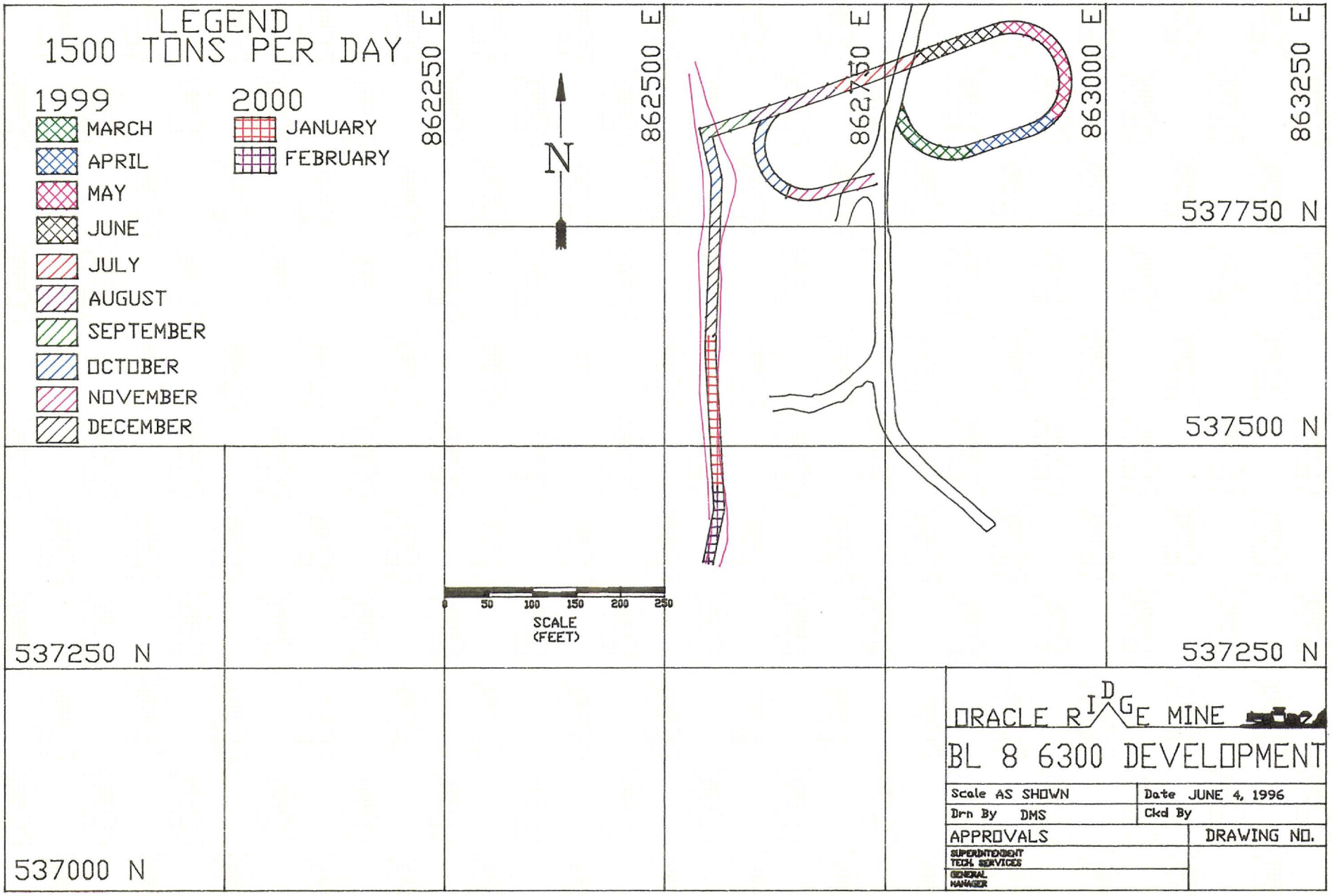
816250 E | 861500 E | 861750 E | 862000 E | 862250 E

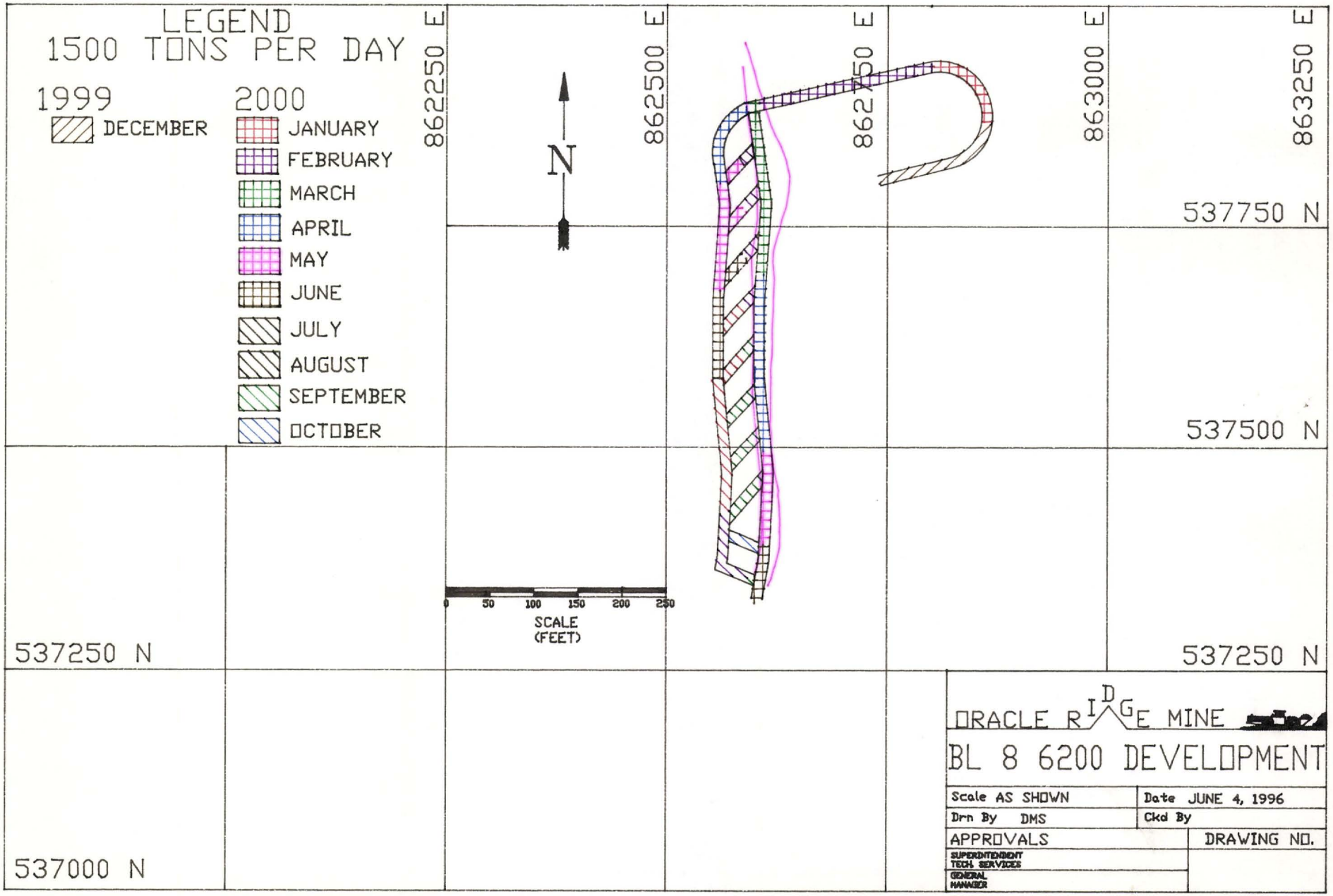
ORACLE RIDGE MINE

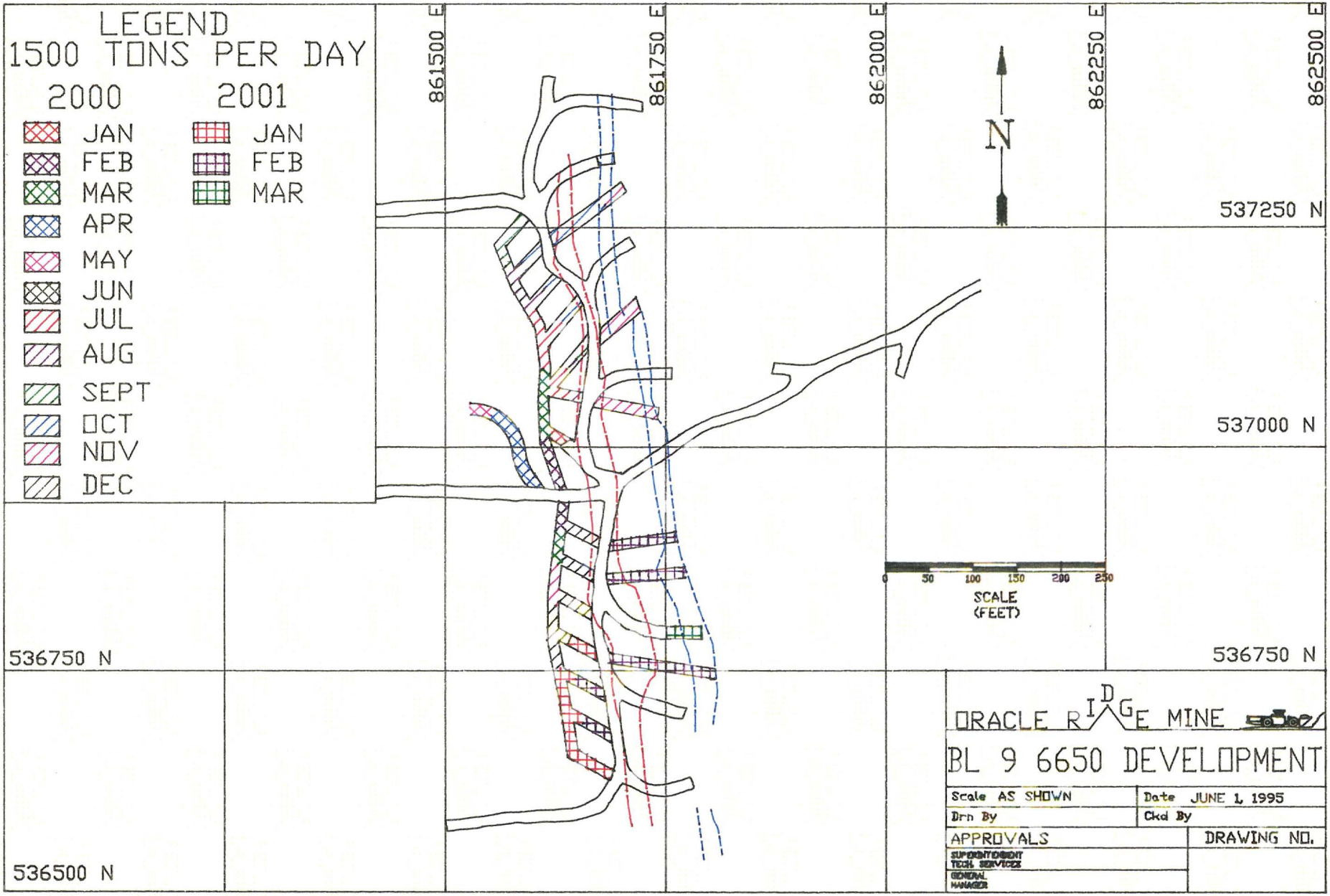
6800 LEVEL DEVELOPMENT

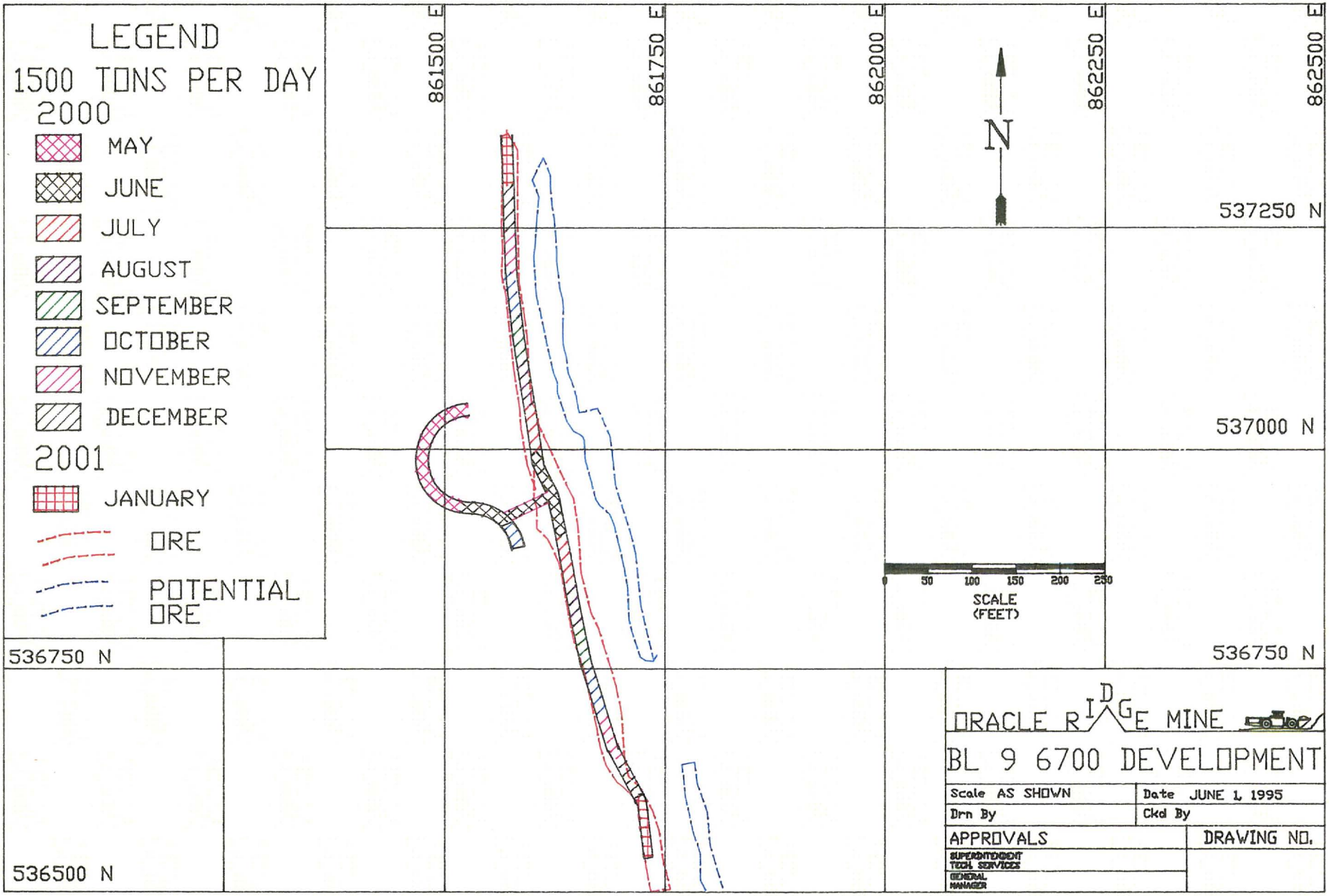
Scale AS SHOWN	Date JUNE 4, 1996
Drn By DMS	Ckd By
APPROVALS	DRAWING NO.
SUPERINTENDENT TECH. SERVICES	
GENERAL MANAGER	

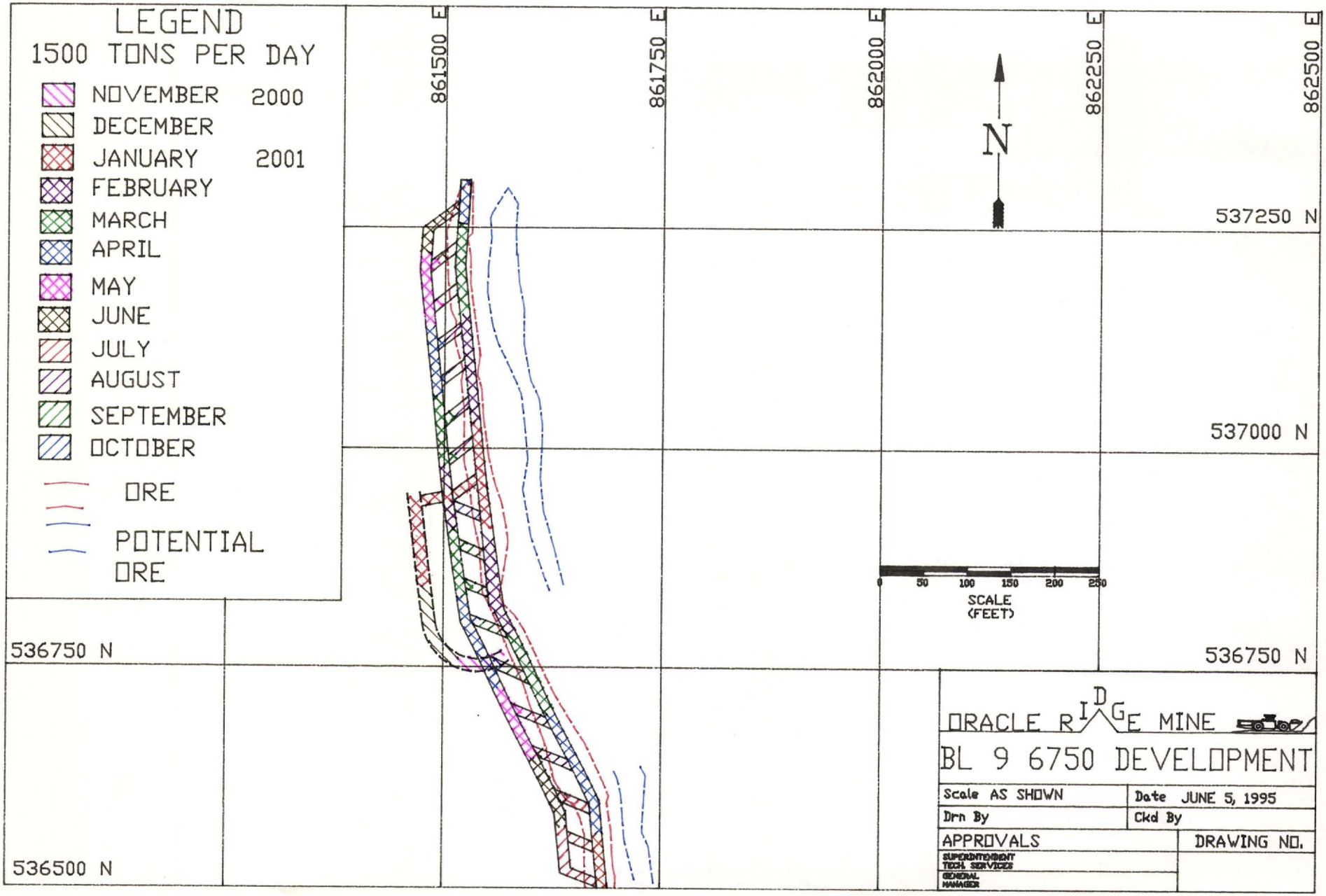

LEGEND
1500 TONS PER DAY
1997
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
862250 E
862500 E
862750 E
863000 E
863250 E
537750 N
537500 N
537250 N
537000 N
ORACLE RIDGE MINE
BL 8 6400 DEVELOPMENT
Scale AS SHOWN
Date JUNE 4, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

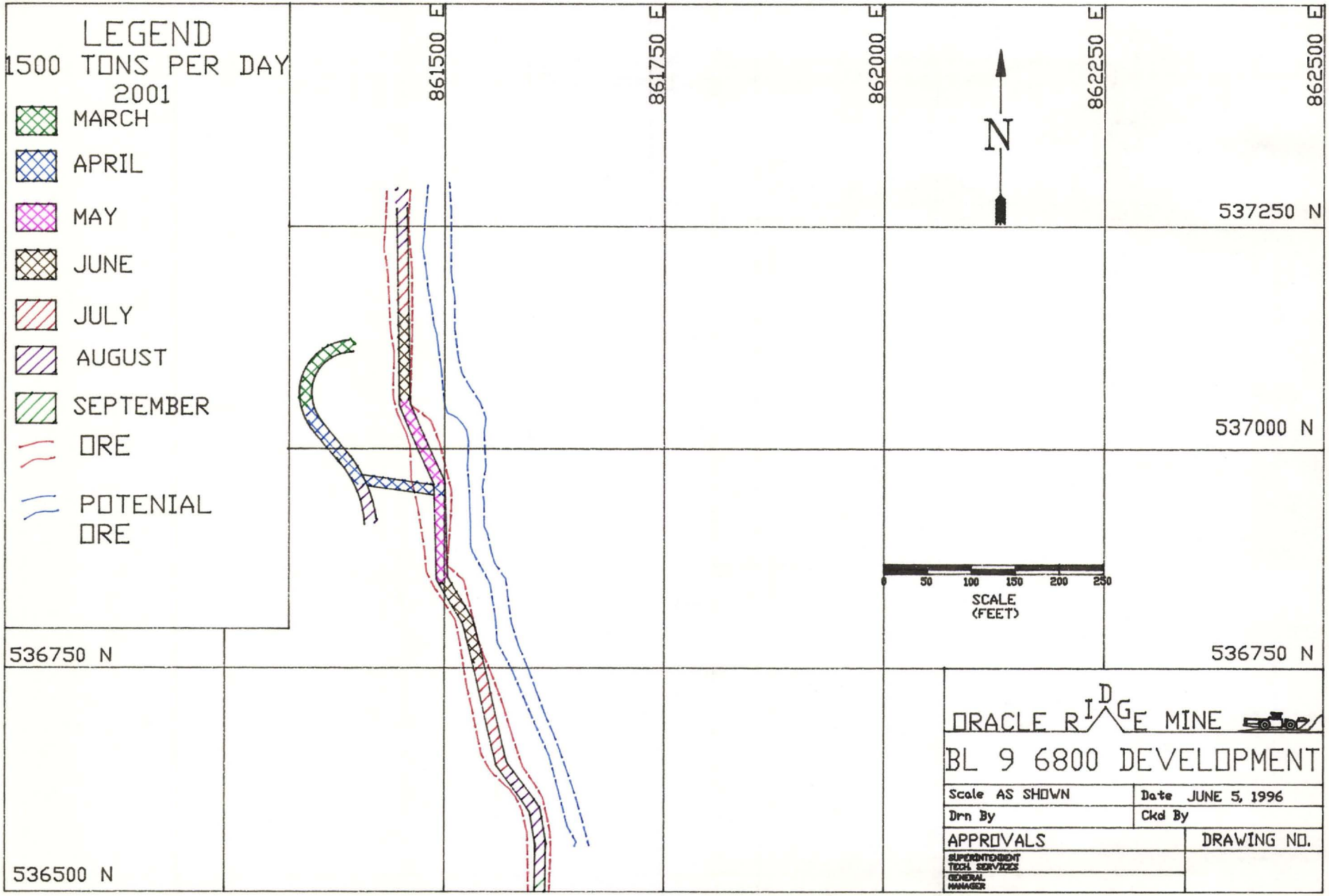

LEGEND
1500 TONS PER DAY
1999
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
2000
JANUARY
FEBRUARY
862250 E
862500 E
862750 E
863000 E
863250 E
N
537750 N
537500 N
537250 N
537000 N
0 50 100 150 200 250
SCALE
(FEET)
ORACLE RIDGE MINE
BL 8 6300 DEVELOPMENT
Scale AS SHOWN
Date JUNE 4, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

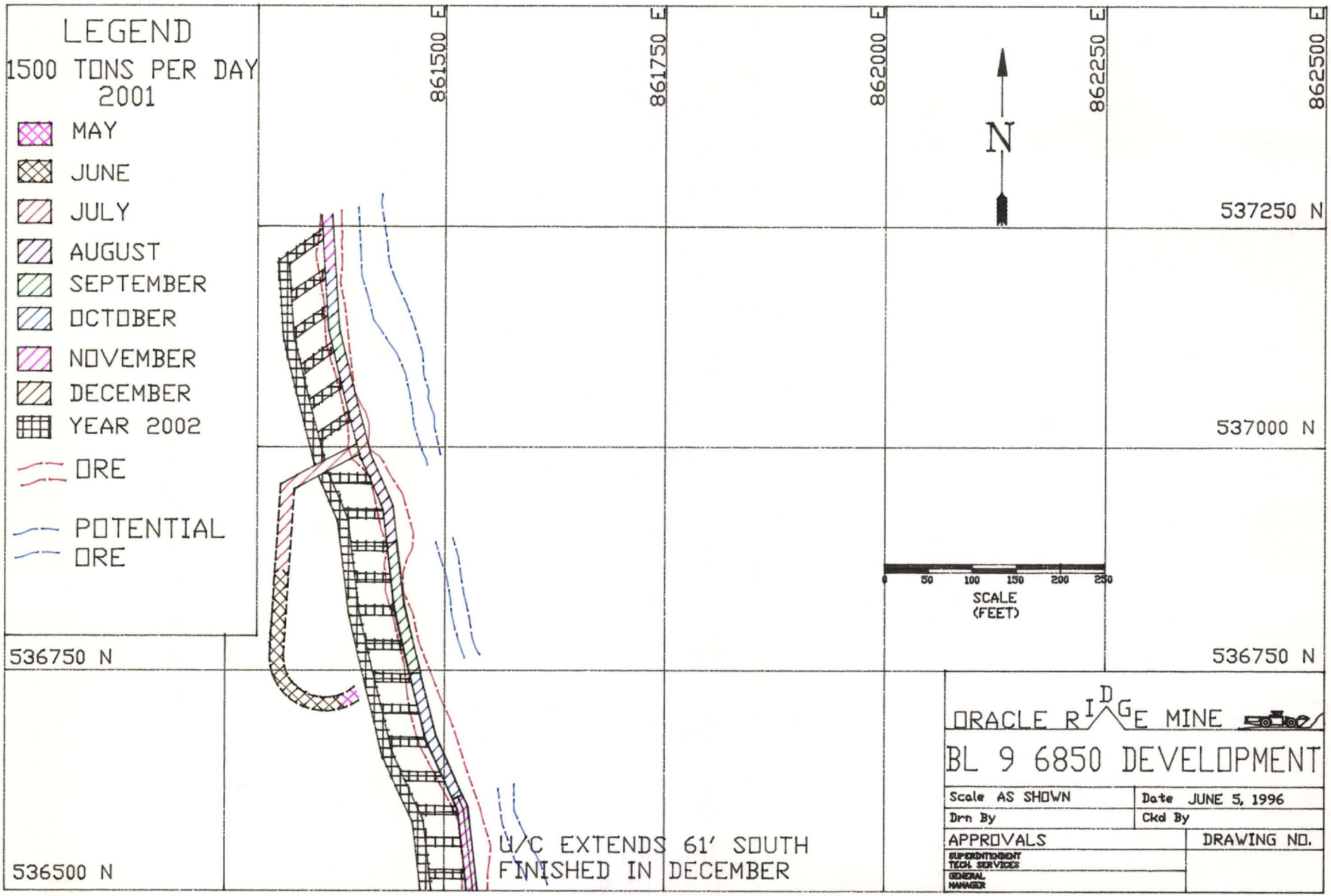

LEGEND
1500 TONS PER DAY
1999
DECEMBER
2000
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
862250 E
862500 E
862750 E
863000 E
863250 E
N
537750 N
537500 N
537250 N
537250 N
537000 N
0 50 100 150 200 250
SCALE
(FEET)
ORACLE RIDGE MINE
BL 8 6200 DEVELOPMENT
Scale AS SHOWN
Date JUNE 4, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

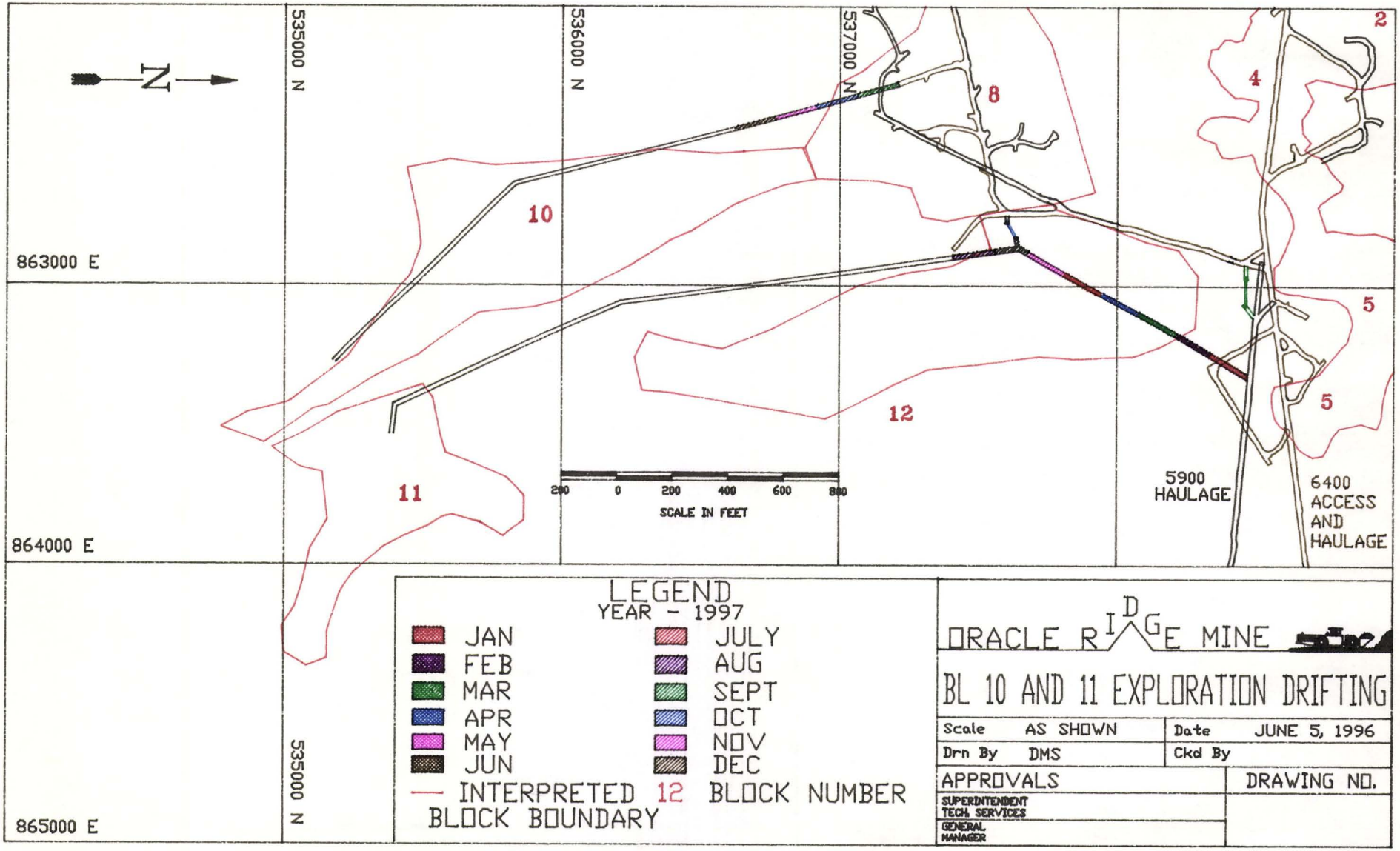

LEGEND
1500 TONS PER DAY
2000
2001
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
861500 E
861750 E
862000 E
862250 E
862500 E
N
537250 N
537000 N
536750 N
536750 N
536500 N
0 50 100 150 200 250
SCALE
(FEET)
ORACLE RIDGE MINE
BL 9 6650 DEVELOPMENT
Scale AS SHOWN
Date JUNE 1, 1995
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

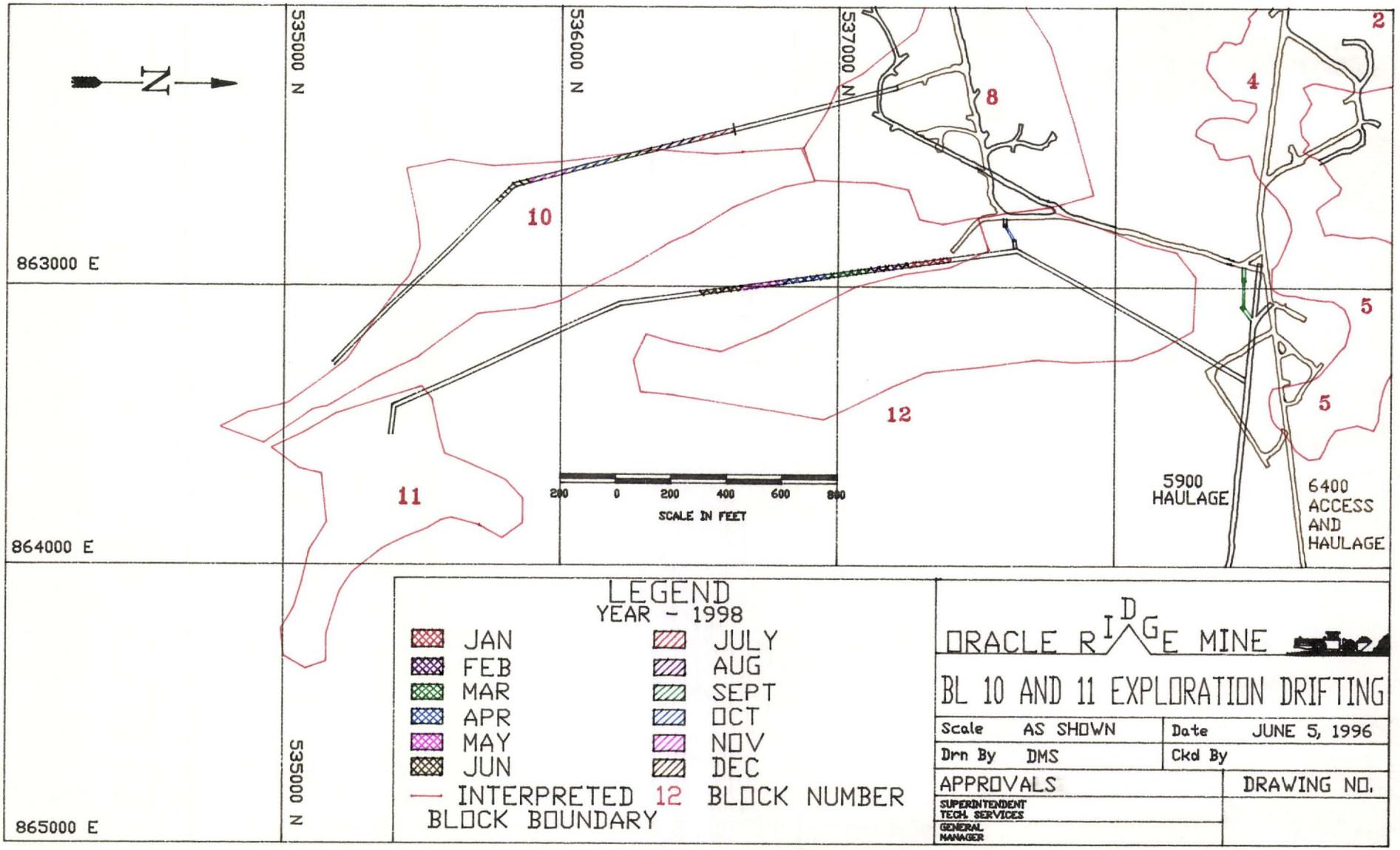

LEGEND
1500 TONS PER DAY
2000
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
2001
JANUARY
ORE
POTENTIAL ORE
861500 E
861750 E
862000 E
862250 E
862500 E
N
537250 N
537000 N
536750 N
536750 N
536500 N
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
BL 9 6700 DEVELOPMENT
Scale AS SHOWN
Date JUNE 1, 1995
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

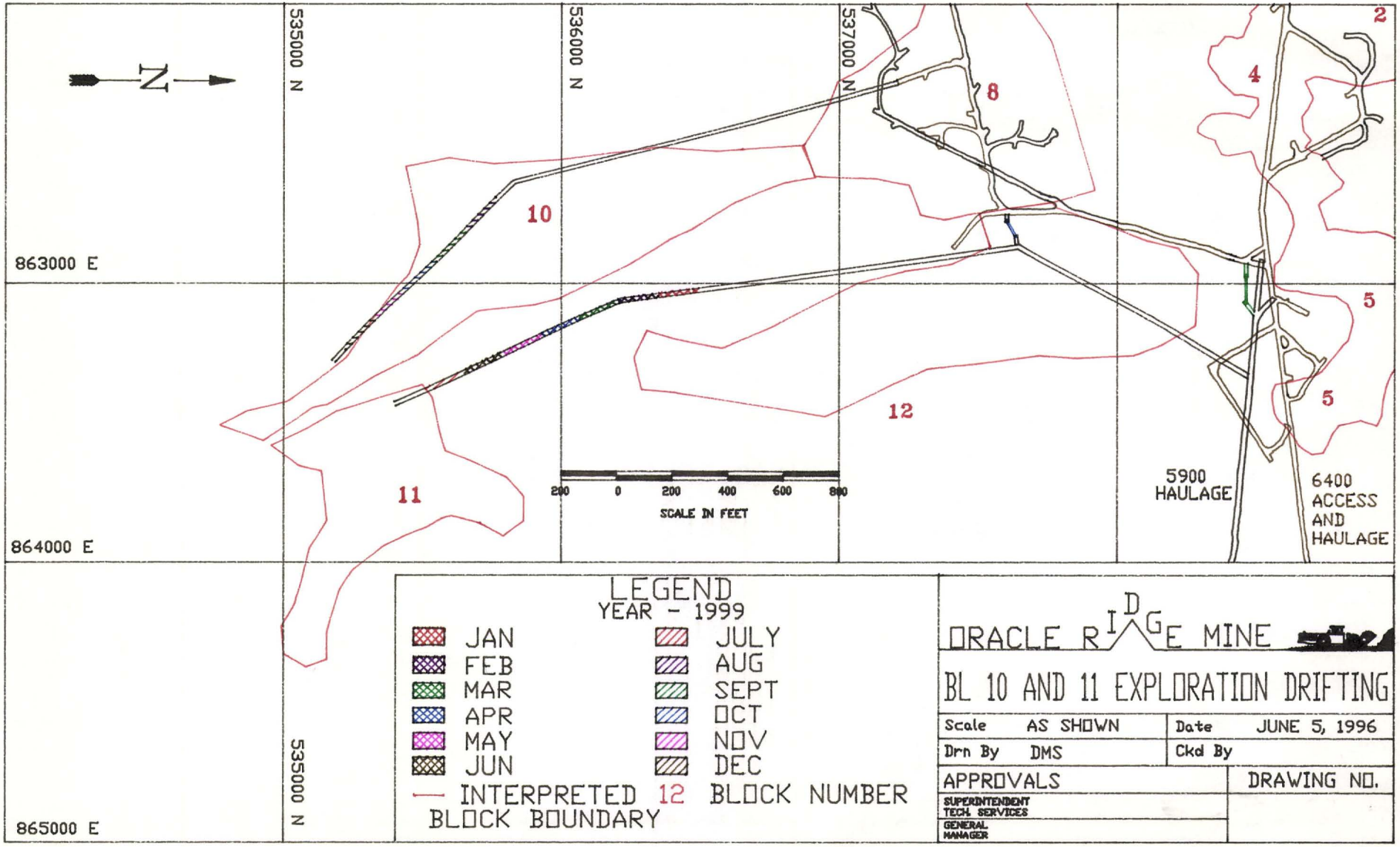

LEGEND
1500 TONS PER DAY
NOVEMBER 2000
DECEMBER
JANUARY 2001
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
ORE
POTENTIAL ORE
861500 E
861750 E
862000 E
862250 E
862500 E
N
537250 N
537000 N
536750 N
536500 N
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
BL 9 6750 DEVELOPMENT
Scale AS SHOWN
Date JUNE 5, 1995
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

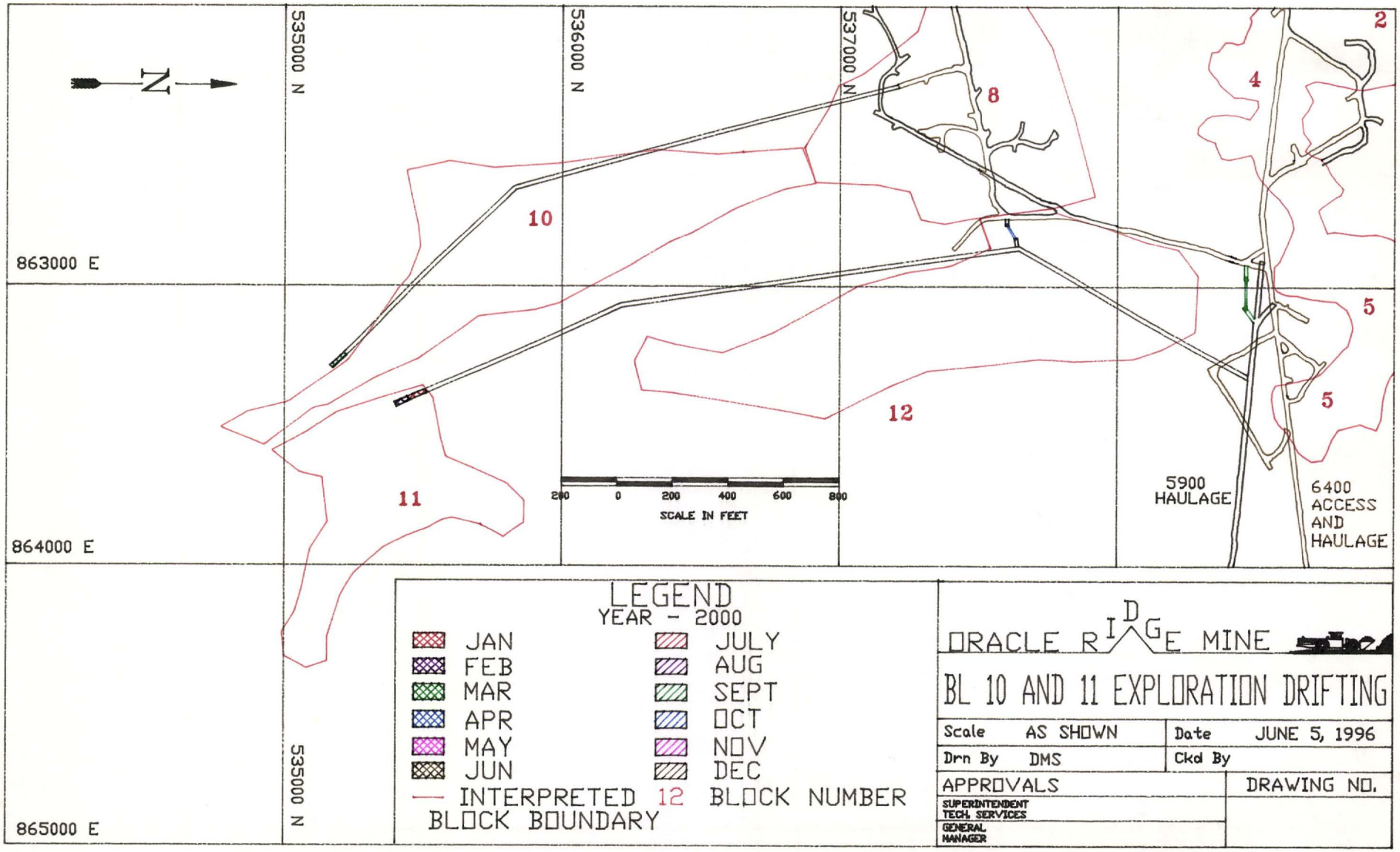

LEGEND
1500 TONS PER DAY
2001
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
ORE
POTENIAL ORE
861500 E
861750 E
862000 E
862250 E
862500 E
N
537250 N
537000 N
536750 N
536500 N
0 50 100 150 200 250
SCALE (FEET)
ORACLE RIDGE MINE
BL 9 6800 DEVELOPMENT
Scale AS SHOWN
Date JUNE 5, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


LEGEND
1500 TONS PER DAY
2001
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
YEAR 2002
ORE
POTENTIAL ORE
861500 E
861750 E
862000 E
862250 E
862500 E
N
537250 N
537000 N
536750 N
536500 N
0 50 100 150 200 250
SCALE (FEET)
U/C EXTENDS 61' SOUTH
FINISHED IN DECEMBER
ORACLE RIDGE MINE
BL 9 6850 DEVELOPMENT
Scale AS SHOWN
Date JUNE 5, 1996
Drn By
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


N
535000 N
536000 N
537000 N
863000 E
864000 E
865000 E
10
11
12
8
4
2
5
5
200 0 200 400 600 800
SCALE IN FEET
5900 HAULAGE
6400 ACCESS AND HAULAGE
LEGEND
YEAR - 1997
JAN
FEB
MAR
APR
MAY
JUN
JULY
AUG
SEPT
OCT
NOV
DEC
INTERPRETED BLOCK BOUNDARY
12 BLOCK NUMBER
ORACLE RIDGE MINE
BL 10 AND 11 EXPLORATION DRIFTING
Scale AS SHOWN
Date JUNE 5, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


N
535000 N
536000 N
537000 N
863000 E
864000 E
865000 E
10
11
12
8
4
2
5
5
200 0 200 400 600 800
SCALE IN FEET
5900 HAULAGE
6400 ACCESS AND HAULAGE
LEGEND
YEAR - 1998
JAN
FEB
MAR
APR
MAY
JUN
JULY
AUG
SEPT
OCT
NOV
DEC
INTERPRETED BLOCK BOUNDARY
12 BLOCK NUMBER
ORACLE RIDGE MINE
BL 10 AND 11 EXPLORATION DRIFTING
Scale AS SHOWN
Date JUNE 5, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


N
535000 N
536000 N
537000 N
863000 E
864000 E
865000 E
10
11
12
8
4
2
5
5
200 0 200 400 600 800
SCALE IN FEET
5900 HAULAGE
6400 ACCESS AND HAULAGE
LEGEND
YEAR - 1999
JAN
FEB
MAR
APR
MAY
JUN
JULY
AUG
SEPT
OCT
NOV
DEC
INTERPRETED BLOCK BOUNDARY
12 BLOCK NUMBER
ORACLE RIDGE MINE
BL 10 AND 11 EXPLORATION DRIFTING
Scale AS SHOWN
Date JUNE 5, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER


N
535000 N
536000 N
537000 N
863000 E
864000 E
865000 E
10
11
12
8
4
2
5
5
0
200
400
600
800
SCALE IN FEET
5900
HAULAGE
6400
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AND
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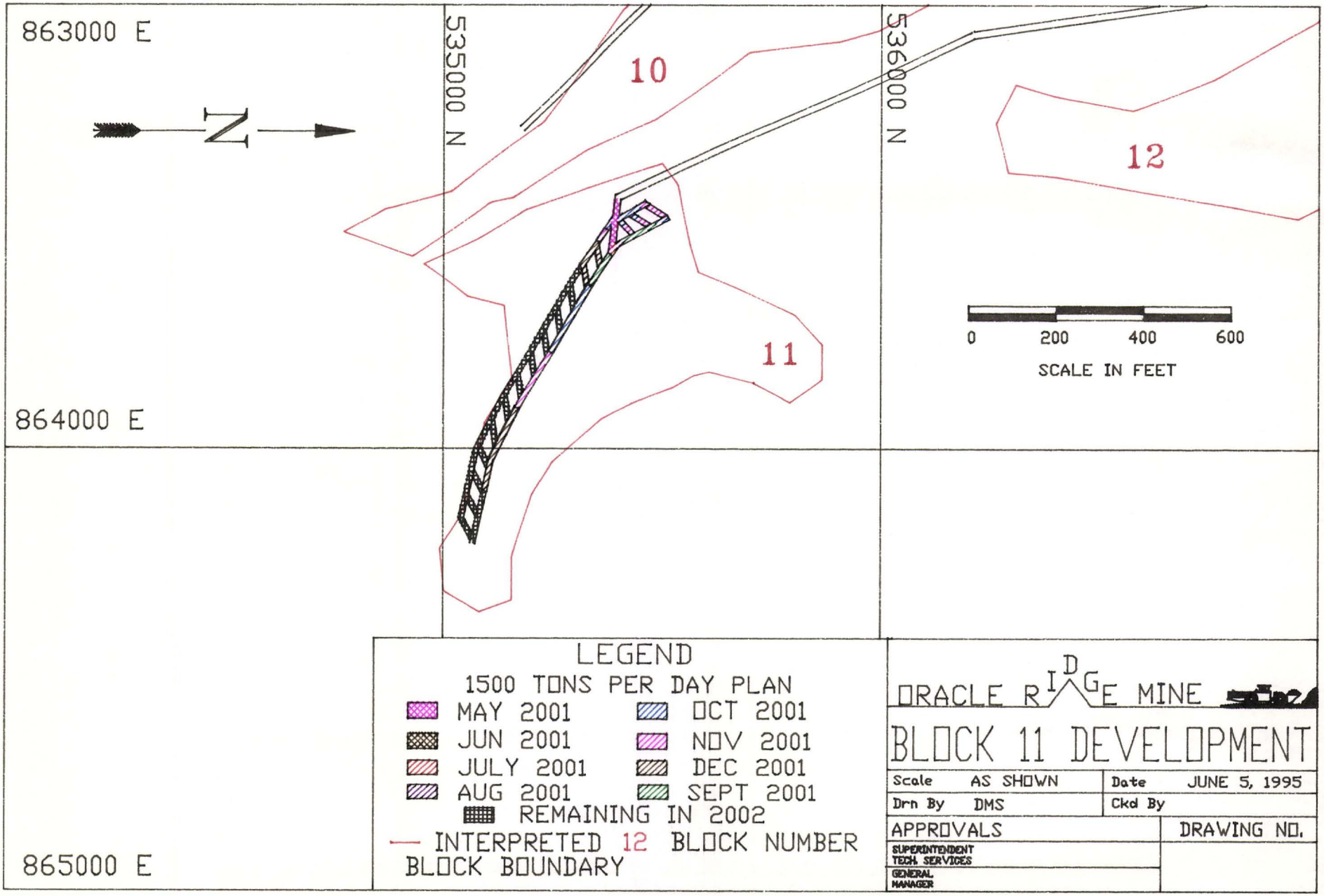
INTERPRETED 12 BLOCK NUMBER
BLOCK BOUNDARY
ORACLE RIDGE MINE
BL 10 AND 11 EXPLORATION DRIFTING
Scale AS SHOWN
Date JUNE 5, 1996
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER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DEC 2001
SEPT 2001
REMAINING IN 2002
INTERPRETED 12 BLOCK NUMBER BLOCK BOUNDARY
ORACLE RIDGE MINE
BLOCK 11 DEVELOPMENT
Scale AS SHOWN
Date JUNE 5, 1995
Drn By DMS
Ckd By
APPROVALS
DRAWING NO.
SUPERINTENDENT TECH. SERVICES
GENERAL MANAGER

Globex Mining Enterprises Inc.

Oracle Ridge Copper Mine

June 1996

CONFIDENTIAL INFORMATION SUMMARY

GLOBEX MINING ENTERPRISES INC. IS SEEKING THE NECESSARY FUNDS FOR THEM TO ACQUIRE AND DEVELOP THE ORACLE RIDGE COPPER MINE ('THE PROJECT'). THIS CONFIDENTIAL INFORMATION SUMMARY ('SUMMARY') HAS BEEN PREPARED SOLELY FOR USE AS BACKGROUND INFORMATION IN CONNECTION WITH A POTENTIAL INVESTMENT IN THE COMPANY AND THE PROJECT. THE SUMMARY DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL THE INFORMATION NECESSARY TO FORM A FINAL OPINION AS TO AN INVESTMENT IN GLOBEX OR THE PROJECT. NO REPRESENTATIONS OR WARRANTIES ARE MADE TO THE ACCURACY OR COMPLETENESS OF THE DATA CONTAINED HEREIN, OR AS TO THE NON OCCURRENCE OF CHANGES IN THE AFFAIRS OF THE PROJECT SINCE THE DATE AS OF WHICH THE INFORMATION HEREIN WAS PROVIDED.

Globex Mining Enterprises Inc. is a Canadian corporation listed on the Toronto and Montreal Stock Exchanges (GMX). Globex has conducted a careful and diligent review of the Oracle Ridge Copper Mine, and has made an offer to acquire 100% of the outstanding shares of Union Copper Inc. (UCI) and Continental Catalina Inc.(CCI), wholly owned subsidiaries of Southern Copper Inc. of Vancouver Canada and Continental Materials Inc. of Chicago IL. respectively. Both UCI and CCI are incorporated in the state of Delaware. These companies jointly own the Oracle Ridge Mining Partnership (70% UCI:, 30% CCI) which owns and operates the Oracle Ridge Mine. This asset consists of;

- **A fully permitted and operational** trackless underground copper mine capable of producing approximately 1000 tons of ore per day. with a) mine life of 12 years at current production levels based on reserves totalling 4.41 Million tons (proven, probable and diluted) grading 2.26% copper with appreciable gold and silver by product credits. Additional resources exist that have the potential to double or even triple known reserves. b) a processing plant capable of handling 1,050 tons of ore per day and producing a high quality clean copper concentrate c) a tailings disposal system with the tailings pond located on state fee land and permitted for expansion. d) access roads and rights of access over county and US Forest Service roads. e) water rights on patented claims held and a water lease allowing the drawdown of 40 acre feet of water from state fee land.

- On site: a) maintenance shops and repair facilities capable of conducting all major repairs on the mine mobile equipment. b) a dedicated diesel powered generating station capable of generating up to 3.0 MW of power meeting all requirements for the mine and mill. c) warehousing facilities with a stated inventory valued at approximately US $424,921 as at December 31, 1995. d) 3000 square feet office space complete with office furniture, computers, digitized drafting equipment, photocopying equipment and telephone systems. e) a mine dry complete with showers and changing facilities.

- 5,131 acres of land under control of the company in and on the edge of the Coronado National Forest in Pima County Az. This land consists of
  - patented claims of land owned out right covering 2,481 acres
  - unpatented mining claims covering 2,320 acres
  - 10 acres of land leased from the state of Arizona and
  - 320 acres of state exploration permits.

Summary Risk Analysis

As with any investment in the mining industry there are inherent risks which must be well understood by the investor before any investment is made. The management of Globex has evaluated these risks and weighed them in order of their importance and impact on the

potential of the property to perform. **Oracle Ridge is not a start up situation. Extensive data on all facets of the operation are available to assist in targeting potential risk areas.** Our analysis reveals only one significant risk facing Globex, that of ore dilution in the day to day operation of the mine.

Operating risk - moderate but manageable; We have recognized that the project is very sensitive to ore grade dilution from the outset. The problem with dilution stems from the mining practice used at Oracle Ridge in recent years. Zones 6 and 7 which have been the sole sources of ore from 1993 to August 31, 1995 had geologic grades of 2.29%. Mine feed to the mill reported an average grade of 1.8% while calculated mill heads, perhaps the most reliable indication of grade, averaged 1.43% and 1.53% for 1993 and 1994 respectively. Mining in these areas was done with little in the way of grade control. Definition drilling was limited to a few holes from the exploration drilling and some percussion holes. Percussion drilling does not provide any detail on the grade or structure within the ore zone but rather gives an average sample over the length drilled. Consequently, when the drill penetrated the hanging wall the contact could not be readily differentiated from the ore zone. Ore widths were estimated on inaccurate data resulting in dilution which averaged 25% over the 93 -94 period.

To correct this, and to control future dilution, profile drilling will be done to determine the limits or geometry of the ore zones using small diameter diamond core drills in conjunction with cheaper percussion holes. This would allow for an accurate detailed across strike sampling of individual ore zones on a stope by stope basis determining the geometry and grade throughout the structure. Armed with a detailed knowledge of the geometry, attitude and grade distribution across each ore block and each stope, management will be able to develop a more definitive mine plan which will result in a controlled over break in stopes that limits dilution. **Target dilution rates are achievable and could be considered conservative.**

The cash flows of mines producing copper concentrates are vulnerable to periodic increases or reductions in the charges levied by smelters. Current smelter charges at $0.32, are high relative to the norm of 25 - 27% of the prevailing copper price. This has occurred in the last few months due to a shortage in smelting capacity. This anomaly is expected to be corrected in the next two years after which historic relationships will reassert themselves.

Reserve risk - Low; Reserves have been determined on a conservative basis by one of the premiere mining consultants in the industry. Criteria used in determining the limits of ore and its classification are more conservative than is the industry norm.

Scale-up risk - Low; Plans for the expansion have been reviewed with several consultants and the mine management and have been determined to be achievable within the proposed budget and schedule.

Market risk - Within Industry Standards - Manageable; Copper prices are subject to market volatility dictated by supply and demand. In order to protect the Company's cash flow and ensure the profitability of the mine, production will be sold through a metal broker and revenues will be protected under a price protection program based on the sale of "PUTS" and offsetting "CALLS" on copper deliveries. This mechanism creates an artificial floor price for production while surrendering only a small percentage of any increase in copper prices to pay for this "insurance" and **provides a guaranteed minimum cash flow over time.**

Management risk - Low; Management at the corporate level is made up of dedicated and aggressive mining professionals with a long history in the copper market and clear view of the Company future and potential. Operating management will consist of trusted and competent individuals who have a proven track record in the management and operation of efficient and competitive mines. They are knowledgeable and capable with the experience to direct operations to ensure the success of the mine and the Company.

Investment Required

Globex requires an investment of US$ 11,500,000 for;

The purchase the Oracle Ridge mine	US$	4,500,000
1500 tpd expansion		5,323,000
Corporate working capital		1,500,000

This financing is structured to enable the investor to maximize his return on investment over a 3 year period, based upon the projected value of the Company, assuming no new assets are acquired and no credit is given for new projects under development, as determined in the following sections.

SUMMARY OF THE ORACLE RIDGE MINE

Asset Description

From 1977 to 1983 the then current owners of the mine Union Miniere and Continental Materials began an intensive and aggressive exploration and development program costing more than US$ 19.0 Mn. This program continued through a period of low copper prices (1981) in anticipation of a better economic climate. Work was discontinued in 1983 after the program had delineated enough ore for 12 years of mining at current rates. Unfortunately, the mid 1980's recession and low commodity prices put any further mine development on hold. In 1988-89 Southern Copper bought the Union Miniere interest. In the next year a production decision was made and a new mill built in 1992 with a capacity of 1020 tpd. This mill was designed and built by Minproc who implemented some radical concepts in the process line by installing a column flotation circuit that has only recently begun to operate at its design capacity due to a series of modifications made by the current mine management based on operating experience. During the period from January 1993 to December 1995 the mine operated sporadically with monthly throughput rates ranging between 630 to 1035 tpd. Monthly operating costs on a per ton milled basis fluctuated from a low of US$ 15.29 to as much as US $29.57 during this period.

In 1994, concurrent with attempting to develop the underground reserve base, Oracle Ridge Mining Partners commissioned Western States Engineering of Tucson to determine the viability of increasing production from 1000 tpd to a nominal 2000 tpd. Based on an estimate of US $7.2 Mn from Western States and a poor track record in supervising and running the Oracle Ridge mine, the owners have put the property up for sale.

In total, previous owners have invested an estimated $25 Mn in the Oracle Ridge mine. Much of this money in the past had been spent on items or programs that in retrospect lacked any focus. As a consequence the mine has lacked working capital and continued to be unprofitable. All this prior investment, including the delineation of additional ore zones of higher grade has developed the property to the point where it is ready to become an efficient producer of copper with the Expansion and Development Plan discussed below.

Reserves

The Oracle Ridge deposits are skarn type associated with the Leatherwood intrusive which is found at depth and at the surface encircling the sediments of the Abrigo, Martin and Escabrosa formations. These Skarns are either structurally controlled laying in fault or shear zones perpendicular to the intrusive or in lenses that conform with structure along the contact with the intrusive.

Current reserves are defined by 640 diamond drill holes that have intersected to date, 12 separate ore zones. The drilling was a combination of both underground and surface holes executed over the past 20 years. In all cases the assays were checked by reputable umpire laboratories. An average correlation of more than 90% was achieved with the original assay. Ore minerals consist of a broad variety of copper minerals including chalcopyrite, bornite, covelite, and primary chalcocite. There appears to be some zoning in the mineralization within the ore body that will allow selective mining of certain areas to increase the metallurgical yield.

Of particular note is the fact that ore grades within individual blocks remain consistent over the full extent of the block with little variation. This is seen in the exploration program results and confirmed by mining.

Resources as estimated by Oracle Ridge and in part confirmed by Mintec Inc. are **8,765,400 tons grading 2.34% in the measured and indicated categories**. Oracle Ridge's reserve calculations are based on geologic sections done at fifty foot intervals incorporating detailed structural geology and assay results. These reserves and resources are summarized in Exhibit "A" attached.

Within this resource lies a **mineable reserve of 4.41 Million tons grading 2.26% copper (proven and probable only with a 10% dilution factor built in).** These reserves have been estimated from those resources which are defined by a close drilling pattern and accessed by underground development on one or more sides and are subject of a detailed mining plan. They are estimated to contain 199.6 million pounds of copper of which 183.4 million are considered recoverable. To ensure accuracy and increase the level of confidence assigned these reserves, detailed geologic cross sections containing structural information and drill hole sample assays have been used in determining the reserves. Additional resources totalling 4.36 million tons grading 2.41% copper are indicated by preliminary drilling and sampling in Ore Blocks 3,4,5,10,11 &12.

Mintec used their proprietary MEDSYSTEM with a very tight block model with dimensions of 10'x10'x5' in flat laying ore blocks and 10'x10'x10' blocks that were vertical applying a cut off grade of 1.5% copper. This study quantified only 6 of the 12 ore blocks identified to yield a resource of 7,045,197 tons grading 2.33% copper. The additional blocks do not have sufficient information to qualify them as ore at this time and are quantified as *inferred* resources. In the 6 blocks evaluated only *measured* and *indicated* categories have been reported. Additional resources in these blocks may increase the total resource base by as much as 20% while those in the inferred category are likely to increase the over all resource by at least an additional 50%. Mintec readily admits that their study is imperfect. The model used incorporates reserves that have been already mined out in Blocks 6 and 7 and does not properly reflect the reserve. This has been adjusted for in the table below. A further limitation of the analysis performed by Mintec is that the geological interpretation of the Oracle Ridge Mine have not been superimposed on the statistical model. When this is done greater levels of confidence

could then be ascribed to the inferred reserves and we believe that they will concur with those calculated manually at the mine.

We believe that considerable up-side potential exists at Oracle to expand both grade and tons. It has been demonstrated that the copper magnetite ore currently being mined can be detected using magnetic survey methods. Greater than 4 % copper intercepts have been encountered in the surface drilling of block #11coinciding with a very large geomagnetic anomaly revealed by a helicopter borne magnetic EM survey. Note that the grades intercepted are the highest encountered to date on the property and the size of the geophysical target indicates a structure of 2-3 million tons of up to 4 % copper. Please note that reserves are quantified in only six of twelve known ore zones. The additional blocks, like block #11, do not have sufficient information that would qualify them as ore at this time, hence they have been cataloged as inferred resources. There are also indications in remote single drill holes of ore grade material existing in areas not considered as ore blocks. These areas lie between areas designated as ore blocks and could prove out to be extensions of the known ore zones.

Mining and Processing

The Oracle Ridge mine operates a trackless underground system using the long hole stoping method of mining. Mucking and loading is done with seven and four yard scoop trams while transport of the ore to surface is done by eighteen and fifteen ton underground haul trucks. All underground equipment is diesel powered. The current production equipment is adequate to maintain production up to 1,000 tons per day.

More than 9 miles of underground development has been done since 1977 at a cost of US $11.88 Mn dollars of the day. Over the same time frame the company has only depreciated US $3.96 Mn of this cost. This development has proved up and developed enough ore blocks to support production at 1500 tpd for the next ten years. In contrast most underground mines in Canada have less than 3 years of ore developed ahead of production.

Oracle Ridge has been limited in its ability to carry out extensive development work due to a lack of proper equipment. Future plans call for the purchase of a twin boom jumbo which will allow all development programs to be carried out by the Company.

Detailed mine plans have been developed on a month by month, stope by stope basis for operating rates of 1000, 1500 and 2000 tpd through the year 2000. Mine plans are currently being developed that will incorporate a blending of ore to achieve a consistent concentrate grade of 30%.

The mining method employed at Oracle is that of long hole sub level stoping. This is a mechanized technique that allows miners to extract bulk tonnages of ore with reasonable control over the amount of waste dilution. This method requires the careful orchestration of a series of events that must allow for the development of some stopes while the mining

of others is underway. At 1000 tpd two stopes are in various stages of development while one is being mined out.

Ore is delivered by underground haul trucks to the crushing and screening circuit where it is reduced in a two stage crushing process to minus 5/8" size. The fine ore is then fed into a conventional ball mill where it is ground to 80% passing 200 mesh. Flotation is accomplished by column cells and a small bank of conventional flotation cells. Over the course of the past three years, performance has been much improved through modifications made to the original design. This is best measured in copper recoveries which increased from 60% to 94% over this period. In addition, the original reagent schedule which was unconventional did not enhance the flotation characteristics of the minerals and therefore required change. The current schedule was developed by Oracle Ridge operating personnel and has favorably increased the overall mill performance. Concentrate copper grades of 30% can now be consistently obtained.

Detailed operating cost summaries are appended under cover of Exhibit "C". Costs of production for 1994 were US $0.9226 the last full year of operation broken out as follows;

	Per lb	Per ton
Mining	$0.2792	$5.39
Milling	$0.1783	$4.11
Services	$0.1977	$4.55
Administration	$0.1044	$2.40
Property Tax	$0.0125	$0.29
Severance Tax	$0.0108	$0.25
Reclamation Expense	$0.0022	$0.05
Total Direct Costs	$0.7851	$17.04
Smelting Charge	$0.1517	$3.49
Refining Charge	$0.0830	$2.10
Transportation	$0.0140	$0.32
Total Processing Cost	$1. 0420	$26.40
Precious Metal Credit	($0.1194)	($2.75)
Total Operating Cost	**$0.9226**	**$20.21**

Operating costs for 1995 include a considerable amount of development work that rightfully should be capitalized. Consequently '95 costs are distorted at **US $1.2223/lb** of copper produced. Extracting these capital improvements from the operating costs yields decrease of **US 25.19¢/lb** to a more representative **US 97.04¢/lb**. Future operating costs

after the expansion will see a marked improvement as economies of scale and increased efficiencies come into play.

Globex has noted several areas of the concentrator that require improvement in order to increase the out put and efficiency of the mill. These deficiencies or weak points are recognized by the existing management who have conducted studies in these areas, but were not able to implement the recommended changes due to a lack of funds.

- Convert the crushing circuit to a three stage system to produce a fine ore of 100% minus 3/8" effectively, a size that would allow for a more efficient grind.
- Re line the mill with steel liners and use a larger ball charge and install a working regrind circuit with a conventional ball mill.
- Increase pumping capacity to allow for greater flow and to eliminate potential bottlenecks in the circuit.
- Increase the size, from 50 to 300 cubic feet and number of conventional flotation cells to increase retention time and maximize concentrate grade.
- Increase the size of the thickeners which are too small to handle even current production.
- Modify or change the filtration circuit to reduce the moisture content of the concentrate.
- Replace manual valve systems with remote controlled valves.

These modest changes would result in a higher mill feed throughput and an improved concentrate grade and quality.

Metal Sales

Oracle Ridge had sold all their copper through Glencor, a metals broker based in New Jersey. Currently no contract exists and new owners will have to make their own marketing arrangements Glencor have indicated their interest in continuing the relationship with Oracle and have provided the model terms used in the cash flows attached. Concentrates are shipped to Magma's San Manuel complex where it is smelted and refined. Oracle Ridge has not considered longer term metal hedging strategies in the past. Globex will seek a variety of quotes for a marketing agreement and determine the best possible sales program.

Globex believes in the careful management of corporate exposure to market risk. It is our intention to ensure the security of the Oracle Ridge cash flow and mitigate the downside risk to the Company by establishing a 27 month rolling forward hedge program that will provide a minimum copper price received for future sales while not surrendering all of the upside in copper prices. The cost of such a program is minimal considering the cyclical nature of copper prices and the security it provides by negating the impact that strong downward pressure prices can exert on cash flow.

By-product credits are important to the cash flow of Oracle Ridge. At current prices they constitute 10% of gross revenues and are adequate to offset much of the cost of smelting and refining.

Environmental Considerations

The following operating permits are in good standing and are up to date with the issuing agencies;

- Storm Water Discharge, NPDES
- Aquifer Protection, Arizona Department of Environmental Quality
- Air Quality, Pima County Dept. of Environmental Quality

The mine meets or exceeds the criteria necessary to obtain these permits. The State of Arizona is currently revising the requirements for Air Quality. The mine staff have submitted the required documentation to update their Air Quality Permits and to increase the production level certified under this permit to 2000 tons per day.

The mine is located in an area designated as a National Forest. To date, they have enjoyed a spirit of cooperation with the Forest Service and have not been the target of any environmental activists.

Expansion Plans

Based on discussions with the mine management and the engineer who conducted the 2000 tpd feasibility study, Globex believes that a staged increase in production can result in a more effective use of cash and will result in a less costly, more profitable mine. One option that has been reviewed is increasing production to 1500 tpd. The cost of this has been estimated by the mine staff and Western States Engineering to be US $5.323 Mn or $29.08/incremental ton ore annual capacity. This capital cost is detailed in Exhibit "B" attached. The development and construction schedule will be spread over a period of twelve months.

Globex proposes to increase production initially by optimizing the current mining and milling circuits to achieve not only a full capacity utilization but also a consistent quality concentrate. Conceptually, the target level to be achieved is 1500 tons per day at operating costs of US $20.33/ton milled (note the operating company had costs of US $17.36/ton in 1994). This will be achieved as part of a three pronged approach to development;

- First, a program of definition drilling and ore reserve expansion designed to upgrade reserves and minimize the potential of excessive dilution. This work will provide information to revise longer term mine plans and define the resources necessary to achieve targets. The total estimated cost of this phase is US $ 1.4 Mn.

- Second, equipping the mine with the proper equipment to meet the production targets and enable it to implement an aggressive internal development program. The purchasing key mining equipment that will allow this to happen is estimated cost to cost US $ 1.7 million. Scheduling of this phase may overlap both other phases of the program.
- Third, a concerted mill expansion program that will be capable of meeting and exceeding target rates. This will entail;
    - Increasing the crushing capacity of the crushing circuit for an estimated US $337,000.
    - Installing a new regrind mill and relining the existing mill with new steel liners at an estimated cost of US $350,000.
    - Installing refurbished thickener tanks and mechanisms and new pumps and motors to accommodate increased flow at US $205,000.
    - Installing an new bank of conventional mechanical scavenger flotation cells at a cost of US $ 40,000.
    - Additional items to enhance production such as instrumentation mobile equipment and electrical service totalling US $429,000.
    - Upgrading mine services and ancillary facilities for US $460,000.

A detailed mine plan has already been prepared for this expansion to bring operations up to full production in concert with mill modifications. This is expected to take from five to six months. Once the work on the ore definition program is completed, a concentrated expansion program will begin on both the mining and milling operations over a scheduled period of six months. This will be followed by a slowly phased in period of production which will ensure all systems are able to function in concert and that mining does not outstrip development. Production during this period is estimated to be;

	1996	***1997***	***1998***
Total Ore	270,000	492,000	565,000
Mill Head Grade	1.92%	2.02%	2,06%
Daily Throughput	1,132	1,352	1,542

This expansion will have the greatest impact on operating costs as economies of scale and a more efficient flow sheet will generate real cost savings that translate into a profitable operation. The best measure of this is seen in the reduction of the unit operating costs (Exhibit "C") which drop from the US 95¢ range to the 65¢ range. This ranks the project's costs at the transition point between the second and third quartile of copper producers (Exhibit "G"). There is a strong possibility that these costs may be reduced by i) capitalizing some of the development costs currently expensed in years 1 & 2 and ii) converting from diesel to natural gas for power generation with further savings estimated to be between US $600,000 and $650,000 per year (3 to 4¢/lb).

Economics of the Expansion

On the basis of thorough and exhaustive analysis of the Oracle Ridge mine including the benefits of reviewing the actual mine and its historic operating cost performance, the mine is estimated to have the following characteristics (Exhibit "D");

Capital Investment	US $11.323 million (US $5.323 in capital improvements, $4.5 for acquisition, $1.5 in working capital)
Mine Life	14 years
Ore Reserves	8.765 million tons of which 4.410 million tons are part of an existing mine plan.
Copper Grade	2.03% fully diluted
Copper Inventory	199.6 million pounds
Payable Copper	183.4 million pounds
Production Rate	1500 short tons per day
Annual production	18.5 million pounds
Cash Costs	US 66.80¢/lb (net of gold & silver credits) Exhibit "C".
10 Year Net Revenue	US $159 million
10 Year Earnings	US $38.7 million
10 Year Cash Flow	US $51.3 million
After Tax DCF-ROR	33.9 % (100% equity basis)
Net Present Value @ 10% discount	US $16.5 million
Copper Price (US $/lb)	
Current	US $1.16
15 Month Forward	US $1.08
27 Month Forward	US $1.05

Asset Value

Securities markets value base metal companies as either development or producing companies. Development companies consisting of companies with assets like Oracle Ridge, with properties in production or pre expansion stages, typically trade on an asset value basis, with the asset value increasing as certain benchmarks are achieved on the way to full sustainable production levels. Producing properties such as BHP - Magma, Phelps Dodge, Cyprus Amax or Asarco trade on a conventional *multiple of earnings* basis with the average multiple over time being 10.

The value of the Oracle Ridge mine has been calculated on the basis of accepted methods commonly employed in the industry and reflecting the evolution of the mine from pre-production through full operation (Exhibit "F"). The value of the assets are calculated as if Globex were a single purpose company and had no other assets to contribute to the value of its shares. During the development stage, share prices should reflect the

underlying asset values determined by industry pricing for copper transactions. In recent transactions, under developed copper deposits with little or no detailed geological information have been conservatively priced at US $0.02/lb of contained recoverable copper. More advanced projects like Oracle Ridge with mineable reserves quantified, permits in place, and production plant and equipment with a full infrastructure have sold from between US $0.04 and 0.11 per recoverable pound of copper. Considering the above, the Oracle Ridge mine would contribute US $7.34 million to the market capital of Globex.

Copper Reserve Payable Pounds	**Price per Pound**	**Value**
183.4 Mn	**US$0.04**	**US$7.34 Mn**

Once financing is in place and the development work and definition drilling is underway, the confidence level in the company and the quality of the reserve can be expected to increase. The value of the Oracle Ridge should then begin to reflect that increased confidence and the market perception of it should progress to reflect a well funded profitable producing mine. Recent industry transactions in producing mines are priced around or slightly higher than a formula price derived from the difference between 1) a long term worst case average copper price of US $0.75/lb, and, 2) the forecast long term cash cost per pound of the asset. The conservative nature of this formula is reflected in the fact that copper spot prices are currently around the US $1.10/lb mark and that the long term projected price of copper remains at US $1.00/lb despite recent declines in spot prices. There is also a strong trend line (Exhibit "E") which supports the belief that copper will not drop below US $0.75 level for any extended period of time. Our analysis further indicates that the minimum annual average price for copper in the short term (say next two years) should not be less than 85 ¢/lb.

Based on the forgoing, the value of the Oracle Ridge Mine in its second stage of growth will be US$ 14.21 million

Copper Reserve Payable Pounds	**Price per Pound (a)**	**Value**
183.4 Mn	**US$0.0775**	**US$14.21 Mn**

(a) based on US $0.75 less long term cash cost of US $0.6725

Finally, pricing will move from an asset, to an earnings based formula on the expectation that the Oracle Ridge mine can successfully expand from its current 1000 to a sustainable1500 tons per day, within projected operating parameters. On this basis within

twenty four months the following values are projected. The figures used in this evaluation are drawn from the Base Case Mine Plan & Cash Flow Analysis appended as Exhibit "D".

	Earnings in Year 3	**Earnings Multiple**	**Value**
	US $4.22 Mn	**10**	**US $42.22 Mn**
Retained Cash			**7.55 Mn**
Total Value			**US $49.77 Mn**

The evolution of the fair market value will not therefore be reflected in the share price as portrayed at all times. The timing of the transition from one valuation method to another can be subjective. Markets are highly reactive to events such as the acquisition, financing, mine development and reserve enhancement and projects that lower costs as well as such intangibles as perceptions of management capabilities, and receptiveness to the metal mined. The time frame that Oracle Ridge's impact on Globex's market capitalization will certainly be governed by these and other factors beyond the control of the company. We would expect however that once the project has demonstrated that it can operate at forecast levels, it would show a gradual shift in the valuation of the Company from an asset basis to that of earnings.

Geologic Reserves with 10% Dilution

Exhibit "A"

Ore Block	Proven Tons	Grade %	Probable Tons	Grade %	Proven & Probable Tons	Grade %	Contained Copper Mns of lbs	Possible Tons	Grade %	Total Tons	Grade %
1&2	1,618,800	2.43%	250,900	2.32%	**1,869,700**	**2.42%**	**90.32**			**1,869,700**	**2.42%**
3								250,000	2.00%	**250,000**	**2.00%**
4								350,000	2.30%	**350,000**	**2.30%**
5								750,000	2.00%	**750,000**	**2.00%**
6	200,000	2.11%	311,300	1.98%	**511,300**	**2.03%**	**20.77**	255,300	1.96%	**766,600**	**2.01%**
7	80,800	2.20%	12,100	1.79%	**92,900**	**2.15%**	**3.99**	0	0.00%	**92,900**	**2.15%**
8	468,200	1.95%	83,900	1.98%	**552,100**	**1.95%**	**21.58**	500,000	2.50%	**1,052,100**	**2.21%**
9	781,100	2.39%	603,000	2.14%	**1,384,100**	**2.28%**	**63.14**	350,000	2.25%	**1,734,100**	**2.27%**
10					**0**	**0.00%**		1,000,000	2.20%	**1,000,000**	**2.20%**
11					**0**	**0.00%**		400,000	4.00%	**400,000**	**4.00%**
12					**0**	**0.00%**		500,000	2.75%	**500,000**	**2.75%**
TOTAL	**3,148,900**	**2.32%**	**1,261,200**	**2.12%**	**4,410,100**	**2.26%**	**199.58**	**4,355,300**	**2.41%**	**8,765,400**	**2.34%**

ORACLE RIDGE 1500 tpd Capital Cost

Item	Size	QTY	Unit Price	Total	Purchase schedule not final	Installed
Mine						
Scoop Tram	4yd	2	$200,000	$400,000	Q2 / 96	Q2 / 96
Twin Boom Jumbo	2 boom	1	$250,000	$250,000	Q2 / 96	Q2 / 96
Long Hole Machine	3.5 inch	1	$150,000	$150,000	Q2 / 96	Q2 / 96
Haul Truck	30	1	$250,000	$250,000	Q2 / 96	Q2 / 96
Diamond Drill	Under ground	1	$35,000	$35,000	Q2 / 96	Q2 / 96
Grader	12G	1	$75,000	$75,000	Q2 / 96	Q2 / 96
Scissor Lift		1	$60,000	$60,000	Q2 / 96	Q3 / 96
Load Centers	4160 volt	3	$23,000	$69,000	Q3 / 96	Q3 / 96
Fans		3	$12,000	$36,000	Q4 / 96	Q4 / 96
Raise Boring	lot	1	$250,000	$250,000	Q3 / 96	Q3 / 96
Grizzley/Rockbreaker	Lot	1	$80,000	$80,000	Q2 / 96	Q2 / 96
UG Cable & Electrics	Lot	1	$100,000	$100,000		
Dry	Lot	1	$20,000	$20,000	Q2 / 96	Q2 / 96
Total Mine				**$1,775,000**		
Mill						
Fixed Grizzly	24x24" Openings	1	$10,000	$10,000		
Fine Crusher	45" Rollercone II	1	$180,000	$180,000	Q2 / 96	Q2 / 96
Conveyors etc.	36"	200	$200	$40,000	Q2 / 96	Q2 / 96
Repairs to 2nd'ary Cone		Lot	$20,000	$20,000		
Screen Decking	16x6	Lot	$12,000	$12,000		
Regrind Mill & Motor	Ball	1	$200,000	$200,000	Q4 / 96	Q1 / 97
Ball Charge/Regrind		Lot	$10,000	$10,000		
Liners/Old Mill	Steel	Lot	$60,000	$60,000		
Crane Strucure for Mills		Lot	$40,000	$40,000		
Cyclone Pack	Krebs 10 LB	1	$20,000	$20,000	Q4 / 96	Q1 / 97
Rock Breaker	Hydraulic	1	$75,000	$75,000	Q3 / 96	Q4 / 96
Pumps		8	$10,000	$80,000	Q4 / 96	Q1 / 96
Instrumentation	Lot	1	$30,000	$30,000	Q3 / 97	Q4 / 97
Concentrate Shed	Lot	1	$50,000	$50,000	Q2 / 96	Q2 / 96
Piping	Lot	1	$30,000	$30,000	Q4 / 96	Q1 / 97
Front End Loader	Cat 926	1	$80,000	$80,000	Q2 / 97	Q2 / 97
BobCat Skid Loader	0.5 Cu Yd	1	$13,000	$13,000	Q1 / 97	Q1 / 97
Flotation Cells	300 Cu Ft	6	$6,500	$39,000	Q1 / 96*	Q2 / 96
Thickeners		2	$50,000	$100,000	Q3 / 96	Q4 / 96
Water Pond &Line 2		Lot	$25,000	$25,000	Q2 / 96	Q2 / 96
Structural Steel		Lot	$65,000	$65,000	Q3 / 96	Q4 / 96
Mill Site Office		1	$15,000	$15,000	Q3 / 96	Q3 / 96
Mill Shop		Lot	$12,000	$12,000		
Transformers & MCC's		Lot	$40,000	$40,000		
Truck Scale		Lot	$25,000	$25,000		
Civil Works		Lot	$100,000	$100,000	Q3 / 96	Q4 / 96
Total Mill				**$1,371,000**		

All prices based on available "Used Equipment" as of 12/95

ORACLE RIDGE 1500 tpd Capital Cost

Item	Size	QTY	Unit Price	Total	Purchase schedule not final	Installed
Services						
Shop	Lot	1	$100,000	$100,000	Q3 / 97	Q4 / 97
Communications	Lot	1	$10,000	$10,000	Q2 / 96	Q3 / 96
Repairs to Gen Sets	Caterpillar	1	$180,000	$180,000		
Spares	Lot	1	$170,000	$170,000	N/A	N/A
Total Services				**$460,000**		
Sub Total 1500 tpd Expansion				**$3,606,000**		
Contingency				$300,000		
Pre Production Development		**3000**	**$250**	**$750,000**		
Definition Drilling	**Lump Sum**	**1**	**$667,000**	**$667,000**		
TOTAL				**$5,323,000**		

All prices based on available "Used Equipment" as of 12/95

Summary of Operating Costs

Exhibit "C"

Year	1993	1994 <-------- actual -------->	1995	1996 to 2006 - forecast -->
Tons Milled per Day	835	956	746	1134 to 1542
Mine Head Grade	2.29%	2.29%	2.34%	2.42%
Calculated Mill Heads	1.42%	1.43%	1.53%	2.03%
Mining Dilution	38.18%	37.46%	34.58%	15.00%
Direct Cash Operating Costs per Ton				
Mining & Development	$10.1199	$5.3948	$10.7398	$7.8152
Milling	$6.5537	$4.1052	$4.8478	$6.3143
Services	$2.2378	$4.5522	$6.5093	$3.5000
Administration	$5.8715	$2.4047	$3.7752	$2.0961
Property Tax	$0.0000	$0.2871	$0.3474	$0.1720
Severence Tax	$0.3817	$0.2495	$0.3092	$0.3771
Reclamation Expense	$0.0506	$0.0502	$0.0438	$0.0516
Less Capitalized Development			($6.1468)	
Operating Cost per Ton	**$25.2154**	**$17.0438**	**$20.4256**	**$20.3261**
Direct Cash Operating Costs per Pound				
Direct Operating Cost	$1.2430	$0.7851	$0.8392	$0.4812
By - Product Credits	($0.1118)	($0.1194)	($0.1127)	($0.0965)
Smelting & Refining Costs	$0.3130	$0.2569	$0.2438	$0.2833
Total Costs per Pound	**$1.4442**	**$0.9226**	**$0.9704**	**$0.6680**

Mine Plan and Cash Flows
Base Case, $1 Copper, Nominal 1500 tpd

Exhibit "D"

ORACLE RIDGE ACQUISITION

Year of Production	Unit	1	2	3	4	5	6	7	8	9	10	Ten Year Total
(Calculated Based on Mineable Reserve Developed by GME in Short tons)												
Measured & Indicated (K- DST)	5,226	5,226	4,997	4,579	4,099	3,621	3,140	2,665	2,196	1,719	1,244	4,574
Geologic Grade	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.34%
Dilution	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Daily Mill Feed (tpd)	1,020	739	1,348	1,547	1,542	1,548	1,530	1,512	1,539	1,530	1,528	
Contained Copper (K tons)	110	110	105	95	83	71	60	48	37	26	15	
(Mineable Reserve per GME)												
Mineable Reserves (K-DST)	6,010	6,010	5,741	5,249	4,684	4,121	3,556	2,998	2,446	1,884	1,326	6,010
Production		270	492	565	563	565	559	552	562	558	558	5,243
Closing Balance Reserves		5,741	5,249	4,684	4,121	3,556	2,998	2,446	1,884	1,326	768	768
Diluted Ore Grades												
Silver g/T	20.87	20.87	20.87	20.87	20.87	20.87	20.87	20.87	20.87	20.87	20.87	20.87
Copper %	1.97%	1.97%	2.09%	2.13%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.04%
Gold g/T	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Contained Metal												
Silver ounces (000's)		181	330	379	378	379	375	370	377	375	374	3,518
Copper pounds (000's)		10,634	20,566	24,048	22,806	22,899	22,635	22,360	22,769	22,623	22,599	213,939
Gold ounces (000's)		1	2	2	2	2	2	2	2	2	2	22
Recoveries												
Silver		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Copper (per GME)		92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
Gold		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Concentrate Production (K - DMT)		15	29	33	32	32	31	31	32	31	31	298
Copper		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Gold opt		0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Silver opt		10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Moisture Content		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	11.0%

All Values in Thousands of USD Unless Otherwise Specified

Mine Plan and Cash Flows
Base Case, $1 Copper, Nominal 1500 tpd

Exhibit "D"

ORACLE RIDGE ACQUISITION

Year of Production	Unit		1	2	3	4	5	6	7	8	9	10	Ten Year Total
Metal In Concentrate													
Copper	000' lbs		9,783	18,920	22,124	20,981	21,067	20,825	20,571	20,948	20,813	20,791	196,824
Silver	000's Toz		148	286	335	317	319	315	311	317	315	314	2,976
Gold	000's Toz		0.89	1.72	2.01	1.90	1.91	1.89	1.87	1.90	1.89	1.89	17.86
Less Smelter Deductions													
Copper 1.1 units or 96.5%		1.1	(359)	(694)	(811)	(769)	(772)	(764)	(754)	(768)	(763)	(762)	(7,216)
Gold oz/T		0.02	(0.24)	(0.46)	(0.54)	(0.51)	(0.51)	(0.51)	(0.50)	(0.51)	(0.51)	(0.51)	(4.77)
Silver oz/T		1	(14)	(28)	(32)	(31)	(31)	(30)	(30)	(31)	(30)	(30)	(286)
Payable Metal													
Copper	000' lbs		9,425	18,227	21,313	20,212	20,294	20,061	19,817	20,180	20,050	20,029	180,182
Silver	000's Toz		134	259	302	287	288	285	281	286	284	284	2,689
Gold	000's Toz		0.65	1.26	1.47	1.39	1.40	1.38	1.37	1.39	1.38	1.38	13.07
Metal Prices													
Copper			$1.10	$1.05	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
Silver			$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00
Gold			$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400
Revenue Summary													
Copper			$10,367	$19,138	$21,313	$20,212	$20,294	$20,061	$19,817	$20,180	$20,050	$20,029	$191,460
Silver			668	1,293	1,512	1,433	1,439	1,423	1,405	1,431	1,422	1,420	13,447
Gold			$260	$503	$588	$557	$560	$553	$547	$557	$553	$552	$5,230
GROSS REVENUE ($ 000's)			$11,295	$20,933	$23,412	$22,203	$22,294	$22,037	$21,769	$22,167	$22,025	$22,002	$210,137
Less Smelter & Refining Charges													
Smelter Treatment Charges	$/DMT		$130	$120	$95	$95	$95	$95	$95	$95	$95	$95	
Refinery Charges	$/lb Cu		$0.130	$0.122	$0.095	$0.095	$0.095	$0.095	$0.095	$0.095	$0.095	$0.095	
Copper	$/DMT		(1,923)	(3,434)	(3,178)	(3,014)	(3,027)	(2,992)	(2,955)	(3,009)	(2,990)	(2,987)	(29,510)
Copper	$/lb		(1,225)	(2,224)	(2,025)	(1,920)	(1,928)	(1,906)	(1,883)	(1,917)	(1,905)	(1,903)	(18,835)
Gold	$/oz	$6.00	(4)	(8)	(9)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(72)
Silver	$/oz	$0.45	(60)	(116)	(136)	(129)	(130)	(128)	(126)	(129)	(128)	(128)	(1,210)
Moisture Penalty	$/DMT	$1.00	(13)	(26)	(30)	(29)	(29)	(29)	(28)	(29)	(29)	(29)	(271)
Less Transportation		$3.50	(58)	(111)	(130)	(123)	(124)	(122)	(121)	(123)	(122)	(122)	(1,154)

All Values in Thousands of USD Unless Otherwise Specified

Mine Plan and Cash Flows
Base Case, $1 Copper, Nominal 1500 tpd

Exhibit "D"

ORACLE RIDGE ACQUISITION

Year of Production	Unit	1	2	3	4	5	6	7	8	9	10	Ten Year Total
NET SMELTER REVENUE ($000's)		$8,012	$15,015	$17,904	$16,979	$17,048	$16,852	$16,647	$16,952	$16,843	$16,825	$159,076
Net Smelter Royalty	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
NET REVENUE		$8,012	$15,015	$17,904	$16,979	$17,048	$16,852	$16,647	$16,952	$16,843	$16,825	$159,076
UNIT OPERATING COSTS												
Mining & Development		$12.50	$10.12	$9.30	$8.54	$9.11	$8.39	$9.20	$8.29	$6.20	$6.22	
Milling		$12.34	$7.51	$6.70	$6.72	$6.86	$6.76	$6.83	$6.73	$6.76	$6.77	
Services		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Administration		$3.36	$1.84	$1.61	$1.61	$1.60	$1.62	$1.64	$1.61	$1.62	$1.63	
Property Tax		$0.36	$0.20	$0.17	$0.17	$0.17	$0.17	$0.17	$0.17	$0.17	$0.17	
Severence Tax		$0.37	$0.38	$0.40	$0.38	$0.38	$0.38	$0.38	$0.38	$0.38	$0.38	
Reclamation Expense		$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	
Total Unit Opex		$28.98	$20.11	$18.22	$17.47	$18.17	$17.37	$18.27	$17.23	$15.18	$15.21	
Total Operating Cost		7,821	9,892	10,288	9,832	10,266	9,703	10,081	9,682	8,476	8,482	86,701
Operating Income		191	5,123	7,616	7,147	6,782	7,149	6,566	7,270	8,367	8,343	64,553
Depreciation		(419)	(836)	(1,133)	(1,202)	(1,421)	(1,517)	(1,505)	(1,551)	(1,542)	(1,449)	(12,574)
Interest		(54)	(101)	(121)	(115)	(115)	(114)	(112)	(114)	(114)	(114)	(1,074)
Loss Carry Forward		0	(4,185)	(347)	0	0	0					
Income taxes @ 26%		0	0	(1,564)	(1,516)	(1,364)	(1,435)	(1,287)	(1,457)	(1,745)	(1,763)	(12,130)
Net Income ($ 000's)		(282)	4,185	4,798	4,314	3,882	4,084	3,662	4,147	4,967	5,018	38,775

All Values in Thousands of USD Unless Otherwise Specified

Mine Plan and Cash Flows
Base Case, $1 Copper, Nominal 1500 tpd

Exhibit "D"

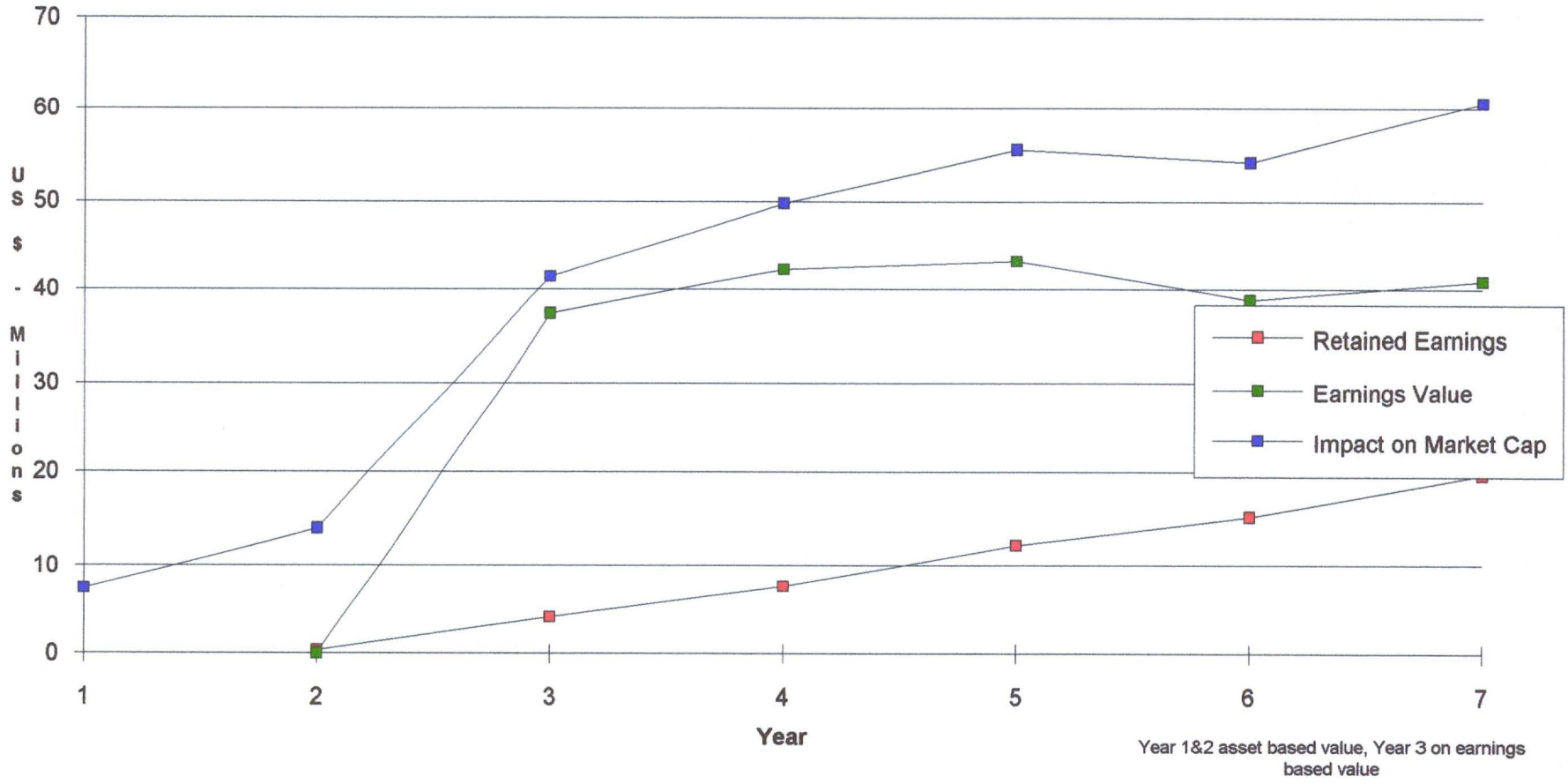
ORACLE RIDGE ACQUISITION

Year of Production	**Unit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Ten Year Total**
CASH FLOW ($000's)	$0	$136	$5,022	$5,931	$5,516	$5,303	$5,600	$5,167	$5,698	$6,509	$6,467	$51,349
INVESTMENTS												
Plant & Equipment (New/Used)	($3,906)	($3,906)	($500)	($1,849)	($172)	($2,006)	($972)	$96	($188)	($14)	$988	($8,523)
Development Capital	($1,417)	($1,417)	($394)		($598)	($267)	($238)	($175)				($3,089)
Back Taxes	($2,000)	($2,000)										
Property Acquisition	($2,500)	($2,500)	$0	$0	$0							($2,500)
Working Capital	($1,500)	($1,500)	$0									($1,500)
Total Investments		($11,323)	($894)	($1,849)	($770)	($2,273)	($1,210)	($79)	($188)	($14)	$988	($4,000)
FINANCING												
Debt	$0	$0	$0									
Equity	$11,323	$11,323	$0	$0								$11,323
Repayment of LTD		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CHANGE IN CASH		$136	$4,128	$4,082	$4,746	$3,030	$4,390	$5,088	$5,510	$6,495	$7,455	$45,060
Cumulative Cash		$136	$4,264	$8,346	$13,092	$16,122	$20,513	$25,601	$31,111	$37,606	$45,060	
FINANCIAL PERFORMANCE												
Cash Flow	**($11,323)**	**$136**	**$5,022**	**$5,931**	**$5,516**	**$5,303**	**$5,600**	**$5,167**	**$5,698**	**$6,509**	**$6,467**	
Payback Period	**3.04 years**											
Internal Rate Of Return	**33.9%**											
Net Present Values ($ 000's)	**@ 10%**	**$16,538**		Operating Cost Variable		100%						
	@ 12%	**$13,789**		TCRC Variable		100%						
	@ 15%	**$10,398**										
Operating Cost/lb												
Mine Cash Costs	$/lb	$0.8299	$0.5427	$0.4827	$0.4865	$0.5059	$0.4837	$0.5087	$0.4798	$0.4227	$0.4235	$0.4812
TCRC's & Freight		**$0.3484**	**$0.3247**	**$0.2585**	**$0.2585**	**$0.2585**	**$0.2585**	**$0.2585**	**$0.2585**	**$0.2585**	**$0.2585**	**$0.2833**
Precious Metal Credits		($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0917)	($0.0965)
Total Mine Cash Costs		**$1.0866**	**$0.7757**	**$0.6495**	**$0.6532**	**$0.6726**	**$0.6504**	**$0.6754**	**$0.6466**	**$0.5895**	**$0.5902**	**$0.6680**

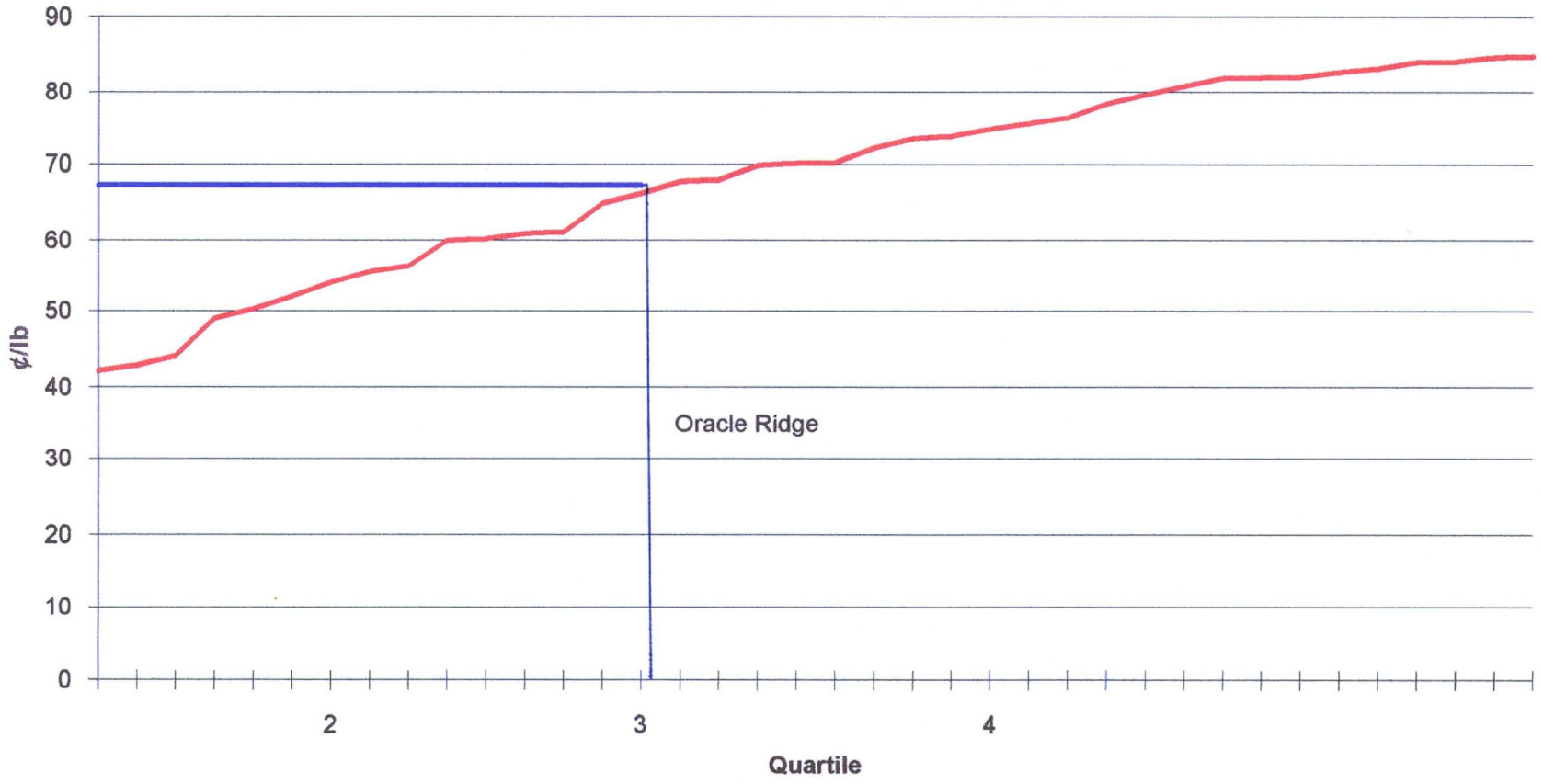
All Values in Thousands of USD Unless Otherwise Specified

Current vs Constant Copper Prices

Value of Oracle Ridge Over Time



Oracle Ridge on the Copper Cost Curve



ORACLE RIDGE MINING PARTNERS
YEAR – 1996 DEVELOPMENT PLAN FOR 1500 TONS PER DAY

HEADING	ELEV	DEVELOPED FTGE WASTE 1996	DEVELOPED FTGE ORE 1996	MONTH AUG Ft	SEPT Ft	OCT Ft	NOV Ft	DEC Ft	TOTAL FEET
970 B6	6150	0	200					200	200
		100	0				100		100
6400 L2	6400	0	34	34					34
6400 L3		78	0	78					78
6400 LAB		0	30	30					30
		272	0	265	7				272
6450 L2	6450	0	93	93					93
6450 L3		0	110		110				110
		35	0		35				35
6450 UAB		0	350		250	100			350
		50	0			50			50
6500 AB ACC.		240	0		198	42			240
6500 UAB	6500	0	400			150	200	50	400
6500 LAB		0	475			150	200	125	475
6500 HAULAGE		300	0			100	100	100	300
6500 DRAWPTS		100	0					100	100
6550 UAB	6550	0	283			58	100	125	283
		0	0						0
TOTAL FT.		1175	1975	500	600	650	700	700	3150
CARRY OVER	1997	795	242						

MAY 1996

ORACLE RIDGE MINING PARTNERS

YEAR – 1997 DEVELOPMENT PLAN FOR 1500 TONS PER DAY

HEADING	ELEV.	DEVELOPED FTGE WASTE 1997	DEVELOPED FTGE ORE 1997	MONTH JAN FEET	FEB FEET	MAR FEET	APR FEET	MAY FEET	JUNE FEET	JULY FEET	AUG FEET	SEPT FEET	OCT FEET	NOV FEET	DEC FEET	TOTAL FEET
970 B6	6150	0	200	200												200
6500 UAB	6500	0	42	42												42
6500 AB DPTS	6500	620	0	200	200	200	20									620
6500 HAULAGE	6500	175	0	175												175
6400 BL8 DPTS	6400	843	0		100	150	150	150	150	143						843
6300 RAMP	6300	667	0		200	150	200	117								667
6600 RAMP	6600	426	0	33	200	193										426
6650 RAMP	6650	417	0				100	121	75	96	25					417
6350 ACC	6350	364	0			65	200	99								364
		0	90			17	40	33								90
6350 L2		0	250						150	100						250
6350 L3		0	200						100	100						200
6350 UAB		0	330						60	100	120	50				330
6350 LAB		0	375						50	100	100	125				375
6300 ACC	6300	382	0					65	125	126	66					382
		0	140					50	40	10	40					140
6300 L2		0	250								100	150				250
6300 L3		0	200								100	100				200
6300 UAB		0	260									15	150	95		260
6300 LAB		0	275										150	125		275
6300 DPTS		660	0									60	200	200	200	660
6600 ACC	6600	364	0				40	100			214	10				364
		0	90					40			10	40				90
6600 L2		0	265									100	150	15		265
6600 L3		0	440									100	125	150	65	440
6600 UAB		0	0											90	150	240
6600 LAB		0	0											75	135	210
6600 DPTS		200	0												200	200
		0	0													0
EXPLORATION		1820	0	155	140	155	150	155	150	155	155	150	155	150	150	1820
TOTAL FT.		6938	3407	805	840	930	900	930	900	930	930	900	930	900	900	10795
CARRY OVER 1998		3518	315													

MAY 1996

ORACLE RIDGE MINING PARTNERS
YEAR – 1998 DEVELOPMENT PLAN FOR 1500 TONS PER DAY

HEADING	ELEV	DEVELOPED FTGE WASTE 1998	DEVELOPED FTGE ORE 1998	MONTH JAN FEET	FEB FEET	MAR FEET	APR FEET	MAY FEET	JUNE FEET	JULY FEET	AUG FEET	SEPT FEET	OCT FEET	NOV FEET	DEC FEET	TOTAL FEET
6300 DPTS	6300	1132	0	200	200	200	200	200	132							1132
6600 DPTS	6600	2386	0	150	150	150	150	200	250	250	250	250	250	250	86	2386
6700 RAMP	6700	417	0	100	200	117										417
6750 RAMP	6750	417	0			50	100	100	100	67						417
6800 RAMP	6800	417	0							50	100	100	100	67		417
6600 UAB		0	155	150	5											155
6600 UAB		0	160	150	10											160
6650 ACC	6650	330	0	25	75	120	110									330
		0	120		60	20	40									120
6650 L2		0	345				75	150	120							345
6650 L3		0	500				75	125	100	100	100					500
6650 UAB		0	400			60				108	100	100	32			400
6650 LAB		0	420			58					150	100	112			420
6700 ACC	6700	330	0						48	140	55	87				330
		0	120							60	20	40				120
6700 L2		0	325									73	150	102		325
6700 L3		0	350										131	50	169	350
6700 UAB		0	250											100	150	250
6700 LAB		0	231											81	150	231
6700 DPTS		100	0												100	100
6750 ACC	6750	0	135											70	65	135
		0	60											30	30	60
EXPLORATION		1820	0	155	140	155	150	155	150	155	155	150	155	150	150	1820
TOTAL FT.		7349	3571	930	840	930	900	930	900	930	930	900	930	900	900	10920
CARRY OVER	1999	2495	379													

MAY 1996

ORACLE RIDGE MINING PARTNERS
YEAR – 1999 DEVELOPMENT PLAN FOR 1500 TONS PER DAY

HEADING	ELEV	DEVELOPED FTGE WASTE 1999	DEVELOPED FTGE ORE 1999	MONTH JAN FEET	FEB FEET	MAR FEET	APR FEET	MAY FEET	JUNE FEET	JULY FEET	AUG FEET	SEPT FEET	OCT FEET	NOV FEET	DEC FEET	TOTAL FEET
6700 UAB		0	150	150												150
6700 LAB		0	169	150	19											169
6700 DPTS	6700	2300	0	200	200	200	200	200	200	200	200	200	200	200	100	2300
6750 ACC	6750	195	0	100	95											195
		0	60	20	40											60
6750 L2		0	300		75	100	100	25								300
6750 L3		0	300		75	100	100	25								300
6750 UAB		0	350						100	150	100					350
6750 LAB		0	350						100	150	100					350
6800 ACC	6800	330	0		50	66	100	114								330
		0	120		6	54		60								120
6800 L2		0	300					46	75	20	60	99				300
6800 L3		0	300						25		60	101	100	14		300
6800 UAB		0	400									100	150	150		400
6800 LAB		0	269									33		36	200	269
6800 DPTS	6700	100	0											100		100
BL8 6300 RAMP	6300	667	0			100	100	150	100	100	100	17				667
BL8 6300 ACC		50	0									50				50
BL 8 6300		0	220										70		150	220
BL8 6200 RAMP	6200	350	0										100	100	150	350
EXPLORATION		1820	0	155	140	155	150	155	150	155	155	150	155	150	150	1820
TOTAL FT.		5812	3288	775	700	775	750	775	750	775	775	750	775	750	750	9100
CARRY OVER 2000		2717	461													

MAY 1996

ORACLE RIDGE MINING PARTNERS
YEAR – 2000 DEVELOPMENT PLAN FOR 1500 TONS PER DAY

HEADING	ELEV.	DEVELOPMENT FTGE WASTE 2000	DEVELOPMENT FTGE ORE 2000	MONTH JAN FEET	FEB FEET	MAR FEET	APR FEET	MAY FEET	JUNE FEET	JULY FEET	AUG FEET	SEPT FEET	OCT FEET	NOV FEET	DEC FEET	TOTAL FEET
6800 LAB	6800	0	131	131												131
6800 DPTS	6800	2400	0	200	200	200	200	200	200	200	200	200	200	200	200	2400
BL8 6300 SUB	6300	0	257	169	88											257
BL8 6200 RAMP		317	0	100	200	17										317
BL 8 6200 U/C	6200	0	550			183	200	100	67							550
BL8 6200 DPTS		1110	0				100	170	133	200	200	200	107			1110
BL9 6650 DPTS	6650	1122	0	20	92	120				120	120	100	150	200	200	1122
BL9 6700 RAMP	6750	450	0			100	100	150	100							450
BL9 6700 SUB	6700	0	700						100	100	100	100	100	100	100	700
BL9 6750 RAMP	6750	268	0										63	105	100	268
		0	0													0
		0	0													0
EXPLORATION		795	0	70	55	70	65	70	65	70	70	65	70	60	65	795
TOTAL FT.		6462	1638	690	635	690	665	690	665	690	690	665	690	665	665	8100
CARRY OVER	2001	610	130													

MAY 1996

ORACLE RIDGE MINING PARTNERS
YEAR – 2001 DEVELOPMENT PLAN FOR 1500 TON/DAY

HEADING	ELEV.	DEVELOPMENT FTGE WASTE 2001	DEVELOPMENT FTGE ORE 2001	MONTH JAN FEET	FEB FEET	MAR FEET	APR FEET	MAY FEET	JUNE FEET	JULY FEET	AUG FEET	SEPT FEET	OCT FEET	NOV FEET	DEC FEET	TOTAL FEET
BL 9 6650 DPTS	6650	428	0	200	200	28										428
BL 9 6700 SUB		0	130	130												130
BL 9 6750 RAMP	6800	182	0	182												182
BL 9 6750 U/C	6750	0	830	108	250	200	200	72								830
BL 9 6750 DPTS		1550	0		60	192	200	200	200	200	200	200	98			1550
BL 9 6800 RAMP	6800	450	0		50	200	200									450
BL 9 6800 SUB		0	830					200	200	200	200	30				830
BL 9 6850 RAMP	6850	450	0					50	198	200	2					450
BL 9 6850 U/C		0	830								200	200	200	200	30	830
BL 9 6850 DPTS		0	0													0
BL 11 ACC	6100	50	0					50								50
		0	50					48	2							50
BL 11 U/C		0	0							20	18	170	200	150	200	758
BL 11 DPTS		452	0										122	150	180	452
BL 12 ACC		0	0											100	200	300
		0	0													0
EXPLORATION		590	0	50	50	50	50	50	50	50	50	50	50	50	40	590
TOTAL FT.		4152	2670	670	610	670	650	670	650	670	670	650	670	650	650	7880
CARRY OVER	2002	2598	117													

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR – 1996 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPE	BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
STOPING												0	
		STOPING DEFERRED PENDING MILL EXPANSION										0	
		ALL DEVELOPMENT ORE STOCKPILED										0	
												0	
												0	
												0	
												0	
												0	
												0	
DEVELOPMENT													
970	B6									2800	1.85	2800	1.85
6400 L2	B1	476	2.08									476	2.08
6400 LAB	B1	420	1.85									420	1.85
6450 L2	B1	1302	1.90									1302	1.90
6450 L3	B1			1540	1.76							1540	1.76
6450 UAB	B1					3500	1.96	1400	2.25			4900	2.04
6500 UAB	B1					2100	1.76	2800	1.84	700	1.80	5600	1.81
6500 LAB	B1					2100	2.10	2800	1.69	1750	1.75	6650	1.84
6550 UAB	B1					812	1.60	1400	1.80	1750	1.80	3962	1.76
6550 UAB	B1												
TOTAL		2198	1.93	1540	1.76	8512	1.91	8400	1.85	7000	1.81	27650	1.86

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR --1997 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH		JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPING																											
STOPE	BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
970 ST	B6			2000	1.85	5000	1.85	5000	1.85	7000	1.85	8000	1.85	8000	1.85	8000	1.85	8000	1.85	5000	1.85	7300	1.85	6700	1.85	70000	1.85
6400 L2	B1			10000	1.93	10762	2.00	7500	2.03	7500	2.03	8000	1.95	9000	1.93	8000	1.93	8000	1.93	8000	2.74	6000	2.74	4000	1.95	86762	2.09
6400 L3	B1			3500	1.67	4000	2.35	4000	2.40	4000	2.40	4000	2.40	5000	1.85	4000	1.75	4000	1.67	4000	1.67	4700	1.67			41200	1.98
6400 UAB	B1			4500	1.96	5000	1.96	6940	1.96	7500	1.74	10000	1.74	9000	1.74	9000	1.80	7000	1.96	8000	1.90	8000	1.82	9000	1.80	83940	1.84
6400 LAB	B1							1000	2.45	2838	2.45	9750	2.45	9760	2.45	8780	2.15	7000	2.01	5000	2.01	5300	1.75	8000	1.60	57428	2.13
6500 UAB	B1															2000	1.94	1480	1.94	8450	1.94	6000	1.94	9000	1.95	26930	1.94
6500 LAB	B1																							4900	2.84	4900	2.84
6300 L2	B1																										
6300 L3	B1																										
6300 UAB	B1																										
6300 LAB	B1																										
6600 L2	B1																										
6600 L3	B1																										
DEVELOPMENT																											
970	B6	2800	1.85																							STOCKPILED	
6500 UAB	B1	588	1.80																							STOCKPILED	
6350 ACC	B1					238	2.00	560	1.90	462	1.80															1260	1.88
6350 L2	B1											1750	1.90	1400	2.00											3150	1.94
6350 L3	B1											1400	1.75	1400	1.75											2800	1.75
6350 UAB	B1											840	1.90	1400	1.80	1820	1.80									4060	1.82
6350 LAB	B1											700	2.05	1400	2.05	1400	1.97	700	2.00							4200	2.02
6300 ACC	B1									700	1.80	560	1.80	140	1.80	560	1.80	1750	1.80							3710	1.80
6300 L2	B1															1400	1.65	2100	1.90							3500	1.80
6300 L3	B1															1400	1.75	1400	1.75							2800	1.75
6300 UAB	B1																	210	1.85	2100	1.85	1330	2.00			3640	1.90
6300 LAB	B1																			2100	1.90	1750	1.90			3850	1.90
6600 ACC	B1															140	1.95	560	2.00							700	1.99
6600 L2	B1																	1400	2.50	2100	1.95	210	1.60			3710	2.14
6600 L3	B1																	1400	2.40	1750	2.15	2100	1.50	910	1.50	6160	1.89
6600 UAB	B1																					1260	1.60	2100	2.00	3360	1.85
6600 LAB	B1																					1050	2.00	1890	2.00	2940	2.00
TO STOCKPILE		3388	1.84																								
TOTAL		0	0.00	20000	1.88	25000	2.02	25000	2.05	30000	2.00	45000	2.02	46500	1.98	46500	1.90	45000	1.93	46500	2.05	45000	1.93	46500	1.94	421000	1.97

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR –1998 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPING																										
STOPE BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
6400 L2 B1	8800	2.56	8300	2.02	8068	2.23	3820	2.23																	28988	2.27
6400 UAB B1	8800	1.66	8200	1.72	8000	1.78	8000	1.78	8500	1.78	8000	1.78	3360	1.78											52860	1.75
6400 LAB B1	8500	1.60	8200	1.65	8000	1.80	8000	2.02	8500	2.25	8000	2.25	9000	2.25	9000	2.25	8000	2.25	8000	2.25	8000	2.25	6872	2.25	98072	2.09
6500 UAB B1	8200	1.84	8200	1.90	8000	2.04	8000	1.90	8500	1.90	8000	2.04	9000	2.04	7000	1.90	3270	1.67							68170	1.93
6500 LAB B1	8000	2.05	8050	1.97	8000	1.95	8000	1.95	8000	1.80	8000	1.85	9000	2.05	8000	2.05	8000	2.09	8000	2.15	8000	2.05	10000	1.83	99050	1.98
6300 L2 B1					4500	2.09	6480	3.00	8500	2.75	8000	2.40	9000	2.38	9000	2.36	8000	2.36	8000	2.20	8000	2.15	8220	2.25	77700	2.40
6300 L3 B1									650	1.98	1920	1.98	3388	2.30	2000	2.30	2000	3.50	4000	4.00	2000	2.05	1500	2.05	17458	2.73
6300 UAB B1															3500	1.90	8000	1.90	9000	1.90	7718	2.50	6922	1.91	35140	2.03
6300 LAB B1																										
6600 L2 B1															2820	2.25	3348	2.50	3536	2.50	6200	2.50	6000	2.60	21904	2.50
6600 L3 B1																										
6600 UAB B1																										
6600 LAB B1																										
DEVELOPMENT																										
6600 UAB B1	2100	1.50	70	1.50																					2170	1.50
6600 LAB B1	2100	2.00	140	2.00																					2240	2.00
6650 ACC B1			840	1.60	280	1.60	560	2.50																	1680	1.90
6650 L2 B1							1070	2.50	2100	2.30	1680	2.40													4850	2.38
6650 L3 B1							1070	1.50	1750	2.00	1400	2.30	1400	2.30	1400	2.30									7020	2.10
6650 UAB B1					840	1.90							1512	1.80	1400	1.75	1400	1.75	462	1.60					5614	1.77
6650 LAB B1					812	1.90									2100	1.80	1400	1.75	1568	1.75					5880	1.79
6700 ACC B1													840	1.60	280	1.50	560	2.00							1680	1.72
6700 L2 B1																	1022	2.00	2100	1.85	1428	1.60			4550	1.81
6700 L3 B1																			1834	1.75	700	2.35	2366	2.00	4900	1.96
6700 UAB B1																					1400	1.80	2100	1.75	3500	1.77
6700 LAB B1																					1134	1.70	2100	1.60	3234	1.64
6750 ACC B1																					420	1.60	420	1.60	840	1.60
6750 L2 B1																										
6750 L3 B1																										
6750 UAB B1																										
6750 LAB B1																										
TOTAL	46500	1.93	42000	1.85	46500	1.97	45000	2.11	46500	2.10	45000	2.08	46500	2.14	46500	2.12	45000	2.17	46500	2.26	45000	2.21	46500	2.08	547500	2.09

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR – 1999 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH		JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPING																											
STOPE	BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
6300 L3	B1	4342	1.91																							4342	1.91
6300 UAB	B1	10000	1.90	10000	2.50	7688	1.91	8000	3.00	8000	2.40	8000	2.15	6440	2.15	2034	2.15									60162	2.28
6300 LAB	B1	4000	2.12	9000	2.12	9000	2.12	9000	1.90	9000	1.83	9000	2.17	7000	2.05	8000	1.95	9000	1.83	9000	1.83	9000	1.83	9000	1.83	100000	1.96
6500 LAB	B1	10000	2.05	8000	1.92	9000	2.01	6000	1.95	550	1.95															33550	1.99
6600 L2	B1	9678	2.84	7000	2.84	9000	2.65	8000	2.00	8000	2.25	7000	2.50	8000	2.50	8000	2.75	5818	3.25							70496	2.60
6600 L3	B1	4000	2.00	4990	2.17	8000	2.18	8000	2.20	7000	2.15	8000	2.75	8000	2.37	9000	2.70	6000	2.75	8000	2.30	8000	2.20	8000	2.20	86990	2.35
6600 UAB	B1							3200	2.17	8766	2.13	7000	2.01	8000	1.96	9000	1.96	8000	1.92	8000	1.92	7000	1.92	6000	1.92	64966	1.98
6600 LAB	B1									1000	2.10					1000	2.10	3520	2.10	6000	1.75	7000	1.93	8000	2.01	26520	1.95
6700 L2	B1									2000	1.95	1800	1.95	4580	1.73	4986	1.64	8000	2.16	8000	2.08	7000	2.00	6000	2.40	42366	2.03
6700 L3	B1																			3020	2.37	4200	2.37	4600	2.37	11820	2.37
6700 UAB	B1																									0	ERR
6700 LAB	B1																										
6800 L2	B1																										
6800 L3	B1																										
6800 UAB	B1																										
6800 LAB	B1																										
6400	B8																										
DEVELOPMENT																											
6700 UAB	B1	2100																								2100	0.00
6700 LAB	B1	2100		266																						2366	0.00
6750 ACC	B1	280	1.50	560	1.92																					840	1.78
6750 L2	B1			1050	1.92	1400	1.92	1400	2.50	350	2.50															4200	2.16
6750 L3	B1			1050	1.50	1400	1.70	1400	2.00	350	2.00															4200	1.78
6750 UAB	B1											1400	1.50	2100	1.92	1400	2.00									4900	1.82
6750 LAB	B1											1400	1.70	2100	2.00	1400	1.50									4900	1.77
6800 ACC	B1			84	1.50	756	2.00			840	1.85															1680	1.90
6800 L2	B1									644	1.90	1050	1.90	280	1.90	840	1.80	1386	1.80							4200	1.85
6800 L3	B1											350	1.75			840	1.75	1414	1.75	1400	1.75	196	1.75			4200	1.75
6800 UAB	B1																	1400	1.60	2100	1.72	2100	1.77			5600	1.71
6800 LAB	B1																	462	1.70			504	1.70	2800	1.95	3766	1.89
6300 SUB	B8																			980	1.75			2100	1.75	3080	1.75
TOTAL		46500	1.98	42000	2.26	46244	2.16	45000	2.21	46500	2.13	45000	2.24	46500	2.14	46500	2.20	45000	2.22	46500	1.99	45000	2.00	46500	2.07	547244	2.13

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR – 1996 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPE	BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
STOPING												0	
		STOPING DEFERRED PENDING MILL EXPANSION										0	
		ALL DEVELOPMENT ORE STOCKPILED										0	
												0	
												0	
												0	
												0	
												0	
DEVELOPMENT												0	
970	B6									2800	1.85	2800	1.85
6400 L2	B1	476	2.08									476	2.08
6400 LAB	B1	420	1.85									420	1.85
6450 L2	B1	1302	1.90									1302	1.90
6450 L3	B1			1540	1.76							1540	1.76
6450 UAB	B1					3500	1.96	1400	2.25			4900	2.04
6500 UAB	B1					2100	1.76	2800	1.84	700	1.80	5600	1.81
6500 LAB	B1					2100	2.10	2800	1.69	1750	1.75	6650	1.84
6550 UAB	B1					812	1.60	1400	1.80	1750	1.80	3962	1.76
6550 UAB	B1												
TOTAL		2198	1.93	1540	1.76	8512	1.91	8400	1.85	7000	1.81	27650	1.86

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR –1997 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH		JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPING																											
STOPE	BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
970 ST	B6			2000	1.85	5000	1.85	5000	1.85	7000	1.85	8000	1.85	8000	1.85	8000	1.85	8000	1.85	5000	1.85	7300	1.85	6700	1.85	70000	1.85
6400 L2	B1			10000	1.93	10762	2.00	7500	2.03	7500	2.03	8000	1.95	9000	1.93	8000	1.93	8000	1.93	8000	2.74	6000	2.74	4000	1.95	86762	2.09
6400 L3	B1			3500	1.67	4000	2.35	4000	2.40	4000	2.40	4000	2.40	5000	1.85	4000	1.75	4000	1.67	4000	1.67	4700	1.67			41200	1.98
6400 UAB	B1			4500	1.96	5000	1.96	6940	1.96	7500	1.74	10000	1.74	9000	1.74	9000	1.80	7000	1.96	8000	1.90	8000	1.82	9000	1.80	83940	1.84
6400 LAB	B1							1000	2.45	2838	2.45	9750	2.45	9760	2.45	8780	2.15	7000	2.01	5000	2.01	5300	1.75	8000	1.60	57428	2.13
6500 UAB	B1															2000	1.94	1480	1.94	8450	1.94	6000	1.94	9000	1.95	26930	1.94
6500 LAB	B1																							4900	2.84	4900	2.84
6300 L2	B1																										
6300 L3	B1																										
6300 UAB	B1																										
6300 LAB	B1																										
6600 L2	B1																										
6600 L3	B1																										
DEVELOPMENT																											
970	B6	2800	1.85																							STOCKPILED	
6500 UAB	B1	588	1.80																							STOCKPILED	
6350 ACC	B1					238	2.00	560	1.90	462	1.80															1260	1.88
6350 L2	B1											1750	1.90	1400	2.00											3150	1.94
6350 L3	B1											1400	1.75	1400	1.75											2800	1.75
6350 UAB	B1											840	1.90	1400	1.80	1820	1.80									4060	1.82
6350 LAB	B1											700	2.05	1400	2.05	1400	1.97	700	2.00							4200	2.02
6300 ACC	B1									700	1.80	560	1.80	140	1.80	560	1.80	1750	1.80							3710	1.80
6300 L2	B1															1400	1.65	2100	1.90							3500	1.80
6300 L3	B1															1400	1.75	1400	1.75							2800	1.75
6300 UAB	B1																	210	1.85	2100	1.85	1330	2.00			3640	1.90
6300 LAB	B1																			2100	1.90	1750	1.90			3850	1.90
6600 ACC	B1															140	1.95	560	2.00							700	1.99
6600 L2	B1																	1400	2.50	2100	1.95	210	1.60			3710	2.14
6600 L3	B1																	1400	2.40	1750	2.15	2100	1.50	910	1.50	6160	1.89
6600 UAB	B1																					1260	1.60	2100	2.00	3360	1.85
6600 LAB	B1																					1050	2.00	1890	2.00	2940	2.00
TO STOCKPILE		3388	1.84																								
TOTAL		0	0.00	20000	1.88	25000	2.02	25000	2.05	30000	2.00	45000	2.02	46500	1.98	46500	1.90	45000	1.93	46500	2.05	45000	1.93	46500	1.94	421000	1.97

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR –1998 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPING																										
STOPE BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
6400 L2 B1	8800	2.56	8300	2.02	8068	2.23	3820	2.23																	28988	2.27
6400 UAB B1	8800	1.66	8200	1.72	8000	1.78	8000	1.78	8500	1.78	8000	1.78	3360	1.78											52860	1.75
6400 LAB B1	8500	1.60	8200	1.65	8000	1.80	8000	2.02	8500	2.25	8000	2.25	9000	2.25	9000	2.25	8000	2.25	8000	2.25	8000	2.25	6872	2.25	98072	2.09
6500 UAB B1	8200	1.84	8200	1.90	8000	2.04	8000	1.90	8500	1.90	8000	2.04	9000	2.04	7000	1.90	3270	1.67							68170	1.93
6500 LAB B1	8000	2.05	8050	1.97	8000	1.95	8000	1.95	8000	1.80	8000	1.85	9000	2.05	8000	2.05	8000	2.09	8000	2.15	8000	2.05	10000	1.83	99050	1.98
6300 L2 B1					4500	2.09	6480	3.00	8500	2.75	8000	2.40	9000	2.38	9000	2.36	8000	2.36	8000	2.20	8000	2.15	8220	2.25	77700	2.40
6300 L3 B1									650	1.98	1920	1.98	3388	2.30	2000	2.30	2000	3.50	4000	4.00	2000	2.05	1500	2.05	17458	2.73
6300 UAB B1															3500	1.90	8000	1.90	9000	1.90	7718	2.50	6922	1.91	35140	2.03
6300 LAB B1																										
6600 L2 B1															2820	2.25	3348	2.50	3536	2.50	6200	2.50	6000	2.60	21904	2.50
6600 L3 B1																										
6600 UAB B1																										
6600 LAB B1																										
DEVELOPMENT																										
6600 UAB B1	2100	1.50	70	1.50																					2170	1.50
6600 LAB B1	2100	2.00	140	2.00																					2240	2.00
6650 ACC B1			840	1.60	280	1.60	560	2.50																	1680	1.90
6650 L2 B1							1070	2.50	2100	2.30	1680	2.40													4850	2.38
6650 L3 B1							1070	1.50	1750	2.00	1400	2.30	1400	2.30	1400	2.30									7020	2.10
6650 UAB B1					840	1.90							1512	1.80	1400	1.75	1400	1.75	462	1.60					5614	1.77
6650 LAB B1					812	1.90									2100	1.80	1400	1.75	1568	1.75					5880	1.79
6700 ACC B1													840	1.60	280	1.50	560	2.00							1680	1.72
6700 L2 B1																	1022	2.00	2100	1.85	1428	1.60			4550	1.81
6700 L3 B1																			1834	1.75	700	2.35	2366	2.00	4900	1.96
6700 UAB B1																					1400	1.80	2100	1.75	3500	1.77
6700 LAB B1																					1134	1.70	2100	1.60	3234	1.64
6750 ACC B1																					420	1.60	420	1.60	840	1.60
6750 L2 B1																										
6750 L3 B1																										
6750 UAB B1																										
6750 LAB B1																										
TOTAL	46500	1.93	42000	1.85	46500	1.97	45000	2.11	46500	2.10	45000	2.08	46500	2.14	46500	2.12	45000	2.17	46500	2.26	45000	2.21	46500	2.08	547500	2.09

MAY 1996

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
YEAR – 1999 PRODUCTION PLAN FOR 1500 TONS PER DAY

MONTH		JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		TOTAL	
STOPING																											
STOPE	BLK	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR	TONS	GR
6300 L3	B1	4342	1.91																							4342	1.91
6300 UAB	B1	10000	1.90	10000	2.50	7688	1.91	8000	3.00	8000	2.40	8000	2.15	6440	2.15	2034	2.15									60162	2.28
6300 LAB	B1	4000	2.12	9000	2.12	9000	2.12	9000	1.90	9000	1.83	9000	2.17	7000	2.05	8000	1.95	9000	1.83	9000	1.83	9000	1.83	9000	1.83	100000	1.96
6500 LAB	B1	10000	2.05	8000	1.92	9000	2.01	6000	1.95	550	1.95															33550	1.99
6600 L2	B1	9678	2.84	7000	2.84	9000	2.65	8000	2.00	8000	2.25	7000	2.50	8000	2.50	8000	2.75	5818	3.25							70496	2.60
6600 L3	B1	4000	2.00	4990	2.17	8000	2.18	8000	2.20	7000	2.15	8000	2.75	8000	2.37	9000	2.70	6000	2.75	8000	2.30	8000	2.20	8000	2.20	86990	2.35
6600 UAB	B1							3200	2.17	8766	2.13	7000	2.01	8000	1.96	9000	1.96	8000	1.92	8000	1.92	7000	1.92	6000	1.92	64966	1.98
6600 LAB	B1									1000	2.10					1000	2.10	3520	2.10	6000	1.75	7000	1.93	8000	2.01	26520	1.95
6700 L2	B1									2000	1.95	1800	1.95	4580	1.73	4986	1.64	8000	2.16	8000	2.08	7000	2.00	6000	2.40	42366	2.03
6700 L3	B1																			3020	2.37	4200	2.37	4600	2.37	11820	2.37
6700 UAB	B1																									0	ERR
6700 LAB	B1																										
6800 L2	B1																										
6800 L3	B1																										
6800 UAB	B1																										
6800 LAB	B1																										
6400	B8																										
DEVELOPMENT																											
6700 UAB	B1	2100																								2100	0.00
6700 LAB	B1	2100		266																						2366	0.00
6750 ACC	B1	280	1.50	560	1.92																					840	1.78
6750 L2	B1			1050	1.92	1400	1.92	1400	2.50	350	2.50															4200	2.16
6750 L3	B1			1050	1.50	1400	1.70	1400	2.00	350	2.00															4200	1.78
6750 UAB	B1											1400	1.50	2100	1.92	1400	2.00									4900	1.82
6750 LAB	B1											1400	1.70	2100	2.00	1400	1.50									4900	1.77
6800 ACC	B1			84	1.50	756	2.00			840	1.85															1680	1.90
6800 L2	B1									644	1.90	1050	1.90	280	1.90	840	1.80	1386	1.80							4200	1.85
6800 L3	B1											350	1.75			840	1.75	1414	1.75	1400	1.75	196	1.75			4200	1.75
6800 UAB	B1																	1400	1.60	2100	1.72	2100	1.77			5600	1.71
6800 LAB	B1																	462	1.70			504	1.70	2800	1.95	3766	1.89
6300 SUB	B8																			980	1.75			2100	1.75	3080	1.75
TOTAL		46500	1.98	42000	2.26	46244	2.16	45000	2.21	46500	2.13	45000	2.24	46500	2.14	46500	2.20	45000	2.22	46500	1.99	45000	2.00	46500	2.07	547244	2.13

MAY 1996

ORACLE RIDGE MINING PARTNERS
THREE-YEAR PRODUCTION SCHEDULE (1500 T.P.D.)
REVENUE IN 1997 (BASIS: 1995 SMELTING CONTRACT)

		January 1997	February 1997	March 1997	April 1997	May 1997	June 1997	July 1997	August 1997	Sept. 1997	October 1997	Nov. 1997	Dec. 1997		Total 1997
Gross Value of Copper in Conc.	$	0	627586	852590	866564	1026043	1479156	1499861	1439261	1413253	1552887	1429132	1486073	$	13672406
Precious Metal Credit		0	67238	91344	89390	105840	146665	143761	137952	135460	148843	136982	137845		1341319
Treatment Charge		0	-80235	-109001	-106669	-126300	-175016	-171550	-164619	-161644	-177615	-163461	-164490		-1600600
Copper Refining Charge		0	-47069	-63944	-64992	-76953	-110937	-112490	-107945	-105994	-116467	-107185	-111455		-1025430
Moisture Deduction		0	-4396	-5973	-5845	-6921	-9590	-9400	-9020	-8857	-9732	-8957	-9013		-87704
Umpire Assay Charge		-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150		-1800
TOTAL REVENUE	$	-150	562973	764866	778298	921560	1330129	1350032	1295479	1272067	1397766	1286362	1338809	$	12298191
Calculation Factors															
Dry Tons Milled		0	20000	25000	25000	30000	42630	44100	44100	42630	44100	42630	44100		404290
Ore Grade, Percent Copper			1.88	2.02	2.05	2.00	2.02	1.98	1.90	1.93	2.05	1.93	1.94		1.97
Mill Copper Recovery, Percent		87	87	88	88	89	89	89	89	89	89	90	90		89.0
Concentrate Grade															
Copper, Percent		27	27	27	28	28	29	30	30	30	30	30	31		29.3
Silver, Grams per Metric Ton		275	275	275	275	275	275	275	275	275	275	275	275		275
Gold, Grams per Metric Ton		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5		2.5
Dry Tons of Concentrate		0	1212	1646	1611	1907	2643	2590	2486	2441	2682	2468	2484		24169
Moisture in Concentrate, Pct		12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5		12.5
Concentrate Metal Content															
Copper, Lb		0	654240	888800	902000	1068000	1532804	1554260	1491462	1464511	1609209	1480966	1539972		14186225
Silver, Troy Ounces		0	9718	13202	12919	15297	21197	20777	19938	19578	21512	19798	19922		193858
Gold, Troy Ounces		0	88	120	117	139	193	189	181	178	196	180	181		1762
Commodity Prices															
Copper	$	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	$	1.00
Silver	$	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	$	5.00
Gold	$	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	$	400.00
Payable Metal Content															
Copper, Lb		0	627586	852590	866564	1026043	1479156	1499861	1439261	1413253	1552887	1429132	1486073		13672406
Silver, Troy Ounces		0	8658	11762	11510	13628	18885	18511	17763	17442	19165	17638	17749		172710
Gold, Troy Ounces		0	71	96	94	111	154	151	145	142	156	144	145		1410

ORACLE RIDGE MINING PARTNERS
THREE-YEAR PRODUCTION SCHEDULE (1500 T.P.D.)
REVENUE IN 1998 (BASIS: 1995 SMELTING CONTRACT)

Month		January 1998	February 1998	March 1998	April 1998	May 1998	June 1998	July 1998	August 1998	Sept. 1998	October 1998	Nov. 1998	Dec. 1998		Total 1998
Gross Value of Copper in Conc.	$	1429132	1275418	1458752	1562419	1608636	1540205	1639276	1623956	1606848	1731198	1636468	1593315	$	18705624
Precious Metal Credit		136982	122248	139821	149757	154187	147628	157124	155655	154016	165935	156855	152719		1792925
Treatment Charge		-163461	-145879	-166848	-178706	-183992	-176165	-187496	-185744	-183787	-198010	-187175	-182239		-2139502
Copper Refining Charge		-107185	-95656	-109406	-117181	-120648	-115515	-122946	-121797	-120514	-129840	-122735	-119499		-1402922
Moisture Deduction		-8957	-7993	-9142	-9792	-10082	-9653	-10274	-10178	-10071	-10850	-10256	-9986		-117233
Umpire Assay Charge		-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150		-1800
TOTAL REVENUE	$	1286362	1147988	1313025	1406347	1447952	1386350	1475534	1461743	1446343	1558283	1473006	1434160	$	16837093
Calculation Factors															
Dry Tons Milled		42630	39690	42630	42630	44100	42630	44100	44100	42630	44100	42630	44100		515970
Ore Grade, Percent Copper		1.93	1.85	1.97	2.11	2.10	2.08	2.14	2.12	2.17	2.26	2.21	2.08		2.09
Mill Copper Recovery, Percent		90	90	90	90	90	90	90	90	90	90	90	90		90.0
Concentrate Grade															
Copper, Percent		30	30	30	30	30	30	30	30	30	30	30	30		30.0
Silver, Grams per Metric Ton		275	275	275	275	275	275	275	275	275	275	275	275		275
Gold, Grams per Metric Ton		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5		2.5
Dry Tons of Concentrate		2468	2203	2519	2698	2778	2660	2831	2805	2775	2990	2826	2752		32307
Moisture in Concentrate, Pct		12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5		12.5
Concentrate Metal Content															
Copper, Lb		1480966	1321677	1511660	1619087	1666980	1596067	1698732	1682856	1665128	1793988	1695821	1651104		19384067
Silver, Troy Ounces		19798	17668	20208	21644	22284	21336	22709	22497	22260	23982	22670	22072		259127
Gold, Troy Ounces		180	161	184	197	203	194	206	205	202	218	206	201		2356
Commodity Prices															
Copper	$	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	$	1.00
Silver	$	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	$	5.00
Gold	$	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	$	400.00
Payable Metal Content															
Copper, Lb		1429132	1275418	1458752	1562419	1608636	1540205	1639276	1623956	1606848	1731198	1636468	1593315		18705624
Silver, Troy Ounces		17638	15741	18003	19283	19853	19009	20231	20042	19831	21366	20197	19664		230859
Gold, Troy Ounces		144	128	147	157	162	155	165	164	162	174	165	161		1885

ORACLE RIDGE MINING PARTNERS
THREE-YEAR PRODUCTION SCHEDULE (1500 T.P.D.)
REVENUE IN 1999 (BASIS: 1995 SMELTING CONTRACT)

		January 1999	February 1999	March 1999	April 1999	May 1999	June 1999	July 1999	August 1999	Sept. 1999	October 1999	Nov. 1999	Dec. 1999		Total 1999
Gross Value of Copper in Conc.	$	1466157	1558079	1599443	1636468	1631616	1658682	1639276	1685237	1643872	1524374	1480966	1585655	$	19109826
Precious Metal Credit		140530	149341	153306	156855	156390	158984	157124	161529	157564	146111	141950	151984		1831668
Treatment Charge		-167695	-178209	-182940	-187175	-186620	-189716	-187496	-192753	-188022	-174354	-169389	-181363		-2185734
Copper Refining Charge		-109962	-116856	-119958	-122735	-122371	-124401	-122946	-126393	-123290	-114328	-111072	-118924		-1433237
Moisture Deduction		-9189	-9765	-10024	-10256	-10226	-10395	-10274	-10562	-10303	-9554	-9282	-9938		-119766
Umpire Assay Charge		-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150		-1800
TOTAL REVENUE	$	1319691	1402440	1439677	1473006	1468639	1493004	1475534	1516909	1479672	1372099	1333023	1427264	$	17200957
Calculation Factors															
Dry Tons Milled		42630	39690	42630	42630	44100	42630	44100	44100	42630	44100	42630	44100		515970
Ore Grade, Percent Copper		1.98	2.26	2.16	2.21	2.13	2.24	2.14	2.20	2.22	1.99	2.00	2.07		2.13
Mill Copper Recovery, Percent		90	90	90	90	90	90	90	90	90	90	90	90		90
Concentrate Grade															
Copper, Percent		30	30	30	30	30	30	30	30	30	30	30	30		30
Silver, Grams per Metric Ton		275	275	275	275	275	275	275	275	275	275	275	275		275
Gold, Grams per Metric Ton		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5		2.5
Dry Tons of Concentrate		2532	2691	2762	2826	2818	2865	2831	2911	2839	2633	2558	2739		33005
Moisture in Concentrate, Pct		12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5		12.5
Concentrate Metal Content															
Copper, Lb		1519333	1614589	1657454	1695821	1690794	1718842	1698732	1746360	1703495	1579662	1534680	1643166		19802929
Silver, Troy Ounces		20311	21584	22157	22670	22603	22978	22709	23345	22772	21117	20516	21966		264727
Gold, Troy Ounces		185	196	201	206	205	209	206	212	207	192	187	200		2407
Commodity Prices															
Copper	$	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	$	1.00
Silver	$	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	$	5.00
Gold	$	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	$	400.00
Payable Metal Content															
Copper, Lb		1466157	1558079	1599443	1636468	1631616	1658682	1639276	1685237	1643872	1524374	1480966	1585655		19109826
Silver, Troy Ounces		18095	19229	19740	20197	20137	20471	20231	20799	20288	18813	18278	19570		235847
Gold, Troy Ounces		148	157	161	165	164	167	165	170	166	154	149	160		1925

ORCAPEXXLS

ORACLE RIDGE 1500 tpd. Capital Cost

Item	Size	Qty.	Unit Price	Total	Purchase	Installed
Mine						
Scoop Tram	4 yd.	2	$200,000	$400,000	Q2/96	Q2/96
Twin Boom Jumbo	2 boom	1	$250,000	$250,000	Q2/96	Q2/96
Long Hole Machine	2" to 3"	1	$150,000	$150,000	Q2/96	Q2/96
Haul Truck	30	1	$250,000	$250,000	Q2/96	Q2/96
Diamond Drill	ax or x-ray	1	$35,000	$35,000	Q2/96	Q2/96
Grader	12g	1	$75,000	$75,000	Q2/96	Q2/96
Scissor Lift		1	$60,000	$60,000	Q2/96	Q3/96
Load Centers	4160 volt	3	$23,000	$69,000	Q3/96	Q3/96
Fans		3	$12,000	$36,000	Q4/96	Q4/96
Raise Boring	lot	1	$250,000	$250,000	Q3/96	Q3/96
Grizzly/Rockbreaker	lot	1	$80,000	$80,000	Q2/96	Q2/96
U/G Cable & Electric's	lot	1	$100,000	$100,000		
Dry	lot	1	$20,000	$20,000	Q2/96	Q2/96
Total Mine				**$1,775,000**		
Mill						
Fixed Grizzly	24"x24" openings	1	$10,000	$10,000		
Fine Crusher	45" rollercone II	1	$180,000	$180,000	Q2/96	Q2/96
conveyors etc.	36"	200	$200	$40,000	Q2/96	Q2/96
Repairs to Secondary Cone		lot	$20,000	$20,000		
Screen Decking	16x6	lot	$12,000	$12,000		
Regrind Mill & Motor	ball	1	$200,000	$200,000	Q4/96	Q1/97
Ball Charge/Regrind		lot	$10,000	$10,000		
Liners/Old Mill	steel	lot	$60,000	$60,000		
Crane Structure for Mills		lot	$40,000	$40,000		
Cyclone Pack	Krebs 10 lb.	1	$20,000	$20,000	Q4/96	Q1/97
Rock Breaker	hydraulic	1	$75,000	$75,000	Q3/96	Q4/96
Pumps		8	$10,000	$80,000	Q4/96	Q1/96
Instrumentation	lot	1	$30,000	$30,000	Q3/96	Q4/97
Concentrate Shed	lot	1	$50,000	$50,000	Q2/96	Q2/96
Piping	lot	1	$30,000	$30,000	Q4/96	Q1/97
Front End Loader	Cat 926	1	$80,000	$80,000	Q2/97	Q2/97
Bob Cat Skid Loader	0.5 cu. yd.	1	$13,000	$13,000	Q1/97	Q1/97
Flotation Cells	300 cu. ft.	6	$6,500	$39,000	Q1/96*	Q2/96
Thickeners		2	$50,000	$100,000	Q3/96	Q4/96
Water Pond & Line 2		lot	$25,000	$25,000	Q2/96	Q2/96
Structural Steel		lot	$65,000	$65,000	Q3/96	Q4/96
Mill Site Office		1	$15,000	$15,000	Q3/96	Q3/96
Mill Shop		lot	$12,000	$12,000		
Transformers & MCC's		lot	$40,000	$40,000		
Truck Scale		lot	$25,000	$25,000		
Civil Works		lot	$100,000	$100,000	Q3/96	Q4/96
Total Mill				**$1,371,000**		

All prices based on available "Used Equipment" as of 12/95

ORCAPEXXLS

ORACLE RIDGE 1500 tpd. Capital Cost

Item	Size	Qty.	Unit Price	Total	Purchase	Installed
Services						
Shop	lot	1	$100,000	$100,000	Q3/97	Q4/97
Communications	lot	1	$10,000	$10,000	Q2/96	Q3/96
Repair to Generator Sets	Caterpillar	1	$180,000	$180,000		
Spares	lot	1	$170,000	$170,000	N/A	N/A
Total Services				**$460,000**		
Subtotal 1500 tpd. Expansion				$3,606,000		
Contingency				$300,000		
Grand Total				**$3,906,000**		

All prices based on available "Used Equipment" as of 12/95

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
SAN MANUEL, ARIZONA
DILUTED MINING RESERVES AT 1.50% CUT–OFF AND PILLARS REMOVED
APRIL 15, 1996

ORE BLOCK	PROVEN TONS	RESERVE GRADE	PROBABLE TONS	RESERVE GRADE	PROVEN + PROBABLE TONS	GRADE	POSSIBLE TONS	RESERVE GRADE	TOTAL TONS	RESERVE GRADE
1	637800	1.93	356400	2.19	994200	2.02	274800	1.93	1269000	2.00
2	287000	2.28	302400	2.46	589400	2.37	245700	2.30	835100	2.35
3					0	0.00	380600	1.96	380600	1.96
4	32800	1.81	50100	2.06	82900	1.96	271700	2.05	354600	2.03
5					0	0.00	861200	2.22	861200	2.22
6	200000	2.11	311300	1.98	511300	2.03	255300	1.96	766600	2.01
7	80800	2.20	12100	1.79	92900	2.15	0	0.00	92900	2.15
8	95300	1.81	164100	1.83	259400	1.82	287700	1.91	547100	1.87
8A	0		54300	2.26	54300	2.26	283200	2.95	337500	2.84
9	191000	2.03	543400	2.17	734400	2.13	335800	2.14	1070200	2.14
10					0	0.00	549900	2.64	549900	2.64
11					0	0.00	519000	3.03	519000	3.03
12					0	0.00	637100	2.71	637100	2.71
TOTAL	1524700	2.04	1794100	2.16	3318800	2.10	4902000	2.38	8220800	2.27

ORACLE RIDGE MINING PARTNERS
ORACLE RIDGE MINE
SAN MANUEL, ARIZONA
GEOLOGICAL ORE RESERVES SUMMARY REPORT (UNDILUTED AT 1.50% CUT–OFF)
TO MARCH 31, 1996

ORE BLOCK	PROVEN TONS	RESERVE GRADE	PROBABLE TONS	RESERVE GRADE	PROVEN + PROBABLE TONS	GRADE	POSSIBLE TONS	RESERVE GRADE	TOTAL TONS	RESERVE GRADE
1	424000	2.21	627700	2.19	1051700	2.20	183500	2.25	1235200	2.21
2	334300	2.45	364100	2.68	698400	2.57	247800	2.32	946200	2.50
3					0	0.00	346000	2.16	346000	2.16
4	28200	2.28	13800	2.62	42000	0.00	277300	2.28	319300	2.29
5					0	0.00	834000	2.39	834000	2.39
6	200000	2.11	311300	1.98	511300	2.03	255300	1.96	766600	2.01
7	80800	2.20	12100	1.79	92900	2.15	0	0.00	92900	2.15
8	127700	1.98	156600	2.00	284300	1.99	251900	1.99	536200	1.99
8A	0		47900	2.50	47900	2.50	261500	3.19	309400	3.08
9	181500	2.07	424600	2.31	606100	2.24	554300	2.37	1160400	2.30
10					0	0.00	528000	2.83	528000	2.83
11					0	0.00	512000	3.20	512000	3.20
12					0	0.00	577300	2.87	577300	2.87
TOTAL	1376500	2.21	1958100	2.27	3334600	2.25	4828900	2.55	8163500	2.42

ORACLE RIDGE MINING PARTNERS

P.O. Box 70, San Manuel, AZ. 85631

Phone: (520) 576-1412 Fax: (520) 576-1539

PRE-DEVELOPED PRODUCTION TONS BY YEAR

YEAR	TONS PRE-DEVELOPED	PRODUCTION	PLANNED PRE-DEVELOPED PRODUCTION TONS	TONS PRE-DEVELOPED YEAR END
Jan. 1/97	761,360	560,000	643,300	844,660
Jan. 1/98	844,660	700,000	496,500	641,160
Jan. 1/99	641,160	700,000	840,400	781,560
Jan. 1/2000	781,560	700,000	876,200	956,760
Jan. 1/2001	956,760	700,000	1,115,500	1,372,260
Jan. 1/2002	1,372,260	700,000	456,000	1,128,260

5/3/96

m/tonyear.wps

ORACLE RIDGE MINING PARTNERS

P.O. Box 70, San Manuel, AZ. 85631

Phone: (520) 576-1412 Fax: (520) 576-1539

DETAIL OF PRODUCTION TONS DEVELOPED BY YEAR

1996		1997		1998	
LOCATION	**TONS**	**LOCATIONS**	**TONS**	**LOCATIONS**	**TONS**
970 ST	70,000	6300 L2	90,000	6300 UAB	106,000
6400 L2	115,700	6300 L3	30,000	6300 LAB	100,000
6400 L3	41,155	6600 L2	92,400	6300 LAB	103,600
6400 UAB	244,662	6600 L3	95,300	6700 L3	30,600
6400 LAB	90,824	6600 UAB	70,000	6700 UAB	69,300
6500 UAB	70,783	6400 LAB	100,000	6700 LAB	68,000
6500 LAB	107,236	6400 BL8	142,600		
ORE DEV	21,000	ORE DEV	23,000	ORE DEV	19,000
TOTAL	**761,360**	**TOTAL**	**643,300**	**TOTAL**	**496,500**

5/3/96

ORACLE RIDGE MINING PARTNERS

P.O. Box 70, San Manuel, AZ. 85631

Phone: (520) 576-1412 Fax: (520) 576-1539

DETAIL OF PRODUCTION TONS DEVELOPED BY YEAR

1999		2000		2001	
LOCATION	**TONS**	**LOCATIONS**	**TONS**	**LOCATIONS**	**TONS**
6700 L3	18,300	6200 BL8	247,000	6750 BL9	239,500
6700 UAB	5,000	6750 BL9	351,200	6600 BL12	130,000
6700 LAB	23,100	6400 BL12	130,000	6100 BL11	519,000
6300 BL8	151,900	6500 BL12	130,000	6100 BL10	210,000
6650 BL9	339,700				
6800 L2	82,400				
6800 L3	36,000				
6800 UAB	92,000				
6800 LAB	68,000				
ORE DEV	24,000	ORE DEV	17,000	ORE DEV	19,000
TOTAL	**840,400**	**TOTAL**	**876,200**	**TOTAL**	**1,115,500**

5/3/96

CAMBIOR USA, INC.

August 29, 1989

H. Lutz Klingmann
President
South Atlantic Ventures Ltd
405-750 West Pender Street
Vancouver, B.C., Canada V6C 2T7

Re: Oracle Ridge Project

Dear Mr. Klingmann:

Thank you for submitting the Oracle Ridge project to Cambior. As your project is close to production, I am forwarding your proposal to our Corporate Development staff. They are more in a position to evaluate your property.

Our Corporate Development is headed by Roger Plasse. I will ask him to get in touch with you once he has had the opportunity to review your data package.

Yours truly,

Patty Smith for M.D.

MICHEL DROUIN
Exploration Manager

MD:ps
fax: 604-682-0901

230 South Rock Blvd. Suite 23, Reno, Nevada 89502-2345
702-786-5189 Fax 702-786-4549

Reno 8-29-89

SOUTH ATLANTIC VENTURES LTD

405 - 750 WEST PENDER STREET
VANCOUVER, B.C., CANADA V6C 2T7

TELEPHONE: (604) 682-8896 • FAX (604) 682-0901

August 23, 1989

Mr. Michel Drouin
Cambior U.S.A.
230 South Rock Blvd.
Suite 23
Reno, Nevada 89502

Dear Mr. Drouin:

Re: Oracle Ridge Copper/Silver Project

Enclosed please find the 1988 Annual Report and the Project Summary for the Oracle Ridge Project of South Atlantic Ventures Ltd.

The thrust is to develop a mine and mill on the Oracle Ridge property at a relatively low initial capital cost and to be in production and generate a cash flow as soon as possible. Note that the underground mine has been fully developed. The Project has a cash breakeven price of U.S. $0.63 per pound of copper after precious metal credits. The Oracle Ridge Project can form an excellent base for a smaller mining company with the potential for a very long life.

The decision to proceed to detailed engineering and construction is dependent only upon our ability to secure the necessary funds. We are seeking U.S. $5,000,000 by mid-1989 to enable us to be in production in the first quarter of 1990.

Yours very truly,

H. Lutz Klingmann
President

HLK:ldv
Encl.

SOUTH ATLANTIC VENTURES LTD.

ORACLE RIDGE MINING PARTNERS

PROJECT SUMMARY

ORACLE RIDGE COPPER/SILVER PROJECT

June 23, 1989

H. Lutz Klingmann
President

THE ORACLE RIDGE PROJECT

Introduction

The Company concluded an agreement with Union Mines Inc. of Denver, Colorado to acquire Union Copper Inc., their wholly-owned subsidiary, on April 26, 1989. A partnership between Union Copper Inc. and Continental Catalina, Inc. of Chicago, Illinois, owns the Oracle Ridge copper/silver project located approximately 15 miles north of Tucson, Arizona.

The Company also concluded an agreement with Continental Catalina, Inc. on April 26, 1989. In return for funding the project to production, the Company will receive 95% of cash flow until 150% of project capital has been returned. Thereafter the Company will effectively receive 88.75% of cash flow subject to further adjustment in certain circumstances based on copper prices and costs of production.

The Company has proposed that a mine and mill be developed on the property with a rated capacity of 250,000 tons of ore per year to produce a flotation concentrate that will be sold to a smelter located in the south-western United States. Current proven and probable ore reserves can support this rate of production for approximately sixteen years with a potential life of mine of up to forty years.

Geology and Ore Reserves

The Oracle Ridge copper/silver deposit occurs in skarn formed in a pendant of Paleozoic sedimentary rocks near the contact with a Laramide quartz diorite porphyry stock. Near their contact with the stock the sedimentary rocks have been metamorphosed to calcium-magnesium silicates with magnetite. Copper and silver with trace amounts of gold, molybdenum and tungsten are present in the mineralized zones. Faulting appears to be related to the intrusion of the Leatherwood stock. The faults in many cases were the conduits for the mineralization.

Ore reserves occur principally in the Cambrian Abrigo limestone, Devonian Martin dolomite and Mississippian Escabrosa limestone and dolomite. Mineralization is primarily chalcopyrite and bornite with minor amounts of covellite, chalcocite, pyrite, molybdenite and other sulfides.

Proven and probable ore reserves with a cutoff grade of 1.5% copper, total approximately 4 million tons with grades of 2.33% copper and 0.67 ounces of silver per ton. In addition, 4.4 million tons of possible reserves with a grade of 2.25% copper have been indicated with further considerable exploration potential.

A review of the ore reserves was done by Robert C. Johnson of Pearson, deRidder and Johnson of Lakewood, Colorado dated November 2, 1988 and he concluded that the procedures used by ORMP met generally accepted procedures for ore reserve calculations and that the ore reserves shown in Table 1 have been fairly stated.

Mining

The mine development for a 250,000 ton per year operation has essentially been completed.

Mine rehabilitation, preproduction development and mining of ore will be done by Small Mine Development, a smaller contract mining company owned by Ron Guill of St. George, Utah.

Equipment to be used by ORMP in the underground mine will be purchased in years 1 and 2, the first two years of production.

The mining method proposed for the ore zones in the Cambrian Abrigo limestones and Devonian Martin dolomites is a mechanized, overhand cut-and-fill system using hydraulic drill jumbos and 5 cubic yard LHD's. Cemented mill tailings will be placed in the stopes for permanent ground support following ore extraction. Ground conditions in the Escabrosa ore zones will allow mining by random room-and-pillar methods without backfill. Mining is scheduled for 5 days per week, 2 shifts per day to produce 1,000 tons per day from year 2 onwards. Total production will be 250,000 tons per year with 92,000 tons coming from stockpiles in year 1.

Review of the proposed mining methods and mine design is being done by Dr. Chris Page of Steffen, Robertson and Kirsten, Vancouver, British Columbia.

An average mill head grade of 2.30% copper and 0.68 oz of silver per ton has been estimated for the first ten years of the life of the mine after allowing for loss of ore and dilution that will occur during mining.

Mining costs, excluding power costs, are estimated at U.S. $13.00 per ton and U.S. $14.00 per ton for random room-and-pillar and conventional cut-and-fill stopes respectively.

Processing

The process developed for the Oracle Ridge Project is a bulk sulfide flotation process which will recover both copper and associated gold and silver values to a single concentrate. The concentrate will be transported for smelting to a smelter located in the south-western United States. The stages of treatment are crushing, grinding, flotation, thickening and filtering. Extensive metallurgical testwork done in the 1970's indicated that average recoveries for copper of 91.8% could be expected with recoveries for silver and gold of 76% and 65% respectively.

Three samples of ore were taken in September, 1988 and shipped to Lakefield Research of Lakefield, Ontario for confirmation testwork and to define parameters for column flotation. This testwork has been completed.

The work was directed by George Shadford of William Hill Mining Consultants Limited of Toronto and by Simon Meik, Minproc (U.S.A.) Inc. of Denver. The testwork has also been reviewed by Dr. Andre LaPlante of McGill University. A two-column flow sheet has been defined for the Oracle Ridge Project and detailed engineering for the mill was started in May. A two-column mill will be a first in North America.

The mill will operate 7 days per week and will treat 5,000 tons of ore per week or 250,000 tons of ore per year. The expected metallurgical performance is shown in Table 2.

Approximately 12,700 tons of copper concentrate will be produced per year at the proposed rate of production. The concentrate will contain approximately 10 million pounds of copper and 137,000 ozs of silver with minor gold credits.

Milling costs, excluding power costs, are estimated at U.S. $5.28 per ton.

Tailings Disposal

A tailings pond will be developed on land owned by ORMP approximately 13,600 feet east-northeast of the mine. The initial capacity of the tailings pond will be adequate for a life of mine of ten years and this can readily be expanded.

Two aquifer monitoring wells have been drilled and equipped and the fieldwork for the design of the tailings pond has been completed.

Mr. Clinton Strachan of Water, Waste & Land, Inc. of Fort Collins, Colorado has completed the design of the tailings disposal facilities. An application for a Groundwater Quality/Aquifer Protection Permit was submitted in June, 1989 to the Arizona Department of Environmental Quality.

Services

The lower 12.5 miles of road from San Manuel to the mine are in good condition and will require only minor upgrading. The upper 2.5 miles will require widening, particularly on corners. This will be done during the pre-production year.

The mine and mill will require approximately 90 gallons of water per minute once in full production. Water will be drawn from a well drilled and tested in the 1970's. The detailed design and cost estimate for the water supply was done by Miller Sales and Engineering, Inc. of Tucson, Arizona. A backup supply of water is available from old, underground workings.

The mine is currently served by a 12.5 KV transmission line from Trico Electrical Cooperative, a public utility in Arizona. This line can be upgraded to provide the necessary power for the full operation. The detailed design and cost estimate for the construction of a new power line and associated equipment has been completed by Patterson and Ellett, Professional Engineers, Amarillo, Texas. Power can also be generated on-site at a competitive cost.

Office, warehouse, changehouse and two workshops were built at the mine in the 1970's. These buildings are in good condition and only minor repairs are required.

The full production manpower complement is estimated at 60.

Permits

Mr. Phyl De Dycker of Envirocon, Inc. of Missoula, Montana has been engaged to assist in obtaining the necessary permits.

The field work and engineering design required for permit application started in October, 1988 and has been completed. It is expected that all approvals will be obtained during the third quarter of 1989.

Marketing of Concentrates

Initial discussions have been held with four companies that operate copper smelters in the south-western United States. Indications are that a long term contract for the sale of the concentrate can be concluded on standard commercial terms.

Project Economics

A feasibility study has been prepared with further work currently in progress to refine the estimates.

The estimated capital cost of the mine and mill development is U.S. $6.05 million to the start of production and a further U.S. $2.3 million to be funded from cash flow in the first year of full production. These capital costs and the phasing of expenditures are shown in Table 3. The operating costs are shown in Table 4. The annual cash flow potential shown in Table 5, is approximately U.S. $4,000,000 at a copper price of U.S. $1.05 per lb, a silver price of U.S. $6.00 per troy ounce and a gold price of U.S. $400.00 per troy ounce. The discounted cash flow rate of return (DCF/ROR) for the project is 43.6% with a payback of approximately 2-3/4 years. NPV's and ROR's for the project are shown in Tables 6 and 7 respectively.

The average breakeven price for the first five years of the life of the mine is estimated at U.S. $0.63/lb of copper equivalent. An analysis was done to determine a lower cash breakeven price for copper produced by the operation during periods of lower copper prices. This cash breakeven price is estimated at U.S. $0.57/lb of copper equivalent and this can be achieved for a continuous period of approximately eighteen months. It is significant that cutoff grades can be raised from 1.5% to 1.75% copper during periods of lower copper prices without a significant effect upon the life of the mine.

The project parameters are being reviewed continuously in an effort to maximize cash flow in the early years of the life of the mine and to optimize potential return on investment.

Cash Requirements and Timing

Cash requirements and timing are shown in Table 8. The current target is to reduce the cash requirements from $5,508,000 to $5,000,000. This is being done by checking every item of capital expenditures in detail. The Company is also selling a 600 acre tract of land and obsolete inventory to raise $250,000.

Funds will be required by July, 1989 to make major purchase commitments.

Approximately six months will be required for construction and the start of production has been set for January 1, 1990 on this schedule.

Future Potential

The thrust is to develop a mill and mine at a relatively low initial capital cost and to be in production and generate a cash flow as soon as possible. The scale of operation has therefore been determined to some extent by readily available power and water supplies and no major capital costs will be incurred in new infrastructure development.

The operation has a potential life of up to forty years based on the indicated mineralization. The possibility therefore exists to increase the rate of production in the future and to fund such an increase in production from cash flow.

Note the significant magnetite content of the ore, up to 30%. Initial tests show that the magnetite can be readily and cheaply separated from the tailings and that a magnetite concentrate can be produced. A full evaluation of the magnetite potential will be done once the mine/mill are in production.

TABLE 1

ORE RESERVES, August 1982
1.50% Cu Cut-Off
PROVEN AND PROBABLE

			Tons	% Copper	Oz/Ton Silver
Block 1		Gau (L)	632,800	2.33	0.65
		Gau (U)	432,600	2.08	0.83
	Dm	L-3	343,000	2.48	0.70
	Dm	L-2	530,800	2.74	0.69
Block 7		Me	305,500	2.83	1.14
Block 8		Gau (L)	179,300	1.84	0.47
		Gau (U)	371,800	2.02	0.48
Block 9		Gau (L)	855,900	2.26	0.64
		Gau (U)	342,000	2.15	0.74
TOTAL PROVEN AND PROBABLE			3,994,500	2.33	0.67

POSSIBLE RESERVES

		Tons	% Copper
Block 4	L1/Me	350,000	±2.30
Block 5	L1/Me	750,000	±2.00
Block 6	Me	300,000	±2.50
Block 10	Gau(L)	700,000	±2.50
	Gau(U)	300,000	±1.50
Block 11	Me	400,000	±4.00
Block 12	Me	500,000	±2.75
Block 8A	Me	300,000	±2.50
Dm	L2	200,000	±2.50
Block 3	Gau(L)	250,000	±2.00
Block 9	Gau(L)	350,000	±2.25
TOTAL POSSIBLE		4,400,000	±2.25

EXPLORATION POTENTIAL

Block 9	Gau	1,750,000	±2.00
Block 1	Gau	600,000	±2.00
TOTAL POTENTIAL		2,350,000	±2.00

TABLE 2

ORACLE RIDGE PROJECT

ANALYSIS OF TYPICAL COPPER CONCENTRATE

Copper	33%	50.1%
Silver	9.4 troy oz/ton	13.69 troy oz/ton
Gold	0.10 troy oz/ton	0.12 troy oz/ton
Sulfur	24%	23.2%
Iron	20%	11.7%
S_iO_2	8%	*
Al_2O_2	1%	*
Arsenic	Less than .001%	0.014%
Antimony	Less than .001%	Less than 0.002%
Fluorine	.02%	*
Lead	.04%	*
Zinc	.35%	*
Bismuth	Not assayed	0.19%

This analysis was determined for a blended sample of concentrate produced by Hazen Research in 1982.

This analysis was determined for final concentrate produced from a sample of Block 1 ore by Lakefield Research in 1989.

* Values still to be determined.

EXPECTED METALLURGICAL PERFORMANCE

Ore Type	Recoveries		Concentrate Grade
	Copper %	Silver %	Copper %
Gau	93	90	50
L-2, L-3	90	90	45
Me	94	90	35

An allowance has been made for a gold credit of 0.12 oz/ton of concentrate produced.

SOUTH ATLANTIC VENTURES
ORACLE RIDGE PROJECT
PHASING OF CAPITAL EXPENDITURES
$ 000's US

TABLE 3
23-Jun-89

Operating Years Physical Years	FEAS. STDY 1989	CONST. 1989	YEAR 1 1990	YEAR 2 1991	YEAR 3 1992	YEAR 4 1993	YEAR 5 1994	YEAR 6 1995	YEAR 7 1996	YEAR 8 1997	YEAR 9 1998	YEAR 10 1999	ASSETS
Ancillary Equipment													
Construction		132											132
Road maintenance		250											250
Concentrate haul			100										100
Support		135											135
Underground													
Mobile production equipment			935										935
Ancillary equipment & supplies		15	119	35									169
Support equipment		8	65	30									103
Backfill system			500										500
Site prep. and preprod. development		237	292										
Mill													
Mill building and equipment		3,428											3,428
Maintenance building and equipment		20											20
Equipment Parts		75	38	37								(150)	
Operating Supplies		50										(50)	
Equipment Replacement				100	100	100	100	100	100	100	100	100	900
Site Development/Construction													
Site preparation		50											
Access road		50											
Power supply		90	70										
Water supply		349											
Tailings disposal		234		152		270							
Administration Office		120											120
General													
Feasibility study													
Process development	56												
Mill design	38												
Mine design	8												
Geology review	10												
Exploration	50												
Permits	62												
Environmental programs	64												
Tailings engineering	34												
Power supply	21												
Property tax	15												
Overhead		280											
Unallocated Costs		380	187										
Head office charges		96											
Reclamation Bond		50											
Total Capital Requirements	357	6,049	2,306	354	100	370	100	100	100	100	100	(150)	6,792
Cumulative Capital Requirements		6,049	8,355	8,709	8,809	9,179	9,279	9,379	9,479	9,579	9,679	9,529	16,321

	Year 0	1	2
SURFACE EQUIPMENT			
CONSTRUCTION			
Backhoe	20		
Rockbreaker	15		
Hiab Truck	50		
Water Tank	3		
Forklift	22		
Compressor	12		
Gen. Cons. Eqpt.	10		
ROAD MAINTENANCE			
Grader	90		
Ore Truck	110		
Loader	50		
CONCENTRATE HAUL			
Concentrate Truck		100	
SUPPORT			
Pickup Trucks	67		
Crew Bus	30		
Sundry	18		

	Year 0	1	2
UNDERGEOUND EQUIPMENT			
MOBILE PRODUCTION			
Drill Jumbo		200	
Truck		110	
L.H.D		180	
Loader		50	
Grader		35	
Gen. Transp. Tractor		60	
Scissors Lift		10	
Roof Bolting Unit		100	
Mechanical Scaler		50	
Powder Truck		70	
Utility/Service Truck		70	
PRODUCTION			
General		14	
Rock Breaker			35
Fans		18	
Compressors		35	
Pipes & Fittings	8	15	
Electrical		30	
UG Communication	8	8	
SUPPORT			
Pickup Trucks		20	
Crew Bus			30
Survey Eqpt.	8		
Shop Eqpt. (6400 Level)		45	

	Year 0	1	2
MILL CAPITAL COSTS			
Eng./Procur.	250		
Foundations	210		
Crushing	650		
Fine Ore Syst.	161		
Mill Building	237		
OH Crane	15		
Process Eqpt.	1,028		
Installation	350		
Electrical	350		
Sewage	10		
Assay Lab.	100		
Freight	67		

TABLE 4
23-Jun-89

SOUTH ATLANTIC VENTURES
ORACLE RIDGE PROJECT
OPERATING COSTS

	Total Costs		Variable Costs
Mining Costs			
Cut-and-fill stopes (backfill $3)	14.00	$/ton	
Random r-and-p stopes (contract)	13.00	"	
Stockpile rehandling	0.75	"	
Reclamation	0.00	"	
Milling Costs	5.28	$/ton	1.78 $/ton
Electric Power	371	$/year X 1000	
Services	170	$/year X 1000	
General and Administrative	406	$/year X 1000	
Property and Estate Taxes	80	$/year X 1000	
Corporate Office	96	$/year X 1000	

Filename ORACLE.WR1

TABLE 5
23-Jun-89

SOUTH ATLANTIC VENTURES
ORACLE RIDGE PROJECT
Tucson, Arizona
CASHFLOW SUMMARY
$ 000's US

Internal Rate of Return .. 43.57%
Payback Period 2.61

Payback period = time required to achieve a positive cumulative cashflow

CASE: CYPRUS METALS SMELTER CONTRACT TERMS
VARIABLE Cu. CON GRADE
COPPER PRICE $1.05 PER POUND

CMC CU PRICE LIMIT $1.05
CMC CASH (POST CAP REC) 11.25%
CMC CASH (POST CAP REC) 25.00%
(Incremental)

Operating Years Physical Years			YEAR 0 1989	YEAR 1 1990	YEAR 2 1991	YEAR 3 1992	YEAR 4 1993	YEAR 5 1994	YEAR 6 1995	YEAR 7 1996	YEAR 8 1997	YEAR 9 1998	YEAR 10 1999	TOTAL	
Ore Treated	tons X1000	0	0	235	250	250	250	250	250	250	250	250	250	2,485	
Mill Feed Grade	% Copper	0.00%	0.00%	2.11%	2.29%	2.36%	2.34%	2.34%	2.34%	2.34%	2.28%	2.26%	2.26%	2.30%	Avg.
Concentrate Produced	tons X1000	0.0	0.0	11.8	12.8	13.1	13.0	13.0	13.0	13.0	12.5	12.4	12.4	12.7	Avg.
Concentrate Grade	% Copper	0.00%	0.00%	39.07%	41.77%	41.77%	41.82%	41.82%	41.82%	41.82%	42.06%	42.12%	42.12%	41.64%	Avg.
Payable Metal Produced															
Copper	lbs X1000		0	8,860	10,245	10,443	10,382	10,382	10,382	10,382	10,091	10,020	10,020	101,207	
Silver	oz		0	146,377	163,378	145,765	131,266	131,266	131,266	131,266	131,266	131,266	131,266	1,374,397	
Gold	oz		0	1,316	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	13,916	
GROSS SALES FROM MINING	$US X1000			8,131	12,474	12,400	12,249	12,249	12,249	12,249	11,944	11,868	14,418	120,080	
OPERATING COSTS															
Refining/Smelting Costs				1,886	2,094	2,126	2,107	2,107	2,107	2,107	2,043	2,027	2,027	20,632	
Interest on Smelter Advance		12.00%		53	4									57	
Mining Costs				1,971	3,399	3,412	3,412	3,412	3,412	3,412	3,412	3,412	3,412	32,658	
Milling Costs				1,241	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	13,121	
Commissioning				50	0	0	0	0	0	0	0	0	0	50	
Electric Power				406	462	476	476	476	371	371	371	371	371	4,150	
Services				170	170	170	170	170	170	170	170	170	170	1,700	
General and Administrative				406	406	406	406	406	406	406	406	406	406	4,060	
Severance Tax		1.25%		0	57	56	54	54	56	56	53	52	84	522	
Corporate Office				96	96	96	96	96	96	96	96	96	96	960	
Property and Estate Tax				80	80	80	80	80	80	80	80	80	80	800	
Total Costs			0	6,359	8,088	8,142	8,121	8,121	8,017	8,017	7,950	7,934	7,966	78,710	
Operating Costs (inflated)		0.00%	0	6,359	8,088	8,142	8,121	8,121	8,017	8,017	7,950	7,934	7,966	78,714	
TOTAL OPERATING COSTS			0	6,359	8,088	8,142	8,121	8,121	8,017	8,017	7,950	7,934	7,966	78,714	
Operating costs after AU/AG credits				4,954	6,548	6,707	6,773	6,773	6,670	6,670	6,603	6,586	6,618	64,901	
EQUIV CU. UNIT COST (before taxes)	US$/lb			$0.56	$0.64	$0.64	$0.65	$0.65	$0.64	$0.64	$0.65	$0.66	$0.66	$0.64	10 Yr. Av.
														$0.63	First 5 Yrs. Av.
DIRECT OPERATING COSTS	US$/ton milled			$19.0	$24.0	$24.1	$24.1	$24.1	$23.6	$23.6	$23.6	$23.6	$23.8	$23.4	10 Yr. Av.
OPERATING CASHFLOW			0	1,772	4,386	4,259	4,128	4,128	4,231	4,231	3,993	3,934	6,453	41,366	
- Federal Tax															
- State Tax															
OPERATING CASHFLOW (After Tax)			0	1,772	4,386	4,259	4,128	4,128	4,231	4,231	3,993	3,934	6,453	41,366	
- Capital Expenditures			6,049	1,990	670	100	370	100	100	100	100	100	(150)	9,529	
- Working Cap Float (Months)		4		218										218	
+ Financing (Bank Loan)				218											
- Debt Repayment			0	0	218	0	0	0	0	0	0	0	0	218	
+ Mill & Equip. residual value		33.00%											2,241		
NET PROJECT CASHFLOW			(6,049)	0	3,498	4,159	3,758	4,028	4,131	4,131	3,893	3,834	8,644		
Cumulative Cashflow			(6,049)	(6,049)	(2,551)	1,608	5,366	9,394	13,525	17,656	21,549	25,384	34,228		
TOTAL COSTS (Operating + Capital)			6,049	8,131	8,976	8,242	8,491	8,221	8,117	8,117	8,050	8,034	5,574		
SAV CASHFLOW															
Cashflow			(6,049)	0	3,323	3,951	3,475	3,575	3,667	3,667	3,455	3,403	7,849	30,315	36,364
% Project Cashflow			95.00%	95.00%	95.00%	95.00%	92.48%	88.75%	88.75%	88.75%	88.75%	88.75%	88.75%	88.57%	90.29%
Cumulative Cashflow			(6,049)	(6,049)	(2,726)	1,225	4,700	8,275	11,941	15,608	19,063	22,466	30,315		
CMC CASHFLOW															
Cashflow			0	0	175	208	283	453	465	465	438	431	995	3,913	
FINANCE CALCULATIONS															
Opening Loan			0	0	218	0	0	0	0	0	0	0	0		
+Loan Draw				218											
Interest on Debt		10.00%	0	11	11	0	0	0	0	0	0	0	0		
Interest Capitalized															
Loan Repayments			0	0	218	0	0	0	0	0	0	0	0		
Closing Loan			0	218	0	0	0	0	0	0	0	0	0		
Max Loan Repayment amort. years		1	0	0	218	0	0	0	0	0	0	0	0		
Cashflow			(6,049)	0	3,716	4,159	3,758	4,028	4,131	4,131	3,893	3,834	6,603		
Min Payable			(6,049)	0	3,716	4,159	3,758	4,028	4,131	4,131	3,893	3,834	6,603		
DEBENTURES	$0	8.50%	0	0	0	0	0	0	0	0	0	0	0		

TABLE 6

SOUTH ATLANTIC VENTURES

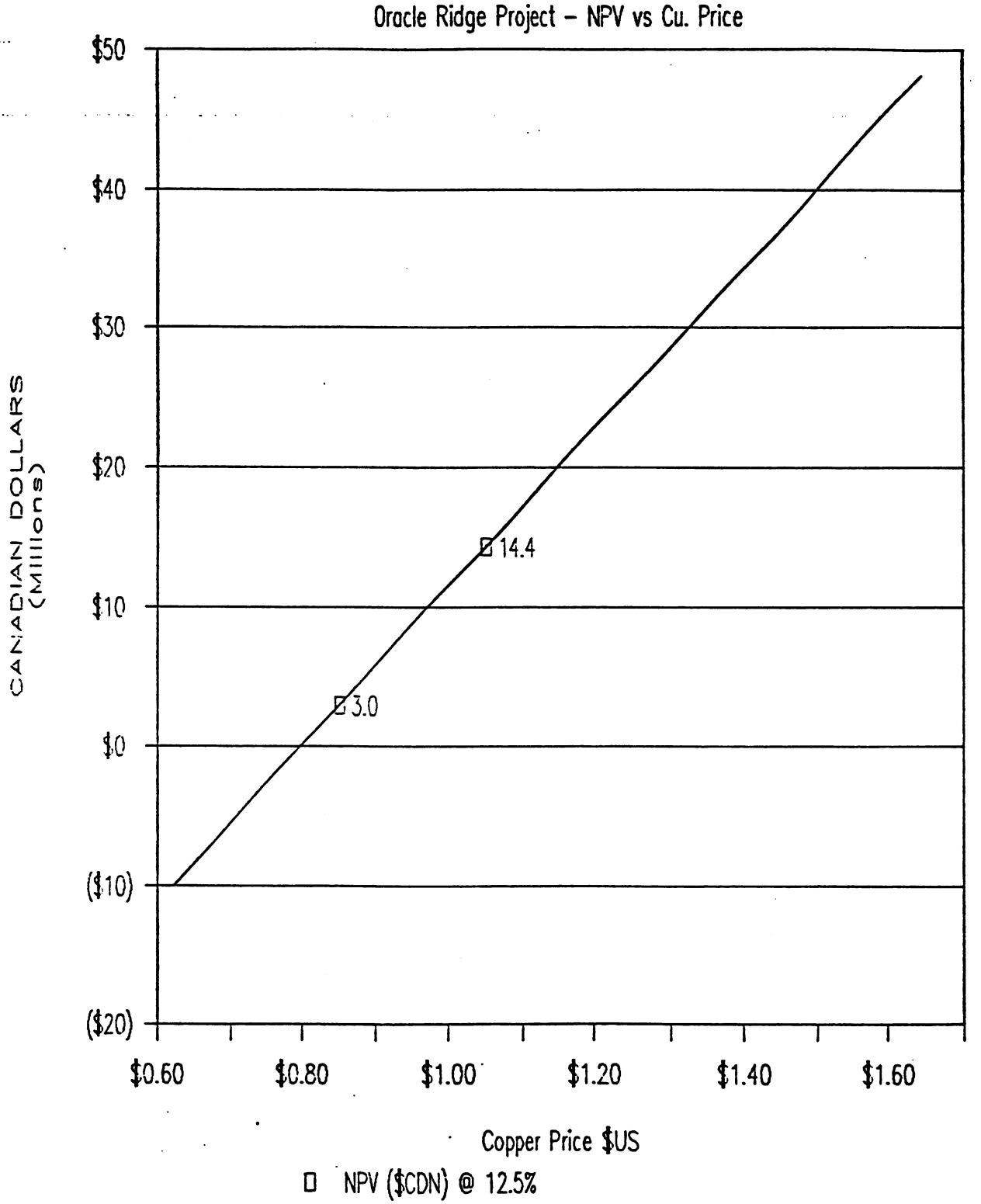


TABLE 7

SOUTH ATLANTIC VENTURES

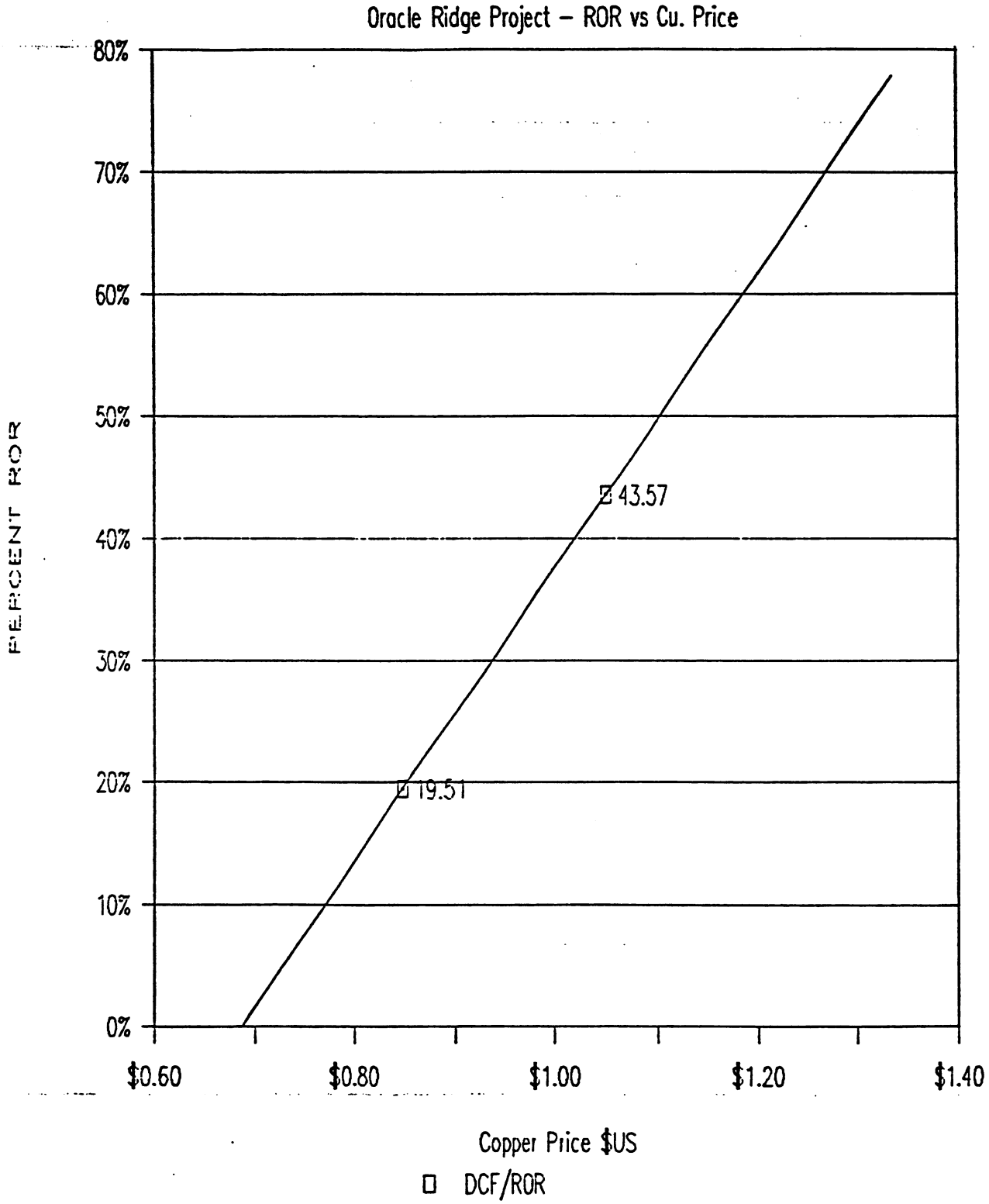


TABLE 8

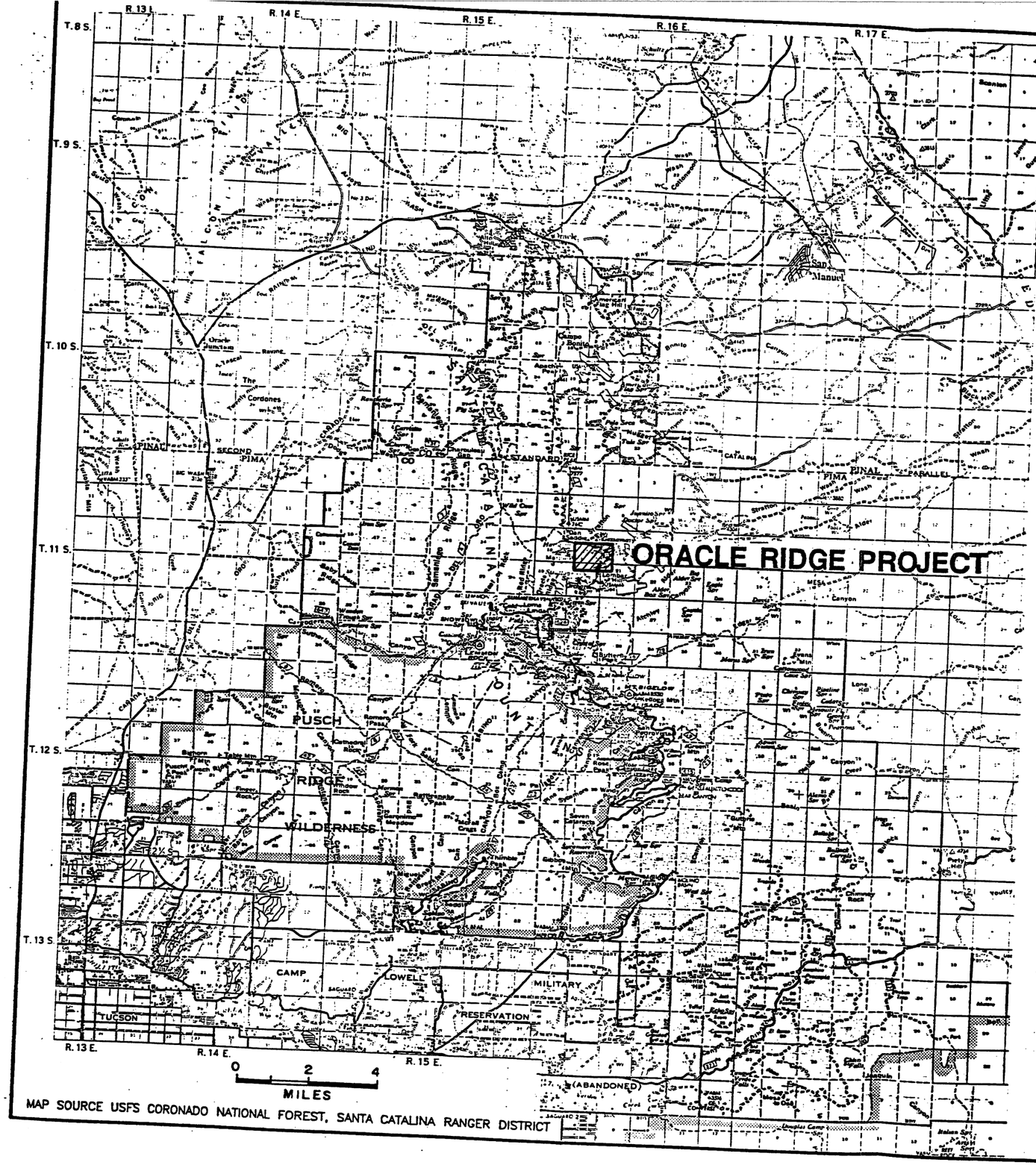
ORACLE RIDGE PROJECT

	U.S.$
Capital Cost of Project to end of year 1 of full production	8,355,000
Add: Working Capital	218,000
	8,573,000
Less: A portion to be financed from cash flow	2,306,000
	6,267,000
Less: Portion of funds currently available	550,000
	5,717,000
Less: Initial working capital required by January 1, 1990[1]	214,000
Funds required to proceed	5,508,000

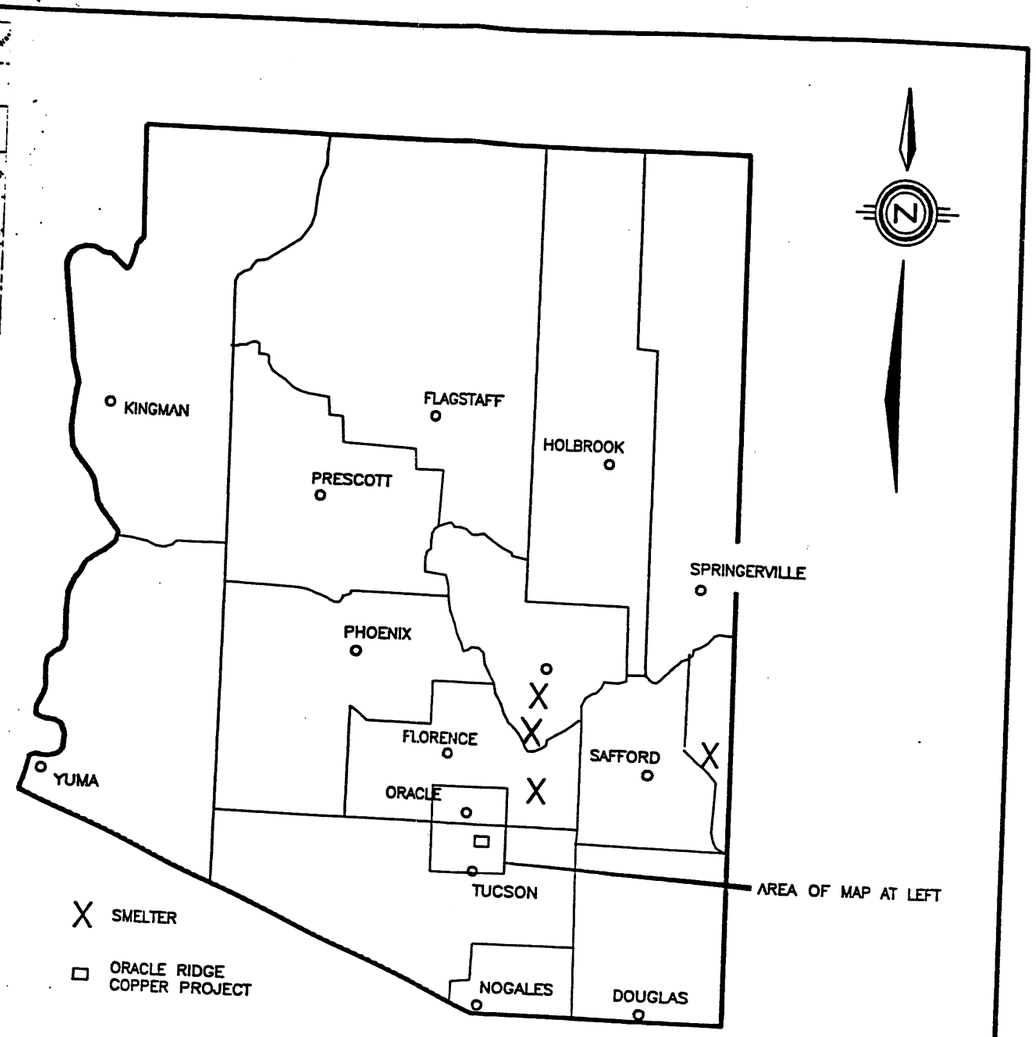
Note:

1. Further working capital provided by smelter advances.

2. Union Mines Inc. has the right to participate with 25% in an equity financing.



MAP SOURCE USFS CORONADO NATIONAL FOREST, SANTA CATALINA RANGER DISTRICT



SOUTH ATLANTIC VENTURES LTD.

ORACLE RIDGE PROJECT

PIMA COUNTY, ARIZONA

PROJECT LOCATION

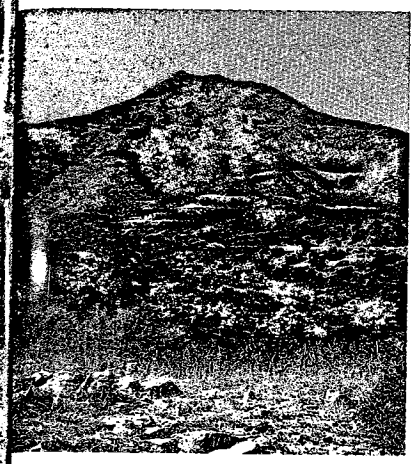
DATE: JANUARY, 1989

BY: J.PROC / rwr

SOUTH ATLANTIC VENTURES LTD.

ANNUAL REPORT 1988

The Annual General Meeting
will be held at 10:00 a.m.
Tuesday, April 4, 1989
at Suite 2200 - 885 West
Georgia Street, Vancouver,
B.C. V6C 3E8



Main access road
to Oracle Ridge Property.

THE ORACLE RIDGE PROJECT

Introduction

The Company concluded an agreement with Union Mines Inc. of Denver, Colorado to acquire Union Copper Inc., their wholly-owned subsidiary, in October, 1988. A partnership between Union Copper Inc. and Continental Catalina, Inc., a subsidiary of Continental Materials Corporation of Chicago, Illinois, owns the Oracle Ridge copper/silver project located approximately 15 miles north of Tucson, Arizona.

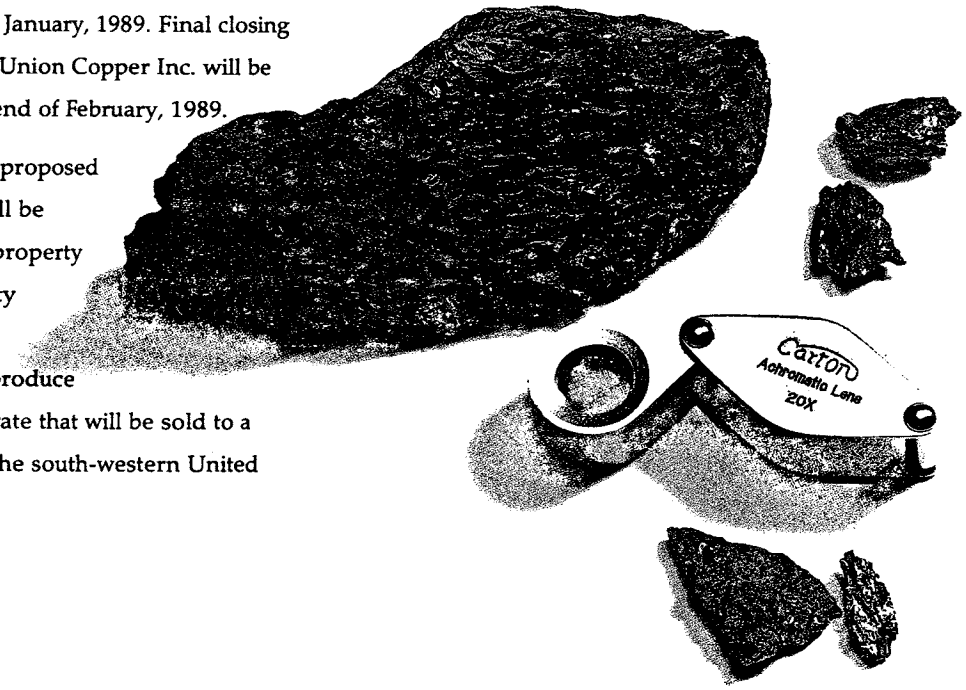
The partnership, known as Oracle Ridge Mining Partners or ORMP, was formed to develop the Oracle Ridge project in 1977 and approximately U.S. $23,000,000 has been spent on project development to date. After concluding the agreement to acquire Union Copper Inc., the Company entered into negotiations with Continental to revise the terms of the partnership agreement and to obtain a waiver of the right of first refusal which Continental had on the interest of Union Copper Inc. in the Oracle Ridge project. Negotiations with Continental were concluded in January, 1989. Final closing of the purchase of Union Copper Inc. will be completed by the end of February, 1989.

The Company has proposed that a mine and mill be developed on the property with a rated capacity of 250,000 tons of ore per year to produce a flotation concentrate that will be sold to a smelter located in the south-western United States. Current proven and probable ore reserves can support this rate of mining for approximately sixteen years.

Geology and Ore Reserves

The Oracle Ridge copper/silver deposit occurs in skarn formed in a pendant of Paleozoic sedimentary rocks near the contact with a quartz diorite porphyry stock of Laramide age. Near their contact with the stock the sedimentary rocks have been metamorphosed to calcium-magnesium silicates with magnetite. Copper and silver with trace amounts of gold, molybdenum and tungsten are present in the mineralized zones. Faulting appears to be related to the intrusion of the Leatherwood stock and associated dikes and sills. The faults in many cases were the conduits for the mineralization.

Ore reserves occur principally in the Cambrian Abrigo limestone, Devonian Martin dolomite and Mississippian Escabrosa limestone and dolomite. Mineralization is principally chalcopyrite and bornite with minor amounts of covellite, chalcocite, pyrite, molybdenite and other sulfides.



Proven and probable ore reserves with a cutoff grade of 1.5% copper, total approximately 4 million tons with grades of 2.33% copper and 0.67 ounces of silver per ton. In addition, 4.4 million tons of possible reserves with a grade of 2.25% copper have been indicated with further considerable exploration potential.

A review of the ore reserves was done by Robert C. Johnson of Pearson, deRidder and Johnson of Lakewood, Colorado dated November 2, 1988 and he concluded that the procedures used by ORMP meet generally accepted procedures for ore reserve calculations and that the ore reserves have been fairly stated.

Mining

The mining development for a 250,000 ton per year operation has essentially been completed.

Mine rehabilitation, preproduction development and mining of ore will initially be done by Small Mine Development, a contract mining company owned by Ron Guill of St. George, Utah.

Equipment to be usd by ORMP in the underground mine will be purchased in years 1, 2 and 5. A portion of the contractor's crew will form the nucleus of the ORMP mining crews.

The mining method proposed for the ore zones in the Cambrian Abrigo limestones and Devonian Martin dolomites is a mechanized overhand cut-and-fill system using hydraulic drill jumbos and 5 cubic yard LHD's. Cemented mill tailings will be placed in the stopes for permanent ground support following ore extraction. Ground conditions in the Escabrosa ore zones will allow mining by random room-and-pillar methods without backfill. Mining is scheduled for 5 days per week, 2 shifts per day to produce 1,000 tons per day from year 2 onwards. Total production will be 250,000 tons per year with 92,000 tons coming from stockpiles in year 1.

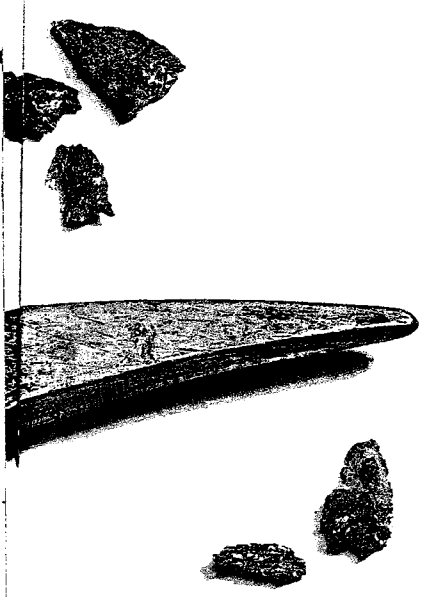
Review of the proposed mining methods and mine design is being done by Dr. Chris Page of Steffen, Robertson and Kirsten, Vancouver, British Columbia.

An average mill head grade of 2.34% copper and 0.68 oz of silver has been estimated for the first ten years of the life of the mine after allowing for loss of ore and dilution that will occur during mining.

Mining costs, excluding power costs are estimated at U.S. $11.00 per ton and U.S. $14.00 per ton for random room-and-pillar and conventional cut-and-fill stopes respectively. Contract mining costs for random room-and-pillar stopes are estimated at U.S. $13.00 per ton.

Processing

The process developed for the Oracle Ridge Project is a conventional bulk sulfide flotation process which will recover both copper and associated gold and silver values to a single concentrate. The concentrate will be transported for smelting to a smelter located in the southwestern United States. The stages of treatment are crushing, grinding, flotation, thickening and filtering. Extensive metallurgical testwork done in the 1970's indicated that average recoveries for copper of 91.8% can be expected with recoveries for silver and gold of 76% and 65% respectively.



Three samples of ore were taken in September, 1988 and shipped to Lakefield Research of Lakefield, Ontario for confirmation testwork and to define parameters for column flotation. The testwork is being done under the direction of Mr. George Shadford, Metallurgical Consultant, Oakville, Ontario.

The mill will operate 7 days per week and will treat 5,000 tons of ore per week or 250,000 tons of ore per year.

Approximately 16,400 tons of copper concentrate will be produced per year at the proposed rate of production. The concentrate will contain approximately 10 million pounds of copper and 116,000 ozs of silver with minor gold credits.

Milling, costs, excluding power costs, are estimated at U.S. $5.00 per ton.

Tailings Disposal

A tailings pond will be developed on land currently owned by ORMP approximately 13,600 feet east-northeast of the mine. The initial capacity of the tailings pond will be adequate for a life of mine of ten years and this can be readily expanded.

Mr. Clinton Strachan of Water, Waste & Land, Inc. of Fort Collins, Colorado has been engaged to assist in the design of the tailings disposal facilities.

Services

The lower 12.5 miles of road from San Manuel to the mine are in good condition and will require only minor upgrading. The upper 2.5 miles will require widening, particularly on corners. This can be done relatively cheaply during the pre-production year.

The mine and mill will require approximately 80 gallons of water per minute once in full production. Indications are that this quantity of water can be drawn from old, underground workings. A backup supply of water from a well drilled and tested in the 1970's is being secured.

The mine is currently served by a 12.5 KV transmission line from Trico Electrical Cooperative, a public utility in Arizona. This line will be upgraded to provide the necessary power for the full operation.

Drilling bulk sample for metallurgical testing.

Office, warehouse, changehouse and two workshops were built at the mine from 1979 to 1982. These buildings are in good condition.

The full production manpower complement is estimated at 57. The property is well located for year-round operations.

Permits

Mr. Phyl De Dycker of Environcom, Inc. of Missoula, Montana has been engaged to assist in obtaining the necessary permits.

The field work and engineering design required for permit application started in October, 1988.

Marketing of Concentrates

Initial discussions have been held with four companies that operate copper smelters in the south-western United States. Indications are that a long term contract for the sale of the concentrate can be concluded on standard commercial terms.

Project Economics

A feasibility study has been prepared with further work currently in progress to refine the estimates.

The estimated capital cost of the mine and mill development in U.S. $7.1 million to start of production and a further U.S. $2.3 million to be funded from cash flow in the first year of full production. The annual cash flow potential is approximately U.S. $3,500,000 at a copper price of U.S. $1.05 per lb and a silver price of U.S. $6.25 per troy ounce. The discounted cash flow rate of return (DCF/ROR) for the project is 38% with a payback of approximately 2-½ years.

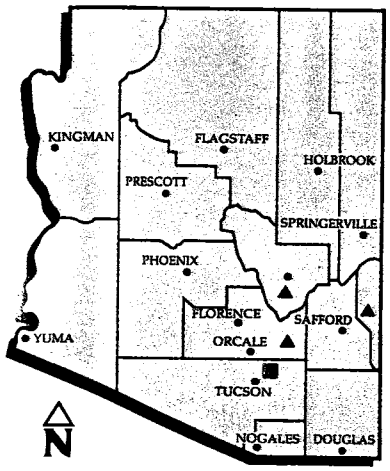
The average breakeven price for the first ten years of the life of the mine is estimated at U.S. $0.71/lb of copper equivalent. An analysis was done to determine a lower cash breakeven price for copper produced by the operation during periods of lower copper prices. This cash breakeven price is estimated at U.S. $0.64/lb of copper equivalent and this can be achieved for a continuous period of approximately eighteen months. It is significant that cutoff grades can be raised from 1.5% to 1.75% copper during periods of lower copper prices without a significant effect upon the life of the mine.

The project parameters are being reviewed continuously in an effort to maximize cash flow in the early years of the life of the mine and to optimize potential return on investment.

Timing

The start of production will be determined by the availability of funds to make major purchase commitments in early 1989. The Company is currently reviewing financing alternatives and it is expected that the necessary funds can be obtained by the beginning of April, 1989.

It is expected that permits can be obtained by mid-1989. Approximately six months will be required for construction and the start of production has been set for January 1, 1990 on this schedule.



State of Arizona

▲ Copper Smelters

■ Oracle Ridge Copper Project

Future Potential

The thrust is to develop a mill and mine at a relatively low initial capital cost and to be in production and generate a cash flow as soon as possible. The scale of operation has therefore been determined to some extent by readily available power and water supplies and no major capital costs will be incurred in new infrastructure development.

The operation has a potential life of up to forty years based on the indicated mineralization. The possibility therefore exists to increase the rate of production in the future and to fund such an increase in production from cash flow.

Financial

The Company ended its 1988 fiscal year in a strong position with working capital in excess of $1.7 million. The Company sold its investment in Eurocan Ventures Ltd. for the sum of $1,950,669 during the year which resulted in a gain of $1,029,474. The Company also issued 15,000 shares for $3,300 for stock options exercised by a former director during the year.

Consideration payable to Union Mines Inc. for the acquisition of Union Copper Inc. is U.S. $75,000 and 1,250,000 shares of the Company upon closing. Union Mines Inc. was also granted an option to purchase an additional 750,000 shares of the Company at a price of $0.90 per share, exercisable at any time prior to the first anniversary of the closing.

The agreement with Continental Materials Corporation provides that the Company will obtain the funds necessary to put the property into production with cash flow to be share 95% to the Company and 5% to Continental until 150% of the capital funds have been repaid. Thereafter, cash flow will be shared 88.75% to the Company and 11.25% to Continental with a provision that Continental will receive 25% of incremental cash flow above a certain price of copper and depending upon the cash production costs per pound of copper.

Corporate Developments

H. Lutz Klingmann was appointed President of the Company on March 28, 1988.

On Behalf of the Board of Directors

H. Lutz Klingmann
President

February 3, 1989

Auditors' Report

December 14, 1988
(except as to Note 10 which is as of January 30, 1989)

To the Shareholders of
South Altantic Ventures Ltd.:

We have examined the consolidated balance sheet of South Atlantic Ventures Ltd. as at October 31, 1988 and the consolidated statements of operations and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at October 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

SOUTH ATLANTIC VENTURES LTD.

Consolidated Balance Sheet

in Canadian dollars	October 31 1988	1987
Assets		
CURRENT ASSETS		
Cash and short-term deposits	$ 139,861	$ 144,921
Accounts receivable (Note 3)	1,680,880	–
Advances to affiliated joint venturers	–	23,231
	1,820,741	168,152
Mining interests	–	211,710
Fixed assets, net of accumulated depreciation of $6,956	68,086	–
Investment in Eurocan Ventures Ltd.	–	921,195
	$ 1,888,827	$ 1,301,057
Liabilities		
CURRENT LIABILITIES		
Accounts payable	$ 59,518	$ 27,365
Advances payable (Note 4)	50,000	–
Advances from affiliated companies (Note 4)	3,750	2,936
	113,268	30,301
Shareholders' Equity		
Share Capital	2,572,320	2,569,020
Deficit	(796,761)	(1,298,264)
	1,775,559	1,270,756
	$ 1,888,827	$ 1,301,057

Approved by the Board

Director

Director

SOUTH ATLANTIC VENTURES LTD.

Consolidated Statement of Operations and Deficit

in Canadian dollars	October 31 1988	October 31 1987
REVENUES		
Interest income	$ 3,322	$ 4,713
Other income	7,565	–
	10,887	4,713
EXPENSES		
Administration	289,822	112,651
Write-down of mining interests	222,371	99,957
Loss on sale and write-off of oil and gas interests	10,027	–
Loss (gain) on foreign exchange	7,722	(363)
Depreciation	6,956	–
Interest	1,960	4,618
	538,858	216,863
Loss from operations before taxes and extraordinary items	527,971	212,150
Tax recovery	186,600	–
Loss before extraordinary items	341,371	212,150
EXTRAORDINARY ITEMS		
Gain on sale of Eurocan Ventures Ltd. net of taxes of $276,800 (Note 4)	752,674	–
Realization of loss carryforward	90,200	–
	842,874	–
Net income (loss) for the year	501,503	(212,150)
Deficit, beginning of the year	1,298,264	1,086,114
Deficit, end of the year	$ 796,761	$ 1,298,264
NET INCOME (LOSS) PER SHARE		
Loss before extraordinary items	($0.063)	($0.043)
Extraordinary items	0.156	–
Net income (loss) for the year	$0.093	($0.043)

SOUTH ATLANTIC VENTURES LTD.

Consolidated Statement of Changes in Financial Position

in Canadian dollars	October 31 1988	October 31 1987
Cash provided by (used for):		
Operations -		
Net income (loss) for the year	$ 501,503	$ (212,150)
Items not affecting cash -		
Extraordinary items	(842,874)	–
Tax recovery	(186,600)	–
Write-down of mining interest	222,371	99,957
Depreciation	6,956	–
	(298,644)	(112,193)
Increase in operating working capital	(1,574,681)	(42,101)
	(1,873,325)	(154,294)
Exploration activities -		
Expenditures on mining interests	(10,662)	(976)
Investing activities -		
Purchase of fixed assets	(75,042)	–
Investment in wholly-owned subsidiary	(15,270)	–
Sale of wholly-owned subsidiary	15,270	–
	(75,042)	–
Financing activities -		
Proceeds from sale of Eurocan Ventures Ltd.	1,950,669	–
Proceeds from issue of common shares	3,300	277,700
	1,953,969	277,700
(Decrease) increase in cash and short-term deposits	(5,060)	122,430
Cash and short-term deposits:		
Beginning of year	144,921	22,491
End of year	$ 139,861	$ 144,921

October 31, 1988
(in Canadian dollars)

1. Nature of operations and contingencies:

The business of South Atlantic Ventures Ltd. (South Atlantic) is to acquire, explore and develop interests in mining projects. All projects in which the company presently has interests, are in various stages of exploration. The recoverability of amounts recorded as assets for exploration of mining interests is dependent upon the completion of exploration work, the discovery of mineral reserves in commercial quantities and the subsequent development of these reserves. Recoverability of the investment in these assets is also dependent on the company's ability to obtain financing to continue and complete exploration and development activities.

2. Significant accounting policies:

(a) Mining interests -

The company capitalizes the cost of mining claims and properties and the expenditures relating to their exploration. All mining projects are in the exploration stage as commercial quantities of proved reserves have not yet been discovered. Costs capitalized for each project will be written off to the statement of operations if future recovery is determined to be unlikely.

All capitalized costs for each successful mining project will be amortized as depletion to the statement of operations when commercial production commences. Depletion will be determined using the unit-of-production method based on proved reserves.

(b) Foreign currency translation -

The company follows the temporal method of accounting for the translation of foreign currency amounts into Canadian dollars. Under this method, monetary assets and liabilities are translated into Canadian dollars at exchange rates prevailing at the balance sheet date; non-monetary items, revenues and expenses are translated at the approximate exchange rates at the date of the transactions.

Gains or losses on exchange are reflected in the statement of operations in the year to which they relate.

(c) Fixed assets -

All fixed assets of the company related to the purchase of office furniture and equipment which are carried at cost. Depreciation is provided using the straight-line method at a current annual rate of 20%.

3. Accounts receivable:

	1988	1987
International Petroleum Corporation (see Note 4)	$ 1,679,366	$ -
Other receivables	1,514	$ -
	$ 1,680,880	$ -

4. Related party transactions:

The company is affiliated with other companies and share in costs associated with administration. Included in "administration" on the consolidated statement of operations are expenses of $14,707 (1987 - $58,212) for services provided by affiliated companies. As of May 1, 1988, these services will no longer be provided by these companies. The amount shown at October 31, 1988 for "Advances from affiliated companies", relate to these services.

During the year ended October 31, 1988, South Atlantic agreed to sell its investment in Eurocan Ventures Ltd. to International Petroleum Corporation (IPC), a related company, for the sum of $1,950,669 resulting in a gain of $1,029,474 to the company. During the year and subsequent to the year-end, $975,335 was paid by IPC to South Atlantic. The remaining balance of $975,334 is due to be paid on March 15,1989 with accumulated interest.

Advances payable at October 31, 1988 related to an amount of $50,000 which was paid to South Atlantic by a director of the company and which was subsequently repaid by South Atlantic.

5. Share capital:

	Shares	Paid in Value
Authorized -		
25,000,000 shares without par value		
Issued and outstanding at October 31, 1987	5,403,500	$ 2,569,020
Issued during the year	15,000	3,300
Issued and outstanding at October 31, 1988	5,418,500	$ 2,572,320

During the year, the company issued 15,000 common shares for $3,300 cash pursuant to an incentive stock option agreement.

Options currently outstanding to directors, officers and employees of the company are 425,000 common shares at $0.65 per share exercisable on or before January 15, 1989 and 10,000 common shares at $0.45 per share on or before January 20, 1991.

Net income per common share has been calculated using the weighted average number of shares outstanding during the year.

6. Income taxes:

The company has available unused cumulative Canadian exploration expense, Canadian development expense, earned depletion and mining depletion currently estimated to aggregate approximately $661,000, which will be deductible for income tax purposes as to the company's income from any source.

The company also has tax loss carry-forwards at October 31, 1988 aggregating approximately $134,000 which expire in the year 1995.

The potential benefit of these losses has not been recognized in the accompanying financial statements.

7. Lease commitments:

The company leases office premises under agreement requiring future payments aggregating approximately $21,000 payable in the subsequent year.

October 31, 1988
(in Canadian dollars)

8. Remuneration of directors and officer:

   Aggregate remuneration of $33,633 has been paid to directors and officers for the year ended October 31, 1988 (1987 - $11,349).

9. Subsequent event:

   On October 25, 1988, South Atlantic entered into an agreement, subject to regulatory, shareholder and other approvals, with Union Mines Inc., a U.S. corporation, to acquire all the issued and outstanding shares of its wholly-owned U.S. subsidiary, Union Copper Inc., for cash of U.S. $75,000 and 1,250,000 common shares of South Atlantic. As part of the acquisition consideration, Union Mines Inc. was also granted an option to purchase an additional 750,000 common shares of South Atlantic at a price of $0.90 per share, exercisable at any time prior to the first anniversary of the effective date of the closing of the agreement.

   Union Copper Inc.'s main asset is a majority interest in Oracle Ridge Mining Partners, a mining partnership involved in a copper and silver project located just north of Tucson, Arizona.

   As of January 30, 1989, approval from shareholders and other parties had been obtained and the transaction is expected to be finalized by the end of February, 1989.

Corporate Data

South Atlantic Ventures Ltd.

H. Lutz Klingmann, President and Director
Adolf H. Lundin, Director
William A. Rand, Director
Lillian A. deVooght, Secretary
Edward Lee, Controller/Treasurer
James S. Proc, Project Manager

405 - 750 West Pender Street
Vancouver,B.C. V6C 2T7
Telephone: (604) 682-8896
Fax: (604) 682-0901

2200 - 885 West Georgia Street
Vancouver, B.C. V6C 3E8

Vancouver Stock Exchange (SCV)

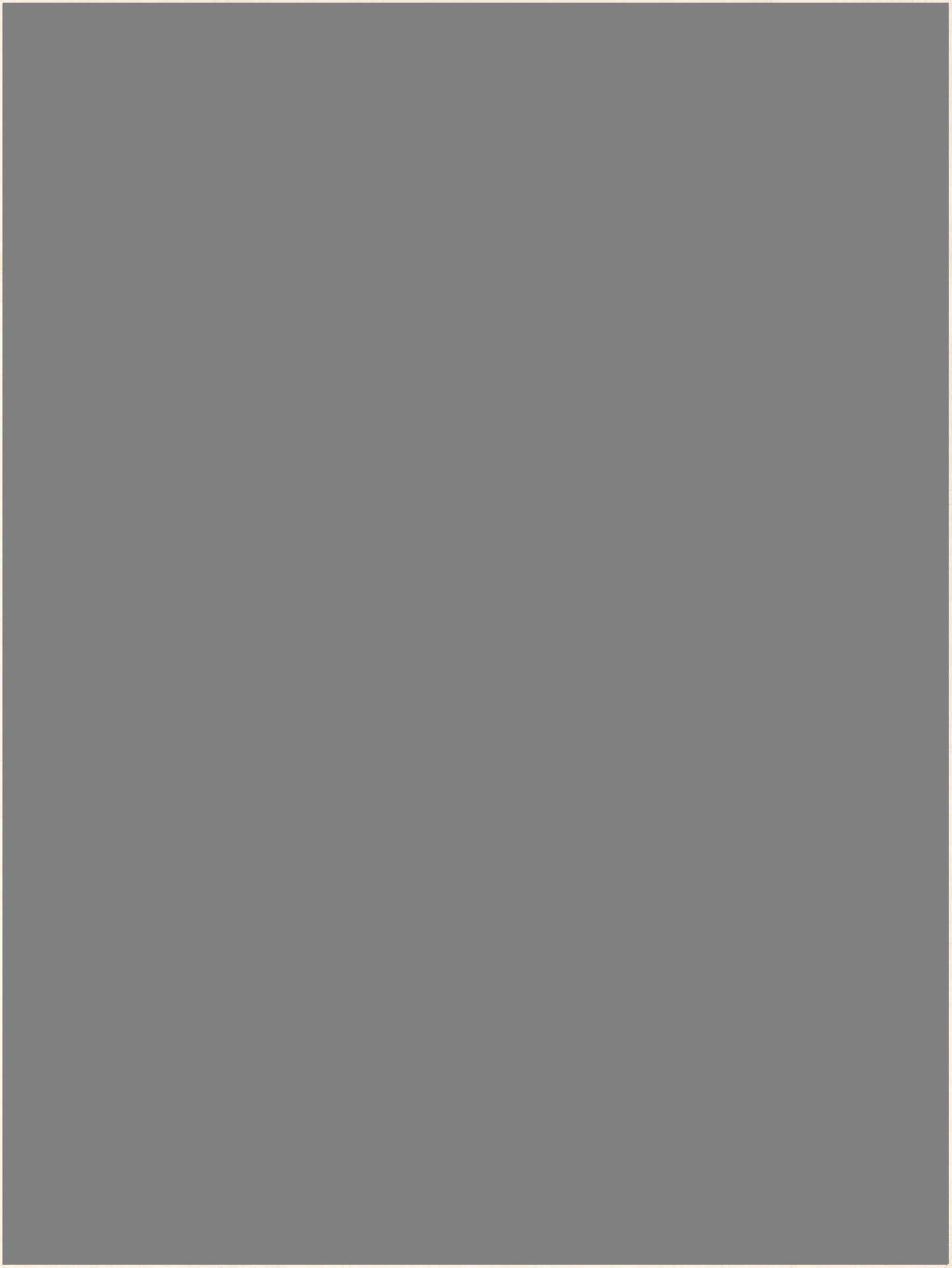
The authorized capital of the Company consists of 25,000,000 common shares without par value of which 5,418,500 shares are issued and outstanding.

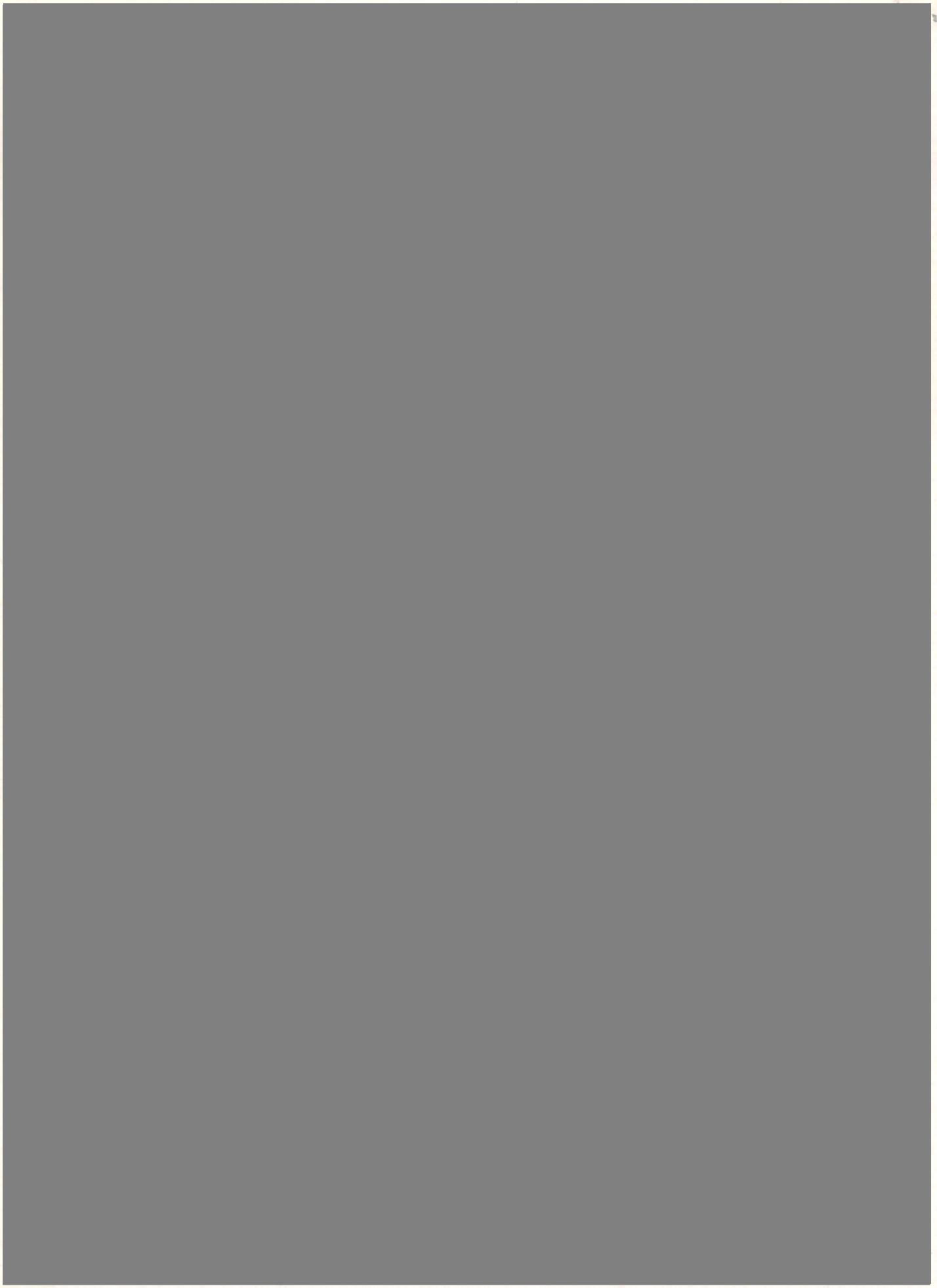
Canadian Imperial Bank of Commerce
Vancouver, B.C.

Rand Edgar & Sedun
Vancouver, B.C.

Price Waterhouse
Vancouver, B.C.

Montreal Trust
510 Burrard Street
Vancouver, B.C. V6C 3B9





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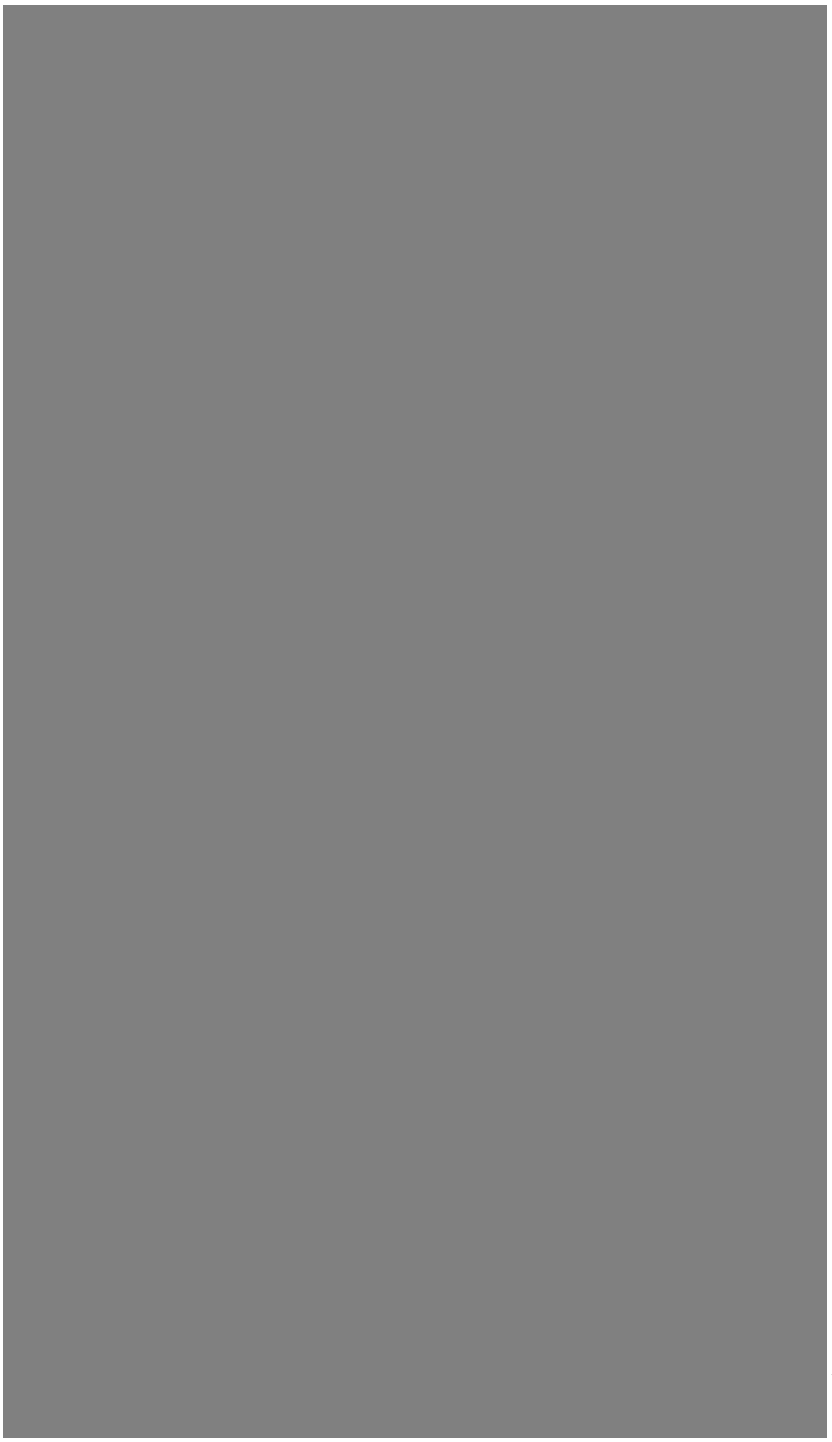

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Western Minerals
Activity Report 4/91

SOUTH ATLANTIC VENTURES LTD

405 - 750 WEST PENDER STREET
VANCOUVER, B.C., CANADA V6C 2T7

TELEPHONE: (604) 682-8896 • FAX (604) 682-0901

STOCK TRADING SYMBOL: SCV

November 28, 1989

PRESS RELEASE

Mr. H. Lutz Klingmann, President of South Atlantic Ventures Ltd. is pleased to announce that the Board of Directors of the Company has made the decision to place the Oracle Ridge project into commercial production.

The Oracle Ridge copper/silver project is located approximately 15 miles north of Tucson, Arizona. The Company has completed a feasibility study for a 285,000 tons per year mine and mill to be developed on the property. Proven and probable ore reserves with a cutoff grade of 1.5% copper total approximately 4 million tons with grades of 2.33% copper and 0.67 ounces of silver per ton. Possible reserves of 4.4 million tons with a grade of 2.25% copper have been indicated with further considerable exploration potential.

The estimated cash required to the start of production is U.S. $6,000,000. Discussions are continuing re the financing of the project.

Construction permits have been approved and work is planned to commence in mid-January, 1990.

ON BEHALF OF THE BOARD OF DIRECTORS

H. Lutz Klingmann
President

The Vancouver Stock Exchange has not reviewed and does not accept responsibility for the adequacy of this release.