WESTMIN

WESTMIN RESOURCES LIMITED

ANNUAL REPORT 1993

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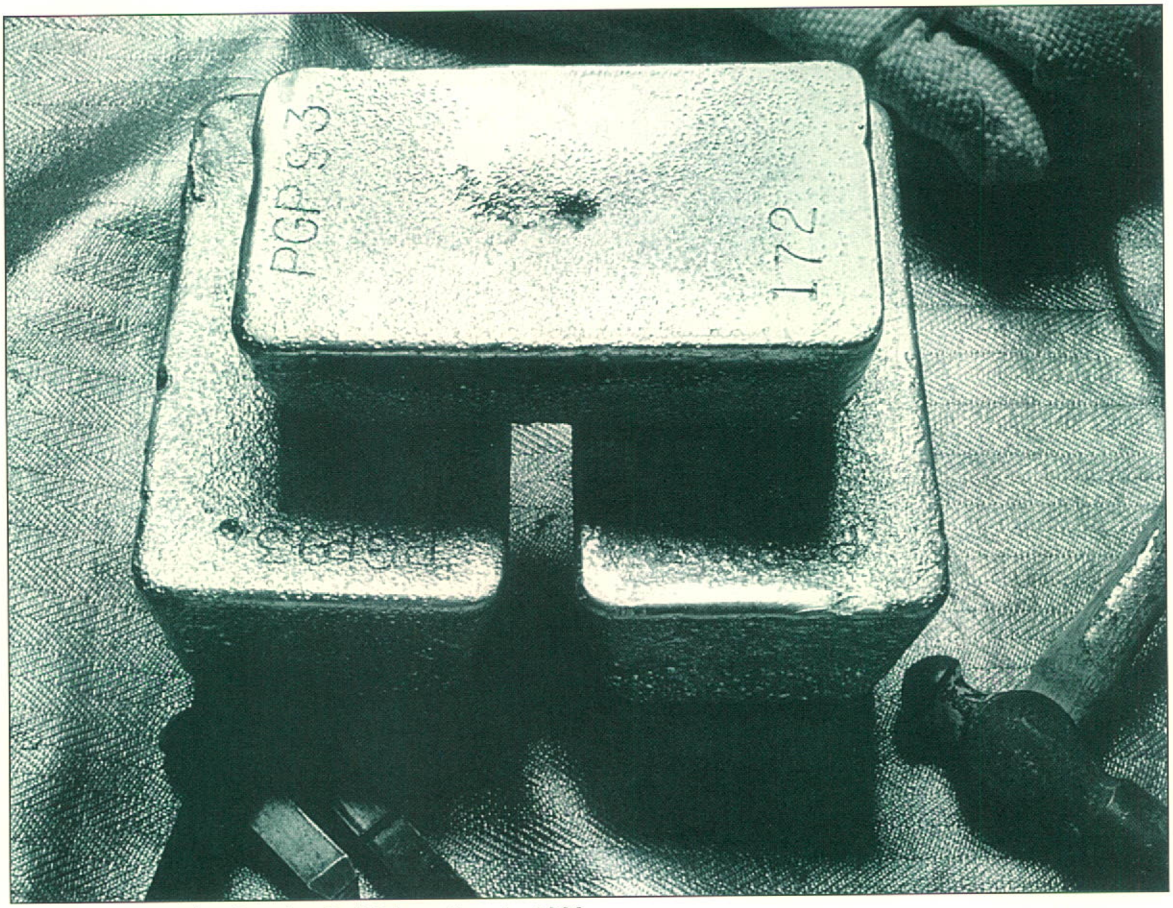
Annual General Meeting

Thursday, May 5, 1994
2:00 p.m. (local time) Hyatt Regency Hotel,
655 Burrard Street,
Vancouver, British Columbia.



Doré bars poured at Premier Gold Operations in 1993

The year 1993 was one of a holding pattern. While progress was made in several areas, Myra Falls Operations were largely shut down for eight months due to a labour dispute with the Canadian Auto Workers Union which represents the hourly paid employees. Months of intensive negotiations which, from management's perspective needed to result in a collective agreement that would address productivity and very high labour rates in the context of dismal metal markets, were unfruitful and the Company declared a lockout in late April. As of March 15 1994, the issues remain unresolved.

The combination of the Myra Falls dispute, the lowest real copper and zinc prices for more than a decade, high smelter costs and reduced investment income, caused revenue to fall from $105.7 million in 1992 to $37.0 million this year. With Myra Falls on a lockout, Premier Gold reduced to underground mining only, and interest and depreciation costs roughly cut in half, total expenses were significantly reduced from $123.0 million in 1992 to $63.8 million in 1993. The result was a net loss of $27.0 million in 1993 compared to $18.1 million the previous year. After preferred dividends, the losses were respectively $0.83 and $0.71 per common share.

Cash flow from operations deteriorated from a surplus of $6.7 million in 1992 to a $15.3 million deficit in 1993, but better than that which would have resulted had operations continued under the old Myra Falls labour contract. Because of a major reduction in interest expense and substantially less funds required to redeem preferred shares, the Company's financing requirement decreased from $110.5 million in 1992 to $31.5 million in 1993. Capital spending in 1993 dropped to $4.8 million from $6.6 million the year before because the labour dispute resulted in an inability to maintain the 1992 development pace on the Battle Zone. Outside exploration, at $2.3 million, rose $0.5 million in 1993 compared with the previous year due to acquisition of and exploration spending on the Johnson River Project in Alaska.

In July of 1993 Westmin converted its $100 million investment in Noranda Inc. 7.75 percent, Class C Convertible Preferred Shares to Noranda common shares, which were subsequently sold and the proceeds were used to reduce debt. At year end the total corporate debt stood at $82.8 million, down from $152.7 million in 1992.

Prior to the lockout, Myra Falls had been making steady progress toward becoming more efficient. Overall cash operating costs per tonne had been reduced from $68.54 in 1991, to $54.95 in 1992, to $51.84 for the first quarter of 1993 and the metal recoveries and product quality had also been improving. Just prior to the lockout it was announced that, despite its productivity gains, the Lynx Mine would be closed temporarily because it was suffering unsustainable cash drains at current metal prices.

The most profound effect of the work stoppage has been the recognition by supervisory staff of how low productivities were in the normal fullscale operations. There is strong resolve to remedy that situation upon the eventual return to work.

The recently-discovered Battle and Gap Zones at Myra Falls were the focus of some development activity, despite the absence of the majority of the employees. While total reserves did not increase, significant additions to proven and probable reserves were made, as definition drilling upgraded 383,000 tonnes of Battle Zone ore to the possible category and added another 268,000 tonnes to proven/probable reserves in the Battle and Gopher Zones. Drilling on the margins of the Battle Zone indicated more complexity than was originally interpreted from the wide-spaced primary drill pattern, but confirmed very high grades and good mineability.

A major rehabilitation of the coarse ore bin and crusher was completed during the summer months. The critical part of the job was to repair and restabilize the rock walls in the underground bin above the crusher through which all ore production is handled. The fine ore bin which lies below the crusher was repaired in January of 1994.

At Premier Gold modest production from the old underground mine, restarted in 1992, was augmented by production from the Glory Hole area. Adits were driven from the walls of the open pit and ore remnants from mining early in the century were drawn out using large trackless equipment. The property ended the year with more prospects for ore sources than it had in the previous year and covered its cash operating costs in 1993. However, after provision of closure obligations, and two large exploration programs, one at Premier itself and the other at 50 per cent owned SB, the operation incurred a deficit of $1.3 million in 1993 compared with one of $2.0 million in 1992.

Outlook

The labour dispute at Myra Falls Operations, which was a dominant feature of Westmin's performance in 1993, will also have a significant impact in 1994. The dispute, although ostensibly about wages, benefits and contract language covering such items as seniority rights, is really about change and adaptation. The changes are required to enable the Operation to adapt to a highly competitive world with modern, low-cost, producers operating on top quality resources, in political jurisdictions having lower taxes and wages and fewer bureaucratic obstacles. Westmin believes it can successfully compete in this world while still paying wages and taxes near the top of the industry, as well as demonstrating the highest safety and environmental standards anywhere and still generating profits for investors. But it cannot be done without change; the old ways are gone.

Management is well on its way to mapping out these changes which will take the Myra Falls Operations and the whole Company into the 21st Century. The mapping exercise took the form of developing a Strategic Plan which management worked on at the corporate level for much of 1993. A significant outcome of the strategic planning process was the establishment of five key goals for Westmin, which are:

1/ Be The Supplier of Choice to Smelters and Refiners

2/ Achieve growth in Shareholder Value

3/ Generate Positive Free Cash Flow at the Bottom of the Metal Market Cycle

4/ Be the Best and Most Respected Team in the Mining Industry

5/ Have a Quality Focus in All That We Do

There are a number of specific, measurable, objectives which are associated with these goals and which are being incorporated into Westmin's programs and budgets. The management team also created a slogan which captures the plan in one line: *A Mining Company With A Focus On Growth Through Quality*.

Unlike many of our competitors, we see our future in western North America. We see our growth in the same products we now produce; copper and zinc concentrates, precious metals and coal. We see building on the strengths we have now; abilities to effectively find and develop deposits, to mine efficiently underground, to process and market complex ores and to deal successfully with sensitive environments. Most importantly, we see our Company by 1998, having twice as many operations as we now have, all with long life reserves. Because many other operators will be competing to develop those operations, Westmin's advantage must be in the quality people we have and can attract.

Realization of the goals and objectives has to start with bringing Myra Falls up to its potential. Much of this has been accomplished and the balance will be when the labour dispute ends. While production from the Battle and Gap Zones has been delayed, their high grade has been, at least partially, confirmed. Furthermore, the work stoppage has afforded staff the opportunity to advance the planning for the extraction of the ore and to satisfy themselves that the full productive capacity of all employees will be attained throughout the property when a return to work is eventually achieved. Some long term problems have been put to rest by the maintenance work that has been done at the operation. The benefits of capital investments in high output equipment in 1993 and previous years will contribute to the success of the operation.

Premier Gold, through the single-minded perseverance of its people, has paid its way for a year beyond the time when its closure was contemplated. It is well positioned to keep doing that, at least for the medium term. The promising exploration leads developed last year will be the subject of a comprehensive effort in 1994. Because the operation has been kept viable, more custom milling and joint venture opportunities are being attracted. Early in 1994, an agreement was signed with the Snip Mine (operated by Cominco) to process its concentrates into doré; this contract will provide a good, long-term, base for operations at Premier.

While we have anticipated an improvement in the metals markets for some time, it now appears inevitable, although perhaps still some ways off. Supplies of concentrate have been reduced with several mine closures throughout the world and smelting terms have started to reflect that, especially for zinc. Stocks of metal remain high although copper has been declining now for several weeks. Zinc stocks are still increasing but should soon reverse with the change in the concentrate market. Dumping of Eastern European stocks appears to be declining. Many technical analysts feel that gold has broken out of its long declining trend and silver prices are currently strong.

Exploration beyond the mine sites will continue to be directed at base and precious metal targets outside of British Columbia, although good opportunities inside the province will not be ignored. As with the huge and promising Fairchild Lakes Properties in the Yukon, and the high-grade Johnson River gold-zinc project in Alaska, joint ventures and farm-ins to lever Westmin's initial investments will be the order of the day until cash from operations is available.

The latest year has been a particularly difficult one for our employees. The labour dispute at Myra Falls has called on staff to work long hours at unfamiliar tasks in difficult and uncertain circumstances. They have done it well with great spirit and enthusiasm and for this we thank them. Employees at Premier and Vancouver also deserve thanks for continuing to exceed all reasonable expectations. As well, our shareholders have again earned our gratitude for their tremendous support as we work through another year of change.

Paul M. Marshall
Chairman

Walter T. Segsworth
President

Located in the heart of Vancouver Island, Myra Falls Operations is comprised of two underground mines and a 3,650 tonnes per day milling facility. Copper concentrate containing significant gold and silver values, zinc concentrate, and for the first time a new high-grade gold concentrate are produced at the mine site.

Low metal prices combined with high operating costs forced the Company to re-examine its operations in 1993. On April 19, a decision was made to shut down mining operations at the Lynx Mine (250 tonnes of ore per day) and to do some additional restructuring. This resulted in the layoff of 73 staff and hourly employees.

Negotiations began in February 1993 with the Canadian Auto Workers Union, Local 3019 which represents 360 unionized employees. After several months of bargaining no agreement could be reached between the Company and the Union bargaining committee, and the Company locked out the employees effective April 24 1993. Under current provincial legislation the only way the Company could legally end the previous contract was to lock out the unionized employees. The lockout remained in effect on March 15 1994.

Revenues for the year were $16 million reflecting full production of concentrate for the four month period leading up to the lockout and limited production by management staff during the fourth quarter. Revenues were down substantially from 1992 levels as a result.

During the labour dispute approximately 85 staff employees performed maintenance on existing equipment and facilities. Extensive training, focused on improving the management skills of all supervisory staff, was also carried out. In October mining and milling recommenced on a limited basis.

H-W Mine

As a result of the labour dispute the H-W Mine produced only 391,038 tonnes of ore in 1993 compared with 1,080,928 tonnes in 1992. Approximately 37,000 tonnes were produced in the fourth quarter by a small team of non-union staff.

Maintenance work scheduled for the summer was also conducted by non-union staff. The biggest project was the complete refurbishing of the underground coarse ore bin in the H-W Mine. This bin, a cavity excavated from rock and roughly the size of a narrow 15 storey building, is situated vertically above the crusher and nominally contains 7,000 tonnes of broken ore. After years of continuous impact from falling ore and the effects of water and air, the walls had become eroded and unstable. This demanding task required the replacement of the throat at the bottom of the bin, the construction of two large concrete baffles, and extensive reinforcement and lining. The job was done much more thoroughly than had been originally contemplated. A similar, although less extensive job, was completed in the fine ore bin (below the crusher) in January 1994. The critical main ore handling system, with proper care, should last the life of the mine.

Lynx Mine

Despite productivity improvements over the last few years the small but labour-intensive mining operation at Lynx did not justify continued operations during 1993's low metal prices. It was shut down after producing a total of 42,815 tonnes in 1993.

Battle/Gap Zone Development

Development work for accessing the Battle Zone continued during the first four months of 1993. It is anticipated that the first Battle Zone stope will go into production about six months after full operations resume.

Milling

The mill processed 433,410 tonnes of ore in 1993, compared with 1,171,629 in 1992. This year's figure was equivalent to 3,386 tonnes per operating day, 158 tonnes higher than the previous year.

Copper and zinc concentrate production totalled 28,220 tonnes and 18,705 tonnes respectively. These volumes were down by 59 and 68 per cent respectively compared with 1992. Copper head grades and recoveries were slightly higher than last year, however zinc head grades declined to 2.77 per cent from 3.18 per cent. Zinc recoveries slipped as well.

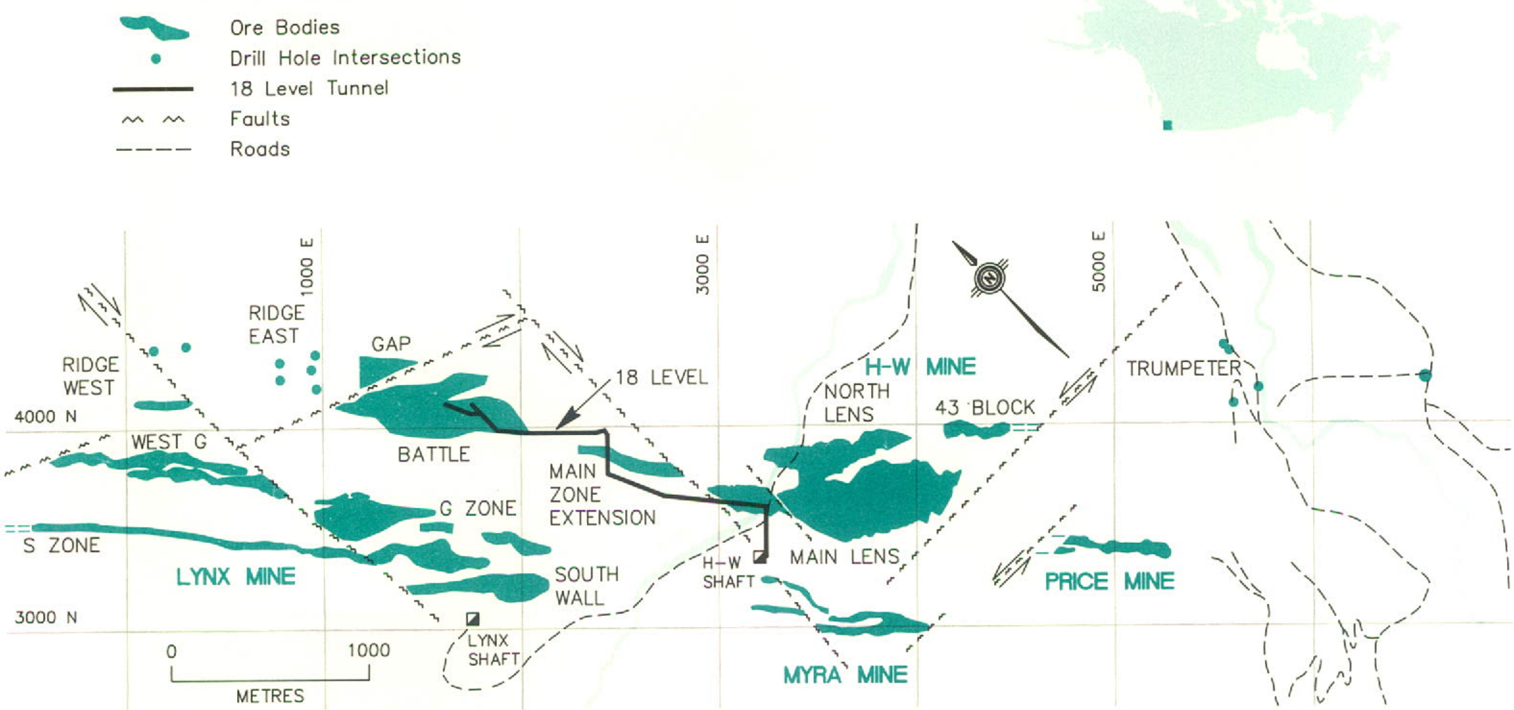
The two gravity concentrators, installed in the mill grinding circuits in 1992, produced a total of 2,000 kilograms of high-grade gold concentrate which contributed revenues of about $600,000 to the Company.

Metallurgical research work continued to focus on improving recoveries of payable metals in the three concentrates as well as enhancing the quality of the concentrates. The quality initiatives focused on producing concentrate with less variability in grade and better separation between payable metals and impurities.

Production Summary

		1993	1992	Since Start-up
Ore Milled (tonnes)		**433,410**	1,171,629	14,257,647
Source of ore in per cent				
from Lynx		**9.6**	8.6	37.4
from Myra		**-**	-	7.3
from H-W		**90.4**	91.4	55.3
Number of operating days		**128**	363	8,943
Average tonnes per operating days		**3,386**	3,228	1,594
Grade of Ore				
Gold	(g/t)	**1.89**	2.01	2.14
Silver	(g/t)	**21.93**	27.14	62.43
Copper	(%)	**1.88**	1.73	1.87
Lead	(%)	**0.14**	0.22	0.60
Zinc	(%)	**2.77**	3.18	5.55
Copper Concentrate				
Tonnes		**28,220**	68,352	931,997
Copper grade	(%)	**25.11**	25.56	24.26
Copper recovery	(%)	**86.50**	86.42	86.02
Zinc Concentrate				
Tonnes		**18,705**	58,720	1,224,736
Zinc grade	(%)	**50.32**	52.11	51.68
Zinc recovery	(%)	**78.40**	82.16	81.18

Myra Falls Operations



Exploration

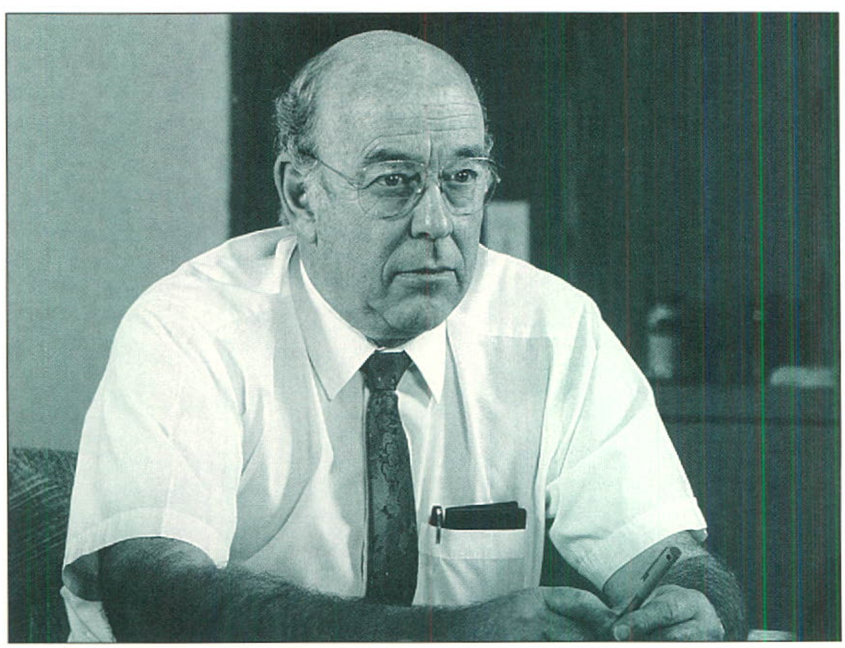
Mine exploration work at Myra Falls was much reduced in scope in 1993 due to the ongoing labour dispute. Exploratory drilling did continue in the Lynx Mine during the first quarter of the year and was successful in two areas. Additional drilling on the Battle and Gap Zones, from Lynx 14 and 15 Levels, confirmed ore projections and upgraded ore reserve confidence levels. A deep exploration hole was drilled to test the "North Downdrop" area which is thought to represent H-W stratigraphy well north of the Gap and Battle Zones. This area had previously been poorly explored and unmineralized, where tested. The results were encouraging as the hole intersected a significant thickness of strongly altered and well-mineralized H-W rhyolite at an elevation easily accessible from planned Gap Zone development.

Battle Zone definition drilling and access development continued during the year and H-W 18 Level advance has reached well to the West above Battle Zone ore. Diamond drilling from this position upgraded ore reserves in the Battle Zone itself and partially delineated a new zone of high-grade ore, since named the Gopher Zone. Staff geologists continued the drilling program with considerable success after the labour dispute began.

Environmental Program

The environmental facilities at Myra Falls, including the expanded water treatment system, performed well in 1993. With improvements made in electronic monitoring of pH and water flow levels it is now possible to monitor much of the system's performance from the mill control room, thereby increasing the efficiency of monitoring and control. These and other enhancements have improved the operating team's ability to manage peak flow conditions in the water treatment system that occur during heavy rainfall. Previous permit excursions generally occurred during extreme events.

During the work stoppage in 1993 the Company made significant improvements in its emergency preparedness and environmental management systems. These efforts included formal training in these systems and an audit of environmental performance and operating procedures. The minor deficiencies identified are being addressed to ensure continual improvements in environmental performance at the site.



Bill Diment, Mine Manager, Myra Falls Operations

Geological Reserves as of January 1 1994

Zone/Deposit	Proven & Probable Geological Reserves (Tonnes)	Grades Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
H-W	8,306,700	2.2	41.0	1.7	0.5	4.4
Lynx	285,600	3.1	95.8	1.8	1.1	10.3
Price	185,000	1.5	66.4	1.4	1.3	10.4
Gap	634,200	3.2	151.5	1.8	1.1	13.3
Battle	2,540,200	1.2	24.9	2.5	0.4	12.8
Gopher	150,300	0.9	15.1	2.3	0.2	10.0
Extension (W37)	231,100	1.2	60.4	1.7	0.4	3.8
Trumpeter	61,200	3.2	68.9	6.3	0.3	4.6
6 Level	120,500	1.3	91.4	0.4	0.9	6.0
TOTAL As of January 1 1994	**12,514,800**	**2.0**	**45.4**	**1.9**	**0.5**	**6.7**
As of January 1 1993	12,516,300	2.1	45.6	1.9	0.5	6.3

Zone/Deposit	Possible Geological Reserves (Tonnes)	
K424	60,000	
Gap	376,400	
Battle	974,400	Not calculated, but expected in total to be the same as or higher than average reserve grade.
Ridge East	399,700	
Ridge West	267,900	
Extension (W37)	183,000	
Trumpeter	61,200	
TOTAL As of January 1 1994	**2,322,600**	
As of January 1 1993	2,705,800	

Mineable Reserves as of January 1 1994

Zone/Deposit	Proven & Probable Geological Reserves (Tonnes)	Grades Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
H-W	5,866,800	1.9	33.0	1.5	0.4	3.8
Lynx	-	-	-	-	-	-
Gap	713,500	2.5	121.2	1.5	0.9	10.6
Battle	2,857,800	0.9	20.0	2.0	0.4	10.3
Gopher	129,600	0.8	13.1	2.0	0.2	8.7
Extension (W37)	136,300	1.0	51.2	1.4	0.3	3.2
TOTAL As of January 1 1994	**9,704,000**	**1.6**	**35.6**	**1.7**	**0.4**	**6.3**
As of January 1 1993	9,729,200	1.7	37.9	1.7	0.4	5.9

Net reduction for the year of 25,000 tonnes (after milling 433,310 diluted tonnes in 1993).
Geological Resources have not been published for 1993 because they are uneconomic under current conditions.

Monitoring and Compliance

Westmin is required to undertake daily monitoring of the water treatment system discharges and the water quality in Myra Creek. As reported in last year's annual report, the Company has continued voluntary sampling of the Buttle Lake system and Campbell River, and is pleased to report that water quality is continuing to improve to historical levels. Zinc levels were well below national Canadian Council Resource and Environment Ministers (CCREM) water quality guidelines to protect fish habitat and commonly below the detection limit of 0.005 mg/l. Similarly, lead and cadmium concentrations were also below detection limits. Westmin began the monitoring of additional surface drainages in the mine area as part of a groundwater research study being conducted jointly with the Geological Survey of Canada. The Company has also provided backup capability for automatic samplers to improve sampling reliability.

The monitoring results for discharges from the water treatment system continue to improve over previous years as indicated in the accompanying table. Perfect compliance was once again achieved for copper, lead, cadmium and toxicity, and there was continued improvement in zinc and pH control. With the complete integration of the expanded capacity pond and new electronic flow and pH control, it is expected that 100 per cent compliance in all parameters will be achieved.

Westmin also continues to monitor the water quality and health of the aquatic environment in Myra Creek downstream of the operation. Although much improved since the installation of the current mine water treatment system, elevated levels of metal loadings, whether natural or mine-related, are continuing to have a modest effect. Efforts to further identify and mitigate sources of metal-bearing surface water seeps are in progress as part of the continuing plan to remediate surface accumulations of waste rock and other disturbances. The Company will continue to routinely monitor the effects of its operations on the environment as an integral part of its environmental management plan.

The Company experienced five minor spills during the year: two related to concentrate spills during truck transportation to Campbell River, two related to the operation of the tailings pond, and one at the backfill plant. Cleanups were undertaken and none of the spills resulted in any significant environmental damage or charges. Efforts to avert future spills and to improve response in the event of such situations have been made.

Westmin has also made improvements in dust control at its concentrate loading facility in Campbell River and is considering additional measures to improve operating efficiency. The progress in this and other areas demonstrates the commitment by the Company to improve all aspects of environmental management of the Operations.

Reclamation

Reclamation activities consisted of maintenance fertilizing of revegetated areas of tailings facility berms and the Jim Mitchell Lake road right-of-way. Success has been achieved in these programs and vegetation has established itself in these areas, and on several of the permanent waste dumps. Other activity included removal and clean up of older facilities and site storage areas providing a much improved appearance of the mine.

Westmin and government agencies continue to review the long term remediation and closure plan for the mine. Westmin has established a $4 million reclamation bond for Myra Falls which

Myra Falls Operations Water Treatment System Effluent Permit Compliance Rating

	Parameters (Per cent compliance)					
	pH	Total Zinc	Total Copper	Dissolved Lead	Dissolved Cadmium	Toxicity
1993	**92.9**	**99.7**	**100.0**	**100.0**	**100.0**	**100.0**
1992	91.9	98.7	100.0	100.0	100.0	100.0
1991	90.0	98.4	99.2	100.0	100.0	100.0
1990	75.0	90.5	99.6	90.5	100.0	100.0
Permit levels*	<11	1.0 mg/l	0.6 mg/l	0.05 mg/l	0.005 mg/l	

* 1 mg/l is equivalent to 1 part per million.

will be reviewed by government over the next two years. In addition, the Company has posted a $1.56 million environmental performance bond.

Human Resources

The 1993 safety record at the Operations was a disappointment. After several years of continuous improvement, the Lost Time Frequency, which is the average number of lost time accidents per 200,000 employee hours worked, jumped to 13.2 by April, 1993 from an average of 8.0 in 1992. This is unacceptable and requires continued focus.

On April 24 1992 the Company locked out its unionized employees after several months of frustrating negotiations and the March 31 1994 expiration of the contract. At issue were wages and benefits which were at the top of the Canadian mining industry under the previous contract. Myra Falls Operations could not continue to absorb the uncompetitive high labour costs and poor productivity. The Company also proposed changes in contract language directed at recognition of the preeminence of employees' abilities over seniority when job openings became available and on the creation of more positive and collaborative approaches to safety and safety-related issues.

A final offer was submitted to the union bargaining committee on December 15 1993. The offer contained a wage and benefit package that would have continued to pay the employees at a rate very near the top of the mining industry in Canada. The Union turned down this offer in early January of 1994 by refusing to vote on it. The labour dispute continues unabated at the time of writing this report.

During the labour dispute all salaried staff have continued to work. This has provided them with extensive opportunities to contribute to the process of continued improvement at Myra Falls. Numerous study sessions with staff employees have identified critical areas of the operation needing improvement. The employees' comments and suggestions led to the establishment of task forces which have begun to implement changes enabling employees to work together more effectively and manage resources better.

Those staff employees working during the labour dispute have distinguished themselves by performing at levels which exceed historical productivities. In particular, notable productivity improvements have been recorded in activities such as long hole drilling, diamond drilling, mucking and rock bolting.

Emphasis was also placed on employee development in 1993. Staff employees received extensive training in management skills such as problem solving, grievance handling and a new employee performance appraisal system.

Rosa Craveiro, Senior Assayer, Premier Gold Operations

1993 was the first full year that Premier Gold Operations operated as an underground mine, with about 50,000 tonnes of remnant stockpiles left over from the earlier open pit also being treated. The main supply of ore came from the efforts of a small dedicated group of employees who have been rehabilitating, then producing, from the old historical underground workings. During the year they mined approximately 107,000 tonnes of ore.

Mining

The two main areas mined in 1993 were the Northern Light and the Glory Hole Zones.

The Northern Light Zone provided 44 per cent of the production from longhole pillar blasts. The remainder came from development, shrink stoping, and conventional pillar extraction. Mining of this zone is now almost complete and preparation work is underway with a view to opening the next area known as the Premier Main Zone.

Mining of the Glory Hole, a caved area left by previous operations, started in earnest on the 575 Level in March 1993 and supplied 50 per cent of the ore for the rest of the year. Later in the year 555 Level was opened and was still producing at year end. Additional levels are planned for 1994.

Milling

During the year employees became adept at quickly starting up and shutting down the mill while maintaining good recoveries, resulting in improved efficiency of the operation. Indicative of this excellent performance are the highest annual recoveries for gold (94.0 per cent) and silver (57.2 per cent) since start-up. Custom milling continues to contribute to the Premier operation with approximately 3,000 tonnes of ore from six different sources being processed through the facility on a custom basis in 1993. As in 1992, a multitude of ore samples from deposits in Western Canada and Alaska were tested with a view to possible custom milling or joint venturing. The Company is continuing to actively pursue several of the more interesting prospects.

Exploration

Three diamond drill holes totalling 1,752 metres were drilled 200 to 600 metres northwest of the extremities of the old Sebakwe mine workings in the Premier mine. The holes targeted the projected continuation of the favourable stratigraphy and structure into an area that had never been tested because it is capped by a thick sequence of barren stratigraphy. All three holes intersected the favourable stratigraphic unit at the expected depths and all three contained alteration, veining, and sulphides. Additional drilling is planned in 1994 to follow-up these encouraging indications for precious and base metals mineralization. Extensions of the known mineralization continue to be assessed for exploration and development.

Environment

For the second consecutive year the Premier Gold Operation achieved 100 per cent compliance in its permit monitoring requirements at its downstream control point on Cascade Creek below the confluence of Logan Creek. The tailings facility continued to perform well and was

Production Summary

	1993		1992	
	PREMIER	**CUSTOM MILLING**	**PREMIER**	**CUSTOM MILLING**
Ore Mined (tonnes)	106,060	N/A	358,608	N/A
Ore Milled (tonnes)	159,172	3,028	389,130	3,944
Grades (g/t)				
Gold	4.38	3.55	3.06	15.30
Silver	47.91	30.29	50.70	54.42
Recoveries (%)				
Gold	94.0	93.2	92.6	93.2
Silver	57.2	41.6	44.0	45.9
Production (oz)				
Gold	20,475	645	35,597	1,809
Silver	139,309	1,235	280,463	3,125

expanded to provide more water storage capacity. Similarly, the mine water lime treatment facility and settling ponds located at the 6 Level portal continued to achieve very high standards of quality for water discharging from the underground workings at Premier.

Water flows from the north portal on the SB exploration property have generally been of good quality, however, two minor exceedances of the 1.0 ppm zinc permit levels occurred, but were ameliorated without any environmental impact.

Geological Reserves

	Proven & Probable Reserves (tonnes)	Grade Gold (g/t)	Grade Silver (g/t)
TOTAL as of January 1 1994	151,200	7.54	55.20
TOTAL as of January 1 1993	107,250	8.91	30.00
Milled in 1993	*159,172	4.38	47.91

* includes 52,882 tonnes of stockpiled ore

Monitoring and Compliance

Premier's British Columbia Ministry of Environment permit requires the Company to monitor mine site effluents and receiving waters on a daily, weekly, and monthly basis to ensure compliance. The monitoring program results for the receiving environment are tabulated below in the form of a compliance rating and illustrate the exemplary environmental performance of the operation. Despite this excellent record, permit fees have increased dramatically.

In addition, the Company voluntarily undertook biological monitoring of receiving waters in Cascade Creek and as expected, found that effluents are having no significant effects.

Reclamation

Reclamation efforts on the Premier and Big Missouri properties continued in 1993 with recontouring and seeding of waste dumps and exploration roads. Approximately 30 per cent of the waste dumps and disturbed areas are under reclamation. Previous revegetation efforts are becoming more noticeable as fertilizing and other maintenance activities continue.

The small pit on the Province Zone on the Big Missouri property continues to discharge small volumes of metalliferous acidic waters. Initial efforts to minimize acid generation from oxidizing sulphide waste rock were only partly successful and additional remedial efforts are planned for 1994.

A conceptual closure plan for the mine was submitted to the British Columbia Ministry of Environment to provide for site remediation when mining ceases. In the interim, the Company continues to work towards the remediation of all inactive mining areas.

Human Resources

Ten lost time accidents occurred during the first seven months of 1993. This was not acceptable. Safety performance improved significantly during the last five months with only one lost time accident recorded.

Outlook

The year of successful underground mining at Premier provides increased confidence that the operation may be able to continue to operate on this basis as long as reserve levels can be maintained. Custom milling opportunities are becoming more plentiful as the Company's reputation as an efficient operator becomes known to other British Columbia and Alaska mining property owners. Early in 1994 an agreement to treat the gold-rich concentrates from the Snip Mine was signed with the mine operator, Cominco, on behalf of itself and the joint owner Prime Resources. Premier is competitive for this business partially because of the high transportation costs to other destinations.

Premier Gold Project
Cascade Creek Permit Compliance Rating

	Parameters (Per cent) Dissolved Zinc	Dissolved Copper	Total Cyanide	Toxicity
1993	**100.0**	**100.0**	**100.0**	**100.0**
1992	100.0	100.0	100.0	100.0
1991	99.6	99.6	99.6	100.0
1990	92.3	100.0	100.0	100.0
Permit limits (units)	0.03 (mg/l)	0.004 (mg/l)	0.010 (mg/l)	

Exploration activities during the year continued to focus on locating ore for processing in the Premier Gold mill. The Company has also been actively pursing new exploration projects in British Columbia, Yukon and Alaska. Highlights include the acquisition of the high-grade precious and base metal Johnson River property in southwest Alaska, exploration on the SB and Premier Gold properties and the joint venturing of the Fairchild Lake Project in the Yukon. Westmin was also active on its other exploration projects in British Columbia and Alaska and successfully farmed out several more of its properties in Eastern Canada for exploration work by others.

Westmin continues to emphasize opportunities for exploration and mine development in the Yukon and Alaska where there are acceptable environmental regulations and the land use framework allows for reasonable mine development. Included in these is consideration of opportunities with First Nations on settlement lands. The Company continues to emphasize both base and precious metals, building on its experience in massive sulphide and other deposit types in volcanic terranes. It will also continue to seek joint venture relationships with a preference for retaining operatorship.

SB-Kansas

On the SB property an intensive underground exploration program was completed to test the Kansas-West Kansas Zones for gold mineralization. The property is subject to a 50:50 joint venture between Westmin and Tenajon Resources Corp. The joint venture successfully mined the adjacent Facecut-35 Zone during 1992. Previous drilling had intersected erratic high-grade intervals of gold mineralization in a wide zone of low-grade mineralization, within the West Kansas Zone.

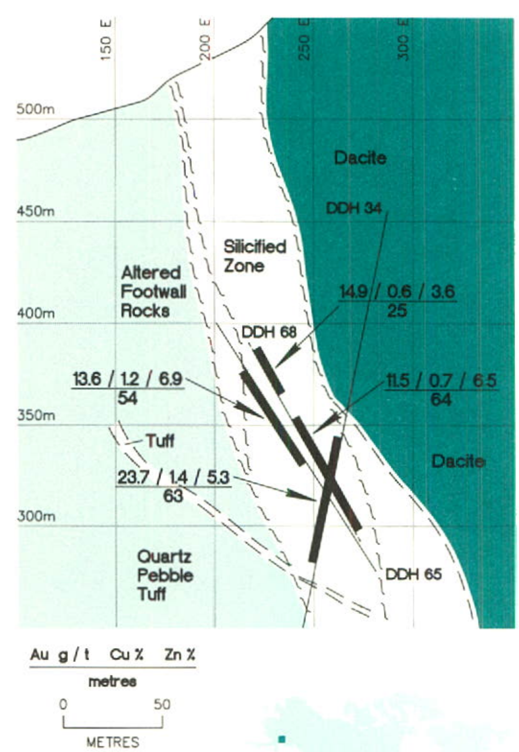
The 1993 program consisted of a 130 metre raise from the end of the existing workings which had been used to explore and mine the Facecut-35 Zone. Two sublevels, each with crosscuts and totalling 131 metres were driven from the raise in the mineralized area. Eighty-five diamond drill holes totalling 1,967 metres were drilled from the sublevels to test distribution and continuity of the high-grade zones. The drilling provided a complex mix of high and low-grade assays from the structurally controlled mineralization.

Two batches of low-grade development muck were milled to better define the grade of the mineralization. The first batch, consisting of 1,107 tonnes mainly from the upper half of the access raise, had an estimated head grade of 3.32 g/t gold. Whereas, the second batch of 1,540 tonnes, from the sublevels and crosscuts, had an estimated head grade of 3.19 g/t gold. Estimated head grades from the mill were about 20 per cent higher than grades calculated from chip and muck sampling during the development.

Data from this program are being evaluated to determine how exploration and development should proceed. Several other attractive targets on the property warrant additional exploration.

Johnson River, Alaska

This property is situated 200 kilometres southwest of Anchorage and a relatively short distance from tidewater. It was acquired by sublease agreement of a lease with Cook Inlet Region, Inc., (CIRI), an Alaskan Native Corporation, for its potential to provide high-grade ore that could be shipped to the Premier Gold mill for processing. Westmin is the operator and may acquire at least a 70 per cent interest in the property by spending U.S. $4 million on exploration, development and preparation of a feasibility report.



Johnson River Project
Section 150 N

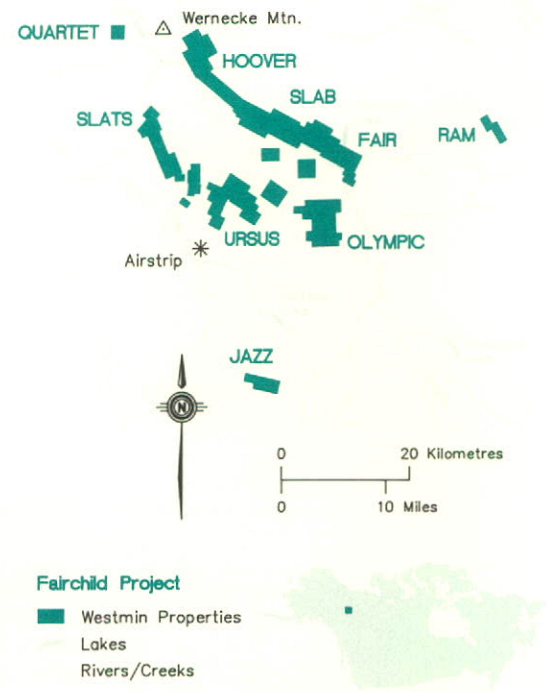
Westmin undertook 2,015 metres of diamond drilling during 1993 to confirm the grade and continuity of the precious and base metal mineralization. A geological reserve of 997,542 tonnes grading 10.35 g/t gold, 7.84 g/t silver, 0.76 per cent copper, 1.17 per cent lead and 8.37 per cent zinc was obtained at a $50.00 per tonne cutoff grade. The fill-in drilling produced some exceptional drill intersections such as those indicated for Section 150 North in the accompanying figure. The deposit is hosted in a mixed sequence of Lower Jurassic dacitic to rhyolitic volcanic and subvolcanic intrusive rocks. This very attractive belt of rocks is virtually unexplored for the massive sulphide/epithermal vein mineralization that characterizes the Johnson River and other prospects. It is anticipated that continuing exploration will lead to other discoveries similar to the experience at Myra Falls and Premier Gold.

Preliminary mine planning and project evaluation is in progress to assess the economic viability of underground mining and transport of ores to Westmin's Premier mill facility for recovery of precious and base metals. The configuration of the ore would allow for application of low cost underground bulk mining methods to produce approximately 700 tonnes per day. Providing that the results of this evaluation are positive Westmin proposes to commence a $7 million underground development and exploration program in the late spring of 1994. The program would take approximately nine months with completion in early 1995. It would be designed to confirm the indicated reserve and explore for extensions of the known mineralization.

Baseline environmental studies were undertaken in the summer of 1993 to define the preferred road route and port site or barge facility location for transporting the ores. Based on this information CIRI has submitted its request for conveyance of the transportation corridor and port site promised to it by the U.S. Federal Government.

Fairchild Lake Project, Yukon Territory

Exploration activity on this project in the Bonnet Plume River area of northeastern Yukon continues to result in new surface discoveries of copper-gold mineralization. The Company now holds 1,282 mineral claims covering 260 square kilometres of favourable large breccia bodies and adjacent altered sedimentary host rocks of Proterozoic age. Many of the geological and mineralization features bear a striking similarity to those of the recently developed, very large, copper-gold-uranium Olympic Dam deposit in Australia.



Prospecting, mapping, lithogeochemical and soil geochemical surveys were completed over parts of the claim blocks during the summer of 1993. Induced polarization and ground magnetometer surveys over some of the claims have aided the selection of targets for diamond drilling in 1994. An airborne geophysical survey was flown over the region in late summer and guided the acquisition of numerous additional claims. Other drill targets are expected to be developed on many of the newly acquired properties.

Westmin renegotiated the underlying agreement with the property owners and can now acquire a 100 per cent interest subject to a net profits royalty interest. Subsequently, Westmin entered into a joint venture with Newmont Mines Limited which can earn a minimum 51 per cent interest and operatorship in all the properties. This joint venture provides a stronger project team to tackle the exploration potential of these exciting properties. An aggressive exploration program is being planned for 1994.

Blue Moon

The Company holds a 35 per cent interest in Colony Pacific Explorations Ltd., which owns the Blue Moon property in Mariposa County, as well as several other properties in California. The Blue Moon is an attractive, undeveloped, precious and base metal massive sulphide deposit with excellent potential for expansion. Current geological reserves are estimated at 3,455,400 tonnes grading 2.3 g/t gold, 89.5 g/t silver, 1.03 per cent copper, 0.48 per cent lead, and 7.96 per cent zinc.

Other Developments

Westmin continued to evaluate the Bell Creek massive sulphide property in south central British Columbia. A re-evaluation of the wholly owned Witch property south of Chuchi Lake in the north central part of the province defined an attractive copper-gold porphyry target. Both properties are scheduled to be drilled during 1994. The Company also continued exploration on three volcanogenic massive sulphide deposits near Petersburg in southeast Alaska.

In Eastern Canada, Westmin farmed out two of its properties in the Eastmain River area of northern Quebec during the year.

Subsequent to year end, a farmout joint venture agreement was negotiated with Placer Dome Canada Limited on Westmin's large South Detour property which hosts a belt of favourable stratigraphy with numerous gold occurrences. The belt is located approximately four kilometres south of Placer Dome's successful Detour gold mine and adjoins lands along a strike being explored by Placer Dome. Westmin is also negotiating a farmout of the Sunday Lake property adjoining the Detour mine property on the east side. Westmin will retain a participating interest in both these properties after the incoming participants complete their vesting expenditures.

COAL

Westmin owns the coal rights on approximately 182,000 hectares of freehold lands in north-central Alberta. These lands include extensive coal reserves in the Wabamun Lake area, part of which are under lease to TransAlta Utilities Corporation. Westmin does not pay a royalty to Alberta for coal production on these lands and there are no holding costs on freehold lands. They are therefore a very valuable asset to the Company.

Westmin is optimistic about the long term future of coal-fired power generation in Alberta and acquired additional Crown coal leases in the Wabamun Lake area during late 1992. These acquisitions were completed in early 1993 and provide Westmin with three future development opportunities. Westmin will continue to investigate additional lease opportunities on its coal lands.

Highvale Production

Coal production on Westmin lands increased during 1993 resulting in revenues totalling approximately $4.5 million. The long term leases with TransAlta Utilities Corporation ensure Westmin stable revenue streams until 2005 and 2021 respectively under the 1972 and 1982 lease agreements. TransAlta continues to experience strong demand for its power with a 1.9 per cent increase in electric energy sales during the first nine months of 1993.

During 1992 the Alberta Government announced that it planned to change the Crown royalty payable for coal on Crown lands. This new Crown coal royalty will apply to all coal production in the prairie region of Alberta and replaces the current, complex, multi-tiered, royalty structure. The new rate effective January 1 1994 is to be $0.55 per tonne for the next five years. As portions of the royalties under both the 1972 and 1982 lease agreements are tied to the Crown coal royalty rate the change has a direct impact on Westmin. The effect will be to increase royalty revenues under the 1972 lease agreement, while decreasing royalties under the 1982 lease agreement, for a neutral to slightly positive impact on royalty revenues during the five year term of the new Crown coal royalty rate.

Magnolia

Westmin consolidated its land position in the Magnolia coal field during 1992 with the acquisition of several packages of Crown coal leases. The Company now holds 4,000 hectares of coal lands in this coal field. The favourable deposits are located 15 kilometres west of TransAlta Utilities Corporation's Whitewood coal mine and Wabamun power plant on the westward extension of the Whitewood coal seams.

Five drill holes totalling 301 metres of core drilling were completed during 1993 to obtain material for coal quality testing. The coals have a low sulphur content of 0.22 per cent sulphur and a calorific value of approximately 18,700 kilojoules/Kg, slightly better than those for Highvale. Westmin estimates that its Magnolia coal field lands contain 106 million tonnes of recoverable coal. A total of approximately 240 million tonnes of coal reserves are available for surface mining at Magnolia. They are well located for development and are adequate to support a major, coal-fired, power generation facility.

Concentrate Markets

Copper and zinc concentrate production from Myra Falls was sold under long term contracts to Japanese smelters in 1993. Upon the commencement of the labour dispute the Company declared Force Majeure to these principal customers which reduced the contractual sales obligation for the duration of the production disruption. Nevertheless, at the request of the Japanese smelters and with the assistance of Noranda Sales Corporation, Westmin's concentrate sales agent, approximately 22,500 tonnes of zinc concentrate was sourced for the zinc customers from a major Australian mining company.

Global supplies of copper concentrate fell marginally over the year following price-induced closures at several properties around the world. On the other hand, smelter demand rose, drawing down inventory and putting downward pressure on treatment charges. Initial indications for annual contract negotiations are for more favourable treatment terms for mining operations in 1994.

The market for zinc concentrate took a significant turn for the better from the perspective of mine producers in 1993. Protracted negotiations early in the year left treatment charges over ten per cent higher than contracts in 1992. These high terms, combined with historically low real prices for zinc metal during 1993, forced many mines into temporary shutdowns and in some cases to close permanently. As a result worldwide mine production was down almost ten per cent in 1993, a dramatic change in one year. The outlook for treatment charges in 1994 is therefore considerably better for the sellers than in 1993. Early reports suggest an improvement of approximately 15 per cent.

The initial production of Myra Falls gold concentrate was sold to three refiners in order to evaluate the most appropriate sampling procedure as well as the most competitive realization for the mine.

Doré Markets

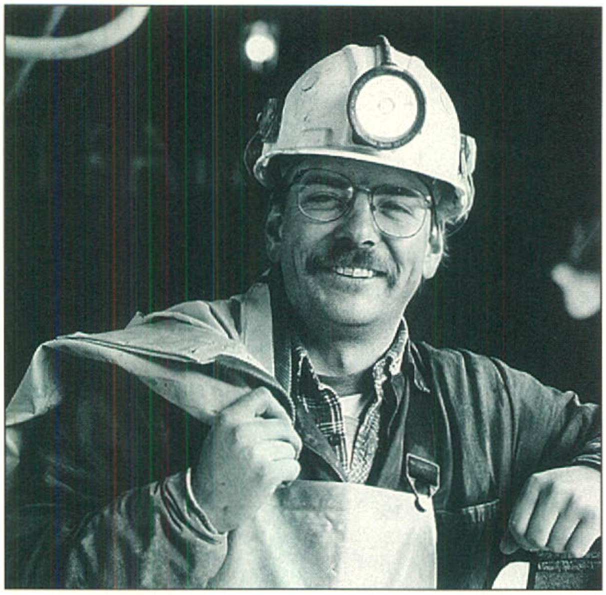
Doré production from the Premier Gold Operations was refined in Europe during 1993. The market for doré remains competitive, with terms negotiated for 1994 showing some improvement from those achieved in 1993. In 1994 the Premier Gold Operation's doré will be refined by a British Columbia-based refinery resulting in significant savings in transportation costs.

Metal Prices

The average prices of gold and silver moved up in 1993 from 1992 levels with support coming from improved supply-demand fundamentals. The Asian markets, particularly China's strong physical demand for gold, underpinned the price in the first quarter of 1993. The sale of gold by central banks, including Canada's, continued to be an important feature, but in spite of this, the positive fundamentals and the increased interest from investors and speculators was enough to absorb the increased sales and maintain the rising price trend. Increased demand for silver from fabricators and strong growth in the use of silver for coinage were some of the factors behind its improved price levels.

The performance of the base metals was restrained by poor GNP growth in the G-7 countries. The major economies of the world remained "out of synch" in 1993. North America

Rod Clarey, Metallurgist, pouring gold-silver doré at Premier Gold Operations



Walter Kornylo, Trammer, Premier Gold Operations

experienced a modest recovery but Japan and Continental Europe remained in a recession. In both the copper and the zinc markets poor supply - demand fundamentals led to higher metal stocks and weaker prices throughout 1993.

The growth in consumption of copper metal in 1993 is estimated to have been less than one per cent due to poor overall economic performance. Worldwide refined copper production is expected to have increased by between one and two per cent as producers benefited from cost cutting measures but were slow in cutting their levels of production. The result has been a significant increase in the amount of metal stocks, especially those being held in London Metal Exchange warehouses. On the positive side, an area which is exhibiting strong growth in demand is the rapidly developing countries of southeast Asia. Their focus has been on the improvement of their infrastructures by adding to their capacity in the generation and distribution of electricity and in telecommunications, both of which are copper-intensive industries. China will continue to be an important factor in the demand for copper as its rapid economic growth translates into an increasing need for the metal.

The zinc market began in 1993 with a large surplus of metal stocks and has continued to see inventories build to a level of roughly 1.4 million tonnes, equivalent to approximately 14 weeks of consumption. Strong consumption growth in the United States was offset by significant usage decreases in Europe and Japan. The impact of low prices and high treatment charges for concentrates forced significant rationalization of primary mine production in 1993. Cutbacks and mine closures have resulted in a decrease in mine production of as much as ten per cent on a worldwide basis. Conversely the refined production of zinc is estimated to have risen by one half of a per cent from 1992 as smelters were slow to enact cutbacks in production. Overall metal consumption increased about one per cent.

Hedging

To manage the price risk associated with metal mining the Company uses forward and option positions on the international metal exchanges. Westmin uses opportunities in the metal markets to establish minimum price levels for a percentage of metals produced in both concentrates and doré. As of 1993 year end Westmin had no forward positions for anticipated 1994 production.

Outlook

In 1994 the G-7 economies are expected to become synchronized in positive economic growth. The Japanese and European economies, having reached the bottom of their cycles, should now begin to turn around as low levels of inflation and economic stimulus packages begin to have their desired effect. The increasing industrial activity will lead to increased levels of base metal consumption. In the short term it will take time to work off the high levels of metal stocks so there will continue to be some downward pressure on copper and zinc prices. A reduction in production of refined zinc is expected as smelters adjust to concentrate shortages and lower treatment charges.

Gold and silver will continue to benefit from their positive fundamentals. With rapid economic growth expected to continue in China and in other southeast Asian countries, the strong physical demand for gold will persist. The area's huge population, cultural affinity toward the metal, high inflation, growth in personal disposable income and absence of other comparable alternatives for savings augurs well. Political uncertainty in South Africa will also provide support for gold.

Metal Prices and Exchange Rates

	1993	1992	1991	1990
Gold (US$/oz)	**$359.82**	$344	$384	$382
Silver (US$/oz)	**$4.31**	$3.95	$4.05	$4.83
Copper (US$/lb)	**$0.868**	$1.04	$1.06	$1.21
Zinc (US$/lb)	**$0.436**	$0.56	$0.51	$0.69
Exchange (Cdn/US$)	**$0.775**	$0.828	$0.874	$0.856

The lockout of unionized employees at the Myra Falls Operations which began in late April 1993 continues.

Financial Results

The net loss for 1993 was $27 million ($0.83 per share) compared to a loss of $18.1 million ($0.71 per share) in 1992.

Mining revenues declined to $30.9 million compared to $87.3 million in the previous year. Revenues at the Myra Falls Operations were down $50.0 million due to the lockout. At Premier Gold Operations revenues were down $6.1 million due to fewer tonnes going through the mill. Open pit mining ceased in mid 1992 and the only source of ore, apart from open pit stockpile and small custom milling sources, was underground mining. Coal revenues, at $4.5 million, were down $0.3 million from the previous year.

Investment and other income was $6.1 million in 1993 compared to $18.4 million in the previous year. The Company earned less dividend income in 1993 due to the disposal of its investment in Noranda Inc. shares.

In previous reports the stated goal was to reduce operating costs at Myra Falls Operations to below $50 per tonne to ensure the long term viability of this operation. The Company has made steady progress toward meeting this goal. In 1991 the average cost per tonne at Myra Falls was $68.54, in 1992 this was reduced to $54.95 and in the first quarter of 1993 to $51.84. In total dollar terms costs for the first quarter were $16.2 million, compared to $16.0 million in 1992. Revenues in the first quarter were down to $12.4 million compared to $19.1 million in the previous year. Thus in the first quarter of 1992 there was a $3.1 million positive cash flow at Myra Falls; in 1993 it was negative $3.8 million. The difference of $6.9 million between the first quarters of the two years is due to lower metal prices and ore grades ($3.7 million), higher treatment and refining costs ($3.0 million) and higher operating costs ($0.2 million). Two days prior to the lockout announcement, a decision was made to close the Lynx mine for economic reasons and to issue a layoff notice to 73 employees. Competitive wage costs, higher productivity, and future Gap/Battle grade improvements are necessary for Myra Falls Operations to become profitable.

At Premier Gold, operating costs decreased to $11.5 million in 1993 from $18.3 million the previous year due primarily to the cessation of open pit mining in mid-1992. Premier achieved a small positive cash flow from operations ($0.3 million). After provision for mine closure and exploration costs, there was a loss of $1.3 million compared to a loss of $2.0 million the previous year.

Depletion and depreciation expense was $9.1 million in 1993 compared with $20.1 million in 1992. The reduction is due to low production tonnage from Myra Falls. There are no depletion and depreciation charges for the Premier Gold Operations as these assets were entirely written off in previous years. The Company continues to account conservatively by expensing any ongoing capital relating to this operation.

Interest and financing costs continued to decline; $7.5 million in 1993 compared to $14.1 million in 1992. Debt levels were reduced from the proceeds of the disposition of the remaining investment in Noranda Inc. Westmin also benefitted from lower interest rates. Average financing costs were reduced from 7.0 per cent in 1992 to 6.3 per cent in 1993.

Exploration costs associated with the two mine sites continued to be treated as mine operating costs. The amount expended in 1993 was $0.9 million, down $0.6 million from the previous year due to the labour dispute. The Company is committed to aggressive exploration around the two operating sites. Mineral exploration not related to the sites totalled $2.3 million, $0.5 million higher than the previous year. The Johnson River project in Alaska was the largest project undertaken; $0.9 million of the $2.3 million in exploration expenditures related to this property.

Corporate administration at $1.9 million was roughly the same as the $1.8 million recorded in 1992. Measures are being implemented to maintain administration costs at these levels.

Tax expense was $0.2 million compared to $0.8 million in the previous year. The current tax expense, which is based on capital, was $0.8 million. However, during the year $0.6 million was received from tax adjustments relating to prior years. Westmin continues to have sufficient tax pools to shelter essentially all income and mining taxes for at least five years.

Financial Condition and Liquidity

Summary of Cash Flows

$ Millions	1993	1992
Myra Falls	**$ (18.9)**	$ (4.7)
Premier Gold	**(1.3)**	(2.0)
Coal	**5.5**	4.7
Investment and Other Income	**6.1**	18.4
Working Capital	**8.2**	(9.9)
Other	**(4.7)**	(3.3)
Subtotal	**(5.1)**	3.2
Interest Expense	**(7.4)**	(14.0)
Subtotal	**(12.5)**	(10.8)
Dividends	**(17.6)**	(20.1)
Less Dividends taken in stock	**1.6**	4.6
Preferred Share Redemptions	**(3.0)**	(84.2)
Financing Required	**$ (31.5)**	$ (110.5)

The above table of cash flows summarizes the sources and uses of cash in 1993 and 1992. It is an abbreviated form used by management. One of the Strategic Plan goals is to generate sufficient cash flow to meet all ongoing obligations, including dividends, at the bottom of a metal market cycle. For the purposes of this table ongoing capital of $4.8 million in 1993 and $6.6 million in 1992 has been deducted from operating cash flows.

As can be seen the cash flow goal was not achieved in 1993. The main reason was the $18.9 negative cash flow at Myra Falls Operations of which $7.5 million was recorded in the period ended April 1993 (the lockout commenced April 24): the balance arose during the eight months of the lockout. One way to view this is that the lockout cost the Company an average of $1.4 million per month, which is less than the negative operating cash flow of $1.9 million per month prior to the lockout. Although it is not known what the results would have been without the labour dispute, it is apparent now that the cash flow deficit would have been substantially higher if the lockout had not been imposed on April 24. Management is confident the goal of positive cash flow can be met once the labour dispute has ended. A combination of lower labour costs, higher productivity and higher ore grades with the start of Battle Zone production will allow the Myra Falls Operations to cover all the required operating and capital costs at current metal prices.

At Premier Gold there was positive operating cash flow of $0.3 million compared to $0.1 million in 1992. After a $0.3 million provision for severance liability, $0.6 million in lease payments for obsolete assets, and $0.7 million in exploration there was a $1.3 million cash flow deficit compared to a deficit of $2.0 million in 1992. Coal cash flow at $5.5 million was up $0.8 million over the previous year due to a one-time receipt in 1993 of a $1.0 million receivable. The current projection, which can be made with some confidence due to the nature of the underlying coal agreements, is for similar coal cash flows in 1994 and escalating beyond. Cash flow from investment and other income of $6.1 million includes $1.9 million representing a royalty refund under the Province of Alberta Royalty Tax Credit program and $3.6 million in dividend income. Because the Company no longer has dividend-paying investments, the total cash flow from investment and other income is expected to drop to the $1.5 million range in 1994 and beyond.

The positive working capital adjustment relates to a collection of a receivable account which will not be repeated in future years. It is difficult to predict whether future working capital adjustments will have a positive or negative effect on annual cash flow, as they represent the movements in non-cash working capital such as the build up of inventories prior to a shipment. "Other" covers cash mineral exploration and corporate administration costs. Interest expense at $7.4 million is expected to continue at this level until operating cash flows increase and allow debt reduction.

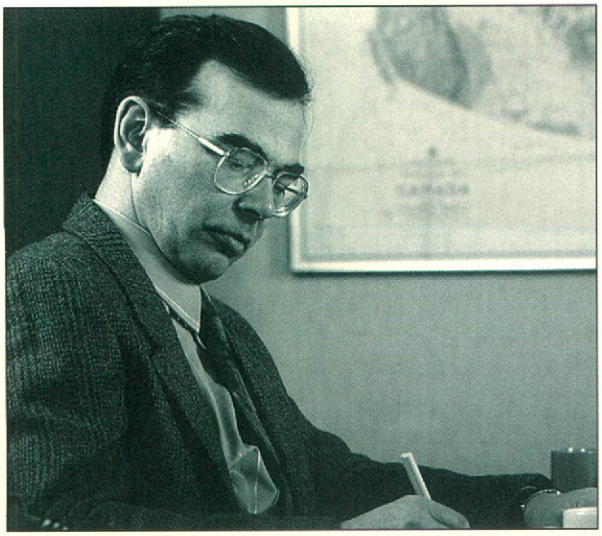
The shortfall in cash flow in 1993 was $12.5 million compared to $10.8 million in 1992. After dividends and preferred share redemptions the shortfall in cash was $31.5 million compared to $110.5 million in 1992. In 1992 there was a $77.4 million mandatory retraction of Westmin's Class A Senior Preferred Shares. In the future, redemptions of Westmin Class B Preferred Shares are expected to continue at the level of about $3 million per year.

Investment in Noranda Inc.

At the beginning of 1993 Westmin held $100 million of 7.75% Class C Convertible Preferred Shares of Noranda Inc. In July the shares were converted to 4.6 million common shares and sold to realize $100 million. The proceeds from this sale were used to reduce debt.

Financing

Total debt at year-end stood at $82.8 million compared to $152.7 million in 1992, a reduction of $69.9 million. In 1993 the Myra Falls non-



Denis Grégoire, Mine Manager, Premier Gold Operations

recourse loan was repaid in full. In addition, the first coal loan principal and interest payment was made. The financing required to meet the 1993 operating cash shortfalls, dividend and mandatory debt repayments came from the sale of the Noranda investment.

The near-term financial outlook depends on the settlement of the Myra Falls labour dispute. As discussed earlier, the cost of financing this was about $1.4 million per month in 1993. This cost will be reduced in 1994 by staff employees producing and selling concentrates. Capital expenditures are expected to increase substantially in 1994, but the timing of those investments will be dependent on the resolution of the labour dispute at Myra Falls.

At the present time there are no plans to use the equity markets to raise additional funds. Any shortfall in the cash required to meet financial commitments will come from additional loans from the Company's major shareholder, Brascade Resources Inc.

Environment

Spending on environmental protection, both operating and capital, amounted to $1.6 million in 1993. Discussions continue with British Columbia government authorities regarding the size of the liability for future site restoration and closure costs. Westmin's estimated costs for the Myra Falls Operations are $22.0 million and for the Premier Gold Operations about $3.8 million. As at December 31 1993, $2.7 million had been accrued. The Company has lodged letters of credit with the Province of British Columbia totalling $4.0 million for Myra Falls and $1.0 million for Premier Gold. Discussions continue with the Province regarding the total security required. Once closure plans and their cost estimates are finalized, the Company will be required to provide additional security.

Hedging

The Company's revenues are affected by various external factors, the main ones being metal prices, and exchange and interest rates. The accompanying table illustrates the impact on projected 1994 cash flows from changes in these factors (assuming Myra Falls was in production for the entire year).

In order to minimize the impact of adverse swings in metal prices, and exchange and interest rates, the Company maintains a hedging program. The general limitation on the metal price hedging is 50 per cent of planned metal production. In 1993 the gain from metal hedging was $0.4 million. There were no open hedging positions for metals at December 31 1993. The US dollar loan relating to the coal royalty revenue stream has been entirely hedged for both principal and interest payments. The total amount of the hedge at December 31 1993 was CDN $56.9 million. The coal loan represents 56 per cent of the total debt. The hedge results in an effective interest rate of 9.45 per cent. The remaining long term debt (44 per cent) is floating at current rates of approximately 4.7 per cent.

Sensitivity Analysis

Factor	Variance	Change in Cash Flows (CDN$ Millions)
Price		
Copper	US $0.10/lb	5.0
Zinc	US $0.10/lb	7.3
Gold	US $10/oz	0.7
Exchange Rate ($ US/CDN)	US $0.01	1.0
Canadian Prime Rate	1%	0.5

Outlook, Risks and Uncertainties

Any discussion on the outlook of the Company should be premised by a statement about Westmin's business. Mining is by its nature subject to risk of unexpected factors. The goals of the Directors and Management of the Company is to identify and manage these risks and adopt appropriate strategies to ensure the viability and growth of the Company.

The labour dispute at Myra Falls, its financial impact and management's approach to mitigate losses have been discussed earlier in the section entitled Financial Condition and Liquidity. It is not known when the dispute will end, but management's commitment to cost control and productivity improvements at all levels within the Company will continue.

The Company is not projecting any near-term dramatic improvements in metal markets and there may even be some downward pressure on copper and zinc prices. Terms for the treatment of copper and zinc concentrate and doré processing are expected to be more favourable to the Company in 1994. The growth rate for the Canadian economy, as well as those economies where Westmin products are sold, is expected to be in the two to three per cent range. The concern over the rising Canadian government deficits does not, in the near term, seem to be a factor in rising interest rates, however, there is considerable long term risk in this regard. The Canadian dollar's decline appears to have been arrested at the US 74-75¢ level. It is Westmin's view that there is more downside risk for the Canadian dollar and this would favourably impact revenues. As mentioned earlier, 44 per cent, or $36 million, of the Company's long term debt is floating or at short term interest rates. Any currency devaluation will likely result in higher interest rates. Management will continue to watch events and take steps to mitigate exposure to rising short term interest rates.

The Federal and Provincial government budget deficits have had an impact on the Company in the form of rising indirect taxation, or taxation which is not based on profits or the ability to pay. These taxes affect both the Company and its employees. Management continues to work with provincial and national mining associations in efforts to control these increases in indirect taxation. This effort, along with the Company's direct efforts, is meeting with some success.

At Myra Falls higher grade Gap/Battle reserves are on the verge of having a positive effect on results. Within six months of the resumption of normal operations the first Battle production is expected. This, along with the better concentrate terms, will favourably affect future revenues. At Premier Gold, underground mining will continue as long as it meets its cash operating costs. Efforts to supplement mill feed by custom milling and offsite production from Westmin properties continue. The announcement in early February 1994 regarding the processing of 8,000 tonnes of Snip Mine precious metal concentrates at the Premier Gold mill demonstrates that these efforts can have a favourable impact on this operation.

The senior management of the Company undertook a strategic planning exercise in 1993. The process involved identifying the critical success factors for Westmin, examining strengths and weaknesses and the establishing of goals, objectives, and strategy. There is more said on this process in the Letter to Shareholders in this report; it is sufficient to say here that management now has a clearer vision of growth for the Company.

From left to right; Nigel King, Engineering Technician and Rex Johnston, Mine Geologist, Premier Gold Operations

	1993	1992
FINANCIAL HIGHLIGHTS		
(thousands except per share data)		
Revenues	**36,962**	105,724
- Mining	**30,863**	87,325
- Investment and other income	**6,099**	18,399
Cash Flow From Operations	**(15,277)**	6,655
Net Loss	**27,021**	18,108
Net Loss Per Share	**0.83**	0.71
Long-Term Debt	**81,745**	114,992
Capital Expenditures	**4,792**	6,576
Total Assets	**184,578**	303,357
Shareholders' Equity	**91,935**	137,439
Common Shares Outstanding		
Total at December 31	**43,378,681**	42,968,595
Annual Average	**43,220,446**	42,070,177
Common Shares traded on the Toronto Stock Exchange	**4,202,565**	4,716,242
OPERATING HIGHLIGHTS		
Myra Falls Operations		
Ore Milled		
- Tonnes	**433,410**	1,171,629
- Daily average (tonnes/day)		
- based on operating days	**3,386**	3,228
- based on 365 days (366 in 1992)	**1,187**	3,201
Production - Payable Metals		
Gold (oz.)	**8,810**	28,065
Silver (oz.)	**122,626**	457,182
Copper (000's lbs.)	**14,900**	36,983
Zinc (000's lbs.)	**17,481**	57,385
Geological Reserves (tonnes)	**12,514,800**	12,516,300
Premier Gold Operations		
Waste Mined (tonnes)	**-**	1,790,964
Ore Mined (tonnes)	**106,060**	358,608
Ore Milled		
- Tonnes **(1)**	**162,200**	393,074
- Daily average (tonnes/day)		
- based on operating days (tonnes/day)	**1,954**	2,203
- based on 365 days (366 in 1992)	**444**	1,066
Production - Payable Metals (Net Interest)		
Gold (oz.)	**21,119**	38,553
Silver (oz.)	**140,544**	283,230
Geological Reserves (tonnes)	**151,200**	107,250

(1) 1993 production includes 3,028 tonnes custom milling ore.
1992 production includes 3,944 tonnes custom milling ore.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Westmin Resources Limited and all information in the annual report are the responsibility of management and have been approved by the Board of Directors. The financial statements necessarily include some amounts that are based on management's best estimates, which have been made using careful judgment.

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Financial and operating data elsewhere in the annual report are consistent with the information contained in the financial statements.

In fulfilling its responsibilities, management of Westmin Resources Limited has developed and continues to maintain systems of internal accounting controls including written policies and procedures and segregation of duties and responsibilities.

Although no cost effective system of internal controls will prevent or detect all errors and irregularities, these systems are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, transactions are properly recorded and the financial records are reliable for preparing the financial statements.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its Audit Committee, consisting solely of non-executive directors. The Audit Committee meets periodically with management and with external auditors to discuss the results of audit examinations with respect to the adequacy of internal accounting controls and to review and discuss the financial statements and financial reporting matters.

The financial statements have been audited by Deloitte & Touche, Chartered Accountants, who have full access to the Audit Committee, with and without the presence of management. Their report follows.

Vancouver, British Columbia
February 4 1994

W. Segsworth

Walter T. Segsworth
President

R A Mitchell

Ross A. Mitchell
Vice-President, Finance & Treasurer

AUDITORS' REPORT

The Shareholders
Westmin Resources Limited

We have audited the balance sheets of Westmin Resources Limited as at December 31 1993 and 1992 and the statements of earnings, retained earnings (deficit) and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principals.

Vancouver, British Columbia
February 4 1994

Deloitte + Touche

Chartered Accountant

STATEMENT OF EARNINGS
Years Ended December 31

thousands	note	1993	1992
Revenue			
Mining		**$ 30,863**	$ 87,325
Investment and other income	9	**6,099**	18,399
		36,962	105,724
Expenses			
Operating		**42,993**	85,278
Depletion and depreciation		**9,118**	20,093
Interest and financing expenses		**7,490**	14,087
Mineral exploration		**2,316**	1,764
Administration		**1,903**	1,818
		63,820	123,040
Loss before taxes		**26,858**	17,316
Income, resource and capital taxes	*10*	**163**	792
Net loss for the year		**$ 27,021**	$ 18,108
Loss per common share	*11*	**$ 0.83**	$ 0.71

STATEMENT OF RETAINED EARNINGS (DEFICIT)
Years Ended December 31

thousands	note	1993	1992
Balance at beginning of year		**$ (90,086)**	$ (51,815)
Net loss for the year		**(27,021)**	(18,108)
		(117,107)	(69,923)
Dividends	*12*	**(17,571)**	(20,163)
Balance at end of year		**$ (134,678)**	$ (90,086)

BALANCE SHEET
December 31

thousands	note	1993	1992
ASSETS			
Current assets			
Cash		**$ 20**	$ 102
Accounts receivable	2	**4,080**	17,098
Inventories	3	**9,534**	9,090
		13,634	26,290
Investments	4	**8,310**	109,582
Capital assets	5	**155,523**	159,858
Other		**7,111**	7,627
		$ 184,578	$ 303,357
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		**$ 7,063**	$ 11,481
Current portion of long-term debt		**1,101**	37,661
		8,164	49,142
Long-term debt	6	**81,745**	114,992
Other liabilities	7	**2,734**	1,784
		92,643	165,918
Shareholders' equity	8	**91,935**	137,439
		$ 184,578	$ 303,357

On behalf of the board

Paul M. Marshall, Director

Walter T. Segsworth, Director

STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended December 31

thousands	note	1993	1992
Operating Activities			
Cash provided from (used for) operations	*14*	**$ (15,277)**	$ 6,655
Changes in non-cash working capital		**8,156**	(9,854)
		(7,121)	(3,199)
Financing Activities			
Long-term debt issued		**-**	42,959
Repayment of long-term debt		**(69,611)**	(85,100)
Preferred share redemption		**(2,972)**	(84,221)
Common share capital		**2,060**	7,447
Dividends		**(17,571)**	(20,163)
Other		**1,730**	871
		(86,364)	(138,207)
Investment Activities			
Investments		**100,271**	150,254
Capital assets		**(4,792)**	(6,576)
Other assets		**240**	(519)
Mineral exploration		**(2,316)**	(1,764)
		93,403	141,395
Cash			
Decrease		**(82)**	(11)
Beginning of year		**102**	113
End of year		**$ 20**	$ 102

1. Summary of Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in Canada and include the accounts of Westmin Resources Limited ("The Company").

Investments

Investments are carried at cost or at cost less amounts written off to reflect a permanent impairment in value.

Concentrate Settlements Receivable and Concentrate Inventory

Concentrate settlements receivable and concentrate inventory are valued at current metal prices less provision for estimated market adjustments, treatment and marketing charges. In accordance with the terms of the sales contracts, final settlements are made at prices prevailing at future dates and the amounts eventually received by the Company may vary from the amounts included in receivables and inventory at the balance sheet date. From time to time the Company establishes the price it will receive for a portion of its production by using forward sales and option contracts available in the metal and currency markets.

Materials and Supplies

Materials and supplies are valued at the lower of average cost and net realizable value.

Long-term Debt Issuance Expenses

The costs incurred in issuing long-term debt are deferred and amortized over the term of the debt facility.

Capital Assets

Capital assets are recorded at the lower of cost and estimated net recoverable amount.

Mineral exploration costs (including acquisition, exploration and development expenditures and related overhead) pertaining to individual mineral prospects are charged to income as incurred until an economic orebody is defined. Development costs and initial start-up operations (including interest costs) are capitalized until a commercial production level is deemed to have been reached, at which time these costs are amortized using the unit of production method based upon estimated mineable ore reserves.

Mining plant and related equipment costs, including capitalized interest, are depreciated substantially on the unit-of-production method. Other equipment is depreciated based on estimated useful life.

Coal and other properties are carried at cost less any amount written off in recognition of a permanent decline in value. Upon commencement of production, costs are amortized on the unit-of-production method based upon the life of the reserves.

2. Accounts Receivable

thousands	**1993**	1992
Concentrate settlements	**$ -**	$ 1,929
Other accounts receivable	**4,080**	15,169
	$ 4,080	$ 17,098

3. Inventories

thousands	1993	1992
Concentrate	**$ 3,404**	$ 3,514
Materials and supplies	**6,130**	5,576
	$ 9,534	$ 9,090

4. Investments

thousands	1993	1992
Shares of an affiliate		
7.75% Noranda Inc. Class C Preferred Shares (4,000,000 shares)	**$ -**	$ 100,000
Long-term coal receivable	**5,194**	6,430
Other investments	**3,116**	3,152
	$ 8,310	$ 109,582

Shares of an Affiliate

In June 1993, the Company exercised the option to convert its $100,000,000 investment in Noranda Inc. 7.75% Class C Preferred Shares to Common Shares. The conversion was at a rate of 1.15 Common Shares per one Preferred Share, or $21.74 per Common Share.

In July 1993, the Company sold the 4,600,000 Noranda Inc. Common Shares for $21.75 per share. Net proceeds, after disposition costs, were $100,030,000.

Long-Term Receivable - Coal

This receivable, amounting to $9,150,000 (1992 - $10,850,000) is due in annual instalments ranging from $700,000 to $800,000 until July 1, 2005. With the exception of the current portion of $700,000 (1992 - $700,000) which is included in current assets, the remaining instalments are carried at a discounted value of $5,194,000 (1992 - $6,430,000) based on an assumed interest rate of eight per cent.

5. Capital Assets

thousands		1993		1992
	Cost	Accumulated depletion and depreciation	Net	Net
Properties and development	$ 186,682	$ 129,855	$ 56,827	$ 58,134
Plant and equipment	221,933	126,377	95,556	98,239
Mining properties	408,615	256,232	152,383	156,373
Coal properties and other capital assets	7,207	4,067	3,140	3,485
	$ 415,822	$ 260,299	$ 155,523	$ 159,858

6. Long-Term Debt

thousands	1993	1992
Coal Loan	$ 46,696	$ 48,753
Other	36,150	67,100
Myra Falls	-	36,800
	82,846	152,653
Less current portion		
Coal Loan	1,101	861
Myra Falls	-	36,800
	$ 81,745	$ 114,992

Coal Loan

In November 1992, the Company entered into a US $34,000,000 coal financing repayable over a fifteen year term on July 15 of each year. The loan is secured on a non-recourse basis, subject to limited exceptions, on the Company's coal royalty and lease revenues. In order to fix the exchange rate at which the Company will make annual principal and interest payments on the coal loan, the Company has entered into a forward purchase agreement with an affiliated company wherein it will purchase on July 15 of each year until 2007, an amount of U.S. dollars ranging from $3,428,000 in 1994 to $3,748,000 in 2007 at exchange rates ranging from 1.3142 in 1994 to 1.529 in 2007. The cost of the hedging contract and issuance expenses associated with the loan were deferred and are being amortized over the life of the loan. The unamortized balance of $6,696,000 (1992 - $6,855,000) is included in other assets. The effective financing rate is 9.45 per cent. Scheduled principal repayments over the next five years in Canadian dollars are:

1994	$ 1,101,000	1997	$ 1,817,000
1995	1,344,000	1998	1,942,000
1996	1,583,000		

Other

Other debt includes a $50,000,000 revolving evergreen facility entered into in July 1993 and a $10,000,000 demand operating line of credit. At December 31 1993 $36,150,000 (1992 - $67,100,000) was drawn in advances and $7,110,000 (1992 - $6,730,000) was utilized under letters of credit. The revolving line is renewable every six months with the Company having an option to convert to an eighteen-month term loan. Both lines are unsecured. The revolving line has a negative pledge covering additional indebtedness, encumbrances and significant disposals of assets without permission. There are no set terms for repayment and as it is the Company's intention to renew both facilities, drawdowns have been treated as long-term debt.

Myra Falls

The Myra Falls loan was fully repaid on June 30 1993.

With the exception of the coal loan, each facility is on a floating rate basis and has various drawing options including banker's acceptances and Canadian and US dollar loans. The weighted average interest rate on all debt was 6.3 per cent during 1993 (1992 - 7.0 per cent).

7. Other Liabilities

Provision for Mine Closure Costs

The Company continues to review the currently anticipated costs associated with the closure of its two mines, including the net costs of dismantling and selling of equipment, reclamation and employee severances. These costs are accrued over the remaining lives of the mines. The 1993 provision for these anticipated costs was $1,319,000 (1992 - $3,573,000) and is included in operating costs.

An analysis of the changes in the provision for mine closure costs for the year ended December 31 1993 is shown below:

thousands	**1993**	1992
Balance, beginning of year	**$ 1,784**	$ -
Provision for the year	**1,319**	3,573
Expenditures for the year	**(369)**	(1,789)
Balance, end of year	**$ 2,734**	$ 1,784

Provisions for mine closure costs are preliminary estimates for future closure, reclamation and site restoration costs, and are updated on a regular basis as new information becomes available.

The Company has lodged letters of credit in the amount of $4,000,000 with respect to Myra Falls Operations and $1,000,000 with respect to the Premier Gold Operations, and has filed closure plans for both mine sites with the required regulatory authorities. When government agencies have reviewed and approved the closure plans, and the closure costs are quantified, additional security will have to be lodged.

8. Shareholders' Equity

thousands	**1993**	1992
Share capital	**$ 220,844**	$ 222,737
Contributed surplus	**5,769**	4,788
Retained earnings (deficit)	**(134,678)**	(90,086)
	$ 91,935	$ 137,439

The Company has authorized share capital of an unlimited number of shares of Class A Preferred Shares issuable in series, Class B Preferred Shares issuable in series and Common Shares without par value.

Issued and Outstanding	**1993**		1992	
	Number of Shares	**Amount (thousands)**	Number of Shares	Amount (thousands)
Class B Preferred Shares				
Series 1	**3,080,050**	**$ 77,001**	3,238,170	$ 80,954
Series 3	**2,812,500**	**26,850**	2,812,500	26,850
Common Shares	**43,378,681**	**116,993**	42,968,595	114,933
		$ 220,844		$ 222,737

Class A Preferred Shares, Series 1
The Class A Preferred Shares rank senior to the Class B Preferred Shares and the Common Shares. No shares are currently issued.

Class B Preferred Shares
The Class B Preferred Shares rank senior to the Common Shares.

Series 1
The first series of the Class B Preferred Shares have attached thereto certain provisions which include:

The right to receive cumulative dividends of $2.125 per annum per share payable quarterly on the last day of each calendar quarter.

Purchase by the Company, during each calendar quarter, at a price not exceeding the $25 issue price per share plus accrued and unpaid dividends and costs of purchase, one per cent of the number of Preferred Shares outstanding on May 1 1988.

During 1993 the Company purchased 158,120 (1992 - 160,520) Preferred Shares at an average cost of $18.80 (1992 - $17.26) per share. The difference between the issue price and the repurchase cost has been recorded as contributed surplus.

Series 2
The Series 2 Class B Preferred Shares have similar rights, privileges, restrictions and conditions attached to the Series 3 Class B Preferred Shares. No shares have been issued or are contemplated to be issued.

Series 3
The Series 3 Class B Preferred Shares have attached thereto certain provisions which include the right to receive dividends at the rate equal to four times the dividends paid on the Common Shares.

Common Shares

	Number of Shares	Amount (thousands)
As at December 31 1991	41,257,776	$ 107,486
Issued under employee stock options and employee share purchase plan	767,545	2,936
Issued as common share dividends	956,274	4,648
Purchased under a notice of dissent	(13,000)	(137)
As at December 31 1992	42,968,595	$ 114,933
Issued under employee stock options and employee share purchase plan	105,942	447
Issued as common share dividends	304,144	1,613
As at December 31 1993	43,378,681	$ 116,993

Under the terms of the Company's employee stock option plan, options on 735,200 shares were outstanding as at December 31 1993, exercisable at varying dates to 1998 at prices ranging from $2.95 to $5.75 per share.

9. Investment and Other Income

thousands	**1993**	1992
Investment and other income comprised:		
Dividends	**$ 3,552**	$ 18,264
Interest	**453**	132
Other	**2,094**	3
	$ 6,099	$ 18,399

10. Income, Resource and Capital Taxes

thousands	**1993**	1992
Federal large corporation tax	**$ 315**	$ 327
Provincial capital tax	**459**	412
Mining taxes	**-**	53
Recovery of prior years' taxes	**(611)**	-
	$ 163	$ 792

The following table explains the variation between the Company's recovery for income taxes and the statutory income tax rates:

thousands	**1993**	1992
Income tax provision (recovery) based on the combined statutory rate of 45.09% (1992 - 44.8%) applied against earnings before taxes	**$ (12,110)**	$ (7,758)
Increase (decrease) in income taxes resulting from:		
Tax gain on sale of Noranda shares	**-**	75,712
Dividend income	**(1,602)**	(8,182)
Utilization of previously unrecognized losses and timing differences	**-**	(68,096)
Current operating losses not recognized	**13,712**	8,324
Income tax provision (recoveries)	**$ -**	$ -

At December 31 1993, the Company had accumulated timing differences and losses of approximately $58,000,000 available to reduce taxable income. Potential income tax benefits of these items have not been recognized in the accounts as realization is not assured.

11. Earnings (Loss) Per Common Share

Earnings (loss) per share are calculated by dividing net earnings (loss) less dividends on Preferred Shares by the weighted-average number of Common Shares outstanding of 43,220,446 (1992 - 42,070,177).

12. Dividends

thousands	**1993**	1992
Class A Preferred	**$ -**	$ 2,556
Class B Preferred		
Series 1	**6,680**	7,022
Series 3	**2,250**	2,250
Common		
Cash	**7,028**	3,687
Stock	**1,613**	4,648
	$ 17,571	$ 20,163

13. Related Party Transactions

From time to time the Company arranges investment transactions in conjunction with certain affiliates. These transactions are carried out without cost and at normal market terms. In 1993 the Company earned $3,552,000 (1992 - $18,260,000) of dividends from its investment in Noranda Shares.

Fifty per cent of the Myra Falls debt was owed to an affiliated company; the terms of this debt were the same as the portion financed with unrelated parties. The Company incurred interest expense of $461,000 during 1993 (1992 - $2,359,000) on the portion of the loan held by the affiliate.

As at December 31 1993 other long term debt included $32,000,000 (1992 - $63,000,000) owing to an affiliate on which the Company incurred interest expense of $2,912,000 (1992 - $7,154,000). The terms of this debt are comparable to those of other unsecured lines of credit.

During 1993 Westmin paid $130,000 (1992 - $126,000) to an affiliate for services provided under a sales agency agreement.

Certain affiliates also provided technical services to the Company; the costs involved in 1993 were not material. Terms of these transactions are the same as with unrelated parties.

14. Other Information

Cash Provided From (Used For) Operations

A reconciliation of loss from operations to cash provided from (used for) operations is as follows:

thousands	**1993**	1992
Net earnings (loss) for the year	**$ (27,021)**	$ (18,108)
Mineral exploration expenditures	**2,316**	1,764
Charges to earnings that do not reduce (increase) cash		
Depletion and depreciation	**9,118**	20,093
Other liabilities	**950**	1,784
Other	**(640)**	1,122
	$ (15,277)	$ 6,655

Pension Plans

The Company has two pension plans, participation in which is available to all full time employees. The staff employees have a defined contribution plan while the unionized hourly employees have a defined benefit plan. The hourly employees' benefits are specified by their collective agreement.

Actuarial reports for the hourly plan are prepared every three years, with April 30 1993 the most recent valuation. Based on projections of interest rates and length of service to the time of retirement, the approximate present value of accrued benefits at December 31 1993 was $5,316,000 (1992 - $4,976,000). The market-related value of the pension fund assets on December 31 1993 was $3,717,000 (1992 - $2,872,000).

Segmented Information

The Company has mining as its single business segment.

Reclassification of Comparative Figures

Certain of the 1992 balances have been reclassified to conform to the presentation adopted in the current year.

TEN YEAR FINANCIAL AND OPERATIONAL SUMMARY

Years Ended December 31

thousands except per share amount, production and employees	1993	1992	1991	1990
	$	$	$	$
Statement of Earnings				
Revenue				
Mining	**30,863**	87,325	97,731	111,094
Oil and gas	**1,858**	1,664	1,000	1,737
Investment and other income	**4,241**	16,735	24,037	26,800
	36,962	105,724	122,768	139,631
Expenses				
Operating and administrative	**44,896**	87,096	104,564	95,442
Mineral exploration	**2,316**	1,764	1,568	4,730
Royalty expenses	**-**	-	-	-
Depletion and depreciation	**9,118**	20,093	25,813	27,695
Interest	**7,490**	14,087	16,934	19,123
Income, resource and capital taxes	**163**	792	175	(5,559)
	63,983	123,832	149,054	141,431
Earnings before the following	**(27,021)**	(18,108)	(26,286)	(1,800)
Gain on sale of assets	**-**	-	-	-
Equity earnings, extraordinary items	**-**	-	-	-
Writedown of assets	**-**	-	-	(79,041)
Net earnings (loss) for the year	**(27,021)**	(18,108)	(26,286)	(80,841)
Dividends on preferred shares	**8,930**	11,828	14,713	17,277
Net earnings (loss) attributable to common shares	**(35,951)**	(29,936)	(40,999)	(98,118)
Average number of common shares outstanding	**43,220**	42,070	40,319	39,219
Earnings (loss) per common share	**.83**	(0.71)	(1.02)	(2.50)
Common shares				
Dividends paid per common share	**0.20**	0.20	0.20	0.20
Trading range ($/share)				
High	**6.00**	6.12	6.25	8.88
Low	**4.20**	3.40	1.55	1.55
Balance Sheet				
Working capital (deficit)	**5,470**	(22,852)	(47,184)	(28,767)
Investments	**8,310**	109,582	263,086	263,334
Capital assets	**155,523**	159,858	173,432	195,547
Long-term debt	**81,745**	114,992	136,850	107,200
Deferred taxes and other liabilities	**2,734**	1,784	-	22,702
Shareholders' equity				
Preferred shares	**103,851**	107,804	193,268	201,525
Common shares and retained earnings (loss)	**(11,916)**	29,635	59,216	98,687
Funds From Continued and Discontinued Operations	**(7,121)**	(3,199)	(14,092)	2,383
Capital Expenditures				
Mining	**4,792**	6,576	3,700	9,806
Oil and gas	**-**	-	-	-
Total capital expenditures	**4,792**	6,576	3,700	9,806
Production				
Tonnes of ore milled	**595,610**	1,564,703	1,714,012	1,906,935
Payable metal (000's)				
Gold (oz.)	**30**	67	83	55
Silver (oz.)	**261**	740	912	798
Copper (lbs.)	**14,900**	36,983	34,394	42,287
Zinc (lbs.)	**17,481**	57,385	53,477	63,346
Employees	**542**	545	572	760

1989	1988	1987	1986	1985	1984
$	$	$	$	$	$
103,533	114,342	86,471	86,396	27,588	23,032
71,740	71,872	90,578	93,838	134,344	100,271
10,130	11,081	13,426	9,329	7,851	10,075
185,403	197,295	190,475	189,563	169,783	133,378
107,740	100,297	92,850	90,627	53,512	46,635
6,795	5,864	993	3,637	3,564	3,995
6,755	7,980	8,470	11,698	19,215	13,072
42,069	45,379	38,457	42,593	25,522	13,921
36,199	27,656	28,754	36,567	8,900	119
(17,124)	(7,724)	(870)	(4,207)	26,792	21,385
182,434	179,452	168,654	180,915	137,505	99,127
2,969	17,843	21,821	8,648	32,278	34,251
90,586	-	-	-	-	-
-	-	-	-	(1,826)	(380)
(30,000)	-	-	-	-	-
63,555	17,843	21,821	8,648	30,452	33,871
17,592	17,140	17,025	16,774	15,299	16,045
45,963	703	4,796	(8,126)	15,153	17,826
39,151	39,028	38,762	38,550	38,343	37,903
1.17	0.02	0.12	(0.21)	0.40	0.47
0.20	0.20	0.20	0.20	0.20	0.20
12.00	11.50	14.88	13.00	15.63	17.50
8.75	8.50	8.00	6.38	11.25	10.13
58,105	103,262	102,683	117,006	87,583	113,386
264,183	13,532	12,746	42,497	41,836	44,234
304,646	679,906	648,866	649,889	707,700	469,358
133,293	277,932	268,070	310,662	339,707	140,000
80,225	136,077	100,389	102,039	113,065	99,246
209,994	218,699	226,830	226,830	199,982	199,982
203,422	163,992	169,006	169,861	184,365	187,750
42,083	56,127	31,540	81,946	79,642	82,176
35,708	41,663	22,907	6,315	102,430	95,937
10,988	34,813	14,553	30,550	186,538	49,101
46,696	76,476	37,460	36,865	288,968	145,038
1,229,662	1,254,868	1,089,574	1,066,445	585,550	203,531
39	44	37	44	23	12
691	813	772	966	707	542
48,989	57,470	49,185	45,492	17,088	3,610
72,263	88,067	80,393	96,238	54,165	24,373
846	1,019	970	870	857	667

CORPORATE INFORMATION

Gilles M. Dionne *
Saint-Bruno-de-Montarville, Quebec
Geologist
John M. Gordon
Toronto, Ontario
Retired

Patrick J. Keenan, F.C.A. + •
Toronto, Ontario
President and Chief Executive Officer
Ontario Jockey Club

Edward C. Kress * •
Toronto, Ontario
Executive Vice-President
Brascan Limited

Paul M. Marshall + •
Toronto, Ontario
Chairman of the Company

Bruce K. McKnight
West Vancouver, British Columbia
Vice-President, Corporate Affairs and
Secretary of the Company

Walter T. Segsworth +
North Vancouver, British Columbia
President of the Company

Harold M. Wright, C.C., L.L.D. *
Vancouver, British Columbia
Professional Engineer

\+ Member, Executive Committee
* Member, Audit Committee
• Member, Compensation Committee

Company Officers and Senior Personnel

Paul M. Marshall
Chairman of the Board

Walter T. Segsworth
President

Bruce K. McKnight
Vice-President, Corporate Affairs
and Secretary

Ross A. Mitchell
Vice-President, Finance
and Treasurer

Harlan D. Meade
Vice-President, Exploration
and Environment

Robin L. Curry
Corporate Controller

GLOSSARY OF TERMS

Conversions

1 Hectare (ha)	=	10,000 square metres (m^2) or 2,471 acres (a)
1 Tonne (t)	=	1.102 Short tons (ton)
1 Troy ounce (oz)	=	31.10348 Grams (g)
1 Gram/tonne (g/t)	=	0.02917 Ounce/short ton (oz/ton)
1 Metre (m)	=	39.37 Inches or 3.281 Feet (in or ft)
1 Kilometre (km)	=	0.621 Miles (mi)
1 Kilogram (kg)	=	2.2046 pounds (lb)
1 Kilojoule (kj)	=	0.2778 watt hours (wh)

Abbreviations

Cu	=	Copper	pH	=	Hydrogen ion concentration of a solution, used to define acidity/alkalinity (7 is neutral, above is alkaline, below is acidic)
Pb	=	Lead			
Zn	=	Zinc			
Au	=	Gold			
Ag	=	Silver			
Cd	=	Cadmium	bcm	=	Bench cubic metres

Definitions

Geological Reserves are those that are defined by extensive sampling to define grade and tonnage and can be classified as to various confidence categories. The classification excludes consideration of how they will be extracted and infers no economic viability.

Mineable Reserves are those geological reserves that have been defined for mining purposes and includes a provision for mining dilution that generally occurs during extraction. Included is ore of sufficient grade, thickness and tonnage to be mineable under normal circumstances providing reserves are sufficient to justify development costs.

Geological Resource is the resource that may occur in a mine or other geological environment that is not included in geological reserves or mineable reserves, but may be reclassified into these categories by further sampling or changes in other factors such as metal prices or mining costs, etc.

Proven Ore is mineralization wherein the sampling is sufficiently close spaced that the grade, tonnage and continuity are well defined.

Probable Ore is mineralization wherein the sampling is spaced further apart but still adequate to demonstrate continuity, grade and tonnage but at a lower confidence level than for proven ore.

Possible Ore is mineralization wherein the sampling is wide spaced and continuity, grade and tonnage cannot be assured. Further sampling is required to increase confidence and conversion into Probable or Proven reserve categories.

Diluted refers to the grade that occurs for a volume of ore after including the waste rock or mineralization which is added to the ore during mining.

Cut Grade refers to the grade that results after reducing the original assay grade for exceptionally high grade samples to adjust for sampling and/or assaying problems, particularly for gold and silver.

Farmout refers to the arrangement by which a company will allow another company to earn an interest in its property by spending an agreed sum of money over a specified time period.

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The R-M Trust Company

Shares Listed Common (WMI) Preferred (WMI.PR.B)
Toronto Stock Exchange
Vancouver Stock Exchange

SHAREHOLDER INFORMATION
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