

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. These securities have not been and will not be registered in the United States under the Securities Act of 1933, as amended and may not be offered or sold in the United States or to U.S. persons. These securities are being issued to holders of special warrants of Great Basin Gold Ltd. in connection with the exercise of such special warrants and this prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

Additional Issue

Prospectus Dated: November 30, 2000

GREAT BASIN GOLD LTD.

\$10,000,000
5,000,000 Common Shares and 2,500,000 Warrants

This prospectus (the "Prospectus") is being filed in connection with the distribution of 5,000,000 common shares (the "Common Shares") and 2,500,000 Common Share purchase warrants (the "Warrants") of Great Basin Gold Ltd. (the "Company") which will be issued by the Company without payment of any additional consideration upon the exercise or deemed exercise of 5,000,000 special warrants (the "Special Warrants") which were distributed by the Company pursuant to prospectus exemptions on August 16, 2000. Each Special Warrant will result in the issuance (subject to the possible adjustment described below) of one Common Share and one half-Warrant which together are herein sometimes referred to as a "Unit" although such securities will be evidenced by separate certificates. Each whole Warrant (or two half-Warrants) will entitle the holder to purchase one Common Share at an exercise price of \$2.50 per Common Share until August 16, 2001.

	Issue Price	Commission	Net Proceeds to Company
Per Unit: ⁽¹⁾	\$2.00	\$0.12 ⁽²⁾⁽³⁾	\$1.88
Total (5,000,000 Units):	\$10,000,000	\$600,000	\$9,400,000 ⁽⁴⁾⁽⁵⁾

(1) A Unit consists of a Common Share and one half-Warrant.

(2) No commissions were paid on 512,000 Units sold to insiders of the Company and their associates. Commissions were effectively \$0.13 per Unit on the balance of 4,488,000 Units.

(3) The Agent was also granted compensation warrants (the "Agent's Compensation Warrants") to acquire compensation options (the "Agent's Compensation Options") to acquire 500,000 Units at a price of \$2.00 per Unit until August 16, 2001. This prospectus also qualifies the distribution of the Compensation Options and the Common Shares and Warrants issuable upon their exercise.

(4) Before costs of issue of approximately \$100,000. No proceeds are held in trust and the Company will not receive any additional proceeds upon the exercise of the Special Warrants.

(5) If the Warrants are exercised in their entirety the Company will receive additional proceeds of \$6,250,000.

The holders of Common Shares are entitled to one vote per Common Share at all meetings of shareholders of the Company, to receive dividends as and when declared by the directors, and to receive the remaining property and assets of the Company in the event of liquidation, dissolution or winding up of the Company. The Common Shares have no pre-emptive, redemption, purchase or conversion rights. There are no sinking fund provisions in relation to the Common Shares and they are not liable to further calls or to assessment by the Company. See "Share Capital".

The Special Warrants were issued pursuant to a Special Warrant Indenture (the "Indenture") made August 16, 2000, between the Company and Montreal Trust Company of Canada (the "Trustee"), as trustee. The Special Warrants may be voluntarily exercised at any time until 4:30 p.m. (Vancouver time) (the "Expiry Time") on the earlier of: (i) August 16, 2001; and (ii) the fifth business day after the date (the "Qualification Date") upon which a receipt for this prospectus is issued by the last of the provincial securities regulators to do so in the Provinces of British Columbia, Alberta and Ontario (the "Designated Provinces").

By Letter Agreement dated August 3, 2000, superseded by a Guaranteed Agency Agreement dated August 16, 2000, the Company retained Loewen, Ondaatje, McCutcheon Limited (the "Agent") to act as the Company's agent to effect the sale of the Special Warrants and to act as registrant with respect to the filing of this Prospectus. The net proceeds to the Company from the sale of the Special Warrants were approximately \$9.3 million after deducting commissions of \$600,000 paid to the Agent and the estimated expenses of the issue of the Special Warrants and this Prospectus of approximately \$100,000. The issue price of the Special Warrants was determined by negotiations between the Company and the Agent.

An investment in natural resource companies involves a significant degree of risk. The degree of risk increases substantially given that the Company's resource prospects are in the exploration stage as opposed to the development stage and have no known body of economic mineralization. The Company has no source of material revenue, nor is any likely to develop in the foreseeable future. The Company has operated at a loss and with negative cash flow since incorporation, and there can be no assurance that the Company will operate profitably at any time in the future. In order to carry out exploration and development programs of any economic ore body and to place it into commercial production, the Company must raise substantial additional funding. The Company expects its available funds will be sufficient to meet the financial obligations in respect of its current operations for at least the next 12 months. There is no assurance that, after such period, the Company will be able to secure financing or that such financing will be obtained on terms favourable to the Company. Failure to obtain adequate financing could result in significant delays in exploration and development programs and a substantial curtailment of operations. There is no certainty that any expenditures made in the exploration of the Company's mineral properties will result in discoveries of commercially recoverable quantities of ore. Management of the Company is not subject to employment contracts and its members devote only a portion of their time to the affairs of the Company. The issue price of each Special Warrant exceeds by \$1.24 the net tangible book value per common share as at June 30, 2000 adjusted for subsequently issued Shares and after giving effect to this issue, which represents a dilution factor of 62%. Refer also to "Risk Factors" and "Dilution" herein for additional particulars.

Upon completion of this offering (the "Offering"), insiders, including promoters, will own 4,012,476 shares (10.5%) and potentially 5,697,576 shares (13.1%) in the event that they exercise their Warrants and incentive stock options when all other such dilutive securities are exercised. The public will, on completion of the Offering, own 34,165,161 (89.5%) of the Company's outstanding shares.

Certain legal matters relating to the Offering of the Common Shares and Warrants being distributed hereunder will be passed upon on behalf of the Company by Lang Michener Lawrence & Shaw, Barristers & Solicitors, of Vancouver B.C., and on behalf of the Agent by Blake, Cassels & Graydon LLP, Barristers & Solicitors, of Vancouver, B.C.

The outstanding Common Shares of the Company are listed on the Canadian Venture Exchange ("CDNX") which has approved the listing of the Common Shares to be distributed hereunder. The Common Shares of the Company are also quoted in the United States on the OTC Bulletin Board. The Warrants will not be listed on any stock exchange. The closing price of the Common Shares on August 3, 2000, being the date before private placement of the Units was publicly announced, was \$2.05 on the CDNX and US\$1.3438 on the OTC Bulletin Board.

Agent

Loewen, Ondaatje, McCutcheon Limited
Hazelton Lanes, East Tower
55 Avenue Road, Suite 2250
Toronto, Ontario, M5R 3L3

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PROSPECTUS SUMMARY

This is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and consolidated financial statements appearing elsewhere in this Prospectus.

THE COMPANY: Great Basin Gold Ltd. (the "Company"), is a Vancouver headquartered resource exploration company incorporated under the *Company Act* (British Columbia) and has its primary mineral property interests in Nevada and the Yukon. The Company is currently focusing its exploration activities on the Ivanhoe property located on the Carlin trend in Nevada.

THE OFFERING: 5,000,000 Units comprised of 5,000,000 Common Shares and Warrants to purchase 2,500,000 Common Shares to be issued on the exercise of 5,000,000 Special Warrants which were sold on August 16, 2000 in reliance on prospectus exemptions in Canada and United States for \$2.00 each.

**SPECIAL WARRANTS,
COMMON SHARES
AND WARRANTS:** Each Special Warrant may be exercised, without the payment of any additional consideration, for one Common Share plus one half-Warrant at any time until the "Expiry Time" which is 4:30 p.m. (Vancouver time) on the earlier of: (i) August 16, 2001; and (ii) the fifth business day after the date of receipt by the Company of receipts for this (final) Prospectus from the last of the applicable provincial securities regulators (the "Qualification Date") in British Columbia, Alberta and Ontario (the "Designated Provinces"). Any unexercised Special Warrants will be deemed to be exercised, immediately prior to the Expiry Time.

500,000 Units may become issuable pursuant to an Agent's Compensation Option to be issued to Loewen, Ondaatje, McCutcheon Limited (the "Agent"), the securities dealer appointed as the Company's agent in connection with the sale of the Special Warrants and this Prospectus. The Agent's Compensation Option will be issued on the Qualification Date upon exercise of an Agent's Compensation Warrant issued on Closing of the sale of the Units. The Agent's Compensation Option entitles the Agent to purchase 500,000 Units at a price of \$2.00 per Unit until August 16, 2001.

Each transferable (but not exchange-listed) whole Warrant (two half-Warrants) entitles the holder thereof to acquire one Common Share of the Company at an exercise price of \$2.50 until August 16, 2001.

USE OF PROCEEDS: The gross proceeds to the Company from the sale of the 5,000,000 Special Warrants were \$10.0 million. The net proceeds of approximately \$9.3 million will be used by the Company, together with other working capital as at August 31, 2000 of approximately \$6.3 million, to undertake a drilling program on the Company's Ivanhoe property (\$10 million) with the balance reserved for future exploration programs and for working capital (\$5.6 million), as more particularly set out under the heading "Use of Proceeds". Any Warrant exercise proceeds will be used to fund continued exploration of the Ivanhoe Property and for working capital.

MANAGEMENT: The Company's directors all have significant experience in the technical and financial aspects of resource exploration and development.

RISK FACTORS:

Acquisition of Common Shares and Warrants must be regarded as highly speculative due to the high risk nature of mineral exploration and the Company's present stage of exploration. The Company's properties do not contain a presently confirmed commercial mineable ore deposit. There is no assurance that sufficient additional funding will be available to the Company which will be necessary for further exploration and possible development of its properties. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration. The Company has no history of earnings or cash flow from mining operations. While the Company believes that title to its properties is in good standing, the Company's properties may be affected by unregistered agreements or other defects which may adversely affect the Company's title thereto. In the past, gold prices have been volatile and are subject to wide fluctuations in response to changes in supply and demand, economic uncertainty and a variety of additional factors which are beyond the control of the Company, any or all of which could significantly affect the economic viability of the Company's properties. Insofar as certain directors of the Company hold similar positions with other natural resource issuers, conflicts may arise between the obligations of these directors to the Company and such other natural resource companies. Management of the Company is not subject to employment contracts and its members devote only a portion of their time to the affairs of the Company. The issue price of each Special Warrant exceeds by \$1.24 the net tangible book value per common share as at June 30, 2000, after giving effect to subsequently issued Shares and this issue which represents a dilution factor of 62%. See "Risk Factors" and "Dilution".

STOCK EXCHANGE LISTINGS:

The common shares in the capital of the Company are listed on the Canadian Venture Exchange (CDNX: GBG) and quoted in the United States on the OTC Bulletin Board market (OTC: GBGLF).

ELIGIBILITY FOR INVESTMENT:

In the opinion of Lang Michener Lawrence & Shaw, counsel to the Company, that subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, procedures or goals, the Common Shares and Warrants will not, as of the date of issuance, be precluded as investments under the following statutes:

Insurance Companies Act (Canada)
Trust and Loan Companies Act (Canada)
Financial Institutions Act (British Columbia)
Loan and Trust Corporations Act (Ontario)
Pension Benefits Act (Ontario)

In the opinion of such counsel, the Common Shares and Warrants will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans under the *Income Tax Act* (Canada). Also in the opinion of such counsel, the Common Shares and Warrants will not be "foreign property" within the meaning of the *Income Tax Act* (Canada). The foregoing opinions assume no changes in the applicable legislation and administrative policies currently in effect prior to the issuance of the Common Shares and Warrants.

GLOSSARY

Adit	A nearly horizontal mine access opening.
Ag	Used as an abbreviation for silver.
Az	Means Azimuth, a compass bearing angle
Agency Agreement	Means the Guaranteed Agency Agreement between the Company and the Agent pertaining to the sale of the Special Warrants and this Prospectus made August 16, 2000 (superseding an August 3, 2000 letter agreement), and described under “Details of the Offering”.
Agent	Means Loewen, Ondaatje, McCutcheon Limited, the securities dealer retained by the Company to sell the Special Warrants and act as registrant under this Prospectus.
Agent’s Compensation Warrant (and Option)	Means the warrant which was issued to the Agent on the Closing Date exercisable upon the Qualification Date without further action on the part of the Agent, into 500,000 Agent’s Compensation Options, each compensation option entitles the Agent to acquire one Unit for \$2.00 until August 16, 2001.
Allochthonous	Geological assemblage of foreign origin transported by faulting to its present location.
Argillic	Pertaining to clay or clay minerals.
Argillite	A sedimentary rock composed of compacted mud and clay particles.
Assay	Quantitative test of element content of minerals and ores by chemical and/or fire techniques.
ASL	Above Sea Level
Au	Used as an abbreviation for gold.
BLM	Bureau of Land Management which is the U.S. federal lands administrative authority in the United States and which administers most mining lands.
Breccia	A coarse-grained fragmental rock, composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.
Calcareous	Said of a substance that contains calcium carbonate.
Carbonate rock	A rock consisting chiefly of carbonate minerals, such as limestone or dolomite.
CDNX	Canadian Venture Exchange, Vancouver, British Columbia, Canada, successor stock exchange to the Vancouver Stock Exchange.
Chert	A hard, extremely dense or compact, microcrystalline or cryptocrystalline siliceous sedimentary rock.
Clastic	Pertaining to a rock or sediment composed principally of broken fragments that are derived from pre-existing rocks or minerals and that have been transported some distance from their places of origin; also said of the texture of such a rock.
Closing Date	August 16, 2000 being the date the Special Warrants were issued for cash proceeds of \$10 million.

Common Shares	Means the common shares without par value in the capital of the Company.		
Company	Means Great Basin Gold Ltd. and, unless the context clearly indicates to the contrary, includes its wholly owned subsidiaries, Pacific Sentinel Resources Inc., Great Basin Gold Inc., Rodeo Creek Gold Inc., Antler Peak Gold Inc. and Touchstone Resources Company.		
Compression	A system of forces or stresses that tends to decrease the volume or shorten a substance.		
Conglomerates	A coarse-grained clastic sedimentary rock, composed of rounded to subangular fragments, set in a fine-grained matrix.		
Cornucopia	Means Cornucopia Resources Ltd. (now named Stockscape.com Technologies Inc.), a public company which sold its subsidiary Touchstone Resources Company to the Company for Common Shares and warrants.		
Cretaceous	A geological period between 135 and 165 million years ago and which identifies the formation date of strata (see Mesozoic).		
Cross-cut	An underground tunnel driven perpendicular to a body of mineralization.		
Cryptocrystalline	Said of the texture of a rock consisting of crystals that are too small to be recognized and separately distinguished even under the ordinary microscope.		
Currency and Measurement	All currency amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated. Conversion into imperial equivalents is as follows:		
	<u>Metric Units</u>	<u>Multiplied by</u>	<u>Imperial Units</u>
	hectares	2.471	= acres
	metres	3.281	= feet
	kilometres	0.621	= miles (5,280 feet)
	grams	0.032	= ounces (troy; 12 troy ozs/lb)
	tonnes	1.102	= tons (short or 2,000 lbs.)
	grams/tonne	0.029	= ounces (troy)/ton
Designated Provinces	British Columbia, Alberta and Ontario, being the Provinces where this Prospectus is being filed.		
Electrum	Gold containing 20% or more silver.		
Epithermal	Type of mineral deposit formed at low temperature, 50 – 200°C, usually within one kilometre of the earth's surface, often as structurally controlled veins.		
Exercise Period	With respect to the Special Warrants means the time from August 16, 2000 until 4:30 p.m. (Vancouver time) on the earlier of August 16, 2001 or the fifth day after the Qualification Date.		
Felsic	Field term used to describe a light coloured igneous rock, generally containing abundant feldspar and quartz.		
Gangue	The valueless rock or mineral aggregates in an ore.		
GBGI	Great Basin Gold Inc., a wholly owned subsidiary of Great Basin Gold Ltd., the Company.		

Gossan	A rust coloured iron oxide deposit found in the upper parts of veins or forming a cap overlying sulphide mineralization. Results from the oxidation and leaching of sulphur and other metals.
g Au/tonne	Grams of gold per metric tonne.
Granodiorite	A group of coarse-grained plutonic rocks intermediate in composition containing quartz, plagioclase, and potassium feldspar, with biotite and hornblende.
Hydrothermal Alteration	The chemical and mineralogical changes in rock brought about by the addition or removal of materials by hydrothermal fluids (e.g., silicification).
Igneous	Said of a rock or mineral that solidified from molten or partly molten material.
Indicated Resource	The estimated quantity and grade of part of a deposit for which the continuity of grade, together with the extent and shape, are so well-established that a reliable grade and tonnage estimate can be made.
Inferred Resource	The estimated quantity and grade of a deposit, or a part thereof, that is determined on the basis of limited sampling, but for which there is sufficient geological information and a reasonable understanding of the continuity and distribution of metal values to outline a deposit of potential economic merit.
Intrusive	A rock formed by the process of emplacement of magma in pre-existing rock.
Lillianite	A steel-grey lead-bismuth-sulfide mineral.
Lithology	The description of rocks on the basis of such characteristics as colour, mineralogic composition, and grain size.
Magma	Naturally occurring mobile rock material, generated within the earth and capable of intrusion and extrusion, from which igneous rocks have been derived through solidification and related processes.
Marcasite	White iron pyrite.
Measured Resource	The estimated quantity and grade of that part of a deposit for which the size, configuration and grade have been very well-established by observation and sampling of outcrops, drill holes, trenches and mine workings.
Mesozoic	The era of geological time ranging from 245 to 66 million years ago; includes the Triassic, Jurassic and Cretaceous periods.
Metallogeny	The genesis of mineral deposits, with emphasis on regional petrographic and tectonic features.
Mineral Resource	A deposit or concentration of natural, solid, inorganic or fossilized organic substance in such quantity and at such a grade or quality that extraction of the mineral at a profit is currently or potentially possible.
Mineralized Material	A deposit of mineralization or mineral resource which may or may not be ore, the determination of which requires a comprehensive feasibility study. A mineral resource usually has been intersected by sufficient closely spaced drill holes and or underground sampling to support sufficient tonnage and average grade of metal(s) to warrant further exploration and development work.

NSR	“Net smelter return” means the amount actually paid by a smelter for the ores and concentrate delivered to it from commercial mining operations.
Naumannite	An iron-black silver selenide mineral.
North Coast	“Consolidated North Coast Industries Ltd.”, a company which merged with Pacific Sentinel on December 31, 1997.
Oz. Au/ton	Ounces of gold per short ton.
Ordovician	An era of geological time between 425 – 500 million years ago.
Ore	A mineral or aggregate of minerals more or less mixed with gangue which can be profitably mined given economic circumstances at the time. The Company does not hold any interest in properties where the mineralization has been determined to be ore.
OTC-BB	The OTC Bulletin board, which is an quotation system for shares of companies registered under the United States Securities Exchange Act of 1934.
Ounce	A troy ounce, there are 12 troy ounces to a troy pound, a common unit of measurement for precious metals.
Oxide	Mineral formed by the bonding of oxygen with one or more metallic elements, most commonly iron. Normally formed through the weathering and oxidation of earlier minerals.
Pacific Sentinel	“Pacific Sentinel Gold Ltd.” being a reference to the Company as it was before its merger with North Coast on December 31, 1997.
Paleozoic	An era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 to about 225 million years ago.
Paragenesis	A characteristic association or occurrence of minerals or mineral assemblages in ore deposits, connoting contemporaneous formation.
Pennsylvanian	A period of the Paleozoic era, thought to have covered the span of time between 320 and 280 million years ago.
Porphyritic	Pertaining to or resembling porphyry.
Porphyry	An igneous rock containing conspicuous crystals or phenocrysts in a fine-grained groundmass; type of mineral deposit in which ore minerals are widely disseminated, generally of low grade but large tonnage.
Probable Reserve	The estimated quantity and grade of that part of an Indicated Resource for which the economic viability has been demonstrated by adequate information on engineering, operating, economic and legal factors, at a confidence level that will allow positive decisions on major expenditures.
Proven Resource	The estimated quantity and grade of that part of a Measured Resource for which the size, grade and distribution of values, together with technical and economic factors, are so well-established that there is the highest degree of confidence in the estimate. The term is usually restricted to that part of a deposit being mined, or being developed and for which there is a mining plan.
Pseudomorph	A mineral whose outward crystal form is that of another mineral species; it has developed by alteration, substitution, incrustation, or paramorphism.

Pyrite	A very common iron sulphide mineral often associated with gold and other economic mineral deposits.
Pyroclastic	Type of fragmental rock formed by volcanic explosion or aerial expulsion.
Pyrrhotite	An iron sulphide mineral, sometimes magnetic. Less widespread than pyrite, often associated with nickel and copper deposits.
Qualification Date	The date of issuance of a receipt for the Company's final prospectus by the last to do so of the British Columbia, Alberta, and Ontario Securities Commissions.
Qualification Deadline	Means 4:30 p.m. on December 14, 2000, which is the date by which it is intended that the Qualification Date will have occurred and after which date each Special Warrant will be exercisable without payment of any additional consideration into 1.1 Common Shares and 0.55 Warrants.
Quartzite	A very hard but unmetamorphosed sandstone, consisting chiefly of quartz grains that have been so completely and solidly cemented with secondary silica that the rock breaks across or through the grains rather than around them.
Reserve	That part of a resource which can be mined legally and at a profit under economic conditions that are specified and are generally accepted as reasonable. Economic viability must be demonstrated by at least a preliminary feasibility study based on Indicated and Measured Resources.
Rhyolite	An extrusive igneous volcanic rock with or without phenocrysts of quartz and alkalic feldspar, commonly of porphyritic texture.
Sedimentary	Rock formed of sediment, as conglomerate, sandstone and shale, formed of fragments of other rock transported from their sources and deposited in water; rocks formed by precipitation from solution as rock salt or gypsum or non-organic secretions of organisms, e.g., most limestone.
Selenide	A mineral compound that is a combination of selenium with a more positive element or radical.
Shoot	An elongate pipe-like, ribbon-like, or chimney-like mass of ore within a deposit, representing the more valuable part of the deposit.
Siliceous	Said of a rock containing abundant silica.
Skarn	A rock formed by contact metamorphism.
Special Warrant	A security exercisable into the Company's Units with the exchange date to occur upon the earlier of prospectus clearance of the underlying common shares (and warrants) or after one year from issuance being the hold period date otherwise applicable to the underlying securities.
Stock	An igneous intrusion that is less than 40 square miles (100 square kilometres) in surface exposure.
Strata	Tabular or sheet-like bodies of sedimentary rock.
Sulphide	Group of minerals consisting of metals combined with sulphur; common metallic ores. (or "Sulfide")

Tertiary	The period of geological time extending from 66 to 2 million years ago, includes the Palaeogene and Neogene epochs.
Unit	A reference to a Common Share and one half-Warrant together although Common Shares and Warrants when issued on exercise of the Special Warrants will be evidenced by separate certificates.
Vein	A tabular or sheet like mineral deposit with identifiable walls, often filling a fracture or fissure.
Wallrock	The rock forming the walls of a vein or other mineral deposit.
Warrant(s)	Means the transferable but not exchange-listed Common Share purchase warrants, one half-Warrant being issuable upon the exercise of each Special Warrant, two of which form one whole Warrant which entitles the holder thereof to purchase one Common Share at an exercise price of \$2.50 per Common Share at any time until August 16, 2001.
Working Interest	The operating ownership of 100% of minerals on a property with the right to exploit the minerals subject to any royalty on production which may exist.

GREAT BASIN GOLD LTD.

Business Overview

Great Basin Gold Ltd. (the “Company”) is in the business of acquiring and exploring natural resource properties. The Company is principally interested in locating deposits of gold and is currently focusing its efforts on a gold prospect located on the Carlin Trend gold belt in Nevada known as the “Ivanhoe Property”. To June 30, 2000, aggregate acquisition and exploration costs on the Ivanhoe Property by the Company are carried on the books of the Company at approximately \$17.9 million as of June 30, 2000. **The Company does not have any resource properties on which commercial mining operations exist, nor has the mineralization contained in the Company’s properties been determined to be commercially mineable ore.**

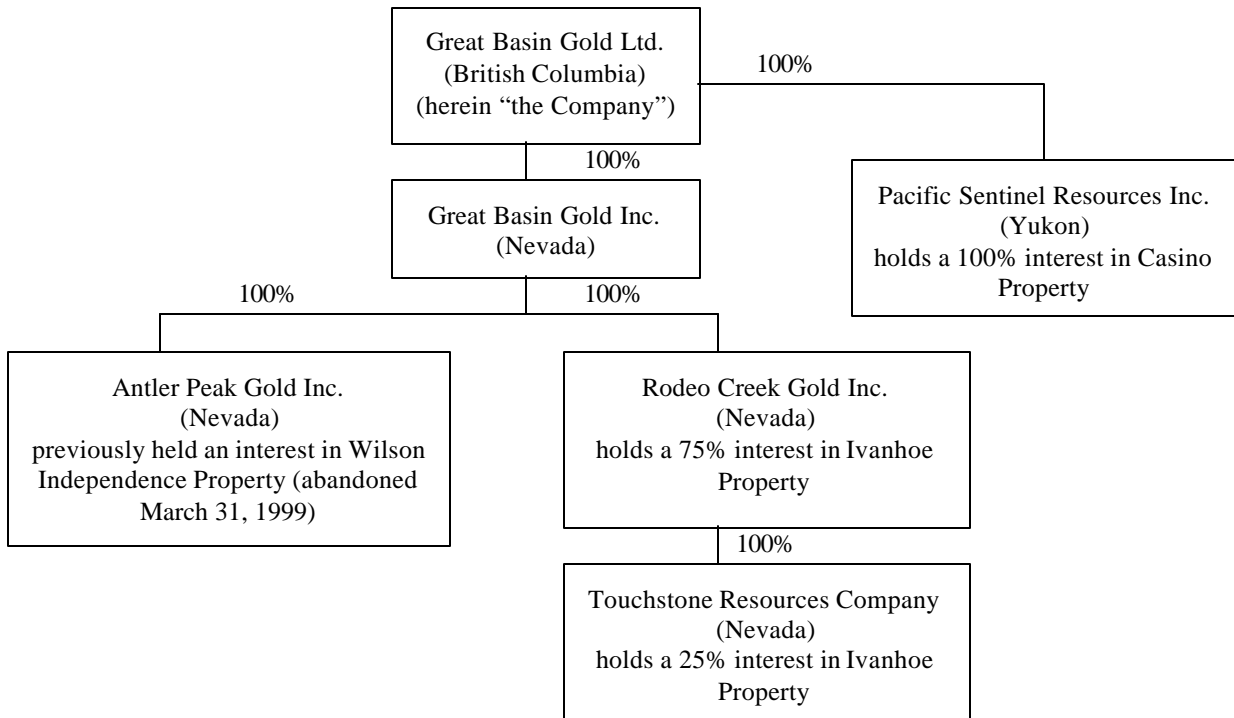
Corporate History

The Company was incorporated on March 19, 1986, pursuant to the *Company Act* (British Columbia), Canada, under the name Baron Ventures Ltd., by registration of its memorandum and articles. On May 26, 1987, its name was changed to Sentinel Gold Corp. and on September 15, 1987, its name was changed to Pacific Sentinel Gold Corp. The term “Pacific Sentinel” herein is a reference to the Company as it existed prior to December 31, 1997 the date of its most recent reorganization. (See below.)

During the latter half of 1992 and the first quarter of 1993, Pacific Sentinel merged with two other British Columbia incorporated public companies listed on the then Vancouver Stock Exchange, namely Big Creek Resources Ltd. and Casino Silver Mines Ltd. (N.P.L.) (hereinafter “Big Creek” and “Casino Silver” respectively). The purpose of the two mergers (which completed on December 1, 1992 with respect to Big Creek, and March 4, 1993 with respect to Casino Silver), was to bring together under the aegis of Pacific Sentinel, a 100% working interest in the Casino Property, a Yukon copper/gold/molybdenum property still owned by the Company but not currently under active exploration. (See “Description of Properties.”)

Pursuant to an arrangement agreement dated November 14, 1997 between Pacific Sentinel and Consolidated North Coast Industries Ltd. (“North Coast”), a public company with principal shareholders and management in common with Pacific Sentinel, Pacific Sentinel and North Coast merged under a Plan of Arrangement (the “Arrangement”) under British Columbia law on December 31, 1997. The merger was accounted for as a reverse take-over of Pacific Sentinel by North Coast. Under the terms of the Arrangement, Pacific Sentinel consolidated its issued and authorized share capital on a five-old-shares for one-new-share basis and changed its name to Great Basin Gold Ltd.

A corporate organization chart showing the Company and its wholly-owned subsidiaries, their jurisdiction of incorporation and principal resource properties is as follows:



Offices

The head office of the Company is located at Suite 1020-800 West Pender Street, Vancouver, B.C., V6C2V6, telephone (604) 684-6365, facsimile (604) 684-8092. The Battle Mountain, Nevada field office is located at 101 Carson Road, Suite 5, Battle Mountain, NV 89820, telephone (775) 635-3323, facsimile (775) 635-3399. The Company's registered office is in care of its solicitors Lang Michener Lawrence & Shaw, Barristers & Solicitors, at Suite 1500, 1055 West Georgia Street, Vancouver, B.C., V6E 4N7, telephone (604) 689-9111, facsimile (604) 685-7084.

DESCRIPTION OF PROPERTIES

Overview

The following is a summary of the Company's primary active mineral project, the "Ivanhoe Property" located on the Carlin trend in the State of Nevada. The Ivanhoe Property was formerly a heap leach producer of a shallow surface gold deposit which operations have been largely reclaimed. The Company is exploring the Ivanhoe Property at depth to ascertain the size and grade of a gold vein system known to exist below the previously operated shallow deposit. See "Glossary" herein for definitions of capitalized terms.

Ivanhoe Acquisition Agreements

(i) Newmont Agreement

Pursuant to the terms of a purchase agreement (the "Ivanhoe Purchase Agreement") dated August 13, 1997, between Newmont Exploration Limited, a Denver based international mining company ("Newmont"), Touchstone Resources Company ("Touchstone"), a Nevada company owned by Cornucopia Resources Ltd. ("Cornucopia" but now called Stockscape Inc.) and the Company's subsidiary, Great Basin Gold Inc. ("GBGI"), GBGI acquired Newmont's 75% interest in a joint venture agreement with Touchstone dated June 23, 1992 respecting the Ivanhoe Property. Concurrently with the execution of the Ivanhoe Purchase Agreement, Newmont and Touchstone terminated their joint venture and Touchstone and GBGI entered into a joint venture agreement dated August 13, 1997 (the "GBGI

Joint Venture Agreement”). Under the terms of the Ivanhoe Purchase Agreement and the GBGI Joint Venture Agreement (collectively, the “Ivanhoe Agreements”) GBGI paid US\$1 million to Newmont and agreed to spend an additional US\$2.8 million on exploration and related expenditures on the Ivanhoe Property by August 13, 1999 as well as contribute to reclamation of the prior heap leach operations as described below.

Under the Ivanhoe Agreements, GBGI agreed to share Newmont’s future reclamation costs for past mining at Ivanhoe on the basis of one third of such expenditures over US\$4.5 million but less than US\$6 million (US\$500,000 maximum) and 25% of expenditures over US\$6 million. Under the Ivanhoe Purchase Agreement, Newmont retained ownership to 62 of the Ivanhoe Property’s mining claims (the “Reclamation Area”) until reclamation is complete at which time GBGI will have the option but not the obligation to accept conveyance of the Reclamation Area. Newmont’s original estimates for reclamation were in the US\$4.5-US\$6 million range. Newmont has advised the Company that to June 30, 2000, US\$6.2 million has been spent and the forecast for year 2000 is US\$250,000, of which the Company will be responsible for US\$62,500. The Company also purchased, as a condition of Touchstone entering into the Ivanhoe Agreement, 1,100,000 units (comprised of one common share and one warrant) in the capital of Cornucopia (the then-parent company of Touchstone), for \$1.00 per unit. The shares comprised in these units were sold in 1998.

(ii) *Touchstone Acquisition*

On March 2, 1999, the Company entered into an agreement with Cornucopia and Touchstone (the wholly owned subsidiary of Cornucopia and the company which holds a 25% working interest in the Ivanhoe Property), to acquire all the shares of Touchstone. The acquisition closed on June 30, 1999. The purchase of Touchstone effectively increased the Company’s interest in the Ivanhoe Project from 75% to 100%. The consideration paid to Cornucopia for Touchstone consisted of 2,750,000 Common Shares and Common Share purchase warrants of the Company to purchase 250,000 additional Common Shares at \$2.00 until June 30, 2000. As part of the agreement, Cornucopia agreed not to resell any of these Common Shares for six months from closing and thereafter at a maximum rate of 25,000 shares per month cumulated up to four months providing also that sales of over 25,000 and up to 100,000 Common Shares in one month will be effected only after notification to the Company which may elect to designate a purchaser for such sales. The Company also has an assignable call option until June 30, 2002 on any Common Shares in excess of 2,000,000 owned by Cornucopia at a price of the higher of \$1.00 and market price less 5%. Cornucopia has agreed to vote its Common Shares at the direction of the Company’s board until June 30, 2001 and providing it holds at least 1,500,000 Common Shares, has a pre-emptive right until then to participate pro-rata to its holdings in future financing treasury Common Share issuances of the Company (except for certain exceptions such as incentive options and property acquisitions). Cornucopia waived its pre-emptive rights to permit the Special Warrants offering and may only waive its right one more time in which event its pre-emptive right terminates.

(iii) *Other Ivanhoe Agreements*

Additional groups of claims comprise the Ivanhoe Property, two groups of which are held under lease with the Hillcrest Mining Company and Auric Metals Corporation (the “Hillcrest/Auric claims”) and the Auric Minerals Corporation, Hi-Tech Exploration Ltd., James F. Fouts and Hillcrest Mining Company claims (the Robbie claims”). A third set of claims previously held under lease are the Aagaard family claims (the “Aagaard claims”), that were purchased for consideration of US\$50,000 and 75,000 common shares of the Company. The 45 claim Hillcrest/Auric claim block is under an 80 year lease from the Hillcrest/Auric partnership. This partnership retains an underlying NSR of 2% and receives annual lease payments of \$50,000. In each 20 year renewal period the annual lease payments will be increased by US\$5,000. Franco-Nevada Mining Corporation and Euro-Nevada Mining Corporation hold an additional net 3% NSR on the Hillcrest/Auric claims, and a 5% NSR covering 379 other claims. In late 1997 and early 1998, the 109 contiguous claims comprising the Aagaard (acquired under lease for US\$30,000 per annum) and Ho claim groups (acquired by staking) were added to the Ivanhoe land package. This claim group extends the Ivanhoe property position to the west. The Company was able to stake the 139 claim Ho block and add continuity to the northwest-trending portion of the Hollister deposit area. There are no royalties on the Ho claims. The Robbie claims, acquired under lease June 8, 1999, comprise 107 claims covering an area of 3.1 square miles. The Company is obligated under terms of the lease to an annual lease payment of US\$4,000, a 2% NSR and to maintain the claims in good standing with the U.S. Bureau of Land Management (“BLM”).

Independent Geological Report

The Ivanhoe Property is the subject of an independent geological report dated August 16, 2000 prepared by Robert L. Akright, Geological Consultant, 7221 South Yarrow Street, Littleton, Colorado 80123 (the "Ivanhoe Report"). The following technical summary of the Ivanhoe Property has been extracted for use in this Prospectus from the Ivanhoe Report with Mr. Akright's consent. Readers are cautioned that certain historical information provided herein about the Ivanhoe Property and the Carlin Trend on which it is located uses terminology which because it is dated and of U.S. origin may not be comparable to the current discussion which employs current Canadian mandated terminology. References therefore to "mineralized material" should not be deemed to be equivalent to Inferred Resource (see definitions) and "reserves" are not "Proven Reserves" or "Probable Reserves" as defined under current Canadian standards.

Situated on Nevada's 50 mile (80 kilometre) long Carlin Trend gold belt, the Ivanhoe Property is northwest of Newmont and Barrick Gold's existing gold mines. Current annual gold production from the Carlin Trend is nearly four million ounces; the district that has produced over 30 million ounces since 1965. Carlin Trend reserves and mineralized material (resources) are currently estimated at over 77 million ounces of gold.

The geological setting of the gold mineralization at Ivanhoe has many characteristics in common with other Carlin Trend deposits. Past exploration efforts at Ivanhoe have focused on near surface gold resources with open pit potential. The Property has past open pit production of 115,696 ounces (3.6 million grams) of gold from the "Hollister" area of the Property (see Fig. 1.). The Company's exploration program has and will further test the potential of the property for moderate depth to deep, high grade gold deposits.

The Ivanhoe Property consists of 859 unpatented lode claims encompassing approximately 25 square miles (65 square kilometres) on federal land administered by the BLM. (See Fig. 2.)

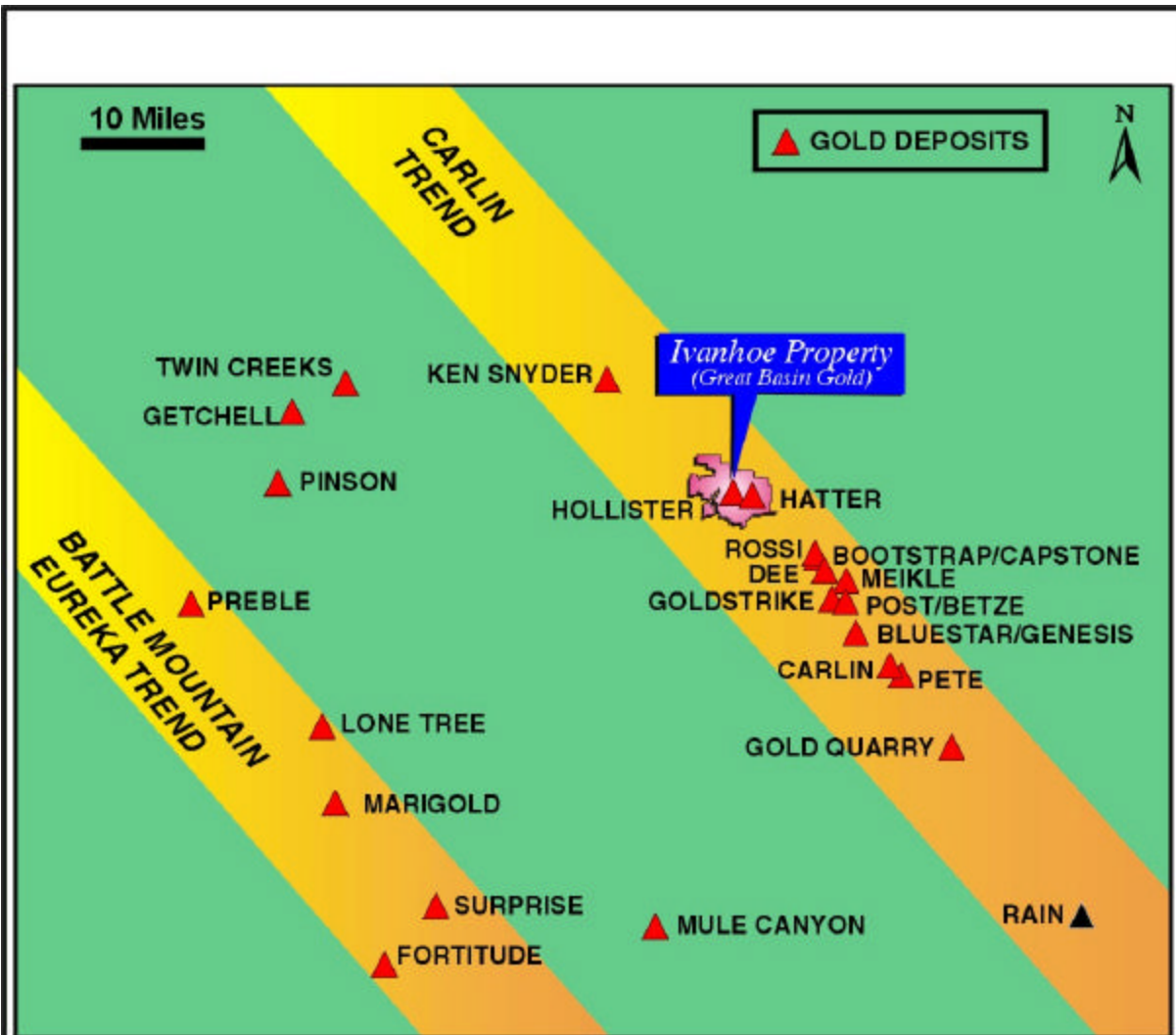
The Company has identified two primary targets, the Hollister and Hatter areas (see Fig. 3), for modest depth feeder vein and deeper lower plate hosted gold systems. An ongoing exploration program is planned to define the orientation of gold feeder veins in the Hollister area and location of overprinted gold veins in the Hatter Stock and prospective host rock stratigraphy in lower plate rocks in the Hatter area. Utilizing detailed mapping and sampling, compilation of past exploration work, and shallow to deep drilling, the Company intends to spend an estimated \$10.0 million exploring the Ivanhoe Property.


Location and Access

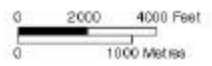
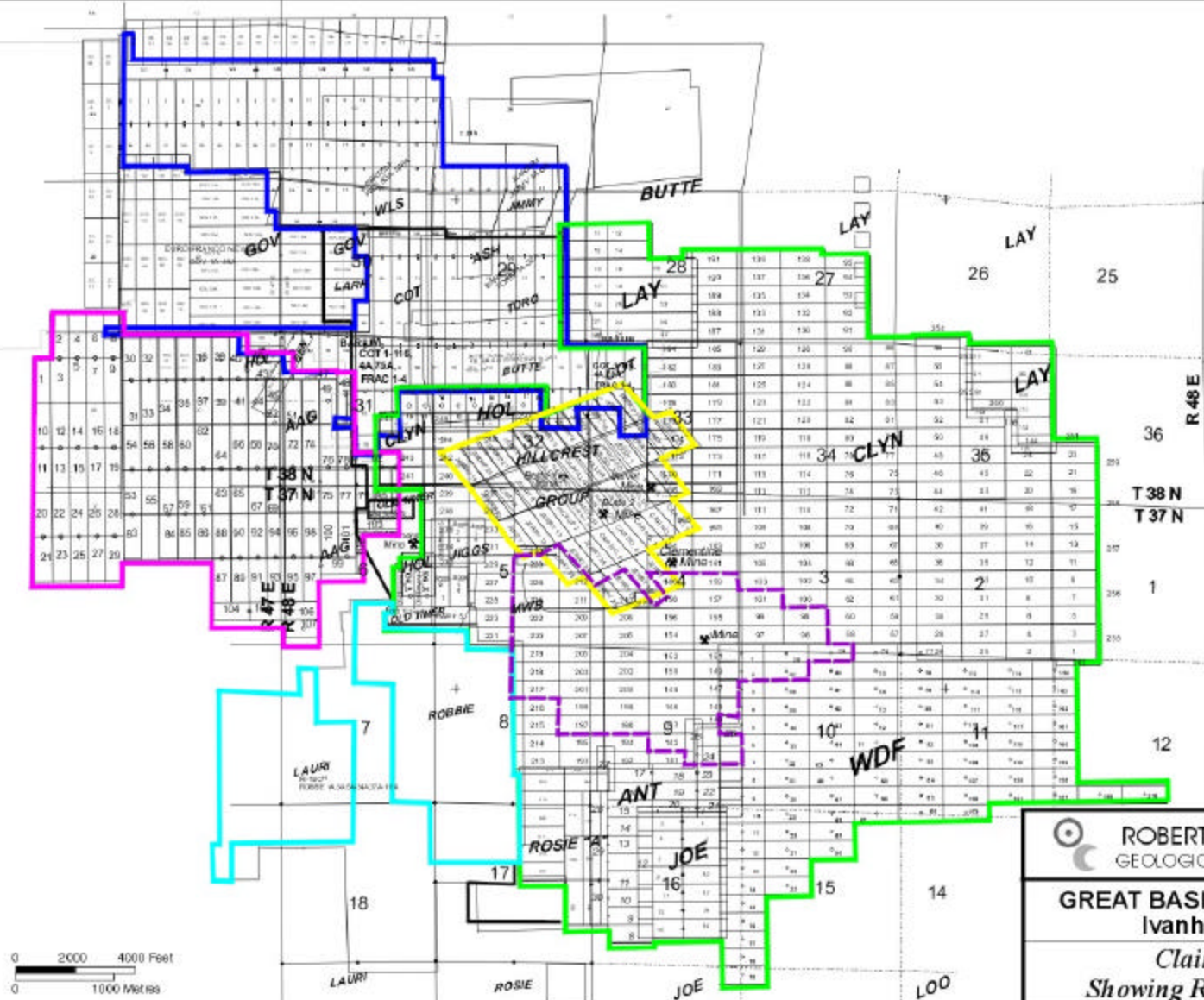
The Ivanhoe Property is located at latitude 41°06' north and longitude 116°31' west, in Townships 37 and 38 North, Range 48 East, Ivanhoe Mining District, Elko County, Nevada. Approximate straight line distances to nearby landmarks and towns include the Willow Creek Reservoir 5.5 miles (8.8 kilometres) to the north, Elko 50 miles (80 kilometres) to the south-southeast, Battle Mountain 37 miles (59.2 kilometres) to the southwest, and Midas 14 miles (22.4 kilometres) to the northwest. Shortest access to the Property from the Interstate 80 freeway corridor is north of Battle Mountain by gravel roads over a distance of roughly 50 miles (80 kilometres). Battle Mountain is the nearest town with full service facilities. The nearest mining infrastructure is at the Dee Mine, located 8 miles (12.8 kilometres) by road to the southeast. Major power transmission lines lie just off the southeastern corner of the Property, and a sub-station is located 5 miles (8 kilometres) to the east. Elko is the support hub for mining operations on the Carlin Trend, and has a well-developed transportation network (air, rail, and road), work force pool, and contractor service base.

Physiography and Climate

The Ivanhoe Property is located in the "Great Basin" region of the western United States. The Great Basin is characterized by basin and range topography and an arid, high desert climate. Low rolling hills typify the Ivanhoe Property's landscape, with elevations ranging from 5,380 to 6,000 feet (1,640 to 1,830 metres) above sea level. Most of the area's streams are seasonal, although water flows in two creeks for most of the year. The climate is temperate; temperatures reach lows of -30°F (-34°C) during the winter and summer highs approach 105°F (40°C). Annual precipitation averages 8 to 10 inches (20 to 25 centimetres) and occurs as snow in the winter and early spring months, and sporadic rain throughout the rest of the year. These favourable climatic conditions support year-round



 ROBERT L. AKRIGHT GEOLOGICAL CONSULTANT		
GREAT BASIN GOLD LIMITED Ivanhoe Project		
<i>Project Location</i>		
Date: June 2000	Drawn by: spjpp	Fig 1
Scale: as shown	File: property_location-map	



- 1200 Ivanhoe Land Position
- No Claims (No Royalty)
 - Argued Claims (No Royalty)
 - Core Claim Group (0% Franco Nevada NSR Royalty)
 - HiTech Claims (2% NPI Royalty)
 - Hillcrest/Runc Lease (2% Hillcrest/Auric NSR and 3% Franco Nevada NSR Royalty)
 - Reclamation Area (Newmont, No Royalty)

ROBERT L. AKRIGHT
GEOLOGICAL CONSULTANT

GREAT BASIN GOLD LIMITED
Ivanhoe Project

Claims Status
Showing Royalty Interests

Date: June 2009	Drawn by: sepp	Fig 2
Scale: as shown	File: claims	

gold mining operations and an exploration field season that normally extends from April through the end of November.

Vegetation consists of the high desert sagebrush and bunch grasses common to the Great Basin. This flora supports both indigenous fauna (i.e., antelope, deer, etc.) as well as seasonal cattle grazing.

History

The Ivanhoe district has a long history that started with mercury mining in the early 1900's. Various companies have explored for a variety of target types including porphyry molybdenum, uranium, and gold from the early 1960's until 1980. Gold exploration programs, conducted by United States Steel Corporation ("USX") from 1980 to 1986 and subsequently by the Cornucopia/Galactic joint venture from 1986 to 1992, focused on delineation and production from open pit oxide deposits. Inferred oxide and sulphide mineralized material (resource) of 84 million tons at 0.034 oz. Au/ton (76 million tonnes at 1.16 g Au/tonne), 2.8 million contained ounces, was estimated for the Hollister deposit as a result of this work.

Drilling by the joint venture delineated a 4.4 million short ton (4.0 million tonne) core zone of mineralization grading 0.047 oz. Au/ton (1.61 g Au/tonne). This core zone occurs within a larger Inferred Resource of 18.4 million short tons grading 0.034 opt Au based on the 1988 results of the feasibility study. The deposit was placed into production in 1990. Mining from the Hollister area USX pits produced 115,696 ounces (3.6 million grams) of gold from 3,271,954 tons mined to 1996. Newmont formed a 75-25 joint venture with Touchstone in 1992, and between 1992 and 1994 Newmont conducted an extensive exploration program that included drilling, geological mapping, geochemical sampling, and geophysical surveys. This exploration program targeted near-surface mineralization that Newmont decided did not warrant further work.

Reclamation in the area of previous open pit production is nearing completion. Newmont manages reclamation, and surface use in and around the Hollister mine area until completion of reclamation. This area consists of 62 claims encompassing 1.1 square miles (2.8 square kilometres), and was funded by a US\$4.5 million reclamation fund. Cost overruns, up to a total overrun of US\$1.5 million, are being funded 33% each by Newmont, the Company, and Touchstone, and thereafter 75% by Newmont with the balance payable by the Company. The Company has access to explore within the reclaimed areas, subject to Newmont's approval (which has been obtained expeditiously in all cases to date), during the time reclamation is being completed.

Deposit Geology of the Carlin Trend

The Ivanhoe Project is situated near the northern end of the Carlin Trend, a northwest-trending, 50 mile (80 kilometre) long metallogenic corridor. The alignment of deposits along the Carlin Trend resulted from a long-lived, deep-seated northwest oriented crustal fracture system with hydrothermal systems emplacing gold into receptive sedimentary and volcanic lithologies. Accordingly, the key ore controls for Carlin-type gold deposits are a combination of structural preparation and favourable host rocks. As it is postulated that magmatic activity is a heat and/or metal source, the occurrence of associated intrusive rocks is an important geological factor for the Carlin Trend gold deposits.

Geology of the Ivanhoe Property

The Ivanhoe stratigraphic section includes Ordovician sedimentary and mid-Eocene intrusive rocks that are covered by a thin veneer of Miocene volcanic and volcano-sedimentary rocks. Structure is an important ore control, and at the Ivanhoe Property typically occurs as high-angle faults with east-west, north-northwest and northeast trends. The intersection of these faults may be an especially critical control for gold mineralization.

Ivanhoe has two areas hosting significant gold mineralization. The Hollister deposit is a large low-grade gold system in Miocene volcanic rocks. This deposit is near surface leakage from a deeper Valmy formation hosted high grade gold feeder system. The Ordovician Valmy Formation in the area of the mineralized veins consists of light grey quartzites (quartz arenites), dark grey, muddy or argillaceous quartzites, black, sandy argillites, black massive argillites and black to grey laminated argillites. A core intercept of 2.4 feet grading 32.54 oz. Au/ton (0.7 metres grading 1,115.67 g Au/t) in the west Hollister area from 1994 drilling by Newmont is interpreted to be an example

of a high grade feeder vein to the overlying volcanic hosted disseminated gold mineralization. There are at least 34 such historic high grade intercepts in the Valmy Formation that require follow-up drilling to delineate the Hollister feeder vein system this has been the focus of the Company's efforts since acquiring the property.

The 40 million year old Hatter Stock represents the second target area on the property. It has another significant, although less well understood, leakage anomaly associated with it and the surrounding Valmy Formation. Assays from younger cross cutting veins in the Hatter intrusion include ten feet of 0.731 oz. Au/ton (3 metres of 25.06 g Au/tonne) and 20 feet of 0.736 oz. Au/ton (6.1 metres of 25.23 g Au/tonne). The Valmy rocks on the west flank of the stock host low-grade intercepts, such as 85 feet at 0.025 oz. Au/ton (25.9 metres at 0.857 g Au/tonne) in brittle shear or fault zones.

Ivanhoe Exploration Programs

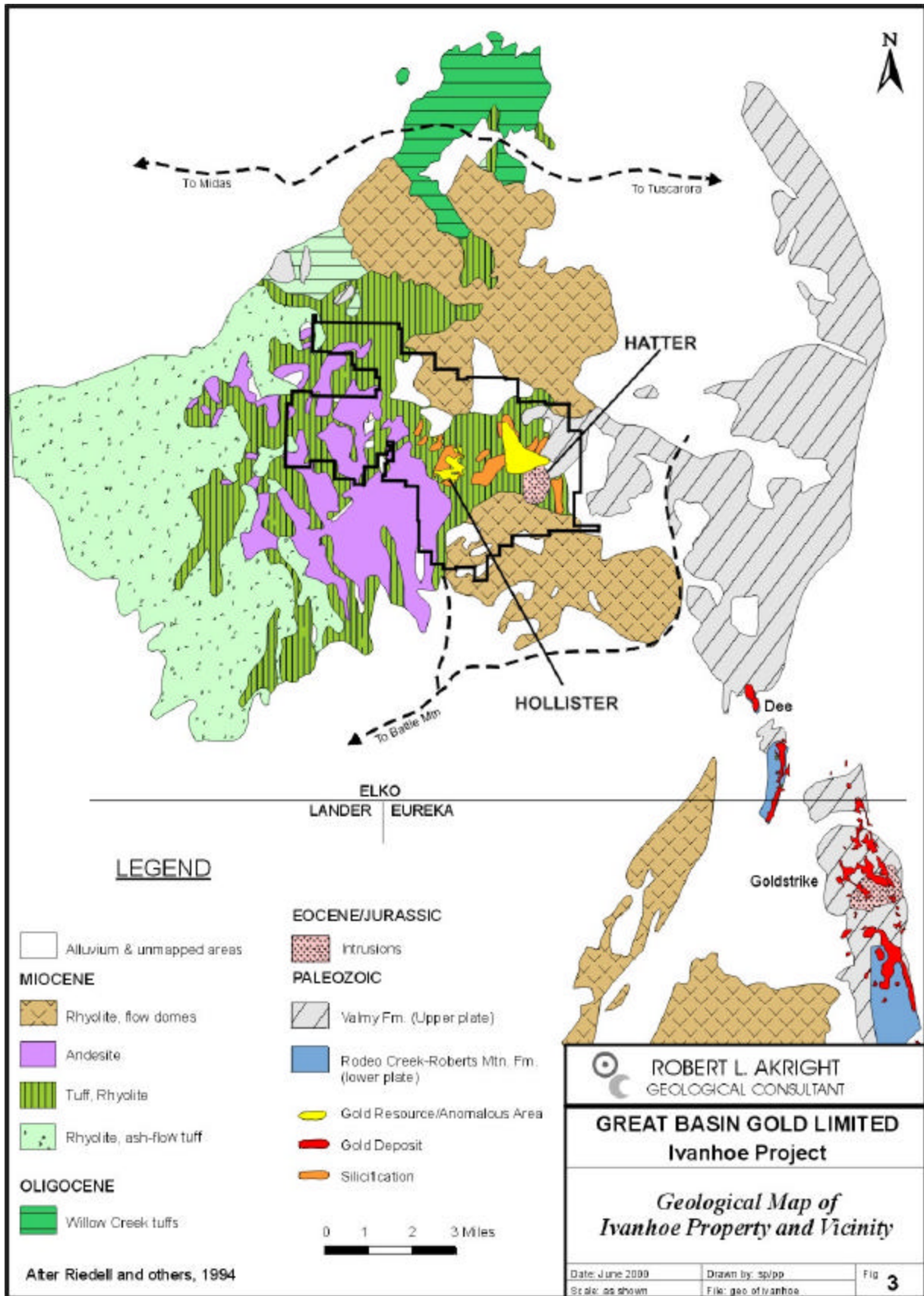
The goal of the Company's exploration program at Ivanhoe is to locate high grade gold deposits that are mineable by underground methods. In general, exploration will be based on comparisons to the Ken Snyder Mine at Midas further northwest on the Carlin Trend and the Goldstrike area (i.e. Post-Betze and associated deposits). The comparison with Ken Snyder is based on the similarity in style and mineralogy of feeder veins intersected beneath the Hollister deposit to those at the Midas discovery. The comparison with Goldstrike is based upon similarities in the size and tenor of the gold leakage anomalies in both the Hollister and Hatter areas; ore controlling structures; Lower Paleozoic stratigraphy; and association of mineralization with an intermediate composition intrusive body (i.e. the Hatter Stock).

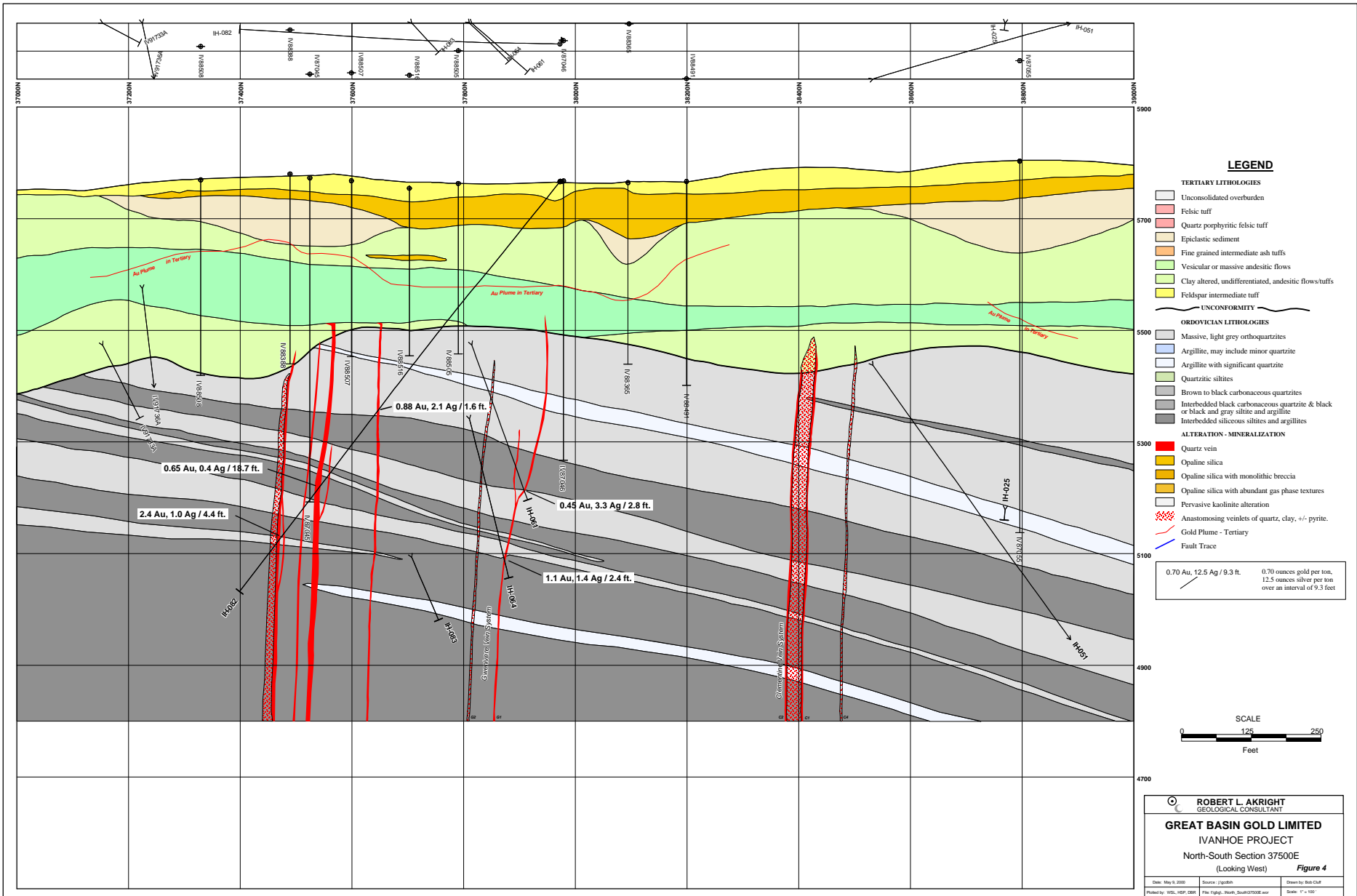
The best exploration potential for lower plate deposits is estimated to occur at depths ranging from 4,000 to 5,000 feet (1,219 to 1,524 metres) in the silty carbonate host rocks of the Rodeo Creek, Popovich and Roberts Mountain Formations. Deep drilling by Newmont in 1996 on the northern margin of the Little Boulder Basin stock east of Goldstrike discovered high grade gold zones at over 6,000 feet (1,828 metres) below the surface. Two intercepts from this zone averaged 206 feet of 0.146 oz. Au/ton (62.8 metres of 5.0 g/tonne) including 22.5 feet of 0.570 oz Au/ton (6.8 metres of 19.54 g/tonne). The Little Boulder Basin discovery may provide the best analogy to the deep exploration planned for the Hatter area and the Ivanhoe Property as a whole, as it demonstrates that high grade gold mineralization exists over considerable vertical ranges throughout the Carlin Trend.

1998 Work Programs

An initial drilling program at Hollister in January 1998 tested one of the vein systems containing a 1994 Newmont core intercept of ⁽⁺⁾30 oz. Au/ton (1,029 g Au/tonne). Using a N40E oriented fence of six vertical core holes at 25 foot (7.6 metre) spacing, the Company's drilling cross-cut high-grade intercepts in the northern area of the deposit. Hole IH-004 pierced a very high grade vein zone of 4.6 feet grading 11.13 oz. Au/ton and 103.4 oz. Ag/ton (1.4 metres grading 381.6 g Au/tonne and 3,545.17 g Ag/tonne) within a thicker interval of 10.6 feet assaying 4.96 oz. Au/ton and 47.8 oz. Ag/ton (3.23 metres at 170.06 g Au/tonne and 1,638.87 g Ag/tonne). Unlike the Newmont drilling, this hole was not lost and another intercept of 12.6 feet grading 1.64 oz. Au/ton and 39.0 oz. Ag/ton (3.84 metres at 56.23 g Au/tonne and 1,337.15 g Ag/tonne) was intersected further down the hole.

This 1998 drill program encountered the first reported quartz-silver-selenide-electrum veining reported from the Valmy Formation and the Ivanhoe area. The first hole into the fence of drilling, IH-002, intercepted a very thick banded, brecciated and cockscomb-textured micro to cryptocrystalline quartz vein zone with minor disseminated sulphides. This style of veining had not previously been demonstrated in the upper plate Valmy rocks anywhere on the Carlin Trend. Smaller but similar vein intercepts were found in 5 of the 6 holes, with the high grade zones in IH-004 displaying the most interesting vein and sulfide mineralogy. The Company's geologists noted similarities with high grade core samples from the nearby Ken Snyder Mine in the Midas District, being developed by Franco-Nevada Mining Corp. These similarities include visible electrum, a black silver selenide series mineral naumannite-aguilarite, and quartz vein banding with quartz pseudomorphs after bladed calcite. Subsequently, petrographic work by Dr. Larry Larson of the University of Nevada Reno, confirmed the macroscopic mineral identifications of electrum, naumannite-aguilarite, pyrite, and kaolinite - an assemblage similar to that in the Midas area. The vein zones at Midas are hosted in volcanic rocks which are age-equivalent to the Tertiary bi-modal suite overlying the Ivanhoe area. These same volcanic rocks do not appear to host vein zones at Hollister, but rather, occur as diffuse





argillic-altered zones of low grade gold mineralization. The Midas-style veining at Hollister is hosted predominantly in the underlying Ordovician-aged upper plate Valmy Formation.

Recognition of the similarity between Hollister and Midas has prompted the Company to design an exploration program to test for lateral continuity of the newly discovered veining. Starting in the immediate area of the Company's previous six-holes, the August 1998 drill program used offset angle holes to test a postulated N47W strike to the vein zones identified. Other vein directions were also tested. A summary of results of the expanded 1998 drilling (drill holes 8-12) is included with the results of the first six holes (2 to 7) in the table below:

Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet) *	Elevation (ft ASL)	Au oz/ ton	Au g/ tonne	Ag oz/ ton	Ag g/ tonne
2	903.0	912.0	9.0	2.74	+	+	0.223	7.6	0.5	17
2	968.0	976.0	8.0	2.44	+	+	0.243	8.3	1.8	63
2	984.5	990.0	5.5	1.68	+	+	0.178	6.1	13.4	458
3	980.5	984.7	4.2	1.28	+	+	0.398	13.6	4.0	137
4	607.1	617.7	10.6	3.23	+	+	4.964	170.2	47.8	1640
4	634.5	647.1	12.6	3.84	+	+	1.635	56.1	39.0	1338
5	581.2	583.9	2.7	0.82	+	+	1.277	43.8	10.0	343
7	395.0	400.0	5.0	1.52	+	+	0.500	17.1	0.1	3
8	797.0	800.0	3.0	0.91	0.2	5125	0.223	7.7	0.2	7
9	560.0	565.0	5.0	1.52	0.8	5352	2.470	84.7	1.0	34
9	780.0	785.0	5.0	1.52	0.7	5147	0.949	32.6	6.2	211
9A	546.1	557.5	11.4	3.47	2.1	5363	2.942	100.9	1.4	49
10	220.0	225.0	5.0	1.52	2.7	5640	0.274	9.4	0.0	0
11	643.0	646.5	3.5	1.07	2.1	5282	2.582	88.5	9.1	311
11	745.5	749.8	4.3	1.31	2.5	5191	4.840	165.9	2.0	68
11	913.5	915.0	1.5	0.46	0.8	5042	0.508	17.4	1.7	58
12	440.0	445.0	5.0	1.52	3.3	5464	0.214	7.4	0.2	7

Notes:

Hole IH-009A is a core redrill of the reverse circulation portion of Hole IH-009.

* True Thickness has been calculated using an average vein attitude of 100° Az strike and 80° S dip. These orientations however vary approximately +/- 10° with each intercept as the vein systems do not maintain a constant attitude along their total length.

+ True Thickness and Elevation has not been calculated for these intercepts as these are vertical holes intersecting subvertical vein structures.

1999 Work Programs

During the 1999 exploration season the Company planned and implemented a two phase \$5.0 million exploration program to test the newly interpreted and defined multiple vein systems beneath the Hollister deposit. This program included drilling angled core holes to establish the presence and continuity of this high-grade gold-silver system. Drill holes tested projected intersections of anticipated major ore-controlling structures trending northeast, east and northwest beneath the Hollister deposit; fifty-nine drill holes totalling 47,827 feet (14,578 metres) were completed pursuant to this program. Surface geological mapping and compilation of all existing data at Hollister and Hatter generated additional high-grade structural targets for drill testing.

The 1999 drilling program resulted in the discovery and initial delineation of two high-grade gold-silver vein systems in the Valmy Formation beneath the Hollister deposit. By the end of 1999, these vein systems were drilled over strike lengths of 1,800 feet (550 metres) and 1,000 feet (305 metres) respectively, in an east-west direction. Salient results of this program are summarized below:

Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet) *	Elevation (ft ASL)	Au oz/ ton	Au g/ tonne	Ag oz/ ton	Ag g/ tonne
14	430.0	440.0	10.0	3.05	5.5	5436	0.445	15.3	0.1	2
14	681.3	683.4	2.1	0.64	1.1	5208	0.539	18.5	0.9	32
14	716.9	719.1	2.2	0.67	1.2	5175	0.964	33.0	6.2	213
15	475.5	485.5	10.0	3.05	1.9	5341	0.349	12.0	0.3	10
23	694.5	701.3	6.8	2.07	3.9	5227	0.306	10.5	17.8	610
23	719.4	721.2	1.8	0.55	1.0	5208	0.271	9.3	29.5	1010
24	375.0	380.0	5.0	1.52	2.1	5505	0.471	16.2	0.0	1
28	594.2	596.0	1.8	0.55	0.8	5272	0.479	16.4	10.6	362
28	718.5	722.3	3.8	1.16	1.8	5154	0.243	8.3	0.2	6
29	612.4	613.8	1.4	0.43	0.6	5245	0.627	21.5	3.5	121
29	685.0	687.4	2.4	0.73	1.1	5176	0.412	14.1	0.2	5
29	739.1	744.5	5.4	1.65	2.5	5123	0.440	15.1	0.2	8
31	215.0	225.0	10.0	3.05	5.4	5663	0.354	12.1	0.0	0
31	320.0	325.0	5.0	1.52	2.6	5568	0.296	10.2	0.0	1
31	710.0	712.0	2.0	0.61	0.9	5201	1.858	63.7	15.3	525
31	852.8	854.6	1.8	0.55	0.8	5065	0.103	3.5	12.8	439
35	436.0	441.0	5.0	1.52	3.0	5441	0.393	13.5	0.1	5
35	465.0	467.0	2.0	0.61	1.2	5419	0.571	19.6	0.1	4
36	925.8	927.3	1.5	0.46	1.0	5071	0.214	7.3	1.5	51
36	977.0	979.0	2.0	0.61	1.3	5028	0.251	8.6	0.8	27
37	811.0	814.8	3.8	1.16	2.8	5193	1.902	65.2	0.8	29
37	946.0	950.5	4.5	1.37	3.3	5087	0.263	9.0	2.1	72
38	912.2	914.0	1.8	0.55	1.1	5103	0.212	7.3	2.2	75
39	841.7	845.7	4.0	1.22	2.0	5120	0.453	15.5	15.8	542
39	868.4	869.7	1.3	0.40	0.6	5097	0.162	5.6	6.1	208
42	939.8	941.5	1.7	0.52	1.1	5034	0.336	11.5	1.1	37
42	1051.3	1061.2	9.9	3.02	6.4	4934	1.069	36.7	6.0	206
44	380.0	395.0	15.0	4.57	7.9	5479	0.583	20.0	0.1	3
44	714.3	717.8	3.5	1.07	1.8	5177	0.624	21.4	0.8	26
44	736.9	741.0	4.1	1.25	2.1	5156	0.552	18.9	1.2	41

Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet) *	Elevation (ft ASL)	Au oz/ ton	Au g/ tonne	Ag oz/ ton	Ag g/ tonne
45	618.0	620.9	2.9	0.88	1.8	5375	0.075	2.6	13.2	454
45	764.2	766.4	2.2	0.67	1.4	5258	0.435	14.9	1.9	64
45	1035.4	1037.1	1.7	0.50	1.0	5041	0.340	11.6	28.8	989
46	753.5	756.4	2.9	0.88	1.2	5167	4.107	140.8	29.6	1015
47	563.0	567.0	4.0	1.22	2.6	5367	0.936	32.1	0.4	14
48	155.0	185.0	30.0	9.14	17.9	5660	0.612	21.0	0.0	1
49	546.0	548.4	2.4	0.73	1.4	5333	0.696	23.9	12.8	439
49	746.7	749.7	3.0	0.91	1.8	5166	0.445	15.2	0.3	11
50	468.7	487.7	19.0	5.79	12.2	5384	2.514	86.2	8.4	287
52	790.0	795.0	5.0	1.52	3.0	5203	0.334	11.4	0.2	8
52	798.7	807.1	8.4	2.56	5.1	5195	1.153	39.5	33.5	1148
52	815.0	824.0	9.0	2.74	5.5	5181	0.268	9.2	12.0	411
53	812.6	816.0	3.4	1.04	1.8	5180	0.134	4.6	6.5	224
53	841.2	844.2	3.0	0.91	1.6	5155	0.756	25.9	5.0	171
54	951.9	968.0	16.1	4.91	6.6	5002	0.664	22.7	2.1	72
54	983.5	999.0	15.5	4.72	6.4	4973	0.403	13.8	1.5	52
54	1050.8	1054.5	3.7	1.13	1.6	4916	0.228	7.8	2.9	98
59	673.7	675.6	1.9	0.58	1.0	5218	0.290	9.9	30.0	1030
59	682.4	687.8	5.4	1.65	2.8	5208	0.507	17.4	53.3	1827
59	707.0	711.3	4.3	1.31	2.3	5186	0.694	23.8	17.2	588
60	798.4	801.5	3.1	0.94	1.6	5129	1.263	43.3	0.6	20
60	1205.3	1208.9	3.6	1.10	1.9	4761	0.334	11.4	0.8	29
67	600.0	605.0	5.0	1.52	2.8	5320	0.212	7.3	0.4	15

Notes:

* True Thickness has been calculated using an average vein attitude of 100° Az strike and 80° S dip. These orientations however vary approximately +/- 5° with each intercept as the vein systems do not maintain a constant attitude along their total length.

First Half of 2000 Work Programs

Continued drilling through the first half of 2000 has extended the strike length and number of gold-silver drill intercepts on the Clementine and Gwenivere vein systems. To June 15, 2000, the Clementine system has been drilled over a strike length of 2,700 feet (823 metres), the Gwenivere system over a strike length of 2,000 feet (610 metres) and the South Gwenivere system over at least 500 feet (152 metres). Significant results for this drilling program are tabulated below:

Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet) *	Elevation (ft ASL)	Au oz/ ton	Au g/ tonne	Ag oz/ ton	Ag g/ tonne
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Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet) *	Elevation (ft ASL)	Au oz/ ton	Au g/ tonne	Ag oz/ ton	Ag g/ tonne
57	357.0	364.7	7.7	2.35	3.5	5452	0.573	19.7	1.4	48
57	676.8	680.5	3.7	1.13	1.7	5148	0.405	13.9	1.2	41
58	811.6	815.0	3.4	1.04	1.3	5019	1.525	52.3	3.2	109
61	406.0	411.0	5.0	1.52	2.6	5433	0.005	0.2	66.8	2290
61	651.7	654.5	2.8	0.85	1.4	5213	0.454	15.6	3.3	113
64	388.5	413.0	24.5	7.47	10.6	5419	1.085	37.2	3.6	123
64	747.4	749.8	2.4	0.73	1.0	5090	1.107	38.0	1.4	49
65	440.0	445.0	5.0	1.52	3.4	5418	0.360	12.3	1.3	43
65	524.9	526.7	1.8	0.55	1.2	5348	0.276	9.5	0.5	19
66	532.7	536.0	3.3	1.01	1.9	5295	0.244	8.4	0.4	14
68	315.0	325.0	10.0	3.05	6.9	5520	0.425	14.5	0.1	5
68	477.2	482.6	5.4	1.65	3.6	5386	0.578	19.8	0.1	2
70	465.0	470.0	5.0	1.52	2.6	5432	0.214	7.3	0.1	5
73	385.0	390.0	5.0	1.52	4.1	5521	0.216	7.4	0.1	2
74	563.0	569.8	6.8	2.07	4.9	5336	0.318	10.9	1.5	53
74	821.2	822.9	1.7	0.52	1.2	5132	9.672	331.6	30.6	1050
74	892.4	894.2	1.8	0.55	1.3	5075	0.569	19.5	0.4	14
75	535.0	550.0	15.0	4.57	11.8	5402	1.907	65.4	8.1	278
76	410.0	415.0	5.0	1.52	3.4	5462	0.670	23.0	0.0	2
76	648.8	650.2	1.4	0.43	0.9	5261	4.209	144.3	18.5	634
76	901.5	903.2	1.7	0.52	1.0	5042	0.426	14.6	0.7	24
77	695.0	700.0	5.0	1.52	3.1	5416	0.537	18.4	0.3	11
78	870.0	874.0	4.0	1.22	1.8	5179	0.713	24.5	3.8	132
80	639.0	642.5	3.5	1.07	1.5	5309	0.606	20.8	5.4	184
80	656.7	658.5	1.8	0.55	0.8	5297	1.874	64.3	7.2	248
81	698.1	699.5	1.4	0.43	0.5	5205	0.769	26.4	0.6	20
81	777.7	781.4	3.7	1.13	1.2	5140	0.361	12.4	0.5	17
82	520.0	521.6	1.6	0.49	0.7	5359	0.884	30.3	2.1	73
82	693.0	711.7	18.7	5.70	8.5	5214	0.677	23.2	0.4	14
82	811.1	815.5	4.4	1.34	2.0	5126	2.416	82.8	1.0	35
83	680.1	681.4	1.3	0.40	0.8	5227	0.742	25.5	0.4	15
85	703.0	710.0	7.0	2.13	5.3	5247	2.578	88.4	6.9	235
85	891.5	894.3	2.8	0.85	2.1	5103	0.572	19.6	1.9	66

Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet) *	Elevation (ft ASL)	Au oz/ ton	Au g/ tonne	Ag oz/ ton	Ag g/ tonne
86	571.5	575.3	3.8	1.16	2.4	5289	1.393	47.7	0.8	28
86	587.0	588.0	1.0	0.30	0.6	5277	2.709	92.9	6.9	237
87	686.8	688.4	1.6	0.49	1.1	5256	0.431	14.8	0.9	29
87	813.0	815.0	2.0	0.61	1.4	5157	0.928	31.8	0.6	21
92	380.6	383.1	2.5	0.76	1.9	5454	0.201	6.9	0.1	4
94	652.9	658.0	5.1	1.55	1.9	5251	0.391	13.4	0.1	4
94	716.7	723.2	6.5	1.98	2.4	5197	3.227	110.6	10.4	357
96	410.0	415.0	5.0	1.52	1.3	5443	0.353	12.1	0.1	3
96	903.0	905.3	2.3	0.70	0.6	4997	2.947	101.1	0.6	19
98	307.5	314.0	6.5	1.98	4.1	5495	0.270	9.3	0.0	1
104	570.0	575.0	5.0	1.52	2.2	5421	0.257	8.8	0.1	3.4
110	635.2	638.0	2.8	0.85	1.4	5321	2.535	86.9	1.9	66
111	864.6	867.5	2.9	0.88	2.3	5216	1.816	62.3	0.4	14
112	551.0	555.6	4.6	1.40	3.5	5243	0.209	7.2	4.2	143
113	573.0	577.5	4.5	1.37	3.4	5229	0.428	14.7	0.8	28
114	991.1	993.7	2.6	0.79	1.4	5170	2.109	72.3	26.8	918
114	1102.9	1110.7	7.8	2.38	4.1	5084	4.438	152.1	15.9	545
115	1152.2	1155.0	2.8	0.85	1.3	5033	0.730	25.0	2.2	76

Notes:

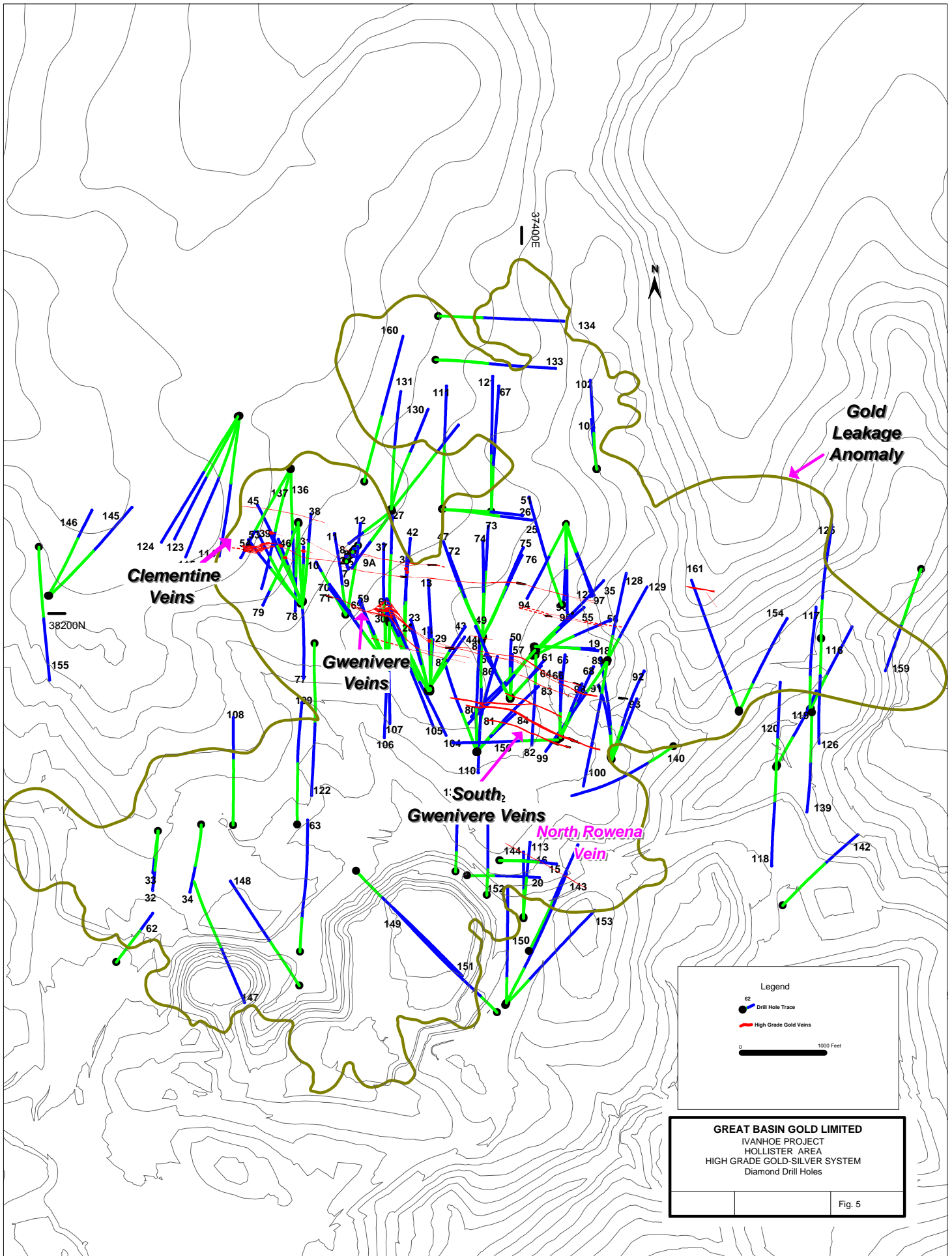
* True Thickness has been calculated using an average vein attitude of 100° Az strike and 80° S dip. These orientations however vary approximately +/- 5° with each intercept as the vein systems do not maintain a constant attitude along their total length.

To June 15, 2000, the Company completed an additional 54 drill holes totalling 51,731 feet (15,768 metres), and approximately \$4.7 million in exploration costs was spent from January 1, 2000 to June 30, 2000.

Drill hole and vein array locations are shown on Figure 5 summarizing all drilling (to date) by the Company on the Ivanhoe property. Three gold-silver vein trends (Clementine, Gwenivere and South Gwenivere) have been delineated by approximately 115 drill holes totalling over 100,000 feet (30,480 metres). In summary, drilling since November 6, 1997 (the date the Company acquired the Ivanhoe Property) to June 15, 2000, the Company has completed a total of 121,519.3 feet in 116 combined reverse circulation precollar and core tail drill holes. All significant assay results to June 15, 2000 from the Company's inception of tenure are reported herein.

Exploration Plans to August 2001

Mr. Akright recommends, and the Company endorses, an exploration strategy to concurrently test the Ordovician hosted high grade gold-silver veins at Hollister as well as the intrusive high grade gold vein system in the Hatter area. For the Hollister area, a program of step-out drill holes along strike of the known vein system and further exploration for related vein arrays is recommended using the location and concentration of gold in the Tertiary section recognizing the observed southward displacement of the disseminated Tertiary gold relative to the Ordovician vein systems. The Company will continue to utilize the location of previous archived reverse circulation drill intersections in the Ordovician as an important guide in the location of these veins. Drilling in the Hollister area



will be biased to intersect the 90 to 100 degree striking vein systems and the northwest striking vein systems noting that data for the northeast striking veins and fracture zones is limited. The Company will explore the thickening of the chalcidonic replacement bodies as a strong correlation has been established between this thickening and the subsurface trace of the Clementine/Gwenivere veins. Reconnaissance exploration will also examine surface expressions of brittle fault and fracture zones southwest of the Hollister pits. Concentration of mercury within replacement bodies will be used to define zones of elevated cross strata permeability.

Following these guidelines, continued drilling to September 27, 2000 has extended the strike length and number of gold-silver drill intercepts on the Clementine and Gwenivere vein systems. The Clementine system has been extended over a strike length of 3,000 feet (900 metres); the Gwenivere system over 600 feet (182 metres) with the South Gwenivere systems remaining unchanged at 500 feet (152 metres). Significant results for this drilling program are shown in the following table:

**HOLLISTER AREA
HIGH GRADE GOLD-SILVER VEIN SYSTEMS**

Drill Holes	From (feet)	To (feet)	Intercept (feet)	Intercept (metres)	True Thickness (feet)	Elevation (ft ASL)	Au oz/ton	Au g/tonne	Ag oz/ton	Ag g/tonne
117	546.4	549.3	2.9	0.88	2.2	5167	0.207	7.1	0.0	2
122	R 700.0 incl 700.0	710.0 705.0	10.0 5.0	3.05 1.52	N/A	N/A	0.297 0.388	10.2 13.3	0.3 0.4	9 15
128	274.7	279.3	4.6	1.40	3.1	5527	0.231	7.9	0.1	2
136	793.5 836.5 922.1	794.8 838.5 923.6	1.3 2.0 1.5	0.40 0.61 0.46	0.4 0.7 0.5	5240 5202 5128	0.418 6.758 0.393	14.3 231.7 13.5	1.1 21.4 3.4	37 734 117
137	708.3 762.6 782.3 790.8 872.0 885.5	709.3 763.6 784.1 793.2 874.7 886.5	1.0 1.0 1.8 2.4 2.7 1.0	0.30 0.30 0.55 0.73 0.82 0.30	0.4 0.4 0.8 1.0 1.1 0.4	5337 5293 5276 5269 5202 5192	0.132 0.169 0.696 1.942 0.653 1.939	4.5 5.8 23.9 66.6 22.4 66.5	7.5 5.5 7.3 8.8 14.7 5.9	257 187 251 302 505 203
138	1,803.5	1,804.5	1.0	0.30	N/A	N/A	0.454	15.6	0.2	6
151	R 305.0 incl 315.0	320.0 320.0	15.0 5.0	4.57 1.52	N/A	N/A	0.510 0.818	17.5 28.0	0.2 0.2	6 7
156	385.0	390.0	5.0	1.52	0.2	5481	0.471	16.1	0.1	3
157	734.0 815.4	736.7 817.4	2.7 2.0	0.82 0.61	1.4 1.0	5351 5291	2.230 1.065	76.4 36.5	5.6 15.1	192 519
159	609.3	614.6	5.3	1.62	2.7	5175	0.246	8.4	0.0	0
161	502.1 966.5	503.9 970.2	1.8 3.7	0.55 1.13	1.2 2.5	5271 4916	0.315 0.288	10.8 9.9	0.3 0.0	9 2

- R = pre-collar reverse circulation drill intercept; if R not specified then a core intercept.
- True thickness has been calculated using an average vein attitude of 100o Az strike and 80o S dip. These orientations however vary approximately +/- 5o with each intercept as the vein systems do not maintain a constant attitude along their total length.
- Holes 122, 138, 151 - True thickness was not calculated because they are in different vein systems of which the strike and dip have not been determined.

At Hatter the enclosing stratigraphy is composed of quartz-rich clastic sediments and a composite granodiorite intrusion. The Company has completed bore holes in the Hatter Stock at shallow 45 degree inclinations which give maximum exposure to shallow, epithermal targets at about 1,300 feet below surface. While one of these holes hit narrow banded and/or sulphidic veins, only modest gold values were encountered. Historical gold intersections at Hatter are either (a) proximal-internal to the stock or (b) proximal-external to the stock in an area cut by several dykes compositionally similar to the Hatter Stock. Significant gold intersections have been obtained from depths up to 2,450 feet below surface. The focus of the exploration at Hatter is on gold mineralization which lies at

significantly lower elevations than the veins successfully drilled in the Hollister area. The drilling will seek to define the structural controls utilizing the orientation of the known surface structure in the Hatter area. Northwest striking faults are located due north of Hatter. As well, a detailed structured contouring, isopach and multi-element grade thickness analysis will be completed for that portion of the Ivanhoe epithermal system between Hollister and Hatter leading to a focused and prioritized drilling program.

The Company's drilling experience to date indicates that its drilling costs, (including engineering, assays, rentals, geological supervision, site and transportation) are approximately in the \$90-\$100 per foot range. Accordingly, the \$10 million budget (less environmental land fees of \$310,000 and general and administration of \$595,000) leaves approximately \$9 million for drilling or approximately 90,000 feet of drilling over approximately 100 holes which may be achieved over the next 10 to 12 months. The Company estimates that it will focus approximately 35% of this drilling at Hatter, 35% at Hollister, with the balance on drilling the east-west trend of unexplored ground in between these two vein systems. Budgeted amounts are more particularly described under the heading "Use of Proceeds" which also includes \$600,000 for reclamation related to the current programs.

The Casino Property, Whitehorse, Yukon Territory

The Company owns a 100% working interest in the Casino Property subject to 5% net profits royalty on certain of the underlying claims. The Company is not actively exploring this property because management believes the exploration results at Ivanhoe indicate better opportunities based on currently available information, than those at Casino.

The Company is continuing to monitor the economic factors that might favourably impact on development of this project. These factors include metal prices, exchange rates, metallurgical process advances, regional power and transportation developments and potential government incentives. As well, the Company has recently entered into one option agreement regarding the Casino Property (see below) and will investigate other joint venture possibilities.

Location and Access

The Casino porphyry gold-copper-molybdenum deposit is situated at 62°43' north latitude and 138°49' west longitude. It is located 306 kilometres (190 miles) northwest of Whitehorse, the capital of Yukon Territory, Canada at an elevation 1,200 metres (3,935 feet) above mean sea level in the Dawson Range. The Alaska Highway is 120 kilometres (74 miles) to the southwest and the Klondike Highway is 105 kilometres (65 miles) to the east. Access to the Casino Property is by wheeled aircraft to the existing property landing strip; via a 224 kilometre (139 mile) winter tote road from Burwash Landing on the Alaska Highway; or via river barge along the Yukon River from Dawson City (200 kilometres or 124 miles). The Casino Property comprises 735 mineral claims comprising 11,704 hectares (28,921 acres). The region is sparsely populated and consists of lightly vegetated hills and a few low mountains. The climate consists of cold dry winters and warm dry summers.

Property Geology

The deposit was discovered from geochemical, geophysical and geological surveys which indicated a large copper-gold-molybdenum geochemical anomaly centred over a late Cretaceous breccia complex. This has since become known as the Casino breccia complex. The mineral deposit lies within an unglaciated region of the Yukon which has produced a mature topography and deep surficial weathering. Drilling has shown that there is a vertical zonation in gold, copper, and molybdenum within the Casino breccia complex. Zones include leached cap, supergene (enriched) and hypogene (primary) zones of mineralization. Geological logging of drill core has shown the presence of a large, typical porphyry type hydrothermal alteration facies with a central gold-copper associated potassic (potassium-feldspar-biotite-magnetite) facies lying within the Casino breccia complex. Gold-copper-molybdenum mineralization occurs within an approximately one square kilometre (0.386 square mile) area centred on Patton Hill.

Exploration and Development Programs

The Casino deposit is a bulk tonnage porphyry copper deposit with significant gold and molybdenum values. The deposit area has not been eroded by glaciation which, together with a high degree of fracturing and permeability, has

resulted in deep weathering and development of distinct mineral zones. Commencing from surface, the uppermost zone is a leached gold zone from which most copper has been leached away by descending groundwater. This leached zone is underlain by a copper enriched, supergene gold-copper zone where the overlying dissolved copper has been redeposited. Below the supergene zone is the hypogene zone, which contains primary gold, copper, and molybdenum mineralization that has not been affected by surface weathering or supergene enrichment.

In 1991, Big Creek Resources Ltd. and Archer, Cathro and Associates (a mining consulting firm with common principal and shareholders of Big Creek) optioned the Casino Property from Casino Silver Ltd. In 1992 Archer, Cathro commenced a drill program with an objective of establishing the gold content of the deposit. Drilling of 4,729 metres (15,515 feet) of large diameter HQ core in 21 vertical holes was completed in the central portion of the known mineral deposit, primarily infilling between old drill holes. Due to larger sample size, better core recovery, and improved assaying methods, significant gold, copper and molybdenum grades were verified over the area drilled.

During 1993, Pacific Sentinel conducted an intensive, large diameter diamond drilling program comprising 50,531 metres (165,785 feet) of drilling in 107 test holes on a systematic grid layout at 100 metre (330 foot) centres over a portion of the Casino Property. The drilling program confirmed that the Casino deposit measures approximately 792 metres (2,600 feet) north-south, 1,280 metres (4,200 feet) east-west, and averages 354 metres (1,160 feet) thick. Overburden, averaging 7.9 metres (26 feet) thick, overlies the oxide gold zone which averages 70 metres (230 feet) thick. Underlying the copper leached gold zone is a copper enriched supergene blanket averaging 60 metres (197 feet) thick. A primary gold-copper-molybdenum mineralized hypogene zone averaging 233 metres (764 feet) thick lies below the supergene zone.

In 1994, Pacific Sentinel spent approximately \$4.5 million completing an infill, delineation and geotechnical drilling program on the Casino Property comprising 18,038 metres (59,180 feet) of large diameter diamond drilling in 108 holes. Infill drilling verified the continuity of mineralization of the three principal zones. Total drilling conducted by Pacific Sentinel on the Casino Property is 68,564 metres (224,947 feet) in 215 large diameter holes and the overall mineral deposit has been defined for the purpose of open pit mine planning. In addition, geotechnical drilling to evaluate pit wall stability and sites for heap leaching, tailings, waste rock storage and plant facilities has been completed for mine engineering and design purposes.

This work resulted in determining that the Casino Property contains 178 million tonnes (196 million tons) of Measured Resource at an average grade of 0.303% copper, 0.376 g Au/tonne (0.011 oz. Au/ton) and 0.028% molybdenum. This includes 61 million tonnes (67 million tons) of supergene sulphide material grading 0.367% copper, 0.413 g Au/tonne, (0.012 oz. Au/ton) 0.029% molybdenum and 117 million tonnes (129 million tons) of hypogene material grading 0.269% copper, 0.356 g Au/tonne (0.010 oz. Au/ton) and 0.027% molybdenum.

Environmental and Socioeconomic

An environmental baseline program was initiated in July 1993 to investigate the environmental aspects of the Casino Property and surrounding area. This program includes the documentation of local vegetation, wildlife, fish, climate and hydrology. Overall project environmental impact is expected to be minimal. The Company has not encountered any unusual environmental concerns for the Casino Property. To date, the Company's Casino Property has not been affected by any Aboriginal land claims.

Current Status

Grades of mineralization are sub-economic based on current metal prices. The Company does not plan any further work on the property unless and until metals prices improve. The Casino Property claims are in good standing until the year 2001 and the Company plans to keep key mineral claims in good standing thereafter at a cost of \$5,000 per year, increasing to approximately \$15,000 per year after 2003. There is no plant or equipment located on the Casino Property so no ongoing security or similar costs are anticipated. Exploration activities did not result in any significant environmental disturbances and the Company is not aware of any environmental liability. The Company has a total of 136 claims. By agreement dated May 2, 2000, the Company granted an option to Alexis Resources Ltd. ("Alexis") whereby Alexis can earn the right to purchase 55 non-core claims for \$1.00 on the 20th anniversary of the option agreement. As consideration for the option granted, Alexis will make all annual filing fees and

assessment work on the Company's other 81 Casino claims not under option, as well as the 55 under option. Alternatively, Alexis may purchase the 55 claims for a one-time payment of \$200,000 without further obligation in respect of the 81 claims. All claims are currently subject to a 5% net profits interest accruing to a predecessor in title and should Alexis acquire the 55 claims, they would be subject to a further 5% net profits interest payable to the Company.

USE OF PROCEEDS

The net proceeds from the sale of Special Warrants amounted to approximately \$9.3 million after deducting the Agent's fees (\$600,000) and costs of issue (\$100,000). These funds, together with the Company's other working capital at October 31, 2000 of approximately \$4.0 million, total \$13.3 million and will be used primarily to continue its exploration program on the Ivanhoe Project as follows:

(a) Exploration program on the Ivanhoe Property:

Budget Item		CDN \$	
Assays		\$ 534,000	
Drilling			
Recommended (approximately 90,000 feet)	\$6,586,000		
Less amount completed to date	<u>(2,300,000)</u>	4,286,000	
Engineering		515,000	
Environmental, land fees, advance royalty		310,000	
Equipment rentals, leases		66,000	
Geological		976,000	
Site activities		291,000	
Transportation		263,000	
Administrative, miscellaneous and contingency		<u>595,000</u>	
		\$ 7,836,000	\$ 7,836,000
(b) Reserved for future reclamation costs on the Ivanhoe Property			600,000
(c) Reserved for working capital			<u>4,864,000</u>
			<u>\$ 13,300,000</u>

The Company's working capital available (plus interest which will be earned thereon) to fund ongoing operations will be sufficient to meet its administration costs for approximately the next 24 months. The Company estimates its corporate overhead averages \$100,000 per month.

Any proceeds received from the exercise of the Warrants comprised in the Units, which could be up to \$6,250,000 plus proceeds of up to \$1,625,000 from the Agent's Compensation Options (common shares plus share purchase warrants) would be used to fund future exploration programs on the Ivanhoe Property, as described in this prospectus. There can be no assurance whatsoever that any Warrants or Options will be exercised.

The Company will spend the funds available on the completion of this offering, and any Warrant and Option exercise proceeds, to complete the above exploration and development program described in "Business and Principal Properties" and "Use of Proceeds". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The Company will only redirect the funds to other properties and will do so only on the basis of a written recommendation from an independent, professional geologist or engineer.

DETAILS OF THE OFFERING

On August 16, 2000, the Company completed the private placement, pursuant to prospectus exemptions under applicable securities legislation in the Designated Provinces (and outside of Canada), of an aggregate of 5,000,000 Special Warrants at a price of \$2.00 per Special Warrant. Under the terms of a guaranteed agency agreement dated

August 16, 2000 between the Company and the Agent, the Agent was paid cash commissions of \$600,000, the 500,000 Agent's Compensation Warrants and reimbursed for the related legal and due diligence expenses the Agent incurred, from the gross proceeds derived from the sale of the Special Warrants. Each Special Warrant will convert on exercise or deemed exercise into a "Unit" comprised of a Common Share and one half-Warrant.

The Special Warrants may be voluntarily exercised at any time until 4:30 p.m. (Vancouver time) (the "Expiry Time") on the earlier of: (i) August 16, 2001; and (ii) the fifth business day after the Qualification Date. Any unexercised Special Warrants will be deemed, immediately prior to the Expiry Time, to be exercised. If the Special Warrants are voluntarily exercised before the Qualification Date or if the Qualification Date does not occur, the Common Shares, Warrants and any Common Shares issued on exercise of the Warrants (the "Warrant Shares") will continue to be subject to resale restrictions in the Designated Provinces until August 16, 2001.

The Special Warrants are governed by the provisions of a Special Warrant indenture dated as of August 16, 2000 (the "Indenture"), between the Company and Montreal Trust Company of Canada (the "Trustee"), as trustee. The Indenture provides for adjustments to be made to the number of Common Shares issuable upon the exercise of Special Warrants in certain events including:

- (a) the subdivision or consolidation of the outstanding Common Shares;
- (b) any issue or other distribution by the Company of any securities to its Common Shareholders, including rights, options or warrants or securities convertible into or exchangeable for shares of the Company or its property or assets; and
- (c) any reclassification or capital reorganization (other than as a result of a subdivision or consolidation) or any consolidation, amalgamation or merger of the Company or any sale or conveyance to another corporation of the property and assets of the Company as an entirety or substantially as an entirety.

Each whole Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$2.50 for each Common Share at any time for one year, from the date of the issuance of the Warrant (the "Exercise Period"). The Warrants will be issued subject to a share purchase warrant indenture dated August 16, 2000, between the Company and the Trustee which provides for adjustment of the number of Common Shares of the Company issuable on exercise of the Warrants in the event of the occurrence of certain events similar to those described in the preceding paragraph. The Warrants have been assigned a value of \$0.01 each by the Company but this allocation is not binding on the subscribers or for tax purposes. The Common Shares issuable upon the exercise of the Special Warrants and Warrants will, when issued, be issued as fully paid and non-assessable Common Shares.

Provided that the Special Warrants are exercised after a final receipt for this Prospectus is issued by the securities commissions in each of the Designated Provinces, the Common Shares and Warrants will be issued to such holder free from any statutory holding period under applicable securities laws in those provinces. Resales of such securities (except resales by persons whose holdings materially affect the control of the Company) will, in general, be exempt from the prospectus requirements of such laws but must be made through persons registered under such laws or pursuant to statutory exemptions from applicable registration requirements.

The Prospectus also qualifies the issuance to the Agent of the Agent's Compensation Option entitling it to purchase 500,000 Units until August 16, 2001 at a price of \$2.00 per Unit.

Holders should consult with their legal advisors prior to any resale of Common Shares and Warrants issuable upon the exercise of the Special Warrants to ensure that such resale is in compliance with the requirements of applicable securities legislation.

The Special Warrants, the Common Shares and the Warrants have not been and are not intended to be registered under the U.S. Securities Act or the securities laws of any State of the United States and may not be offered or sold in the United States or to any U.S. Person (as such term is defined in Regulation S under the U.S. Securities Act) without registration or exemption from registration.

The Special Warrant Indenture provides that, subject to certain limited exceptions, Special Warrants may not be transferred in the United States or to or for the account or benefit of a U.S. Person or a person in the United States and may not be exercised in the United States or by or for the account or benefit of a U.S. Person or a person in the United States who is not an original U.S. Purchaser of Special Warrants. Certificates representing Common Shares and Warrants issued upon the exercise of Special Warrants will bear legends prohibiting transactions for a period of time and restricting resales and other transfers of these securities without U.S. federal and state registration except (i) to the Company; (ii) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with any applicable State securities laws; (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 or Rule 144A thereunder, if applicable, and in compliance with any applicable State securities laws; or (iv) with the prior written consent of the Company, pursuant to another exemption from registration under the U.S. Securities Act and any applicable State securities laws.

RISK FACTORS

An investment in Common Shares in the capital of the Company should be considered speculative due to the nature of the Company's business and the early stage of exploration of its Properties. In evaluating the Common Shares of the Company, the following factors should be considered:

No Revenue, Negative Cash Flow, Losses, and No Dividends

The Company has no current source of material revenue and has operated at a loss and with negative cash flow since incorporation. There can be no assurance that the Company will operate profitably at any time in the future. The Company will not pay dividends in the foreseeable future.

No Ore, Need for Additional Financing

The Company's properties are not known to contain a presently confirmed commercially mineable ore deposit. In order to carry out additional exploration programs of any potential ore body and to place it into commercial production, the Company must raise substantial additional funding which will be dilutive to Shareholders.

With the sale of the Special Warrants described in "Details of the Offering" in this Prospectus, the Company expects to meet its financial obligations in respect of its current operations for at least twelve months. There is no assurance that, after such period, the Company will be able to secure financing or that such financing will be obtained on terms favourable to the Company. Failure to obtain adequate financing could result in significant delays in exploration and development programs or other material properties and a substantial curtailment of operations.

Absence of Mining History; Commercial Viability

The Company has no history of earnings or cash flow from mining operations. If the Company is able to proceed to production on its Properties, commercial viability will be affected by factors that are beyond the Company's control, including the particular attributes of the deposit, the fluctuation in metal prices, the costs of constructing and operating a mine, processing and refining facilities, the availability of economic sources of energy, government regulations including regulations relating to prices, royalties, restrictions on production, quotas on exploration of minerals, as well as the costs of protection of the environment.

Potential Conflicts of Interest

All of the directors of the Company are also directors and/or officers of other natural resource companies. Management of the Company is not subject to employment contracts and each member of management devotes only a portion of his time to the Company's affairs. Directors and officers are, however, aware of their fiduciary obligations to the Company and its shareholders however, conflicts, such as corporate opportunities, may arise between the obligations of these directors and officers of the Company and such other natural resource companies. The Company's incorporating documents require all material transactions between the Company and its directors

and officers to be approved by a majority of the Company's disinterested directors. Any decision made by any of such directors and officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company. The directors of the Company must disclose, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Uncertainty of Mineral Reserves; Estimates of Mineral Deposits

There is no certainty that any expenditures made in the exploration of the Company's prospective properties will result in discoveries of commercially recoverable quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore and no assurance can be given that any particular level of recovery of gold from discovered mineralization will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that gold recovered in small scale laboratory tests will be duplicated in large scale tests under on-site production conditions. Material changes in estimated reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Mineral Price and Currency Volatility

The price of gold as well as other precious and base metals has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (including, the US dollar relative to the Canadian dollar and other currencies), interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved mining and production methods. The supply of and demand for gold, other precious and base metals are affected by various factors, including political events, economic conditions and production costs in major mineral producing regions.

Mining Operational Hazards, Environmental Concerns and Insurance Risks

The business of mining is subject to a variety of risks, such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences may delay development or production, increase production costs or result in liability. The Company may not be able to insure fully or at all against such risks, due to political or other reasons, or the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

The Company's policy is to conduct business in a way that safeguards public health and the environment. The Company believes its operations are conducted in material compliance with applicable laws and regulations. Environmental hazards may exist on the properties on which the Company holds an interest and which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the Properties.

Changes to mining laws and regulations could require additional capital expenditures and increase operating and/or reclamation costs. Although the Company is unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain mining operations uneconomic.

Requirement for Permits and Licenses

The current and future operations of the Company, including exploration and development activities, require permits from various governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

The Company believes that it presently holds or has applied for all necessary licenses and permits to carry on the activities in which it is currently engaged under applicable laws and regulations in respect of its properties, and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Company proceed to construct and operate mining facilities. There can be no guarantee that the Company will be able to obtain all of the necessary licenses and permits that may be required to commence construction or operation of mining facilities at its Properties or to maintain continued operations at economically justifiable costs. Amendments to Nevada mining and environmental laws, regulations and permits governing operations and activities of mining companies or more stringent implementation thereof, could require increases in capital expenditures or production costs or reduction in levels of production and producing properties, or require delay or abandonment of the development of new mining properties.

Title Matters

While the Company has investigated the title to its properties, and to the best of its knowledge, title to the Properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. The Company does not hold title insurance.

Reclamation Costs

The Company's Ivanhoe Agreement makes it contingently liable for reclamation costs associated with the previous mining operations on the Ivanhoe Property. Given Newmont's actual reclamation costs have exceeded its upper limit estimates of US\$6.0 million, the Company must contribute 25% of any expenditures over US\$6 million. Newmont has estimated that from July 2000 to December 2005 US\$542,000 in additional reclamation costs will be expended of which US\$135,000 is the Company's obligation.

Dilution

Investors hereunder will suffer dilution of approximately \$1.24 (62%) per common share respecting their investment in the Common Shares and Warrants (see "Dilution").

CONSOLIDATED CAPITALIZATION

Security Designation	Amount Authorized	Amount Outstanding as of June 30, 2000 (Unaudited) ⁽³⁾	Amount Outstanding on Oct. 31, 2000 (Unaudited) ⁽¹⁾	Amount Outstanding after giving effect to Offering (Unaudited) ⁽¹⁾⁽²⁾
Common Shares	100,000,000	\$41,220,260 (28,925,933 Common Shares)	\$46,652,220 (33,177,637 Common Shares)	\$55,922,218 (38,177,637 Common Shares)
Special Warrants	5,000,000	Nil	\$9,295,000 ⁽⁵⁾ (5,000,000 Special Warrants)	Nil
Agent's Compensation Warrants/Options	500,000	Nil	\$5,000 ⁽⁵⁾ (500,000 Agent's Compensation Warrants)	\$5,000 (500,000 Agent's Compensation Options)
Warrants ⁽⁴⁾	2,750,000	Nil	Nil	\$25,000 (2,500,000 Warrants)

Notes:

- (1) As of October 31, 2000, there are 2,023,700 Common Shares of the Company reserved for future issuance excluding the Units issuable pursuant to Special Warrants. See "Options to Purchase Common Shares".
- (2) Assuming that a \$0.01 value is attributed to each Warrant and each Agent's Compensation Warrant.
- (3) As at June 30, 2000, the Company's deficit was \$15,236,771 (unaudited).
- (4) Amount authorized includes 250,000 Warrants comprised in the Agent's Compensation Option.
- (5) Amount is net of commissions and estimated costs of issue and this Prospectus.

SHARE CAPITAL

Authorized and Issued Shares

The authorized capital of the Company consists of 100,000,000 Common Shares without par value. As at October 31, 2000, there were 33,177,637 Common Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled to one vote per Common Share at all meetings of shareholders of the Company, to receive dividends as and when declared by the directors, and to receive the remaining property and assets of the Company in the event of liquidation, dissolution or winding up of the Company. The Common Shares have no pre-emptive, redemption, purchase or conversion rights. There are no sinking fund provisions in relation to the Common Shares and they are not liable to further calls or to assessment by the Company. The *Company Act* (British Columbia) provides that the rights and provisions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than three-quarters of the votes cast in person or by proxy by holders of shares of that class.

Options to Purchase Common Shares

The Company has outstanding the following options to purchase Common Shares in its share capital as of October 31, 2000 (excluding the Warrants):

Group	Stock Options		
	Number	Exercise Price	Expiry Date
Employees (46)*	254,600	\$0.91	January 29, 2001
	31,500	\$1.55	April 30, 2001
	96,000	\$1.48	August 6, 2001
	200,000	\$1.73	November 15, 2001
	11,000	\$2.11	December 1, 2001
	198,400	\$2.14	December 3, 2001
	6,700	\$2.17	February 17, 2002
	25,100	\$1.64	July 5, 2002
Executive Officers and Directors (8)	1,175,900	\$0.91	January 29, 2001
	24,500	\$1.48	August 6, 2001
	2,023,700		

*Includes employees of Hunter Dickinson Inc. who work on the Company's mining properties under an administrative services agreement (see "Management of the Company").

Other Warrants

There are no other outstanding warrants to purchase Common Shares at October 31, 2000.

DIVIDEND POLICY

The Company has not paid any dividends on its outstanding Common Shares since its inception and does not anticipate that it will do so in the foreseeable future. The declaration of dividends on the Common Shares of the Company is within the discretion of the Company's board of directors and will depend upon the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company's anticipated capital requirements are such that it intends to follow a policy of retaining cash in order to finance further exploration.

DILUTION

The \$1.99 issue price of each Common Share, after attributing \$0.01 each to the Warrants, exceeds by \$1.24 the Company's net tangible book value at June 30, 2000 of \$0.75 per Common Share as adjusted to reflect the exercise of 4,244,204 warrants for \$5.4 million subsequent to June 30, 2000 and also adjusted to include the issue of Special Warrants. Adjusting the June 30, 2000 tangible book value for the issuance of the Units results in dilution to the Special Warrant holders calculated as follows:

	<u>Per Common Share (in Cdn \$)</u>
Issue price: (assumes \$0.01 attributable to warrants)	\$1.99
Net tangible book value per Common Share, June 30, 2000 (unaudited) after exercise of warrants but before distribution of Special Warrants: (\$25,983,489 (shareholder equity) – \$12,204,165 (deferred exploration) plus \$5,420,333 (warrants exercised after June 30, 2000) ÷ 33,170,137 shares)	\$0.58
Increase in net tangible book value attributable to Offering	\$0.17
Net tangible book value after the distribution: (\$19,199,657 + \$9,300,000 (attributable to Offering) ÷ 38,170,137 shares)	\$0.75
Dilution to holders of Special Warrants (\$1.99 - \$0.75)	\$1.24
Percentage of dilution in relation to the Common Shares comprised in the Special Warrants	62%

PRIOR SALES

During the twelve months preceding the date of this Prospectus, the following Common Shares in the capital stock of the Company were issued:

<u>Date of Issuance</u>	<u>Shares Issued</u>	<u>Price per share(\$)</u>	<u>Total \$</u>	<u>Purpose</u>	<u>Recipient</u>	<u>Relationship</u>
Sep. 20, 1999	98,500	1.18	116,230	Warrants	Roytor & Co./50,000 Federal White/48,500	Warrant holder
Sep. 21, 1999	77,300	1.28	98,944	Options	David J. Copeland	Director
Sep. 21, 1999	231,900	1.28	296,832	Options	Ronald Thiessen/77,300 Scott Cousens/77,300 David Jennings/77,300	Directors
Sep. 23, 1999	25,000	1.18	29,500	Warrants	Donna Schmid	Warrant holder

<u>Date of Issuance</u>	<u>Shares Issued</u>	<u>Price per share(\$)</u>	<u>Total \$</u>	<u>Purpose</u>	<u>Recipient</u>	<u>Relationship</u>
Sep. 23, 1999	154,800	1.28	198,144	Options	Robert Dickinson/77,400 Robert Hunter/77,400	Directors
Sep. 27, 1999	48,500	1.18	57,230	Warrants	Roytor & Co.	Warrant holder
Sep. 28, 1999	12,500	1.48	18,500	Options	Mark Rebagliati	Consultant
Sep. 28, 1999	7,000	1.28	8,960	Options	Ed Leeman	Employee
Oct. 4, 1999	20,000	.91	18,200	Options	Bill Caughill	Employee
Oct. 7, 1999	3,000	1.18	3,540	Warrants	Jennifer Mason	Warrant holder
Oct. 7, 1999	9,000	1.28	11,520	Options	Zoila Martinez/2,000 Charlene Parker/1,000 Ted Oliver/1,000	Employees
Oct. 12, 1999	1,000	1.28	1,280	Options	Shirley O'Sullivan	Employee
Oct. 13, 1999	7,500	1.28	9,600	Options	Bob Cluff	Employee
Oct. 18, 1999	9,000	1.28	11,520	Options	Mark Rebagliati	Consultant
Oct. 19, 1999	643,100	1.18	765,938	Warrants	Jennifer Mason	Warrant holder
Oct. 21, 1999	3,500	1.55	5,425	Options	Eric Moriarty	Employee
Oct. 21, 1999	589,500	1.18	695,610	Warrants	Roytor & Co./175,000 Jayvee & So./75,000 RBC Dominion/48,500 Midland/291,000	Warrant holder
Nov. 12, 1999	74,500	.91	67,795	Options	Ronald Thiessen/20,000 David Copeland/54,500	Directors
Nov. 16, 1999	6,000	1.28	7,680	Options	Charlene Parker/1,000 Doug Reid/5,000	Employees
Nov. 18, 1999	40,000	1.28	51,200	Options	Mark Rebagliati/15,500 Ross Banner/24,500	Consultants
Nov. 22, 1999	14,500	1.28	18,560	Options	Jim Oliver	Consultant
Nov. 24, 1999	22,000	1.28	28,160	Options	Ted Oliver/1,000 Shirley O'Sullivan/2,000 Paula Palmer/4,000 Tom Berger/2,000 Shirley Main/7,000 Keith Odribege/2,000 Carol Wilks/4,000	Employees
Nov. 24, 1999	2,000	1.28	2,560	Options	Tom Berger	Employee
Nov. 24, 1999	24,500	1.28	31,360	Options	Bruce Jenkins	Consultant
Nov. 24, 1999	77,300	1.28	98,944	Options	Jeffrey R. Mason	Director
Nov. 24, 1999	250,000	.91	227,500	Options	Robert Dickinson	Director
Nov. 29, 1999	15,000	1.30	19,500	Warrants	Mark Rebagliati	Warrant holder
Nov. 29, 1999	75,000	2.25	168,750	Ivanhoe/ Property Acquisition	Aagaard Investments	Optionor

<u>Date of Issuance</u>	<u>Shares Issued</u>	<u>Price per share(\$)</u>	<u>Total \$</u>	<u>Purpose</u>	<u>Recipient</u>	<u>Relationship</u>
Nov. 29, 1999	8,000	1.28	10,240	Options	Zoila Martinez/2,000 Betty Chan/4,000 Charlene Parker/2,000	Employees
Nov. 30, 1999	1,000	1.28	1,280	Options	Ted Oliver	Employee
Nov. 30, 1999	15,000	1.30	19,500	Warrants	T. Segler	Warrant holder
Dec. 6, 1999	7,500	1.28	9,600	Options	BobCluff	Employee
Dec. 6, 1999	4,000	2.50	10,000	Donation		Mineral Association
Dec. 8, 1999	5,000	1.28	6,400	Options	Shawn Wallace	Employee
Dec. 17, 1999	34,500	1.28	44,160	Options	Darrel Johnson/10,000 Dan Kilby/24,500	Employees
Jan. 5, 2000	30,500	1.28	39,040	Options	Scott Parker/4,000 Eric Titley/5,000 Rick Rukavina/12,500 Richard Haslinger/5,000 Jim Badia/2,000 Doug Reid/2,000	Employees
Jan. 5, 2000	24,500	.78	19,110	Options	T. Barry Coughlan	Director
Jan. 10, 2000	10,000	1.28	12,800	Options	Lena Brommeland	Employee
Jan. 12, 2000	77,000	1.30	100,100	Warrants	M. Sayani	Warrant holder
Jan. 12, 2000	1,700	2.14	3,638	Options	Ling Domenici	Consultant
Jan. 12, 2000	1,500	1.48	2,220	Options	Ling Domenici	Consultant
Jan. 12, 2000	3,500	1.55	5,425	Options	Ling Domenici	Consultant
Jan. 14, 2000	24,500	1.28	31,360	Options	Dennis Deans	Consultant
Feb. 3, 2000	4,000	1.30	5,200	Warrants	Tom Milner	Warrant holder
Feb. 3, 2000	1,700	2.14	3,638	Options	Nelson Baker	Employee
Feb. 3, 2000	3,400	2.14	7,276	Options	Dan Niosi/1,700 Shirley Main/1,700	Consultants
Feb. 7, 2000	9,000	1.48	13,320	Options	Mark Rebagliati	Consultant
Apr. 25, 2000	17,500	1.48	25,900	Options	Shawn Wallace	Employee
Jun. 5, 2000	20,000	1.30	26,000	Warrants	F. Peris	Warrant holder
Jun. 7, 2000	15,384	1.30	19,999	Warrants	Ken Bell	Warrant holder
Jun. 19, 2000	480,000	1.30	624,000	Warrants	Ken Bell/30,000 Exploration Capital/200,000 Aton Ventures/250,000	Warrant holder
Jun. 22, 2000	250,000	2.00	500,000	Warrants	Stockscape Tech.	Warrant holder
Jun. 26, 2000	221,743	1.30	288,266	Warrants	Ken Bell/21,743 Exploration Capital/200,000	Warrantholders
Jun. 27, 2000	7,000	1.55	10,850	Options	Chris Wong	Employee
Jul. 4, 2000	15,000	1.30	19,500	Warrants	Scott Price	Warrant holder

<u>Date of Issuance</u>	<u>Shares Issued</u>	<u>Price per share(\$)</u>	<u>Total \$</u>	<u>Purpose</u>	<u>Recipient</u>	<u>Relationship</u>
Jul. 5, 2000	75,000	1.30	97,500	Warrants	E. Pedersen	Warrant holder
Jul. 6, 2000	174,000	1.30	226,200	Warrants	J. Denny/154,000 Scott Cousens	Warrant holder
Jul. 10, 2000	37,873	1.30	49,231	Warrants	Ken Bell	Warrant holder
Jul. 12, 2000	275,000	1.30	357,500	Warrants	Roytor & Co./200,000 Eugene St. Louis/75,000	Warrant holder
Jul. 14, 2000	85,000	1.30	110,500	Warrants	Ken Bell	Warrant holder
Jul. 17, 2000	152,000	1.30	197,600	Warrants	T. Cacic/75,000 J. Van Andelsberg/77,000	Warrant holder
Jul. 17, 2000	228,000	.874	199,272	Warrants	David S. Jennings	Warrant holder
Jul. 18, 2000	376,931	1.30	490,010	Warrants	Exploration Capital/369,231 Shawn Wallace/7,700	Warrant holder
Jul. 19, 2000	58,000	1.30	75,400	Warrants	B. Vinning	Warrant holder
Jul. 20, 2000	5,000	1.30	6,500	Warrants	Rick Rukavina	Warrant holder
Jul. 21, 2000	150,000	1.30	195,000	Warrants	Tetrarch	Warrant holder
Jul. 24, 2000	177,000	1.30	230,100	Warrants	Court Capital/77,000 H. Gaillot/100,000	Warrant holder
Jul. 25, 2000	1,330,000	1.30	1,729,000	Warrants	Dan Kilby/20,000 Scotia Capital/20,000 F. Bottlewalla/77,000 J. Irani/154,000 F. Peris/55,000 Arbora/100,000 D. Cazabon/75,000 J. Coughlin/75,000 S. Coughlin/75,000 DHF Holdings/150,000 K. Fraser/75,000 M. Howard/75,000 D. Fundytus/75,000 L. Monk/75,000	Warrant holder
Jul. 26, 2000	10,500	1.30	13,650	Warrants	Richard Haslinger/4,000 Sunita Prasad	Warrant holder
Jul. 27, 2000	77,000	1.30	100,100	Warrants	T. Bean	Warrant holder

<u>Date of Issuance</u>	<u>Shares Issued</u>	<u>Price per share(\$)</u>	<u>Total \$</u>	<u>Purpose</u>	<u>Recipient</u>	<u>Relationship</u>
Jul. 28, 2000	1,017,900	1.30	1,323,270	Warrants	Jim Oliver/4,000 Robert Hunter/179,000 Jeffrey Mason/149,900 Robert Dickinson/83,500 David Copeland/53,000 Scott Cousens/138,000 Roytor & Co./30,000 Jennifer Mason/250,000 Crystal Dickinson/21,000 Alice Jennings/51,500 J. Vinning/29,000 P. Vinning/29,000	Warrant holder
Sep. 22, 2000	4,000	1.55	6,200	Options	Jeff Barnett	Employee
Sep. 25, 2000	3,500	1.55	5,425	Options	Eric Moriarty	Employee

PRINCIPAL HOLDERS OF SECURITIES

As at October 31, 2000, an aggregate of 33,177,637 Common Shares in the capital of the Company were issued and outstanding. There are no persons who are known to the Company to beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the issued and outstanding shares. As at October 31, 2000, directors and officers of the Company own or control an aggregate of 3,502,476 Common Shares (or 10.5% of the outstanding Common Shares), excluding the purchase by insiders of 512,000 Special Warrants and excluding the dilutive effect of the Special Warrants after conversion. Management and their associates would own 5,468,176 shares or 12.6% on a fully diluted basis after exercise of all Special Warrants, Warrants and options and assuming all such dilutive securities are exercised by others holding identical securities.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The shares of the Company (exclusive of predecessors) have traded in Canada on the Canadian Venture Exchange (formerly the Vancouver Stock Exchange) since November 6, 1987. From December 14, 1990 to February 9, 1999 the Company's shares (exclusive of predecessors) traded on the National Association of Securities Dealers Automated Quotation (NASDAQ) Small Cap System. On February 9, 1999 the Company's shares were no longer quoted on NASDAQ and since February 10, 1999 the Company's shares have traded in the United States on the OTC-BB.

Trading Symbol: CDNX: GBG
NASDAQ: GBGCF
OTC BB: GBGLF

<u>Period</u>	<u>CDNX⁽²⁾</u>		<u>Volume</u>	<u>Period</u>	<u>NASDAQ⁽¹⁾</u>		<u>Volume</u>
	<u>High (Cdn.\$)</u>	<u>Low (Cdn.\$)</u>			<u>High (U.S.\$)</u>	<u>Low (U.S.\$)</u>	
<u>1998</u>				<u>1998</u>			
First Quarter	2.55	1.00	2,331,085	First Quarter	1.88	0.63	1,169,777
Second Quarter	2.35	1.30	2,411,625	Second Quarter	1.69	0.91	1,846,579
Third Quarter	1.65	0.55	579,376	Third Quarter	1.19	0.41	1,404,214
Fourth Quarter	1.20	0.48	1,406,872	Fourth Quarter	0.81	0.31	3,059,519

Period	CDNX ⁽²⁾			Period	NASDAQ ⁽¹⁾		
	High (Cdn.\$)	Low (Cdn.\$)	Volume		High (U.S.\$)	Low (U.S.\$)	Volume
<u>1999</u>				<u>1999</u>			
First Quarter	2.00	0.86	1,211,707	First Quarter	1.37	0.56	1,043,986
Second Quarter	1.65	1.10	2,269,495	Second Quarter	1.10	0.85	3,460,393
Third Quarter	2.85	1.40	3,032,140	Third Quarter	1.64	1.02	5,855,300
Fourth Quarter	3.00	1.55	4,293,298	Fourth Quarter	2.09	1.12	3,540,300
<u>2000</u>				<u>2000</u>			
January	3.30	2.34	947,480	January	2.60	1.55	1,637,900
February	2.93	2.31	675,389	February	2.06	1.59	1,126,000
March	2.63	2.15	627,366	March	1.75	1.46	1,305,800
April	2.50	2.16	288,811	April	1.46	1.56	582,300
May	2.50	1.80	435,037	May	1.68	1.19	804,500
June	2.20	1.85	1,125,157	June	1.50	1.20	1,684,000
July	2.14	1.85	1,024,579	July	1.50	1.25	781,500
August	2.08	1.86	1,298,069	August	1.44	1.25	594,500
September	2.10	1.85	630,061	September	1.438	1.047	542,100
October	1.95	1.52	362,549	October	1.25	1.03	597,100
November 1 to 14	1.75	1.61	222,695	November 1 to 9	1.13	1.06	517,800

(1) As of February 9, 1999 the Company's shares were no longer quoted on NASDAQ and on February 10, 1999 the Company's shares commenced trading on the OTC-BB. As such share prices subsequent to February 10, 1999 reflect quoted from the OTC-BB.

(2) Prior to November 29, 1999, trading was on the Vancouver Stock Exchange.

MANAGEMENT OF THE COMPANY

Directors and Officers

The members of the Company's executive management are also members of management of other public and private companies and accordingly devote less than a full time employment equivalent to the affairs of the Company. The name, age, municipality of residence and position with the Company of each director and officer of the Company is as follows:

Name, Age and Municipality of Residence	Position Held	Number of Securities of the Company Held (% of Class)			
		Common Shares		Options	
Robert G. Hunter, 73 Vancouver, B.C.	Co-Chairman of the Board, and Director	895,108 ⁽²⁾	(2.7%)	250,000	(12.3%)
Robert A. Dickinson, 52 ^{(1),(5)} Vancouver, B.C.	Co-Chairman of the Board, and Director	956,219 ⁽³⁾	(2.8%)	Nil	
Ronald W. Thiessen, C.A., 47 ⁽¹⁾ Vancouver, B.C.	President, Chief Executive Officer and Director	328,231	(1.0%)	230,100	(11.3%)

Name, Age and Municipality of Residence	Position Held	Number of Securities of the Company Held (% of Class)			
		Common Shares		Options	
David J. Copeland, P.Eng., 52 ⁽⁵⁾ Vancouver, B.C.	Director	361,550	(1.1%)	195,600	(9.6%)
Jeffrey R. Mason, C.A., 43 ⁽⁵⁾ Vancouver, B.C.	Secretary, Chief Financial Officer and Director	568,459	(1.7%)	250,100	(12.3%)
Scott D. Cousens, 35 ⁽⁵⁾ Vancouver, B.C.	Director	371,795	(1.1%)	250,100	(12.3%)
T. Barry Coughlan, 55 ⁽¹⁾ Vancouver, B.C.	Director	21,114	(0.1%)	Nil	
Andrew F.B. Milligan, 75 Vancouver, B.C.	Director	Nil		24,500	(1.2%)
TOTAL SECURITIES		3,502,476⁽⁴⁾	(10.5%)	1,200,400⁽⁴⁾	(59.0%)

Notes:

- (1) The Company does not have an Executive Committee of its directors. The Directors who are members of the audit committee of the Company are Messrs. Dickinson, Thiessen, and Coughlan.
- (2) These shares are registered in the name of 455501 B.C. Ltd., a company controlled by Mr. Hunter.
- (3) 62,633 of these shares are registered in the name of United Mineral Services Ltd. and 488,656 are held in the name of 491038 BC Ltd., companies controlled by Robert A. Dickinson.
- (4) As of October 31, 2000 the total beneficial security holdings of Directors and Officers of the Company are 3,502,476 shares which represent approximately 10.5% of the current outstanding shares and 1,200,400 options which represents approximately 59% of the total options outstanding.
- (5) Insiders purchased 512,000 Special Warrants (10.24%) (Mr. Copeland: 53,000; Mr. Cousens: 153,000; Mr. Dickinson: 153,000; and Mr. Mason: 153,000) which are not included in the above figures.

All directors have a term of office expiring at the next annual general meeting of the Company. All officers have a term of office lasting until their removal or replacement by the Board of Directors.

Principal Occupation and Other Companies Served by Current Management of the Company

RONALD W. THIESSEN, C.A. – President, Chief Executive Officer and Director

Ronald W. Thiessen is a Chartered Accountant who has for the past several years held his principal occupation as a director and/or officer of several publicly-traded mineral exploration companies. Mr. Thiessen is employed by Hunter Dickinson Inc., a company providing management and administrative services to publicly traded companies and focuses on directing corporate development and financing activities. He is also a director of Hunter Dickinson Inc.

Mr. Thiessen is, or was within the past years, an officer and/or director of the following public companies: Amarc Resources Ltd., Director (September 1995 to present) and President and Chief Executive Officer (September 2000 to present); Anooraq Resources Corporation, Director (April 1996 to present) and President and Chief Executive Officer (September 2000 to present); El Condor Resources Ltd., Director (July 1987 to January 1996); Farallon Resources Ltd., Director (August 1994 to present) and President and Chief Executive Officer (September 2000 to present); Great Basin Gold Ltd., Director (October 1993 to present) and President and Chief Executive Officer (September 2000 to present); Misty Mountain Gold Limited (formerly Romulus Resources Ltd.), Director (September 1985 to present) and President and Chief Executive Officer (September 2000 to present); Northern Dynasty Minerals Ltd., Director (November 1995 to present); Taseko Mines Limited, Director (October 1993 to present) and President and Chief Executive Officer (September 2000 to present); and Casamiro Resources Corp., President and Director (February 1990 to present).

ROBERT G. HUNTER – Co-Chairman of the Board and Director

Robert G. Hunter for the past 21 years has been active as a mining promoter headquartered in Vancouver. Mr. Hunter does not have any technical credentials in mining but through years as a businessman and insurance executive developed a network of venture capitalists in the mining field. Mr. Hunter has served as a director of other public companies listed on The Toronto Stock Exchange and Canadian Venture Exchange. Certain of these companies are also traded on The NASDAQ Stock Market in the United States. Mr. Hunter is Chairman of Hunter Dickinson Inc., a company providing management and administrative services to publicly traded companies. Mr. Hunter's principal occupation is as a mining executive.

Mr. Hunter is, or was within the past years, an officer and/or director of the following public companies: Amarc Resources Ltd., Director (April 1993 to present), Chairman (April 1993 to September 2000), Chief Executive Officer (September, 1995 to September 1998) and Co-Chairman (September 2000 to present); Anooraq Resources Corporation, Director (April 1996 to present), Chairman (September 1996 to September 2000), Chief Executive Officer (September 1996 to February 1999) and Co-Chairman (September 2000 to present); El Condor Resources Ltd., Chairman, Chief Executive Officer and Director (November 1990 to January 1996); Great Basin Gold Ltd., Chairman (January 1989 to September 2000), Director (January 1989 to present), Chief Executive Officer (January 1989 to December 1997) and Co-Chairman (September 2000 to present); Farallon Resources Ltd., Director (July 1991 to December 1993), Chairman (August 1994 to September 2000), Director (August 1994 to present) and Co-Chairman (September 2000 to present); Misty Mountain Gold Limited, Chairman (June 1993 to September 2000), Director (June 1993 to present), Chief Executive Officer (June 1993 to June 1998) and Co-Chairman (September 2000 to present); Northern Dynasty Minerals Ltd., Director (June 1996 to present) and Chairman (October 1996 to present); Taseko Mines Limited, Director (January 1991 to present), Chairman (January 1993 to September 2000), Chief Executive Officer (February 1991 to November 1998) and Co-Chairman (September 2000 to present); Cash Resources Ltd., Director (September 1994 to April 1996); Latitude Minerals Corp., President and Director (October 1988 to February 1996); ADI Technologies Inc., Director (March 1987 to present); Majestic Gold Corp., Chairman and Director (March 1987 to present); and North American Metals Corp. Chairman and Director (October 1985 to January 1993).

ROBERT A. DICKINSON, B.Sc., M.Sc. – Co-Chairman of the Board and Director

Robert A. Dickinson is an economic geologist who is a member of management of several mineral exploration companies. He holds a Bachelor of Science degree (Hons. Geology) and a Master of Science degree, (Business Administration - Finance) from the University of British Columbia. Mr. Dickinson, who has been active in mineral exploration for 32 years, is chief executive officer of Hunter Dickinson Inc., a company providing management and administrative services to publicly traded companies (see Item 13). He is also President and Director of United Mineral Services Ltd., a private investment company. Mr. Dickinson's principal occupation is as a mining executive.

Mr. Dickinson is, or was within the past years, an officer and/or director of the following public companies: Amarc Resources Ltd., Director (April 1993 to present) and President (September 1995 to September 2000), Chief Financial Officer (September 1995 to September 1998), Chief Executive Officer (September 1998 to September 2000) and Co-Chairman (September 2000 to present); Anooraq Resources Corporation, Director (November 1990 to present), President (September 1996 to September 2000), Chief Financial Officer (September 1996 to February 1999), Chief Executive Officer (February 1999 to September 2000) and Co-Chairman (September 2000 to present); El Condor Resources Ltd., President, Chief Financial Officer and Director (July 1991 to January 1996); Farallon Resources Ltd., Director (July 1991 to present), Chief Executive Officer (December 1995 to present) and Co-Chairman (September 2000 to present); Great Basin Gold Ltd., Chief Executive Officer (November 1998 to September 2000), President (March 1986 to September 2000), Director (March 1986 to present), Chief Financial Officer (March 1986 to June 1998) and Co-Chairman (September 2000 to present); Misty Mountain Gold Limited, President (June 1993 to September 2000), Chief Financial Officer (June 1993 to June 1998), Chief Executive Officer (June 1998 to September 2000), Director (June 1993 to present) and Co-Chairman (September 2000 to present); Northern Dynasty Minerals Ltd., Director (June 1994 to present) and Chief Executive Officer (May 1997 to present); Taseko Mines Limited, President (January 1991 to September 2000), Chief Financial Officer (January 1991 to November 1998), Chief Executive Officer (November 1998 to September 2000), Director (January 1991 to present) and Co-Chairman (September 2000 to present); Cash Resources Ltd., Director (June 1994 to June 1996);

NDU Resources Ltd., Director, (June 1994 to December 1995); and American Bullion Minerals Ltd., Director (August 1988 to May 1997).

JEFFREY R. MASON, C.A. – Chief Financial Officer, Corporate Secretary and Director

Jeffrey R. Mason holds a Bachelor of Commerce degree from the University of British Columbia and obtained his Chartered Accountant designation while specializing in the mining, forestry and transportation sectors at Deloitte & Touche. Following comptrollership positions at an international commodity mercantilist and Homestake Mining Group of companies including responsibility for North American Metals Corp. and the Eskay Creek Project, Mr. Mason has spent the last five years as a corporate officer and director to a number of publicly traded (TSE, NASDAQ, VSE) mineral exploration companies. Mr. Mason is also employed as Chief Financial Officer of Hunter Dickinson Inc., a company providing management and administrative services to publicly traded companies and focuses on directing corporate finance, human resource and administration activities.

Mr. Mason is, or was within the past years, an officer and or director of the following public companies: Amarc Resources Ltd., Secretary and Director (September 1995 to present), Treasurer (September 1995 to September 1998) and Chief Financial Officer (September 1998 to present); Anooraq Resources Corporation, Director (April 1996 to present), Secretary-Treasurer (September 1996 to February 1999) and Chief Financial Officer and Corporate Secretary (February 1999 to present); El Condor Resources Ltd., Secretary-Treasurer (June 1994 to January 1996) and Director (June 1995 to January 1996); Farallon Resources Ltd., Secretary (December 1995 to present), Chief Financial Officer (December 1997 to present) and Director (August 1994 to present); Great Basin Gold Ltd., Secretary (February 1994 to present), Treasurer (February 1994 to June 1998), Chief Financial Officer (June 1998 to present) and Director (February 1994 to present); Misty Mountain Gold Limited, Secretary (February 1994 to present), Treasurer (February 1994 to June 1998), Chief Financial Officer (June 1998 to present) and Director (June 1994 to present); Northern Dynasty Minerals Ltd., Secretary (June 1996 to June 1998), Treasurer (May 1997 to June 1998), Corporate Secretary (June 1998 to present) and Director (June 1996 to present); Taseko Mines Limited, Secretary (March 1994 to present), Treasurer (March 1994 to November 1998), Chief Financial Officer (November 1998 to present) and Director (March 1994 to present); and Casamiro Resource Corp., Secretary-Treasurer (February 1995 to present).

DAVID J. COPELAND, P.Eng. - Director

David J. Copeland is a geological engineer who graduated in economic geology from the University of British Columbia. In his 29 years of experience, Mr. Copeland has undertaken assignments in a variety of capacities in mine exploration, discovery and development throughout the South Pacific, South America and North America. His principal occupation is President and Director of CEC Engineering Ltd., a consulting engineering firm which directs and co-ordinates advanced technical programs for exploration on behalf of the Registrant and HDI. He is also a director of Hunter Dickinson Inc.

Mr. Copeland is, or was within the past years, an officer and/or director of the following public companies: Amarc Resources Ltd., Director (September 1995 to present); Anooraq Resources Corporation, Director (September 1996 to present); El Condor Resources Ltd., Vice-President, Project Development, and Director (July 1986 to January 1996); Farallon Resources Ltd., Director (December 1995 to present); Great Basin Gold Ltd., Director (February 1994 to present); Misty Mountain Gold Limited, Vice-President, Project Development (June 1989 to February 1996 and June 1997 to present) and Director (June 1989 to present); Northern Dynasty Minerals Ltd., Director (June 1996 to present); Taseko Mines Limited, Director (January 1994 to present); and Casamiro Resources Corp., Director (February 1995 to present).

SCOTT D. COUSENS - Director

Scott D. Cousens specializes in financing and corporate communications with natural resource companies. Mr. Cousens is employed by Hunter Dickinson Inc., a company providing management and administrative services to publicly traded companies and focuses on directing corporate communications and financing activities. His principal occupation is as an executive to a number of publicly listed mineral exploration companies. He is also a director of Hunter Dickinson Inc.

Mr. Cousens is, or was within the past years, an officer and/or director of the following public companies: Amarc Resources Ltd., Director (September 1995 to present); Anooraq Resources Corporation, Director (March 1994 to September 1994) and (September 1996 to present); El Condor Resources Ltd., Director (November 1992 to January 1996); Farallon Resources Ltd., Vice-President, Public Relations (August 1994 to December 1995) and Director (December 1995 to present); Great Basin Gold Ltd., Director (March 1993 to present); Misty Mountain Gold Limited, Director (June 1994 to present); Northern Dynasty Minerals Ltd., Director (June 1996 to present); and Taseko Mines Limited, Director (October 1992 to present).

T. BARRY COUGHLAN, B.A. - Director

T. Barry Coughlan is a self-employed businessman and financier who over the past 18 years has been involved in the financing of companies on the Vancouver, Toronto and NASDAQ Stock Exchanges. His principal occupation is President and Director of TBC Investments Ltd. a private investment company.

Mr. Coughlan is, or was within the past 5 years, an officer and or a director of the following companies: **Farallon Resources Ltd.**, Director (March 1998 to present); **Great Basin Gold Ltd.**, Director (February 1998 to present); **Taseko Mines Limited**, Director (October 1992 to present); **Casamiro Resources Corp.**, Director (February 1995 to present); **Tri-Alpha Investments Ltd.**, Chief Executive Officer and Director (June 1986 to present); and **Ghana Goldfields Ltd.**, (formerly Kilkenney Resources), President, Chief Executive Officer and Director (September 1991 to present).

ANDREW F.B. MILLIGAN - Director

Andrew F.B. Milligan has been Chairman of the Board of Stockscape.com Technologies Inc. (formerly Cornucopia Resources Ltd.) since April, 2000. He was President, Chief Executive Officer and Director of Stockscape.com Technologies Inc. (November 1986 to April 2000) and President and Chief Executive Officer of Stockscape.com (November 1986 to April 2000). He has been a director of the Company since June 1999.

Executive Compensation

“Named Executive Officers” means the chief executive officer of a corporation, regardless of the amount of compensation of that individual, each of a corporation’s four most highly compensated executive officers, other than the chief executive officer, who were serving as executive officers at the end of the most recent fiscal year and whose total salary and bonus amounted to \$100,000 or more and any individual whose total salary and bonus during the most recent fiscal year was \$100,000 whether or not such individual was an executive officer at the end of the fiscal year.

During the Company’s financial year ended December 31, 1999 the aggregate direct remuneration paid or payable directly or indirectly to all the Company’s directors and senior officers by the Company and its subsidiaries, all of whose financial statements are consolidated with those of the Company, was \$332,756. The direct remuneration paid or payable to Company’s directors and senior officers by subsidiaries of the Company whose financial statements are not consolidated with those of the Company was nil.

Robert G. Hunter, Chairman of the Board, Robert A. Dickinson, President and Chief Executive Officer and Jeffrey R. Mason, Secretary and Chief Financial Officer are the current “Named Executive Officers” of the Company for the purposes of the following disclosure.

The compensation paid to each of the Named Executive Officers during the Company’s three most recently completed financial years is as set out below:

SUMMARY COMPENSATION TABLE								
Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Robert G. Hunter Chairman of the Board and Director	1999	54,338	Nil	Nil	250,000 ⁽²⁾	Nil	Nil	Nil
	1998	16,400	Nil	Nil	77,400	Nil	Nil	Nil
	1997	9,862	Nil	Nil	Nil	Nil	Nil	Nil
Robert A. Dickinson President, Chief Executive Officer and Director	1999	45,576	Nil	Nil	250,000 ⁽²⁾	Nil	Nil	Nil
	1998	16,400	Nil	Nil	77,400	Nil	Nil	Nil
	1997	9,871	Nil	Nil	Nil	Nil	Nil	Nil
Jeffrey R. Mason ⁽¹⁾ Secretary, Chief Financial Officer and Director	1999	54,338	Nil	Nil	250,100 ⁽²⁾	Nil	Nil	Nil
	1998	16,400	Nil	Nil	77,300	Nil	Nil	Nil
Nathan A. Tewalt ⁽³⁾ Former Chief Executive Officer	1998	112,307	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾Jeffrey R. Mason was appointed as Chief Financial officer of the Company on June 24, 1998.

⁽²⁾These stock options were granted on January 29, 1999 at an exercise price of \$0.91 and expire on January 29, 2001. The granting of these stock options were ratified at the 1999 annual general meeting held on June 23, 1999.

⁽³⁾Nathan A. Tewalt was a Named Executive Officer for the year ended December 31, 1998. Mr. Tewalt resigned as the Chief Executive Officer and an employee of the Company on October 20, 1998. Mr. Tewalt received \$112,307 as salary for the financial year ended December 31, 1998.

Long Term Incentive Plan Awards

No long-term incentive plan awards have been made to the Named Executive Officers for the Company's most recently completed financial year or at any time.

Share Options

The share options and share appreciation rights granted to the Named Executive Officers during the financial year ended December 31, 1999 were as follows:

OPTIONS GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR					
Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Robert G. Hunter	250,000 ⁽¹⁾	10.2%	\$0.91	\$1.05	January 29, 2001
Robert A. Dickinson	250,000 ⁽¹⁾	10.2%	\$0.91	\$1.05	January 29, 2001
Jeffrey R. Mason	250,100 ⁽¹⁾	10.2%	\$0.91	\$1.05	January 29, 2001

The share options exercised by the Named Executive Officers during the financial year ended December 31, 1999, and the values of unexercised options and rights at such year end were as follows:

AGGREGATED OPTIONS/SARS EXERCISED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION/SAR VALUES				
Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in the-Money Options/SARs at FY-End (\$) Exercisable/Unexercisable
Robert G. Hunter	77,400	\$ 63,468	250,000	\$510,000
Robert A. Dickinson	327,400	\$298,468	Nil	Nil
Jeffrey R. Mason	77,300	\$ 46,380	250,100	\$510,204

Pension Plans

There are no defined benefit or actuarial plans in place.

Termination of Employment, Change in Responsibilities and Employment Contracts

There is no employment contract between the Company and the Named Executive Officers.

There are no compensatory plans or arrangements with respect to the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the Named Executive Officer's responsibilities following a change in control.

Compensation of Directors

There were no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments of for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date hereof, except that during the year ended December 31, 1999 the Company compensated its directors directly and indirectly for services in that fiscal year for merger and acquisition financings and other corporate services by paying their family trusts an aggregate of \$210,000, each as to one-seventh through Mainland Exploration Limited Partnership. See also "Interest of Management and Others in Material Transactions". The Company paid \$8,788 to a private company owned by David J. Copeland for engineering services provided during the year. All amounts noted herein are included within the section titled "Executive Compensation".

During the financial year ended December 31, 1999, none were granted in fiscal 2000, options were granted to directors as follows:

Name	Options Granted (#)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Robert G. Hunter	250,000 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
Robert A. Dickinson	250,000 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
Jeffrey R. Mason	250,100 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
Ronald W. Thiessen	250,100 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
Scott D. Cousins	250,100 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
T. Barry Coughlan	24,500 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
David J. Copeland	250,100 ⁽¹⁾	\$0.91	\$1.05	January 29, 2001
Andrew F.B. Milligan	24,500 ⁽²⁾	\$1.48	\$1.95	August 6, 2001

⁽¹⁾ These options were granted on January 29, 1999. The shares of the Company were trading at the high of \$1.10 and at the low of \$0.87 in the 30 day period preceding January 29, 1999. The granting of these stock options was ratified by disinterested shareholders at the 1999 annual general meeting held on June 23, 1999.

(2) These options were granted on August 6, 1999.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than “routine indebtedness” as that term is defined in applicable securities legislation, no director or senior officer of the Company, or associate or affiliate of any such director or senior officer, is or has been indebted to the Company since the beginning of the last completed financial year of the Company.

ESCROWED SHARES

There are no shares of the Company held in escrow.

VARIATIONS IN OPERATING RESULTS

General

The Company’s business consists of acquiring and exploring natural resource properties. Properties are abandoned if the exploration programs do not appear to warrant further work on a property. Upon abandonment or if management determines the future economic benefit is sufficiently uncertain, the Company writes off its investment in the property. Administrative expenditures are related to the level of corporate activity which is highest when properties are being investigated, acquired, financed and then explored. As properties are not acquired on a regular or periodic basis there can not be said to be observable trends in the Company’s business and year over year comparisons of accounting information may not be meaningful. While it is still an exploration company, its success is generally measured by the extent and quality of mineralization (if any) discovered and this information is not contained in financial statements.

Summary Financial Information and Analysis of Financial Condition and Results from Operations

The accompanying consolidated financial statements have been prepared applying Canadian generally accepted accounting principles. The Company’s six-month financial period ended June 30, 2000, and the three most recent financial years ended December 31, 1999, 1998 and 1997, disclose the following operating activities and year-end balances:

	Six months ended June 30, 2000	Six months ended June 30, 1999	<u>Years ended December 31</u>		
<u>Operating</u> (period ending)	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Revenue (interest)	\$ 108,213	\$ 16,972	\$ 124,266	\$ 80,110	\$ 51,575
General and administrative expenditures	546,398	435,659	1,321,482	855,258	604,126
Write down of mineral property interests and investments	—	—	(87,944)	(1,396,312)	(1,640,727)
Loss for the period	(438,185)	(418,687)	(1,285,160)	(2,393,672)	(2,163,278)
Loss per Share	(0.02)	(0.02)	(0.06)	(0.16)	(0.30)

	As at December 31			
<u>Period End Balances</u> (as at)	June 30, 2000 (unaudited)	<u>1999</u>	<u>1998</u>	<u>1997</u>
Working capital	\$ 2,478,119	\$ 5,885,657	\$ 1,150,523	\$ 2,774,924
Investment and reclamation deposits	7,500	7,500	7,500	345,503
Equipment, net	45,846	60,362	139,851	316,587
Mineral property interests				
(i) acquisition costs	\$ 11,247,859	\$ 11,247,859	\$ 7,515,080	\$ 7,252,601
(ii) deferred expenditures	12,204,165	7,511,352	3,942,348	981,391
Shareholders' equity	25,983,489	24,712,730	12,755,302	11,671,006
Number of common shares outstanding	28,925,933	27,723,006	16,918,275	14,161,175

See accompanying consolidated financial statements for further details.

At October 31, 2000 the Company's working capital totalled approximately \$4.0 million. The increase in working capital from June 30 resulted from the exercise of options and warrants less costs in that period as follows:

Working Capital at June 30, 2000				\$ 2,478,119
	<u>Shares Issued</u>	<u>Price</u>	<u>Proceeds</u>	
Options exercised	7,500	\$1.55	11,625	
Warrants exercised	4,016,204	\$1.30	5,221,065	
	228,000	\$0.874	<u>199,272</u>	
			5,420,337	
Cash received			<u>5,431,962</u>	
			7,910,081	
Exploration and Administrative expenses incurred from July 1 to October 31, 2000			<u>3,910,081</u>	
Working Capital at October 31, 2000			<u>\$ 4,000,000</u>	

There are 33,177,637 Common Shares issued and outstanding as of October 31, 2000. Upon completion of this offering a total of 38,177,637 Common Shares will be issued and outstanding.

Six Months ended June 30, 2000 compared to 1999

During the six months ended June 30, 2000, the Company continued its exploration work on the Ivanhoe Property. Significant exploration expenditures recorded in the period include drilling (\$3,022,941), assays and analysis (\$368,483), geological work (\$774,483), and site and transportation activities (\$264,340). Aggregate exploration and development expenses in the period were \$4,692,813 compared with \$847,137 in the previous year's first six months. No acquisition costs were incurred and administration costs in the six months ended June 30 were \$546,398 compared with \$435,659 in the previous year's equivalent period. The significant components of the administration costs included salaries (\$171,118), shareholder communications (\$157,595), and conference and travel expenses (\$109,108). The loss per share was \$0.02 for the six months ended June 30, 2000 compared with \$0.02 in the comparable period in 1999. During the six months ended June 30, 2000 134,800 shares were issued for proceeds of \$174,577 pursuant to the exercise of stock options. In addition, a total of 1,068,127 shares were issued pursuant to the exercise of warrants for proceeds of \$1,534,367.

December 31, 1999 compared to 1998

During the 1999 exploration season, the Company planned and implemented a two phase \$5.0 million exploration program to test the newly interpreted and defined multiple vein systems beneath the Hollister deposit, by drilling angled core holes to establish the presence and continuity of this high-grade gold-silver system. Drill holes tested projected intersections of anticipated major ore-controlling structures trending northeast, east and northwest beneath the Hollister deposit, 59 drill holes totalling 47,827 feet (14,578 metres) were completed pursuant to this program. During 1998, the Company incurred exploration costs of \$4.1 million and acquisition costs of \$0.52 million. Subsequent to the year end, the Company elected to terminate its option on Wilson-Independence and direct all of its resources to the Ivanhoe Property resulting in the write-off of \$1.14 million and \$0.25 million in exploration and acquisition costs respectively.

During the years ended December 31, 1999, 1998, the Company spent \$1,321,482 and \$855,258, respectively, on general and administrative expenditures. The administrative expenditures in 1999 were higher than in 1998 and 1997, reflecting the increased mineral property exploration activities on the Ivanhoe Property in Nevada. Shareholder communication expenses increased significantly in 1999 to \$416,056 (1998: \$136,195) due to disclosure about the Company's activities in the Ivanhoe Property which included dissemination of an industry updates to shareholders and potential investors (production: \$137,997; printing: \$70,179; and postage: \$111,751), newswire services (\$21,607), dissemination of property updates and other communication to shareholders (\$74,522), as well as attendance at conferences. Legal fees increased relating to the mineral property acquisitions and financings. Salaries and benefits also increased in 1999 to \$362,179 (1998: \$183,195) to reflect increased staffing levels at the Company's head office and Nevada field office. Office and administration costs also increased from \$120,220 in 1998, to \$294,270 in 1999. The level of activity in the 1999 fiscal year and related costs are expected to continue because of the anticipated future activity levels of the Company.

Liquidity remained adequate for the level of activity incurred by the Company during the years ended December 31, 1999 and 1998. At December 31, 1997, the Company had working capital of \$2,774,924; at December 31, 1998, it was \$1,150,523, and at December 31, 1999, working capital was \$5,885,657. In 1999 the Company raised \$9.6 million through Common Share issuances compared with \$3.0 million in 1998. During 1999, the Company actively sought additional financing which was warranted based on exploration results at Ivanhoe. On May 13, 1999 the Company announced a private placement of \$1.0 million and on June 21, 1999 this financing was increased to \$6.0 million. For this \$6.0 million, the Company issued 4,864,331 common units at \$1.30 with each unit consisting of a common share and one share purchase warrant which entitles the holder to purchase until July 28, 2000 an additional common share for \$1.30. Proceeds from this financing net of issue costs, was approximately \$6.0 million. The proceeds of this financing and funds raised through the continued exercise of share purchase options and warrants totalling \$3.62 million were used to conduct this program and to provide working capital. To July 31, 2000 all warrants had been exercised for net proceeds to the Company of \$5.4 million.

1998 compared to 1997

In August 1997, the Company acquired its interest in the Ivanhoe Property which has since become its principal operational focus. The Company began 1997 with working capital of approximately \$1.8 million and raised approximately \$3.5 million in order to finance the Ivanhoe acquisition and exploration. This was slightly more than the \$3.0 million raised in 1998 although overall exploration expenditures were higher in 1998 (approximately \$4.6 million compared with \$2.7 million in 1997) resulting in a decrease in year end cash balances from just over \$2.0 million at the end of 1997 to just under \$1.0 million at the end of 1998. This reflects the higher level of exploration activity at Ivanhoe in 1998 (\$4.1 million compared with \$1.0 million in 1997). General corporate expenses increased from \$604,126 in 1997 to \$855,258 in 1998 reflecting mostly increased depreciation on acquired capital items (\$129,371), conference and travel increases (\$40,383), salaries and expense increases due to increased staffing (\$66,978) and shareholder communication cost increases (\$68,894).

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Canadian Federal Income Tax Considerations

In the opinion of Lang Michener Lawrence & Shaw, counsel for the Company, the following summary fairly presents, as of the date hereof, the principal Canadian federal income tax considerations generally applicable to a holder who acquires Common Shares and Warrants upon the exercise of Special Warrants, and who, for the purposes of the Income Tax Act (Canada) (the "Tax Act"), is an individual resident solely of Canada, holds the Common Shares and Warrants and the Common Shares acquired on the exercise of the Warrants (the "Warrant Shares") as capital property and deals at arm's length with the Company and the Agent. Each person meeting all such criteria is referred to as a "Holder" herein, and this summary is addressed only to such Holders.

This summary is based on the current provisions of the Tax Act and the regulations thereto (the "Regulations") in force as of the date hereof, all specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments"), and counsel's understanding of the current administrative and assessing policies of the Canada Customs and Revenue Agency ("Revenue Canada"). This description is not exhaustive of all possible Canadian federal income tax consequences and, except for the Proposed Amendments, neither anticipates any changes in the law whether by legislative, governmental or judicial action, nor takes into account provincial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular investor. Consequently, investors should consult their own tax advisors with respect to their particular circumstances.

Exercise of Special Warrants

No gain or loss be realized for the purposes of the Tax Act by a Holder on the exercise of a Special Warrant.

A Holder will be required to allocate the cost of the Special Warrants between the Common Shares and Warrants acquired on exercise on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. The Company considers it reasonable to allocate \$1.99 to each Common Share issuable upon exercise of the Special Warrants and \$0.01 to each Warrant; however, such allocation will not be binding on Revenue Canada. The adjusted cost base of the Common Shares acquired on exercise of the Special Warrants will be determined by averaging the cost of the Common Shares with the adjusted cost base to the Holder of any other Common Shares held or acquired by the Holder.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of a Holder's adjusted cost base of the Warrant and the Warrant exercise price. The adjusted cost base of a Warrant will generally equal the cost of the Warrant to the Holder and will be averaged with the cost of any other Warrants acquired by the Holder. The cost of each Warrant Share acquired on the exercise of a Warrant will be averaged with the adjusted cost base of all other Common Shares of the Company then held by the Holder.

Disposition or Expiry of Warrants

Upon the disposition of a Warrant by a holder (other than on the exercise or expiry thereof), a capital gain (or capital loss) will be realized by the holder to the extent that the proceeds of disposition, net of reasonable disposition costs, exceed (or are exceeded by, respectively) the adjusted cost base of the Warrant to the holder. The expiry of an unexercised Warrant will generally result in a capital loss to the holder equal to the adjusted cost base of the Warrant.

Taxation of Dividends

Dividends received on a Common Share or a Warrant Share will be included in a Holder's income as taxable dividends received from a taxable Canadian corporation and will be subject to the normal gross-up and dividend tax credit provisions of the Tax Act.

Disposition of Common Shares

Upon the disposition or deemed disposition of a Common Share or a Warrant Share, a holder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of reasonable disposition costs, exceed (or are exceeded by, respectively) the adjusted cost base of the Common Share or Warrant Share.

Taxation of Capital Gains

The Proposed Amendments propose to reduce the income inclusion rate for capital gains from 3/4 to 2/3 on dispositions occurring after February 27, 2000, and propose to also apply the 2/3 rate in computing allowable capital losses that may be deducted from taxable capital gains, subject to adjustments where capital losses are being carried forward or backwards. For 2000, special rules will be used to determine whether the 3/4 or 2/3 rate is to apply to capital gains or losses, depending in part on the Holder's net gain or loss (if any) realized for the period January 1 to February 27 and the Holder's net gain or loss (if any) realized for the period February 28 to December 31, 2000. Holders disposing of Common Shares (including Warrant Shares) in 2000 are advised to consult their own tax advisors.

A disposition of Common Shares (including Warrant Shares) can, depending on the Holder's particular circumstances, give rise to liability for the alternative minimum tax under the Tax Act. In determining the potential liability for the alternative minimum tax, Holders should note that certain deductions normally permitted in the computation of taxable income are denied or restricted, and certain amounts not usually included in computing taxable income are included in computing the tax base for the alternative minimum tax (including the otherwise non-taxable portion of capital gains). The tax base for the alternative minimum tax also includes actual dividends received by a Holder, without dividend tax credit or gross-up. Again, Holders are advised to review their own particular circumstances with their own tax advisors.

PROMOTERS

Robert G. Hunter and Robert A. Dickinson may be considered to be the "promoters" of the Company as that term is defined under applicable securities legislation. No assets have been sold by the promoters to the Company and the only compensation received by them has been in their capacities as senior officers and directors of the Company (see "Management of the Company - Executive Compensation"). The Promoters have purchased Common Shares and Special Warrants in the Company in the past and these Common Shares were purchased at then prevailing fair market value for such shares on the same terms as paid by other investors.

MATERIAL CONTRACTS

Neither the Company nor its subsidiaries have entered into any contracts material to the Company within the two years prior to the date hereof, other than contracts in the ordinary course of business, except as follows:

- (1) Special Warrant Indenture dated August 16, 2000, between the Company and Montreal Trust Company of Canada pursuant to which the Company issued 5,000,000 Special Warrants. See "Details of Offering".
- (2) Guaranteed Agency Agreement between the Company and the Agent dated August 3, 2000, described under the caption "Details of the Offering".

- (3) Share Purchase Warrant Indenture dated August 16, 2000, between the Company and Montreal Trust Company of Canada pursuant to which the Company will issue up to 2,750,000 Warrants (excluding adjustment amount – see second cover page) on the exercise or deemed exercise of the Special Warrants. See “Details of Offering”.
- (4) Agreement dated August 13, 1997 with Newmont whereby the Company acquired a 75% interest in the Ivanhoe Project (See “Ivanhoe Acquisition Agreements”).
- (5) Agreement dated March 3, 1999 with Cornucopia Resources Ltd. whereby the Company effectively purchased the remaining 25% interest in the Ivanhoe Property by purchasing 100% of Touchstone Resources Company from Cornucopia (See “Ivanhoe Acquisition Agreements”).

Copies of the foregoing contracts and the Akright Reports on the Ivanhoe Property may be inspected during normal business hours at the offices of the Company or Agent until 30 days after the Qualification Date.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three year period prior to the date hereof there were no material transactions in which a present director or officer of the Company, a holder of 10% or more of the issued and outstanding shares of the Company, or any associate of such persons had a direct or indirect material interest except as follows:

- (1) Directors and officers (including their associates) purchased 512,000 Special Warrants on the same terms as other investors.
- (2) A cost sharing arrangement exists between a number of public companies including the Company, pursuant to administrative and geological service agreements with Hunter Dickinson Inc. (“HDI”), a private company owned equally by the seven participating companies including the Company. Under the agreement HDI provides extensive engineering, geological and administrative services to these companies and allocates the costs, without mark-up, to the public companies. The agreement can be cancelled without penalty by any public company on 30 days’ notice. In 1999 and 1998 the value of the services rendered to the Company by HDI was \$876,170 and \$678,623 respectively, and during the six months ended June 30, 2000 the Company was charged \$890,868 by HDI. At June 30, 2000, the Company had advanced HDI a total of \$627,329 in accordance with the terms of the agreement. HDI employs or retains on a substantially full-time basis, 15 professional geologists (P.Geol.), 2 geological Ph.Ds, 5 licensed professional mining engineers (P.Engs.) and 6 other field professionals and 17 administrative staff. HDI has supervised mineral exploration projects in four Canadian provinces, Brazil, Mexico, South Africa and Nevada. The directors of HDI are substantially the same as those of the Company. This amount is non-interest bearing and is payable on demand. The Company’s Named Executive Officers (see “Executive Compensation”) who are compensated directly by HDI, received an aggregate of \$50,864 of this amount to June 30, 2000 which amount can be said to be effectively compensated from the Company and has been added to the Executive Compensation disclosure.
- (3) The Company issued 98,125 post-consolidation common shares having a deemed value of \$2.05 in consideration of an interim financing guarantee related to the Ivanhoe property acquisition. The financing guarantee shares were issued to principals of Hunter Dickinson Inc. which acted as agent of the Company in negotiating and guaranteeing aspects of the transaction. The Company also issued 750,000 escrowed shares having a deemed value of \$0.01 to principals of the Company. An aggregate of 41,875 shares were issued pursuant to the exercise of stock options at a price of \$1.28. The Company completed a 1,704,600 unit financing at \$2.00 per unit, of which insiders of the Company purchased.
- (4) Mainland Exploration Limited Partnership (“Mainland”) is a limited partnership that provides merger, acquisition, financing and other corporate services to the Company as well as other public companies. The limited partners of Mainland comprise seven family trusts, six of which are for families of the directors of the Company (excluding Messrs. Milligan and Coughlan). Two directors of the Company, Messrs. Mason

and Thiessen, are also directors of Mainland's general partner. To the date of this prospectus, Mainland has assisted the Company's management in the acquisition of a 75% interest by the Company in the Ivanhoe Property by arranging interim financing and assisted in the negotiation of the successful acquisition by the Company of 100% of the issued and outstanding shares of Touchstone Resources Company, the holder of a 25% interest in the Ivanhoe Property, from Cornucopia Resources Ltd. as well as a \$6.3 million private placement of units at \$1.30 per Unit. At June 30, 2000, the Company had advanced to Mainland \$210,000. See "Executive Compensation".

LEGAL PROCEEDINGS

Except as described below, the Company is not subject to any legal proceedings nor are any anticipated:

- (1) *Touchstone Indemnity*: On August 28, 2000 the Company's subsidiary, Touchstone, was served with a civil summons filed in the United States District Court of Northern Nevada by the United States Fidelity and Guaranty Company ("US Fidelity") as Plaintiff, naming Touchstone, Cornucopia and Vista Gold Holdings, Inc. and certain of their affiliates as Defendants, claiming US\$793,583. The civil action results from the reclamation obligations concerning the Mineral Ridge Mine in Nevada pursuant to which US Fidelity issued a reclamation bond in the amount of US\$1.6 million to the BLM in 1996. As a consequence of the operating company, Mineral Ridge Resources, Inc. having filed for bankruptcy protection and having abandoned the project, the BLM has taken over the project and has demanded release of the bond. US Fidelity holds approximately US\$950,000 in collateral securing the bond and has brought action to recover the unsecured balance of US\$793,583. Touchstone is named as a defendant because it is one of the parties to the contract of indemnity. Under the terms of the March 2, 1999 agreement pursuant to which the Company bought Touchstone from Cornucopia, Cornucopia has acknowledged its obligation to indemnify and save harmless Touchstone from any such claims. Given Cornucopia's holdings of approximately 2.4 million shares of the Company as well as its existing cash funds, the Company is of the view that no material cost or loss will be incurred by Touchstone or the Company as a consequence of this action.
- (2) *Merchant Capital*: A proceeding was commenced in the Superior Court of Justice of Ontario by Merchant Capital Group Limited ("Merchant") against the Company in September 1999. The relief sought was for a declaration, specific performance, rectification and accounting and possible return of moneys paid in relation to an agreement dated January 21, 1997 pursuant to which a predecessor of the Company agreed to sell its interest in a graphite property in Ontario to Merchant in exchange for royalties. The Company terminated the agreement on April 1, 1999 following numerous breaches by Merchant, including the failure of Merchant to pay the required royalties. The proceeding commenced by Merchant sought a declaration that the agreement was still in effect, and for other collateral relief. The Company responded to the proceeding with an Affidavit sworn November 10, 1999 and a Settlement Offer under the Ontario Rules of Civil Procedure dated May 9, 2000 in both of which the Company proposed to allow a reinstatement of the agreement if Merchant would cure its breaches. Merchant has failed to cure the breaches. No hearing date has been set. Although it is impossible to quantify the outcome of litigation with certainty, the Company is of the view that the proceeding commenced by Merchant will not result in any material cost or loss to the Company.

LEGAL MATTERS

Certain legal matters relating to the distribution of Common Shares and Warrants pursuant to this Prospectus will be passed upon by Lang Michener Lawrence & Shaw, Vancouver, B.C. on behalf of the Company, and by Blake, Cassels & Graydon LLP, Vancouver, B.C. on behalf of the Agent.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, Chartered Accountants, of 777 Dunsmuir Street, Vancouver, B.C. V7Y 1K3.

The registrar and transfer agent for the Common Shares of the Company is Montreal Trust Company of Canada at its principal offices in Vancouver and Toronto. The Montreal Trust Company of Canada is also the Trustee for the Special Warrants and will administer the Warrants as issued.

PURCHASER'S CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

In the event that a holder of a Special Warrant, who acquires a Common Share upon the exercise of a Special Warrant as provided for in this Prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this Prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of his Special Warrant, but also of the private placement transaction pursuant to which the Special Warrant was initially acquired, and shall be entitled, in connection with such rescission, to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant. In the event the holder is a permitted assignee of the interest of the original Special Warrant subscriber, that permitted assignee shall be entitled to exercise the rights of rescission and refund granted to the original subscriber as if such permitted assignee was such original subscriber. The foregoing is in addition to any other right or remedy available to a holder of a Special Warrant under Section 114 of the Securities Act (British Columbia), Section 168 of the Securities Act (Alberta), Section 130 of the Securities Act (Ontario), corresponding provisions of other securities legislation or otherwise at law. The foregoing contractual rights of action or rescission shall be subject to the defences described under the said sections of the said Acts and corresponding provisions of other securities legislation or otherwise.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase the securities offered hereby within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of his province. The purchaser should refer to any applicable provisions of the securities legislation of his province for the particulars of these rights or consult with a legal advisor.

CONSOLIDATED FINANCIAL STATEMENTS

Appended hereto are the following consolidated financial statements of the Company (audited except where noted):

- (1) Auditors' Report on the consolidated balance sheets as at December 31, 1999 and 1998, and the consolidated statements of operations and deficit, cash flows and mineral property interests for each of the years ended December 31, 1999, 1998, 1997, and Review Engagement Report on the unaudited consolidated balance sheet as at June 30, 2000, and the unaudited consolidated statements of operations and deficit, cash flows and mineral property interests for each of the six months ended June 30, 2000 and 1999;
- (2) Consolidated balance sheets as at June 30, 2000 (unaudited) and as at December 31, 1999 and 1998;
- (3) Consolidated statements of operations and deficit for the six months ended June 30, 2000 and 1999 (unaudited) together with each of the years ended December 31, 1999, 1998 and 1997;
- (4) Consolidated statements of cash flows for the periods referred to in (3) above;

- (5) Consolidated statements of mineral property interests for the periods referred to in (3) above; and
- (6) Notes to the consolidated financial statements.

AUDITORS' REPORT

To the Board of Directors
Great Basin Gold Ltd.

We have audited the consolidated balance sheets of Great Basin Gold Ltd. as at December 31, 1999 and 1998, and the consolidated statements of operations and deficit, cash flows and mineral property interests for each of the years in the three year period ended December 31, 1999. These consolidated 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 Canadian 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 consolidated financial statements present fairly in all material respects, the financial position of the Company as at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 1999, in accordance with Canadian generally accepted accounting principles.

KPMG^{LLP} (signed)

Chartered Accountants

Vancouver, Canada

February 11, 2000, except as to note 10(b), which is as of November 24, 2000

REVIEW ENGAGEMENT REPORT

To the Board of Directors
Great Basin Gold Ltd.

We have reviewed the consolidated balance sheet of Great Basin Gold Ltd. as at June 30, 2000, and the consolidated statements of operations and deficit, cash flows and mineral property interests for each of the six month periods ended June 30, 2000 and 1999. Our reviews were made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our reviews, nothing has come to our attention that causes us to believe that these consolidated financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

KPMG^{LLP} (signed)

Chartered Accountants

Vancouver, Canada
August 18, 2000, except as to note 10(b), which is as of November 24, 2000

GREAT BASIN GOLD LTD.

Consolidated Balance Sheets

(expressed in Canadian dollars unless otherwise stated)

	June 30, 2000 (unaudited)	December 31, 1999	December 31, 1998
Assets			
Current assets			
Cash and equivalents	\$ 2,145,549	\$ 3,386,127	\$ 949,650
Short term investments	-	1,983,020	150,000
Amounts receivable from related parties (note 8)	627,329	509,461	199,818
Other amounts receivable	92,476	114,628	66,750
	2,865,354	5,993,236	1,366,218
Reclamation deposits	7,500	7,500	7,500
Equipment (note 5)	45,846	60,362	139,851
Mineral property interests (note 6) (statement)	23,452,024	18,759,211	11,457,428
	\$ 26,370,724	\$ 24,820,309	\$ 12,970,997
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$ 387,235	\$ 107,579	\$ 215,695
Shareholders' equity			
Share capital (note 7)	41,220,260	39,511,316	26,268,728
Deficit	(15,236,771)	(14,798,586)	(13,513,426)
	25,983,489	24,712,730	12,755,302
Nature of operations (note 1)			
Commitments (note 6)			
Subsequent events (notes 6, 7 and 10)			
	\$ 26,370,724	\$ 24,820,309	\$ 12,970,997

See accompanying notes to consolidated financial statements.

Approved by the Board of Directors

/s/ "Robert G. Hunter"

Robert G. Hunter
Director

/s/ "Jeffrey R. Mason"

Jeffrey R. Mason
Director

GREAT BASIN GOLD LTD.

Consolidated Statements of Operations and Deficit
(expressed in Canadian dollars, unless otherwise stated)

	Six months ended		December 31,	Years ended	December 31,
	June 30,	June 30,	1999	December 31,	1997
	2000	1999		1998	
	(unaudited)	(unaudited)			
Revenue					
Interest and other	\$ 108,213	\$ 16,972	\$ 124,266	\$ 80,110	\$ 51,575
Expenses					
Depreciation	598	20,871	22,542	154,014	24,643
Conference and travel	109,108	57,974	76,398	74,044	33,661
Legal, accounting and audit	48,118	73,581	116,147	146,268	160,171
Office and administration	52,019	47,361	294,270	120,220	186,536
Salaries and benefits	171,118	160,488	362,179	183,195	116,217
Shareholder communication	157,595	60,041	416,056	136,195	67,301
Trust and filing	7,842	15,343	33,890	41,322	15,597
	546,398	435,659	1,321,482	855,258	604,126
Loss before the following items	(438,185)	(418,687)	(1,197,216)	(775,148)	(552,551)
Loss on sale of equipment	-	-	-	(5,288)	-
Loss on sale of investment (note 4)	-	-	-	(216,924)	-
Write-down of investment (note 4)	-	-	-	-	(800,000)
Write-down of mineral property interests	-	-	(87,944)	(1,396,312)	(840,727)
Preproduction royalties received (note 6 (f))	-	-	-	-	30,000
Loss for the period	(438,185)	(418,687)	(1,285,160)	(2,393,672)	(2,163,278)
Deficit, beginning of period	(14,798,586)	(13,513,426)	(13,513,426)	(11,119,754)	(8,956,476)
Deficit, end of period	\$ (15,236,771)	\$ (13,932,113)	\$ (14,798,586)	\$ (13,513,426)	\$ (11,119,754)
Loss per share	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.16)	\$ (0.30)
Weighted average number of common shares outstanding	27,957,270	17,430,438	21,126,704	15,276,491	7,140,446

See accompanying notes to consolidated financial statements.

GREAT BASIN GOLD LTD.

Consolidated Statements of Cash Flows

(expressed in Canadian dollars, unless otherwise stated)

	Six months ended		December 31,	Years ended	December 31,
	June 30,	June 30,	1999	December 31,	1997
	2000	1999		1998	
	(unaudited)	(unaudited)			
Cash provided by (used for)					
Operations					
Loss for the period	\$ (438,185)	\$ (418,687)	\$ (1,285,160)	\$ (2,393,672)	\$ (2,163,278)
Items not involving cash					
Depreciation	598	20,871	22,542	154,014	24,643
Donation expense paid by issuance of shares	-	-	10,000	-	-
Loss on sale of equipment	-	-	-	5,288	-
Loss on sale of investment	-	-	-	216,924	-
Write-down of investment	-	-	-	-	800,000
Write-down of mineral property interests	-	-	87,944	1,396,312	840,727
Changes in non-cash operating working capital					
Amounts receivable from related parties	(117,868)	131,215	(309,643)	534,930	(671,519)
Other amounts receivable	22,152	47,313	(47,878)	187,811	513,831
Accounts payable and accrued liabilities	279,656	925,876	(108,116)	(220,896)	274,823
	(253,647)	706,588	(1,630,311)	(119,289)	(380,773)
Investments					
Purchase of short term investments	-	-	(1,983,020)	-	(150,000)
Proceeds on disposition of short term investments	1,983,020	-	150,000	-	-
Purchase of investment	-	-	-	-	(1,100,000)
Proceeds on sale of investment	-	-	-	83,076	-
Recovery (purchase) of reclamation deposits	-	-	-	38,003	(28,003)
Purchase of equipment	-	-	(2,884)	-	(148,051)
Proceeds on sale of equipment	-	-	-	17,434	-
Mineral property interests acquisition costs	-	(50,062)	(197,790)	(82,645)	(1,647,307)
Exploration costs, net of depreciation	(4,678,895)	(829,152)	(3,525,856)	(4,103,323)	(1,043,288)
Cash acquired on business combination, (note 3)	-	-	-	-	1,285,062
	(2,695,875)	(879,214)	(5,559,550)	(4,047,455)	(2,831,587)
Financing					
Issuance of common shares, net of issue costs	1,708,944	154,707	9,626,338	3,044,188	3,479,370

GREAT BASIN GOLD LTD.

Consolidated Statements of Cash Flows (continued)
(expressed in Canadian dollars, unless otherwise stated)

	Six months ended		December 31, 1999	Years ended	
	June 30, 2000 (unaudited)	June 30, 1999 (unaudited)		December 31, 1998	December 31, 1997
Increase (decrease) in cash and equivalents	(1,240,578)	(17,919)	2,436,477	(1,122,556)	267,010
Cash and equivalents, beginning of period	3,386,127	949,650	949,650	2,072,206	1,805,196
Cash and equivalents, end of period	\$ 2,145,549	\$ 931,731	\$ 3,386,127	\$ 949,650	\$ 2,072,206
Supplementary information					
Income taxes paid	\$ -	\$ -	\$ 697	\$ 12,286	\$ -
Interest paid	-	-	-	-	70
Non-cash financing and investing activities					
Shares issued for mineral properties	-	3,437,500	3,606,250	433,780	50,000
Shares issued for donation	-	-	10,000	-	-
Shares issued on business combination, net of cash acquired	-	-	-	-	6,374,878

See accompanying notes to consolidated financial statements.

GREAT BASIN GOLD LTD.

Consolidated Statements of Mineral Property Interests
(expressed in Canadian dollars, unless otherwise stated)

	Six months ended		December 31, 1999	Years ended	
	June 30, 2000 (unaudited)	June 30, 1999 (unaudited)		December 31, 1998	December 31, 1997
Acquisition costs					
Balance, beginning of period	\$ 11,247,859	\$ 7,515,080	\$ 7,515,080	\$ 7,252,601	\$ 25,784
Incurred during the period	-	3,487,562	3,804,040	516,425	1,697,307
Mineral property interests acquired on business combination (note 3)	-	-	-	-	5,555,289
Write-down during the period	-	-	(71,261)	(253,946)	(25,779)
Balance, end of period	11,247,859	11,002,642	11,247,859	7,515,080	7,252,601
Exploration costs					
Assays and analysis	368,483	6,168	185,727	115,395	25,000
Depreciation	13,918	17,983	59,831	-	-
Drilling	3,022,941	-	1,513,140	723,534	305,837
Engineering	126,997	56,026	119,013	113,111	9,587
Environmental, socio-economic and land fees	111,207	271,298	700,786	1,343,495	83,966
Equipment rentals	10,444	42,205	45,203	94,220	9,943
Geological	774,483	226,630	502,280	886,707	359,255
Site activities	137,587	181,605	333,051	609,729	110,837
Transportation	126,753	45,220	126,656	217,132	138,863
Incurred during the period	4,692,813	847,135	3,585,687	4,103,323	1,043,288
Balance, beginning of period	7,511,352	3,942,348	3,942,348	981,391	753,051
Write-down during the period	-	-	(16,683)	(1,142,366)	(814,948)
Balance, end of period	12,204,165	4,789,483	7,511,352	3,942,348	981,391
Mineral property interests	\$ 23,452,024	\$ 15,792,125	\$ 18,759,211	\$ 11,457,428	\$ 8,233,992

See accompanying notes to consolidated financial statements.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

1. Nature of operations

Great Basin Gold Ltd. ("Great Basin" or the "Company") was incorporated under the laws of British Columbia and its principal business activity is the exploration of mineral property interests. At June 30, 2000, the Company's principal mineral property interests are the Ivanhoe Property located in Nevada, United States of America, and the Casino property located in Yukon, Canada. Effective December 31, 1997, the Company changed its name from Pacific Sentinel Gold Corp. ("Pacific Sentinel") to Great Basin Gold Ltd. on completion of the business combination with Consolidated North Coast Industries Ltd. ("North Coast") (note 3).

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The underlying value and the recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, and future profitable production or proceeds from the disposition of the mineral property interests.

2. Significant accounting policies

(a) Basis of presentation and consolidation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Effective December 31, 1997, the Company completed the acquisition of 100% of the outstanding shares of North Coast. As North Coast shareholders obtained control of the Company through the exchange of their shares of North Coast for shares of the Company, the acquisition of North Coast has been accounted for in these financial statements as a reverse takeover. Consequently, the consolidated statements of operations and deficit, mineral property interests and cash flows for the year ended December 31, 1997, reflect the results of operations and cash flows of North Coast, the legal subsidiary, for the year ended December 31, 1997, combined with those of Pacific Sentinel, the legal parent, from acquisition on December 31, 1997.

In these notes to the consolidated financial statements, the Company, prior to the business combination with North Coast, is referred to as "Pacific Sentinel", and after completion of the share consolidation (note 7), business combination, and name change, is referred to as "Great Basin".

(b) Cash and equivalents

Cash and equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase.

(c) Short-term investments

Short-term investments include highly liquid investments with terms to maturity of greater than three months and less than one year when purchased. Short-term investments are carried at the lower of cost plus accrued interest and quoted market value.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

2. Significant accounting policies (continued)

(d) Investments and reclamation deposits

Investments capable of reasonably prompt liquidation are carried at the lower of cost and quoted market value. Investments where the Company has the ability to exercise significant influence are accounted for on the equity basis where the investment is initially recorded at cost and subsequently adjusted for the Company's share of the income or loss and capital transactions of the investee, less provision, if any, for permanent impairment in value. Reclamation deposits are recorded at cost.

(e) Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over three to five years, which represents the estimated useful lives of the related equipment. Depreciation on equipment used directly on exploration projects is included in mineral property interests and is not charged to operations until the related property is in production.

(f) Mineral property interests

Acquisition costs and related exploration costs are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. These costs will be amortized over the estimated life of the property following commencement of commercial production or written off if the property is sold, allowed to lapse or abandoned.

Acquisition costs for mineral property interests include the cash consideration and the fair value of common shares, based on the trading price of the shares, issued for mineral property interests, pursuant to the terms of the agreement. A property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, is recorded in the accounts at the time of payment. The amount shown for mineral property interests represents costs incurred to date, less write-downs, and does not necessarily reflect present or future values.

Administration expenditures are expensed in the period incurred.

(g) Share capital

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted price on the stock exchange on the date the agreement to issue the shares was reached.

(h) Translation of foreign currencies

The Company's United States operations are considered to be integrated operations for purposes of foreign currency translation. Amounts stated in United States dollars are translated into Canadian dollars as follows: monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities and revenues and expenses are translated at the rate in effect on the date of the transaction. The net foreign currency gain or loss on translation is included in the statement of operations and deficit.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

2. Significant accounting policies (continued)

(i) Loss per share

The loss per share is computed using the weighted average number of common shares outstanding during the year, after restating prior years' comparative amounts to reflect the weighted average number of post-consolidation common shares of Pacific Sentinel issued to North Coast shareholders (note 3). Fully diluted loss per share has not been presented as the effect on basic loss per share of outstanding options and warrants would be anti-dilutive.

(j) Fair value of financial instruments

The carrying amounts of cash and equivalents, short-term investments, amounts receivable, reclamation deposits, and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

(k) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of mineral property interests, determination of reclamation obligations and rates for depreciation. Actual results could differ from these estimates.

(l) Segment disclosures

The Company operates in a single segment, being exploration of mineral properties, within the geographic areas disclosed in note 6. Substantially all of the Company's revenue and administrative expenses are incurred in Canada. Substantially all exploration costs incurred since 1997, which have been deferred in accordance with note 2(f), are incurred in the United States of America.

(m) Stock-based compensation plans

The Company has a stock-based compensation plan, which is described in Note 7(c). No compensation expense is recognized for this plan when stock options are granted. Any consideration paid by employees on exercise of stock options is credited to share capital.

(n) Income taxes

Effective January 1, 2000, the Company adopted, retroactively and without restatement of prior periods, the new recommendations of the Canadian Institute of Chartered Accountants regarding accounting for income taxes, which requires the use of the asset and liability method. The cumulative effect, at January 1, 2000, of adopting these recommendations was not material. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Prior to the adoption of the new recommendations, income tax expense was determined using the deferral method of tax allocation. Under this method, future income and tax expense was based on differences in the recognition of revenues and expenses for income tax and financial reporting.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)

and for the years ended December 31, 1999, 1998 and 1997

(expressed in Canadian dollars, unless otherwise stated)

2. Significant accounting policies (continued)

(o) Comparative figures

Certain of the prior periods' comparative figures have been reclassified to conform with the presentation adopted for the current period.

3. Business combination

Effective December 31, 1997, Pacific Sentinel and North Coast received all of the necessary approvals to complete their agreements to merge. Pacific Sentinel consolidated its shares, changed its name to Great Basin, and issued 9,421,759 post-consolidation common shares to the shareholders of North Coast in consideration for all of the issued and outstanding common shares of North Coast on the basis of 0.625 post-consolidation common shares of Great Basin for each common share of North Coast (note 7(b)). As the former shareholders of North Coast obtained control of the Company through the share exchange, this transaction has been accounted for in these financial statements as a reverse takeover and the purchase method of accounting has been applied. Under reverse takeover accounting, North Coast is considered to have acquired Pacific Sentinel with the results of Pacific Sentinel's operations included in the consolidated financial statements from the date of acquisition. North Coast is considered the continuing entity and consequently, the comparative figures were those of North Coast.

The acquisition has been recorded at the estimated fair value of the consideration given which, under reverse takeover accounting is the fair value of the total number of shares of North Coast that would have had to be issued in order to provide the same percentage of ownership of the combined company to the shareholders of Pacific Sentinel as they have in the combined company as a result of the reverse takeover. The acquisition details are as follows:

Net assets acquired, at book values, which are estimated to approximate fair values	
Mineral property interests	\$ 5,555,289
Cash	
Non-cash working capital	630,992
Reclamation deposits	7,500
Equipment	181,097
	\$ 7,659,940
Consideration given for net assets acquired	
Common shares issued	\$ 7,659,940

As the continuing entity is deemed to be North Coast, share capital of Pacific Sentinel has been reduced by \$20,056,951 as a result of accounting for this combination as a reverse takeover (note 7(b)).

The consolidated statements of operations and deficit, mineral property interests, and cash flows reflect the results of operations and cash flows of North Coast, the legal subsidiary, for the year ended December 31, 1997, combined with those of Great Basin, the legal parent, from December 31, 1997, being the effective date of the acquisition, to December 31, 1997.

Under reverse takeover accounting principles and the purchase method of accounting, the results of operations of Pacific Sentinel are included in the financial statements only from the effective date of the acquisition. Accordingly, supplementary financial information presenting the results of operations and changes in financial position of Pacific Sentinel for the period from January 1, 1997, being the date following the most recent audited balance sheet of Pacific Sentinel, to December 31, 1997, being immediately prior to the effective date of the combination, is presented below.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

3. Business combination (continued)

(a) Consolidated Statement of Operations

	January 1 to December 31, 1997
Interest revenue	\$ 52,063
General and administrative expenses (note 3(d))	501,806
Loss before write-down	(449,743)
Write-down of mineral property interests	(21,000,000)
Loss for the period	\$ (21,449,743)

(b) Consolidated Statement of Mineral Property Interests

	January 1, to December 31, 1997
Acquisition costs	
Balance, beginning of period	\$ 10,738,005
Write-down during the period	(5,182,716)
Balance, end of period	5,555,289
Exploration costs	
Assays and analyses	22,481
Engineering	3,654
Environmental, socio-economic and land fees	32,271
Geological and geophysical	37,158
Site activities	3,304
Travel and accommodation	8,172
Incurrred during the period	107,040
Balance, beginning of period	15,710,244
Write-down during the period	(15,817,284)
Balance, end of period	-
Mineral property interests	\$ 5,555,289

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

3. Business combination (continued)

(c) Consolidated Statement of Cash Flows

	January 1 to December 31, 1997
Cash provided by (used for)	
Operations	
Loss for the period (note 3(a))	\$ (21,449,743)
Items not involving cash	
Depreciation	70,488
Write-down of mineral property interests	21,000,000
Changes in non-cash operating working capital	
Amounts receivable	393,027
Accounts payable and accrued liabilities	(106,180)
	(92,408)
Investments	
Equipment purchases	3,600
Exploration costs	(107,040)
	(103,440)
Decrease in cash and equivalents	(195,848)
Cash and equivalents, beginning of period	1,480,910
Cash and equivalents, end of period	\$ 1,285,062

(d) Consolidated Schedule of General and Administrative Expenses

	January 1 to December 31, 1997
Conference and travel	\$ 20,882
Corporation capital tax recovered	(36,731)
Depreciation	70,488
Interest and finance charges	58,159
Legal, accounting and audit	30,901
Office and administration	106,073
Salary and benefits	104,952
Shareholder communication	114,522
Trust and filing	32,560
General and administrative expenses	\$ 501,806

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)

and for the years ended December 31, 1999, 1998 and 1997

(expressed in Canadian dollars, unless otherwise stated)

4. Investment

During 1997, North Coast purchased 1,100,000 units of Cornucopia Resources Ltd. ("Cornucopia") at \$1.00 per unit in connection with the agreement to acquire the Ivanhoe Property (note 6(a)). Each Cornucopia unit was comprised of one common share and one share purchase warrant, exercisable at \$1.25 until March 26, 1998. These share purchase warrants expired unexercised on March 26, 1998. At December 31, 1997, the Company wrote-down the carrying value of its investment by \$800,000 to their approximate market value of \$300,000. During 1998, the Company sold its remaining shares held in Cornucopia and recorded a loss of \$216,924.

5. Equipment

	June 30, 2000 (unaudited)			Net book value December 31,	
	Cost	Accumulated Depreciation	Net book value	1999	1998
Computer	\$ 123,673	\$ 109,248	\$ 14,425	\$ 18,494	\$ 42,961
Field	322,056	295,243	26,813	37,201	75,214
Office	300,679	296,071	4,608	4,667	21,676
	\$ 746,408	\$ 700,562	\$ 45,846	\$ 60,362	\$ 139,851

The total original cost at December 31, 1999 and 1998 was \$746,408 and \$743,524 respectively.

6. Mineral property interests

	Wilson					Total
	Ivanhoe	Independence	Casino	Other		
Balance, December 31, 1996	\$ --	\$ --	\$ --	\$ 778,835	\$ 778,835	
Acquisition costs	1,504,397	192,910	5,555,289	--	7,252,596	
Exploration costs						
Assays and analysis	17,976	2,490	--	4,534	25,000	
Drilling	302,624	3,213	--	--	305,837	
Engineering	1,597	--	--	7,990	9,587	
Environmental, socio-economic and land fees	78,258	--	--	5,708	83,966	
Equipment rentals and leases	4,023	--	--	5,920	9,943	
Geological	279,279	65,262	--	14,714	359,255	
Site activities	83,201	10,826	--	16,810	110,837	
Transportation	113,588	19,056	--	6,219	138,863	
	880,546	100,847	--	61,895	1,043,288	
	2,384,943	293,757	5,555,289	840,730	9,074,719	

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

6. Mineral property interests (continued)

	Ivanhoe	Wilson Independence	Casino	Other	Total
Write-down during the year	--	--	--	(840,727)	(840,727)
Balance, December, 31, 1997	2,384,943	293,757	5,555,289	3	8,233,992
Acquisition costs	455,389	61,036	--	--	516,425
Exploration costs					
Assays and analysis	82,198	33,197	--	--	115,395
Drilling	376,044	347,490	--	--	723,534
Engineering	52,927	60,184	--	--	113,111
Environmental, socio- economic and land fees	1,317,368	22,981	--	3,146	1,343,495
Equipment rentals and leases	76,652	17,568	--	--	94,220
Geological	645,896	240,811	--	--	886,707
Site activities	372,046	237,683	--	--	609,729
Transportation	135,527	81,605	--	--	217,132
	3,058,658	1,041,519	--	3,146	4,103,323
	5,898,990	1,396,312	5,555,289	3,149	12,853,740
Write-down during the year	--	(1,396,312)	--	--	(1,396,312)
Balance, December 31, 1998	5,898,990	--	5,555,289	3,149	11,457,428
Acquisition costs	3,732,779	29,810	--	41,451	3,804,040
Exploration costs					
Depreciation	59,831	--	--	--	59,831
Assays and analysis	185,680	47	--	--	185,727
Drilling	1,513,140	--	--	--	1,513,140
Engineering	117,463	1,550	--	--	119,013
Environmental, socio- economic and land fees	700,312	474	--	--	700,786
Equipment rentals	45,203	--	--	--	45,203
Geological	489,715	12,565	--	--	502,280
Site activities	331,347	1,704	--	--	333,051
Transportation	126,313	343	--	--	126,656
	3,569,004	16,683	--	--	3,585,687
	13,200,773	46,493	5,555,289	44,600	18,847,155
Write-down during the year	--	(46,493)	--	(41,451)	(87,944)
Balance, December 31, 1999	13,200,773	--	5,555,289	3,149	18,759,211

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

6. Mineral property interests (continued)

	Ivanhoe	Wilson Independence	Casino	Other	Total
Acquisition costs	-	-	-	-	-
Exploration costs					
Depreciation	13,918	-	-	-	13,918
Assays and analysis	368,483	-	-	-	368,483
Drilling	3,022,941	-	-	-	3,022,941
Engineering	126,997	-	-	-	126,997
Environmental, socio- economic and land fees	111,207	-	-	-	111,207
Equipment rentals	10,444	-	-	-	10,444
Geological	774,483	-	-	-	774,483
Site activities	137,587	-	-	-	137,587
Transportation	126,753	-	-	-	126,753
	4,692,813	-	-	-	4,692,813
Balance, June 30, 2000	\$ 17,893,586	\$ -	\$ 5,555,289	\$ 3,149	\$ 23,452,024

(a) Ivanhoe
Elko County, Nevada, United States of America

On August 13, 1997, the Company and Cornucopia (note 4) entered into an agreement to acquire a 100% working interest in the Ivanhoe Property on the Carlin Trend in Nevada from Newmont Exploration Limited ("Newmont").

Pursuant to the terms of the agreement, the Company earned a 75% interest in the Ivanhoe Property in consideration for payments totalling US\$5.0 million as follows:

- US\$1 million to Newmont;
- 150% of the amount invested in shares of Cornucopia (being US\$1.2 million); and
- US\$2.8 million on exploration and related costs.

The agreement provided that exploration and related costs include 150% of any amounts paid by the Company on behalf of Cornucopia pursuant to Cornucopia's reclamation obligations under the agreement. Newmont will manage and complete an approved mine closure plan of the 1.1 square mile area of former mining operations already funded by US\$4.5 million. The agreement also provided that overruns will be funded 33% each by Newmont, the Company and Cornucopia up to a total overrun of US\$1.5 million, and thereafter 75% by Newmont, with the balance payable pro rata by the Company and Cornucopia. Ownership of and further expenditures on the Ivanhoe Property were to be on a 75% Company and 25% Cornucopia basis (see below).

The Company also issued aggregate finders' fees of 125,000 post-consolidation Great Basin shares, based on expenditures on the project, and interim financing guarantees of 98,125 post-consolidation Great Basin shares. The financing guarantee shares were issued to principals of Hunter Dickinson Inc. (note 8(a)), which acted as an agent of the Company in negotiating and guaranteeing aspects of the transaction.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)

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(expressed in Canadian dollars, unless otherwise stated)

6. Mineral property interests (continued)

On March 2, 1999, the Company entered into an agreement to acquire the 25% interest in the Ivanhoe Property owned by Touchstone Resources Company ("Touchstone"), a wholly owned subsidiary of Cornucopia, for consideration of 2,750,000 common shares of the Company and 250,000 warrants exercisable to purchase additional shares of the Company at \$2.00 per share to June 30, 2000. In addition, the Company assumed Cornucopia's reclamation obligations with respect to the Ivanhoe Property.

Subsequent to June 30, 2000, Touchstone received claims from a bonding company for US\$793,583 in respect of Touchstone's guarantee of a surface management surety bond of Mineral Ridge Resources, Inc. ("Mineral Ridge"). Mineral Ridge was associated with Touchstone prior to the agreement dated March 2, 1999. Under the terms of the March 2, 1999 agreement, the Company was indemnified by Cornucopia against any and all liabilities of Mineral Ridge, and in particular, Touchstone's guarantee of Mineral Ridge's surety bond.

During 1998, The Company entered into an agreement for a group of claims that form part of the Ivanhoe Property. This agreement requires annual option payments of US\$50,000 per year and the claims are subject to net smelter return ("NSR") royalties of 2% to 5%.

In November 1999, the Company entered into an agreement to acquire 109 claims adjoining the Ivanhoe Property for US\$50,000 and 75,000 common shares of the Company.

During 1999, cumulative reclamation expenditures exceeded US\$6,000,000 and, as required by the agreement, the Company contributed 25% of the excess over US\$4,500,000 and has been advised by Newmont that the following reclamation costs are budgeted to complete the reclamation of the property over the next six years:

Year	Total Reclamation Costs	The Company's 25% Share
2000	US\$250,170	US\$62,543
2001	54,305	13,576
2002	52,305	13,076
2003	44,305	11,076
2004	44,305	11,076
2005	190,305	47,576
	<u>US\$635,695</u>	<u>US\$158,923</u>

(b) Wilson-Independence
Lander County, Nevada, United States of America

On December 3, 1997, North Coast entered into an option agreement with Teck Resources, Inc. and Robert G. Carrington (the "Optionors") to acquire a 100% interest in the Wilson-Independence Property in north-central Nevada.

Pursuant to the terms of the agreement, North Coast could earn a 100% interest in the Wilson-Independence Property by completing staged work commitments totalling US\$5 million over four years, making staged payments to the Optionors aggregating US\$162,500 over four years and issuing 650,000 shares over four years. North Coast also agreed to make advance royalty payments of US\$10,000 per year through 1999, and US\$30,000 per year thereafter to 2015, pursuant to a 3% NSR royalty agreement held by the underlying property owner. To December 31, 1997, North Coast issued 100,000 North Coast shares, (the equivalent of 62,500 post-consolidation Great Basin shares) and made payments of US\$100,000. In 1998, the Company issued a finder's fee of 328,000 warrants exercisable at \$0.76 until August 18, 1999 and \$0.874 until August 18, 2000.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)
and for the years ended December 31, 1999, 1998 and 1997
(expressed in Canadian dollars, unless otherwise stated)

6. Mineral property interests (continued)

On March 31, 1999, the Company, based on the results to date that indicated insufficient evidence to warrant further exploration, terminated the option on this property, and wrote off the deferred costs incurred to December 31, 1998 effective December 31, 1998 and residual costs incurred during 1999 were written off in 1999.

(c) Casino
Whitehorse Mining District, Yukon, Canada

Great Basin owns a group of 136 mineral and placer claims, some of which are subject to a 5% net profits from production royalty. During May 2000, the Company granted an option whereby the optionee can earn the right to purchase 55 claims for \$1 on the 20th anniversary of the option agreement. As consideration, the optionee has agreed to incur all annual filing fees and assessment work on the Company's 81 claims, in addition to the 55 claims under option. Alternatively, the optionee may purchase the 55 claims for a one time payment of \$200,000 without further obligation in respect of the Company's 81 claims. Should the optionee acquire the 55 claims, they would be subject to a further 5% net profits interest, payable to the Company. The carrying value of this property is its cost to Great Basin, based on the business combination with North Coast (note 3) at December 31, 1997.

(d) Goldvale, McGold and Red Gold
Omineca Mining District, British Columbia, Canada

During 1995 and 1996, North Coast acquired, through staking, 100% ownership of three non-contiguous mineral properties, Goldvale, McGold and Red Gold, totalling approximately 164 square kilometres. In 1996, North Coast wrote down the McGold and Red Gold properties to a nominal amount and in 1997, after further review of the data on the Goldvale property, determined that further exploration was not warranted and wrote the Goldvale property down to a nominal amount.

(e) Kirkland Lake
Ontario, Canada

In 1992, the future economic benefit of the Kirkland Lake property became uncertain, and while the property was not abandoned, there were no plans or financial resources to make further significant expenditures on the property. Accordingly, the property was written down to a nominal amount. The Company continues to maintain the Kirkland Lake property in good standing.

(f) Bissett Creek
Ontario, Canada

In 1992, the future economic benefit of the Bissett Creek graphite property (the "BC Property") became uncertain. While not abandoned, there were no plans or financial resources to make further significant expenditures on the BC Property. Accordingly, the BC Property was written down to a nominal amount.

In January 1997, the Company reached an agreement (the "Purchase Agreement") to sell its interest in the BC Property to an arm's length private company (the "Purchaser") for certain production royalties, subject to an annual minimum preproduction royalty of \$30,000 per year. However, the Purchaser defaulted under the Purchase Agreement. The defaults included failing to make the required royalty payments to the Company, failing to make royalty payments to an arm's length group (the "Optionor") entitled to receive royalties pursuant to an option agreement (the "Option Agreement") dated April 25, 1984, failing to make the required tax payments on the BC Property, and failing to obtain a release of the Company from any obligations to the Optionor under the Option Agreement.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

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(expressed in Canadian dollars, unless otherwise stated)

6. Mineral property interests (continued)

By a letter dated August 10, 2000, the Optionor gave the Company a notice of termination of the Option Agreement on the basis that the royalty payments required under the Option Agreement and the required tax payments had not been paid. The Company is reviewing this matter, but does not intend to pay the outstanding royalties and taxes, and believes that it is unlikely that the Purchaser will do so either. It is anticipated that this will result in the Optionor taking the BC Property free and clear of any interests the Purchaser or the Company may have had in the BC Property.

7. Share capital

(a) Authorized

The Company's authorized share capital consists of 100,000,000 common shares without par value. During 1997, Pacific Sentinel consolidated its authorized share capital on a 5 old for 1 new basis and subsequently increased its authorized share capital from 20,000,000 common shares without par value to 100,000,000 common shares without par value.

(b) Issued and outstanding

The continuity of the Company's issued and outstanding share capital, commencing with North Coast's on December 31, 1996, is as follows:

	Number of Shares		Amount
North Coast			
North Coast balance, December 31, 1996	10,000,315	\$	11,601,450
Issued during 1997:			
Share purchase warrants exercised at \$1.80	1,246,000		2,242,800
Share purchase warrants exercised at \$0.33	3,724,000		1,228,920
Share purchase options exercised at \$1.70	4,500		7,650
Mineral property interests at \$0.50	100,000		50,000
North Coast balance, December 31, 1997, prior to the arrangement with Pacific Sentinel	15,074,815		15,130,820
Exchanged into post-consolidation Great Basin common shares at 0.625 shares for each North Coast share (note 3)	(5,653,056)		--
Shares of Great Basin to be issued to North Coast shareholders, at time of business combination (below and note 3)	9,421,759	\$	15,130,820
Pacific Sentinel			
Pacific Sentinel balance, December 31, 1996 and December 31, 1997, prior to share consolidation and arrangement with North Coast	23,697,062	\$	35,187,771
Consolidation of shares on a 5 old for 1 new basis	(18,957,650)		--

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7. Share capital (continued)

	Number of Shares	Amount
Pacific Sentinel balance, December 31, 1997, prior to arrangement with North Coast	4,739,412	35,187,771
Adjustment to record business combination Reduction in the book value of Pacific Sentinel's share capital to that of North Coast (note 3)	--	(20,056,951)
	4,739,412	15,130,820
Shares of Great Basin issued to acquire shares of North Coast (above), recorded at fair value (note 3)	9,421,763	7,659,940
Great Basin balance, December 31, 1997, after business combination	14,161,175	22,790,760
Issued during 1998:		
For mineral property interests:		
at \$2.05	50,000	102,500
at \$1.83	37,499	68,623
at \$0.80	37,500	30,000
at \$0.84	37,501	31,501
Loan guarantee at \$2.05 (note 6(a))	98,125	201,156
Escrow shares issued at \$0.01	750,000	7,500
Share purchase options exercised at \$1.28	41,875	53,600
Private placement at \$2.00 per unit, net of issue costs	1,704,600	2,983,088
Great Basin balance, December 31, 1998	16,918,275	26,268,728
Issued during 1999:		
For mineral property interests:		
at \$1.25	2,750,000	3,437,500
at \$2.25	75,000	168,750
Private placement at \$1.30, net of issue costs	4,864,331	6,011,841
Share purchase warrants exercised:		
at \$1.18	1,704,600	2,011,428
at \$0.76	100,000	76,000
at \$1.30	30,000	39,000
Share purchase options exercised:		
at \$1.28	874,800	1,119,744
at \$0.91	361,500	328,965
at \$0.63	24,500	15,435
at \$1.48	12,500	18,500
at \$1.55	3,500	5,425
Share donation at \$2.50	4,000	10,000
Great Basin balance, December 31, 1999	27,723,006	39,511,316

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7. Share capital (continued)

	Number of Shares	Amount
Share purchase options exercised:		
at \$1.28	65,000	83,200
at \$0.78	24,500	19,110
at \$2.14	6,800	14,552
at \$1.48	10,500	15,540
at \$1.55	3,500	5,425
at \$1.48	17,500	25,900
at \$1.55	7,000	10,850
Share purchase warrants exercised:		
at \$2.00	250,000	500,000
at \$1.30	818,127	1,034,367
Great Basin balance, June 30, 2000	28,925,933	\$ 41,220,260

As at June 30, 2000 and December 31, 1999, there were 375,000 (1998 – 750,000) common shares in escrow subject to the direction or determination of certain regulatory authorities. Subsequent to June 30, 2000, the remaining shares were released from escrow.

(c) Share purchase options

The Company has a stock option plan approved by the shareholders that allows it to grant options, subject to regulatory terms and approval, to its employees, officers, directors and non-employees to acquire up to 5,585,000 common shares of which 2,009,500 are outstanding at June 30, 2000. The exercise price of each option equals the average closing price for the common shares on the Canadian Venture Exchange on the ten trading days prior to the date of the grant of the option. Options have a maximum term of ten years and terminate 30 days following the termination of the optionee's employment, except in the case of retirement or death, in which case they terminate six months after the event. Vesting of options is made at the discretion of the Board at the time the options are granted.

During 1997, all of the outstanding North Coast share purchase options at the time of arrangement with Pacific Sentinel, were converted into share purchase options of the Company on the basis of 0.625 Great Basin share purchase option for each North Coast share purchase option, with the related exercise price per share increased from \$1.70, \$1.80 and \$1.15 to \$2.72, \$2.88 and \$1.84, respectively.

During 1997, all of the outstanding Pacific Sentinel share purchase options were consolidated on a 5 old for 1 new basis and converted into Great Basin share purchase options, with the related exercise price per share increased from \$1.00 and \$0.85 to \$5.00 and \$4.25, respectively.

The continuity of share purchase options is as follows:

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For the six months ended June 30, 2000 and 1999 (unaudited)

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7. Share capital (continued)

	Six months ended June 30, 2000 (unaudited)		Year ended December 31,			
	Number of shares	Weighted Average Price	Number of shares	Average Price	Number of Shares	Average Price
Opening balance	2,147,700	\$ 1.18	1,011,800	\$ 1.25	720,563	\$ 2.97
Granted during the period	6,700	\$ 2.17	2,435,700	\$ 1.14	1,770,363	\$ 1.59
Exercised during the period	(134,800)	\$ 1.30	(1,276,800)	\$ 1.17	(41,875)	\$ 1.28
Expired/cancelled during period	(10,100)	\$ 1.84	(23,000)	\$ 1.28	(1,437,251)	\$ 2.13
Closing balance	2,009,500	\$ 1.17	2,147,700	\$ 1.17	1,011,800	\$ 1.25
Contractual remaining life (years)	0.79		1.58		1.05	
Range of exercise prices		\$0.91 to \$2.17		\$0.78 to \$2.14		\$0.63 to \$1.28

Subsequent to June 30, 2000, the Company granted 25,100 share purchase options under the share option plan to employees exercisable at \$1.64, which expire July 5, 2002 and cancelled 3,400 share purchase options exercisable at \$2.14 which expire December 3, 2001.

(d) Share purchase warrants

Expiry date	Exercise price	Outstanding December 31, 1999	Issued during period	Exercised during period	Expired during period	Outstanding June 30, 2000
June 30, 2000	\$ 2.00	250,000	-	(250,000)	-	-
July 28, 2000	\$ 1.30	4,834,331	-	(818,127)	-	4,016,204
August 18, 2000	\$ 0.87	228,000	-	-	-	228,000
		5,312,331	-	(1,068,127)	-	4,244,204

Expiry date	Exercise price	Outstanding December 31, 1998	Issued during period	Exercised during period	Expired during period	Outstanding December 31, 1999
October 22, 1999	\$ 1.18	1,704,600	--	(1,704,600)	-	-
August 18, 1999/2000	\$ 0.76/0.87	328,000	--	(100,000)	-	228,000
June 30, 2000	\$ 2.00	--	250,000	--	-	250,000
July 28, 2000	\$ 1.30	--	4,864,331	(30,000)	-	4,834,331
		2,032,600	5,114,331	(1,834,600)	-	5,312,331

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For the six months ended June 30, 2000 and 1999 (unaudited)

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7. Share capital (continued)

Expiry date	Exercise price	Outstanding December 31, 1997	Issued during period	Exercised during period	Expired during period	Outstanding December 31, 1998
March 31, 1998	\$ 9.00	180,480	-	-	(180,480)	-
October 22, 1999	\$ 1.18	-	1,704,600	-	-	1,704,600
August 18, 1999/2000	\$ 0.76/0.87	-	328,000	-	-	328,000
		180,480	2,032,600	-	(180,480)	2,032,600

Also see note 10(a).

8. Related party transactions and balances

	Six months ended June 30,		Years ended December 31,		
	2000	1999	1999	1998	1997
Services rendered by					
Hunter Dickinson Inc. (a)	\$ 890,868	\$ 408,020	\$ 876,170	\$ 678,623	\$ 851,867
Mainland Exploration Limited Partnership (b)	\$ -	\$ -	\$ 210,000	\$ -	\$ -

	June 30, 2000	December 31, 1999	December 31, 1998
Balances receivable from (c)			
Hunter Dickinson Inc.	\$ 627,329	\$ 509,461	\$ 199,818

- (a) Hunter Dickinson Inc. is a private company with certain common directors that provide geological, corporate development, administrative and management services to the Company on a cost recovery basis pursuant to an agreement dated December 31, 1996.
- (b) Mainland Exploration Limited Partnership ("Mainland") is a limited partnership that provides merger, acquisition, financing and other corporate services to the Company. Certain directors of the Company are also directors of Mainland's general partner.
- (c) Amounts receivable from related parties are non-interest bearing and are payable on demand.

9. Income taxes

At December 31, 1999, the Company has available losses for income tax purposes in Canada totalling approximately \$4.9 million, expiring at various times from 2000 to 2006. The Company also has available tax pools in Canada of approximately \$7.6 million, which may be carried forward and utilized to reduce future taxes and income. Included in the \$7.6 million of tax pools is \$3.2 million that is successored, which can only be utilized from taxable income from specific mineral properties.

GREAT BASIN GOLD LTD.

Notes to Consolidated Financial Statements

For the six months ended June 30, 2000 and 1999 (unaudited)

and for the years ended December 31, 1999, 1998 and 1997

(expressed in Canadian dollars, unless otherwise stated)

9. Income taxes (continued)

At December 31, 1999, the Company also has net operating loss carry forwards for United States income tax purposes of approximately U.S. \$3.6 million which, if not utilized to reduce United States taxable income in future periods, expires through 2019. These available tax losses may only be applied to offset future taxable income from the Company's current United States subsidiaries, and a portion are limited to approximately 6% per year. In addition, the Company has available tax pools in the United States of approximately U.S. \$2.5 million, which are being deducted over a 10 year period.

As at June 30, 2000 (unaudited), the tax effect of the significant components within the Company's future tax asset (liability) is as follows:

Canadian resource pools	\$ 3,279,030
Loss carry forwards	3,865,855
Other tax pools	112,487
	<u>7,257,372</u>
Valuation allowance	(3,216,850)
Net future income tax asset	<u>4,040,522</u>
Future income tax liability for mineral properties	(4,040,522)
Net future income tax asset (liability)	<u>\$ -</u>

10. Subsequent events

In addition to the subsequent events disclosed elsewhere in these financial statements, subsequent to June 30, 2000:

- (a) All share purchase warrants outstanding at June 30, 2000 (note 7(d)) were exercised for gross proceeds of \$5.4 million to the Company.
- (b) The Company entered into an agreement with Loewen, Ondaatje, McCutcheon Limited (the "Broker") for a brokered private placement of Special Warrants. Under the terms of the offering, which closed on August 16, 2000, the Company issued 5,000,000 Special Warrants at a price of \$2.00 per Special Warrant. Each Special Warrant will convert, without further consideration and upon prospectus clearance, into a unit ("Unit") comprising one common share and one half of a share purchase warrant, with each whole warrant entitling the holder to acquire an additional common share at a price of \$2.50 per share which will expire on August 16, 2001. If the Company does not receive receipts for the final prospectus by December 14, 2000, the Special Warrants shall be exercisable into 1.1 common shares and 0.55 share purchase warrants.

A broker's commission of approximately \$0.6 million was paid on closing, and after other offering costs, the net proceeds to the Company are estimated to be approximately \$9.3 million. In addition, the broker received an option to purchase 500,000 Units at \$2.00 per Unit exercisable until August 16, 2001.

The Company filed a preliminary prospectus dated September 18, 2000 with the Securities Commissions of British Columbia, Alberta and Ontario to qualify the distribution of the common shares and share purchase warrants to be issued on conversion of the Special Warrants and the exercise of the Broker's option. On November 24, 2000, the Company received clearance to file materials for a final prospectus.

CERTIFICATE OF THE COMPANY

Dated: November 30, 2000

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the *Securities Act* (British Columbia), by Part XV of the *Securities Act* (Ontario), by Part 8 of the *Securities Act* (Alberta), and by the respective regulations thereunder. This prospectus does not contain any misrepresentation that is likely to affect the value or the market price of the securities to be distributed.



RONALD W. THIESSEN
President, Chief Executive Officer and Director



JEFFREY R. MASON
Chief Financial Officer

On behalf of the Board of Directors



SCOTT D. COUSENS
Director



ROBERT A. DICKINSON
Director

On behalf of the Promoters



ROBERT G. HUNTER



ROBERT A. DICKINSON

CERTIFICATE OF THE AGENT

Dated: November 30, 2000

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the *Securities Act* (British Columbia), by Part XV of the *Securities Act* (Ontario), by Part 8 of the *Securities Act* (Alberta), and by the respective regulations thereunder. This prospectus does not contain any misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

LOEWEN, ONDAATJE, MCCUTCHEON LIMITED

Per: _____


Garrett Herman

The following includes the names of every person having an interest either directly or indirectly to the extent of not less than 5% of the capital of: Loewen, Ondaatje, McCutcheon Limited, a wholly-owned subsidiary of LOM Bancorp Limited.