FORM 10-K

Annual report pursuant to section 13 and 15(d)

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AMAX GOLD INC

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SIC: **1040** Gold and silver ores

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9100 EAST MINERAL CIRCLE
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[CONFORMED]

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-9620

LOGO

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	06-1199974
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
9100 EAST MINERAL CIRCLE ENGLEWOOD, COLORADO (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	80112 (ZIP CODE)

(303)643-5500
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, $0.01 PAR VALUE (78,196,647 SHARES OUTSTANDING AT 3/17/94)	NEW YORK STOCK EXCHANGE, INC. THE TORONTO STOCK EXCHANGE

WARRANTS TO PURCHASE COMMON STOCK (4,066,649 OUTSTANDING AT 3/17/94)	AMERICAN STOCK EXCHANGE THE TORONTO STOCK EXCHANGE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES^^X^ NO^^^

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF THE REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS REPORT OR ANY AMENDMENTS TO THIS REPORT. ^^^

AS OF MARCH 17, 1994, THE AGGREGATE MARKET VALUE OF THE REGISTRANT'S COMMON STOCK HELD BY NON-AFFILIATES (USING NEW YORK STOCK EXCHANGE CLOSING PRICES) WAS APPROXIMATELY $339,901,315.

PORTIONS OF THE FOLLOWING DOCUMENT ARE INCORPORATED BY REFERENCE INTO THIS REPORT: REGISTRANT'S DEFINITIVE PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 5, 1994 (PART III).

PART I

Definitions. As used herein, the term "reserves" means those estimated quantities of a mineral deposit that, under presently anticipated conditions, may be economically and legally mined and sold or processed for the extraction of their constituent values. "Proven reserves" means reserves for which quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes, grade and/or quality are computed from the results of detailed sampling and the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established. "Probable reserves" means reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced; the degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation. "Proven/probable reserves" means reserves as to which the difference in degree of assurance between the two classes of reserves cannot be readily defined. The Company's proven/probable reserves are calculated through the use of mapping, drilling, sampling, assaying and other standard evaluation methods. Unless otherwise indicated, all ore reserves herein are given as of December 31, 1993. Except as otherwise noted, stated tonnages and grades of ore reserves include allowances for waste dilution but do not include allowances for losses in the recovery process. References to "tons" and "ounces" are to short tons of 2,000 pounds avoirdupois and to troy ounces of 1.097 ounces avoirdupois, respectively. References to "dollars", "US$", and "$" are to United States dollars.

ITEM 1. BUSINESS.

INTRODUCTION

Amax Gold Inc. (the "Company," "Amax Gold" or "AGI" which terms include subsidiaries, where indicated by the context) is a Delaware corporation engaged in the mining and processing of gold and silver ore and in the exploration for, and acquisition and development of, gold-bearing properties, principally in North and South America. The Company's share of production from its operating properties totaled 210,880 ounces during 1993. The Company's operating properties consist of a 100% interest in the Sleeper mine in Humboldt County, Nevada; a 100% interest in the Hayden Hill mine in Lassen County, California; an indirect 90% interest in the Guanaco mine in Chile and a 100% interest in the Wind Mountain mine in Washoe County, Nevada. The Company also retains a nominal interest in the Waihi mine in New Zealand. In addition, the Company owns a 100% interest in the Fort Knox gold project near Fairbanks, Alaska; an indirect 50% interest in the Refugio gold project in Chile; and a 62.5% joint venture interest in the Haile gold project in Lancaster County, South Carolina. See map on page 2. The Company's share of reserves as of December 31, 1993 in all its properties totaled approximately 7.4 million contained ounces of gold.

History of the Company. The Company was incorporated as a wholly-owned subsidiary of AMAX Inc. ("Amax"), a New York corporation, in April 1987 to acquire the gold interests of Amax in the United States, Canada and the North Island of New Zealand. Amax sold approximately 13% of the then outstanding shares of common stock of the Company in the Company's initial public offering in July 1987. During 1992, the Company issued approximately 13.2 million shares of its common stock and approximately 4 million warrants ("Warrants") to purchase common stock in connection with the acquisition of the Fort Knox project and issued another one million shares of common stock in connection with acquisition of the Haile project. On January 14, 1993, the Company issued 3.15 million shares of unregistered common stock to the shareholders of a privately held Chilean company to acquire an indirect 50% interest in the Refugio project in central Chile.

On November 15, 1993, Amax was merged with and into Cyprus Minerals Company (the "Cyprus Amax Merger"), which was renamed Cyprus Amax Minerals Company ("Cyprus Amax"). Immediately prior to the Cyprus Amax Merger, Amax, which at that time held approximately 68% of the Amax Gold outstanding

[STRIP ART HERE]

common stock, distributed approximately 21.8 million shares (approximately 28%) of the common stock (together with all of the outstanding shares of common stock of Alumax Inc., a Delaware corporation that controlled Amax's aluminum business) in a distribution to its shareholders. As a result of the above stock distribution and the Cyprus Amax Merger, Cyprus Amax acquired approximately 31.3 million shares of Amax Gold common stock,

which constitutes approximately 40% of the outstanding common shares of the Company. Cyprus Amax has committed to purchase and the Company has agreed to issue and sell an additional 3,000,000 shares of Amax Gold common stock at $6.888 per share, with the proceeds of the sale to be used to retire indebtedness owed by Amax Gold to Cyprus Amax. See "BUSINESS--AGREEMENTS WITH CYPRUS AMAX--Stock Purchase Agreement." As a result of this share purchase, Cyprus Amax's ownership of Amax Gold common stock will increase to approximately 42%. This percentage ownership would increase to slightly under 50% upon conversion of all of the Cyprus-Amax $100 million line of credit to Amax Gold common stock. See "BUSINESS--AGREEMENTS WITH CYPRUS AMAX--Line of Credit" and NOTE 8 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein. Cyprus Amax's nearly 50% ownership share would be reduced to approximately 48% if all of the Warrants issued in connection with the Fort Knox acquisition are exercised. This percentage would be further reduced to 45% if the Put and Call Agreement between Cyprus Amax and the Company is fully exercised by either party. See "BUSINESS--AGREEMENTS WITH CYPRUS AMAX--Put and Call Agreement." The Company's common stock is listed on the New York Stock Exchange (AU) and the Toronto Stock Exchange (AXG) and the Warrants are listed on the American Stock Exchange (AUWS) and the Toronto Stock Exchange (AXGWT).

The Gold Industry. Gold has two principal uses: product fabrication and bullion investment. Fabricated gold has a wide variety of end uses, including jewelry manufacture (the largest fabrication component), electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. The Company sells all of its refined gold to banks and other bullion dealers, utilizing a variety of hedging techniques. Substantially all of the Company's 1993 sales were export sales made in Europe by the Company's wholly-owned subsidiary, Amax Precious Metals, Inc. ("APMI"). See "BUSINESS--REFINING, SALES AND HEDGING ACTIVITIES" and NOTES 9 and 10 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

Gold Prices. The profitability of the Company's operations is significantly affected by the market price of gold. The price of gold has fluctuated widely, and is affected by numerous factors, including international economic trends, currency exchange fluctuations, expectations for inflation, consumption patterns (such as purchases of gold jewelry and the development of gold coin programs), sales of gold bullion holdings by central bank or other large gold bullion holders or dealers and political events in the Middle East and major gold-producing countries such as South Africa and the CIS. Gold prices are also affected by worldwide production levels, which have increased in recent years. In addition, the price of gold has on occasion been subject to rapid short-term changes because of market speculation. The following table sets forth for the years indicated the high and low selling prices of gold, first position, as provided by the Commodity Exchange, Inc. ("COMEX") in New York.

<TABLE>
<CAPTION>

YEAR	HIGH	LOW
	(DOLLARS PER OUNCE)	
<S>	<C>	<C>
1983	510.10	372.60
1984	404.60	307.30
1985	340.70	282.00
1986	441.10	327.00
1987	497.10	392.10
1988	487.00	394.00

1989	418.90	358.10
1990	422.40	346.80
1991	403.20	344.30
1992	359.30	329.70
1993	407.00	326.30

</TABLE>

SLEEPER MINE

The Sleeper mine, located in Humboldt County, Nevada, approximately 28 air miles north of Winnemucca, is 100% owned by the Company, through its wholly-owned subsidiary, Nevada Gold Mining, Inc. ("Nevada Gold"). The Company's land holdings, which consist of unpatented mining claims, encompass approximately 8.25 square miles. The number of unpatented mining claims maintained by the Company was substantially reduced in 1993. Current facilities occupy approximately 2,000 acres of land. Access to the mine is by way of a six-mile gravel road that connects to a county and state highway. Power is provided by the local rural electric association. Water for mining and processing operations at Sleeper is provided by a well system that dewaters the pits, and potable water is supplied by truck. As it is currently operated, the mine is free of royalty burden.

The property was discovered by an Amax geologist in 1982. Development of the mine started in July 1985 and was completed in March 1986. From inception through December 31, 1993, 1,454,726 ounces of gold have been produced at the Sleeper mine. The following table presents operating data for the Sleeper mine for the periods indicated:

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,			
	1993	1992	1991	
<S>	<C>	<C>	<C>	<C>
Tons mined(1)	18,608,500	18,466,900	16,247,200	
Tons of ore milled	899,791	896,788	623,302	
Average mill-head grade (oz. per ton)	0.078	0.106	0.219	
Mill recovery (%)(2)	72.70	82.6	88.5	
Tons of ore to heap leach	6,327,600	8,610,600	8,305,700	
Average grade to heap leach (oz. per ton)	0.019	0.020	0.024	
Ounces of gold produced(3)				
Mill	51,257	82,962	120,906	
Heap leach(4)	48,761	61,611	62,440	
Total	100,018	144,573	183,346	
Ounces of silver produced(3)	254,692	257,797	289,463	
Cost per ounce of gold produced				
Cash production costs(5)	$ 317	$ 223	$ 188	

Depreciation and depletion(6).....	132	99	71
Total production costs..	$ 449	$ 322	$ 259

</TABLE>

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(1) Includes stripping.

(2) Mill recovery for any period is defined as the gold contained in the ore processed compared to the gold produced in the form of dore bullion plus (or minus) any increase (or decrease) in plant inventory. Plant inventory is the amount of gold that is (i) present as adsorbed gold on activated carbon or (ii) present in the refinery as electrowon gold and gravity concentrates before being smelted into dore bullion.

(3) Production for any period is defined as gold or silver, as the case may be, produced in the form of dore bullion plus, effective January 1, 1992, plant inventory that is present in the mill carbon circuit. Gold and silver production for 1992 reflects an additional 4,733 gold ounces and 9,282 silver ounces due to the cumulative effect of a change in accounting to include production in the mill carbon circuit.

(4) Based on production experience, the Company estimates that processing of ore by heap leaching will result in ultimate gold recovery of approximately 50% for crushed ore and 22% for run-of-mine (uncrushed) ore.

(5) Cash production costs include all operating costs at the mine site, including overhead and Nevada net proceeds tax, before depreciation and depletion, and net of credits for silver by-products.

(6) Depreciation is calculated primarily using the unit of production method.

Production experience and a reinterpretation of geologic and metallurgical data at the Sleeper mine during the fourth quarter of 1993 led to a reduction of the proven/probable ore reserves. As a result, Amax Gold recognized a $23.6 million pre-tax ($15.6 million after-tax) write-down of the Sleeper asset as of

December 31, 1993. See NOTE 7 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein. A large portion of the remaining Sleeper ore reserve contains high clay content material which is expected to have adverse impacts on operating costs and recoveries.

The Company's proven/probable reserves at the Sleeper mine have been confirmed by Derry, Michener, Booth & Wahl, Inc. ("DMBW"), independent geological consultants, in a report dated February 7, 1994. Reserves for the Sleeper mine are based upon a $400 per ounce gold price and variable cut-off grades. Reserves represent in-place diluted grades and do not reflect losses in the recovery process. No royalties are payable with respect to any of the reserves presently identified.

SLEEPER MINE
PROVEN/PROBABLE ORE RESERVES
CONFIRMED BY DMBW
AS OF DECEMBER 31, 1993

<TABLE>
<CAPTION>

	GOLD	GOLD

	TONS (000)	AVG. GRADE (OZ./TON)	CONTENT (000 OZ.)
<S>	<C>	<C>	<C>
Mill Ore	1,331	0.115	153
Heap Leach Ore	5,358	0.018	97
Total	6,689	0.037	250

</TABLE>

The net reduction of the Sleeper reserves from year-end 1992 to year-end 1993 is 500,400 contained ounces. Production accounts for 204,400 contained ounces, with the balance of the reduction due to a variety of factors, including the removal of suspected downhole contamination from the database, an increased understanding of the problems associated with high clay and high pyrite material, new exploration drilling, and new geostatistical parameters for the reserve model. In comparison to the previous reserve model, the new model has greater geological constraints and utilizes a dilution correction to more closely match recent production.

Indications of mineralized material have been identified both beyond the boundaries of the current pits and at depths below the currently planned pit limits. The Company has conducted approximately 78,000 linear feet of drilling to determine the continuity of a portion of the deep vein structure and has completed a preliminary feasibility study on a more extensive underground drilling program. There can be no assurance, however, that a further drilling program will result in additions to the Company's reserves. If no new reserves are established, the remaining life of the Sleeper mine is estimated at approximately two years, exclusive of residual leaching after cessation of mining operations.

The Company's total capital spending at the Sleeper mine for 1993 was $3.3 million, compared with $7.6 million for 1992. In 1994, total capital spending is expected to be approximately $2 million, primarily for additions to the dewatering system, tailings dam construction, and development drilling.

The Company has filed an application for a patent on certain of the unpatented mining claims at the Sleeper mine. See "PROPERTIES--United States". Certain mining claims, none of which are included in the calculation of the Company's reserves, are owned by the Company subject to a royalty deed providing for payment of a 3% royalty on net returns in the event of mining from the claims. In January 1994, the Company made the final payment under a promissory note and deed of trust previously encumbering these claims.

Nevada Gold has a gold bullion loan agreement under which 4,000 ounces of gold ($1.6 million) were outstanding as of December 31, 1993. The Company has verbally agreed to repay this loan in February 1995, but it may be prepaid at any time. Collateral consists of a pledge of all of Nevada Gold's capital stock and a mortgage of all of its assets (principally the Sleeper mine). See NOTE 8 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

HAYDEN HILL MINE

The Company owns 100% of the Hayden Hill gold mine in Lassen County, California. Hayden Hill is approximately 120 air miles north-northwest of Reno, Nevada, and 58 miles northwest of Susanville, California. Access to the mine is

by way of a four-mile gravel road that connects to a state highway. The

Company controls approximately 6,300 acres through ownership of federal patented and unpatented mining claims and fee lands and a lease of federal unpatented mining claims, which has an indefinite term. The leased property is subject to a gross receipts, net smelter return royalty ranging from 2% to 5%. Approximately 75% of the current reserves are subject to this royalty. Five of the patented mining claims, which are included in the calculation of ore reserves, are owned by the Company subject to a promissory note and deed of trust to a third party. The principal balance due on the note as of December 31, 1993 totalled $220,000, which is scheduled to be paid by December 31, 1995.

The Hayden Hill mine is an open-pit operation based on two pits, the Lookout Zone and the Providence Zone, separated by approximately 1,000 feet. Power for operations is provided by the local rural electric association. Water for mining and processing operations is provided by two wells located in close proximity to the mine. Potable water is supplied by truck. The mine, which began production in mid-June 1992, was designed as a combined mill and heap leach operation. It experienced unacceptably high unit operating costs and reduced production as a result of lower than expected ore grade. Mining experience indicated that mill grade ore occurred in thinner, less continuous structures than originally interpreted by the statistical reserve analysis. A major reevaluation of the operation was completed in July 1993. Given the geologic complexity of the deposit as determined from mining experience and a revised interpretation of geologic data, the proven/probable reserves were restated to exclude a significant portion of the deposit, eliminating the original differentiation between mill ore and heap leach ore. During the last half of 1993, the mine was reconfigured to operate as a heap leach operation only, with the mill being maintained on a standby status. The mill may be run intermittently if sufficient higher grade ore is encountered.

The following table presents operating data for the Hayden Hill mine for the periods indicated:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31, 1993	INCEPTION TO DECEMBER 31, 1992
<S>	<C>	<C>
Tons mined(1)	11,262,609	12,104,800
Tons of ore milled	423,884	563,248
Average mill-head grade (oz. per ton)	0.032	0.036
Mill recovery (%)	90.7	88.7
Tons of ore to help leach(2)	4,993,742	2,619,993
Average grade to heap leach (oz. per ton)	0.017	0.017
Ounces of gold produced:		
Mill	11,570	17,191
Heap leach	41,468	11,624
Total	53,038	28,815
Ounces of silver produced	144,438	79,696

Cost per ounce of gold produced:		
Cash production costs(3)	$ 470	$ 432
Depreciation and depletion	149	152
Total production costs	$ 619	$ 584

</TABLE>

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(1) Includes stripping.

(2) The Company estimates that processing of ore by heap leaching will result in ultimate gold recovery of approximately 60% to 65%.

(3) Cash production costs include all operating costs at the mine site, including overhead and royalty, before depreciation and depletion, and net of credits for silver by-products.

The 1993 year-end reserves stated below represent a reduction of 517,000 contained ounces of gold from the year-end 1992 reserve figures. The large decrease in reserves resulted from elimination of questionable gold assays from the database, more severe dilution corrections, restriction of range of influence of high grade gold assays, revised costs related to metallurgical recovery factors, and 1993 production. Production in 1993 accounts for 108,400 contained ounces, with the balance of the reduction due to reserve restatement. The

mineralization excluded from the proven/probable reserves as a result of the mid-year reevaluation was reclassified as a geologic resource until such time, if ever, that additional data from drilling and further mining establish otherwise. The Company recognized a $64.1 million pre-tax ($41.9 million after-tax) write-down of the asset as of June 30, 1993. See NOTE 7 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

The following table sets forth the proven/probable reserves at the Hayden Hill mine. Reserves are based upon an assumed gold price of $400 per ounce and a variable cut-off grade. Reserves represent in-place diluted grades and do not reflect losses in the recovery process.

HAYDEN HILL MINE
PROVEN/PROBABLE ORE RESERVES
AS OF DECEMBER 31, 1993

<TABLE>
<CAPTION>

	TONS (000)	GOLD AVG. GRADE (OZ./TON)	GOLD CONTENT (000 OZ.)
<S>	<C>	<C>	<C>
Heap Leach Ore	18,800	0.024	451

</TABLE>

Construction of the mine was financed in part through a syndicated multi-option financing facility under which Lassen Gold Mining, Inc. ("Lassen Gold"), the Company's wholly-owned subsidiary that owns the mine, borrowed $67.5

million, solely for the construction and development of the Hayden Hill mine. At December 31, 1993, $51.9 million remained outstanding under this loan agreement. Collateral consists of a mortgage on all of the Hayden Hill mine assets, a pledge of the Lassen Gold stock and a guarantee by the Company. See NOTE 8 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein. Capital spending for Hayden Hill during 1993 was $3 million compared with $45.8 million in 1992. Capital expenditures in 1994 are expected to be approximately $7 million, primarily for heap leach pad expansion, overburden stripping, crusher modifications, and development drilling.

Lassen Gold received a letter from the California Regional Water Quality Control Board (the "Board") in January 1993, advising that certain violations of waste discharge requirements were occurring at the Hayden Hill mine pertaining to the tailings pond, process pond and heap leach pad. The alleged violation regarding the tailings pond has since been corrected and the tailings pond is no longer in use since shutdown of the mill. The Company has submitted two reports to the Board and has continued to work with the Board in addressing the remaining issues, which pertain to the flow rate between the two synthetic liners underlying the heap leach pad and process pond. The Board has the authority under the waste discharge requirements to require remediation and/or repair or cessation of leaching operations in affected cells of the leach pad and to require surface impoundments to be taken out of service, drained, and liners repaired. The Company does not currently expect further enforcement action by the Board. A staff representative of the Board has approved the design and construction of two new cells of the leach pad and has approved initial application of cyanide leach solutions on one of the new cells; however, permit modifications may be required prior to construction of additional leach pad cells. Lassen Gold has installed cyanide gas detection wells to monitor for leaks under certain cells of the leach pad system and no gas was detected during the initial monitoring of these wells. Under the facts currently known, the Company does not anticipate any material adverse effect on its financial condition or results of operations from this situation.

GUANACO MINE

The Company owns an indirect 90% interest in the Guanaco mine, which is located in the Guanaco Mining District approximately 145 miles southeast of Antofagasta, Chile. The project is held by Compania Minera Amax Guanaco (CMAG), an indirect 90% owned Chilean subsidiary of the Company, which is also operator of the project. Access to the project from Antofagasta is provided by the Pan American Highway (approximately 120 miles south) and a newly constructed gravel surface road (approximately 25 miles east). Power is supplied by an on-site power plant. The water supply for mine operations comes primarily from multiple wells adjacent to the minesite and from nearby surface springs which also provide potable quality

water. The developed water supply, while adequate for current operations, is insufficient to achieve the optimum level of production. The Company has water exploration and exploitation rights on an extensive property position adjacent to the mine, and programs are currently underway to develop additional water supplies.

The Guanaco property position is comprised of approximately 25,000 acres, consisting of leased mineral claims owned by ENAMI, an entity of the Chilean

government, and certain other mineral rights. Nearly all of the reserves are located in the area covered by the ENAMI lease. The surface area is owned by the Chilean government; however, CMAG has filed applications to purchase selected areas within the ENAMI lease, including the area covered by the current open pit design and the areas where the process plant, crusher facilities and campsite are located. The ENAMI lease has an initial term expiring in 2006, with provisions for five-year renewals thereafter, at the Company's option. The lease is subject to various levels of royalties depending on the level of production of ore, with the royalty on gold ranging from a 7% gross royalty to a 3% gross royalty plus a 2% net profits royalty; there is a gross royalty of 2% for all other metals. Negotiations with ENAMI to restructure this lease are contemplated. In addition to this royalty, an additional payment in adjustment of the purchase price is required to be paid in July 1994 to the minority owners of the Guanaco project, based on reserves in excess of 560,000 gold ounces, if any, including all reserves mined after acquisition of the property in April 1992 and reserves established as of April 1, 1994. The additional payment is $7.77 per troy ounce for proven/probable reserves in excess of 560,000 ounces. Based on the year-end 1993 reserves, the additional payment due would be approximately $1.3 million. An advance of the 1994 additional payment has been made in the form of non-interest bearing promissory notes in the aggregate amount of $4 million. The Company has taken a pledge of the remaining 10% interest in CMAG to secure the repayment of amounts that may not be payable under such notes in 1994. Preliminary discussions are underway with the minority owners to possibly extend the April 1, 1994 date for calculation of reserves. The property is also subject to a 1.1% net smelter return royalty to the minority owners for gold produced in excess of the additional ounces and for other metals. The promissory notes are secured by a guarantee from the Company.

After acquiring its interest in Guanaco in April 1992, the Company designed a new heap leach facility to process up to 2.2 million tons of ore per year. The design includes three stages of crushing, permanent pad heap leaching and Merrill Crowe zinc precipitation of gold. Construction commenced in June 1992, spraying of the heap leach pads began in February 1993 and production was achieved in April 1993. A three-year mining contract has been entered into with an experienced mining contractor to drill, blast, load and transport all ore and waste. The Company is responsible for supplying camp facilities to the contractor, and the existing camp has been upgraded to service both the mining contractor and CMAG employees.

The Guanaco mine started up more slowly than expected due to initial problems with the crusher and the need to improve ore control procedures. Modifications made to the crushing plant, as well as improved ore control procedures and more ore under leach, resulted in a 36% increase in production in the fourth quarter 1993 over the prior quarter.

The following table presents operating data for the Guanaco mine for the period from inception of production in April 1993 through December 31, 1993:

<TABLE>
<CAPTION>

	INCEPTION TO DECEMBER 31, 1993
<S>	<C>
Tons mined	9,547,075
Tons of ore to heap leach(1)	1,460,427

Average grade to heap leach (oz. per ton).....	.060
Ounces of gold produced(2).....	29,862
Ounces of silver produced.....	136,687
Cost per ounce of gold produced:	
Cash production costs(3).....	$ 664
Depreciation and depletion.....	142
Total production costs.....	$ 806

</TABLE>

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(1) The Company estimates that processing of ore by heap leaching will result in ultimate gold recovery of approximately 65% to 70%.
(2) Guanaco had limited production prior to start-up on April 1, 1993. Revenue and related operating costs prior to April 1 were treated as capitalized costs and excluded from the above.
(3) Cash production costs include non-mine site administration costs and all operating costs at the mine site, including overhead and royalty, before depreciation and depletion, and net of credits for silver by-products.

The Guanaco deposit contains gold mineralization in sub-horizontal mantos and in steeply dipping vein-like zones within a silicified volcanic host rock. No attempt has been made to quantify a silver reserve, but the current operation is recovering about five times as much silver as gold. There are significant drill intersections of sulfide copper, but these are largely below the gold pit and the intersections are too widely spaced to quantify a resource. The 1993 year end reserve is based on the 1992 stated reserves less production. The following table sets forth the proven/probable reserves at the Guanaco mine. The reserves are based upon an assumed gold price of $375 per ounce and a cut-off grade of 0.013 ounce of gold per ton. The Company has determined that calculating the reserves at $400 per ounce would not materially change the results. Reserves represent in-place diluted grades and do not reflect losses in the recovery process.

GUANACO MINE
PROVEN/PROBABLE ORE RESERVES
AS OF DECEMBER 31, 1993

<TABLE>
<CAPTION>

			GOLD CONTENT (000 OZ.)	
	TONS (000)	GOLD AVG. GRADE (OZ./TON)	TOTAL	AGI 90% SHARE
<S>	<C>	<C>	<C>	<C>
Heap Leach Ore.....	12,874	0.049	633	570

</TABLE>

Total capital costs to acquire and bring the mine into production were

approximately $64 million, including $36.9 million of capitalized acquisition costs. Capital spending (including capitalized interest and fees) during 1993 was $7.7 million, and capital expenditures in 1994 are expected to be approximately $3.5 million, primarily for water supply development, mine definition drilling, camp and facilities upgrade, and crusher modifications.

Institutional financing has been used to fund a portion of the capital costs, as well as the acquisition price for the property. SEE NOTE 8 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

WAIHI

The Company retains a nominal 33.53% joint venture interest in the Waihi gold/silver mine located within the town of Waihi, approximately 80 miles southeast of Auckland, on the North Island of New Zealand. On June 4, 1993, the Company completed a transaction with a subsidiary of Poseidon Gold Limited, a publicly traded Australian company, through which the Company realized all future economic benefit from its 33.53% joint venture interest, effective April 30, 1993. SEE ITEM 3 "LEGAL PROCEEDINGS" and NOTE 7 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

The following table presents operating data for the Waihi mine for the periods indicated.

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1993(1)	1992	1991
<S>	<C>	<C>	<C>
Tons mined	1,983,058	4,392,209	3,603,903
Tons or ore milled	290,890	900,950	961,374
Average mill-head grade (oz. per ton)	0.097	0.093	0.094
Mill recovery(%)	92.0%	89.9	89.8
Ounces of gold produced	25,846	76,126	80,240
AGI's share of ounces of gold produced(2)(3)	8,666	25,525	25,824
AGI's share of ounces of silver produced(2)(3)	51,202	126,048	114,548
Cost per ounce of gold produced:			
Cash production costs(4)	$233	$225	$184
Depreciation and depletion	49	79	67
Total production costs	$282	$304	$251

</TABLE>

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(1) Due to the completion of the transaction with Poseidon Gold Limited, effective April 30, 1993, production and related operating data in the 1993 period represent amounts only through April 30, 1993.
(2) Prior to April 1991 the Company's share was 28.35%. In April 1991 the Company acquired an additional interest in the Waihi Mine joint venture, increasing its interest to 33.53%.
(3) Production for 1992 reflects an additional 1,616 gold ounces (Company share

542 ounces) and 10,671 silver ounces (Company share 3,578 ounces) due to the cumulative effect of a change in accounting to include production in the mill carbon circuit, effective January 1, 1992.

(4) Cash production costs include all operating costs at the mine site, including overhead, before depreciation and depletion, and net of credits for silver by-products.

WIND MOUNTAIN

Mining operations at the Company's 100% owned Wind Mountain mine were conducted from April 1989 to January 1992. The Wind Mountain mine is located approximately 75 air miles northeast of Reno and 100 air miles southwest of the Company's Sleeper mine. Access to the mine is by way of a seven-mile gravel road connecting to a state highway. The Company's holdings at Wind Mountain encompass approximately 775 acres of unpatented mining claims, all of which are leased from third parties under a lease that expires in 1995. The number of unpatented mining claims maintained by the Company was substantially reduced in 1993. Production is subject to a 5% net smelter return royalty. Mining ceased at the end of January 1992 due to the depletion of mineral reserves. Since cessation of mining, residual leaching from the leach pads has continued. Precious metals precipitates are shipped to the Sleeper mine for processing into dore. Power for operations at the Wind Mountain mine is provided by the local public utility. Water for processing operations is provided by two wells in close proximity to the mine. Potable water is supplied by truck.

The following table presents operating data for the Wind Mountain mine for the periods indicated.

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Tons mined(1)	--	1,223,800	14,406,600
Tons to heap leach(2)	--	1,169,200	11,785,200
Average grade (oz. per ton)	--	0.014	0.016
Ounces of gold produced(3)	19,296	54,690	91,063
Ounces of silver produced(3)	86,515	297,403	405,149
Cost per ounce of gold produced:			
Cash production costs(4)	$167	$114	$210
Depreciation and depletion(5)	--	27	109
Total production costs	$167	$141	$319

</TABLE>

- --------

(1) Includes ore mined and waste.

(2) The processing of ore by heap leaching has resulted in a gold recovery rate of 64% from inception.

(3) Production is in the form of precipitate.

(4) Cash production costs include all operating costs at the mine site,

including overhead and Nevada net proceeds tax, before depreciation and depletion, and net of credits for silver by-products.

(5) The assets were fully depreciated as of the first quarter of 1992.

The Company intends to continue leaching operations as long as it is economical to do so. Reclamation of the mine site commenced immediately after mining ceased. A final reclamation plan has been approved by the federal Bureau of Land Management. Reclamation work outside the area in which heap leach and processing operations are continuing is approximately 95% complete. See ITEM 3 "LEGAL PROCEEDINGS."

FORT KNOX PROJECT

The Company owns indirectly a 100% interest in the Fort Knox project. The Fort Knox project is located in the Fairbanks Mining District, 15 miles northeast of Fairbanks, Alaska. Access to the property is via a paved highway 21 miles from the City of Fairbanks and then five miles by unpaved two-wheel drive road. The location of the project near Fairbanks eliminates much of the infrastructural problems and costs often associated with arctic projects.

The Fort Knox project (including an exploration prospect known as the Teryl Property) covers approximately 28,000 acres and consists of approximately 1,075 state mining claims and 45 patented federal mining claims. The Fort Knox property is held by way of deeds, mining leases, option agreements, a joint venture agreement (affecting only the Teryl Property), and mining locations. The leases and option agreements have expiration dates ranging from 1995-2014, with provisions for extension in some cases. A portion of the property is encumbered by deeds of trust to third parties securing obligations as of December 31, 1993 of approximately $900,000, all of which are due to be paid by November 1997. All of the state mining claims are subject to a 3% royalty (based on net income) payable to the State of Alaska. The 48 state mining claims on which essentially all of the current reserves are located are free of royalty burden except for the state royalty. On February 15, 1994, the lands included in these 48 state mining claims were converted to a state mining lease embracing approximately 1,148 acres; such conversion will facilitate ongoing permitting, future property maintenance, and record keeping without increasing the amount of any required assessment work, rent, or royalty. The other state mining claims included in the project will continue to be held and maintained as such for the foreseeable future. Additional net smelter return royalties ranging from 3% to 6% burden some of these other state mining claims, and both a 1% net smelter return royalty and a 10% overriding net profits interest burden a few of the patented federal mining claims.

Simultaneously with the issuance of the state mining lease referred to above, the State of Alaska issued to the Company's operating subsidiary in Alaska a millsite permit covering approximately 7,541 acres, comprising the 1,148 acres within the mining lease and 6,393 adjoining acres (which adjoining acres already are included in the state mining claims at Fort Knox or in certain patented mining claims the surface of which was conveyed by the Company to the State of Alaska immediately prior to the issuance of the millsite permit). This millsite permit thus covers all of the lands that are expected to be directly affected by the development of the Fort Knox project. The grant made by the millsite permit is appurtenant to the state mining lease described above and was made for the purpose of facilitating the development and operation of the Fort Knox project. Fair market rent in the amount of $102,000 must be paid annually to the State of Alaska in order to keep the millsite permit in effect. The issuance of this millsite permit secures for the project adequate lands on

which to construct all of the facilities necessary to bring a mine into production on the Fort Knox property.

The Fort Knox gold deposit occurs as porphyry-style mineralization of the type usually associated with copper and molybdenum ore bodies. The ore is hosted within the upper margins of a granitic intrusion in a stockwork of small quartz veins and shear zones. The veins and shears are fractions of an inch to 10 inches

wide with an erratic and widely spaced distribution. The gold occurs as fine grains of free gold disseminated within and along the margins of the veins and shears. In plan view, the deposit has a dimension of about 4,000 X 2,000 feet, elongated in an east-west direction and extending to depths of 1,000 feet. Geology is relatively simple and the rocks are only weakly altered. Grade is usually related to the degree of fracturing and veining of the rocks. Because of the low grade and erratic distribution of gold, mining is planned to be done on a bulk tonnage basis.

The following table sets forth the proven/probable reserves for the Fort Knox project, which are unchanged from the 1992 year-end reserves. Reserves are based on a cut-off grade of 0.0112 ounce of gold per ton and a gold price of $375 per ounce. The Company has determined that calculating the reserves at $400 per ounce would not materially change the results. Reserves represent in-place diluted grades and do not reflect losses in the recovery process. The Company estimates that mill recovery will be approximately 90%.

FORT KNOX PROJECT
PROVEN/PROBABLE ORE RESERVES
AS OF DECEMBER 31, 1993

<TABLE>
<CAPTION>

	TONS (000)	GOLD AVG. GRADE (OZ./TON)	GOLD CONTENT (000 OZ.)
<S>	<C>	<C>	<C>
Mill Ore	174,483	0.024	4,117

</TABLE>

Significant additional mineralization has been encountered both inside and outside of the design pit; however, no assurance can be given such mineralization will result in additional reserves.

A basic engineering study for the project has been completed. The study has defined an open-pit mining operation and a conventional crushing, grinding and cyanidation plant designed to treat 13 million tons of ore per year (36,000 tons per day). According to the preliminary design, tailings from the operation would be pumped to a tailings pond located adjacent to the milling facility. Process water would be supplied from a water reservoir constructed downstream from the tailing pond. The process facilities are designed as a "zero discharge system." Power would be supplied by the public utility serving the area over a newly constructed distribution line, most of which will be paid for by the

Company.

The mine and plant are designed to operate year round and to produce approximately 300,000 to 350,000 ounces of gold per year with the higher rates expected during the early years. The engineering studies have considered the effects that the arctic environment will have on the operation, but no assurance can be given that such rates of production will be achieved. The Company is currently reviewing the engineering study with respect to the optimum mining and processing rate, taking into consideration project economics and financing.

Initial permit applications were prepared and submitted to the various regulatory agencies in 1992 and 1993. Most of these applications were submitted to the State of Alaska, which appointed a project coordinator and an interagency task force to coordinate all state permitting activities. This group met throughout 1993, and on February 15, 1994, State agencies granted to the Company most of the significant state regulatory authorizations (including the solid waste disposal permit, dam construction permits, fish and game permits, and reclamation plan approval) needed to go forward with the Fort Knox project. Those state permits and authorizations not yet received (e.g., plan of operations approval and air permit) are expected to be applied for and received in due course, but no assurance can be given that this will occur.

A dredge and fill permit application also has been filed with the U.S. Army Corps of Engineers under Section 404 of the Clean Water Act. As of March 1994, the Corps was continuing to evaluate the application under the National Environmental Policy Act to determine whether an Environmental Impact Statement ("EIS") must be prepared. The Company expects a decision from the Corps on this issue in the first half of 1994, but no assurance can be given that this will occur. Based on the current schedule, and assuming that

the Corps of Engineers decides that an EIS is not required, the Company expects all permits necessary to initiate construction to be issued during 1994. No assurance can be given that this will occur, however. If the Corps of Engineers decides that an EIS is required, no decision on the Company's dredge and fill permit will be made by the Corps until such statement is prepared.

During 1994, if the dredge and fill permit is issued, the Company plans to do detailed engineering for the project, upgrade the access road to the project site, and complete the necessary permitting to commence construction. Total capital requirements to construct and develop the property in accordance with the preliminary design are currently estimated to be between $250 million and $270 million, in addition to capitalized acquisition and development costs of approximately $182 million at December 31, 1993. The Company needs to secure financing to fund a significant portion of the future capital requirements. Timing of development is dependent on the obtaining of such financing on acceptable terms, on the obtaining of final permits, and on market conditions and approval of the Company's Board of Directors. Capital expenditures are expected to be approximately $12 million in 1994, as compared to approximately $6.7 million in 1993.

REFUGIO PROJECT

In January 1993 the Company acquired an indirect 50% interest in the Refugio

project, which is located in the Maricunga Mining District in central Chile, approximately 75 miles due east of Copiapo. The project is situated at between 13,800 feet and 14,800 feet above sea level. The property is held by Compania Minera Maricunga ("CMM"), a Chilean contractual mining company, which is indirectly owned 50% by the Company and 50% by Bema Gold Corporation ("Bema"), a publicly traded company based in Vancouver, British Columbia.

The Refugio property position comprises approximately 14,500 acres, consisting of mineral rights, surface rights and water rights sufficient to allow development of the project. The principal ore deposit is held by mining claims which are owned by CMM. Essentially all of the mineral rights surrounding the claims are held by a joint venture formed by Bema and the former owner of the Refugio claims. CMM has agreements in place with this joint venture that will allow CMM to mine any extensions of major ore deposits found on CMM property that extend onto surrounding mineral rights and to use the surrounding areas for project needs.

Surface rights that cover the known mineralization and the proposed facilities are owned or controlled by CMM under a lease or applications to purchase from Chilean governmental entities or agreements with Bema and the former owner of the Refugio claims. Water extraction rights sufficient to supply the project are controlled by CMM. In addition, exploration concessions for water in more favorable locations closer to the project are controlled by Bema and are currently being evaluated.

The Company, through its 50% ownership of CMM, is responsible for payment of a net smelter return royalty to the former owner of the Refugio property that is expected to average 2.5% of the Company's share of production from the currently defined ore reserves. A sliding scale net smelter return royalty related to net profits and ranging from 2.5 to 5% (Company's share) is payable on any production in excess of current reserves. No other royalties are payable on the Company's share of production from the property.

The Refugio project encompasses the Verde, Pancho and Guanaco gold deposits, which are disseminated gold porphyry deposits containing minor amounts of copper. Gold mineralization is contained within a strong stockwork system hosted by silicified intrusive rocks. The Verde deposit contains all the current reserves and consists of oxide, mixed and unoxidized ore types. The Refugio property lies at the southern end of the Maricunga Gold District in central Chile. The Maricunga District is a 90 mile long belt of late volcanic origin that contains a number of large disseminated gold-silver deposits.

The reserves in the Verde deposit at the Refugio project, which are unchanged from the 1992 year-end reserves, are set forth in the following table. The proven/probable reserves are contained in a pit based upon a gold price of $300 per ounce and a variable cut-off grade based on the economics associated with variable

mining and processing costs. The reserves represent in-place diluted grades and do not reflect losses in the recovery process. The Company expects the ultimate recovery rate from the heap leaching process to range from 50% to 80% depending upon the type of ore, with overall recovery estimated to be approximately 66%.

REFUGIO PROJECT

PROVEN/PROBABLE ORE RESERVES IN THE VERDE DEPOSIT
AS OF DECEMBER, 1993

<TABLE>
<CAPTION>

			GOLD CONTENT (000 OZ.)	
	TONS (000)	GOLD AVG. GRADE (OZ./TON)	TOTAL	AGI 50% SHARE
<S>	<C>	<C>	<C>	<C>
Heap Leach Ore	104,383	0.030	3,075	1,537

</TABLE>

The Verde deposit is open at depth and additional exploration potential exists in the Guanaco and Pancho deposits.

A definitive feasibility study was completed for Bema in December 1992 for the Verde deposit. The study was based on a gold price of $375 per troy ounce and a mineable resource of 3.3 million ounces. This mineable resource contains 7% "mining possible" material within the $300 per ounce proven/probable reserve pit, which the Company has not included as part of the reportable reserve in the table above. The Company considers the $300 pit to be conservative, but has elected for the time being not to have the reserves recalculated. Development plans call for an open pit, heap leach operation capable of processing 33,000 tons of ore per day (11.9 million tons per year). Ores would be crushed, and carbon adsorption, stripping and electrowinning would be used to recover gold from the leach solutions. Electrowon cathodes would be smelted to dore bars for shipment. Potential production from the Verde deposit is estimated to range from 200,000 to 250,000 ounces of gold per year of which the Company's share would be 50%, but no assurance can be given that such estimate will be achieved. Access to the site from Copiapo would be by way of existing roads that would be graded, widened and, in part, resurfaced. Power would be supplied by on-site diesel powered generators.

In addition to the Company's $22.7 million of capitalized acquisition and exploration costs, construction and development costs to bring the project into production are estimated to total approximately $120-$140 million, of which one-half would be the Company's share. The Company and its 50% partner are attempting to secure financing to fund a significant portion of the required future capital.

During 1993 the Company and Bema explored financing alternatives, continued limited engineering studies, made progress with permitting and land issues, and performed care and maintenance activities. Project development is expected to take approximately two years from the start of final engineering. Timing of development is dependent upon economic conditions and obtaining the necessary financing on acceptable terms.

HAILE PROJECT

The Company owns a 62.5% joint venture interest in the Haile project, a gold project in Lancaster County, South Carolina. The remaining 37.5% interest is owned by Piedmont Mining Company, Inc. ("Piedmont"). The Haile project is located approximately 50 miles north of Columbia, and 4 miles north of the town

of Kershaw. Access to the site is by way of a paved state highway. The Company and Piedmont, through wholly owned subsidiaries, have formed a joint venture to conduct further development drilling and prepare a definitive feasibility study. A separate wholly owned subsidiary of the Company is the manager of the joint venture.

The Haile project covers approximately 3,700 acres and consists entirely of fee property, which is either owned by the venture participants, leased from third parties, or controlled by purchase agreements. The known reserves are contained partly on property that is jointly owned by the Company and Piedmont and partly on property that is leased from a third party under a lease expiring in 1996, with provisions for

extension until 2001. The leased property is presently burdened by a 4% net smelter return royalty; however, the lease and the royalty would be extinguished upon consummation of the purchase agreement covering the leased property at such time as all material permits for a new surface gold mine at the site have been received. All of the property containing the known reserves is encumbered by a mortgage securing indebtedness of approximately $110,000 as of December 31, 1993, all of which is a debt obligation of the Company and is due to be paid in 1994.

The Haile project is located in the Carolina Slate Belt, a northeast-southwest trending belt of deformed Precambrian to Paleozoic metavolcanic and metasedimentary rocks that extends from Alabama to Virginia. Numerous historic gold occurrences are located in the Slate belt. In recent times, four properties, including Haile, have been developed to the production stage. Piedmont operated a small-scale gold heap leach operation at the site of the Haile project prior to the formation of the joint venture in July 1992. Piedmont suspended active mining activities at the site in August 1991, and leaching and recovery of gold ended in late 1992. Piedmont has agreed to indemnify the Company and its affiliates from environmental liabilities arising from matters occurring or existing on the Haile project property prior to March 15, 1991 (the date of the option agreement under which the Company acquired its interest in the project).

Ore grade mineralization on the Haile property is generally hosted within silicified and pyritized fine-grained metasedimentary rocks near the folded and faulted contact with overlying volcaniclastic and metavolcanic rocks. Current reserves are contained in four separate deposits. The following table sets forth the proven/probable reserves at the Haile Project, which are unchanged from the year-end 1992 reserves and are based upon an assumed gold price of $375 per ounce and a cut-off grade based on the economics associated with variable mining and processing costs. The Company has determined that calculating the reserves at $400 per ounce would not materially change the results. Reserves represent in-place mineable estimates and do not reflect losses in the recovery process. The Company estimates ultimate gold recoveries will range from 65%-85%.

HAILE PROJECT
PROVEN/PROBABLE ORE RESERVES
AS OF DECEMBER 31, 1993

<TABLE>

<CAPTION>

			GOLD CONTENT (000 OZ.)	
		GOLD		AGI
	TONS (000)	AVG. GRADE (OZ./TON)	TOTAL	62.5% SHARE
<S>	<C>	<C>	<C>	<C>
Mill Ore	6,849	0.101	689	431

</TABLE>

An updated status report and revised reserve estimate incorporating results from the 1993 drilling program is expected to be completed early in the second quarter of 1994. Development expenditures in 1993 were approximately $4.0 million, of which the Company's share was approximately $2.5 million, and included 67,464 feet of core and reverse circulation drilling which identified additional mineralization. There can be no assurance, however, that such mineralization will result in additional reserves.

During the option period prior to the Company's acquisition of its interest in the Haile project and since becoming manager, the Company has conducted an extensive evaluation program. This program has included studies relating to reserve delineation, metallurgical evaluation, environmental studies, hydrological and other technical studies. A preliminary feasibility study estimating basic economic parameters has been completed and is scheduled to be updated in the second quarter of 1994 by the status report referenced above. Depending upon the results and conclusions reached in the updated status report, the project may move into the engineering design phase or additional development drilling may be conducted. In either case, environmental studies and design work will continue to be a major focus of the venture.

EXPLORATION AND ACQUISITION ACTIVITIES

Prior to the Cyprus Amax Merger, the Company conducted most of its exploration programs in the United States and in Canada and Chile through wholly-owned subsidiaries of the Company. The Company was also party to an Exploration Services Agreement with Amax Exploration, Inc. ("Amax Exploration"), a wholly-owned subsidiary of Cyprus Amax, under which Amax Exploration has conducted some gold and silver exploration for the Company. That agreement is expected to be terminated in conjunction with consummation of an exploration joint venture agreement between the Company and Cyprus Amax, which is currently under negotiation. See "BUSINESS--AGREEMENTS WITH CYPRUS AMAX--EXPLORATION SERVICES AGREEMENT."

The Company's exploration activities have ranged from "grass roots" reconnaissance programs and submittal examinations to drill evaluation of advance stage projects. The Company's exploration objective continues to be the acquisition and evaluation of near-surface gold deposits that can be mined by open pit methods. During 1993 the Company's exploration efforts were focused on prospects in Nevada, Idaho, Alaska and Chile.

Exploration expenditures were $5.2 million in 1993 compared to $6.7 million

in 1992 (excluding exploration expenditures on the Haile and Guanaco projects for 1992). The exploration budget for 1994 is approximately $4 million. The Company changed its accounting policy for exploration expenditures effective January 1, 1993. See NOTE 1 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

REFINING, SALES AND HEDGING ACTIVITIES

Refining arrangements are in place with third parties for the Sleeper, Wind Mountain, Hayden Hill and Guanaco mine production. Because of the availability of refiners other than those with whom such arrangements have been made, the Company believes that no adverse effect would result if any of these arrangements were terminated.

Substantially all of the Company's gold sales and hedging activities are conducted through Amax Precious Metals, Inc., a wholly-owned subsidiary of the Company. The Company employs a number of hedging techniques with the objective of mitigating the impact of downturns in the gold market and providing adequate cash flow for operations while maintaining significant upside potential in a market upswing. At December 31, 1993, the Company had in place a number of hedging contracts. See NOTE 9 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein. During 1993 and 1992 the Company's hedging efforts resulted in average realized prices of $392 an ounce and $402 an ounce, respectively. This contrasts with an average COMEX price of approximately $360 an ounce for 1993 and $344 an ounce for 1992.

AGREEMENTS WITH CYPRUS AMAX

In connection with the change of ownership of the Company resulting from the Cyprus Amax Merger, Amax Gold is in the process of negotiating various agreements with Cyprus Amax. These include a services agreement, a gold exploration joint venture agreement, a non-competition agreement and a $100 million financing arrangement. Cyprus Amax may also sell to Amax Gold certain of its gold exploration and development properties, subject to the approval of each company's Board of Directors and compliance with stock exchange and possibly other regulatory requirements regarding related party transactions. The services agreement would provide the Company with certain Cyprus Amax general and administrative services in order to take advantage of the synergies between the two companies. It is expected to provide both companies with cost savings. The new exploration joint venture agreement would result in the two companies pooling their efforts to discover and develop gold properties, with Cyprus Amax providing 75% of initial funding for newly identified gold exploration targets. This joint venture arrangement would have the benefits of potentially broadening the Company's geographic reach, sharing key personnel, reducing costs, and sharing the high risks associated with exploration. Exploration projects that the Company held prior to the Cyprus Amax Merger will continue to be evaluated entirely by the Company. The non-compete agreement would define the terms under which either company would develop and ultimately produce minerals that would be in competition with the other party. The $100 million financing arrangement is described below under "Line of Credit."

Until the new services agreement and gold exploration joint venture agreement are concluded, the existing Management Services Agreement and Exploration Services Agreement described below will remain in effect with Cyprus Amax

succeeding to the rights and obligations of Amax under such agreements. The Put and Call Agreement described below will also remain in place, with Cyprus Amax succeeding to the rights and obligations of Amax under this agreement. The Tax Sharing and Allocation Agreement and Non-Competition Agreement between the Company and Amax have been terminated as described below.

Management Services Agreement. Pursuant to the terms of a management services agreement (the "Management Services Agreement") entered into at the time of the Company's formation, Amax agreed to provide a variety of managerial and other services to the Company on a full cost-reimbursement basis. The agreement is terminable by the Company or by Amax as of the end of any month on 180 days' written notice. For 1993 and 1992, amounts charged to the Company by Amax pursuant to the Management Services Agreement were approximately $5.2 million and $5.5 million, respectively, including the cost of insurance coverage for the Company and employee benefits provided to the Company's officers and employees under benefit and pension plans maintained by Amax through the date of the Cyprus Amax Merger. See NOTE 3 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

Exploration Services Agreement. Pursuant to an exploration services agreement (the "Exploration Services Agreement") entered into at the time of the Company's formation, Amax Exploration agreed to provide exploration services for the Company. The agreement is effective until terminated by either party with at least 180 days' prior notice. During 1993, the Company conducted its exploration programs through wholly-owned subsidiaries of the Company using its own personnel. Effective January 1, 1994, in order to reduce costs and realize some of the synergies from its new affiliation with Cyprus Amax, the Company transferred most of its exploration personnel to Cyprus Amax, but retained its Vice President in charge of exploration. In the future, Cyprus Amax geologists will conduct the Company's exploration for gold, either under the exploration joint venture agreement or otherwise.

Put and Call Agreement. The Company and Amax entered into a put and call agreement (the "Put and Call Agreement") under which Cyprus Amax (as successor to Amax) may sell shares of Amax Gold common stock to the Company upon exercise of the Warrants issued in connection with the acquisition of the Fort Knox project. See "BUSINESS--INTRODUCTION--History of the Company." The Put and Call Agreement has been approved by the Company's independent directors. A summary of the terms of the Put and Call Agreement is set forth below:

(i) Put Option. Under the Put and Call Agreement, Cyprus Amax has a put option (the "Put Option") whereby, upon exercise of any Warrants, Cyprus Amax may require the Company to purchase a number of shares of Amax Gold common stock from Cyprus Amax at the Exercise Price (the "Warrant Exercise Price"), as determined pursuant to the provisions of the Warrant Agreement dated January 6, 1992, entered into between the Company and Manufacturers Hanover Trust Company as Warrant Agent, such number to be equal to the number of shares of Amax Gold common stock which the Company is required to issue upon exercise of such Warrants. Pursuant to the Warrant Agreement, the initial Warrant Exercise Price is $21.00 per share and is subject to customary anti-dilution adjustments upon the occurrence of, among other things, stock dividends, stock splits, reclassifications, mergers and similar events.

(ii) Call Option. In the event Cyprus Amax fails to exercise the Put Option, the Company will have a call option (the "Call Option") whereby it may require Cyprus Amax to sell shares of Amax Gold common stock (to the

extent then owned by Cyprus Amax) to the Company equal to the number of shares of Amax Gold common stock which the Company is required to issue upon exercise of such Warrants at a price equal to the Warrant Exercise Price plus two-thirds of the excess of (x) the market price per share of Amax Gold common stock over (y) the Warrant Exercise Price.

Tax Sharing and Allocation Agreement. The Company was formerly a party to a tax sharing agreement with Amax which was terminated as of the close of business on December 31, 1991. See NOTE 5 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

Non-Competition Agreement. The Non-Competition Agreement formerly in effect between the Company and Amax expired by its terms as of the effective date of the Cyprus Amax Merger.

Line of Credit. On February 11, 1994, a commitment letter was signed between Cyprus Amax and Amax Gold to provide Amax Gold with a $100 million convertible line of credit, portions of which will be designated as support for existing Amax Gold debt and as replacement for Cyprus Amax guarantees for certain Amax Gold debt. The outstanding indebtedness under the convertible line of credit may be repaid by Amax Gold with the issuance of an Amax Gold convertible preferred stock, which in turn can be converted into Amax Gold common stock at $8.265 per share. The conversion price represents a 20% premium over the average closing price of Amax Gold common stock for the 10 trading days immediately prior to February 11, 1994. In addition, Amax Gold will have the right to convert the convertible preferred stock into Amax Gold common stock at a maximum price of $8.265 per share and a minimum price of $5.854 per share. Cyprus Amax will have the right to replace the line of credit and any outstanding indebtedness and/or preferred stock with the purchase of $100 million of Amax Gold common stock at a price of $8.265 per share. This represents approximately 12.1 million shares of Amax Gold common stock. The commitment is subject to the completion of formal documentation and satisfaction of stock exchange and possibly other regulatory requirements. Documentation is expected to be complete by the end of March, subject to possible regulatory delays.

Stock Purchase Agreement. The February 11, 1994 commitment letter between Cyprus Amax and Amax Gold also committed Cyprus Amax to purchase, and Amax Gold agreed to issue and sell, an additional 3 million shares of Amax Gold common stock at $6.888 per share. The proceeds from the sale of the stock will be used to retire $20.7 million indebtedness owed to Cyprus Amax by Amax Gold. The stock purchase is expected to be completed by the end of March in conjunction with the completion of formal documentation of the Line of Credit facility described above.

EMPLOYEES

At December 31, 1993, the Company and its consolidated subsidiaries employed 655 persons. The hourly employees of CMAG at the Guanaco mine are represented by the Sociedad Contractual Minera Guanaco labor union and are covered by a labor contract. None of the Company's U.S. employees are unionized and the Company considers its employee relations to be good. In addition, the Company may obtain general administrative and other services from Cyprus Amax. See "BUSINESS--EXPLORATION AND ACQUISITION ACTIVITIES" and "--AGREEMENTS WITH

CYPRUS AMAX--MANAGEMENT SERVICES AGREEMENT" AND "EXPLORATION SERVICES AGREEMENT."

COMPETITION

The Company competes with other companies in the acquisition of mineral interests, the sale of refined gold and the recruitment and retention of qualified employees. A number of these companies are larger than the Company in terms of annual gold production and total reserves. Moreover, many of these companies have been engaged in gold mining and exploration longer than the Company. Management does not believe, however, that such competition has had a material effect on the development of the Company's business or the sale of its products.

REGULATION

The Company's mining and processing operations and exploration activities in the United States and Chile are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, mine safety and other matters. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse impact on the Company, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties. Failure to comply with laws and regulations may result in orders being issued thereunder which may cause operations to cease or be curtailed or may require installation of additional equipment. Violators may be required to compensate those suffering loss or damage by reason of their mining activities and may be fined if convicted of an offense under such legislation.

United States: Numerous state and federal laws and regulations relative to environmental protection and land use concerns affect the Company's domestic operations. Revisions are often made to environmental regulations following schedules dictated by laws previously enacted by the United States Congress. Of particular importance to the Company, the 1990 amendments to the federal Clean Air Act have created a schedule for new or modified regulations pursuant to this act which may affect the Company's operations throughout the 1990s.

Bills pending in the United States Congress have the potential to substantially alter the current mining law and several environmental laws which have application to mining. Some versions of these bills could materially impair the ability of the Company and others to develop mineral resources in the United States.

Under the current terms of pending bills concerning mining law, the ability of companies to obtain a patent on unpatented mining claims would be nullified or substantially impaired. Moreover, such bills contain provisions for the payment of royalties to the federal government in respect of production from unpatented mining claims, which could materially and adversely affect the potential for development of such claims and the economics of operating existing mines on federal unpatented mining claims. The Company's Sleeper, Hayden Hill and Wind Mountain mines are located in whole or in part on

unpatented mining claims.

Pending bills which affect environmental laws applicable to mining include versions which may substantially alter the Clean Water Act, Safe Drinking Water Act, Endangered Species Act and a bill which will introduce additional protection of wetlands (Wetlands Protection and Management Act). Adverse development and operating requirements in these Acts could impair the ability of the Company as well as others to develop mineral resources. Revisions to current versions of these bills are expected prior to passage.

The Environmental Protection Agency ("EPA") continues the development of a solid waste regulatory program specific to mining operations under the Resource Conservation and Recovery Act ("RCRA"). Of particular concern to the mining industry is a proposal by EPA titled "Recommendations for a Regulatory Program for Mining Waste and Materials Under Subtitle D of the Resource Conservation and Recovery Act" ("Strawman II") which, if implemented, would create a system of comprehensive federal regulation of the entire mine site. Many of these requirements would be duplicative of existing state regulations. Strawman II as currently proposed would regulate not only mine and mill wastes, but also numerous production facilities and processes which could limit internal flexibility in operating a mine. To implement Strawman II as proposed, the EPA must seek additional statutory authority, which is expected to be requested in connection with Congress' reauthorization of the RCRA.

In 1993 the Company made capital and operating expenditures of approximately $2.8 million and $4.2 million, respectively, to meet domestic environmental protection requirements. These figures do not include environmental expenditures at the Company's properties in Chile. The Company estimates that its capital expenditures for domestic environmental control facilities in 1994 and 1995 at its mines and projects as presently existing will be approximately $1.5 million and $1.2 million, respectively, based on existing environmental requirements.

Chile. The Guanaco mine and Refugio project in Chile are subject to national and local laws and regulations governing mineral exploration, development and production. Such laws and regulations apply to acquisition and ownership of mineral rights, labor, environmental protection, health and safety standards, royalties, income taxes, exports and other matters.

The Chilean Constitution provides that all people have the right to live in an environment free from contaminants. Under law, disposal of residues in the ocean or rivers that affect fish is prohibited. To date, the

Company's operations in Chile have not been unduly affected by environmental requirements. In March 1994, the President of Chile approved the country's first comprehensive environmental law which, among other things, establishes (i) a comprehensive program for the issuance of permits for future exploration and mining activities, (ii) the obligation to perform environmental impact analyses, and (iii) a liability scheme for forms of environmental damage, and contemplates the issuance of regulations which will impose operating standards. The full impact of the new law on the mining industry is unclear at present.

FOREIGN OPERATIONS

For certain financial information concerning the Company's foreign sales and operations, see NOTE 10 of NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein.

Foreign operations and investments such as those which the Company has in Chile may be adversely affected by exchange controls, currency fluctuations, taxation and laws or policies of particular countries or by political events in those countries as well as by laws and policies of the United States affecting foreign trade, investment and taxation. The Company has in place, through Cyprus Amax, political risk insurance in the amount of $20 million for certain defined political events relating to the Company's investment in the Guanaco mine. No such insurance has yet been obtained for the Refugio project.

ITEM 2. PROPERTIES

The Company has acquired and maintains its properties in a manner that is consistent with common mining industry practice and believes that its titles are satisfactory.

United States. The Sleeper mine, the Wind Mountain mine and a major portion of the Hayden Hill mine are located on federal unpatented lode and placer mining claims. Some of the Company's undeveloped properties in the United States also consist of federal unpatented mining claims owned by the Company or its subsidiaries or leased from third parties. Unpatented claims are located upon public land pursuant to procedures established by the federal mining law. Requirements for the location of a valid mining claim on public land or minerals depend on the type of claim being staked, but generally include discovery of valuable minerals, erecting a monument and posting thereon a location notice, marking the boundaries of the claim, and filing a certificate of location with the county in which the claim is located and with the United States Bureau of Land Management ("BLM"). If the statutes and regulations for the location of a mining claim are complied with, the locator obtains a valid possessory right to the contained minerals. To preserve an otherwise valid claim, a claimant must also annually pay certain rental fees to the federal government and make certain additional filings with the county and the BLM. Failure to pay such fees or make the required filings may render the mining claim void or voidable.

Because mining claims are self-initiated and self-maintained, they possess some unique vulnerabilities not associated with other types of property interests. It is impossible to ascertain the validity of unpatented mining claims solely from public real estate records and it can be difficult or impossible to confirm that all of the requisite steps have been followed for location and maintenance of a claim. If the validity of an unpatented mining claim is challenged by the government, the claimant has the burden of proving the present economic feasibility of mining minerals located thereon. Thus, it is conceivable that, during times of falling metal prices, claims which were valid when located could become invalid if challenged. The patent procedure permits claimants to purchase from the federal government fee title to claims upon demonstrating that the mineral deposit on the claims can be mined at a profit and satisfying other procedural requirements.

The Company has obtained a title opinion from a Nevada law firm, in the form

of a mineral status report, on the Sleeper mine. The report covers those claims at Sleeper on which the two pits being mined and the mill facilities are located. However, because validity of title to unpatented mining claims depends on factors not of record, such as the existence of a valuable mineral discovery, such opinion does not opine on the "merchantability" of title as that term is commonly used. A patent application was filed in October, 1990, for particular claims at Sleeper. A Mineral Entry Final Certificate was issued for such claims on June 17, 1991, and the Company is in the final stages of completing the patenting process, but there can be no assurance that a patent will be granted with respect to all or any of the claims covered by that application.

The Company has obtained a title opinion from a California licensed attorney on the patented and unpatented mining claims at the Hayden Hill mine, which opinion covers those claims on which the Lookout and Providence pits and the mill facilities are located. However, because validity of title to unpatented mining claims depends on factors not of record, such as the existence of a valuable mineral discovery, such opinion does not opine on the "merchantability" of title to the unpatented claims, as that term is commonly used. The Company has not filed a patent application for any of the claims at the Hayden Hill mine.

The state mining claims included in the Fort Knox project are initiated and maintained in ways very similar to federal unpatented mining claims; the validity of such claims is thus subject to similar off-record contingencies. In addition, it is possible that certain Alaskan litigation and legislation pertaining to the Alaska Mental Health Trust could have an effect on part of the lands included in the Fort Knox project. Based on the Company's current understanding of the situation, however, it is unlikely this litigation and legislation will materially adversely affect the Company's ability to develop and operate the Fort Knox property in the manner contemplated by the Company.

Chile. All the ore reserves at the Guanaco mine and Refugio project are held by exploitation concessions granted by judicial authorities under the Chilean Mining Code. Holders of exploitation concessions have the exclusive right to explore and exploit the mineral resources and to process and sell the products obtained therefrom. The term of an exploitation concession is indefinite, subject to the payment of a minimal annual fee. The concessions at the Guanaco mine are owned by ENAMI, an entity of the Chilean government, and leased to CMAG, the indirect 90% owned Chilean subsidiary of the Company. The concessions covering the principal ore deposit at the Refugio project are owned by CMM, the Chilean contractual mining company that is indirectly owned 50% by the Company. Under the Chilean Mining Code, the mineral owner has the right to use the surface, providing payment of reasonable compensation is made to the surface owner. The surface area covering the Guanaco claims is owned by the Chilean government; however, CMAG has filed applications to purchase selected areas. At the Refugio project, the surface rights overlying the known mineralization and the proposed facilities are owned or controlled by CMM under applications to purchase or leases from Chilean governmental entities. The Chilean Constitution and the Chilean Mining Code provide constitutional protections to the owners of mining concessions against expropriation of property. Under the Mining Code, if a property is expropriated, the amount of compensation that must be paid by the government must reflect the net present value of the expected cash flow based on demonstrated reserves. At both the Guanaco mine and Refugio project, the Company has received satisfactory assurances of title from its Chilean counsel.

See also ITEM 1 "BUSINESS" above for a more complete description of the

Company's properties.

ITEM 3. LEGAL PROCEEDINGS

On May 12, 1992, a Notice of Violation (NOV) was issued to Lassen Gold by the Director, Air and Toxics Division, Region IX of the United States Environmental Protection Agency ("EPA"), for alleged violations of federal regulations promulgated under the Clean Air Act (the "Act"). The NOV alleged that Lassen Gold commenced construction of the Hayden Hill Mine, and of seven diesel powered generators which supplied temporary power at the mine, without federally enforceable final permits having been issued

by the Lassen County Air Pollution Control District ("District"), and that Lassen Gold failed to comply with certain notification requirements under federal New Source Performance Standards (NSPS) regulations. In December 1992, the Company and EPA negotiated a settlement of this matter for a civil penalty of $125,000. This settlement will be effectuated by a consent decree to be entered into between EPA, Lassen Gold and the U.S. Department of Justice. Lassen Gold is presently awaiting governmental approval of the final form of consent decree.

On June 4, 1993, the Company, certain other affiliated corporations and several unnamed corporations and individuals were sued in the Nevada State Court for Washoe County by TMB Associates ("TMB"), a Nevada general partnership that is the lessor under an April 2, 1987 lease of unpatented federal mining claims (as amended, the "Lease") which comprise a substantial part of the Wind Mountain mine property position. The lawsuit involves the formation and performance of, and alleged breach of duties with respect to, the Lease pertaining to the exploration, development and mining of the Wind Mountain ore deposit. The Company filed a motion to stay the litigation and to compel TMB to proceed with arbitration, pursuant to an arbitration clause in the Lease requiring any controversy to be settled by arbitration and imposing a one-year limitation for commencing arbitration. In August 1993 the court granted the Company's motion to stay the litigation pending arbitration and on February 1, 1994, the court denied TMB's motion for reconsideration. Unless TMB elects to initiate arbitration, the court's latest action should end this litigation. At this time, the Company's management does not anticipate any material adverse effect on the Company's financial condition or results of operations from the results of arbitration, if subsequently initiated by TMB.

On October 11, 1993, the Company and certain of its New Zealand subsidiaries, and certain subsidiaries of Poseidon Gold Limited ("PosGold"), were named as defendants in an action brought by Mineral Resources (N.Z.) Limited and a subsidiary in the High Court of New Zealand, Auckland Registry, Commercial List, claiming that the transaction between the Company and a subsidiary of PosGold in June 1993 (described in NOTE 7 of the NOTES TO CONSOLIDATED FINANCIAL STATEMENTS under ITEM 8 of PART II herein) created a default under the Waihi mine joint venture agreement. The plaintiffs also alleged breaches of fiduciary duties by the defendants. As relief, the plaintiffs claim to be entitled to obtain the entire venture interest of the Company's New Zealand subsidiary that participates in the Waihi mine venture at a price to be determined by an independent expert or alternatively to obtain a share of such interest that would place the plaintiffs in an equal or majority position in the venture. They also seek to have the Company relinquish all of its voting

shares in Waihi Financing Limited, which indirectly holds the Company's 33.53% interest in the venture. The plaintiffs further claim a duty of the defendants to account to the plaintiffs for losses suffered due to the alleged breach of fiduciary duties, and they seek unspecified damages and costs. The Company, through its New Zealand counsel, has entered a response generally denying the plaintiffs' allegations. At this time, the litigation is in the discovery stage, and the Company believes that it is remote that this litigation will result in any material adverse effect on the Company's financial condition or results of operations.

On March 10, 1994, the San Francisco, California, regional office of the United States Forest Service for the Pacific Southwest Region notified the Company that it considers the Company to be a Potentially Responsible Party (PRP) under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), jointly and severally liable with other PRPs (unless exempt from liability due to statutory defenses) for all response costs, interest, and any natural resource damages attributable to an alleged release and further threatened releases of hazardous substances at the Siskon Mine, located in the Klamath National Forest, Siskiyou County, California. The Forest Service stated that the alleged release of hazardous substances is present in mill tailings located in the floodplain and riparian area of a creek, that the tailings pose a threat of further release into surface water, and that other hazardous substances have been discovered at the site. The Forest Service has initiated a CERCLA response action to assess the alleged release of hazardous substances, and has invited the Company, along with other PRPs, to participate. The Company has until April 9, 1994 to respond to this letter. Amax Gold Exploration, Inc., a wholly-owned subsidiary of the Company, conducted a limited exploration drilling program at the Siskon Mine in the summer of 1991, pursuant to an option and earn-in agreement that was terminated as of December 1991. Based upon a

preliminary investigation, the Company believes that this drilling was not on the portion of the property which the Forest Service has identified as affected by the alleged release and threatened release of hazardous substances. Due to the limited facts available at this time, the Company is unable to determine the potential impact, if any, of this situation upon the Company's financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the quarter ended December 31, 1993.

EXECUTIVE OFFICERS

As of March 18, 1994, the names, ages, and offices with the Company of all executive officers of the Company were as follows:

<TABLE>
<CAPTION>

NAME	AGE	OFFICE
<S>	<C> <C>	

Milton H. Ward.....	61	Chairman of the Board, President and Chief Executive Officer
Roger A. Kauffman.....	50	Senior Vice President and Chief Operating Officer
Mark A. Lettes.....	44	Vice President and Chief Financial Officer
Harry B. Carson.....	50	Vice President
Richard B. Esser.....	47	Vice President
Paul J. Hemschoot, Jr...	53	Vice President, Secretary and General Counsel
Neil K. Muncaster.....	58	Vice President
Andrew F. Pooler.....	35	Vice President
Pamela L. Saxton.....	41	Vice President and Controller

</TABLE>

There are no family relationships by blood, marriage or adoption among any of the officers of the Company. All officers are elected until the meeting of the Board of Directors immediately following the Company's annual meeting of stockholders, or until their respective successors are chosen and qualified. There is no arrangement or understanding between any of the above officers and any other person pursuant to which he/she was selected as an officer, except that Mr. Ward is an officer and Chairman of the Board of Cyprus Amax and Ms. Saxton is an employee of Cyprus Amax. Both are compensated by Cyprus Amax for services furnished to Cyprus Amax and AGI. Effective January 1, 1994, the proportion of their time spent on Company matters is allocated and charged to the Company.

Mr. Ward has been Chairman of the Board, President and Chief Executive Officer of the Company since November 1993. He has been Chairman of the Board, President and Chief Executive Officer of Cyprus Amax (formerly Cyprus Minerals Company) since May 1992. Prior to joining Cyprus Amax, Mr. Ward had been President and Chief Operating Officer of Freeport-McMoRan Inc. and Chairman and Chief Executive Officer of Freeport McMoRan Copper & Gold Inc. since 1984.

Mr. Kauffman has been Senior Vice President and Chief Operating Officer of the Company since February 1994. From 1986 to February 1994, he was Vice President-Industrial Minerals for Hecla Mining Company.

Mr. Lettes has been Chief Financial Officer of the Company since January 1994. He has been Vice President of the Company since August 1989 in addition to the office of Treasurer, which he held from May 1988 until February 1991. He was also Director-Resource Development for Amax Mineral Resources Company from January 1987 to August 1989.

Mr. Carson has been Vice President of the Company since May 1988. He also was Vice President of Amax Minerals Resources Company from May 1988 to August 1989.

Mr. Esser has been Vice President of the Company since August 1989. From December 1986 to July 1989, he was Vice President-Administration and Human Resources for Amax Mineral Resources Company.

Mr. Hemschoot has been Secretary and General Counsel of the Company since April 1987, and was elected a Vice President in May 1992. He was also Associate General Counsel of Amax from August 1985 until June 1990.

Mr. Muncaster was elected a Vice President of the Company in February 1991. Before that, he was Vice President, Exploration for Echo Bay Mines since 1986 when Echo Bay purchased the base and precious metals assets of Tenneco

Minerals.

Mr. Pooler was elected a Vice President of the Company in February 1992. From May 1988 until February 1992, he was General Manager of the Wind Mountain mine.

Ms. Saxton has been Controller of the Company since May 1990 and was elected a Vice President in May 1992. She also has been Assistant Controller of Cyprus Amax since January 1994. From June 1989 until May 1990 she was Assistant Controller of the Company. She joined Amax in September 1987 as Director of Consolidations for Amax Mineral Resources Company and continued in that capacity until June 1989.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed on the New York Stock Exchange (AU) and the Toronto Stock Exchange (AXG). As of March 17, 1994, 78,196,647 common shares were outstanding and the Company had approximately 12,800 shareholders of record. Cyprus Amax owns approximately 40% of the Company's common stock. The following table sets forth for the periods indicated the high and the low sale prices per share of the Company's common stock as reported on the New York Stock Exchange Composite Tape and the dividends paid on such stock.

Stock prices and Dividends per share

<TABLE>
<CAPTION>

	COMMON STOCK		
QUARTER	HIGH	LOW	DIVIDENDS
<S>	<C>	<C>	<C>
1993--First	$ 9 3/8	$7 3/4	$.02
Second	9 1/2	6 7/8	.02
Third	10 1/2	6 3/4	.02
Fourth	8	6	.02
1992--First	12 1/2	8 1/2	$.02
Second	11 1/2	8 7/8	.02
Third	11 5/8	9 1/8	.02
Fourth	9 7/8	7 5/8	.02

</TABLE>

On March 4, 1994, the Company's Board of Directors decided to eliminate the quarterly dividend on the Company's common stock to reduce expenses.

As of March 17, 1994, 4,066,649 Warrants to purchase common stock of the Company were outstanding and the Company had approximately 80 holders of Warrants of record. The Warrants are listed on the American Stock Exchange (AUWS) and the Toronto Stock Exchange (AXGWT). The Warrants were issued in connection with the acquisition of the Fort Knox project. See ITEM 1 "BUSINESS--INTRODUCTION" under PART I herein.

ITEM 6. SELECTED FINANCIAL DATA

AMAX GOLD INC. AND SUBSIDIARIES

FINANCIAL AND OPERATING HIGHLIGHTS
(IN MILLIONS EXCEPT PER SHARE AMOUNTS, PERCENTAGES,
PRODUCTION AND SALES OUNCES AND AMOUNTS PER OUNCE)

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,						
	1993	1992	1991	1990	1989	1988	1987
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
FOR THE YEAR:							
Sales	$ 81.9	$ 99.7	$ 128.2	$ 149.8	$ 121.6	$ 104.4	$ 67.0
Gross operating margin (loss)	(31.9)	16.6	38.0	63.1	59.4	66.2	47.0
Asset write-downs(1)	87.7	--	--	12.6	--	--	--
Earnings (loss) from operations(1)(2)	(116.0)	18.8	24.0	36.1	43.7	44.3	40.9
Earnings (loss) before cumulative effect of accounting changes, net(1)(2)	(89.0)	13.0	21.2	28.3	33.3	43.0	40.4
Net earnings (loss)(1)(2)(3)	(104.2)	11.5	21.2	28.3	33.3	43.0	40.4
Per common share:							
Earnings (loss) before cumulative effect of accounting changes(1)(2)(3)	(1.14)	.18	.35	.47	.55	.72	.67
Net earnings (loss)(1)(2)(3)	(1.34)	.16	.35	.47	.55	.72	.67
Weighted average common shares outstanding(4)	77.8	73.7	60.0	60.0	60.0	60.0	60.0
Capital and cash acquisition expenditures	23.4	113.7	60.0	39.9	31.7	38.7	27.2
Refugio cash acquisition and investment costs	1.2	--	--	--	--	--	--
Cash dividends to common shareholders	2.0	2.8	4.8	4.8	4.8	4.0	1.6
Dividends declared per common share(4)	.08	.08	.08	.08	.08	.067	.027
Special distributions to Amax	--	--	--	--	--	--	32.0
AT YEAR-END:							
Current assets	37.9	47.1	41.7	42.4	23.6	32.3	19.3
Total assets	381.0	477.6	198.3	157.2	150.5	146.3	95.8
Current liabilities	37.6	46.9	28.2	21.2	16.5	20.0	9.1
Long-term debt	136.5	103.1	24.1	8.4	31.3	57.2	57.7
Shareholders' equity	173.3	257.2	136.3	120.7	98.3	68.5	28.9
Working capital	.3	.2	13.5	21.2	7.1	12.3	10.2
Book value per common share	2.22	3.45	2.27	2.01	1.64	1.14	.48

Long-term debt to equity	79%	40%	18%	7%	32%	84%	200%
KEY OPERATING FACTORS FOR THE YEAR:							
Total ounces of gold produced(5)	210,880	253,603	300,233	354,859	307,387	239,980	158,696
Total ounces of gold sold	209,290	248,024	300,418	359,146	296,075	233,159	159,900
Average price per ounce sold	$ 392	$ 402	$ 427	$ 417	$ 411	$ 448	$ 419
Average cost per ounce produced(6):							
Cash production cost(7)	$ 388	$ 223	$ 195	$ 147	$ 132	$ 110	$ 74
Depreciation and depletion	122	87	82	73	59	38	29
Total production cost	$ 510	$ 310	$ 277	$ 220	$ 191	$ 148	$ 103

</TABLE>

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(1) In 1993 the Company recognized a $64.1 million pre-tax ($41.9 million after tax) write-down of the Hayden Hill asset and a $23.6 million pre-tax ($15.6 million after tax) write-down of the Sleeper asset, which increased the 1993 net loss by $57.5 million, or $.74 per common share. The earnings for 1990 include a $12.6 million write-down of Amax Gold's investment in Canamax Resources Inc. recorded in the first half of 1990, which reduced 1990 net earnings per common share by $.21. The remaining Canamax investment was sold to Amax during the second half of 1990 for $6.4 million in cash.

(2) In September 1993, Amax Gold changed its exploration accounting policy, effective January 1, 1993, such that prior period exploration expenses would no longer be capitalized and restored to earnings when a property became exploitable. The 1993 net loss includes a $13.4 million, or $.17 per common share, after tax charge relating to the cumulative effect of this accounting change. The 1992 net earnings include $8.9 million, or $.12 per common share, of after tax income related to prior year exploration expenditures on the Haile and Guanaco projects that were capitalized and restored to earnings. The pro forma unaudited net earnings and net earnings per common share, assuming this 1993 exploration accounting change had been applied retroactively for the fiscal years prior to 1993, were $4.9 million in 1992 (or $.07 per common share), $21.9 million in 1991 (or $.36 per common share), $30.5 million in 1990 (or $.50 per common share), $29.6 million in 1989 (or $.49 per common share), $44.0 million in 1988 (or $.74 per common share) and $36.2 million in 1987 (or $.60 per common share).

(3) The 1993 net loss includes a $1.8 million, or $.03 per common share, after-tax cumulative effect of the January 1, 1993 adoption of Statement of Financial Accounting Standards (SFAS) No. 112, "Employers' Accounting for Postemployment Benefits." Net earnings for 1992 include a $1.5 million, or $.02 per common share, after-tax cumulative effect of the January 1, 1992 adoption of SFAS No. 106, "Postretirement Benefits Other Than Pensions."

(4) Adjusted for three-for-two common stock split effected in the form of a

stock dividend which was distributed in 1988.

(5) Gold production for the year ended December 31, 1992 reflects increased production of 4,733 ounces at the Sleeper Mine and 542 ounces at the Waihi Mine relating to the cumulative effect of a change in accounting to include production in the mill carbon circuit, effective January 1, 1992.

(6) Average costs weighted by ounces of gold produced at each mine.

(7) Cash production costs include all operating costs at the mine site, including overhead and, where applicable, Nevada net proceeds tax, royalties and credits for silver by-products.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1993 FINANCIAL SUMMARY

On November 15, 1993, Amax was merged with and into Cyprus Minerals Company. The new entity, Cyprus Amax, retained approximately 40% of the outstanding common shares of Amax Gold. In connection with the change of ownership, Amax Gold is in the process of negotiating several agreements with Cyprus Amax, specifically a $100 million financing arrangement, a gold exploration joint venture agreement, a non-competition agreement and a services agreement. Additionally, Amax Gold has made management changes, reduced staff levels and relocated its headquarters office to the Cyprus Amax headquarters office. These actions were taken to give Amax Gold more financial strength and flexibility to satisfy its current debt obligations, position Amax Gold to advance its development projects and provide savings in exploration and general and administrative expenses.

Amax Gold reported a 1993 net loss of $104.2 million compared with net income of $11.5 million in 1992 and $21.2 million in 1991. The 1993 results include after tax charges of $57.5 million for the write-downs of the Sleeper and Hayden Hill investments and $15.2 million for the cumulative effects of an exploration accounting change and the adoption of a new accounting standard for postemployment benefits. Additionally, the 1993 results include an after tax gain of $2.4 million from the realization of the future economic benefit from its 33.53% interest in the Waihi Mine in New Zealand. The 1992 results include after tax income of $8.9 million from exploration expenses for the Haile and Guanaco expenditures that were capitalized and restored to earnings and an after tax charge of $1.5 million for the cumulative effect of the adoption of a new accounting standard for postretirement benefits other than pensions. Excluding these special items, the 1993 net loss was $33.9 million compared to net income of $4.1 million in 1992. The decline in results over the past three years was due primarily to lower production and sales volumes and higher unit production costs, particularly in 1993. To a lesser extent, lower average realized sales prices over the past two years contributed to the decline in operating results. A further discussion of the key factors affecting the 1993 results compared to 1992 and 1991 follows.

RESULTS OF OPERATIONS FOR THE THREE YEARS ENDED DECEMBER 31, 1993

Sales declined to $81.9 million for 1993 from $99.7 million in 1992 and $128.2 million in 1991 as a result of declines in production and sales volumes from the Sleeper, Wind Mountain and Waihi mines together with lower average

realized sales prices in 1993 and 1992. Somewhat offsetting these declines was production from the Hayden Hill Mine, which commenced in June 1992, and the Guanaco Mine, which commenced in April 1993. The start-up of production from the Hayden Hill and Guanaco mines was intended to more than offset expected decreases in production from the Sleeper Mine, due to declining mill head grades, and the Wind Mountain Mine, due to the cessation of mining in January 1992 with continuing residual heap leach production. However, significantly lower than expected production from both the Hayden Hill and Guanaco mines resulted in reduced production and sales volumes in 1993 and 1992. Total production and sales volumes for 1994 are expected to increase approximately 10-15% from the 1993 levels as the Hayden Hill and Guanaco heap leach operations move towards design capacity.

The Sleeper Mine's 1993 production level of 100,018 gold ounces declined from 144,573 gold ounces in 1992 and 183,346 gold ounces in 1991 as a direct result of lower mill head grades, which also affected the recovery rate. The 1993 average mill head grade at the Sleeper Mine was 0.078 ounce of gold per ton compared to 0.106 ounce of gold per ton in 1992 and 0.219 ounce of gold per ton in 1991. Heap leach production from Sleeper was also less in 1993 because of fewer tons of ore being placed under spray. Production at the Wind Mountain Mine decreased from 91,063 gold ounces in 1991 to 54,690 gold ounces in 1992 and 19,296 gold ounces in 1993 as a result of the completion of mining activities in January 1992 with continuing residual heap leach production. Amax Gold's 33.53% interest in the production from the Waihi Mine in New Zealand was 8,666 gold ounces in 1993 compared to 25,525 gold ounces in 1992 and 25,824 in 1991. In June 1993, Amax Gold completed a transaction which resulted in the realization of all future economic benefit from its 33.53% interest in the Waihi Mine, effective April 30, 1993. This transaction resulted in the realization of an $8.8 million pre-tax ($2.4 million after tax) gain in 1993.

Amax Gold realized an average selling price of $392 per gold ounce in 1993 compared to $402 per gold ounce in 1992 and $427 per gold ounce in 1991. The average realized price for each of the periods includes hedging benefits from closing forward sales contracts and gold options at prices above market. The average COMEX gold price for 1993 was $360 per ounce compared to $344 per ounce in 1992 and $362 per ounce in 1991.

Costs applicable to sales rose to $79.7 million in 1993 from $52.8 million in 1992 and $57.5 million in 1991. Average gold unit cash production costs increased to $388 per ounce in 1993 compared to $223 per ounce in 1992 and $195 per ounce in 1991. The 1993 increase was primarily the result of high unit cash production costs of $664 per ounce at the Guanaco Mine, $470 per ounce at the Hayden Hill Mine and $317 per ounce at the Sleeper Mine.

The high 1993 unit cash production costs at the Guanaco Mine were primarily the result of the start-up phase of the heap leach operation together with initial problems experienced with crusher throughput. Unit cash costs for the Guanaco Mine are expected to decline in 1994 as heap leach production increases toward design capacity. The Hayden Hill unit cash production costs were high primarily due to a lower than expected ore grade. Hayden Hill's 1993 unit cash production costs were $470 per gold ounce, up from the 1992 unit cash production costs of $432 per gold ounce, due to abnormally high operating costs in the first half of 1993 resulting from dilution in the grade of ore to the mill, a lower than expected mill recovery and, to a lesser extent, severe weather conditions. At the Sleeper Mine, unit cash production costs increased to $317 per gold ounce in 1993 from $223 per gold ounce in 1992 and $188 per gold ounce in 1991 primarily as a result of reduced production levels from

declining mill head grades. The Wind Mountain unit cash production costs of $167 per gold ounce in 1993 rose from $114 per gold ounce in 1992 primarily as a result of reduced 1993 production.

While average unit production costs also increased in 1992 as compared with 1991, total costs applicable to sales declined in 1992 compared with 1991. This was primarily the result of more sales of lower unit cost production from the Wind Mountain Mine in 1992.

The Company's operating costs include estimated reclamation costs for each of Amax Gold's mines which are accrued and charged over the expected mine life using the unit of production method. The anticipated reclamation costs are estimates based on current federal, state and Chilean laws and regulations governing the protection of the environment. Changes in these laws and regulations could impact these anticipated reclamation costs. See Note 13 of Notes to Consolidated Financial Statements under Item 8 of Part II herein for a further discussion.

Depreciation and depletion increased by $3.9 million in 1993 compared to 1992. On a unit basis, depreciation and depletion increased to $122 per ounce in 1993 from $87 per ounce in 1992. The 1993 increases were primarily due to the inclusion of the Guanaco Mine depreciation and depletion, which commenced in April 1993, and a reduction in estimated recoverable ore reserves at the Sleeper Mine as of December 31, 1992. Somewhat offsetting these 1993 increases in depreciation and depletion was lower depreciation and depletion for the Hayden Hill Mine in the last half of 1993 due to the Hayden Hill assets being written down as of June 30, 1993. Additionally, total depreciation and depletion for 1993 and 1992 were favorably impacted by the Wind Mountain assets being fully depreciated in the first quarter of 1992, with continuing residual heap leach production. For 1992 compared to 1991, total depreciation and depletion declined by $2.9 million as a result of lower production volumes. On a per ounce basis, however, total depreciation and depletion increased from $82 per ounce in 1991 to $87 per ounce in 1992 as a result of the commencement of the Hayden Hill depreciation and depletion, which was partially offset by lower depreciation and depletion at the Wind Mountain Mine.

The Hayden Hill Mine, which began commercial production in mid-June 1992, experienced unacceptably high unit operating costs and reduced production resulting from a lower than expected ore grade. Mining indicated that mill grade ore occurred in thinner, less continuous structures than originally interpreted. A major re-evaluation of the operation was completed in July 1993. Given the geologic complexity of the deposit as determined from mining experience and a revised interpretation of geologic data, the proven/probable reserves were reduced by approximately 409,000 contained gold ounces. Mineralization excluded from the proven/probable reserves was reclassified as a geologic resource until such time, if ever, that additional data from drilling and further mining establish otherwise. The restated proven/probable reserves as of December 31, 1993 were 18.8 million tons at an average grade of 0.024 ounce of gold per ton of ore containing 451,000 ounces of gold. During the last half of 1993, the mine was reconfigured to operate as a heap leach operation only, with the mill being maintained on a stand-by status. The mill may be run intermittently if sufficient higher grade ore is encountered. As a result of the downward revision of the Hayden Hill ore reserves and placing the mill on stand-by status, Amax Gold recorded a $64.1 million pre-tax ($41.9 million

after tax) write-down of its Hayden Hill investment as of June 30, 1993. Through the last half of 1993, the Hayden Hill Mine remained unprofitable as modifications were made to increase heap leach production.

Mining experience and a reinterpretation of geologic data at the Sleeper Mine during the fourth quarter of 1993 also led to a reduction in ore reserves. As of December 31, 1993, the contained proven/probable ore reserves were reduced to 6.7 million tons at an average grade of 0.037 ounce of gold per ton of ore containing 250,000 ounces of gold. The change in tonnage and grade resulted in a reduction of proven/probable reserves of approximately 296,000 contained gold ounces. As a result, Amax Gold recorded a $23.6 million pre-tax ($15.6 million after tax) write-down of its Sleeper investment as of December 31, 1993. In addition, a portion of the remaining Sleeper ore reserve contains high clay content material which is expected to have adverse impacts on operating costs and recoveries.

In connection with the change in ownership from Amax to Cyprus Amax, Amax Gold made management changes, reduced staff levels and relocated its headquarters office to the Cyprus Amax headquarters office. The 1993 costs relating to these restructuring activities were not significant.

Exploration expenses for 1992 were net of $11.2 million of exploration expenses on the Haile and Guanaco projects which were capitalized and restored to earnings, representing $8.9 million of 1991 exploration expenses and $2.3 million of 1992 exploration expenses. Under the accounting policy in effect in 1992, Amax Gold charged exploration expenses against earnings until a property became exploitable, at which time all of the prior year exploration expenses for such property were capitalized and restored to earnings. Effective January 1, 1993, the Company changed this accounting policy whereby exploration expenses are expensed in the period incurred until such time as a property becomes exploitable, with subsequent expenditures being capitalized. For 1993, the Company recognized a $13.4 million after tax charge (net of a deferred tax benefit of $4.5 million) relating to the cumulative effect from such accounting change for periods prior to 1993. Excluding the exploration expenditures on the Haile and Guanaco projects for 1992 and 1991, exploration expenditures were $5.2 million in 1993 compared to $6.7 million in 1992 and $5.1 million in 1991.

Interest expense rose to $8.5 million in 1993 from $2.3 million in 1992 and $.4 million in 1991. These increases were primarily the result of a higher average debt balance each year which was partially offset by the capitalization of a portion of the 1992 interest expense while the Hayden Hill and Guanaco mines were in the construction and development phase.

Income tax benefits of $33.8 million were recognized in 1993 as a result of the deferred tax effects of asset write-downs combined with estimated tax losses for 1993. The amount of 1993 tax loss was partially offset by the tax effects of the gain on the Waihi transaction. The 1992 income tax provision increased by $.9 million compared to the net income tax provision for 1991, despite lower earnings for 1992. This was due to a $4.6 million tax benefit being recognized in 1991 under a tax sharing agreement with Amax for which there was no comparable amount in 1992. Beginning January 1, 1992, Amax Gold was no longer included in the consolidated income tax return of Amax and, as a result, the tax sharing agreement was terminated as of the close of business on

December 31, 1991. Excluding the 1991 benefit from the tax sharing agreement, Amax Gold's effective tax rate for 1991 was 34% compared to 28% for both 1992 and 1993.

Accounting changes as a result of new accounting standards included Statement of Financial Accounting Standards No. 112 which Amax Gold adopted in 1993, effective January 1, 1993, and Statement of Financial Accounting Standards No. 106 which Amax Gold adopted in 1992, effective January 1, 1992. The cumulative effect of the 1993 accounting change for periods prior to 1993 was $1.8 million (net of a deferred tax benefit of $1 million). The cumulative effect of the 1992 accounting change for periods prior to 1992 was $1.5 million (net of a deferred tax benefit of $.9 million).

LIQUIDITY AND FINANCIAL POSITION

For 1993 the Company had negative operating cash flow of $23.2 million primarily due to lower mill head grades at the Sleeper and Hayden Hill mines, high start-up costs for the heap leach production from the Guanaco Mine and higher interest expenditures resulting from increased debt levels. The negative operating cash flow for 1993, together with $24.6 million of capital, cash acquisition and investment expenditures and $31.6 million of debt principal repayments were funded with existing cash balances of $23.7 million, $59.2 million of additional borrowings and net cash proceeds from the Waihi transaction of $7.8 million. At December 31, 1993, Amax Gold had working capital of $.3 million compared to $.2 million at December 31, 1992.

For 1993, the $24.6 million of capital expenditures and Refugio cash acquisition and investment costs exclude $21.1 million of Refugio acquisition costs that were funded through the issuance of 3.15 million shares of Amax Gold common stock. The 1993 capital and acquisition cash outlay consisted of $7.7 million of Guanaco construction and development costs, $6.7 million of Fort Knox development costs, an aggregate of $6.5 million of sustaining capital at the Sleeper, Hayden Hill and Waihi mines, $2.5 million of Haile development costs and $1.2 million of Refugio cash acquisition and investment costs.

Capital expenditures at the Sleeper, Hayden Hill and Guanaco mines for 1994 are currently estimated to be approximately $12.5 million. Fort Knox and Refugio construction and development expenditures for 1994 are currently estimated to be approximately $12 million and $26 million, respectively, subject to securing the necessary financing.

In 1993, Amax Gold incurred borrowings of $59.2 million, of which $30 million represented working capital gold loans, or 89,615 gold ounces (referred to as "the Gold Loans"), $24.7 million represented borrowings from Amax under a demand promissory note payable (referred to as "the Cyprus Note") and $4.5 million represented a refinancing of a portion of the Chilean short-term bridge loans. Repayments of outstanding indebtedness in 1993 totalled $31.6 million, which represented $15.6 million under the Hayden Hill financing, $10 million of outstanding working capital gold loans (or 29,600 gold ounces), $1.5 million of outstanding Chilean debt, which was assumed in connection with the 1992 Guanaco acquisition, and $4.5 million of Chilean short-term bridge loans which were refinanced through another Chilean bank. The $15.6 million repayment under the Hayden Hill financing represented $9.6 million of scheduled amortization

payments and a $6 million voluntary prepayment utilizing a portion of the Waihi transaction proceeds.

At December 31, 1993, Amax Gold had total outstanding debt obligations of $151.6 million, representing $51.9 million under the Hayden Hill loan facility, $34.2 million under Chilean short-term bridge loans, $9.2 million under Chilean assumed debt, $30 million under the Gold Loans, $1.6 million (or 4,000 gold ounces) under the Sleeper gold bullion loan agreement and $24.7 million under the Cyprus Note.

Subsequent to December 31, 1993, various financing activities were undertaken to provide Amax Gold with more financial strength and flexibility to meet its outstanding debt obligations. In February 1994 a commitment letter was signed between Amax Gold and Cyprus Amax to provide Amax Gold with a $100 million convertible line of credit. The outstanding indebtedness under the $100 million convertible line of credit may be repaid by Amax Gold issuing a like amount of convertible preferred stock, which in turn could be converted into Amax Gold common stock at $8.265 per share, which represents a 20% premium to the ten-day average closing price immediately prior to the date the commitment letter was signed. In addition, Amax Gold will have the right to convert the convertible preferred stock into Amax Gold common stock at a maximum price of $8.265 per share and a minimum price of $5.854 per share. Cyprus Amax will have the right to replace the line of credit and any outstanding indebtedness and/or preferred stock with the purchase of $100 million of Amax Gold common stock at a purchase price of $8.265 per share, which represents approximately 12.1 million shares of Amax Gold common stock.

With respect to the Cyprus Note, in February 1994 Amax Gold's Board of Directors approved the purchase by Cyprus Amax of three million shares of its common stock as repayment of $20.7 million of the outstanding indebtedness under the Cyprus Note. This stock purchase is expected to be completed by the end of March 1994. This share purchase, combined with the potential conversion of the $100 million line of credit into Amax Gold common stock, would increase Cyprus Amax's ownership of Amax Gold outstanding shares to slightly under 50%. At December 31, 1993, the $24.7 million of outstanding indebtedness under the Cyprus Note was classified as long-term based on the three million share purchase approval in payment of $20.7 million of indebtedness and the deferral by Cyprus Amax of the repayment of the remaining balance until 1995. The remaining indebtedness to Cyprus Amax may also be settled through an additional share purchase between Cyprus Amax and Amax Gold.

Also in March 1994, Amax Gold refinanced $34.2 million of Chilean bridge loans with a $36 million U.S. term loan agreement with two financial institutions, with scheduled amortization payments over a three-year term, commencing in October 1994. This loan is collateralized by guarantees from Amax Gold and, initially, from Cyprus Amax. At December 31, 1993, $33.2 million of the Chilean bridge loans were classified as long-term based upon this refinancing. In February 1994, Cyprus Amax also provided a guarantee for a letter of credit which secures $9.2 million of Chilean assumed debt.

With respect to the Gold Loans, Cyprus Amax provided a guarantee in February 1994 for $10 million of the $30 million outstanding indebtedness which was scheduled to be repaid in February 1994. The $10 million guarantee allowed Amax Gold to extend the repayment of this loan to February 1995. It is expected that the remaining $20 million of outstanding Gold Loans that are scheduled to be repaid in 1994 will also

be extended into 1995 as a result of the $100 million convertible line of credit provided by Cyprus Amax. As a result of the 1994 refinancing activities, the Gold Loans were classified as long-term debt at December 31, 1993.

Upon completion of definitive documentation for the $100 million convertible line of credit, a portion of this credit line is expected to be designated as support for $30 million of the outstanding indebtedness under the Hayden Hill financing and as replacement for the Cyprus Amax guarantee on the new $36 million Guanaco U.S. term loan. The remaining portion under the line of credit will provide Amax Gold with additional working capital to meet its on-going obligations. Definitive documentation for the $100 million convertible line of credit is expected to be completed by the end of March 1994, subject to possible regulatory delays.

At December 31, 1993, Amax Gold had 4,000 gold ounces outstanding under the Sleeper gold bullion loan agreement, or $1.6 million. Amax Gold has verbally agreed to repay the outstanding $1.6 million under this loan in February 1995.

Principal repayment obligations for 1994 aggregate $15.1 million, which includes $11.1 million of scheduled amortization payments under the Hayden Hill financing, $3.0 million of scheduled amortization payments under the outstanding Chilean assumed debt and $1.0 million of scheduled amortization payments under the new Guanaco U.S. term loan.

Amax Gold and Cyprus Amax are currently in the process of negotiating an exploration joint venture agreement, a non-compete agreement and a services agreement. These agreements are being put in place in order to maximize the value of the strategic alliance between the two companies. The exploration joint venture agreement would result in the two companies pooling their efforts to discover and develop gold properties, with Cyprus Amax providing 75% of initial funding for newly identified gold exploration targets. The non-compete agreement would clarify the terms under which either company could develop and ultimately produce minerals which would be in competition with the other party. The services agreement would provide for certain general and administrative services between Cyprus Amax and Amax Gold in order to take advantage of the synergies between the two companies and to provide both companies with cost savings. Cyprus Amax may also sell to Amax Gold certain of its gold exploration and development properties, subject to the approval of each company's Board of Directors and compliance with stock exchange and possibly other regulatory requirements regarding related party transactions.

In 1994 Amax Gold expects that its operating mines will generate positive cash flow, conditioned upon the performance of the Hayden Hill, Sleeper and Guanaco mines. With the support of Cyprus Amax through the $100 million convertible line of credit and debt guarantees, Amax Gold will be able to sustain its current operations, its operating mine capital requirements, its current debt service requirements and, to the extent funds are available, exploration and project development costs. Additional financings will be required, however, to fund the total capital required to bring its Fort Knox, Refugio and other development projects into production. While Amax Gold intends to seek additional financings in 1994 to meet its long-term capital requirements, there can be no assurance that all of the required financings can be obtained in the time frame desired.

Total capital requirements to construct and develop the Fort Knox property in accordance with the preliminary design are currently estimated to be between $250 million and $270 million, in addition to $182 million of capitalized acquisition and development costs as of December 31, 1993. Amax Gold intends to seek financing to fund a significant portion of the required future capital. In February 1994, certain Alaska state permits were received. Upon the issuance of a finding of no significant impact by the U. S. Army Corps of Engineers, which is expected to be received during the first half of 1994, the Company plans to perform detailed engineering for the project, upgrade the access road to the project site and complete the necessary permitting to commence construction. Timing of the construction is dependent on obtaining the final permits, securing financing on acceptable terms and the approval by the Company's Board of Directors.

Total capital requirements to construct and develop the Refugio project are estimated to be between $120 million and $140 million, of which Amax Gold's share is $60 million to $70 million. This is in addition

to Amax Gold's $22.7 million of capitalized exploration and acquisition costs as of December 31, 1993. Amax Gold and its 50% partner are attempting to secure financing to fund a significant portion of the required future capital. Each partner is responsible for its own financing. Timing of development is dependent on securing adequate financing.

The Haile joint venture will focus on an updated status report and revised reserve estimate incorporating results from the 1993 drilling program, which is expected to be completed in the second quarter of 1994. Depending upon the results and conclusions reached in the updated status report, the project may move into the engineering design phase or additional development drilling may be conducted. Amax Gold's share of 1994 development costs on the Haile project are estimated to be approximately $4 million.

OUTLOOK

Net losses are expected to continue to be realized in 1994, assuming an average realized selling price of $395 per gold ounce. Depending upon the performance of Hayden Hill, Sleeper and Guanaco, total production and sales volumes for 1994 are expected to increase approximately 10-15% from the production and sales volumes for 1993. However, total costs and operating expenses (including depreciation and depletion) combined with exploration expenditures and interest expense are expected to exceed the expected 1994 sales, resulting in a continuing net loss for 1994. Net losses are expected to be higher in the first quarter of 1994 as the Hayden Hill and Guanaco heap leach operations move toward design capacity. Additionally, the 1994 production, sales volumes and net results are expected to be slightly impacted by declining residual heap leach production from the Wind Mountain operation.

Unit cash operating costs in 1994 are expected to decline from 1993 levels, primarily as a result of expected increases in production from the Hayden Hill and Guanaco operations. Depreciation and depletion unit costs in 1994 are also expected to decline from 1993 levels primarily due to the write-down of the Sleeper and Hayden Hill assets, which will result in lower unit depreciation and depletion costs in 1994. However, the total average 1994 unit production

costs, which include the total average unit cash operating costs and depreciation and depletion costs, are expected to exceed the 1994 average realized price per ounce of gold sold, primarily due to lower production in the first half of 1994 as the Hayden Hill and Guanaco operations move towards design capacity. This is expected to result in an operating loss for 1994. However, Amax Gold expects that its operating mines will generate positive cash flow in 1994.

General and administrative and exploration expenses are expected to be lower in 1994. Amax Gold made several management changes, reduced its staff, relocated its headquarters office to the Cyprus Amax headquarters office and is in the process of negotiating a services agreement and gold exploration joint venture agreement with Cyprus Amax. These actions are expected to provide savings in general and administrative and exploration expenses.

Amax Gold expects to realize a 1994 average selling price in the range of $385 to $450 per gold ounce, depending upon the market price for gold. Amax Gold has an active hedging program in place which is intended to provide some protection against low gold market prices while maintaining most of the potential benefit in the event of higher market prices. During the first quarter of 1993, the COMEX market price for gold dropped to a new seven-year low of $326 per ounce, then rose to a high of $407 per ounce on July 29, 1993. As of March 10, 1994, the COMEX market price for gold was $387 per ounce. The 1993 increase in gold market prices has allowed Amax Gold to put in place new hedge positions for a substantial portion of the forecast gold production for 1994 and 1995. Amax Gold believes that, given its current hedge positions, it could realize the benefit from rising market prices for fiscal 1994 and 1995 up to a market price of $450 per gold ounce. Amax Gold also believes it can continue to obtain an average realized sales price for fiscal 1994 and 1995 of at least $385 per ounce if gold market prices decline to as low as $320 per ounce. However, Amax Gold's ability to sustain an average realized price substantially above the market price for fiscal 1996 and beyond may be significantly diminished as its current hedge positions are depleted and new positions are put in place at lower prices.

Amax Gold's focus for 1994 will be to maximize the operating performance at all of its mines while at the same time attempting to minimize capital and operating cash outlays and to pursue additional financings to advance its development projects at a rate that will yield attractive returns.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors of Amax Gold Inc.:

We have audited the accompanying consolidated statements of financial position of Amax Gold Inc. and Subsidiaries (the Company) as of December 31, 1993 and 1992, and the related consolidated statements of operations, changes in capital stock, paid-in capital and retained earnings and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amax Gold Inc. and Subsidiaries as of December 31, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, during 1993 the Company changed its method of accounting for exploration expenditures and postemployment benefits. As also discussed in Note 1 to the consolidated financial statements, during 1992 the Company changed its method of accounting for precious metals inventory, postretirement benefits and income taxes.

Coopers & Lybrand

Denver, Colorado
February 4, 1994 except for Note 8 for which the date is March 18, 1994.

REPORT OF MANAGEMENT

Report on Financial Statements and on Internal Control

Amax Gold Inc. is responsible for the preparation of the consolidated financial statements in the Annual Report on Form 10-K and for the integrity and objectivity of the information presented. The consolidated financial statements have been prepared in conformity with generally accepted accounting principles and necessarily include amounts which are estimates and judgments. The fairness of the presentation in these consolidated statements of Amax Gold's operations, financial position, cash flows and changes in capital stock, paid-in capital and retained earnings is audited and reported on by the independent accountants.

To assist in carrying out the above responsibility, Amax Gold has internal systems which provide for selection of personnel, segregation of duties and maintenance of accounting policies, systems, procedures and related controls. Although no cost-effective system can ensure the elimination of errors, Amax Gold's systems have been designed to provide reasonable but not absolute assurance that assets are safeguarded, that policies and procedures are followed and that the financial records are adequate to permit the production of reliable consolidated financial statements.

The Audit Committee of the Board of Directors, which is composed of directors who are not officers or employees of Amax Gold, Cyprus Amax Minerals Company or

their subsidiaries, meets regularly with senior financial officers and the independent accountants in connection with monitoring the adequacy and integrity of Amax Gold's accounting, financial reporting and internal controls.

AMAX GOLD INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
SALES	$ 81,900	$99,700	$128,200
COSTS AND OPERATING EXPENSES--			
Costs applicable to sales	79,700	52,800	57,500
Depreciation and depletion	25,700	21,800	24,700
Selling, general and administrative expenses	8,400	8,500	8,000
Total costs and operating expenses	113,800	83,100	90,200
GROSS OPERATING MARGIN (LOSS)	(31,900)	16,600	38,000
GAIN ON WAIHI TRANSACTION	8,800	--	--
ASSET WRITE-DOWNS	(87,700)	--	--
EXPLORATION EXPENSES, NET	(5,200)	2,200	(14,000)
EARNINGS (LOSS) FROM OPERATIONS	(116,000)	18,800	24,000
Interest expense	(8,500)	(2,300)	(400)
Minority interest	1,100	--	--
Interest income	700	1,600	1,700
Other	(100)	(100)	--
EARNINGS (LOSS) BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	(122,800)	18,000	25,300
Income tax (provision) benefit	33,800	(5,000)	(8,700)
Benefit from tax sharing agreement	--	--	4,600
EARNINGS (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	(89,000)	13,000	21,200
Cumulative effect of accounting changes, net of income tax benefits of $5,500 in 1993 and $900 in 1992	(15,200)	(1,500)	--
NET EARNINGS (LOSS)	$(104,200)	$11,500	$ 21,200
PER COMMON SHARE:			
Earnings (loss) before cumulative effect of accounting changes	$ (1.14)	$ .18	$ .35
Cumulative effect of accounting changes	(.20)	(.02)	--
Net earnings (loss)	$ (1.34)	$ .16	$ .35

DIVIDENDS DECLARED PER COMMON SHARE.....	$ .08	$ .08	$ .08
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING.....	77,758	73,695	59,995

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

AMAX GOLD INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(DOLLARS IN THOUSANDS EXCEPT PAR VALUE OF STOCK)

<TABLE>
<CAPTION>

<S>	DECEMBER 31, 1993 <C>	DECEMBER 31, 1992 <C>
ASSETS		
Cash and equivalents.....	$ 7,500	$ 23,700
Inventories.....	16,600	15,100
Other assets.....	9,800	7,800
Receivables on open sales contracts.....	4,000	500
CURRENT ASSETS.....	37,900	47,100
Property, plant and equipment, net.....	315,800	429,800
Refugio equity investment.....	22,700	--
Other assets.....	4,600	700
TOTAL ASSETS.....	$381,000	$477,600
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable, trade.....	$ 4,000	$ 6,700
Accounts payable, affiliates.....	100	1,000
Accrued and other current liabilities.....	16,400	16,300
Reclamation reserve, current portion.....	2,000	2,000
Short-term debt.....	--	10,000
Current maturities of long-term debt.....	15,100	10,900
CURRENT LIABILITIES.....	37,600	46,900
Long-term debt and unearned revenue.....	111,800	103,100
Note payable to Cyprus Amax.....	24,700	--
Reclamation reserve, noncurrent portion.....	8,600	2,300
Other noncurrent liabilities.....	8,100	8,000
TOTAL LIABILITIES.....	190,800	160,300
Deferred income taxes.....	16,900	60,100

Commitments and contingencies (Notes 9 and 13).....	--	--
Shareholders' equity:		
Preferred stock, par value $1.00 per share, authorized 10,000,000 shares, issued and outstanding, none.....	--	--
Common stock, par value $.01 per share, authorized 200,000,000 shares, issued and outstanding 78,185,057 shares in 1993 and 74,503,819 shares in 1992.....	800	700
Paid-in capital.....	150,700	125,500
Retained earnings.....	21,800	132,200
Cumulative translation adjustment.....	--	(1,100)
Common stock in treasury, at cost (1,991 shares in 1993 and 4,500 shares in 1992).....	--	(100)
TOTAL SHAREHOLDERS' EQUITY.....	173,300	257,200
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	$381,000	$477,600

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

AMAX GOLD INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
NET EARNINGS (LOSS).....	$(104,200)	$ 11,500	$ 21,200
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Asset write-downs.....	87,700	--	--
Depreciation and depletion.....	25,700	21,800	24,700
Cumulative effect of accounting changes.....	15,200	1,500	--
Increase in reclamation reserves.....	3,700	1,600	1,000
Increase (decrease) in deferred taxes.....	(34,100)	4,700	3,000
Gain on Waihi transaction.....	(8,800)	--	--
Minority interest.....	(1,100)	--	--
Other, net.....	(600)	900	(700)
Capitalization of prior period exploration costs.....	--	(8,900)	--
Decrease (increase) in working capital, net of effect of investing and financing activities:			
Accrued and other current liabilities.....	2,700	2,000	3,100

Receivables on open sales contracts.....	(3,500)	700	(100)
Inventories.....	(2,300)	(5,200)	(100)
Accounts payable, trade.....	(2,000)	(3,600)	4,400
Accounts payable, affiliates.....	(900)	(700)	(2,000)
Other assets.....	(700)	(400)	(3,600)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES.....	(23,200)	25,900	50,900
INVESTING ACTIVITIES			
Net cash received on Waihi transaction.....	7,800	--	--
Capital and cash acquisition expenditures for property, plant and equipment.....	(23,400)	(113,700)	(60,000)
Refugio cash acquisition and investment costs.	(1,200)	--	--
Other.....	(200)	(200)	--
Repayments from Amax under notes receivable...	--	15,400	13,900
Fort Knox acquisition costs, net of cash acquired.....	--	300	(7,600)
NET CASH USED BY INVESTING ACTIVITIES.....	(17,000)	(98,200)	(53,700)
FINANCING ACTIVITIES			
Proceeds from financings.....	34,500	86,700	25,000
Advances from Cyprus Amax under notes payable.	24,700	--	--
Repayments of financings.....	(31,600)	--	(7,900)
Cash dividends paid.....	(2,000)	(2,800)	(4,800)
Other.....	(1,700)	2,800	(200)
NET CASH PROVIDED BY FINANCING ACTIVITIES.....	23,900	86,700	12,100
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS.....	100	(200)	(300)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS.....	(16,200)	14,200	9,000
Cash and equivalents at January 1.....	23,700	9,500	500
CASH AND EQUIVALENTS AT DECEMBER 31 (INCLUDING RESTRICTED CASH OF $6,100 IN 1991).....	$ 7,500	$ 23,700	$ 9,500

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

AMAX GOLD INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL STOCK, PAID-IN CAPITAL AND RETAINED EARNINGS (DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	COMMON STOCK		COMMON

	SHARES	AMOUNT	PAID-IN CAPITAL	RETAINED EARNINGS	STOCK IN TREASURY
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE AT DECEMBER 31, 1990....	59,999,982	$600	$ 9,900	$ 110,200	$(100)
Net earnings for the year ended December 31, 1991.....	--	--	--	21,200	--
Cash dividends on common stock.....	--	--	--	(4,800)	--
BALANCE AT DECEMBER 31, 1991....	59,999,982	600	9,900	126,600	(100)
Net earnings for the year ended December 31, 1992.....	--	--	--	11,500	--
Issuance of common shares for acquisitions.....	14,173,253	100	112,500	--	--
Issuance of common shares under dividend reinvestment plan.....	330,584	--	3,100	(3,100)	--
Cash dividends on common stock.....	--	--	--	(2,800)	--
BALANCE AT DECEMBER 31, 1992....	74,503,819	700	125,500	132,200	(100)
Net earnings (loss) for the year ended December 31, 1993.	--	--	--	(104,200)	--
Issuance of common shares for acquisitions.....	3,150,000	100	21,000	--	--
Issuance of common shares under dividend reinvestment plan.....	523,989	--	4,200	(4,200)	--
Shares issued to non-employee directors.....	4,740	--	--	--	--
Issuance of treasury shares to non-employee directors.....	2,509	--	--	--	100
Cash dividends on common stock.....	--	--	--	(2,000)	--
BALANCE AT DECEMBER 31, 1993....	78,185,057	$800	$150,700	$ 21,800	$ --

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

AMAX GOLD INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS include the accounts of Amax Gold Inc. and its more than 50% owned subsidiaries (hereinafter referred to as the Company).

Investments in 20 percent to 50 percent owned companies are accounted for by the equity method. The Company includes its pro rata share of assets and liabilities for investments in ventures on a proportionate consolidation basis. All material intercompany balances and transactions have been eliminated.

PROPERTY, PLANT AND EQUIPMENT are carried at cost, including development expenditures and capitalized interest. Maintenance and repairs are charged to earnings. Expenditures for major betterments are capitalized. Gains and losses on retirements are included in earnings. Depreciation and depletion are computed using the unit of production method based on the estimated ounces of gold to be recovered and an estimated salvage value for certain assets at the end of their useful lives. Mobile equipment and assets which have a useful life which is shorter than the mine life are depreciated on a straight-line basis over estimated useful lives of one to five years. A provision for impairment is provided when a determination has been made that the net book value of mining assets will not be recovered through estimated undiscounted future cash flows.

EXPLORATION expenditures are charged against earnings in the period incurred. Costs of acquiring exploration mineral rights are deferred and amortized against earnings. Provisions for impairment of exploitable properties not being developed are also charged to expense. The Company changed its accounting policy, effective as of January 1, 1993, from that of subsequently capitalizing and restoring to earnings prior period exploration expenses when a property becomes exploitable, to a policy of expensing exploration expenditures in the period incurred until such time that a property becomes exploitable, with subsequent expenditures being capitalized. This change is believed to better present income from mining activities and follows the predominant practice in the mining industry with respect to accounting for exploration expenses. For the year ended December 31, 1993, the Company recognized a $13.4 million, or $.17 per common share, after tax charge (net of a deferred income tax benefit of $4.5 million) relating to the cumulative effect from such accounting change for periods prior to 1993. The effect of this accounting change on the 1993 period costs was to reduce the 1993 net loss by $4.3 million. The pro forma unaudited results, assuming this 1993 accounting change had been applied retroactively for the prior two fiscal years, are as follows (in millions except per share amounts):

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,	
	1992	1991
<S>	<C>	<C>
Earnings from operations	$ 8.2	$ 24.7
Earnings before cumulative effect of accounting changes	$ 6.4	$ 21.9
Net earnings	$ 4.9	$ 21.9
Net earnings per common share	$ .07	$ .36

</TABLE>

GOLD INVENTORY is stated at the lower of aggregate cost, computed on a last-in, first-out (LIFO) basis, or market. Materials and supplies inventories are stated at average cost less reserves for obsolescense. Effective January 1, 1992, the Company revised its procedures to measure precious metal production in the mill carbon circuit. Previously, production was measured in the form of dore bullion. As a result, costs applicable to the gold ounces in the mill

carbon circuit are included in inventory. This change results in a better matching of production units with related costs and follows practices which are prevalent in the mining industry. The cumulative effect of the accounting change for prior years (to December 31, 1991) together with the effect of the change for the year ended December 31, 1992 (aggregating approximately $.1 million) was not shown separately as the amounts were insignificant to the Company's results of operations for fiscal 1992.

RECLAMATION, SITE RESTORATION AND CLOSURE COSTS for each producing mine are estimated based primarily upon environmental and regulatory requirements and are accrued and charged over the expected life of each of the Company's mines using the unit of production method. Ongoing environmental and reclamation expenditures are expensed as incurred.

UNEARNED REVENUE represents payments received for the future delivery of mineral products to be mined. Upon delivery, sales are included in the Company's statements of operations based on the per ounce ratable share of payments received and expenses are included based on production costs.

FORWARD SALE CONTRACTS AND PUT AND CALL OPTION CONTRACTS are entered into from time to time to hedge the effect of price changes on the Company's precious metals that are produced and sold. The results of such activities are included in sales at the time the hedged production is sold.

INTEREST RATE swaps, options and caps are entered into as a hedge against interest rate exposure on the Company's financing facilities. The differences to be paid or received on swaps, options and caps are included in interest expense as payments are made or received.

INCOME TAXES are calculated using the liability method in accordance with the provisions set forth in Statement of Financial Accounting Standards (SFAS) No. 109, which the Company adopted in 1992, effective January 1, 1992. Prior to 1992, income taxes were calculated in accordance with SFAS No. 96. The adoption of SFAS No. 109 in 1992 had no effect on the Company's net earnings. See Note 5 for a further discussion.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS are calculated in accordance with the provisions set forth in SFAS No. 106, which the Company adopted in 1992, effective January 1, 1992. See Note 4 for a further discussion.

POSTEMPLOYMENT BENEFITS are calculated in accordance with the provisions set forth in SFAS No. 112, which the Company adopted in 1993, effective January 1, 1993. See Note 4 for a further discussion.

CASH AND EQUIVALENTS include cash and all highly liquid investments with an original maturity of three months or less. The Company invests cash in time deposits maintained in high credit quality financial institutions. To date, this concentration of credit risk has not affected the Company's operations.

Cash flows from hedged production of gold are included in cash flows from operating activities.

2. ACQUISITIONS

In January 1993, the Company acquired an indirect 50% interest in a Chilean company which, in turn, purchased the Refugio gold development project in Chile. To acquire this interest, the Company issued 3.15 million unregistered shares of common stock of the Company. The acquisition cost approximated $22.2 million, representing $21.1 million in stock and $1.1 million in cash acquisition costs.

3. TRANSACTIONS WITH AFFILIATES

On November 15, 1993, AMAX Inc. (Amax), a New York corporation which owned approximately 68% of the Company's outstanding common stock, was merged with and into Cyprus Minerals Company, a Delaware corporation. Immediately prior to the merger, Amax distributed to Amax shareholders from the shares then held by Amax approximately 28% of the Company's outstanding common stock. As of December 31, 1993, the merged company, called Cyprus Amax Minerals Company (Cyprus Amax), owned approximately 31.3 million common shares, or approximately 40% of the Company's outstanding common stock.

In connection with the change in ownership, the Company is in the process of negotiating several agreements with Cyprus Amax, including an exploration joint venture agreement, a non-compete agreement and a services agreement. The exploration joint venture agreement would result in the two companies pooling their efforts to discover and develop gold properties, with Cyprus Amax providing 75% of initial funding for newly identified gold exploration targets. The non-compete agreement would clarify the terms under which either company could develop and ultimately produce minerals which would be in competition with the other party. The services agreement would provide for general administrative services between Cyprus Amax and the Company.

For the years ended December 31, 1993, 1992 and 1991, Amax supplied management services and employee benefits to the Company on a full cost reimbursement basis. These services and employee benefits included insurance coverage for the Company, employee benefit plans (medical and life insurance benefits) and employee pension and thrift plan benefits. In October 1993, the Company established separate medical and life insurance coverage for its employees. Additionally, on November 15, 1993, a separate defined benefit pension plan and thrift plan for Company employees became effective. For the period from January 1, 1993 through November 14, 1993, and for the years ended December 31, 1992 and 1991, Amax charged the Company approximately $.4 million, $1.3 million and $1.0 million for pension costs. For the years ended December 31, 1993, 1992, and 1991, Amax also charged the Company $4.8 million, $4.2 million and $4.1 million for services, insurance and employee benefits other than pensions.

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
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The Company made advances to Amax during the years ended December 31, 1993, 1992 and 1991 under a demand promissory note receivable bearing interest at the sum of the federal funds rate plus 3/16%. At December 31, 1993, all amounts had been fully repaid. The annualized interest rate on outstanding amounts during the years ended December 31, 1993, 1992 and 1991 was 3.2%, 3.7% and 6.1% respectively. Interest income on these advances was $.2 million, $.5 million and $1.2 million for the years ended December 31, 1993, 1992 and 1991, respectively.

Amax made loans to the Company during the year ended December 31, 1993 under a demand promissory note payable, bearing interest at the sum of the federal funds rate plus 3/16%. See Note 8 for a further discussion.

4. EMPLOYEE BENEFITS

PENSION PLAN

Effective November 15, 1993, substantially all Company employees were covered by a non-contributory defined benefit pension plan. The plan provides retirement benefits for employees based generally on years of service and compensation during the last years of employment. Pursuant to the Amax and Cyprus Amax merger agreement, a distribution of the Company's share of pension plan assets will be made from the Cyprus Amax pension plan based on the Company's proportionate share of pension plan liabilities. The pension plan assets are expected to be received on May 15, 1994 and will be used to fund the Company's pension plan. During the period from November 15, 1993 through May 15, 1994, the pension plan assets will earn interest at a rate of 6% per annum, pursuant to the Amax and Cyprus Amax merger agreement. On-going funding for the Company's defined benefit pension plan will be made in accordance with the requirements of ERISA.

Net annual pension cost (including the cost incurred during the period the Company was included in the Amax pension plan) includes the following components:

<TABLE>
<CAPTION>

<S>	1993 <C>
Service cost	$1.0
Interest cost	.4
Expected return	(.1)
Net amortization of prior service cost and losses	.3
Net periodic expense	$1.6

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

</TABLE>

The following table summarizes the funded status of the plan and the related amounts recognized in the Company's statement of financial position at December 31:

<TABLE>
<CAPTION>

	1993
<S>	<C>
Actuarial present value of benefit obligations:	
Accumulated benefit obligation, including vested benefits of $2.2 million	$ 3.3
Projected benefit obligation	$(7.0)
Estimated plan assets at fair value	2.1
Estimated plan assets less than projected benefit obligation	(4.9)
Unrecognized prior service cost	1.6
Unrecognized net loss	2.1
Accrued pension cost	$(1.2)

</TABLE>

The expected long-term rate of return on plan assets and compensation increases assumed were 10% and 5.25%, respectively. The discount rate assumed was 7.5% in determining the actuarial present value of benefit obligations and 8.5% in determining the 1993 net periodic expense.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Company also provides certain health care and life insurance benefits for retired employees in the United States. Effective January 1, 1992, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", which requires companies to accrue such benefits during the employees' period of service. Prior to 1992, the Company charged these costs to expense as paid. As of January 1, 1992, the Company recognized the full amount of its estimated accumulated postretirement benefit obligation as a cumulative effect of an accounting change. This cumulative amount represented the present value of the estimated future benefits payable to current retirees and a pro rata portion of estimated benefits payable to currently active employees after their retirement. The pre-tax charge to 1992 earnings for the cumulative effect was $2.4 million, with a net earnings effect of $1.5 million.

Net periodic postretirement benefit costs for the years ended December 31, 1993 and 1992 were insignificant.

The following table sets forth the status of the plans and the related amounts recognized in the Company's statement of financial position at December 31:

<TABLE>
<CAPTION>

	1993	1992
<S>	<C>	<C>
Accumulated postretirement benefit obligation:		
Retirees	$ .4	$ .3
Fully eligible active plan participants	.1	.1
Other active plan participants	1.0	.8
Total accumulated postretirement benefit obligation	1.5	1.2
Plan assets at fair value	--	--
Accumulated postretirement benefit obligation in excess of plan assets	(1.5)	(1.2)
Unrecognized prior service cost	(1.8)	(2.0)
Unrecognized net loss	.5	.4
Accrued postretirement benefit cost	$(2.8)	$(2.8)

</TABLE>

The accumulated postretirement benefit obligation was determined using a weighted average annual discount rate of 7.5% in 1993 and 8.5% in 1992. The assumed health care cost trend rate used in 1993 was 14.5% declining gradually to 6.2% for 2008 and thereafter.

A one percent increase each year in the health care cost trend rate used would have resulted in an insignificant increase in the 1993 aggregate service and interest expense components and the accumulated postretirement benefit obligation at December 31, 1993.

POSTEMPLOYMENT BENEFITS

The Company also has a number of postemployment plans covering severance, disability income and continuation of health and life insurance for disabled employees. Effective January 1, 1993, the Company adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits". The pre-tax charge to 1993 earnings for the cumulative effect of this accounting change was $2.8 million, with a net earnings effect of $1.8 million.

5. INCOME TAXES

Beginning January 1, 1987, the Company was included in the consolidated federal income tax return of Amax and made tax payments to Amax under a tax sharing agreement. Under this tax sharing agreement, the Company was not charged for its use of Amax's existing federal net operating loss and investment tax credit carryforwards. The agreement did not include any foreign taxes required to be paid by the Company. On December 31, 1991, the Company and Amax amended the tax sharing agreement such that the federal income tax liability originally charged to the Company by Amax from 1987 to 1991 will be final and will not be affected by audit adjustments, claims for refund,

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
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carrybacks, carryovers or amended returns. The tax sharing agreement was terminated as of the close of business on December 31, 1991. As a result of the issuance of the Company's common stock upon the consummation of the Fort Knox acquisition in 1992, the Company was no longer included in the consolidated federal income tax return of Amax or Cyprus Amax, effective January 1, 1992.

The income tax provision (benefit) for the years ended December 31, 1993, 1992 and 1991 was based on earnings (loss) before income taxes and cumulative effect of accounting changes as follows:

	1993	1992	1991
<S>	<C>	<C>	<C>
United States	$(108.8)	$13.3	$26.0
Foreign	(14.0)	4.7	(.7)
	$(122.8)	$18.0	$25.3

The total income tax provision (benefit) for the years ended December 31, 1993, 1992 and 1991 was included in the financial statements as follows:

	1993	1992	1991
<S>	<C>	<C>	<C>
Income tax provision (benefit)	$(33.8)	$5.0	$4.1
Cumulative effect of accounting changes	(5.5)	(.9)	--
Total net income tax provision (benefit)	$(39.3)	$4.1	$4.1

The income tax provision (benefit) for the years ended December 31, 1993, 1992 and 1991 consisted of the following:

	1993	1992	1991
<S>	<C>	<C>	<C>
Current:			
Federal and state	$ --	$ .1	$ 4.8

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
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Foreign	.3	.2	1.1
	.3	.3	5.9
Deferred:			
Federal and state	(39.2)	3.4	2.1
Foreign	(.4)	.4	.7
	(39.6)	3.8	2.8
Benefit from tax sharing agreement	--	--	(4.6)
Total net income tax provision (benefit)	$(39.3)	$4.1	$ 4.1
Cash payments (refunds):			
Federal and state taxes	$ (.5)	$ .6	$ 2.0
Foreign taxes	.1	.2	1.1
	$ (.4)	$ .8	$ 3.1

</TABLE>

The sources of significant temporary differences for the years ended December 31, 1993, 1992 and 1991 consisted of the following:

<TABLE>
<CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Exploration and development costs and depreciation	$(29.7)	$12.0	$2.8
Deferred tax benefit from current year net operating loss	(8.8)	(6.8)	--
Other	(3.7)	(1.4)	--
Total temporary differences	(42.2)	3.8	2.8
Valuation allowance	2.6	--	--
Total deferred taxes	$(39.6)	$ 3.8	$2.8

</TABLE>

The components of the net deferred tax liabilities at December 31, 1993 and 1992 were as follows:

<TABLE>
<CAPTION>

	1993	1992

<S>	<C>	<C>
Deferred tax assets:		
Current--		
Liabilities and reserves	$ 1.0	$ 1.1
Inventory	1.4	.9
Non-current--		
Net operating loss carryforwards	22.4	12.5
Less: Valuation adjustment	(2.6)	--
Alternative minimum tax credits	2.8	2.9
Postretirement benefits other than pensions	1.0	1.0
Postemployment benefits	1.0	--
Other liabilities and reserves	3.3	1.3
Total deferred tax assets	30.3	19.7
Deferred tax liabilities:		
Current--		
Inventory	.1	.1
Non-current--		
Exploration and development costs and depreciation	35.0	77.8
Other liabilities and reserves	9.8	--
Total deferred tax liabilities	44.9	77.9
Net deferred tax liabilities	$14.6	$58.2

</TABLE>

The valuation allowance of $2.6 million has been provided to reduce Chilean tax assets because it is likely that a portion of the Chilean tax assets will not be realized.

The differences between the Company's provision (benefit) for income taxes and taxes at the statutory rate for the years ended December 31, 1993, 1992 and 1991 were as follows:

<TABLE>
<CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Tax at statutory rate	$(41.7)	$ 6.1	$ 8.6
Excess of alternative minimum tax over tax at regular statutory rate	--	--	4.4
State income taxes, net of federal benefit	(1.4)	.8	--
Percentage depletion	(.5)	(2.7)	(4.7)
Exploration and development costs and depreciation	--	--	(2.0)
Foreign exploration	--	(.8)	1.9
Waihi transaction gain	3.7	--	--
Valuation allowance for foreign losses with no expected tax benefit	5.1	--	--
Other, principally non-recurring items	1.0	1.6	.5
Income tax	(33.8)	5.0	8.7
Benefit from tax sharing agreement	--	--	(4.6)

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
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Income tax provision (benefit)	(33.8)	5.0	4.1
Income taxes on cumulative effect of accounting changes at statutory rate	(7.0)	(.8)	--
State income taxes, net of federal benefit	(.2)	(.1)	--
Valuation allowance for foreign losses with no expected tax benefit	1.7	--	--
Income tax benefit on cumulative effect of accounting changes	(5.5)	(.9)	--
Total income tax provision (benefit)	$(39.3)	$ 4.1	$ 4.1

</TABLE>

At December 31, 1993, the Company had federal tax net operating loss carryforwards of $53.5 million and alternative mininum tax net operating loss carryforwards of $26.7 million expiring in the years 2002-2008 and alternative minimum tax credit carryforwards of $2.8 million with no expiration. At December 31, 1993, the Company also had Chilean tax net operating loss carryforwards of $28 million with no expiration.

The Omnibus Budget Reconciliation Act of 1993 increased the U.S. federal corporate tax rate from 34% to 35%. The rate change had no effect on the net recorded deferred tax accounts of the Company.

Net income tax on a separate company basis for the year ended December 31, 1991 would have been substantially the same as the amounts reflected above in income tax, excluding the benefit from the tax sharing agreement.

6. INVENTORIES

Inventories at December 31, 1993 and 1992 consisted of the following:

<TABLE>
<CAPTION>

	1993	1992
<S>	<C>	<C>
Precious metals, refined and in-process	$ 9.0	$ 7.3
Materials and supplies	7.6	7.8
	$16.6	$15.1

</TABLE>

The market value of the precious metals inventory at December 31, 1993 was $12.6 million, with the excess replacement cost (at market value) over the LIFO

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
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basis being $3.6 million.

7. PROPERTY, PLANT AND EQUIPMENT AND WRITE-DOWNS

The components of property, plant and equipment at December 31, 1993 and 1992 were as follows:

<TABLE>
<CAPTION>

	1993	1992
<S>	<C>	<C>
Mining plants and equipment	$ 163.2	$ 150.4
Mining properties	159.9	120.1
New Zealand joint venture mining properties, plant and equipment	--	14.9
Development properties and construction-in-progress	197.9	253.8
	521.0	539.2
Less:		
Accumulated depreciation, depletion and 1993 write-downs	(205.2)	(109.4)
	$ 315.8	$ 429.8

</TABLE>

Asset write-downs

The Hayden Hill Mine, which began commercial production in June 1992, experienced unacceptably high unit operating costs due to lower than anticipated mill head grades. A re-evaluation of the operation completed in July 1993 resulted in the downward revision of proven/probable ore reserves of approximately 409,000 contained gold ounces. During the last half of 1993, the mine was reconfigured to operate as a heap leach operation only, with the mill being maintained on stand-by status. As a result of the downward revision of the Hayden Hill ore reserves and the stand-by status of the mill, the Company recorded a $64.1 million pre-tax ($41.9 million after-tax) write-down of the Hayden Hill assets on June 30, 1993. At December 31, 1993, the net book value assigned to the Hayden Hill mill was approximately $24 million. The Company is depreciating a portion of this mill over the life of the Hayden Hill mine based on

usage. At the end of the Hayden Hill mine life, a residual value for the mill of approximately $20 million is expected which would be classified as an idle asset until the mill is either utilized at another Company operation or sold.

Mining experience and a reinterpretation of geologic data at the Sleeper Mine during the fourth quarter of 1993 also led to a reduction in proven/probable

ore reserves of approximately 296,000 contained gold ounces. As a result, Amax Gold recorded a $23.6 million pre-tax ($15.6 million after-tax) write-down of its Sleeper assets as of December 31, 1993.

Waihi Transaction

In June 1993, the Company completed a transaction which resulted in the realization of all future economic benefit from the Company's 33.53% interest in the Waihi Mine in New Zealand, effective April 30, 1993. The Company received cash proceeds of US$15.4 million from the transaction and a commitment to deliver a total of 15,500 ounces of gold over a 5-year period. Following the transaction, the Company sold forward, on a spot-deferred forward basis (which allows the Company to defer the delivery of the gold ounces to a later date at a renegotiated gold price) the 15,500 gold ounces at an average price of $365 per ounce. During the year ended December 31, 1993, the Company recognized a US$8.8 million pre-tax gain on the transaction (including the 15,500 gold ounces sold forward at $365 per ounce).

The Company's statement of cash flow for the year ended December 31, 1993 reflects the net cash received from the transaction of $7.8 million, which includes the following:

<TABLE>

<S>	<C>
Cash proceeds received upon completion of transaction.....	$15.4
Cash proceeds for gold ounces received and sold in December 1993..	.6
Less:	
Cash and cash equivalents for New Zealand companies previously reflected in the consolidated statement of financial position..	(8.0)
Transaction costs.....	(.2)
Net cash received from transaction.....	$ 7.8

</TABLE>

8. DEBT AND UNEARNED REVENUE

The following tables summarize the outstanding borrowings under bank loans and gold loan facilities at December 31, 1993 and 1992 and related principal repayments based on the 1993 balances:

<TABLE>
<CAPTION>

	AMOUNT OUTSTANDING AT DECEMBER 31, 1993			AMOUNT OUTSTANDING AT DECEMBER 31, 1992		
	CURRENT	NONCURRENT	TOTAL	CURRENT	NONCURRENT	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Unearned Revenue:						
Nevada Gold Mining, Inc..	$ --	$ 1.6	$ 1.6	$ --	$ 1.6	$ 1.6
Debt:						
Lassen Gold Mining, Inc..	11.1	40.8	51.9	9.4	58.1	67.5
Compania Minera Amax Guanaco.....	4.0	39.4	43.4	1.5	43.4	44.9
Amax Gold Inc.....	--	30.0	30.0	10.0	--	10.0

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

Total unearned revenue and debt	15.1	111.8	126.9	20.9	103.1	124.0
Note payable to Cyprus Amax	--	24.7	24.7	--	--	--
	$15.1	$136.5	$151.6	$20.9	$103.1	$124.0

</TABLE>

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31,	PRINCIPAL REPAYMENTS
<S>	<C>
1994	$ 15.1
1995	78.6
1996	29.9
1997	28.0
1998	--
	$151.6

</TABLE>

The above named obligors, other than the Company, are wholly-owned subsidiaries of the Company except for Compania Minera Amax Guanaco, which is a 90% owned subsidiary.

The market value of the total outstanding debt and unearned revenue as of December 31, 1993 was $5 million higher than the carrying value of $151.6 million.

Nevada Gold Mining, Inc.

As of December 31, 1993, 4,000 ounces of gold, or $1.6 million, remained outstanding under a gold bullion loan agreement for Nevada Gold Mining, Inc. (Nevada Gold), a wholly-owned subsidiary of the Company that owns the Sleeper Mine. The Company has made a verbal agreement to repay the outstanding $1.6 million under this loan in February 1995. Collateral consists of a pledge of all of Nevada Gold's capital stock and a mortgage of all its assets (principally the Sleeper Mine). Interest, payable quarterly, is based on the cost of borrowing gold by the gold lender plus commitment and agency fees. During the years ended December 31, 1993, 1992 and 1991, the annualized interest rate was .7%, 1.8% and 1.0%, respectively. During the years ended

December 31, 1993, 1992 and 1991, the Company paid $.1 million, $.2 million and $.4 million in interest expense and fees, respectively.

Lassen Gold Mining, Inc.

At December 31, 1993, $51.9 million remained outstanding under a financing agreement for Lassen Gold Mining, Inc. (Lassen Gold), a wholly-owned subsidiary of the Company that owns Hayden Hill. During 1993, Lassen Gold made $15.6 million in principal repayments under this financing, of which $9.6 million represented the scheduled amortization payments and $6 million represented a voluntary prepayment utilizing a portion of the Waihi transaction proceeds (as discussed in Note 7). Collateral for this financing consists of a mortgage on all of the Hayden Hill Mine assets, a pledge of the Lassen Gold stock and a guarantee by the Company. The final maturity date for the facility is December 31, 1997.

Interest, payable quarterly, is currently based on the London Interbank Offered Rate plus .45%. The annualized interest rate on such loan for the years ended December 31, 1993, 1992 and 1991 was 5.3%, 5.5% and 5.6% respectively. During the years ended December 31, 1993, 1992 and 1991, the Company paid $3.5 million, $3.1 million and $.6 million, respectively, in interest expense and fees on such loan.

Compania Minera Amax Guanaco

At December 31, 1993, Compania Minera Amax Guanaco (Amax Guanaco), a 90% owned Chilean subsidiary of the Company that owns the Guanaco project, had $34.2 million of indebtedness outstanding under Chilean short-term bridge loans and $9.2 million of outstanding debt owed to a Chilean governmental development agency. During 1993, Amax Guanaco made $1.5 million of scheduled amortization payments under the debt to the Chilean governmental agency. The final maturity date for the $9.2 million of debt to the Chilean governmental agency is August 31, 1996.

At December 31, 1993, $35.9 million of the outstanding aggregate Chilean debt was collateralized by a stand-by letter of credit and $7.5 million was collateralized by the Company's 90% interest in Amax Guanaco and a guarantee from the Company. Additionally, the stand-by letter of credit was collateralized by a guarantee from the Company.

For the years ended December 31, 1993 and 1992, the annualized interest rate for the Chilean loans was 9.4% and 8.4%, respectively. During the years ended December 31, 1993 and 1992, interest expense and fees paid on these financings totalled $5 million and $1.4 million, respectively. During the years ended December 31, 1993 and 1992, $.5 million and $2.8 million, respectively, of interest expense and fees on these financings were capitalized. The capitalized interest and fees are being amortized over the life of the project.

In March 1994, the $34.2 million of outstanding Chilean short-term bridge loans were refinanced by a $36 million U.S. term loan agreement. The final maturity date for this new loan agreement is October 1997, with semi-annual amortization payments commencing in October 1994. This loan is collateralized by guarantees from the Company and, initially, Cyprus Amax. Amounts outstanding under this term loan bear interest at the LIBOR interest rate plus 1.25%. At December 31, 1993, $33.2 million of the short-term Chilean bridge loans were classified as long-term based on this March 1994 refinancing. In February 1994 Cyprus Amax also provided a guarantee for a letter of credit which secures the $9.2 million of debt to the Chilean governmental development agency.

Amax Gold

At December 31, 1993, the Company had borrowed 89,615 gold ounces which were sold for $30 million. At December 31, 1993, these ounces were scheduled to be repaid during 1994 as follows:

<TABLE>
<CAPTION>

MATURITY DATE	GOLD OUNCES	AMOUNT (IN THOUSANDS)
<S>	<C>	<C>
February 1994	30,303	$10,000
August 1994	15,129	5,000
December 1994	44,183	15,000
	89,615	$30,000

</TABLE>

While the December 31, 1993 market value of the total outstanding ounces borrowed is $5 million higher than the $30 million carrying value (using the spot market price for gold), the Company has contractual agreements with the lenders which set the gold price upon repayment equal to the carrying value plus a 4% average annualized effective rate of interest.

In February 1994, Cyprus Amax provided a guarantee on $10 million (or 30,303 gold ounces) of the outstanding gold loans. This guarantee allowed the Company to extend the repayment of this obligation to February 1995. Additionally, in February 1994, a commitment letter was signed between the Company and

Cyprus Amax to provide the Company with a $100 million convertible line of credit. The outstanding indebtedness under this line of credit may be repaid by the Company issuing a like amount of convertible preferred stock, which in turn could be converted into Company common stock at $8.265 per share, which represents a 20% premium to the ten-day average closing price of the Company's common stock immediately prior to the date the commitment letter was signed. In addition, the Company will have the right to convert the convertible preferred

stock into Company common stock at a maximum price of $8.265 per share and a minimum price of $5.854 per share. Cyprus Amax will have the right to replace the line of credit and any outstanding indebtedness and/or preferred stock with the purchase of $100 million of Company common stock at a purchase price of $8.265 per share.

Upon completion of definitive documentation for the $100 million convertible line of credit, a portion of this credit line is expected to be designated as support for $30 million of outstanding indebtedness under the Lassen Gold financing and as replacement for the Cyprus Amax guarantee on the new $36 million Guanaco U.S. term loan. The remaining line of credit will provide the Company to meet its on-going obligations, including the support of the $30 million of outstanding gold loans. At December 31, 1993, the $30 million of outstanding gold loans were classified as long-term based on the 1994 refinancing activities.

Note Payable to Cyprus Amax

Amax made loans to the Company during the year ended December 31, 1993 under a demand promissory note payable, bearing interest at the sum of the federal funds rate plus 3/16%. At December 31, 1993, $24.7 million was outstanding and payable to Cyprus Amax. The annualized interest rate and the interest expense on outstanding amounts was 3.1% and $.1 million, respectively, for the year ended December 31, 1993. In February 1994 the Company's Board of Directors approved the purchase by Cyprus Amax of three million shares of its common stock as repayment of $20.7 million of outstanding amounts under the demand promissory note. This share purchase is expected to be completed by the end of March 1994. This share purchase, combined with the potential conversion of the $100 million line of credit into Company common stock, would increase Cyprus Amax's ownership of the Company's outstanding shares to slightly under 50%. At December 31, 1993, the $24.7 million of outstanding debt was classified as long-term based upon the approval for Cyprus Amax to purchase three million shares in payment of $20.7 million of indebtedness and the deferral by Cyprus Amax of the repayment of the remaining balance until 1995.

9. HEDGE CONTRACTS

Precious Metal Hedge Contracts include forward sales contracts, spot deferred forward sales and put and call options. Realization under these contracts is dependent upon the counterparties performing in accordance with the terms of the contracts. The Company does not anticipate nonperformance by the counterparties.

Forward sales contracts require the future delivery of gold at a specified price. Forward sales contracts that are made on a spot deferred basis allow the Company to defer the delivery of gold under a forward sales contract to a later date at a renegotiated market price, as long as certain conditions are satisfied. Various factors influence the decision to close a spot deferred forward sales contract or to roll the contract forward to a later date. A put option gives the put buyer the right, but not the obligation, to sell gold to the put seller at a predetermined price on or before a predetermined date. A call option gives the call buyer the right, but not the obligation, to buy gold from the call seller at a predetermined price on or before a predetermined date.

As of December 31, 1993, the Company's outstanding hedge contracts were as follows:

<TABLE>
<CAPTION>

	GOLD OUNCES	AVERAGE PRICE PER OUNCE	PERIOD

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

<S>	<C>	<C>	<C>
Forward sales contracts(1)	320,100	$405	Jan. 1994-Feb. 1994
Option contracts:			
Purchased put options	265,500	386	Jan. 1994-Dec. 1995
Sold put options	82,800	343	Jan. 1994-Dec. 1994
Purchased call options	58,000	400	Jan. 1994-Dec. 1994
Sold call options	402,000	449	Jan. 1994-Dec. 1995

</TABLE>

(1) Represents the net forward sales position which was made primarily on a spot deferred forward basis which allows the Company to defer the delivery of gold ounces to a later date at a renegotiated gold price.

The market value of the Company's forward contracts and put and call option contracts at December 31, 1993 was approximately $6.1 million. Future market valuations for these contracts are dependent on gold market prices, option volatility and interest rates, which can vary significantly. These contracts will be utilized in the future to hedge against declines in gold market prices for the Company's future gold production while maintaining benefits in the event of higher gold market prices.

Interest Rate Hedge Contracts entered into by the Company consist of interest rate swap, option and cap agreements to reduce the impact of changes in interest rates on its financing facilities. At December 31, 1993, the Company had interest rate swap agreements outstanding with commercial banks having a total principal amount of $60 million, as follows:

<TABLE>
<CAPTION>

BORROWINGS	FIXED INTEREST RATE	PERIOD
<S>	<C>	<C>
$10 million	5.08%	January 1994
$10 million	4.91%	January 1994
$10 million	4.44%	January 1994-July 1994
$10 million	6.54%	January 1994-November 1994
$10 million	5.95%	January 1994-March 1996
$10 million	4.85%	January 1994-March 1996

</TABLE>

As of December 31, 1993, the Company would pay approximately $.3 million to terminate these interest rate swap agreements, given the market interest rates as of such date. The Company may be exposed to nonperformance by the other parties to such agreements, thereby subjecting the Company to current interest rates on its financings. However, the Company does not anticipate nonperformance by the counterparties.

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

10. DOMESTIC AND FOREIGN OPERATIONS

The Company's foreign operations consist of the Guanaco Mine and Refugio gold project in Chile. Effective April 30, 1993, the Company realized the future economic benefit from its interest in the Waihi Mine in New Zealand. The components of the Company's domestic and foreign operations were as follows:

<TABLE>
<CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Sales--			
United States	$ 69.2	$ 90.2	$116.7
Foreign	12.7	9.5	11.5
	$ 81.9	$ 99.7	$128.2
Earnings (loss) from operations--			
United States	$(104.7)	$ 14.5	$ 24.9
Foreign	(11.3)	4.3	(.9)
	$(116.0)	$ 18.8	$ 24.0
Net earnings (loss)--			
United States	$ (84.0)	$ 7.5	$ 23.6
Foreign	(20.2)	4.0	(2.4)
	$(104.2)	$ 11.5	$ 21.2
Assets--			
United States	$ 294.6	$401.1	$180.2
Foreign	86.4	76.5	18.1
	$ 381.0	$477.6	$198.3

</TABLE>

Substantially all of the Company's 1993, 1992 and 1991 sales were made in Europe, through a wholly-owned subsidiary of the Company. The Company's sales to major customers which exceeded 10% of total sales were $38 million to two customers during 1993, $46.4 million to three customers during 1992 and $57.1 million to three customers during 1991. The Company believes that the loss of any of these customers would have no material adverse impact on the Company because of the active worldwide market for gold.

11. COMMON STOCK

In February 1992, the Company's Board of Directors approved a Dividend Reinvestment Plan whereby stockholders of the Company may elect to reinvest quarterly dividend payments on all or a portion of the shares held in the name of such electing shareholders in additional shares of the Company's common stock. Three million shares of the Company's common stock are reserved for issuance pursuant to this plan. During 1993, the Company issued 523,989 additional shares of common stock pursuant to this plan, of which 523,637 shares were issued to Amax or Cyprus Amax.

Earnings per common share have been calculated on the basis of the average common shares outstanding. At December 31, 1993, outstanding Company warrants were not considered in the earnings per share calculation as these were anti-dilutive.

12. STOCK OPTION PLAN

In October 1992, the Company's Board of Directors approved a stock option plan (the "Plan") for officers and salaried employees of the Company, and reserved three million shares of common stock for issuance pursuant to the Plan during its ten-year term. The Plan was approved by the stockholders of the Company in May 1993. The Plan is administered by a compensation committee of the Company's Board of Directors. These directors are not eligible for options awarded under the Plan.

On December 3, 1992, 315,825 stock options were granted at $8.75 per share, which represent the fair market value at the date of grant. These options are exercisable during the period which began November 15, 1993 and ends ten years from the date of grant. There were no stock options exercised or granted in 1993.

13. CONTINGENCIES

Lassen Gold received a letter from the California Regional Water Quality Control Board (the Board) in January 1993, advising that certain violations of waste discharge requirements were occurring at the Hayden Hill Mine pertaining to the tailings pond, process pond and heap leach pad. The alleged violation regarding the tailings pond has since been corrected and the tailings pond is no longer in use since the shutdown of the mill. The Company has submitted two reports to the Board and has continued to work with the Board in addressing the remaining issues, which pertain to the flow rate between the two synthetic liners underlying the heap leach pad and process pond. The Board has the authority, under the waste discharge requirements, to require remediation and/or repair or cessation of leaching operations in affected cells of the leach pad and to require surface impoundments to be taken out of service, drained, and liners repaired. The Company does not currently expect further enforcement action by the Board. A staff representative of the Board has approved the design and construction of two new cells of the leach pad and has approved initial application of cyanide leach solutions on one of the new cells; however, permit modifications may be required prior to construction of additional leach pad cells. Lassen Gold has installed cyanide gas detection wells to monitor for leaks under certain cells of the leach pad system and no gas was detected during the initial monitoring of these wells. Under the facts currently known, the Company does not anticipate any material adverse effect on its financial condition or results of operations from this situation.

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

The Company is currently accruing reclamation liabilities for the following operations:

<TABLE>
<CAPTION>

	TOTAL ANTICIPATED RECLAMATION COST	RECLAMATION COSTS ACCRUED	
		CURRENT	NON-CURRENT
<S>	<C>	<C>	<C>
Sleeper Mine	$ 8.0	$--	$6.6
Hayden Hill Mine	5.9	--	2.0
Wind Mountain Mine	2.0	2.0	--
Total	$15.9	$2.0	$8.6

</TABLE>

The anticipated reclamation costs for the Sleeper, Hayden Hill and Wind Mountain mines are estimates based on current federal and state laws and regulations governing the protection of the environment. The reclamation accrual for the Wind Mountain Mine is shown as current due to the expectation that residual heap leach production will subside in 1994, which is expected to result in the commencement of the final reclamation activities. The anticipated costs of reclamation for the Guanaco Mine, given current Chilean laws and regulations governing the protection of the environment, are not expected to be significant. Changes in the federal, state and Chilean laws and regulations could impact these anticipated reclamation costs.

The Company's mining and exploration activities are subject to various federal, state and Chilean laws and regulations governing the protection of the environment which are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations.

14. QUARTERLY DATA (UNAUDITED)

Quarterly earnings data for the years ended December 31, 1993 and 1992 follow:

<TABLE>
<CAPTION>

1993 QUARTERS(1)	FIRST	SECOND	THIRD	FOURTH
<S>	<C>	<C>	<C>	<C>
Sales	$ 18.4	$ 23.1	$20.6	$ 19.8
Costs and operating expenses	24.9	32.1	29.2	27.6

(DOLLARS IN MILLIONS UNLESS OTHERWISE INDICATED AND
EXCEPT PER SHARE AMOUNTS AND AMOUNTS PER OUNCE)

Gross operating loss	(6.5)	(9.0)	(8.6)	(7.8)
Gain on Waihi transaction	--	8.8	--	--
Asset write-downs	--	(64.1)	--	(23.6)
Exploration expenses	(.5)	(1.1)	(1.5)	(2.1)
Loss from operations	(7.0)	(65.4)	(10.1)	(33.5)
Loss before income taxes and cumulative effect of accounting changes	(8.5)	(67.6)	(11.7)	(35.0)
Loss before cumulative effect of accounting changes	(6.0)	(49.1)	(7.4)	(26.5)
Cumulative effect of accounting changes, net of income tax benefit	(15.2)	--	--	--
Net loss	$(21.2)	$(49.1)	$(7.4)	$(26.5)
Per common share:				
Loss before cumulative effect of accounting changes	$ (.07)	$ (.63)	$(.10)	$ (.34)
Cumulative effect of accounting changes	(.20)	--	--	--
Net loss	$ (.27)	$ (.63)	$(.10)	$ (.34)
Dividends declared per common share	$ .02	$ .02	$ .02	$ .02

</TABLE>

(1) Restated for the September 1993 change in exploration accounting policy, effective as of January 1, 1993 and the adoption of SFAS No. 112, "Employers' Accounting for Postemployment Benefits". These restatements resulted in increasing the net loss by $16 million (or $.21 per common share) for the 1993 first quarter and decreasing the net loss by $4.2 million (or $.05 per common share) for the 1993 second quarter.

<TABLE>
<CAPTION>

1992 QUARTERS(2)	FIRST	SECOND	THIRD	FOURTH
<S>	<C>	<C>	<C>	<C>
Sales	$27.2	$22.7	$22.4	$27.4
Costs and operating expenses	20.2	16.3	18.8	27.8
Gross operating margin (loss)	7.0	6.4	3.6	(.4)
Exploration expenses, net	(3.4)	9.1	(1.6)	(1.9)
Earnings (loss) from operations	3.6	15.5	2.0	(2.3)

Earnings (loss) before income taxes and cumulative effect of accounting change.....	4.1	15.8	1.2	(3.1)
Earnings (loss) before cumulative effect of accounting change.....	3.8	11.7	.6	(3.1)
Cumulative effect of accounting change, net of income tax benefit.....	(1.5)	--	--	--
Net earnings (loss).....	$ 2.3	$11.7	$ .6	$(3.1)
Per common share:				
Earnings (loss) before cumulative effect of accounting change.....	$ .05	$ .16	$ .01	$(.04)
Cumulative effect of accounting change.....	(.02)	--	--	--
Net earnings (loss).....	$ .03	$ .16	$ .01	$(.04)
Dividends declared per common share.....	$ .02	$ .02	$ .02	$ .02

</TABLE>

- --------

(2) Restated for the January 1, 1992 adoption of SFAS No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions", which resulted in a net earnings decline of $1.7 million (or $.02 per common share) for the 1992 first quarter and $.1 million for the 1992 third quarter.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning Directors of the Registrant will be contained under the captions "INFORMATION CONCERNING DIRECTORS AND NOMINEES," "OTHER INFORMATION CONCERNING DIRECTORS" and "COMPLIANCE WITH EXCHANGE ACT SECTION 16(A)" in the Company's definitive Proxy Statement for the 1994 Annual Meeting of Stockholders and is incorporated herein by reference. See also "EXECUTIVE OFFICERS" under PART I herein.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to Executive Compensation will be contained under the captions "OTHER INFORMATION CONCERNING DIRECTORS," and "INFORMATION CONCERNING EXECUTIVE OFFICERS' COMPENSATION" in the Company's definitive Proxy Statement for the 1994 Annual Meeting of Stockholders and except for the Report of the Compensation Committee of the Registrant's board of directors regarding executive compensation and the Performance Graph contained therein, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information with respect to Security Ownership of Certain Beneficial Owners and Management will be contained under the captions "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS " and "SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS" in the Company's definitive Proxy Statement for the 1994 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information with respect to Certain Relationships and Related Transactions will be contained under the captions "INFORMATION CONCERNING DIRECTORS AND NOMINEES" "OTHER INFORMATION CONCERNING DIRECTORS," and "TRANSACTIONS WITH CYPRUS AMAX" in the Company's definitive Proxy Statement for the 1994 Annual Meeting of Stockholders and is incorporated herein by reference. See also ITEM 1 "BUSINESS--INTRODUCTION," "--EXPLORATION AND ACQUISITION ACTIVITIES," and "--AGREEMENTS WITH CYPRUS AMAX" under PART I herein.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this report:

<TABLE>
<CAPTION>

All other schedules have been omitted since they are either not required, are not applicable, or the required information is shown in the financial statements or related notes.

3. Exhibits

See Exhibit Index
</TABLE>

(b) Reports on Form 8-K

A report on Form 8-K was filed with the Securities and Exchange Commission on November 15, 1993, reporting a change in control of the Company.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

Amax Gold Inc.

March 18, 1994 By /s/ Paul J. Hemschoot, Jr.
(PAUL J. HEMSCHOOT, JR. VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL)

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATE INDICATED:

SIGNATURE	TITLE	DATE
/s/ Milton J. Ward (MILTON J. WARD)	Chairman of the Board, President and Chief Executive Officer (principal executive officer) and Director	
/s/ Mark A. Lettes (MARK A. LETTES)	Vice President and Chief Financial Officer (principal financial officer)	
		March 18, 1994
/s/ Pamela L. Saxton (PAMELA L. SAXTON)	Vice President and Controller (principal accounting officer)	
* (ALLEN BORN)	Director	
*	Director	

(GERALD J. MALYS)	*	Director
(TIMOTHY J. HADDON)	*	Director
(ROCKWELL A. SCHNABEL)	*	Director
(VERNON F. TAYLOR, JR.)	*	Director
(RUSSELL L. WOOD)		

*By /s/ Paul J. Hemschoot, Jr.
PAUL J. HEMSCHOOT, JR., AS ATTORNEY-IN-FACT

REPORT OF INDEPENDENT ACCOUNTANTS

Our report on the consolidated financial statements of Amax Gold Inc. is included in this Form 10-K on page 33 which includes an explanatory paragraph for a change in accounting method for exploration expenditures and postemployment benefits in 1993, and a change in accounting method for precious metals inventory, postretirement benefits and income taxes in 1992. In connection with our audit of such financial statements, we have also audited the related consolidated financial statement schedules listed in the index on page 56 of this Form 10-K.

In our opinion, the consolidated financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information required to be included therein.

COOPERS & LYBRAND

Denver, Colorado
February 4, 1994 except for Note 8 for which the date is March 18, 1994.

SCHEDULE II

AMAX GOLD INC. AND SUBSIDIARIES

SCHEDULE II--AMOUNTS RECEIVABLE FROM RELATED PARTIES

AND UNDERWRITERS, PROMOTERS, AND EMPLOYEES
OTHER THAN RELATED PARTIES

FOR THE THREE YEARS ENDED DECEMBER 31, 1993

(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

COL. A	COL. B	COL. C	COL. D		COL. E	
			DEDUCTIONS		ENDING BALANCE	
NAME OF DEBTOR	BEGINNING BALANCE	ADDITIONS	AMOUNTS COLLECTED	AMOUNTS WRITTEN OFF	CURRENT	NOT CURRENT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1993						
AMAX Inc. (a).....	$ --	$84,700	$(84,700)	$ --	$ --	$ --
1992						
AMAX Inc. (a).....	$15,400	$57,800	$(73,200)	$ --	$ --	$ --
1991						
AMAX Inc. (a).....	$29,300	$30,200	$(44,100)	$ --	$15,400	$ --

</TABLE>

(a) During 1993, 1992 and 1991, Amax Gold Inc. advanced funds to AMAX Inc. under demand promissory notes receivable. Interest on the notes was at the Effective Federal Funds Rate plus 3/16%.

SCHEDULE IV

AMAX GOLD INC. AND SUBSIDIARIES

SCHEDULE IV--INDEBTEDNESS OF AND TO RELATED PARTIES--NOT CURRENT

FOR THE THREE YEARS ENDED DECEMBER 31, 1993

(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E
		--INDEBTEDNESS OF--		
NAME OF PERSON	BALANCE AT BEGINNING	ADDITIONS	DEDUCTIONS	BALANCE AT END

1993				
Cyprus Amax Minerals Co.....	$ --	$31,200	$(6,500)	$24,700

During 1993, Amax Gold Inc. borrowed funds from Cyprus Amax Minerals Company under demand promissory notes payable. At December 31, 1993, Cyprus Amax Minerals Company owned approximately 40% of Amax Gold's outstanding common stock. In February 1994 approval was granted for Cyprus Amax Minerals Company to purchase three million shares of Amax Gold's common stock at $6.888 per share to repay approximately $20.7 million of the above indebtedness. Interest on the notes was at the Effective Federal Funds Rate plus 3/16%. During 1992 and 1991 Amax Gold Inc. did not have any indebtedness to related parties.

SCHEDULE V

AMAX GOLD INC. AND SUBSIDIARIES

SCHEDULE V--PROPERTY, PLANT AND EQUIPMENT

FOR THE THREE YEARS ENDED DECEMBER 31, 1993

(DOLLARS IN THOUSANDS)

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
CLASSIFICATIONS	BALANCE OF BEGINNING OF PERIOD	ADDITIONS AT COST(A)	RETIREMENTS	OTHER CHANGES ADD (DEDUCT)(B)	BALANCE AT END OF PERIOD
1993					
Mining plants and equipment.....	$150,400	$ 17,000	$ (4,200)	$ --	$163,200
Mining properties.....	120,100	56,600	(3,800)	(13,000)	159,900
New Zealand joint venture mining properties, plant and equipment.....	14,900	200	(13,000)	(2,100)	--
Development properties and construction-in-progress.	253,800	(50,400)	--	(5,500)	197,900
	$539,200	$ 23,400	$(21,000)	$(20,600)	$521,000
1992					
Mining plants and equipment.....	$ 94,400	$ 60,400	$ (800)	$ (3,600)	$150,400
Mining properties.....	48,800	69,000	--	2,300	120,100
New Zealand joint venture					

mining properties, plant and equipment.....	14,700	800	--	(600)	14,900
Development properties and construction-in-progress.	76,800	(16,500)	--	193,500	253,800
	$234,700	$113,700	$ (800)	$191,600	$539,200
1991					
Mining plants and equipment.....	$ 79,700	$ 15,000	$ (300)	$ --	$ 94,400
Mining properties.....	43,600	5,400	(200)	--	48,800
New Zealand joint venture mining properties, plant and equipment.....	13,300	1,800	--	(400)	14,700
Development properties and construction-in-progress.	39,100	37,800	(100)	--	76,800
	$175,700	$ 60,000	$ (600)	$ (400)	$234,700

</TABLE>

Note:

(a) Additions for mining plants and equipment, mining properties and joint venture mining properties, plant and equipment include transfers from construction-in-progress. The construction-in-progress additions reflect the amounts transferred.

(b) Other changes include foreign exchange adjustments, properties acquired with stock or with the assumption of debt and intercompany transfers of equipment. Prior to 1993 other changes included prior year exploration costs that were capitalized and restored to earnings. The accounting policy for exploration was changed in 1993 so that exploration is now expensed in the period incurred until such time that a property becomes exploitable, with subsequent expenditures being capitalized. Other changes for 1993 include the cumulative effect from this accounting change for periods prior to 1993. Mining properties for 1992 includes $2.3 million transferred from other noncurrent assets.

SCHEDULE VI

AMAX GOLD INC. AND SUBSIDIARIES

SCHEDULE VI--ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

FOR THE THREE YEARS ENDED DECEMBER 31, 1993

(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F

CLASSIFICATIONS	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST(A)	RETIREMENTS	OTHER CHANGES ADD (DEDUCT)(B)	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>	<C>
1993					
Mining plants and equipment	$ 71,700	$13,100	$ (4,100)	$10,100	$ 90,800
Mining properties	30,900	12,200	(3,800)	75,100	114,400
New Zealand joint venture mining properties, plant and equipment	6,800	400	(6,400)	(800)	--
	$109,400	$25,700	$(14,300)	$84,400	$205,200
1992					
Mining plants and equipment	$ 59,200	$13,200	$ (700)	$ --	$ 71,700
Mining properties	24,300	6,600	--	--	30,900
New Zealand joint venture mining properties, plant and equipment	5,100	2,000	--	(300)	6,800
	$ 88,600	$21,800	$ (700)	$ (300)	$109,400
1991					
Mining plants and equipment	$ 42,600	$16,800	$ (200)	$ --	$ 59,200
Mining properties	18,000	6,300	--	--	24,300
New Zealand joint venture mining properties, plant and equipment	3,700	1,600	--	(200)	5,100
	$ 64,300	$24,700	$ (200)	$ (200)	$ 88,600

</TABLE>

Note:

(a) Depreciation and depletion have been computed using the unit of production method based on the estimated ounces of gold to be recovered and an estimated salvage value for certain assets at the end of their useful lines. Mobile equipment and assets which have a useful life which is shorter than the mine life are depreciated on a straight-line basis over estimated useful lives of one to five years.

(b) Other changes consist primarily of foreign exchange adjustments. Other changes for 1993 also include the cumulative effect of a change in accounting policy concerning exploration expenses for all periods prior to 1993. Other changes for 1993 also include $87,700 related to property write-downs.

SCHEDULE IX

AMAX GOLD INC. AND SUBSIDIARIES

SHORT-TERM BORROWINGS

FOR THE THREE YEARS ENDED DECEMBER 31, 1993

(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
CATEGORY OF AGGREGATE SHORT-TERM BORROWINGS	BALANCE AT END OF PERIOD	WEIGHTED AVERAGE INTEREST RATE	MAXIMUM AMOUNT OUTSTANDING DURING PERIOD	AVERAGE AMOUNT OUTSTANDING DURING PERIOD(3)	WEIGHTED AVERAGE INTEREST RATE DURING PERIOD(4)
<S>	<C>	<C>	<C>	<C>	<C>
1993					
Gold loans (1).....	$ --	-- %	$30,000	$26,400	3.9%
1992					
Gold loans (2).....	$10,000	4.1%	$10,000	$ 8,700	3.7%

</TABLE>

(1) At December 31, 1993 Amax Gold Inc. had $30 million in borrowings (representing 89,615 gold ounces which were sold for $30 million) that were scheduled to be repaid in 1994. In February 1994 the repayment of $10 million (or 30,303 gold ounces) was extended to 1995. The repayment of the remaining $20 million (or 59,312 gold ounces) is expected to be extended beyond 1994 or refinanced on a long-term basis.

(2) Represented 29,600 outstanding gold ounces which were sold for $10 million. During 1991 Amax Gold did not have any short-term borrowings.

(3) The sum of the amounts outstanding at each month-end divided by the total number of months amounts were outstanding.

(4) The total interest expense applicable to the amounts outstanding at each period (day or month-end) divided by the average balance owing for those periods.

SCHEDULE X

AMAX GOLD INC. AND SUBSIDIARIES

SCHEDULE X--SUPPLEMENTARY INCOME STATEMENT INFORMATION

FOR THE THREE YEARS ENDED DECEMBER 31, 1993

(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

COL. A	COL. B
ITEM	CHARGED TO COSTS AND EXPENSES
<S>	<C>
1993	
Maintenance and repairs	$17,600
Royalties	1,400
Taxes, other than payroll and income taxes--	
Net proceeds tax	500
Sales and use tax	1,500
Property tax	1,200
Franchise tax	100
	3,300
	$22,300
1992	
Maintenance and repairs	$10,200
Royalties	1,400
Taxes, other than payroll and income taxes--	
Net proceeds tax	1,400
Sales and use tax	800
Property tax	1,000
Franchise tax	200
	3,400
	$15,000
1991	
Maintenance and repairs	$12,500
Royalties	1,500
Taxes, other than payroll and income taxes--	
Net proceeds tax	1,800
Sales and use tax	800
Property tax	500
Franchise tax	100
	3,200
	$17,200

</TABLE>

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NUMBER	EXHIBIT	SEQUENTIALLY NUMBERED PAGE
<C>	<S>	<C>
EX-3(i)	Restated Certificate of Incorporation of the Registrant, dated May 21, 1987, as amended up to and including June 24, 1992, filed as Exhibit 1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 1-9620) and incorporated herein by reference.	
EX-3(ii)	By-laws of the Registrant, adopted on April 2, 1987, as amended up to and including July 30, 1991, filed as Exhibit 3(b) to Registration Statement No. 33-43383 and incorporated herein by reference.	
EX-4(a)	Specimen of Warrant Certificate, filed as Exhibit 4 to Registrant's Current Report on Form 8-K dated January 6, 1992 (File No. 1-9620) and incorporated herein by reference.	
EX-4(b)	Warrant Agreement, dated as of January 6, 1992, between Amax Gold Inc. and Manufacturers Hanover Trust Company, as Warrant Agent, filed as Exhibit 28(k) to Registrant's Current Report on Form 8-K dated January 6, 1992 (File No. 1-9620) and incorporated herein by reference.	
EX-10(a)	Management Services Agreement, dated as of June 30, 1987, between AMAX Inc. and Registrant, filed as Exhibit 10.2 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(b)	Amendment to Management Services Agreement, dated as of November 7, 1989, between AMAX Inc. and Registrant, filed as Exhibit 7 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1989 (File No. 1-9620) and incorporated herein by reference.	
EX-10(c)	Exploration Services Agreement, dated as of June 30, 1987, among AMAX Inc., Registrant and Amax Exploration, Inc., filed as Exhibit 10.4 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(d)	Put and Call Agreement dated as of January 2, 1992, between Registrant and AMAX Inc., filed as Exhibit 28(c) to Registrant's Registration Statement No. 33-43383 and incorporated herein by reference.	
EX-10(e)	AMAX Inc.'s Corporate Separation Policy for Subsidiary Executives, filed as Exhibit 21 to AMAX Inc.'s Annual Report on Form 10-K for the year ended December 31, 1990 (File No. 1-229-2) and incorporated herein by reference.	
EX-10(f)	Registrant's Directors' Deferred Compensation Plan, filed as Exhibit 10.14.2 to Registration Statement No. 33-22645 and incorporated herein by reference.	
EX-10(g)	Registrant's Excess Benefit Plan, effective as of	

	November 15, 1993.
EX-10(h)	Registrant's Deferred Compensation Plan, effective as of November 15, 1993.
EX-10(i)	Registrant's 1992 Stock Option Plan, filed as Exhibit A to Registrant's definitive Proxy Statement for the 1993 Annual Meeting of Stockholders (File No. 1-9620), which Exhibit A is incorporated herein by reference.
EX-10(j)	Registrant's Performance Share Plan, filed as Exhibit B to Registrant's definitive Proxy Statement for the 1993 Annual Meeting of Stockholders (File No. 1-9620), which Exhibit B is incorporated herein by reference.

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	EXHIBIT	SEQUENTIALLY NUMBERED PAGE
<C>	<S>	<C>
EX-10(k)	Gold Bullion Loan Agreement, dated March 31, 1987, between Nevada Gold Mining, Inc. and various banks, filed as Exhibit 10.12.1 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(l)	Deed of Trust and Security Agreement, dated March 31, 1987, between Nevada Gold Mining, Inc. and First American Title Company of Nevada, filed as Exhibit 10.12.2 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(m)	Pledge and Trust Agreement, dated March 31, 1987, between AMAX Inc. and various banks, filed as Exhibit 10.12.3 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(n)	Assignment and Assumption Agreement relating to Gold Bullion Loan Agreement, dated May 27, 1987, filed as Exhibit 10.12.4 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(o)	Agreement, dated May 27, 1987, between AMAX Inc. and Registrant, relating to the Consideration for the Assignment and Assumption Agreement, filed as Exhibit 10.12.5 to Registration Statement No. 33-14588 and incorporated herein by reference.	
EX-10(p)	Amendment and Supplement to Gold Bullion Loan Agreement, dated as of September 2, 1987, between Nevada Gold Mining, Inc. and various banks, filed as Exhibit 44 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987 (File No. 1-9620) and incorporated herein by reference.	
EX-10(q)	Amendment to Pledge and Trust Agreement, dated as of September 2, 1987, between Nevada Gold Mining, Inc. and various banks, filed as Exhibit 45 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987 (File No. 1-9620) and incorporated herein by reference.	

EX-10(r)	Supplemental Deed of Trust and Security Agreement, dated as of September 2, 1987, between Nevada Gold Mining, Inc. and First American Title Company of Nevada, filed as Exhibit 46 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987 (File No. 1-9620) and incorporated herein by reference.
EX-10(s)	Amendment and Consent, dated as of February 28, 1991, to the Gold Bullion Loan Agreement, the Deed of Trust and Security Agreement and the Pledge and Trust Agreement, referenced above as Exhibits 10(k), 10(l) and 10(m), respectively, filed as Exhibit 37 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991 (File No. 1-9620) and incorporated herein by reference.
EX-10(t)	Amendment and Consent, dated as of December 11, 1992, to the Gold Bullion Loan Agreement and Pledge and Trust Agreement, referenced above as Exhibits 10(k) and 10(m), respectively, filed as Exhibit 30 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 1-9620) and incorporated herein by reference.
EX-10(u)	Supplemental Deed of Trust and Security Agreement, dated as of December 11, 1992, between Nevada Gold Mining, Inc. and First American Title Company of Nevada, filed as Exhibit 31 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 1-9620) and incorporated herein by reference.

</TABLE>

<TABLE>
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EXHIBIT NUMBER	EXHIBIT	SEQUENTIALLY NUMBERED PAGE
<C>	<S>	<C>
EX-10(v)	Mining Lease, dated as of April 2, 1987, between Amax Exploration, Inc. and TMB Associates, relating to the Wind Mountain mine, including Assignment to the Company and related documents, filed as Exhibit 10.25 to Registration Statement No. 33-22645 and incorporated herein by reference.	
EX-10(w)	Amendment to Mining Lease, dated August 4, 1988, between TMB Associates and Registrant, amending the Mining Lease referenced as Exhibit 10(v) above, filed as Exhibit 46 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990 (File No. 1-9620) and incorporated herein by reference.	
EX-10(x)	Lease dated August 22, 1983, between Joe Munkhoff and Delphina Munkhoff and Tim Watt, d/b/a Fischer Watt Mining Company, relating to the Hayden Hill mine, with Addendums and Assignments to Lassen Gold Mining,	

	Inc., filed as Exhibit 32 to Registrant's Report on Form 10-K for the year ended December 31, 1992 (File No. 1-9620) and incorporated herein by reference.
EX-10(y)	Bullion Loan Agreement, dated as of March 21, 1991, between Lassen Gold Mining, Inc., Registrant, and various banks relating to the financing of the Hayden Hill mine, filed as Exhibit 1 to Registrant's From 10-Q for the Quarter ended March 31, 1991 (File No. 1-9620) and incorporated herein by reference.
EX-10(z)	Deed of Trust, Mortgage, Security Agreement (Personal Property Including Mineral Ore and Products Thereof), Assignment of Production and Fixture Filing, dated as of March 21, 1991, between Lassen Gold Mining, Inc. and Ticor Title Insurance Company of California, filed as Exhibit 2 to Registrant's Form 10-Q for the Quarter ended March 31, 1991 (File No. 1-9620) and incorporated herein by reference.
EX-10(aa)	First Amendment to Deed of Trust described in Exhibit 10(z), dated as of September 30, 1991, between Lassen Gold Mining, Inc. and Ticor Title Insurance Company of California, filed as Exhibit 62 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991 (File No. 1-9620) and incorporated herein by reference.
EX-10(bb)	Security Agreement, dated as of March 21, 1991, between Lassen Gold Mining, Inc. and The Chase Manhattan Bank, N.A., as Agent for various banks, filed as Exhibit 3 to Registrant's Form 10-Q for the Quarter ended March 31, 1991 (File No. 1-9620) and incorporated herein by reference.
EX-10(cc)	Guarantee and Pledge Agreement, dated as of March 21, 1991, between Registrant and The Chase Manhattan Bank, N.A., as Agent for various banks, filed as Exhibit 4 to Registrant's Form 10-Q for the Quarter ended March 31, 1991 (File No. 1-9620) and incorporated herein by reference.
EX-10(dd)	Martha Hill Joint Venture Agreement, dated July 17, 1987, among Amax Gold Mines New Zealand Limited, AUAG Resources Limited, Welcome Gold Mines Limited, Goodman Mining Limited and Waihi Gold Mining Company Limited, relating to the Waihi mine, filed as Exhibit 10.8.3 to Registration Statement No. 33-14588 and incorporated herein by reference.
EX-10(ee)	Modification, dated April 3, 1991, to the Martha Hill Joint Venture Agreement, filed as Exhibit 2 to Registrant's Form 10-Q for the Quarter ended June 30, 1991 (File No. 1-9620) and incorporated herein by reference.

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT	SEQUENTIALLY NUMBERED

NUMBER	EXHIBIT	PAGE
<C>	<S>	<C>
EX-10(ff)	Share Sale Agreement dated 4 June 1993 between the Registrant and Waihi Financing Limited, relating to the Waihi mine.	
EX-10(gg)	Share Subscription Agreement dated 4 June 1993 between ACM (New Zealand) Limited, Waihi Financing Limited and the Registrant, relating to the Waihi mine.	
EX-10(hh)	Call Option Agreement dated 4 June 1993 between the Registrant and Poseidon Gold Limited, relating to the Waihi mine.	
EX-10(ii)	Deed of Guarantee dated 4 June 1993 between the Registrant and Poseidon Gold Limited, relating to the Waihi mine.	
EX-10(jj)	Deed of Indemnity dated 4 June 1993 between the Registrant and ACM (New Zealand) Limited, relating to the Waihi mine.	
EX-10(kk)	Letter dated June 4, 1993, from Poseidon Gold Limited to the Registrant relating to the Waihi mine and the transactions evidenced by Exhibits 10(ff) through 10(jj) above.	
EX-10(ll)	Amendment (dated May 16, 1991) to Leasing Agreement between Empresa Nacional de Mineria ("ENAMI") and Minera Guanaco Limitada covering Guanaco project mineral claims--including transfer of Leasing Contract from Sociedad Contractual Minera Guanaco to Compania Minera Amax Guanaco and ENAMI, filed as Exhibit 1 to Registrant's Form 10-Q for the Quarter Ended June 30, 1992 (File No. 1-9620) and incorporated herein by reference.	
EX-10(mm)	Lease Agreement dated June 21, 1946 between James P. Beckwith and Haile Mines, Inc., covering the principal mineral rights for the Haile project--including Assignment of Interest in Lease dated May 1, 1992 by and between Mineral Mining Company, Inc. and Lancaster Mining Company, Inc., filed as Exhibit 2 to Registrant's Form 10-Q for the Quarter ended June 30, 1992 (File No. 1-9620) and incorporated herein by reference.	
EX-18	Letter dated September 15, 1993, from the Company's independent accountants regarding their concurrence that a newly adopted method of accounting for exploration expenditures, expensing such expenditures in the period incurred until such time as a property becomes exploitable with subsequent expenditures being capitalized, is preferable to the method previously applied, filed as an exhibit to the Registrant's Form 8-K dated September 15, 1993 (File No. 1-9620) and incorporated herein by reference.	
EX-21	Subsidiaries of Registrant.	
EX-23(a)	Consent of Coopers & Lybrand to the incorporation by reference in Registrant's Registration Statements No. 33-43076, No. 33-43383, and No. 33-36612 of certain reports of the firm described therein.	
EX-23(b)	Consent of Derry, Michener, Booth & Wahl to the	

incorporation by reference in Registrant's
Registration Statements No. 33-43076, No. 33-43383,
and No. 33-36612 of certain reports of the firm
described therein.

EX-24 Powers of Attorney.

</TABLE>

APPENDIX
Graphic and Image Material

A map depicting the location of the Company's mines and projects appears on page 2. The locations are described in Part I, Item 1. "Business."

AMAX GOLD INC.

EXCESS BENEFIT PLAN

Effective as of November 15, 1993

INTRODUCTION

The Amax Gold Inc. Excess Benefit Pension Plan (hereinafter the "Excess Benefit Plan") was authorized by the Board of Directors of Amax Gold Inc. (the "Company") to be effective as of November 15, 1993. The purpose of the Plan was to provide a means of restoring the benefits of those employees of the Company (as hereinafter defined) and its subsidiaries participating in the Amax Gold Inc. Employees Retirement Plan (hereinafter the "Pension Plan") with respect to whom benefits under the Pension Plan are limited by application of the limitations imposed on qualified plans by the Employee Retirement Income Security Act of 1974 (hereinafter "ERISA"), and Internal Revenue Code (the "Code"), Section 415 enacted pursuant thereto, and for those employees whose compensation exceeded the amount which may be taken into account under Section 401(a)(17) of the Code.

The Company intends to maintain the Plan (as hereinafter defined) indefinitely. The Plan provides for the Company to pay all benefits and administrative costs from its general assets.

AMAX GOLD INC.
EXCESS BENEFIT PLAN
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AMAX GOLD INC.
EXCESS BENEFIT PLAN

ARTICLE I

DEFINITIONS

1.01 DEFINITIONS. The following terms when capitalized herein shall have the meanings assigned below.

AFFILIATED COMPANY. Means any company which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes the Company as a member; any trade or business under common control (as defined in Section 414(c) of the Code) with the Company, any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code. For

purposes of this Plan, the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code.

BENEFICIAL OWNER. Means, with respect to any securities, any person who, directly or indirectly, has or shares the right to vote or dispose of such securities or otherwise has "beneficial ownership" of such securities (within the meaning of Rule 13d-3 and Rule 13d-5 (as such Rules are in effect on November 15, 1993) under the Securities Act of 1934, as amended the ("Exchange Act")), including pursuant to any agreement, arrangement or understanding (whether or not in writing); provided, however, that (i) a person shall not be deemed the Beneficial Owner of any security as a result of any agreement, arrangement or understanding to vote such security (A) arising solely from a revocable proxy or consent solicited pursuant to, and in accordance with, the applicable provisions of the Exchange Act and the rules and regulations thereunder or (B) made in connection with, or otherwise to participate in, a proxy or consent solicitation made, or to be made, pursuant to, and in accordance with, the applicable provisions of the Exchange Act and the rules and regulations thereunder, in either case

described in clause (A) or clause (B) above whether or not such agreement, arrangement or understanding is also then reportable by such person on Schedule 13D under the Exchange Act (or any comparable or successor report), and (ii) a person engaged in business as an underwriter of securities shall not be deemed to be the Beneficial Owner of any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

Board of Directors. The Board of Directors of Amax Gold Inc.

Change in Control. Means the occurrence of any of the following events:

(i) any person other than AMAX Inc., a New York corporation, or any successor to AMAX Inc. by merger, consolidation or sale of substantially all of its assets ("Amax or its Successor") is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company's then-outstanding securities (a "20% Beneficial Owner"); provided however, that (a) the term "20% Beneficial Owner" shall not include any Beneficial Owner who has crossed such 20 percent threshold while Amax or its Successor owns more of the combined voting power of the Company's then outstanding securities than such Beneficial Owner or such Beneficial Owner crossed such 20 percent threshold solely as a result of an acquisition of securities directly from the Company, or solely as a result of an acquisitions by the Company of Company securities until, in each case, such time

thereafter as such person acquires additional voting securities other than directly from the Company and, after giving effect to such acquisition, such person would constitute a 20% Beneficial Owner and own more of the combined voting power of the Company's then outstanding securities than Amax or its Successor owns; and (b) with respect to any person eligible to file a Schedule 13G pursuant to Rule 133-1(b)(1)(ii) under the Exchange Act with respect to Company securities (an "Institutional Investor"), there shall be excluded from the number of securities deemed to be beneficially

owned by such person a number of securities representing not more than 10 percent of the combined voting power of the Company's then-outstanding securities;

(ii) during any period of two consecutive years beginning after January 1, 1993, individuals who at the beginning of such period constitute the Board of Directors of the Company together with those individuals who first become Directors during such period (other than by reason of an agreement with the Company in settlement of a proxy contest for the election of directors) and whose election or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved (the "Continuing Directors"), cease for any reason to constitute a majority of the Board of Directors of the Company;

(iii) the stockholders of the Company approve a merger, consolidation, recapitalization or reorganization of the Company, or a reverse stock split of any class of voting securities of the Company, or the consummation of any such transaction if stockholder approval is not obtained, other than any such transaction which would result in at least 75% of the total voting power represented by the voting securities of the Company or the surviving entity outstanding immediately after such transaction being beneficially owned by persons who together owned at least 75% of the combined voting power of the voting securities of the Company outstanding immediately prior to such transaction, with the relative voting power of each such continuing holder compared to the voting power of each other continuing holder not substantially altered as a result of the transaction; provided that, for purposes of this paragraph (iii), such continuity of ownership (and preservation of relative voting power) shall be deemed to be satisfied if the failure to meet such 75% threshold (or to preserve such relative voting power) is due solely to the acquisition of voting securities by an employee benefit plan of the Company or

such surviving entity or of any subsidiary of the Company or such surviving entity;

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition of all or substantially all the assets of the Company; or

(v) any other event which the Board of Directors of the Company determines shall constitute a Change in Control for purposes of this Plan;

provided, however, that a Change in Control shall not be deemed to have occurred if one of the following exceptions applies:

(1) Unless a majority of the Continuing Directors of the Company determines that the exception set forth in this paragraph (1) shall not apply, none of the foregoing conditions would have been satisfied but for one or more of the following persons acquiring or otherwise becoming the Beneficial Owners of securities of the Company: (A) any person who has entered into a binding agreement with the Company, which agreement has been approved by two-thirds (2/3) of the Continuing Directors, limiting the acquisition of additional voting securities by such person, the solicitation of proxies by such person or proposals by such person concerning a business combination with the Company (a "Standstill Agreement"); (B) any employee benefit plan, or trustee or other fiduciary thereof, maintained by the Company, Amax or its Successor or any subsidiary of the Company or of Amax or its Successor; (C) any subsidiary of the Company or of Amax or its Successor; or (D) the Company; or

(2) Unless a majority of the Continuing Directors of the Company determines that the exception set forth in this paragraph (2) shall not apply, none of the foregoing conditions would have been satisfied but for the acquisition by the Company of another entity (whether by the merger or consolidation, the

acquisition of stock or assets, or otherwise) in exchange, in whole or in part, for securities of the Company, provided that, immediately following such acquisition, the Continuing Directors constitute a majority of the Board of Directors of the Company, or a majority of the board of directors of any other surviving entity, and, in either case, no agreement, arrangement or understanding exists at that time which would cause such Continuing Directors to cease thereafter to constitute a majority of the Board of Directors or of such other board of directors.

Notwithstanding the foregoing, unless a majority of the Continuing Directors determines otherwise, no Change in Control shall be deemed to

have occurred with respect to a particular Participant if the Change in Control results from actions or events in which such Participant is a participant in a capacity other than solely as an officer, employee or director of the Company.

Code. The Internal Revenue Code of 1986, as amended from time to time.

Committee. The Committee responsible for the administration of the Pension Plan.

Company. Amax Gold Inc. or any successor by merger, consolidation, sale of assets or otherwise, with respect to its employees and those of its divisions, subsidiaries and Affiliated Companies which are designated as participating companies, with respect to their employees, under the Thrift Plan or Pension Plan.

Compensation. An employee's compensation as defined under the Pension Plan.

Participant. Each participant in the Pension Plan whose annual benefit exceeds the limitations imposed by Code Sections 415(b) or 415(e) and each participant in the Pension Plan who qualifies as a member of a select group of management employees or highly compensated employees as defined in ERISA Section 201(2) whose benefit is limited by reason of the Code Section 401(a)(17) limitation on Compensation shall participate hereunder.

Pension Plan. The Amax Gold Inc. Employee Retirement Plan, as amended from time to time.

Plan. The Amax Gold Inc. Excess Benefit Plan, as set forth herein or as amended from time to time.

Plan Year. The calendar year.

Retirement Allowance. Annual payments under the Pension Plan.

ARTICLE II

AMOUNT AND PAYMENT OF EXCESS RETIREMENT BENEFITS

2.01 Amount of Benefits. The benefits under Article II with respect to a participant shall be a monthly payment for the life of the Participant beginning at the Participant's Normal Retirement Date under the Pension Plan equal to the excess, if any, of (i) the monthly retirement income which would have been payable under Section 4.02(a) of the Pension Plan and

adjusted, as appropriate, under Section 4.03 of the Pension Plan for Participants who meet the requirements thereunder, and adjusted under Section 4.04 of the Pension Plan for Participants who meet the requirements thereunder, determined without regard to the provisions contained in Section 4.02(d) of the Pension Plan relating to the maximum limitation on pensions and without regard to the limitation on Compensation contained in Section 1.10 of the Pension Plan, over (ii) the amount of Excess Retirement Benefits actually paid under Article IV of the AMAX, Inc. Excess Retirement Benefit Plan, if any and (iii) the amount actually payable under the Pension Plan, assuming benefits under the Pension Plan are payable for the life of the Participant beginning at such Participant's Normal Retirement Date.

2.02 Vesting.

(a) A Participant's vested Percentage in the benefits payable under this Article II shall be the same as the Participant's vested percentage in his Retirement Allowance.

(b) Notwithstanding any provision of this Plan to the contrary, in the event of a Change in Control, all Participants shall become fully vested in the benefits provided under this Plan.

2.03 Payment of Benefits.

(a) Following a Participant's retirement or other termination of employment with the Company, other than by reason of death, the Participant shall receive the benefit payable under Section 2.01 above in the same form and at the same time as the Participant receives a Retirement Allowance under the Pension Plan.

(b) In the event a Participant dies while in active service with the Company, the Participant's surviving spouse, if any, shall receive a monthly payment for the life of the surviving spouse equal to the excess, if any, of (i) the monthly income that would have been payable to such spouse under Section 4.05 of the Pension Plan, without regard to the provisions of Section 4.02(d) of the Pension Plan relating to the maximum limitation on pensions, and without regard to the limitation on Compensation contained in Section 1.10 of the Pension Plan, over (ii) the amount actually payable to such spouse under the Pension Plan.

(c) Notwithstanding the foregoing paragraphs (a) and (b) of this Section 2.02, if the lump sum value of the benefits payable to or on behalf of a Participant under this Article II, determined in accordance with Section 4.07(a) of the Pension Plan, is less than $50,000, then such lump sum amount shall be paid to such Participant, or such Participant's spouse, as the case may be, as soon as practicable following the date such benefits would otherwise have commenced.

(d) Notwithstanding any provision of this Plan to the contrary, upon the occurrence of a Change in Control the benefit that would become payable to or on behalf of a

Participant under this Article II as if the Participant terminated employment with the Company on the date of the Change in Control shall become payable. All benefits previously payable and the benefits that become payable under this Section 2.03(d) shall be paid in the lump sum form, determined in accordance with Section 4.07(a) of the Pension Plan as of the date of Change in Control

2.04 Change of Beneficiary. In the event the benefit is payable under this Article II to the Participant in a form other than an annuity for the life of the Participant following the Participant's retirement or other termination of employment with the Company, other than by reason of death, the Participant may, at any time, upon written notice to the Committee, change the beneficiary under this Plan to anyone, including his estate. In the event of a change of beneficiary under this Plan to anyone, including his estate In the event of a change of beneficiary hereunder, no consent of the beneficiary previously designated will be required. However, payments under this Plan to any beneficiary named by the Participant shall be payable in the same amount and for the same duration as the benefits that would have been payable to the person named as beneficiary by the Participant when his benefits under the Plan commence.

ARTICLE III

GENERAL PROVISIONS

3.01 Funding.

(a) All amounts payable in accordance with this Plan shall constitute a contractual general unsecured obligation of the Company. Such amounts as well as any administrative costs relating to the Plan, shall be paid out of the general assets of the Company, to the extent not paid from the assets of the Trust established pursuant to paragraph (b) below.

(b) The Company may establish a grantor trust for the benefit of Participants with accounts under the Amax Gold, Inc. Defined Compensation Plan. Assets to pay

benefit liabilities accruing under this Plan may be placed in the Trust and shall be held separate and apart from other Company funds, and shall be

used exclusively for the purposes set forth in the Plan and the applicable trust agreement, subject to the following conditions:

(i) the creation of the Trust shall not cause the Plan to be other than "unfunded" for purposes of Title I of the Employee Retirement Income Security Act of 1974;

(ii) the Company shall be treated as "grantor" of the Trust for purposes of Section 577 of the Code; and

(iii) the agreement of the Trust shall provide that its assets may be used upon the insolvency of the Company to satisfy claims of the Company's general creditors, and that the rights of such general creditors are enforceable by them under federal and state law.

3.02 Duration of Benefits. Benefits shall accrue under the Plan on behalf of a Participant only for so long as the provisions of Sections 415 or 401(a)(17) of the Code actually limit the Retirement Allowance that is payable under the Pension Plan.

ARTICLE IV

ADMINISTRATION

4.01 Modification, Amendment, Etc. The Board of Directors reserves the right to modify, amend in whole or in part, discontinue benefit accrual under, or terminate the Plan at any time. However, no modification or amendment shall be made to Section 2.02(b), or 4.02 and no modification, discontinuance, amendment or termination shall adversely affect the right of any Participant to receive the benefits accrued as of the date of such modification, discontinuance, amendment, or termination.

4.02 Termination and Discontinuance. If the Company terminates the Plan, or discontinues benefit accruals thereunder, Participants shall continue to vest in their accrued benefits in accordance with Section 2.02 and benefits under the Plan shall be paid in the manner and at the times indicated in Article II, unless the Board of Directors shall determine in its sole and absolute discretion that Participants shall be fully vested in their benefits, in which case benefits under the Plan shall be paid within 90 days of such determination. If benefit accruals have been discontinued under the Plan, the Company may recommence such accruals at any time by appropriate action.

4.03 Special Provisions Upon Change of Control. Notwithstanding the provisions of Section 4.01 and Section 4.02, however, upon the occurrence of a Change in Control and at all times thereafter, the Board of Directors of the

Company shall not discontinue, terminate, suspend or amend the Plan, in whole or in part, in any manner that would adversely affect the right of any Participant to receive the benefits otherwise provided under the Plan as of the effective date of such action by the Board of Directors.

4.04 Administration and Interpretation. Full power and authority to construe, interpret and administer the Plan shall be vested in the Committee. Any interpretation of the Plan by the Committee or any administrative act by the Committee shall be final and binding on all Participants. All rules relating to the quorum of the Committee and to the conduct of its business shall also apply to the Committee in administering this Plan.

4.05 Appointment of Subcommittees. The members of the Committee may appoint from their number such subcommittees with such powers as they shall determine, may authorize one or more of their number of any agent to execute or deliver any instrument or instruments in their behalf, and may employ such counsel, agents and other services as they may require in carrying out their duties. Subject to the limitations of the Plan, the Committee shall, from time to time, establish rules and regulations for the administration of the Plan and the transaction of its business and

shall maintain or cause to be maintained all records which it shall deem necessary for purposes of the Plan.

4.06 No Contract of Employment. The establishment of the Plan shall not be construed as conferring any legal rights upon any person for a continuation of employment, nor shall it interfere with the rights of the Company to discharge any employee and to treat him without regard to the effect which such treatment might have upon him as a Participant in the Plan.

4.07 Facility of Payment. In the event that the Committee shall find that a Participant is unable to care for his affairs because of illness or accident, the Committee may direct that any benefit payment due him, unless a claim shall have been made therefor by a duly appointed legal representative, be paid to his spouse, a child, a partner or other blood relative, or to a person with whom he resides, and any such payment so made shall be a complete discharge of the liabilities of the Company and the Plan therefor.

4.08 Withholding Taxes. The Company and the Trustee shall have the right to deduct from each payment to be made under the Plan and the Trust any required withholding or other taxes.

4.09 Nonalienation. Subject to any applicable law, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void, nor shall any such benefit be in any manner liable for or subject to garnishment, attachment, execution of levy, or liability for or subject

to the debts, contracts, liabilities, engagements or torts of a Participant.

4.10 Construction.

(a) The Plan shall be construed, regulated and administered under the laws of the State of Colorado to the extent not preempted by the Employee Retirement Income Security Act of 1974 or other federal law.

(b) When used herein the masculine pronoun shall include the feminine pronoun, and the singular shall include the plural, where appropriate.

4.11 Claims Procedure:

(a) Filing and Initial Determination of Claim: Any Participant, beneficiary, or his duly authorized representative may file a claim for a Plan benefit to which the claimant believes that he or she is entitled. Such a claim must be in writing and delivered to the Committee in person on by express delivery service or certified mail, postage prepaid. Within 90 days after receipt of such claim, the Committee shall send to the claimant by certified mail, postage prepaid, notice of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed 90 days from the end of the initial period. If such extension is necessary, the claimant will be given a written notice to this effect prior to the expiration of the initial 90-day period. The Committee shall have full discretion to deny or grant a claim in whole or in part. If notice of the denial of a claim is not furnished in accordance with this paragraph (a), the claim shall be deemed denied as of the 100th day after receipt of such claim (or the 10th day after the expiration of any extension of time of which claimant has been given written notice by the Committee) and the claimant shall be permitted to exercise his right of review pursuant to paragraphs (c) and (d) of this section.

(b) Duty of Committee Upon Denial of Claim: The Committee shall provide to every claimant who is denied a claim for benefits written notice setting forth in a manner calculated to be understood by the claimant:

(1) the specific reason or reasons for the denial;

(2) specific reference to pertinent Plan provisions on which the denial is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary; and

(4) an explanation of the Plan's claim review procedure.

(c) Request for Review of Claim Denial: Within 60 days after receipt by the claimant of written notification of the denial in whole or in part of his claim (or, if notice of denial has not been given, within 60 days after the date as of which the claim is deemed denied), the claimant or his duly authorized representative, upon written application to the Committee in person or by certified mail, postage prepaid may request a review of such denial, may review pertinent documents and may submit issues and comments in writing.

(d) Claims Reviewer: Upon receipt of notice of a request for review, the Committee shall be the claims reviewer. The claims reviewer shall make a prompt decision on the review. The decision on review shall be written in a manner calculated to be understood by the claimant, and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. The decision on review shall be made not later than 60 days after the Committee's receipt of a request for a review, unless special circumstances require an extension of time for processing in which case a decision shall be rendered not later than 120 days after receipt of a request for review. If such extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial 60-day period. If notice of the decision on the review is not furnished in accordance with this paragraph (d), the claim shall be deemed denied as of the 70th day after claimant's request for review (or the 10th day after the expiration of any extension of time of which claimant has been given written notice by the Committee) and the claimant shall be permitted to exercise his right to legal remedy pursuant to paragraph (c) of this section.

(e) Legal Remedy: After exhaustion of the claims procedure as provided under this Plan. nothing shall prevent any person from pursuing any other legal remedy.

AMAX GOLD INC.

DEFERRED COMPENSATION PLAN

Effective as of November 15, 1993

INTRODUCTION

The Amax Gold Inc. Deferred Compensation Plan (hereinafter the "Deferred Compensation Plan") was authorized by the Board of Directors of Amax Gold Inc. (the "Company") to be effective as of November 15, 1993. The purpose of the Plan was to provide a means of restoring the contributions and, to the extent possible, associated net income or net loss thereon of those employees of the Company (as hereinafter defined) and its subsidiaries participating in the Amax Gold Inc. Employee Thrift Plan (hereinafter the "Thrift Plan") with respect to whom contributions under the Thrift Plan are limited by application of the limitations imposed on qualified plans by the Employee Retirement Income Security Act of 1974 (hereinafter "ERISA"), and Internal Revenue Code (the "Code"), Section 415 enacted pursuant thereto, and for those employees whose compensation exceeded the amount which may be taken into account under Section 401(a)(17) of the Code.

The Company intends to maintain the Plan (as hereinafter defined) indefinitely and, in order to afford Plan Participants (as hereinafter defined) and their beneficiaries maximum security, the Company has established a grantor trust to aid it in accumulating the amounts necessary to satisfy its liability to pay benefits attributable to Participant Contributions under the terms of Articles II and III of the Plan. The Plan provides for the Company to pay all benefits and administrative costs from its general assets to the extent not paid by the grantor trust. The establishment of a grantor trust shall not affect the Company's contingent liability to pay Plan benefits and administrative costs, except that the Company's liability shall be offset by actual benefit and administrative cost payments, if any, made by the trust.

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DEFERRED COMPENSATION PLAN
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AMAX GOLD INC.
DEFERRED COMPENSATION PLAN

ARTICLE I

DEFINITIONS

1.01 DEFINITIONS. The following terms when capitalized herein shall have the meanings assigned below.

ACCOUNT. The account established and maintained under the Plan for each participant to reflect amounts credited under Article II of the Plan by the Company for the benefit of each Participant and any earnings or losses on amounts credited under Article III with respect to each Participant.

AFFILIATED COMPANY. Means any company which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes the Company as a member; any trade or business under common control (as defined in Section 414(c) of the Code) with the Company, any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code. For purposes of this Plan, the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code.

BENEFICIAL OWNER. Means, with respect to any securities, any person who, directly or indirectly, has or shares the right to vote or dispose of such securities or otherwise has "beneficial ownership" of such securities (within the meaning of Rule 13d-3 and Rule 13d-5 (as such Rules are in effect on November 15, 1993) under the Securities Act of 1934, as amended the ("Exchange Act")), including pursuant to any agreement, arrangement or understanding (whether or not in writing); provided, however, that (i) a person shall not be deemed the Beneficial Owner of any security as a result of any agreement, arrangement or understanding to vote such security (A) arising solely from

a revocable proxy or consent solicited pursuant to, and in accordance with, the applicable provisions of the Exchange Act and the rules and regulations thereunder or (B) made in connection with, or otherwise to participate in, a proxy or consent solicitation made, or to be made, pursuant to, and in accordance with, the applicable provisions of the Exchange Act and the rules and regulations thereunder, in either case described in clause (A) or clause (B) above whether or not such agreement, arrangement or understanding is also then reportable by such person on Schedule 13D under the Exchange Act (or any comparable or successor report), and (ii) a person engaged in business as an underwriter of securities shall not be deemed to be the Beneficial Owner of any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

Board of Directors. The Board of Directors of Amax Gold Inc.

Change in Control. Means the occurrence of any of the following events:

(i) any person other than AMAX Inc., a New York corporation, or any successor to AMAX Inc. by merger, consolidation or sale of substantially all of its assets ("Amax or its Successor") is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company's then-outstanding securities (a "20% Beneficial Owner"); provided however, that (a) the term "20% Beneficial Owner" shall not include any Beneficial Owner who has crossed such 20 percent threshold while Amax or its Successor owns more of the combined voting power of the Company's then outstanding securities than such Beneficial Owner or such Beneficial Owner crossed such 20 percent threshold solely as a result of an acquisition of securities directly from the Company, or solely as a result of an acquisitions by the Company of Company securities until, in each case, such time thereafter as such person acquires additional voting securities other than directly from the Company and, after giving effect to such acquisition, such person would constitute a 20% Beneficial Owner and own

more of the combined voting power of the Company's then outstanding securities than Amax or its Successor owns; and (b) with respect to any person eligible to file a Schedule 13G pursuant to Rule 133-1(b)(1)(ii) under the Exchange Act with respect to Company securities (an "Institutional Investor"), there shall be excluded from the number of securities deemed to be beneficially owned by such person a number of securities representing not more than 10 percent of the combined voting power of the Company's then-outstanding securities;

(ii) during any period of two consecutive years beginning after January 1, 1993, individuals who at the beginning of such period constitute the Board of Directors of the Company together with those individuals who first become Directors during such period (other than by reason of an agreement with the Company in settlement of a proxy contest for the election of directors) and whose election or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved (the "Continuing Directors"), cease for any reason to constitute a majority of the Board of Directors of the Company;

(iii) the stockholders of the Company approve a merger, consolidation, recapitalization or reorganization of the Company, or a reverse

stock split of any class of voting securities of the Company, or the consummation of any such transaction if stockholder approval is not obtained, other than any such transaction which would result in at least 75% of the total voting power represented by the voting securities of the Company or the surviving entity outstanding immediately after such transaction being beneficially owned by persons who together owned at least 75% of the combined voting power of the voting securities of the Company outstanding immediately prior to such transaction, with the relative voting power of each such continuing holder compared to the voting power of each other continuing holder not substantially altered as a result of the transaction; provided that, for purposes of this

paragraph (iii), such continuity of ownership (and preservation of relative voting power) shall be deemed to be satisfied if the failure to meet such 75% threshold (or to preserve such relative voting power) is due solely to the acquisition of voting securities by an employee benefit plan of the Company or such surviving entity or of any subsidiary of the Company or such surviving entity;

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition of all or substantially all the assets of the Company; or

(v) any other event which the Board of Directors of the Company determines shall constitute a Change in Control for purposes of this Plan;

provided, however, that a Change in Control shall not be deemed to have occurred if one of the following exceptions applies:

(1) Unless a majority of the Continuing Directors of the Company determines that the exception set forth in this paragraph (1) shall not apply, none of the foregoing conditions would have been satisfied but for one or more of the following persons acquiring or otherwise becoming the Beneficial Owners of securities of the Company: (A) any person who has entered into a binding agreement with the Company, which agreement has been approved by two-thirds (2/3) of the Continuing Directors, limiting the acquisition of additional voting securities by such person, the solicitation of proxies by such person or proposals by such person concerning a business combination with the Company (a "Standstill Agreement"); (B) any employee benefit plan, or trustee or other fiduciary thereof, maintained by the Company, Amax or its Successor or any subsidiary of the Company or of Amax or its Successor; (C) any subsidiary of the Company or of Amax or its Successor; or (D) the Company; or

(2) Unless a majority of the Continuing Directors of the Company determines that the exception set forth in this paragraph (2) shall not apply, none of the foregoing conditions would have been satisfied but for the acquisition by the Company of another entity (whether by the merger or consolidation, the acquisition of stock or assets, or otherwise) in exchange, in whole or in part, for securities of the Company, provided that, immediately following such acquisition, the Continuing Directors constitute a majority of the Board of Directors of the Company, or a majority of the board of directors of any other surviving entity, and, in either case, no agreement, arrangement or understanding exists at that time which would cause such Continuing Directors to cease thereafter to constitute a majority of the Board of Directors or of such other board of directors.

Notwithstanding the foregoing, unless a majority of the Continuing Directors determines otherwise, no Change in Control shall be deemed to have occurred with respect to a particular Participant if the Change in Control results from actions or events in which such Participant is a participant in a capacity other than solely as an officer, employee or director of the Company.

Code. The Internal Revenue Code of 1986, as amended from time to time.

Committee. The Committee responsible for the administration of the Thrift Plan.

Company. Amax Gold Inc. or any successor by merger, consolidation, sale of assets or otherwise, with respect to its employees and those of its divisions, subsidiaries and Affiliated Companies which are designated as participating companies, with respect to their employees, under the Thrift Plan.

Company Contribution. The amount contributed by the Company pursuant to Section 2.02.

Compensation. An employee's compensation as defined in the Thrift Plan for purposes of Article III.

Investment Fund. The separate funds in which amounts allocable to Participants and held in the Trust may be invested in accordance with Article III.

Participant. Each participant in the Thrift Plan whose annual addition (as defined in Section 415(c)(2) of the Code) in any Plan Year exceeds the limitations imposed by Code Sections 415(c)(1) or 415(e) or each participant in the Thrift Plan who qualifies as a member of a select group of management or highly compensated employees as defined in ERISA Section

201(2) whose contributions to the Thrift Plan are limited by reason of Section 401(a)(17), 401(a)(30), 401(k)(3)(A)(ii), 401(m)(2) or 402(g)(1) of the Code.

Participant Contribution. The amount of compensation the receipt of which a Participant elects to defer and instead have credited to the Participants's Account pursuant to Article II, which election must be made prior to the beginning of the period during which the compensation is earned and for which amounts are contributed. A Participant shall not be entitled to have a Participant Contribution made on his behalf for any Plan Year unless (i) the Participant is precluded under Sections 415 401(a)(30), 401(k)(3)(a)(ii) or 402(g)(1) of the Code from making the maximum permissible contribution under Sections 2.02, 2.03, or 3.01 of the Thrift Plan for that Plan Year, or (ii) the Participant's compensation for determining the contributions under Sections 2.02, 2.03, or 3.01 of the Thrift Plan is reduced by reason of Section 401(a)(17) of the Code. However, the maximum Participant Contribution the Participant can make for the Plan year shall be the difference between (A) 15% of the Participant's compensation (within the meaning of Section 1.11 of the Thrift Plan, but without regard to the limitation imposed by Section 401(a)(17) of the Code) for the Plan year, and (B) the Participant's actual contributions for the Plan Year made pursuant to Sections 2.02 and 2.03 of the Thrift Plan, or (C) such higher percentage of the Participant's compensation as may be approved on an individual basis by the Compensation Committee of the Board of Directors.

Plan. The Amax Gold Inc. Deferred Compensation Plan, as set forth herein or as amended from time to time.

Plan Year. The calendar year.

Portfolio Committee. The Employee Benefits Portfolio Review Committee of the Thrift Plan.

Thrift Plan. The Amax Gold Inc. Employee Thrift Plan, as amended from time to time.

Trust. The grantor trust in which amounts allocable to Participants are held, as provided in Article III.

Trustee. The trustee or trustees of the Trust.

Valuation Date. The last day of each calendar quarter of each Plan year, or such other dates as the Committee determines necessary or appropriate to value the Accounts of Participants.

ARTICLE II

2.01 Amount of Participant Contribution. As of each Valuation Date, each Participant's Account shall be credited with an amount equal to the Participant Contributions, if any, for the period beginning on the day after the next preceding Valuation Date and ending on the current Valuation Date.

2.02 Amount of Company Contribution. As of each Valuation Date, each Participant's Account shall be credited with an additional amount equal to the sum of:

(a) An amount equal to the value of the contribution that would have been made by the Company as of such day on behalf of the Participant under Article IV of the Thrift Plan on account of the Participant Contribution if the Participant Contribution had been made to the Thrift Plan pursuant to Sections 2.02 and 2.03 thereof (assuming such Company contribution was not limited by Sections 401(a)(17) or 415 of the Code); and

(b) An amount equal to the excess, if any, of the value of the contribution that would have been made by the Company as of such day on behalf of the Participant under Article IV of the Thrift Plan (based upon the contributions actually made to the Thrift Plan by the Participant) without regard to any limitation imposed by Sections 401(a)(17), 401(m)(2)(A) or 415 of the Code over the contribution actually made and allocated on behalf of the Participant as of that date.

2.03 Adjustments. Notwithstanding the foregoing provisions of this Article II, the amount credited to each Participant's Account as of each Valuation Date shall be adjusted as of the last Valuation Date of each Plan Year, except the first Plan Year which shall be a short Plan Year (or, in the case of a Participant who terminates employment during a Plan Year, as of such termination date), so that the total amount contributed to the Plan on the Participant's behalf for that Plan Year equals the amount that would have been so contributed had the amounts contributed under Sections 2.01 and 2.02 above been computed based on compensation and contributions made for the entire Plan Year (or, in the case of a Participant who terminates employment during a Plan Year, the portion of the Plan Year during which he was so employed), rather than compensation and contributions made for the period between Valuation Dates. If adjustments required by the foregoing sentence require amounts held in the Trust with respect to a Participant's Account to be reduced, the amount of such reduction shall be used to reduce the Company's future contributions to the Trust for the benefit of other Participants or that Participant.

2.04 Vesting. Each Participant shall be vested in his Account as follows:

(a) with respect to amounts credited pursuant to Section 2.01 (and earnings thereon), the Participant shall at all times be fully vested;

(b) with respect to amounts credited pursuant to Section 2.02 (and earnings thereon), the Participant shall be vested to the same extent he is vested in his Company matching contributions subaccount in the Thrift Plan; and

(c) Notwithstanding any provision of this Plan to the contrary, in the event of a Change in Control, all Participants shall become fully vested in the benefits provided under this Article II and such benefits shall be paid in a single sum as provided in Section 2.05.

2.05 Payment.

(a) Upon a Participant's termination of employment with the Company (and all affiliated Companies) or upon a Change in Control, the Participant shall be paid a benefit of a single lump sum equal to the balance credited to his Account as of the next preceding Valuation Date, to the extent vested. To the extent the Trustee pays the participant an amount equal to such balance, the payment shall be a complete discharge of the Company's obligation under this Article II with respect to that Participant. If the Trustee pays the Participant an amount which is less than the vested balance credited to his Account (computed using the amount credited to his Account as of the next preceding Valuation Date) the Company shall pay the Participant the difference between the amount paid by the Trustee and such balance. Payment shall be made as soon as practicable following the Participant's termination of employment or the Change in Control.

(b) Upon the death of a Participant while employed by the Company (or an Affiliated Company) the Participant's beneficiary designated under the Thrift Plan shall be paid a benefit of a single lump sum equal to the balance credited to the Participant's Account as of the next preceding Valuation Date, to the extent vested. To the extent the Trustee pays the Participant's designated beneficiary an amount equal to such balance, the payment shall be a complete discharge of the Company's obligation under

this Article II with respect to that Participant. If the Trustee pays the Participant's designated beneficiary an amount which is less than the vested balance credited to the Participant's Account (computed using the amount credited to his Account as of the next preceding Valuation Date) the Company shall pay the beneficiary the difference between the amount paid by the Trustee and such balance. Payment shall be made as soon as practicable following the Participant's death.

2.06 Forfeitures. Upon termination of a Participant's employment with the Company and all Affiliated Companies, any unvested portion of his Account shall be forfeited and any amounts attributable thereto that are held in the Trust shall be used to reduce the Company's obligations under the Plan to other Participants. If a Participant who forfeits a benefit under the Plan is subsequently reemployed by the Company or an Affiliated Company and his unvested benefits that were forfeited under the Thrift Plan are reinstated under the Thrift Plan as a result of such reemployment, the forfeited benefits under this Plan shall also be reinstated and his Account shall be credited on the Valuation Date next succeeding his reemployment with an amount equal to such forfeited benefits.

ARTICLE III

INVESTMENT AND VALUATION OF INTERESTS IN THE TRUST AND ACCOUNTS

3.01 Initial Investment Funds.

(a) The Company may establish a Trust pursuant to Section 4.01(b), and the assets held in the Trust shall be subdivided, upon the direction and authorization of the Portfolio Committee, into one or more Investment Funds. Effective November 15, 1993, all amounts contributed by a Participant pursuant to Section 2.01 of this Plan shall be invested in the Investment Fund designated for this purpose by the Portfolio Committee.

(b) All amounts contributed by the Company pursuant to Section 2.02 of this Plan shall be credited or debited with earnings or losses based upon the performance of the Common Stock of the Company.

3.02 Additional Investment Funds.

The Committee may designate one or more other Investment Funds for the investment of amounts described in Section 3.01(a). The Committee may change the designation of Investment Funds from time to time, in its sole discretion. In the event the Committee designates more than one Investment Fund, each Participant shall file an investment election with the Committee designating one or more of the Investment Funds in which the amounts described in Section 3.01(a) of the Plan that are credited to his Account shall be invested. The election shall be effective as soon as practicable following receipt of the Participant's election by the Committee. A Participant may change the Investment Funds in which the amounts described herein are invested in accordance with such rules and procedures as the Committee shall determine. Assets for which no effective investment designation is made shall be invested in the Investment Fund designated for

this purpose by the Committee.

3.03 Individual Records. The Committee shall maintain, or cause to be maintained, records showing the individual balances of each Participant's Account and the amounts allocable to each Participant under this Plan and under the Trust; provided, however, the Committee may delegate this responsibility to the Trustee or another administrator. Maintenance of such records shall not require any segregation of the funds of the Trust.

3.04 Valuations.

(a) On each Valuation Date each Participant's Account shall be allocated his proportionate share of the increase or decrease (including earnings) in the fair market value of that portion of the Investment Funds which is allocable to him and which is invested in each Investment Fund as well as any expenses paid from the assets of the Trust. Any

portion of the Trust allocable to a Participant which is not invested in an Investment Fund shall not be credited with any earnings.

(b) Immediately after any gain or loss or earnings are allocated to a Participant under the Trust in accordance with Section 3.04(a), an equal amount of gain or loss or earnings shall be credited to the Participant's Account under the Plan.

(c) At least once a year, each Participant shall be furnished with a statement setting forth the balance credited to his Account and the value of the amount in the Investment Funds and/or in the Trust allocable to him.

ARTICLE IV

GENERAL PROVISIONS

4.01 Funding.

(a) All amounts payable in accordance with this Plan shall constitute a contractual general unsecured obligation of the Company. Such amounts as well as any administrative costs relating to the Plan, shall be paid out of the general assets of the Company, to the extent not paid from the assets of the Trust established pursuant to paragraph (b) below.

(b) The Company has established a grantor trust for the benefit of Participants with Accounts under the Plan. The assets placed in the Trust shall be comprised of all or any portion of amounts in Accounts and shall be held separate and apart from other Company funds, and shall be used exclusively for the purposes set forth in the Plan and the applicable trust agreement,

subject to the following conditions:

(i) the creation of the Trust shall not cause the Plan to be other than "unfunded" for purposes of Title I of the Employee Retirement Income Security Act of 1974;

(ii) the Company shall be treated as "grantor" of the Trust for purposes of Section 577 of the Code; and

(iii) the agreement of the Trust shall provide that its assets may be used upon the insolvency of the Company to satisfy claims of the Company's general creditors, and that the rights of such general creditors are enforceable by them under federal and state law.

4.02 Duration of Benefits. Benefits shall accrue under the Plan on behalf of a Participant only for Plan Years for which the provisions of Sections 415, 401(a)(17), 401(a)(30, 401(k)(3)(A)(ii), 401(m)(2), or 402(g)(1), of the Code (relating to the maximum limitation on contributions under the Thrift Plan) actually limit the contributions that can be made by or on the Participant's behalf under the Thrift Plan.

ARTICLE V

ADMINISTRATION

5.01 Modification, Amendment, Etc. The Board of Directors reserves the right to modify, amend in whole or in part, discontinue benefit accrual under, or terminate the Plan at any time. However, no modification or amendment shall be made to Section 2.04(c) or 5.02 and no modification, discontinuance, amendment or termination shall adversely affect the right of any Participant to receive the benefits accrued and the balance to the credit of such Participant's Account as of the date of such modification, discontinuance, amendment, or termination, as adjusted as a result of changes in the value of the Investment Funds in which the amount in the Trust allocable to the Participant is invested.

5.02 Termination and Discontinuance. If the Company terminates the Plan, or discontinues benefit accruals thereunder, Participants shall continue to vest in their accrued benefits and their Accounts in accordance with Section 2.04 and Accounts under the Plan shall be paid in the manner and at the times indicated in Article II, unless the Board of

Directors shall determine in its sole and absolute discretion that Participants shall be fully vested in their Accounts, in which case

Accounts under the Plan shall be paid within 90 days of such determination. If participant contributions have been discontinued under the Plan, the Company may recommence such accruals at any time by appropriate action.

5.03 Special Provisions Upon Change of Control. Notwithstanding the provisions of Section 6.01 and Section 6.02, however, upon the occurrence of a Change in Control and at all times thereafter, the Board of Directors of the Company shall not discontinue, terminate, suspend or amend the Plan, in whole or in part, in any manner that would adversely affect the right of any Participant to receive the benefits otherwise provided under the Plan as of the effective date of such action by the Board of Directors.

5.04 Administration and Interpretation. Full power and authority to construe, interpret and administer the Plan shall be vested in the Committee. Any interpretation of the Plan by the Committee or any administrative act by the Committee shall be final and binding on all Participants. All rules relating to the quorum of the Committee and to the conduct of its business shall also apply to the Committee in administering this Plan.

5.05 Appointment of Subcommittees. The members of the Committee may appoint from their number such subcommittees with such powers as they shall determine, may authorize one or more of their number of any agent to execute or deliver any instrument or instruments in their behalf, and may employ such counsel, agents and other services as they may require in carrying out their duties. Subject to the limitations of the Plan, the Committee shall, from time to time, establish rules and regulations for the administration of the Plan and the transaction of its business and shall maintain or cause to be maintained all records which it shall deem necessary for purposes of the Plan.

5.06 No Contract of Employment. The establishment of the Plan shall not be construed as conferring any legal rights upon any person for a continuation of employment, nor shall it interfere with the rights of the Company to discharge any employee and to treat him without regard to the effect which such treatment might have upon him as a Participant in the Plan.

5.07 Facility of Payment. In the event that the Committee shall find that a Participant is unable to care for his affairs because of illness or accident, the Committee may direct that any benefit payment due him, unless a claim shall have been made therefor by a duly appointed legal representative, be paid to his spouse, a child, a partner or other blood relative, or to a person with whom he resides, and any such payment so made shall be a complete discharge of the liabilities of the Company and the Plan therefor.

5.08 Withholding Taxes. The Company and the Trustee shall have the right to deduct from each payment to be made under the Plan and the Trust any required withholding or other taxes.

5.09 Nonalienation. Subject to any applicable law, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void, nor shall any such benefit be in any manner liable for or subject to garnishment, attachment, execution of levy, or liability for or subject to the debts, contracts, liabilities, engagements or torts of a Participant.

5.10 Construction.

(a) The Plan shall be construed, regulated and administered under the laws of the State of Colorado to the extent not preempted by the Employee Retirement Income Security Act of 1974 or other federal law.

(b) When used herein the masculine pronoun shall include the feminine pronoun, and the singular shall include the plural, where appropriate.

5.11 Claims Procedure:

(a) Filing and Initial Determination of Claim: Any Participant, beneficiary, or his duly authorized representative may file a claim for a Plan benefit to which the claimant believes that he or she is entitled. Such a claim must be in writing and delivered to the Committee in person on by express delivery service or certified mail, postage prepaid. Within 90 days after receipt of such claim, the Committee shall send to the claimant by certified mail, postage prepaid, notice of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed 90 days from the end of the initial period. If such extension is necessary, the claimant will be given a written notice to this effect prior to the expiration of the initial 90-day period. The Committee shall have full discretion to deny or grant a claim in whole or in part. If notice of the denial of a claim is not furnished in accordance with this paragraph (a), the claim shall be deemed denied as of the 100th day after receipt of such claim (or the 10th day after the expiration of any extension of time of which claimant has been given written notice by the Committee) and the claimant shall be permitted to exercise his right of review pursuant to paragraphs (c) and (d) of this section.

(b) Duty of Committee Upon Denial of Claim: The Committee shall provide to every claimant who is denied a claim for benefits written notice setting forth in a manner calculated to be understood by the claimant:

(1) the specific reason or reasons for the denial;

(2) specific reference to pertinent Plan provisions on which the denial is

based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary; and

(4) an explanation of the Plan's claim review procedure.

(c) Request for Review of Claim Denial: Within 60 days after receipt by the claimant of written notification of the denial in whole or in part of his claim (or, if notice of denial has not been given, within 60 days after the date as of which the claim is deemed denied), the claimant or his duly authorized representative, upon written application to the Committee in person or by certified mail, postage prepaid may request a review of such denial, may review pertinent documents and may submit issues and comments in writing.

(d) Claims Reviewer: Upon receipt of notice of a request for review, the Committee shall be the claims reviewer. The claims reviewer shall make a prompt decision on the review. The decision on review shall be written in a manner calculated to be understood by the claimant, and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. The decision on review shall be made not later than 60 days after the Committee's receipt of a request for a review, unless special circumstances require an extension of time for processing in which case a decision shall be rendered not later than 120 days after receipt of a request for review. If such extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial 60-day period. If notice of the decision on the review is not furnished in accordance with this paragraph (d), the claim shall be deemed denied as of the 70th day after claimant's request for review (or the 10th day after the expiration of any extension of time of which claimant has been given written notice by the Committee) and the claimant shall be permitted to exercise his right to legal remedy pursuant to paragraph (c) of this section.

(e) Legal Remedy: After exhaustion of the claims procedure as provided under this Plan. nothing shall prevent any person from pursuing any other legal remedy.

SHARE SALE AGREEMENT

AGREEMENT made 4 June 1993.

PARTIES

(1) AMAX GOLD, INC. a company duly incorporated in Delaware, United States of America and having its principal office at 350 Indiana Street, Golden, Colorado, United States of America ("Vendor")

AND

(2) WAIHI FINANCING LIMITED a company duly incorporated in New Zealand and having its registered office at care of 171 Featherston Street, Wellington, New Zealand ("Purchaser")

INTRODUCTION

A. AHNZ is incorporated in New Zealand with an authorised share capital of $10,000 divided into 10,000 ordinary shares of $1.00 each all of which have been issued and are fully paid.

B. The Vendor is the registered holder of all but one, and beneficial owner of all, of the Shares;

C. AHNZ is the registered holder of all but one, and beneficial owner of all, of the issued shares in the capital of ARNZ;

D. ARNZ is the registered holder of all but one, and beneficial owner of all, of the issued shares in the capital of AGMNZ;

E. AGMNZ is the legal and beneficial owner of a Participating Interest of 28.35% in the Martha Hill Joint Venture and is the registered holder and beneficial owner of 33.51% of the issued shares in the capital of MML which in turn holds 15.46% Participating Interest in the Martha Hill Joint Venture;

F. The Vendor has agreed to sell the Shares to the Purchaser and, the Purchaser has agreed to buy the Shares from the Vendor on the terms of this Agreement;

IT IS AGREED

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1. Definitions

1.1 Unless the context requires otherwise, in this Agreement:-

"Accrued Rights" means all accretions and rights to or arising from the Shares at or after the Balance Date including (without limiting the generality of the foregoing) all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options, declared, paid or issued by AHNZ.

"Agreement" means this document, including the introduction, schedules, appendices and any annexures.

"AHNZ" means Amax Holdings New Zealand Limited a company duly incorporated in New Zealand and having its registered office at 18th Floor, Price Waterhouse Centre, 66 Wyndham Street, Auckland, New Zealand.

"ARNZ" means Amax Resources New Zealand Limited a company duly incorporated in New Zealand and having its registered office at 18th Floor, Price Waterhouse Centre, 66 Wyndham Street, Auckland, New Zealand.

"AGMNZ" means Amax Gold Mines New Zealand Limited a company duly incorporated in New Zealand and having its registered office at 18th Floor, Price Waterhouse Centre, 66 Wyndham Street, Auckland, New Zealand.

"Articles" means the Articles of Association of AHNZ.

"Balance Date" means 30 April, 1993.

"Board" means the Board of Directors of AHNZ.

"Business Day" means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed.

"Companies Act" means the Companies Act 1955 of New Zealand (as amended).

"Completion" means performance of the acts set out in Clauses 4.2, 4.3 and 4.4.

"Completion Date" means the second Business Day after the Condition Precedent has been satisfied or another date agreed to in writing by the Vendor and the Purchaser.

"Condition Precedent" means the condition set out in clause 6.1.

"Default Rate" means

(a) in relation to an amount of money (x + 2) per cent per annum where x is the interest rate quoted by the ANZ Banking Group (New Zealand) Limited ("the Bank") as its commercial lending rate for New Zealand ("published rate") as at the first Business Day of each calendar month (to apply until the next published rate is quoted) or, should there cease to be a published rate, the rate which the Bank designates as being an appropriate substitute for the published rate ("the substitute rate"). A certificate signed by a manager or other officer of the Bank stating the published rate or the substitute rate at a particular date is conclusive evidence of the rate at the particular date; and

(b) in relation to a quantity of gold (x + 2) per cent per annum where x is equal to Y-Z and where

(i) Y is the arithmetic average of the London Interbank offered rates for deposits in United States Dollars for a period of 30 days appearing on Reuters Screen page "LIBO" at or about 10 a.m. on the first Business Day of each month;

(ii) Z in the mean London Interbank forward rate for the purchase of gold appearing on Reuters screen page "GOFO" at or about 10 a.m. on the first Business Day of each month;

which rate shall apply until the first Business Day of the next following month.

"Delivery Date" means each of the Initial Delivery Date and each date occurring at six monthly intervals after the Initial Delivery Date to and including the date which occurs 54 months after the Initial Delivery Date.

"Financial Statements" means the documents annexed as Schedule 1.

"Gold" means gold bullion of 0.995 fineness in unallocated form acceptable in the London Bullion Market for transfer to an unallocated metal account denominated in gold maintained with a member of the London Bullion Market Association.

"Initial Delivery Date" means the date which is the latest of:

(a) the second Business Day after the date Completion occurs; or

(b) the date which is six months after the date of this Agreement; or

(c) the second Business Day after the Vendor has notified the Purchaser of the full details of the Vendor's Metal Account.

"Joint Venture Agreement" means the agreement dated 17 July, 1987 between AGMNZ, Auag Resources Limited, Welcome Gold Mines Limited, Goodman Mining Limited and Waihi Gold Mining Company Limited which agreement bears the title on its cover page "Martha Hill Joint Venture Agreement" (as amended from time to time).

"Liability" includes a present, prospective or contingent liability.

"Marketable Security" means:-

(a) a debenture, stock, share or bond of any Government, of any local government authority or of any body corporate, association or society, and a right or option in respect of shares in a body corporate;

(b) any right, whether actual, prospective or contingent, of any person to have issued to that person any marketable security as defined in paragraph (a) above whether or not on payment of any money or other consideration.

"MML" means Martha Mining Limited a company duly incorporated in New Zealand and having its registered office at care of Waihi Gold Mining Company Limited, Barrys Road, Waihi, New Zealand.

"Martha Hill Joint Venture" means the unincorporated contractual joint venture governed by the Joint Venture Agreement.

"Mortgages" includes legal mortgages and charges, equitable mortgages and charges (fixed and floating or both) liens, pledges and other security interests in respect of property.

"ounce" means troy ounce.

"Participating Interest" has the same meaning as in the Joint Venture Agreement.

"Parties" means the Parties to this Agreement.

"Promissory Note" means a note dated April 15, 1993 having a face value of US$5 million drawn by AGI Chile Credit Corp., Inc in favour of AGMNZ.

"Purchase Price" means the consideration stated in Clause 3.1.

"Settlement Statement" means the statement of certain assets and certain liabilities of AHNZ on a consolidated basis which, in accordance with

clause 5.4 of clause 5.6, is the Settlement Statement.

"Shares" means all the issued ordinary shares in the capital of the AHNZ.

"Tax" includes all taxes, duties, fees, rates, charges, deductions, withholdings and imposts whatsoever and wheresoever paid or imposed, assessed, levied, deducted, withheld or imposed by any central government or any other government, regional, municipal or local authority (New Zealand or overseas) and includes interest on all or any of the foregoing and additional amounts payable by way of penalty.

"Vendor's Bullion Bank" means the member of the London Bullion Market Association with which the Vendor maintains the Vendor's Metal Account from time to time.

"Vendor's Metal Account" means the account denominated in gold in unallocated form maintained by the Vendor with a member of the London Bullion Market Association details of which the Vendor has last notified to the Purchaser prior to each Delivery Date.

2. Sale and Purchase

2.1 Subject to the Condition Precedent having been satisfied the Vendor as legal and beneficial owner sells to the Purchaser and the Purchaser purchases from the Vendor the Shares together with all Accrued Rights free from Mortgages and other encumbrances.

3. Purchase Price

3.1 The consideration for the Shares is the aggregate of $15 million and 15,500 ounces of Gold.

3.2 The Purchaser must pay or satisfy the Purchase Price as follows:-

(a) by paying the Vendor the sum of $15 million at Completion; and

(b) by causing 1550 ounces of Gold to be credited, free of Mortgages and other encumbrances (other than as arise by agreement or operation of law in favour of the Vendor's Bullion Bank), to the Vendor's Metal Account

at or before 3 p.m. London time on each and every Delivery Date.

4. Procedure at Completion

4.1 Completion will take place at 2 p.m. on the Completion Date at the office of Chapman Tripp Sheffield Young, Solicitors, AMP Centre, Grey Street, Wellington, New Zealand.

4.2 At Completion the Vendor must deliver to the Purchaser or the Purchaser's nominees:-

(a) registrable transfers, of the Shares in favour of the Purchaser or the Purchaser's nominees;

(b) certificates for the Shares and all shares held by AHNZ in ARNZ and by ARNZ in AGMNZ and by AGMNZ in MML and all other documents of and evidencing title to assets of AHNZ, ARNZ and AGMNZ;

(c) all seals, minute books, statutory books and registers, books of account, trading and financial records, copies of taxation returns and other documents and papers of AHNZ, ARNZ and AGMNZ;

(d) authorities directed to bankers of AHNZ, ARNZ and AGMNZ authorising the operation of each of the bank accounts of these companies only on the signature of persons named in a written direction given by the Purchaser to the Vendor before Completion alone or two or more jointly as specified in that direction;

(e) instruments in a form approved by the Purchaser's solicitors executed under seal by the Vendor releasing AHNZ, ARNZ and AGMNZ from all claims of any kind which the Vendor or any subsidiary or affiliate of the Vendor (other than AHNZ, ARNZ and AGMNZ) may have against it as and from Completion; and

(f) evidence to the satisfaction of the Purchaser that all management, financial and administrative services arrangements and gold purchase arrangements between the Vendor or Amax Precious Metals Inc or any other subsidiary or affiliate of the Vendor and any of AHNZ, ARNZ and AGMNZ have been terminated without Liability accruing to or loss, cost or expense being incurred by AHNZ, ARNZ or AGMNZ.

4.3 At Completion the Vendor must procure:

(a) a direction in writing signed by all shareholders of AHNZ that the Board register the transfers of the Shares notwithstanding any contrary provision of the Articles;

(b) that the Board approve of the transfers of the Shares for registration;

(c) resignation from office as secretary of AHNZ, ARNZ and AGMNZ of the persons who are secretary or secretaries thereof and from the Board

and the boards of directors of ARNZ, AGMNZ and MML of those of the persons who are directors thereof as the Purchaser directs (in the case of MML not being persons nominated by Welcome Gold Mines Limited and Auag Resources Limited as directors of MML in accordance with their respective rights to nominate directors of MML) effective at Completion together with an acknowledgement from each such person, in the form which the Purchaser requires, that he or she has no claim of any nature against AHNZ, ARNZ, AGMNZ or MML for salary, fees, compensation for loss of office or otherwise;

(d) appointment to office as secretary of AHNZ, ARNZ and AGMNZ and to office as directors of AHNZ, ARNZ, AGMNZ and MML of the persons nominated by the Purchaser (being in the case of MML a number of persons not exceeding the number of directors of MML which AGMNZ has the right to appoint);

(e) delivery into the control of the Purchaser of all keys and codes of whatever nature required to enter or gain access to any property of AHNZ, ARNZ or AGMNZ including all keys and combinations required to unlock each safe deposit box at a bank, cupboards, safes, storage rooms, filing cabinets and desk drawers, and all keys and codes necessary to gain access to computer programmes;

(f) subject to clause 4.6, repayment to AGMNZ by means of cleared and immediately available funds of the Promissory Note (upon payment of which the Purchaser acknowledges AGI Chile Credit Corp., Inc shall be released from all further liability in connection with the Promissory Note); and

(g) the transfer into its name of any Shares held on its behalf by a nominee or trustee.

4.4 At Completion the Purchaser must:-

(a) comply with clause 3.2(a); and

(b) subject to clause 4.6, pay to the Vendor, by way of adjustment of the Purchase Price, an amount equal to 92.5% of the amount received by AGMNZ, as contemplated in clause 4.3(f) upon repayment of the Promissory Note less income Tax at the rate of 33% on any interest included in that repayment in the currency in which that repayment is effected.

4.5 If Completion does not occur by 5.00 pm on the fourteenth day after the date of this Agreement and that fact is not due to delay, failure or default of the Vendor then the Purchaser must pay the Vendor interest on the sum of $15 million at a rate equal to the Default Rate minus 2 percentage points computed from but not including that fourteenth day to

and including the date Completion occurs calculated with daily rests and payable at Completion.

4.6 If the Vendor is unable to procure compliance with clause 4.3(f) at Completion and at Completion gives the Purchaser a notice specifying a time and date when compliance with clause 4.3(f) will occur (being a date within 3 Business Days of Completion) and specifying the amount which will be repaid on account of the Promissory Note and the currency in which repayment will be made then:

(a) the Purchaser will be deemed to have waived compliance with clause 4.3(f) and the Vendor will be deemed to have waived compliance with clause 4.4(b);

(b) the Vendor must at the time on the date specified in its notice to the Purchaser under this clause comply with clause 4.3(f) by procuring repayment in the amount and currency specified in that notice; and

(c) contemporaneously with the Vendor complying with paragraph (b) above the Purchaser must comply with clause 4.4(b).

5. Purchase Price Adjustment

5.1 The Vendor must procure that Price Waterhouse, as soon as reasonably possible after Completion prepares (using the principles set out in clause 5.1A and subject thereto usual accounting concepts and practices consistently applied and the accounting concepts and practices adopted by AHNZ in the previous three financial years consistently applied) and audits a statement setting out the assets and liabilities of AHNZ and its subsidiaries on a consolidated basis as at the Balance Date other than:

(a) the asset represented by the Promissory Note (including interest on it) or the repayment of it (including that interest) and any income Tax applicable to interest included in that repayment;

(b) the asset representing the investment of AGMNZ in MML or the assets and liabilities arising from equity accounting for that investment;

(c) those assets of AGMNZ being the interest of AGMNZ in the property and assets held under or for the purposes of the Joint Venture Agreement (including its interest

in any cash and investments of the Martha Hill Joint Venture and in the products produced by the Martha Hill Joint Venture which at the Balance Date had not been divided between the Participants in the Martha Hill Joint Venture in accordance with the Joint Venture

Agreement);

(d) to the extent not covered by paragraph (c) above those assets of AGMNZ representing its investment in or connected with the Martha Hill Joint Venture (including security or performance deposits or bonds) but, for the avoidance of doubt excluding cash, gold or silver accumulated from the distributions which have actually been made, on or prior to the Balance Date, by the Martha Hill Joint Venture to the participants therein;

(e) future tax benefits and imputation credits;

(f) unrealised foreign exchange gains and losses and unrealised gains and losses connected with transactions denominated in Gold;

(g) all liabilities of AGMNZ in its capacity as a Participant in the Martha Hill Joint Venture (other than to pay Called Sums as defined in the Joint Venture Agreement and other than in respect of Tax);

(h) Liability of AGMNZ to pay income Tax of $2.75 million and of MML to pay income Tax of $1.50 million in consequence of the deduction, prior to the Balance Date, by AGMNZ and MML of future tunnel capital expenditure.

5.1A The statement to be prepared in accordance with clause 5.1 must be prepared on the basis of the principles that:

(a) any Called Sum (as defined in the Joint Venture Agreement) paid before the Balance Date but being in respect of expenditure expected to be incurred after the Balance Date is a prepayment to be included as an asset; and

(b) the amount of liability for income Tax for any period shall be the actual amount of income Tax calculated to be payable for that period and which is unpaid (but, for the avoidance of doubt, not the deferred tax liability calculation for accounting purposes) and in respect of the period from 1 January 1993 to the Balance Date the calculation must be made treating that period as an income year for the purposes of the Income Tax Act 1976.

5.2 When Price Waterhouse has completed the auditing of the Financial Statements as at the Balance Date and the

preparation and auditing of the statement as required by clause 5.1 the Vendor must procure that the statement, audit certificate of Price Waterhouse addressed to both the Vendor and the Purchaser and the audit working papers of Price Waterhouse are delivered to the Purchaser for review on behalf of the Purchaser by Deloitte Ross Tohmatsu.

5.3 The Purchaser shall have fourteen days from receipt of the documents referred to in clause 5.2 to cause Deloitte Ross Tohmatsu to review those documents and notify Price Waterhouse and the Vendor of any adjustment to the statement comprised in those documents which Deloitte Ross Tohmatsu considers should be made together with a statement as to the reasons for requesting that adjustment.

5.4 If within the fourteen days referred to in clause 5.3 no adjustment has been requested the statement comprised in the documents delivered to the Purchaser under clause 5.2 will be the Settlement Statement.

5.5 If within the fourteen days referred to in clause 5.3 adjustments are requested in accordance with clause 5.3 the Vendor and the Purchaser will each procure that Price Waterhouse and Deloitte Ross Tohmatsu respectively consult with each other with a view to agreeing on the adjustments (if any) which ought to be made. If they are unable to reach agreement within seven days those matters on which agreement has not been reached shall be referred to Arthur Andersen & Co to resolve acting as an expert only and not as an arbitrator. The parties must each endeavour to ensure that Arthur Andersen & Co resolves the matters on which agreement has not been reached within fourteen days of the reference being made.

5.6 The statement comprised in the documents referred to in clause 5.2 adjusted as agreed between Price Waterhouse and Deloitte Ross Tohmatsu or as determined by Arthur Andersen & Co will be the Settlement Statement.

5.7 On the second Business Day after the expiry of the period of 14 days referred to in clause 5.3, if clause 5.4 operates or after the Purchaser has been advised of the outcome of consultations between Price Waterhouse and Deloitte Ross Tohmatsu or of the determination of Arthur Andersen & Co (as the case requires):

(a) if the Settlement Statement discloses that the aggregate of the assets shown therein exceeds the aggregate of the Liabilities shown therein the Purchaser must pay to the Vendor by way of adjustment of the Purchase Price an amount equal to 92.5% of the amount of that excess; or

(b) if the Settlement Statement discloses that the aggregate of the Liabilities shown therein exceeds the aggregate of the assets shown therein the Vendor must pay to the Purchaser by way of adjustment of the Purchase Price an amount equal to the amount of that excess.

6. Condition Precedent

6.1 The obligations of the Vendor and the Purchaser under this Agreement

connected with the sale or purchase of the Shares are subject to the condition that the unconditional consent of the New Zealand Overseas Investment Commission under the Overseas Investment Act 1973 and the 1985 Regulations made thereunder is obtained to the purchase of the Shares and to any other matter in connection with this Agreement and the Purchaser's business in New Zealand for which such consent is necessary or desirable. The offer made under this Agreement is subject to the Overseas Investment Regulations 1985. Notice of the offer has been given to the Overseas Investment Commission as required by the Overseas Investment Regulations 1985, and will only become effective pursuant to Regulation 12 of those Regulations.

6.2 The Purchaser will use reasonable endeavours to obtain the consent referred to in clause 6.1 by 5 pm on the date 10 Business Days from the date of this Agreement (the "Condition Date") (or such later date as shall be notified by the Purchaser to the Vendor by 5 pm on the Condition Date). If such consent has not been obtained by 5 pm on the Condition Date (or such later date as is notified) or is refused then this Agreement shall be at an end at that time on that date or at 5 pm on the date of the refusal (as the case requires).

6.3 If by operation of clause 6.2 this Agreement is at an end then from the time on the date specified in clause 6.2 this Agreement shall cease to have any further force or effect save that the rights of each Party, and the obligations of the other Party in connection with any prior breach of any provision of this Agreement, will continue indefinitely and not be affected or prejudiced by this Agreement being at an end and the Vendor must immediately refund to the Purchaser all moneys (if any) paid by the Purchaser under this Agreement (which obligation is also not affected or prejudiced by this Agreement being at an end).

7. Warranties

7.1 The Vendor warrants to the Purchaser in the terms of the warranties in Schedule 2, each of which is a separate warranty in no way limited by any other warranty and is to be read as if expressed to be subject to the matters disclosed in Schedule 3 to the extent applicable and in the

case of its application to AGMNZ is also to be read subject to clause 7.4.

7.2 Each warranty in Schedule 2 applies at:-

(a) the date set out at the commencement of this Agreement;

(b) the date Completion occurs; and

(c) each date between them.

7.3 Each warranty in Schedule 2 applies separately in respect of each of AHNZ, ARNZ and AGMNZ. Accordingly each reference in Schedule 2 to AHNZ is also a separate reference to each of ARNZ and AGMNZ and the information in Schedule 3 and the Appendices to Schedule 2 includes all information relevant to each of AHNZ, ARNZ and AGMNZ.

7.4 None of the warranties in Schedule 2 shall be taken to be untrue or unfulfilled or to have been breached by reason of any act, fact, matter, circumstance or omission relating to the Martha Hill Joint Venture or its activities or affairs (including MML) where that act, fact, matter, circumstance or omission (not being any Liability, or not giving rise to any Liability, incurred by AGMNZ in breach of the Joint Venture Agreement except by reason of entering into this Agreement or any other agreement to which the Purchaser is a party):

(a) affects all of the participants in the Martha Hill Joint Venture in proportion to their interests in the Martha Hill Joint Venture;

(b) is known to all of the participants in the Martha Hill Joint Venture; or

(c) is known to the Manager of the Martha Hill Joint Venture.

This clause is not prejudiced by, and no implication contrary to this clause is intended by, any reference to the Martha Hill Joint Venture in Schedule 2.

8. Indemnity

8.1 The Vendor indemnifies the Purchaser and agrees to keep the Purchaser forever indemnified against all losses (whether through deficiency in the assets or increase in Liabilities of AHNZ, ARNZ or AGMNZ or for any other reason) and liabilities and the cost of all demands, actions and other proceedings against the Purchaser (including legal costs on a Solicitor and own client basis) directly or indirectly arising out of or in respect of or resulting from any breach of warranty given by the Vendor (determined applying the

provisions of clause 7) or any breach or non-performance of the obligations of the Vendor under this Agreement.

8.2 The Vendor will if requested by the Purchaser (in its absolute discretion) pay to AHNZ, ARNZ or AGMNZ an amount equal to the deficiency in the assets or increase in the Liabilities of AHNZ, ARNZ or AGMNZ (as the case requires) for which the Vendor is liable to the Purchaser under

clause 8.1 rather than pay compensation to the Purchaser for its loss occasioned by that deficiency or increase.

8.3 If any payment made by the Vendor to the Purchaser (or at its direction under clause 8.2) pursuant to or in consequence of the operation of clause 8.1 ("Indemnity Payment") is derived by the Purchaser or any other person to whom the payment is made in a manner which is assessable income pursuant to the Income Tax Act 1976 of any kind to the Purchaser or that other person then the Vendor shall pay a further amount equal to the amount of income Tax payable in respect of the Indemnity Payment calculated without regard to:

(a) any other income; or

(b) any entitlement to any deduction or loss; or

(c) any losses carried forward pursuant to section 188 of the Income Tax Act 1976; or

(d) any transfer of any loss pursuant to section 191A of the Income Tax Act 1976

of or available to the Purchaser or that other person PROVIDED THAT any further amount payable shall be reduced:

(i) to the extent of the amount of losses available to the Purchaser or that other person at that time to be carried forward pursuant to Section 188 of the Income Tax Act 1976 which, in the reasonable belief of the Purchaser or that other person (as the case may be), would not be utilised within the three income years (as defined in the Income Tax Act 1976) following the date of derivation; or

(ii) to the extent that a deduction pursuant to the Income Tax Act 1976 for all or part of the loss, liability or costs which gave rise to the payment being made by Amax has been obtained or can be obtained by the Purchaser or that other person.

8.4 The liability of the Vendor under this Clause 8 is limited to the extent that:

(a) it will not be liable in connection with an amount of income Tax of up to $2.75 million in the case of AGMNZ or $1.50 million in the case of MML which is or becomes payable by AGMNZ or MML arising out of the deduction, prior to the Balance Date, by AGMNZ or MML of future tunnel capital expenditure;

(b) it will not be liable in respect of any claim arising out of a breach of warranty where the circumstances likely to give rise to the claim have not been notified to the Vendor in reasonable detail prior to the expiration of 2 years from the date Completion occurs except if the breach of warranty concerns the existence of Mortgages or other encumbrances or concerns title to any asset being a Marketable Security, or concerns title to any interest in any Joint Venture Asset or the Participating Interest (each as defined in the Joint Venture Agreement) of AGMNZ or arises under paragraph (77) of Schedule 2;

(c) the Purchaser may only claim against the Vendor for amounts equal to or exceeding $50,000 on each occasion on which a claim is made (regardless of the number or magnitude of the individual matters making up that claim); and

(d) in no circumstances shall the Vendor be liable for consequential loss or damage except where that loss or damage arises directly out of the wilful act or omission or gross negligence of the Vendor.

8.5 The Vendor acknowledges and agrees that the amount of the loss suffered by the Purchaser where breach of warranty occurs and there is a deficiency in assets or increase in Liabilities of AHNZ, ARNZ or AGMNZ which would not have occurred had that breach of warranty not occurred is an amount at least equal to that deficiency or that increase.

8.6 If so required by the Vendor the Purchaser must permit the Vendor at its own cost and expense (including as to legal costs and expenses and as to the internal management costs and expenses (including costs of employees time) of the Purchaser, AHNZ, ARNZ or AGMNZ incurred in providing any assistance to the Vendor) and subject to:

(a) the Vendor providing to the Purchaser a bank guarantee or other security acceptable to the Purchaser for the amount of the Purchaser's claim against the Vendor under clause 8.1, in the name of the Purchaser, AHNZ, ARNZ or AGMNZ (as the case requires); and

(b) clause 8.8;

to take the action the Vendor deems fit to negotiate, settle, compromise, defend or otherwise contest any third party claim or suit giving rise to the Purchaser's claim against the Vendor under clause 8.1 or to make any counterclaim which the Purchaser, AHNZ, ARNZ or AGMNZ may have against that third party and to take over the conduct of any proceedings commenced by the Purchaser, AHNZ, ARNZ or AGMNZ in connection with any such claim or suit.

8.7 Upon the Purchaser, or after Completion occurs, AHNZ, ARNZ or AGMNZ

becoming aware of circumstances likely to give rise to a claim being made under clause 8.1 the Purchaser must promptly give notice to the Vendor of those circumstances and must at the time of giving notice supply to the Vendor all information and material regarding the circumstances and likely claim as may be available to the Purchaser.

8.8 In exercising the rights conferred by clauses 8.6 or 9.3 the Vendor must:

(a) consult with the Purchaser regarding the appointment of legal advisers (including Counsel) and must not appoint any legal adviser to whose appointment the Purchaser has objected on reasonable grounds;

(b) keep the Purchaser reasonably and promptly informed of all material negotiations, any proposed settlement, compromise or counterclaim and all material steps proposed to be taken to defend or otherwise contest a claim or suit; and

(c) give reasonable consideration to the wishes of the Purchaser regarding any negotiations, settlement, compromise, defence or other contest or counterclaim (but without being obliged to accede to those wishes);

9. Tax

9.1 If at any time the Commissioner of Inland Revenue or other competent person or authority issues to AHNZ, ARNZ or AGMNZ an assessment in respect of a financial year or period ending on or prior to the Balance Date in which the Tax payable exceeds or is additional to the amount of Tax on the same account previously notified as payable or provided for in the Financial Statements for that financial year or period, then:

(a) the Purchaser must immediately provide or must cause AHNZ, ARNZ or AGMNZ to immediately provide the Vendor with a statement of the circumstances of the assessment;

(b) unless the assessment is for income Tax of up to $2.75 million in the case of AGMNZ or of up to $1.50 million in the case of MML arising from the deduction, prior to the Balance Date, by AGMNZ and MML of future tunnel capital expenditure, the Vendor must pay to the Purchaser (by way of adjustment to the Purchase Price) the amount of that excess or additional Tax within the time stipulated in the assessment or by the Commissioner of Inland Revenue or other competent person or authority; and

(c) in this Clause 9 "assessment" includes a notice, statement, letter, account, or other document which notifies an assessment or

determination of Tax or an amendment of a previous assessment or determination of Tax, or which requires payment of Tax.

9.2 Upon the Purchaser, or after Completion occurs, AHNZ, ARNZ or AGMNZ becoming aware of circumstances which are likely to give rise to an assessment the Purchaser must promptly notify the Vendor of those circumstances.

9.3 If so required by the Vendor the Purchaser must permit the Vendor at its own cost and expense, but in the name of AHNZ, ARNZ or AGMNZ (as the case requires), and subject to the Vendor providing to AHNZ, ARNZ or AGMNZ a bank guarantee or other security acceptable to the Purchaser for a reasonable pre-estimate of costs for which AHNZ, ARNZ or AGMNZ may become liable,

(a) to take the lawful action the Vendor deems fit to contest, avoid, resist, appeal or compromise any assessment or anticipated assessment or to postpone or defer (so far as legally possible) the payment of any Tax; and

(b) to take over the conduct of any proceedings of whatever nature commenced by AHNZ, ARNZ or AGMNZ in connection with the assessment or anticipated assessment.

10. Continuing Obligations

10.1 The Vendor must upon request by the Purchaser make available to the Purchaser all records, documents and papers necessary to enable the Purchaser to verify the Financial Statements, the statement comprised in the documents delivered under clause 5.2 and the warranties in Schedule 2.

10.2 Each Party must on request provide the other Party all reasonable assistance, including access to any relevant documents in its possession, power or control (including in the case of the Purchaser the documents referred to in clause 4.2(c) and future financial statements, taxation returns, assessments and receipts for payments of Taxes of

the Purchaser, AHNZ, ARNZ, AGMNZ and, where possible, MML), in connection with

(a) in the case of the Purchaser any dispute between AHNZ, ARNZ or AGMNZ and any person; or

(b) in the case of the Vendor

(i) investigating and exercising the rights conferred on it by

clauses 8.6 or 9.3; or

(ii) complying with any obligation imposed on it by the laws (whether federal or state) of the United States of America or New Zealand (as necessary for such compliance)

10.3 Each obligation, indemnity and warranty of a Party (except an obligation fully performed at Completion) continues in force despite Completion.

10.4 No representation or warranty by the Vendor will be in any way affected by any enquiries or investigations at any time made by or on behalf of the Purchaser.

10.5 The Vendor undertakes to the Purchaser between the date of this Agreement and the date Completion occurs:

(a) to procure to the extent that it has power that nothing occurs which would render any of the warranties in Schedule 2 untrue or unfulfilled or to be breached; and

(b) to procure that none of AHNZ, ARNZ and AGMNZ

(i) disposes of any asset other than in the ordinary course of its ordinary business (but not including any Marketable Security or any right, title, interest, claim or asset connected with the Martha Hill Joint Venture);

(ii) incurs any liability for borrowed money;

(iii) declares or pays any dividend;

(iv) grants any Mortgage or other encumbrance;

(v) commences to engage in any business not engaged in by it on the date of this Agreement;

(vi) alters its Memorandum or Articles of Association or capital structure;

(vii) issues any shares or options to subscribe for shares in its capital or enters into any arrangement which may oblige it to do so at any time;

(viii) enters into any agreement of any kind;

without the prior written consent of the Purchaser (which the Purchaser may give or withhold in its absolute discretion).

11. Default

11.1 In Clause 11:

(a) "Defaulting Party" has the meaning given to it in Clause 11.2; and

(b) "Other Party" means, where the Purchaser is the Defaulting Party, the Vendor and, where the Vendor, AHNZ, ARNZ or AGMNZ is the Defaulting Party, the Purchaser.

11.2 (1) The Vendor or Purchaser is a "Defaulting Party" for the purposes of Clause 11 if any of the following apply:

(a) it fails to carry out any provision of this Agreement and does not remedy that failure within 7 days after notice to it requiring the failure to be remedied;

(b) it convenes a meeting of its creditors or proposes or enters into a scheme of arrangement (except for the purpose of reconstruction or amalgamation) or a composition with any of its creditors;

(c) an application or order is made to or by a Court or a resolution is passed for its winding-up or notice of intention to propose such a resolution is given;

(d) a receiver, or receiver and manager is appointed in respect of it or the whole or any part of its undertakings, property or assets or any steps are taken for the appointment of such a person;

(e) a person holding a security interest in its assets enters into possession of or takes control of any of those assets or takes any steps to enter into possession of or take control of any of those assets;

(f) is unable to pay its debts within the meaning of Section 218 of the Companies Act or suspends payment of its debts;

(g) any step is taken to place it under statutory management or steps are taken for the appointment of a statutory manager under Part III of the Corporations (Investigation and Management) Act 1989;

(h) a resolution is passed for the reduction of its capital or notice of intention to propose such a resolution is given,

without the prior written consent of the Other Party;

(i) a warranty given by it in this Agreement is untrue, unfulfilled or otherwise breached in a material respect;

(j) it becomes unlawful for it to perform its obligations under this Agreement; or

(k) anything analogous to the matters or events mentioned in any of paragraphs (b), (c), (d), (e), (f), (g), or (h) occurs in relation to it in any other jurisdiction.

(2) AHNZ, ARNZ or AGMNZ is a Defaulting Party if any of the matters or events mentioned in paragraphs (b), (c), (d), (e), (f), (g), (h), and (k) of clause 11.2(1) occurs in relation to it.

11.3 The Purchaser may at any time prior to Completion having occurred (without prejudice to its other rights and remedies under this Agreement or at law) if the Vendor, AHNZ, ARNZ or AGMNZ becomes a Defaulting Party, terminate this Agreement by giving notice in writing to the Vendor. Termination pursuant to this clause 11.3 does not prejudice any claim which a Party may have against another at the time of termination. Failure to exercise a right of termination under this clause 11.3 and the occurrence of Completion, notwithstanding that the Purchaser has actual knowledge that the Vendor, AHNZ, ARNZ or AGMNZ is a Defaulting Party, shall not prejudice any other rights or remedies of the Purchaser (including its right to damages for breach of this Agreement or breach of warranty or to be indemnified under this Agreement).

11.4 The Vendor may at any time prior to Completion having occurred (without prejudice to its other rights and remedies under this Agreement or at law) if the Purchaser becomes a Defaulting Party terminate this Agreement by giving notice in writing to the Purchaser. Termination pursuant to this clause 11.4 does not prejudice any claim which a Party may

have against another at the time of termination. Failure to exercise a right of termination under this clause 11.4 and the occurrence of Completion notwithstanding that the Vendor has actual knowledge that the Purchaser is a Defaulting Party shall not prejudice any other rights or remedies of the Vendor (including its right to damages for breach of this Agreement).

11.5 If the Other Party gives notice under Clause 11.2(1)(a) within 7 days prior to the Completion Date, then the Completion Date is extended to coincide with the expiry of the notice period.

11.6 A Defaulting Party, or where AHNZ, ARNZ or AGMNZ is a Defaulting Party the Vendor, must on demand pay to the Other Party all of the costs and

disbursements (including legal costs on a solicitor and client basis) incurred by the Other Party in connection with the breach or default (including the giving of a notice under clause 11.2(1)(a)) and otherwise in connection with the termination of this Agreement.

11.7 If the Purchaser rightfully terminates this Agreement under either clause 11.3 or its other rights under this Agreement or at law, the Vendor must, without prejudice to any other rights and remedies of the Purchaser, immediately refund to the Purchaser all moneys paid by the Purchaser to the Vendor under this Agreement together with interest at the Default Rate from the date of payment by the Purchaser to the date of refund by the Vendor.

11.8 If the Vendor rightfully terminates this Agreement under either Clause 11.4 or its other rights under this Agreement or at law then:-

(a) the Vendor may either:-

(i) retain the Shares and institute legal proceedings against the Purchaser for damages for breach of this Agreement; or

(ii) resell the Shares in such manner as it sees fit and recover any deficiency in the Purchase Price (valued as provided in paragraph (a) above) on the re-sale and any costs and resulting expenses by way of further liquidated damages; and

(b) the Vendor may retain any moneys paid under this Agreement pending determination of damages and may apply that money in satisfaction or part satisfaction of those damages.

12. Interest on Money or Gold in Arrears

If a Party fails to pay an amount of money payable under this Agreement or to deliver a quantity of Gold deliverable under this Agreement on the due date, the Party in default must pay to the Party entitled to payment of that amount or receipt of that quantity interest at the Default Rate on that amount or that quantity, calculated and payable daily, computed from the due date until the amount is paid in full.

13. Governing Law

13.1 The law of this Agreement is the law of New Zealand.

13.2 The Parties submit themselves to the non-exclusive jurisdiction of the Courts of New Zealand.

13.3 For the purposes of service of documents of any kind on the Vendor, the Vendor hereby appoints Bell Gully Buddle Weir of 171 Featherston Street, Wellington, New Zealand as the Vendor's representative in New Zealand and the Vendor agrees with the Purchaser that service on Bell Gully Buddle Weir (marked for the attention of: Mr. David McLay) of any notices or documents required to be served on the Vendor shall be valid and effective service on the Vendor of the notices and documents served.

14. Severability

If a provision of this Agreement is illegal or void then that provision is severed and the other provisions of this Agreement remain in force.

15. Variation

15.1 The variation of a provision of this Agreement is not effective unless in writing and executed by the Parties.

15.2 A Party's consent to a departure from a provision of this Agreement by another Party is not effective unless in writing and executed by the consenting Party.

16. Waiver

16.1 A Party's failure or delay to exercise a power or right does not operate as a waiver of that power or right.

16.2 The exercise of a power or right does not preclude:-

(a) its future exercise; or

(b) the exercise of any other power or right.

16.3 A waiver of a power or right is ineffective unless in writing and executed by the waiving Party.

16.4 The waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

17. Further Assurance

17.1 Each Party must at its own cost from time to time do all things

(including executing all documents) necessary or desirable to give full effect to this Agreement.

18. Time of the Essence

18.1 Time is of the essence of this Agreement.

18.2 The Parties may agree to vary any time requirement and any time requirement so varied will be of the essence of this Agreement.

19. Stamp Duty

All stamp duty and other government imposts and fees payable on or in connection with this Agreement, and all other documents and matters referred to in this Agreement, are payable by the Purchaser when due.

20. Notices

20.1 A notice or other communication in connection with this Agreement by a Party to another must be in writing and:-

(a) delivered by hand;

(b) sent to an address in New Zealand by registered post, postage prepaid;

(c) sent to an address outside New Zealand by prepaid airmail; or

(d) sent by facsimile,

to the address or facsimile number for service described below.

20.2 A notice or other communication is sufficiently given if:-

(a) delivered by hand, upon delivery;

(b) mailed to an address in New Zealand, on actual delivery to that address as evidenced by confirmation of the postage authority of such delivery;

(c) airmailed to an address outside New Zealand, seven days after posting;

(d) sent by facsimile on the day it is sent if this is a Business Day and it is sent no later than 4.00 p.m. (receiver's time) and

otherwise on the next Business Day after being sent, if following transmission the sender receives a transmission confirmation report or if the sender's facsimile machine is not equipped to issue a transmission confirmation report then upon the sender receiving acknowledgment of receipt in legible form from the addressee.

20.3 A Party who receives a notice or other communication by facsimile must immediately acknowledge receipt to the sender.

20.4 Each Party's address or facsimile number for service is:-

in the case of the Vendor:-

Name: Amax Gold Inc.

(Attention: President and General Counsel)

Address: 350 Indiana Street
Golden, Colorado 80401-5081

Facsimile No: (1303) 273 0708

in the case of the Purchaser:-

Name: Waihi Financing Limited

(Attention: Mr P W O'Regan)

Address: C/- Chapman Tripp Sheffield Young
AMP Centre, Grey Street,
Wellington, New Zealand

Facsimile No: (644) 472 7111

20.5 A Party may change its address or facsimile number for service by giving notice of that change to each other Party.

20.6 A certificate signed by or on behalf of a Party giving a notice or other communication by any officer or employee of that Party stating the date on which that notice or other communication was delivered or sent is prima facie evidence of the date on which that notice or other communication was delivered or sent.

21. Confidentiality

21.1 For the purposes of this clause 21 "Confidential Information" means:

(a) all information concerning the negotiations and dealings between the Parties connected with this Agreement;

(b) the existence of this Agreement;

(c) the terms and provisions contained in this Agreement;

(d) so far only as concerns the Vendor, all information now or at any time hereafter known to the Vendor concerning the business or affairs of AHNZ, ARNZ, AGMNZ, MML or the Martha Hill Joint Venture which has not entered the public domain (otherwise than by a breach of this clause).

21.2 Each Party undertakes to keep, and to cause all of its subsidiaries and affiliates and its and its subsidiaries and affiliates officers and employees to keep, all Confidential Information strictly confidential, except to the extent that disclosure is permitted under this clause 21.

21.3 Confidential Information may only be disclosed:

(a) if and to the extent that the other Party has consented to that disclosure in writing (which consent it may give or withhold in its absolute discretion);

(b) if and to the extent that a Court of competent jurisdiction or applicable law (including rules and regulation of the United States Securities and Exchange Commission or its equivalent in any other applicable jurisdiction or of a stock exchange on which shares of a Party or of a related corporation of a Party are listed) compels disclosure to be made but only after written notice is given to the other Party reasonably in advance of disclosure specifying the requirements compelling disclosure and the Confidential Information which it is proposed to disclose;

(c) in proceedings taken by a Party for the enforcement of this Agreement;

(d) in the case of the Purchaser only to the participants in the Martha Hill Joint Venture; or

(e) to a Party's employees, and professional advisers having a need to know for the proper discharge of their duties, provided disclosure is made on a confidential basis.

21.4 A Party seeking to rely on clause 21.3(b) must consult with the other party concerning the wording of the proposed disclosure and the manner thereof and must take reasonable account of the other Party's requirements.

21.5 The provisions of this clause 21 will remain binding indefinitely notwithstanding that this Agreement may be at an end for any reason.

21.6 Each Party acknowledges that damages is not an adequate remedy if it breaches or attempts to breach this clause 21 but that the other Party shall be entitled to an injunction or other appropriate equitable relief.

22. Interpretation

22.1 The singular includes the plural and the plural includes the singular.

22.2 A reference to a gender includes a reference to each other gender.

22.3 A reference to a person includes a reference to a firm, corporation or other corporate body.

22.4 A reference to a statute, regulation, or provision of a statute or regulation ("statutory provision") includes a reference to:-

(a) that statutory provision as amended or re-enacted from time to time; and

(b) a replacement of a statutory provision.

22.5 A reference to writing includes a reference to printing, typing and each other method of producing words in a permanent visible form.

22.6 Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings.

22.7 A reference to a deed, agreement (including this Agreement) or other instrument or any provision thereof shall be deemed to include a reference to that deed, agreement, instrument or provision as varied, amended, supplemented, novated, assigned or replaced from time to time.

22.8 Unless otherwise specified references to monetary sums are in New Zealand Dollars.

22.9 A reference to a month is a reference to a calendar month (whether or not beginning on the first day of any month).

22.10 The words "including", "such as" and "particularly" and similar expressions do not imply any limitation.

22.11 Headings are for ease of reference and do not form part of or affect the

construction of this Agreement.

22.12 This Agreement binds in addition to the Parties, their respective legal personal representatives and successors.

22.13 If an act must be done on a specified day which is not a Business Day then the act must instead be done on the next Business Day.

22.14 References to time, unless otherwise specified, are to local time in Wellington, New Zealand.

EXECUTED on the date set out at the commencement of this Agreement.
- --------

EXECUTED for and on behalf of)
AMAX GOLD, INC. by)
RICHARD DRIVER its attorney)
under power of attorney dated) /s/ RC Driver
2 June 1993 (who by his) .....
signature warrants that he has) Attorney
no notice of the revocation of)
that power of attorney) in the)
presence of:)

/s/ John McLean
.....
Witness John McLean
Solicitor
Wellington

EXECUTED for and on behalf of)
WAIHI FINANCING LIMITED by)
RICHARD CLEMENT DRIVER its attorney)
under power of attorney dated) /s/ RC Driver
3 June 1993 (who by his) .....
signature warrants that he has) Attorney
no notice of the revocation of)
that power of attorney) in the)
presence of:)

/s/ A Miller
.....
Witness Adrienne Miller
Solicitor
Wellington

CERTIFICATE OF NON-REVOCATION OF
POWER OF ATTORNEY

I, RICHARD CLEMENT DRIVER, of Kenthurst, New South Wales, Australia, HEREBY CERTIFY:

1. That be deed dated 2 June 1993 Amax Gold Inc. appointed me its attorney on the terms and conditions set out in such deed; and

2. That at the date of this certificate I have not received any notice or information of the revocation of such appointment.

SIGNED at Wellington this 4th day of June 1993.

/s/ RC Driver
- ----------
Signature of attorney giving certificate

CERTIFICATE OF NON-REVOCATION OF
POWER OF ATTORNEY

I, RICHARD CLEMENT DRIVER, of Kenthurst, New South Wales, Australia, HEREBY CERTIFY:

1. That be deed dated 3 June 1993 Waihi Financing Limited appointed me its attorney on the terms and conditions set out in such deed; and

2. That at the date of this certificate I have not received any notice or information of the revocation of such appointment.

SIGNED at Wellington this 4th day of June 1993.

/s/ RC Driver
- ----------
Signature of attorney giving certificate

SCHEDULE 2

Clause 7

Warranties

Introduction and Information

(1) The statements made in the Introduction are true and correct in every material particular.

The Shares

(2) The Vendor is the registered holder and beneficial owner of the Shares which comprise all of the issued voting shares in the capital of AHNZ.

(3) The Shares are fully paid and free from all Mortgages and encumbrances and the Vendor has power to transfer title to the Shares in accordance with this Agreement

(4) There are no restrictions on the transfer of the Shares save that the approval of the Board may be required in order to register the transfers.

(5) AHNZ has not granted to any person a right to subscribe for or acquire any of AHNZ's unissued shares.

(6) No person has any pre-emptive right with respect to any of the Shares.

AHNZ
- ----

(7) The Memorandum and Articles of Association of AHNZ are in the form comprised in Schedule 4.

(8) No resolution to alter AHNZ's Memorandum or Articles of Association has been passed.

(9) AHNZ is not:-

(a) in liquidation and no resolution for its winding up has been passed and no meeting of members or creditors has been convened for that purpose;

(b) the subject of a winding up application which has been made to a Court, and no event has occurred which would entitle any person to apply to a Court to wind up AHNZ;

(c) a party to a composition or arrangement with any of its creditors;

(d) the recipient of a demand under section 218 of the Companies Act.

(e) in receivership and none of its assets is in the possession of or under the control of a mortgagee or chargee;

(f) subject to statutory management; or

(g) insolvent.

(10) AHNZ has not received from the Registrar of Companies any notice warning of possible cancellation of registration of AHNZ.

(11) AHNZ has not since the Balance Date declared or paid a dividend or effected any other distribution of profits or carried out or agreed to carry out any alteration to its capital structures.

(12) No event has occurred which would entitle a person to take any proceeding or step the effect of which would warrant an inspection or investigation of the affairs of AHNZ under the Corporations (Investigation and Management) Act 1989.

Litigation and Outstanding Undertakings; Preservation of Rights

(13) AHNZ:-

(a) has no unsatisfied fines, judgments or awards outstanding against it and is not party to any undertaking or assurance given to any court, arbitrator or government agency or tribunal which is still in force; and

(b) is not engaged in or threatened with prosecution, litigation or arbitration.

(14) The Vendor, after due and proper enquiry, is not aware of any facts or circumstances which are likely to lead to prosecution, litigation or arbitration involving AHNZ or any person for whose acts or defaults AHNZ may be liable (other than litigation arising in consequence of the entry or giving of effect to this Agreement or any other agreement to which the Purchaser is a party).

(15) AHNZ is not involved in any proceeding before or investigation by any governmental or statutory appointee, agency, tribunal, committee or board of inquiry nor by any Royal Commission and no such proceeding or investigation is pending or threatened against AHNZ.

(16) AHNZ's rights, contracts, agreements, options and arrangements described in Appendices 1, 9, 10 and 11, are all of AHNZ's material rights, contracts, agreements, options and arrangements (including for or in connection with the forward sale or purchase, price protection or other

hedging of gold or silver) and are unimpaired current and exercisable or enforceable and:

(a) none of AHNZ's rights, contracts, agreements, options or arrangements is likely to lapse by reason of any act, default or neglect on the part of AHNZ;

(b) no claim or action which at the Balance Date AHNZ was entitled to bring has become or prior to twelve months after the date Completion occurs may become contractually or statutorily barred or impaired by reason of time or delay, and

(c) no claim or action which at the Balance Date AHNZ was entitled to defend resist or claim set-off against has been, or prior to twelve months after the date Completion occurs may be advanced against AHNZ for want of action by AHNZ in due time.

Subsidiaries and Associations with Others
- ----------

(17) Except as shown in Appendix 2 AHNZ:-

(a) has no subsidiaries within the meaning of that expression in the Companies Act;

(b) is not the holder or beneficial owner of any Marketable Security (and in particular of any Marketable Security which is not fully paid up);

(c) is not otherwise a member of a corporation; and

(d) is not a member of any partnership, joint venture, society or other unincorporated association.

Area of Business
- ----------

(18) AHNZ has never carried on business nor had a place of business, branch or permanent establishment outside New Zealand.

Financial Matters
- ----------

(19) The Financial Statements:-

(a) have been prepared in accordance with usual accounting concepts and practices consistently applied and in accordance with the accounting concepts and practices adopted by AHNZ in the previous three financial years consistently applied;

(b) present a true and fair view of the profit or loss of AHNZ for the accounting period expired on the date to

which they are made up ("Accounts Date") and the state of affairs of AHNZ as at the Accounts Date;

(c) accurately disclose the assets and Liabilities of AHNZ as at the Accounts Date;

(d) provide fully for all Liabilities of AHNZ for Tax as at the Accounts Date (other than Tax of up to $2.75 million which may be assessed in respect of the deduction, prior to the Balance Date, by AGMNZ of future tunnel capital expenditure);

(e) are not affected by any unusual or non-recurring item; and

(f) take account of all gains and losses whether realised or unrealised arising from foreign currency transactions and transactions denominated in Gold.

(20) Since the Balance Date no material change detrimental to the interests of the Purchaser has taken place in the financial position or business affairs of AHNZ.

(21) AHNZ is the beneficial owner of each of the assets included in the Financial Statements as at the Balance Date except to the extent that an asset of AHNZ (not including any shares in MML nor assets connected with the Martha Hill Joint Venture) may have changed, been reduced, or disposed of in the ordinary course of business of AHNZ after the Balance Date.

(22) AHNZ has not since the Balance Date acquired any assets other than in the ordinary course of business of AHNZ and on bona fide arms length commercial terms.

(23) All Mortgages and other encumbrances affecting any of AHNZ's assets are listed in Appendix 3, and

(a) there is no default under any Mortgage or encumbrance to which AHNZ is a party or to which any property or asset of AHNZ is subject; and

(b) there has not occurred any event which with the passage of time, giving of notice or satisfaction of any condition would constitute a default.

(24) All guarantees, indemnities, undertakings, letters of comfort and analogous obligations and assurances which AHNZ has given are listed in Appendix 4.

(25) The provisions for accrued holiday pay and long service leave in the Financial Statements as at the Balance Date are adequate, and the

provision for long service leave is calculated in respect of each employee with more than five

years service with AHNZ and its predecessors in business at the Balance Date.

(26) AHNZ has no Liability to any person in respect of a pension, lump sum or other allowance or benefit relating to or arising from cessation of employment or termination of office.

(27) AHNZ does not have any debts or Liabilities other than those debts and Liabilities disclosed in the Financial Statements as at the Balance Date and debts and Liabilities which:

(a) have been incurred in the ordinary course of the ordinary business of AHNZ between the Balance Date and the date Completion occurs, and

(b) are neither-

(i) of an unusual nature, nor

(ii) of an unusually large amount.

(28) There are no bills of exchange, promissory notes and other negotiable or transferable instruments in respect of which AHNZ has any Liability (other than cheques drawn by AHNZ in the ordinary course of business which AHNZ has sufficient cash at bank to meet when presented).

(29) The trade debts owing at the Balance Date and the date Completion occurs are good debts and have produced or will produce the full amount as shown in the Financial Statements as at the Balance Date without deduction.

(30) There are no commitments on capital account of AHNZ outstanding exceeding $10,000 in aggregate (other than commitments on capital account of the Martha Hill Joint Venture).

(31) The total amount borrowed by AHNZ does not exceed any limitation on its borrowing contained in its Memorandum or Articles of Association or in any deed or agreement to which it is a party.

(32) [Omitted]

(33) The rate of depreciation applied in respect of each depreciable asset of AHNZ in the Financial Statements has been consistently applied over the previous accounting periods of AHNZ and is adequate to write down the value of each fixed asset to its realisable value at the end of its useful working life.

Taxation Matters
- ----------------

(34) AHNZ has:-

(a) furnished full and accurate Tax returns as required by law for all financial years ended on or prior to the Balance Date;

(b) paid or made provision in the Financial Statements for all Tax levied or liable to be levied upon or in respect of income, profits or gains derived up to and including the Balance Date;

(c) not had levied or charged against it any amount by way of penalty or otherwise in respect of any period prior to the Balance Date which is not provided for in the Financial Statements;

(d) no dispute or question outstanding with and is not subject to investigation by the revenue authorities in New Zealand or elsewhere (other than a question concerning the Liability of AGMNZ for income Tax of up to $2.75 million arising from the deduction, prior to the Balance Date, by AGMNZ of future tunnel capital expenditure);

(e) deducted amounts required by law to be deducted by AHNZ from payments by AHNZ to employees and other persons and has paid those amounts to the appropriate authority;

(f) no assets which it purchased for the purpose of profit making by sale or for the carrying on or carrying out of any profit making undertaking or scheme;

(g) made and will make a full and true disclosure of all information it is obliged to disclose to all taxing authorities, agents, departments and the Purchaser.

(35) All Tax which has fallen due for payment by AHNZ has been paid by the due date.

(36) [Omitted]

(37) All documents in the enforcement of which AHNZ may be interested have been duly stamped and no document belonging to AHNZ subject to ad valorem stamp duty:-

(a) is unstamped or insufficiently stamped; or

(b) is liable to have additional duty assessed.

Statutory Returns
- -----------------

(38) AHNZ has completed and lodged all returns and statements required to be lodged by law with any agency, department, authority or commission and the returns and statements so lodged were true and correct in every material respect.

(39) The books, records and registers of AHNZ have been kept in accordance with all statutory requirements.

Disclosures
- ----------

(40) The Vendor has disclosed to the Purchaser all facts, circumstances and other information which the Vendor knows after due enquiry relating to AHNZ and its operations and which would reasonably be material to a purchaser of the shares in AHNZ for value.

(41) [Omitted]

(42) [Omitted]

Conduct of the Business
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(43) The business of AHNZ has been conducted in a normal and proper manner.

(44) No schemes or arrangements operated by or relating to AHNZ exist, which provide to any officer, employee, independent contractor or agent of AHNZ a commission, remuneration or other payment calculated by reference to the whole or part of the turnover, profits or sales of AHNZ.

(45) AHNZ is not a party to any agreement pursuant to which it is or may be bound to share its profits or pay any royalties or to waive or abandon any rights to which it is entitled (other than royalties which may be payable by Martha Hill Joint Venture).

Employment
- ----------

(46) Except as set out in Appendix 5 AHNZ does not pay wages or provide other benefits (except those referred to in Appendix 6) to any employee at a rate or in a manner exceeding that employee's entitlement under that employee's employment agreement (particulars of which are set out in Appendix 6) or the legislation, industrial awards and registered industrial agreements applicable to that employee.

(47) Set out in Appendix 7 are all superannuation contributions, retirement benefits pension and other superannuation or pension schemes and arrangements whether legally enforceable or not relating to AHNZ.

(48) Each scheme and arrangement set out in Appendix 7 is fully funded.

(49) There are no industrial disputes relevant to the conduct of the business of AHNZ and the Vendor is not aware, after due and proper enquiry, of any claims or other facts or circumstances which may result in an industrial dispute (other than in connection with the Martha Hill Joint Venture).

(50) There are no claims for compensation or reinstatement as a consequence of termination of employment of any former employee of AHNZ.

(51) The Vendor is not aware, after due and proper enquiry, of any other claims respecting benefits conferred or to be conferred on employees of AHNZ, their families or dependants or of any facts or circumstances which are likely to lead to any such other claims.

Directors' and Officers' Remuneration etc.

(52) The remuneration, other entitlements and terms of employment or engagement of each of the directors and other officers of AHNZ have been fully disclosed in writing and will not be changed prior to Completion without the prior written agreement of the Purchaser.

(53) Since the Balance Date AHNZ has not given or agreed to give any remuneration or other entitlements or benefits to or for the benefit directly or indirectly of any director or other officer except remuneration and entitlements to which paragraph (52) applies.

(54) AHNZ has not at any time given any remuneration or other entitlements to its directors in excess of the amount of directors' remuneration and entitlements which would be an allowable deduction in the calculation of the income Tax payable by AHNZ in the relevant year.

Insurance

(55) All property (other than property in the nature of Joint Venture Assets as defined in the Joint Venture Agreement) of AHNZ of an insurable nature is insured for its full replacement value against loss or damage by fire, storm, tempest, theft, malicious damage and other usual risks and AHNZ is and at all times has been adequately covered by public risk insurance.

(56) All insurance required by law to be effected by AHNZ has been effected and is current.

(57) All current policies of insurance held by AHNZ (other than policies effected by the Manager of the Martha Hill Joint Venture) are disclosed

in Appendix 8 and are in force and will be in force until 5.00 p.m. on the Business Day following the date Completion occurs.

(58) After due and proper enquiry, the Vendor is not aware of anything which would lead to any contracts of insurance to which AHNZ is a party or insurance claim made by AHNZ being avoided, repudiated or denied.

(59) AHNZ has made and will make all notifications to and claims on insurers and has served or given all notices required for the purposes of ensuring that third parties meet their obligations in respect of guarantees, performance bonds and bills of exchange and other negotiable instruments in relation to which AHNZ is entitled to benefit or has any Liability in the forms required and within the times required so as to confer on AHNZ the maximum benefits available under each applicable policy of insurance, guarantee or performance bond and the maximum benefits under or indemnification in respect of Liability upon each applicable bill of exchange or other negotiable instrument.

No contravention of any law
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(60) To the best of the knowledge, information and belief of the Vendor, after due and proper enquiry, within the five years preceding the date Completion occurs AHNZ, its officers, agents and employees (during the course of their duties in relation to AHNZ) have not permitted or omitted to do any act or thing the commission or omission of which is or could be in material contravention of any law and which could have a material effect on the business, assets or Liabilities of AHNZ.

(61) AHNZ is not a party to any contract, arrangement or understanding which is in breach of the Commerce Act 1987 or any other law.

Contracts
- ---------

(62) All agreements and arrangements binding on AHNZ not entered into in the ordinary course of the ordinary business of AHNZ are described in Appendix 9.

(63) There are no service, employment, consultancy or other similar agreements with AHNZ requiring more than one month's notice of termination.

(64) There is no material agreement or arrangement to which AHNZ is a party in respect of which any person is in default (without regard to any requirement of notice or period of grace or both).

(65) Except for the Martha Hill Joint Venture Agreement in accordance with its own terms AHNZ is not party to any agreement or arrangement which may be terminated by any other party by reason of a change in the ownership

of any of the Shares or by reason of the change being subject to the consent of the other party which consent has not been obtained.

(66) There is no offer, tender or quotation given or made by AHNZ other than in the ordinary course of business of AHNZ and still outstanding capable of giving rise to a contract by unilateral act of a third party.

(67) All agreements and arrangements binding on AHNZ (except for any lease set out in Appendix 14 and the contracts agreements and leases set out in Appendix 1 and Appendix 9) which will not if performed in accordance with their terms be completed within 12 months after the Balance Date are listed in Appendix 10.

(68) [Omitted]

(69) The Vendor has disclosed to the Purchaser all information which the Vendor knows relating to those contracts and agreements of AHNZ which will or may not be fully performed at Completion which is material for the purpose of enabling the Purchaser to assess whether or not such contracts and agreements can be performed profitably by AHNZ.

(70) Except as set out in Appendix 11 or in AHNZ's Memorandum or Articles of Association there is not any obligation binding on AHNZ to or in which -

(a) the Vendor; or

(b) any corporation in which the Vendor directly or indirectly has an interest;

has any interest.

(71) The Vendor after due and proper enquiry is not aware of any reason or circumstance which might cause any agreement or arrangement to which AHNZ is a party to not be fully performed and completed in accordance with its terms.

Licences, Permits etc.
- ----------

(72) AHNZ holds all permits, licences, authorities, rights to use and consents necessary for carrying on the business of AHNZ (collectively "the Permits").

(73) There is no circumstance or fact involving AHNZ or its affairs which may result in the variation in any material respect or revocation of any of the Permits.

Authorities to Act
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(74) There is no subsisting power of attorney, appointment of agent or other authority to act on behalf of AHNZ given by AHNZ to any person.

Land
- ----

(75) All land and interests therein (other than as included in Joint Venture Assets as defined in the Joint Venture Agreement) owned, leased occupied or used by AHNZ are set out in Appendix 12.

(76) The buildings and other improvements constructed on or in the land (other than as included in Joint Venture Assets as defined in the Joint Venture Agreement) owned, leased, occupied or used by AHNZ are in good condition and repair and fit for the purpose of carrying on AHNZ's business and the land, buildings and other improvements are not subject to any defect or anything else which may materially decrease their value;

(77) AHNZ has no Liability under the Resource Management Act 1991 or any other legislation in connection with any real or personal property owned, leased, occupied or used by AHNZ at any time prior to or at the date Completion occurs (other than real or personal property which is included in Joint Venture Assets as defined in the Joint Venture Agreement).

Promissory Note
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(78) The true legal character of the transaction evidenced by the Promissory Note is that of loan and repayment of the principal of the Promissory Note will not attract income Tax.

SHARE SUBSCRIPTION AGREEMENT

AGREEMENT made 4 June 1993

PARTIES

(1) ACM (NEW ZEALAND) LIMITED a company duly incorporated in New Zealand and having its registered office at 15th Floor, National Mutual Centre, 37-41 Shortland Street, Auckland, New Zealand ("Subscriber")

(2) WAIHI FINANCING LIMITED a company duly incorporated in New Zealand and having its registered office at 171 Featherston, Street, Wellington, New Zealand ("Company")

(3) AMAX GOLD, INC. a company duly incorporated in Delaware, United States of America and having its principal office at 350 Indiana Street, Golden, Colorado, United States of America ("Amax")

INTRODUCTION

A. The Company and Amax are parties to the Share Sale Agreement.

B. Amax is the registered holder of all but one, and beneficial owner of all of the Shares which comprise 100 ordinary shares of $1.00 each and all of which are fully paid up.

C. The Company requires financial accommodation to enable it to pay or satisfy the Purchase Price and Adjustments.

D. The Subscriber has (at the request of Amax) agreed to provide the Company financial accommodation for the purposes mentioned in paragraph C above by subscribing for Preference Shares in accordance with this Agreement.

IT IS AGREED

1. DEFINITIONS

1.1 Unless the context requires otherwise, in this Agreement:

"Adjustment" means each adjustment (if any) to the Purchase Price required to be made under the Share Sale Agreement which results in an amount being payable by the Company to Amax or where the context requires

the amount so payable by the Company or if that amount is in a currency other than New Zealand dollars that amount converted to New Zealand

dollars at the Spot Rate of Exchange on the day which is 2 Business Days before the date for payment by the Company;

"Adjustment Subscription Date" means each date for payment of an Adjustment;

"Agreement" means this document, including the introduction, schedules, appendices and any annexures;

"AHNZ" means Amax Holdings New Zealand Limited, a company duly incorporated in New Zealand and having its registered office at 18th Floor, Price Waterhouse Centre, 66 Wyndham Street, Auckland, New Zealand;

"Conditions Precedent" means the conditions set out in clause 2.1;

"Convertible Securities" has the same meaning as is ascribed to the expression convertible securities in Article 2.1 of the Articles of Association of the Company;

"First Issue Date" means the date the Initial Preference Shares are issued and allotted.

"First Subscription Date" means, subject to clauses 2.7 and 11.5, the second Business Day after the Conditions Precedent have been satisfied or another date agreed in writing by Amax and the Subscriber;

"Initial Preference Shares" means the number of Preference Shares which is the nearest whole number to but does not exceed the number calculated by dividing the Initial Subscription Amount by the aggregate of $1.00 and the Premium Amount;

"Initial Subscription Amount" means the sum of $15 million;

"Issue Date" means each date on which Preference Shares are issued and allotted pursuant to this Agreement.

"Negative Adjustment" means the adjustment (if any) to the Purchase Price required to be made under the Share Sale Agreement which results in an amount being payable by Amax to the Company or where the context requires the amount so payable by Amax;

"New Article" means an Article in the form set out in Schedule 1 duly and effectively incorporated in the Articles of Association of the Company;

"NZ Spot Gold Price" means on a date the price per ounce of gold fixed in the afternoon by the London Bullion Market Association (known as the London PM Fix) last preceding that date converted to New Zealand Dollars at the Spot Rate of Exchange on that date;

"Parties" means the parties to this Agreement;

"Preference Shares" means redeemable preference shares in the capital of the Company validly and effectively issued upon and subject to the terms set out in the New Article having a par value of $1.00 each and issued at a premium per share equal to the Premium Amount;

"Premium Amount" means $9,999.00;

"Relevant Adjustment Preference Shares" means in relation to an Adjustment Subscription Date the number of Preference Shares which is the nearest whole number to but does not exceed the number calculated by dividing the Relevant Adjustment Subscription Amount by the aggregate of $1.00 and the Premium Amount;

"Relevant Adjustment Subscription Amount" means in relation to an Adjustment Subscription Date the Adjustment payable on that Adjustment Subscription Date;

"Relevant Subsequent Preference Shares" means in relation to each Subsequent Subscription Date a number of Preference Shares which is the nearest whole number to but does not exceed the number calculated by taking the product of the Relevant Subsequent Subscription Amount multiplied by the NZ Spot Gold Price on the day which is two Business Days before that Subsequent Subscription Date and dividing that product by the aggregate of $1.00 and the Premium Amount;

"Relevant Subsequent Subscription Amount" means in relation to each Subsequent Subscription Date 1550 ounces of Gold;

"Shares" means all of the issued voting shares in the capital of the Company;

"Share Sale Agreement" means the agreement made on or about the date of this Agreement between the Company and Amax for the purchase and sale of all of the issued shares in the capital of AHNZ;

"Spot Rate of Exchange" means on a date the rate of exchange for the purchase on a spot basis of United States Dollars

with New Zealand Dollars quoted at or about 11 am on that date by ANZ Banking Group (New Zealand) Limited;

"Subscription Date" means each of the Initial Subscription Date, each Adjustment Subscription Date and each Subsequent Subscription Date;

"Subsequent Subscription Date" means each date which corresponds with a Delivery Date;

"Terms of Issue" means in relation to a Preference Share the issue thereof in accordance with the New Article credited as fully paid up to an amount equal to the nominal value thereof (being $1.00) plus the Premium Amount by way of share premium.

1.2 Expressions commencing with a capital letter which are not defined above, shall unless the context otherwise requires, have the meanings ascribed thereto in the Share Sale Agreement.

2. CONDITIONS PRECEDENT

2.1 The Obligations of the Parties under this Agreement concerning the subscription for and issue of Preference Shares are subject to the conditions that:

(a) the Share Sale Agreement has become unconditional;

(b) the unconditional consent of the New Zealand Overseas Investment Commission under the Overseas Investment Act 1973 and the 1985 Regulations thereunder is obtained to the subscription by the Subscriber from time to time for Preference Shares in accordance with this Agreement and to any other matter in connection with this Agreement and the Subscriber's business in New Zealand for which such consent is necessary or desirable.

2.2 The Subscriber will use reasonable endeavours to obtain the consent referred to in clause 2.1 by 5 pm on the date 10 Business Days from the date of this Agreement (the "Condition Date") (or such later date as shall be notified by the Subscriber to Amax by 5 pm on the Condition Date). If such consent has not been obtained by 5 pm on the Condition Date (or such later date as is notified) or is refused then this Agreement shall be at an end at that time on that date or at 5 pm on the date of the refusal (as the case requires).

2.3 If the Share Sale Agreement is at an end by operation of clause 6.2 of the Share Sale Agreement then this Agreement shall at the same time on the same date be at an end.

2.4 If by operation of clauses 2.2 or 2.3 this Agreement is at an end then from the time on the date specified in clauses 2.2 or 2.3 (as the case requires) this Agreement shall cease to have any further force or effect save that the rights of each Party, and the obligations of the other Parties in connection with any prior breach of any provision of this Agreement will continue indefinitely and not be affected or prejudiced by this Agreement being at an end.

2.5 For the purposes of clause 6.2 of the Share Sale Agreement the Company and Amax agree that notice given by the Subscriber under clause 2.2 of this Agreement shall be deemed to have been a notice given by the Company under clause 6.2 of the Share Sale Agreement.

2.6 If the Conditions Precedent have not been satisfied by the date which would but for this clause be the Completion Date then the Company and Amax agree that for all purposes of the Share Sale Agreement the Completion Date will be the same day as the First Subscription Date.

2.7 If but for this clause the First Subscription Date would be a date earlier than the Completion Date then the First Subscription Date will be the same day as the Completion Date.

3. AGREEMENT TO SUBSCRIBE

3.1 Subject to the Conditions Precedent having been satisfied and Completion occurring simultaneously with compliance by the Subscriber with its obligations under paragraph (a) below:

(a) with effect on the First Subscription Date the Subscriber applies for and agrees to accept upon and subject to the Terms of Issue the Initial Preference Shares and agrees to subscribe the Initial Subscription Amount such subscription to be effected in accordance with clause 3.2(a);

(b) with effect on each Adjustment Subscription Date the Subscriber applies for and agrees to accept upon and subject to the Terms of Issue the Relevant Adjustment Preference Shares and agrees to subscribe the Relevant Adjustment Subscription Amount such subscription to be effected in accordance with clause 3.2(a);

(c) with effect on each Subsequent Subscription Date the Subscriber applies for and agrees to accept upon and subject to the Terms of Issue the Relevant Subsequent Preference Shares and agrees to subscribe the Relevant Subsequent Subscription Amount such subscription to be effected in accordance with clause 3.2(b); and

(d) the Subscriber in each of the cases mentioned in paragraphs (a) (b)

and (c) above, agrees to its name being entered in the register of members of the Company in respect of Preference Shares upon the issue and allotment thereof in accordance with this Agreement.

3.2 Subscription for Preference Shares must be effected as follows:

(a) on the First Subscription Date and on each Adjustment Subscription Date respectively the Subscriber must pay to Amax on behalf of the Company the Initial Subscription Amount or the Relevant Adjustment Subscription Amount (or if the Adjustment is an amount which has been converted to New Zealand dollars from another currency that amount in that other currency) as applicable (which the Company irrevocably directs the Subscriber to do and acknowledges that such payment will discharge in full the Subscriber's obligations regarding subscription for the Initial Preference Shares or the Relevant Adjustment Preference Shares, as the case requires);

(b) on each Subsequent Subscription Date the Subscriber must cause to be credited to the Vendor's Metal Account 1550 ounces of Gold on behalf of the Company (which the Company irrevocably directs the Subscriber to do and acknowledges that such crediting will discharge in full the Subscriber's obligations regarding subscription for the Relevant Subsequent Preference Shares).

3.3 Amax acknowledges that subscription by the Subscriber in accordance with clause 3.2 will satisfy the obligations of the Company to Amax under clauses 3.2(a), 3.2(b), 4.4(a), 4.4(b) and 5.7(a) of the Share Sale Agreement in connection with payment of the corresponding amount of money or crediting to the Vendor's Metal Account of the corresponding quantity of Gold, by the Company under the Share Sale Agreement on the date which corresponds with the respective dates on which subscription is so effected by the Subscriber.

3.4 Amax and the Company each agree that on each date on which subscription is effected by the Subscriber in accordance with clause 3.2 they will each do or cause to be done all things necessary for the effective issue and allotment, upon and subject to the Terms of Issue, of the Initial Preference Shares, each parcel of Relevant Adjustment Preference Shares or each parcel of Relevant Subsequent Preference Shares (as the case requires) including:

(a) in the case of Amax and the Company the taking of all steps necessary:

(i) on or prior to the First Subscription Date to duly and effectively incorporate the New Article in the Articles of Association of the Company; and

(ii) to duly and effectively increase the share capital of the Company in accordance with the Companies Act and the Articles of Association of the Company to the extent necessary (and only that extent) to accommodate the issue and allotment of Preference Shares in accordance with this Agreement; and

(b) in the case of the Company to issue share certificates in the name of the Subscriber for a number of Preference Shares respectively equal to the Initial Preference Shares, each parcel of the Relevant Adjustment Preference Shares or each parcel of the Relevant Subsequent Preference Shares (as the case requires) and to enter the name of the Subscriber in the register of members of the Company as the holder of those Preference Shares.

4. ACTION ON FIRST SUBSCRIPTION DATE

4.1 On the First Subscription Date and simultaneously with the doing or procuring of all acts, matters and things to be done or procured under the Share Sale Agreement and with compliance by the Company and the Subscriber with their respective obligations under this Agreement to be observed or performed on the First Subscription Date Amax must do or procure in connection with the Company all those things which under clauses 4.2 and 4.3 of the Share Sale Agreement Amax must do in connection with AHNZ, ARNZ or AGMNZ (to the extent applicable to the Company) as if references in those clauses to "AHNZ", "ARNZ" or "AGMNZ" were to the Company and references to the "Purchaser" were to the Subscriber (including the removal and appointment of directors and the

secretary of the Company). The persons who are appointed as directors of the Company under this clause shall, for the purposes of the New Article, be taken to have been appointed by the Preference Shareholders (as defined in the New Article) .

4.2 The Company irrevocably authorises and directs Amax to deliver to the Subscriber at Completion all those things which under the Share Sale Agreement Amax is to deliver to the Purchaser.

4.3 The Parties agree that any act, matter or thing done or procured to be done in connection with Completion under the Share Sale Agreement or under clause 3 in connection with the Initial Preference Shares or under clause 4.1 shall be deemed for the purposes of both this Agreement and the Share Sale Agreement not to have been done until all of the acts, matters and things required to be done or procured thereunder have been duly done or procured or waived by the Party intended to have the benefit thereof.

4.4 If subscription for the Initial Preference Shares does not occur by 5 pm on the fourteenth day after the date of this Agreement and that fact is not due to delay, failure or default of the Company then the Subscriber must pay the Company interest on the sum of $15 million at a rate equal to the Default Rate minus 2 percentage points computed from but not including that fourteenth day to and including the date subscription for the Initial Preference Shares occurs calculated with daily rests and payable at the same time as that subscription occurs. The Company irrevocably directs the Subscriber to pay so much of the interest which is payable under this clause as is equal to the interest payable by the Company to Amax under clause 4.5 of the Share Sale Agreement to Amax on the Company's behalf and acknowledges that such payment will satisfy the Subscriber's obligation under this clause to the extent of such payment. Amax agrees that payment by the Subscriber to it of an amount under this clause will satisfy the Company's obligations under clause 4.5 of the Share Sale Agreement to the extent of that amount.

5. WARRANTIES

5.1 The provisions of clause 7 of the Share Sale Agreement (and consequently of Schedules 2 and 3 to the Share Sale Agreement) shall apply to this Agreement as if references therein to "the Vendor" were to Amax and to "the Purchaser" were to the Subscriber, references to "this Agreement" were to this Agreement and references to the Completion Date were

to the First Subscription Date and to "the date Completion occurs" were to the First Issue Date.

5.2 Amax further warrants to the Subscriber in the terms of Schedule 2 to this Agreement, each of which is a separate warranty in no way limited by any other warranty.

5.3 Each warranty in Schedule 2 applies at:

(a) the date of this Agreement;

(b) each Issue Date; and

(c) each date between them.

6. MATTERS AFFECTING SHARE SALE AGREEMENT

6.1 Amax and the Company agree that:

(a) each approval of, expression of satisfaction with, consent to, waiver of, agreement with or to and nomination or direction as to,

any act, matter or thing in connection with the Share Sale Agreement by the Company, notwithstanding anything contained in the Share Sale Agreement, shall be wholly ineffective for all purposes (including for purposes of or connected with the Share Sale Agreement) unless expressly concurred in by the Subscriber by notice in writing to Amax and the Company;

(b) the Company may not settle or compromise any dispute or question touching or concerning the Share Sale Agreement or any matter or thing arising under or in connection with it without the prior written consent, addressed to Amax and the Company, of the Subscriber;

(c) the Subscriber may refuse or withhold any concurrence or consent referred to in this clause in its absolute and unfettered discretion.

6.2 Amax agrees that it will procure that the audit statement delivered to the Company in accordance with Clause 5.2 of the Share Sale Agreement is simultaneously delivered to the Subscriber.

6.3 The Company agrees that unless a direction given by the Subscriber is unlawful it will promptly, if and as directed by the Subscriber, give all such approvals, waivers, consents, nominations and directions under or in connection

with the Share Sale Agreement which the Subscriber directs the Company to give.

7. UNDERTAKINGS

7.1 Amax unconditionally and irrevocably undertakes to the Subscriber that, from the date of this Agreement until all of the Preference Shares which may be issued under this Agreement have been issued and have been redeemed:

(a) it will do all things within its power to ensure that none of the Company, AHNZ, ARNZ and AGMNZ ceases to be a related company of Amax (within the meaning of "ceases to be a related company" in the Joint Venture Agreement) except by entering into and giving effect to the Share Sale Agreement and this Agreement and except by the granting of an option over the Shares or a sale of the Shares to which, in each case, the Subscriber has given its prior written consent (which consent the Subscriber may refuse or withhold in its absolute discretion);

(b) it will not:

(i) do or, to the extent that it has power, permit to be done any act, matter or thing which would cause any of the warranties in Schedule 2 of the Share Sale Agreement or Schedule 2 of this Agreement to be untrue, unfulfilled or breached in a material respect;

(ii) permit the issue of any further shares in the capital of the Company (other than Preference Shares issued to the Subscriber in accordance with this Agreement);

(iii) requisition a meeting of shareholders of the Company or sign any entry in the minute book of the Company which under section 362 of the Companies Act would operate as a resolution;

(iv) except at Completion and in accordance with the Share Sale Agreement, remove or appoint any person from or to office as a director or secretary of the Company (other than any director who, having regard to the New Article, may be appointed or removed by the holders of ordinary shares in the Company

pursuant to the Articles of Association of the Company);

(v) exercise any vote nor sign any resolution so as to cause or permit the Articles of Association of the Company to be amended in any manner other than as necessary to incorporate the New Article therein and permit the issue to the Subscriber of Preference Shares in accordance with this Agreement;

(vi) cause or permit the Company to:

(A) sell, transfer, lease or otherwise dispose of or alienate any asset;

(B) acquire any asset nor incur any Liability (except in each case under the Share Sale Agreement);

(C) grant or permit to come into existence or subsist any Mortgage or other encumbrance over the whole or any part of its assets or undertaking;

(vii) cause or permit the Company to issue any option to subscribe for shares in the capital of the Company or any other Convertible Securities;

(viii) cause or permit the Company to be wound up or to enter into any scheme of arrangement or compromise or to reduce its share capital or to make any distribution to its shareholders other than dividends or by way of redemption of Preference Shares;

(ix) terminate any trust under which any of the Shares are held on its behalf;

(x) cause or permit the Company to appoint a Managing Director;

without, in each case, the prior written consent of the Subscriber (which consent the Subscriber may refuse or withhold in its absolute discretion).

(c) without limiting or prejudicing clause 7.1(b) but subject to clause 7.4, it will do all things as a

shareholder of the Company required to be done to enable the Company to comply with its statutory obligations.

7.2 Amax will not be in breach of its obligations under clause 7.1(b) nor in breach of any warranty in respect of or resulting from any act, matter or thing done by the Company with the authority of a resolution of its Board of Directors duly passed at a time when that Board is constituted by persons a majority of whom have been appointed by the Subscriber pursuant to the New Article at a meeting at which at least one director appointed by the Subscriber under that Article was present.

7.3 The Subscriber agrees that it will not give notice to the Company under the New Article seeking redemption of any of the Preference Shares, except:

(a) as contemplated in clause 8; or

(b) to the extent that redemption can be funded by the Company solely out of profit,

until after the last of the Subsequent Subscription Dates.

7.4 The Subscriber agrees, subject to Amax complying with clause 7.1, that for so long as the Subscriber and Amax are shareholders in the Company the Subscriber will be responsible to ensure that the Company complies with its statutory obligations and to provide to the Company any funding it may require for this purpose on commercial terms.

7.5 Should the Subscriber transfer any Preference Shares it will do so only

to a transferee which covenants in favor of Amax to comply with clauses 7.3 and 7.4 as if that transferee were the Subscriber.

8. NEGATIVE ADJUSTMENT

If at any time a Negative Adjustment occurs the Subscriber may give notice in writing to the Company under the New Article requiring the Company to, and if such a notice is given the Company and Amax agree to do or procure the doing of all things within their power respectively which are necessary to enable the Company to, redeem in accordance with the New Article the lesser of the number of Preference Shares specified for redemption in the Subscribers notice under this clause and the number of the Preference Shares then on issue to the Subscriber which is the nearest whole number to but does not exceed the number calculated by

dividing the Negative Adjustment by the aggregate of $1.00 and the Premium Amount.

9. INDEMNITY

9.1 Amax indemnifies the Subscriber and agrees to keep the Subscriber forever indemnified against all losses (whether through deficiency in the assets or increase in Liabilities of the Company, AHNZ, ARNZ, or AGMNZ or for any other reason) and liabilities and the cost of all demands, actions and other proceedings against the Subscriber (including legal costs on a Solicitor and own client basis) directly or indirectly arising out of or in respect of or resulting from any breach of warranty given by Amax (determined applying the provisions of clause 5) or any breach or non-performance of the obligations of Amax under this Agreement or the Share Sale Agreement.

9.2 Amax will if requested by the Subscriber (in its absolute discretion) pay to the Company, AHNZ, ARNZ or AGMNZ an amount equal to the deficiency in the assets or increase in the Liabilities of the Company, AHNZ, ARNZ or AGMNZ (as the case requires) for which Amax is liable to AGMNZ under clause 9.1 rather than pay compensation to the Subscriber for its loss occasioned by that deficiency or increase. The Subscriber agrees that compliance by Amax with clause 8.2 of the Share Sale Agreement shall relieve Amax of obligations under this clause to the extent that such obligation relates to the deficiency in assets or increases in Liabilities in respect of which Amax has so complied with clause 8.2 of the Share Sale Agreement.

9.3 The Subscriber agrees that the liability of Amax to the Subscriber under clause 9.1 (as affected by clause 9.6) or otherwise for breach of warranty or of this Agreement shall be reduced by any amount actually

paid by Amax to the Company pursuant to clause 8.1 of the Share Sale Agreement or otherwise to compensate the Company for breach of warranty or of the Share Sale Agreement in connection with the same circumstances as those giving rise to Amax having such liability to the Subscriber.

9.4 If any payment made by Amax to the Subscriber (or at its direction under clause 9.2) pursuant to or in consequence of the operation of clause 9.1 ("Indemnity Payment") is derived by the Subscriber or any other person to whom the payment is made in a manner which is assessable income pursuant to the Income Tax Act 1976 of any kind to the Subscriber or that other person then Amax shall pay a further amount equal to

the amount of Income Tax payable in respect of the Indemnity Payment calculated without regard to:

(a) any other income; or

(b) any entitlement to any deduction or loss; or

(c) any losses carried forward pursuant to section 188 of the Income Tax Act of 1976; or

(d) any transfer of any loss pursuant to section 191A of the Income Tax Act 1976

of or available to the Subscriber or that other person PROVIDED THAT any further amount payable shall be reduced:

(i) to the extent of the amount of losses available to the Subscriber or that other person at that time to be carried forward pursuant to Section 188 of the Income Tax act of 1976 which, in the reasonable belief of the Subscriber or that other person (as the case may be), would not be utilized within the three income years (as defined in the Income Tax Act 1976) following the date of derivation; or

(ii) to the extent that a deduction pursuant to the Income Tax Act 1976 for all or part of the loss, liability or costs which gave rise to the payment being made by Amax has been obtained or can be obtained by the Subscriber or that other person.

9.5 The liability of Amax under this Clause 9 is limited to the extent that:

(a) it will not be liable in connection with an amount of income Tax of up to $2.75 million in the case of AGMNZ or $1.50 million in the case of MML which is or becomes payable by AGMNZ or MML arising out of the deduction; prior to the Balance Date, by AGMNZ or MML of

future tunnel capital expenditure;

(b) it will not be liable in connection with any action, proceeding, claim or demand by Auag Resources Limited, Welcome Gold Mines Limited, Mineral Resources Limited, ACM Gold Limited, Waihi Gold Mining Company Limited or MML under the Joint Venture Agreement or the Principals Deed relating to the Joint Venture Agreement dated

17 July 1987 or any provision of the Joint Venture Agreement or that Principals Deed having operation or effect, in any such case in consequence of the making or completion of this Agreement or the Share Sale Agreement (except if Amax is in breach of clause 7.1(a);

(c) it will not be liable in respect of any claim arising out of a breach of warranty referred to in clause 5.1 where the circumstances likely to give rise to the claim have not been notified to Amax in reasonable detail prior to the expiration of 2 years from the First Issue Date except if the breach of warranty concerns the existence of Mortgage or other encumbrances or concerns title to any asset being a Marketable Security, or concerns title to any interest in any Joint Venture Asset or the Participating Interest (each as defined in the Joint Venture Agreement) of AGMNZ or arises under paragraph (77) of Schedule 2 of the Share Sale Agreement;

(d) the Subscriber may only claim against Amax for amounts equal to or exceeding $50,000 on each occasion on which a claim is made (regardless of the number or magnitude of the individual matters making up that claim); and

(e) it will not in any circumstances be liable for consequential loss or damage except where that loss or damage arises directly out of the wilful act or omission or gross negligence of Amax.

9.6 Amax acknowledges and agrees that the amount of the loss suffered by the Subscriber where breach of warranty or of the Share Sale Agreement occurs and there is a deficiency in assets or increase in Liabilities of the Company, AHNZ, ARNZ or AGMNZ which would not have occurred had that breach of warranty or of the Share Sale Agreement not occurred is an amount at least equal to that deficiency or that increase.

9.7 Amax agrees with the Subscriber to observe and comply with the provisions of clause 9 of the Share Sale Agreement and the Subscriber agrees, while it holds Preference Shares, to exercise all powers it may have in that regard to procure that the Company also complies with clause 9 of the Share Sale Agreement.

9.8 If so required by Amax the Subscriber must, to the extent it has power, permit Amax, at its own cost and expense (including as to legal costs and

expenses and as to internal management costs and expenses (including costs of employees

time) of the Subscriber, the Company, AHNZ, ARNZ or AGMNZ incurred in providing assistance to Amax) and subject to

(a) Amax providing to the Subscriber a bank guarantee or other security acceptable to the Subscriber (having regard to any bank guarantee or other security provided to the Company under clause 8.6 of the Share Sale Agreement) for the amount of the Subscriber's claim against Amax under clause 9.1; and

(b) clause 9.10

in the name of the Subscriber, the Company, AHNZ, ARNZ or AGMNZ (as the case requires) to take the action which Amax deems fit to negotiate, settle, compromise, defend or otherwise contest any third party claim or suit giving rise to the Subscriber's claim against Amax under clause 9.1 or make any counterclaim which the Subscriber, the Company, AHNZ, ARNZ or AGMNZ may have against the third party and to take over the conduct of any proceedings commenced by the Subscriber, the Company, AHNZ, ARNZ, or AGMNZ in connection with any such claim or suit.

9.9 Upon the Subscriber, or after the First Issue Date, the Company, AHNZ, ARNZ or AGMNZ becoming aware of circumstances likely to give rise to a claim being made under clause 9.1 the Subscriber must promptly give notice Amax of those circumstances and must at the time of giving notice supply to Amax all information and material regarding the circumstances and likely claim as may be available to the Subscriber.

9.10 In exercising the rights conferred by clauses 9.8 Amax must:

(a) consult with the Subscriber regarding the appointment of legal advisers (including Counsel) and must not appoint any legal adviser to whose appointment the Subscriber has objected on reasonable grounds;

(b) keep the Subscriber reasonably and promptly informed of all material negotiations, any proposed settlement, compromise or counterclaim and all material steps proposed to be taken to defend or otherwise contest a claim or suit; and

(c) give reasonable consideration to the wishes of the Subscriber regarding any negotiations, settlement, compromise, defence or other contest or counterclaim (but without being obliged to accede to those wishes);

10. CONTINUING OBLIGATIONS

10.1 Amax must upon request by the Subscriber make available to the Subscriber all records, documents and papers necessary to enable the Subscriber to verify the Financial Statements, the statement comprised in the documents delivered under clause 5.2 of the Share Sale Agreement, the warranties in Schedule 2 of the Share Sale Agreement and the warranties in Schedule 2 of this Agreement.

10.2 Amax and the Subscriber must provide the other of them all reasonable assistance including access to any relevant documents in its possession, power or control (including the documents referred to in clause 10.2 of the Share Sale Agreement) in connection with:

(a) in the case of the Subscriber or the Company any dispute between the Company, AHNZ, ARNZ or AGMNZ and any person; or

(b) in the case of Amax:

(i) investigating and exercising the rights conferred on it by clauses 8.6 or 9.3 of the Share Sale Agreement or clause 9.8 of this Agreement; or

(ii) complying with any obligation imposed on it by the laws (whether federal or state) of the United States of America or New Zealand (but only as necessary for such compliance).

10.3 Each obligation, indemnity and warranty of a Party (except an obligation fully performed at Completion or on any Subscription Date) continues in force despite Completion and despite subscription for and the issue of Preference Shares under this Agreement.

10.4 No representation or warranty by Amax will be in any way affected by any enquiries or investigations at any time made by or on behalf of the Subscriber.

10.5 Amax undertakes to the Subscriber to comply with its undertaking in clause 10.5 of the Share Sale Agreement.

11. DEFAULT

11.1 In Clause 11:

(a) "Defaulting Party" has the meaning given to it in Clause 11.2; and

(b) "Other Party" means, where the Subscriber is the Defaulting Party, Amax and, where Amax or on or prior to the First Issue Date the Company is the Defaulting Party, the Subscriber.

11.2 (1) Amax, the Company or the Subscriber is a "Defaulting Party" for the purposes of Clause 11 if any of the following apply:

(a) it fails to carry out any provision of this Agreement and does not remedy that failure within 7 days after notice to it requiring the failure to be remedied;

(b) it convenes a meeting of its creditors or proposes or enters into a scheme of arrangement (except for the purpose of reconstruction or amalgamation) or a composition with any of its creditors;

(c) an application or order is made to or by a Court or a resolution is passed for its winding-up or notice of intention to propose such a resolution is given;

(d) a receiver, or receiver and manager is appointed in respect of it or the whole or any part of its undertakings, property or assets or any steps are taken for the appointment of such a person;

(e) a person holding a security interest in its assets enters into possession of or takes control of any of those assets or takes any steps to enter into possession of or take control of any of those assets;

(f) is unable to pay its debts within the meaning of Section 218 of the Companies Act or suspends payment of its debts;

(g) any step is taken to place it under statutory management or steps are taken for

the appointment of a statutory manager under Part III of the Corporations (Investigation and Management) Act 1989;

(h) a resolution is passed for the reduction of its capital or notice of intention to propose such a resolution is given, without the prior written consent of the Other Party;

(i) a warranty given by it in this Agreement is untrue, unfulfilled or otherwise breached in a material respect;

(j) it becomes unlawful for it to perform its obligations under this Agreement; or

(k) anything analogous to the matters or events mentioned in any of paragraphs (b), (c), (d), (e), (f), (g), or (h) occurs in relation to it in any other jurisdiction.

(2) Amax is also a Defaulting Party for the purposes of clause 11 if it or AHNZ, ARNZ or AGMNZ is a Defaulting Party for the purposes of clause 11 of the Share Sale Agreement.

11.3 The Subscriber may at any time prior to Completion having occurred (without prejudice to its other rights and remedies under this Agreement or at law) if Amax or the Company becomes a Defaulting Party, terminate this Agreement by giving notice in writing to Amax and the Company. Termination pursuant to this clause 11.3 does not prejudice any claim which a Party may have against another at the time of termination. Failure to exercise a right of termination under this clause 11.3 and the occurrence of Completion and subscription for and issue of Preference Shares under this Agreement, notwithstanding that the Subscriber has actual knowledge that Amax or the Company is a Defaulting party, shall not prejudice any other rights or remedies of the Subscriber (including its right to damages for breach of this Agreement or breach of warranty or to be indemnified under this Agreement).

11.4 Amax may at any time prior to Completion having occurred (without prejudice to its other rights and remedies under this Agreement or at law) if the Subscriber becomes a Defaulting Party terminate this Agreement by giving notice in writing to the Purchaser. Termination pursuant to this clause 11.4 does not prejudice any claim which a Party may

have against another at the time of termination. Failure to exercise a right of termination under this clause 11.4 and the occurrence of Completion and receipt by Amax of the Initial Subscription Amount, any Relevant Adjustment Subscription Amount (or an equivalent amount in another currency) or any Relevant Subsequent Subscription Amount notwithstanding that Amax has actual knowledge that the Subscriber is a Defaulting Party, shall not prejudice any other rights or remedies of Amax (including its right to damages for breach of this Agreement).

11.5 If the Other Party gives notice under Clause 11.2(1)(a) within 7 days prior to the First Subscription Date, then the First Subscription Date is extended to coincide with the expiry of the notice period.

11.6 A Defaulting Party, or where prior to the First Issue Date the Company is a Defaulting Party Amax, must on demand pay to the Other Party all of the costs and disbursements (including legal costs on a solicitor and client

basis) incurred by the Other Party in connection with the breach or default (including the giving of a notice under clause 11.2(1)(a) and otherwise in connection with the termination of this Agreement.

12. INTEREST ON MONEY OR GOLD IN ARREARS

If a Party fails to pay an amount of money payable under this Agreement or to deliver a quantity of Gold deliverable under this Agreement on the due date, the Party in default must pay to the Party entitled to payment of that amount or receipt of that quantity interest at the Default Rate on that amount or that quantity, calculated and payable daily, computed from the due date until the amount is paid in full. Interest payable by the Company to Amax under the Share Sale Agreement must, if that interest becomes payable by reason of a failure of the Subscriber to comply with clause 3.2, be paid by the Subscriber to Amax on behalf of the Company payment of which will satisfy the Subscriber's obligation to pay interest to the Company under this clause.

13. GOVERNING LAW

13.1 The law of this Agreement is the law of the New Zealand.

13.2 The Parties submit themselves to the non-exclusive jurisdiction of the Courts of New Zealand.

13.3 For the purposes of service of documents of any kind on Amax, Amax hereby appoints Bell Gully Buddle Weir of 171

Featherston Street, Wellington, New Zealand as Amax's representative in New Zealand and Amax agrees with the Purchaser that service on Bell Gully Buddle Weir (marked for the attention of: Mr. David McLay) of any notices or documents required to be served on Amax shall be valid and effective service on Amax of the notices and documents served.

14. SEVERABILITY

If a provision of this Agreement is illegal or void then that provision is severed and the other provisions of this Agreement remain in force.

15. VARIATION

15.1 The variation of a provision of this Agreement is not effective unless in writing and executed by the Parties.

15.2 A Party's consent to a departure from a provision of this Agreement by another Party is not effective unless in writing and executed by the consenting Party.

16. WAIVER

16.1 A Party's failure or delay to exercise power or right does not operate as a waiver of that power or right.

16.2 The exercise of a power or right does not preclude:-

(a) its future exercise; or

(b) the exercise of any other power or right.

16.3 A waiver of a power or right is ineffective unless in writing and executed by the waiving Party.

16.4 The waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

17. FURTHER ASSURANCE

Each Party must at its own cost from time to time do all things (including executing all documents) necessary or desirable to give full effect to this Agreement.

18. TIME OF THE ESSENCE

18.1 Time is of the essence of this Agreement.

18.2 The Parties may agree to vary any time requirement and any time requirement so varied will be of the essence of this Agreement.

19. STAMP DUTY

All stamp duty and other government imposts and fees payable on or in connection with this Agreement, and all other documents and matters referred to in this Agreement, are payable by the Subscriber when due.

20. NOTICES

20.1 A notice or other communication in connection with this Agreement by a Party to another must be in writing and:-

(a) delivered by hand;

(b) sent to an address in New Zealand by registered post, postage prepaid;

(c) sent to an address outside New Zealand by prepaid airmail; or

(d) sent by facsimile,

to the address or facsimile number for service described below.

20.2 A notice or other communication is sufficiently given if:-

(a) delivered by hand, upon delivery;

(b) mailed to an address in New Zealand, on actual delivery to that address as evidenced by confirmation of the postage authority of such delivery;

(c) airmailed to an address outside New Zealand, seven days after posting;

(d) sent by facsimile on the day it is sent if this is a Business Day and it is sent no later than 4.00 p.m. (receiver's time) and otherwise on the next Business Day after being sent, if following transmission the sender receives a transmission confirmation report or if the sender's facsimile machine is not equipped to issue a transmission confirmation report then upon the sender receiving acknowledgement of receipt in legible form from the addressee.

20.3 A Party who receives a notice or other communication by facsimile must immediately acknowledge receipt to the sender.

20.4 Each Party's address or facsimile number for service is:-

in the case of Amax and the Company:-

Name: Amax Gold Inc.

(Attention: President and General Counsel)

Address: 350 Indiana Street
Golden, Colorado 80401-5081

Facsimile No: (1303) 273 0708

in the case of the Subscriber:-

Name: ACM (New Zealand) Limited

(Attention: Mr. Steven Dean)

Address: C/- Poseidon Gold Limited
100 Hutt Street
Adelaide, South Australia, 5000

Facsimile No: (618) 232 0198

20.5 A party may change its address or facsimile number for service by giving notice of that change to each other Party.

20.6 A certificate signed by or on behalf of a Party giving a notice or other communication by any officer or employee of that Party stating the date on which that notice or other communication was delivered or sent is prima facie evidence of the date on which that notice or other communication was delivered or sent.

21. CONFIDENTIALITY

21.1 For the purposes of this clause 21 "Confidential Information" means:

(a) all information concerning the negotiations and dealings between the Parties connected with this Agreement;

(b) the existence of this Agreement;

(c) the terms and provisions contained in this Agreement;

(d) so far only as concerns Amax and, until the First Issue Date, the Company, all information now or at any time hereafter known to Amax concerning the business or affairs of the Company, AHNZ, ARNZ, AGMNZ, MML or the Martha Hill Joint Venture which has not entered the public domain (otherwise than by a breach of this clause).

21.2 Each Party undertakes to keep, and to cause all of its subsidiaries and affiliates and its and its subsidiaries and affiliates officers and employees to keep, all Confidential Information strictly confidential, except to the extent that disclosure is permitted under this clause 21.

21.3 Confidential Information may only be disclosed:

(a) if and to the extent that the Subscriber (in the case of disclosure by Amax at any time or by the Company before the First Issue Date) or Amax (in any other case) has consented to that disclosure in writing (which consent the Subscriber or Amax (as the case requires) may give or withhold in its absolute discretion);

(b) if and to the extent that a Court of competent jurisdiction or applicable law (including rules and regulation of the United States Securities and Exchange Commission or its equivalent in any other applicable jurisdiction or of a stock exchange on which shares of a Party or of a related corporation of a Party are listed) compels disclosure to be made but only after written notice is given to the Subscriber or Amax (as the case requires) reasonably in advance of disclosure specifying the requirements compelling disclosure and the Confidential Information which it is proposed to disclose;

(c) in proceedings taken by a Party for the enforcement of this Agreement;

(d) in the case of the Subscriber only to the participants in the Martha Hill Joint Venture; or

(e) to a Party's employees, and professional advisers having a need to know for the proper discharge of their duties, provided disclosure is made on a confidential basis.

21.4 A Party seeking to rely on clause 21.3(b) must consult with the Subscriber or Amax (as the case requires) concerning the wording of the proposed disclosure and the manner thereof and must take reasonable account of the Subscriber's or Amax's (as the case may require) requirements.

21.5 The provisions of this clause 21 will remain binding indefinitely notwithstanding that this Agreement may be at an end for any reason.

21.6 Each Party acknowledges that damages is not an adequate remedy if it breaches or attempts to breach this clause 21 but that each other Party shall be entitled to an injunction or other appropriate equitable relief.

22. INTERPRETATION

22.1 The singular includes the plural and the plural includes the singular.

22.2 A reference to a gender includes a reference to each other gender.

22.3 A reference to a person includes a reference to a firm, corporation or other corporate body.

22.4 A reference to a statute, regulation, or provision of a statute or regulation ("statutory provision") includes a reference to:-

(a) that statutory provision as amended or re-enacted from time to time; and

(b) a replacement of a statutory provision.

22.5 A reference to writing includes a reference to printing, typing and each other method of producing words in a permanent visible form.

22.6 Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings.

22.7 A reference to a deed, agreement (including this Agreement) or other instrument or any provision thereof shall be deemed to include a reference to that deed, agreement, instrument or provision as varied, amended, supplemented, novated, assigned or replaced from time to time.

22.8 Unless otherwise specified references to monetary sums are in New Zealand Dollars.

22.9 A reference to a month is a reference to a calendar month (whether or not beginning on the first day of any month).

22.10 The words "including", "such as" and "particularly" and similar expressions do not imply any limitation.

22.11 Headings are for ease of reference and do not form part of or affect the construction of this Agreement.

22.12 This Agreement binds in addition to the Parties, their respective legal personal representatives and successors.

22.13 If an act must be done on a specified day which is not a Business Day then the act must instead be done on the next Business Day.

22.14 References to time, unless otherwise specified, are to local time in Wellington, New Zealand.

23. ASSIGNMENT

23.1 Except in accordance with this clause none of the Parties may assign the benefit or burden of this Agreement.

23.2 After the First Issue Date ACMNZ may assign the benefit and burden of this Agreement to any other company incorporated in New Zealand which is a subsidiary of Poseidon Gold Limited and to which ACMNZ has assigned all of the Preference Shares held by it immediately prior to the time the assignment occurs.

23.3 An assignment by ACMNZ under clause 23.2 will only become effective upon

(a) the assignee covenanting to be bound by and to observe all of the provisions of this Agreement binding on ACMNZ; and

(b) the parties other than Amax to any Deed of Guarantee or Deed of Indemnity given in connection with this Agreement acknowledging to Amax that they remain bound thereby as if references to ACMNZ in the Deed of Guarantee or Deed of Indemnity were references to ACMNZ and that assignee for the applicable periods.

EXECUTED on the date set out at the commencement of this Agreement.
- --------

<TABLE>
<CAPTION>

<S>	<C>
EXECUTED for and on behalf of AMAX GOLD, INC. by RICHARD DRIVER its attorney under power of attorney dated 2 June 1993 (who by his signature warrants that he has no notice of the revocation of that power of attorney) in the presence of:	/s/ RC Driver ---------- Attorney
/s/ John McLean - ---------- Witness John McLean Solicitor Wellington	
EXECUTED for and on behalf of ACM (NEW ZEALAND) LIMITED by P.W. O'Regan and R.A. Fisher two of its attorneys under power of attorney dated _____, 1993 (who by their	/s/ PW O'Regan ----------

respective signatures warrant that neither of them has notice of the revocation of that power of attorney) in the presence of:	Attorney /s/ RA Fisher ----------
/s/ A. Miller - ----------	Attorney
Witness Adrienne Miller Solicitor Wellington	

</TABLE>

<TABLE>

<S>	<C>
EXECUTED for and on behalf of WAIHI FINANCING LIMITED by Richard Clement Driver its attorney under power of attorney dated 3 June 1993 (who by his signature warrants that he has no notice of the revocation of that power of attorney) in the presence of:	/s/ RC Driver ----------
/s/ John McLean - ----------	Attorney
Witness John McLean Solicitor Wellington	

</TABLE>

CALL OPTION AGREEMENT

THIS AGREEMENT made the 4th day of June 1993

BETWEEN

(1) AMAX GOLD, INC. a company duly incorporated in Delaware, United States of America and having its principal office at 350 Indiana Street, Golden, Colorado, United States of America ("Amax")

(2) POSEIDON GOLD LIMITED a company duly incorporated in South Australia and having its registered office at 100 Hutt Street, Adelaide, South Australia, Australia ("PGL")

WHEREAS

A. Amax is the registered holder of all but one, and beneficial owner of all, of the Ordinary Shares.

B. Amax has agreed to grant an option to PGL to purchase the Ordinary Shares upon the terms and subject to the conditions contained in this Agreement.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires:

"Agreement" means this document.

"Business Day" means a day that is not a Saturday, Sunday or any other day which is a public holiday in the place where an act is to be performed.

"Completion Date" means the date on which Completion occurs.

"Exercise Date" means the Business Day following the date the Exercise Notice is given.

"Exercise Notice" means a notice from PGL to Amax given under clause 2.2.

"Expiry Time" means 5.00 p.m. on the Expiry Date.

"Expiry Date" means the date which is 20 years and 364 days after the date of this Agreement.

"Option" means the irrevocable option to purchase the Ordinary Shares contained in Clause 2.1.

"Option Period" means the period from the Completion Date to the Expiry Time.

"Ordinary Shares" means all of the shares in the capital of Waihi on issue from time to time which are classified as ordinary shares in accordance with the Articles of Association of Waihi.

"Parties" means the parties to this Agreement.

"Purchase Price" means an amount equal to the product of $1.00 multiplied by the number of shares comprising the Ordinary Shares on the Exercise Date.

"Share Sale Agreement" means an agreement made on or about the date of this Agreement between Amax (as Vendor) and Waihi (as Purchaser) for the sale and purchase of all of the issued shares in the capital of Amax Holdings New Zealand Limited.

"Share Subscription Agreement" means an agreement made on or about the date of this Agreement between Amax, Waihi and ACM (New Zealand) Limited relating to subscription for redeemable preference shares in the capital of Waihi.

"Waihi" means Waihi Financing Limited, a company duly incorporated in New Zealand and having its registered office at 171 Featherston Street, Wellington, New Zealand.

1.2 Expressions commencing with a capital letter which are not defined in clause 1.1 shall, unless the context otherwise requires, have the meanings ascribed thereto in the Share Sale Agreement.

2. GRANT OF OPTION

2.1 Grant: In consideration of the sum of ONE DOLLAR ($1.00) paid by PGL to Amax (the receipt and adequacy of which is hereby acknowledged) Amax hereby grants to PGL an irrevocable option to purchase the Ordinary Shares upon the terms and subject to the conditions contained herein.

2.2 Exercise Notice: The Option shall be exercisable by PGL giving written notice to Amax. The Exercise Notice may be given at any time but if

given later than 5 p.m. on the day preceding the Expiry Date shall be wholly invalid and ineffective.

2.3 Exercise: On the Exercise Date PGL shall pay to Amax the Purchase Price and, against receipt thereof, Amax shall:

(a) deliver to PGL the share certificates for the Ordinary Shares; and

(b) forms of transfer for all the Ordinary Shares in favour of PGL (or the nominee of PGL (if any) named in the Exercise Notice) duly executed by the registered holders of the Ordinary Shares.

2.4 Effect of Exercise: If the Option is exercised:

(a) an irrevocable binding agreement for the sale to PGL (or its nominee referred to in clause 2.3(b)) of the Ordinary Shares free of Mortgages and other encumbrances in consideration of the Purchase Price shall immediately arise without the necessity for any further documentation; and

(b) Amax agrees forthwith upon request by PGL to execute or procure the execution of all such other documents and to do or procure the doing of all such things as may be reasonably necessary or desirable in order to give effect to that sale of the Ordinary Shares.

3. EXPIRY OF OPTION

If the Option has not previously been exercised the Option shall expire:

(a) at the Expiry Time; or

(b) if the Share Subscription Agreement is terminated under clause 11.3 or 11.4 or under any other right in the Share Subscription Agreement or at law prior to Completion occurring.

4. REPRESENTATIONS AND WARRANTIES

4.1 Amax represents and warrants as at the date of this Agreement and as at each date thereafter until the Expiry Time or the completion of the sale of the Ordinary Shares consequent on the exercise of the Option (whichever occurs first) that:

(a) the Ordinary Shares are free and clear of all liens, encumbrances and other adverse interests;

(b) Amax is the registered holder of all but one, and beneficial owner

of all, of the Ordinary Shares with power to sell, and procure the transfer of, the Ordinary Shares;

(c) the Ordinary Shares comprise all of the issued ordinary shares in the capital of Waihi; and

(d) no consents or approvals (whether statutory or otherwise) are required on Amax's part for the transfer of the Ordinary Shares to PGL or its nominee (save for the approval of such transfer for registration by the Board of Directors of Waihi).

4.2 The representations warranties and undertakings contained in this Clause 4 shall survive the exercise of the Option.

5. COVENANTS

Amax agrees that it will not during the term of this Agreement sell, transfer, mortgage, charge or otherwise encumber any Ordinary Shares or any interest in any Ordinary Shares.

6. PAYMENTS

Any payments to be made hereunder shall be made in immediately available funds during normal banking hours in Wellington New Zealand on the Exercise Date. Payment must be made to Amax by payment to Bell Gully Buddle Weir, Solicitors on behalf of Amax. Amax agrees that the receipt of Bell Gully Buddle Weir for payment made to it on behalf of Amax shall be a good discharge for PGL (and its nominee (if any)) for the amount so paid.

7. NOTICES

7.1 A notice or other communication in connection with this Agreement by a Party to another must be in writing and:-

(a) delivered by hand;

(b) sent to an address in New Zealand by registered post, postage prepaid;

(c) sent to an address outside New Zealand by prepaid airmail; or

(d) sent by facsimile,

to the address or facsimile number for service described below.

7.2 A notice or other communication is sufficiently given if:-

(a) delivered by hand, upon delivery;

(b) mailed to an address in New Zealand, on actual delivery to that address as evidenced by confirmation of the postage authority of such delivery;

(c) airmailed to an address outside New Zealand, seven days after posting;

(d) sent by facsimile on the day it is sent if this is a Business Day and it is sent no later than 4.00 p.m. (receiver's time) and otherwise on the next Business Day after being sent, if following transmission the sender receives a transmission confirmation report or if the sender's facsimile machine is not equipped to issue a transmission confirmation report then upon the sender receiving acknowledgment of receipt in legible form from the addressee.

7.3 A Party who receives a notice or other communication by facsimile must immediately acknowledge receipt to the sender.

7.4 Each Party's address or facsimile number for service is:-

in the case of Amax:-

Name: Amax Gold Inc.

(Attention: President and General Counsel)

Address: 350 Indiana Street
Golden, Colorado 80401-5081
USA

Facsimile No: (1303) 273 0708

in the case of PGL:-

Name: Poseidon Gold Limited

(Attention: Mr. Steven Dean)

Address: 100 Hutt Street
Adelaide, South Australia, 5000

Facsimile No: (618) 232 0198

7.5 A Party may change its address or facsimile number for service by giving notice of that change to each other Party.

7.6 A certificate signed by or on behalf of a Party giving a notice or other communication by any officer or employee of that Party stating the date on which that notice or other communication was delivered or sent is prima facie evidence of the date on which that notice or other communication was delivered or sent.

8. VARIATION

8.1 The variation of a provision of this Agreement is not effective unless in writing and executed by the Parties.

8.2 A Party's consent to a departure from a provision of this Agreement by another Party is not effective unless in writing and executed by the consenting Party.

9. WAIVER

9.1 A Party's failure or delay to exercise a power or right does not operate as a waiver of that power or right.

9.2 The exercise of a power or right does not preclude:-

(a) its future exercise; or

(b) the exercise of any other power or right.

9.3 A waiver of a power or right is ineffective unless in writing and executed by the waiving Party.

9.4 The waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

10. FURTHER ASSURANCE

10.1 Each party must at its own cost from time to time do all things (including executing all documents) necessary or desirable to give full effect to this Agreement.

11. TIME OF THE ESSENCE

11.1 Time is of the essence of this Agreement.

11.2 The Parties may agree to vary any time requirement and any time requirement so varied will be of the essence of this Agreement.

12. STAMP DUTY

All stamp duty and other government imposts and fees payable on or in connection with this Agreement, and all other documents and matters referred to in this Agreement, are payable by PGL when due.

13. ASSIGNMENT

The benefit of this Agreement may be assigned by PGL. Amax may not assign its benefit or burden under this Agreement without the prior written consent of PGL.

14. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which when taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

15. CONFIDENTIALITY

15.1 For the purposes of this clause 15 "Confidential Information" means:

(a) all information concerning the negotiation and dealings between the Parties connected with this Agreement;

(b) the existence of this Agreement; and

(c) the terms and provisions contained in this Agreement.

15.2 Each Party undertakes to keep, and to cause all of its subsidiaries and affiliates and its, and its subsidiaries and affiliates, officers and employees to keep, all Confidential Information strictly confidential, except to the extent that disclosure is permitted under this clause 15.

15.3 Confidential Information may only be disclosed:

(a) if and to the extent that the other Party has consented to that

disclosure in writing (which consent it may give or withhold in its absolute discretion);

(b) if and to the extent that a Court of competent jurisdiction or applicable law (including rules and regulation of the United States Securities and
Exchange Commission or its equivalent in any other applicable jurisdiction or of a stock exchange on which shares of a Party or of a related corporation of a Party are listed) compels disclosure to be made but only after written notice is given to the other Party reasonably in advance of disclosure specifying the requirements compelling disclosure and the Confidential Information which it is proposed to disclose;

(c) in proceedings taken by a Party for the enforcement of this Agreement, or

(d) to a Party's employees, and professional advisers having a need to know for the proper discharge of their duties, provided disclosure is made on a confidential basis.

15.4 The provisions of this clause 15 will remain binding indefinitely notwithstanding that this Agreement may be at an end for any reason or that the Option may have lapsed.

15.5 Each Party acknowledges that damages is not an adequate remedy if it breaches or attempts to breach this clause 15 but that the other Party shall be entitled to an injunction or other appropriate equitable relief.

16. INTERPRETATION
- --- --------------

16.1 The singular includes the plural and the plural includes the singular.

16.2 A reference to a gender includes a reference to each other gender.

16.3 A reference to a person includes a reference to a firm, corporation or other corporate body.

16.4 A reference to a statute, regulation, or provision of a statute or regulation ("statutory provision") includes a reference to:-

(a) that statutory provision as amended or re-enacted from time to time; and

(b) a replacement of a statutory provision.

16.5 A reference to writing includes a reference to printing, typing and each

other method of producing words in a visible form.

16.6 Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings.

16.7 A reference to a deed, agreement (including this Agreement) or other instrument or any provision thereof shall be deemed to include a reference to that deed, agreement, instrument or provision as varied, amended, supplemented, novated, assigned or replaced from time to time.

16.8 All references to monetary sums are in New Zealand Dollars.

16.9 A reference to a month is a reference to a calendar month (whether or not beginning on the first day of any month).

16.10 The words "including", "such as" and "particularly" and similar expressions do not imply any limitation.

16.11 Headings are for ease of reference and do not form part of or affect the construction of this Agreement.

16.12 This Agreement binds in addition to the Parties, their respective legal personal representatives and successors.

16.13 If an act must be done on a specified day which is not a Business Day then the act must instead be done on the next Business Day.

16.14 References to time, unless otherwise specified, are to local time in Wellington, New Zealand.

IN WITNESS WHEREOF this Agreement has been executed the day and the year first hereinabove written.

EXECUTED for and on behalf of)
AMAX GOLD, INC. by Richard)
Clement Driver RICHARD DRIVER)
its attorney under power of)
attorney dated 2 June 1993) /s/ RC Driver
(who by his signature warrants) .....
that he has no notice of the) Attorney
revocation of that power of)
attorney) in the presence of:)

/s/ John McLean
.....
Witness John McLean
Solicitor

Wellington

EXECUTED for and on behalf of)
POSEIDON GOLD LIMITED by)
PAUL W. O'REGAN and)
ROBERT FISHER, two of its)
attornies under power of) /s/ PW O'Regan
attorney dated 31 May 1993) .....
(who by their respective) /s/ R Fisher
signatures warrant that) .....
neither of them has notice) Attornies
of the revocation of that)
power of attorney) in the)
presence of:)

/s/ A. Miller
.....
Witness Adrienne Miller
Solicitor
Wellington

CERTIFICATE OF NON-REVOCATION OF
POWER OF ATTORNEY

I, RICHARD CLEMENT DRIVER, of Kenthurst, New South Wales, Australia, hereby certify:

1. That by deed dated 2 June 1993 Amax Gold Inc. appointed me its attorney on the terms and conditions set out in such deed; and

2. That at the date of this certificate I have not received any notice or information of the revocation of such appointment.

SIGNED at Wellington this 4th day of June 1993.

/s/ RC Driver
- ---
Signature of attorney giving certificate

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, PAUL W. O'REGAN of Wellington, Solicitor, hereby certify that by Power of Attorney dated 31 May 1993 POSEIDON GOLD LIMITED appointed me as its attorney on

and subject to the conditions set out in the said Power of Attorney and that, as at the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by any means whatsoever.

SIGNED at Wellington this 4th day of June 1993.

/s/ PW O'Regan
- ------------------------------
Paul W. O'Regan

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, ROBERT FISHER of Auckland, Solicitor, hereby certify that by Power of Attorney dated 31 May 1993 POSEIDON GOLD LIMITED appointed me as its attorney on and subject to the conditions set out in the said Power of Attorney and that, as at the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by any means whatsoever.

SIGNED at Wellington this 4th day of June 1993.

/s/ R Fisher
- ------------------------------
Robert Fisher

DATED 4 June 1993

BETWEEN

POSEIDON GOLD LIMITED
(ACN 007 511 006)

AND

AMAX GOLD INC.

DEED OF GUARANTEE

BELL GULLY BUDDLE WEIR
SOLICITORS
WELLINGTON & AUCKLAND
DCS:234

THIS DEED is made on the 4th day of June 1993

BETWEEN

(1) POSEIDON GOLD LIMITED (ACN 007 511 006) a duly incorporated company having its principal office at 100 Hutt Street, Adelaide, South Australia ("Poseidon"); and

(2) AMAX GOLD INC. a duly incorporated company having its principal office at 350 Indiana Street, Golden, Colorado, United States of America ("AMAX").

RECITALS

A. Poseidon's wholly owned subsidiary, ACM (New Zealand) Ltd ("ACMNZ") has entered into a Share Subscription Agreement dated 4 June 1993 with Amax and

WAIHI FINANCING LIMITED ("Waihi") whereby ACMNZ has agreed from time to time to subscribe to and pay for redeemable preference shares in the capital of Waihi.

B. ACMNZ has also entered into a Deed of Indemnity dated 4 June 1993 ("Deed of Indemnity") with AMAX in which it has agreed to indemnify, hold harmless and defended AMAX from all claims and losses as described therein.

C. In consideration for AMAX entering into the Share Subscription Agreement, the contemporaneous Share Sale Agreement and Deed of Indemnity, Poseidon has agreed to guarantee the performance of ACMNZ's obligations under the Share Subscription Agreement and Deed of Indemnity.

NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

GUARANTEE

1. POSEIDON hereby unconditionally and irrevocably guarantees to AMAX the timely performance of all obligations due AMAX and prompt payment of all moneys payable to AMAX under or pursuant to the Share Subscription Agreement and Deed of Indemnity.

LIABILITY OF POSEIDON

2. IF ACMNZ shall default in the performance of its obligations or payment of all or any of the payments guaranteed under clause 1 then, upon demand by AMAX, Poseidon shall forthwith unconditionally perform or pay, or procure to be performed or

paid unconditionally, to AMAX those obligations or payments in respect of which such default has been made.

NON-PREJUDICE OF GUARANTEE

3. THE liability of Poseidon under this Guarantee shall not be abrogated prejudiced or affected by any of the following:

3.1 the granting of time credit or any indulgence or other concession to ACMNZ by AMAX, or any compounding compromise release abandonment waiver variation relinquishment or renewal of any documents of title assets or any rights of AMAX against Poseidon or any other guarantor, or anything done or omitted or neglected to be done by AMAX in the exercise of the authorities, powers and discretion vested in it by this Guarantee, or any other dealing matter or thing to which Poseidon has consented or ratified which but for this provision might operate to abrogate prejudice or affect this Guarantee;

3.2 any other person joining in this or giving any similar guarantee;

3.3 the liquidation, winding up, bankruptcy, receivership, creditors' or official or statutory management, composition or arrangement with creditors of ACMNZ or any other guarantor of ACMNZ or the death of any other guarantor of ACMNZ;

3.4 the sale, restructuring, or transfer of share capital in ACMNZ;

3.5 the fact that the payments guaranteed or any part thereof may not be or may cease to be recoverable or that ACMNZ or any other person purported to be primarily liable to pay such sums of money may be discharged from all or any of their respective obligations to make such payment for any reasons other than that payment has been made or is not required to be made by operation of an express provision in the Share Subscription Agreement, the Share Sale Agreement, or the Deed of Indemnity or the expiration of the Share Subscription Agreement or the Deed of Indemnity according to its own terms;

3.6 any variation or assignment of the Share Subscription Agreement or transfer of any or all of the Preference Shares issued pursuant to the Share Subscription Agreement;

3.7 AMAX obtaining judgment against ACMNZ.

GUARANTEE A DIRECT OBLIGATION

4. THIS Guarantee shall be a direct obligation to AMAX and not merely as a surety and shall be treated as being in addition to and not in substitution for or collateral to any other right which AMAX has or may have under or by virtue of the Share Subscription Agreement, the Share Sale Agreement or the Deed of Indemnity or any other agreement and in particular shall be independent of any other agreement to the intent that this Guarantee may be enforced against Poseidon without first having recourse to any such other agreement or rights and without taking steps or proceeding against ACMNZ and such liability shall not be affected or diminished by any of the matters hereinbefore mentioned or by any other act indulgence or omission consented to or ratified by Poseidon which but for this present provision would have operated to release Poseidon wholly or partly from its liability hereunder to AMAX.

CONTINUING GUARANTEE

5. THIS Guarantee shall be a continuing guarantee and accordingly shall be irrevocable and shall remain in full force and effect until the whole of all payments to be made by ACMNZ have been paid in full and all performance of ACMNZ satisfied under the Share Subscription agreement and the Deed of Indemnity.

DISCRETION AS TO EXERCISE OF RIGHTS

6. AS regards Poseidon AMAX may determine from time to time whether it shall enforce or refrain from enforcing this Guarantee and may from time to time make any arrangement or compromise with ACMNZ in relation to the payments and performance guaranteed or any part thereof which AMAX shall consider expedient.

PAYMENTS

7. ALL money from time to time received by AMAX from any person or any source (including any dividends upon the liquidation of ACMNZ or from any other person or from the realisation of any security) and capable of being applied by AMAX in reduction of ACMNZ's indebtedness in relation to the payments guaranteed shall be regarded as a payment in gross without any right on the part of Poseidon to stand in the place of AMAX in respect of or to claim the benefit of any money so received as against ACMNZ until the whole of the guaranteed payments have been paid or satisfied in full and unconditionally, so that in the event of Poseidon going into liquidation AMAX shall be entitled to prove against it for the total indebtedness of ACMNZ in relation to the payments guaranteed.

8. ALL payments under this Guarantee shall be made without any set-off, counterclaim or equity and free from, clear of and without deduction for any taxes whatsoever, present or future. If Poseidon is compelled by the law of any applicable jurisdiction, or by an order of any regulatory authority in such jurisdiction, to withhold or deduct at source any sum or sums in respect of taxes, duties, levies, imposts or charges from any amount payable to AMAX under this Guarantee, Poseidon shall pay such additional amount or amounts as may be necessary to ensure that the amount received by AMAX shall equal the full amount payable under this Guarantee.

PROOF IN ACMNZ'S LIQUIDATION

9. IN the event of liquidation of ACMNZ, Poseidon shall not prove in such liquidation in competition with AMAX and Poseidon hereby irrevocably authorises AMAX on its behalf to prove all moneys which Poseidon has paid hereunder which have not been repaid to Poseidon by ACMNZ and to retain and to carry to a suspense account and appropriate at the discretion of AMAX any amount received until AMAX shall have received one hundred cents in the dollar in respect of the guaranteed payments. Poseidon hereby waives in favour of AMAX all rights whatever against ACMNZ and any other party or their or its estate and assets so far as necessary to give effect to anything contained in this guarantee.

RESTRUCTURING OF POSEIDON GROUP

10. IN the event that any restructuring by the Poseidon Gold Group (being that group of companies of which Poseidon Gold Limited is the holding company) results in circumstances where AMAX reasonably considers that ACMNZ may not be able to perform and satisfy its obligations under the Deed of Indemnity, Poseidon will procure, forthwith after receipt of notice from AMAX, that another

member of the Poseidon Group, satisfactory to AMAX acting reasonably, provides AMAX with a guarantee, indemnity, letter of comfort or other similar arrangement as may be agreed between such member of the Poseidon Gold Group and AMAX at the time, to restore AMAX to the same position as it would have been in but for such restructuring.

VOIDABLE PAYMENT

11. IF any payment in respect of the payments guaranteed made to AMAX (or to any Receiver or other person appointed by AMAX) by or on behalf of ACMNZ shall, on the subsequent liquidation, corporate reorganisation or other similar event of or affecting ACMNZ be avoided or set aside by law, such payment shall not be considered as discharging or diminishing the liability of Poseidon therefor and this Guarantee shall continue to apply as

if such payment had at all times remained owing by Poseidon or ACMNZ as the case may be.

SUSPENSION OF RIGHTS

12. POSEIDON shall in respect of any sums paid by it hereunder and in respect of any other rights which may accrue howsoever to it in respect of any sum so paid rank and be entitled to enforce the same only after the payments guaranteed have been duly paid to AMAX and satisfied in full, and in particular (both without limiting the generality of this clause) until such time:

12.1 Poseidon shall not unless requested in writing by AMAX make or suffer to be made any claim in competition with the claim of AMAX in respect of the payments guaranteed; and

12.2 AMAX shall not be under any obligation to marshall in favour of Poseidon any of the funds or assets that AMAX may be entitled to receive or have claim upon.

INVALIDITY OF PROVISION

13. IF at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby. All other provisions of any statute shall to the maximum extent permissible by law be deemed to be negatived or varied to the extent that they are inconsistent with the terms and conditions herein expressed.

INDEMNITY

14. ANY of the payments guaranteed which may not be recoverable pursuant to the foregoing provisions on the basis of a guarantee shall nevertheless be

recoverable from Poseidon by AMAX on the basis of an indemnity and as a separate, continuing and primary obligation. Poseidon hereby indemnifies AMAX for and against any loss expenses or damage AMAX may sustain by reason of ACMNZ's failure to promptly pay any of the payments guaranteed or by reason of the non-performance by ACMNZ of any of the performance guaranteed pursuant to the Share Subscription Agreement or Deed of Indemnity or by reason of the Share Subscription Agreement or Deed of Indemnity being or becoming void or unenforceable by AMAX for any reason other than expiration according to its own terms PROVIDED THAT Poseidon shall not be liable for consequential loss or damage except where the loss or damage arises directly out of the wilful act or omission or gross negligence of Poseidon, AND PROVIDED FURTHER THAT if any of he matters referred to in clause 17 of the Deed of Indemnity occur other than by reason of lack of or inadequacy of power or authority of ACMNZ, inadequacy

of execution by ACMNZ or incapacity of ACMNZ, Poseidon's liability shall be limited to liability for ACMNZ's failure to comply with clauses 11 and 17 of the Deed of Indemnity.

COSTS

15. POSEIDON agrees to pay AMAX all costs and expenses (including costs as between solicitor and own client) sustained or incurred by AMAX in obtaining or attempting to obtain payment of all or any of the moneys for which Poseidon may from time to time be liable under the provisions of this Deed or enforcing or attempting to enforce any remedy or power expressed or implied herein.

GOVERNING LAW

16. THIS guarantee shall be governed by and construed in accordance with New Zealand law and the parties hereby submit to the non-exclusive jurisdiction of the Courts of New Zealand and hereby waive any defence to the enforcement of judgments rendered on such disputes. For the purposes of service of any documents of any kind on Poseidon, Poseidon hereby appoints ACM (New Zealand) Limited as Poseidon's representative in New Zealand and Poseidon agrees with AMAX that service on ACM (New Zealand) Limited marked for the attention of Mr. Cook of any notices or documents required to be served on Poseidon shall be valid and effective service of such notices or documents on Poseidon.

INTERPRETATION

17. IN the interpretation of this Deed unless the context otherwise requires:

17.1 the singular number shall include the plural number and vice versa, and words importing any gender include all other genders;

17.2 references to "person" include any company, association, society, firm or other institution whether incorporated or unincorporated.

EFFECTIVE DATE

18. THIS Deed shall be in effect from such time as and for so long as the Deed of Indemnity shall be in effect.

IN WITNESS WHEREOF this Deed has been executed on the date first above written.

EXECUTED for and on behalf of POSEIDON GOLD LIMITED by being SIGNED, SEALED AND DELIVERED by PAUL W. O'REGAN and ROBERT FISHER, two of its attorneys under power of attorney dated 31 May 1993 (who by their execution warrant that neither of them has notice of the revocation of power of attorney) in the presence of:	)	/s/ PW O'Regan /s/ R Fisher

/s/ A Miller
- ----------
Witness Adrienne Miller

Occupation: Solicitor

Address: Wellington

EXECUTED for and on behalf of AMAX GOLD, INC. by being DELIVERED by RICHARD CLEMENT DRIVER its attorney under power of attorney dated 2 June 1993 (who by his signature warrants that he has no notice of the revocation of power of attorney) in the presence of:	)	/s/ RC Driver

/s/ John McLean
- ----------
Witness John McLean

Occupation: Solicitor

Address: Wellington

CERTIFICATE OF NON-REVOCATION OF
POWER OF ATTORNEY

I, RICHARD CLEMENT DRIVER, of Kenthurst, New South Wales, Australia, HEREBY CERTIFY:

1. That by deed dated 2 June 1993 Amax Gold Inc. appointed me its attorney on the terms and conditions set out in such deed; and

2. That at the date of this certificate I have not received any notice or information of the revocation of such appointment.

SIGNED at Wellington this 4th day of June 1993.

/s/ RC Driver
- ----------
Signature of attorney giving certificate

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, PAUL W. O'REGAN of Wellington, Solicitor, hereby certify that by Power of Attorney dated 31 May 1993 POSEIDON GOLD LIMITED appointed me as its attorney on and subject to the conditions set out in the said Power of Attorney and that, as at the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by any means whatsoever.

SIGNED at Wellington this 4th day of June 1993.

/s/ PW O'Regan
- ----------
Paul W. O'Regan

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, ROBERT FISHER of Auckland, Solicitor, hereby certify that by Power of Attorney dated 31 May 1993 POSEIDON GOLD LIMITED appointed me as its attorney on and subject to the conditions set out in the said Power of Attorney and that, as at the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by any means whatsoever.

SIGNED at Wellington this 4th day of June 1993.

/s/ R Fisher

- ----------

Robert Fisher

DATED 4 June 1993

BETWEEN

ACM (NEW ZEALAND) LIMITED

AND

AMAX GOLD INC.

DEED OF INDEMNITY

BELL GULLY BUDDLE WEIR
SOLICITORS
WELLINGTON & AUCKLAND
DCS:236

DATED THE 4TH DAY OF JUNE 1993

BETWEEN

(1) ACM (NEW ZEALAND) LIMITED, a duly incorporated company having its principal office at 15th Floor, National Mutual Centre, 37-41 Shortland Street, Auckland, New Zealand ("ACMNZ");

(2) AMAX GOLD INC. a duly incorporated company having its principal office at 350 Indiana Street, Golden, Colorado, United States of America ("AMAX")

RECITALS

A. ACMNZ is the "Subscriber" under a Share Subscription Agreement dated 4 June 1993 ("Share Subscription Agreement") with Amax and Waihi Financing Limited ("Waihi") whereby ACMNZ has agreed from time to time to subscribe to and

pay for redeemable preference shares issued in the capital of Waihi.

B. ACMNZ, in satisfaction of an undertaking given to AMAX as a condition for AMAX's entry into the Share Subscription Agreement, has agreed to execute this Deed.

IN CONSIDERATION of AMAX at the request of ACMNZ entering into and becoming bound by the Share Subscription Agreement, ACMNZ agrees for the benefit of AMAX as follows:

DEFINITIONS

1. TO the extent any capitalised terms and expressions are used in this Deed (including the recitals hereto) without specific definition, unless the context otherwise requires those terms and expressions shall have the same meaning as ascribed to them in the Share Subscription Agreement.

INTERPRETATION

2. IN the interpretation of this Deed unless the context otherwise requires:

2.1 the singular number shall include the plural number and vice versa, and words importing any gender include all other genders;

2.2 references to "person" include any company, association, society, firm or other institution whether incorporated or unincorporated.

2.3 references to a "claim" include both oral and written demands or notices of breach of contract, default or violation of duties under statute, regulations or conditions of permits and licences.

2.4 the word "including" and similar expressions do not imply any limitation; and

2.5 the word "AMAX" includes all related companies of AMAX Gold Inc within the meaning of Section 2(5) of the Companies Act of 1955 New Zealand or any corresponding legislation of any other jurisdiction applicable to AMAX Gold Inc. other than Waihi, AHNZ, ARNZ, AGMNZ.

INDEMNITY

3. AS a separate, continuing and primary obligation, with effect (unless otherwise provided) from the First Issue Date ACMNZ hereby agrees to indemnity AMAX and to hold AMAX harmless and defended against all losses, claims or costs

suffered or incurred by AMAX whatsoever (including, without limitation, claims made by any third party) directly or indirectly arising out of or in respect of or resulting from:

3.1 the Share Subscription Agreement and other agreements entered into contemporaneously with that agreement including the Share Sale Agreement, and Call Option Agreement, this obligation to be effective upon execution of this Deed;

3.2 the Joint Venture Agreement as amended and all ancillary agreements as modified, amended or entered into subsequently including the Principal's Deed, this obligation to be effective upon execution of this Deed.

3.3 the ownership and operation of the Martha Hill Gold Mine including the Management Agreement with the Project Manager, approved budgets and authorisations for expenditure, contracts with vendors, labour awards and employment contracts and all other contracts and arrangements.

3.4 the statutory and regulatory obligations for operation of the Martha Hill Gold Mine and mining licence including the provisions of the Mining Act 1971 Resource Management Act 1991, Crown Minerals Act 1991, work programmes, permits, regional and district council plans, orders and consents;

3.5 any environmental liability connected with ownership and operation of the Martha Hill Gold Mine, whether imposed administratively or judicially, arising as a result of any

environmental law, rule, regulation, permit, order or policy of any governmental entity with jurisdiction, or arising under the common law, relating to damage to or the protection, preservation, reclamation, or rehabilitation of the environment, or arising out of conditions constituting a nuisance, such as blasting, dust, or noise.

3.6 the actions and omissions of Waihi, AHNZ, ARNZ, AGMNZ, and MML done or omitted after the First Issue Date or pursuant to or in accordance with the Share Subscription Agreement, Share Sale Agreement, or with the consent or ratification of ACMNZ;

3.7 the Guarantee and Indemnity Agreements in favour of Chase Manhatten Bank Australia Limited to secure the financial obligations of AGMNZ and MML, until these obligations are discharged by the release of AMAX, AGMNZ and MML from said agreements;

3.8 the Carrick Joint Venture Exploration Licence but only in so far as the act, fact, matter or circumstance of the claim occurs after the First Issue Date;

3.9 AMAX continuing to hold shares in the capital of Waihi after the First Issue Date or continuing to be a related company of AHNZ, ARNZ or AGMNZ after the First Issue Date but, unless otherwise covered by another paragraph of this clause, only if and to the extent that AMAX would not have incurred that loss, claim or cost had it ceased to hold any shares in Waihi on the First Issue Date or had it ceased to be such a related company on the First Issue Date.

INDEMNITY IRREVOCABLE AND ENFORCEABLE

4. THIS indemnity is unconditional and irrevocable, and is a continuing indemnity which other than as expressly limited in Clause 7, shall extend to all losses, claims or costs (if any) from time to time and at any time suffered or incurred by AMAX in the matters described in clause 3.

5. EACH of the AMAX related companies may enforce this Deed against ACMNZ as envisaged by and pursuant to section 4 of the Contracts (Privity) Act 1982.

INDEMNITY NOT DISCHARGED

6. ACMNZ'S liability hereunder shall not be discharged or impaired by:

6.1 any amendment or variation consented to in writing by ACMNZ of the agreements described in clause 3, or any assignment by ACMNZ or consented to by ACMNZ;

6.2 any granting of time or any other indulgence to ACMNZ or by ACMNZ to a third party or any agreement by or on behalf of ACMNZ that AMAX will not make any claim or initiate any proceedings against or otherwise seek recourse from a third party under or in connection with the matters described in clause 3;

6.3 any other act, event, neglect or omission which subject to the provisions of this Deed would or might but for this clause operate to decrease, impair or discharge ACMNZ's liability hereunder except to the extent such act event neglect or omission was under the control of AMAX and has caused ACMNZ's exposure hereunder to be increased, without ACMNZ's consent.

ACMNZ'S LIABILITY LIMITED

7. ACMNZ'S liability or obligation to AMAX in connection with any losses, claims or costs suffered or incurred by AMAX shall be reduced to the extent that the circumstances of the claim, loss or cost are directly related to:

7.1 any amount which may become payable by AMAX pursuant to or in consequence of breach of the Share Sale Agreement or Share Subscription Agreement or the other agreements referred to in Clause 3.1 or the direct and intended effect on Amax of the express provisions of such agreements (not being the effect of a third party claim against Amax); or

7.2 any act, fact or omission which is not subject to either clause 7.2 of the Share Subscription Agreement or clause 7.4 of the Share Sale Agreement that is, or gives rise to a material breach of any provision of the Share Subscription Agreement or Share Sale Agreement which is intended to be binding upon or observed by AMAX; or

7.3 any undisclosed agreement arrangement or understanding to which AMAX is or becomes a party to; or

7.4 any other act or omission of AMAX done or committed after the date of this Deed not falling within clauses 7.1 or 7.2 of this Deed except as done in accordance with the Share Subscription Agreement, Share Sale Agreement or in compliance with a compulsion under relevant statutes or regulations applying to AMAX, or which have been consented to or ratified by ACMNZ.

7.5 the making of the disclosure in paragraph (g) of Appendix (9) to Schedule 2 to the Share Sale Agreement or the giving or the content of the warranty in paragraph (8) of Schedule 2 to the Share Subscription Agreement.

NOTICE OF CLAIM

8. AMAX hereby undertakes that upon becoming aware of circumstances likely to give rise to a claim being made under clause 3, AMAX must promptly give notice to ACMNZ of those circumstances and must at the time of giving notice supply to ACMNZ [all information and material regarding the circumstances and likely claims as may be available to AMAX].

CONTROL OF DEFENSE

9. IF so required by ACMNZ, on the condition of ACMNZ providing to AMAX a bank guarantee of other security acceptable to AMAX for the amount of AMAX's claim against ACMNZ under clause 3, AMAX must permit ACMNZ (subject to clause 10) at its own cost and expense (including legal costs and expenses and the internal management costs and expense and cost of employees time incurred by AMAX in providing any assistance to ACMNZ), to take the action ACMNZ deems fit to negotiate, settle, compromise, defend or otherwise contest any third party claim or suit giving rise to AMAX's claim against ACMNZ under clause 3 or to make such counterclaim which AMAX may have against that third party and to take over the conduct of any proceedings commenced by AMAX in connection with any such claim or suit. PROVIDED THAT AMAX shall have the option to take over control of

negotiations, litigation and related action with respect to any particular third party claim or suit, in which case ACMNZ shall have no liability in respect of such third party claim or suit other than for the costs and expenses referred to in this clause.

10. EACH Party must on request provide the other Party all reasonable assistance, including access to any relevant documents in its possession power or control (including the documents referred to in clause 3) in connection with investigating and exercising the rights conferred by clause 9. ACMNZ must:

10.1 consult with AMAX regarding the appointment of legal advisors (including Counsel) and must not appoint any legal adviser to whose appointment AMAX has objected on reasonable grounds;

10.2 keep AMAX reasonably and promptly informed of all material negotiations, any proposed settlement, compromise or counterclaim and all material steps proposed to be taken to defend or otherwise contest a claim or suit; and

10.3 give reasonable consideration to the wishes of AMAX regarding any negotiations, settlement, compromise, defense or other contest or counterclaim (but without being obliged to accede to those wishes).

AMAX NEUTRAL

11. IF any claim is made on AMAX as a consequence of entering into the Share Subscription Agreement, ACMNZ as a separate continuing and primary obligation undertakes to AMAX:

11.1 that it will not seek to avoid, rescind or terminate the Share Subscription Agreement nor seek by any means a reduction limitation or modification of its obligations under the Share Subscription Agreement to subscribe for redeemable preference shares in the capital of Waihi for the reason only that the transactions contemplated by the Share Sale Agreement and Share Subscription Agreement taken as a whole or by the Share Subscription Agreement give rise to the operation of the provisions of clause 6.03 and 6.05 of the Joint Venture Agreement;

11.2 that if by order of a Court of competent jurisdiction which is final and binding, otherwise than at the instigation of AMAX, the Share Subscription Agreement is declared to be void or otherwise to be a nullity or is set aside or is modified and given effect to and notwithstanding the foregoing AGMNZ must comply with clause 6.03 of the Joint Venture Agreement on the grounds only that the Share Subscription Agreement has been entered into resulting in the price determined by an independent expert pursuant to clause 6.05 of the Joint Venture Agreement and payable to AGMNZ in consequence of the operation of clause 6.03 of the Joint Venture Agreement, for the direct and indirect interest of AGMNZ in the Martha Hill Joint

Venture, being less than the equivalent of NZ$15 million plus the value of 15,500 ounces of gold deliverable in equal half yearly instalments over 5 years as contemplated in the Share Subscription Agreement, ACMNZ shall pay to AMAX the difference between that equivalent and that price;

PROVIDED THAT the rights of ACMNZ and the obligations of AMAX in connection with a breach by AMAX of the undertaking in clause 7.1(a) of the Share Subscription Agreement shall not be diminished, extinguished, limited or otherwise affected by the undertakings in this clause.

NOTICES

12.1 A notice of other communication in connection with this Deed by or to ACMNZ to or by AMAX must be in writing and:

12.1.1 delivered by hand;

12.1.2 sent by prepaid airmail; or

12.1.3 sent by international courier; or

12.1.4 sent by facsimile,

to the address or facsimile number for service described below.

12.2 A notice or other communication is sufficiently given if:

12.2.1 delivered by hand, upon delivery;

12.2.2 airmailed to an address outside New Zealand, seven days after posting;

12.2.3 couriered internationally, 3 days after dispatch;

12.2.4 sent by facsimile on the date it is sent if this is a Business Day and it is sent no later than 4.00 pm (receiver's time) and otherwise on the next Business Day after being sent, if following transmission the sender receives a transmission confirmation report or if the sender's facsimile machine is not equipped to issue a transmission confirmation report then upon the sender receiving acknowledgement of receipt in legible form from the addressee.

12.3 A party who receives a notice or other communication by facsimile must immediately acknowledge receipt to the sender.

12.4 Each party's address or facsimile number for service is:

in the case of AMAX:

Name: Amax Gold Inc.

(Attention: President and General Counsel)

Address: 350 Indiana Street
Colden
Colorado,80401-5081

Facsimile No: (303) 273 0708

in the case of ACMNZ:

Name: ACM (New Zealand) Limited

(Attention: Mr. Steven Dean)

Address: c/-Poseidon Gold Limited
100 Hutt Street
Adelaide, South Australia, 5000

Facsimile No: (618) 232 0198

12.5 ACMNZ or AMAX may change its address or facsimile number for service by giving notice of that change to the other of them.

12.6 A certificate signed by or on behalf of a party giving a notice or other communication by any officer or employee of that party stating the date on which that notice or other communication was delivered or sent is prima facie evidence of the date on which that notice or other communication was delivered or sent.

FURTHER ASSURANCES

13. EACH party agrees to execute and deliver any documents, and to do all things as may reasonably be required by the other party to obtain the full benefit of this deed according to its true intent.

CONFIDENTIALITY

14. THE provisions of clause 21 of the Share Subscription Agreement shall apply mutatis mutandis to this Deed and to the negotiations and dealings between AMAX and ACMNZ connected with this Deed.

NO WAIVER

15. NO failure, delay or indulgence by either party in exercising any power or right conferred on that party by this deed shall operate as a waiver of such power or right. A single or partial exercise of any such power or right shall not preclude further exercises of that power or right or the exercise of any other power or right.

ASSIGNMENT

16. NEITHER party shall transfer, assign, create any charge over or deal in any manner with the benefit or burden of this deed.

EXPIRATION OF DEED

17. EXCEPT as to ACMNZ's liability and obligation to AMAX under clause 11 of this Deed, the indemnity contained in this Deed shall expire if the Share Subscription Agreement or Share Sale Agreement is either declared to be void or otherwise becomes a nullity or either of them is modified so as to deprive ACMNZ of the benefit intended by those agreements under a final judgment entered by a Court of competent jurisdiction or AMAX consents to the recission of the Share Subscription Agreement or Share Sale Agreement; PROVIDED THAT any claims arising from any fact matter circumstance or omission occurring after the date of this Deed but prior to such expiration shall be preserved and the conditions of this Deed shall survive expiration as to those claims.

GOVERNING LAW

18. THIS Agreement shall be governed by and construed in accordance with the law of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand and hereby waive any defence to the enforcement of judgments rendered on such disputes.

IN WITNESS WHEREOF these presents have been executed the day and year first hereinbefore written.

EXECUTED for and on behalf of)		
ACM (NEW ZEALAND) LIMITED)		
by being SIGNED SEALED and)		
DELIVERED by P.W. O'Regan)		
and R.A. Fisher two of its)		
attorneys under power of)	/s/ PW O'Regan	
attorney dated 31 May 1993)	/s/ RA Fisher	
(who by their execution)		

warrants that neither of)
them has notice of the)
revocation of power of)
attorney) in the presence)
of:)

/s/ A Miller
- ----------
Witness Adrienne Miller
Occupation: Solicitor
Address: Wellington

EXECUTED for and on behalf of)
AMAX GOLD INC. by being)
DELIVERED by Richard Clement)
Driver its attorney under)
power of attorney dated)
2 June 1993 (who by his) /S/ RC Driver
or her execution warrants)
that he or she has no notion)
of the revocation of power)
of attorney) in the presence)
of:)

/s/ John McLean
- ----------
Witness John McLean
Occupation: Solicitor
Address: Wellington

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, P.W. O'REGAN of Wellington, Solicitor, hereby certify that by Power of Attorney dated 31 May 1993 ACM (NEW ZEALAND) LIMITED appointed me as its attorney on and subject to the conditions set out in the said Power of Attorney and that, as at the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by any means whatsoever.

SIGNED at Wellington this 4th day of June 1993
- ------

/s/ PW O'Regan
- ----------

P.W. O'Regan

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, R.A. FISHER of Auckland, Solicitor, hereby certify that by Power of Attorney dated 31 May 1993 ACM (NEW ZEALAND) LIMITED appointed me as its attorney on and subject to the conditions set out in the said Power of Attorney and that, as at the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by any means whatsoever.

SIGNED at Wellington this 4th day of June 1993

s/ RA Fisher

R.A. Fisher

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, RICHARD CLEMENT DRIVER, of Kenthurst, New South Wales, Australia, HEREBY CERTIFY:

1. That by deed dated 2 June 1993 Amax Gold Inc. appointed me its attorney on the terms and conditions set out in such deed; and

2. That at the date of this certificate I have not received any notice or information of the revocation of such appointment.

SIGNED at Wellington this 4th day of June 1993

/s/ RC Driver

Signature of attorney

giving certificate

The President
Amax Gold Inc.
350 Indiana Street
Golden
Colorado
USA

June 4, 1993

Dear Sir

We refer to the transactions involving Amax Gold, Inc. ("Amax") Waihi Financing Limited ("Waihi"), Amax Holdings New Zealand Limited ("AHNZ") and its subsidiaries and ACM (New Zealand) Limited contemplated in the documents entitled Share Sale Agreement and Share Subscription Agreement executed on or about the date of this letter.

In this letter expressions which have an upper case initial letter have the same meanings respectively as in the abovementioned documents.

Poseidon Gold Limited ("PGL") assures Amax that:

(a) within 6 months of the date of this letter it will ensure, subject to the co-operation of Amax in its capacity as holder of ordinary shares in the capital of Waihi, that the names of AHNZ and of its subsidiaries are changed to names which do not include the word "Amax" or a visually or phonetically similar word;

(b) if and for so long as Amax continues to hold any shares in the capital of Waihi and PGL remains able, through its subsidiaries and persons appointed to office as directors by it or any of its subsidiaries, to control the day to day affairs of AHNZ or its subsidiaries, PGL will procure that (without the consent of Amax) AHNZ and its subsidiaries do not become involved in any business activity which they are not involved in on the date of this letter other than,

    (i) passive investment of surplus cash; and

    (ii) normal developments of an existing business activity such as proceeding from exploration activities to feasibility activities and mining and processing activities;

(c) when to do so will not be likely to put at risk the validity and enforceability of the Share Sale Agreement or the Share Subscription Agreement it will assist Amax to obtain

    (i) a release of the Guarantee and Indemnity Agreements given by Amax in favour of Chase Manhattan Bank Australia Limited securing

obligations of AGMNZ; and

(ii) a release of Amax from the Principals Deed by all other parties to it;

(d) within a reasonable time after request by Amax it will procure that ACM Gold Limited releases Amax from liability to ACM Gold Limited under the Principals Deed.

(e) it will not take any steps to seek the winding up, dissolution or liquidation of Waihi until after the last of the Subscription Dates

Yours faithfully

POSEIDON GOLD LIMITED

/s/Andrew Corletto
Andrew Corletto
Group Company Secretary - Corporate Counsel

Subsidiaries of Amax Gold Inc.

(All 100% owned unless otherwise indicated)

Name of Subsidiary	Jurisdiction of Incorporation
AGI Chile Credit Corp., Inc.	Delaware
Amax Gold (B.C.) Ltd.	British Columbia
Amax Gold de Chile Ltda.	Chile
Amax Gold Exploration, Inc.	Delaware
Amax Gold Exploration Canada Limited	Canada
Amax Gold Refugio, Inc.	Delaware
Amax Precious Metals, Inc.	Delaware
Amax Holdings New Zealand Limited***	New Zealand
Amax Resources New Zealand Limited***	New Zealand
Amax Gold Mines New Zealand Limited***	New Zealand
Compania Minera Amax Guanaco*	Chile
Compania Minera Maricunga**	Chile
Electrum Resources Corp.	Alaska
Fairbanks Gold Ltd.	British Columbia
Fairbanks Gold Mining, Inc.	Delaware
Guanaco Mining Company, Inc.	Delaware
Haile Mining Company, Inc.	Delaware
Lancaster Mining Company, Inc.	Delaware
Lassen Gold Mining, Inc.	Delaware
Luning Gold Inc.	Nevada
Melba Creek Mining, Inc.	Alaska
Nevada Gold Mining, Inc.	Delaware
Waihi Financing Limited***	New Zealand
Wind Mountain Mining, Inc.	Delaware

*90% ownership.
**50% ownership.
***100% of common shares of Waihi Financing Limited ("WFL") beneficially owned by the Company; preference shares of WFL owned by ACM (New Zealand) Limited ("ACM"), a subsidiary of Poseidon Gold Limited, give ACM the right to appoint up to three of the five authorized directors of WFL. Amax Holdings New Zealand Limited is a wholly-owned subsidiary of WFL, and Amax Resources New Zealand Limited and Amax Gold Mines New Zealand Limited are wholly-owned indirect subsidiaries of WFL.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Amax Gold Inc.'s Registration Statements (File Nos. 33-43076, 33-43383 and 33-36612) of our reports, which include an explanatory paragraph regarding a change in the method of accounting for exploration expenditures and postemployment benefits in 1993, and a change in the method of accounting for precious metals inventory, postretirement benefits and income taxes in 1992, dated February 4, 1994, except for Note 8, for which the date is March 18, 1994, on our audits of the consolidated financial statements and financial schedules of Amax Gold Inc., as of December 31, 1993 and 1992, and for the three years ended December 31, 1993, 1992 and 1991.

COOPERS & LYBRAND

Denver, Colorado
March 18, 1994

March 15, 1994

Amax Gold, Inc.
9100 East Mineral Circle
Englewood, CO 80155

RE: Audit of Ore Reserves for Sleeper Mine

Gentlemen:

We hereby authorize the reference to the following described report prepared by DMBW, Inc. (Derry, Michener, Booth & Wahl) ("DMBW") in an Annual Report on Form 10-K to be filed by Amax Gold Inc. ("AGI") with the Securities and Exchange Commission ("SEC"):

> Audit of December 31, 1993 Ore Reserves at the Sleeper Mine, Humboldt County, Nevada, dated February 7, 1994, prepared for Amax Gold Inc.

We further consent to the incorporation by reference of said report in Registration Statements No. 33-43076, No. 33-43383, and No. 33-36612, each filed by AGI with the SEC, as well as reference to our firm under the caption "Experts" in such Registration Statements, as such Registration Statements may be amended.

Very truly yours,

DMBW, Inc.
(Derry, Michener, Booth & Wahl)

/s/ I.S. Parrish
By: I.S. Parrish Title: President
- ---------- ----------

[seal]

AMAX GOLD INC.

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Director of Amax Gold Inc., a Delaware corporation, hereby constitutes and appoints each of Milton H. Ward, Paul J. Hemschoot, Jr., and Mark A. Lettes his true and lawful attorney and agent, in the name and on behalf of the undersigned, to do any and all acts and things and execute any and all instruments which the said attorney and agent may deem necessary or advisable to enable Amax Gold Inc. to file its Form 10-K in compliance with the Securities Exchange Act of 1934, as amended (the "Act"), and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned in his capacity as Director of Amax Gold Inc. to a Form 10-K to be filed with the Securities and Exchange Commission with respect thereto, HEREBY RATIFYING AND CONFIRMING all that the said attorneys and agents, or any of them, has done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand.

Dated: March 15, 1994.

/s/ Allen Born

Allen Born

AMAX GOLD INC.

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Director of Amax Gold Inc., a Delaware corporation, hereby constitutes and appoints each of Milton H. Ward, Paul J. Hemschoot, Jr., and Mark A. Lettes his true and lawful attorney and agent, in the name and on behalf of the undersigned, to do any and all acts and things and execute any and all instruments which the said attorney and agent may deem necessary or advisable to enable Amax Gold Inc. to file its Form 10-K

in compliance with the Securities Exchange Act of 1934, as amended (the "Act"), and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned in his capacity as Director of Amax Gold Inc. to a Form 10-K to be filed with the Securities and Exchange Commission with respect thereto, HEREBY RATIFYING AND CONFIRMING all that the said attorneys and agents, or any of them, has done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand.

Dated: March 15, 1994.

/s/ Timothy J. Haddon

Timothy J. Haddon

AMAX GOLD INC.

Power of Attorney

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand.

Dated: March 15, 1994.

/s/ Gerald J. Malys

Gerald J. Malys

AMAX GOLD INC.

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Director of Amax Gold Inc., a Delaware corporation, hereby constitutes and appoints each of Milton H. Ward, Paul J. Hemschoot, Jr., and Mark A. Lettes his true and lawful attorney and agent, in the name and on behalf of the undersigned, to do any and all acts and things and execute any and all instruments which the said attorney and agent may deem necessary or advisable to enable Amax Gold Inc. to file its Form 10-K in compliance with the Securities Exchange Act of 1934, as amended (the "Act"), and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned in his capacity as Director of Amax Gold Inc. to a Form 10-K to be filed with the Securities and Exchange Commission with respect thereto, HEREBY RATIFYING AND CONFIRMING all that the said attorneys and agents, or any of them, has done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand.

Dated: March 15, 1994.

/s/ Rockwell A. Schnabel

Rockwell A. Schnabel

AMAX GOLD INC.

Power of Attorney

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand.

Dated: March 11, 1994.

/s/ Vernon F. Taylor, Jr.

Vernon F. Taylor, Jr.

AMAX GOLD INC.

Power of Attorney

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and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned in his capacity as Director of Amax Gold Inc. to a Form 10-K to be filed with the Securities and Exchange Commission with respect thereto, HEREBY RATIFYING AND CONFIRMING all that the said attorneys and agents, or any of them, has done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand.

Dated: March 11, 1994.

/s/ Russell L. Wood

Russell L. Wood