

# Business / Sports

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## MINING

# Royal Oak's controlling interest in Geddes a 'friendly acquisition'

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Sun Business Reporter

Royal Oak Mines Ltd. has agreed to pay \$10 million for a 39.3-per-cent interest in Geddes Resources Ltd.

Geddes's principal asset is the massive Windy Craggy copper-gold deposit in the Alsek/Tatshenshini area of northwest B.C.

Royal Oak said Tuesday it will acquire Northgate Exploration Ltd.'s 13 million shares, or 39.3 per cent of the outstanding shares, and

become the controlling shareholder in Geddes.

Geddes president Keith Somerville called the acquisition "friendly."

Acquisition-minded Margaret Witte is Royal Oak's chief executive officer.

"Royal Oak considers the Geddes-owned copper-gold project presents an extraordinary investment opportunity should the government either decide to compensate Geddes or allow the project to be developed,"

said Royal Oak chief financial officer Chris Serin. "This acquisition has significant upside potential and limited downside risk for Royal Oak shareholders."

Geddes has spent \$50 million exploring Windy Craggy but hasn't received the necessary development approvals from the provincial government.

Instead, Victoria has referred the project to the commission on resources and the environment for review which has recommended the

government pay compensation if the project isn't given the go-ahead.

Serin said Royal Oak is paying \$10 million for 40 per cent of \$50 million — or \$20 million — if the government declines to issue the necessary permits and fully compensates Geddes.

But Serin said Royal Oak is convinced Windy Craggy will be developed and without damage to the environment.

The Windy Craggy deposit contains gold, copper and silver worth

\$8.5 billion at today's prices.

It will cost \$550 million to develop.

The 6.2 billion pounds of copper would supply one per cent of the world's annual demand over the 22-year mine life.

Tatshenshini Wild executive director Rick Careless said the "potential for impact is massive and longstanding," specifically pointing to the high sulphide levels that could devastate fisheries in the area.