



Scotia Capital Markets

GOLDS Views and Values

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Recommended Action

A number of changes have been made to the database this week, described inside. The stocks remain trading in a similar range, with gold coming under pressure causing some faintness of spirit. Some further weakness is possible, but we still remain in the trading uptrend seen since early January. A break below \$298 would be negative.

Veins of Thought

This week we visited the Bellavista (100%) gold-silver project of **Wheaton River Minerals** (WRM-T) and the Beta Vargas (100%) heap leach gold mine of **Lyon Lake Mines** (LLL-M) in Costa Rica. Recently released results of a prefeasibility study indicate the Bellavista project, acquired from Minera Rayrock in October, 1997 for C\$1.1 million (another C\$1 million is payable upon achieving production), has open pit mineable reserves of 511,800 ounces grading 1.66 g/t Au and underground resources of 267,900 at an average grade of 3.70 g/t Au. Initial estimates show robust economics at US\$350/oz. gold based on either: 1) a 71,000 ounce/year combined open pit and underground contract mining operation with total cash costs (including royalties of about US\$16/oz.) in the order of US\$168/oz. and capital costs of US\$34.4 million, generating a pre-tax IRR of 28.2% and a 4.3 year payback period, or, 2) a smaller, open pit only operation with annual production of 51,500 ounces, total cash costs of US\$181/oz. (based on a strip ratio of 1.28:1) and capital costs of US\$21.8, for an IRR of 29.0% and a shorter payback of 3.4 years.

The company has completed a 210 metre adit into the deposit from which it will begin a 7,600 metre underground delineation and infill diamond drill program beginning in June for the purpose of converting the underground resource into a mineable reserve. Based on underground results to date, we anticipate the company's choice will be to develop the larger operation. A final bankable feasibility study and Environmental Impact Assessment (EIA) are expected to be completed by year-end 1998, after which the company estimates a year for permitting and financing (likely 75% debt/25% equity), and construction beginning in late 1999. The drill program and feasibility study (US\$2.2 million) will be fully funded by cash flow from the Golden Bear heap leach mine in northern B.C. Wheaton River has assembled a capable and experienced operating team in Costa Rica with mining expertise gleaned from the operation of Golden Bear and extensive local expertise contributed by its newly acquired general manager, a native Costa Rican engineer who most recently was Placer Dome's general manager in Costa Rica.

In its initial year of operation in 2001, the oxides (extending to 40 metres from surface) will be mined exclusively, with 900,000 tonnes of ore stacked on the leach pad. After the second year, which will incorporate 983,000 tonnes of mixed high and low grade fresh ore, 1.35 million tonnes of ore will be placed on the pad. Underground ore will likely be mined with mechanized long-hole sublevel stoping methods at a rate of 300,000 tonnes/year. Ongoing bottle roll and column tests have confirmed that bulk samples of both the low and high grade sulphides appear amenable to direct cyanidation, with recovery rates of 67% and 82% over a 120 day leach cycle, while the oxides show a 79% recovery rate after undergoing single stage crushing to minus 100



Value Changes										
		1 Week		1 Month		3 Months		1 Year		
Gold, \$310.70		'\$312.75	-0.7%	'\$301.00	3.2%	'\$304.85	1.9%	'\$340.15	-8.7%	
Silver, \$6.19		'\$6.29	-1.5%	'\$6.33	-2.2%	'\$6.13	1.0%	'\$4.65	33.2%	
TSE Golds, 7,476		7,947	-5.9%	6,865	8.9%	6,811	9.8%	8,790	-14.9%	
TSE 300, 7,665		7,816	-1.9%	7,528	1.8%	6,700	14.4%	5,977	28.2%	
Best Performers	#1	TMO	54.8%	TMO	116.7%	TMO	132.1%	STT	77.6%	
	#2	CAT	38.9%	ECO	54.0%	CAT	127.3%	PAA	62.6%	
	Cut-off at	#3	MAN	21.6%	ELD	50.0%	YRI	112.7%	SSC	42.9%
	\$0.20/Share	#4	BVG	9.7%	CAT	42.9%	ECO	83.8%	RAY	41.2%
	#5	TKO	7.1%	SWG	34.9%	MAN	73.9%	CBL	40.0%	
Worst Performers	#1	ARP	-24.6%	SUF	-30.7%	IRL	-46.8%	TTM	-92.0%	
	#2	TIO	-21.4%	TSO	-26.1%	ARP	-45.6%	CTQ	-91.8%	
	Cut-off at	#3	EDN	-16.7%	RIF	-25.8%	TIO	-40.2%	IRL	-91.4%
	\$0.20/Share	#4	ORV	-15.6%	CTMC	-22.1%	GKR	-38.3%	WIM	-90.6%
	#5	TTM	-15.2%	TTM	-20.0%	TLO	-37.5%	SCP	-85.3%	

mm. After the initial year of operation (oxides only), all ore types will be crushed to 80% passing 6 mm in three stages but the high and low grade ore will be run separately through the crushing plant and the high grade ore sent through a grinding circuit then agglomerated with the low grade ore for enhanced recovery before being sent to the leach pad. Estimated average recoveries on the agglomerated ore are about 75%. After leaching, the slurry will be sent to an ADR plant for final recovery. A relatively high degree of conservatism has been built into the metallurgical estimates and the company is investigating the efficacy of impact crushers to treat transitional and high grade ore and thus eliminate the need for milling.

Mineralization at Bellavista, which is located in an area of relatively high relief (elevation: 800-900 metres) near the west coast of Costa Rica, is hosted mainly by breccias concentrated to the east of the Liz fault in a 300 metre wide zone of near vertical quartz adularia veins and stockworks dipping to the east and surrounded by intense hydrothermal alteration. Gold occurs in the form of electrum with traces of galena, pyrite, sphalerite, native copper and chalcopyrite. Exploration potential exists within 2 km. at both the north and south ends of the Bellavista mine area, and on several other untested targets within the 40 sq. km. property. Of particular note is the most northerly surface hole which returned 100 metres grading about 2.0 g/t Au.

Currently, Wheaton River has cash of about C\$8.0 million and current debt of \$4.0 million, 40.0 million shares outstanding and a market cap of C\$20 million. The company repurchased all but 22,000 ounces of its forward sale contracts in late January, and can roll this position forward from its originally scheduled delivery date in 2000 to achieve a price of US\$335/oz. on these ounces in 1998 if warranted. Based on anticipated 1998 production of 31,000 ounces from its Golden Bear mine in northern B.C. and \$2.8 million in deferred revenue from the hedge gain, we expect the company will cash flow C\$3.8 million or \$0.10/share this year and at its current price of \$0.50/share is thus trading at a very low 5 times estimated 1998 cash

flow. In light of this and the value attached to the company's lowcost acquisition of Bellavista, we consider Wheaton River to be an interesting junior situation.

At Beta Vargas, **Lyon Lake** poured its first gold in December and is currently ramping up to a unique 750 tonne/day open pit operation which will produce between 10,000-12,000 ounces annually from nine covered heaps or cells feeding into an ADR plant. Ore is currently being crushed to 1 inch but will soon be sized down to 3/8", and is then agglomerated with cement, clay and lime before leaching to produce optimum recoveries of 80% over a shorter than expected 45 day leach cycle. The mine was built for US\$5 million and onsite facilities include an assay lab. Cash costs are currently about US\$256/oz., however the company will begin drilling in two weeks on a nearby resource at Canamazo which it hopes to prove up into reserves, justifying a second leach pad which would double production and potentially lower costs to the US\$220/oz. level. Current reserves are 125,000 ounces grading 1.85 g/t Au. The company has bought puts to cover half its gold production for 1998 at floor prices at about US\$322/oz., and thus should generate positive cash flow of about US\$0.75 million or \$0.02/share this year. With 42.4 million shares outstanding, the company has a market cap of C\$15 million, cash of C\$1 million (net of a recent \$5.1 debenture financing which was partially used to pay down debt) and US\$1.3 in debt.

This week sees a large number of recommendation changes for several reasons. We have rolled the year and are now projecting out to 2002, creating some different valuation parameters as always. More importantly, we have made a number of modifications to our valuation system. While most of these are invisible, there are two major visible effects. The first is a more detailed evaluation of taxes payable under different gold prices, which has generally tended to raise values and make them less volatile. The second is a new protocol necessitated by low gold prices, in that once a project has a value of less than zero it is set to zero, rather than dragging the rest of a company's assets down with it. This also tends to raise values. We have also removed three companies

due to pending mergers. Amax Gold has gone, with Kinross now reflecting a pro-forma merged basis, Plutonic forecasts have been added to the Homestake model, and the pending Blackhawk-Triton merger has led to the removal of Triton, now included in Blackhawk. Vista has also been removed due to its coming exit from the ranks of producers.

Bullion

After last week's promising finish, gold turned around and declined steadily (with a couple of plummets), from the high of \$312.50 to \$306.50 before recovering to \$311.80, after which it plummeted, first by \$5.00 to \$306, and then by another \$5.00 the next day to \$301.60. The latter drop came in New York in the generally quiet conditions of the May Day holiday as a rumour circulated that the Belgians were going to sell again, quickly denied by the Belgian Central Bank.

The market was generally nervous ahead of the first meeting formalising EMU, even though gold was not on the agenda. Comments from the Portuguese Finance Minister that he saw 10%-20% gold holdings in the ECB also undermined some of the rosier sentiment. Asian physical buying was seen at the \$306 level. Some new producer forwards were seen as gold declined, with some nervousness among unhedged miners. Lease rates remain low, and briefly went under 1% at the short end, indicating continuing enthusiasm for short covering, as well as some apparent new Central Bank lending. Wednesday's uptick was largely related to fears of possible U.S. rate increases.

Large and Liquid

Ashanti Goldfields (ASL)	1-Strong Buy, #1	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	133.7	132.3
Earnings, US\$M	15.0	15.1
EPS, US\$	0.14	0.14
Gold Output, Oz	319,732	282,832
Cash Cost, US\$/Oz*	245	271

* incl. royalties

Ashanti reported strong first quarter earnings of US\$0.14/share vs US\$0.14/share a year earlier. Production totalled 319,732 ounces vs 282,832 a year earlier, with cash costs, including royalties declining to US\$245/oz vs US\$271/oz a year earlier. The realized gold price was a strong US\$400/oz compared to US\$450/oz a year earlier.

Cash costs in the first quarter were lower than expected and reflect the strong operating performance at Obuasi and Freda-Rebecca. For the year as a whole, cash cost targets remain at US\$256/oz, including royalties. For the balance of the year, Ashanti has 628,000 ounces hedged at US\$376/oz, but will take into revenue deferred hedging gains, so that for the year as a whole the company expects to realize US\$390/oz. The company increased its overall hedge book to 7.2 million ounces as of March 31st and the book has a mark to market value of US\$173 million.

ScotiaMocatta Market Diary

April 24, 1998

The gold market was locked in a \$1.40 range as both funds and producers were absent for the most part. The session was a non event with dealers on both sides of the market. The metal traded between a low of \$311.90/\$312.20 and a high of \$313.30/\$313.60. Dealer selling pushed silver lower on the open, trading from the \$6.30 level to \$6.22/\$6.24. The metal found technical buying from the 100 day moving average at \$6.225 before bouncing to finish the week \$6.255/\$6.275.

April 27, 1998

Gold was exciting today as both producers and funds sold right from the opening bell. The opening price of \$311.60/\$311.90 proved to be the day's high. The producer selling pushed the metal to \$310.50 where profit taking was seen from overseas sources. However, the support was temporary as funds offered the metal aggressively. Gold found support in front of the 200 day moving average (\$308.20) from technical traders as well as the return of physical buying. The metal worked its way higher over the afternoon to close at the \$310.00 level. Silver came under pressure from technical selling as the metal broke below the 100 day moving average (\$6.2340), posting a close of \$6.175/\$6.195. The metal has traded below this average recently but managed to bounce back and close above it each time. Today was the first close below since August 21, 1997 which suggests further weakness is in store.

April 28, 1998

The gold Relative Strength Index has corrected nicely from overbought territory last week to a comfortable 53.6 as the price has fallen from a high of \$314.50 to the \$308.00 level. The metal tried higher today but failed in front of \$309.00 as producers were on the offer. Fund selling emerged which pushed the metal to the day's low of \$306.60/\$306.90 before bouncing to close right on the key 200 day moving average at \$308.20. Silver continued weak, posting a second close below the 100 day moving average (\$6.242). The metal traded to a low of \$6.11/\$6.13 but bounced back quickly to \$6.20/\$6.22 as speculative buying caught a number of locals positioned short. The metal slipped back off when the short covering was satisfied to close \$6.15/\$6.17.

April 29, 1998

Gold performed very well today, finding support at the 200 day moving average (\$308.10). Technical traders viewed this as positive and came in and bought the metal. Fresh buying was also seen from dealers, which lifted the price to a high of \$311.10/\$311.40 where it was capped by producers. Gold drifted off to close \$310.10/\$310.40 on end of day profit taking and position squaring. Silver opened on the lows and never looked back as professional buying squeezed out the remaining shorts in the market. The metal was temporarily capped at \$6.20 by overseas selling but fresh fund and commission house buying appeared late in the day, taking the price to a high of \$6.25/\$6.27.

April 30, 1998

Concern over the amount of gold to be held in the European Central Bank caused a sharp sell off in the price of the metal today. Gold fell from a high of \$311.00/\$311.40 to \$309.00, where light support was seen from physical buyers; however, fresh dealer and fund liquidation weighed on the market. Resting stop loss orders were triggered off when the price broke the technically important 200 day moving average (\$308.00). Gold fell to a low of \$305.50/\$306.00 before bouncing on Asian buying to close \$306.50/\$306.90. Silver firmed early on the day as funds returned to the bid. The metal traded from a low of \$6.17/\$6.19 to a high of \$6.325/\$6.345 before backing off slightly. It appeared the metal would make another attempt at new highs but the free fall in the gold price weighed on the market. Silver slipped to close the session \$6.22/\$6.24.

Operations in Ghana (Obuasi, Ayanfuri, Bibiani and Iduapriem) are being affected by the power crisis which is due to low water levels at the main Volta River Dam, operating problems at the Takoradi thermal power plant and lower than anticipated levels of imported power from Cote d'Ivoire. The impact of this is likely to be some increase in operating costs in the second and third quarter. Ashanti has signed an agreement to build a 220 MW plant to generate low cost power by the end of 1999 and in the interim, has diesel generators which it expects to have online in the third quarter of this year. Despite the power problems, gold production is expected to rise in the second quarter with increased production from the two new mines, Bibiani and Sigiuri.

On the company's development project at Geita, a bankable feasibility study is in progress, exploration continues to add to the geological resource and production decision is expected to be made by year-end, with production by 2000. Cash flow in the first quarter was US\$45 million with capital expenditures at US\$43 million with the company expecting to be in balance for the year as a whole, so that the balance sheet which currently has cash of US\$135 million and total debt of US\$529 million remains stable. The strong first quarter earnings should strengthen investor confidence that Ashanti has turned the corner operationally. The next couple of quarters may be more difficult due to power availability in Ghana. We maintain our 1-Strong Buy.

Cambior	(CBJ)	1-Strong Buy, #6	
Q1 Earnings	Q1 1998	Q1 1997	
Revenues, US\$M	92.5	80.9	
Earnings, US\$M	9.6	3.1	
EPS, US\$	0.14	0.05	
Gold Output, Oz	148,000	132,000	
Cash Cost, US\$/Oz	250	260	

Cambior reported first quarter earnings of US\$9.6 million or US\$0.14/share vs US\$0.05/share a year earlier. Cash flow was US\$31 million or US\$0.46/share vs US\$0.36/share a year earlier. These strong results are due in part to increased production and lower cash operating costs but more significant is the US\$4.2 million gain from the sale of an exploration property which was part of the Doyon transaction and a very high realized gold price in the quarter. In the first quarter, Cambior realized a gold price of US\$469/oz, this includes US\$20/oz from previously closed out hedge positions and delivery against 1998 forward sales contracts of 145,000 oz. These forward sales were at US\$439/oz.

The balance of production for the next three quarters of the year is hedged at US\$360/oz, and although the cash cost at the Doyon mine will decline as the year proceeds, we expect only modest quarterly earnings for the rest of the year. For 1998, we maintain our estimate of earnings from operations at US\$0.10/share to which one should add US\$0.06-\$0.07/share from the sale of the exploration property near Doyon.

The company's hedge position attracted a number of questions on the conference call held today. For 1999, Cambior

has 603,000 oz hedged at an average gold price of US\$322/oz to which will be added the deferred gains from previously closed out hedge positions of US\$20/oz. Including the hedging for the balance of 1998 (463,000 ounces at US\$360/oz) and hedging for 1999 through 2001, Cambior has 1.4 million ounces hedged at US\$350/oz. The company also has sold calls for 3 million ounces over the next five years at an average price of US\$364/oz.

Due to low base metal prices, the company's two base metal mines; Langlois and Bouchard-Hebert, did not contribute significantly to first quarter cash flow, however, changing mining methods at Langlois are reducing dilution, improving head grades and the company anticipates positive cash flow in subsequent quarters. At Gross Rosebel, Cambior indicated that it will be able to acquire power from the Suriname power grid, reducing capital costs for Gross Rosebel from US\$175 million to US\$160 million and together with the revised reserves at US\$350/oz, cash costs could be about US\$200/oz. The company hopes to fine tune Gross Rosebel economics over the next quarter, but we believe higher prices are required for a production decision. Cash costs at Omai were US\$244/oz. in the quarter and at Doyon, US\$252/oz. At Doyon the expectation is US\$240/oz for the year so further improvements are anticipated.

The strong earnings in the first quarter reflect hedging and asset sales, and are not sustainable. The company remains on track to earn about US\$0.10/share from operations this year, in addition to which there is US\$0.06-0.07/share on the sale of a property. Capital and exploration expenditures are being restrained in the current environment and the company has cash and lines of credit to make the subsequent payments of US\$45 million to complete the acquisition of Doyon. We anticipate no significant impact on the share price from these quarterly results, although the market may, if gold prices rally, begin to be concerned about the magnitude of the hedging program and the lower anticipated prices. We maintain our 1-Strong Buy recommendation with a target of US\$10.81/share.

Echo Bay	(ECO)	5-Sell, #40	
Q1 Earnings	Q1 1998	Q1 1997	
Revenues, US\$M	52.9	73.8	
Earnings, US\$M	(7.6)	(16.8)	
EPS, US\$	(0.07)	(0.12)	
Gold Output, Oz	133,165	183,328	
Cash Cost, US\$/Oz	208	255	

Echo Bay reported a first quarter loss of US\$7.6 million or US\$0.07/share vs US\$0.12/share a year earlier. Cash costs were down significantly to US\$208/oz or US\$219/oz including royalties and production taxes vs US\$267/oz a year earlier. First quarter production was 133,165 ounces vs 183,328 ounces year earlier with silver production at 2.3 million ounces vs 2.4 million ounces a year earlier. The company is on target to produce slightly over 500,000 ounces of gold and 7.8 million ounces of silver.

In its February forecast for 1998 production and costs, Echo Bay indicated cash operating costs would be US\$245-255/oz.

Based on first quarter performance and results so far in the second quarter, costs will be lower and after the second quarter results are released, we expect the revision to operating targets for the year. In the interim we have trimmed our expected loss for 1998 to US\$0.30/share.

Cash declined from US\$17 million at year end 1997 to US\$6.2 million at the end of the first quarter, reflecting severance payments and a decrease in accounts payable. For the remainder of 1998, the company expects to maintain current cash levels although there may be modest new borrowing to re-start stripping at McCoy Cove. Echo Bay has however deferred interest payments on its capital securities, beginning with the April 1st payment and the size of the company's lines of credit are restricted at current gold prices.

Operationally, Round Mountain costs were down to US\$194/oz in the first quarter and at McCoy Cove to US\$203/oz from US\$285/oz a year earlier. At the smaller Kettle River mine, cash costs were US\$258/oz vs US\$185/oz a year earlier. Echo Bay is in the progress of completing re-engineering studies of the closed Lupin mine and expects to be able to reduce cash operating costs by 10% or more when these studies are completed in the third quarter. In our view, this mine is unlikely to resume production without somewhat higher gold prices and, because of the winter road supply line, will not be able to re-start production before February or March of 1999.

The improved operating performance and the ruthless cutting of capital costs and exploration programs has stabilized Echo Bay's financial condition. The company is, however, cash constrained and at current gold prices we have difficulty seeing much upside and retain our 5-Sell recommendation.

Getchell Gold (GGO)	1-Strong Buy, #7	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	10.8	14.9
Earnings, US\$M	(4.9)	(8.0)
EPS, US\$	(0.18)	(0.31)
Gold Output, Oz	31,021	37,217
Cash Cost, US\$/Oz	400	462

Getchell reported a first quarter loss of US\$4.9 million or \$0.18/share vs. a loss of \$0.31/share a year earlier. For the first quarter, the Getchell underground operation produced 31,021 ounces of gold vs. 37,217 ounces a year earlier, with cash costs of US\$400/oz. vs. \$462/oz. a year earlier. The averaged realized price on this gold was US\$348/oz. vs. a market price of US\$297/oz.

We expect Getchell to continue to report negative quarterly earnings until the fourth quarter of this year, when Turquoise Ridge should enter commercial production. Despite the loss, Getchell made operating progress in the first quarter, with the average grade being mined underground at Getchell at 0.372 opt gold, up from 0.282 opt gold a year earlier, and mill recoveries after the commissioning of process improvements at 90.7% vs. 86.6% a year earlier. Mining costs were US\$51.53/tonne at Getchell and processing costs were

\$49/tonne. The mining costs include \$3/tonne for backfilling areas not related to current mining and thus over the longer term underground mining costs should be about US\$48/tonne. With respect to milling, only one autoclave was in operation in the first quarter, and unit costs, because of fixed costs, were much higher than the \$30/tonne expected when these fixed costs will be spread over three autoclaves. Also negatively impacting operating results were site G & A costs and surface costs which were, in the current low production scenario, spread over relatively few tonnes and ounces. For the year as a whole, Getchell expects cash costs to be about US\$285/oz.

On exploration, initial results from drilling north of Turquoise Ridge were released, with a couple of very long intersections (166.1 feet of 0.43 opt gold and 185.9 feet of 0.155 opt gold) and several other holes with reasonable intercepts of 0.38-0.51 opt gold. The company also released a number of drill holes from the 2nd Northwest Ore Zone. There are a number of high grade intercepts in this zone above 0.5 opt. At Turquoise Ridge the shaft reached the 1,500 foot level in the first quarter and underground development continues.

Getchell was off more today than other gold stocks, perhaps because of the high operating costs of the first quarter. We believe that although there will be some improvement in the second and third quarters, quarterly losses will continue until the fourth quarter. Despite exploration success, the stock is likely to mark time until investors see financially satisfactory operating performance. Turquoise Ridge and the Getchell area both hold the promise of additional reserves and we maintain our existing Buy recommendation which is based on year-end reserves and resources of 12.8 million ounces.

Homestake Mining (HM)	1-Strong Buy, #10	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	153.2	164.2
Earnings, US\$M	(4.6)	49.9
EPS, US\$	(0.03)	0.34
Gold Output, Oz	431,100	427,900
Cash Cost, US\$/Oz	203	245

The US\$(0.03)/sh loss consisted of a \$0.04/share operating loss and a \$0.02/share restructuring charge, offset by a \$0.03/share gain on the sale of investment. Cash costs declined remarkably, reaching \$203/oz on production of 517,900 oz. Most of the operations contributed, but the major factors were a \$82/oz decline in costs from the Homestake mine, accompanied by a 30,000 oz decline in production as the mine plan started to be altered, the start-up of the Ruby Hill mine in Nevada, which contributed 30,600 oz at a cash cost of \$129, and higher grades as well as better gold-silver ratios at Eskay Creek, which lowered costs \$44/oz with an increase of 47,000 oz (51%) of production. The tentative start of a hedging program also helped add \$20/oz to the realised gold price over spot. At the Homestake mine underground operations have been suspended pending redevelopment of the underground mine. The new mill at Round Mountain led to a slight increase in production there, together with a fall in cash costs to \$207/oz. The Hemlo mines

recorded worse performances due to lower grades, partly forced by hoisting problems at David Bell.

Kinross Gold (K)	1-Strong Buy, #4	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	42.6	40.8
Earnings, US\$M	0.7	(3.0)
EPS, US\$	0.01	(0.02)
Gold Equiv. Output, Oz	123,423	109,948
Cash Cost, US\$/Oz	232	311

Kinross reported Q1 earnings of US\$0.01/sh from production of 106,467 oz Au and 798,000 oz Ag at a cash cost of \$230/oz. While the production level is down some 40,000 oz from the exceptional Q4, cash costs have crept only slightly higher. The largest change in production came from Hoyle Pond, which mined lower grades than in Q4, but still produced 46,404 oz Au, ahead of the average expectation for the year of 41,000 oz /quarter, and cash costs were also slightly below budget at \$154/oz. Part of the improved earnings came from the Denton-Rawhide mine (49%), which experienced lower cash costs due to a one-off drawdown of metals in solution due to a process change. Exploration away from the mine-sites is now concentrating on Nevada, with the Wilson Creek and Railroad properties receiving current attention. Drilling is underway at Wilson Creek and due to start in June at Railroad. The merger with Amax Gold remains on track for completion on 1st June, and until the debt re-arrangement Kinross has a very strong cash position of US\$337.5 million. The merged entity will show considerable dilution of EPS but similar CFPS for 1998E.

We expect no impact from the earnings, the merger with Amax Gold being the overwhelmingly important event. We are now presenting Kinross numbers on a pro-forma merged basis. Using these, the stock is trading almost exactly at NPV, compared with an industry average premium of 30.3%. We thus find the stock relatively cheap, and consider it to be one of our strongest Buys. The value gap with the other senior producers is likely to close as the name becomes better known, especially among the U.S. generalist funds.

Two properties in Western Australia have been acquired for US\$5 million. One of the projects is adjacent to the Norseman mining district, and two deposits, Mt. Henry and Selene, have been drilled off, with a combined resource of 28.9 million tonnes grading 1.30 g Au/t (1.2 million contained ounces) defined by Kinross. It is believed that there is potential for an increase in the resource along strike and down dip. The other properties, some 45km NW of Kalgoorlie, are earlier stage.

Newmont Gold (NGC)	3-Hold, #25	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	389.5	389.3
Earnings, US\$M	32.6	54.7
EPS, US\$	0.20	0.33
Gold Output, Oz	1,032,800	847,200
Cash Cost, US\$/Oz	184	198

Newmont reported first quarter earnings of \$0.20/share vs \$0.33 a year earlier on production 1.03 million ounces, with cash costs including royalties of US\$184/oz. vs. \$198/oz. a year earlier. Cash flow from operations was \$113.7 million or \$0.68/share vs. \$0.64/share a year earlier. Capital expenditures for the quarter were US\$56 million. At March 31, long term debt was \$1.135 billion. The company expects this debt to dip slightly this year as cash flow exceeds capex, but rise next year and return to the approximately \$1.2 billion level at year-end 1997. Despite its modest hedge position, Newmont realized a gold price of US\$324/oz. The operating performance was excellent at all operations. In its quarterly call with analysts, the company had no new information on the Yanacocha legal situation and awaits the decision of the sixth judge in the case. We rate Newmont a 3-Hold at current prices.

Placer Dome (PDG)	1-Strong Buy, #5	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	294.0	285.0
Earnings, US\$M	17.0	14.0
EPS, US\$	0.06	0.05
Gold Output, Oz	638,000	535,000
Cash Cost, US\$/Oz	184	225

Placer released Q1 earnings of US\$0.06/sh, in line with our forecast, on production of 638,000 oz at a cash cost of \$185/oz, 103,000 oz more and \$41/oz less than Q1 1997. The improvements were due in part to the acquisition of Highlands Gold and Placer Pacific, but also due to the disposal of higher-cost mines and the increase in production from low-cost operations.

Most operations turned in an improved performance, notably Cortez, which, despite producing net 12,000 oz less than expected in the quarter still turned in a cash cost of \$95/oz, and Granny Smith, which produced 87,750 oz at \$113/oz. The only markedly worse performance came from La Coipa, which is in the transition to mining from the Chimberos silver deposit. The Zaldivar copper mine also turned in a much better performance, producing 35.7 million lbs of Cu at a cash cost of \$0.49/lb compared to 25.6 million lb at \$0.59/lb. There were no items that had not been previously discussed by management at the analyst meeting two weeks ago, and no impact is expected.

We continue to believe that Placer should be one of the better performing senior gold stocks in a rising gold price environment, and should outperform Barrick by 15%-20% by the time gold reaches our target of \$340. The stock is currently trading at 12.6% premium to NPV, below the industry average of 20.8%, and we rate it a 1-Strong Buy.

Prime Resources (PRU)	4-Reduce, #32	
Q1 Earnings	Q1 1998	Q1 1997
Revenues, C\$M	56.7	47.3
Earnings, C\$M	25.4	21.2
EPS, C\$	0.15	0.12
Gold Output, Oz	73,440	54,337
Silver Output, Moz	3.171	2.822
Cash Cost, US\$/Oz	136	174

Revenues increased due to higher silver prices offsetting lower gold prices, the start-up of the new mill and a 20% increase in gold grade in the direct shipping ore, although the quantity shipped declined. Reduced smelter costs also helped earnings. The new mill reached commercial production on 1/1/98 and is running somewhat ahead of expectations. Snip, nearing the end of its life, produced less (23,692 oz) at \$224/oz. If low gold prices continue some of the lower grade reserves may have to be written off and the closure accelerated. Exploration during the quarter did not add to reserves. With the new regime, a hedging policy has been started, and 2.9 million oz Ag has been hedged in 1999 and 2000 at \$6.33 and \$6.32 respectively.

Smaller Producers

Golden Knight (GKR) 2-Buy, #24

Golden Knight announced it will pour its first gold at the Tarkwa mine (17.5%) in early May. Commissioning of the Authorized Starter Project is on progress and capital costs are now estimated at US\$142 million before October 1998. Shareholders of Gold Fields Ghana, the operating entity, have contributed \$62 million to date and a loan facility has been arranged for US\$75 million. Bridge financing of US\$50 million has been drawn down to date. Under the terms of the agreement whereby it increased its interest in Tarkwa to 17.5%, Golden Knight has paid US\$47 million and must pay 12.5% of gold resources between 13 and 18 million ounces at US\$16/oz. for geological resource ounces and US\$23/oz. for proven and probable ounces, and must also pay US\$3.75 million for each 2 million ounce increase in measured reserves between 18 and 27 million ounces to a maximum of US\$15 million. This latter obligation expires on Sept. 10/2003 while the first obligation has no expiry date.

Greenstone (GRE) 1-Strong Buy, #9

Annual Earnings	1997	1996
Revenues, US\$M	11.705	20.609
Earnings, US\$M	(4.167)	(4.487)
EPS, US\$	(0.07)	(0.09)
Gold Output, Oz	63,563	NA
Cash Cost, US\$/Oz	268	NA

The Santa Rosa mine in Panama contributed the bulk of the production, 42,484 oz at a cash cost of \$270/oz, with the balance coming from the start-up of Cerro Mojon and the small mines of Bonanza and San Andres. Working capital at year end was US\$43.2 million and long term debt was US\$71.3 million.

Hecla (HL) 1-Strong Buy, #11

Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	40.129	42.456
Earnings, US\$M	0.816	(1.325)
EPS, US\$	0.02	(0.03)
Gold Output, Oz	35,554	43,904
Silver Output, Moz	1.530	1.244
Cash Cost, US\$/Oz	160	204

Earnings were assisted by the sale of land near the company's headquarters for \$1.8 million (\$0.044/sh). While gold cash costs declined as a result of the increase in output from the Rosebud mine and low costs at the La Choya mine, which will close at the end of the year, silver cash costs increased at both Lucky Friday and Greens Creek due to low Pb/Zn prices. Some production is now coming from the Gold Hunter vein at Lucky Friday, increasing grade and lowering costs, and the expansion is on schedule. Profit from the industrial minerals increased to \$2.1 million, partly due to deferred sales from Q4, although the clay division increased its profits, offset by higher costs from the landscaping division.

Meridian Gold (MDG) 3-Hold, #27

Q1 Earnings	Q1 1998	Q1 1997
Revenues, US\$M	14.3	14.0
Earnings, US\$M	(5.1)	(6.0)
EPS, US\$	(0.07)	(0.08)
Gold Output, Oz	52,630	41,604
Cash Cost, US\$/Oz	206	245

Meridian reported a first quarter 1998 loss of US\$5.1 million or \$0.07/share vs. a net loss of \$6.0 million or \$0.08/share in 1Q97. Gold production rose 26% to 52,630 ounces on higher output from both Beartrack and Jerritt Canyon, while cash costs dropped significantly to US\$206/oz. from US\$245/oz. a year ago. These operating improvements more than offset the lower realized gold price of US\$293/oz. compared to US\$349/oz. in 1Q97. The company has 33,000 ounces hedged for 1998 at an average price of US\$400/oz., and is thus about 17% hedged for the year based on expected annual production of 200,000 ounces. Meridian plans to spend US\$10 million on exploration this year, \$6 million of which will be spent on the El Penon property in order to prove up additional reserves beyond the feasibility study levels of 894,000 ounces of gold and 14.4 million ounces of silver. The company expects to have capital costs estimates for El Penon calculated by mid-year and will announce a production decision at that time.

Richmont (RIC) 2-Buy, #28

Q1 Earnings	Q1 1998	Q1 1997
Revenues, C\$M	12.0	3.5
Earnings, C\$M	1.0	(0.5)
EPS, C\$	0.06	(0.04)
Gold Output, Oz	24,300	5,300
Cash Cost, US\$/Oz	192	321

Richmont turned in a very strong quarter, with increased gold production over the year-ago quarter due to the startup of the Nugget Pond mine in April, 1997, and to sharply decreased costs, again attributable to the low cost nature of Nugget Pond, which produced 11,300 ounces at US\$146/oz. in the first quarter. Also reflected in the lower costs are the company's cost reduction efforts at Francoeur, which produced 8,000 ounces at a cash cost of US\$230/oz. vs. US\$321/oz. in 1Q97. At Beaufor (50% consolidated), 5,000

ounces were produced at a cash cost of US\$232/oz., down significantly from US\$329/oz. a year ago. High custom milling revenues were also generated from the Camflo mill, which treated 76,000 tons of ore compared with 60,300 tons in 1Q97. Richmond is currently about 37% hedged for the remainder of 1998 at an average price of US\$373/oz. Based on the Richmond's strong financial position and growth profile, we rate it a 2-Buy with a one year target of C\$5.86/share.

Exploration and Other

Claude Resources (CRJ)

Claude has signed an agreement with Vista Gold to acquire the latter's Tartan Lake gold mine assets near Flin Flon, Manitoba for a total purchase price of US\$1.8 million payable in treasury shares. The acquisition includes a 440 tonne/day mill, rolling stock and mining equipment valued at C\$2 million, a permitted tailings pond and 6,675 acres of mineral and land leases. The Tartan Lake facilities are within trucking distance of Claude's Amisk/Laurel Lake gold project in Saskatchewan. The company also announced it has filed a preliminary prospectus to qualify the conversion of previously issued special warrants into Claude common shares.

Pangea (PGD)

Pangea released positive assay results from a first phase rotary and blast drill program on its Sheba license (JV with Ashanti) in the Lake Victoria area of Tanzania. Two drill fences spaced 500 metres apart have identified two mineralized horizons on a previously identified geochemical anomaly with significant intercepts as follows:

Hole	Metres	g/Au
SHRB46	8.0	3.38
SHRB55	8.0	4.67
SHRB59	16.0	3.48
SHRB73	8.0	9.85

The anomaly appears open to the NE. Ashanti can earn a 75% interest in Sheba and two other licenses by spending a minimum of US\$3.0 million, completing a feasibility study and arranging all development financing by Oct. 1, 2000.

Platexco (PGMI)

Results from seven more holes on the UG2 reef at the Winnaarshoek PGM project, S. Africa, have been released. As shown here, they represent the diluted grade for the UG2 reef and the chrome leader, an effective mining break point. The results continue to point to the grades on Winnaarshoek as being comparable to or better than those seen on most of the S. African PGM mines.

Hole	cm	g/PGM
WH-U1	80	10.28
WH-U3	82	9.50
WH-U5	80	7.72
WH-U9	80	6.73

WH-15	80	6.38
WH-36	80	7.44
WH-40	80	7.46

Holes 36 & 40 represent the furthest downdip extensions of the orebody yet drilled, and thus give further confidence that the orebody is as continuous in grade and thickness as believed.

Romarco Minerals (R)

Romarco announced an independent resource estimate for its Midas project in Nevada using a cutoff grade of 0.25 opt gold equivalent of 422,000 gold equiv. ounces at an average grade of 0.75 opt. on the Belnap claims. On these claims, the higher grade Hanging Wall and Footwall veins remain open along strike and at depth, and Romarco will focus its 1998 drill program on extending these veins and on delineation drilling along the Gold Crown vein.

Stillwater Mining (SWC)

Stillwater reported its first profitable quarter since 1994, with earnings of US\$0.05/sh on production of 101,000 oz combined Pd and Pt, up 21,000 oz from Q1 97, at a cash cost of \$153/oz, down \$31/oz from Q1 97. The profitability resulted from higher revenues due to the higher production and the recently much higher metal prices, although only limited benefit was taken from the prices due to the ongoing deliveries against the palladium hedging program. The result was all the more interesting when it is considered that the mine was going through a low-grade cycle during the quarter, with a mill head grade of 0.68 oz PGM/t compared to the reserve grade of 0.79 oz PGM/t. Permitting for the Stillwater expansion is underway, with the public hearings recently held showing no serious opposition. At the East Boulder development project the tunnel boring machine should be onsite within two months. We will be commencing full coverage of Stillwater in the near future.

Treminto (TMO)

Treminto has entered into a letter of intent to acquire the 6 sq. mi. advanced stage Elkhorn project in Montana from Newmont Gold for initial payments of 0.55 million common shares and US\$1.1 million payable over two years. Subject to the expansion of mineable reserves, estimated at 500,000 ounces (underground mineable diluted), further payments of US\$1.5 million and US\$1.0 million are payable by April 30/2003 and 2005 respectively. A 1996 resource estimate by Pincock, Allen & Holt also calculated a measured and indicated open pit resource of 955,000 ounces. Gold at Elkhorn occurs within gold skarn deposits and exploration to date has pinpointed four main deposits spread over a one square mile area. Initial indications are that based on a US\$355/oz. gold price and a smaller diluted mineable reserve of 256,000 ounces, the project can be developed into a near-surface high grade underground gold mine with annual production of 45,000 ounces and cash costs of US\$230/oz.

01-May-98														Gold Performance Summary			
Recommendations, Targets, Ranking and Valuation																	
Sentiment: Slightly Overweight				Gold Price \$306 /Ounce				TSE Gold Index 7,413									
C\$:US\$ FX Rate		\$1.433		Key:		Shaded lines are C\$ Reporting											
Market is discounting		\$326 gold on mean sentiment				Improvement in recommendation											
Rank is subjective and accounts for various factors						Decline in recommendation											
Target premium to NPV		25%															
Larger Companies																	
Stock Name	Current Advice	Current Price	Target Price @ US\$340 Gold \$/Sh	Rate of Return	Rank	Premium to NPV @ US\$306 Gold	0% Discount NPV, Gold@ US\$306 \$/Share	Asset Leverage % Change /1% Gold	US\$ Adj. Mkt. Cap per Oz. of Reserves	Current Cash Cost US\$/Oz	Mine Life (Yrs)	1998E P/CF	Multiple				
Barrick Gold Corp.	2 - Buy	\$22.13	\$25.62	15.8%	12	23.0%	\$17.99	2.0%	\$161	\$172	16.6	12.1					
Ashanti Goldfields	1 - Str. Buy	\$9.81	\$23.75	142.0%	1	-19.2%	\$12.14	9.7%	\$53	\$247	23.5	7.4					
Battle Mountain	5 - Sell	\$6.88	\$6.23	-9.4%	36	57.4%	\$4.37	2.3%	\$136	\$175	14.0	19.5					
Cambior	1 - Str. Buy	\$7.75	\$10.81	39.5%	6	-2.1%	\$7.91	3.7%	\$91	\$236	9.1	8.3					
Echo Bay	5 - Sell	\$3.44	\$0.46	-86.7%	40	100.0%	\$0.50	2.9%	\$128	\$251	14.5	-186.3					
Euro-Nevada Mining	5 - Sell	\$26.00	\$24.63	-5.3%	33	76.3%	\$14.75	0.8%	\$255	\$0	26.4	37.2					
Freeport Copper	1 - Str. Buy	\$18.38	\$35.30	92.1%	3	-26.2%	\$24.90	2.3%	\$97	\$59	15.2	8.0					
Franco-Nevada	1 - Str. Buy	\$34.65	\$46.15	33.2%	8	33.2%	\$26.02	1.2%	\$173	\$0	45.8	28.6					
Getchell Gold	1 - Str. Buy	\$23.50	\$35.76	52.2%	7	-7.8%	\$25.49	4.4%	\$71	\$255	20.5	16.4					
Homestake	1 - Str. Buy	\$11.56	\$14.68	26.9%	10	36.7%	\$8.46	3.9%	\$64	\$229	16.9	17.2					
Kinross	1 - Str. Buy	\$4.50	\$6.33	40.7%	4	-0.9%	\$4.54	3.3%	\$90	\$195	12.5	9.9					
Newmont Mining	4 - Reduce	\$31.13	\$32.83	5.5%	29	52.6%	\$20.39	3.1%	\$126	\$192	13.5	14.9					
Newmont Gold	3 - Hold	\$31.56	\$35.07	11.1%	25	51.4%	\$20.84	3.1%	\$124	\$192	14.7	15.1					
Placer Dome	1 - Str. Buy	\$14.50	\$21.31	47.0%	5	8.0%	\$13.43	3.5%	\$95	\$164	17.7	9.4					
Prime Resources	4 - Reduce	\$10.90	\$10.95	0.4%	32	95.8%	\$5.57	1.6%	\$88	\$185	18.6	9.1					
Royal Oak	5 - Sell	\$1.53	\$0.44	-71.3%	39	-100.0%	(\$0.94)	8.5%	\$86	\$198	8.6	4.8					
TVX Gold	1 - Str. Buy	\$3.94	\$7.32	85.9%	2	-30.8%	\$5.69	6.3%	\$82	\$200	23.4	11.0					
Totals & Averages, Larger Companies				28.3%		30.3%	\$17.47	3.0%	\$135	\$163	19.3	13.4					
Smaller Companies																	
Stock Name	Current Advice	Current Price	Target Price @ US\$340 Gold \$/Sh	Rate of Return	Rank	Premium to NPV @ US\$306 Gold	0% Discount NPV, Gold@ US\$306 \$/Share	Asset Leverage % Change /1% Gold	US\$ Adj. Mkt. Cap per Oz. of Reserves	Current Cash Cost US\$/Oz	Mine Life (Yrs)	1998E P/CF	Multiple				
Agnico Eagle	4 - Reduce	\$10.20	\$11.24	10.2%	31	65.5%	\$6.16	4.7%	\$97	\$222	30.0	139.3					
Aurizon Mines	1 - Str. Buy	\$0.60	\$1.25	108.0%	22	61.9%	\$0.37	5.6%	\$52	\$230	6.2	6.1					
Berna	5 - Sell	\$3.56	\$2.76	-22.5%	38	61.4%	\$2.21	3.3%	\$85	\$242	23.3	24.5					
Black Hawk	1 - Str. Buy	\$0.30	\$0.97	224.1%	15	-35.8%	\$0.47	12.5%	\$16	\$230	6.8	2.2					
Canyon	1 - Str. Buy	\$1.00	\$2.40	140.0%	16	-74.3%	\$3.90	45.1%	\$68	\$239	31.3	3.4					
Coeur D'Alene	5 - Sell	\$11.44	\$9.04	-21.0%	37	257.9%	\$3.20	6.1%	\$128	\$294	13.1	15.8					
Crown Resources	3 - Hold	\$4.19	\$4.85	15.9%	30	-33.3%	\$6.28	3.3%	\$67	\$171	15.6	-31.8					
Dayton Mining	1 - Str. Buy	\$2.25	\$4.71	109.1%	14	-100.0%	\$1.01	7.8%	\$5	\$241	10.1	4.8					
Dakota Mining	3 - Hold	\$0.20	\$0.22	12.6%	35	387.3%	\$0.04	20.1%	\$54	\$231	4.4	0.9					
Eldorado	1 - Str. Buy	\$0.80	\$1.60	99.0%	17	31.2%	\$0.61	12.9%	\$51	\$263	8.4	4.9					
Geomaque	2 - Buy	\$1.74	\$2.44	39.6%	23	-16.5%	\$2.09	4.9%	\$56	\$250	11.7	11.0					
Golden Knight	2 - Buy	\$1.46	\$2.13	46.1%	24	41.5%	\$1.03	14.3%	\$49	\$228	34.6	-18.1					
Glamis Gold	3 - Hold	\$4.13	\$5.05	22.5%	26	-63.3%	\$11.24	4.4%	\$71	\$209	10.5	14.1					
Greenstone	1 - Str. Buy	\$6.00	\$10.14	69.0%	9	-21.1%	\$7.61	3.2%	\$80	\$185	10.1	6.9					
Goldcorp	4 - Reduce	\$5.48	\$5.57	1.7%	34	39.2%	\$3.94	2.0%	\$146	\$214	11.1	22.4					
Hecla Mining	1 - Str. Buy	\$6.00	\$9.55	59.2%	11	6.4%	\$5.64	3.5%	\$74	\$190	61.6	14.8					
Miramar Mining	2 - Buy	\$2.26	\$3.38	49.5%	19	-21.2%	\$2.87	0.0%	\$100	\$250	0.0	24.4					
Meridian Gold	3 - Hold	\$3.88	\$4.63	19.5%	27	11.3%	\$3.48	3.4%	\$92	\$198	13.4	17.8					
Metallica Resources	1 - Str. Buy	\$1.55	\$3.32	114.2%	21	-13.5%	\$1.79	7.0%	\$67	\$215	10.2	5.5					
Rayrock Y'knife	1 - Str. Buy	\$6.00	\$9.30	55.0%	18	-20.3%	\$7.53	1.6%	\$109	\$241	4.7	9.3					
Richmont	2 - Buy	\$4.20	\$5.86	39.5%	28	68.6%	\$2.49	3.8%	\$72	\$202	7.3	4.4					
Viceroy	1 - Str. Buy	\$2.75	\$4.87	77.2%	13	18.5%	\$2.32	5.4%	\$36	\$350	13.0	11.3					
William Resources	2 - Buy	\$0.25	\$0.64	153.9%	20	-63.4%	\$0.69	39.7%	\$27	\$239	11.4	1.2					
Totals & Averages, Smaller Companies				38.3%		37.7%	\$5.09	5.5%	\$101	\$261	22.3	32.5					
Industry Totals & Averages				29.0%		30.9%	\$16.57	3.2%	\$133	\$170	19.5	14.8					
Premium of TSE Golds Only 22.6%																	
Target prices are derived 70% from the Net Present Value using a zero discount rate and 30% from cash flow multiple using a mine life multiple. Recommendations reflect the rate of return relative to the US 10 year bond yield, but also include factors regarding market capitalisation, funding requirements, debt to asset value and development stage of projects.																	

101-May-98		Forecast Summary										
		Production and Income Statistics										
Industry Statistics		1997A	1998E	1998E	2000E	2001E	2002E					
Forecast Gold Price		\$388	\$331	\$310	\$330	\$350	\$375					
Gold Production, MOz		24,638	26,408	28,163	29,739	32,660	33,380					
Capital Expenditures, US\$M		\$2,783	\$2,544	\$2,176	\$1,516	\$853	\$836					
Cash Flow Multiple		-17.6	76.5	14.8	13.6	10.9	10.7					
P/E		9.5	7.9	34.5	29.4	19.5	20.6					
Net Cash Balance		(\$3,713)	(\$5,019)	(\$4,149)	(\$2,428)	\$778	\$6,876					
Larger Companies												
Stock Name	Shares Issued (Million)	Market Capital (Million)	Debt to Asset Value	Earnings per Share		Cash Flow per Share			Production, 000 oz Au Equiv			Cum. 5 Year Prod. Change
				1998E	1999E	1997A	1998E	1999E	1997A	1998E	1999E	
Barrick Gold Corp., ABX	373.0	\$8,253	6.9%	\$0.75	\$0.97	\$1.26	\$1.32	\$1.82	3,061.3	3,050.8	3,584.9	32%
Ashanti Goldfields, ASL	109.0	\$1,070	26.8%	\$0.29	\$0.38	\$1.28	\$1.17	\$1.33	1,140.0	1,395.9	1,521.4	20%
Battle Mountain, BMG	230.1	\$1,582	21.8%	(\$0.06)	(\$0.07)	\$0.29	\$0.29	\$0.35	886.7	877.0	873.7	36%
Cambior, CBJ	70.4	\$546	27.4%	\$0.10	\$0.01	\$1.14	\$1.02	\$0.93	529.3	616.7	671.7	54%
Echo Bay, ECO	139.4	\$479	47.0%	(\$0.44)	(\$0.36)	\$0.15	\$0.00	(\$0.02)	829.3	615.3	536.6	-55%
Euro-Nevada Mining, EN	92.4	\$2,402	0.0%	\$0.36	\$0.56	\$0.27	\$0.45	\$0.70	76.9	94.1	172.5	165%
Freeport Copper, FCX	185.5	\$3,408	34.1%	\$1.16	\$1.00	\$2.15	\$2.41	\$2.29	1,633.9	2,339.3	2,331.6	24%
Franco-Nevada, FN	74.6	\$2,585	0.0%	\$0.57	\$0.90	\$0.95	\$0.73	\$1.21	99.6	73.9	148.1	216%
Gatchell Gold, GGO	30.1	\$707	3.2%	(\$0.20)	\$0.62	(\$0.32)	\$0.29	\$1.43	142.5	279.6	500.3	116%
Homestake, HM	211.0	\$2,439	-0.0%	(\$0.03)	\$0.11	\$0.98	\$0.76	\$0.67	1,924.8	2,172.8	2,375.7	8%
Kinross, K	289.0	\$1,301	14.9%	(\$0.19)	(\$0.15)	\$0.33	\$0.32	\$0.45	482.2	1,194.4	1,329.2	31%
Newmont Mining, NEM	156.1	\$4,859	27.0%	\$0.71	\$0.83	\$2.27	\$2.25	\$2.09	3,959.4	3,854.6	3,750.6	5%
Newmont Gold, NGC	166.8	\$5,265	25.3%	\$0.71	\$0.83	\$2.27	\$2.25	\$2.09	3,959.4	3,854.6	3,750.6	5%
Placer Dome, PDG	250.2	\$3,629	20.4%	\$0.23	\$0.54	\$1.08	\$1.15	\$1.54	2,798.5	2,826.0	2,977.6	9%
Prime Resources, PRU	76.1	\$829	0.0%	\$0.72	\$0.88	\$0.88	\$1.17	\$1.20	533.1	521.8	512.3	-31%
Royal Oak, RYO	138.9	\$213	165.4%	(\$0.09)	(\$0.05)	\$0.07	\$0.18	\$0.32	341.8	362.9	457.6	69%
TVX Gold, TVX	161.8	\$637	18.0%	\$0.06	\$0.05	\$0.16	\$0.40	\$0.36	417.4	516.0	602.1	220%
Totals & Averages US\$		\$38,380	17.7%						22,815.8	24,645.6	26,096.6	20%
Smaller Companies												
Stock Name	Shares Issued (Million)	Market Capital (Million)	Debt to Asset Value	Earnings per Share		Cash Flow per Share			Production, 000 oz Au Equiv			Cum. 5 Year Prod. Change
				1998E	1999E	1997A	1998E	1999E	1997A	1998E	1999E	
Agnico Eagle, AGE	39.8	\$406	37.6%	(\$0.37)	(\$0.35)	(\$0.13)	\$0.05	\$0.07	167.2	154.5	166.6	50%
Aurizon Mines, ARZ	38.3	\$23	2.4%	(\$0.02)	\$0.01	\$0.02	\$0.06	\$0.10	39.6	46.9	46.9	0%
Bema, BGO	99.4	\$354	16.5%	\$0.09	\$0.08	\$0.02	\$0.15	\$0.15	74.0	119.8	115.9	-4%
Black Hawk, BHK	113.9	\$34	-11.5%	\$0.10	\$0.09	(\$0.13)	\$0.14	\$0.14	66.6	88.0	112.3	123%
Canyon, CAU	39.8	\$40	18.9%	\$0.09	\$0.08	\$0.02	\$0.30	\$0.29	73.0	83.9	86.1	390%
Coeur D'Alene, CDE	23.0	\$262	82.5%	(\$0.68)	(\$0.70)	\$0.15	\$0.26	\$0.72	387.0	401.3	559.6	79%
Crown Resources, CRF	13.2	\$55	16.5%	(\$0.18)	(\$0.18)	\$0.07	(\$0.12)	(\$0.13)	0.0	0.0	0.0	Pre-prod
Dayton Mining, DAY	40.9	\$92	34.4%	(\$0.03)	\$0.13	\$0.19	\$0.19	\$0.47	91.4	115.0	170.1	48%
Dakota Mining, DKT	49.5	\$10	96.1%	(\$0.11)	(\$0.02)	\$0.01	\$0.00	\$0.23	137.5	93.6	202.3	18%
Eldorado, ELD	72.9	\$58	50.3%	(\$0.05)	(\$0.04)	(\$0.26)	\$0.15	\$0.16	192.5	212.6	250.1	53%
Geomaque, GEO	45.6	\$80	0.0%	\$0.00	\$0.07	\$0.11	\$0.06	\$0.16	53.5	69.8	102.9	119%
Golden Knight, GKR	26.9	\$39	0.0%	(\$0.08)	(\$0.13)	(\$0.14)	(\$0.04)	(\$0.08)	4.0	21.1	26.4	110%
Glamis Gold, GLG	31.1	\$128	0.0%	(\$0.06)	(\$0.07)	\$0.32	\$0.23	\$0.29	122.5	109.6	141.5	82%
Greenstone, GRE	58.9	\$354	14.1%	(\$0.12)	\$0.55	\$0.05	\$0.05	\$0.88	107.4	213.4	504.3	137%
Goldcorp, G.A	68.3	\$374	0.0%	\$0.07	\$0.08	\$0.07	\$0.23	\$0.24	106.3	106.3	106.3	315%
Hecla Mining, HL	55.1	\$331	6.6%	(\$0.10)	(\$0.03)	\$0.25	\$0.35	\$0.41	223.7	205.5	215.9	-50%
Miramar Mining, MAE	56.6	\$128	0.0%	\$0.18	\$0.03	\$0.11	\$0.23	\$0.09	107.5	67.1	86.4	107%
Meridian Gold, MDG	73.6	\$285	0.0%	(\$0.20)	(\$0.12)	(\$0.28)	\$0.12	\$0.22	202.6	184.9	199.4	68%
Metallica Resources, MF	23.1	\$36	0.0%	(\$0.13)	\$0.15	(\$0.07)	(\$0.18)	\$0.28	0.1	4.2	97.2	Pre-prod
Rayrock Yknife, RAY	19.9	\$119	2.8%	\$0.20	\$0.20	\$0.97	\$0.52	\$0.64	96.4	91.3	91.3	0%
Richmont, RIC	17.3	\$73	20.0%	\$0.30	\$0.23	\$0.67	\$1.04	\$0.95	72.6	98.6	99.0	0%
Viceroy, VOY	52.6	\$145	-0.0%	(\$0.20)	\$0.04	\$0.43	(\$0.00)	\$0.24	172.2	140.0	176.9	26%
William Resources, WIM	73.1	\$18	49.8%	\$0.03	\$0.04	\$0.09	\$0.20	\$0.21	233.7	188.0	206.1	65%
Totals & Averages US\$		\$3,006	20.3%						2,731.3	2,815.4	3,763.2	85%
Ind. Totals & Averages US\$		\$41,386	17.9%						25,547.1	27,460.9	29,859.9	26%

Costs are per ScotiaMcLeod calculations, and include mine site expenses, royalties, byproduct credits and corporate G&A
Production and reserve figures are for net ownership, not consolidated

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