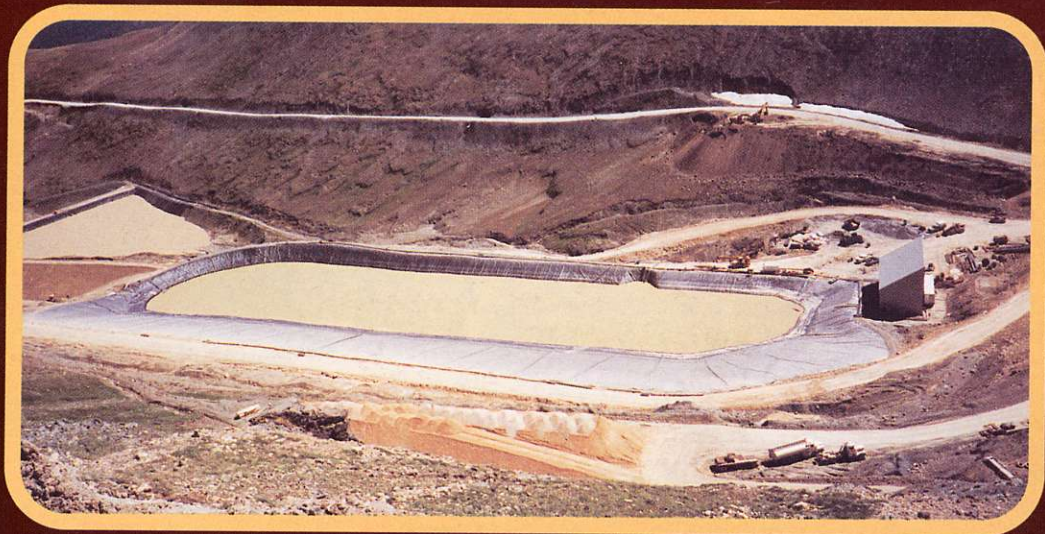


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# Celebration

## GOLDEN BEAR MINE OFFICIAL OPENING

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finds value for the province  
— and the investing public*



A Special Advertising Supplement in *BCReport* Newsmagazine

# Golden Bear Mine

When production gets underway in September at its Golden Bear mine site in northwestern B.C., Wheaton River Minerals Ltd. will finally rejoin the ranks of mining companies that own producing assets.

Indeed, the work going on at the Golden Bear property is cause for celebration beyond the offices of Wheaton River Minerals and its subsidiary North America Metals Corp. Over 100 construction and mine personnel are hard at work putting on the final touches on an innovative and cost-effective mining operation that will see big-league output commence in September.

Government officials say Golden Bear's opening is another indication that mining is regaining its place as one of B.C.'s top job producers.

When the first gold bars are poured in September, Wheaton River Minerals will have overcome the formidable obstacles that prevent many mining companies from placing their properties into production. It will also represent the culmination of three years of effort and faith in the property on the part of the Toronto-listed Wheaton River Minerals and its Vancouver-based subsidiary, North

American Metals.

And that's what separates North American and its parent from the hundreds of junior miners in Canada. No speculative play, North American and Wheaton River want to be in the production business for many years to come and to constantly add shareholder value.

Further, North American has assured itself a profitable return on its investment, having sold forward over 80% of its production over the five years of the mine's life as outlined in the official mine plan, at US\$379 an ounce. Gold today is trading in the low \$300s.

Golden Bear has been in production before. Two giant corporations — Homestake Mining and Chevron Oil — worked on the site from 1982 to 1993. Starting in 1989, Golden Bear was an operating, underground mine. However, the owners could not realize a return on their \$130-million investment and that's when Wheaton seized at the opportunity.

"Wheaton saw the chance to come in and get in on an operating mine with the possibility of turning it around," says Ian McDonald, chairman and CEO of both Wheaton River



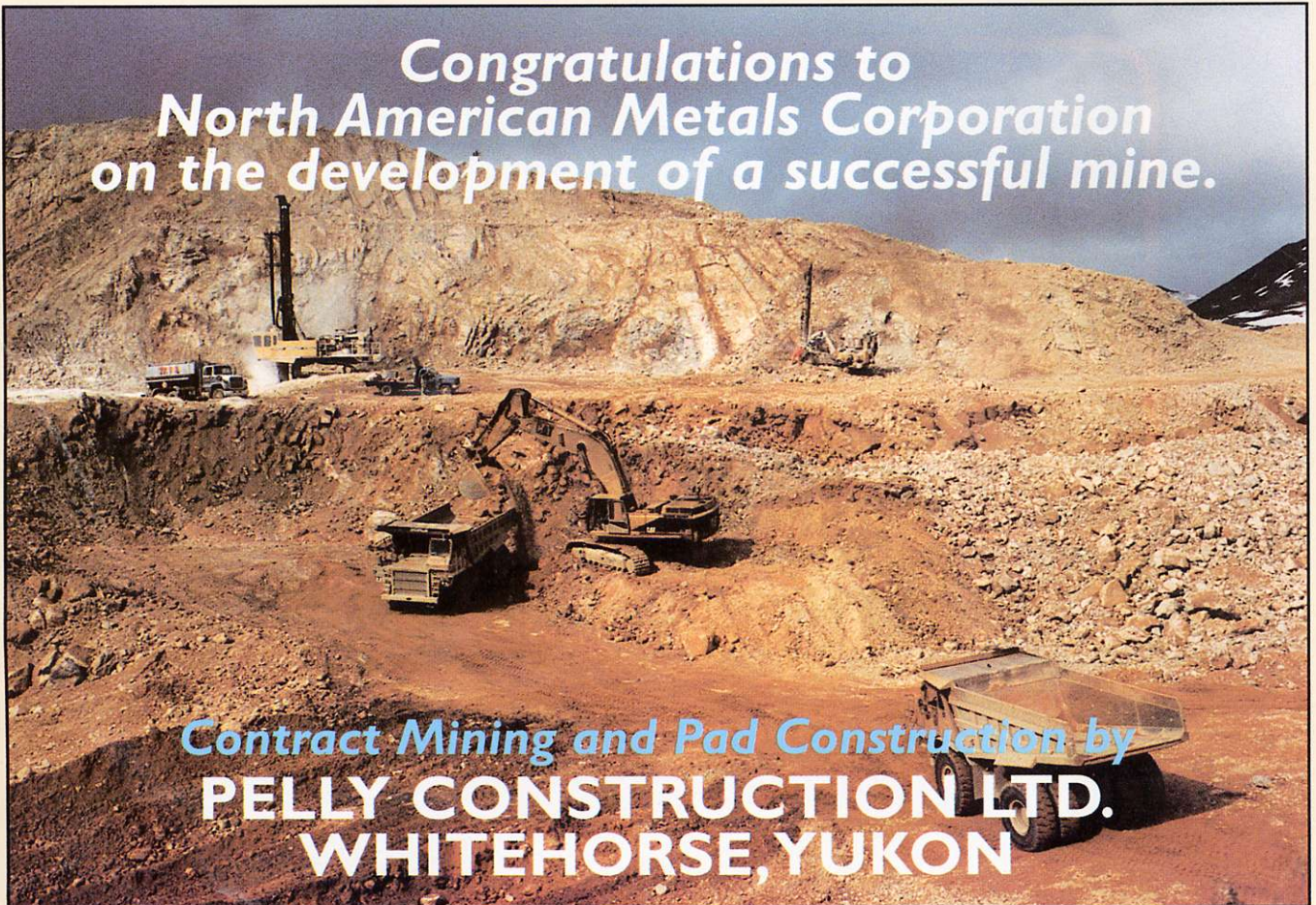
Minerals and North American Metals. In addition, Mr. McDonald and his associates believed there was a strong possibility of finding additional ore bodies.

While Homestake and Chevron wanted to get out of what they saw as a money-losing proposition, North American wanted to get in — especially if the price was right. In 1991, Chevron sold its stake in Golden Bear to North American at the fire-sale price of \$1 million. Then, with the price of gold hitting the skids in early 1993 at around US\$327 an ounce, the company saw its chance to pick up most of Homestake's shares in the mine.

The previous owners' investment of \$130 million bought a lot of infrastructure, including a mill, offices, an assay

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laboratory, an airstrip, environmental permits, satellite phone system, accommodation for 120 people and a 155-kilometre road with 18 bridges that connected the mine with the B.C. highways grid. In addition, the environmental-cleanup bonds were already in place.

In January 1993, Wheaton River's share price on the Toronto Stock Exchange hit a low of 12 cents. That all changed when the company bought the mine and within a few months its drilling program yielded spectacular results. The discovery of what would later be designated the



Grizzly and Kodiak A ore bodies excited investors, who quickly pushed the stock to \$5.50, making it the TSE's top mining performer that year.

While the two ore bodies had good gold grades, they soon proved to be not especially big, and the share price slid back to below \$1.

With the mine's reserves trailing off, and the mill operating on stock-piled ore, North American attempted to keep production going by obtaining permits to operate a heap-leach system. It became apparent that ground conditions were unsafe for continued underground mining at the Bear Main site. Permits were received in August 1994 but the next month the site was hit by torrential rains that badly damaged four of the bridges on the access road.

As a result, the mine was shut down in September 1994 after producing 218,000 ounces.

The following three years saw challenges to reopening Golden Bear being met and overcome. Among the highlights were production of a series of conservative due-diligence reports, successful extension of the permits to include the Ursa ore body, and secur-

ing US\$11 million in project financing from London-based Barclays Bank.

Says Mr. McDonald: "A lot of people in the mining industry consider B.C. a difficult place to permit a mine. While we had the usual hiccups along the way, we found the government helpful, especially the Ministry of



Employment and Investment."

Now Golden Bear is set to resume production after a three-year hiatus from three ore bodies, starting at the Kodiak A deposit. Overlapping production will begin in two years at the Ursa and then Kodiak B. Other areas that aren't in the mine plan — but

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# Golden Bear Mine

which may be brought on stream at a later date — are Kodiak C, Grizzly, and a low-grade stockpile, accumulated from past production.

Mining has, in fact, already begun, while production of refined gold is set to begin in September. The mine is expected to yield 25,000 ounces this year, followed by an average of 46,000 ounces for the next four years. However, unproven reserves from the other three near-surface deposits contain another 270,000 ounces, which leaves a lot of upside potential for extending the mine's life beyond five years.

The mineable reserves at Kodiak A and Ursa were prepared by one of

the most thorough and reputable geological consultants in North America — Strathcona Mineral Services, of Toronto. There was much satisfaction at Golden Bear when Strathcona's assessment of mineable ore came within 1% of North American's own estimates. "We are very proud of our guys," says John Kalmet, North American's president and chief operating officer. "We have a knowledgeable, experienced team in place at the site." A feasibility study was prepared by heap-leach experts Kappes, Cassidy & Associates, of Sparks, Nevada, in early 1996. This was revised later in the year to reflect the addition of the

Kodiak B deposit in the plan. This deposit, which will be mined by bulk-underground methods, complements the Kodiak A and Ursa deposits which will be exploited by separate open pits. Kodiak B estimates were prepared by Peter Bevan, consulting geologist.

At the request of Barclays Bank, the overall feasibility study was reviewed by Behre Dolbear & Company, of Denver, Colorado. The Behre Dolbear report states: "The low front-end capital and robust pre-tax cash flows combine to make a very attractive project."

In addition, Behre Dolbear evaluated the staff at Golden Bear and



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came away impressed with their skill and experience. "You don't go out and find mines, you make them," Mr. Kalmet says. "Even though heap leaching is a relatively simple process, you still have to pay close attention to construction and operating details. Golden Bear is a seasonal operation, and we are fortunate to have a top-notch crew to bring everything together within the short time frame we have available in northern B.C."

When hiring began in earnest this year, North American was able to draw upon a highly skilled local workforce, many of whom worked at Golden Bear in the past. These include many members of the nearby Tahltan First Nation, which is also involved in a number of supply con-

tracts at the site such as catering and road maintenance.

The business strategy of Wheaton River is to seek out undervalued mining assets. Once secured, top-flight mining professionals are put in place and value is developed where none was apparent.

"Our philosophy is to pick up existing mines or former producers," director Kerry Knoll explains. "If there's already an ore body in a certain region, there's a greater likelihood of finding another ore body." A

lot of people think geologists find ore bodies all the time, year after year. The reality, says Mr. Knoll, is that geologists are lucky to discover one mineable ore body in their lifetime.

In its search for ever-more economical ways of mining and producing gold, North American decided to become the first in B.C. to employ the heap-leach extraction system.

In heap leaching, ore mined from the property will be crushed down to 3/4 inch, and then stacked on leach pads. A chemical solution is sprin-



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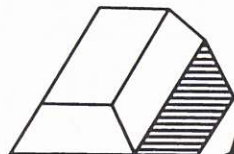


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# Golden Bear Mine

kled over the ore for a period of two months, dissolving the gold from the rock.

Due to topography, there are separate pads for the Kodiak and Ursa deposits. In the first season, the Kodiak A deposit will be mined and stacked on the nearby pad that was completed last year. Earlier this summer, construction of the Ursa pad began and it will be loaded in 1998.

Extensive testing on the Golden Bear ores has shown unusually high recoveries for a heap-leach operation.

Column-leach tests consistently returned in excess of 90% recovery in a relatively short period of time.

Gold is recovered from the chemical solution by a method known as carbon adsorption, which uses charcoal made from ground-up coconut shells. The gold adheres to this substance, much like minerals in water adhere to the charcoal in a household filter.

The gold-laden carbon is transported to the existing Golden Bear mill where another process is used to

strip away the gold. Finally, dore bars containing about 75% gold are poured and shipped for sale to a refinery.

Golden Bear is a good example of how B.C.'s mining industry is recovering after several years in the doldrums. The operation joins a number of high-profile developments that have opened in the province this year, including Imperial Metals' Mount Polley and Princeton Mining's Huckleberry copper mines.

Brokers and analysts are impressed with Wheaton River's modest share price, which was pressured to the 40-cent range by the currently depressed price of gold and by the Bre-X Minerals scandal. Investors don't seem impressed that Wheaton



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River has locked in forward sale contracts for more than 80% of its production at US\$379 per ounce.

With success on the near horizon, Wheaton River has begun looking further afield for other opportunities. It recently agreed to buy the Bellavista gold property in Costa Rica where it hopes to apply what it has learned about heap leaching at the Golden Bear mine.



It has been a long haul for Wheaton River Minerals. But despite delays in getting production underway, the company is confident there is nothing but upside potential for a junior that's soon to pack a golden punch on the mining and investment landscape.

"We've got a lot to be proud of," director Knoll says. "We beat the odds and discovered an ore body that we're putting into production. Most junior companies never do that."

For more information about North American Metals, contact them at 1500 - 700 West Pender Street Vancouver, BC V6C 1G8

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Wheaton River Minerals is located at Suite 515, 330 Bay Street Toronto, ON M5H 2S8

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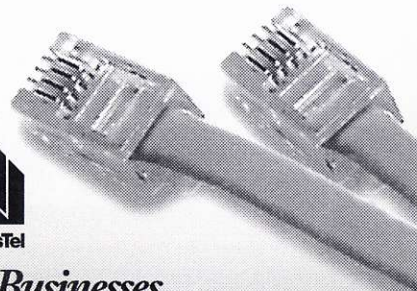
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