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Date: 22-Feb-1993 09:10am PST
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TO: Ron Smyth - Min. of EMPR (RSMYTH)
TO: Vic Preto (VPRETO)
TO: David Lefebure (DLEFEBURE)
TO: Bill McMillan (WCMILLAN)
Subject: GOLDEN BEAR MINE

Due to the drop in ore grades, deteriorating ground conditions, and persistent low gold prices, the company has decided to discontinue the underground mining operation immediately. The operation has sufficient ore stockpiles from the 1992 mining program to provide 6 to 8 months of mill feed while a review of the remaining reserves and the economic viability of continued mining is assessed. Cash costs for 1992 were \$352/oz gold (cf. \$378 in 1991). The company has decided to make additional provisions for reclamation and closure costs and has taken down a partial writedown of the carrying value of ore stockpiles and inventories on hand at year end (Est. \$9 million). Any premature closure would have a very negative affect on explorATIOn. TOM.

GOLDEN BEAR
CLOSES UNDERGROUND OPERATION