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# News Release

## JOINT RELEASE

WESTMIN RESOURCES LIMITED  
SILBAK PREMIER MINES LTD.  
CANACORD RESOURCES INC.

Vancouver (January 26, 1988)

### PRODUCTION APPROVAL FOR \$80 MILLION GOLD/SILVER PROJECT PARTNERS AGREE ON UNITIZATION OF INTERESTS

Westmin Resources Limited, Silbak Premier Mines Ltd. and Canacord Resources Inc. have agreed to unitize their interests in the Silbak Premier - Big Missouri gold/silver properties, 21 kilometres from Stewart in northwestern British Columbia, and proceed into production with this new operation to be known as the Premier Gold Project. The working interests in this new project will be Westmin 50.1%, Silbak 40.0% and Canacord 9.9%, with Westmin as operator. As part of the unitization agreement, Westmin has exchanged its net profits royalty interest on the Silbak Premier Mine for other financial considerations. Tournigan Mining Explorations Ltd. holds a net profits royalty interest on production of ore from the Big Missouri property.

Production, at a rate of 2,000 tonnes per day, is scheduled to begin in early 1989. Final feasibility studies indicate an annual output of approximately 77,000 ounces of gold and 890,000 ounces silver over the first four years of operation, at an average cash production cost of US \$164 per ounce for gold and \$2.66 per ounce for silver during this period. Based on current precious metals' prices and exchange rates, average annual cash flow (before financing and taxes) is estimated at approximately \$30,000,000, and payback is expected in approximately 2.5 years.

The Premier Gold Project will develop separate open pit gold/silver mines on the near surface portions of the famous Silbak Premier underground gold/silver mine which operated from 1918 to 1968 and several deposits on the Big Missouri property. Initial production emphasis will be on the higher grade portion of the Silbak Premier pit.

Capital cost excluding working capital, inflation and interest is expected to total \$80,350,000 of which approximately \$5,000,000 has been expended on roads, site preparation and various environmental and regulatory studies. Negotiations are proceeding with a number of institutions regarding financing ... probably involving some form of bullion loan. The total employment during construction of this project is expected to peak at 220 people with the required operating staff estimated at 160 people.

Currently defined open pit mineable reserves include 5.9 million tonnes at Silbak Premier, grading 0.063 ounces gold per ton and 2.34 ounces silver per



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ton and 1.6 million tonnes at Big Missouri, grading 0.105 ounces gold per ton and 0.86 ounces silver per ton, sufficient for 10.5 years production.

An additional \$3,050,000 will be expended in 1988 on additional exploration to upgrade existing geological reserves to the mineable category, to extend reserves, and to investigate new areas of indicated potential for both open pit and underground reserves. Evaluation of the historical drill hole data and extensive underground workings at Silbak Premier is in progress to define targets which will begin to be tested later this year. Similarly, diamond drilling will test the deeper parts of the open pit zones at Big Missouri.

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