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Province of
British Columbia

MINISTRY OF
EMPLOYMENT
AND INVESTMENT

MEMORANDUM

Energy & Minerals Division, 3990 22nd Ave., Prince George BC V2N 3A1 Fax (604) 565-6015

Prince George, telephone: (604) 565-6125

April 1996 Monthly Report
for the
Northeast-Central Region
by

Bob Lane, Regional Geologist, Prince George

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HIGHLIGHTS:

Kemess South Gold-Copper project given the green light. After extensive review under the province's Environmental Assessment Act, ministers Sihota and Miller signed a project certificate giving Royal Oak Mines Inc. approval to develop the Kemess South porphyry gold-copper deposit. The estimated capital cost of the project is \$390 million. Construction is expected to begin in approximately 6 weeks. Production is scheduled to commence in the April of 1998. The deposit contains an audited mineable reserve of 200,440,000 tonnes grading 0.63 g/t Au and 0.22% Cu. The 40,000 tonne per day operation will produce approximately 213,000 ounces of gold (>6.6 million grams), 58 million lbs of copper (26,300 tonnes) and 170,000 ounces of silver (5.3 million grams) annually over its projected 15-year mine life.

The project is 300 km northwest of Mackenzie, and 5 km east of Thutade Lake, and is adjacent to the existing Omineca Resource Access Road. A 380 km 230 Kv electric transmission line will be constructed from the BC Hydro Kennedy Substation, near Mackenzie, to the mine site along the existing access route. A new 59 km haul road (Sloane Connector) will be constructed through the upper Sustut River Valley and will connect the ORAR to the BC Rail extension near Sloane. As well an onsite airstrip will provide for employee transportation to and from the mine. A total of 310-312 staff will be employed full-time at the mine (on a rotation basis); approximately 500 people will be employed during the construction phase.