## remedy low earnings

cisions aimed the profitability of

mining operations. the end of the first quarer, the company will suspend, temporarily, underground operations at the Pamour mine in Timmins, Ont. It will also suspend milling at the Hope Brook mine in Newfoundland for eight weeks in March and

Although Royal Oak produced a record 371,151 oz. gold in 1995 (almost 53,000 oz. more than in 1994), cash costs rose to US\$357 from US\$311 per oz. in 1994. The rise is attributed to the mining and milling of lowgrade ore, and by startup difficulties at the Colomac mine in the Northwest Territories. (Production for 1995 was originally forecast at 425,000 oz. at a cash cost of US\$290 per oz.)

1995 is attributed to a full year of production at the Colomac mine. However, the combined production of the Giant, Pamour and Hope Brook mines fell 9% below the production level achieved in 1994.

The suspension of underground operations at Pamour will allow Royal Oak to undertake a large-scale program of underground development, with the objective of increasing production levels from the Lower Hoyle and in the highgrade, narrow vein areas. During this time, the Pamour mill will be fed by open-pit ore, as well as underground ore from the Nighthawk Lake mine.

At the Hope Brook mine, milling operations, which are running at 60% capacity, will be suspended to allow a sufficient quantity of ore to be

stockpiled.

For the year ended 1995, Royal Oak earned \$23.2 mil-

Cyprus grabs Taurus by the horns

VANCOUVER - Now that metallurgical tests have confirmed its expectations for gold recovery, Cyprus Canada will proceed with the next phase of exploration at the Taurus project, near Cassiar, B.C.,

The company, a wholly owned subsidiary of Cyprus Amax Minerals (NYSE), used cvanide leach tests to test for two distinct types of gold min-

eralization.

Samples from the 88 Hill zone, representing the quartz stockwork type of minerailzation that constitutes the bulk of the deposit, averaged a "positive" gold recovery rate of 75%. The second type of mineralization — described as a massive, disseminated pyritic horizon — did not fare as well, averaging a recovery rate of less than 30%. The pyritic mineralization is geographically distinct from the quartz stockwork and is found only in the northwestern corner of the deposit.

The project comprises two adjoining properties, held separately by International Taurus Resources (VSE) and Cusac Gold Mines (TSE). Cyprus can earn a half interest in each of the properties by meeting initial exploration expenditures; an additional 20% can be earned by funding the properties to production.

In 1995, Cyprus drilled 78 holes, targeting a low-grade, bulk-tonnage gold deposit. The holes were drilled on a regional scale at 100-by-200-metre spacings. Although Cyprus has not commented on the possible size of the deposit, International Taurus and Cusac report a geological resource of 145 million tons grading 0.028 oz. gold per ton. Contained therein is a higher-grade resource of 22 million tons averaging 0.041 oz. at the Taurus West zone, and 50 million tons averaging 0.031 oz. at the 88 Hill zone.

Before proceeding with infill drilling, Cyprus will strip the outcrop area of the 88 Hill zone, and attempt to gain a better handle on the higher-grade zones by defining their shape

and continuity.

Additional, exploratory drilling on a regional scale will test the 88 Hill, the Taurus mine and western areas, as well as the Wings Canyon area.

Drilling at the Taurus is expected to begin in May, weath-

er permitting.

Jazzman Ventures (IJV: VSE) and Oro Belle Resources (ORS:VSE) have amalgamated. The company name will remain Oro Belle Resources (ORS:VSE).

The increase in output for lion (or 20¢ per share) on revenue of \$208.3 million, compared with \$22.2 million (22¢ per share) on \$162.1 million in the previous year.

Royal Oak is targeting a 1996 production level of 425,000 oz. at a cash cost of US\$306 per oz. The company has set its exploration budget at \$12 million, with an additional \$8 million earmarked for exploration and development of the Red Mountain project, near-Stewart, B.C.

The acquisitions of El Condor Resources, St. Philips Resources and Geddes Resources reduced Royal Oak's cash position to \$75 million, and at yearend the company had 119 million shares outstanding.

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