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## to remedy low earnings

At the end of the first quarter, 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 April.

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 low-grade 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.)

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The increase in output for 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 high-grade, 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 million.

ties 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, weather permitting.

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

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 Conador Resources, St. Philips Resources and Geddes Resources reduced Royal Oak's cash position to \$75 million, and at year-end the company had 119 million shares outstanding.

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