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✓ 1989 Annual Rpt.

BLACKDOME MINE

EFFECTIVE August 16, 1989, MinVen increased its ownership of the Blackdome Mine from 50.1% to 100% by acquiring the minority outstanding interest of Blackdome Mining Corporation for 4.1 million shares of MinVen common stock which had a value on that date of Cdn \$13.6 million. As of the date of acquisition, the assets of Blackdome Mining Corporation consisted primarily of the interest in the Blackdome Mine and Cdn \$10 million in cash. ♦ The Blackdome Mine is located about 140 miles north of Vancouver, near Clinton, British Columbia. The underground operation produces over 200 tons of high grade gold-silver ore per day which is processed through an on-site mill to produce both dore and concentrates. The facility was completed and began operation in May 1986. ♦ On March 23, 1990, after reviewing the results of recent operations and exploration results, the Board of Directors of MinVen elected to reduce MinVen's book value of the Blackdome Mine by Cdn \$17.4 million on a pretax basis. The decision to write down the assets better reflects the uncertainty of the development of additional ore reserves and the viability of continuing mining operations in the event such reserves are not developed.

ORE RESERVES

Mineable proven and probable ore reserves at the Blackdome Mine as of December 31, 1989 were as follows:

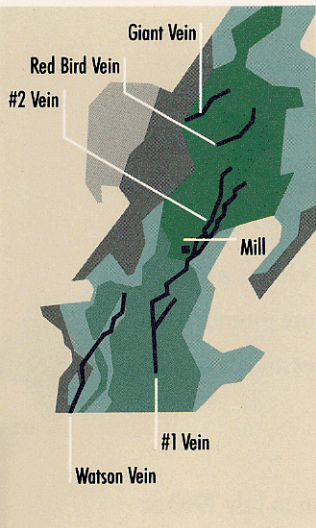
	Tons	Au	Grade	Ag
Proven	31,228	0.58		2.60
Probable	37,846	0.41		1.79
Total	69,074	0.49		2.16

Property-wide exploration efforts identified mineralized outcroppings of the favorable rhyolite-andesite contact zone south of the existing mining area. As a result, it is now demonstrated that the favorable ore bearing structures and host rock can be projected for a distance of over 1.5 miles south of the southern mine workings.

OPERATIONS

The Blackdome Mine achieved record production of gold during its third full year of production in 1989 despite poor mining grades during December.

Mill throughput was 81,326 tons grading 0.69 ounces of gold per ton in 1989 compared to 87,519 tons grading 0.63 ounces of gold per ton in 1988. Gold

**BRITISH COLUMBIA**

GOLDEN REWARD MINE

MINVEN OWNS a 33 $\frac{1}{3}$ % joint venture interest in the Golden Reward Mine, located near Lead, South Dakota. ♦ Construction of a seasonal open pit mine and heap leaching facility began in the third quarter of 1988 and was essentially completed in the fourth quarter of 1989. The first gold pour was made on December 14, 1989. ♦ A non-mining asset of the Golden Reward Joint Venture is a 31% interest in the Black Hills Chairlift Company which operates the Terry Peak ski facility. This prime recreational spot is adjacent to the Golden Reward Mine and is the largest ski area in the central United States. ♦ On March 23, 1990, MinVen announced its intention to sell its interest in the Golden Reward Mine and all related assets. The purpose of the sale is to utilize cash in development of ore reserves at each operation, reduce debt outstanding and seek additional property acquisitions.

ORE RESERVES

Mineable proven and probable ore reserves at the Golden Reward Mine as of December 31, 1989 were as follows:

Proven and Probable	Tons	Au Grade	Ag	Au Ounces	Ag
Ore Reserves	13,240,000	.041	.161	542,800	2,131,800
MinVen's Share	4,413,300	.041	.161	180,900	710,600

The total geological oxide resource including the mineable reserves at the Golden Reward Mine is currently estimated at 23.1 million tons containing 0.041 ounces of gold per ton.

ON MARCH 23, 1990,

During 1989, exploration for new ore reserves was limited as efforts were concentrated on the start-up of the mine. In 1990, the joint venture intends to increase exploration efforts in order to extend existing ore reserves and develop additional oxide ore on the 6,000 acre property.

MINVEN

ANNOUNCED

CONSTRUCTION AND OPERATIONS

ITS INTENTION TO

Construction of the mine, leach pad and processing facilities began in July 1988 at a projected capital cost of US \$19.7 million with a scheduled completion date in May 1989. Due to delays caused by the bad weather in the fall of 1988, extremely cold temperatures in the first quarter of 1989 and by delays in approval of changes to the original permits as issued by the South Dakota Department of Water and Natural Resources, completion of construction was delayed until November 1989 and the capital cost increased to \$25 million.

SELL ITS INTEREST

IN THE GOLDEN

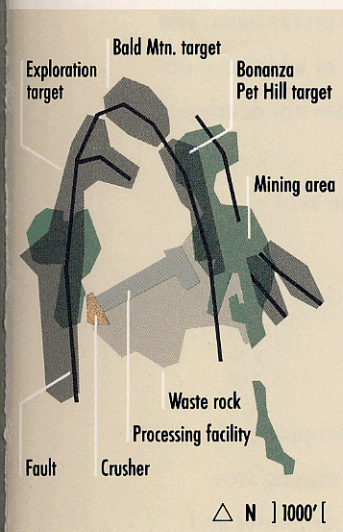
REWARD MINE AND

As a result of the construction delays and extremely cold temperatures experienced during the start-up in the fourth quarter of 1989, production from the Golden Reward Mine was limited to 54,000 tons grading 0.039 ounces of gold per ton. MinVen's share of gold production amounted to 43 ounces for the year, all of which was derived from the first gold pour on December 14, 1989.

ALL RELATED

ASSETS.

MinVen expects the start-up of the Golden Reward Mine to be completed by the middle of 1990 with a 33 $\frac{1}{3}$ % share of the metal production to be at least 16,000 ounces.



recoveries improved from 93.4% of the contained gold in 1988 to 95.3% in 1989. Total gold produced increased from 51,629 ounces in 1988 to 53,384 in 1989 but silver production fell from 182,106 ounces in 1988 to 116,236 ounces in 1989.

The 1989 average cash cost of production, including all mining, development, milling and on-site administration costs, declined to US \$306 per ounce in 1989 compared to US \$406 in 1988 as a result of more efficient mining operations and the introduction of hydraulic backfilling of stopes. Exploration costs declined to US \$37 per ounce produced in 1989 compared to US \$86 in 1988 as a result of reduced expenditures and greater concentration of efforts in the mining areas.

Capital expenditures at the property totaled US \$2.2 million, primarily as a result of a fire that destroyed the power generation facilities at the mine. Approximately four days of production were lost due to the fire but the cost of replacing the facility will be borne by insurance carriers.

EMPLOYEE HOUSING
AND MILL BUILDINGS,
BLACKDOME MINE,
LOCATED IN THE
SOUTHERN CARIBOO
MOUNTAINS OF
BRITISH COLUMBIA.



DIRECTORS AND OFFICERS

DIRECTORS

LEFT TO RIGHT,

FRONT ROW;

JAMES A. ANDERSON

AND PAUL A. BAILLY.

BACK ROW;

GEORGE R. IRELAND,

REX L. OUTZEN,

PETER C. BUSSE,

AND

DAVID J. LAYMAN.

NOT PICTURED,

MICHAEL P. ATTAWAY.

James A. Anderson,

Englewood, Colorado—President and

Chief Executive Officer,

MirVen Gold

Paul A. Bailly, Denver, Colorado—

Chairman, MirVen Gold and

President, Fulcrum Management, Inc.

Patrick J. Mars, Toronto, Ontario—

President, Bunting Warburg Inc.

Wayne D. McClay, North Vancouver,

British Columbia—President,

Dayton Developments Corp.

Giles R. Peatfield, North Vancouver,

British Columbia—

Consulting Geologist

Albert F. Reeve, Gibsons,

British Columbia—President,

Laramide Resources Ltd.

David S. Robertson, Toronto,

Ontario—

Consultant to the minerals industry

Christopher M.T. Thompson, Golden,

Colorado—Executive Vice President

and Chief Financial Officer of Fulcrum

Management, Inc.

Kjeld Thygesen, London, England—

Managing Director,

Lion Resource Management

OFFICERS

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Treasurer

Rex L. Outzen, Vice President, Mining

David J. Layman, Vice President,

Administration, Controller and

Secretary

Micheal J. Korenberg, Assistant

Secretary

