

Snip. 887753 VGR → SNHP

1995 Annual Report

37

Homestake Mining Company

Opening A New Chapter



APR 29 1996

Geological Survey Branch
MEMPHIS

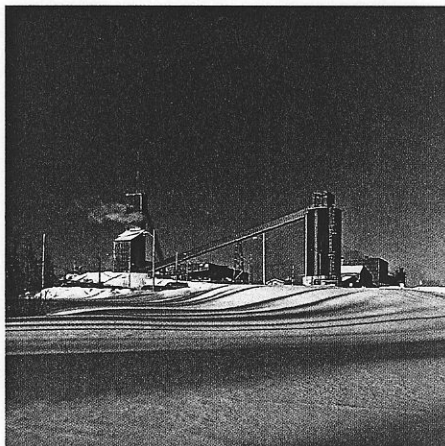
mining progressed away from the central core of the ore body.

Development of an additional ore zone and construction of the related infrastructure was completed in the third quarter of 1995. This new zone provides a third production area and should allow for additional tonnage to the mill. In an effort to minimize mining costs, stoping of narrow-width ore by longitudinal longhole retreat continued during the year.

Tailings impoundment areas were consolidated with the Williams mine. This will result in lower reagent consumption and reduce fresh water requirements by increasing the use of recycled water. In 1996, it is anticipated that ore grades and throughput will improve, resulting in increased production.

Snip Mine – British Columbia

Gold production in 1995 was similar to 1994. Total cash costs increased slightly to \$175 per ounce. The use of conventional mining methods to extract ore will increase in 1996. As a result, it is expected that a 5% decline in tonnage mined will be accompanied by a modest increase in total cash costs.



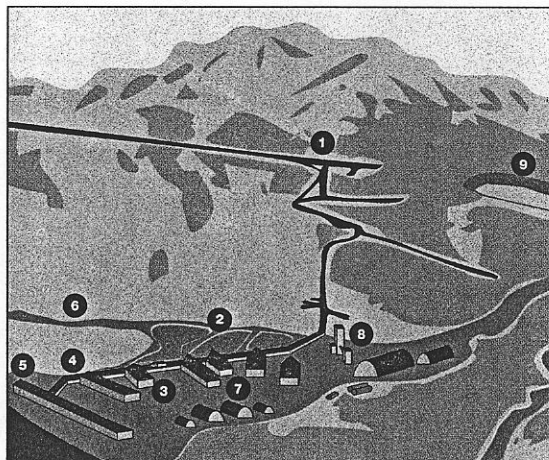
David Bell Mine, Ontario

Profile: Eskay Creek

In 1932, a syndicate directed by Tom Mackay explored and identified more than 30 ore zones in a region near the Iskut River. Today, more than

sixty years later, the Eskay Creek project covers almost 3,500 acres in this remote area of northwestern British Columbia. The mine is one of the

highest-grade gold and silver deposits discovered in North America in recent history. Base metal sulphides associated with precious metals mineralization at Eskay Creek include sphalerite, tetrahedrite, pyrite and galena. Completed on time and under budget in 1994, the Eskay Creek mine is one of Homestake's leading gold producers.



1. Underground workings
2. Settling ponds
3. Assay lab
4. Dry
5. Bunkhouse
6. Road to upper portal
7. Ore crushing & blending
8. Backfill plant
9. Quarry

Statistical Summary

	Gold Production ¹				Production Costs Per Ounce			
	Interest ¹ %	Tons Milled (millions)	Grade (oz/ton)	Recovery (%)	Ounces Produced	Operating Cash ^(c)	Other Cash ^(d)	Noncash ^(e)
1995								
United States								
Homestake	100	2.5	0.171	96	402,867	\$292	\$11	\$ 32
McLaughlin	100	2.3	0.120	88	241,772	234	8	111
Round Mountain ²	25	7.8	0.018	71	86,109	231	23	74
Santa Fe	100	—	—	—	16,667	118	21	—
Joint Ventures	—	—	—	—	35,875	254	24	56
Ruby Hill	100	—	—	—	—	—	—	—
Canada								
Eskay Creek ^{3,4}	100	0.1	3.357	95	331,300	182	3	45
Williams	50	1.3	0.163	95	202,561	214	8	38
David Bell ³	50	0.2	0.347	94	86,523	192	11	48
Nickel Plate	100	1.5	0.077	81	91,365	379	—	56
Snip ³	40	0.1	0.751	91	51,310	175	—	56
George Lake	74	—	—	—	—	—	—	—
Australia								
Kalgoorlie	50	5.4	0.068	88	311,416	296	—	46
Chile								
El Hueso ⁶	100	0.6	0.047	68	19,564	403	—	23
Manto Agua de la Falda	51	—	—	—	—	—	—	—
Total production					1,877,329	\$250	\$ 7	\$ 51
Minority interests					(245,652)			
Homestake's share of gold					1,631,677			
1994								
United States								
Homestake	100	2.6	0.160	95	393,934	\$284	\$ 7	\$ 31
McLaughlin	100	2.2	0.126	87	250,453	241	8	79
Round Mountain ²	25	6.5	0.021	79	105,877	153	29	61
Santa Fe	100	—	—	—	22,361	163	6	170
Joint Ventures	—	—	—	—	40,145	234	23	57
Ruby Hill	100	—	—	—	—	—	—	—
Canada								
Eskay Creek ^{3,4}	100	—	—	—	—	—	—	—
Williams	50	1.3	0.184	95	222,660	191	12	42
David Bell ³	50	0.3	0.399	94	103,854	156	11	44
Nickel Plate	100	1.4	0.070	81	82,117	349	—	54
Snip ³	40	0.1	0.743	92	51,592	173	—	59
George Lake	74	—	—	—	—	—	—	—
Australia								
Kalgoorlie	50	5.4	0.078	88	352,081	257	—	41
Chile								
El Hueso ⁶	100	2.7	0.035	80	56,447	396	—	13
Mines sold ⁷	—	—	—	—	14,868	268	—	29
Total production					1,696,389	\$245	\$ 7	\$ 48
Minority interests					(89,826)			
Homestake's share of gold					1,606,563			
Eskay Creek – silver								
1995								
1994								

	Reserves (a) ⁸			Mineralized Material (b) ⁸		
	Tons (millions)	Grade (oz/ton)	Contained Ounces (thousands)	Tons (millions)	Grade (oz/ton)	Contained Ounces (thousands)
	26.0	0.197	5,119	24.8	0.168	4,166
	19.3	0.068	1,315	—	—	—
	127.2	0.020	2,500	19.6	0.020	390
	—	—	—	—	—	—
	5.9	0.043	254	—	—	—
	7.6	0.099	755	9.2	0.067	614
	0.6	1.875	1,067	0.1	0.879	101
	18.4	0.150	2,749	4.3	0.121	518
	3.0	0.300	911	—	—	—
	0.9	0.079	74	—	—	—
	0.1	0.776	60	—	0.685	20
	—	—	—	2.6	0.322	824
5	92.1	0.072	6,591	82.1	0.064	5,202
3	—	—	—	—	—	—
—	0.5	0.181	95	—	—	—
1	—	—	—	—	—	—
	301.6		21,490	142.7		11,835
31	20.4	0.203	4,138	27.1	0.157	4,261
79	22.1	0.075	1,665	—	—	—
51	87.2	0.022	1,950	26.8	0.024	654
70	—	—	—	—	—	—
57	5.9	0.041	243	—	—	—
—	—	—	—	13.6	0.108	1,467
—	0.6	1.910	1,151	—	—	—
42	17.0	0.166	2,835	5.2	0.130	669
44	3.0	0.318	948	—	—	—
54	2.9	0.077	223	—	—	—
59	0.1	0.797	89	—	0.729	20
—	—	—	—	2.6	0.322	824
41	64.7	0.073	4,695	43.5	0.076	3,291
13	0.1	0.039	5	—	—	—
29	—	—	—	—	—	—
48	—	—	—	—	—	—
	224.0		17,942	118.8		11,186
	0.6	83.4	47,439	0.1	55.99	6,431
	0.6	85.5	51,507	—	—	—

Definitions:

(a) A proven and probable reserve is that part of a mineral deposit which could be extracted or produced economically and legally at the time of the reserve determination.

(b) Mineralized material is an estimate of tonnage and grade of a mineral deposit with potential economic merit. Estimates of tonnage and grade are made on the basis of continuity, size and shape of mineralization. The extent of sampling required to quantify the estimate will vary with the level of geological understanding. Tonnage and grade estimates include provision for mining dilution.

(c) Operating cash costs are costs directly related to the physical activities of producing gold; includes mining, milling, third-party smelting and in-mine exploration expenditures that are related to production.

(d) Other cash costs are costs that are not directly related to, but may result from, gold production; includes production taxes and royalties.

(e) Noncash costs are costs that typically are accounted for ratably over the life of an operation; includes depreciation, depletion, final reclamation and the amortization of the economic cost of property acquisitions, but excludes amortization of SFAS 109 deferred tax purchase adjustments relating to property acquisitions.

¹ Homestake's proportionate interest including minority interests.

² Recovery relates to the reusable pad at the Round Mountain mine.

³ Includes ounces of gold contained in ore or concentrates sold to smelters.

⁴ Gold and silver are accounted for as co-products at Eskay Creek. Silver production is converted into gold equivalent, using the ratio of the gold market price to the silver market price. The ratio was 73.8 ounces of silver equals one ounce of gold production for the year ended December 31, 1995. Reserves and mineralized material relate to gold only.

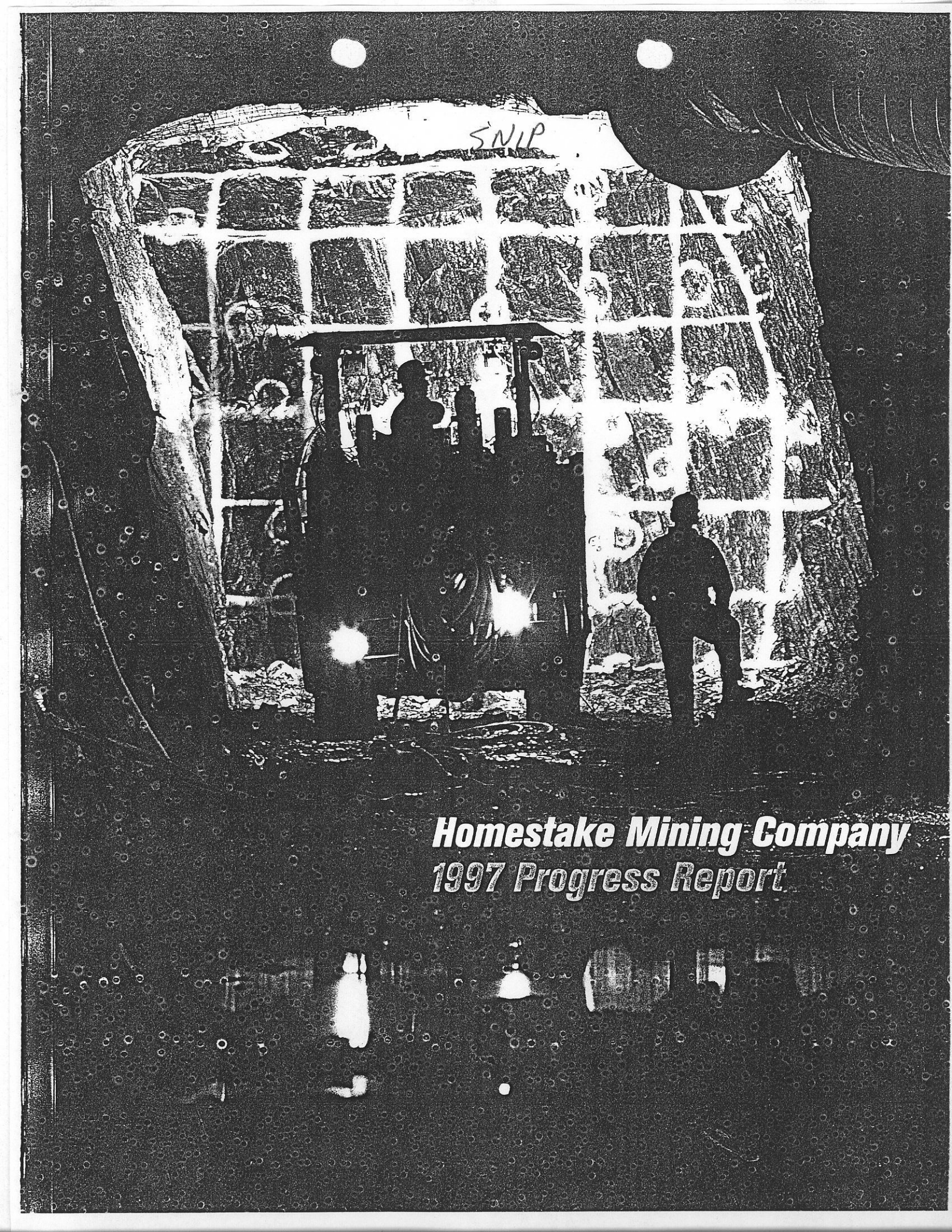
⁵ Ounces produced includes 7,140 ounces and 7,745 ounces of gold production from the Quarter Claim in 1995 and 1994, respectively. Reserves include a 25% net profits interest in Quarter Claim.

⁶ Recovery and grade relate to the higher-grade ore at the El Hueso mine.

⁷ Includes production from the Torres mining complex and Dee mine in 1994.

⁸ Homestake's proportionate interest, excluding minority interests, except that Kalgoorlie reserves and mineralized material at December 31, 1995 reflect completion of the acquisition of the HGAL minority interests.

Effective January 1, 1996 Homestake adopted the "Gold Institute Production Cost Standard" for reporting of per ounce production costs. All per ounce production costs in this annual report are presented on this basis.



***Homestake Mining Company
1997 Progress Report***

Statistical Summary

US

Gold Production

	Interest %	Tons Processed (millions)	Grade (oz/ton)	Recovery (%)	Ounces Produced
1997					
United States					
Homestake	100	2.6	0.163	94	397,299
Round Mountain ²	25	12.1	0.015	75	119,958
Ruby Hill ³	100	0.3	-	-	16,629
McLaughlin	100	2.7	0.075	58	113,491
Pinson ^{4,5}	50	0.6	0.046	86	25,829
Marigold ⁵	33	0.9	0.028	95	24,547
Canada					
Eskay Creek ^{6,7}	100	0.1	3.661	95	417,303
Williams	50	1.3	0.160	95	201,098
David Bell ⁸	50	0.3	0.397	96	101,313
Snip ^{6,9}	100	0.2	0.780	92	115,644
Australia					
Kalgoorlie	50	6.6	0.072	89	425,914
Plutonic	100	3.4	0.094	88	274,608
Darlot/Centenary	100	0.6	0.114	95	65,153
Lawlers	100	0.5	0.178	96	87,481
Mt Morgans	80	1.0	0.093	88	73,588
Peak Hill	67	0.7	0.069	97	33,104
Other Projects	-	-	-	-	-
Chile					
Agua de la Falda ¹⁰	100	0.3	0.172	65	31,417
Total Production¹¹					2,544,325
Minority Interests¹²					(278,670)
Homestake's Share of Gold Production					2,265,655
Eskay Creek - Silver					

Notes:

1. Homestake reports per ounce production costs in accordance with the "Gold Institute Production Cost Standard."
2. Recovery relates to the reusable pad at the Round Mountain mine.
3. The Ruby Hill mine commenced commercial production effective January 1, 1998. Costs associated with gold produced during 1997 have been excluded from cost per ounce calculations.
4. Homestake increased its interest in the Pinson mine to 50% in December 1996.
5. Recovery relates to ore milled at the Pinson and Marigold mines.
6. The Eskay Creek and (effective April 1996) Snip mines are owned 100% by Prime Resources Group Inc. ("Prime"). Homestake owns 50.6% of Prime. The ownership interests and

- production amounts shown are Homestake's consolidated interests without reduction for minority interests. Production amounts include ounces contained in ore or concentrates sold to smelters. Reserves and mineralized material are Homestake's interest after reduction for the 49.4% minority interests in Prime.
7. Gold and silver are accounted for as co-products at Eskay Creek. Silver production is converted into gold equivalent using the ratio of the gold market price to the silver market price. For the years ended December 31, 1997 and 1996, the ratio was 68.2 and 74.9 ounces of silver equals one ounce of gold production, respectively. Reserves and mineralized material relate to gold only. Silver reserves and mineralized material are shown at the bottom of the chart.

Production Costs Per Ounce¹Reserves²Mineralized Material³

Production Costs Per Ounce ¹			Reserves ²			Mineralized Material ³		
Operating Cash ^c	Other Cash ^d	Noncash ^e	Tons (millions)	Grade (oz/ton)	Contained Ounces (thousands)	Tons (millions)	Grade (oz/ton)	Contained Ounces (thousands)
\$306	\$ 4	\$ 47	13.6	0.205	2,786	18.5	0.170	3,133
210	16	49	100.3	0.018	1,759	35.6	0.016	565
-	-	-	7.0	0.098	687	7.2	0.073	526
247	7	120	13.9	0.061	845	-	-	-
334	10	54	0.9	0.073	65	-	-	-
239	28	34	5.1	0.033	168	-	-	-
155	2	35	0.8	1.693	1,281	0.2	0.587	110
222	7	40	16.5	0.150	2,465	4.1	0.119	490
184	10	45	2.6	0.312	804	-	-	-
213	-	115	0.1	0.678	80	-	0.751	10
259	-	55	89.7	0.066	5,924	102.6	0.071	7,242
234	-	70	5.2	0.108	567	26.7	0.222	5,927
320	-	29	9.4	0.163	1,556	4.0	0.123	492
260	-	25	1.9	0.134	252	3.8	0.117	445
374	6	85	3.8	0.023	91	-	-	-
269	-	151	0.5	0.044	24	-	-	-
-	-	-	-	-	-	6.6	0.105	696
<u>213</u>	<u>-</u>	<u>82</u>	<u>0.7</u>	<u>0.167</u>	<u>110</u>	<u>7.7</u>	<u>0.160</u>	<u>1,224</u>
<u>\$242</u>	<u>\$ 4</u>	<u>\$ 57</u>	<u>272.0</u>		<u>19,464</u>	<u>217.0</u>		<u>20,860</u>
			0.8	78.3	59,208	0.2	11.97	2,247

8. Ounces produced include 11,331 and 11,362 ounces of gold produced from the Quarter Claim in 1997 and 1996, respectively. Reserves include a 25% net profits interests in Quarter Claim.

9. Prime purchased the remaining 60% interest in the Snip mine in April 1996.

10. The Agua de la Falda mine, which commenced commercial production in April 1997, is owned 100% by Agua de la Falda, S.A. ("Agua"). Homestake owns 51% of Agua. The ownership interest and production amounts shown are Homestake's consolidated interest without reduction for minority interests. Reserves and mineralized material are Homestake's interest after reduction for the 49% minority interests in Agua.

11. Includes 14,441 ounces and 17,313 ounces of gold produced at the Bellevue project in Western Australia during 1997 and 1996, respectively, and 507 ounces and 8,274 ounces of gold produced at the El Hueso mine in Chile during 1997 and 1996, respectively.

12. Includes minority interests' 49.4% share of Prime's production in 1997 and 1996 and 49% share of Agua's production in 1997.

13. Homestake completed the sale of its interests in the George Lake and Back River joint ventures in February 1997.

a,b,c,d and e see "Definitions" on pages 26 and 27.

→ SNIP

years. All concentrates were shipped to the Trail Operations except for 23,000 tons (20,900) of lead concentrate held in inventory at year-end.

Despite much improved productivities, Kimberley Operations were unprofitable in 1991 because of low prices for lead, silver and particularly zinc.

Pine Point Mines

At the Pine Point operation at Pine Point, N.W.T., all buildings have been removed, although some reclamation work remains to be done. The final shipment of lead concentrate was made to Japan in October 1991.

POLARIS

		1991	1990
Ore milled ¹	tons (tonnes)	1,178,700 (1,069,300)	1,121,300 (1,017,200)
Zinc			
Average ore grade		12.5%	14.4%
Concentrate	tons (tonnes)	180,400 (163,700)	194,100 (176,100)
Average concentrate grade		61.3%	62.7%
Lead			
Average ore grade		3.2%	4.0%
Concentrate	tons (tonnes)	34,600 (31,400)	41,200 (37,400)
Average concentrate grade		77.7%	78.2%
No. of employees at year-end		246	257

¹ Cominco owns 77.5 percent of the mine and Pine Point Mines Limited owns 22.5 percent. Ore milled is reported as 100 percent. Production data represent Cominco's 77.5 percent share.

Polaris

The Polaris zinc-lead mine, concentrator and related exploration properties are owned 77.5 percent by Cominco and 22.5 percent by Pine Point Mines Limited. Cominco is the operator of the joint venture. The underground mining operation, which is located on Little Cornwallis Island, N.W.T., is celebrating its tenth full year of operations in 1992.

Polaris set a new record for tonnage milled in 1991. Ten shipments of lead and zinc concentrate were made to Europe between June 25, the earliest ever, and October 27, for a total of 277,800 tons (252,000).

Although Polaris continues to produce a large proportion of ore from pillar mining, operating costs have been contained and the mine has been profitable despite low metal prices.

Capital expenditures for 1991 included \$2.8 million for replacement of equipment and completion of the Garrow Lake discharge control structure. Exploration diamond drilling was carried out on nearby Truro Island. Results were sufficiently encouraging to justify further work in 1992.

HIGHLAND VALLEY COPPER

		1991	1990
Ore milled ¹	tons (tonnes)	51,027,300 (46,292,000)	50,995,700 (46,263,000)
Copper			
Average ore grade		0.44%	0.43%
Contained in concentrate	tons (tonnes)	94,600 (85,800)	90,200 (81,800)
Molybdenum			
Average ore grade		0.008%	0.008%
Contained in concentrate	tons (tonnes)	1,000 (900)	1,100 (1,000)
Silver	ounces (kg)	1,055,000 (32,800)	983,500 (30,600)
Gold	ounces (kg)	7,000 (218)	6,500 (202)
No. of employees at year-end		1,194	1,227

¹ Ore milled is reported at 100 percent; the metal contained in production reported is Cominco's 50 percent share.

Highland Valley Copper

Highland Valley Copper is located near Logan Lake, B.C. The Highland Valley partnership comprises Cominco (50 percent), Rio Algom Limited (33.6 percent), Teck Corporation (13.9 percent, including 2.5 percent from Highmont) and Highmont Mining Company (2.5 percent, excluding Teck's 2.5 percent).

During the year, the mill processed 51,027,300 tons (46,292,000), achieving a record average daily throughput of 139,800 tons (126,800). Total production of payable copper contained in concentrate was a record 378.4 million pounds of which Cominco's share was 189.2 million pounds.

A detailed assessment of the potential mineralization within the area of interest surrounding the existing Highland Valley Copper operations was undertaken in 1991 with a view to identifying appropriate targets for regional exploration. Several promising targets are scheduled for investigation in 1992.

After protracted negotiations and a five-week work slowdown, a two-year collective agreement was reached with the United Steelworkers of America. The agreement, which provides for wage and benefit improvements, will remain in effect until September 30, 1993.

Cominco's share of Highland Valley Copper's earnings was \$50 million compared with \$75.0 million in 1990. The reduction was due to lower copper prices and a stronger Canadian dollar. Efforts continue to reduce operating costs.

SNIP

		1991
Ore milled ¹	tons (tonnes)	135,200 (122,600)
Gold		
Average ore grade	oz./ton (g/tonne)	0.89 (30.4)
Concentrate	tons (tonnes)	3,780 (3,431)
Average concentrate grade	oz./ton (g/tonne)	12.8 (440)
Bullion	ounces (kg)	16,950 (527)
No. of employees at year-end		126

¹ Ore milled is reported at 100 percent; the metal contained

Snip

The Snip gold mine is a joint venture between Cominco (60 percent) and Prime Resources Group, Inc. (40 percent). The underground mine is located on the Iskut River about 60 miles (100 km) northwest of Stewart, B.C.

Ore treated from the start-up date of January 25 through year-end averaged 398 tons (361) per day, compared with the design capacity of 300 tons (272) per day, and at better than planned grade. Overall gold recovery averaged 91.1 percent, with the fourth quarter averaging 92.2 percent. The operation has exceeded

been profitable at current gold prices. Gold in concentrate (75 percent of production) was shipped via Wrangell, Alaska, and Vancouver to Japan. Gold in bullion (25 percent of production) is marketed in Canada.

Magmont

Magmont is a 50:50 joint venture operation of Cominco American Incorporated and Dresser Industries Incorporated. The underground mining operation at Bixby, Missouri, produces lead, zinc and copper concentrates. Pillar mining continues to contribute to mine production.

The Magmont work force was reduced 20 percent while continuing to maintain production levels. The reductions were required to remain competitive in the world market. Fifty percent of the lead concentrate was sold in Missouri and the remainder to foreign smelters, which constitute a new market for Magmont. Despite low metal prices, Magmont has been profitable.

Surface drilling yielded no new extensions and added very little additional ore reserves. More than 500,000 tons (453,600) were added to total reserves through block adjustments after mining exceeded original reserve estimates. Engineering studies on increasing the number of pillars available for recovery are continuing. Magmont continues to plan for eventual ore exhaustion and shutdown in the next two to three years.

Buckhorn

The Buckhorn gold mine in Eureka County, Nevada, is operated by a subsidiary of Cominco Resources International Limited, which owns 76.4 percent of the property.

Mining ceased in May and crushing operations ended in June 1991. At year-end, approximately 132,300 tons (120,000) of ore grading .056 ounces of gold per ton (1.9 g/tonne) were under primary leach and 440,900 tons (400,000) of ore were being re-leached. Leaching and gold recoveries will continue into 1992.

The operation has entered the closure phase and the major pieces of equipment have been sold. Reclamation around the open pits and access roads on the property began in the third quarter and will be completed in 1992.

Glenbrook

Cominco American Incorporated and a wholly-owned subsidiary of Cominco Resources International Limited operate the Glenbrook nickel smelter in Riddle, Oregon, as a joint venture. The smelter doubled production from the previous year by treating higher grade ore from the adjacent mine, rather than low-grade stockpiles. Treatment of mined ore required rehabilitating a dryer and crushing plant in the first quarter of the year at a capital cost of \$2.5 million. Sufficient mine reserves have been delineated to enable the operation to treat ore grading about 1.25 percent nickel at least through 1992. The operation has been profitable despite low nickel prices.

In June 1991, a 20,000-ton (18,140) shipment of higher grade ore (2.5 percent nickel) was shipped from New Caledonia to the port at Coos Bay, Oregon, to test the feasibility of treating this ore through the Glenbrook smelter. The transportation and processing were completed in July and confirmed the viability of importing and treating this ore. A decision has been made by the joint venture to proceed with the project which will entail purchasing and rehabilitating a dock facility, constructing a dryer and crushing plant at the port of Coos Bay, and modifications to the Riddle smelter. Construction is expected to be complete by the fourth quarter of 1992 at a cost of \$33.0 million. This will increase production at Glenbrook to 36,000,000 pounds of nickel in ferronickel per year. Included in the project is construction of a shot casting facility which will enable marketing of the ferronickel in two forms: 28-pound ingots or minus

MAGMONT

		1991	1990
Ore treated	tons (tonnes)	1,122,900 (1,018,700)	1,084,900 (984,200)
Lead			
Average ore grade		6.5%	7.1%
Concentrate	tons (tonnes)	45,600 (41,400)	47,800 (43,400)
Average concentrate grade		78.3%	78.0%
Zinc			
Average ore grade		1.0%	1.0%
Concentrate	tons (tonnes)	7,800 (7,100)	7,700 (6,900)
Average concentrate grade		59.5%	58.2%
Copper			
Average ore grade		0.2%	0.3%
Contained in concentrate	tons (tonnes)	700 (630)	800 (730)
No. of employees at year-end		151	190

Ore treated is reported at 100 percent; the concentrate tonnage reported is Cominco's 50 percent share of production.

BUCKHORN

		1991	1990
Ore crushed ¹	tons (tonnes)	297,000 (269,000)	826,700 (750,000)
Gold			
Average ore grade	oz./ton (g/tonne)	0.056 (1.9)	0.059 (2.0)
Production			
Gold	ounces (kg)	16,600 (515)	14,800 (459)
No. of employees at year-end		24	80

¹ Ore crushed is reported at 100 percent. Production ounces are Cominco Resources' 76 percent share of production.

GLENBROOK

		1991	1990
Ore processed	tons (tonnes)	696,500 (631,800)	610,000 (553,000)
Average ore grade			
Nickel		1.18%	0.94%
Contained nickel			
Produced	lbs. (kg)	15,575,500 (7,071,050)	8,160,000 (3,700,900)
Slag by-products	tons (tonnes)	47,600 (43,200)	24,400 (22,100)
No. of employees at year-end		306	277

Production reported at 100 percent.

Ore Reserves

Operating Mines (Measured and Indicated Ore unless otherwise noted¹)

	Cominco Ltd. Interest	1991				1990			
		Ore Tons x 1000	% Pb	% Zn	Ag oz./ton	Ore Tons x 1000	% Pb	% Zn	Ag oz./ton
Sullivan	100	20,300	4.7	7.6	0.8	22,800	4.5	7.3	0.8
Polaris	77.5	11,050	3.9	14.0		13,000	3.8	14.1	
Magmont	50	3,000	8.7	1.3	0.4% Cu	3,500	8.2	1.3	0.3% Cu
Troya	47.8	1,450	0.8	11.2		1,749	0.8	11.3	
Hellyer	46.3	14,100	6.0	12.0	4.1	15,700	6.4	12.4	4.37
Red Dog	100 ³	65,800	5.5	18.4	2.7	67,000	5.4	18.5	2.7
		15,600 ²	2.7	10.0	1.2	16,000 ²	2.7	10.0	1.2
Glenbrook	82.3	650	1.25% Ni			940	1.3 Ni		
Highland Valley	50	763,000	0.41% Cu			839,300	0.41% Cu		
		39,000 ²	0.45% Cu			38,000 ²	0.44% Cu		
Warm Springs	100	6,800	30.0% P ₂ O ₄			6,900	30.0% P ₂ O ₄		
Vanscoy	100	124,900	25.0% K ₂ O equiv.			125,000	25.0% K ₂ O equiv.		
Owens Lake	100	33,000	Na ₂ CO ₃ equiv.			33,000	Na ₂ CO ₃ equiv.		
Snip	60	800	0.83 oz. Au/ton			870	0.85 oz. Au/ton		
		160 ²	0.77 oz. Au/ton			170 ²	0.75 oz. Au/ton		
Maria	31.7	360	12.8% Cu; 0.25% Mo		1.8	510	12.8% Cu; 0.25% Mo		1.8
		430 ²	1.8% Cu; 0.67% Mo			430 ²	1.8% Cu; 0.67% Mo		

Advanced Projects (Measured and Indicated Ore unless otherwise noted¹)

	Cominco Ltd. Interest	1991			1990	
		Ore Tons x 1000	Grade		Ore Tons x 1000	Grade
Quebrada Blanca						
Enriched Zone	49.3	93,000	1.3% Cu		85,000	1.4% Cu
Mariquita	64.6	23,000	0.53% Cu		23,000	0.53% Cu
Alder Gulch	64.6	33,000	4.0% Garnet		30,000	4.0% Garnet
San Martin	64.6	800	65% Wollastonite		800	65% Wollastonite

¹ Mineral reserves of Cominco and associated companies are classified as Measured, Indicated and Inferred. The reserves are reviewed annually by the Company's engineering and geological staff and are based upon individual evaluations of operating results, drilling, other engineering data, and long-term metal price forecasts. The term "measured" is limited to those reserves at a mine which can be projected from one or more exposed faces on the basis of actual operating results. Reserves are classified as "Indicated" where there is sufficient information about the deposit or a portion of it to form the basis of a mine production forecast. Reserves computed on the basis of more limited information but adequate geological data to form the basis of a preliminary mine production plan are classified as "Inferred". Ore reserve figures are total reserves at the mines and are not limited to Cominco's interest.

² Inferred Ore.

³ Subject to escalating royalty.

Other Resources⁴

	Cominco Ltd. Interest	1991			1990	
		Ore Tons x 1000	Grade		Ore Tons x 1000	Grade
Pebble Copper (Probable & Possible Resource)	100	500,000	0.35% Cu; 0.012 oz. Au/ton		200,000	0.4% Cu; 0.012 oz. Au/ton
Quartz Hill (Probable Resource)	100	230,000	0.22% MoS ₂			
		1,200,000	0.12% MoS ₂			
Quebrada Blanca						
Protore (Possible Resource)	49.3	250,000	0.5% Cu		250,000	0.5% Cu
Maria (Possible Resource)	31.7	400	1.4% Cu; 0.36% Mo		400	1.4% Cu; 0.36% Mo
Lobo (Probable & Possible Resource)	32.3	70,000	0.047 oz. Au/ton		70,000	0.047 oz. Au/ton
Sheep Creek (Possible Resource)	32.3	4,400	4.0% Cu		5,000	4.0% Cu
Pinchi (Possible Resource)	100	1,200	6.4 lb. Hg/ton		1,200	6.4 lb. Hg/ton

⁴ The term "resource" is used for an estimate of mineralization of expected economic merit, but before complete geological, mine, metallurgical and cost data is available. The term "probable resource" is used when sufficient information is known about the geology, thickness, grade, continuity and extent of the deposit to permit defined grade and tonnage figures. "Possible resource" is a projection of mineralization computed on the basis of limited drilling but a reasonable understanding of the geology and the distribution and correlation of metal values.

→ SNIP

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erating costs were below the prior year's level. The high level of productivity matched the level established in 1992, and the mine was profitable for the year despite low zinc and lead prices.

Shipments of zinc and lead concentrates, totalling 234,000 tonnes, were made to Europe between July 15 and October 29.

A water licence was renewed, which will cover the operation to near the end of its life. Exploration efforts were reduced in 1993 due to financial considerations, but work did continue on defining targets for future drilling.

POLARIS

		1993	1992
Ore milled ¹	tonnes	1,026,800	1,066,700
Zinc			
Average ore grade		12.3%	13%
Concentrate	tonnes	451,200	168,900
Average concentrate grade		62.3%	61.8%
Lead			
Average ore grade		3.5%	4.1%
Concentrate	tonnes	31,700	40,100
Average concentrate grade		78.8%	78.8%
No. of employees at year-end		227	239

¹ Ore milled is reported at 100 percent. Concentrate production data represent Cominco's 77.5 percent share.

Highland Valley Copper

The Highland Valley Copper mine is in southern British Columbia near Kamloops. The Highland Valley Copper partnership comprises Cominco (50 percent), Rio Algom Limited (33.6 percent), Teck Corporation (13.9 percent, including 2.5 percent from Highmont) and Highmont Mining Company (2.5 percent, excluding Teck's 2.5 percent).

Mining was carried out in both the Valley and Lornex pits, with 87 percent of the ore coming from the former. The mill processed 44,473,000 tonnes during 1993, achieving an average daily throughput of 121,800 tonnes, slightly above last year's level of 120,300 tonnes. Total production of copper contained in concentrate was 156,800 tonnes, of which Cominco's share was 78,400 tonnes. Copper production was lower than in previous years due to lower grade from the ore mined on the periphery of the orebody where oxidation has occurred. This also resulted in a lower recovery of 87.2 percent, com-

pared with a record recovery of 89 percent in 1992. However, productivity improvements were achieved through the use of larger equipment, relocation of the in-pit crushers and an upgrade of the mine dispatch system.

Cominco's share of Highland Valley Copper's earnings was \$5 million, compared with \$58 million in 1992. The reduction in earnings was due to the decline of the price of copper from U.S. 103.5¢/lb. in 1992 to U.S. 86.8¢/lb. in 1993.

For the fourth consecutive year, Highland Valley Copper was awarded the John Ash Trophy for being the safest large mining operation in British Columbia.

The collective agreement with the United Steelworkers expired on September 30, and at year-end negotiations were continuing.

HIGHLAND VALLEY COPPER

		1993	1992
Ore milled ¹	tonnes	44,473,000	44,064,000
Copper			
Average ore grade		0.42%	0.45%
Contained in concentrate	tonnes	78,400	85,500
Molybdenum			
Average ore grade		0.009%	0.009%
Contained in concentrate	tonnes	800	900
Silver	kilograms	29,700	32,600
Gold	kilograms	200	215
No. of employees at year-end		1,140	1,190

¹ Ore milled is reported at 100 percent; the metal contained in production reported is Cominco's 50 percent share.

Snip

The Snip gold mine is on the Iskut River, 100 kilometres northwest of Stewart, B.C. This underground operation is a joint venture between Cominco Ltd. (60 percent) and Prime Resources Group Inc. (40 percent).

An average of 468 tonnes per day were milled in 1993, with emphasis being placed on development of more narrow conventional stopes to balance the wider mechanized stopes. Ore grade was slightly higher than the reserve grade of 28.5 grams per tonne. Metallurgical recovery increased to 91.7 percent (91.2 in 1992), and process changes resulted in

an improved recovery in the gravity circuit. Snip was profitable for the year.

In-mine exploration again resulted in adding new ore to the mineable reserves. Mine life at current production rates is estimated at five years.

SNIP

		1993	1992
Ore milled ¹	tonnes	170,930	164,700
Gold			
Average ore grade	g/tonne	29.7	31.7
Concentrate	tonnes	5,340	5,000
Average concentrate grade	g/tonne	317	417
Gold Production			
Concentrate	kilograms	1,700	2,100
Bullion	kilograms	1,090	760
No. of employees at year-end		131	125

¹ Ore milled is reported at 100 percent; the metal contained in production reported is Cominco's 60 percent share.

Magmont

The Magmont underground lead-zinc-copper mine is at Bixby, Missouri. It is a 50:50 joint venture between Cominco American Incorporated and Dresser Industries, Inc.

In 1993, Magmont celebrated 25 years of operation and 25.5 million tons of ore mined at a grade of 7.5 percent lead, 1.2 percent zinc, and 0.3 percent copper.

Pillar and sill recovery accounted for the bulk of mine production at Magmont, which was insufficient to operate the mill at capacity. Fifty percent of the lead concentrate was sold in Missouri, with most of the remainder stockpiled. A small portion was sold to foreign smelters. Prolonged low metal prices resulted in a loss for the year.

Due to orebody depletion, the workforce at Magmont has been reduced to a minimum. Shutdown due to ore exhaustion will occur in 1994.

MAGMONT

		1993	1992
Ore treated ¹	tonnes	631,100	872,800
Lead			
Average ore grade		7.0%	6.1%
Concentrate	tonnes	27,800	33,300
Average concentrate grade		77.1%	77.8%
Zinc			
Average ore grade		1.2%	1%
Concentrate	tonnes	5,300	6,400
Average concentrate grade		58.4%	57.9%
Copper			
Average ore grade		0.3%	0.3%
Contained in concentrate	tonnes	500	700
No. of employees at year-end		124	126

¹ Ore treated is reported at 100 percent; the concentrate tonnage reported is Cominco's 50 percent share of production.

María

The María copper mine and concentrator is near Cananea in the State of Sonora, Mexico. It is owned and operated by Minera María S.A. de C.V., which in turn is owned 49 percent by a wholly owned subsidiary of Cominco Resources International Limited, with the remainder owned by the mine operator Empresas Frisco, S.A. de C.V.

The María mine and concentrator had another profitable year in 1993, although mining of the high-grade ore was almost completed. During the year, 214,900 tonnes of ore with an average grade of 7.2 percent copper were mined. The concentrator treated 227,400 tonnes of ore grading 7.4 percent copper, producing 51,600 tonnes of concentrate grading 30.4 percent copper. Cominco Resources' share of copper in concentrate was 7,700 tonnes.

New equipment was installed in the concentrator to allow the production of molybdenum concentrate. Additional mine development started during 1993 to prepare for extraction of copper-molybdenum ore. This ore is significantly lower grade than the high-grade copper ore that has been mined to date, but, depending on metal prices, it is expected operations will continue at María into the second half of 1995.

Cominco and Cominco Resources are also in a joint venture with a third company to drill a promising gold property on an island of Vanuatu in the South Pacific. Jointly sponsored Cominco Resources—

Cominco Ltd. programs are also planned in Argentina, Greenland and Germany, while developments in China and the Commonwealth of Independent States will be monitored for opportunities.

Ore Reserves – 1993

(Metric units)

Operating Mines (Measured and Indicated Ore unless otherwise noted¹)

	Cominco Ltd. Interest	1993				1992			
		Ore Tonnes × 1000	Pb %	Zn %	Ag g/t	Ore Tonnes × 1000	Pb %	Zn %	Ag g/t
Sullivan	100	14,800	4.7	8.0	26	15,800	4.7	7.9	26
Polaris	77.5	8,600	3.7	13.4		9,500	3.7	14.0	
Magmont	50	2,500	8.3	1.2		2,600	8.5	1.3	
Red Dog	100 ³	56,800	5.5	18.4	93	58,200	5.5	18.4	93
		14,100 ²	2.7	10.0	41	14,100 ²	2.7	10.0	41
Glenbrook	79.6	466	1.27% Ni			650	1.25% Ni		
Highland Valley	50	595,000	0.42% Cu			633,000	0.41% Cu		
		32,000 ²	0.45% Cu			35,000 ²	0.45% Cu		
Owens Lake	100	30,000	Na ₂ CO ₃ equiv.			30,000	Na ₂ CO ₃ equiv.		
Snip	60	655	27.0 g/t Au			641	28.5 g/t Au		
		156 ²	23.7 g/t Au			230 ²	26.7 g/t Au		
María	29	41	7.0% Cu, 0.4% Mo			250	7.9% Cu, 0.4% Mo, 42 g/t Ag		
		250	1.7% Cu, 0.65% Mo			215 ²	1.8% Cu, 0.7% Mo, 10 g/t Ag		

Advanced Projects (Measured and Indicated Ore unless otherwise noted¹)

	Cominco Ltd. Interest	1993		1992	
		Ore Tonnes × 1000	Grade	Ore Tonnes × 1000	Grade
Quebrada Blanca Enriched Zone	43.6	89,000	1.3% Cu	89,000	1.3% Cu
Mariquita	59.2	33,000	0.47% Cu	21,000	0.53% Cu
Alder	35.5	30,000	4.0% Garnet	30,000	4.0% Garnet
Cerattepe	59.2	1,100	10.0% Cu	1,200	10.0% Cu
		1,600	5.2 g/t Au, 200 g/t Ag		

¹ Mineral reserves of Cominco and Associated Companies are classified as measured, indicated and inferred. The reserves are reviewed annually by the Company's engineering and geological staff and are based upon individual evaluations of operating results, drilling, other engineering data, and long-term metal price forecasts. The term "measured" is limited to those reserves at a mine that can be projected from one or more exposed faces on the basis of actual operating results. Reserves are classified as "indicated" where there is sufficient information about the deposit or a portion of it to form the basis of a mine production forecast. Reserves computed on the basis of more limited information but adequate geological data to form the basis of a preliminary mine production plan are classified as "inferred." Ore reserve figures are total reserves at the mines and are not limited to Cominco's interest.

² Inferred Ore.

³ Subject to escalating royalty.

Other Resources⁴

	Cominco Ltd. Interest	1993		1992	
		Ore Tonnes × 1000	Grade	Ore Tonnes × 1000	Grade
Pebble Copper (Probable Resource)	100	420,000	0.35% Cu, 0.4 g/t Au	420,000	0.35% Cu, 0.4 g/t Au
Quartz Hill (Probable Resource)	100	210,000	0.22% MoS ₂	210,000	0.22% MoS ₂
(Possible Resource)		1,100,000	0.12% MoS ₂	1,100,000	0.12% MoS ₂
Quebrada Blanca Protore (Possible Resource)	46.1	225,000	0.5% Cu	225,000	0.5% Cu
Sheep Creek (Possible Resource)	59.2	4,000	4.0% Cu	4,000	4.0% Cu
Pinchi (Possible Resource)	100	1,100	3.2 kg/t Hg	1,100	3.2 kg/t Hg
Cerattepe (Possible Resource)	59.2	3,800	2.0% Cu	3,800	2.1% Cu
Mariquita (Possible Resource)	59.2	10,000	0.43% Cu		

⁴ The term "resource" is used for an estimate of mineralization of expected economic merit, but before complete geological, mine, metallurgical and cost data are available. The term "probable resource" is used when sufficient information is known about the geology, thickness, grade, continuity and extent of the deposit to permit defined grade and tonnage figures. "Possible resource" is a projection of mineralization computed on the basis of limited drilling but a reasonable understanding of the geology and the distribution and correlation of metal values.

*Homestake
1992 Ann. Rpt.*

ESKAY CREEK IS THE HIGHEST
GRADE MAJOR GOLD DEPOSIT
DISCOVERED IN THIS CENTURY

Following a review of the results from a diamond drilling program, Homestake decided to proceed with an expansion of the other pit that is anticipated to extend the mine's life to 1997, with annual production of 80,000 ounces.

Golden Bear North American Metals Corp. (NAM), an 83%-owned subsidiary of Homestake, owns the Golden Bear mine in northern British Columbia. Due to several years of operating difficulties and continued low gold prices, Homestake wrote down its remaining investment in NAM in 1992.

Gold production more than doubled to 58,224 ounces reflecting the change of ownership of the mine from 50% to 100% in late 1991. In early 1993, the Company ceased underground mining and began evaluating various operating alternatives. Homestake recorded a \$7.1 million charge in 1992 to write down equipment, ore stockpiles and inventories, and provide for reclamation and closure costs.

Snip The Snip underground mine, located in northern British Columbia, produced 30,558 ounces for Homestake's account in its second full year of operation.

During 1992, the mill was modified to increase gold recovery from the gravity circuit. A new dewatering filter should be fully operational during the first quarter of 1993, which will reduce concentrate moisture content and related freight costs. Exploration efforts replaced approximately half of the ore milled during 1992. Homestake's interest in the property increased to 21.7% from 19.9% in December 1992.

Development Property - Eskay Creek The Eskay Creek project consists of four mining leases comprising approximately 1,250 acres in northwestern British Columbia. Homestake holds its 54% interest in the project through its investment in Prime Resources Group Inc. and Stikine Resources Ltd.

In 1992, the project development team verified the use of pressure oxidation technology (autoclave) as the most viable metallurgical process. While more than 7,000 feet of underground development was completed prior to 1992, development work last year consisted mainly of preparing an 11-ton bulk sample for test work. Several independent laboratories conducted test work to establish preliminary operating conditions for the autoclave and associated opera-



Hoist cable, Homestake mine, South Dakota

TGS → SIMP

		Year Ended December 31,					
		1999			1998		
% Interest		Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)
United States							
	100	1,133	5.851	212.7	1,882	4.829	277.4
	100	1,109	3.947	123.8	1,201	3.356	116.5
	100	2,571	2.390	121.5	2,576	2.637	128.7
	25	11,999	0.565	135.5	10,549	0.548	127.6
	50	60	1.061	6.0	773	1.301	17.3
	33	1,073	0.886	24.7	973	0.925	24.0
Subtotal United States				624.2	691.5		
Canada							
	100	175	107.466	558.4	147	109.418	504.8
				305.2			286.3
	50	1,216	5.684	211.8	1,234	5.205	195.2
	50	222	11.832	93.4	212	12.158	91.1
	100	65	22.765	42.3	145	23.733	99.3
Subtotal Canada				905.9	890.4		
Australia							
	50	10,587	2.396	360.1	5,657	2.432	390.2
				453.9			459.4
	100	3,034	2.824	236.5	2,947	3.048	255.5
	100	689	5.337	113.1	670	3.801	77.5
	100	607	5.681	104.3	572	7.123	126.4
	67	589	1.710	21.5	425	1.781	23.8
	80	-	-	-	728	2.534	52.3
Subtotal Australia				835.5	925.7		
Chile							
	51	147	8.197	24.4	142	7.397	24.1
Total Production ⁽³⁾				2,390.0	2,531.7		
Minority Interests				-	(273.4)		
Homestake's Share				2,390.0	2,258.3		

¹ Ounces produced are expressed on a gold equivalent basis and include 68,100 (67,800 in 1998) ounces of gold and 2.8 million (2.6 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the fourth quarter, and 309,000 (282,100 in 1998) ounces of gold and 13.1 million (11.7 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the 12-month period.

² Ounces produced include 2,900 and 11,300 ounces of gold production in the quarter and 12-month periods, respectively, from the Quarter Claim in both 1999 and 1998.

³ Includes ounces of gold contained in dore and concentrates.

Homestake - 1999

TGS -> SNIP

		Year-to-Date					
		1999			1998		
	% Interest	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)
United States							
Homestake	100	889	0.178	158.3	1,587	0.141	210.9
Ruby Hill	100	948	0.110	91.3	968	0.103	88.8
McLaughlin	100	2,102	0.071	93.7	2,117	0.079	97.8
Round Mountain	25	9,445	0.017	102.4	9,348	0.016	104.1
Pinson	50	66	0.031	5.6	702	0.037	14.1
Marigold	33	924	0.025	17.6	746	0.026	17.4
Subtotal United States				468.9	533.1		
Canada							
Eskay Creek (1)	100	146	3.201	439.6	123	3.283	393.0
Hemlo:				225.2			215.7
Williams	50	1,003	0.165	157.1	1,025	0.148	144.2
David Bell (2)	50	185	0.335	68.1	183	0.359	71.5
Snip (3)	100	71	0.665	42.1	121	0.725	78.8
Subtotal Canada				706.9	687.5		
Australia							
Kalgoorlie	50	4,286	0.069	254.0	4,683	0.071	291.4
Yilgarn:				334.6			322.8
Plutonic	100	2,487	0.082	167.6	2,473	0.084	179.1
Darlot	100	566	0.154	83.4	558	0.102	53.0
Lawlers	100	501	0.177	83.6	477	0.201	90.7
Peak Hill	67	367	0.049	17.5	352	0.054	18.3
Mt Morgans	80	-	-	-	712	0.077	46.5
Subtotal Australia				606.1	679.0		
Chile							
Agua de la Falda	51	118	0.243	16.4	119	0.201	17.5
Total Production				1,798.3	1,917.1		
Minority Interests				-	(233.1)		
Homestake's Share				1,798.3	1,684.0		

1 Ounces produced are expressed on a gold equivalent basis and include 80,300 (70,900 in 1998) ounces of gold and 3.6 million (2.8 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the third quarter, and 240,900 (214,300 in 1998) ounces of gold and 10.3 million (9.1 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the year-to-date period.

2 Ounces produced include 2,900 and 8,500 ounces of gold production in the quarter and year-to-date periods, respectively, from the Quarter Claim in both 1999 and 1998.

3 Includes ounces of gold contained in ore and concentrates.

Total 1999 Est. Au = 321, 200 oz } 592.8 Moz Au equiv. (18.4 M kg)
 Ag = 13.9 Moz } 1 oz Au = 44.83 oz Ag

		Third Quarter					
		1999			1998		
	% Interest	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)
United States							
Homestake	100	381	0.152	55.5	521	0.130	64.5
Ruby Hill	100	350	0.109	33.0	282	0.109	27.8
McLaughlin	100	716	0.067	29.9	718	0.073	32.9
Round Mountain	25	3,660	0.015	37.2	2,560	0.016	34.6
Pinson	50	-	-	0.7	207	0.036	3.2
Marigold	33	318	0.029	4.8	234	0.019	5.2
Subtotal United States				161.1	168.2		
Canada							
Eskay Creek ⁽¹⁾	100	50	3.337	153.2	42	2.927	121.9
Hemlo:				75.8			73.4
Williams	50	318	0.170	51.4	338	0.151	48.6
David Bell ⁽²⁾	50	63	0.343	24.4	58	0.391	24.8
Snip ⁽³⁾	100	-	-	0.2	42	0.762	28.3
Subtotal Canada				229.2	223.6		
Australia							
Kalgoorlie	50	1,612	0.071	98.1	1,485	0.073	92.5
Yilgarn:				114.3			118.1
Plutonic	100	870	0.087	62.1	816	0.093	67.1
Darlot	100	195	0.153	28.4	177	0.139	22.7
Lawlers	100	168	0.148	23.8	163	0.187	28.3
Peak Hill	67	123	0.045	5.5	121	0.051	5.7
Mt Morgans	80	-	-	-	257	0.056	11.9
Subtotal Australia				217.9	228.2		
Chile							
Agua de la Falda	51	40	0.262	3.8	44	0.206	5.4
Total Production				612.0	625.4		
Minority Interests				-	(74.2)		
Homestake's Share				612.0	551.2		

	Total Cash Costs (dollars per ounce)				Total Costs (dollars per ounce)			
	1999		1998		1999		1998	
	3rd Quarter	Year to Date	3rd Quarter	Year to Date	3rd Quarter	Year to Date	3rd Quarter	Year to Date
United States								
Homestake	\$ 250	\$ 257	\$ 256	\$ 252	\$ 267	\$ 273	\$ 313	\$ 308
Ruby Hill	94	103	120	125	228	236	235	239
McLaughlin	232	223	220	217	316	346	339	339
Round Mountain	198	200	200	200	265	268	253	251
Pinson	-	242	607	425	-	242	651	462
Marigold	180	206	282	262	235	246	330	288
Subtotal United States	200	206	222	219	267	278	300	295
Canada								
Eskay Creek ⁽¹⁾	126	128	138	130	195	198	170	162
Hemlo:	183	200	199	211	221	236	235	249
Williams	192	205	211	221	232	241	248	259
David Bell	165	187	175	192	198	223	209	228
Snip ⁽¹⁾	-	208	173	199	-	208	303	332
Subtotal Canada	145	156	162	164	203	211	208	209
Australia								
Kalgoorlie ⁽²⁾	231	237	215	232	269	278	259	283
Yilgarn:	191	206	191	226	226	241	232	276
Plutonic	194	229	201	235	230	270	252	304
Darlot	195	194	200	264	234	230	228	296
Lawlers	180	170	162	185	207	193	187	208
Peak Hill	179	179	261	273	194	192	281	292
Mt Morgans	-	-	253	234	-	-	273	261
Subtotal Australia	209	218	206	230	245	255	247	279
Chile								
Agua de la Falda	167	188	203	202	275	280	296	291
Consolidated								
Weighted Average	\$ 182	\$ 190	\$ 195	\$ 203	\$ 235	\$ 244	\$ 248	\$ 258
Minority Interest								
Weighted Average			\$ 144	\$ 142			\$ 194	\$ 189
Homestake's Share								
Weighted Average	\$ 182	\$ 190	\$ 202	\$ 213	\$ 235	\$ 244	\$ 255	\$ 268

¹ For comparison purposes, costs per ounce include estimated third-party costs incurred by smelter owners and others to produce marketable gold and silver.

² Includes the effect of insurance proceeds received and credited to processing costs of \$0.2 million and \$4.8 million in the 1999 third quarter and year-to-date periods, respectively.

→ SNIP

JOLU MINE

(Corona 30%)

	1990	1989
Gold production (oz)	74,065	75,722
Direct operating cost per ounce	US\$166	US\$154
	Tons	Gold grade (oz/ton)
Proven and probable reserves at October 1, 1990	142,000	0.369

Above numbers are for 100% of mine.

The Jolu mine in Saskatchewan, 80 miles north of La Ronge, continued to do well in 1990. Gold production was 10% higher than planned, and close to 1989 levels, despite a drop in grade. Direct operating costs per ounce were higher than the previous year, but 11% less than expected. On a per ton basis, costs were \$76 in 1990 compared to \$78 in 1989.

Corona operates and has a 30% interest in the 184-hectare Jolu property. The remaining 70% is owned by International Mahogany Corp.

Jolu poured its first gold in November 1988 and began commercial production for accounting purposes on January 1, 1989. The main Rod zone is developed by a ramp from surface to a depth of 1,300 feet. Mining of all known ore in the zone was completed in December of 1990, underground drilling during the year having failed to discover any more signif-

icant mineralization at depth. The remaining broken ore will be hauled to surface for processing in the early part of 1991.

Contributing to 1990 production was gold from the Decade zone. Development of this small zone by ramp to a depth of 140 feet began in April. Mining was completed in October.

Constructed with a design capacity of 400 tons per day, the Jolu mill has been operating at more than 500 tons per day since the fourth quarter of 1989. Milling is expected to continue until mid-1991 when an orderly shutdown is anticipated.

Decommissioning and severance expenses are expected to be approximately \$2 million. Corona expects a satisfactory return on its investment in the Jolu operation.

A treatment plant was installed at a cost of \$105,000 to reduce the levels of copper and cyanide in tailings effluent. Operated seasonally, it is expected this plant will continue to run during the decommissioning phase after production ceases.

Exploration of nearby properties was carried out during the year in an effort to find additional ore for the Jolu mill, but without success.

Mining activities at Jolu have been carried out by a contractor while milling and supervisory tasks are the responsibility of Corona personnel. Employees, numbering 50 at year-end, had completed 700 days without a lost-time accident at December 31, 1990.

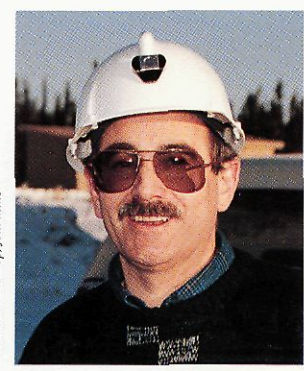
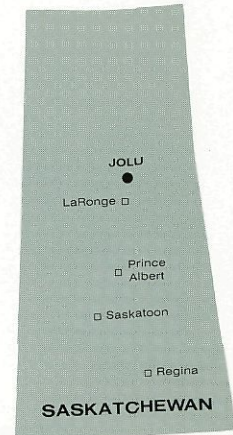


Photo: David Schop, Jolu mine

Garry Biles, mine manager at Jolu, on a tour of inspection.

SNIP MINE

(Corona 19.9% indirect)

Corona's newest source of gold production is the Snip underground mine which lies approximately 70 miles northwest of Stewart, British Columbia, at the junction of Bronson Creek with the Iskut River. Prime Resources Group Inc. (49.8% owned by Corona by April 1991) has a 40% interest in the mine while Cominco Ltd. holds the remaining interest and acts as operator.

Construction of a 330 tons per day

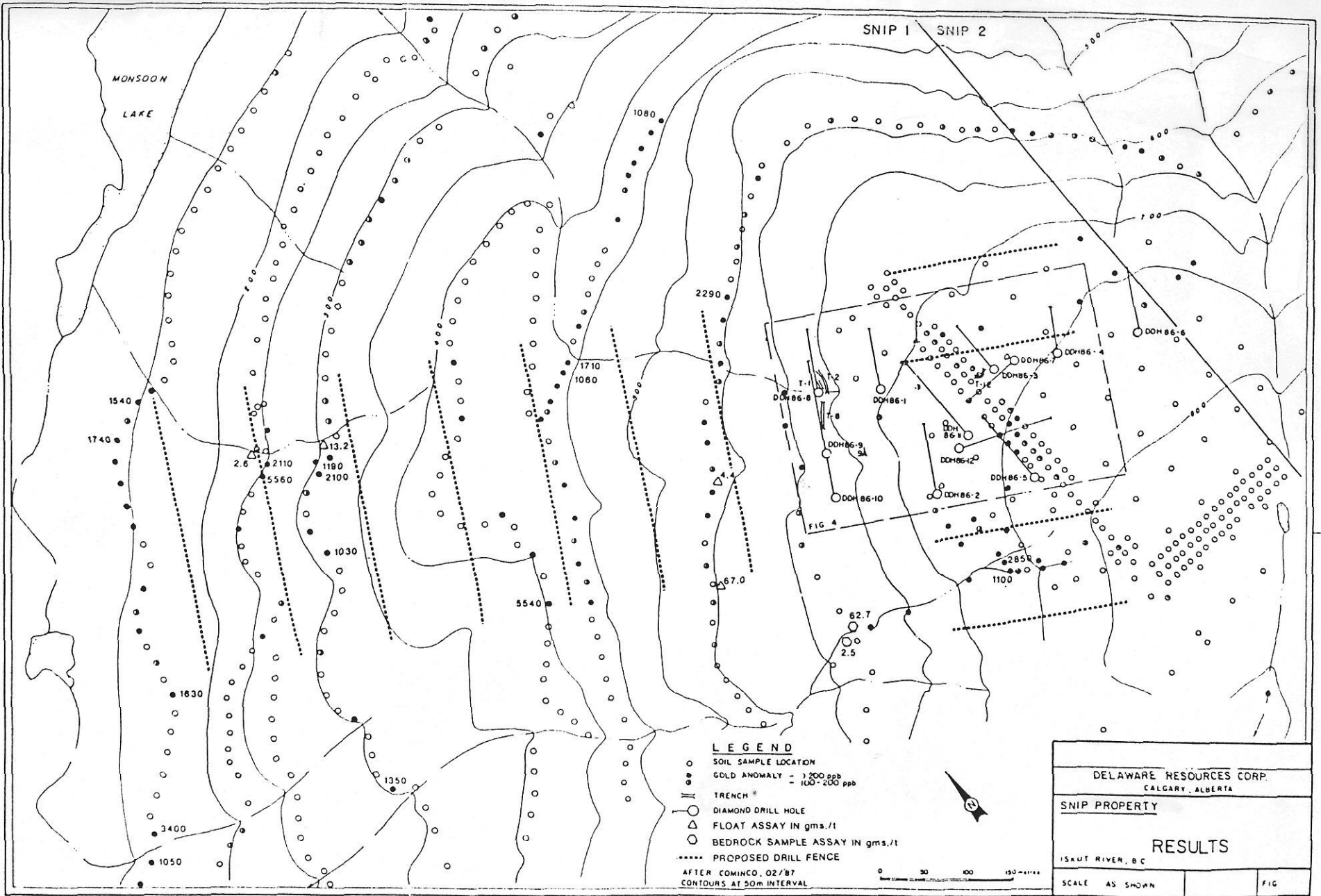
concentrator began in June of 1990 and the underground mine produced its first gold in January 1991.

The mine is developed by two adits on the west face of Johnny Mountain, at the 600-foot and 1,000-foot levels, and by a haulage way, driven from the Iskut River flats to the 400-foot level. Ore is mined using shrinkage stoping and conventional and mechanized cut-and-fill methods.

Production this year is expected to be in the order of 80,000 ounces of gold and 49,000 ounces of silver with direct operating costs of around US\$210 per ounce of







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