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George Cross News Letter

"Reliable Reporting"

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WESTERN CANADIAN INVESTMENTS

GALACTIC RESOURCES LTD. (GLC-V.T.M.AMEX)
RIDGEMAY FIRST QUARTER STATISTICS, JAN.1 - MARCH 31, 1989

PRODUCTION STATISTICS	BUDGET (90 DAYS)	ACTUAL (90 DAYS)	% INCREASE OVER BUDGET
Ore Mined (tons)	2,301,000	2,684,000	+17
Ore Milled (tons)	975,000	1,366,300	+40
Gold Recovery	87%	91.5%	+ 5
Headgrade (oz.gold/t)	0.0367	0.0346(x)	-
Avg.Daily Mill Throughput (avg.tons per day)	11,250	15,181	+35
Gold Produced	30,400 oz.	43,216 oz.	+42

(x) includes low grade stockpiled material processed in the First Quarter.

COST STATISTICS

	OPERATING BUDGET	ACTUAL	% DECREASE UNDER BUDGET
Mining \$/ton Milled	US \$1.98	\$1.48	-25
Milling \$/ton Milled	US 3.47	1.80	-48
Gen.& Adm.Cost \$/t	US 1.50	88¢	-41
Total Cost \$/t Ore Milled	US 6.95	4.16	-40

RIDGEMAY MINE EXCEEDS 1989 - Robert M.Friedland, chairman FIRST QUARTER PROJECTIONS reported that the Ridgeway gold mine, a 48% Galactic Resources Ltd., 52% British Petroleum Minerals joint venture in Ridgeway, South Carolina, exceeded its planned performance in its first commercial quarter which ended 31Mar89.

Gold Production for the first quarter was 43,216 ounces; with 34,887 ounces of gold shipped at an average cash cost, including general and administrative expenses, of US \$163 per oz versus a budget cost of US \$216 per oz. In the month of March, after the February completion of start-up related modifications, the Ridgeway Mine produced 18,048 ounces and shipped 14,683 ounces at a cash cost of US \$134 per oz.

The 1989 budget year forecasts approximately 160,000 ounces of gold production at a cash cost of about US \$174 per oz. inclusive of general and administrative expenses. The first quarter operational experience of reduced reagent consumptions, increased metallurgical recoveries and ore throughput, and reduced mining and milling costs indicates that the budget for the year is conservative, Mr. Friedland said.

The 15,000 ton-per-day mill has sufficient reserves for a 10 to 12 year mine life. As of 31Mar89, 3,692,000 tons of mine grade and low grade ores were stockpiled near the primary crusher for future processing.

PLACER DOME INC. (PDG-V.T.M.NYSE)
PLACER DOME GROUP STARTS - Placer Dome Inc. has THIRD GOLD MINE IN AUSTRALIA reported that its 75.8% owned Australian subsidiary, Placer Pacific Limited and Delta Gold N.L. will develop the Granny Smith gold property near Laverton, Western Australia. Placer Pacific has a 60% interest in the Granny Smith property and Delta has 40%.

Construction and development of the open pit mine has started with production scheduled for February 1990. Total budgeted capital costs are A\$95,300,000, about \$91,000,000 Cdn, including working capital and contingency provisions. Placer Pacific and Delta will fund their respective shares of development costs separately.

Mineable ore reserves are calculated at 23,000,000 tons at an average grade of 0.05 oz.gold/ton, mineable at an average stripping ratio of 2.5 tons of waste and low grade to one ton of ore. Mineralization remain open

in several directions. The projected annual throughput is 3,300,000 tons over the first three years of operations when softer oxide ore will be treated, reducing to lower levels in the fourth year as harder material is mined. Mining will be conducted by a contract operator.

The mine plan provides for an eight year operating life, producing a total of 1,004,800 ounces of gold at an average cash production cost of US \$221 per oz. Higher grades are expected to produce some 236,000 ounces of gold in the first full year of operations.

Placer Pacific is managing the Granny Smith project, and is responsible for the subsequent operations.

HIGHLAND VALLEY COPPER (HVR) 4215W36
HIGHLAND VALLEY COPPER - Highland Valley Copper reported ANNOUNCES START-UP that one of the two **Highland 4215W45** mills relocated to a site adjacent to the former Lornax milling complex, in the Highland Valley district, B.C., has successfully started up and the second unit is expected to be in operation by mid-May. This will bring the total rated milling capacity of the expanded Highland Valley Copper milling complex to 131,000 tonnes per day from the current 120,000 tonnes per day, which is made up of 91,000 tonnes per day from the former Lornax plant and 29,000 tonnes per day from the Bethlehem mill. The older Bethlehem mill will be shut down when the current expansion becomes fully operational, expected no later than the end of June 1989. Highland Valley Copper is a partnership between Cominco Ltd. 50%, Rio Algom 33.5%, Tech Corporation 11.5% and Highland Mining Company 5%.

SCOTT PAPER LIMITED (SPL-V.T.M)

3 MONTHS ENDED 31 MARCH	1989	1988
Sales	\$82,513,000	\$81,323,000
Net Income	4,241,000	3,946,000

FIRST QUARTER REPORT - Robert T.Stewart, CEO of Scott Paper Ltd. said "The highlight of the quarter was the closing of our transaction to acquire the White Swan trademarks and production facilities in Hull, Quebec." The new facilities include three paper machines, up-to-date converting and packaging equipment, and brand new converting and warehousing facilities only a short distance from the paper mill. The purchase price was \$110,000,000 plus working capital and adjustments.

The Consolidated Statement of Changes in Financial Position for the quarter includes \$118,995,000 of fixed asset expenditures and an increase in long term debt of \$144,760,000. Fixed asset expenditures includes both the acquisition and capital spending in the other plants during the period. The increase in long term debt reflects both the White Swan acquisition price and an increase in working capital of \$40,369,000.

HORIZON VILLAGE CORPORATION, CANADA (HVI-V)
TSE LISTING REPORTED - Horizon Village Corporation DIVIDEND DECLARED reports its shares will be listed on the Toronto Stock Exchange on May 3, 1989. There are 8,320,000 issued shares. Horizon Village has declared a dividend of 2¢ per share payable by May 31, 1989, record May 15, 1989. This is Horizon's first dividend and follows five years of operations. The company's shares were listed on the VSE on Sept.13, 1988. Horizon Village has started or completed construction of 18 developments for retirement living throughout Alberta. (SEE GCNL No.60, p.3, 29Mar89 and No.33, p.3, 16Feb89).