

George Cross

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BETHLEHEM RESOURCES CORPORATION

(BTH-T,V:BTHM-F-NASDAQ)

PRODUCTION FINANCING AGREEMENT EXPECTED "VERY SOON"
COPPER CONCENTRATE PRODUCTION IN 1990 SPRING
SUBJECT TO FINANCING

Henry G. Ewanchuk, president told the annual meeting of Bethlehem Resources there are three parties very interested in providing the \$5,000,000 needed to bring the Goldstream copper-zinc mine back into production. Each of the parties know the terms of participation and the first to meet the terms will be successful in completing the deal. Completion of the deal is very close. By providing the \$5,000,000 the purchaser will earn a 1/3 interest in the mine and first right to buy the concentrates produced. Detail negotiation of the smelter terms form a part of the financing package. Bethlehem in equal partnership with Goldnev Resources Inc. bought, in July 1989, the

Goldstream mine located 80 km north of Revelstoke, B.C. and 1,360 tonnes per day capacity concentrator for \$5,750,000. Reserves at the mine are 1,860,000 tonnes grading 4.81% copper, 3.06% zinc. In recent months in anticipation of completing a favourable financing agreement Bethlehem has had a small crew working at the mine and mill. Some of the work completed includes: expansion of the fresh water supply system, tailings pond and dam repair, repair and replacement of mine power supply lines; testing and repair of all mill motors and compressors; repair of underground electrical substations. The meeting was told the mine and mill can be in tune-up operation in 90 days from the securing of funding. The mine and mill are scheduled to operate at 1,100 tonnes per day on ore grading 4.8% copper. The president stated the current expectations is concentrate production in the spring of 1990.

The mine reserves are open to extension in two directions. New massive sulphide targets with scattered high precious metal values have been found at several locations in the area to the south of the Goldstream mine. One showing returned 19% zinc, which will be drill tested in Jan/90; another graded 0.138 oz.gold/t which will also be tested. The company has several other exploration projects which were also reviewed.

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