

George Cross News Letter

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WESTMIN RESOURCES LIMITED (WMI-V,T,M)

<u>YEAR ENDED 31 DECEMBER</u>	<u>1988</u>	<u>1987</u>
Revenues	\$197,300,000	\$190,500,000
Cash Flow	60,800,000	56,800,000
Net Earnings	17,800,000	21,800,000
Per Share	2¢	12¢

RECORD MINE REVENUES FOR WESTMIN - Westmin Resources

Limited realized record levels of revenue and cash flow from its Myra Falls operations, near Campbell River, B.C., in 1988. Revenues from Myra Falls escalated sharply to \$98,700,000 in 1988 from \$86,500,000 in 1987. Cash flow was up to \$49,600,000 from \$31,900,000 a year earlier.

At year end, current assets stood at \$160,100,000 including \$110,200,000 in cash and short term investments while current liabilities totalled \$56,900,000 including the \$20,000,000 portion of long term debt.

Capital expenditures increased substantially in 1988 to \$76,500,000 from \$37,500,000 in 1987. Significant expenditures were incurred in the Mining Division for completion of the H-W mine/mill expansion at Myra Falls and Westmin's portion of the development costs for the Premier gold project, expect to start-up in mid-1989.

Westmin will spend over \$13,000,000 on exploration work this year at Myra Falls, Premier and a number of joint venture exploration projects such as the Debbie/ Yellow properties on Vancouver Island, B.C., Little Stull Lake in northern Manitoba, and Detour in NE Ontario.

The major drop in 1988 earnings came in the third and fourth quarter when sagging oil prices bottomed out at \$12.60 per barrel at the wellhead for conventional crude. The Petroleum Division participated in 131 working interest wells. A 78% success ratio resulted in 61 oilwells and 42 gas wells. Two new gas plants were opened in 1988, at Misty in southeastern Alberta and Beacon Hill Southeast in west-central Saskatchewan; the 2nd Westmin operated gas plant in the Beacon Hill field.

Westmin previously reported an agreement in principle to sell substantially all of its oil and gas assets together with working capital of about \$56,000,000 to Norcen Energy Resources Limited for some \$528,000,000. (SEE GCNL No.33, p.1, 16Feb89 for complete details). The annual meeting has been deferred from April 20 to June 12, to prepare documentation on the proposed sale.

GRANDUC MINES LIMITED (GDC-V,T)

PRIVATE PLACEMENT REPORTED - Granduc Mines reported a flow through private placement agreement with NIM and Company - 1989 of between \$150,000 and \$2,000,000, subject to completion of the Partnership offering and regulatory approval. Proceeds will be used for continued exploration on the 40% owned Sulphurets property in northwestern B.C.