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MINISTRY OF ENERGY, MINES
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QUEENSTAKE RESOURCES LTD. (QTR-T)

INCREASED GOLD PRODUCTION FORECAST - Gordon C. Gutrath, president of Queenstake Resources told the annual meeting gold production in 1988 was 14,037 ounces, in 1989 it is forecast at 23,000 ounces, and the objective is 50,000 ounces in the early 1990's.

The lowest cost of the operations is Moyle River, in southeastern B.C., where mining is on a 12 month basis and washing about seven months. Costs in 1988 were about \$250 US per ounce of gold recovered. During the winter of 1987 - 1988 a total of 22,500 cubic yards of material was stockpiled. During the summer a further 55,500 cubic yards were mined at an overall grade of 0.04 ounces per cubic yard from which 3,108 oz. gold was recovered. The 1988-1989 winter stockpile is 60,000 cubic yards containing in excess of 2,000 ounces gold. Processing of this stockpile started May 2, 1989. Early indications are that the material may average 0.06 oz. per cubic yard which could lead to a 50% greater production in the current year.