

GCNL NO. 89

May 9/89

BLACKDOME MINING CORPORATION (BDM-V,T)

ANNUAL MEETING HELD - Proven, probable, and possible reserves at the Blackdome Mine, 150 miles north of Vancouver, 60 miles west of Clinton, B.C., at Dec. 31, 1988 were 215,883 tons grading 0.59 oz. gold/t, 1.87 oz. silver/t. The reserves are complex mineralization within a complex geological structure. Production in 1988 was at a daily average rate of 240 tons or 120% of the designed capacity to provide a 93.4% gold recovery and 71.7% silver recovery.

The May 8, 1989, annual meeting was told production in the quarter ended March 30, 1989, averaged 230 tons per day and achieved 95.2% gold recovery and 80% silver recovery. Cash cost of gold production in 1988 was \$244 U.S. per ounce plus exploration at \$85 U.S. for a total of \$403 U.S. per ounce, including depreciation. Mining activities were carried out in 15 stopes on four underground levels. Operating cost increases are attributable primarily to increased exploration and development activity, longer haulage distance from working areas and higher than usual expenditures for increased ground control. The installation of a hydraulic back-fill system is expected to reduce dilution and increase mining efficiency through the mine.

In reviewing operations for 1988 and projections for 1989, J. Scott Drever, president stated that additional exploration is planned for the Watson vein, Giant vein, Red Bird and No. 17 veins. Exploration to date at the mine has shown the ore shoots occur in blocks of 15,000 to 30,000 tons each. Each of which are difficult and sometimes costly to find.

(SEE GCNL NO. 88, May 8, 1989 for some detail on the planned merger of Blackdome and Minven Gold Corporation; and annual financials in GCNL No. 47, p. 2, 8Mar89).

25026