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Mr. Gutrath paid special attention to the recently acquired Spruce Creek leases and equipment at Atlin, B.C. One of the richest placer gold projects in the area. In total 250,000 cubic yards of gravel are to be mined and processed in 1989. The operation started up smoothly on May 15, 1989 and is expected to be the largest producer in 1989 with recovery projected at 7,000 ounces. He told the meeting that while some additional modest equity financing had been planned, recent share prices have cancelled these plans. Queenstake is well funded for the current planned programs with some \$3,000,000 in bank loans available of which \$1,300,000 has been drawn for the start up of 1989 production. The company has a gold hedging program in place which assures an average of \$414 US per ounce in 1989 for 87% of the anticipated production.  
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