

George Cro

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Reliable

NORTH AMERICAN METALS CORP. (NAM-V)

FURTHER BUDGET - Jack E. Thompson, president of North American Metals, which is 73% owned by Homestake Mining Company, has reported construction at the 50% owned Golden Bear Gold project, near Telegraph Creek, and Dease Lake northern B.C., is proceeding on schedule. Commissioning of the plant is scheduled to begin in early November. Chevron Minerals also owns 50% of the project. Open pit mining has been in progress most of the summer with production ahead of schedule at a higher grade than anticipated. The open pit mining contractor, Tahitan-Stewart, primarily staffed by Tahitan tribal members, has mined and hauled to the mill sufficient ore for this winter's milling.

The latest capital cost projection indicates an additional overrun of 12% to 15% over the budget of \$39,000,000 to \$44,850,000 for the 360 tonne/day plant. This latest overrun is due: to construction manhours overrun; higher than anticipated road maintenance and repair costs incurrent to correct deficiencies left by the road contractor (the 150 km access road had been estimated to cost \$9,200,000 and did cost \$17,000,000 prior to the recent additions); addition of a mine haul road; additional groundwater drainage systems; extra cable anchors were required for the aerial tram; reduced preproduction gold revenue owing to lower gold price and time loss in project reevaluation.

The plant will use dry grinding, fluidized bed roasting and carbon-in-pulp leaching to recover an estimated 90% of the gold from reserves of 2,400,000 tonnes grading 0.543 oz.gold/ton. (SEE GCNL NO.74, p2, 18Apr89).

The Golden Bear mine is now expected to produce about 60,000 oz.gold per year. Earlier projection had been for 65,000 oz.per year.

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