

George Cross

Reliable

NO.90(1990)

MAY 9, 1990

<u>REA GOLD CORPORATION (REO-T; REOGF-NASDAQ)</u>		
<u>YEAR ENDED DECEMBER 31</u>	<u>1989</u>	John W. Fisher,
Total Revenues	\$4,904,967	P.Eng., vice pres-
Income before		ident, milling, Rea
Depr.,Amort.,Write-Downs	137,273	Gold Corp., reports
Depreciation & Amortization	851,964	financial results
Write-Downs	<u>1,290,896</u>	at left take into
Net Loss	2,005,587	account the start-
Loss Per Share	16¢	up of the Samatosum
-----		mine near Kamloops,
<u>THREE MONTHS ENDED MARCH 30, 1990</u>		B.C. which began
Total Revenues	\$4,968,330	commercial product-
Net Earnings	1,365,199	ion 1Jul89. There
Earnings Per Share	10¢	were no revenues
-----		from production in

1988. For the first quarter of 1989, there was a preproduction loss of \$14,727. Net earnings from Rea's 30% working interest were \$719,573 and the net smelter royalty earned \$645,626 for the 1990 first quarter

Total metals production at the Samatosum mine for the three months ended 30Mar90 was 2,200,000 ounces of silver and 4,000 ounces of gold contained in the copper, zinc and lead concentrates. Operating costs were as budgeted at US\$2.05 per ounce of silver or US\$1.42 per ounce when allowing credits for gold and base metals. Together silver and gold account for 80% of net smelter revenues.

Mill throughput of 39,404 tonnes was 3.6% over plan. Feed grades to the mill for silver, gold and lead were above plan while copper and zinc were below plan. Payable metallurgical recoveries for all metals were above plan, except for zinc which was under by 7.8%

Revenues were higher than planned due to increased mill throughput, higher feed grades and improved recoveries which compensated for lower metal prices and a higher Canadian dollar. (SEE GCNL No.52, 14Mar90, P.1 FOR SAMATOSUM PRODUCTION REVIEW)

82 M 244