

NO. 232 (1990)
NOVEMBER 30, 1990

George Cross

Reliable

WESTERN CANADIA

BETHLEHEM RESOURCES CORPORATION

(BTH-V,T,;011MF-Nasdaq)

GOLDSTREAM MINE FINANCED TO PRODUCTION - Henry G. Ewanchuk
president of

Bethlehem Resources Corp. reports an agreement in principle for production financing of the Goldstream copper-zinc mine near Pevestoke, B.C. has been signed, subject to regulatory approval. The mine is held on a 50/50 basis with GOLDNEY RESOURCES INC. (GN7-V).

Financing of up to \$7,000,000 for the mine's reactivation will be provided by Nippon Mining Co. Ltd. and Sumitomo Corporation. In addition to the production reactivation capital, Nippon Mining will purchase all copper concentrate production of the mine for 6 years under an agreement that also makes provision for advance payments to reduce the mine's working capital requirements.

Nippon and Sumitomo will have the non-cumulative privilege of converting up to 25% of Bethlehem's share of the loan to Bethlehem stock each year at the greater of 70% of the average closing price of the shares during the 30-day period prior to notice of conversion and a minimum fixed prices of 37¢.

As operator, Bethlehem will start rehabilitation work immediately upon formal closing of the transaction, which is planned to take place as soon as possible, probably in December 1990. Reactivation of the production facility is expected to occur at 1,100 tons per day within three to four months after closing of the financing agreement. The first shipment of concentrates should take place two months after reactivation.

The Goldstream mine has reserves of 1,860,000 tonnes, of 4.81% copper and 3.06% zinc, which will provide mill feed for 5 years at the planned milling rate of 1,100 tonnes per day. The resumed operation will produce 65,000 tonnes of copper concentrates, containing about 35,000,000 lbs copper, and 7,000 tonnes of zinc concentrates, containing 7,000,000 lbs zinc, per annum.

B2M 141