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**GIBRALTAR MINES LTD. [GBM-V,T]
PLACER DOME INC. [PDG-V,T,M]**

PLACER DOME TO SUPPORT - WM. H. Myckatyn, newly appointed AUTONOMOUS GIBRALTAR president, reports Gibraltar Mines Ltd. is planning a change of direction for the company. The company has begun a \$500,000 final feasibility study, expected to be completed in the fourth quarter this year, to evaluate expansion of its milling capacity by 50% to increase production and reduce unit operating costs at its copper mine at McLeese Lake about 60 km north of Williams Lake, B.C. The expansion would increase nominal mill throughput from 38,000 tons to 57,000 tons per day. Construction would not interfere with existing milling operations. In 1996, which would be the first full year expanded operation, production of copper in concentrates is estimated to be 105,000,000 pounds, an increase of 49% over 1992 production.

Based on the preliminary feasibility study, the mill expansion would lower unit cash operating costs by about US 7¢ to 8¢ per pound over the remaining life of the mine. Capital costs are estimated to be CDN \$35,000,000. The mill expansion would be completed in 1995.

As part of the new strategy, an independent management team has been appointed headed by Mr. Myckatyn. The team will initially concentrate the company's efforts on exploring for more copper reserves near the mine. If local exploration is not successful, other opportunities would be sought in Canada, the U.S. and Mexico.

To fund the growth program, a \$50,000,000 equity financing is planned. Parent company Placer Dome advised it will support the plan by participating in the financing to the extent of \$10,000,000. Placer Dome will also provide technical, marketing and administrative support. In addition, Placer is prepared to allow its holdings in Gibraltar to be diluted from 68.1% to below 50%. A special shareholders' meeting has been called for 30Sep93 to approve an increase in authorized capital from 14,000,000 to 50,000,000 shares. Shareholders will also be asked to adopt a stock option plan for directors and key employees. Some of the above transactions, including the mill expansion, the proposed financing and the stock option plan, are subject to regulatory approval.

As previously planned, Gibraltar will begin a 50% cut in production 24Sep93 to minimize losses during the current period of weak copper prices and low ore grades, necessitating the lay-off of 94 employees. The company has increased its estimation of reclamation costs to \$35,000,000 from \$10,000,000. Negotiations for a collective agreement are currently in negotiation.

<u>SIX MONTHS ENDED JUNE 30, 1993</u>		<u>1992</u>
Revenues	\$25,700,000	\$32,400,000
Net Earnings (Loss)	(\$3,000,000)	1,100,000
Earnings (Loss) Per Share	(25¢)	9¢
Realized Copper Prices	US 84¢	US \$1.00

<u>THREE MONTHS ENDED JUNE 30, 1993</u>		<u>1992</u>
Net Earnings (Loss)	(\$3,400,000)	\$300,000
Net Earnings (Loss) Per Share	(29¢)	2¢

The above losses are mainly due to lower copper prices; however, the impact of the decline in selling prices was lessened by a 7% strengthening of the U.S. dollar against the Canadian dollar. Cost of sales increased in 1993 due to the \$1,300,000 write-down of the copper concentrate inventory market value. Gibraltar's cash and short-term investments declined to \$3,600,000 from the year-end balance of \$10,000,000. Capital expenditures in the first six months of 1993 totalled \$7,500,000, including \$4,900,000 spent on development of Stage 3 of the Gibraltar East pit. A total of \$18,800,000 has been spent on the project to date. A further \$2,600,000 was spent on mining equipment. SEE OVERLEAF P.3 FOR PRODUCTION DATA.
(SEE GCNL NO.36, 22Feb93, P.1 FOR PREVIOUS PROJECT DETAILS)

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George Cross News Letter

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SUBSCRIPTION RATE
\$315.00 PER YEAR

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GIBRALTAR MINES LIMITED

Statistics
(in thousands, except grade, recovery and per pound data)

	Second Quarter		Six Months	
	1993	1992	1993	1992
Ore milled				
Tons	3,901	3,312	7,486	6,968
Average daily tons	44.0	36.4	41.4	38.3
Copper - grade %	0.28	0.34	0.31	0.34
- recovery %	75.15	70.98	74.61	73.11
Production				
Copper in concentrate-lbs.	16,263	15,827	34,245	35,510
Cathode copper-lbs.	1,578	1,731	2,586	3,204
Molybdenum-lbs.	--	83	--	272
Sales				
Copper in concentrate-lbs.	22,266	17,364	33,504	33,151
Cathode copper-lbs.	1,191	1,747	2,342	3,215
Production costs, US\$ per pound produced (1)				
Cash	0.83	0.87	0.81	0.81
Total	0.95	0.99	0.96	0.92
Average metals prices - US\$/lb.				
Copper (London Metal Exchange)	0.85	1.02	0.92	1.01
Molybdenum (Metals Week)	2.21	2.19	2.08	2.21

(1) Includes smelting and refining charges and credits for molybdenum, which are included in concentrate sales revenues.

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