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# George Cross News Letter

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SUBSCRIPTION RATE  
\$315.00 PER YEAR

NO. 165 (1994)  
AUGUST 29, 1994

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#### NORTH AMERICAN METALS CORP.

[NAM-V] 14,509,055 SHS.

SIX MONTHS ENDED JUNE 30, 1994		1993
REVENUE	\$12,518,248	\$12,436,192
NET EARNINGS (LOSS)	(861,375)	(1,857,575)
EARNINGS (LOSS)/SHARE	(6¢)	(14¢)

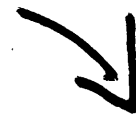
  

THREE MONTHS ENDED JUNE 30, 1994		1993
NET EARNINGS (LOSS)	\$479,568	(\$2,862,696)
EARNINGS (LOSS)/SHARE	3¢	(22¢)

QUARTERLY PROFIT POSTED - Peter Tredger, vice president, finance, North American Metals Corp., reports financial results for the three and six-month periods ended 30Jun94. During the first six months of 1994, gold production at the Golden Bear mine, located 160 km south of Adlin, B.C., was 24,611 ounces from 59,450 tonnes of ore averaging 13.9 grams gold/tonne. Recoveries were 92.6%. Production costs during the second quarter were higher than predicted, mainly due to lower than forecast mined tonnages and grades in the Main Bear deposit, and higher than forecast development costs.

As previously announced, production from the Main Bear will cease in September, with production from the Kodiak A deposit beginning in the fourth quarter. A mine development certificate allowing production from the Kodiak A deposit to proceed was received in early August. Production from this deposit will use open pit mining and heap leach gold extraction techniques. The introduction of heap leaching to the Golden Bear mine will result in lower gold extraction costs, allowing the profitable mining of deposits that would otherwise be uneconomic. This will be the first primary heap leach operation in Canada. Total estimated gold production from the Golden Bear mine in 1994 is 58,000 ounces.

WHEATON RIVER MINERALS LTD. (WRM-T), which owns 81% of North American Metals reported two new zones of gold mineralization have been discovered at Kodiak North, about 800 metres north of the Kodiak A open pit. Both of these zones have considerable potential as heap leach deposits. Kodiak North is the third new discovery made in the past 10 months on the Golden Bear



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property.

On one zone, two trenches located 50 metres apart returned 11 metres grading 3.8 grams gold/tonne and 5 metres grading 2.1 grams/tonne. The mineralization is coincident with VLF anomaly which has been traced for 600 metres. The other discovery has been exposed in one trench, which graded 4.2 grams gold/tonne across 8 metres. This zone has a mineral signature similar to that of the Kodiak A zone. About 15 additional trenches are planned. Drilling will begin in September.

Drilling has increased the mining reserve in the Kodiak A deposit to 473,000 tonnes grading 4.6 grams gold/tonne (diluted), and an 18% increase in contained ounces over previously reported reserves. The 1994 mining plan provides for 325,00 tonnes to be mined and leached from this deposit during the current phase. The remaining 148,000 tonnes will be incorporated into the 1995 heap leach program.

The decline into the Grizzly zone, which lies below the Main Bear deposit, has advanced beyond the half-way point to 470 metres. The planned length of the decline has been increased by 100 metres to 900 metres. A 6,500-metre program of underground drilling will start in October. It is expected a mining plan will be implemented in the new year. The Grizzly Zone was discovered in 1993 with a drill interception grading 14.4 grams gold/tonne across 15.5 metres of core length (true width estimated at 7 to 8 metres).

Drilling on the Post Zone of the Bandit property, five km south of the Golden Bear mine, has encountered a major zone of gold mineralization. In one of the four holes drilled to date, low grade gold mineralization was encountered along 120 metres of core length. Some of the better intersections were 5.5 grams gold/tonne over 1.0 metre, 4.0 grams over 3.0 metres, 3.1 grams over 3.0 metres, and 3.7 grams over 3.0 metres. It is believed these intersections may be "horsetail" splays of a larger system of mineralization. **REPADRE CAPITAL CORP.** [RPD-V,T] has a 2% NSR for the life of the Golden Bear mine.

In another development, Wheaton River, through its 54%-owned subsidiary **YGC RESOURCES LTD.** [YGC-V], is working towards resumption of gold production at its Ketz River mine, Yukon. It is now anticipated production will begin in mid-1995, at a rate of 30,000 ounces per year. A \$600,000 drilling program to test a number of targets will begin in September. The goal of this program is to further increase reserves at the Ketz River mine site. YGC is also re-examining its four claim groups situated in the vicinity of a major polymetallic deposits discovered recently by Cominco Ltd. near Watson Lake, also in the Yukon Territory. (SEE GCNL NO.155, 15Aug94, P.1 FOR PREVIOUS PROJECT DETAILS)

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