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George Cross News Letter

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NEW CANAMIN RESOURCES LTD.

[NNI-V] 9,708,819 SHS.

HIGHER PRODUCTION CONTEMPLATED - Alan Savage, president, reports New Canamin Resources Ltd. is proceeding with a new study on its wholly-owned Huckleberry porphyry copper deposit situated 86 km southeast of Kitimat in west-central B.C. The revised study will consider the effect on project economics of an increased production rate of 25,000 tonnes per day. It is expected the increase in throughput capacity will reduce both operating costs and the payback period as well as improve the net present value of the deposit. Results of the internal study will be available in January 1995.

On the other hand, at the currently contemplated mill feed of 13,500 tonne/day, an update of feasibility economics at current metal prices yields a net project value of \$227,000,000 or \$23.38 per share at a 10% discount rate. Payout of capital at current prices is 2.2 years for a 38.31% rate of return.

Meanwhile, open houses have been held in Burns Lake, Houston and Smithers to allow the local communities an opportunity to comment on the proposed mining development. The general response in this area, which has seen dramatic reduction in mining activity over the last few years, was positive, with 90.8% approval. Governmental review of the Pre-Application Prospectus is expected in December and the final Mine Development Certificate application will be filed in early 1995.

The deposit has diluted mineable ore reserves of 91,000,000 tonnes at 0.517% copper, 0.064 grams gold/tonne, 0.014% molybdenum, and 2.78 grams silver/tonne. (SEE GCNL NO.209, 1Nov94, P.1 FOR PREVIOUS PROJECT INFORMATION)

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