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George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

FEB 14 1994

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SUBSCRIPTION RATE
\$315.00 PER YEAR

NO. 30 (1994)
FEBRUARY 14, 1994

E. M. P. R.

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GIBRALTAR MINES LTD.		
	[GBM-T,V] 22,881,413 shs.	
FOURTH QUARTER	1993	1992
Revenue	\$9,882,000	\$19,170,000
Expenses	18,899,000	16,891,000
Net Earnings (Loss)	(5,096,000)	863,000
Net Earnings (Loss) Per Share	(37¢)	7¢
YEAR ENDED	1993	1992
Revenue	\$47,800,000	\$67,338,000
Expenses	68,896,000	60,543,000
Net Earnings (Loss)	(11,298,000)	3,107,000
Net Earnings (Loss) Per Share	(82¢)	26¢

LOSS FOR YEAR REPORTED - William H. Myckatyn, president, Gibraltar Mines Ltd., reports financial results for the fourth quarter and year ended 31Dec93. As of 31Dec93, the company had \$52,700,000 of working capital on hand, of which \$44,500,000 is in cash and short-term investments. The loss in 1993 is a result of the significant decline in copper prices from their 1992 level. The copper price averaged US 87¢ during 1993 and US 76¢ in the fourth quarter of 1993 compared to US \$1.04 during 1992 and US \$1.00 in the fourth quarter of 1992. The lower grade of ore processed, the increase in the provision for reclamation costs and the costs associated with the temporary suspension of operations also contributed to the decline in earnings.

Copper in concentrate production for the year totalled 50.5 million pounds as compared to 70.9 million pounds in 1992. For the fourth quarter, Gibraltar produced 4,900,000 pounds of copper in concentrate compared to 17,900,000 pounds for the corresponding period in 1992. The significant decline affecting both the quarterly and full year production was a result of lower grades, the reduction in the milling rate

93B 12

p. 1 of 2

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to 50% for October and November and the ultimate suspension of operations on 1Dec93. Cathode production was 6,000,000 lbs for 1993 and 1,500,000 lbs for the fourth quarter compared to 6,900,000 lbs in 1992 and 1,800,000 lbs in the fourth quarter of 1992.

Gibraltar is embarking on a comprehensive review of options to re-start the McLeese Lake copper mining operation. A project team under the direction of Barry Weenk, Plant Superintendent, is being formed to bring together all stakeholders who have an interest in getting the mine back into production. Gibraltar will be reviewing mine schedules, human resource issues, varying forms of taxation, hydro rate structures and other areas that affect the operation. The team will invite input from provincial and municipal politicians, government departments, suppliers, the union and the staff and hourly employees in order to come up with a viable re-start scenario.

The company completed the feasibility study on the expansion of the milling facilities which confirmed a 50% expansion would cost about \$35,000,000 for fixed plant and would result in a reduction in cash operating costs of about US 83¢ per pound of copper over the remaining life of the mine. In addition, a further \$1,000,000 will be required in the first year of expanded operations for mining equipment needed to handle higher stripping levels. No decision has been made to go ahead with the mill expansion at this time due to continuing low copper prices and the company's ongoing review of its alternatives.

Gibraltar continues to review exploration prospects and acquisition targets. The company has established an exploration office in Reno, Nevada and is actively pursuing exploration opportunities in North America and in Chile. (SEE GCNL NO.227, 26Nov93, P.2 FOR PREVIOUS RELATED INFORMATION)

93B 12

p. 2 of 2