1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 583-7265 FAX 683-5306
BBS 683-7206

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[RFR-T] 16,681,958 SHS.

POSITIVE FEASIBILITY CONFIRMED FOR TULSEQUAH CHIEF PROJECT - Terry Chandler, president, Redfern Resources Ltd., reports the positive results previously released in July 1995, have been confirmed in the final feasibility study of the Tulsequah Chief base and precious metals deposit 100 km south of Atlin, B.C. Redfern recently received the comprehensive study by Rescan Engineering of

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CONTINUED FROM PAGE ONE - Additional preliminary studies, which are designed to further enhance profitability and maximize project returns have been completed, indicating significant upside potential in several areas:

- Producing a clean lead concentrate (separate from the copper-lead bulk), either by gravity or selective flotation. Complete separation could potentially add as much as $10,000,000 to annual pre-tax operating profits. Over 20,000,000 pounds of lead are recovered annually.
- Extending ore reserves at the Tulsequah Chief (open at depth) and discovery of additional reserves in new deposits within the highly prospective 150 square km property. Either of these would increase mine life and/or allow increased production levels.
- Developing an on-site hydro electric facility, which has the potential to supply 12 MW of power on a year-round basis.
- Obtaining an infrastructure loan from the B.C. Government to facilitate project financing.

Redfern has completed all environmental baseline studies begun in May 1994 and shortly will receive the specifications for filing a project report under the B.C. Environmental Assessment Act. The company expects to file the report, compiled by Rescan Environmental, early in 1996. A ministry decision on the application is expected later in the year following completion of final public consultation and government and stakeholder reviews.

The feasibility study is presently being reviewed by a selected number of prospective partners and financial institutions. (SEE GCNL NO.146, 31Jul95, P.4 FOR PREVIOUS PROJECT DETAILS)

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Vancouver, with contributions by a team of recognized independent mining, metallurgical and geotechnical consulting companies.

A total of 7,900,000 tonnes of ore would be mined by underground methods and fed to a flotation concentrator at the normal rate of 2,466 tonnes per day over the initial nine-year operating life. Including dilution, ore feed to the mill will average 6.35% zinc, 1.27% copper, 1.18% lead, 2.42 grams gold/tonne, and 100.91 grams silver/tonne.

Capital costs include $143,000,000 in pre-production and $29,000,000 in sustaining capital expenditures for a total investment of $172,000,000. The project payout is 3.2 years after start-up. Annual pre-tax operating profits average $54,600,000 per year over the initial 9.12-year operating life and on a 100% project basis, the pre-tax discounted rate of return is 24.6%. The Canadian dollar exchange rate used in the feasibility model is US 73.5¢. Unless otherwise noted, dollar amounts are in Canadian dollars.

Based upon average metal prices in US dollars of 60¢/lb. zinc, $1.00/lb. copper, $395/oz. gold and $6.00/oz. silver, net smelter returns will average Canadian $118.21/tonne of ore milled. With operating costs of $55.14/tonne milled, the average operating profit/ margin will be $63.07/tonne. At current metal prices (46¢/lb. zinc, $1.24/lb. copper, $396/oz. gold and $5.55/oz. silver), the net smelter returns are marginally lower than the base case price assumptions, averaging $109.12/tonne and yielding 20.6% on a before-tax basis.

The proposed mine will incorporate a unique set of engineering design and environmental protection measures to create a model operation, including:

- Location of primary development in clean "hangingwall" rocks to minimize acid-generating waste rocks.
- Extensive use of paste backfill to maximize ore extraction, provide improved ground support and allow maximum return of waste products to the mine.
- Location of crushing, grinding and gravity gold circuits underground.
- Reduction of tailing to be contained in a surface impoundment to about 30% of ore mill. The remainder will be impounded underground as paste fill.
- Neutralization of tailing by removal of sulphides and addition of ground limestone which will allow for a dry tailing impoundment upon mine closure and reclamation.
- Removal of acid-generating waste products from historic operations for disposal in mine workings and paste fill sealing of old workings to prevent acid mine drainage.

Annual production will average 56,000 ounces of gold, 2,400,000 ounces of silver, 22,000,000 lbs. of copper (in concentrate) and 118,000,000 lbs. of zinc (in concentrate). About 136,000 dry metric tonnes of concentrate will be shipped to Skagway, Alaska, for storage and distribution to smelters. Negotiations are underway for the placement of concentrates under longterm contracts with copper and zinc smelters in Asia, Europe and North America.

Economic analysis in the feasibility study is based upon the year-round use of a 160-km access road to be constructed from the minesite to the existing road near Atlin and operated as a restricted access road under the B.C. Mining Right-of-Way Act.

-CONTINUED ON PAGE TWO-