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# George Cross News Letter

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## REDFERN RESOURCES LTD.

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

TULSEQUAH PROJECT UPDATE - Terry Chandler, president, Redfern Resources Ltd., reports progress on several fronts following the completion of the positive final engineering feasibility study for the 100%-owned Tulsequah base and precious metals project 100 km south of Atlin, northwest BC.

Environmental Assessment Process: Specifications have been received for the filing of a project report in support of an application for a project approval certificate. Redfern plans to submit the report compiled by Rescan Environmental, by mid-year 1996 (following two years of environmental data gathering). Final public consultation and Government reviews will follow submission of the report, and Redfern could receive the project approval certificate by year-end if the review process is completed within the guidelines set forth under the enabling environmental assessment act. Contingent on project financing, the company could start detailed engineering design and construction on the project in 1997.

Concentrate Marketing: While finalizing the project report, Redfern has been meeting with smelters in Asia and North America seeking buyers for the copper and zinc concentrates from the Tulsequah project and concurrently have been reviewing options for project financing. Letters are in hand from smelters in Japan and Canada expressing an interest in buying 100% (on a combined basis) of the bulk copper-lead, plus precious metal concentrates. Talks are underway for placement of high grade zinc concentrates.

Project Financing: Proposals have been received from financial and banking groups with offers to provide assistance in arranging the \$155,000,000 financing package required to place the Tulsequah project into production. Because 30% of the projected revenue is in precious metals (56,000 ounces of gold and 2,400,000 ounces of silver annually), precious metal loans are expected to be an important factor in the financing package. Discussions are also continuing with the BC Government concerning an infra-structure loan. In addition to formulating plans to self-develop the project,

Redfern is also conducting discussions with certain operating mining companies expressing an interest in participation, either through joint venturing or by corporate merger.

On-Going Metallurgical Studies: Metallurgical studies will be continued in 1996 with the two-fold objective of reducing the lead in the bulk-copper lead concentrate, and concurrently producing a saleable lead concentrate. While there was some success in achieving separation by gravity in the 1995 program, additional locked cycle tests will also be done using differential flotation. Complete separation could add \$5,000,000 to \$10,000,000 to the annual pre-tax operating profit, or an increase of 10% to 20% over the \$55,000,000 per year operating profit reported in the final feasibility study.

Corporate Financing: Redfern raised \$4,400,000 in financing through private placements over the last year including \$3,500,000 in the first quarter of this year. Funds will be used to advance permitting and development and general working capital.

Grandola Joint Venture: The company holds a 16.7% interest in the 213 square km Grandola license in southern Portugal. Refer to Auspex story in this issue for more details. (SEE GCNL NO.8, 11Jan96, P.1 FOR TULSEQUAH FEASIBILITY STUDY REVIEW)

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