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AMERICAN BULLION MINERALS LTD.

[ABP-T] 12,191,498 SHS.

RED CHRIS SCOPING STUDY RECEIVED - Charles Wills, president,

reports American Bullion Minerals Ltd. has received a report by D.J. Barker and Associates Inc. entitled "Red Chris Project - Scoping Study". The Red Chris project, located near Dease Lake, north-central BC, is held American Bullion 80% and TECK CORP. [TEK-V, T, M] 20%.

The study provides new technical insight for the project and proposes the Red Chris project be re-cast as a smaller, higher grade project that benefits from unique opportunities to reduce mining costs. In combination, realizing these characteristics will yield superior cash costs for both copper and gold production. In summary, the report describes the following positive attributes for the new mine plan:

The Red Chris ore zone comprises a high-grade core which can be selectively mined to generate improved head grades and improved scheduling than that considered in previous plans. This new plan focuses on mining ore with average estimated grades of 0.46% copper and 0.38 grams gold/tonne at a mining rate of about 30,000 tonnes per day. An estimated 210,000,000 tonnes of ore from the large Red Chris resource would be mined during a 20 year mine life in this plan.

A unique topographic advantage exists at the site which provides a practical and innovative approach to mining the deposit. Ore and waste would be mined and drawn through ore and waste passes to lower elevations. By negating the need for conventional truck and shovel operations, mine operating costs are estimated to be reduced by 40%.

The new mine plan provides opportunities to increase overall pit wall angles, through the elimination of wide haulage ramps that would otherwise be required and by enhancing pit wall stability through drainage of the rock mass. This refinement significantly reduces the amount of waste rock to be mined, yielding better project economics and environmental options.

The scoping study also considers the selection of a 30,000 tonne per day mill and other capital infrastructure requirements as superior to previous plans. Overall, the focus of the new plan is to produce significant reductions in pre-production development costs, capital costs, mine operating costs, and profitability at current commodity prices.

In his report, Mr. Barker, P.Eng., estimates the new project could operate with cash costs of about US 45¢ per lb. for copper and US \$145/oz. for gold, for the 210,000,000 tonne drill proven resource outlined above. Under this plan, the mine would contain in excess of 2.2 billion lbs. of copper and 2,500,000 oz. of gold.

As a result of the study, the company will immediately carry out engineering and design studies on the new plan to a pre-feasibility level of detail. The work will be carried out by American Bullion and will be reviewed and guided by its Senior Review Board. Members of the Senior Review Board include Mr. N. Anderson, P.Eng., Mr. D. Barker, P.Eng., Mr. C.O. Brawner, P.Eng., and Mr. R. Taylor, P.Eng. (SEE GCNL NO.172, 8Sept97, P.3 FOR PREVIOUS RED CHRIS PROJECT INFORMATION)

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