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George Cross News Letter

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NO. 203 (1997)
 OCTOBER 22, 1997

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ROYAL OAK MINES INC.		
[RYO-T, AMEX] 140,835,029 SHS.		
THREE MONTHS ENDED SEPTEMBER 30, 1997		
	1997	1996
GOLD PRODUCTION (OZ)	94,505	104,012
REVENUE	54,116,000	77,323,000
NET INCOME (LOSS)	(2,362,000)	10,216,000
EARNINGS (LOSS) PER SHARE	(2¢)	7¢
CASH COST OF PROD. (US\$/OZ)	310	348
AV. REALIZED PRICE (US\$/OZ)	412	543
WTD. AVER. SHARES OUT.	138,910,000	138,286,000
NINE MONTHS ENDED SEPTEMBER 30, 1997		
	1997	1996
GOLD PRODUCTION (OZ)	284,430	283,655
REVENUE	160,579,000	183,169,000
NET INCOME (LOSS)	(62,564,000)	15,321,000
EARNINGS (LOSS) PER SHARE	(45¢)	11¢
CASH COST OF PROD. (US\$/OZ)	344	337
AV. REALIZED PRICE (US\$/OZ)	339	392
WTD. AVER. SHARES OUT.	138,880,000	136,099,000

THIRD QUARTER REPORT - Margaret Witte, president, Royal Oak Mines Inc., reports financial and production results for the three and nine month periods ended 30Sept97. Gold production in the third quarter and for the year to date was impacted by the closure of both the Hope Brook, Newfoundland and Colomac, Northwest Territories mines. The closure of the mines was for economic reasons which is expected to improve the future profitability of the company. Ore reserves at both mines were close to being depleted. As a result, gold production in the third quarter was 9% less than the same period a year earlier.

The new Kemess Mine in north-central BC is scheduled to start production in April 1998. Construction is about 65% complete. About \$384,000,00 of the estimated capital cost of \$430,000,000 has now been committed in purchase orders for capital equipment and construction contracts. As of the end of September, the BC government had reimbursed Royal Oak about \$100,000,000 of its

economic assistance package of up to \$166,000,000, and is current in its payments.

The estimated average annual life-of-mine production rate at Kemess will be about 250,000 ounces of gold at an estimated average cash cost of US \$79/oz of gold (copper is credited against operating costs at US \$1.00/lb). Mine life, based on mineable ore reserves of some 4,100,000 ounces of gold, is estimated at about 16 years. (SEE GCNL NO.166, 28Aug97, P.1 FOR PREVIOUS COLOMAC PROJECT INFORMATION)

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