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George Cross News Letter

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ROYAL OAK MINES INC.

[RYO-T, AMEX] 150,865,029 SHS.

KEMESS MINE ACHIEVES DESIGN CRITERIA - Margaret K. Witte,
president, Royal

Oak Mines Inc., reports its new producing Kemess gold, copper mine
in the Toodoggone region of north-central BC has met all design
criteria for processing hypogene ore since the start of production
19May98. During the period to date, the mill has processed about
2,500,000 tons of ore at an estimated head grade of 0.211% copper
and 0.016 oz. gold/ton. Milling rates of between 50,000 and
60,000 tons per day are being consistently achieved. After making
modifications to the flotation circuit, copper and gold recoveries of
80% and 75%, respectively, are now being achieved. These
recoveries compare with the estimated recoveries for 1998 of 78%
copper and 71% gold. The concentrator has produced about 11,500
tons of concentrate containing between 25% and 26% copper and
between 1.3 and 1.7 oz. gold/ton during the period.

Royal Oak plans to begin processing softer supergene ore
shortly after completing the current campaign on hypogene ore. The
supergene commissioning period is expected to be completed by the
end of September when commercial production is expected to begin.
(SEE GCNL NO.159, 19Aug98, P.4 FOR SIX MONTH REPORT)

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