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George Cross News Letter

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BOLIDEN LIMITED

[BOL-T] 107,014,547 SHS.

GIBRALTAR MINE TO CLOSE - Anders Bulow, president, Boliden Limited, reports NGMT Resources Limited has been unable to obtain the funding commitments necessary to complete its agreement to acquire Boliden's Gibraltar copper mine near Williams Lake, BC. As a result, the acquisition agreement has terminated and Boliden will proceed with its previously announced plans to close the mine.

Under the acquisition agreement NGMT was required to secure financing commitments sufficient to enable it to buy one-half of Gibraltar's net working capital (about \$4,000,000) and to operate the mine for at least the next four years. In Boliden's opinion this would have required financing of about \$20,000,000. At NGMT's request, Boliden had extended the date to satisfy the financing condition to 15Dec98.

Mr. Bulow stated, "I very much regret the termination of our agreement with NGMT. Boliden and NGMT worked long and hard to put together a deal that would see the continued operation of the mine under the new management group and on a viable basis. The BC government, Gibraltar employees and their union and the mine's principal suppliers and customers all gave their active support and are to be commended. Unfortunately, due to continued low copper prices, NGMT was not in the end able to raise the financing for continued operations and Boliden has no alternative but to proceed with closure."

Preparations for closure are expected to start in the coming weeks and be substantially completed by the end of February, 1999. Union and staff employees at the mine were offered an enhanced severance package in June, 1998 after Boliden first announced the impending closure of the mine. Assistance for employees includes relocation and retraining subsidies as well as severance payments exceeding those required by provincial statute and the Gibraltar collective agreement.

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