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# George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

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## NORTH AMERICAN METALS CORP.

[NAM-CDNX] 25,835,722 SHS.

RED MOUNTAIN ACQUISITION COMPLETED - Ian McDonald,  
chairman, North

American Metals Corp., reports the previously-announced purchase of the Red Mountain gold project in northwest BC has now been finalized. The project was purchased from PricewaterhouseCoopers Inc., the interim receiver of ROYAL OAK MINES INC. [RYO-T halted], for a price of \$413,360.

Red Mountain is an advanced gold project located 18 km east of Stewart, BC. The deposit was originally drilled by Bond Gold in the late 1980s, and was subsequently explored by Lac Minerals and Royal Oak. About US \$38,000,000 has been spent by past operators. Diamond drilling on the property has totalled 127,000 metres in 467 holes, and 2,000 metres of underground workings have been excavated, including a 1,000-metre production-sized decline.

Mineralized material at Red Mountain as published in Royal Oak's 1998 annual report totals 13,238,000 tons grading 0.074 oz. gold/tonne, or 918,000 ounces of gold. A technical evaluation completed during North American Metals' due diligence period indicates a higher-grade core of the deposit could be economically extracted at the current gold price, mining about 700,000 tonnes

grading 12 grams gold/tonne, and recovering about 250,000 ounces of gold over a four to five year period. It is on this higher-grade, downsized basis, and the property's exploration potential, that the project was purchased.

Included in the Red Mountain acquisition is a large complement of mining equipment, a \$1,500,000 cash reclamation fund that is lodged with the BC Mines Ministry and an office/warehouse building in Stewart.

North American Metals expects the Red Mountain project will replace production from its Golden Bear Mine, also in northwestern BC, which is expected to close in 2002. Engineering work on evaluating the feasibility of moving the Golden Bear mill to Red Mountain has begun. North American Metals has about \$63,000,000 in tax pools available to offset future taxable income in Canada. North American Metals Corp. is owned 89% by WHEATON RIVER MINERALS LTD. [WRM-T]. (SEE GCNL NO.24, 4Feb2000, P.8 FOR PREVIOUS RED MOUNTAIN PROJECT INFORMATION)

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