

NORTH AMERICAN METALS CORP. (NAM-V, NAMVF-Nasdaq)

ROAD TO GOLDEN BEAR - Robert G. Hunter, president of MINE SITE APPROVED North American Metals Corp.

announce that the B.C. Government has approved construction of an all-weather road to the Golden Bear mine near Dease Lake in northern B.C. This approval clears the way for North American and Chevron Minerals Ltd., through their jointly run Golden Bear Operating Company Limited, to proceed with the \$36,000,000 project. The mine is expected to be among the highest grade and lowest cost gold producers in North America.

The approved road, named the Modified Lower Tahitan Route bypasses the wildlife concern of the Moosehorn Route proposed earlier. Golden Bear Operating Company has signed a letter of intent for construction of the road with Arctic Construction Ltd., a subsidiary of Pickell Construction Limited. Road construction is to proceed at a cost of some \$9,200,000 which falls well within the budget set in the final feasibility study.

- Mr. Hunter also reports that

heavy equipment including trucks, 4 caterpillar bull dozers, rock drills etc. have been mobilized to the mine site via the winter route to initiate orebody stripping, mill site preparation, mine road and tailings pond construction.

In commenting that directors consider the offer by Homestake Mining Company for all shares of North American Metals at \$4 per share (GCNL 42(88)p.1 refers) to be substantially less than their intrinsic value, Mr. Hunter noted that a Wright Engineers's feasibility study, based on a gold price of US \$400 per ounce, forecasts an after tax rate of return of 36% and a payback of 1.7 years on a project capital cost of \$36,000,000. An average annual pre-tax cash flow of \$15,000,000 is expected to accrue to North American Metals. The study considers only the initial gold reserves along 1,300 feet of a 5-mile long structure. Additional extensive drilling and underground development have indicated an exceptionally long mine life.

The company has a strong financial position. A world class bank project financing proposal for Cdn. \$17,250,000 has been received which, with some \$4,600,000 on hand would complete the company's production financing requirements. Moreover, agreement has been reached for a private placement with Pezzgold Resources Corporation of 2,000,000 units at \$4.50 per unit comprising 1 share and 1 one-year warrant to buy 1 share for \$4.75.

Mr. Hunter says, North American Metals now controls a 41% shareholding of STEELHEAD RESOURCES LTD. (SHZ-V) which is expected to announce shortly the development of a large scale bulk tonnage gold-silver deposit at its Excelsior project 36 miles east of Bellingham, Washington with immediate plans to start a production feasibility study.

SOUTHLANDS MINING CORPORATION (SSM-V)

BULK SAMPLE GRADES - C. Philip Yeandle, president of EXCEED DRILL GRADES Southlands Mining Corporation and

Sirius Resources Corporation

announces the results from assays of a further 3 rounds taken from underground work on the Frasergold property, near Horsefly, in the Cariboo district of B.C., being 0.10, 0.12 and 0.167 ounce of gold per ton, respectively.

These values are significantly higher than the expected values indicated by earlier drilling and point to a likely upgrading of the overall drill indicated reserve of gold contained in this deposit. Previously indicated open pit reserves of 20,000,000 tons are in the grade range of 0.08 oz. gold/t, says Mr. Yeandle.

Further bulk sampling results from what is thought to be the high grade, hanging wall zone are expected very shortly. For reports of recent progress on this project, see GCNL 43(88) p.2 and 35(88) p.1.