

# George Cross News Letter

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## PIONEER METALS CORPORATION(PSM-T,V)

### SILBAK PREMIER MINES LTD.(SBP.A-V)

SHAREHOLDERS APPROVE AMALGAMATION- Shareholders at

special meetings of

Pioneer Metals and Silbak Premier approved by 95% votes a proposed amalgamation on the basis of one for one for Pioneer and one new share for 3.5 shares for Silbak adopting the name, Pioneer Metals Corporation.

Robert D. Willis, president, told the meeting that the 40% direct working interest to be owned by Pioneer in the \$80,000,000 Silbak project after the merger is complete requires Pioneer to raise \$32,000,000 for mine development and plant construction. In anticipation of the merger, Pioneer has negotiated a gold loan to cover the \$32,000,000 requirement. This will now be finalized and an announcement can be expected in about 4 weeks. The gold loan will be payable over 4 or 5 years from any of the Pioneer mines.

Silbak is forecast to produce 77,000 oz. gold and 900,000 oz. silver in each of the first four years, at a cost of \$165 per oz. of gold produced. Pioneer's share will be 30,800 oz. gold and 3,600,000 oz. silver per year.

At the Silbak mine, 30 miles north of Stewart, B.C., pre-stripping of the open pit is underway, pouring of concrete for the mill foundations will start in a few days and road construction is underway. In addition to the construction program, Silbak has authorized a \$3,000,000 exploration program directed toward expanding existing open pit reserves of about 8,000,000 tons and testing the potential for higher grade production from underground.

### QUEENSTAKE RESOURCES LTD.(QTR-T)

<u>YEAR ENDED 31 DECEMBER</u>	<u>1987</u>	<u>1986</u>
Gold Production, Ounces	13,222	6,375
Gold Sales	\$6,922,559	\$1,339,928
Cash Flow	2,070,325	109,318
Earnings	618,808	(4,914,690)
Per Share	9¢	(86)¢

Gordon Guttrath, president of Queenstake, reported that gold production increased due to the acquisition of the Pine Creek, Atlin, B.C. property in May 1987. An initial semi-annual dividend of 2.5¢ per share will be paid on 10 July 88, record 30 Jun 88.