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MINNOVA INC. (ME-T)

REA GOLD CORPORATION (REO-T,V;REOGF-Nasdaq)

OFFICIAL OPENING OF SAMATOSUM SILVER MINE - KAMLOOPS, B.C.  
FIRST 1,000,000 OZ. SILVER PRODUCED SINCE PRODUCTION START

Official opening of the 450 tonne capacity concentrating plant at the Samatosum silver zinc copper mine is scheduled for Oct.25,1989. The ceremonies are at the mine site, at 4,500 feet elevation on Adams Plateau, 28 miles NE of Kamloops, B.C., 250 miles north

of Vancouver, B.C. Minnova Inc., owner of a 70% working interest, is operator with Rea Gold holding a 5% net smelter return royalty and a 30% working interest. The plant and mine were brought into production in June 1989 at a capital cost estimated at \$32,200,000.

Silver production to date has exceeded 1,000,000 ounces silver. Mining in the pit has averaged 410 tonnes per day with some blending now underway. Currently the mine has two people in the pit supervising blending and assisting in grade control. To take advantage of the good fall weather, the stripping has been accelerated beyond the planned rate to beat the winter weather.

Fine tuning of the concentrating plant is continuing. The plant is producing three concentrates: copper/silver; lead/silver/gold and zinc/silver. Recoveries in the past few months of tune up have been close to projections. Silver recovery started about 96% and is currently running about 94% on some lower grade ores. Copper recovery started off about 76.5% and currently is about 85% and improving. Zinc recovery started at 76.8% and is now about 62% with the lower ore grade. Gold recovery has been stable at about 88%.

At feasibility study reserves were calculated at 661,000 tonnes grading 32.08 oz.silver/t, 0.052 oz.gold/t, 3.5% zinc, 1.7% lead, 1.2% copper.

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