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# George Cross News Letter

*"Reliable Reporting"*

WESTERN CANADIAN INVESTMENTS

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## NORTH AMERICAN METALS CORP. (NAM-V)

MUCH IMPROVED MINE OPERATION REPORTED - North American Metals Corp.

announced 18Feb92 operating results for 1991. Gold production from the Golden Bear Mine, 75 miles northwest of Telegraph Creek, B.C. was 56,711 oz. gold in 1991 compared to 19,242 oz. in 1990. The roaster in the mill was inoperable during much of the latter half of 1990, so operating results for the prior period are not comparable. The roaster retrofit was completed in the first quarter of 1991 and mill performance improved steadily throughout the year. By year end capacity and recovery rates exceeded design levels. A revised mining plan using only open pit methods was instituted in the second quarter and contributed to lower operating costs. Cash costs improved from C\$467 per oz. in the first six months to C\$274 in the second half of the year and averaged C\$359 per oz. in 1991.

Average gold price realization for the year were C\$411 per ounce compared with C\$436 per ounce in 1990. The company had a loss of C\$17,800,000 or C\$1.58 per share in 1991 compared with a loss of C\$33,100,000 or C\$4.17 per share in 1990.

The 1991 loss included a write-down of C\$14,700,000 related to North American Metals' investment in the Golden Bear Mine and a C\$2,100,000 charge to restate gold forward sales contracts to reflect current gold prices and exchange rates as required by a change in Canadian accounting rules. Included in the 1990 loss was C\$23,800,000 in asset write-downs applicable to the Golden Bear Mine.

At the year end, NAM became the sole owner of the Golden Bear Mine by purchasing the remaining 50% interest for US\$1,000,000 and indemnification of the seller against all related liabilities.

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