

# George Cross News Letter

*Reliable Reporting*

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## AMERICAN RESERVE MINING CORPORATION (AMI-V,T)

COMINCO HAS OPTIONED - Carl F. Zuber, president has reported American Reserve Mining has granted Cominco Ltd. an exclusive option to earn 66.66 % of American Reserve's Kutcho Creek property located 100 km east of Dease Lake, B.C. To exercise Cominco is required to spend \$6,700,000 on exploration and development or produce a feasibility study by 31Dec97, make cash payments of \$50,000 (received) and \$100,000 in September,1992 and carry out a minimum \$100,000 work programme this year. Cominco is project operator. Upon exercise of the option, Cominco and American Reserve's will then share costs 2/3 - 1/3 respectively. These revised terms from the 4July91 agreement provide that if a decision is made to commence mine construction, Cominco will attempt to arrange project financing for the project on behalf of both Cominco and American Reserve's.

A preliminary capital cost study in March 1991, to place and project into production estimated the Kutcho and Esso West massive sulphide deposits have a combined

mineable ore reserve of 14,300,000 tonnes grading 3.07% copper equivalent. Sumac Mines Ltd., subsidiary of Sumitomo Metal Mining Canada Ltd., is owner of part of the reserves. This study estimated \$130,000,000 is required for a 4,400 tonne per day underground mining operation with annual production of 100,000 tons of copper concentrate grading 26% copper (with gold and silver credits) and 62,000 tons of zinc concentrate grading 55% zinc over a 9.3 year mine life. More than \$25,000,000 has been spent to-date on Kutcho Creek. Potential for increasing reserves is excellent. American Reserve acquired the property from Homestake Canada Limited, American Reserve's largest shareholder.

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