

NEWCOAST SILVER MINES LTD. (NWV-V)

GIBRALTAR MINES LTD. (GBM-T,V)

MAJOR TONNAGE INDICATED BY RECENT DRILL PROGRAM

SECOND DRILL ADDED TO SPEED RESERVE DEFINITION

Gibraltar has reported the recent drilling results as promising and has indicated, "While this mineralization occurs at depth, Gibraltar has previously mined to similar depths."

At the Aug. 31, 1992, annual meeting of Newcoast Silver Mines, John Chapman, geological consultant and a director reviewed, for the 25 persons present, recent ore reserve developments on the Gibraltar North deposit in which Newcoast Silver holds a 30% net profits interest. The claim group adjoins the Gibraltar mine East pit to the west, 48 km east of Williams Lake, B.C. The Gib-North deposit is 5,000 feet from the Gibraltar 40,000 ton per day concentrating plant. (SEE MAPS OVERLEAF OF THE DRILL PLAN AND TWO LONG SECTIONS OF THE DRILL RESULTS PLUS AN EVALUATION).

On the basis of 41 holes in the deposit, of which 17 have been drilled since June, 1992, he estimates geological reserves of 70,000,000 tons, including 50,000,000 tons of mineable reserves grading 0.4% copper and possibly higher grade. All of these reserves are available to an open pit with a stripping ratio not exceeding 3 waste to one ore. The top of all of the ore tonnage is less than 400 feet below surface. Some of the ore starts less than 100 feet below surface. As the tonnage expands to depth the stripping ratio is reduced. The deepest mineral included in the reserves is at 800 feet below surface and Gibraltar has mined at these depths in the past in other zones on the property. This zone is open to extension to the south and southeast as well as to the north. To the north the zone is plunging to depth and may not make ore owing to the increasing stripping ratio.

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He noted the current program holds substantial potential to develop additional tonnages. The 1992 program was agreed to by Gibraltar as a \$200,000 phase of drilling for a probable 20 holes. The program has been extended with 50 holes drilled to date and almost 40,000 feet of core at a cost of \$400,000 to \$500,000, double the original budget. Gibraltar recently indicated a second drill machine will be added to speed the flow of results. It is expected Gibraltar will report again on the drill hole assay results in October or November.

Mr. Chapman noted the drilling had advanced quickly with some 24 hour periods producing 800 feet of core.

As in many great ore bodies, the best part of the reserves are under the main mine access road and are crossed by the power line and water pipeline, all of which will have to be moved to permit the mining. The cost of these moves is estimated at \$3,000,000 with stripping estimated at \$7,000,000 to permit the start of mining at a capital cost not expected to exceed \$10,000,000. Gibraltar is entitled to recapture all capital costs to production a division of profits.

The limited work to date on the Gib-North deposit indicates silver of 0.1 oz. per ton and 50 parts per billion gold. Recent zinc grades have been 0.1% suggesting a possible payable 50¢ per ton assuming 60%

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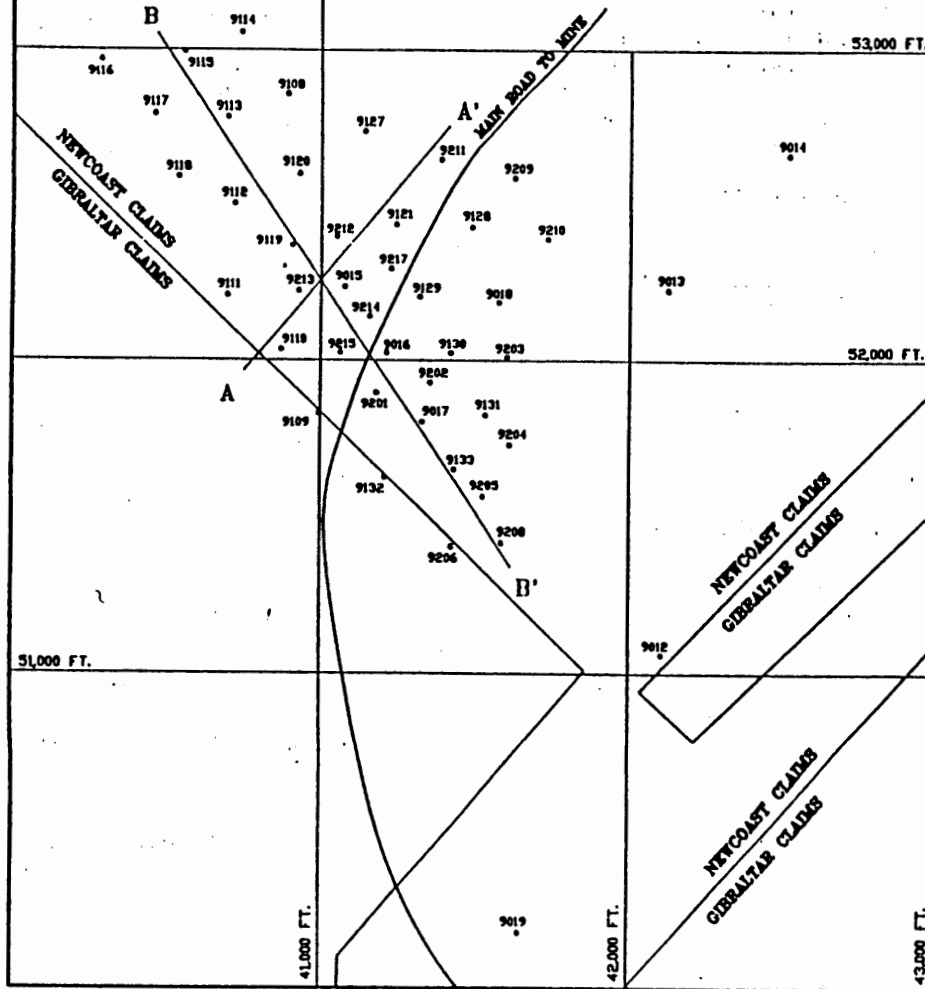
NO. 171 (1992)
SEPTEMBER 3, 1992

NEWCOAST SILVER MINES LTD.
(NYSE:NMV)

GIBRALTAR NORTH DEPOSIT
DIAMOND DRILL HOLE COLLAR MAP

by: jao

date: August 6, 1992



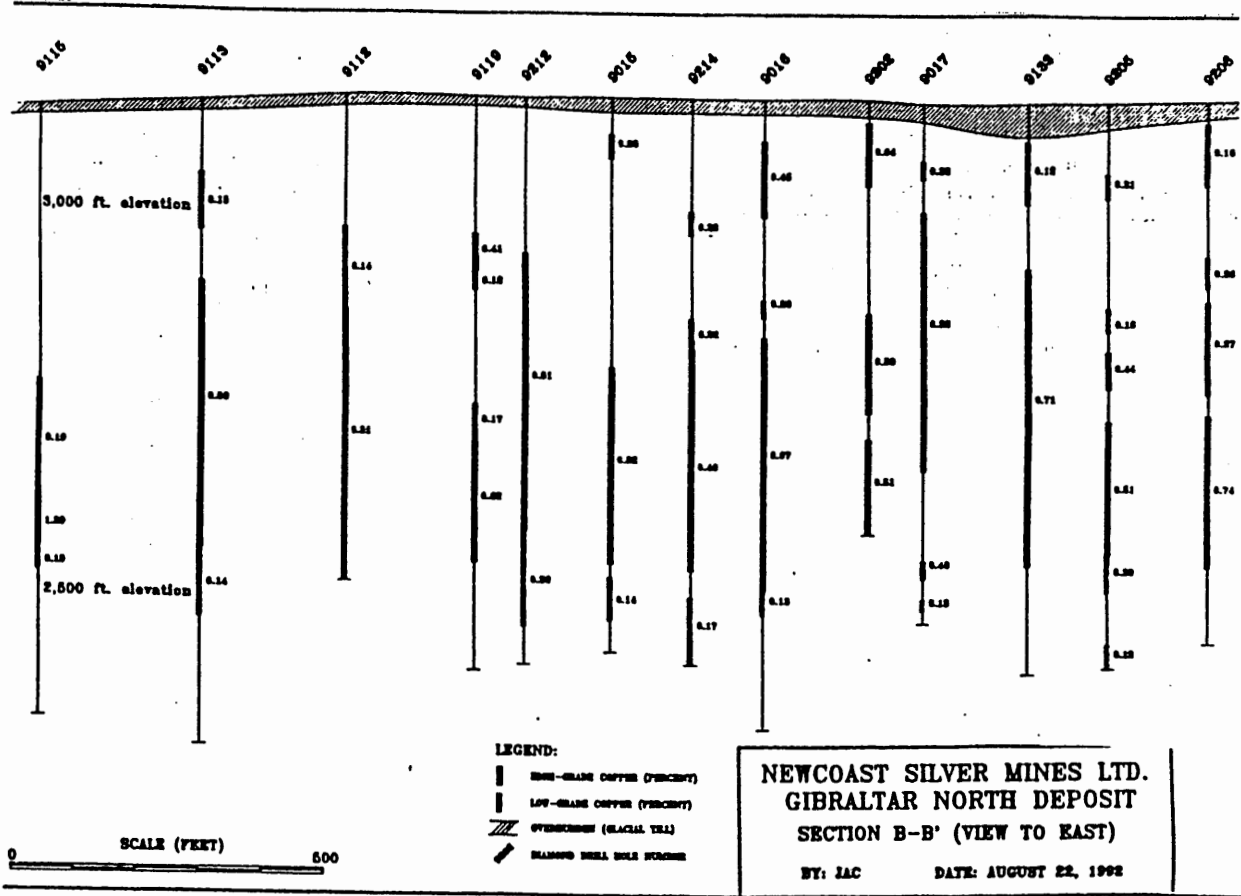
NEWCOAST SILVER MINES LTD.
GIBRALTAR NORTH DEPOSIT
"BORSBACK" ESTIMATE, AUGUST 22, 1992
(PREPARED BY NEWCOAST MANAGEMENT)

	GIBRALTAR NORTH DEPOSIT	GIBRALTAR
Geological Reserves (tons)	70,000,000 (2)	
Reserves (tons) @ 0.20% copper cutoff	50,000,000 (2)	166,000,000 (1)
Copper Grade (%)	0.40	0.31
Strip Ratio (waste:ore)	3:1	1.4:1
Copper Recovery (%)	85	85
Recoverable Copper per ton of ore (pounds)	6.80	5.27
Gross Recoverable Value per ton of ore (C\$)		
@ U.S.\$1.00/lb copper	7.89 (3)	6.11 (3)
@ U.S.\$1.25/lb copper	9.86	7.64
@ U.S.\$1.50/lb copper	11.83	9.17
Mining Cost per ton milled (@ \$0.50/ton mined)	2.00	1.20
Other Site Costs per ton milled	2.50	2.50
Concentrate Cost per ton milled (@ \$0.40/lb cu)	2.72 (4)	2.11 (4)
Total Cost per ton milled	7.22	5.81
Total Cost per pound of copper produced	1.06	1.10
Operating Proceeds per ton milled (C\$)		
@ U.S.\$1.00/lb copper	0.67	0.31
@ U.S.\$1.25/lb copper	2.64	1.83
@ U.S.\$1.50/lb copper	4.61	3.36

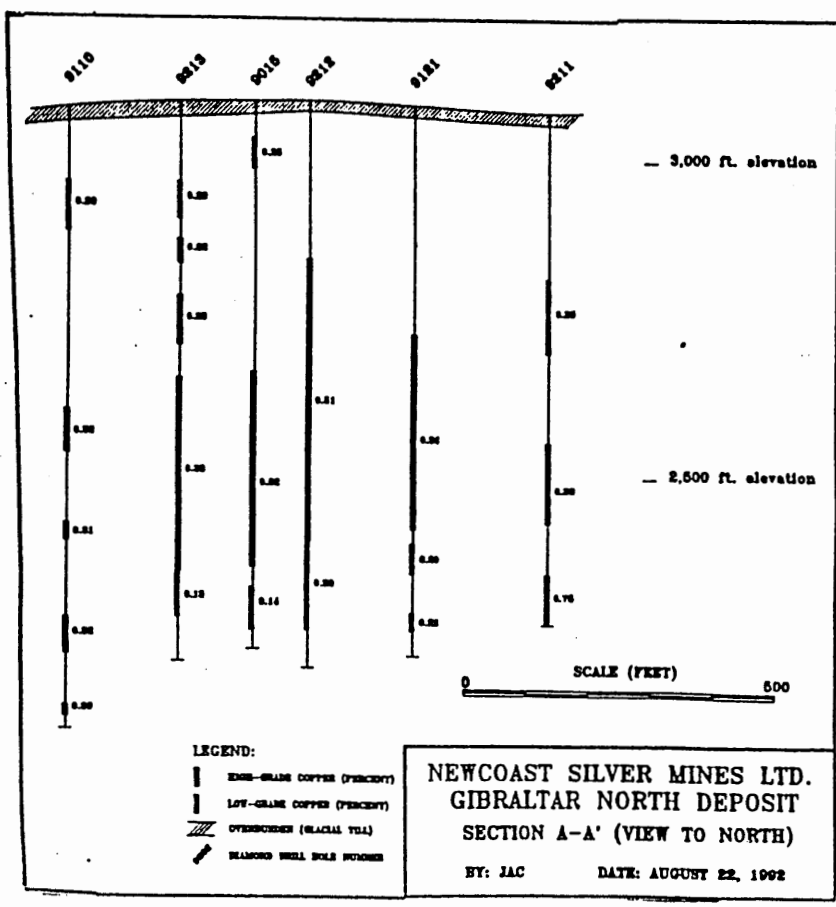
NOTES:

- (1) As reported by Gibraltar Mines Limited in their 1991 Annual Report.
- (2) Preliminary estimate by Newcoast from raw drilling data (41 NQ drill holes @ 800 feet each).
- (3) U.S.\$ exchange rate: 1.16.
- (4) Approximate industry standard cost for copper concentrate handling & treatment.
- (5) Estimated capital cost for Gib. North deposit development: \$10,000,000 (Newcoast estimate).
- (6) Newcoast has a 30% net profits interest in mineral claims at the Gibraltar North deposit.

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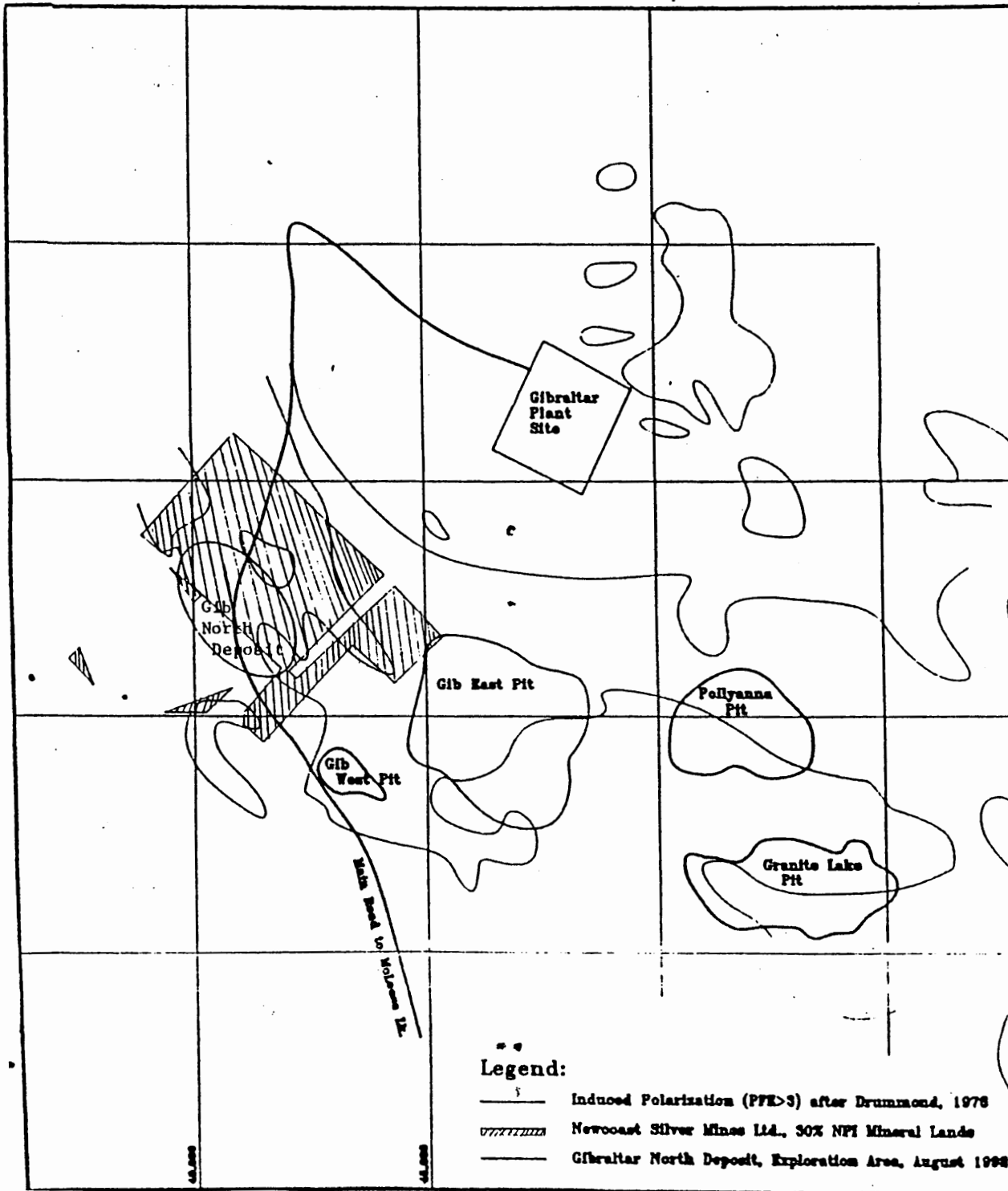
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GIBRALTAR NORTH DEPOSIT
 NEWCOAST SILVER MINES LTD. (30% NPI)

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GRID SCALE: 5,000 FEET PER GRID BLOCK

DRAWN BY: J.A.C.
 DATE: 02/08/20



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