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For Immediate Release

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ECHO BAY ANNOUNCES LOWER 1989 EARNINGS,

INCREASED RESERVES BUT LOWER "OTHER MINERALIZATION"

TORONTO -- Echo Bay Mines Ltd. today reported 1989 net earnings of US\$16.0 million (US\$0.16 per share) after a US\$20.0 million (US\$0.20 per share) write-down of an investment. This compares with 1988 net earnings of US\$54.4 million (US\$0.56 per share). Revenues rose to US\$297.0 million in 1989 from US\$267.7 million in 1988.

Higher 1989 production levels were offset by lower gold prices. Gold production rose 23% to 717,000 ounces from 585,000 ounces in 1988, and silver output more than doubled, to 2.36 million ounces in 1989 from 1.01 million ounces in 1988. But the average gold price realized per ounce sold by Echo Bay during the year fell by US\$40, to US\$400 in 1989 from US\$440 in 1988. The price decline reduced net earnings by US\$21.4 million (US\$0.22 per share) and revenues by US\$28.3 million.

Consolidated cash production costs rose by 3.8% to US\$220 per equivalent ounce of gold produced in 1989, up from US\$212 per ounce in 1988.

Despite the gold price decline, operating cash flow increased to US\$96.1 million in 1989 from US\$90.3 million in 1988 (to US\$0.97 from US\$0.93 per share). The year-end write-down of the company's equity investment had no effect on cash flow.

The investment write-down produced a fourth quarter net loss of US\$11.2 million (US\$0.12 per share) in 1989, compared with net income of US\$17.7 million (US\$0.18 per share) in the fourth

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- 6 -

Round Mountain, Nevada

At 50%-owned Round Mountain, a two-year expansion program was completed in 1989. The property's tonnage capacity today is nearly double what it was two years ago. 1989 gold production rose by 36%, to 318,616 ounces (Echo Bay's share, 159,308 ounces).

The expansion was practically complete in the early days of 1989, but for one element -- a mechanical leach pad stacker -- which was delayed until midyear by late steel deliveries and modifications required during startup testing. The stacker delay was the primary reason for the property's 9% increase in production costs, to US\$222 per ounce in 1989 from US\$204 in 1988.

A discovery of additional gold mineralization has been made straddling the planned southeast boundary of the open pit at Round Mountain. Named "Masada," this mineralized zone has not yet been fully delineated, but it consists of free gold in unoxidized host rock which will require milling. It could be mined by slightly widening the Round Mountain pit. Further investigation of this discovery continues.

Borealis, Nevada

Borealis produced a record 89,059 ounces of gold in 1989, up from 86,256 ounces in 1988. Production costs decreased to US\$150 per ounce from US\$179. Declining reserves have signaled the end of the property's productive life, and mining ceased early in 1990. The mined ore currently on the leach pads will be heap leached through the balance of 1990.

Alta Bay Joint Venture

Gold output rose in 1989 at the Alta Bay joint venture. The venture, formed in June 1988, gives Echo Bay a 40% non-operating interest in four producing gold mines and two development properties.