



# NEWS RELEASE

GLAMIS GOLD LTD.

*For immediate release*

*All amounts in United States Dollars*

**Trading symbol: TSE NYSE - *GLG***

**February 25, 2002**

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## GLAMIS GOLD LTD. REPORTS RECORD PRODUCTION AND RETURN TO PROFITABILITY

**Reno, Nevada** -- Glamis Gold Ltd. is pleased to announce financial and operating results for the fourth quarter 2001 and the year. 2001 saw the Company return to profitability accompanied by a 140% appreciation of its share price, the best of all North American gold producers. Highlights for the year include:

- Gold production of 230,065 – a new record.
- Total cash cost of \$172 per gold ounce.
- Earnings of \$0.07 per share.
- Commercial production announced at San Martin Mine; expansion completed mid-year; and 114,216 ounces of gold produced at a total cash cost of \$120 per ounce.
- Three-fold increase in Marigold Mine reserves; approved feasibility study to more than double production; and completed financing to build the project.
- Ended the year with \$45.9 million in cash and a debt-free balance sheet.
- 100% unhedged at year-end.

### Financial Highlights

For the quarter ended December 31, 2001, the Company earned \$2.8 million or \$0.04 per share. For the year 2001, the Company reported earnings of \$4.8 million or \$0.07 per share. The Company ended 2001 with working capital of \$55.4 million, including \$45.9 million in cash and equivalents.

Revenue in 2001 was \$64.3 million, a 4.4% increase over 2000, despite a lower realized gold price of \$272 per ounce in 2001 compared to \$280 in the prior year. Cash flow from operations for 2001 totaled \$0.25 per share before working capital adjustments, \$0.10 of which was generated in the fourth quarter.

Kevin McArthur, President and CEO of Glamis said, “We are extremely pleased that our low cost operations have driven the Company’s return to profitability in a poor gold market. Looking forward, our pipeline of projects and exploration opportunities, strong balance sheet and proven track record provide a firm foundation from which Glamis’ shareholders can take full advantage of rising gold prices. In addition, we intend to maintain our aggressive corporate development program in terms of examining potential M&A opportunities.”

### Operating Highlights

Gold production for 2001 reached a record 230,065 ounces, a 5% increase over 2000. Total cash costs amounted to \$172 per ounce compared to \$222 in the prior year. This 23% cost reduction reflects the first full year of production at San Martin Mine and operating improvements at Marigold Mine. During the

fourth quarter, Glamis produced 72,312 ounces at a total cash cost of \$159 per ounce compared to 57,957 ounces at \$194 per ounce a year ago.

### Production Statistics for 4<sup>th</sup> Quarter

	Gold produced	Ore Tons	Grade opt	Waste Tons
San Martin	39,668	1,700,415	0.036	451,171
Marigold 66.7%	11,600	650,003	0.017	2,265,525
Rand Mine	21,044	1,777,483	0.013	1,434,517

#### San Martin Mine (100%)

San Martin Mine produced 114,216 ounces of gold during 2001, its first full year of operation, at a total cash cost of \$120 per ounce. While the original feasibility study pegged production at 85,000 ounces per year, the Company elected in late 2000 to expand production to a rate of 120,000 annual ounces. The expansion was completed during the third quarter of 2001, and in the fourth quarter the mine produced 39,668 ounces of gold at a total cash cost of \$102 per ounce. In 2002 San Martin is expected to produce over 120,000 ounces of gold at \$120 per ounce total cash cost.

#### Marigold Mine (66 2/3%)

Marigold Mine produced 56,525 gold ounces for the Company's account in 2001 at a total cash cost of \$179 per ounce, compared to 43,655 ounces at \$240 per ounce in 2000, a 25% and 29% improvement, respectively. For the quarter ending December 31, 2001, production was 11,600 ounces compared to 11,960 ounces a year ago. The total cash cost was \$221 per ounce compared to \$209 in the same quarter last year.

The Marigold Mine expansion project is underway with major purchase orders placed, and equipment already arriving on site for assembly. The expansion plan calls for a production increase to an average 180,000 gold ounces per year (on a 100% basis).

#### Rand Mine (100%)

Production from Rand Mine for the year ended December 31, 2001 was 59,324 gold ounces at a total cash cost per ounce of \$265. Production during the fourth quarter of 2001 was 21,044 ounces at a total cash cost of \$233 per ounce.

Rand's production in 2002 is expected to increase to 77,000 gold ounces at a total cash cost of \$238 per ounce. Mining is expected to be completed at Rand within the next 12 months.

### Proven and Probable Reserves and Mineral Resources

Proven and Probable reserves have been calculated as of December 31, 2001 based on a gold price of \$275 per ounce.

Proven and Probable (P&P) Reserves as of December 31, 2001 (1)			
Mine	Tons	Grade (opt)	Contained Ounces of gold
San Martin	38,455,000	0.025	963,000
Marigold (66.7%)	50,345,067	0.027	1,358,667
Rand	8,530,300	0.023	192,600

Cerro San Pedro* (50%)	27,142,500	0.029	782,800
<b>Total P&amp;P Reserves</b>	<b>124,472,867</b>	<b>0.026</b>	<b>3,297,067</b>
*Gold equivalent ounces			

<b>Measured and Indicated Resources as of December 31, 2001 (2)</b>			
<b>Deposit</b>	<b>Tons (millions)</b>	<b>Grade (opt)</b>	<b>Contained Ounces of gold</b>
San Martin	18.7	0.019	354,645
Marigold (66.7%)	73.3	0.014	1,033,572
Rand	20.6	0.020	411,700
Cerro San Pedro (50%)	14.2	0.017	239,150
Imperial Project	88.1	0.017	1,531,500
Cerro Blanco	17.1	0.073	1,253,318
<b>Total Measured &amp; Indicated Resource</b>	<b>232.0</b>	<b>0.021</b>	<b>4,823,885</b>
<b>Measured and Indicated Resources are in addition to Proven &amp; Probable Reserves</b>			

Proven and Probable Reserve and Mineral Resource Notes:

1. "Proven and Probable Reserves" have been calculated as at December 31, 2001 in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum on August 20, 2000. Employees of Glamis Gold Ltd. under the supervision of James S. Voorhees, Vice President of Operations and COO have prepared these calculations. Mine Reserve Associates, Inc. of Denver, Colorado, has independently audited these Reserves. Calculations were based on an assumed long-term gold price of \$275 per ounce and a silver price of \$5.00 per ounce and incorporate current or expected operating costs at each mine.

2. "Measured and Indicated Resources" that are not reserves do not have demonstrated economic viability.

## **Exploration**

### **Honduras**

At San Martin, 2001 exploration efforts were focused on the Palo Alto pit area. This work added reserves and increased the resource, which remains open to the south and to the west where further drilling is planned for 2002. A new concession, Minitas, has recently been staked and is located only a few kilometers from the mine. Mapping and sampling of the anomalous gold zone is now underway in preparation for drilling later this year.

### **Nevada**

Work will continue at Marigold in 2002, focusing on a variety of exploration targets:

- Additional in-fill drilling will continue at Millennium to convert in-pit resources to reserves, as outlined in the feasibility study last November.
- The Section 25 target will test a recently discovered extension of a mineralized dike that may have played a significant role in the gold mineralization of the Millennium project area.
- The Section 7 target will test a known, but vastly under-drilled block of favorable rock. This large target area is located near the previously mined and highly profitable 8-South ore body.
- Section 32 target will test a recently discovered area of favorable rock buried under relatively shallow alluvium cover. The shallow location of this unit indicates a significant fault in the vicinity, a key ingredient for economic gold mineralization.

## **Guatemala**

In Guatemala, a newly developed exploration model has led to the discovery of a second mineralized system at Cerro Blanco. Mapping and sampling is underway to define drill targets.

The exploration budget for 2002 amounts to \$3.0 million.

## **Outlook**

Glamis Gold Ltd. is a premier intermediate gold producer with over 20 years of experience operating efficient heap leach mines in California, Nevada, Mexico and Honduras. Glamis remains debt-free and unhedged, and continues to advance a pipeline of potential projects in various stages of development. In 2002, Glamis expects to produce approximately 255,000 ounces of gold at a total cash cost of \$172 per ounce. Please see the complete 2001 Financial Statements that follow.

## **Conference Call**

Glamis Gold Ltd. will host a conference call to discuss these results today, February 25, 2002, at 4:00 pm EST, (1:00 pm PST). You may participate in the conference by calling 877 516 1543 in North America or 706 679 3103 outside of North America. Ask for the Glamis Conference Call. The call will be available on the Company's web site [www.Glamis.com](http://www.Glamis.com). Replays of the call can be heard by dialing 800 642 1687 in North America or 706 645 9291 outside of North America and entering the conference ID number 3039103. The replay will be available for one week.

*Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995:* Except for the statements of historical fact contained herein, the information presented constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, including but not limited to those with respect to the price of gold, estimated future production, operating and capital costs and permitting time lines, involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, the factual results of current exploration activities, conclusions of feasibility studies now underway, changes in project parameters as plans continue to be refined, future prices of gold, as well as those factors discussed in the section entitled "Other Considerations" in the Company's Annual Report on Form 10-K. For further information contact:

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## Production/Revenue Data

	Three Months Ended Dec. 31,		Twelve Months Ended Dec 31,	
	2001	2000	2001	2000
<b>Gold ounces produced</b>	<b>72,312</b>	57,957	<b>230,065</b>	218,390
<b>Gold ounces sold</b>	<b>69,609</b>	55,634	<b>235,397</b>	219,629
<b>Average revenue per ounce</b>	<b>\$277</b>	\$278	<b>\$272</b>	\$280
<b>Average market price per ounce</b>	<b>\$278</b>	\$269	<b>\$271</b>	\$279
<b>Total cash cost per ounce</b>	<b>\$159</b>	\$194	<b>\$172</b>	\$222
<b>Total production cost per ounce</b>	<b>\$200</b>	\$276	<b>\$216</b>	\$288
<b>Gold production – ounces</b>				
Rand Mine	<b>21,044</b>	25,540	<b>59,324</b>	99,936
San Martin Mine	<b>39,668</b>	3,562	<b>114,216</b>	3,562
Marigold Mine	<b>11,600</b>	11,960	<b>56,525</b>	43,655
Dee Mine	-	15,353	-	61,065
Daisy Mine	-	499	-	8,740
Picacho Mine	-	1,043	-	1,432
Total	<b>72,312</b>	57,957	<b>230,065</b>	218,390
<b>Total cash cost per ounce of production</b>				
Rand Mine	<b>\$233</b>	\$190	<b>\$265</b>	\$176
San Martin Mine	<b>\$102</b>	-	<b>\$120</b>	-
Marigold Mine	<b>\$221</b>	\$209	<b>\$179</b>	\$240
Dee Mine	-	\$183	-	\$287
Daisy Mine	-	\$181	-	\$208
Picacho Mine	-	\$272	-	\$254
Company Average	<b>\$159</b>	\$194	<b>\$172</b>	\$222
<b>Total cost per ounce of production</b>				
Rand Mine	<b>\$275</b>	\$272	<b>\$310</b>	\$251
San Martin Mine	<b>\$144</b>	-	<b>\$169</b>	-
Marigold Mine	<b>\$252</b>	\$252	<b>\$211</b>	\$290
Dee Mine	-	\$306	-	\$346
Daisy Mine	-	\$268	-	\$299
Picacho Mine	-	\$213	-	\$275
Company Average	<b>\$200</b>	\$276	<b>\$216</b>	\$288
<b>Working capital (thousands)</b>	<b>\$55,390</b>	\$20,546	<b>\$55,390</b>	\$20,546
<b>Cash provided by operations (thousands)</b>	<b>\$5,650</b>	\$3,099	<b>\$11,828</b>	\$5,415
<b>Net earnings (loss) for the period (thousands)</b>	<b>\$2,842</b>	\$(37,533)	<b>\$4,848</b>	\$(48,682)
<b>Cash provided by operations per share</b>	<b>\$0.10</b>	\$0.05	<b>\$0.25</b>	\$0.08
<b>Earnings (loss) per share</b>	<b>\$0.04</b>	\$(0.54)	<b>\$0.07</b>	\$(0.70)
<b>Average shares outstanding</b>	<b>79,914,312</b>	70,097,382	<b>73,585,155</b>	70,019,995

**Glamis Gold Ltd.**  
**Consolidated Balance Sheets**

(Expressed in thousands of U.S. dollars, except per share amounts)

	December 31, 2001	December 31, 2000
<b>Assets</b>		
Current assets:		
Cash and equivalents	45,852	\$ 13,278
Accounts receivable	1,096	680
Taxes recoverable	615	1,238
Inventories	12,725	13,503
Prepaid expenses and other	631	322
	<b>60,919</b>	29,021
Plant and equipment and mine development costs, net	80,970	77,530
Other assets	6,849	5,990
	<b>\$148,738</b>	\$112,541
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$5,529	\$ 8,475
Reserve for site closure and reclamation costs	10,427	12,997
Future income taxes	9,416	8,299
	<b>25,372</b>	29,771
<b>Shareholders' equity</b>		
Share capital :		
Authorized:		
200,000,000 common shares without par value		
5,000,000 preferred shares, Cdn\$10 per share par value, issuable in series		
Issued and fully paid:		
83,283,462 (2000-70,097,382) common shares	194,793	159,045
Contributed surplus	63	63
Deficit	(71,490)	(76,338)
	<b>123,366</b>	82,770
	<b>\$148,738</b>	\$112,541

**Glamis Gold Ltd.****Consolidated Statements of Operations**

(Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2001	2000	2001	2000
Revenue	<b>\$19,413</b>	\$15,748	<b>\$64,262</b>	\$61,560
Cost of goods sold	<b>11,206</b>	10,864	<b>40,452</b>	47,884
	<b>8,207</b>	4,884	<b>23,810</b>	13,676
Expenses				
Depreciation and depletion	<b>3,642</b>	4,053	<b>12,703</b>	13,610
Reclamation	<b>458</b>	149	<b>1,240</b>	819
Exploration	<b>595</b>	404	<b>1,659</b>	2,887
General and administrative	<b>1,222</b>	963	<b>4,440</b>	5,166
Write-down (recovery) of investments and properties	<b>(1,336)</b>	41,618	<b>(1,336)</b>	45,963
	<b>4,581</b>	47,187	<b>18,706</b>	68,445
Earnings (loss) from operations	<b>3,626</b>	(42,303)	<b>5,104</b>	(54,769)
Interest expense	-	4	<b>6</b>	22
Other (income) expense	<b>371</b>	(630)	<b>1,088</b>	(2,045)
Earnings (loss) before income taxes	<b>3,997</b>	(41,677)	<b>6,186</b>	(52,746)
Provision for income taxes	<b>1,155</b>	(4,144)	<b>1,338</b>	(4,064)
Net earnings (loss)	<b>\$2,842</b>	\$(37,533)	<b>\$4,848</b>	\$(48,682)
Basic earnings (loss) per share	<b>\$0.04</b>	\$(0.54)	<b>\$0.07</b>	\$(0.70)
Diluted earnings (loss) per share	<b>\$0.04</b>	\$(0.54)	<b>\$0.07</b>	\$(0.70)

**Consolidated Statements of Deficit**

(Expressed in thousands of U.S. dollars)

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2001	2000	2001	2000
Deficit, beginning of period	<b>\$(74,332)</b>	\$(38,805)	<b>\$(76,338)</b>	\$(27,656)
Net earnings (loss)	<b>2,842</b>	(37,533)	<b>4,848</b>	(48,682)
Dividends	-	-	-	-
Deficit, end of period	<b>\$(71,490)</b>	\$(76,338)	<b>\$(71,490)</b>	\$(76,338)

**Glamis Gold Ltd.**  
**Consolidated Statements of Cash Flows**  
(Expressed in thousands of U.S. dollars)

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2001	2000	2001	2000
<b>Cash flows from operating activities</b>	<b>\$2,842</b>	<b>\$(38,053)</b>	<b>\$4,848</b>	<b>\$(48,682)</b>
Net income (loss)				
Adjustments to reconcile net income (loss) to net cash provided by operations:				
Depreciation and depletion	3,843	3,477	12,703	13,610
Reserve for site closure and reclamation costs	458	149	1,240	819
Gain on sale of investments	-	264	(77)	264
Write down (recovery) of investments and properties	(1,336)	40,605	(1,336)	44,641
Future income taxes	1,738	(4,100)	1,117	(4,100)
Other	43	775	(13)	16
	<b>7,588</b>	<b>3,117</b>	<b>18,482</b>	<b>6,568</b>
Changes in accounts receivable	586	(50)	(416)	254
Changes in taxes recoverable	(808)	(819)	319	(709)
Changes in inventories	(512)	(201)	(685)	(1,571)
Changes in prepaid expenses	(120)	(121)	(309)	117
Changes in accounts payable and accrued liabilities	(323)	1,270	(2,946)	853
Reclamation liability expenditures	(761)	(517)	(2,617)	(1,378)
<b>Net cash from operating activities</b>	<b>\$5,650</b>	<b>2,679</b>	<b>\$11,828</b>	<b>4,134</b>
<b>Cash flows from (used in) investing activities</b>				
Purchase of plant and equipment, net of disposals	(428)	(207)	(5,229)	(18,721)
<b>Mineral property acquisition and mine development costs</b>	<b>(984)</b>	<b>(7,910)</b>	<b>(9,295)</b>	<b>(27,084)</b>
Purchase/release of environmental bonds	148	(61)	(560)	(583)
Proceeds from sale of investments	0	35	82	35
<b>Net cash flows used in investing activities</b>	<b>(\$1,264)</b>	<b>(8,143)</b>	<b>(\$15,002)</b>	<b>(46,353)</b>
<b>Cash flows from financing activities</b>				
Issuance of share capital	\$33,730	-	\$35,748	328
<b>Net cash flows from financing activities</b>	<b>\$33,730</b>	<b>-</b>	<b>\$35,748</b>	<b>-</b>
Increase (decrease) in cash and equivalents	\$38,116	(5,464)	\$32,574	(41,891)
Cash and equivalents, beginning of period	\$7,736	18,742	\$13,278	55,169
Cash and equivalents, end of period	<b>\$45,852</b>	<b>\$13,278</b>	<b>\$45,852</b>	<b>\$13,278</b>