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China Creek property

16-Feb-78

Huge low grade, uranium tonnage being tested by Stampede Int'l

VANCOUVER - Work to date indicates the possibility of a multi-million-ton deposit of favorable uranium mineralized host rock formation being present on the China Creek uranium consortium property, Trail Creek Mining Division, near Castlegar, B.C., E. Amendologine, consulting geologist, states

in a progress report.

Stampede International sources and Northwest Ventures jointly are financing the exploration to earn shares in China Creek on the basis of one share for each 12.5¢ the two companies advance. The consortium consists of Golden Granite Mines, Groundstar Resources, Nevex Mines, Nomad Mines and Tandem Resources. The consortium holds 78 units, covering 4,800 acres, of which 61 units, or 3,700 acres, are free of powerlines, roads and inhabited land.

Work so far includes geological field observations, preliminary scintillometer, geochemical, radon gas detection surveys, 54 percussion drill holes and completion of a 15-ft.

deep, 5-ft. by 5-ft. test shaft.

Work in one unit area indicates some 226,000 tons per vertical foot, Mr. Amendologine states in his report. The 61 units, he said, would represent some 13 million tons per

The weighted average for 12 ft. of muck from 3-15 ft. in the test shaft ran 0.0225% uranium oxide, or 0.45

lb. per ton.

A uranium mineralized for-mation, like the China Creek formation, yielding 0.25 to 0.50 lb. uni-nium oxide per ton could make a viable uranium deposit, the con

sultant concluded.

Plans include a minimum of three 20-ft. deep shafts, one in each of the three areas previously tested by per-cussion drilling and a drill hole probe for radioactive material. chiy one of the shafts was com-pleted to depth of 15 ft. in the area southwest of China Creek. The other shafts, elated for the Oko Pago Hill area northeast of China Creek and the East Road Zone, will be sunk at later date, weather permit-

The three areas represent a strike length of about 5,000 ft. The unameralized horizons are nium mineralized horizons are undulating, relatively flat-lying formations and are exposed or indicated for approximately three miles laterally and exposed about 10 miles on strike.

The shaft area was stripped to bedrock and emphasis placed o close control of muck taken out of the shaft. The weighted average for the first 3 ft. yielded 0.112 lb. ura-nium oxide per ton. The next 4 ft. ran 0.25 lb. per ton, followed by 4 ft. averaging 0.52 lb. per ton, and then 4 ft. from 11-15 ft., averaging 0.568

lb. per ton.

The uranium mineralized formation could be amenable to a quite inexpensive quarry-type min-ing operation, or possibly a less expensive in-place leaching operation.
In either case, the consultant pointed out, the cost of mining and milling on a large scale tonnage basis could be in the range of less than \$10 a ton. The metallurgy is now being worked out and will assist in determining the costs of operation.

The continuing program is designed to bulk test systematically the uranium bearing formation on a grid pattern.

(12)



GEORGE CROSS NEWS LETTER LTD. NO.25(1978)

(Page Two)

FEBRUARY 6,1978

GOLDEN GRANITE MINES LTD.

GROUNDSTAR RESOURCES LTD.

NEVEX MINES LTD.

TELL LEPANEUR.

| STAMPEDE INTERNATIONAL RESOURCES LTD. NOMAD MINES LID.
TANDUM RESOURCES LID.

CHINA CREEK URANIUM SEARCH) PROGRAM PROGRESS REPORT

In a report dated Jan. 31, 1978, E. Amendolagine P. Eng., of Manny Consultants Ltd. reviewed progress at the China Creek consortium uranium potential property located near Castlegar, B.C. The

report says that, during the period of 16Nov77 to 20Dec77, preparations were made to sink three 5 foot x 5 foot twenty-foot deep vertical shafts to bulk sample the uranium mineralized rock formation in the China Creek Uranium Consortium property. There was a minimum of three vertical shafts planned with one shaft in each of the three areas previously tested by percussion drilling and drill hole probed for radioactivity material. Due to weather, only one of the shafts was completed to 15 vertical feet in the area southwest of China Creek. The shafts in the other two areas, the "Oko Pogo Hill" - northeast of China Creek, and the "East Road Zone" in the northeast, will be sunk as weather permits.

These three areas represent a strike length of 5,000 feet. The uranium mineralized horizons are relatively undulating-flat lying formations and exposed or indicated some 3 miles in lateral extent and exposed some 10 miles on strike. The muck from the shaft was sorted and kept in four separate piles. It was thoroughly mixed with six samples of a 45 gallon drum taken from each muck pile for assaying. The drums were all shipped to Lakefield Research of Canada Ltd. in Ontario to be sampled, analyzed and batch-leach tested for

uranium extraction. Each drum consisted of + 750 pounds.

The weighted assay of muck from 0 feet to 3 feet yielded 0.0056 % U308 or 0.112 pounds of uranium per ton. The next four feet of muck from 3 feet to 7 feet yielded 0.0125 % U308 or 0.25 pounds of uranium per ton. The next four feet of muck from 7 feet to 11 feet yielded 0.026% U308 or 0.52 pounds of uranium per ton. The next four feet of muck from 11 feet to 15 feet yielded 0.0284% U308 or 0.568 pounds uranium per ton. The weighted assay for the 12 feet of muck from 3 feet to 15 feet yielded 0.0225% U308 or 0.45 pounds uranium per ton. These values were confirmed by Lakefield Research Laboratory assays.

The engineer uses some very large numbers in a projection of possibilities at the property then concludes, "The figures seem astronomical but with a uranium-bearing formation of the extent of the China Creek formation, which could yield more than $\frac{1}{4}$ - $\frac{1}{2}$ pound uranium, it is conceivable that a large low-grade unanium orebody can be developed."

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GEORGE CROSS NEWS LETTER LTD. NO.19(1978) (Page Two) JANUARY 27,1978

GOLDEN GRANITE MINES LIMITED (82 F \ 500

BULK SAMPLING PROGRAM - T.P. Bowes, president of Golden Granite Mines Limited.at the request of the Vancouver Stock Exchange has provided the following news UNDER CONSIDERATION release. "Golden Granite Mines Limited announced that no news is

available to account for volume and price movement in shares of the company. "Recent information received from the China Creek Consortium Inc. consultant. E. Amendolagine, P. Eng., indicates that bulk sampling of one 15 foot shaft was completed in December 1977. A sample, consisting of approximately 3,000 pounds of uranium bearing material was shipped to Ontario for mill tests. Results of these tests have not yet been received by Golden Granite Mines Limited.

"Mr. Amendolagine also informs us that, depending upon the results of the mill tests, a major bulk sampling program is planned for this property, which is located some six miles south of Castlegar, B.C. in the Trail Creek Mining Division."

KENDAL MINING AND EXPLORATION COMPANY LIMITED

IN CHINA CREEK URANIUM EXPLORATION PROGRAM

NEW FIMANCING TO BE USED - John Davies, president of Kendal Mining and Exploration Company Limited has reported that by a Feb. 21, 1977, agreement Canarim Investment Corporation Limited has agreed to act as agent in a best efforts offering of 300,000 shares at a minimum price

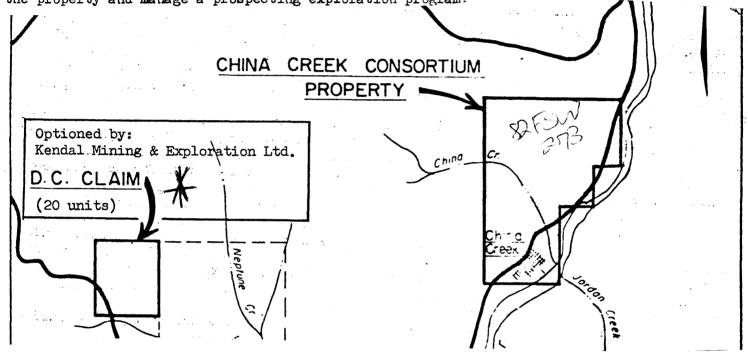
of 16% each through the Vancouver Curb Exchange during the period March 7,1977 to April 6, 1977.

By a Feb.21,1977, agreement Kendal has acquired an option to purchee the 20-unit D.C. claims located in the Murphy Creek area. China Creek, Castlegar, B.C. (See property location map overleaf) The consideration for the DC claims is 10,000 and 500,000 shares issuable in blocks of 125,000 shares each over nine months subject to filing satisfactory engineering reports with regulatory authorities.

In a Feb, 16, 1977, report J.P. Elwell, P. Eng, states that "no detailed examination has been made of the ground covered, but that in all probability it is underlain by the same rock types as occur in the China Creek area, where exploration has indicated erratic values but with very widespread uranium mineralization. With the current high price and forecast of even higher prices for uranium, the objective of the current exploration activity is to block out very large tonnages of low grade material, which, due to the accessibility of the area could be mined by open pit methods."

Mr. Davies stated that the company will retain Emanuel Amendolagine. P. Eng., to examine

the property and manage a prospecting exploration program.



Kendal also holds uranium potential property in the China Creek, Castlegar area of B.C. and is seeking other properties. /

92F/5W FOR THE RECORD

shareholder Lanning A.Kless has qualified 5,000 previously issued shares for sale through the facilities of the Vancouver Stock Exchange for 60 days starting July 26,1977.

HO.140(JULY 21,1977) & GEORGE/CROSS NEWS LITTER LATER IND. + THIRTIETH YEAR OF PUBLICATION +/

MORTHWEST VEHTURES MAD.

SEVER COMPANY FUNDING AGREEMENTS - SEEK URANIUM MEAR CASTLEGAR, D.C.

Stampede International Resources Ltd. and Northwest Ventures Ltd. have announced completion of plans to undertake, starting immediately, an extensive exploration

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program for uranium near Castlegar, B.C.

This project brings together the properties of five companies as part of a program seeking large quantities of low-grade uranium suitable for open-pit mining.

Stampede and Morthwest are financing exploration which will probe in greater detail an extensive radioactive zone of favourable rock structures known to contain uranium minerals as a result of sampling of outcrops. The 4,000 acres of property in this project are located six miles south of Castelgar, almost adjacent to a main highway.

Consultant reports based on geological mapping, scintillometer surveys and sampling conclude that a large area of favourable uranium ,mineralized host rock formation exists on the property. A meticulous and detailed exploration program is recommended to determine the extent of uranium content and would be seeking grades averaging one quarter to one-half pound in quantities suitable for consideration as open-pit mining.

This uranium exploration project is coming together in a new company -China Creek-Uranium Consortium Inc. - to be formed by Golden Granite Lines Ltd. Groundstar Resources Ltd. Revex Times Ltd. Homad Lines Ltd. and Tandem Resources Ltd. These agreements are subject to regulatory authorities approvals.

Each of these participant companies will receive 440,000 shares in China Creek which will have an initial issued capital of 2,200,000 shares of the 10,000,000 shares authorized.

Stampede and Morthwest Ventures undertake to finance exploration, sharing costs equally. This exploration will earn shares in China Creek on the basis of one share for every $12\frac{1}{2}c$ the two companies advance. The funds are to be provided by way of a debenture which can be converted to shares of China Creek from time to time as funds are advanced. The minimum amount of (250,000) is to be paid within a period of two years.

MO.25(MILTURRY 4.1977) + GEORGEI CROSS HEMS TERTER MAD. + THIRTIETH YEAR OF PUBLICATION +



Cherokee's A.C. claim is a uranium prospect of 20 metric units, near the headwaters of Murphy Creek in Trail Creek mining division, B.C., some 20 miles north of Rossland. Mr.Elwell notes that, "In the China Creek area which is about 4 miles to the east of the A.C. claim and $\zeta
u$ underlain by the same rock complex, uranium minerization has been found over a wide area associated with the pegmatoids and gneisses, and there are indications that this geological structure could contain very large tonnages of low grade uranium mineralization which at today's prices would be economic to mine by large scale, open pit methods.

"An exploration program for the A.C. claim is recommended which would consist in the initial phase, of geological mapping and prospecting, a radiometric and radon gas survey, and

soil sampling, and some test drilling to cost an estimated \$30,000.

"If the results of this work are favorable, it would be followed up by stripping, trenching and percussion drilling, the cost of which will depend on the scope of the program." Cherokee acquired an option to buy the A.C. claim as detailed in GCNL 119(77).

As at 30Jun77, Cherokee had \$13,837 in working capital. CHEROKEE DEUELOPMENTS LTD GCNL JUL 27/77

On the China Creek uranium property near Castlegar, B.C., 52 percussion holes have been some and built compline in new plant throughout the blant throughout throughout the blant throughout through the property throughout throughout throughout throughout throu put down in exploratory drilling and bulk sampling is now underway from blast trenches. Messrs. Carlson and Buhr say that consultant E. Amendolagine, P. Eng., indicates he has outlined a radioactive zone extending over 5,000 feet long and that he expects to be nearing completion of a feasibility study in about three weeks time. This project is a joint venture of Nomad, Golden Granite Mines Limited, Groundstar Resources Ltd., Tandem Resources Ltd. and Nevex Mines Ltd. who each hold 20% interest.

DEAL SOUGHT ON CLAIM ADJOINING SUSIE GOLD - Cherokee Developments Ltd. announce that the INITIAL RESULTS GIVEN ON URANIUM PROSPECT company are negotiating to buy from Western Prospectors, mineral property adjoining that which Susie Gold Mines Ltd. is drilling some 30 miles NW of Germansen Landing, B.C. The property is the Far-1 claim of some 20 units. The geophysical and geochemical surveys on Cherokee's A.C. claim, a uranium prospect 20 miles north of Rossland B.C., have been completed, and the results have been submitted by Glen E. White, P. Eng. In summary, he says the Radon gas and scintillometer surveys produced inconclusive results due to the heavy overburden which blankets most of the claim area.

PROGRAMS ON TWO PROPERTIES REVIEWED - Cherokee Developments Ltd. has be Cherokee Developments Ltd. has provided a progress report from James P. Elwell, P. Eng., on the two properties

being explored.

The AC claim group is a uranium prospect located 20 miles north of Rossland, B.C., where further work on some soil sampling results were disappointing. Mr. Elwell stated, "My conclusion is that the apparent zinc anomalies resulting from the original survey could be caused by very minor, but widespread zinc mineralization associated with bands of argillite, and do not represent sulphide mineralization."

GOLDEN GRANITE MINES LIMITED 82F/SW) GCNL # 49 10-3-78

ANNUAL MEETING - Golden Granite Mines Limited annual meeting will be held on 27Mar78 at MATERIAL REVIEWED ll a.m. in Georgia Hotel, Vancouver. Nominees for election as directors

are now serving: T.Patrick Bowes, president, owning 19,080 shares; Alfred Kennedy, secretary, 15,516, and Mary Mark, 15,000. 8275W 273

In the China Creek Uranium Consortium Inc., near Castlegar, B.C., the company holds 440,000 shares. "This appears to be our best asset", says Mr. Bowes. "Probe readings of 54 percussion drill holes, covering a length of 1600 meters (1 Mile) and results from bulk sampling of a 15-foot shaft indicate the possibility of developing a large tonnage low grade uranium deposit. Mill tests of the bulk samples have been performed and although the Company has not yet recrived a written report, preliminary information is that recoveries a are most satisfactory. Assays from several shafts should be available by the annual meeting. Golden Granite's property near Powell River, B.C., is an important copper, molybdenum prospect of great potential, says Mr. Bowes. To date, over \$1,000,000 has been spent on its exploration. Last season, Western Mines Limited performed some 2,000 feet of diamond drilling on a new zone in the hope of discovering significantly higher grades to enhance the presently known 90,000,000 tons of 0.3% copper with minor molybdenum values. The results differed from expectations and Western terminated its agreement. Negotiations are under way with the prospectors to enable Golden Granite to maintain its option in good standing.

Golden Granite received \$84,510 in the year ended 30Sep77, mainly \$68,250 by sale of 300,000 shares and \$12,000 by loan from shareholder. Applied were \$84,419, notably \$20,639 on mineral properties, \$39,546 on administration and \$13,202 to decrease current liabilities. The excess received increased the cash position to \$450 at 30Sep77. After allowing for accounts payable and accrued liabilities, there was a working capital deficit of \$35,109. At 30Sep77 there were 3,204,622 shares outstanding and a further 45,000 were issued by 3Mar78.

CHEROKEE DEVELOPMENTS LID.

GUNL #78 TWO PROPERTIES TO BE FURTHER EXPLORED - Cherokee Developments Ltd. plans a \$32,500 second phase program on its Far claims located on the northern border of the Susie Gold Mines Ltd. property in the Omineca Mining Division and to the 93N south of the Osilinka River, B.C. The program calls for soil sampling followed by diamond drilling. The work will be concentrated in the areas of the three electromagnetic anomalies located by survey work carried out by R.O.Crosby and Associates under a contract let in December 1977.

The second program is budgetted at \$23,500 and calls for thorough geochemical surveys and short hole drilling over four or five radiometric anomalous areas located on the A.C. claims held in the China Creek area near Castlegar, B.C. In the fall of 1977, a program by hoD. Amendolagine, P. Eng., included road building, bulldozer stripping, blasting test pits and geochemical analysis of the samples. This work located the anomalous targets which are to be further tested in the spring program.

Cherokee has sufficient funds on hand to start the programs but will seek additional financing to complete the program.

BURLINGTON GOLD MINES LTD.

OIL, URANIUM & GOLD - Ralph Sostad, president, reports that Burlington Gold Mines Ltd. reACTIVITIES REVIEWED cently acquired 15% interest in 2 half sections of oil lands in Stettler area, Alberta adjacent to Ewing Lake, being the east \(\frac{1}{2}\) of section 28-37-21 W4M and east \(\frac{1}{2}\) of section 15-37-21 W4M. The acquisition was arranged with
Darva Resources & Developments Ltd. and Pacific Cypress Minerals Ltd. The properties lie
adjacent to oil lands controlled by British Pacific Petroleums Ltd. Information on plans
for this property will be available soon.

On Burlington's uranium property at Castlegar, B.C., says Mr. Sostad, consulting geologist E. Amendolagine, P. Eng., has completed a preliminary test of the deposit. In his 15Nov78 report he advises that, after air reconnaissance, the pegmatoid outcrops were traversed and checked for radioactivity. This was followed by drilling vertical percussion holes 16 feet deep over a strike length of 500 feet. Probing by scintillometer confirmed radioactivity in the formation. The consultant's recommendations include diamond drilling.

Mr. Sostad says, "we hope that in the near future the Ministry of Mines will be able to give us accepted guidelines so that we can proceed with a definite exploration program."

Concerning Burlington's gold property near Ymir, in the Nelson area of B.C., Mr. Sostad says the recent underwriting provided sufficient funds to start the surface program recommended by Geo. L. Mill, P. Eng., in his 15Mar78 report. These Lakeview Claims comprise two former gold producers, the Yankee Girl and Dundee Mines. Four reverted crown granted mineral claims have been acquired at cost from the Ministry of Mines and the recommended electro-magnetic survey has been completed. Work there is over for this year, but results of the electro-magnet survey together with plans for next spring will be reported when determined.

China Crek 82FSW212 Uranium prop. 82FSW273 Lakeview 82FSW 068

GCNL 1000 & Oct-78

CHINA CREEK URANIUM EXPLORATION - Burlington Gold Mines Ltd. president Ralph Sostad has reproduced that, following the announcement by the Ministry of Mines & Petroleum Resources and by the Ministry of the Environment regarding the implementation of new regulations and controls with respect to the development of uranium deposits in British Columbia, the company has made arrangements to proceed with an exploration program on their uranium holdings east of the Columbia River and adjacent to the uranium deposits of the China Creek area.

Drilling of 100-150 short probe holes as well as diamond drills have been recommended for the radioactive areas found during the July program. E. Amendolagine, P. Eng., has been retained to supervise the work and M. Boyles Mining Contractors retained to conduct the work program which will commence immediately. Mr. Sostad states that it is an exploration program and therefore should have the sanction of the Ministry of Mines & Petroleum Resources and the Ministry of the Environment.

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