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George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

MAY 19 1995

NO. 95 (1995)
MAY 17, 1995

E. M. P. R.

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NO. 95 (1995)
MAY 17, 1995

MICRO MINERALS RESOURCES INC.

[MMR-V] 7,392,284 SHS.

ANTHER GRAPHITE - William D. Battrum, president, has reported PROJECT OPTIONED Micro Minerals has signed a letter of intent to acquire a 50% working interest in the Millie Mack 10 Crown Granted claims in Slocan, B.C.

To earn, Micro Minerals must issue 2,500,000 shares, pay \$100,000 and place the property into production.

Bapty Research Ltd., of Cranbrook, B.C. has reported the property contains a huge graphitic shear zone consisting mostly of a mixture of extremely fine particles of 70% minus 400-mesh graphitic sericite, sericite and silica. This graphitic shear zone contains 9,800,000 tons of which about 2,000,000 tons are deemed open pitable. Such minerals are used as "fillers" in the manufacture of numerous products, including auto parts, in the plastics composite industry, as well as the cement industry.

Process Research Associates, of Vancouver, have processed and tested samples of the three above products (graphitic sericite, sericite and silica). These tests confirm the minerals to be almost identical to those found in the Saddle Mountain property, at Lumby, B.C., in which Micro Minerals holds a 30% interest with 70% held by QUINTO MINING CORP. [QU-V].

Samples have been sent to the University Research Centres in the United States for testing. Very fine graphitic sericite and sericite should sell between US 35¢ and US 39¢ per pound.

82K SW 51

*George Cross*NO.242(1989)
DECEMBER 18, 1989*Reliable A*

WESTERN CANADA

DRAGON RESOURCES LTD. (DGN-V)GREENSTONE RESOURCES LTD. (GRE-T,M,NASDAQ)

MILLING TO BEGIN - Walter J. Clemens, director, reports Dragoon Resources Ltd. and partner Greenstone Resources Ltd. have mobilized a 50 ton per day flotation mill to process ore from the 4,407-acre Millie Mack property, 30 km east of Burton, B.C. in early Jan/90. Greenstone holds a 100% interest in the Millie Mack claims, in which Dragoon can earn a 50% interest by paying 55% of the acquisition, development and other costs to completion of a feasibility study.

The mill will be used in conjunction with a test mining program to determine mining grades, recoveries and production costs. Up to 4,000 tons will be processed in this Phase III program from nine different zones in the flat-lying open pit orebody.

The partners want to establish 2,000,000 tons of mineable reserves with a grade exceeding 0.15 oz.gold/ton (or equivalent) and a stripping ratio of less than 2 to 1. It is possible the reserves could warrant a 1,500 ton-per-day operation. The companies also wish to confirm and possibly improve the latest metallurgical testing that indicates a gold recovery of 92.5% and silver recovery of 86.7% in a bulk flotation concentrate. In addition, they will assess production costs and methods with a view to reducing the currently estimated economic break-even grade of 0.05 oz.gold/ton

The program will evaluate high grade zones where recent results include bulk sample values of 0.21 oz.gold/ton. Lower grade faces will also be mined and processed. Results of the new program will be available in Feb/90. (SEE GCNL No. 178, 15Sep89, P.1 FOR EARLIER MILLIE MACK DATA)

At the Dragoon/Greenstone 3,200-acre polymetallic Tiger property 28 miles north of Cranbrook in SE B.C., a compilation has been completed of the recent field program. Dragoon and Greenstone are earning a 100% interest by making option payments of \$168,000 over several years. (SEE GCNL No. 67, 7Apr89, P.2) Surface mapping and sampling have identified a gold/silver/copper/lead/zinc structure that appears to be continuously mineralized along a 12,200-foot strike length. Recent assays range up to 24.8% copper, 62.4 oz.silver/ton and 0.337 oz.gold/ton. (SEE GCNL No. 186, 27Sep89, P.1 FOR PREVIOUS TIGER RESULTS)



BZKSW51

George Cross

Reliable K

NO.214(1989)
NOVEMBER 7, 1989

WESTERN CANADA

DORON EXPLORATIONS INC. (DNE-V)

DORON ACQUIRES WHITEWATER - Ted Yardley, president, reports Doron Explorations Inc. signed an option to acquire a 100% interest (96% net revenue) in the Whitewater base metal project at Kaslo Creek, B.C. by paying \$130,000 and spending \$465,000 on exploration by 1 Nov 93, plus issuing 100,000 shares and assuming \$15,000 of incurred work expenditures.

Doron has completed a trenching program on two of the several high grade surface showings; the Leontowicz zone about seven meters wide and 80 meters long and the Colorado zone, about five meters wide by 35 meters long. Both zones are open to the north and to depth. Assays up to 5.35% zinc, 42.83 oz.silver/ton, 0.182 oz.gold/t and 71% lead from two-meter chip samples have been returned from these zones. Doron has planned a drilling program to investigate continuity and extension of the zones as other surface showings and anomalies.

82KSW 33

Teddy Bear and Lightval in deal with Noranda

After being left without a senior partner when Newmont Exploration suspended its Canadian operations earlier this year, Toronto-based Teddy Bear Valley Mines (COATS) and sister company Lightval Mines have gained Noranda Exploration as their new partner.

Newmont and Noranda recently formed a joint venture for the purpose of financing continued exploration and development on the Lightval and Teddy Bear properties in northern Ontario.

The two juniors, which own gold properties in Ontario's Harker and Holloway twps., will see exploration work on their claims proceed on Oct 4 for members of Congress and other public dignitaries.

Noranda, and Newmont continuing as operator on paper.

"When Newmont pulled the plug on Canada, Teddy Bear and Lightval still had an option agreement with the company," said Andrew Chadder, president of both juniors.

Newmont originally optioned Lightval and Teddy Bear's Harker Holloway properties in March 1986. Under the terms of two separate option agreements, Newmont was to spend \$2 million on the Teddy Bear claims, and \$3 million on the Lightval property in order to earn a 60% interest in each property. Nearly \$2 million remain

certific certain debts to insiders, directors and officers of the company.

82KSW033 Snowwater expands '89 work program

VANCOUVER — Recent drill results from the Whitewater Group gold property near Nelson, B.C., have encouraged Snowwater Resources (VSE) to step up its 1989 exploration program.

Recent drilling on the 100%-owned property returned: 27.9 ft grading an average of 0.909 oz gold per ton; 23.1 ft averaging 0.542 oz; 44.8 ft averaging 0.172 oz; 19.8 ft averaging 0.068 oz and 21.0 ft averaging 0.146 oz.

It should be noted that all holes were drilled to test the mineralized system to depth so results do not represent true widths of the structure.

Coleraine gets grant

Ressources Minieres Coleraine (ME) has received a \$100,000 grant from the Quebec and federal governments. The money will fund a portion of a first-phase evaluation of the company's ferrochrome project in the Theiford Mines area of Quebec.

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DRAGON RESOURCES LTD. (DGN-V)

GREENSTONE RESOURCES LTD. (GRE-T,M;NASDAQ)

NEW GOLD/SILVER ZONE - Walter J. Clemens, director,
FOUND AT MILLIE MACK reports Dragoon Resources Ltd.
and Greenstone Resources Ltd. have

discovered a new 1,500 foot zone of highly mineralized open pit material on the Millie Mack property 30 km. east of Burton in the Slocan area of B.C.

The new zone, known as the Black Bear extension, is located on the west side of the 5800 layer, a flat-lying mineralized structure amenable by open pit methods. Samples from the Black Bear have assayed up to 0.142 oz.gold/ton and 0.765 oz.silver/t. Trenching is in progress to expose the footwall and channel sampling will determine initial grades which will be followed by bulk sampling. Drilling will be used to confirm thickness. The zone remains open to the south.

A second discovery has been made on the north end of the 5800 layer where stripping has uncovered a new face where samples graded as high as 0.85 oz.gold/t and 4.20 oz.silver/t. This zone will also be channel sampled and drilled.

Reverse circulation drilling to date on the eastern Millie Mack high grade zone obtained recoveries averaging only 75% and even lower for diamond drilling due to the friable (crumbly) nature of the rock. Reverse circulation drilling assays to date are as follows:

HOLE	THICKNESS FEET	GOLD OZ/TON	SILVER OZ/TON	GOLD EQUIV. OZ/TON	Due to the
89-02	9.8	0.078	9.25	0.210	' location of the
89-05	10.0	.137	4.73	.205	' orebody and low
89-07	10.0	.056	5.98	.141	' stripping ratio
89-12	10.0	.070	1.69	.094	' these grades
89-15	10.0	.102	12.22	.277	' are considered
89-16	15.0	.120	4.88	.190	' well above an
89-26	9.8	.149	2.25	.181	' economic level.

A 145 ton bulk sample has been mined over a thickness of 18 ft. from another area that was drilled. This procedure will aid in determining the correlation between actual grade and drill results; assays are expected shortly.

The property contains other promising areas such as the Poorman showing in the 3650 layer currently being sampled and the west side of Blue Grouse Creek where initial float samples returned 0.12 oz.gold/t. Heavy equipment is being moved in and drilling is planned. East of Blue Grouse Mtn., two shear zones that may be a mineralizing feeder system for the 5800 layer have returned 0.18 oz.gold/t and 10.0 oz.silver/t on surface.

Greenstone holds a 100% interest in the Millie Mack property in which Dragoon can earn a 50% interest by paying 55% of the acquisition, development and other costs to the completion of a feasibility study. This option is exercisable by Dragoon for 120 days after delivery of a feasibility study recommending production.

(SEE GCNL No. 155, 14Aug89, P.1 FOR MORE DETAILS)

40
NO.178(1989)
SEPTEMBER 15, 1989

BZKSW51

Drilling to resume at Millie Mack

Toronto-based Greenstone Resources (TSE) has started a \$1.3-million exploration program on its Millie Mack gold-silver property in British Columbia.

The 3,200-acre Millie Mack property is 18 miles east of Burton, B.C., in the Slocan mining district.

"Drill rigs are on their way to the property," and a minimum of 10,000 ft is to be drilled this summer, says President Ian Park. He estimates the work program could cost as much as \$2 million, if results are encouraging.

The company hopes to complete a feasibility study later this year evaluating the possibility of early production from a flat-lying gold zone. Park says the gold deposit would be amenable to open pit mining methods.

He estimates that 17 million tons of material averaging 0.06 oz gold and 2.0 oz silver per ton are present in the main deposit.

The program under way consists of four parts including diamond drilling, bulk sampling, and regional mapping to define graphitic layers associated with gold mineralization.

Initial drilling is designed to define at least two million tons of mineable reserves in the proven category, sufficient to justify production at a rate of 1,500 tons per day.

Core samples from closely-spaced drill holes will provide material for bulk sampling and metallurgical testing. A previous \$1.2-million bulk sampling program confirmed the presence of a high grade gold zone related to a local fault structure cutting graphitic strata on the property.

About 46 tons of rock were taken from a graphitic argillite layer at an elevation of 5,800 ft. The bulk sample averaged 0.167 oz gold and 6.02 oz silver, according to Greenstone.

Geological interpretation of results obtained to date indicate that graphitic strata cut by faults are the best targets for gold mineralization on the property. Historical data and recent sampling have

identified seven additional graphitic horizons between the uppermost "5800 layer" and the valley floor, 3,000 ft below.

Recent samples from the "5500 layer" yielded 0.19 oz gold, while samples of previous workings in the "3650 layer" returned 0.44 oz gold, 16 oz silver, 3% lead and 11% zinc. Another anomalous zone has also been detected in the "3200 layer."

At the conclusion of the upcoming feasibility study, Dragoon Resources (VSE) will have the right to earn a 50% working interest in the property by assuming 55% of previ-

ous costs, up to the feasibility stage.

Greenstone recently entered into a combined private placement and rights offering agreement which will provide the company with additional funds totalling \$10 million. The above are subject to regulatory approvals.

Proceeds from these financings will be used for drilling at Millie Mack and for additional work at Greenstone's Oronorte gold mine in Colombia and its Recio property in Costa Rica. Production at Oronorte is scheduled to begin in November at a rate of 24,000 oz per year, the company says.

Aur takes on U.S. sulphide deposit owned by Savanna

Shortly after announcing its Val d'Or, Que., massive sulphide find, Toronto-based Aur Resources (TSE) has agreed to get involved in another polymetallic project.

Under an agreement with Savanna Resources (ASE) of Calgary, Aur is planning to earn a 51% stake in a massive sulphide deposit in southern Oregon. Savanna will retain a 49% stake in the project.

The deposit is located on Savanna's Turner Albright property where 60,000 ft of drilling in 60 holes has outlined 3.3 million tons of grade 1.46% copper, 3.32% zinc, 0.44 oz silver and 0.114 oz gold per ton.

"According to Savanna, grades in several deeper holes have been substantially higher, ranging up to 14% zinc, 4.8% copper, 1.6 oz silver and 0.365 oz gold. The deposit remains open at depth.

To earn its interest, Aur must spend \$2.25 million on an exploration and development program scheduled to begin this summer. Aur is also required to purchase 1.3 million Savanna shares for \$800,000.

"We have had the property for a number of years and we needed someone to carry it to the mining

phase with some authority," said Savanna President John Alston. In addition to its Val d'Or massive sulphide project, Aur expects to produce 24,000 oz gold this year from a new gold mine which is also near Val d'Or.

The United Bank of Commerce, a Caribbean merchant bank with a 12% stake in Savanna, has agreed to provide free trading shares to Aur. In return the bank is being granted a private placement of 1.8 million Savanna shares and a warrant to purchase an additional 1.8 million shares at 65¢ each for a total consideration of \$900,000. Scheduled to expire June 15, 1991, the offer could increase United Bank's stake in Savanna by about 4%.

As reported (N.M., May 1/87), in-fill drilling at the Savanna property has already cut wide sections of sulphide and gold mineralization. They include a 284-ft intersection from a depth of 305 ft to 589 ft which averaged 1% copper, 2.1% zinc, 41% sulphur, 0.82 oz silver and 0.184 oz gold.

"A deep pulse EM survey clearly indicates the mineralization extends to at least 600 ft beyond the deepest intersection," said Alston.

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RTZ shareholders

The Shareholders of giant RTZ Corp. have a \$4.3-billion(US) purchase of assets being sold to Petroleum Co. PLC.

RTZ says it expects to pay for most of the assets, excluding the Dam nickel mine in A June 30. Dubbed the "century" by mining analysts, the acquisition n

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BUCK FIELD PROGRAM FOR 1989 WELL ADVANCED

A number of areas of the flat lying gold-silver mineralized shear on the Millie Mack property have been exposed on surface by bulldozer and sampled. Assay results are expected shortly. The main zone is at 6,010 feet elevation, on Blue Grouse mountain, 30 km east of Bulkley, 30 km south of Nakusp, Lower Arrow Lake, Slokan Area B.C.

The shear, containing graphitic argillite and quartz, is 20 to 100 feet thick, dipping at 12 degrees to the southeast, outcropping continuously over 3 miles on all four sides of the mineralization. The zone of current main interest is about one mile long by 1/2 mile wide. This work is part of a production feasibility study now underway at a cost of \$3,100,000, including \$850,000 being spent on bulk underground sampling and close spaced surface and underground drilling. The study is scheduled to be completed by the end of 1989. A number of other gold-silver mineralized flat lying beds have been located on the property, largely by road building and geochemical sampling, and will be further opened by trenching along strike and drilled in this current program as warranted. The Millie Mack is potentially a large bulk tonnage, open pit gold-silver project.

Preliminary results from the \$850,000 bulk sampling program completed in early 1989, indicate an open pit zone estimated to contain 1,700,000 tons grading 0.167 oz. gold/t, 6.02 oz. silver/t, within a larger area of 20,000,000 tons grading in the 0.08 oz. gold/t, 4.5 oz. silver/t range. The sampling was with a 3 yard backhoe cutting approximately vertical surface face samples at regular intervals on three sides of the mineralized outcrop. Each sample was from 30 to 100 tons reduced prior to assaying. Earlier sampling of the zone returned grades of 0.08 oz. gold/t, 4.5 oz. silver/t, 1% combined lead-zinc. The current sampling program is designed to establish the extent and average grade in the area of the better grades from the bulk sampling. The bulk sampling program also sampled a second zone which is indicated to have a larger tonnage potential. The samples from the second area graded 0.056 oz. gold/t, 1.96 oz. silver/t.

The mineralization is in a detachment fault shear zone of fractured carbonaceous graphitic slate containing quartz pods overlying the Rossland volcanic rocks and underlying slates and argillites of the Jurassic age ocean group.

Dragoon has an option to acquire a 50% property interest by paying 55% of the acquisition, development and other costs to the completion of a feasibility study. This option is exercisable by Dragoon for 120 days after

delivery of a feasibility study recommending production. The current program is funded by Greenstone Resources. (SEE GCNL No. 67, 7Apr89, p.1-2 for much detail).
On 30Jun89, Dragoon signed a private placement for 384,615 flow through shares at \$1.30 each for proceeds of \$500,000 with CMP. As of Feb. 28, 1989 there were 7,100,000 shares of Dragoon issued, fully diluted. On 12May89, Dragoon completed a private placement of 25,000 units at \$3.10 each for proceeds of \$77,500.
In early 1988 Greenstone acquired a 50% interest in several properties from Dragoon and bought 1,000,000 shares of Dragoon at 45¢ each. On 15Jun89, Greenstone reported a plan to raise \$6,000,000 by way of a common share rights offering. Claridge Investments and Company Limited, a Montreal Bronfman firm has agreed to exercise the rights it owns and further rights to a minimum of \$4,000,000 at \$3.75 each or 1,066,666 shares. On July 31, Greenstone reported negotiation of a 1,000,000 share private placement at \$4.01 each to Swiss Canada Capital, subject to approvals. Greenstone had earlier negotiated a private placement for \$1,000,000 from NIH at a price to be determined. By the end of July 1989 the partners had negotiated flow through funding of \$2,300,000 for 1989.

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NO.155(1989)
AUGUST 14, 1989

MENTS

82KSW51

GCNL NO. 83

May 1/89

1545451

GREENSTONE RESOURCES LTD. (GRE-T.M; Nasdaq)

SECOND PHASE EXPLORATION AT MILLIE MACK TO PROCEED

A \$700,000 second phase exploration program will start immediately on the Millie Mack property held 50/50 by Dragoon Resources and Greenstone Resources. The resumed program is designed to upgrade reserves to the proven and probable categories and substantially expand possible reserves. (SEE GCNL NO.67, APRIL 7,1989 for detail of the property acquisition agreement.)

The property is located 30 km east of Burton, 30 km south of Nakusp, Lower Arrow Lake, Slocan area, B.C.

The current expenditure of \$700,000 is part of an overall \$3,100,000 program designed to bring the property to the end of a feasibility study by Dec.31,1989.

Preliminary results from a recent \$800,000 bulk sampling program have outlined an open pit zone estimated to contain 1,700,000 tons grading 0.14 oz.gold/t, 6.5 oz.silver/ton. Robert J.McGowan, president of Dragoon suggests the zone may contain 3,000,000 tons of a similar grade. Earlier sampling programs had shown grades of 0.08 oz.gold/t, 4.5 oz.silver/t and 1% combined lead/zinc. The bulk sampling program also sampled a second zone which is indicated to have a larger tonnage potential. Assay results from this second zone are expected to be reported shortly.

The mineralization is in a detachment fault shear zone of fractured carbonaceous graphitic slate containing quartz pods overlying the Rossland volcanic rocks and underlying slates and argillites of the Jurassic age Slocan group. The shear is 20 to 100 feet thick, dips at 12 degrees to the southeast, outcropping continuously over all four sides of the mineralization. The sampling program was done with a 3 yard front end loader cutting approximately vertical surface face samples at regular intervals on three sides of the mineralized outcrop. Each sample was from 30 to 100 tons reduced prior to assaying. The new sampling will explore the fourth side.

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