GEORGE CROSS NEWS LETTER LASTNO. 129(198) .1983 6JULY MAKUSP RESOURCES LID. #1291 GCNL CORPORATE STRUCTURE TILLICUM MOUNTAIN GOLD Public Offering: By 20Apr83 prospectus registered SHOWINGS TO BE EXPLORED 10Jun83 with B.C. Sup't. of Brokers, are offering The company's Nakusp area properties 500,000 shares at \$1.25 each to net \$1.00, a total are situated in the Valhalla Range of of \$500,000. All the shares have been sold, the the Selkirk Mountains approximately proceeds received and an application for listing 10 kilometres north of Tillicum Mounton Vancouver Stock Exchange is in preparation. ain and 20 kilometres south of Nakusp Incorporated: B.C., 31Aug82. in the Arrow Lake District of South Head Office: 1027 - 470 Granville St., Vancouver, B.C. Central B.C. and are separated into Registered Office: 3000 - 1055 W. Georgia St., two blocks the Eastern and Western. Vancouver, B.C. The two most important deposits on the Registrar & Tsf.Ag.: Canada Trust Company. properties are the Eureaka and Chieftain Authorized Capital: 10,000,000. zones. Shares Issued: A report by I.M. Watson, P.Eng., 1,280,000 For \$192,000 dated 28Jan83, states that examination For \$ 54,000 180,000 and sampling of the Eureaka shear zone For \$ 27,000 45,000 failed to reveal any mineralization of 750,000 For Property economic significance. However, the Offered 20Apr83 prospectus 500,000 sulphide bearing float in the creek 2,755,000 and along the foot trail resembles that Escrow & Pool Shares: 750,000 escrowed; 1,505,000 occurring in the Promestora, Chieftain

pooled for release 25% on VSE listing day and 25% each 3 months thereafter.

<u>Directors:</u> James Billingsley, president, Vancouver, B.C.; John Brock, West Vancouver, B.C.; Ralph Allen, Nakusp, B.C.; Irene Wilson, secretary, Richmond, B.C. Principal <u>Shareholders:</u> Ralph Allen with 425,000; Welcome North Mines Ltd. with 337,000 and Esperanza Explorations with 337,500 shares.

Sampling south and west of the Eureaka showings has partly delineated an irregular silver soil anomaly, which may originate from the southern extension of the Eureaka zone, or from a similar parallel zone.

and Millie Mack veins, and has not been

traced to source.

The Chieftain silver-gold vein was first staked in 1890. The Minister of mines reports mention sporadic activity and attempts to achieve production during the period 1928 to 1934. In 1934, a production of 5 tons was recorded, the reported assay was 0.80 ozs./ton gold and 77.86 ozs./ton silver. Sampling by Mr. Watson shows that the Chieftain vein contains erratically distributed silver and gold.  $82 \times S \otimes OS 2$ 

The Western Block (<u>Promestora</u> Group) contains the Skylark and Promestora goldlead-zinc veins. The Skylark one is situated 13 kilometres north-east of the town of Burton, between the headwaters of Mineral and Rodd Creek. Exploration of the Skylark zone to date shows persistence of the vein along strike, with variable widths and grades in lead, zinc, silver and gold. The zone is open to the north and the south, and has not been tested at depth.Best visible mineralization is in the underground workings at the south end of the vein, where chip samples yielded 9.2 and 23.68 ozs. silver/ton over better than one metre width.

T e Promestora adit is situated on the west side of Mineral Creek at about 1350 metres elevation. The Promestora vein is hosted and controlled by a strong east-west graphitic shear zone. Sampling by Mr. Watson confirms the presence of significant gold as indicated by earlier sampling and by the limited production figures.

The program applicaable to each of the prospects is as follows: prospecting, geoligical mapping and sampling; linecutting; geochemical; EM and magnetometer surveys. In addition to the first stage additional work will be necessary on the Promestora, Skylark and Chief-tain zones. Total cost of stage I is estimated at \$224,450. Stage II consisting of diamond drilling will cost an additional \$180,500.

'The company's Monashee properties are situated at the headwaters of the Kettle River in the Monashee Mountains, Vernon mining division, B.C. The Monashee properties are divided into East and West blocks.

Nakusp plans to carry out the programs recommended by Laurence Sookochoff, P.Eng., in his reports dated 2Mar83 and 3Mar83. The programs will consist of mapping, prospecting, sampling, geochemical surveying, trenching and max-min surveys at a cost of \$45,000.