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NO.164(1989)
AUGUST 25, 1989

George Cross News Letter

"Reliable Reporting"

NO.164(1989)
AUGUST 25, 1989

WESTERN CANADIAN INVESTMENTS

GEDDES RESOURCES LIMITED (GDD-V)

CATEGORY	TONNES	COPPER %	COBALT %	GOLD G/T	SILVER G/T
<u>RESERVE BLOCKS GREATER THAN 1.5% COPPER</u>					
Probable	71,035,000	2.17	0.09	0.20	3.53
Possible	17,564,000	2.01	.08	.26	4.11
<u>RESERVE BLOCKS GREATER THAN 1.0% COPPER</u>					
Probable	93,465,000	1.93	.08	.19	3.26
Possible	25,371,000	1.76	.08	.25	3.70
<u>RESERVE BLOCKS GREATER THAN 0.5% COPPER</u>					
Probable	119,676,000	1.67	.09	.18	2.97
Possible	32,856,000	1.52	.09	.21	3.18

NEW STUDY SHOWS - Geddes Resources has received INCREASED RESERVES results of an ore reserve study by Derry, Michener, Booth & Wahl of the Windy Craggy deposit in northwestern, B.C. The study incorporates results up to drill hole No.109 over 1,400 meters of strike length. At a 1% copper cutoff grade total reserves are 118,800,000 metric tonnes at an average grade of 1.89% copper. This includes 93,500,000 metric tonnes at 1.93% copper classified as probable and the balance as possible.

The calculation utilized sectional polygonal blocks based on geological section interpretation. A dilution and recovery factors related to mining methods have not been incorporated the figures are classed as geological reserves.

Geddes Resources, president, Dr.Gerald Harper stated that the extra drilling completed since the previous reserve calculation was announced in June 1989 has provided a lot more confidence in the grade and distribution of the reserves as demonstrated by the proportion categorized as probable.

Engineering studies in progress are examining the feasibility of developing a mine with an annual operating rate of 7,000,000 to 9,000,000 metric tonnes of ore. Present reserves in the probable category would support such a mine for more than ten years. The deposit is still open along strike to the north and south, to depth and intersections in several drill holes suggest that there may also be parallel zones.

EQUINOX RESOURCES INC. (EQX-V,T)

HOLE NO.	INTERCEPT, FT.	WIDTH, FT.	OZ./GOLD/T	OZ. SILVER/T
5	370-570	200	0.177	3.12
	570-780	210	.040	0.80
8	445-510	65	.036	0.34
10	525-540	15	.047	0.06
22	395-540	145	.075	1.93

to earn a 51% interest in the property by spending US \$700,000 on property costs and paying US\$100,000 to Equinox over a 5 year term.

The 18 holes drilled to date on the 48 claim property, are located on 2 claims and spaced approximately 100-200 feet apart. Nearly all holes intersected anomalous gold mineralization in excess of 0.01 oz/ton. The mineralized zone is known to occur off the Equinox property. More drilling is planned.

Conditional Use, Negative Declaration of Environmental Impact and Surface Mining and Reclamation permits were obtained recently for Equinox's proposed Zenda heap leach mine after a public hearing at Bakersfield, Kern county, California. The applications for a water quality permit is being actively pursued.

PIERCE MOUNTAIN RESOURCES LTD. (PMU-V)

SNOW LAKE GOLD - Jonathan W. George, president has DRILLING TO RESUME reported Pierce Mountain Resources has entered a joint venture with Placer Dome Inc. on Ferro and KUS properties near Snow Lake, Manitoba. Placer Dome will buy a private placement of 250,000 shares at market plus 10% and will have an option on a second private placement, to 1Apr90 on 250,000 shares at market plus 10%.

Placer Dome Inc. has also agreed to exploration expenditures totalling \$3,000,000 before 30Apr92. After the \$3,000,000 expenditure and completing the private placements, Placer Dome will have earned a 55% working interest in Pierce's share of the properties. Pierce Mountain will be the operator on the first \$1,000,000.

Pierce Mountain has an option to acquire an 80% interest in the property by spending \$1,000,000 on exploration and making property payments of \$150,000. The company holds an option to acquire the remaining 20% interest for \$500,000. (SEE GCNL No.54, p1, 17Mar89 for some assay results for the last exploration program, No.38, 23Feb89 & No.31, 14Feb89, for more detail).

Work on the property will begin immediately. Drilling during the past season resulted in the discovery of the Gold Dust shear zone which has been traced over 4,300 feet along strike and remains open.

MELCOR DEVELOPMENTS LTD. (MRD-T)

SIX MONTHS ENDED JUNE 30/89	1988	T.C. Melton,
Revenue	\$40,007,000	\$34,470,000 'president of
Earnings	5,706,000	2,693,000 'Melcor Develop-
RealEstate Sale Gain	265,000	526,000 'ments Ltd.,
Costs	2,705,000	1,885,000 'Edmonton, Alber-
Income Taxes	205,000	410,000 'ta has reported

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NO.113(1989)
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JUNE 13, 1989

AND OVERLEAF

WESTERN CANADIAN INVESTMENTS

GEDDES RESOURCES LIMITED (GDD-T)

WINDY CRAGGY RESERVES INCREASED- Dr.Gerald Harper, president, reports underground drilling by Geddes Resources at the Windy Craggy deposit in NW B.C. has increased reserves with the deposit still open. An independent study with data from 86 holes shows diluted reserves of 111,500,000 tonnes grading 1.7% copper, 0.2 grams/tonne gold, 3.6 grams/tonne silver, 0.8% cobalt, using a 1% copper cut-off grade. About 33% of this reserve is probable and the balance as possible. At a 0.5% copper cut-off the reserves rise to 139,000,000 tonnes at 1.5% copper and at a 1.5% copper cut-off, reserves are estimated to be 66,000,000 tonnes at 2.0% copper. (SEE TABLE OVERLEAF, PAGE 1).

Preliminary engineering and economic studies demonstrate that open pit mining at a waste ore ratio of less than 2:1 is preferable to underground mining for the start of mining operations. Financial studies indicate reserves would support a 30,000 tonnes/day operation with annual production of 300,000,000 lbs copper, 40,000 oz. gold, 600,000 oz. silver. At this rate direct operating costs should be Cdn. 30¢ to 35¢ per pound of copper. Capital costs are estimated to be \$430,000,000.

Geddes Resources plans to expand 1989 exploration with the primary objectives of increasing the proportion of probable reserves to at least 50% of the total and investigating the extent to a near surface zone of secondary enrichment of copper which would allow above average grade mining for the early years. Total reserves will also be expanded with the objective of ensuring a minimum 20 year mine life.

Preliminary reports on the environmental impact and road access corridors have been submitted to the B.C. government and more detailed studies are underway.

The program of metallurgical testwork will be expanded after additional bulk samples have been mined. These will allow comparison of recovery from the various types of mineralization encountered across the extent of the deposit. The work on the character of the tailings has started. As they will have a high sulphide content special precautions may be required in their storage.

The company has held preliminary discussions with engineering companies prior to selecting one to prepare a full feasibility study. That study will be undertaken as soon as the additional exploration work has confirmed the increased confidence level required for the reserve.

Dr.Harper stated that the additional drilling is proceeding at the rate of 3,000 meters per month and 15 additional holes have already been completed since the reserve calculation. Several of those holes at the east side of the north end of the deposit have discovered zinc with associated higher gold and silver values as shown. (SEE GCNL NO.92, 12May89; NO.79, 25Apr89; and No.69, 11Apr89 FOR MUCH DETAIL).

AUR RESOURCES INC. (AUR-T)

NEW COPPER-ZINC - Aur Resources Inc. reported the ZONE DISCOVERED discovery of a new copper-zinc-silver-gold massive sulphide deposit on its 58% owned Louvem property in Louvicourt township, 15 miles east of Val d'Or, Quebec. The Louvem property is being explored under a joint venture agreement with La Societe Miniere Louvem Inc. with Louvern currently holding a 42% interest, which is being diluted to a 25% net profits interest as further expenditures are incurred.

Hole 309-42 intersected copper-rich massive and stringer sulphides over a width of 117 feet which graded 4.96% copper, including an interval assaying 11.8% copper, 1.57 oz.silver/ton and 0.024 oz.gold/t over 29.0 feet. This hole also intersected a second zone 9.0 ft. thick which contains high-grade zinc mineralization for which assays have not yet been received. Hole 309-43, some 1000 ft. west of hole 309-42, averaged 2.75% copper, 0.69% zinc, 0.57 oz.silver/t and 0.04 oz.gold/t over a width of 78.5 feet. (ASSAY TABLE OVERLEAF P.1).

Hole 309-44, located between holes 42 and 43, intersected copper and zinc rich massive sulphides over a width of 130 ft. Although assays from this interval have not been received, visual observation of the core indicated that this mineralization will be ore grade.

To date, the deposit has been tested by only seven widely spaced holes over a strike length of 1,500 feet and a vertical extent of 500 feet at vertical depths of between 1500 and 2000 feet. The massive sulphide deposit is accompanied by an extensive zone of stringer copper mineralization which was intersected in holes 309-30, 35 and 40, and averages about 1% copper over widths up to 386 feet. This copper-zinc deposit is open in all directions and has not yet been drill tested above a depth of 1500 feet. The deposit lies along a previously unexplored mineralized horizon some 800 feet south and 2000 feet east of the past producing Louvem mine horizon. Two drills are presently working, a third is being mobilized.

CONSOLIDATED STIKINE SILVER LTD. (CKI-V)

PRIVATE PLACEMENT REPORTED - Consolidated Stikine Silver Ltd. has arranged, subject to regulatory approval, a private placement of 220,000 flow through shares at \$9.50 each for total proceeds of \$2,090,000. The company proposes to pay a finder's fee of 5% of the proceeds in cash to Yorkton Securities Inc.

BETHLEHEM RESOURCES CORPORATION (BTH-V,T; BTHMF-Nasdaq) NEW COPPER ZONE LOCATED- A program of reverse circulation rotary drilling on the Copper Giant property, 30 miles east of Hope, B.C., owned by Bethlehem Resources has located a new mineralized breccia of undetermined size. About 50 feet of the zone has been opened by a 10 foot deep trench. A drill hole cut between 15 and 35 feet a 20 foot section assaying 1.46% copper, 10.7% lead, 2.84% zinc, 25.1 oz.silver/t, 0.024 oz.gold/t. Exploration drilling will continue.

COIN LAKE GOLD MINES, LIMITED (COI-T)

COIN LAKE PLANS OFFER FOR - Thomas Skimming, chairman SHARES OF MORUYA GOLD MINES reported that Coin Lake Gold Mines plans to offer to acquire all of the 36,705,015 issued shares of Moruya Gold Mines (1983) N.L. of Australia, on the basis of one post-consolidated share of Coin Lake for every 5.3 Moruya shares. A proposed consolidation of the 11,533,983 shares of Coin Lake on the basis of 2-old for 1-new shares would result in 5,766,992 issued shares with 6,925,475 post-consolidation shares to be issued if all of the Moruya shares are acquired.

Coin Lake and Moruya each holds 1/3 of Golden Reward Mining Co. which operates a heap leach gold mine in the Black Hills, South Dakota, with production to start in July 1989. MinVen Gold Corporation (MVG-V,T) holds the other 33-1/3% interest. The mine will treat 2,000,000 tons/year from mineable reserves 13,106,000 tons grading 0.042 oz.gold/ton, 0.206 oz. silver/t.

GEDDES RESOURCES LIMITED

Zinc Intersections

Section/Hole	Angle	Core Length	\bar{x} Cu	\bar{x} Zn	Au g/t	Ag g/t
10390N	75	406-420 14m	1.17	1.27	0.45	6.5
	78	470-476 6m	1.88	1.79	0.98	14.5
10450N	85	342-350 8m	0.76	2.08	0.81	6.73
	88	392-400 8m	0.56	1.41	0.27	4.50
	90	370-378 8m	0.34	1.51	0.40	14.73
	92	302-322 20m	1.67	1.73	0.56	10.95
10510N	95	360-362 2m	1.32	1.52	0.46	4.0
	97	280-296 16m	0.02	1.49	0.05	18.6
		298-300.5 2.5m	0.28	0.38	2.43	35.3
		332-342 10m	0.81	1.20	1.00	11.1

This zinc zone within the massive sulphide body is flanked by copper zones more typical of the major portion of the deposit. See table of copper intersections.

Copper Intersections

Section	Hole	Interval	\bar{x} Cu	
10390N	75	224-242 = 18m	3.24	
		282-318 = 36m	2.63	
		333-406 = 73m	2.12	
		420-430 = 10m	2.01	
		318-470 = 152m	2.07	
10450N	85	476-479.2 = 3.2m	2.79	
		290-342 = 52m	2.28	
		350-393 = 43m	1.31	
		356-392 = 36m	2.61	
		314-342 = 28m	1.43	
10510N	92	378-382 = 4m	1.77	
		292-302 = 10m	1.73	
		95	338-360 = 22m	2.11
		362-399.9 = 37.9m	1.87	
		97	316-332 = 16m	2.29
		342-360 = 18m	1.13	

Hole 75 was drilled on a bearing of 003 degrees while all others are at 050 degrees.



Hole No.	Section	Vert. Depth (feet)	Interval (feet)	Width (feet)	Cu (%)	Zn (%)	Ag (oz/t)	Au (oz/t)
309-30	86+50E	2000	2237.0 - 2623.0	386.0	0.84	tr	tr	tr
			incl. 2456.0 - 2623.0	187.0	1.17	tr	tr	tr
			incl. 2538.0 - 2571.0	33.0	2.56	tr	tr	tr
309-35	79+00E	2000	2293.0 - 2327.0	34.0	0.93	tr	tr	tr
			incl. 2299.0 - 2318.0	19.0	1.03	tr	tr	tr
309-39	80+00E	1500	1960.0 - 2025.0	65.0	0.06	4.57	0.31	0.03
			incl. 1996.5 - 2025.0	28.5	0.09	6.96	0.32	0.06
309-40	83+00E	2300	3084.5 - 3123.0	58.5	1.00	tr	tr	tr
309-42	94+00E	2050	2617.5 - 2734.5	117.0	4.96	tr	0.67	0.01
			incl. 2655.0 - 2684.0	29.0	11.80	tr	1.57	0.02
			2751.3 - 2760.3	9.0	high grade zinc-assays not yet available			
309-43	84+00E	1750	2108.5 - 2187.0	78.5	2.75	0.69	0.57	0.04
			incl. 2115.0 - 2128.5	13.5	3.18	0.41	0.62	0.08
			and 2172.5 - 2187.0	14.5	5.95	2.75	1.12	0.02
309-44	89+00E	1800	2242.0 - 2372.0	130.0	ore-grade copper-zinc mineralization assays not yet available			

Note: Widths indicated are believed to represent true thickness of the zone.

GEDDES RESOURCES LIMITED (GDD-V)

EXPLORATION STAGES NEARLY - Geddes M. Webster, chairman, **COMPLETE AT WINDY CRAGGY** told the May 3, 1989 annual meeting Geddes Resources has virtually completed the exploration stages of evaluation of the Windy Craggy deposit in northwest B.C. The work has confirmed the three dimensional details of about 1/3 of the length of the deposit.

During the program there has been over 1,600 landings on the airstrip including almost 4,000 tons of fuel, equipment, materials and supplies. Operations have proceeded on a continuous year round basis. The metallurgical studies suggest recovery at Windy Craggy will be by conventional processes. The internal pre-feasibility studies are proceeding.

The current program, which began in 1987, has cost over \$20,000,000 funded mostly by flow-through shares.

John Kearney, president of Northgate, joined the Geddes board in February. Paddy Boland, a senior vice-president of Northgate and Gordon Montgomery mining consultant, have also joined the board. J.D. Little has retired as president and Dr. Gerald Harper will be president, on an interim basis.

Mr. Geddes said "The geologically inferred tonnage in the central portion only of the deposit is estimated to be about 150,000,000 tons of which 75-100 million tons are initially mineable. Thus at 15-20,000 tons per day there are already 12-15 years of life of a mine indicated. The deposit extends downward below the level both to the north and south of the central area which assures substantial reserve potential for the future.

The present inventory of metals, in the ground, assuming 100,000,000 tons of mineable reserves is almost 4.8 billion pounds of copper or about 340 pounds of copper per common share currently outstanding. Dr. Harper confidently ranks Windy Craggy as one of the few North American copper deposits that can be class in size/grade with major Chilean or Peruvian copper bodies.

Mr. Webster said, "We should, hopefully within a year, be able to provide investors and underwriters with a statement of the profit potential of Windy Craggy. It finally looks as if Windy Craggy is now assured of becoming a mine that will be recognized as one in a class by itself in Canada".

J.D. Little told the annual meeting that to date, the exploration program for the first half of 1989 includes some 19,500 feet of drilling in 16 holes. Results continue to confirm the extension of both the north and south sulphide bodies. The North zone is of particular interest with the intersection of what may be called a new sulphide body or re-folded structure on the west side of the main sulphide body.

As yet interpretive data is not available but three holes, one on each of three sections 200 feet apart recorded the following intersections: Hole 73 + 45° 59 feet of 1.59% copper, Hole 55 + 60° 111 feet of 2.24% copper, Hole 44 + 46° 20 feet of 2.44% copper.

A further three to six months of metallurgical laboratory test work will be required to permit development of a flow sheet, primarily to produce a saleable copper concentrate with precious metal additions. The cobalt content is not forgotten and will be a second stage investigation. A decision on pilot plant testing will be made later this year.

Mine planning which includes an evaluation of both open pit and underground operations or a combination thereof is being carried out by independent mining consultants who advise that a 15-20,000 tonne/day operation appears practical at a cost in the order of \$10/tonne for bulk mining underground and \$5/tonne for open pit mining at a 2 to 1 strip ratio. More detailed analysis of the mining options is in progress.

Preliminary results indicate that the 65 miles road required can be built subject to Government approval at a cost in the order of \$30,000,000 and would be available

for use year round except for a brief period during the winter under blizzard conditions.

The required Stage I environmental impact study is planned for submission at year end to the Provincial Government as part of the approval process.

Preliminary economic analysis of the project has been completed internally which indicates that a 15-20,000 tonne/day operation would be the appropriate scale of operation to permit the high infrastructure cost and see a payout of the investment of some \$300-\$350 million in five to six years, using US 80¢/copper.

The budget for 1989 of \$11,100,000 appears expensive except that the target is the largest undeveloped copper property in North America which justifies the money spent to provide assurance on the copper reserves.

To fund the 1989 program Northgate has bought 850,000 shares of Geddes for \$1,275,000 plus 1,000,000 shares for \$1,500,000 and NIM bought 1,453,301 shares of Geddes for \$2,500,000 for a total of \$5,000,000 in the bank. Northgate now owns 31% of the equity in Geddes Resources. (SEE GCNL NO.79, P.1, 25Apr89 and No.69, p.1, 11Apr89).

SANDWELL SWAN WOOSTER INC. (SLL.A-V,T,M)

FIRST QUARTER REPORTED - Sandwell Swan Wooster Inc. has reported the high levels of capital expenditure by the forest products, manufacturing and telecommunications section of the North American economy which prevailed in 1988 continued into the new year. This resulted in strong demand for the specialized services and products during the quarter.

Workload and future prospects for the Pulp and Paper Group remain excellent, both in Canada and the United States. Several new assignments were received to study major investments in this sector with increased focus being centred on environmental issues, the company's services are much in demand providing plant cost estimates and detailed design services for emission control facilities.

The transportation division has enjoyed a high volume of new work booked, particularly overseas.

During the quarter the company acquired the engineering division of Geotechnical Resources Ltd. of Calgary which specializes in Arctic-related engineering, ice sciences and scientific instrumentation. Gwetech has been largely responsible for developing the technology for constructing spray ice islands for oil exploration in the Arctic.

Good market conditions are expected to continue for the immediate future, and current revenue levels will be maintained. (SEE GCNL NO.78, P.2, 24Apr89 FOR FINANCIAL RESULTS).

FOR THE RECORD

ALBAR RESOURCES LTD. (ACG-V) common shs. were conditionally listed on 11May89 on VSE. The shs. will be called for trading when the Exchange has evidence of satisfactory distribution of the following offering. By 28Apr89 prospectus registered 11May89 with B.C. Sup't. of Brokers, Albar are offering 600,000 common shs. at 40¢ per sh. on VSE thru Canarim Investment Corp. as agent by 7Nov89.

MORI AQUAFOOD SYSTEMS INC. common shs. were conditionally listed on 11May89 on VSE, and will be called for trading when the Exchange has evidence of satisfactory distribution of the following offering. By 2May89 prospectus registered 11May89 with the B.C. Sup't. of Brokers, Mori Aquafood are offering 1,200,000 common shs. at 50¢ each thru Yorkton Securities Inc. as agent by 4Jul89. For guaranteeing the offering, Yorkton will be issued non-transferable warrants exercisable for 2 years from the date Mori Aquafood shs. are called for trading to buy 300,000 shs. at 55¢ per share.

STRATEGIC COMMUNICATIONS LTD. (SAG-V) has retained Canarim Investment Corporation Ltd. to complete a private placement of up to 300,000 units at 75¢ each. Each unit is comprised of 1 share and 1 warrant.

~~Vic, Paul, Scott, James, Shielagh,~~
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WESTERN CANADIAN INVESTMENTS

GEDDES RESOURCES LIMITED (GDD-T)

Preliminary estimate of geological reserves in portion of main deposit drilled to date indicates 77,000,000 tons averaging 2.4% copper, 0.007 oz.gold/t, 0.082 oz.silver/t, 0.08% cobalt, with doubling of tonnage anticipated.

FEASIBILITY STUDY BY- J.Douglas Little, president, Geddes END OF 1989 PLANNED Resources Limited states in the report for the year ended December 31, 1988, in terms of both total assets and shareholders' equity, the company more than doubled in size in 1988.

The main adit at Windy Craggy was finished in May at 6,076 feet and by the end of the year, 3,038 feet of drifting and cross-cutting had been completed. The underground diamond drilling by year-end had 28 drill stations established along 2,000 feet of the known 5,000 foot strike length of the mineralized zone. A total of 59,445 feet of diamond drilling was completed. Situated near the Yukon-Alaska border at the southern end of the St. Elias Mountains, at latitude 59° 44'N and longitude 137° 44'W, the Windy Craggy property is 120 miles southwest of Whitehorse and 40 miles west of the Haines Highway, which links Haines in the Alaska panhandle to Haines Junction in the Yukon.

The massive sulphide body, which is folded in parallel bands along its length, strikes N40°W and is arched in the middle along an east-west axis. The crest of the arch conforms to the Windy Craggy Mountain peak and splits the sulphides into north and south copper zones. On surface the sulphides have been traced over a strike length of 5,000 feet. Drilling has indicated widths of up to 600 feet and depth of over 1,600 feet.

In addition to the gold zone itself gold occurs at lower values throughout the copper zones. The mineralized area is open on strike both to the north and to the south and further exploratory drilling is to be carried out at both extremities. The present assessment is that the deposit will lend itself to both open pit and underground operation and will allow low cost mining.

The company spent almost \$11,000,000 on its 1988 exploration program. By the end of 1989 Geddes expects to have a feasibility study in progress which will lead to a production decision and major financing. The study is considering a minimum potential of 16,500 tons per day. Exploration of \$11,000,000 is planned for 1989 on underground drilling and tunnelling. Mining methods, mineralogical and metallurgical characteristics, plant site locations, access routes, environmental implications, economic assessments and continuing updating of the estimated mineral reserves. Under consideration is open pit mining of the upper portion of the deposit followed by large scale bulk, low cost, underground mining. The gold zone may be mineable as a separate operation on a smaller scale.

The drilled holes in 1988 established the gold zone is separate from the massive sulphide body and occurs within the intensely contorted and sheared core of the east-west striking fold that arches the main north-south striking massive sulphide body upwards. The gold zone was indicated by hole No.83-14 which cut 2.01 feet averaging 0.3 oz.gold/t and 1.2% copper. Gold values in these holes included 0.13 oz.gold/t over 13.1 feet and 0.34 oz./t over 18.0 feet.

In 1988 Northgate Exploration Limited became a major investor in Geddes Resources Limited and currently holds 27% of the equity of the company.

In Feb. 1989 Dr. G. Harper, Northgate's vice president, development, was appointed vice president of Geddes and J.F. Kearney, Northgate president was appointed a directors. J. Douglas Little intends to retire as president and chief executive officer at the annual meeting in May but will continue as a director. Dr. Harper will be appointed president on an interim basis. A permanent president will be appointed later. At December 31, 1988, Geddes had 14,801,897 shares issued with working capital of \$6,798,686. SEE GCNL NO.61, P.1, 30MAR89 FOR RECENT FUNDING).

PLACER DOME INC. (PDG-V,T,M)

PORGERA ORE RESERVES - Placer Dome Inc. reports that the ESTIMATE UPDATED Porgera joint venture has issued new estimates of ore reserves for the Porgera gold property in Papua New Guinea. The estimate of mineable reserves, proved and probable, at a cut-off grade of 0.044 oz.gold/ton, is 66,200,000 tons of 0.190 oz.gold/t. This reserve contains 6,500,000 tons at an average grade of 0.788 oz.gold/t which is mineable by underground methods at a cut-off grade of 0.204 oz.gold/t. Open pit reserves, at a cut-off grade of 0.044 oz.gold/t are estimated to be 59,700,000 tons of 0.125 oz.gold/t. The new estimates are based on data from an underground drilling program carried out during 1988 from an exploration adit.

The Progera joint venture consists of: Placer (PNG) Pty Limited (a 100% owned subsidiary of Placer Pacific Limited, in which Placer Dome has a 75.8% interest); Highlands Gold Limited, a member of the MIM Holdings Limited group of companies; and Renison goldfields Consolidated Limited. Each of the joint venture partners presently has a 33.3% interest in the Porgera project. However, the State of Papua New Guinea has decided to take up its full 10% entitlement under the 1979 equity agreement which will reduce the interests of each of the joint venturers to 30%. Placer (PNG) is the manager of the joint venture. The necessary government approval to start construction are expected in the near future.

BREAKWATER RESOURCES LTD. (BWR-V,T)

NEW VEINS DISCOVERED - Breakwater Resources Ltd. reports AT O'BRIAN PROPERTY a recently completed 30,000 foot drilling program on the 100% owned O'Brian mine property near Cadillac, Quebec has delineated a new gold bearing vein complex, the 36E zone, about 2,000 feet east of the O'Brian No.2 shaft. O'Brian mine production was 600,000 oz.gold at an average ore grade of 0.46 oz.gold/t. Gold intersections were first encountered in this area in 1987. Ten distinct, en-echelon gold bearing quartz veins have been delineated along a strike length of 1,300 ft. and to a depth of 1,200 ft. A preliminary estimate indicates a mineral inventory of 275,290 tons of 0.35 oz.gold/ton uncut, 0.24 oz.gold/t cut. A study on the merits of underground exploration and development program from the existing O'Brian No.2 shaft is currently underway.

Previous work in 1983 reported a mineral inventory in all categories of 279,000 tons of 0.17 oz.gold/t to a depth of 1,500 ft. within the old mine workings. The O'Brian mine has a 300 ton per day concentrator in place.

**DRILL INDICATED RESERVES, EXPECTED TO DOUBLE
77,000,000 TONS AVERAGING 2.4% COPPER
0.082 OZ.SILVER/T, 0.007 OZ.GOLD/T, 0.08% COBALT**

The Windy Craggy property, one of the largest massive sulphide deposits in Canada, owned by Geddes Resources is located at 4,500 feet elevation in northwest corner of B.C., north of the Alaskan panhandle, 40 miles west of the Haines highway, about 120 miles southwest of Whitehorse, Yukon. The property is 100% owned subject to no royalty or other interests. Falconbridge holds a 22.5% interest in net proceeds from production after capital payout. The company has scheduled completion of a production feasibility study by Dec.31, 1989 at a projected exploration expense during 1989 of \$11,200,000 of which 50% has been funded. The study will consider a 15,000 to 20,000 ton per day operation at a capital cost in the range of \$350,000,000 - \$400,000,000.

The outstanding feature of the Windy Craggy massive sulphide body in addition to the established size is the geological mineralized potential in the 200,000,000 ton plus range potential.

THE THREE OUTSTANDING FEATURES FROM A RECENT VISIT TO THE DEPOSIT ARE:

**430 FEET OF 2.34% COPPER IN MASSIVE SULPHIDES
OF CHALCOPYRITE, PYRRHOTITE AND PYRITE
ALONG THE 9877 NORTH CROSSCUT**

and

**THE ECONOMIC IMPORTANCE OF THE HIGHER COPPER GRADE
SECTIONS WITHIN THE DEPOSIT**

and

**THE PLANNED ROAD ACCESS ROUTE, 65 MILES,
TRAVERSE TYPICAL MOUNTAINOUS TERRAIN
WITH WIDE OPEN VALLEYS AND ONLY 4 MILES OF GLACIER**

The access road will have nothing unusual in its construction through the valleys in the mountains. The proposed route ranges from 1,200 to 4,600 ft. elevation, with much of the route following a 2,500 foot contour. This contour leads to just below the toe of the glacier, 4 miles from the portal. This glacier covers a portion of the deposit. The present camp is at 2200 feet elevation, 11 km from the mine portal. There is only one relatively major river crossing requiring a 700 foot bridge span. There are a number of profitably operating mines with much more difficult and expensive access. One of the special considerations for the mine will be the upgrading of the existing 4 miles of glacier road. The engineers suggest that by laying a fairly wide layer of base rock several feet thick, to insulate the glacier from thawing, that an all weather main haulage road can be achieved with only slightly more than normal mountain road maintenance. The development plan calls for building the concentrator and permanent camp at or near the portal at 4,500 feet elevation with service over the glacier for camp, mine and mill. The road access would be supplemented by the present 3,000 foot airstrip now capable of handling, 3 ton pay load DC-3 aircraft. It is intended to extend the air strip to 4,500 feet to accommodate 22 ton pay load Hercules aircraft.

-CONTINUED ON PAGE TWO-

+ NO. 79 (APRIL 25, 1989) + OWNED, PRINTED AND COPYRIGHTED BY GEORGE CROSS NEWS LETTER LTD. +

IMPERIAL REALIZES CASH GAINS - Harry P. Sutherland, vice president, finance reports that Imperial Metals Corporation has sold 701,000 shares of its affiliate Anglesey Mining plc. (AYM-LONDON). This cash transaction will result in a net gain of \$1,100,000 to Imperial in its first fiscal quarter. Imperial intends to maintain its 34.4% interest in Anglesey, which is valued at \$17,400,000 or \$1.02 per Imperial share based on recent London Stock Exchange trading prices. Anglesey is sinking a shaft at its Parys Mountain property in North Wales. The Parys Mountain deposit contains mining reserves of 5,284,000 tons grading 6.04% zinc, 1.49% copper, 3.03% lead, 2.02 oz. silver/t and 0.013 oz. gold/t.

PIONEER METALS CORPORATION (PSM-V,T)

EXPLORATION RESULTS - Robert D. Willis, president of & RESERVES REPORTED Pioneer Metals Corporation reports that the Premier gold project is currently in the start up phase with initial production planned for May 1, 1989. The 40% owned Premier Gold project is located 9 miles north of Stewart, B.C. Westmin Resource owns 51% and is operator. Canacord Resources Inc. (CQD-T) owns a 9% interest. Pioneer expects the project to reach commercial production levels by September 1989. At 2,200 tons per day, average production for the first four years of full production should be 77,000 ounces gold and 900,000 ounces silver.

In the initial 1989 drilling program a total of 6,017 feet were drilled in 16 holes and covers a section between the 609 and 4G zones where underground reserves are being developed. Results of this drilling indicate a zone of alteration hosting the gold and silver mineralization often well defined by a zinc and lead halo. The most significant intersection is DDH 526, which cut 27.9 feet of 0.24 oz. gold/ton and 1.05 oz. silver/t. Other interesting intersections are:

HOLE	INTERVAL, FT.	LENGTH	OZ. GOLD/T	OZ. SILVER/T
523	129.3-142.4	13.1ft.	0.226	0.15
524	211.9-215.8	3.9	.261	1.34
	233.6-244.1	10.5	.153	.23
526	330.2-367.1	27.9	.237	1.05
527	183.1-188.0	4.9	.133	.67
528	167.0-175.8	8.8	.105	.29
529	227.0-279.2	52.2	.055	.14
incl.	234.9-240.1	5.2	.270	.39
532	126.6-132.8	6.2	.022	3.87
535	396.0-470.8	74.8	Scattered Values	
incl.	396.0-422.2	26.2	.087	.37
536	471.1-494.1	23.0	.069	.25

ORE RESERVES TO DATE AT THE PREMIER GOLD PROJECT

GEOLOGICAL RESERVES	TONS	OZ. GOLD/T	OZ. SILVER/T
Premier-Glory Hole Zone	7,025,905	0.067	2.54
Hope	5,510	.099	3.00*
Power	110,200	.078	3.98
4G (u/g)	199,516	.318	1.39
Northern Light (u/g)	66,722	.061	1.96*
602 Zone	458,778	.188	.83
609 Zone	354,092	.170	.53
Big Missouri	3,967,300	.076	.74

* Also moderate base metal values.

MINEABLE RESERVES	TONS	OZ. GOLD/T	OZ. SILVER/T
Premier Open Pit	6,500,000	0.063	2.34
Big Missouri	1,857,000	.091	.67

**UNILENS OPTICAL CORP. (UOC-V)
PINERIDGE CAPITAL CORP. (PRE-V)**

**UNILENS SHOW AND TELL MEETING FEB. 21, FOUR SEASONS HOTEL
UNILENS PROJECTS SALES OF 500,000 CONTACT LENS ANNUALLY**

Harry C. Moll, chairman will preside at a show and tell on Unilens called for 1:30 p.m., Feb. 21, 1989, in the Four Season Hotel, Vancouver, B.C. Unilens has developed a breakthrough contact lens functional for near, intermediate and distance focusing. The lenses have received FDA approval. Success rate in clinical trials was 84%.

Unilens Optical president, Paul Banko, confirmed projections of sales of 500,000 lens annually from the lens manufacturing facility purchased from University Optical Corp. near Tampa, Florida. The plant cost \$6,000,000 payable over 15 years, interest free. Unilens projects annual sales of 500,000 lens for years one and two with an average selling price of \$35 per lense, to provide revenue of \$17,500,000 in each of the first two years, Mr. Banko stated. Production could be increased to 600,000 lens for \$21,000,000 gross revenue per year. The plant has FDA approval, sales distribution, management, laser controlled and computer driven lathes, and quality control equipment. Unilens has 10 distributors in the U.S.

The company will retain its current intraocular lens business and plant in St. Gallen, Switzerland with the present intraocular lens manufacturing capacity of 120,000 lens per year. It plans to relocate this plant.

Pineridge Capital Corp. holds 2,826,900 shares or 40% of the 6,975,000 issued shares of Unilens, including 910,000 escrow earn-out shares of which 810,000 were acquired from Carl Evans a director of Unilens and the inventor of the lens and 100,000 shares from Michell Mitchell, a director of Unilens. The purchase prices for the 910,000 shares was 248,182 Pineridge units of shares and warrants plus \$682,000. A further 480,000 escrowed principle shares of Unilens were acquired from AsiaAmerica Equities for \$388,800 and 160,000 Pineridge units of shares and warrants exercisable at \$3.00 each for one year. In Dec. 1988, Unilens received approval to issue 350,000 free trading share to Carl H. Evans, in full payment for termination of a 5% gross profit royalty on sales of Unilens' contact lenses in North America. Mr. Evans also received a non-exclusive license to produce up to 100,000 perscription lenses per year.

Unilens reported, Dec. 5, 1988, a \$5,500,000 convertible loan from Omni Holding AG of Bern, Switzerland, to give the company \$7,500,000 cash on hand. The three year loan pays interest at 3.5% and is convertible into Unilens shares at \$5.50 in the first year, \$6 in the second year, and \$6.50 in the third year, now approved by all regulatory authorities. Also, Pineridge purchased a private placement of 100,000 shares at \$2.80 per share with warrants to buy 50,000 shares to June 23, 1989.

MENIKA MINING LTD. (MML-V)

DRILLING REPORT - Doreen Boitard, director of Menika

Mining Ltd. reported that D.D.H. 89-1 drilled at 90d. on the 100% owned Des property, Highland Valley, Kamloops mining division, B.C. intersect no commercial mineralization. D.D.H. 89-2 drilled at -60d azimuth west, is located 245 meters east of D.D.H. 89-1. D.D.H. 89-2 intersected visible sulphides from 850 feet down and drilling is still in progress at the rate of 75 to 100 feet per day. Additional information will be released as soon as D.D.H. 89-2 is completed. No samples have been assayed to date.

GEDDES RESOURCES LIMITED (GDD-V,T)

**MAJOR 1989 PROGRAM - J.D. Little, president, has
ADDING TO LARGE RESERVES** reported Geddes Resources Limited has completed the 1988 exploration program on the Windy Craggy property near Haines Junction, 50 miles west of Haines highway, NW B.C. Following the 1304 metres of access tunnel completed in 1987, an additional 1,164.5 metres were completed in

1988. This included 617.0 metres parallel to the orebody from which fans of diamond drill holes could be drilled up and down into the orebody. Diamond drilling totalled 18,118 metres of drilling in 55 holes which defined the deposit on 9 cross sections. As the position of the deposit became better defined, a tunnel was extended right through it on one section to provide geologic exposure, compare sampling with drill core sampling and collect bulk samples, which have been shipped out for mineralogical and metallurgical test work.

The nine drilled sections are spaced along only 600 metres of the 1,900 metre known length of this massive sulphide. Its huge size potential and richness in copper, gold, silver and cobalt has been confirmed. The massive sulphide body is folded into parallel bands along its length and is also arched up in the middle by a second direction of folding, thus separating the deposit into north and south zones. Between these zones, under the arch, is an area of high gold values, previously intersected by surface drill hole 83-14 and now located by three holes from underground.

Although some assays are still awaited, the company engineers have prepared a preliminary calculation of drill indicated and possible reserves at 70,000,000 tonnes 2.4% copper, 0.25 grams gold/ton, 2.8 grams silver/t, .08% cobalt. Ultimate reserve potential is projected to be at least double this tonnage. Further drilling is required before a reserve estimate can be made for the gold zone.

The reserve indicated are sufficient to support a mining operation of some 15,000 tonnes/day for 14 years producing a copper concentrate with gold/silver values.

The 70,000,000 tonnes contain 3,750,000 pounds of copper, 563,000 troy ounces of gold, 6,300,000 troy ounces of silver and 125,000,000 pounds of cobalt. Combining the 1988 exploration spending of \$11,400,000 with prior costs of \$9,300,000 results in a discovery cost of 55¢ per pound of copper. With 13,801,897 shares outstanding at year end, each share is backed by 272 pounds of copper and .04 of an ounce of gold.

Mr. Little notes the very large, uniform dimensions of this deposit provide opportunities for a variety of mining methods, both from underground and by open pit. Studies of many aspects were initiated in 1988 including rock mechanics, mining methods, preliminary economics, mineralogical and metallurgical characteristics, site surveys, environmental studies and access route investigations.

The 1989 exploration program is under way and will include continued drilling and tunnelling underground to further define the total strike length of the deposit. The cost estimate for the 3 stage 1989 exploration program leading to a feasibility study is \$10,800,000. Geddes can finance the first stage of this program with working capital on hand in excess of \$5,200,000. Northgate Exploration Limited, which currently holds 27% of the stock, has agreed to provide a further \$1,500,000 in private placements of flow-through shares at \$1.50 per share and to assist in further financing plans. (SEE GCNL NO. 241, 15DEC88 FOR DETAIL REVIEW).

INTERNATIONAL GEOGRAPHICS LTD. (IGE-T,V)

TORONTO STOCK EXCHANGE - The common shares of

LISTING REPORTED International Geographics Ltd.

began trading on the Toronto Stock Exchange on Feb. 20, 1989; it has about 2,010,052 issued shares. The company manufactures rub-on and stick-on lettering and signage products under the brand name Geotype and Geosign and distributes products to office supply stores, college book stores, arts and crafts stores, art, and engineering stores across Canada, in the U.S. and several international markets. Head office is located Suite 2910 T.D. Tower, P.O. Box 10064, Pacific Centre, 700 West Georgia St., Vancouver, B.C. V7Y 1B6.

MERFIN HYGIENIC PRODUCTS LTD. (MIP-V)

SPECIALITY PAPER PRODUCTION PLANT TO BE BUILT - Merfin
Hygienic Products Ltd. has agreed to purchase for \$16,200,000, from Moller & Jochumsen A/S of Denmark a completed "Dry Forming" paper manufacturing plant (D.F.P.) to be erected in Tilbury Island Industrial Park, near Vancouver. This is a turn-key contract for production of pulp-based, non-woven products. This state-of-the-art D.F.P. technology uses a unique, fully patented process to manufacture a range of speciality paper used for industrial wipers, hospital gowns, sheets, disposables and many other products.

This is the first of two dry forming production lines to be installed in the 136,000 square feet of factory and office space to be leased with option to buy from B.U.K. Investments Ltd. The new plant is scheduled to be dedicated in May 1988 and be in production by May 1989. The new factory will also house the existing paper conversion and packaging plant.

Annual sales are forecast to be \$30,000,000, of which about 70% is allotted to export sales which have been substantially negotiated with American and European interests. These sales will be completed once production dates are finalized. Since the first year includes the start-up phase, sales for 7 months ending 31Dec89 are forecast as \$18,000,000.

The project, including start-up costs, will be funded through a private placement amounting to \$6,002,500 and conventional debt of \$11,000,000. The equity portion has been placed by sale of 3,430,000 shares at \$1.75 each. Of these, 2,572,857 will carry 1-year warrants to buy a further 2,572,857 shares at \$2.50 each. Merfin also proposes to raise an additional \$3,000,000 for further expansion from investors who qualify under the "Investor Category" of the Canada Immigration Act. Written undertakings for the debt financing and working capital have been received. Preparation of the formal agreements is underway. Merfin Management, a non-annual length firm, will be paid in shares for arranging the acquisition.

The new generation of pulp based, non-woven fabrics to be made result from a flexible air-laid process which requires an unlimited number of various raw materials to produce complex multi-layer materials. These can combine several fibre types and additives in the web for uses in the diaper and health care disposables markets, as well as novel applications in high technology areas, civil engineering and ground stabilization.

Henning Skov Jensen of Copenhagen, Denmark, has been appointed a director of Merfin. He is international sales manager for Moller & Jochumsen A/S, which owns the technology, and is a thermodynamics engineer recognized in the field of dry formed paper technology.

The acquisition and financings are subject to regulatory approval.

GENPROBE TECHNOLOGIES LTD. (GPO-V)

FIELD TESTING STARTED - Russel H. Barker, president of Genprobe Technologies, reports that field testing of the "gold probe" field kit, by which soil samples could be analysed in the field as a potential indicator for gold mineralization, started this week in conjunction with Cominco Ltd. on number of Cominco sites.

AQUARIUS SEAFARMS LTD. (AQS-V)

PHASE 1 EXPANSION COMPLETED - Norbert Kraft, president, reports that Aquarius Seafarms has completed their expansion program to increase salmon production from 2,000 to 4400 tonnes per annum in conjunction with a \$32,000,000 financing as reported in GCNL 247 and 242 1987. Aquarius is projecting an increase in fresh salmon production to 3200 tonnes for the October 1988 to May 1989 marketing season, with sales targeted at \$32,000,000, based on \$5 per pound for

4 to 6 pound fish. Sales of \$45,000,000 for the 1989/90 marketing season are projected from 4400 tonnes. The fiscal year end is December 31. Aquarius currently has 2,200,000 fish at its 11 sea pen farm sites and 4,000,000 fish at the company's Gray Creek hatchery.

GOLDEN RULE RESOURCES LTD. (GNU-T)

TYLER RESOURCES INC. (TYS-V)

HOLE	ZONE	INTERVAL M.	WIDTH M/FT	OZ. GOLD/TON
W88-55	"B"	122.2-175.1	52.9/174.0	0.136
	including	138.5-153.5	15.0/ 49.0	.173
	including	150.6-153.4	2.8/ 9.2	.679
	including	157.1-175.1	18.0/ 59.0	.200
	including	168.9-175.1	6.2/ 20.0	.447
	including	197.7-202.3	4.6/ 15.0	.103
W88-58	"B"	134.0-149.0	15.0/ 49.0	.138
	including	134.0-138.0	4.0/ 13.1	.378
	including	146.0-149.0	3.0/ 9.8	.149
		167.0-169.0	2.0/ 6.6	.174
W88-63	Quartz Vein	44.8- 45.3	0.5/ 1.7	VG*
		82.0- 83.0	1.0/ 3.3	.12
		92.0- 94.0	2.0/ 6.6	1.772
		117.0-125.0	8.0/ 26.2	.12
	including	122.5-125.0	2.5/ 8.2	.323
	"B"	180.0-207.0	27.0/ 88.6	.114
	including	194.0-207.0	13.0/ 42.6	.179
	including	205.0-207.0	2.0/ 6.6	.488

*VG - heavy visible gold, assays pending.

WEEDLY LAKE ASSAYS POSITIVE - Glen H. Harper, president of both Golden Rule and

Tyler Resources, reported assay results from drill holes that have extended the "B" gold zone at Weedy Lake, Saskatchewan. Drill hole W88-55 is located at coordinates 10+87W/1+25S, W88-58 at 10+50W/0+75N and W88-63 at 10+75W/1+25N. The gold mineralization is associated with high levels of silicification and pervasive sulphide mineralization. Several additional holes have intersected typical widths and grades of the "B" zone, where previous drilling has outlined 865,000 tons grading 0.135 oz. gold/t. Upon completion of the present program, a Phase 2 drill program is expected to start after spring break-up. Interests in the property are Tyler Resources 50%, Golden Rule Resources 30% and Saskatchewan Mining Development Corporation 20%.

GEDDES RESOURCES LTD. (GDD-T,V)

NO.	INTERVAL LENGTH		GOLD		SILVER		COPPER %
	METERS	METERS	G/T	OZ/T	G/T	OZ./T	
83-14	-	60 m.	9.9g	0.29 oz	--	--	1.2%
88-24	240-242	2 m.	1.84g	.05	34.0g	.99 oz.	1.05
	250-252	2 m.	1.39g	.04	11.0g	.32	0.84%
	286-314	28 m.	anomalous gold/silver				1.0%
88-25	306-308	2 m.	5.95	.17	31.5	.91	1.3%
88-26		220 m.	massive sulphides				+ 3.0%

FIRST UNDERGROUND HOLES CONFIRM IMPORTANT GOLD VALUES

J. Douglas Little, president of Geddes Resources Ltd. has reported that in the first full year of underground exploration at the Windy Craggy gold, copper, cobalt property near Haines Junction, NW B.C., 2,200 meters of adit and drifting are now in progress with the objective of delineating the economic potential of the deposit.

The first drill hole section, consisting of three upwardly fanned holes, has now been completed. The assay results are shown in the table above. Hole 88-24 is interpreted to be located at the edge of the gold zone identified in Hole 83-14. No.88-25 is interpreted as having neared the main gold zone. Hole 88-26 intersected 220 meters of massive sulphides not expected on the basis of earlier surface drilling and has important implications for the occurrence of both copper and gold in the heart of the large deposit. Drilling of the next section of holes is now underway 30 meters north of the first section. Results are expected shortly.