

Cathedral

GOLD CORPORATION

822828

NEWS RELEASE

TRADING SYMBOL: CAT-T
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CATHEDRAL ANNOUNCES TONNAGE AT TAKLA

A total of 26,582 ft. of drilling in 41 holes have now been completed at the Company's Takla Rainbow Project which has been under active exploration since 1984. At the most recent program, 23 holes measuring 19,823 ft., were completed in the period July through October 1987. Three gold bearing zones which are open along strike and at depth have been delineated. Geological reserves are 152,580 ounces of gold contained within 471,290 tons. Of these, 220,000 tons grading 0.4 oz of gold per ton are drill indicated and inferred.

Most significant assay results are :

<u>HOLE</u>	<u>FROM</u>	<u>TO</u>	<u>FT</u>	<u>Au,oz/t</u>
2	175.1	181.4	6.3	0.201
4	67.8	73.2	5.4	0.526
5	380.6	381.9	1.3	0.272
9	69.2	73.1	3.9	0.110
	328.0	332.2	4.2	1.117
13	68.2	78.9	10.7	0.149
	86.5	96.9	10.4	0.116
	206.4	211.3	4.9	0.690
20	167.7	172.8	5.1	0.107
23	692.7	702.5	9.8	0.168
24	80.4	84.7	4.3	0.312
	137.0	140.0	3.0	1.095
	156.7	163.5	6.8	0.122
	395.3	398.0	2.7	0.291
	458.3	466.5	8.2	1.150
30	656.2	658.3	2.1	0.422
31	271.3	275.6	4.3	0.229
33	200.5	203.5	3.0	0.151

A minimum 20,000 ft. drilling program will be carried out in 1988 at a cost of approximately \$1,000,000. As only one third of the gold bearing structure has been tested to date, the potential for increased reserves and the discovery of new zones is considered excellent.



Pierre B. Lebel
President

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PR#1

CATHEDRAL GOLD CORPORATION

PROJECT: TAKLA RAINBOW

COMMODITY: GOLD

SUBJECT: EXECUTIVE SUMMARY

LOCATION AND ACCESS

North Central British Columbia, approximately 48 km west of Manson Creek. Access by four wheel drive road (9 miles) from the Manson Creek - Takla Landing road. Elevation of the property is 5,200 feet above sea level.

HOLDINGS:

150 units, including 6 single claims under option. The property is in good standing to 1997.

WORK THAT LED TO DISCOVERY

The region was extensively explored for porphyry copper mineralization between 1969 and 1973 including geochemical soil sampling, geophysical surveys and diamond drilling within 0.5 mile of the present drilling. In 1984, an Imperial Metals geologist, following encouraging results from reconnaissance silt and soil sampling during the previous season in the area, traversed the property and took the sample from the trench that returned 0.92 oz/ton Au. A mapping, soil sampling, IP survey and diamond drilling program followed in 1985, with the best intersection out of four short holes yielding 0.53 oz/ton Au over 5.4 feet.

ECONOMIC GEOLOGY

In the period 1985-1987, a total of 41 holes (26,582 feet) were completed on the property with excellent results. Current drill indicated and inferred reserves to a depth of 450 feet in two zones are 220,000 tons grading 0.40 oz/ton Au. The potential for increasing these reserves to 1,000,000 tons with relatively small volume of drilling is excellent, since both zones are still open along strike and at depth. The third zone, discovered by drilling in 1987

Economic Geology - continued

has also good potential. An intersection in this zone that returned 0.17 oz/ton over 10 feet with 1,000 feet of untested strike makes this zone a very attractive exploration target. These three zones represent only one third of an established anomalous trend on the property that extends over two miles and yet has to be drill tested. The trend is marked by anomalous gold in soil and mineralization in the outcrop and float that a showing on the trend located 2,500 feet southeast from and on strike with the new zone returned 0.42 oz/ton over 1.3 feet.

Mineralization is in form of subvertical parallel zones marked by micro-shearing, fracturing and hydrothermal alteration in porphyritic stocks and volcanics adjacent to the contact between Takla volcanics and Hogem Batholith. The most common type of mineralization is in the form of quartz veinlets in distinct structures with quartz, native gold, pyrite and chalcopryrite as major, and carbonates, sericite, and chlorite as minor mineral constituents.

Geological setting of gold mineralization at Takla-Rainbow property in many aspects resembles Magino gold deposit near Wawa, Ontario, containing over 1,000,000 tons grading 0.25 oz/ton Au.

PREVIOUS EXPENDITURES: \$ 1,500,000

RECOMMENDATIONS:

Successful exploration on the Takla-Rainbow property and discovery of economic concentration of gold justify further accelerated exploration program with two main objectives: a) to increase present or reserves and b) to continue testing the anomalous trend where potential for new discoveries is considered excellent.

TAKLA RAINBOW

ORE RESERVES

SUMMARY

INDICATED	FT AVG WIDTH	AU OPT	TONS	AU OZS
WEST	5.5	0.414	127432	52765
EAST	4.1	0.412	42797	17615
	5.1	0.413	170229	70380
INFERRED				
WEST	4.5	0.268	15394	4121
EAST	4.1	0.437	35667	15579
	4.2	0.386	51061	19700
TOTAL (INDICATED AND INFERRED)	4.9	0.407	221290	90080
POTENTIAL (WEST, EAST & SOUTH ZONE)		0.250	250000	62500
GRAND TOTAL		0.324	471290	152580

INDICATED:
HALF WAY TO THE NEXT HOLE OR 100 FT, WHICHEVER IS LESS.

INFERRED:
HALF WAY FROM INDICATED BOUNDARY TO THE NEXT HOLE OR 100 FT,
WHICHEVER IS LESS.

POTENTIAL:
WEST AND EAST ZONES ARE OPEN BEYOND THE BOUNDARIES OF INFERRED ORE.
SOUTH ZONE HAS ORE GRADE INTERSECTION NOT INCLUDED IN CALCULATIONS.

CUT OFF:
4 FT @ 0.10 OPT.

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