

George Cross News Letter

"Reliable Reporting"

NO.134(1987)
JULY 14, 1987

END JULY 87

CREAM SILVER MINES LTD.(CEM-V)

<u>VEIN WIDTH</u>	<u>OZ.GOLD/T</u>	<u>OZ.SILVER/T</u>	<u>EXPLORATION RESUMES</u>
4.9 ft	1.554	6.7	AT ATLIN, NW B.C. -
4.3 ft	0.745	6.7	Frank A. Lang,
2.6	0.228	3.8	president of Cream
			Silver Mines Ltd.,

reports that the 1987 exploration program on their Lake view property near Atlin, B.C., is now underway. SEE MAP OVERLEAF. Induced polarization, ground magnetometer and VLF surveys have outlined several anomalous zones. Detailed geological mapping and surface rock chip sampling has returned several significant gold and silver values, see table.

Trenching of the above mentioned geophysical anomalies and additional geochemical sampling are now underway. Some 8,000 feet of diamond drilling is scheduled to start on 1Aug87.

SKYLINE EXPLORATIONS LTD.(SKX-V)

ONE VEIN GRADES 1.147 OZ.GOLD/T FOR 480FT. ACROSS 4.75FT. ANOTHER GRADES 1.65 OZ.GOLD/T FOR 115 FEET ACROSS 5.6 FT.

<u>RESERVE CLASS</u>	<u>TONS</u>	<u>OZ.GOLD/T</u>	<u>OZ.SILVER/T</u>
Measured	121,330	1.246	2.08
Drill Indicated	161,910	.745	0.97
Drill Inferred	655,000	.651	0.66

In reporting rapid progress at the wholly owned Stonehouse gold deposit of Skyline Explorations, 60 miles north of Stewart, B.C., Joyce A. Davis, secretary, says construction has begun on the new campsite which will house up to 100 men and mill construction will start about August 15 when the major mobilization of equipment and supplies will be completed.

New mineral reserve calculations as of June 18 have been received from Dr. E.W. Grove, the company's consultant (see table). The measured tonnage increased significantly.

Drilling to the west from the "16" hanging wall drift has intersected a new mineralized vein at about 150 feet below the current drift level. This new vein graded 0.440 oz.gold/ton over 19.5 feet. Drilling ended in mineralization. This will be followed up by further drilling to depth.

Detailed back panel sampling on the "16" vein over a length of 480 feet gave an average of 1.147 oz.gold/t. plus 0.69 oz.silver/t over an average width of 4.75 feet.

The discovery vein has been advanced to 345 feet west of the crosscut. Detailed back sampling has been completed to about 187 feet of the crosscut. These samples gave an average of 1.65 oz.gold/t over an average width of 5.6 feet along 115 feet. A raise in this area has now begun.

Drilling is continuing on the "16" and Discovery veins to upgrade the mineral reserves further

GOLDEN NORTH RESOURCES CORPORATION

(GNO-V,T:GNOXF-Nasdaq)

NEW DRILL ASSAYS INCLUDE - John S. Godfrey, president of 16 FT OF 0.612 OZ.GOLD/T Golden North Resource Corp., reports that exploration and development are in progress on 4 project areas on their Nickel Plate properties near Hedley, B.C. under the direction of Mascot Gold Mines Limited. Golden North has received results of a further 3 diamond drill holes on the Horsefly Terrier claims which lie immediately southwest of Mascot Gold Mines' south pit area. This drilling has indicated a significant extension to the south pit area reserve zone. See assay results overleaf. Further exploration and drilling in this area will continue. Golden North has 20% net profits interest in production from these properties.

On the Cauty project, a Phase II, 2,500-foot diamond drill program has recently been completed; results are awaited. Underground drilling on the Mascot Fraction of the planned 18,000-foot drill program continues and an initial Phase I, 4,000-foot diamond drill program has started on the Good Hope group of mineral claims.

CITY RESOURCES (CANADA) LIMITED(CIZ-V, CCIMF-Nasdaq)

RHYOLITE RESOURCES INC.(RHY-V)

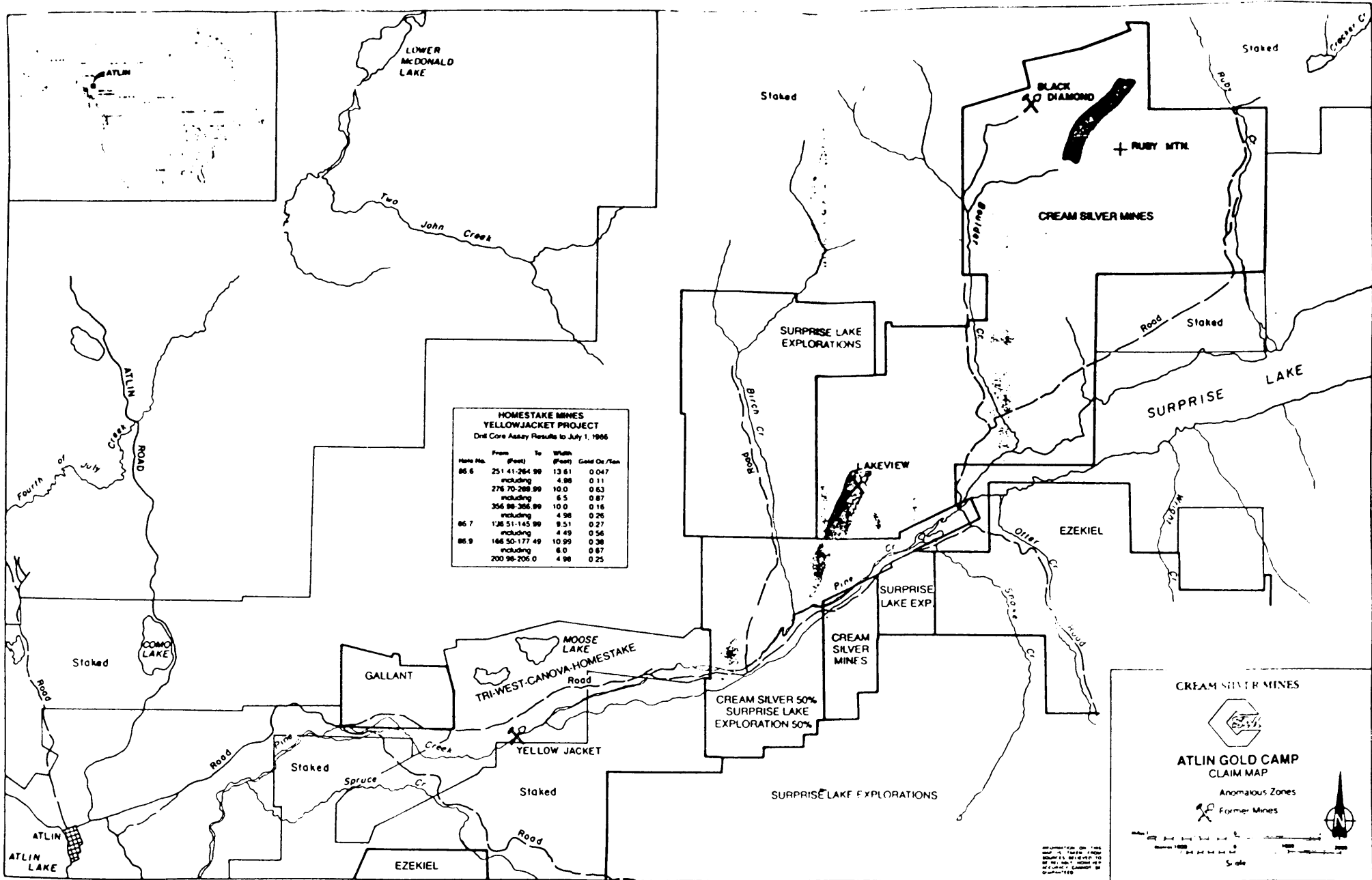
City Resources (Canada) Limited has acquired an option to earn a 50% interest in the 22,000 acre Texada Island gold property of Rhyolite Resources by providing \$3,000,000 for exploration and development by 31Dec90. City Service will earn a 50% interest in the property and the 75 ton per day concentrating plant on the property.

City Service has subscribed for 200,000 shares of Rhyolite Resources at 50¢ each on a private placement basis. Starting Aug.31,1987, City Service will make a further \$500,000 investment in shares of Rhyolite at prices permitted by the Vancouver Stock Exchange. The investment will be made in four quarterly installments of \$125,000 each.

Rhyolite is now bulk sampling a gold bearing structure on Texada Island and processing the material through the 75 ton plant with the objective of developing sufficient reserves to justify increasing the plant capacity to 300 tons per day.

NOR-QUEST RESOURCES LTD.(NQT-V)

OPTION AGREEMENT TO BE COMPLETED- Raynerd B.Carson, president, has reported Nor-Quest is in the process of completing an option to acquire the Ymir Consolidated and Protection (Goodenough) claims in the Ymir area, B.C. The concentrating plant recently acquired by Nor-Quest is about 10 miles from the property.



**HOMESTAKE MINES
YELLOWJACKET PROJECT**
Drill Core Assay Results to July 1, 1966

Hole No.	From (Feet)	To (Feet)	Gold Oz./Ton
86.6	251.41-264.99	13.61	0.047
	including	4.80	0.11
	276.70-288.99	10.0	0.63
	including	6.5	0.87
	356.98-366.99	10.0	0.16
	including	4.98	0.26
86.7	138.51-145.99	8.51	0.27
	including	4.49	0.56
86.9	166.50-177.49	10.99	0.38
	including	6.0	0.87
	200.98-206.0	4.98	0.25

Surveyed by G. H. 1966
Map 1:50,000
Scale 1:50,000
1 inch = 1 mile
1 centimeter = 1000 meters