

George Cross News Letter

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QUEENSTAKE RESOURCES LTD. (QTR-T)

**YEAR ROUND PLACER - At Queenstake's Moyie River placer
OPERATION REVIEWED** property near Cranbrook, B.C.,

an exploration program consisting of drilling and bulk sampling was completed in July, 1987. The drill program has outlined the gold bearing channel and the bulk sample confirmed the grade in the reserves. In August, the bulk sampling program was expanded to determine the grade and extent of the reserves across the entire width of the gold bearing zone and along strike of the channel for 500 feet. The exploration program confirmed grade and provided geological information that will be important in the interpretation of the ongoing drilling program. Drill information can now be used to confirm reserves with a great deal more confidence.

In September, 1987, the property was placed into full scale production. In the 1987 exploration, bulk sampling and production programs at the Moyie River placer property, 239,000 cubic yards of gravels were excavated, of which 65,000 cubic yards were washed, recovering 1,444 fine troy ounces of gold.

The winter production program is now under way, the pay gravels being stockpiled for washing in the spring. Approximately 189,000 cubic yards of gravels are being excavated, of which 29,000 cubic yards are to be stockpiled and washed in early May 1988 - yielding an estimated 1,080 fine troy ounces of gold. Work is being carried out by Fiorentino Bros. Contracting with a budget of \$350,000 Cdn. This results in a cost of \$256 U.S. per ounce which is competitive with the median cost range of other Canadian and U.S. gold producers.

The Moyie River property is Queenstake's first placer gold property capable of year-round operation. In 1987, Queenstake's five placer projects produced a total of 17,070 ounces of raw placer gold, refined to yield net payable production of 13,190 fine troy ounces, and Queenstake expects to increase its gold output in 1988.

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