

# George Cross News Letter

"Reliable Reporting"

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## INTERNATIONAL SHASTA RESOURCES LTD. (ISR-V)

**FINAL DRILL RESULTS** - H.C. Faulkner, president of International Shasta, and J.A. McDonald, exploration manager of Esso Minerals Canada, reported final drill results on the Sha claims (overleaf p.1) in the Toadoggonne River area, 175 miles north of Smithers. Esso Minerals has made the 1988 option payment of \$75,000 and will soon announce its 1988 exploration program and budget. Esso can earn up to 73% interest by spending \$10,000,000.

## MIKADO RESOURCES LTD. (MKO-V)

	TONS	GROSS VALUE IN PLACE
Measured Ore	150,807	
Indicated Ore	204,343	
Marginal Ore	<u>66,612</u>	
Total	421,762	\$ 73,283,854 *
Inferred Ore	<u>215,381</u>	
Total all Categories	637,143	

\*Metal Prices: Gold \$645.00 (Cdn.)/ oz., Silver 9.00 (Cdn.)/oz., Lead 0.38 (Cdn.) per pound, Zinc 0.51 (Cdn.) per pound.

**METALLURGICAL TEST WORK TO START - Mikado Resources**  
**WHEN BRIDGE CONSTRUCTED IS COMPLETE** Ltd. has reported reserve estimates based on the results of the 1987 exploration and sampling program on the Abbott-Wagner property 70 miles southwest of Revelstoke, B.C. Approximately 7000 tons of high grade ore was mined from the Abbott and Wagner claims and metallurgical testing of this material will begin within 90 days.

Preliminary bench scale tests indicate that the ore is coarse grained and very friable. Recoveries are expected to be above 90% for all metal. Approval for installation of a steel bridge across the Lardeau River has been received and abutment construction completed.

An expanded exploration and sampling program, to test some of the new mineralized showings discovered in 1987, is being planned for 1988.

## INTERNATIONAL SHASTA RESOURCES LTD. (ISR-V)

HOLE	INTERVAL	WIDTH	SILVER	GOLD	*GOLD EQ.
JOCK ZONE		(feet)	(oz/t)	(oz/t)	(oz/t)
87-01	4.9- 11.2	6.2	1.06	.083	.098
	88.9- 94.2	5.2	2.92	.066	.108
	130.9-139.1	8.2	1.83	.020	.046
87-02	86.9- 92.5	5.6	1.83	.091	.117
87-04	284.4-311.0	26.6	3.34	.049	.097
87-05	258.9-263.8	4.9	.44	.223	.229
87-07	52.2- 73.2	21.0	1.39	.073	.093
<b>CREEK/JM ZONE</b>					
87-10	50.5- 61.7	11.2	2.76	.024	.063
	82.3- 91.9	9.5	3.02	.039	.082
	125.0-138.1	13.1	4.92	.111	.181
	185.4-193.6	8.2	6.89	.132	.230
	272.3-275.6	3.3	3.89	.071	.127
87-11	233.6-302.8	69.2	4.29	.072	.133
Includes	246.7-277.6	30.8	8.32	.137	.256
87-12	48.9- 67.3	18.4	6.03	.066	.152
	85.3-172.2	86.9	4.56	.069	.135
Includes	119.1-132.9	13.8	10.00	.094	.237
	150.9-172.2	21.3	6.77	.120	.217
87-13	59.1-126.6	67.6	2.22	.052	.083
Includes	62.3-111.2	48.9	2.76	.062	.102
	and 62.3- 73.8	11.5	5.50	.082	.161
87-14	52.5- 58.7	6.2	3.10	.022	.066
Includes	57.4- 58.7	1.3	13.37	.086	.277
	178.8-193.6	14.8	.95	.059	.073
	223.8-227.0	3.3	6.77	.128	.225
87-15	47.9- 54.5	6.56	4.05	0.105	0.163
	150.9-175.9	24.93	6.53	.119	.213
Includes	169.0-175.9	6.89	15.73	.285	.510
87-16	159.8-167.3	7.5	3.86	.113	.169
	196.9-201.8	4.9	1.12	.057	.073
87-18	205.1-215.2	10.2	.39	.051	.057
	248.0-278.9	30.8	3.39	.062	.111
	402.9-418.3	15.4	4.51	.136	.200
Includes	406.5-413.4	6.9	9.76	.272	.412
87-19	267.4-270.7	3.3	2.87	.088	.129
87-20	82.3- 94.5	12.14	1.08	.062	.078
87-21	249.0-255.6	6.56	3.65	.055	.107
	344.5-347.8	3.28	2.60	.105	.142
87-22	118.1-178.5	60.37	2.93	.061	.103
Includes	118.1-138.5	20.67	5.84	.124	.207
87-23	128.0-137.8	9.84	8.80	.056	.181
	243.8-251.0	7.22	2.23	.057	.089
87-24	337.9-339.6	1.64	14.44	.259	.465
<b>RAINER ZONE</b>					
87-17	148.0-155.8	7.9	2.65	.256	.294

\*Gold equivalent calculated at gold:silver = 70:1

**SOUTHLANDS MINING CORPORATION (SSM-V)**

FIRST BULK SAMPLES SHOW IMPORTANT - Southlands Mining  
UPGRADING FROM DRILL HOLE ASSAYS Corporation and

Sirius Resource

Corporation have reported initial results of the bulk test milling from the underground drifting taking place on the Frasergold project near Horsefly, B.C.

Three rounds of material from the first 19.5 feet of the mineralized zone were taken from the adit at the 1500 metre level. The adit was designed to crosscut the main mineralized zone and milling results showed an average gold content of 0.047 ounces per ton.

The adit was started in the low grade section of the deposit to provide the best access. At this location the horizontal projection of diamond drill hole 24 to the adit location showed an average gold grade of 0.02 ounces per ton along a 40 foot interval.

The initial bulk sampling indicate an upgrading of gold content by a factor of approximately 2.3 times. Further results from the higher grade sections of the mineralized zone are expected shortly.

The bulk processing is being carried out in North Vancouver by Coastech Research Inc. in their pilot gravity-flotation mill. Gary Hawthorn, P.Eng., mineral processing engineer, is supervising the mill.

These initial bulk sampling results indicate the gold grade of the deposit may be much higher than indicated by the previous work.

The first bulk test show about 50% of the recovered gold is obtained by gravity at the ball mill discharge.

Stage I of the underground mining program included 600 ft. of crosscutting the mineralized structure and drifting along its strike. It is almost complete.

Southlands and Sirius are continuing work to finish a production feasibility report by the end of 1988.

Southlands has succeeded in obtaining a court injunction preventing Eureka from taking any further action. By completing a feasibility study Southlands and Sirius can earn a 25% interest each in the Frasergold project with Eureka Resources holding the remaining 50% working interest.

**KENAR RESOURCES LTD. (KNA-V)**

ORE TO BE SHIPPED FROM GOLD DROP - Arnold J. Kucheran,  
president of Kenar

Resources reports that the removal of high grade ore from the upper North Star adit of the Gold Drop property at Greenwood, B.C. will enable the company to ship approximately 1,000 tons of material at the end of February 1988. Kenar is making arrangements with Roberts Mines Ltd. of Greenwood, B.C. to arrange for the milling of the ore to be shipped. Similar materials shipped at the end of 1986 assayed over 0.35 oz. gold/t. (SEE GCNL No.172 8Sept87 for details and map).