

George Cross News Letter

Reliable Reporting

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CARNES CREEK EXPLORATIONS LTD. (CSK-V)

1987 PROGRAM REVIEWED - Len R. Fanning, president of Carnes Creek, says the Spruce Creek property near Atlin, B.C. contains one of the largest volumes of mineable gold bearing gravels in B.C. Bulk testing of 40,000 cubic yards of reddish coloured Tertiary gravels averaged \$5 per cubic yard over the 70 feet above bedrock and between \$18 and \$24 at the bedrock contact; projected volume is 38,000,000 cubic yards. Large diameter drilling indicated an average of \$10 per cubic yard for the glacial blue gravels which are up to 300 feet thick; projected volume is 50,000,000 cubic yards. Large diameter drill holes intersected 40 to 80-foot thick glacial esker gravels averaging \$11.90 per cubic yard; projected volume is 4,000,000 cubic yards. The 1988 program is now being planned.

TRI GOLD INDUSTRIES INC. (TGU-V)

1987 PROGRAM REVIEWED - Brian D. Fraser, president of Tri Gold, reports on the \$350,000 1987 program at the Indian property, adjacent and to the north of the Premier deposit, Stewart, B.C., in which Tri Gold can earn 49% of Esso Minerals Canada's 70% interest, net 34% interest, by spending \$478,000. Work included construction of a 3.2 km access road from the Granduc road to the old underground workings and along the strike extension of the Indian vein system. The No.1 adit level of the former Indian mine was rehabilitated and partially sampled, existing test pits were reblasted and sampled, new trenching was conducted over areas of interest, an induced polarization survey was performed over sections of the vein system, and a comparative mineralographic study was completed on selected Indian samples and type samples from the Premier deposits.

Additional induced polarization surveys, trenching and 1,600 meters of diamond drilling in 21 holes are recommended for the 1988 program at an estimated cost of \$327,000. The company is finalizing flow-through share financing to fund the program.

YANANDA GOLD LTD. (YAG-V)

SAMPLE	OZ. GOLD/T	COPPER	LEAD	ZINC	OZ. SILVER/T
Sentinel Shaft#1	0.061	0.016%	0.078%	3.309%	10.57
Sentinel Shaft#2	.025	.016	.013	5.776	.73
Brownie #1	.194	.018	.002	.002	.406
Brownie #2	.356	.006			.406
Brownie #3	.118	.010			.076
Brownie #4	.310	.010			.088
Brownie #5	.010	.002		.001	.015

The Sentinel showing consists of two replacement deposits in the limestone relatively close to the volcanic contact and about 1 km northeast of Texada Iron Mines. These deposits, one lead-zinc-gold-silver and the other massive sulphides, may represent a halo effect related to the iron skarns to the southeast. Trace amounts of base metals were found in all samples. Road work, geophysics, trenching and channel sampling will be conducted at both deposits during the next few weeks. (SEE also GCNL No.13 20Jan88 p.2)

COMINCO LTD. (CLT-V,T,M)

LORNEX MINING CORPORATION (LMN-V,T)

TECK CORPORATION (TEK.A,TEK.B-V,T,M)

HIGHLAND VALLEY MILLING EXPANSION - Following the TO 131,000 TONS/DAY WILL PROCEED agreement of

Highland Valley Copper, a partnership of Cominco Ltd. and Lornex Mining Corporation, to include the shut-down mine and mills of Highmont Mining in the partnership (as detailed in GCNL 16 and 18 (88)), a \$70,000,000 construction program has been announced to relocate the two Highmont Mills to a site adjacent to the Lornex milling complex in the Ashcroft-Logan Lake area, B.C.. The program will employ 500 in construction and be completed by late 1989.

The increase in the daily milling rate at the Lornex Milling Complex from the current rate of 91,000 tonnes to 131,000 tonnes, will make it the second largest in the world and one of the most cost efficient.

Bougainville, New Guinea and Chuquibambilla, Chile will rank as large or larger. Participation in the cash flow of Highland Valley Copper is 50% for Cominco, 45% for Lornex and 5% for Highmont. Teck owns 50.001% of Highmont Mining, 22% of Lornex and 15% Cominco.