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# George Cross News Letter

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OCTOBER 4, 1999

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PERUVIAN GOLD LTD.  
[PVO-V] 15,227,466 SHS.  
IMPERIAL METALS CORP.  
[IPM-T] 78,147,146 SHS.

MORE SILVERTIP DRILLING TO START - David Henstridge,  
president, reports

Peruvian Gold Ltd. has approved a CDN \$1,150,000 budget to immediately undertake the next exploration at the Silvertip silver, zinc, lead project, located 85 km southwest of Watson Lake, Yukon Territory, in northern B.C. In April, 1999, Peruvian Gold was granted an option from 100% owner Imperial Metals Corp. over the Silvertip deposit. Under the terms, Peruvian Gold can earn a 60% interest by spending \$5,000,000 on exploration over three years with a minimum commitment of \$450,000 in 1999. Imperial Metals retains the right to earn back a 20% interest to hold 60%, by spending \$2,000,000 within 18 months of completion of Peruvian Gold's earn-in.

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Additional drilling will proceed from underground workings using an existing adit and decline which passes within 100 metres of the mineralization intersected in the recently completed SSD 99-2. This approach will result in considerable savings and increased accuracy compared with deep surface drilling. The project is supported by a fully winterized camp, repair shops and water settling ponds enabling work to continue through winter. Drilling will start immediately after receipt of all necessary work permits and de-watering of the adit.

The mineralized zone discovered in SSD 99-2 will be fan drilled to test its continuity and orientation. Hole SSD 99-2 yielded an outstanding intercept that assayed 318 grams silver/tonne, 8.65% zinc and 5.53% lead over 31.4 metres. This is the thickest intersection yet encountered at Silvertip and is thought to be the first recognized major intercept of feeder style chimney mineralization. The significance of this intercept is that chimney style mineralization, which is normally thicker and more continuous than manto style mineralization, and constitutes the bulk of the known mineralization at Silvertip, could greatly increase the value of this resource, especially if multiple chimney zones are present. The Silvertip project contains a resource, as reported by Imperial Metals, of 2,570,000 tonnes grading 325 grams silver/tonne (9.5 oz/ton) silver, 8.8% zinc, 6.4% lead and 0.63 grams gold/tonne (0.02 oz/ton) which is equivalent to an in-situ metal value of about US \$500,000,000 at current metal prices.

In September 1999, a three hole deep diamond drill program, which included SSD 99-2, was completed to test three separate untested targets based on geological and geophysical data. Peruvian Gold is now in receipt of assay results from the first drill hole, SSD 99-1, a 250 metre step out to the southwest from the known mineral resource, which yielded 117 grams silver/tonne, 9.7% zinc and 2.1% lead of manto style mineralization over 3.22 metres. This intersection represents a substantial expansion of the mineral system and increases the potential for discovery of additional resources as the mineralization remains open in all directions. (SEE GCNL NO.179, 17Sept99, P.1 FOR PREVIOUS SILVERTIP PROJECT INFORMATION)