

George Cross News Letter

Reliable Reporting

NO.169(1987)
SEPTEMBER 2, 1987

GRANGES EXPLORATION LTD. (GXL-T, AMEX, London)

GOOD VALUES FROM - A joint venture program in TWO PROJECTS REVIEWED central B.C. designed to prospect for precious metals has located a gold silver lead zinc geochemical anomaly which has yielded two good grade drill intersections. The joint venture is Granges 75%, Cominco 25%. A diamond drill hole intersected a wide zone of intense alteration in rhyolite tuffs and breccias with visible pyrite, sphalerite, and galena mineralization which assayed:

LENGTH	OZ. GOLD/T	OZ. SILVER/T	ZINCS	LEADY
20 ft.	.416	.78	1.24	0.2 also
4.2	1.402	.57	.53	.14

The property location has not been reported pending acquisition of additional data.

A separate joint venture program, in Malasette Mountain area, New Brunswick, Granges 55%, Outokumpu Oy of Finland 45%, to prospect for massive sulphide polymetallics has located significant nickel and copper.

While diamond drilling an electromagnetic conductors, hole 41 intersected near solid sulphides across 6.8 feet which assayed 1.58% nickel and 1.22% copper, a second 21 foot sulphide zone in the same hole assayed 1.09% nickel and 0.91% copper. Platinum and palladium assays have not been received to date.

More drilling is planned.

WELCOME NORTH MINES LTD. (WLN-V)

ROTARY HOLE NO.	INTERVAL FT.	LENGTH FT.	OZ. GOLD/T
RDH 87-1	85 - 98	13	0.09
RDH 87-2	33 - 49	16	.07
including	125 - 161	36	.08
RDH 87-3	26 - 92	66	.11
RDH 87-4	33 - 95	62	.08
including	46 - 79	33	.10
including	174 - 187	13	.05
RDH 87-5	mineralized zone not intersected		
RDH 87-6	69 - 92	23	.06
	115 - 131	16	.10
	161 - 177	16	.08

NEW HOLE INDICATES - Assays have been received from 6 of OPEN PIT POTENTIAL the 13 reverse circulation rotary drill holes completed on the Trout Gold property of Welcome North Mines Ltd. near Vanderhoof, B.C. The drilling has been conducted within a 1,000 foot by 200 foot epithermal quartz breccia zone. Six other zones of anomalous gold mineralization identified on the property are yet to be drill tested.

Results to date suggest potential for proving-up significant tonnages of near-surface gold reserves extractable by open-pit mining methods. A continuation of the drilling program is planned.

KILLICK GOLD COMPANY LTD. (KLK-V)

ASSAYS EXPECTED SOON FROM - Killick Gold Company Ltd. HIGH GRADE SURFACE SHOWING has started mining an area where surface sampling assayed 0.152 and 0.27 oz. gold/t. The property is on Adams Plateau, 60 miles east of Kamloops, B.C. The mining encountered tetrahedrite in lime gangue. The silver mineralization is expected to be quite strong. Samples are in for assay. The mining is along 40 feet and the mineral is 12 feet thick. Lateral development of the zone will continue. Mining the central portion of the zone will begin. Killick proposes to continue mining until weather forces a stop approximately Oct. 15/87. Then the crew will process the ore in the 50 ton portable lead-zinc-silver-gold flotation concentrator. A crew of 4 is presently mining and hauling ore to the millsite at about sixty tons a day. A report dated 19 Jun 87 by J.J. McDougall, P. Eng., recommends a \$527,000 diamond drilling program of 18,000 feet to test all areas of the claims. The company is considering a joint venture in the diamond drilling and/or flow-through share placement.

MT. CALVERY RESOURCES LTD. (MCY-V)

DIAMOND DRILLING - Diamond drilling will start shortly OF SNIP TO START on the Snip property, Iskut River, 50 miles north of Stewart, B.C. Mt. Calvery Resources has the right to earn a 50% direct property interest by spending \$1,000,000 over a 5-year period. Teck Explorations Limited will act as operator for the project. A budget of \$235,000 has been approved for the 1987 season.

Past exploration outlined a large intense gold soil geochemical anomaly with values in excess of 300 ppb gold measuring 3,000 feet by 900 feet. The anomaly is associated in part with the Blue Ribbon Zone where gold values up to 0.27 ounces of gold per ton occur in a 30 foot wide zone of silification. The horizontal extent of the Blue Ribbon zone is now being explored. (SEE MAP OVERLEAF).

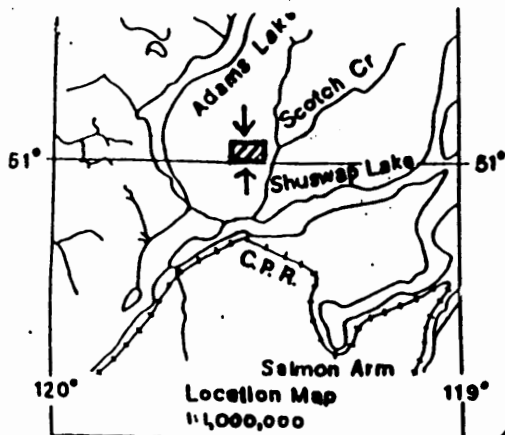
A diamond drill has been mobilized to the property and will proceed to test the Blue Ribbon Zone and other mineralization within the gold geochemical anomaly.

KILLICK GOLD COMPANY LTD.

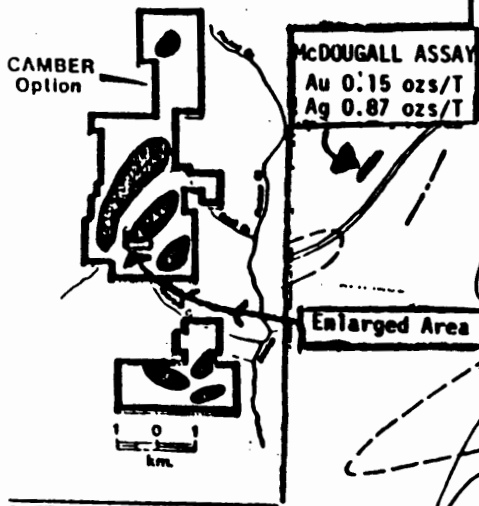
MOSQUITO KING and SPAR PROPERTIES
GEOPHYSICAL COMPILATION

N.T.S. 82M-3,4 KAMLOOPS M.D., B.C.

SCALE 1:5000



COINCIDENTAL GEOPHYSICAL
GEOCHEMICAL ANOMALIES
(Au, Ag, Pb, Zn)



ASSAYS	
NORANDA	KILLICK
Au .27 ozs/T	.152 ozs/T
Ag .24 ozs/T	.38 ozs/T
Pb .12%	.72%
Zn 2.5%	1.65%

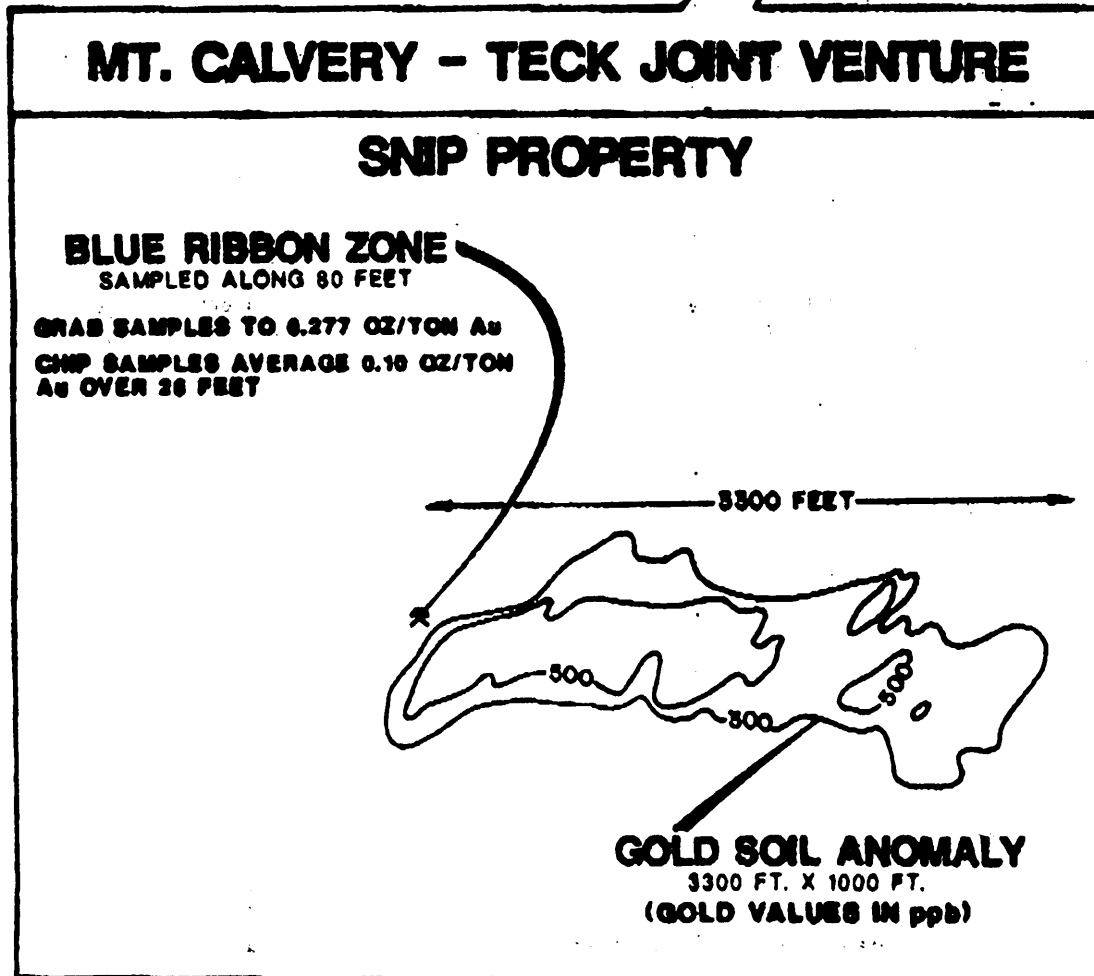
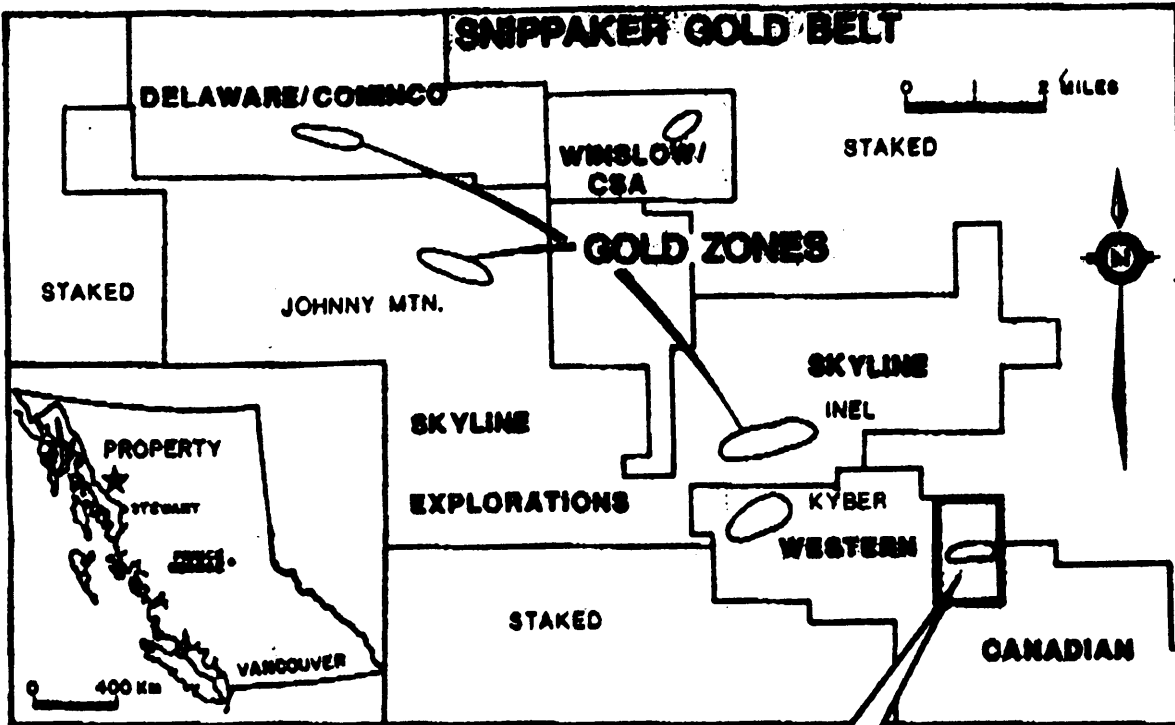
FOX CLAIM BOUNDARY

MK4 CLAIM BOUNDARY

CURRENT MINE SITE

GEOPHYSICAL EXPLORATION

- MUNTEC IP ANOMALIES (1966)
- CRAIGMONT EM-16 (1977)
- ORELL RESOURCES LTD. CROME
- SHOOTBACK EM (5010 Hz) ANOMALIES (1982)
- 208E ● NORANDA EXPLORATION CO LTD (1984) DIGHEM III AIRBORNE EM ANOMALIES anomaly number (NW-SE flight lines) (Sheet 2A)
- 241G ○ NORANDA EXPLORATION CO LTD (1984) DIGHEM III AIRBORNE EM ANOMALIES anomaly number (E-W flight lines) (Sheet 2B)
- NORANDA EXPLORATION CO LTD (1984) MLEM ANOMALIES defined, wide conduct
- DIAMOND DRILL HOLE
- MOSQUITO KING: 1977 1-7 Craigmont Mine Ltd
- SULPHIDES



WESTMIN RESOURCES LIMITED(WTT-V,T)
SILBAK PREMIER MINES LIMITED(SBP-V)
TOURNIGAN MINING EXPLORATIONS LIMITED(TGN-V)
PIONEER METALS CORPORATION(PSM-V)
CANACORD RESOURCES INC.(CQD-T)

	GOLD EQUIV		
	TONNES	OZ. GOLD/T	OZ. SILVER/T @ 1:70
Silbak Premier	5,759,260	0.067	2.70
Big Missouri	2,956,280	0.082	0.63
	8,715,540	0.072	2.00
Contained Ounces	691,700	19,214,200	966,189
MINEABLE ORE RESERVES			
Silbak Premier	5,868,420	0.063	2.34
Big Missouri	1,583,800	0.105	0.86
	7,452,800	0.072	2.03
Contained Ounces	591,500	16,676,900	829,741

FEASIBILITY STUDY RECOMMENDS - Westmin Resources
 PRODUCTION AT 2000 TONNES/DAY Limited has delivered
 AT A CAPITAL COST OF \$76,200,000 feasibility studies to
 Silbak Premier Mines
 Limited, Tournigan Mining Explorations Limited and
 Canacord Resources Inc. regarding development of the
 Silbak and Big Missouri gold/silver properties near
 Stewart, B.C.

Under terms of Silbak Premier's agreement with
 Westmin Resources Limited, Silbak Premier has the option
 of either participate at 50% working interest or
 convert to a 20% net profits interest. Silbak Premier
 has elected to retain a 50% working interest and to
 participate in the joint venture. Westmin has earned a
 100% interest in the Big Missouri property subject to a
 30% net profits carried interest to Tournigan. Canacord
 has earned an 18.75% interest in Westmin's interest in
 both Silbak Premier and Big Missouri properties.

Westmin, Silbak Premier and Canacord have agreed to
 a \$4,000,000 pre-development program which will begin
 immediately. The program will include site preparation
 for a mill, road building, and initial work on
 hydroelectric power development.

The feasibility study contemplates mining ore from
 Silbak Premier in conjunction with ore from Big Missouri
 and processing both ores in a plant on the Silbak
 Premier property.

The feasibility study, based on a milling rate of
 2000 tonnes/day, shows an estimated capital cost of
 \$76,200,000 including contingencies and hydroelectric
 power costs and an average operating cost of
 \$25.11/tonne over the mine life.

The project is expected to produce an average of
 76,000 ounces of gold and 650,000 ounces of silver (or
 an average gold equivalent* of 85,000 ounces per year)
 over the first 5 years. Average cash production costs
 during these first five years will be U.S. \$166/oz for
 gold. At metal prices of U.S. \$400/oz for gold and U.S.
 \$6.50/oz for silver and an exchange rate of \$.75, the
 project is expected to achieve payback in 2.6 years.

The economic viability of increasing the milling
 rate to as high as 3000 tonnes per day is also being
 examined and the final production decision will be made
 once these additional studies are complete. Should a
 decision to proceed to production be made and a

development program commenced in October 1987, mill
 start-up is expected in December of 1988.

The exploration programs are continuing with the
 current focus of diamond drilling at big Missouri, where
 14,000 feet of drilling is in progress to further define
 the four proposed open pit zones and test other
 mineralized zones. The Phase I of drilling at Silbak
 Premier consisted of 22 holes (9,988 feet) in the Glory
 Hole area to test the depth extension of the higher
 grade West zone, and 22 holes (7,196 feet) in numerous
 other zones. Results of drilling on both properties
 indicates an expansion of the mineralized zones.

Pioneer Metals Corporation and Silbak Premier Mines
 Ltd. have reported the controlling shareholders of
 Silbak have accepted an amended offer to purchase
 control of Silbak. The amended offer, as accepted,
 reduced the purchase price for the Class "A" shares
 being purchased from the Block Group to \$4.62 per Class
 "A" share, for an aggregate purchase price of
 \$4,847,340.96 for the 1,049,208 Class "A" shares
 purchased. All other terms of the original offer remain
 the same. The amendment to the offer was made to insure
 that the offer is exempt from the take-over bid
 requirements of the B.C. and Ontario Securities Acts.
 Closing of the transactions took place 31Aug87. Pioneer
 acquired a 50% working interest in the Silbak Premier
 project. (See GCNL NO.167, 140(87) for some details).

TEESHIN RESOURCES LTD.(TEE-V)

UNDERGROUND ASSAYS REPORTED - Teeshin has reported the
 underground work on the
 Boulder zone on the Dome Mountain gold property near
 Smithers, B.C. has completed 576 feet of drifting at 150
 feet below surface and two raises. Three high grade
 sections were encountered along the drift: first, 40
 feet long 2.7 feet wide averaged 0.80 oz.gold/t, plus
 3.6 oz.silver/t; second, 98 feet long, 5.1 feet wide
 average grade 0.67 oz.gold/t, plus 2.69 oz.silver/t and
 third, 104 feet long, 5.2 feet wide average grade 0.43
 oz.gold/t, 1.26 oz.silver/t. Vein widths along the
 drift range from 6 inches to 12 feet. Diluted to a 5
 foot mining width the 426 feet of vein length averages
 0.5 oz. gold/t, 2.36 oz. silver/t.