

George Cross News Letter

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H.Q. MINERALS LTD. (HQ-V)

DORNOCH INTERNATIONAL LTD. (DNI-V)

<u>ZONE</u>	<u>HOLE</u>	<u>INTERVAL</u>	<u>OZ.GOLD/T</u>
Lower St. Joseph Adits	AL88-2	14.5 Feet	0.018
	Includes	1.4	0.034
		0.5	0.106
		3.6	0.025
	AL88-3	12.4	0.015
I P Anomaly	Includes	0.7	0.174
	AL88-4	0.3	0.129
		4.4	
Upper St. Joseph Adits	AL88-6	5.94	0.011

ENCOURAGING GOLD VALUES - In the Aladdin gold project on CUT ON LASQUETI ISLAND Lasqueti Island some 60 miles

WNW of Vancouver, H.Q. Minerals

Ltd. and Dornoch International Ltd., each with 50%

property ownership, have completed the Phase II drilling program, being 1,401 feet of diamond core drilling in 6 holes from 3 set-ups using BQ wireline equipment.

Holes AL88-1,2 and 3 were to test the structure hosting the mineralization in the Lower St. Joseph adits and any parallel structures which may be present. Hole AL88-1 entered the main St. Joseph tunnel at a depth of 130 feet. This was not anticipated as the tunnel is not indicated there on the Lasco mine plan. Hole AL88-2 intersected 3 zones of significant mineralization. One is the St. Joseph zone which is characterized by a 1.3-foot seam of massive magnetite (80%), chalcopryrite (2%) and pyrite (2%) central to the 11.5-foot shear zone. The second mineralized shear zone includes a quartz vein that yielded values in silver, 0.983 oz/ton and in copper, 1.6%, as well as in gold, see table. The third mineralized zone is characterized by 5% magnetite, 2% chalcopryrite and 1% pyrite in 1 mm stringers. A 4-inch quartz vein occurs at the bottom of the intersection. Hole AL88-3 intersected the St. Joseph zone over a core length of 17.4 feet.

Hole AL88-4 was to test an induced polarization anomaly with coincident anomalous gold soil geochemistry about 245 ft. east of the St. Joseph zone. Massive pyrite (80%) and chalcopryrite (5%) were intersected over 4 inches and yielded an assay of 0.129 oz.gold/t. Also, a 4-inch quartz vein with 20% pyrite and 10% chalcopryrite yielded the highest gold assay of the drilling program at 0.408 oz./t. Holes AL88-5 and 6 were to test the structure which hosts mineralization in the Upper St. Joseph adits, see table. No massive sulphide intervals similar to those mined in the adits were encountered.

GERLE GOLD LTD. (GGL-V)

GOLD INVENTORY IN - Reserves, drill indicated and ARIZONA ESTIMATED inferred of 400,000 tons grading 0.06 oz.gold/t available to a stripping ratio of 2 tons of waste to each one ton of ore have been reported from the Gold Dome claims, Frisco property in Mojave county, Arizona. The property is joint ventured with MAHOGANY MINERALS RESOURCES INC. (MOY-V). The reserves are within an area 650 feet long by 200 feet wide which is open to extension along a further 500 feet of strike length. The last hole drilled in the zone returned 65 feet assaying 0.078 oz.gold/t. A drill program is planned in preparation for a feasibility study.

Previous heap-leach operations at the property treated 60,000 tons grading 0.058 oz.gold/t with recoveries of 60% and 70%. As a result of this operation, extensive infrastructure exists at the site. This includes access roads; pit benches partly stripped of waste; leach pads; a large level area prepared for additional pads and equipment; pregnant, barren and over-flow ponds; two water wells and a 150,000-gallon steel tank. The operation remains fully permitted and ready for production.

Gerle holds an option to acquire all of the joint venture option to acquire a 100% interest in the Permit, subject to royalties and to any subsequent mineral leases. Ray A. Hrkac, president of Gerle, said a recent Arizona State Supreme Court ruling may make mineral leases subject to an open bidding system. Therefore, it is not in the best interest of Gerle to make the results of the exploration available to potential competitors. The ruling is being opposed. The prospecting permit remains valid and the ruling does not affect patented or unpatented mining claims.

Elsewhere, a \$1,210,000 underground exploration program has been recommended for Gerle's 100%-owned McConnell Creek gold property, located 150 miles north of Smithers, B.C. The program will include surface trenching and drilling. Metallurgical tests from both trench and drill hole samples have returned excellent results, reporting up to 98.6% recovery of gold by flotation.

SOUTHLANDS MINING CORPORATION (SSM-V)

BULK SAMPLING YIELDS HIGHER - C. Phillip Yeandle,
GOLD VALUES THAN DRILLING president of Southlands
Mining Corporation,

reports that 29.36 ounces of gold were returned by pilot mill testing of 370 tons of gold bearing quartz-phyllite material mined from the first underground crosscut of the main mineralized zone on the Frasergold property east of Quesnel, B.C. This represents an average bulk gold content of 0.08 ounce per ton across 58 feet of gold bearing structure. The structure has been identified by drilling for a strike length of 9,800 feet and is open at both ends. The likelihood of proving up a deposit mineable by open pit method is now significantly enhanced.

Previous diamond drilling across the bulk sampled crosscut returned an average gold content of 0.068 ounce per ton over a hole length of 60 feet at minus 50 degrees which gives a horizontal projection at adit level of 38.6 feet. Previous reverse circulation drilling across the sampled crosscut returned an average gold content of 0.02 oz/ton over a hole length of 92 feet at -50°, giving a horizontal projection of some 60 feet.

At the center of the bulk sampled zone on the south wall where the quartz density is greatest, 6 horizontal channel samples returned the assays shown in the table.

<u>INTERVAL</u>	<u>SAMPLE LENGTH</u>	<u>OZ. GOLD/T</u>
Upper	3.28 feet	0.96
	3.94	1.28
	<u>5.90</u>	<u>0.13</u>
Subtotal	13.12	Average 0.69
Lower	3.60	0.03
	4.26	0.11
	<u>5.90</u>	<u>0.21</u>
Subtotal	13.76	Average 0.13

Total Weighted Average - 0.04 oz. gold/ton over 13.4 feet.

The Campbell report on the Frasergold property for 1987 stated that this part of the property had a strong inferred geological potential of 20,000,000 tons with an average grade of between 0.05 and 0.08 gold per ton. The recently completed bulk sampling programs show that a significant upgrading of bulk tonnage gold values may be expected from this deposit largely due to the nugget effect.

GUNSTEEL RESOURCES INC. (GUN-V)

ORE RESERVES INCREASED - Stan A. Endersby, president of
Gunsteel Resources, reports

that the latest ore reserve estimates received from the company's consultant show a total of 223,700 tons grading 0.331 oz. gold/t, containing 74,100 ounces of gold. This comprises 75,200 tons of proven and probable ore grading 0.464 oz. gold/t and 148,500 tons of marginal and possible ore grading 0.264 oz. gold/t. The reserves were increased partly by ongoing exploration and partly by inclusion of lower grade, previously unmined areas. The figures include reserves on the Nugget, Calhoun, Motherlode, Reno, Fawn and Bonanza veins.

The underground program is concentrating on 5 veins with more to be included as the season progresses. Other work has involved improving the underground haulage and handling facilities, improving ventilation, rehabilitating some caved areas to access additional targets, and constructing some surface facilities to separate waste from ore from the exploration drifting. Preliminary steps are being taken in regard to a production feasibility study. (See GCNL 217,p.1,12Nov87 for previous article and maps).