

George Cross News Letter

NO.69(1988)
APRIL 11, 1988

ESPERANZA EXPLORATIONS LTD. (EEP-V)

PRODUCTION DECISION ANNOUNCED - Production is scheduled FOR GOLD MINE NEAR BURTON, B.C. to start in 1988 on Esperanza's gold property near Burton in SE B.C. President John S. Brock says contracts for design and construction of a 100-ton p/day mill capable of expansion to 300 tons per day will be awarded within 2 weeks. Permits have been applied for. The mill is scheduled for start-up in October this year.

In the first full year of operation the project is forecast to produce 25,000 ounces of gold. Mr. Brock expects other deposits being explored on the property will raise annual production to 41,000 ounces of gold within 2 years. The average grade mined in the first year of operation is estimated to be 0.64 oz.gold/ton. Average mill head grade over the first 5 years of operation is expected to be 0.47 oz.gold/t.

Pre-tax net profits are forecast to be \$30,000,000 from recovery and sale of 173,000 ounces of gold during the first 5 years of mine operation. Operating costs are projected to average C\$129 per ton or C\$302 per ounce of gold produced. All projections use a gold price of US\$430 per ounce.

Production financing of \$2,500,000 has been funded by WELCOME NORTH MINES LTD. (WLN-V), operator of Esperanza. During the year, Welcome North has the right to provide \$3,100,000 more and thereby raise its shareholding in Esperanza to 6,800,000 shares which would be 50.37% of Esperanza's then issued 13,500,000 shares.

Mr. Brock says this season's underground work started in the first week of March with mining crews advancing the 2,050-meter main haulage level and constructing ore passes to areas of shrinkage stope development.

NUSPAR RESOURCES LTD. (NUR-V) has received April 7/88 approval for "Pink Sheets" trading in U.S. Nuspar has been notified that \$300,000 have been transferred from a major international gold buyer, on the sale of 250,000 ounces of gold to be delivered over a period of up to 5 years. Nuspar has arranged for the acquisition of all the equipment to start mining at the 100% owned Mount Vernon property 4 miles SW of Cowichan Lake, Vancouver Island, B.C. where 17 diamond drill holes and bulk samples blasted from trenches indicate a massive low grade ore body. A 5-stage production program is planned starting with an initial run of 10,000 tonnes.

NORTHAIR MINES LTD. (NRM-TV)

HOLE NO.	INTERVAL FEET	GOLD OZ/TON	SILVER OZ/TON	COPPER %
88-403	65.6	0.19	0.40	1.01
88-404	19.7	0.30	0.34	1.12
88-410	6.6	0.13	0.14	0.56
88-411	13.1	0.16	0.39	1.09
88-412	52.5	0.27	0.55	1.36
88-413	13.1	0.32	0.89	2.23

LONG INTERVALS OF GOOD GOLD - Donald A. McLeod reports VALUES CUT NEAR NEW DENVER that the recent underground diamond

drilling program completed at the Willa property 7 miles south of New Denver in SE B.C. encountered 2 extensions to the known West Zone reserves: a southern pipe-like extension (see GCNL 57 p.1, 22Mar88) and a northern extension.

Six holes drilled in the northern extension returned the intersections shown in the table.

Mine geological staff are presently calculating tonnage and grade for the 2 new extensions of the West zone and also for the East and the Main zones. The tonnage resulting from these calculations will be added to mining reserves now being calculated by Wright Engineers.

Due to the expanded potential of all zones, a further underground program has been started. It will include 12,000 feet of diamond drilling designed mainly to further explore and expand these zones.

Property interests are held 70% by Northair and 30% by BP and Rio Algom combined.

GABRIEL RESOURCES INC. (GBI-V)

DRILL CUTS GOOD GOLD - In 1987, Gabriel completed a
IN CARIBOO DISTRICT 20,000-foot percussion drilling
program on its Ahbau Creek prop-
erty in the Cariboo gold camp east of Quesnel, B.C. The
program tested a number of geological, geochemical and
geophysical targets within a two square kilometer area.
Significant gold, silver or other base metal values were
encountered in 126 five-foot sections. The deepest hole,
P-41, bottomed in 15 feet of 0.22 oz.gold/ton at a depth
of 310 feet. Sections assaying greater than 0.1 ounce of
gold per ton are tabulated below.

<u>HOLE</u>	<u>INTERVAL, FT</u>	<u>FOOTAGE</u>	<u>OZ. GOLD/T</u>
P87-16	60-65	5	0.151 ' SEE TABLE OVERLEAF
	70-75	5	0.108 ' for silver, copper
	75-80	5	0.088 ' and zinc values in
P87-22	85-90	5	0.098 ' these holes and
P87-29	7-10	3	1.220 ' for results of
P87-36	240-245	5	0.131 ' sampling in
P87-39	180-185	5	0.104 ' trenches cut in
P87-41	295-310	15	0.220 ' two of these zones
includes		5	0.348 ' and for previous
P87-62	10-15	5	0.113 ' drill results from
----- ' the Discovery			

zone located at the SE end of the major shear.

Drill results show the highest gold concentrations occur in veins located along that NW-trending shear zone. The drilling has also shown 4 more structures which host gold bearing massive sulphide veins in the vicinity of the main shear zone.

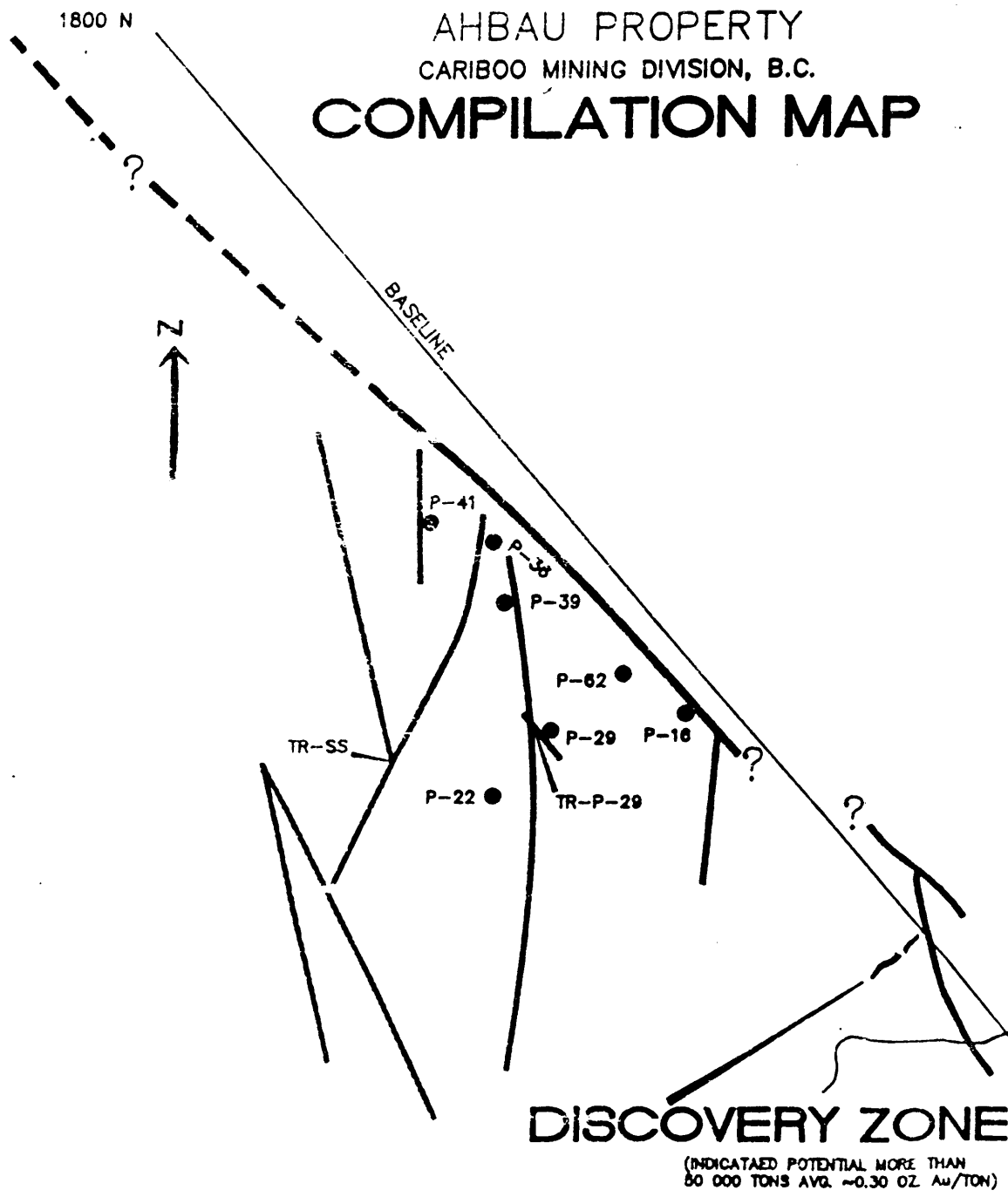
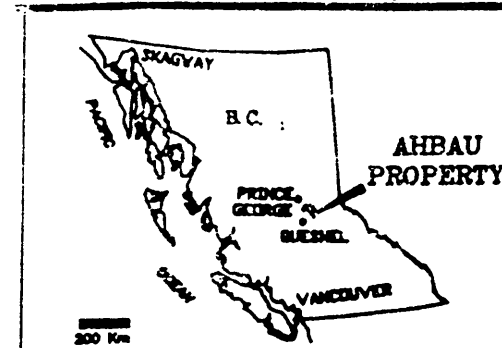
Significant gold mineralization has been found over a horizontal distance of 3200 feet along the major shear. This structure has an inferred length of 6,000 feet and is open to the northwest. To date, 50,000 tons averaging 0.3 oz.gold/t have been indicated in the Discovery zone.

The 1988 exploration program will test the tonnage and economic potential of the newly identified zones. Also, step-out drilling will be conducted on the Discovery zone to prove additional tonnage.

GABRIEL RESOURCES INC.

AHBAU PROPERTY
CARIBOO MINING DIVISION, B.C.

COMPILATION MAP



HOLE NO.	DEPTH (feet)	Gold (oz/t)	Silver (oz/t)	Copper (%)	Zinc (%)
P87-16	60-65	0.151	0.367	0.2	
	70-75	0.103	0.198	0.1	
	75-80	0.086	0.140	0.1	
	85-90	0.098	1.131	0.1	2.1
P87-22	7-10	1.220	0.297	0.3	
P87-29	240-245	0.131	0.204	0.1	
P87-36	180-185	0.104	0.274	0.2	0.3
P87-39	295-310	0.220	0.149	0.1	1.1
includ.	295-300	0.348	0.198	0.1	2.4
P87-62	10-15	0.113	0.225	0.1	0.1

Trench sample results from two of these zones assayed the follows:

TR-P-29	2.9	0.428			
	2.9	0.337			
TR-68	3.3	0.112	0.9	0.25	3.4
	3.3	0.137	0.9	0.27	1.7
	3.3	0.100	0.5	0.11	4.7

Previous drill results received from the Discovery zone, located at the southeast end of the major shear zone, showed economic gold values as listed below:

G87-9	147.0	149.6	2.6 ft	0.30	0.67	0.94
G87-10	57.5	60.1	2.6 ft	0.09	0.62	0.41
G87-26	288.0	293.0	5.0 ft	0.23	0.12	0.35
G87-1	27.0	34.8	7.8 ft	0.29	0.66	0.30
includ.	29.8	32.1	2.3 ft	0.83	1.94	0.65
G87-6	128.0	131.6	3.6 ft	0.39	2.50	1.00
G87-7	64.4	65.4	1.0 ft	0.10	0.30	0.02
G87-8	115.5	118.8	3.3 ft	0.13	2.90	1.00

- P-22 1987 PERCUSSION DRILL HOLES
- DEFINED FAULT
- - - INFERRED FAULT

DISCOVERY ZONE

(INDICATED POTENTIAL MORE THAN 50 000 TONS AVG. ~0.30 OZ. Au/TON)

