

George Cross News Letter

NO.149(1988)
AUGUST 4, 1988

REA GOLD CORPORATION (REG-V, T: REOGF-Nasdaq)

PROTON SYSTEMS AWARDED MILL CONTRACT - Rea Gold has been notified by the joint venture partner Minnova Inc. that Proton Systems Ltd. has been awarded the contract to design and construct the mill and ancillary facilities for the Samatsum silver mine, 35 miles northeast of Kamloops, B.C. Work started on July 28, 1988. The contract is for engineering, procurement and construction management of a mill with a capacity of 465 tons per day. Concurrently, development of the open pit and tailings facilities are underway, however, these aspects of the project are being handled in-house and by other consultants. Rea Gold has a 30% working interest plus a 5% net smelter royalty. Minnova, the operator, has a 70% working interest.

A critical review of the conceptual engineering has started. This review, along with the information required for the application of permits, roads and power lines, is the priority so that construction on site may start about Sept. 15 for completion by May 15, 1989. It is anticipated the mill will be commissioned and fully operational by June 15, 1989, all subject to government permits being granted on a timely basis.

IMPERIAL METALS CORPORATION (IPM-V, T, M)

PHASE 1 EXPLORATION AT - Imperial Metals Corporation has CARIBOO BELL COMPLETED completed phase 1 of a \$1,000,000 exploration program at the 13,300 acre Cariboo Bell property located between Polley Lake and Bootjack Lake, 56 km northeast of Williams Lake near Likely, B.C., Cariboo Bell is a porphyry deposit where six copper zones have been outlined. Phase 1 completed detailed geologic mapping and rock chip sampling on the central zone. Trenching in the vicinity of previous drilling outlined extensions to the gold mineralization encountered in drill holes. A total of 6,162 feet of diamond drilling has been completed in 42 holes with assays expected shortly.

A 15,000 foot diamond drill program will start in the Fall to further test the gold rich zones. Ore reserves currently stand at 128,000 tons grading 0.31% copper and 0.012 oz. gold/ton.

Imperial has earned a 17% interest in Cariboo Bell, which may be increased to 29.89% through further spending. Golden North holds 38.41% and the remainder is held by other Imperial Group entities.

OSLER RESOURCES INC. (OSL-V) has terminated the agreement with Telogos International Inc. to provide the capital to build and make operational the four ED FM radio stations in Washington and Oregon. The necessary capital funds were not available. It is anticipated that other projects in videovision and associated fields will be pursued at a later date. Dr. J. Kramer will not be continuing as a director. Osler has acquired the Gillies 3 mining claim near Adams Lake, Kamloops, B.C. from Grant Howes for 100,000 shares.

BULLION RANGE EXPLORATION CORP. LTD. (BIW-V)

ACCESS ROAD COMPLETED - Stewart Meek, president, reports that Bullion Range Exploration Corporation Limited has been advised by Nevin Sadlier-Brown Goodbrand, project managers, that the access road to the Debbie properties, outside Nelson, B.C., has been completed. While constructing the road the bulldozer uncovered 6 anomalous zones. Samples taken from these zones are in for assay with Chemex Labs. Drilling in these zones will start in August, after the geological and geo-chemical data is analyzed.

ARMADA GOLD AND MINERALS LTD. (ARM-V) has started phase 1 exploration on the 171 unit, 10,550 acre Horsefly property in the Horsefly area, Cariboo Mining Division, B.C., adjoining the Frasergold property. The program will test for gold values in the black phyllite horizon and stratabound mineralization.