

George Cross News Letter

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ADASTRAL RESOURCES LTD. (ASA-V)

YUKON DRILL PROGRAM UNDERWAY- At MacAuley Creek, 65 miles south of Whitehorse, 14

miles south of the Total Erickson's shut down Wheaton River mine, Yukon, Adastral Resources drill program was impeded by a shortage of drill water. A pipeline has been installed. Drilling is continuing. J.R. Woodcock, chief executive officer said short drill holes from the upper pad on the Discovery prospect show that the steeply dipping zone of alteration and mineralization is about 100 feet wide and is almost completely oxidized below the surface exposures to depths greater than 100 feet. Samples of the oxidized rock have been submitted for assay. The drill has been moved to a lower pad where deeper holes will explore for fresh sulphides.

Prospecting along the Mouse zone, approximately one mile from the Discovery, has confirmed previous reports of high grade float. A grab sample of the better mineralized float returned 641 oz.silver/t with 0.93 oz.gold/t; other grab samples returned 98 oz.silver/t with 0.368 oz.gold/t and 27.5 oz.silver/t with 0.012 oz.gold/t. Samples of an exposed alteration zone were sent for assay. Surface exploration continues.

At the Kusp property near Naskusp southern B.C. the initial geophysical-geochemical program is complete. The VLF-EM anomaly has been traced for 1200 meters and is open at both ends. Lying along the anomaly is the previously drilled silver-lead-zinc site, intermittent geochemical anomalies and several exposures of alteration. Further work is planned.

FARGO RESOURCES LIMITED (FR-V)

EXPLORATION PROGRAM TO PROCEED- Fargo Resources Limited reports the decision by its joint venture partner, Brenda Mines Ltd., to proceed with a \$600,000 advanced exploration program on Fargo's Lang Bay kaolin project near Powell River, B.C.

The planned work program calls for some 17,000 ft. of diamond drilling to bring inferred reserves into the proven category, geophysics to test the potential of the rest of the claim group and a detailed marketing study.

The decision to proceed with the work at Lang Bay follows several months of intensive work by the joint-venture related to the beneficiation of the Lang Bay kaolin. A factor in this decision was the receipt of positive results from a program by MacMillan Bloedel Research designed to test the usefulness of the Lang Bay kaolin as a mineral filler in the manufacture of paper.

Brenda Mines can earn a 50% interest by providing 100% of the exploration and development costs thru production.

EASTFIELD RESOURCES LTD. (ETF-V)

INDATA PROGRESS REPORTED- Eastfield Resources Ltd.

reports that 23 drill holes have been completed at the Indata project, 120 miles north of Fort St. James, B.C. The drill holes are located along 1.5 km of a mineralized structure outlined by geochemical and geophysical anomalies. The minimum distance between drill holes is 40 meters. Observation of the core revealed the structure was intersected in at least 20 of the holes. The structure comprises a fault system within which quartz-sulphide vein systems occur. Drill intercepts vary from 0.5 to 6 meters. Assay results are anticipated by the end of August or early September. IMPERIAL METALS CORPORATION (IPM-V,T,M) provided 30% of the funds for the program to maintain its 30% interest in the property. (See GCNL No.121, p.2, 23Jun88 for more detail, and also No.73, 15Apr88).

The company has expanded the Indata property by staking 60 units as well as acquiring a new property to the north. Follow up of geochemical anomalies on these claims is now beginning.

TUNGCO RESOURCES CORPORATION (TNG-V)

ISKUT RIVER DRILL PROGRAM STARTS - Kevin C. Whelan, president has

reported Tungco has negotiated a flow-through share financing with NIM Resource for 757,692 shares at 52¢ each to provide \$393,000, subject to regulatory approval. The funds will be used to drill the Waratah property, 8 km northwest of the Delaware/Cominco Snip property, in the Iskut River gold camp, 100 km north of Stewart, B.C. Drilling was scheduled to start Aug. 9, 1988. The drill is collared on the Number 7 vein and site preparation as well as the construction of drill pads on additional targets is now underway.

LUCKY 7 EXPLORATION LTD. (LKS-V)

HUNTINGTON AREA GOLD PROJECT REVIEWED - A public

offering of 500,000 shares at 60¢ each has been completed and the stock is now listed on the Vancouver Stock Exchange under the symbols LKS.

Lucky 7 Exploration holds through option and staking two properties in the Vernon Mining Division of B.C. These properties, which include the old White Elephant Mine where past production yielded 2,030 oz. gold and 306 oz. silver from 5,300 tons, are both located south east and along the projected strike of the recent Huntington Resources discovery.

Since optioning the White Elephant property Lucky 7 has geologically mapped it and carried out soil geochem, V.L.F., ground magnetometer and I.P. surveys.

This work has identified a 570 meter long zone striking in a NW-SE direction containing anomalous gold soil values that coincide with a resistivity low and V.L.F. conductor. Within this zone lies the old mine workings where prior to shutdown in 1935 a 7 ft. ore shoot grading 0.37 oz/ton gold was picked up on the lowest (300 ft) level. Grab samples from barren looking veins on the same level yielded 0.66 oz. gold/ton.

On the Golden Elephant claim, staked 2 km to the north-east, soil sampling on lines spaced 200 meters apart has returned a high values of 230 parts per billion gold.

A program of detailed follow-up soil sampling combined with geophysics and backhoe trenching is planned for the Golden Elephant claim while backhoe trenching followed by diamond drilling is scheduled for the White Elephant property. Both programs will start immediately.

Lucky 7 Exploration also has under option the 33 unit Ni property located 40 kms south of Port Alberni on Vancouver Island. Soil sampling on the west side of the Nitinat River has identified a strong silver-lead-zinc anomaly that can be traced over 1.1 km in a NW-SE direction. Soil values range up to 41.6 parts per million gold, 2690 ppm lead, 4320 ppm zinc and 400 parts per billion gold.

A chip sample from a showing on strike with the soil anomaly but 400 meters southeast of it has been reported at 0.050 oz. gold/ton; 4.86 oz. silver/ton; 0.22% copper; 7.22% lead and 10.90% zinc over 2.13 meters.

Work planned for 1988 includes mapping and geophysical surveys followed by backhoe trenching and diamond drilling.

VANANDA GOLD LTD. (VAG-V)

EXPLORATION UNDERWAY ON TEXADA ISLAND- The joint venture B.C. FOLLOWING DEAL WITH MAJOR agreement has been completed between

Vananda Gold and Freeport-McMoran Gold Company, who can earn a 51% interest in Vananda's Texada Island property by making cash payments of \$250,000 and \$1,300,000 of exploration expenditures over four years. Vananda has received a \$50,000 cash payment to date. Freeport can increase their 51% to 70% by further cash payments of \$250,000 and \$1,300,000 in exploration over two years.

Freeport has indicated that they will spend \$500,000 on exploration during the 1988 program. An airborne geophysical program including a magnetometer and VLF-EM survey in conjunction with appropriate ground mapping and trenching is underway in addition to a \$200,000 diamond drilling program on selected targets.

IRON RIVER RESOURCES LTD. (IRN-V)

DRILL PROGRAM PLANNED- D.P. Berkshire, president reported that Iron River Resources has

been informed by Noranda of the completion of 5.5 km of induced polarization survey on the Forbidden Plateau property near Mt. Washington, Vancouver Island, B.C. The survey tested the Upper and Lower Divers Lake, copper, silver arsenic, and gold soil geochemical anomalies. A single line of induced polarization across the El Nora zone tested the zone response to this type of survey.

Plotting and interpretation of the survey is underway and indications are that coincident geochemical/geophysical anomalies exist which warrant drill testing. Noranda plans to complete a minimum of 400 meters of diamond drilling. Tenders have been called.

INTERNATIONAL COAST MINERALS CORPORATION (INK-V)

PILOT MILL TEST PLANNED AT KENNEDY LAKE PROJECT

International Coast Minerals has negotiated a flow through private placement to raise \$125,000 through NIM Resources. An application for listing on the Montreal Stock Exchange has been made.

Larry Kartio, milling consultant, has been retained to assemble a pilot test mill on the company's property at Kennedy Lake, Vancouver Island, B.C. International Coast Minerals plans to process up to 500 tons grading between 1 and 2 oz. gold per ton in the first phase of testing. The company now has phase B exploration underway on the Kennedy Lake property at a cost of \$1,084,500.

ATLANTA GOLD CORPORATION (AAG-V)

ATLANTA RESERVE INCREASED- The 1988 drilling program on the Atlanta project in Elmore county, Idaho, is progressing ahead of schedule with better than anticipated results in the East Pit.

In addition to approximately 300,000 tons of ore converted from probable to proven, the program has improved the grade near the bottom of the reserve in structures extending away from the main mineralized zone. The total proven reserves in the East Pit have been increased from 7,400,000 tons at 0.070 oz.gold/t to 9,180,000 tons at 0.072 oz.gold/t. This increases the total gold contained from 518,000 oz. to 661,000 oz. adding at least another 2 years to the life of the mine. The orebody also contains approximately 1,800,000 oz.silver/t. Drilling is continuing in the East Pit area. Results indicate the possibility of another substantial increase in reserves.

The West Pit has a proven reserve of 1,300,000 tons of ore at 0.051 oz.gold/t and 0.087 oz.silver/t. Approximately one-third of the 7,644 feet of drilling planned for the West Pit area has been completed and results have indicated an improved reserve which will result in an enlarged pit design. The most important results obtained were:

<u>TRUE WIDTH, FT</u>	<u>OZ. GOLD/T</u>	
10.00	0.141	' Results have inferred a
5.00	.227	' block of 170,000 tons of
7.75	.392	' ore having a grade of
1.00	1.580	' 0.38 oz.gold/t. This ore
4.50	1.797	' occurs below any eleva-
11.00	.107	' tion previously tested by
		' drilling. Further deep
		' drilling is planned.

The company has received several joint venture proposals. None have been accepted. As at 30Jun88 Atlanta had in excess of \$3,700,000 in the treasury.

The drilling program for the Moon gold property, near Bishop, California, is scheduled to begin in mid-August.

In June, Atlanta Gold Corporation entered into an agreement with Quartz Creek Gold Mines (B.C.) Inc. and with Western Harvest SeaFarms Ltd. for an option to acquire a 50% undivided interest in the Why mineral claims near Vernon, B.C.

TUNGCO RESOURCES CORPORATION (TWG-V) by agreement dated 11Jul88 between the company and the Iskut Gold Syndicate, the company will acquire a 100% undivided interest in certain mineral claims located in the Liard Mining Division of B.C. for payment of \$112,000 upon execution of the agreement and the issuance of 200,000 shares over a three phase exploration and development program.

EQUITY SILVER MINES LIMITED (EST-V,T)

<u>SIX MONTHS ENDED 30 JUNE</u>	<u>1988</u>	<u>1987</u>
Revenues	\$43,235,000	\$45,494,000
Net Earnings	3,636,000	5,526,000
Per Share	11¢	19¢
Cash Flow	21,682,000	5,142,000
Cash Balance	22,140,000	3,723,000

PRODUCTION UP- President A.J. Petrina said sales revenue from silver, copper and gold improved over those of 1987 due to higher production, stronger copper and gold prices and lower smelter charges. He said the mining of higher grade ore resulted in a 12% increase in silver production and a 5.6% increase in copper production. Gold output improved 24%, primarily due to increased efficiencies and better recoveries in the gold scavenger plant.

Petrina said the results include a provision for \$1,850,000 to meet the mine's post-closure costs. The 1987 results include an after-tax gain of \$7,319,000 from the settlement of the silver sale agreement with Placer Dome Inc.

Development of the Waterline zone was started and ore from this source is expected to begin supplementing production from the Main zone in the third quarter. Proven ore reserves in the Waterline zone are estimated at 2,956,000 tons at 2.22 oz.silver/ton, 0.035 oz.gold/t and 0.30% copper. Below the Main zone and the old Southern Trail pits, 15,000 feet of diamond drilling is planned to confirm and possible expand reserves.

FORMOSA RESOURCES CORPORATION (FSA-V) has acquired an option to acquire a 75% joint venture interest in 6 mineral claims in the Nelson Mining Division, B.C. from Golden Eye Minerals Ltd. for cash payments totalling \$50,000 and by spending \$350,000 on the property by 15Jun91. Formosa can obtain an additional 15% interest by making a further \$50,000 payment and incurring \$250,000 in expenditures on the property by 15Jun92.

Formosa has also signed an agreement with Consolidated Player Resources Inc. to purchase 100% interest in 14 mineral claims near Nelson, B.C. for cash payments totalling \$500,000 over 9 years. Player retains a 5% net profits royalty. The ore being sought is primarily gold. Exploration will start immediately.