

George Cross News Letter

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RHYOLITE RESOURCES INC. (RHY-V)

POLESTAR EXPLORATION INC. (PSE-V)

NEAR SURFACE GOLD SHOWS- Polestar Exploration has TO BE FURTHER EXPLORED agreed to acquire 50% of Rhyolite's interest to explore for near surface gold mineralization on the 14 claim Yew properties on the north end of Texada Island, B.C. These rights have been specifically excluded from Rhyolite's joint venture agreement with Echo Bay Mines for the balance of the property. To acquire the interest Polestar must purchase by private placement 250,000 units of Rhyolite at 20¢ each with warrants to purchase a further 250,000 shares at 25¢ for one year, and complete \$200,000 worth of exploration on the property, with Polestar as operator during the expenditure of the \$200,000. Rhyolite will be the operator of the joint venture and will make available the 100 ton per day capacity concentrator on a custom milling basis.

Rhyolite has also agreed to acquire two groups of claims which are contiguous with the company's large acreage on Texada Island. The Tex, Ada, Ada fraction, Bay, Gold 1 and Gold 2 claims were purchased for 100,000 shares of Rhyolite. The vendor retains a 5% net profit interest and a third party is entitled to a 1.25% net smelter return royalty. The R.A.M., Westgate fraction and Retriever crown grants were purchased outright for \$5,000 and 80,000 shares of Rhyolite. These purchases reinforce Rhyolite's position as the dominant holder of claims on the north end of Texada Island.

KLEENA KLEENE GOLD MINES LTD. (KKE-V)

PROGRESS REPORTED- Michael Hretchka, president of Kleena Kleene Gold Mines Ltd. reports that underground exploration resumed at the end of June 1988 on the 100% owned Perkins Peak gold-silver property located 140 miles west of Williams Lake, B.C. As of Aug. 10, 1988, the production sized adit at 6,450 feet elevation has been advanced by 200 feet to 1810 feet from the portal, and will be extended to 1860 feet. From this point core drilling will be carried out with further drilling from a station 1300 feet from the portal. For the balance of 1988 the company intends to continue exploration by drifting to the east and west for 300 feet on the footwall side of the 7 foot mineralized zone encountered in 1986 at 900 feet from the portal. The zone graded 0.34 oz.gold/ton across the 7 ft. true width striking east 20 degrees south and dipping 70 degrees to the south.

Preliminary metallurgical test work suggests at a grind of 65 mesh about 96% of the gold is recoverable by flotation concentration at a ratio of about 6 to 1. At 400 mesh, 87% of the contained gold goes into solution with cyanide in 4 hours, and recovery could be increased to 92%. The company has a potential plant site 7 miles from the portal.

RITZ RESOURCES LTD. (RTZ-V) has acquired Suncor Inc.'s interest in five claim blocks located in the Omica Mining Division, B.C., for \$25,000 and 75,000 shares.

ROJOLL EXPLORATIONS LTD. (RJL-V) reports that 159,000 warrants attached to a private placement completed last year have been exercised at 70¢ each for net proceeds of \$111,300.

CANADIAN-UNITED MINERALS, INC. (CUN-V)

<u>HOLE</u>	<u>INTERVAL FT.</u>	<u>WIDTH</u>	<u>OZ. SILVER/T</u>	<u>ZINC %</u>	<u>LEAD %</u>
FW88-25	86.6-148.9	62.3 ft.	6.04	0.77	0.52
includes	89.9-126.0	36.1	9.24	1.11	.77
and	99.7-109.6	9.9	16.33	1.98	1.50
FW88-26	406.8-423.2	16.4	1.69	3.83	4.02

DRILLING RESULTS REPORTED - Canadian-United Minerals, Inc. reports further assay results from diamond drilling on its 100% owned Fireweed project near Smithers, B.C. Holes FW88-25 and 26 were drilled on the Fireweed West zone; No. 25 represents a 160 ft. step out to the west from Hole FW88-24 (reported in GCNL No.153, p.3, 10Aug88). FW88-26 intersected the zone 170 ft. down dip from FW88-22 (82 ft. of 9.57 oz. silver/t), which extends the mineralized horizon to a depth of 285 feet. Drilling is continuing.

WESTERN CANADIAN MINING CORPORATION (WCXD-V)

ADDITIONAL SULPHURETS PROPERTY OPTIONED- A.A.Burgoyne, general manager has reported Western Canadian Mining has acquired an option to earn a 50% interest in the Tedray 13 claims, located in the Sulphurets Creek area, 40 miles north of Stewart, B.C. from NEWHAWK GOLD MINES LTD. (NHG-V). To earn the interest Western Canadian must spend \$500,000 on exploration by Dec.31,1990.

The Tedray claims are located south of Sulphurets Creek adjoining the northern edge of the Kerr gold-copper property of Western Canadian Mining where a 11,000 foot drilling program is currently being undertaken to evaluate three gold zones.

Previous work on the Tedray 13 claim was reported in 1980. A showing known as the Bornite zone is reported to be 16 feet wide and grades 0.08 oz.gold/t and 1.11% copper.

A program is underway of grid preparation, soil and rock sampling, geological mapping and geophysical surveys.

BARD SILVER & GOLD LTD. (BDS-V) reports that a detailed geophysical and geological survey is planned for the Bob Creek property south of Houston, B.C. The survey, to be conducted by Royalstar Resources Ltd. at a cost of about \$98,000, will attempt to determine structural trends and sulphide concentrations as possible sites for gold mineralization. Follow-up work will include a 3,000 meter diamond drill program, aimed at defining a bulk mineable gold deposit.

SULPHURETS GOLD CORPORATION (SLE-V)

FUNDING AGREEMENT NEGOTIATED- Sulphurets Gold Corporation has completed an agreement wherunder CLIFTON RESOURCES LIMITED (CLF-V) can earn a 5% interest in the Kerr property, 30 miles north of Stewart, B.C. in return for financing \$150,000 in exploration expenditures subject to regulatory approvals. Sulphurets has the right to repurchase the 5% interest by paying to Clifton 200,000 shares at 75¢ per share and a non-transferable share purchase warrant entitling Clifton to purchase 100,000 additional shares, at \$1.25 per share at any time prior to 20Mar89.

On 21Jun88, a crew of 21 was mobilized to the Kerr property. Extensive rock sampling, geological mapping and seventeen diamond drill holes comprising 2608 meters have been completed. Core samples are currently being assayed. Approximately 1200 meters of drilling are yet to be completed.

On the Crown Point mine property at Rossland, B.C., geological mapping, geophysical and geochemical surveys have been completed. Analysis of data obtained from these surveys is in progress with a view to defining drill targets. The objective of diamond drilling will be to discover an ore body similar to that of the Le Roi Mine, which produced approximately 2,900,000 oz. gold between 1891 and 1941. The company has been actively acquiring other ground in the Rossland gold camp.

VICTORIA RESOURCE CORPORATION (VIT-V)

FALCONBRIDGE OPTIONS- Victoria Resource Corporation ADAMS PLATEAU PROPERTY has agreed to an option proposal from Falconbridge Limited to joint venture Victoria's Birk Creek property (formerly Percy-Bluff), located in the Adams Plateau area, 50 mi. northeast of Kamloops and about 15 km northwest of Rea Gold-Minnova deposit. Subject to regulatory approval, Falconbridge can earn a 60% interest in the property by spending \$1,000,000 on the property through 1994. Several zones of massive and disseminated sulphides have been found consisting of massive pyrite zones with low base metals values and massive zinc sulphides carrying up to 12% zinc with minor precious and copper-lead values.

CHROMEX NICKEL MINES LTD. (CXN-V) owns about 52% of the 3,669,330 issued shares of Kleen Kleene and has a 60% interest in 213 claims adjoining the Perkins Peak property. Chromex Nickel Mines continues to hold 100% of a nickel prospect near Christina Lake, southern B.C. where no further work is currently planned.