

George Cross News Letter

NO.243(1988)
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ROCHESTER MINERALS INC. (ROR-V)

FUNDING SOUGHT FOR FURTHER - Victor F. Erickson, president
DRILLING AT STUMP LAKE Rochester Minerals Inc. has
obtained an extension on
the option to acquire the Stump Lake project near
Merritt B.C. and is seeking a joint venture partner to
further drill the ground. Diplomat Resources Inc.
recently completed a 4-hole, 600 meter diamond drilling
program on the Mary Reynolds property near Merritt, B.C.
and subsequently relinquished their option to Rochester.

Drilling indicated that low gold values persist to
depth within a strong epithermal system. Significant
ones of silicified and carbonate altered greenstone
carrying anomalous gold values were intersected in three
of the four holes. For example DDH MR88-3 intersected
5.4 and 7.5 meter zones of silicified greenstone. The
wider intercept averaged 1.1 grams gold/ton (0.038 oz.
gold/t) and 2.9 grams silver/t (0.1 oz. silver/t). This
hole was collared under a pit from which a sample assayed
10.2 g. gold/t (0.35 oz. gold/t). Evidence suggests that
mineralization is consistent with that normally found at
relatively high levels in a typical epithermal system.

Mr. Erickson concludes a second deeper drilling
program is required to complete testing of the prospect.

CASAU EXPLORATION LTD. (CUX-V)

PROPERTY CONSOLIDATION REPORTED - J.C. Stephen, president
reports it has been
deemed prudent, due to poor market conditions, to
consolidate property holdings, eliminating the expendi-
tures that could put a strain on company finances, as
follows: the proposed agreement with Petro Canada on the
Astro project has not been signed and Casau has quit
claimed any interest in the property; the option
agreement with Area Exploration is being terminated; the
Eagle property in the Cassiar area of B.C., the Bragg
Newman property, Casa Berdardi area, Ontario, and Casau's
interest in the Whiteman Creek joint venture near Vernon
B.C., are to be held and are all in good standing.

The company feels this consolidation will allow it
to concentrate on an active exploration program, broaden-

INTERNATIONAL VESTOR RESOURCES LTD. (IVS-V)

PACIFIC CASSIAR LIMITED (PFL.A-T)

QUINTERRA RESOURCES INC. (QUA-V)

CHU CHUA RESERVES REPORTED

Drill indicated 2,800,000 tons grading 2% copper
Including

Open pit	table reserves	785,000 tons	grading	3.1% copper	J. Michael
HOLE	INTERVAL, FT.	INTERCEPT	% COPPER		
CC 16*	139.7-205.3	65.6 ft.	4.14	'Kenyon, a	
CC 17*	47.8-139.4	91.5	3.35	'director of	
18	168.2-187.6	19.4	4.52	'International	
19	77.0-159.0	82.0	4.13	'Vestor Resour-	
20	50.8- 85.3	34.5	2.34	'ces reports	
	205.6-253.9	48.3	2.69	'that the drill	
	277.5-287.0	9.5	2.28	'indicated open	
21	47.5- 50.8	3.3	3.97	'pittable res-	
	105.0-110.5	5.5	2.32	'erve calculat-	
	185.3-221.7	36.4	2.89	'ion for the	
22	66.2-100.0	33.8	2.00	'central port-	
	139.4-232.9	93.5	4.25	'of the Chu	
23	53.5- 73.1	19.6	2.25	'Chua massive	
	103.3-120.0	16.7	2.61	'sulphide dep-	
24	123.0-163.3	40.3	2.15	'osit 80 km	
25	47.5- 96.8	49.3	3.25	'north of	
26	100.0-165.5	65.0	2.62	'Kamloops, B.C.	
27	154.2-206.0	51.8	3.35	'has been	
28	122.3-138.0	15.7	2.13	'provided by	
29	249.3-257.8	8.5	5.60	'Minnova Inc.	
30	46.9- 95.1	48.2	4.59	'After Minnova	

* from previous drilling programs

' earns its 50% interest,

International Vestor, Pacific Cassiar Limited and
Quinterra Resources Inc. will each hold a 16.6% interest
and a 1% net smelter return. The pit reserves are
calculated to a depth limit of 325 feet and with a
minimum 2% copper cut-off grade over a 6.5 ft. width. A
complete tabulation of all the holes within the 560 foot
higher grade core area is in the table above. A smaller
tonnage of higher grade copper is available within this
reserve. Further close spaced drilling and stripping
will be necessary to define additional reserves. This
zone is open to extension in both directions. Zinc,
gold, silver, and cobalt values in this reserve have not
yet been calculated.

No further data is available on the estimated
520,000 tons of magnetite nor on the approximate 165,000
tons of talc, both of which are potentially available
with a shallow pit.

QUEENSTAKE RESOURCES LTD. (QYR-T)

PLACER ACQUISITIONS REPORTED - Gordon C. Gutrath,
president reports that

Queenstake Resources Ltd. has entered into a series of agreements, subject to regulatory approval, to purchase equipment and a property option from 2710 Investments Ltd., Irving Enterprises Ltd. and CARNES CREEK EXPLORATION LTD. (CSK-V, suspended). The Spruce Creek project is 9 miles east of Atlin, B.C. and 6 miles from Queenstake's Pine Creek operating placer mine. In 1987, Carnes Creek carried out an extensive program of geological and geophysical surveys as well as bulk sampling and reverse circulation drilling, at a cost of some \$1,500,000. This work located new exploration targets and provided a data base for ongoing exploration and development work planned for 1989. Spruce Creek has been the most significant placer gold producer in the Atlin camp with an estimated 300,000 ounces of production. The majority of production came from underground workings in a gold-bearing tertiary channel that extends 3,300 m (10,800 ft.) under the entire length that Queenstake has under option.

Queenstake has acquired all production equipment including a 15 man camp. The company will issue 284,151 shares, currently valued at \$332,456, make \$345,000 in phased payments in 1988 and 1989, and assume certain obligations of the vendors. The production unit is part of 2710 Investments Ltd.'s property and is subject to a final payout of \$400,000 from 25% of net profits, and Irving Enterprises Inc. have a royalty ranging from 4% to 6%, depending on the price of gold, with an end price of \$1,170,000.

The more exploratory portion of the property is a joint venture between Carnes and Queenstake. Upon spending \$50,000 on exploration and a further \$100,000 on the property in 1989, Queenstake will acquire a 60% working interest, and will be the operator. Carnes will have a 40% working interest. The property is subject to a 5% gross royalty with an end price of \$475,000.

Queenstake's objective for Spruce Creek in 1989 is to expand the present production unit and carry out a phased exploration program to increase reserves.

BOOKER GOLD EXPLORATIONS LTD. (BGE-V) plans to test the diamond drilling Vidette property located north of Kamloops, B.C. The company has reserved 45,000 shares for options at 40¢ per share for two years.

CANADIAN-UNITED MINERALS INC. (CUN-V)

FIREWEED DRILL PROGRAM PROGRESS REPORT- Michael Callahan, president, reports that drilling on Canadian-United Minerals Inc.'s 100% owned Fireweed property near Smithers, B.C. is advancing well. A total of 24,000 feet of diamond drilling is planned and some 10,000 feet have been completed since the program began on 23Nov88. All 18 holes drilled to date have confirmed the continuity of mineralization between previous holes and at depth on the silver-zinc-lead horizon in the West zone, and all have shown visible sulphide mineralization in the core. Assay results are expected to be released early in 1989.

Drilling will be halted from December 17 until January 4 for the Christmas season. When drilling starts in January two drills will be used and the remaining footage should be completed by the end of January. A portion of the drilling will focus on the East zone, 1.5 miles along strike from the West zone. The East zone is defined by geophysical anomaly over 0.75 miles long that has been tested by three holes previously. Near massive sulphide horizons were encountered in these holes with significant copper-silver-gold values. Two other zones not previously drilled will be tested as part of this program. Further geophysical work is also planned.

Canadian-United expects to focus substantial effort on the Fireweed property in 1989. Up to \$5,000,000 in funding has been arranged for work on this property over the next two years. (SEE GCNL NO.182, 228, 230).

CHAPLEAU RESOURCES LTD.(CHI-V)

GUNSTEEL RESOURCES INC.(GUN-V)

<u>HOLE NO.</u>	<u>LENGTH</u>	<u>COPPER</u>	<u>OZ.GOLD/T</u>	<u>Mark D.Best, president,</u>
No.88- 3	13.8 M	0.09%	-	of Chapleau has reported
No.88- 4	21.2	.5		assay results from the
No.88-10	1.2		0.1	1988 diamond drilling
No.88-12	1.6	1.0		program on the Purcell
No.88-13	4.1	1.7		property located near
No.88-15	35.7	.41		<u>Cranbrook, B.C. and</u>

-----held jointly with Gunsteel Resources. The companies have completed 8,350 feet of diamond drilling 21 holes at a cost of \$475,000. The holes tested 15% of the known precious metal structures on the property. Gold values of 0.045 oz.gold/t, weighted average, were obtained throughout the anomalous zones in 11 of 18 holes sampled. Preliminary geological inventory indicates the potential for developing reserves containing gold and copper in the 1% range. The quartz/syenite zone is 400 meters in strike length with copper values to 130 meters in depth drilled to date. Assays are awaited from three further holes.

Chapleau expects to carry out an extensive deep drilling program in 1989.

Chapleau has started a drilling program on the Keen - Last Chance property in the Slocan area, B.C. Three holes have confirmed the geochemical anomalies delineating the NE striking main shear zone. Drilling at present is testing at depth the full potential of the ore shoot developed from the upper adit. The newly discovered Black Bear adit has revealed a strikingly similar geological setting to that found on the Cork Province Mines to the south of the property. This property has the potential for a moderate tonnage lead, zinc, silver and copper deposit.