

# George Cross News Letter

NO.244(1988)  
DECEMBER 20, 1988

## VANANDA GOLD LTD. (VAG-V)

<u>HOLE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>GOLD</u>	<u>SILVER</u>	<u>COPPER</u>	<u>'Stanley Beale</u>
	<u>FEET</u>	<u>FEET</u>	<u>OZ/T</u>	<u>OZ/T</u>	<u>%</u>	<u>'president of</u>
T88-1	748.7-768.0	19.3	0.212	0.85	1.60	'Vananda Gold
	791.3-799.5	8.2	.416	2.65	5.92	'reports that
T88-3	889.4-902.9	13.5	.772	2.31	3.04	'drilling on
T88-4	915.0-930.1	15.1	.508	1.57	2.60	'the Texada

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'Island, B.C.  
project totalled 7,843 ft. in 7 holes. Gold, copper and silver mineralization was intersected in 3 of 5 holes drilled to test the extension of mineralization in the former Little Billie Mine, Texada Island, B.C. Freeport McMoRan can earn a 51% interest by paying \$250,000 over 3 years and spending \$1,300,000 on the property over 4 years, and may acquire a further 19% interest by paying \$250,000 and spending another \$1,300,000 over 2 years.

BOOKER GOLD EXPLORATIONS LTD.(BGE-V) reports that it is proceeding with a diamond drilling work program on the Vidette property located north of Kamloops, B.C.

## AGIO RESOURCES CORPORATION (AGI-V)

DRILLING UNDERWAY - Herman O. Plank, president of Agio Resources Corporation reports that diamond drilling has started on the 1,100 acre Crump Group of mineral claims, some 18 miles north of Hedley, B.C. This drilling is being targeted at testing an I.P. and V.L.F. anomaly that was exposed by trenching in previous years.

Diamond drilling is continuing on the company's Eagle's Nest property, located on Nickel Plate Mountain near Hedley, B.C. Golden North Resources Corporation and Corona Corporation, operator, are equally funding an initial \$300,000 program that is expected to continue through January 1989. Additional assay results are expected to be announced in the New Year.

**SUMAC VENTURES INC. (SSV-V)**

PROPOSAL TO CREDITORS PLANNED - Fred W. Clark, director reports that cash flow of Sumac is insufficient to meet accounts payable and a proposal to creditors is being prepared. The proposal must be approved by 50% of creditors representing 75% of the dollar value. If the proposal is not accepted by the creditors, the company will be in bankruptcy. The company's secured creditor is offering to postpone its rights under the terms of the debenture for 1 year, to Dec.31, 1989, subject to acceptance of the proposal by the preferred and unsecured creditors.

Based on current metal prices, management is of the opinion that sufficient quantities of gold and silver can be recovered from the partially processed heap leachable mine tailings at the Union mine, 45 miles north of Grand Forks, B.C. to satisfy the requirements of the proposal. However, another production season is required to extract the gold and silver so that the company can regain solvency. During 1988, there were 60,000 tons of tailings loaded on six heaps, to produce revenues of \$659,804 to Oct.1,1988. About 20,000 tons of tailings are stockpiled and about 5,000 tons remain on the old tailings pile. (SEE GCNL NO.208 and 160 for more detail).

**CANACORD RESOURCES INC. (CQD-T)**

LOAN AGREEMENTS REPORTED - Murray Pezim, chairman reports that Prime Capital Corporation has agreed to loan Canacord Resources up to \$5,000,000, subject to regulatory approval, to help finance its 9.9% share of the capital costs of developing the Premier gold project, near Stewart, B.C. To date, Prime has lent Canacord some \$3,550,000. Prime shall be granted a debenture as security for the principle amount of the loan, which will operate as a first charge on all of the company's property and as a first fixed charge on the company's interest in the Premier gold project, for granting warrants to Prime to purchase up to 2,000,000 shares of Canacord at 35¢ by 9Dec93. Prime may not demand repayment of the loan before Dec.9, 1989.

Canacord has been negotiating a credit facility to finance its entire share of the capital of developing the Premier gold project with Barclay's Bank of Canada which, subject to closing, would provide Canacord a credit facility of up to \$8,500,000. Prime has tentatively agreed to act as guarantor for Canacord.

**GWR RESOURCES INC. (GWQ-V)**

COPPER-GOLD ZONE ENLARGED - GWR Resources Inc. reported that soil samples from recent work on the Miracle claims, near Lac La Hache, B.C. have returned values of 0.1% to 0.21% copper over a 700 foot length. Three areas have been located containing 0.1% to 0.21% copper; associated gold values are up to 300 parts per billion gold. Preliminary drilling located 60 ft. of 0.23% copper. Gold values at surface of 0.685 oz. gold/ton over 1.6 ft. with grab samples of 1.13 oz.gold/t over 1.6 feet appear to flank a possible copper-gold porphyry in strongly alkalic and pyritic volcanics.

GWR is coordinating exploration in the area with several junior companies where similar results have been obtained with up to 0.25% copper and 0.06 oz.gold/t in soils. The project covers some 15,500 acres.

White Geophysical Inc. has been retained to compile all project data for a \$5,000,000 joint venture proposal.