

George Cross News Letter

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DEL NORTE CHROME CORPORATION(DEE-V)

BEAVERDELL PROJECT TO BE DRILLED - Robert G. Crompton, president of Del Norte Chrome has reported acquisition of an assignment from Elfin Explorations Ltd. of a lease from I.G.F. Metals Inc. covering 30 unit claims on Wallace Mountain adjoining and interlocking with the Teck Corp's Highland Bell silver, lead, zinc, gold mine at Beaverdall, 100 miles south of Kelowna, B.C. Del Norte can earn a 100% interest in the claims and plant, subject to a 4% net smelter return royalty to a \$1,000,000 end price. Previous production from the Del Norte property was 1,600,000 ounces silver, 1,600,000 pounds zinc, 1,100,000 pounds lead and 375 ounces gold. The agreement includes the acquisition of a nearly completed 100 ton per day capacity concentrating plant for \$400,000, in 4 installments of \$100,000 each with the last payment due June 1,1990. The mill has recently been evaluated at \$860,000.

A three stage \$900,000 exploration and mill improvement program is required over the same period, the first being a \$100,000 exploration program to be completed by Feb.28,1989.

A \$90,000 surface exploration program was carried out last year which included 9,741 sq.ft. of stripping, evaluation of existing surface trenches and sampling and mapping of the underground workings of the Wellington mine from two separate stopes on the 300 foot level where assays were 27.6 and 32.7 oz.silver/t. The program identified 12 veins as worthwhile targets for drilling.

Del Norte plans to start a drilling program in January 1987. Because of the nature of the geology and known history of the vein structure, a Reverse Auger Action will be used combining the use of the Scitec Map down the hole probe for quick, assay results using conventional fire assays for control.

The \$109,800 drilling program managed by Godfrey Engineering Ltd., Vancouver, involves 5000 ft. of drilling 50 holes which, it is hoped, will result in

CAZADOR EXPLORATIONS LTD.(CAZ-V) placement of \$200,000 of flow-thru units at 55¢ per unit together with 181,818 non flow-thru warrants exerciseable thru 31Dec89 at 65¢ per share. The placement is subject to Cazador raising \$50,000 to pay for shs. in Putco Holdings III Ltd.

The \$200,000 placement funds will be used to conduct a 3000 metre reverse-circulation drilling program on its Hanson Lake polymetallic project 15 km. north of Endako, B.C. The drilling program is scheduled to start Jan.,1989

substantially reduced drilling costs and a quick, economic evaluation of the property. The first phase of this proposal is \$65,000 which, depending on results, will be extended to about \$175,000 to be completed by 28Feb89. This unique drilling and testing method seems ideal for the Beaverdell project.

Funding for the project has been completed by a private placement of 259,000 units at 45¢/unit amounting to \$116,500. Each unit consists of 1 common share, 2 flow-through share and 1 warrant all at 15¢/share. A second form of funding has been provided by a \$100,000 NIM and Company Limited Partnership 1988 placement of 666,660 flow-through shares at 15¢/share. A finders fee of 25,000 shares of Del Norte is payable to Midmar Management Ltd. for helping to arrange the N.J.M. placement. These two private placements are subject to regulatory approval.

An employee option of 100,000 shares at 15¢/share has been granted to Margaret Saunders.

Directors of Del Norte have decided not to proceed with the law suit against War Eagle Mining Company, on the northern Eagle claims and the original claim block located in southern Idaho.

CAZADOR EXPLORATIONS LIMITED (CAZ-V)

DRILL FUNDING ARRANGED - Cazador Explorations Limited has entered an agreement with First Exploration Fund 1988 and Company Limited Partnership for a private placement of \$200,000 in flow-through shares at 55¢ per share. The Partnership also receives 181,818 share purchase warrants (non flow-through) at 65¢ per share exercisable to December 31, 1989, subject to regulatory approval. This funding is also subject to Cazador raising \$50,000 to pay for shares in Putco Holdings III Limited. Management has started discussions with investors to secure the required funds.

The funds will be used to drill a 3,000 meter reverse-circulation on the Hanson Lake polymetallic project located 15 km north of Endako, B.C. (SEE GCNL NO.249, P.2, 29DEC88 FOR PREVIOUS RESULTS). The drilling program is scheduled to start in January 1989.

MACNEILL INDUSTRIAL INC.(MCE-V) 160,000 flow-thru shs. at 95¢ per sh. Placement proceeds will be used for exploration & development on MacNeill's 50% ownership in Spokane claims, 20 miles northeast of Bralorne, B.C.