

George Cross News Letter

NO.236(1988)
DECEMBER 8, 1988

VALHALLA GOLD GROUP CORPORATION(VGG-V)

LOKI GOLD CORPORATION(LKI-Alberta)

OLIVER GOLD CORPORATION(OGO-V)

SOLOMON GOLD CORPORATION(THG-ALBERTA)

PROJECTS REVIEWED - On July 31,1988 Valhalla Gold Group Corp. held 1,428,834 shares or 37.1% of Loki Gold Corp., formerly named Highland Valley Resources Ltd.; 1,650,000 shares or 43% of Oliver Gold, and 1,000,000 shares or 25.84% of Solomon Gold Corp., formerly named Thor Gold Corp. There are other corporate interlocking relationships outlined below. Directors of Valhalla are: Lawrence J.Nagy, president; Donald J.Baker, vice-president; Ron K.Metolitzky; Michael G.Church and H.G.Ewanchuk. Other members of the group include: Robinson M. Porter, Henry M. Giegerich, Paul S. Glavinovich and Grant W.Sinitsin.

The main project is the Fairview/Morning Star property acquired by Oliver Gold from Cominco and the adjoining Stemwinder and Susie mine acquired by Loki Gold from Asarco with Solomon holding an option to acquire 50% of Loki's mining lease interest. The Fairview/Stemwinder properties cover 6,500 acres in a northwest southeast striking property 7 km long by 1.5 km wide and located at about 3,000 feet elevation, 6 km west and north of Oliver, B.C. This series of gold mineralized quartz veins have produced at intervals since the early 1900's, most recently from 1945 to 1961 as silica flux, with modest gold content, for the Cominco smelter at Trail 150 km to the east. The vein was mined across a 50 to 60 foot width and graded 0.09 oz.gold/t. Valhalla/Oliver expects that the vein can be selectively mined on the hangingwall and footwalls at a much higher grade. Recent surface and underground exploration has indicated a shoot 100 meters long, 2 meters wide and about 30 meters down dip grading between 0.2 and 0.3 oz.gold/t, 3.5 oz.silver/t and open to substantial extensions. In addition there are some 750,000 tons grading 0.1 oz. gold/t, 1.1 oz.silver/t drill indicated and inferred from the old records. Valhalla/Oliver has recently spent \$1,300,000 on the acquisition/exploration of this major target. Work has been confined to 1.7 km of the 7 km length of the target. Work has included 12,500 feet of rotary drilling in 19 holes, 9,200 feet of diamond drilling on the Stemwinder, 3,000 feet of diamond drilling on the Fairview, of which 1,200 feet was from underground. One of the most interesting targets is a new discovery 400 meters to the west of the northwest end of the Stemwinder where limited drilling has suggested perhaps 80,000 tons grading in the 0.22 oz.gold/t equivalent range. Testing of this target is continuing along strike and down plunge. (SEE GCNL NO. 237, Dec.9,1988 for information on the Big Hurrah property in Alaska being readied for feasibility study by Solomon Gold).

IRON RIVER RESOURCES LTD. (IRN-V)

	INTERVAL,M	LENGTH	COPPER %	GRAMS SILVER/T
NFP 88-2*	37.18- 44.72	7.54 M	0.80	16.3
	44.72- 59.02	14.30	.16	3.7
	63.76-102.41	36.49	.25	4.2
NFP 88-3	3.03- 44.72	41.37	.26	5.3
NFP 88-5	12.23- 23.16	10.93	.24	6.2
	45.43- 70.04	24.61	.39	5.6
	100.06-112.51	12.45	.45	5.9

*Gold values will be reported when assays are received

FORBIDDEN PLATEAU EXPLORATION PROGRAM REVIEWED - During 1983,

Iron River Resources Ltd. located a favorable Tertiary environment for mineralization in the northeastern Forbidden Plateau area 15 miles west of Courtenay, Vancouver Island, B.C. In 1984, under the direction of Dr. K.E. Northcote, the company staked claims and discovered a mineralized polyphase- hydrothermal breccia complex. During 1984 and 1985-1986, geological mapping, soil geochemistry surveys and detailed petrographic studies located vein material assaying 29 grams gold/ton. Petrographic studies, geochemical analysis and assays have shown that this complex hydrothermal system contains significant gold bearing zones over an area of about 500m by 1000 m.

In October 1986, Noranda Exploration Limited negotiated an option to earn a 51% interest in the Forbidden Plateau properties.

Drill road and pad construction for the 1988 drilling program began at the end of September. A planned 400 m program was increased to 800 m after the receipt of encouraging geophysical and geochemical data by Noranda. On November 17, Noranda Exploration reported 6 NQ drill holes were collared and drilled to completion on the Divers Lake grid, totalling 780.59 meters. The holes were drilled to test coincident geochemical and geophysical anomalies. Pyrite, pyrrhotite and chalcopyrite mineralization was encountered as disseminations and masses interstitial in Comox breccia or locally as fracture fillings in hornfelsed sandstone. To Nov.30, 1988, Iron River Resources Ltd. has not received any standard fire assay results for any of the drill holes in this program. Averages for the more important intercepts based on geochemical analysis in the table above.

LONGREACH RESOURCES LTD.(LLR-V)

DRILL TESTING OF TULAMEEN PLATINUM PROJECT CONTINUING

Follow-up percussion drill testing of platinum values located along Grasshopper Ridge by percussion drilling and surface sampling is planned to start in the next few days by Longreach Resources Ltd.

The target 150 feet wide by 1,200 feet long north south has been selected by surface sampling and panning carried out in the Spring of 1988, followed by a series of 15 percussion drill holes and two short diamond drill holes. In the drilling chromite-associated platinum values of interest were encountered, including a 10 foot section assaying 0.27 oz. platinum per ton. Early in 1988 Longreach build some 8 km. of road to give access to Grasshopper Ridge, located along Britton Creek, at the head waters of the Tulameen River, a few miles west Tulameen, 160 miles east of Vancouver, B.C. The property had never been drilled before.

Recent bulldozer work has confirmed continuity and yielded assays of 0.11 oz. platinum per ton. Another road-cut exposed a second zone of similar material from which initial samples assayed 0.1 oz. platinum per ton.

The next stages of exploration will focus on structural targets occurring in fault related overburden depression areas. A number of holes have been laid out to test a system of narrow, bog-filled ravines suggestive of platinum-bearing fault-related serpentine. These targets are near an area where old time placer miners are reported to have recovered gold and platinum values below the bog. If drilling these targets prove higher grades of chromite in veins or lenses, then the next stage of exploration would be an underground program of diamond drilling and bulk sampling, starting in the spring of 1989.

The native platinum occurs in, or near the chromite associated with the dunitic centre of the Tulameen ultramafic complex. The platinum to paladium ratio is 9 to 1, much higher than the South African platinum deposits and consequently potentially more profitable.

Longreach holds options to acquire a 50% in the property by spending \$250,000 on exploration by March 31, 1989, of which \$230,000 has been spent to Nov. 30, 1988, and make property payments of \$100,000, including \$30,000 paid Nov. 1, 1988 and \$70,000 due March 31, 1989, subject to a 1% net smelter return royalty to the vendors and a small retained interest by Newmont. Monica/Noramco Mining holds the balance of the interest.

Longreach also holds the Platinum Blonde, gold-platinum property, 40 miles north of Grand Forks, B.C. This property is held under a joint venture whereby Placer Dome can earn a 70% interest in the ground by conducting certain exploration programs. A program of drilling and possibly some underground exploration is planned for the 1989 season.

Longreach holds a 50% interest with Teck Corporation and Consolidated Silver Standard on the Paydirt property in the Stikine River area, B.C. where drilling returned 0.23 oz. gold/t over 53 feet width. Additional underground exploration and drilling is planned for the 1989 season.

The Transgold property consists of 10,000 mineral claims leased from Algoma Central Railroad in the Wawa, area Ontario. The company holds a 50% interest in the project with Transgold Resources Limited a 50% partner. Exploration to date has located a number of wide quartz zones carrying gold values are to be further explored. A joint venture with a major firm is under consideration.

AGIO RESOURCES CORPORATION (AGI-V)

<u>HOLE</u>	<u>INTERVAL</u>	<u>WIDTH</u>	<u>OZ. GOLD/T</u>	<u>'NICKLE</u>	<u>PLATE ASSAYS</u>
AG-88-1	356-360	4 ft.	0.11		REPORTED
.	363-371	8	.12		Herman O. Plank, presi-
AG-88-2	325-330	5	.085		'dent of Agio Resources
	340-345	5	.035		'Corporation reports that
	355-360	5	.048		'the diamond drilling
	365-371	6	.038		'program on the Eagle's
	414-417.5	3.5	.069		'Nest property located on
	424-434	10	.050		'Nickel Plate Mountain,
	458-461	3	.077		'near Hedley, B.C., is
AG-88-3	No significant assays				'well under way. A total

'of 2,178 feet in 5 holes					
has been completed at a total cost of \$210,000. Initial					
drilling has focused on a zone of gold mineralized skarn					
lying just above the marble line and 375 feet directly					
below the 3750 drift. Assays are still pending on holes					
88-4 and 88-5. <u>GOLDEN NORTH RESOURCES CORPORATION</u>					
<u>(GNO-V,T;GNOXF-Nasdaq)</u> and <u>CORONA CORPORATION</u>					
<u>(ICR.A,ICR.B-V,T,M,AMEX)</u> are equally funding this initial					
program and will earn an 80% interest in the property by					
spending \$300,000 by December 31, 1988.					

CREST RESOURCES LTD. (CQR-V)
MAGNETA DEVELOPMENT CORP. (MGT-V)

HOLE	INTERVAL, FT	FOOTAGE	OZ. GOLD/T	ASSAYS REPORTED
M88-2	14.4-19.0	4.6 ft	0.122	'Murray Pezim, chair-
incl.	14.4-171.	2.7	.166	'man of Crest Resources
M88-3	11.2-18.7	7.5	.190	'and Magneta Develop-
incl.	11.2-13.8	2.6	.498	'ment Corp., reports
M88-4	21.6-31.8	10.2	.157	'the results of recent
incl.	25.9-28.5	2.6	.426	'drilling on the Iskut
M88-5	15.4-17.1	1.7	.394	'River project 70 miles
				'NW of Stewart, B.C.

Magneta has an option to earn a 50% interest in the Crest property. Thirteen holes totalling about 2,000 feet have been completed in the 3,000 foot drill program. Holes 1 to 12 are short holes that traverse about 135 feet in the vicinity of the Phiz vein. Holes 1 and 6 had no significant mineralization. Assay results for holes 7, 9, 10, 11 and 13, a step-out 150 southeast of the Phiz vein, are awaited. Holes 88-14 and 15 will test a coincident gold/silver anomaly some 300 ft. in length, located about 1200 feet SE of the Phiz vein.

DEL NORTE CHROME CORPORATION (DEE-V)

BEAVERDELL DRILL - Del Norte Chrome Corporation has reported the private placement of 500,000 units of 2 shares and 1 warrant at 25¢ each for \$250,000 has been cancelled. An alternative private placement is being arranged.

Completion of new agreements between Del Norte, Elfin Exploration Ltd. and I.G.F. Metals Inc. regarding the silver/lead/zinc/gold prospect and mill, adjacent to Teck Corp's Highland Bell Mine at Beaverdell, B.C., are being finalized. Terms will be announced.

There are five former producing mines on the property which have produced 1,600,000 ounces silver, 1.6 pounds zinc, 1.1 pounds lead and 375 ounces of gold.

Del Norte intends to start a \$109,800 program about December 17, 1988 using a reverse auger action drill for 50 holes totalling 5,000 feet.