

George Cross News Letter

NO.146(1988)
JULY 29, 1988

REA GOLD CORPORATION(REQ-V.T: REOGF-Nasdaq)

PRODUCTION PLANS REVIEWED - Larry M. Reaugh, president of Rea Gold Corporation reported that the Stage I Environmental application filed with the B.C. Government for production at the Minnova-Rea silver mine on Samatosum Mt., 35 miles north east of Kamloops, B.C., reveals plans to mine by open pit for the initial 2.5 years at a rate of 465 tons per day with an average grade of 33.6 oz.silver/t. Capital costs are estimated at \$25,000,000 Cdn. and average annual mine site operating costs are projected at \$12,500,000. Silver production in each year of the first two years is projected at 5,100,000 oz.troy at a cost of \$2.43 Cdn. per ounce. The third year is a transitional period with ore coming from both open pit and and from underground. The fourth year and one-half of the fifth year will take production from underground. Overall, the average grade is expected to be 24.8 oz. per ton.

Pilot plant tests on a 50 ton bulk sample confirmed high rates of recovery in three concentrates, copper-silver-gold; lead-zinc-silver-gold, and zinc with minor silver. In the initial two years the mine will add almost 400 tons of new silver to Canada's production.

UNIVERSAL TRIDENT INDUSTRIES LTD.(UTI-V)

CARIBBEAN RESOURCES CORP.(CBC-V)

ACHERON RESOURCES LTD.(ACZ-V)

EARLY START TO VERNON AREA- Ronald H.D. Phillip, president of Acheron, Universal Trident and

Caribbean has reported the companies have acquired claims in the area of the former producing Kalamalka Gold Mine, the largest producer in the area, near Vernon, B.C. The 118 units optioned by Universal Trident are 1.5 km east of the Kalamalka Gold mine, and cover a major contact zone of Shuswap metamorphics to the west and granitic intrusives to the east. The prime targets of exploration activity will be regional shear zones associated with possible detachment faults. The surrounding areas have shown numerous shear-hosted gold bearing veins, including free gold associated with regional shear systems.

Caribbean has optioned 84 units the main feature of which is its proximity to known placer deposits.

Acheron's 130 units are adjacent to the Silver Star recreation area, and feature a number of major shear structures, the largest of these trends north-west across the property and is intersected by other shear zones which trend east-west. The Silver Star recreational area to the east of the Acheron property has a history of gold, copper and cobalt showings. One of the shears which cross the property has major showings to the south.

ALMADEN RESOURCES CORPORATION(AMH-V)

BASAL TILL DRILL PROGRAM SHOWS- Four of the 26 basal till STRONG GOLD SILVER ZINC VALUES drill holes on the Munro 35 Km N. of Penticton Lake property of Almaden Resources contain in excess of 1,000 parts per billion gold. These values take on increased importance as a result of recent values on the Huntington property 35 miles to the north and on the Oka property 10 miles to the northwest. The best of the 1988 holes was 88-9 with 1,815 parts per billion gold. Silver and zinc values are also very high in some of the samples. Hole 88-12 yielded a till concentrate sample that contained 1,325 parts per billion gold, 1210 parts per million silver and 6,800 parts per million zinc. Air photographs show a strong northeasterly trending lineament that crosses the area of anomalous samples that have a strike length of over one mile. Overburden in the area is about 25 feet thick. The company is planning additional overburden drilling and trenching.

LEGION RESOURCES LTD.(LGN-V) has acquired by staking 3 mineral claims formerly held by Cominco. The property is located in the Nelson Mining District in the East Kootenays, B.C. and comprises a total of 28 units.

PARRALAX DEVELOPMENT CORPORATION(PLX-V)

AU RESOURCES LTD.(AUE-V)

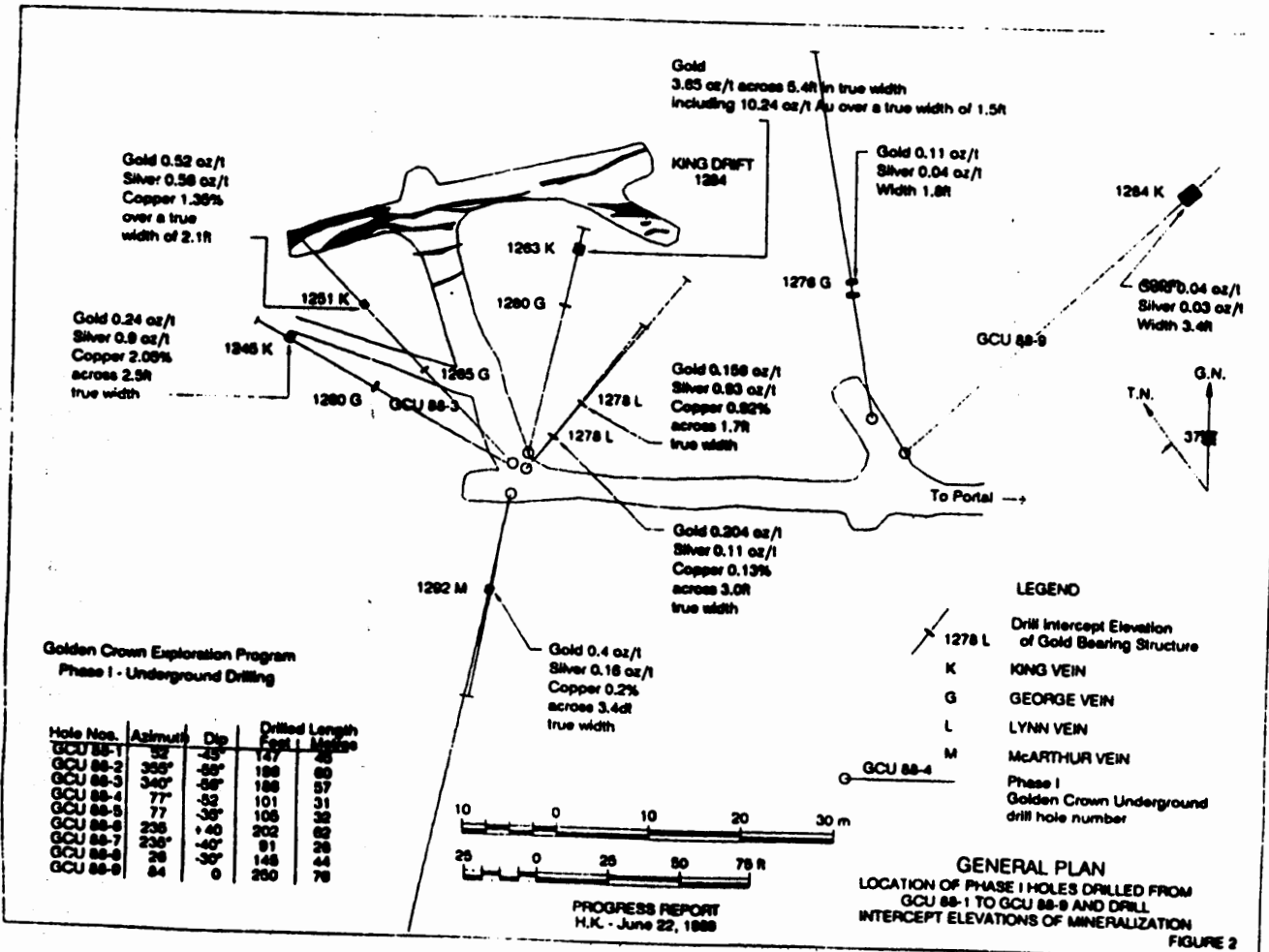
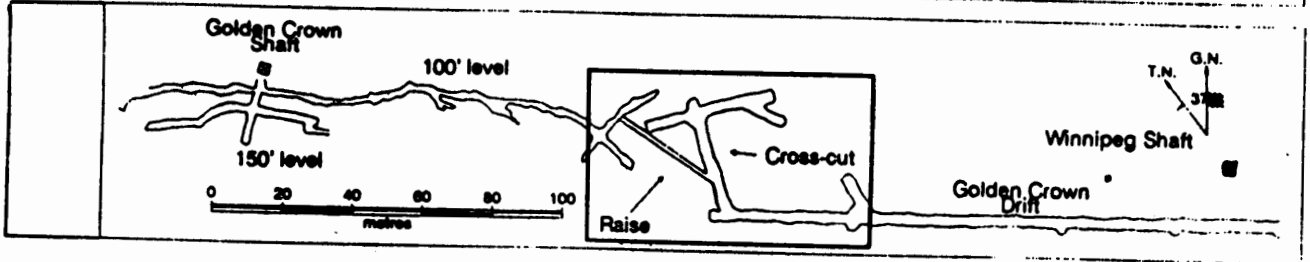
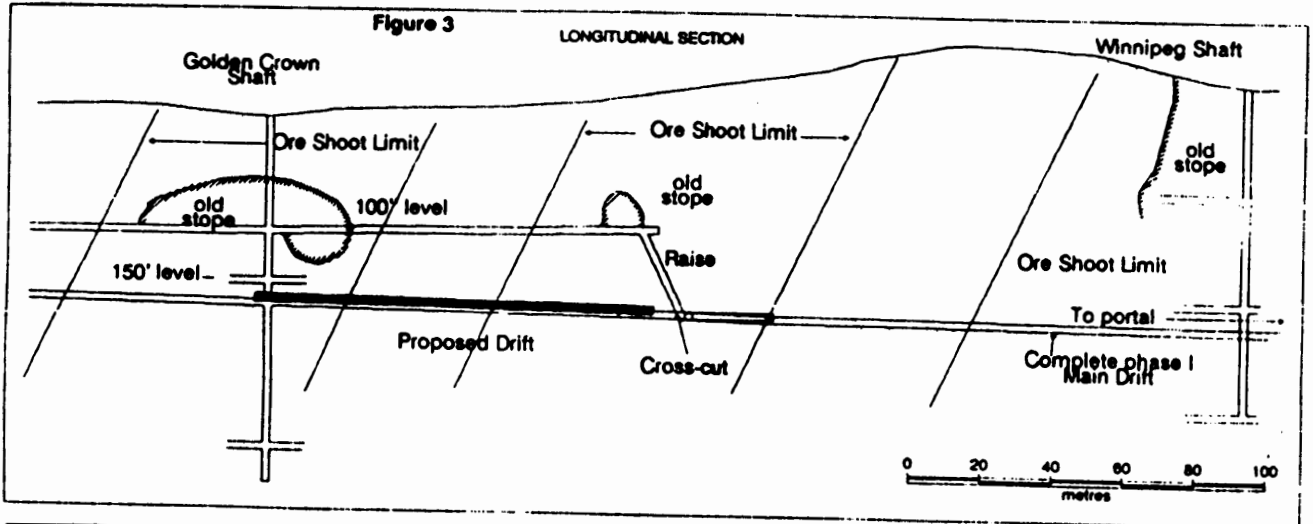
Parrallax 90% and Au Resources 10% have completed 18 drill holes testing coincident geochemical and geophysical anomalies on the Au property and on Parrallax's 100% owned Contact property on McNeil Peninsula, on the east side of Flores Island, 25 km north of Tofino on Vancouver Island, B.C. The drilling outlined a zone 200 m by 900 m strike length. Rock sampling resulted in narrow quartz sulphide veins that assayed 11.388 oz. gold/t and 20.48 oz. silver/t.

CONSOLIDATED BOUNDARY EXPLORATION LTD. (CBX-V)

GRAND FORKS MINES LTD. (GFK-V)

MAP PRINTED OVERLEAF- The map details the Golden Crown workings near Greenwood, B.C., a joint venture between Consolidated Boundary Exploration Ltd. and Grand Forks Mines Ltd. Story in GCNL No.142, P.1, 25Ju188.

**CONSOLIDATED BOUNDARY EXPLORATION
GRAND FORKS MINES LTD.**



LUCKY 7 EXPLORATIONS LTD. (LKS-V)

EXPLORATION STARTED ON HUNTINGTON AREA CLAIMS

Charles I. Brett, president of Lucky 7 Explorations Ltd and a director of Huntington Resources, reported that crews have started work on the formerly producing White Elephant mine, 30 km west of Vernon, B.C. The property is held by Lucky 7 and produced 2,030 oz. gold, 306 oz. silver from 5,300 tons. The first work will be trenching along a 570 meter soil sample gold anomaly followed by drilling. Ten drill sites have been selected. The property was developed to 750 feet below surface with three levels but has never been drilled. Old records indicate a sample from the third level assayed 0.37 oz. gold/t across 7 feet and grab samples of 0.66 oz. gold/t. A report on the property by Chris J. Sampson, P.Eng., recommends a \$125,000 program of trenching and drilling. The target is a quartz mineralized vein system or pipe, having a width of 50 feet on the 300 foot level. Mr. Sampson states in part, "It is concluded that the possibility of a zone within the quartz body containing a few hundred thousand tons of 0.4 oz. gold/t or higher grade zone of smaller tonnage is quite possible and this target should be pursued."

The company's shares were called for trading on the Vancouver Stock Exchange on July 18, 1988, following the distribution of 500,000 shares at 60¢ each through Haywood Securities Inc. by a prospectus dated June 22, 1988.

The company also holds the 33 unit Ni claims on the Little Nitinat River, 40 km south of Port Alberni, Vancouver Island, B.C. where surface samples show values in silver, lead, zinc and copper. The Lucky 7 property is named the White Elephant Crown grant and is located 12 km. to the southeast of the Huntington/Lacana discovery on the Brett claims. (SEE PROPERTY LOCATION MAP OVERLEAF P.1, GCNL NO.122, June 24, 1988).

GMR RESOURCES INC. (GMQ-V) has started a \$182,000 exploration program on the Miracle claims near Lac La Hache, B.C. to include cutting a grid, soil sampling magnetometer, VLF- electromagnetic and induced polarization surveys.

KAPPA RESOURCES CORPORATION (KPC-V) reports that an additional 40 claim units have been added to the existing Castle claims 9 miles west of the town of Iskut, B.C., to bring the total area to approximately 240 units. Drilling is in progress with two holes completed, the results of which are pending. The claims are part of a joint venture with Teck Corporation.