

# George Cross News Letter

NO.133(1988)  
JULY 12, 1988

## HUNTINGTON RESOURCES INC. (HUN-V)

**IMPORTANT NEW BRETT ASSAYS EXPECTED SHORTLY-** At a July 8, 1988 show and tell information meeting Werner Gruemald, geologist, project manager and a director of Huntington Resources Inc. reviewed the exploration results to date on the Brett property, 30 miles west of Vernon, B.C.

Gold is found in both the hanging wall and footwall of a main shear; as well as lesser amounts in a dike which cuts across the shear and perhaps most important in flat lying porous tuff layers near the contact with the shear. It is an epithermal deposit with the main shear zone trending northwest southeast and dipping steeply to the west. It is 570 meters long, several meters wide, and has a vertical extent of 250 meters. The zone remains open along strike and to depth. This shear cuts a sequence of tertiary volcanic flows and related tuffaceous rocks. The potential for geologically inferred tonnage from one portion of the Main Shear zone has been calculated in the range of 170,000 tons. No specific grade assignment is made; however, gold values range from 0.02 to 0.21 oz.gold/t. Estimated potential for higher grade material within this area ranges from 10,000 to 15,000 tons grading from 0.5 to 1.00 oz.gold/t.

Gold has been found in the wallrock tuff for up to 50 feet from the shear contact, in a halo effect. The tuff units are as much as 100 feet thick. The lower part of hole RC88-11, which intersected 235 feet assaying 2.03 oz.gold/t, intersected one such tuff unit in the footwall of the Main Shear. Three diamond drill holes were completed in 1987 on the same section as RC88-11. These three holes cut: No.87-29 cut 17.2 ft. assaying 0.737 oz.gold/t; No.87-47 cut 3 ft. assaying 0.98 oz. gold/t; and No.87-30 cut 17.1 ft. assaying 0.092 oz. gold/t. The intersection in hole RC88-7 of 20.3 feet assaying 0.503 oz.gold/t is associated with a separate tuff horizon some 275 feet north and 160 feet structurally above the tuff zone in RC88-11. The intersection in hole DDH51 of 7.2 feet assaying 0.54 oz.gold/t is in andesites adjacent to the Main shear zone and 50 feet north and 75 feet structurally higher.

Previous holes to the north of the current work did not penetrate deep enough to intersect the gold bearing tuff units cut in RC88-11.

Assays are awaited for diamond drill holes 52 through 63, all completed on 50 foot spacings around RC88-11. Hole DD-62 has been drilled from a site 360 feet to the north of RC88-11 along the main shear and has encountered the same volcanic tuff unit as in RC88-11. This is an important hole.

In 1987, a further discovery was made on the property 400 meters to the east of the Main shear. This discovery was made by following up on gold colors in panning the creek. There is no gold in the creek above the discovery. A rock sample in trenches assayed 0.15 oz.gold/t. The samples take on increased importance since they are in the same package of rocks in a similar structural setting as the Main shear. A road is now being built into this area and will be followed with trenching and drilling.

The property is subject to an option whereby Lacana/Corona Corp. can earn a 51% interest by providing \$500,000 for exploration, making a \$110,000 property payment and by buying \$100,000 worth of Huntington treasury shares. The \$500,000 has been spent and the 51% property interest will be vested in Lacana/Corona as soon as the accounting paper work is completed. Lacana also holds an option to buy from the Huntington treasury 500,000 shares at the rate of 100,000 shares p/year at prices to be negotiated following the establishment of the joint venture.

After the cancellation of the two private placements at 56¢ and \$3.75 per share each, the company has employee and directors stock options at 89¢ and \$1.25 per share which will be exercised if necessary to provide the funds for continued exploration.

A private placement with Nim for 200,000 shares at \$1.00 is still under discussion with the Vancouver Stock Exchange. Negotiations are also continuing with others interested in participating in funding.

Darrel Johnson, exploration manager for Lacana told the meeting there are several additional shear zones on the Brett property where further exploration is planned. He noted with the change in the company as a result of the five company Corona merger there has been no decisions from Toronto about the life of the Huntington/Lacana joint venture, but the first stage will be completed and planning for the second stage is underway. In addition, Lacana has staked several claim blocks to the north covering geologically similar settings where exploration is planned but not yet started.

**CHRISTINA EXPLORATIONS LTD. (KRX-V)** reports that rehabilitation on #3 level of its California mine near Nelson, B.C. will start on 11Jul88. The program will include refining assessments of reserves which are placed at 40,000 tons grading 0.85 oz.gold/ton. Also contemplated will be underground drilling to define possible down dip extensions of the mineralized sections as well as continuation along strike. Work will also be carried out on other veins exposed on surface. Christina has an option to earn a 50% interest in the property.

**BUTCH CREEK RESOURCES LTD. (DCK-V)** will issue 18,832 shares at \$2.20 to settle debts of \$34,829.25.

**LONGREACH RESOURCES LTD. (LRR-V)**

**DRILL PROGRAM PLANNED-** Longreach Resources Ltd. has reported assays from surface sampling at the Grasshopper property, 160 miles east of Vancouver in the Tulameen area, B.C. Longreach holds an option to earn a 50% interest in the property.

Longreach has identified a north-south zone several kilometers in length containing platinum bearing chromite veins and lenses. The platinum-palladium ratio is nine to one. In most PGM properties this is usually reversed making the recovery of platinum extremely difficult. A shallow percussion drill program is being initiated.

**ESPERANZA EXPLORATIONS LTD. (EEP-V)**

**NEW DRILL HOLES ADD TO TONNAGE AND GRADE POTENTIAL**

HOLE NO	WIDTH	OZ.GOLD/T	HOLE NO	WIDTH	OZ.GOLD/T
88-134	14.5 ft.	0.64	88-139	14.5	.16
88-135	12	.13	88-140	12	.1
88-136	13.5	.11	88-141	5	.11
88-137	5	.44	88-142	12.2	.17
88-138	6	.1			

Recent drilling on the East Ridge zone has increased the reserve potential to 1,000,000 tons with a contained 200,000 oz. gold. In a brief interview John S. Brock, president of Esperanza Explorations explained that the 17 new holes on about 90 foot centres on the East Ridge zone of the 100% owned property, located 20 miles east of Burton, Slocan area, B.C., has substantially increase the tonnage and grade of the zone.

In 1982, 1983 and 1984 the company drilled 22 holes in the East Ridge that suggested 3,000,000 tons grading 0.05 oz.gold/t in two parallel upper veins between 3 and 5 feet wide. Where opened underground by a short cross-cut, these upper veins assayed 0.41 oz.gold/t across 5 feet, 1.8 oz.gold/t across 4 feet, 0.25 oz.gold/t across 6 ft. The new holes indicate a lower vein. All three veins are contained in an 80 foot wide skarn zone dipping 70° to the west and striking northeast southwest over a 2,500 foot length. (CONTINUED ON PAGE TWO)

**ESPERANZA EXPLORATIONS LTD. (EEP-V)**

CONTINUED FROM PAGE ONE- The recent holes indicate the

lower zone to be 1,200 feet along strike, to a minimum of 1,000 feet down dip with an average width of 12 feet. Each of the zones are open along strike and down dip.

On July 11,1988, the company was drilling No.88-151, with assays awaited from No.143 to 149 holes, all of which are reported to have encountered visible gold. Mr. Brock noted that the veins tend to dip with the hillside and provide good backs with relatively short holes.

It is planned to continue drilling from surface and by mid-August develop a portal at about the 1,870 meter elevation, about 300 meters below the outcrop. By driving about 800 feet the lower vein will be entered underground. The plan is to drift along the veins, drive several raises to establish a potential 1,000,000 tons into proven and probable classifications. The company recently reported the construction of a 100 ton per day concentrator has been postponed until the additional reserve potential has been assessed.

The main portal at 2050 meter elevation on the Heino-Money gold deposit has been tracked for 600 feet to the main ore pass. Mining development work is now underway preparing about 30,000 tons grading 0.6 oz.gold/t across a 5 foot width for ore production. Proven and drill indicated reserves in the Heino-Money zone is calculated at 200,000 tons grading 0.5 to 0.8 oz.gold/t. Drilling from underground to extend the zone along strike and down dip is continuing.

The strike of the Heino-Money zone to the northwest and the East Ridge to the northeast indicate the two zones will intersect about 80 meters from the present drilling. Drill testing of the junction area should take place in about a month.

The Strebe deposit about 3 km east of the East Ridge zone is to be drill tested in early August. Initial drilling in the Strebe zone indicated continuity of the mineralization at depth with values from 0.12 to 0.3 oz.gold/t obtained in 30 ft. intersections, including high grade intervals of up to 1.2 oz.gold/t over 7 feet.

Thus far in the 1988 season the company has spent about \$800,000 of the \$3,000,000 budget. A revised budget is now in preparation. Esperanza currently has \$1,700,000 in the treasury and a number of financing offers for the next stages of exploration and plant construction.

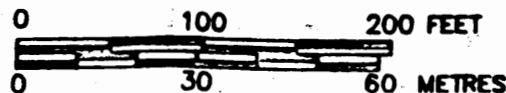
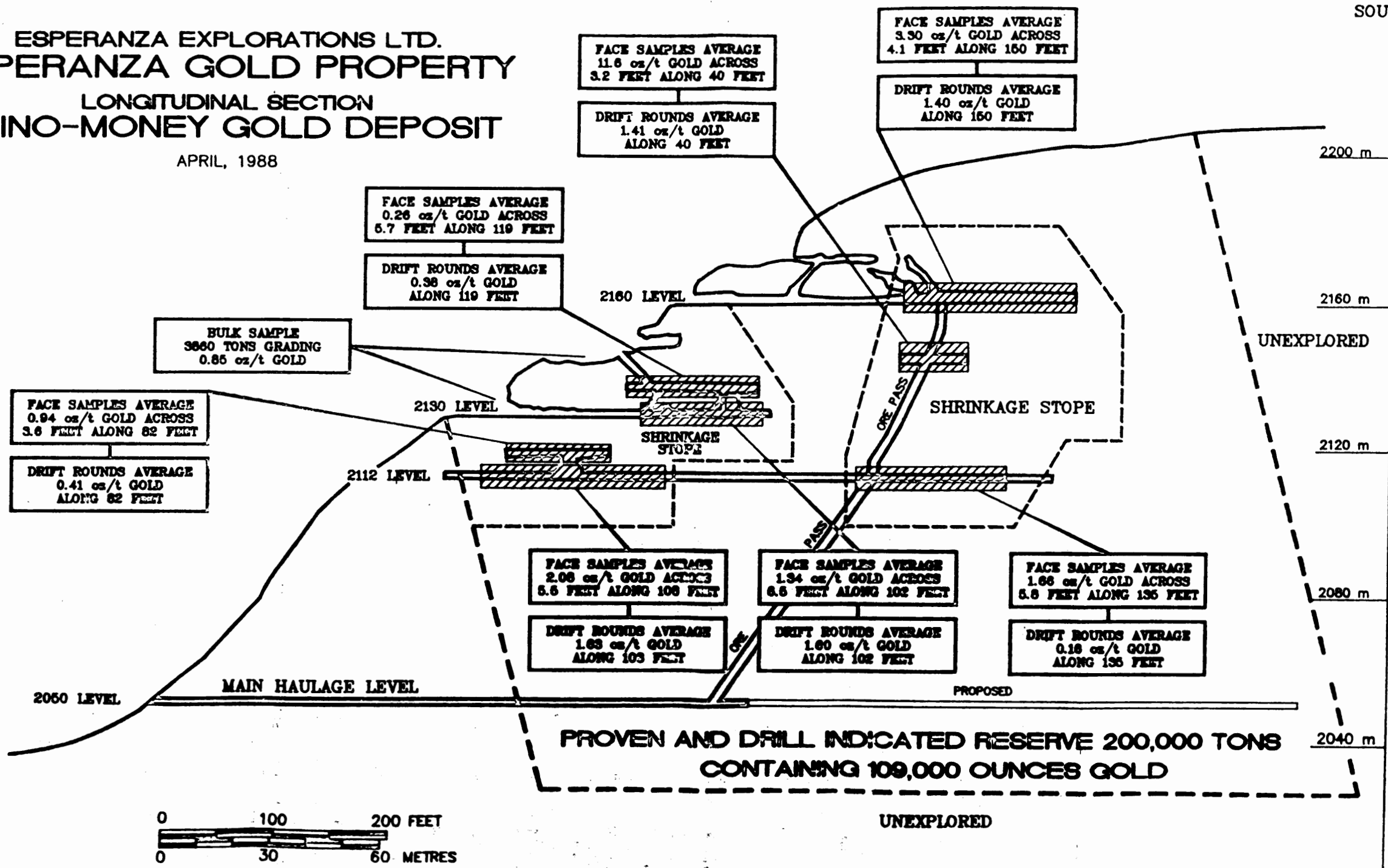
SEE MAP OVERLEAF PAGE 1

NORTH

SOUTH

ESPERANZA EXPLORATIONS LTD.  
**ESPERANZA GOLD PROPERTY**  
 LONGITUDINAL SECTION  
**HEINO-MONEY GOLD DEPOSIT**

APRIL, 1988



**PIONEER METALS CORPORATION (PSM-V,T)**

**PREMIER PROJECT-** Pioneer Metals Corporation has completed **FUNDING SECURED** a billion loan financing arrangement of \$28,750,000 with the Chase Manhattan Bank of Canada for 52,000 troy oz. gold repayable over five years. Pioneer Metals has monetized this gold for a total value of \$28,750,000. Proceeds will be used to fund Pioneer's 40% interest in the construction and development of the Premier Gold project near Stewart, B.C. The Premier Gold project Joint Venture with Westmin Resources Limited, the operator, having a 50.1% interest, and Canacord Resources Inc. having a 9.9% interest, is expected to be in production in the first quarter of 1989. (SEE GCNL NO. 102 27MAY88 FOR A REVIEW OF THE PROJECT).

**MULTINATIONAL RESOURCES INC. (MUT-V)**

**TWO EXPLORATION PROGRAMS STARTED-** William Clancey, president, reports that Multinational Resources Inc. has started a \$500,000 drilling and surface exploration program on its property located in the Toodoggone area of B.C. The program consists of an induced polarization survey in the general area of the claims on which the known drill indicated tonnage has been found and 6000 feet of diamond drilling directed at increasing that tonnage.

Drilling has also started on the Multinational/Teck joint ventured Emigrant Springs claims located adjacent to Newmont's Rain Mine in the Carlin Trend in Nevada. Four shallow and three deep holes will be drilled with a view to enhancing the grade of the 10,000,000 tons of 0.02 oz. gold/t contained within the 50,000,000 tons of 0.016 oz. gold/t presently drill indicated.

**RITZ RESOURCES LTD. (RTZ-V)**

**PROPERTY INTERESTS ACQUIRED-** Ritz Resources Ltd. has reached agreement to acquire Suncor's 27.5% interest in the five claim blocks, Inge, KC, Izzi, Sus and Thane, in the Omenica Mining Division, B.C., thereby increasing its interest to 55%. Golden Rule Resources Ltd. of Calgary retains a 45% interest. Negotiations are going on with other companies to option or joint venture further exploration on the Omenica claims for 1988.

In June 1988, a mineral claim on Terrace Creek was acquired due south of the Huntington/Lacana discovery, Whiteman Creek gold belt, 25 miles west of Vernon, B.C.

**FOOTWALL EXPLORATIONS LTD. (FTW-V)**

**UNDERGROUND WORK PLANNED-** Footwall Explorations Ltd. has **FOR ZEBALLOS PROPERTY** completed the first public offering of 500,000 shares at 50¢ each. The company holds an option from Falconbridge Limited to acquire a 51% interest in the Churchill Group of 136 units near Zeballos, Vancouver Island, B.C. by spending \$1,000,000 on exploration over 5 years.

The mineralization on the property consists of 5,700,000 tons of drill estimated iron ore reserves on the Churchill Group and significant gold values associated both with quartz veins and skarn zones on the Hiller Group.

<u>HOLE NO.</u>	<u>INTERVAL</u>	<u>WIDTH</u>	<u>OZ. GOLD/T'</u>	
H-84-1	18.7-19.7	1.0m	0.45	'is associated with
H-84-7	53.6-54.7	1.1	1.14	'both volcanic and
H-84-17	58.0-59.0	1.0	.53	'sedimentary strat-
H-84-20	23.0-24.0	1.0	.51	'ified rocks. Strong
H-85-24	15.0-16.0	1.0	6.12	'gold soil anomalies
	16.0-17.0	1.0	11.93	'extend for 140m. in
H-85-29	34.4-35.4	1.0	.72	'strike length. Of
H-85-30	13.0-14.0	1.0	2.54	'32 drill holes com-

-----'pleted to date, 16 intersected gold values in excess of 1 gram/ton and 7 holes returned assays grading in excess of 15 grams/ton.

Footwall Explorations will carry out general exploration on the property and start an aggressive underground program to evaluate zone A-25.