

George Cross News Letter

"Reliable Reporting"

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ENERGEX MINERALS LTD. (EGC-V,T;EGEXF-Nasdaq)

FEASIBILITY STUDY EXPANDED - A.O. Birkeland, president, reports that Energex management has expanded the scope of the feasibility study at the A1 project, Toodoggone River area, northern B.C., to evaluate a mining operation that combines conventional milling of high grade ores with seasonal heap leaching of lower grade ores. Preliminary metallurgical tests on low grade ore samples were successful and column leach tests are underway. If recoveries are positive, the feasibility study will evaluate an expanded operation, with a production decision expected shortly after all test results are received. Enlarging the scale of operations may delay the production schedule, but will be offset by increased production and profitability.

Subject to regulatory approval of flow-through financing arrangements, a \$2,000,000 exploration program is planned for 1988 to add reserves of both milling and leaching ore. A priority target is the West zone, a parallel structure to the Bonanza orebody. The West zone, discovered in 1987, is up to 80 feet wide and has been traced along strike by trenching for 1,200 feet.

At the close of 1987 geological reserves at the A1 project stood at 1,900,000 tons grading 0.157 oz. gold/t. Proven reserves were calculated at 809,000 tons grading 0.175 oz. gold/t.

ENCOURAGING GOLD VALUES - Maurice Hamelin, president of **CUT AT OKANAGAN FALLS** Seven Mile High Resources Inc. announced drill results on the first 3 holes of this year's program on the Vault claims near Okanagan Falls, B.C., joint ventured with and

operated by Inco Limited's subsidiary Inco Gold. The first hole, B.H. 72480 at 203E/163S on the survey grid, was drilled to test the western extension of the main mineralized zone. No mineralization was found. The second hole, B.H. 72421 at 632E/135N, was drilled to test the North vein at greater depth. The vein was intersected, see table. Drilling will continue on this vein for strike length. Mr. Hamelin also reports the results of Hole BH 72422, but does not provide its grid location or indicate the vein intersected.

BIG M PETROLEUM INC. (BIM-V) rec'd.VSE approval for a 14Jan88 agreement whereby Big M acquired the Gold 13-16 claims, Liard M.D., B.C., from L.Bourgh for \$10.

GOLDEN NORTH RESOURCE CORPORATION (GNO-V,GNOXF-Nasdaq)

has entered into a \$4,000,000 flow-through funding agreement with CMP Funds Management Ltd. for expenditure by 28Feb89. Proceeds will fund exploration on properties in which it owns or has interests on Nickle Plate Mountain, near Hedley, B.C., and on the Brainerd Pioneer property in southwestern B.C., in which the company is acquiring 57.4% interest.

MULTINATIONAL RESOURCES INC. (MUT-V) rec'd.VSE approval with respect to an option agreement with DuPont Canada Inc. whereby in consideration of the payment of \$50,000, Multinational acquired the right to lease or buy the assets of the Baker Mine, B.C., under one of 3 following options: 1. A purchase price of \$2,000,000 by Oct31/88.

2. A lease of the mine assets for 3 years for quarterly payments of \$137,500 per quarter starting Oct1/88. The assets may be bought upon expiry of the lease for \$1,150,000 subject to a 2-1/2% net smelter return to the vendors.

3. A lease of the mine assets for 3 yrs. starting Oct. 1/88 for \$140,000 per quarter, an option price of \$1,500,000 to buy the assets & 2-1/2% net smelter return to vendors. Multinational must notify DuPont of its intention to exerc.the option to buy assets prior to 1Aug91.