

George Cross News Letter

NO.62(1988)
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NOR-QUEST RESOURCES LTD. (NQT-V) NU-DAWN RESOURCES INC. (NDN-V)

DEAL MADE ON H.B. MILL - Nu Dawn Resources Inc. has & THE YMIR PROPERTIES agreed to buy the H.B. mill of Norquest Resources Ltd. located at Salmo in SE B.C. by issue of 7,200,000 shares, subject to regulatory and Nu-Dawn shareholders' approvals. the property comprises a 1,200 ton per day flotation mill, a 100-ton per day cyanidation plant, together with all necessary stores plus some 2,000 acres of crown granted mineral claims and surface rights. Nor-Quest holds an option to acquire up-to 75% interest in the Ymir properties owned by Nu-Dawn and, to date, has spent about \$310,000 on their exploration. Upon approval of the purchase of the mill, Nor-Quest will transfer its rights in the Ymir properties back to Nu-Dawn. These properties are within 15 miles of the H.B. mill.

The agreement requires Nor-Quest to vote its shares to Nu-Dawn in favor of the re-election of a majority of the present directors at both the 1989 and 1990 annual meetings of the members.

Nor-Quest agrees to use its best efforts to raise the necessary funds, upon terms acceptable to the Board of Nu-Dawn, for additional exploration and development of the Ymir property needed to bring it to production within the next 12 months and to place the mill in production. At their 22Apr88 annual general meeting, Nu-Dawn shareholders will be asked to increase the number of authorized shares to 25,000,000 and to approve the acquisition of the H.B. Mill. At present, Nu-Dawn has 3,440,048 shares outstanding.

MASCOT GOLD MINES LTD. (MSG-T,V)

CORRECTION - The Horsefly-Terrier claims, adjoining the Mascot Gold Mine to the southwest at Hedley, B.C. are 100% owned by Mascot Gold Mines and GOLDEN NORTH RESOURCES CORPORATION (GNO-V,T) holds a 20% net proceeds interest in these claims. Test mining is now underway on the claims. IN GCNL No.41 it was wrongly stated that Golden North owned 20% of the claims.

GEOSTAR MINING CORP. (GMC-V)

UNDERGROUND PROGRAM COMPLETED - Leif Ostensoe, president, announces some results of a successful underground program on the Victory property of Geostar Mining Corp. on Hudson Bay Mountain south of Smithers, B.C.. An old drift was slashed for 200 feet and extended 125 feet further. Drill stations were cut to provide access for a major underground diamond drill program expected to start in late April.

Underground sampling gives a zone grading 0.07 oz. gold/t, 8.8 oz. silver/t, 7% zinc and 6% lead. The vein has widened to 7 feet in the face of the new drift.

Geostar management hope to establish some 200,000 tons of ore to justify a 200-ton per day operation. Geostar also owns gold property (with Energex) in Nevada and Utah on which reserve circulation drilling is planned to start on 12Apr88.

VANANDA GOLD LTD. (VAG-V)

GEOPHYSICS INDICATE EXTENSION - Stanley L. Beale, OF TEXADA GOLD-COPPER ZONES president of Vananda Gold Ltd., reports that current geophysical surveys extending up to 800 metres west and south of the Florence and Security trenching on their Texada Island property, some 65 miles NW of Vancouver have outlined several anomalous zones. These zones appear to represent an extension of already known flat-lying limestone replacement beds in the volcanics which carry significant gold, being (0.5 oz./ton and greater) plus copper 2%. Detailed geophysics and trenching of these anomalous zones will be conducted to confirm the deposit's size. Preliminary negotiations are in progress with a major firm for exploration of Vananda's Texada skarn deposits.