

George Cross News Letter

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CHENI GOLD MINES INC. (CZG-V,T) SKYLARK RESOURCES LTD. (SKR-V)

WRICH CLAIMS OPTIONED- Cheni Gold Mines Inc. reports that an option has been granted to Skylark Resources Ltd. to earn a 50% interest on the Wrich group of claims in the Toodoggone, B.C. area. Skylark must spend \$225,000 by 31Dec89 to earn a 40% interest; then the agreement reverts to a 60/40 joint venture with Cheni as operator. Skylark then has the option to earn an additional 10% by advancing the first \$250,000 of expenses.

Prospecting by Skylark in the common boundary area has discovered 5 parallel quartz-carbonate veins exposed on surface within a zone about 1,500 feet wide by 600 feet long. Preliminary grab sampling from individual veins returned values as high as 0.067 oz. gold/t, 10.6 oz. silver/t, 1.3% copper, 9.0% zinc and 3.1% lead.

With the Cheni option and the option to earn a 50% interest in the Grace 1 to 3 claims from ASITKA RESOURCE CORP. (ATK-V), (0.107 oz. gold/t over 3.6 feet from chip samples of the trenched discovery showing in the boundary area), Skylark holds directly or under option a contiguous land package totalling about 23,000 acres in the Toodoggone gold camp, now called the Finlay River project. A major exploration program is being contemplated in 1988.

CATEAR RESOURCES LTD. (CAA.A-V)

DRILLING PROGRAM TO START- E.R. Kruckowski, president, **RESERVES FIGURES REPORTED** reports that the underground program has completed: 937 feet of decline, 85 feet of water sump and powder storage, 214 feet of drift on the 135 foot level, 130 feet of drift on the 195 foot level and 370 feet south of the 195 level, and 50 feet of raise on the 135 foot level on the Goldwedge property in the Sulphurets area, 50 km north of Stewart, B.C.

Assay results have been received for another four face rounds and indicate up to 12.88 oz. gold/t across 6.3 feet. Based on the latest assays, an average 0.825 oz. gold/t and 1.69 oz. silver/t across 10.75 feet is indicated for 178 feet of drift length on the 135 foot level. A SUMMARY OF ALL FACE ASSAYS AVERAGES FOR THE GOLDEN ROCKET VEIN FOR LEVEL 1 AND RESERVE FIGURES ARE PRINTED OVERLEAF PAGE 1.

Catear is beginning a 15,000 foot underground drill program in order to test the Discovery, Goldridge and Golden Rocket veins. To date 57 out of the 58 holes drilled have all been on the Golden Rocket. It is expected that this drilling will double the present reserves. The geological potential of the Discovery vein appears to be 100,000 to 150,000 tons, possibly grading 0.3 to 0.5 oz. gold/t.

The mill construction is making excellent progress with completion of the grizzly, conveyor belts and plumbing expected shortly. (See also GCML No.60 p.2 25Mar88 and No.76 p.3)

Catear Resources Ltd.

GOLDWEDGE PROPERTY

| <u>Face</u> | <u>Footage</u> | <u>Gold Assay(opt)</u> | <u>Silver Assay (opt)</u> |
|-------------|----------------|------------------------|---------------------------|
| Decline | 10.64 | 7.570 | 6.06 |
| including | 2.33 | 103.470 | 77.20 |
| NDR-01 | 5.56 | 0.340 | 1.16 |
| including | 3.01 | 3.559 | 5.51 |
| NDR-Slash | 11.50 | 0.460 | 0.83 |
| including | 11.50 | 1.388 | 1.26 |
| | 1.00 | 5.968 | 6.13 |
| | 3.01 | 2.085 | 2.29 |
| SDR-Slash | 12.50 | 0.165 | 0.35 |
| including | 3.91 | 1.466 | 1.76 |
| NDR-03 | 12.50 | less than 0.1 opt | 0.84 |
| including | 4.00 | 0.278 | 4.35 |
| SDR-02 | 11.90 | less than 0.1 opt | 0.64 |
| including | 5.75 | 0.239 | 1.10 |
| SDR-03 | 11.90 | 3.550 | 3.10 |
| including | 4.00 | 31.441 | 24.20 |
| SDR-05 | 9.78 | less than 0.1 opt | 1.46 |
| including | 2.33 | 0.315 | 3.59 |
| SDR-06 | 9.78 | less than 0.1 opt | 1.64 |
| including | 1.25 | 0.130 | 16.58 |
| SDR-07 | 8.59 | 1.210 | 6.78 |
| including | 4.50 | 0.515 | 15.76 |
| | 4.50 | 0.370 | 5.99 |
| | 2.00 | 18.127 | 42.97 |
| | 2.50 | 0.225 | 0.83 |
| SDR-09 | 5.80 | 0.161 | 4.79 |
| including | 2.50 | 0.143 | 4.88 |
| | 1.60 | 1.698 | 17.51 |
| | 4.00 | 0.104 | 10.24 |
| SDR-11 | 12.90 | 0.112 | 0.61 |
| including | 5.80 | 0.509 | 0.65 |
| | 3.50 | 0.201 | 0.61 |
| SDR-12 | 9.78 | 2.930 | 3.21 |
| including | 6.25 | 0.606 | 2.56 |
| | 6.33 | 12.883 | 11.60 |

Using the above drift length, width of vein and depth below surface, ore reserve calculations yield the following:

| <u>Category</u> | <u>Tons</u> | <u>Grade AU (opt)</u> | <u>Ounces AU</u> | <u>Grade AG (opt)</u> | <u>Ounces AG</u> |
|--------------------|----------------|-----------------------|------------------|-----------------------|------------------|
| Proven Developed | 26,106 | 0.825 | 21,530 | 1.69 | 44,119 |
| Proven Undeveloped | 13,053 | 0.825 | 10,768 | 1.69 | 22,059 |
| Drill Indicated | 107,278 | 0.837 | 89,791 | 2.56 | 274,631 |
| Drill Inferred | <u>145,479</u> | <u>0.837</u> | <u>121,765</u> | <u>2.56</u> | <u>372,426</u> |
| TOTAL | 291,916 | 0.835 | 243,854 | 2.44 | 713,235 |