

George Cross News Letter

NO.221(1988)
NOVEMBER 17, 1988

AVATAR RESOURCE CORPORATION (AAV-V)

DDH	ANGLE	INTERSECTION	INTERVAL	GOLD OZ/T	SILVER OZ/T
88-07	-45d	366.7-367.5ft.	.8ft.	1.049	1.72
		377.4-379.9	2.5	1.588	.96
88-08	-57	455.3-460.7	5.4	.272	.41
88-10	-45	364.6-367.5	2.9	.547	.36
88-11	-57	452.0-454.2	2.2	2.287	2.23
88-12	-66	221.3-224.5	3.2	.158	.31
		563.5-565.1	1.6	.467	1.46
		620.0-621.0	1.0	.426	.26
88-14	-52	473.0-475.3	2.3	.110	.11

DRILL ASSAYS REPORTED - Avatar Resources' consultant, E. R. Kruchkowski Consulting Ltd.

reports results obtained from the recent drill program at the Georgia River project, 13 km south of Stewart, B.C. on the east side of Portland Canal. Avatar can earn an 80% interest by spending \$200,000 on the property. Work to date has explored 2 of 7 gold bearing shear zones. This work has shown that the Southwest and Bullion veins are at least 2000 feet in length. Prior to the 1988 program, 36 drill holes and 3000 feet of underground exploration on 3 levels indicated 120,037 tons of 0.55 oz. gold/ton and 0.68 oz. silver/t. Recent work has shown good continuity of gold bearing shoots to 850 feet below surface, and the company expects that the gold bearing zones will continue to at least 1500 feet below surface. A compilation of the latest drill results on the Southwest vein is in the table above.

An up-dated mineral inventory calculation will be completed shortly. It is expected that the tonnage will be in excess of 200,000 tons in two gold bearing shoots along the Southwest vein. (SEE GCNL NO.180, P.1, 19SEPT88 FOR PREVIOUS DRILLING RESULTS).

GOLDEN GLACIER RESOURCES INC. (GGA-V)

FEST RESOURCES CORP (FSC-V)

HOLE NO.	INTERCEPT INTERVAL, FT	WIDTH	GOLD OZ/T	SILVER OZ/T	Golden Glacier Resources and Fest Resources
88-1	222.0-223.0 ft	1.0ft.	0.175	4.02	'Resources and Fest Resources
88-2	283.5-284.5	1.0	.047	2.52	'has reported the
88-3	77.0- 78.0	1.0	.102	3.58	'completion of a
88-4	128.5-130.0	1.5	.168	.74	'1,495 foot

-----diamond drilling program on jointly owned claims in the Stewart area, B.C. Four of 6 holes intersected the mineralized quartz carbonate vein structures as defined by earlier surface exploration. Diamond drilling has indicated a higher degree of quartz veining than was evident on surface due to talus and snow cover. This quartz vein system is within a highly altered zone of ankeritic carbonatization and silicification of the Hazelton volcanics related to late stage intrusive events. The diamond drilling confirmed the veins extend to depth.

SKYLINE EXPLORATIONS LTD. (SKK-V)

MILL RECOVERIES REVIEWED - Ronald C. Shon, chairman of Skyline Explorations Ltd. reported that the cyanide circuit in the 200 tons per day concentrating plant at the mine 100 km north of Stewart, B.C. remains shutdown. Without the cyanide circuit recoveries have been over 85% and indications that recoveries will well exceed 90% in the next few months. Current indications are that the recoveries might well be sufficiently high without cyanidation that the added costs of cyanidation might not be economically warranted. He noted that if the production objective of 2,800 ounces of gold is achieved in November then the mine is forecast to be very close to breaking even or generating a modest positive cash flow. This would of course be subject to a stable gold price and rate of U.S. exchange, etc. The forecasts are for higher December and January production.

ESPERANZA EXPLORATIONS LTD. (EEP-V)

NEW RESERVE ESTIMATES	TONS	GOLD OZ/T	OZ. GOLD TOTAL
HEINO MONEY proven	55,000	1.05	57,750
probable			
EAST RIDGE drill indicated	385,000	.30	117,000
drill inferred	1,600,000	.17	272,000
TOTAL	2,040,000	.22	446,700

(SEE MAP OVERLEAF, & MUCH DETAIL IN GCNL NO.211, 2Nov.88)

John S. Brock, president has reported diamond drill results at Tillicum Mountain, near Burton, B.C., continue to establish gold reserves now estimated at 2,000,000 tons grading 0.22 oz. gold/ton. The proven and probable reserve has been determined from underground sampling of 2000 ft. of drift, 900 ft. of raise and results from 98 underground diamond drill holes in the Heino Money zone.

Drill-indicated reserves at East Ridge have been calculated from 56 diamond drill holes using a 5.5 foot minimum mining width. This reserve is presently being advanced to a proven category through a program of underground drifting and raising.

Step-out drilling has inferred an additional 1,500,000 ton reserve from 16 holes that have intersected the ore zone over an average width of 7 feet.

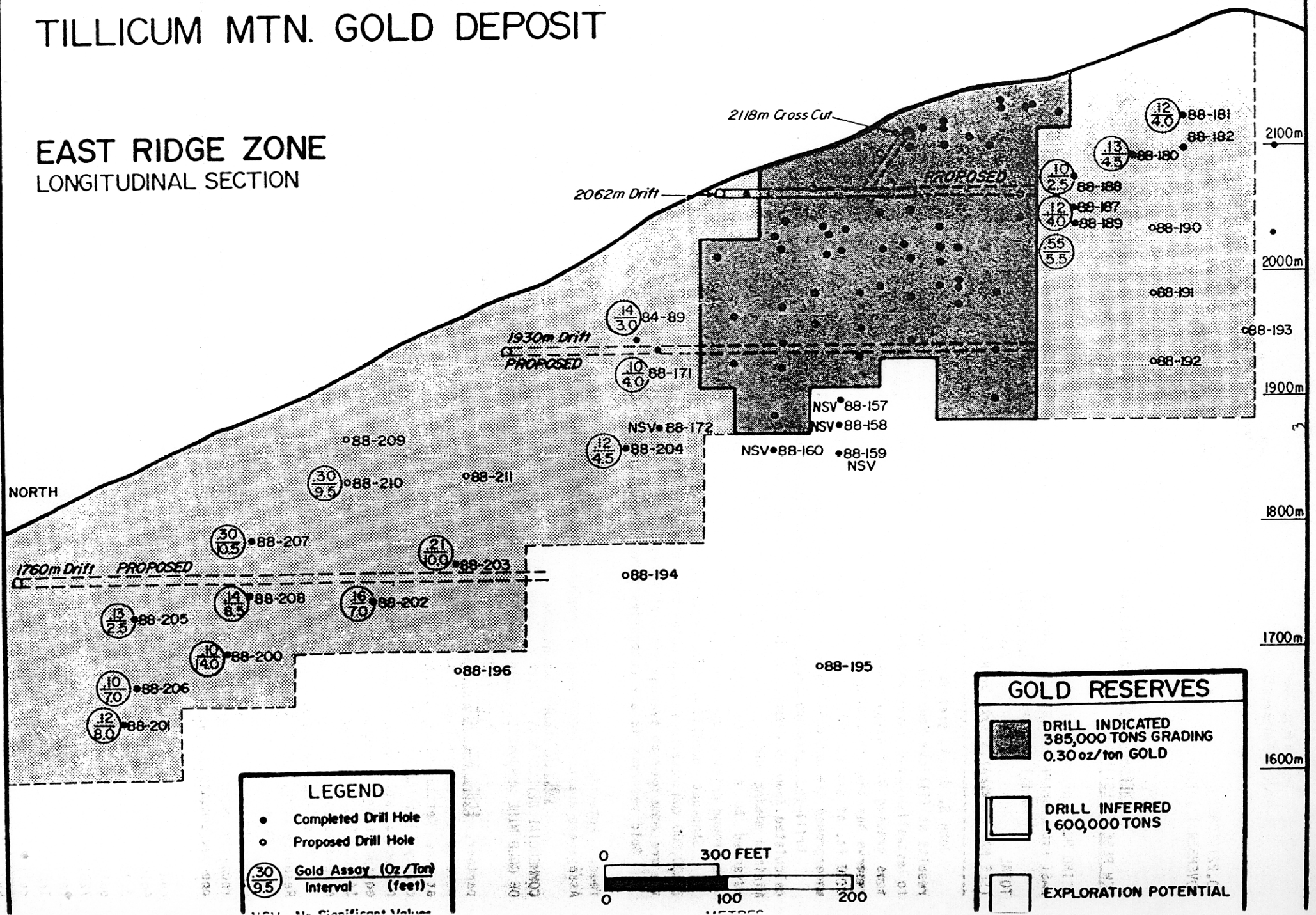
Gold reserves in all categories have been outlined to a depth of 1200 feet over a strike length of 3500 feet. Potential exists along strike and to depth. Assays are awaited from recently completed drill holes.

ESPERANZA EXPLORATIONS LTD.

TILLICUM MTN. GOLD DEPOSIT

SOUTH

EAST RIDGE ZONE LONGITUDINAL SECTION



LEGEND

- Completed Drill Hole
- Proposed Drill Hole

$\frac{30}{9.5}$ Gold Assay (Oz/Ton) Interval (feet)

NSV: No. Significant Values

GOLD RESERVES

- DRILL INDICATED
385,000 TONS GRADING
0.30 oz/ton GOLD
- DRILL INFERRED
1,600,000 TONS
- 0.1
EXPLORATION POTENTIAL