

George Cross News Letter

NO.226(1988)
NOVEMBER 24, 1988

REA GOLD CORPORATION (REO-V,REO-T,REOGF-Nasdaq)

DRILLING PLANNED FOR NEW GOLD PROJECT - Larry W. Reaugh, president of Rea Gold has reported 15 areas of anomalous gold ranging from 20 to 575 parts per billion have been delineated on the 14,500 acre Flap property located in the Okanagan Valley, 30 miles west of Vernon B.C., 15 miles south of the Huntington Gold property. Samples were taken over the entire property at 50 meter intervals on lines spaced 200 meters apart. Rea Gold plans a minimum 4,000 foot diamond drill program to follow up two of the targets.

The first target is a large stockwork with open-pit potential on a young (apparently Tertiary) feldspar porphyry alkaline stock which is associated with abundant quartz streaming. A suite of quartz vein material (5 cm or so wide on average) were collected and assayed. The results are: 0.77, 0.67, 0.55, 0.35, 0.096, 0.051 and 0.046 oz.gold/ton. These samples were found over a 100 meter radius during a first pass rock sampling program. The area is open in all directions. Most of the quartz veining observed is confined to a conglomerate or agglomeratic mixed unit intruded by the stock. There is the possibility of the stratabound gold occurrence. The second target is a syngenetic, exhalite gold and polymetallic sulphide potential.

One of the pyritic volcanic units, 3m wide, has been traced northwesterly across the claims with samples run for gold generally reporting 50 - 300 parts per billion. An induced polarization survey generally outlines two trends of the volcanic package.

Rea Gold has acquired an additional 15,000 acres to the south and west of its existing holdings at a cost of \$26,000 and a work commitment of \$175,000. Rea Gold owns a 100% interest in the Flap property and will earn a 100% interest in the 15,000 additional acres once the \$175,000 work commitment has been expended. The entire property purchase is subject to a 2% net smelter royalty payable to G.A. Medford, Ph.D. and Victor Guinet.

FORMOSA RESOURCES CORPORATION(FSA-V) has signed an agreement with Andrew Harmon & Garth Johnson and GOLDEN RULE RESOURCES LTD.(GNU-T,M) to earn a 60% interest in the RAR, REE and REO mineral claims at Kechika River, Liard mining division, B.C. by making cash payments totalling \$50,000 and spending \$200,000 on the property by 31Dec89 and a further \$200,000 by 31Dec92. The property is viewed as a prospect for rare earths and yttrium. The 1989 exploration program includes metallurgical testing, detailed investigation of the newly discovered REE zones, trenching and drilling.

CORRECTION: MORAGA RESOURCES LTD.(MGR-V) The Hushamu deposit on the Expo property has geologic reserves of some 100,000,000 tons or drill indicated mineable reserves of 57,500,000 tons, both grading 0.32% copper, 0.008% Mo and 0.012 oz.gold/ton. The story appeared yesterday in GCNL NO.225, p.1, Nov.23,1988.