

George Cross News Letter

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UNIVERSAL TRIDENT INDUSTRIES LTD. (UTI-V)

EXPLORATION UPDATE - Ronald H.D. Philp, president reports that six weeks of trenching and stripping have exposed extensive mineral showings at Universal Trident Industries Ltd.'s gold property located at Doctor's Point on Harrison Lake, 144 km north of Vancouver, B.C. Universal Trident is earning

its 51% interest from RHYOLITE RESOURCES INC. (RHY-V) by spending \$2,500,000 on exploration within 4 years. Plans are to spend \$500,000 to \$1,000,000 in the first year.

Numerous mineralized gold bearing veins and shears, accompanied by extensive brecciation, occur in three zones along a 2 km strike length across the property. On the Main zone, where two mineralized fracture zone veins have been exposed over 85 meters, widths vary from 0.5 to 1.5 meters, with grades of 0.5 to 1.0 oz. gold per ton, including many multi-ounce gold assays.

A 30 by 40 meter area has been cleared on the Pylon zone, which is 800 meters to the northwest of the Main zone. Closely spaced quartz veins carrying gold occur in an area of intense fracturing which appears to be related to a major northerly-trending shear structure. The North zone, a further 400 meters northwest of the Pylon zone, contains mineralization consistent with that of both the Main and Pylon zones.

A diamond drill has arrived on the property and within one week will begin 5,000 feet of drilling. Stripping and trenching continues.

Previous exploration on the property by Rhyolite in 1982 to 1984 established reserves in the Main zone of 120,000 tons grading 0.06 oz. gold/t. (SEE GCNL NO.204, P.1, OCT.24,1988 FOR MUCH DETAIL AND MAP OVERLEAF).

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

VERDSTONE GOLD CORPORATION (VGC-V)

TERMS OF ACQUISITION AGREED - Rea Gold and Verdstone Gold Corporation each hold a 50% interest in the 22,000 acres CK property located 43 km northeast of Clearwater, and 140 km. north of Kamloops, B.C. The property includes showings of zinc rich massive sulphides traced over a 20 km strike length. Drill inferred reserves are 1,643,000 tons.

Glanville Management Ltd. has evaluated the properties of Verdstone Gold Corporation which are a 50% interest in the CK project and a 40% interest in the Goldy property near Carmacks, Yukon, at \$1,200,000. Based on this evaluation, Verdstone's directors have agreed to sell these interests to Rea Gold and Rea Gold directors have agreed to buy these interests for 300,000 treasury shares of Rea Gold valued at \$3.43 per share and \$50,000 cash, all subject to regulatory authorities approvals. Verdstone will retain a 1.25% net smelter return royalty interest in the CK property, which interest is valued at \$120,000.

CORRECTION: MERIDOR RESOURCES LIMITED (MRO-V) The new mineralized zone on the Iskut River property, NW, B.C. is up to 110 feet wide, not 10 feet, as was reported yesterday in GCNL No. 217, P.2, 10Nov88.

DELAWARE RESOURCES CORP. (DLW-V)

GOLDEN BAND RESOURCES INC. (GBN-V)

HOLE	INTERVAL, FT.	LENGTH	OZ. GOLD/T	ISKUT ASSAYS REPORTED
88-1	104.0-108.9	4.9 ft	0.050	Murray Pezim, chair-
88-2	458.4-459.0	.6	.037	man of Delaware Res-
88-3	271.3-273.6	2.3	.058	ources Corp. reports
	308.7-309.7	1.0	.038	drilling assays from
				the Iskut River Joint
				Venture project,
88-6	295.3-315.6	20.3	.323	located immediately
incl.	306.8-309.1	2.3	2.531	north of the SNIP
	438.0-441.0	3.0	.111	deposit, about 100
88-7	72.2- 85.3	13.1	.122	miles north of Stewart
	120.1-128.0	7.9	.203	B.C. The project is
	180.5-185.4	4.9	.118	an equal joint venture
	190.3-195.2	4.9	.253	between Delaware,
	324.8-329.8	2.0	.703	American Ore Ltd. and
88-8	129.6-149.0	19.4	.311	Golden Band Resources
incl.	131.9-144.4	12.5	.446	Inc. Delaware is the
	218.8-228.0	9.2	.250	operator.
	263.8-278.9	15.1	.920	Drilling in 1988
incl.	265.7-269.0	3.3	2.116	totalled 5,773 feet in
and	269.0-272.3	3.3	1.017	10 holes. Five drill
	420.0-424.9	4.9 ppb	10,000*	holes tested the Gorge
88-9	212.3-215.2	2.9 ppb	10,000*	showing in the west-
88-10	521.7-528.2	6.5	.069	central part of the
				property. The showing
				consists of semi-
				massive to massive
				sulphide mineralization; two chip samples here returned
				assays of 3.66 oz. gold/ton over 3.3 feet and 4.86 oz.
				gold/t over 3.3 feet. Two holes were drilled in the
				Gregor showing and 3 on several coincident geochemical,
				VLF-EM and magnetic anomalies in the northwest corner of
				the property. The showing features semi-massive to
				massive sulphide and magnetite mineralization in sheared
				mafic volcanics. Holes 88-4 and 88-5 did not yield
				significant results.

HILLSBOROUGH RESOURCES LIMITED (HLB-T)

TARGETS LOCATED FOR - Seven drill target have been
1989 DRILL PROGRAM identified on the Mt. Slocomb
property 65 km northeast of
Toodoggone River, B.C. of Hillsborough Resources Limited.

The 1988 field program included airborne magnetic and VLF geophysical surveys, stream sediment sampling, soil sampling, with ridge-crest mapping and some detailed channel sampling. This work was carried out under the direction of Derry, Michener, Booth & Wahl.

Strongly sulphidized gossans up to 12 meters thick and associated with skarn development were encountered. Although still in early stages of exploration, assays are promising, with up to 10% zinc and associated 0.05% copper and 0.1 oz. gold/ton. Numerous seepage anomalies with pH as low as 3.5 outline many of the target areas.

A follow-up program for the summer of 1989 is being planned and is expected to involve 5,000 meters of drilling, mapping, as well as sampling and geochemistry.

George Vooro, president said Hillsborough's principle activity is its rapidly growing Canadian Mine Development Division, which provides engineering, contracting, construction, and related services to the mining industry.

<u>NINE MONTHS ENDED SEPT. 30</u>	<u>1988</u>	<u>1987</u>
Revenue	\$26,902,000	\$18,010,000
Expenses	24,300,000	17,410,000
Operating Income	2,602,000	600,000
Net Income	1,411,000	392,000
Earnings Per Share	31¢	6¢

Increased earnings are attributed to a significant increase in the volume of business transacted, together with gains in productivity compared to the prior period.

BLACK SWAN GOLD MINES LTD. (BSW-V, AUSTRALIA)

GOLD CAP INC. (GCX-ALBERTA)

<u>HOLE</u>	<u>INTERVAL, FT.</u>	<u>INTERCEPT</u>	<u>OZ. GOLD/T</u>	<u>NEW GOLD ZONE</u>
88-35	62.3- 71.5	9.2 ft	0.38	DISCOVERED AT TAS
88-36	62.3- 76.4	14.1	.21	Ross Glanville,
88-38	81.7- 85.0	3.3	.07	director reports
88-39	104.7-105.6	.9	.07	that Black Swan

Gold Mines Ltd.
has discovered a fourth gold zone at the Tas property, 140 miles north of Prince George, B.C. Under an agreement with Gold Cap Inc. and Noranda, Black Swan can earn a 55% interest by spending \$800,000 on exploration over 30 months. Four of the five holes drilled in the new discovery area called the Nest zone, intersected significant mineralization, results above. (SEE GCML No.212 and No.206 for previous drilling results).

LUCKY SEVEN EXPLORATION LTD. (LKS-V)

UPDATE - Lucky Seven Exploration Ltd. has carried out a trenching program followed by diamond drilling on its White Elephant property, 24 km SW of Vernon, B.C. Three of the six holes drilled intersected sulfide bearing vein quartz, similar to the workings in the old mine, but failed to show any significant gold or silver values.

The company is proceeding to work on its Ni property on Vancouver Island, B.C. where past sampling has returned values of: 0.05 oz. gold/ton; 4.86 oz. silver/t; 0.22% copper; 7.22% lead; and 10.9% zinc over 2.13 meters.

Ron Hunts has resigned as a director.

CANARC RESOURCE CORP. (CCM-V)

CALPINE RESOURCES INC. (CLP-V)

CALPINE INCREASES INTEREST IN GNC PROPERTY

Canarc Resource Corp. has granted an option to Calpine Resources Inc. to earn a 16 2/3% interest, net 8.33%, in Canarc's 50% interest in the GNC property near Stewart, B.C. Calpine already holds a 50% interest. The GNC property consists of 72 claim units completely surrounding the Eskay Creek project of Calpine Resources (50%) and Consolidated Stikine Silver (50%).

Calpine has committed to spend \$300,000 in exploration on the GNC property in 1989 and has the option to fund to production. After Calpine recovers their costs from production, Canarc will receive 33 1/3% of all mineral production from the claims.

The GNC claims including one fraction that appears to cut across the 21 zone adjacent to Calpine's high grade hole DDH C88-6: 96.5 ft. of 0.73 oz. gold/ton.

Canarc acquired their 50% interest in the GNC property for \$50,000 cash, 200,000 shares and a 2% NSR, subject to regulatory approval.

Bradford J. Cooke, president reported that assays are pending from 5 holes recently drilled on the Colombo mine, Sierra county, California.

TUNGCO RESOURCES CORPORATION (TNG-V)

reported assays from the recently completed drilling program on the Waratah project in the Iskut River area, NW B.C. Anomalous values were encountered in eleven of fifteen holes drilled. The best intersection was on the No.7 vein where H88-36 returned 0.226 oz. gold/ton, 0.25 oz. silver/t and 0.16% copper over 1.3 meters. Drilling of another 3,000 feet has started.