

George Cross News Letter

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DEL NORTE CHROME CORPORATION (DEE-V) (new post consolidation name)

CONSOLIDATED DEL NORTE VENTURES LTD.

HIGHLAND BELL ADJOINING PROPERTY TO BE EXPLORED

An option has been acquired by Del Norte Chrome on 30 unit claims that interlock with the Highland Bell 125 tons per day silver mine of Teck Corp. The property is located on the east side of Wallace Mountain near Beavertell, 60 kms south of Kelowna, B.C.

The property is owned by I.G.F. Metals Inc. and held under option by Elfin Exploration Ltd., a private company. Del Norte Chrome has assumed the option of Elfin. To acquire a 100% working interest in the property, subject to a 2% to 4% net smelter return royalty, Del Norte has paid a \$20,000 down payment and must make property payments of \$400,000 by June 15, 1990, complete \$900,000 of exploration by June 1, 1990 and make a decision to bring the property into production. As well Del Norte must pay to Elfin 1,000,000 pre-consolidated shares, or 200,000 post consolidated shares plus an undetermined number of earn-out shares based on a plant and equipment appraisal, all subject to regulatory approvals. There is a further provision in the agreement that 25% of any net profits earned at the mill from processing custom ores will be paid to I.G.F. A custom ore processing operation is a definite possibility.

Del Norte has received regulatory approval for a 5-fold for 1-new share consolidation and a name change. After consolidation there are 1,500,043 shares issued. Del Norte has negotiated a pre-consolidation brokered private placement of 500,000 units at 40¢ each to raise \$200,000. Each unit consists of one common share and one flow-through share plus one warrant to buy one further share at 25¢ each for six months.

Consolidated Del Norte plans to raise a further \$300,000 by way of private placement of flow through shares. The company anticipates that the \$500,000 raised in the two stages will be sufficient to reach a production decision within 6 months.

The Highland Bell mine has produced 45,000,000 million ounces silver plus lead, zinc, copper, gold and cadmium since 1900.

The property optioned by Del Norte includes five formerly producing mines with estimated production of 1,600,000 ounces silver, 1,600,000 lbs. zinc, 1,100,000 pounds lead, 375 ounces gold from 9,000 tons with an average grade of 191 oz. silver/t, 16% combined lead-zinc, shipped to the Cominco smelter at Trail, B.C. It is estimated that at current metal prices 10 oz. silver/t could be mined profitably. Robert G. Crompton, director of Del Norte said a significant tonnage of 30 oz. silver/t exists in the old workings particularly in the Wellington

mine plus over 60,000 tons of dump material which has recently been sampled to return values of 5 oz. silver/t.

I.G.F. Metals Inc. expended \$2,500,000 on exploration of the property including \$1,600,000 on the construction of a mill with a designed capacity of 100 tons per day. The 1987 and 1988 exploration included surface stripping, trenching, soil sampling and 80 surface and underground rock chip samples and identified 11 mineralized vein systems and a number of potentially significant silver geochemical anomalies. Surface diamond drilling of 334 feet resulted in one hole with a core length of 2.5 feet with 71.94 oz. silver and 4 feet of 39.32 oz. silver/t plus lead, zinc and gold values. An exploration program of extensive drilling and underground exploration has been recommended.

FREEMONT GOLD CORPORATION (FGC-V)

KHUTZE RIVER PROPERTY ACQUIRED - Bernard J. Ouellette,

president, reports that Freemont Gold Corporation has acquired a 50% interest in the Hunter Group gold/silver properties for \$25,000 per year or a 10% net smelter return until \$1,500,000 has been paid, whichever is greater. Earlier development traced seven gold-bearing vein structures with some good values. Further exploration will be done in conjunction with the Western Copper Gold property, both located on the north fork of the Khutze River, 343 miles north of Vancouver, 100 miles south of Prince Rupert, B.C.

A drilling contract has been let for 3000 feet of surface diamond drilling and 2000 feet of underground diamond drilling. Two holes have been completed with both intercepting a strong quartz vein. Assays awaited.

A private placement of 100,000 units at 70¢ each, made up of 1 flow-through share and 1 non-transferable warrant to purchase 1 share at 84¢ for one year has been placed with Henry Harder and Zaleschuk Pub Ltd.

ANDAUREX RESOURCES INC. (AMX-V)

GOLDPAC INVESTMENTS LTD. (GPK-V)

<u>HOLE</u>	<u>DEPTH</u>	<u>INTERSECTION</u>	<u>OZ. GOLD/T</u>	<u>DRILL RESULTS REPORTED</u>
88-13	357.3ft	0.68 feet	5.80	'W.P. Hammond, president
88-14	275.8	5.08	.067	'of Andaurex Resources
	328.9	3.47	.201	'Inc. reports that joint
88-15	368.6	1.44	.34	'venture partner Goldpac
88-16	47.6	4.98	.336	'Investments Ltd. has
	141.2	2.49	.067	'to date drilled 11
	160.2	1.86	.386	'holes on the <u>L.H. gold</u>
88-17	223.3	.33	.386	' <u>property, adjoining the</u>
	436.2	2.65	.134	' <u>Willia property of</u>
88-18	152.5	3.28	.166	' <u>Northair Mines, near</u>
88-19	203.0	1.67	.095	' <u>Silverton, B.C. The</u>

-----'results of 7 holes have been received. The holes were designed to test an east striking zone of silicified volcanics and were drilled at 30 meter intervals. The higher grade sections are contained within a broad zone of low grade gold-bearing rocks. A previous hole on stike returned 46.2 feet of 0.33 oz.gold/ton. Goldpac can earn a 60% interest in the property by spending \$1,500,000 on exploration by March 1991, \$300,000 of which has been spent to date.

GOLDPAC INVESTMENTS LTD.

PROPERTY OPTIONED - John Leask, president of Goldpac

Investments has reported acquiring an option to earn a 100% working interest in the four Knoll claims and the staking of 55 units to surround the optioned ground. The property is located along Harold Price Creek and Suskwa River, 20 miles due east of Hazelton, in the Omineca mining division, B.C. To earn the interest Goldpac must spend \$220,000 on exploration over four years and make property payments of \$278,000 over five years. The property is subject to a 2% net smelter return royalty to a \$2,500,000 end price. The claims are located in the centre of a large zone of disseminated gold-silver and base metal mineralization that occurs in volcanics and sediments. A program of induced polarization surveys will start near the end of October to better define drill targets selected on the basis of extensive surface showings of massive sulphides. Mr. Leask said the geological setting of the Knoll claims is similar to that of the Fireweed zones of Canadian United Minerals located about 30 miles to the south.

Goldpac has agreed to sell 333,333 flow-through shares at 90¢ each to raise \$300,000 from NIM, Resources 1988 and Company Limited. The majority of the funds will be spend on exploration of the Knoll claims.