

George Cross News Letter

NO.205(1988)
OCTOBER 25, 1988

MIKADO RESOURCES LTD. (MKO-V)

GOLDEN ARCH RESOURCES LTD.

<u>HOLE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>OZ. GOLD/T</u>	<u>OZ. SILVER/T</u>	<u>LEAD %</u>	<u>ZINC %</u>
88-121	182-207	25 ft.	0.027	3.13	4.55	17.95
88-122	247-255	8	.016	2.97	6.02	1.19
88-127	240-250	10	.0115	19.6	18.4	22.95

ABBOTT RESULTS REPORTED - James H. Simpson, president of Mikado Resources Ltd. reported further assay results from the Abbott replacement zone on the Mt. Templeman property 60 miles SE of Revelstoke, B.C. Mikado has a 70% interest in the property and Golden Arch Resources Ltd. 30%. The drilling has expanded the strike length of the zone by 500 feet, and it is open on strike to the southeast. Trucking of a 3,000 ton stockpile has started for a test at Dickenson Mines Silvana division, scheduled for Oct.24 to Dec.31,1988. (SEE GCNL No.169, p.1, Sept.1/88 for previous results)

FREMONT GOLD CORPORATION (FGC-V)

DRILLING RESULTS REPORTED - Bernard J. Ouellette, president of Fremont Gold Corporation, reported 6.358 oz.gold/ton and 1.47 oz. silver/t in diamond drill hole No.2 across 10 inches of pyrite seam in a 10-ft quartz vein encountered at 180 ft in depth. Surface assays at the No.2 drill location across 6 inches was 4.0 oz.gold/t and 4.84 oz.silver/ton. These results, from the Western Copper Gold property, 50% interest, at Khutze Inlet, B.C., 100 miles south of Prince Rupert, suggest a possible paychute with average grades of 2.51 oz.gold/t and 1.42 oz.silver/t across a 36 inch width. Holes 1, 3, 4, and 5 encountered quartz veins with no commercial value. Diamond drilling continues.

At the recently acquired Hunter group of properties, 50% interest, six miles from Western Copper Gold, five surface grab samples taken from four different veins averaged 3.42 oz. silver/t and 2.993 oz.gold/t. (See also GCNL No.199, p.2, Oct.17/88).

Some 5,000 ft. of diamond drilling at Toquart Bay is planned for early November to extend the ore shoot of the Lucky vein where a 1984 drill hole returned 1.68 oz. gold/t across 2.75 feet. Also scheduled for diamond drilling is the Ridge zone, a geophysical anomaly 600 ft. wide by 1,200 ft. long.

GULDERAND MINING CORP. (GUM-V)

BULK TESTING COMPLETED - D. Schindelbauer, president, reports that Gulderand Mining Corp. has completed a bulk test of 28,000 cubic yards of gravel materials and overburden to recover some 300 oz. gold from the Minto Lake mine site 25 miles northwest of Mayo, Yukon. Additional engineering evaluation work was conducted and a report is expected shortly.

A letter of agreement has been signed to acquire placer leases in the Quesnel mining district, between Williams Lake and Likely, B.C. Preliminary testing has shown this area to contain gravel reserves with values from \$4.75 to \$10.50 per cubic yard of bank material. Gulderand anticipates an operation to process 2,000 cubic yards per day, which should produce the equivalent of \$10,000 to \$14,000 per day at cost of about \$5,000 per day using the AEC 999 concentrator.

COMINCO LTD. (CLT-V,T,M)

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Metals business segment earned an operating profit of \$247,200,000 compared with \$99,600,000 in the comparable period last year. Sales revenues at \$834,200,000 were \$267,500,000 higher than for the same period last year. Both revenues and earnings benefited from the significant increase in prices and from the increased sales volumes of refined zinc, lead and silver which were adversely affected last year by a strike at the Trail operations.

The Fertilizers business segment had sales revenue of \$262,200,000 resulting in an operating profit of \$37,300,000 compared with \$12,800,000 in the same period last year. The higher operating profits are attributable to close control of unit costs along with higher prices for potash and for nitrogen produced in U.S. operations. In addition, the program to rationalize unprofitable phosphate operations has improved results in 1988.

The Red Dog mine construction and development project is progressing on schedule. Construction of the road has been completed and port facilities are well advanced as are the facilities at the mine site. Work will continue through the winter for project startup in early 1990 with shipments of concentrate to world markets starting in the summer of 1990.

SUNTAC MINERALS CORPORATION (SUJ-V)

REMBRANDT GOLD MINES LTD. (RTG-Alberta)

POLARIS-TAKU OPTIONED - Suntac Minerals Corporation has completed arrangements to raise \$329,000 in flow-through funds from NIM and CMP to be used in the exploration of the Polaris-Taku mine property, located in northwestern B.C. 40 miles east of Juneau, Alaska. Suntac Minerals has recently completed an agreement to earn a 60% interest in the property from Rembrandt Gold Mines Ltd. by spending \$3,000,000 over five years, subject to regulatory approval. The Polaris-Taku mine produced some 230,000 oz.gold between 1938 and 1951. Beacon Hill Consulting have estimated reserves of 244,420 tons grading 0.33 oz.gold/ton using a 0.15 oz.gold/t cutoff grade and a 5 ft. mining width.

FORMOSA RESOURCES CORPORATION (FSA-V)

GOLD HILL PROGRAM COMPLETED - Dr. Kuang I. Lu, president of Formosa Resources Corporation, reported the results of the 1988 exploration program on the 34 unit Gold Hill property, 10 km south of Nelson, B.C. Geological, geochemical and geophysical surveys covering about 60 km of grid were completed between mid-May and mid-September this year. Coincident geochemical and geophysical anomalies were identified running the length of the 2 km property. The anomalous belt coincides with a major fault structure that intersects the old workings.

Trenching carried out to cut into the mineralized structure from surface returned channel sample assays up to 0.732 oz.gold/ton over a true width of one meter. A drill program will begin immediately.

The Gold Hill property has a production record of 2 test shipments of 5 tons each in 1903 at \$25/ton and \$80/ton; 107 tons shipped in 1922 with an average grade of 2 oz.gold/t; and 12.5 tons shipped in 1925 that ran 1.38 oz.gold/t. Sampling done in 1974 of the old underground workings by D.C. Mitchell, P.Eng., yielded grades of up to 0.53 oz.gold/t over 3 meters. Re-sampling of the same area by John Knox, B.Sc., in May 1988 returned 0.445 oz.gold/t.

Formosa Resources can earn a 60% interest in the property from Golden Eye Minerals Ltd. for cash payments of \$50,000 and by spending \$350,000 in exploration by 15Jun91, and can earn a further 15% interest by cash payment of \$50,000 and spending a further \$250,000 on the property by 15Jun92. The agreement to assign Formosa's interest to Adds Resources and Technologies Corporation has been cancelled.