

# George Cross News Letter

NO.206(1988)  
OCTOBER 26, 1988

## EQUINOX RESOURCES LTD. (EGX-V,T)

### PAN AMERICAN MINERALS CORP. (PAA-V)

FORMAL AGREEMENT SIGNED - Equinox Resources Ltd. and Pan American Minerals Corp. reported signing a formal agreement granting Equinox the right to earn a 50% direct interest in Pan American's 100% owned J & L property, 32 km north of Revelstoke, B.C. and up to 2,700,000 shares of Pan American, or 40% of the company, by spending \$5,000,000 over five years on property exploration and development, and Pan American corporate and administrative costs. Equinox has also assumed day-to-day management of Pan American. The agreement is subject to Pan American shareholder approval, which will be sought at an extraordinary general meeting to be held on January 10, 1989.

The 18,250 acre J & L property contains a poly-metallic massive sulphide arsenical gold deposit. Work by BP-Selco, Noranda and Pan American from 1983 to 1988 at a cost of over \$5,000,000 has developed the following reserve estimates:

COMPANY	TONNES	GOLD SILVER LEAD ZINC				CATEGORY
		OZ/T	OZ/TON	%	%	
Pan Amer.	813,000	0.15	1.77	1.84	3.81	Proven/Probable
BP-Selco	3,371,000	.17	1.73	2.15	4.04	Probable/Possible
Noranda	11,438,000	.20	2.01	2.56	4.48	Possible

Within the overall deposit are zones of higher grade in certain metals, including extensive areas with gold values over 0.25 oz./ton and others with combined lead-zinc values over 10%. The deposit contains an average of 5% arsenic.

Mineralization has been traced at surface over a 3,280 meter strike length and in a continuous zone underground for 845 meters. The tabular zone averages 1.5 meters wide, extends up to 10 meters wide, and appears to be amenable to underground mining with good ground conditions and clear geological control over mineralization.

Metallurgical testwork by BP-Selco, Noranda and Pan American has shown that economic recoveries can be achieved using conventional methods. Equinox has started a metallurgical and underground evaluation program budgeted at \$1,000,000 and designed to develop a production flowsheet. This will include underground drilling, collection of a 300 ton underground bulk sample and lab and pilot scale flotation and pressure oxidation tests.

## FIRCREST RESOURCES LIMITED (FCH-V)

PHASE I COMPLETED - Fircrest Resources Ltd. has completed the phase I work program on its Croesus Property near Terrace, B.C. Results to date indicate several extensions of previous anomalies and one new showing. The company is entertaining a joint venture offer to continue exploration on the project.

Firecrest is acquiring a 20 unit mineral claim near the QR deposit in the Likely area of B.C. Details of the joint venture agreement and new acquisition will be released upon completion of the agreements.

The company has granted 50,000 employee options at 76¢ per share, exercisable until Oct.1/90.

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

### GOLD CAP INC. (GCX-Alberta)

HOLE	INTERVAL, FT	FEET	OZ. GOLD/T	TAS ASSAYS REPORTED
88-23	72.5- 74.1	1.6	0.17	' Arthur T. Fisher, pres-
88-24	79.4- 81.0	1.6	.28	'ident of Black Swan Gold
88-25	78.1- 86.9	8.8	.67	'Mines Inc. reported
	151.5-153.2	1.7	.55	'initial drill results

-----the Tas property 140 miles north of Prince George, B.C. Under an agreement with Goldcap Inc. and Noranda Exploration, Black Swan can earn a 55% working interest in the property by spending \$800,000 on exploration over 30 months. Eight holes have been completed and all holes have intersected at least one mineralized zone. Assays have only been received for 3 of the holes drilled in the East zone. During November drilling will continue to explore and delineate five known mineralized zones. Later, five holes will be drilled on other targets located elsewhere on the property.

**CAZADOR EXPLORATIONS LIMITED (CAZ-V)**

**PHASE I COMPLETED** - John A. Chapman, president, reports that Cazador Explorations Limited has completed phase I field work on the Hanson Lake project located 18 km north Endako and 125 miles west of Prince George, B.C. Forty-eight km of survey lines have been established. Soil samples, VLF-EM readings and magnetometer readings were taken at 25 meter intervals along the survey lines. Several large VLF-EM conductors have been identified and assays on the first 400 soil samples indicate extensive areas of anomalous silver and zinc, with sporadic high values of gold, copper and lead. Placer Dome has released several hundred samples from a 1973 reverse circulation drill program on the property. Once all the survey data is available drill targets will be selected. (See also GCNL No.190, p.2, Oct.3/88).

**SAVOY MINERALS LTD. (SEZ-ALBERTA)**

**PILOT BAY ZINC - ROBIN W. PEARSON, PRESIDENT OF SAVOY PRODUCTION BEGINS** Minerals Ltd. (formerly Springlake Resources Ltd.) reported that production has started on the Pilot Bay zinc reserves near Nelson, B.C. The total 57,760 tons assay approximately 10% zinc, 3% lead, 0.30 oz.silver/ton and 0.007 oz.gold/t. The first shipment, weighting 163 tons, was delivered to Ainsworth, B.C. for processing on October 20, where the ore is concentrated for delivery to Cominco's smelter at Trail, B.C. Savoy is negotiating with the Ainsworth concentrator to process a minimum of 2,000 tons per month. Given the above results, the company expects gross revenues of about \$15,722 per day.