

# George Cross News Letter

NO.207(1988)  
OCTOBER 27, 1988

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

FORMAL PRODUCTION - Larry W. Reaugh, president reports  
DECISION APPROVED that Minnova Inc. has informed Rea  
Gold Corporation that a formal  
decision has been made to bring the Samatsum silver  
project, 35 miles northeast of Kamloops, B.C., into  
production. On-site work started in early October.

The mill will have a nominal capacity of 500 tons  
per day but will be able to handle peak loads up to 550  
tons. Total capital are estimated to be \$32,200,000,  
which includes \$7,800,000 in development and operating  
costs. Rea Gold's proportionate share of costs to  
maintain its 30% working interest is about \$9,700,000.  
Rea Gold also holds a 5% royalty interest on output.

## COLCHIS RESOURCES LTD. (CLK-V)

### PINE CHANNEL GOLD CORP. (PCG-V)

PROPERTY OPTIONS REPORTED - Dale W. Hoffman, president of  
both companies reports that  
Colchis Resources Ltd. has granted Pine Channel Gold  
Corp. an option to earn a 50% interest in CBS 8044,  
located in the La Ronge gold belt, northern Saskatchewan,  
by paying \$5,000 and spending \$250,000 on exploration by  
Oct.31, 1991. Pine Channel plans 700 meters of diamond  
drilling in early November, funded by private placements.

Colchis has acquired the right to earn 100%  
interest, less a 4% net smelter return royalty, in 46  
mineral claims in the Beaver Cove area of Vancouver  
Island, some 40 km southeast of Port Hardy, B.C., for the  
issuance of 200,000 shares in stages; and intends to  
begin a \$48,000 exploration program of sampling, mapping,  
and surveying in early November for the bedrock source  
of copper-silver-gold mineralization found in boulders  
of up to 8% copper, 3.48 oz.silver/t and 0.05 oz.gold/t.