

# George Cross News Letter

NEWHAWK GOLD MINES LTD. (NHG-V.T)

GRANDUC MINES LTD. (GMD-V)

NO.194(1988)  
OCTOBER 7, 1988

**SULPHURETS PROPERTY UPDATE - Newhawk Gold Mines Ltd. 60% and Granduc Mines Ltd. 40%**  
*104B182*  
reports that the \$5,800,000 phase II program currently in progress at the Sulphurets property, 60 miles north of Stewart, B.C., has emphasized structural investigation of the West zone. Current underground development consists of a decline from surface to the 1350m level and development on the 1350m and 1300m levels, with 610 feet of drifting, 591 feet of cross-cutting, 160 feet of decline and 653 feet of raising completed. Work has now started on extending the decline to the 1250m level.

The purpose of this work is to provide data for the preparation of mining reserve figures. Reserve calculations to be used in generating mining reserves, and based on various cutoff grades, are now in progress. Cominco Engineering Services Limited has been retained to provide engineering advice.

Underground exploration has shown that the West zone is comprised of structurally controlled quartz vein stockworks within a silicified-sericitized alteration zone. Gold and silver mineralization consists of electrum, tetrahedrite and ruby silver and occurs within quartz veins stockworks, breccias and silicified zones. The dominant feature of the deposit is the Main Vein, a strong persistent zone of bifurcating quartz veins and a series of high grade, conjugate, subparallel veins and stockwork zones which splay off the Main Vein.

On the upper or 1350m level, six drifts have been driven along some 640 feet of mineralized structures. Four raises have exposed a total of 222 feet of mineralization in four separate structures. (SEE OVERLEAF PAGE 1 FOR DRIFT SAMPLE ASSAY RESULTS).

On the lower or 1300m level, four drifts have been driven along 555 feet of mineralized structure and three raises have exposed 232 feet of mineralization in three separate structures. (See overleaf).

Mineralization has been shown to occur in discrete high grade shoots within a well mineralized structure. These shoots have been shown to be continuous along strike for lengths ranging up to 250 feet and up plunge for lengths of up to 100 feet.

Three additional raises are in progress from the 1300m level. An exploration drift has been driven to the south at the 1325m level. This drift will provide access to explore the southern extension of the structure with a pattern of underground drill holes.

Surface diamond drilling is underway to test a possible new zone, the UTC, where deep surface drilling in July encountered mineralization 1000 feet from surface and 250 feet east of the West zone. Results to date overleaf. Confirmatory assaying is now in progress on a high grade intersection encountered in S-88-285. It is anticipated that underground definition drilling will be scheduled from the current West zone workings.

The access route from Highway 37 to Knipple Creek is now complete except for final cleanup. Road access, including a new road around Brucejack Lake, is now in daily use. An airstrip in the Bowser Valley will be completed shortly. An assay lab and maintenance shop have been added to the camp.

A reconnaissance program was conducted to review the many known zones of mineralization on the property and assess their potential.

The Sulphurets Lake zone was resampled and revealed gold mineralization in shear zones with grades of 0.246 oz.gold/ton, 1.38 oz.silver/t over 6.6 ft. and 0.244 oz. gold/t, 2.99 oz.silver/t over 6.6 feet.

The Sulphurets Gold zone returned assays as high as 0.154 oz.gold/t in grab samples and 0.097 oz.gold/t over 9.8 ft. This zone appears as a broad halo around the west, south and east sides of the Main Copper deposit discovered by Granduc in the early 1960's.

# NEWHAWK GOLD MINES LTD.

104B182

## Drifting and Raising, West Zone

Chip samples from the 1350 m level drifts have returned the following:

Drift	Width (feet)	Length (feet)	Average Grade of Structure	
			Gold oz/ton	Silver oz/ton
502 E+W	5.0 (diluted)	141	0.300	38.00
505 N+S	10.1	118	0.120	9.15
505 S	7.5	95	0.141	7.61
510 SE	5.6	106	0.485	52.61
512	7.6	108	0.205	9.86
515 SE	5.8	75	0.090	10.69

Chip samples from raising above the 1350 m level have returned the following:

Raise	Width (feet)	Length (feet)	Average Grade of Structure	
			Gold oz/ton	Silver oz/ton
135-504N *	5.0 (diluted)	95.0	0.250	22.60
135-513N	8.1	26.2	0.398	22.33
135-511	5.9	52.5	1.993	172.42

\* still in progress

Chip samples from the 1300 m level drifts have returned the following:

Drift	Width (feet)	Length (feet)	Average Grade of Structure	
			Gold oz/ton	Silver oz/ton
505-300 N+S	5.6	250	0.153	9.96
509-301 N+S	5.0 (diluted)	171	0.280	12.76
510-301 SE	5.3	105	1.033	79.75

Chip samples from raising above the 1300 m level have returned the following:

Raise	Width (feet)	Length (feet)	Average Grade of Structure	
			Gold oz/ton	Silver oz/ton
130-508S	5.0 (diluted)	98.0	0.432	21.97
130-503S *	5.0 (diluted)	100.7	0.183	9.94
130-511A	5.7	32.8	2.017	152.59

\* still in progress

## UTC Zone

Drill Hole	From (feet)	To (feet)	Intercept (feet)	Gold oz/ton	Silver oz/ton
S-88-279 *	989.1	995.7	6.6	0.184	4.45
	1004.5	1018.3	13.8	0.188	1.86
	1046.9	1060.7	13.8	0.535	2.01
	1109.6	1118.2	8.6	1.193	.80
S-88-285	857.0	893.0	36.0	0.412	9.78
	987.0	1007.0	20.0	0.412	4.09

\* Drill Hole reported previously as a portion of the deep drilling program.

#### ARMADA GOLD & MINERALS LTD. (ARM-V)

##### WORK PROGRAM COMPLETED - Armada Gold and Minerals Ltd.

has received assay results from the phase one work program on its MacKay River-Horsefly Lake property in the Cariboo mining division, B.C., adjoining the Fraser stratabound gold deposit. The assay results are from a structural zone with a true width of 42.7 feet. Two sample lines plus individual quartz veins were assayed. The weighted average from the two lines for the entire zone is 0.110 oz.gold/ton. Within the zone is 26.2 feet section averaging 0.173 oz.gold/t. The highest assay in the zone is 0.985 oz.gold/t over 6.6 feet.

The work program was carried out under the direction of Mr. Dave Howard, P.Eng., of D.D.H. Geomanagement Ltd. The company has further exploration funds on hand and awaits the engineers' recommendations for the next phase of exploration.

#### WINSLOW GOLD CORP. (WGC-V)

<u>HOLE</u>	<u>INTERVAL, FT.</u>	<u>WIDTH</u>	<u>OZ. GOLD/T</u>	<u>1988 PROGRAM</u>
<u>Handel Showing</u>				<u>COMPLETED</u>
W-88-3	141.4-142.5	3.6 ft.	0.144	Winslow Gold
<u>Bronson Grid</u>				Corp. and Pamorex
W-88-6	170.1-170.9	2.6	.090	Minerals Inc.
W-88-7	43.9- 44.5	2.0	.304	report that the
<u>Ridge Grid</u>				\$875,000 phase I
W-88-13	162.2-163.2	3.3	.400	and phase II
-----				'1988 exploration
and diamond drilling program on their <u>Iskut River joint</u>				
<u>venture property, some 60 km north of Stewart, B.C. has</u>				
<u>completed 10,613 feet of diamond drilling to test the</u>				
<u>Handel showing, Upper Bronson grid and Ridge line areas.</u>				

Exploration and diamond drilling has shown that the Handel Showing consists of a strong shear zone with quartz and massive sulfide mineralization. Significant mineralized shear/vein systems and chloritic zones were encountered on the Upper Bronson grid, while widespread stockwork quartz vein systems with abundant pyrite and sphalerite were intersected on the Ridge zone.

A two phase diamond drilling program to consist of some 13,000 feet has started on the Winslow mine property in the Trout Lake area southwest of Revelstoke, B.C.

#### PEMCO RESOURCES LTD. (PMO-ALBERTA)

SEISMIC SURVEY OF THE- Pemco Resources Ltd., a junior  
FRASER VALLEY ANNOUNCED capital pool company, has under-  
taken a reconnaissance group

shoot seismic survey in the Fraser Valley area of B.C.  
Pemco has agreements with four major oil companies that are participating in this survey, which is being conducted using the latest vibroseis equipment, and is entitled to seek a fifth participant and is negotiating to that end. The survey data will be held for the exclusive use of the participating companies for a period of three years and thereafter may be sold or traded. The survey is being conducted by CGG Geophysics Canada Ltd., and should be completed by the end of October.

Pemco has not paid, and is not required to pay, any direct costs of acquiring the survey data. A successful program will result in additional assets to the corporation, estimated by management to be not less than \$250,000, consisting principally of cash, but including the survey data.

**LANA GOLD CORP. (LAL-V)**

PROPERTIES UPDATED - Lana gold Corp. reports that preliminary work done on the Golden Clam, Golden Bar, Blackjack and Carlin Surprise claims in Nevada is of sufficient interest that Billiton Minerals is presently reviewing the data to consider a more extensive program for 1989 under its option to earn a 75% interest.

The company is presently doing assessment work on its Paymaster claims in the Bralorne area of the Lillooet Mining Division, B.C. To date the work carried out has identified a strong anomaly showing that will be further investigated. The company is also presently negotiating an option agreement to earn a 50% interest in claims adjacent to the Paymaster Group.

Two major mining companies have expressed some interest in mining claims owned by Lana in Nevada.

The company is presently preparing a work program on its Needle Gold claims in California. Surface showings have shown high grade silver samples. A 2,000 ft. shallow drilling program has been recommended and will be undertaken shortly.

Results of geophysical work done on the company's Puiseaux property in the Casa Berardi area of Quebec is being analyzed with a view of possibly proceeding to an overburden drilling program once winter has set in.

**BRICAN RESOURCES LIMITED (BRI-V;BRIIF-Nasdaq)**

DIAMOND DRILL - Brican Resources Ltd. is making an PROGRAM PLANNED immediate start on preparations for a diamond drill program on its Man property north of Princeton, B.C. Brican has the right to acquire a 100% interest in the 1854 acre property and plans to use flow-through funding for the drill program. About 6,000 feet of drilling is planned to test a zone of known gold/copper mineralization as recommended by Mr. D.C. Miller, P.Eng. in his report of August 24, 1988. Drilling should start mid-October and be completed by late November.

Gold values were intersected in previous drilling, some of the more interesting intersections below:

<u>HOLE NO.</u>	<u>INTERVAL FT</u>	<u>LENGTH</u>	<u>OZ. GOLD/T</u>	<u>COPPER</u>
80-1	395 -404.8	9.8 ft.	0.204	0.91%
80-2	76.8-285.4	208.6	.009	.45
incl.	252.6-262.4	9.8	.057	--
	501.8-521.5	19.7	.026	--
	551.0-570.7	19.7	.093	--
and	551.0-560.8	9.8	.146	.99
80-5	200.0-246.0	46.0	.023	--
	703.5-759.3	55.8	.009	.35
	854.0-893.0	39.0	.020	--