

# George Cross News Letter

NO.180(1988)  
SEPTEMBER 19, 1988

## QPX MINERALS INC. (QPX-V)

### PLACER-DOME INC. (PDG-V,T,M)

**NEW ZONE IDENTIFIED AT QR - T.J. Ryan, president of QPX FEASIBILITY STUDY PLANNED** Minerals Inc. reports that a \$1,100,000 program, most of which was for drilling to find reserves in addition to the 1,000,000 tons grading 0.20 oz.gold/ton, was completed in August and identified a new zone of mineralization. The new East zone is similar and adjacent to the Main zone, but at greater depth. Grade and tonnage will be determined in the next phase of work. QPX can earn a 50% interest, subject to 5% net profits interest, in the QR project located near Morehead Lake, some 58 km southeast of Quesnel, B.C., by spending \$6,000,000 on the property. Placer Dome has a prior right to proceeds of production of \$8,000,000.

A \$1,000,000 program ending in a feasibility study is scheduled for completion during February 1989. The program will include: drilling of part of the Main zone and the West zone to upgrade reserves to a mineable category; development of East zone reserves; calculation of reserves; drilling a limited number of geotechnical holes; development of a process flow sheet and mining plan. Preliminary environmental and metallurgical studies have been completed, and a production decision in the second quarter of 1989 is possible.

QPX was called for trading on the Vancouver Stock Exchange on 3Aug88 following a prospectus issue of 2,750 units, consisting of 800 flow-through shares and 200 common shares for gross proceeds of \$6,187,500.

## TIFFANY RESOURCES INC. (TFO-V)

### IMPERIAL METALS CORPORATION (IPM-V,T,M)

**IRON ORE PROPERTY OPTIONED - Imperial Metals Corporation** has granted Tiffany Resources an option to acquire up to an 85% interest in three located mineral claims and one fractional claim situated 10 km southwest of Coalmount, B.C. in the region of Lodestone Mountain. Tiffany may earn a 50% interest by spending \$1,000,000 on exploration and issuing 1,000,000 shares to Imperial, of which \$100,000 must be spent annually by September 30, 1989 through 1998, with 100,000 shares being issued for every \$100,000 of exploration. After the 50% interest is earned, Tiffany can purchase another 35% interest for \$3,500,000. Imperial will be carried for a 15% interest until commercial production begins. Previous exploration of the property has delineated an iron ore deposit of 98,000,000 tons with an additional probable 128,000,000 tons. In 1987, anomalous areas with platinum results were discovered.

Tiffany will issue 1,000,000 shares at 15¢ each to settle debts of \$150,000. The company has granted options on 750,000 shares to directors and employees, exercisable at 15¢ per share for two years.

## ABERMIN CORPORATION (ABM-V,T)

### LARAMIDE RESOURCES LTD. (LAM-V)

**ABERMIN TO SELL LARA INTEREST - Abermin Corporation** has agreed to sell its 65% interest in the Lara property, 15 miles north of Duncan, Vancouver Island, B.C. to Laramide Resources for \$2,300,000 cash, payable as to \$200,000 in escrow immediately and the balance on closing, plus a 10% royalty of net profits from production, which at the option of Abermin, exercisable until Oct.31,1990, is convertible into 5% of the issued shares of Laramide on a fully diluted basis at the date of conversion. The transaction is scheduled to close October 31,1988.

Laramide previously had a 35% interest in the property. Drilled reserves on the property are 583,000 tons grading 1.01% copper, 1.22% lead, 5.87% zinc, 2.9 oz.silver/t, 0.138 oz.gold/t, with an average thickness of 8.7 feet. A decline, crosscuts and drifting program is underway to upgrade the reserve classification.

## INTERNATIONAL PRISM EXPLORATION LTD. (IPE-V)

### PEZGOLD RESOURCE CORPORATION (PEZ-V)

**ISKU DRILL PROGRAM STARTED - Drilling** has started on a 1500 foot contract to test the Ken showing on the 21,000 acre Prism-Gab project, 16 miles NE of the Cominco/Delaware Snip project, 60 miles north of Stewart, B.C. Pezgold can earn a 50% interest in each of International Prism's five claim blocks in the Iskut area by spending \$2,000,000 on exploration by June 1,1990, and by paying \$200,000 to International Prism by June 12,1988.

A zone of copper/gold mineralization was drilled on the Ken claims by Newmont in 1972 with an assay of 0.22 oz.gold/t over 5 feet. Prospecting in 1988 identified an anomalous area of skarn mineralization covering an area 2,000 feet by 1,000 feet including the Ken and Glacier showings. Trenching of the Ken showing produced a chip sample that averaged 0.28 oz.gold/t over a 4.9 foot interval. The skarn mineralization is open in both directions along strike. Two grab samples, located 150 feet to the SW of the high grade trench sample, assayed 0.983 and 0.178 oz.gold/t.

Exploration is continuing on the two discoveries called the Cuba and the Northwest showings. The latter contains tetrahedrite, malachite and barite mineralization that appears to be on the northeast extension of the major structure that hosts a gold-bearing skarn, on which Gulf International has reported drill intersections as high as 1.605 oz.gold/t over 36.5 feet. The Cuba showing contains silver, lead, zinc and barite mineralization located on a parallel structure on the eastern portion of the property where 19 grab samples assayed in the range of 1.04 to 71.99 oz./silver/t. The 7 best samples ran: 10.29, 15.29, 17.97, 21.22, 25.02, 47.09 and 71.99 oz.silver/t. Work is trenching, mapping and sampling to develop drill targets.(SEE GCNL NO.162, P.2, Aug.23,1988 for previous assay results.)

**ENERGEX MINERALS LTD. (EGX-V,T;EGEXF-Nasdaq)**

HOLE	INTERVAL FT.	WIDTH	OZ. GOLD/T	TOODOGONE DRILL
AB8-46	132.2-142.1	9.9 ft	0.11	PROGRAM EXPANDED
AB8-47	240.4-276.4	36.0	.23	Energex Minerals
incl.	263.3-276.4	13.1	.37	ltd. reports that
BV88-3	31.5- 34.8	3.3	.13	the exploration
BV88-4	34.4- 41.0	6.6	.14	program at its 100%

-----owned AL project in the Toodoggone region, 600 miles north of Vancouver, B.C., will be expanded by up to 5,000 feet of additional diamond drilling on four targets. Over 15,000 feet of drilling in 60 holes has been completed to date with assays received for 46 holes.

Preliminary indications are that additional reserves have been added by development drilling on the Thesis II and West Bonanza zones. At Thesis II, 5 holes have been drilled to explore strike extensions of the deposit. Assays have been received for AB8-46 and 47. Assay results have also been received for 7 of 10 holes drilled to test strike extensions of the BV deposit. Results in the table above.

On the Bingo zone, previous trenching and drilling has defined a large area of copper and moderate grade gold mineralization. The zone appears to be broadening at depth and increasing in grade to the south where follow-up drilling is underway. Although gold grades encountered to date have been moderate, the Bingo zone is prospective for high grade ore shoots typical of grade distributions at the Thesis II and III deposits.

Additional drilling at the Ridge prospect will test a mineralized zone some 300 feet long, 700 feet deep and 18 feet wide. Drilling will also test the South Bonanza structure at vertical depths of 900 to 1,000 feet. A shallower tier of holes is planned on the West Bonanza along 150 feet of strike to define reserves. (SEE GCML NO.175, P.1, 12Sep88 and No.165, P.1, 26Aug88 for previous drilling results).

**GENERAL MINERALS CORP. (GM-ALBERTA)**

**PLACER GOLD PRODUCTION STARTED** - General Minerals Corp. has started gold production at the Germansen Landing placer property, B.C. General Minerals has a 50% working interest. Overburden stripping operations started in May. Approximately 100 feet of overburden has been removed to uncover the Tertiary placer gravels for processing. Production has averaged 20 ounces per day for the first week.

**AVATAR RESOURCE CORPORATION (AAV-V)**

HOLE	DIP	INTERVAL FT	WIDTH	OZ. GOLD/T	OZ. SILVER/T
88-01	-55d	362.5-365.1	2.6 ft	5.202	4.99
88-02	-65	121.3-124.3	3.0	.235	.71
		241.5-245.5	4.0	1.925	.36
		470.5-472.5	2.0	.116	.05
88-03	-70	539.1-540.1	1.0	.229	.11
		580.0-581.2	1.2	.365	.51
88-06	-72	885.0-858.2	3.2	.456	.13

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ASSAYS REPORTED - H. Barry Hemsworth, president of Avatar Resource Corporation, reported drilling results from a 6 hole program on the Georgia River project, 13 km south of Stewart, B.C., on the east side of the Portland Canal. Avatar is earning an 80% interest by spending approximately \$200,000. The 6 holes were drilled to test for the down dip extension of an ore shoot defined between 1979 and 1981. Values obtained from random sampling of a bulk tonnage sample collected in 1987 yielded the following results:

SAMPLE NO.	OZ. GOLD/T	OZ. SILVER/T	Trench sampling along
GR Bulk 1	1.173	2.15	'the southwest vein yield-
GR Bulk 2	3.267	7.38	'ed values ranging between
GR Bulk 3	4.324	8.43	'0.013 and 4.426 oz.gold/t
GR Bulk 4	1.076	.88	'and 0.11 and-10.41 oz.
GR Bulk 5	.649	.92	'silver/ton.

----- The property has total measured, indicated and inferred reserves of 120,037 tons averaging 0.55 oz.gold/t and 0.68 oz.silver/t. The recent drilling indicates that the ore shoots extend to 850 feet below surface while the ore calculations are only to 250 feet below surface.

**FLECK RESOURCES LTD. (FLK-V)**

HOLE NO.	INTERVAL	M. CORE	LENGTH	OZ/T GOLD	ASSAYS FROM SMITH-NASH REPORTED
88-3	13.4 14.3	0.90	3.0	0.087	John P. McGoran,
	16.8 18.0	1.20	3.9	0.058	a director of
	19.2 19.75	.55	1.8	0.058	Fleck Resources
88-2	26.3 27.3	1.00	3.3	0.025	Ltd., reported
88-3	14.3 17.1	2.80	9.2	0.031	assay results from
	18.9 20.4	1.50	4.9	0.162	the <u>Smith-Nash</u>
	24.0 25.0	1.00	3.3	0.076	<u>project, 15 km</u>
88-4	17.8 18.9	1.10	3.6	0.036	<u>southeast of</u>
	26.3 29.5	3.20	10.5	0.138	<u>Kamano, in west</u>
88-5	18.4 21.7	2.80	9.2	0.084	<u>central B.C.</u>
	22.9 25.4	2.50	8.2	0.047	Fleck can earn a
	35.3 38.4	3.10	10.2	0.251	65% interest in
	includes	1.60	5.2	0.384	the Smith claim by
88-6	47.8 50.9	3.10	10.2	0.042	spending \$750,000
88-7	60.7 68.3	7.60	24.9	0.536	on the property
	includes	5.80	19.0	0.702	over 3 years and

----- making option payments of \$50,000 over 2 years. Channel sampling by diamond saw gave an arithmetic average of 0.321 oz.gold/t over a width of 2.3 meters or 7.5 feet over a 53 meter length of the Smith-Nash vein. To the southeast there is an adjoining 0.195 oz. gold/t over 1.86 meters or 6.1 feet over a 32 meter length. (SEE GCML No.163, p.2, 24Aug88 for previous story and SEE MAP OVERLEAF PAGE 1).

1988 DIAMOND DRILLING

VERTICAL PROFILE OF VEIN

1988 CHANNEL SAMPLING

**Flock Resources Ltd.**



Proposed  
88-11

88-9  
Assays Pending

Proposed  
88-12

88-10  
Assays Pending

88-8  
.042/2.1

88-3  
.102/1.5m

88-4 88-1  
.138/3.25m .287/1.98m  
88-1

0.195 oz/t Gold  
over 1.58 metres  
width  
for 32 metres  
length

88-7  
.538/7.0m

88-5  
.281/3.1m

Proposed  
88-13

88-2  
.225/1.0m

Assays Pending  
88-6

Note: oz/t Gold / core length

SCALE - 1:400

0.321 oz/t Gold  
over 2.3 metres width  
for 53 metres length

