

# George Cross News Letter

NO.173(1988)  
SEPTEMBER 8, 1988

## CITY RESOURCES (CANADA) LIMITED

(CIZ-T,V: CIZCF-Nasdaq)

FINAL CINOLA GOLD FEASIBILITY STUDY EXPECTED SEPT.20,1988

Preliminary Report Shows Mineable Reserves:

23,800,000 tonnes, 2.45 g.gold/tonne(0.088 oz.gold/tonne) at a 1.1 g.tonne cutoff. Stripping ratio 2.45 waste to 1 ore.

In releasing some of the numbers from a preliminary portion of the feasibility study on the Cinola gold mine, Graham Island, Queen Charlotte group, B.C., John Bailey, president of City Resources (Canada) Limited stated the report is prepared by Minproc (U.S.A) Inc. and Davy McKee Corp.

Davy McKee Corporation, mining consultants, state in part, "A potential addition to the resource may include the recovery of free gold which may not be accurately reported during the assay process. This potential may exist at Cinola, however, there is no definitive evidence that confirms this will be the case." Base Case Gold Recovery 92%. Test work showed 90% to 93%

## DELAWARE RESOURCES CORP. (DLW-V)

DRILLING STARTS ON - Murray Pezim, chairman of Delaware ISKUT RIVER PROPERTY Resources Corp. reports that

drilling has started on the Iskut

River joint venture project located some 68 miles northwest of Stewart, B.C. American Ore Ltd. and Golden Band Resources Inc. can each earn a 33.33% interest in the project. A five hole, 2600 foot drilling program began on Sept.2,1988 to test the down dip potential of the newly discovered Grey showing, and several coincident gold geochemical, VLF-EM, and magnetic anomalies. A continuous chip sample across a trench returned 9 feet of 0.144 oz.gold/t, including 2.5 ft. of 0.335 oz.gold/t.

At a production rate of 2,100,000 tonnes per year, the proposed mining schedule will result in delivery to the mill of ore having grades over the first 12 years of: 0.088; 0.079; 0.074; 0.064; 0.056; 0.056; 0.067; 0.067; 0.066; 0.070; 0.087; 0.048. Net recoverable ounces of gold in the first 12 years is estimated to total 1,724,000 ounces made up of: 188,000; 168,000; 157,000; 135,000; 119,000; 119,000; 142,000; 143,000; 140,000; 148,000; 186,000; and 79,000.

Minproc states, assuming typical cash operating costs of \$20.00 Canadian per tonne, the operating costs equate to \$230.00 US per ounce of recovered gold for the life of the mine. Because of higher gold production and lower mining costs in the first two years, calculated cash operating cost is \$189.00 US per oz. of gold recovered for this period.

CONSOLIDATED BEL-AIR RESOURCES LTD. (CBT-V) reports the first phase exploration program has started on the Rob project in the Iskut River area, 70 miles northwest of Stewart, B.C. The initial phase will consist of prospecting, geological mapping and soil sampling. The company has a three year option to acquire a 75% interest from New Alster Energy Ltd. for cash and exploration expenditures of \$535,000 and 100,000 Bel-Air shares.

MAGENTA DEVELOPMENT CORP. (MGT-V) reports the first phase exploration program has started on the Rob 13-14 claims in the Iskut River area, 70 miles northwest of Stewart, B.C. The initial program will consist of prospecting, geological mapping and soil sampling. The company can acquire a 50% interest from Crest Resources Ltd. by funding \$250,000 in exploration over two years.

## BEMA INTERNATIONAL RESOURCES INC. (BMI-V)

AMIR MINES LTD. (AMM-V)

NORMINE RESOURCES LTD. (NON-V)

AMALGAMATION PLANNED - Directors of Amir Mines Ltd., Bema International Resources Inc. and

Normine Resources Ltd. have agreed to amalgamate the three companies, subject to regulatory and shareholder approvals and receipt of independent fairness opinions. The new amalgamated company will be called BEMA GOLD CORPORATION. A preliminary independent fairness opinion has established the following share exchange ratios:

<u>COMPANY</u>	<u>OLD SHARES</u>	<u>BEMA GOLD CORPORATION</u>
Bema International	1 common	1 common
Amir Mines	1 common	1 common
Normine Resources	2 common	1 common

The three companies share common management and are developing gold reserves in the United States and Canada. Amir and Normine are seeking permits for gold production on two heap leach gold properties in Idaho and one in California. Bema International is developing the Harrison Lake gold property in south western B.C. and owns a significant interest in the shares of Amir Mines and Normine Resources.

Bema Gold Corporation will own proven and probable gold reserves totalling some 850,000 ounces and will be debt free with \$3,000,000 in working capital and have about 16,500,000 shares issued.