

# George Cross News Letter

NO.177(1988)

SEPTEMBER 14, 1988

## CATHEDRAL GOLD CORPORATION(CAT-T)

**RECENT DRILLING HAS EXTENDED RESERVE - The Porcher  
NEW TONNAGE CALCULATIONS AWAITED Island former gold  
producer is a 10  
minute helicopter ride into the Pacific Ocean, 35 miles  
south of Prince Rupert, B.C.** The 100% owned property covers 1,900 acres at the mouth of the Skeena River close to important, cost saving infrastructure. The mine is clearly visible from the Prince Rupert airport, transcontinental railroad and deep water docking facilities. Weather conditions permit year round operations. Cathedral initiated an exploration and reserve development program in late 1987 and has spent about \$2,000,000 and completed 72 drill holes, over 40,000 feet of core. The program has been successful in adding substantially to tonnage and ounces of gold reserve. The program is continuing with new ore reserves calculations expected to be reported in a few weeks.

The two major changes at the mine in the past summer have been the renewed establishment of Bonanza type gold grades in the diamond drilling program and the initial exploration of at least three additional shear zones carrying similar geological gold host features.

All of the gold is associated with pyrite which is the only sulphide in the quartz veins. Production records from between 1934 and 1937 show bonanza gold grades of 5 to 10 oz.gold/t. The 1988 drilling is the first time in recent years that these Bonanza types of grades have been encountered. Historic production was 73,000 tons of ore from 12 veins, all within the AT zone and all from above the 1110 level. The recovered grade was 0.29 oz.gold per ton. Over-all recovery was in excess of 95% by simple flotation, with the concentrates shipped to smelters at Trail, Tacoma and Anyox. Former production can be considered a bulk sample of the quartz shears and a good indications of the grades to be expected in the extensions of the structures. The old working have been standing clean for 50 years indicating competent, low dilution, wallrocks.

The gold bearing altered quartz pyrite veins are within through going fractures in a two phase diorite intrusive, four km east west in length and about three km north south in width. Recent work has shown the subsidiary narrower quartz veins also carry important gold values. Also, the importance of the silicification and alteration zone is being further examined since sampling has given gold values. The major structure on the property is the AT zone which has been drilled over a 1,000 foot strike length, a depth or dip length of 600 feet, and over widths up to 40 feet with an average width of 10 feet. All reserves have been calculated using 25 meter spaced holes and a 0.1 oz. gold/t cutoff grade over a minimum 7 foot mining width. Gold bearing structures are drilled to some 300 feet below the 1015 level. That is, over a depth of 700 feet. The veins dip almost vertically. The zones are open to extension in both directions along strike and to depth.

The current drilling program, planned to resume in early October, consists of 15,000 to 20,000 feet in 15 to 20 holes is intended to extend reserves to the 500,000 to 600,000 tons production decision threshold volume. The new drilling may be extended to test other geologically similar zones where drilling to date has indicated similar tonnage and grade potential. Engineering consideration is also being given to driving one or more 300 foot raises from the 1015 level to the 1100 level, to establish continuity and grades of the veins. These other zones are roughly parallel to each other and are 800 to 1,000 feet apart. They are named Slope, Edge and Alder zones. As shown in the table below a number of holes in each of these zones have indicated ore grade intersections.

<u>ZONE</u>	<u>HOLE NO.</u>	<u>INTERSECTION</u>	<u>OZ. GOLD PER TON</u>
EDYE	No.11	0.8 feet	1.360
	No.13	.5	.915
		14.0	.260
		4.0	.100
	No.14	1.5	.665
		3.0	.144
		No.22	5.5
ALDER	No.24	4.0	.140
	No.17	1.0	.810
		4.0	.478
	No.18	1.5	.555
	No.21	1.5	.338
1.5		.602	
		1.874	

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(For a table of assay results See GCM No. 92, May 12,1988, P.1) Long intersections in the 1987 and 1988 drill programs suggest some bulk tonnage potential which will be further examined as conditions permit.

The exploration timetable contemplates collection of data into 1989 to permit start of feasibility work.

Cathedral Gold's other operations include: 52% Sterling open pit heap leach mine Nevada, which is producing approximately 2,000 oz.gold/quarter, 8,000 oz. gold/year; a recent acquisition of options to earn 30% in 14,600 acres in the Iskut River area, B.C.; a 51% Takla Rainbow property, 100 miles NE, Smithers, B.C.; 32.46% in Bralorn gold mine, 100 mi. N Vancouver, B.C.; 51% in the Addington mine 120 miles E. Toronto, Ontario, and a 50% joint venture interest in the Pellaire gold property, 120 miles north of Vancouver, B.C.

In the six months ended June 30,1988 the company earned \$475,000 or 11¢ per shares on revenues of \$1,763,000 and cash-flow of \$775,000 or 17¢ per share. At June 30,1988 the company had \$2,312,000 working capital when there were 4,513,583 shares issued. Cathedral will soon issued 1,350,000 shares to acquire

Bralorne interest. The company has arranged the sale of \$2,000,000 worth of flow-through shares at \$3.31 each to CMP. These transaction will bring the issued shares to 6,469,604 of which Imperial Metals will hold 40%.

On Sept. 13, 1988 Cathedral Gold announced assay results from holes No.49 to No.72 drilled in the At and Slope zones. Mineralization within the At zone occurs as one principal northeast striking major vein and a series of subsidiary veins branching from the major structure. Assays from the most recent drill holes are shown in the table overleaf. Also shown in the table over leaf are assay results from three holes in the Slope zone which is about 100 meters to the south of the At zone, has similar geological features and may represent an enclenon feature or the faulted extension of the At zone itself.

**BETTER RESOURCES LTD. (BRZ-V)**

HOLE	LENGTH	OZ. GOLD/T	OZ. SILVER/T	MT. WASHINGTON
88-183	5.2 ft.	0.105	0.84	ASSAYS REPORTED
88-184	7.5	.202	.49	Dennis C. Baxter,
88-185	11.5	.222	.34	director, reports
88-186	7.1	.266	1.27	that Better
88-187	14.3	.050	.31	Resources Ltd. is
88-188	1.1	.089	1.51	continuing drilling
88-189	6.4	.117	.29	on the southern
88-190	4.9	.272	.55	extensions of the

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 Lakeview-Domineer zone in an area 1000 ft. to 1600 ft. east of the portal and extending 2000 ft. north and 800 ft. south of the portal on the Mt. Washington project, 15 miles west of Courtenay, Vancouver Island, B.C. Some results in the table above. Later holes now in for assay have intersected wide zones of alteration with mineralized sections that show the zone is continuing to the south. Assays will be reported when available. (See GCNL No.144, p.1, July 27, 1988 for previous assay results).

This area could add to the previously reported reserves of 472,000 tons of 0.257 oz.gold/ton and 1.27 oz.silver/t. Metallurgical testing indicates a 92% recovery, or some 110,000 oz. of recoverable gold. (See GCNL No.114, p.1, June 14, 1988 and No.12 Jan.19, 1988)).

Better Resources claims are not in Strathcona Park. The company has been assured by the Ministry of Energy, Mines and Petroleum Resources that permit applications under the Mine Review process will receive normal processing to meet environmental standards. The Ministry has begun corrective measures on the old Mt. Washington copper dumps to control acid drainage and Better has contributed suggestions to improve this abatement.

Noranda has begun drilling on the co-incident geochem/geophysical anomaly on the 39 claims under joint venture from Better Resources.

# Cathedral

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### NEWS RELEASE

HOLE	EAST M.	NORTH M.	FROM	TO	M	FT	AU OZ/T
<b>AT Zone</b>							
55	4629.90	18838.60	156.25	157.80	1.55	5.1	4.120
56	4601.75	18957.55	46.16	51.50	5.34	17.5	0.626
57			*				
58	4641.65	19002.90	35.72	35.92	0.20	0.7	4.292
	4641.65	19002.90	39.50	45.60	6.10	20.0	0.239
	4641.65	19002.90	56.03	60.30	4.27	14.0	0.273
	4641.65	19002.90	66.70	70.26	3.56	11.7	1.078
	4641.65	19002.90	111.10	111.86	0.76	2.5	0.556
59	4675.35	19061.15	131.90	137.80	5.90	19.4	0.154
60	4675.40	19061.50	42.90	46.65	3.75	12.3	0.289
	4675.40	19061.50	49.65	51.60	1.95	6.4	1.142
	4675.40	19061.50	169.90	171.60	1.70	5.6	0.185
61	4724.50	19179.45	65.30	65.95	0.65	2.1	1.154
	4724.50	19179.45	83.30	84.50	1.20	3.9	0.361
	4724.50	19179.45	130.21	130.45	0.24	0.8	1.604
	4724.50	19179.45	138.00	139.6	1.60	5.2	0.743
62			*				
63	4750.10	19157.95	16.25	16.40	0.15	0.5	1.452
	4750.10	19157.95	71.27	71.89	0.62	2.0	0.424
	4750.10	19157.95	85.80	89.05	3.25	10.7	0.152
	4750.10	19157.95	128.10	130.35	2.25	7.4	0.202
64	4809.30	19190.15	96.55	98.50	1.95	6.4	0.725
65	4809.15	19190.75	59.38	60.57	1.19	3.9	0.129
	4809.15	19190.75	131.75	132.77	1.02	3.3	0.226
66			*				
67	4853.85	19141.80	16.25	16.70	0.45	1.5	1.771
68	4853.35	19141.15	23.14	23.47	0.33	1.1	0.753
	4853.35	19141.15	25.61	28.80	3.19	10.5	0.153
	4853.35	19141.15	33.20	40.50	7.30	23.9	0.358
69	4774.10	19175.20	25.05	27.07	2.02	6.6	0.329
	4774.10	19175.20	50.90	55.72	4.82	15.8	0.170
	4774.10	19175.20	70.90	72.12	1.22	4.0	0.334
	4774.10	19175.20	100.60	102.47	1.87	6.1	0.177
70			*				
71	4773.40	19092.30	23.42	24.05	0.63	2.1	0.353
	4773.40	19092.30	35.40	38.41	3.01	9.9	0.117
	4773.40	19092.30	120.70	123.93	3.23	10.6	0.100
72	4654.30	19017.90	50.49	53.95	3.46	11.3	0.313
	4654.30	19017.90	68.20	70.56	2.36	7.7	0.528
	4654.30	19017.90	114.91	117.43	2.52	8.3	0.147
<b>Slope Zone</b>							
49	4482.80	18760.05	140.34	144.20	3.86	12.7	0.385
	4482.80	18760.05	194.00	195.60	1.60	5.2	0.168
50			*				
51			*				
52	4495.40	18715.50	12.95	13.29	0.34	1.1	1.456
53			*				
54	4630.00	18835.90	97.81	101.00	3.19	10.5	0.147

\* No significant mineralization

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