

George Cross News Letter

Reliable Reporting

NO. 77 (1989)
APRIL 21, 1989

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WESTERN CANADIAN INVESTMENTS

COLBY RESOURCES CORP. (CY-V)
EAST WEST RESOURCE CORPORATION (EMR-V)
WORK RESUMES ON SCOTTISH GOLD DISCOVERY - M. McCormick, president of East West Resource Corporation and Colby Resources Corp. reports that work has resumed on the company's extensive gold/silver project in Loch Tay, 100 miles north of Glasgow, Scotland, where high grade gold mineralization was discovered last year.

East West and Colby each have a 50% interest in an exclusive gold/silver prospecting licence, covering 185 square miles south of Loch Tay, Perthshire, Scotland.

Detailed trenching along the main mineralized structure has proven this structure to be carrying significant gold mineralization over a strike length of 1,000 feet and is open at both ends. Detailed channel sampling at intervals averaging 15 feet has indicated gold values ranging from a low of 20 parts per billion gold, to a high of 1.65 oz. gold/ton over 3.3 ft. with silver values up to 1.8 oz. over 3.3 feet. Individual mineralized sheets assayed up to 0.42 oz. gold/ton over 3.3 feet width and a strike length of 46 feet. Grab samples not included in the above assayed up to 11.80 oz. gold/t and 6.78 oz. silver/t. In addition to this main structure, trenching has revealed the presence of at least another seven parallel structures carrying potentially significant gold mineralization. The best of these veins assayed 0.74 oz. gold/t and 3.30 oz. silver/t over 3.3 ft. Large portions of the gold/silver mineralized area remain to be tested by trenching. During the current field season, it is planned to extend the soil geochemical coverage, to continue trenching and to test the potentially economic mineralization at depth by diamond drilling.

geochemical anomaly with dimensions of some 1800 feet by 300 feet. The zone contains a large area of low grade within heavily disseminated sulphides, which contain massive sulphide bands. These massive sulphide bands give gold values of up to 0.654 oz. gold/t over 2.5 feet. The disseminated sulphide mineralization is indicative of a gold-copper-molybdenum porphyry deposit with grades of 0.015 oz. gold/t, 0.155 copper and 0.0235 molybdenum over lengths of 400 feet or more. The potential of this zone has not been fully tested.

Results of the 1988 drill program are summarized in the ASSAY TABLE OVERLEAF.

The company's geological and engineering staff are assessing results and planning for future work.

1989 DIAMOND DRILL - R.M. Hughes, president reported in PROGRAM SUMMARY 1989, some 10,280 feet of diamond drilling has been completed on Harbord Resources' Iskut River property, 100 km north of Stewart, B.C. A total of 33 holes to depth from 100 to 700 feet were placed to test subparallel zones of gold-bearing semi-massive to massive sulphide mineralization.

The 1988 and 1989 diamond drill programs show that gold mineralization is widespread. Four mineralized structures have been outlined within which the gold values appear to be concentrated.

Zone A - is located at the extreme northeast corner of the property. This zone is comprised of bands of semi to massive sulphides and quartz-carbonate veins. This zone is more than 100 meters long and is about 40 meters wide. Gold values in the zone are variable, with grades up to 1.3 oz. gold/ton over 4.6 feet.

Zone B - parallel to Zone A, approximately 100 meters to the east. This zone appears to consist of numerous subparallel sulphide and quartz-carbonate veins. It is traceable for 450 meters along strike, but is not as heavily mineralized as Zone A. Gold values range up to 0.179 oz. gold/t over 2.3 feet.

Zone C - is located about 400 meters to the south-east of the first two zones. This zone appears to be striking southeast, but has not been traced along strike. Massive sulphide veins drill tested in this area returned results up to 0.227 oz. gold/t over 4.3 feet.

Zone D - is located in the south eastern portion of the property. This zone is outlined by a large gold soil

INCO LTD. (N-T, N, NYSE)
PLACER DOME INC. (PDR-T, V, N, NYSE)
CONICO CORPORATION (ICR.A, ICR.B-T, V, N, NYSE)
PLACER, INCO AND CONICO INCREASE - Placer Dome Inc., Inco Interests in Musselwhite Deposit Ltd. and Conico Corporation jointly reported that they have exercised their right of first refusal to purchase for \$19,500,000 Esso Mineral Canada's 23.98% interest in the Musselwhite gold project 140 km north of Pickle Lake, northwestern Ontario. Placer Dome, Inco and Conico will each pay \$6,500,000 for one third of Esso Minerals interest. The transaction is scheduled to close no later than June 1, 1989. The transaction increases Placer Dome's interest in the project to 43%, Inco's to 32% and Conico's to 25%.

A drill indicated gold deposit of 6,000,000 lbs averaging 0.2 oz. gold/ton has been calculated for the Musselwhite property, not including the results of the underground exploration program completed in March 1989. The 1989 surface exploration has just been finished and indicates a good potential for increased tonnage. A feasibility study is expected in Fall 1989, at which time development of the property will be considered.

CONICO LTD. (CL-T, V, T, N)
THREE MONTHS ENDED 31 MARCH 1989

	1989	1987
Sales:		
Mining & Integrated Metals	\$334,200,000	\$259,100,000
Fertilizers	60,300,000	86,300,000
Other Operations	---	18,800,000
Total Sales	394,500,000	363,200,000
Operating Profit:	140,800,000	72,700,000
Mining & Integrated Metals	131,000,000	59,800,000
Fertilizers	9,800,000	11,900,000
Other Operations	---	1,000,000
Total Operating Profit	140,800,000	72,700,000
Net Earnings	81,000,000	32,700,000
Per Share	86¢	36¢

* after preferred dividend requirements

CONICO LTD. REPORTS - R.E. Halbauer, president of Conico FIRST QUARTER RESULTS. Ltd. reported the increase in earnings over last year is due primarily to higher metal prices for zinc and copper. Earnings for the first quarter were lower than those in the fourth quarter of 1988 due to a reduction in copper earnings as cold weather affected copper production resulting in a lower product volume and lower sales volume. Fertilizer sales were also affected by the severe winter weather conditions this year.

75.1

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MERIDOR RESOURCES LTD.
ISKUT RIVER PROPERTY

HOLE #	INTERVAL (feet)	WIDTH (feet)	GRG (oz/t)	SHARE	CUTER (%)
HRO89-1	194.2-198.8	4.6	1.300	0.21	0.19
	240.8-243.4	2.6	0.679	0.33	0.29
HRO89-2	105.3-129.7	23.6	0.259	0.79	0.51
	including	3.9	0.474		
	including	3.0	0.592		
	259.2-263.1	9.8	0.350	0.10	
	including	5.2	0.453		
	428.5-428.1	2.6	0.503		0.11
HRO89-3	164.4-173.8	9.1	0.082	0.21	0.18
HRO89-4	240.2-245.4	5.2	0.083		
HRO89-11	99.4-101.0	1.6	0.080		
HRO89-12	132.2-133.9	1.6	0.202		
HRO89-14	116.3-121.1	4.6	0.090		
HRO89-18	66.3-69.6	3.3	0.246	0.13	
HRO89-19	257.9-261.2	3.3	0.090	0.37	0.58
HRO89-21	51.8-54.1	2.3	0.179	0.14	0.19
HRO89-27	296.9-299.2	2.3	0.118	0.46	0.39
HRO89-30	183.7-188.6	4.9	0.227		

HRO89-31 161.4-164.0 2.6 0.445 0.21 0.09
 HRO89-33 63.3-66.9 4.6 0.094
 Previously reported.

PS 2

THE ITEM BY/DIVISIONAL FILE #12
 MERIDOR RESOURCES LTD.
 ISKUT RIVER PROPERTY
 1989