

1710-608 GRANVILLE ST.
P.O. BOX 10883 STOCK EXCHANGE TOWER
VANCOUVER, B.C.
V7Y 1G8
(604) 683-7285
FAX (604) 683-5308

George Cross News Letter

Reliable Reporting

COPYRIGHT
ALL REPRODUCTION
RIGHTS RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$200.00 PER YEAR
FAX (604) 683-6308

NO. 69 (1989)
APRIL 11, 1989

NO. 69 (1989)
APRIL 11, 1989

* 114P002

WESTERN CANADIAN INVESTMENTS

GEDDES RESOURCES LIMITED (GDD-T)

Preliminary estimate of geological reserves in portion of main deposit drilled to date indicates 77,000,000 tons averaging 2.4% copper, 0.007 oz. gold/t, 0.082 oz. silver/t, 0.08% cobalt, with doubling of tonnage anticipated.

FEASIBILITY STUDY BY- J. Douglas Little, president, Geddes END OF 1989 PLANNED Resources Limited states in the report for the year ended December 31, 1988, in terms of both total assets and shareholders' equity, the company more than doubled in size in 1988.

The main adit at Windy Craggy was finished in May at 6,076 feet and by the end of the year, 3,038 feet of drifting and cross-cutting had been completed. The underground diamond drilling by year-end had 28 drill stations established along 2,000 feet of the known 5,000 foot strike length of the mineralized zone. A total of 59,445 feet of diamond drilling was completed. Situated near the Yukon-Alaska border at the southern end of the St. Elias Mountains, at latitude 59° 44' N and longitude 137° 44' W, the Windy Craggy property is 120 miles southwest of Whitehorse and 40 miles west of the Haines Highway, which links Haines in the Alaska peninsula to Haines Junction in the Yukon.

The massive sulphide body, which is folded in parallel bands along its length, strikes N40°W and is arched in the middle along an east-west axis. The crest of the arch conforms to the Windy Craggy Mountain peak and splits the sulphides into north and south copper zones. On surface the sulphides have been traced over a strike length of 5,000 feet. Drilling has indicated widths of up to 600 feet and depth of over 1,600 feet.

In addition to the gold zone itself gold occurs at lower values throughout the copper zones. The mineralized area is open on strike both to the north and to the south and further exploratory drilling is to be carried out at both extremities. The present assessment is that the deposit will lend itself to both open pit and underground operation and will allow low cost mining.

The company spent almost \$11,000,000 on its 1988 exploration program. By the end of 1988 Geddes expects to have a feasibility study in progress which will lead to a production decision and major financing. The study is considering a minimum potential of 15,500 tons per day. Exploration of \$11,000,000 is planned for 1989 on underground drilling and tunnelling. Mining methods, mineralogical and metallurgical characteristics, plant site locations, access routes, environmental implications, economic assessments and continuing updating of the estimated mineral reserves. Under consideration is open pit mining of the upper portion of the deposit followed by large scale bulk, low cost, underground mining. The gold zone may be mineable as a separate operation on a smaller scale.

The drilled holes in 1988 established the gold zone is separate from the massive sulphide body and occurs within the intensely contorted and sheared core of the east-west striking fold that arches the main north-south striking massive sulphide body upwards. The gold zone was indicated by hole No. 83-14 which cut 2.01 feet averaging 0.3 oz. gold/t and 1.2% copper. Gold values in these holes included 0.13 oz. gold/t over 13.1 feet and 0.34 oz./t over 18.0 feet.

In 1988 Northgate Exploration Limited became a major investor in Geddes Resources Limited and currently holds 27% of the equity of the company.

In Feb. 1989 Dr. G. Harper, Northgate's vice president, development, was appointed vice president of Geddes and J.F. Kearney, Northgate president was appointed a director. J. Douglas Little intends to retire as president and chief executive officer at the annual meeting in May but will continue as a director. Dr. Harper will be appointed president on an interim basis. A permanent president will be appointed later. At December 31, 1988, Geddes had 14,881,887 shares issued with working capital of \$5,798,686. SEE OCNL NO. 61, P.1, JOHANNES FOR RECENT FINDINGS.

PLACER PAPER INC. (PPO-V,T,J)

FORSENA ORE RESERVES - Placer Bone Inc. reports that the ESTIMATE UPDATED Porgera joint venture has issued new estimates of ore reserves for the Porgera gold property in Papua New Guinea. The estimate of mineable reserves, proved and probable, at a cut-off grade of 0.044 oz. gold/ton, is 66,200,000 tons of 0.190 oz. gold/t. This reserve contains 6,500,000 tons of an average grade of 0.700 oz. gold/t which is mineable by underground methods at a cut-off grade of 0.200 oz. gold/t. Open pit reserves at a cut-off grade of 0.044 oz. gold/t are estimated to be 59,700,000 tons of 0.125 oz. gold/t. The new estimates are based on data from an underground drilling program carried out during 1988 from an exploration adit.

The Porgera joint venture consists of Placer (PPO) Pty Limited (a 100% owned subsidiary of Placer Pacific Limited, in which Placer Bone has a 75.85 interest), Highlands Gold Limited, a member of the HEN Holdings Limited group of companies; and Amison goldfields Consolidated Limited. Each of the joint venture partners presently has a 33.33 interest in the Porgera project. However, the State of Papua New Guinea has decided to take up its full 10% entitlement under the 1979 equity agreement which will reduce the interests of each of the joint venturers to 30%. Placer (PPO) is the manager of the joint venture. The necessary government approval to start construction are expected in the near future.

BREAKMATER RESOURCES LTD. (BMR-V,T)

NEW VEINS DISCOVERED - Breakmater Resources Ltd. reports AT O'BRIAN PROPERTY a recently completed 30,000 foot drilling program on the 100% owned O'Brian mine property near Cadillac, Quebec has delineated a new gold bearing vein complex, the 36E zone, about 2,000 feet east of the O'Brian No.2 shaft. O'Brian mine production was 600,000 oz. gold at an average ore grade of 0.46 oz. gold/t. Gold intersections were first encountered in this area in 1987. Ten distinct, en-echelon gold bearing quartz veins have been delineated along a strike length of 1,300 ft. and to a depth of 1,200 ft. A preliminary estimate indicates a mineral inventory of 275,290 tons of 0.35 oz. gold/ton uncut, 0.24 oz. gold/t cut. A study on the merits of underground exploration and development program from the existing O'Brian No.2 shaft is currently underway.

Previous work in 1983 reported a mineral inventory in all categories of 279,000 tons of 0.17 oz. gold/t to a depth of 1,500 ft. within the old mine workings. The O'Brian mine has a 300 ton per day concentrator in place.