

George Cross News Letter

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TENAJON RESOURCES CORP. (TJS-V)

RESERVES AND TWO NEW ZONES REPORTED - Donald A. McLeod, president of Tenajon Resources Corp. reports that results have now been compiled from the 1988 drilling programs on the SB property, 19 miles north of Stewart, B.C. The project is a 50/50 joint venture with Esso Minerals Canada Limited. In the latest program, 15 surface drill holes were completed on the Kansas zone and 36 underground diamond drill holes were completed on the Face Cut/35 zone.

Esso Minerals has estimated that probable and possible reserves on the Kansas and Face Cut/35 zones total 308,000 tons with an average uncut grade of 0.505 oz.gold/ton and 1.07 oz.silver/t; with individual assays cut to 1 oz.gold/t, the gold grade is 0.351 oz.gold/t. Both zones are open along strike and at depth.

Surface diamond drilling on other areas of the property has identified two new zones of mineralization, the West Kansas and Anomaly zones. The 1989 program is expected to emphasize development of these two new zones.

HOLE	INTERVAL, FT	WIDTH	OZ. GOLD/T	Notes
88-38	129.9-143.0	13.1 ft	0.290	'lies parallel to and
88-40	158.5-165.5	7.0	.508	'west of the Kansas zone.
88-42	19.7- 30.1	10.4	.270	'A surface hole, reported
88-44	309.4-315.9	6.5	.440	'last fall, was the first

-----'hole to intersect the zone and returned a 20.0 foot intercept grading 2.749 oz. gold/t uncut, and 0.426 oz.gold/t, cut to one ounce. Hole 88-44, reported above, is the second hole drilled on this zone. Four surface holes were drilled to test for a possible parallel zone to the West Kansas zone. Three of the four holes intersected mineralization in a new zone called the Anomaly zone.

Tenajon, as operator, is preparing a major exploration program for the coming year. Details of the program will be reported once the budget is approved, and work is expected to begin as soon as conditions permit. (SEE GCNL No.212, p.1, 3Nov88 for previous article).

POLESTAR EXPLORATION INC. (PSE-V)

HOUSTON METALS CORP. (HML-V)

KETTLE RIVER RESOURCES LTD. (KRR-V)

JOINT VENTURE FORMED - Polestar Exploration Inc. has reached an agreement on the Denoro copper-gold deposit near Greenwood, B.C. with owners Kettle River Res.(51%) and Houston Metals Corp. (49%)

Polestar can earn a 51% interest in the joint venture by spending certain funds on exploration and by completing a feasibility study to put the property into production. Kettle River and Houston then have the option to contribute 49% of the necessary funds or reduce a 16% interest. Polestar may finance to production to earn 84% interest.

Previous reserve estimates by several consulting groups in the sixties and seventies vary widely from 1,500,000 tons upward grading about 1% copper and 0.03 oz.gold/ton. Gary Giroux of Montgomery Consultants has been retained to provide an accurate geostatistical analysis of the deposit. Research is also being conducted to develop the most efficient extraction techniques so that the various silicate gangue minerals can be utilized in industrial applications.

B.C. MINISTRY OF ENERGY, MINES & PETROLEUM RESOURCES CANADA ENERGY, MINES & RESOURCES CANADA

ISKUT RIVER ROAD - Thurber Consultants Ltd. of Vancouver TO BE STUDIED has been selected to lead a \$75,000 study of potential resource road access in the remote Iskut River area in northwestern B.C. The study is be funded jointly by the Canada/B.C. Mineral Development Agreement and by a number of mining companies active in the area.

Approximately 200 km of routing will be studied to find the most economical and environmentally sound access into the resource-rich region. Under investigation are options along the Iskut Valley from Highway 37 near Bob Quinn Lake to the area near Johnny Mountain where the Skyline Explorations Ltd. gold mine opened last year and where other properties are being intensively explored. Recommendations are also expected on the best options for access from the Iskut Road into the Unuk River valley and through the Craig River valley to the Alaska boundary.

MACMILLAN GOLD CORP. (MMG-V)

INTERNATIONAL DAMASCUS RESOURCES LTD. (IDR-V)

SHARES PURCHASED - MacMillan Gold Corp. has acquired 323,500 shares of International Damascus Resources at a cost of \$264,113, and now holds 550,000 or 19% of the issued shares. Since 1980, Damascus has been developing the 5,000 acre Ox silver, lead, zinc property near Houston, B.C. Granges Exploration has signed an agreement to earn a 50% interest in the property by spending \$1,500,000 on exploration over 3 years. A \$500,000 exploration program has been proposed for 1989.

B.C. MINISTRY OF ENERGY, MINES & PETROLEUM RESOURCES

PUBLIC MEETINGS TO BE - Environmental studies on the HELD FOR CINOLA MINE proposed Cinola gold mine in the Queen Charlotte Island will undergo public review. B.C. Mines Minister Jack Davis has announced. CITY RESOURCES LTD. has carried out detailed mining and environmental studies which have been filed with the government and circulated to the public.

Meetings are to be held in the Queen Charlotte Islands under the auspices of the province's Mine Development Review Process. The B.C. Cabinet decision in principle on the project is expected by mid-1989.

The Cinola project is a potential large-scale gold producer which would directly employ about 200 people.