

George Cross News Letter

NO.14 (1989)
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MINING EXPLORATION GROUP

MEG LUNCH AND TALK - Ron Nichols of Cominco Ltd. will give a talk up-dating developments of the SNIP project of COMINCO LTD. (CLT-V,T,M) and DELAWARE RESOURCES CORP. (DLW-V), on Wednesday, Feb.1, 1989 at 12:00 noon at the Regal Ballroom, Hotel Georgia, Vancouver. Cost \$15, non-members welcome. The SNIP property is located on the lower slopes of Johnny Mountain, about 100 miles north of Stewart, B.C., and adjoins the northern boundary of Skyline's Stonehouse property where gold production started in 1988.

In early 1986, Cominco signed an option agreement with Delaware. During 1986 and 1987, the programs were financed by Delaware and led to the completion of 50,350 feet of drilling in 85 diamond drill holes, which intersected several high grade vein structures. The best of these is the Twin zone, a 3 to 25 ft. thick discordant, shear vein cutting a thickly bedded sequence of feldspathic greywacke and siltstone.

During 1988, underground drifting on the Twin zone system on the 300 level has demonstrated the existence of two distinctly different ore types. Type A ore occurs in a complex banded shear vein composed of alternating bands of massive calcite, heavily disseminated to massive pyrite, thin bands of biotite-chlorite and crackle quartz. Pyrite averages 15%. Other sulphide minerals include pyrrhotite, chalcopyrite, sphalerite, galena and arsenopyrite. Molbdenite is also common locally. Minor to trace amounts of bismuth and lead tellurides were also present. Type B mineralization is dominated by pyrite-pyrrhotite mineralogy (quartz and calcite are absent) and tends to be more attenuated and discontinuous than Type A ore.

The current ore reserve estimate comprises 1,570,000 tons of 0.64 oz.gold/ton in indicated and inferred categories. The reserve includes 25% mining dilution at zero grade and is based on a minimum mining width of 6 feet. Metallurgical tests on underground bulk samples and drill core composites spaced throughout the ore reserve produced combined recoveries (gravity + cyanidation) of 91% to 98% gold.

Underground exploration and development of the deposit is now in progress and preliminary engineering for construction of mill, tailings disposal sites and surface facilities is underway in preparation for late 1989 start-up of a 330 ton per day operation.

CHAPLEAU RESOURCES LTD. (CHI-V) Noranda Explorations has notified Chapleau that they will be terminating their option of the Hope, B.C. property. Transfer of the claims is expected soon, along with Noranda's report on their \$160,000 exploration program. Once Noranda's report is received, the company will study all results and formulate plans for further exploration of the Hope property in 1989.

BRYNDON VENTURES INC. (BNV-ALBERTA) ANTELOPE RESOURCES LIMITED (ATF-V)

HOLE NO.	INTERVAL, FT.	INTERCEPT	OZ.GOLD/T'	DRILL RESULTS
88-28	63.9- 69.3ft	5.6 ft.	0.25	' FROM ROSSLAND
88-29	16.7- 19.7	3.0	.13	' Bernard O.
88-31	78.4- 95.1	16.7	.56	'Brynsen, pre-
88-35	102.3-107.7	5.4	.63	'sident, reports
88-37	122.3-136.8	14.5	1.04	'that Bryndon
88-41	132.2-145.0	12.8	.30	'Ventures Inc.
88-45	28.1- 44.0	15.9	.29	'has received
88-53	94.2-111.6	16.4	.25	'its most

'recent diamond drilling results from its ongoing exploration program in the North Belt of the Rossland gold camp, B.C. one mile northeast of the Le Roi mine in a 50/50 joint venture with Antelope Resources Limited. During the last quarter of 1988, 28 diamond drill holes were drilled on this property representing over 8,000 feet of drilling. To date, eight North Belt holes have been assayed, including three new holes: 88-41, 88-45 and 88-53. Assays are pending on a further 9 holes drilled within the mineralized zone. (SEE ALSO GCNL NO.13,P.3,19JAN89).

MACMILLAN GOLD CORP. (MMG-V)

INTERNATIONAL DAMASCUS RESOURCES LTD. (IDR-V)

MACMILLAN TO PURCHASE DAMASCUS SHARES- Anthony L. Agostino president, reports that MacMillan Gold Corp. will spend up to \$275,000 to buy up to 323,500 shares of International Damascus Resources Ltd. at maximum of 85¢ per share on the VSE over 30 days beginning Jan.19, 1989. MacMillan purchased 226,500 shares of Damascus for \$150,523, about 66¢ per share in 1988. MacMillan and International Damascus share three common directors, who hold 503,175 of International Damascus' approximately 3,191,124 issued shares.

Granges Explorations Limited can earn a 50% interest in the company's 5,000 acre Ox precious and base metal property near Houston, in central B.C., by spending \$1,500,000 on exploration over 3 years. An approximate \$500,000 program is proposed for 1989 to further develop the Damascus zone and drill test other vein structures. (SEE GCNL NO.163, p.3, 24Aug88 for more details on the agreement and property).

International Damascus has appointed Kaveh Moussavi of London, U.K. as a director and granted him stock options to buy 69,000 shares at 77¢ each by 19Jan94.

AVONDALE RESOURCES INC. (AVD-V) is negotiating to acquire mineral claims located in northwestern B.C.