

George Cross News Letter

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CALPINE RESOURCES INCORPORATED (CLP-V, ALBERTA) CONSOLIDATED STIKINE SILVER LTD. (CKI-V)

ALPINE TO MAKE AN OFFERING BID FOR CONSOLIDATED STIKINE
Murray Pezim, chairman reports that Calpine resources intends to offer to exchange 5 shares and 1 share purchase warrant for each 1 share of Consolidated Stikine Silver Ltd. The share purchase warrants will be exercisable within a three year period to purchase an additional share of Calpine at \$2 per share. The formal offer will be mailed to Stikine shareholders within the next ten days and will be open for acceptance until the expiration of 21 days following the date of mailing. The offer will be for 51% of the issued capital of Stikine, although Calpine reserves the right to take up greater or lesser number of shares tendered.

Calpine intends to hold Stikine shares tendered as a major long term investment. The major asset of both companies is their 50/50 joint venture interest in the Eskey Creek project some 60 miles north of Stewart, B.C. (SEE GCNL No.249, 29Dec88; 248, 28Dec88 and 214, p.2, Nov88 for drilling results). New assays on the Eskey Creek project are to be reported in the next few days.

Prime Capital Corporation currently owns 1,500,000 shares of Calpine and intends to exercise its option to purchase an additional 1,500,000 shares. Prior to the exercise of this option, Calpine had 11,500,000 shares issued or about 13,000,000 fully diluted shares issued. Consolidated Stikine has 1,835,000 shares issued or about 2,335,000 fully diluted. There is a warrant outstanding to buy 500,000 shares of Consolidated Stikine at 35¢ each outstanding. If Calpine should acquire 100% of Consolidated Stikine, Calpine would have approximately 25,000,000 shares issued.

are currently operating on four continents.

PEZGOLD RESOURCE CORPORATION (PEZ-V)

PACIFIC SENTINEL GOLD CORP. (PSG-V)

DRILLING PROGRAM PLANNED - Murray Pezim, chairman reports that Pezgold Resource Corporation has mobilized a diamond drill to Ursus Creek project some 20 miles NE of Tofino, B.C. Pezgold can earn an undivided 55% interest in the project by spending \$800,000 on exploration over 3 years. Pezgold plans a 5 hole, 3000 foot drilling program to test the strike and depth potential of the Junction zone, where surface sampling has returned values of up to 0.778 oz.gold/ton.

A prospecting program has discovered additional mineralization in the immediate area of the Junction zone. The mineralization is hosted by numerous poly-metallic quartz veins within an area 400 ft. by 100 ft. Six assays greater than 0.30 oz.gold/t and up to 0.614 oz.gold/t have been returned. Further prospecting of this and three other known zones will be undertaken in conjunction with the drilling program.

CANADIAN-UNITED MINERALS, INC. (CUN-V)

GUNNAR EXPLORATIONS LTD (GGG-ALBERTA; GUNRF-NASDAQ)

FIREWEED DRILLING RESULTS REPORTED - Robert Holland, exploration manager for Canadian-United Minerals reported assay results for the first 6 holes of 24,000 foot diamond drilling program on the Fireweed property on Babine Lake, near Smithers, B.C. ASSAY RESULTS OVERLEAF PAGE 1. The present program is being funded by Gunnar Explorations Ltd., who can earn a 10% interest in the property by spending \$750,000 in this phase of the program. The property interest is convertible to shares of Canadian-United on the basis of one share for each \$1.50 of exploration spending. Some 18 holes comprising about 10,000 feet were completed prior to the Christmas shutdown. Drilling of another 14,000 feet resumed Jan.4,1989 (SEE GCNL No.222 and 243 for program outline). The results are from a portion of the zone where the strike of the horizon is turning to the south and there is evidence of plunging in that direction as well. All of these holes were drilled in the vicinity of previously reported holes FW88-24 (38.4 ft. of 12.75 oz.silver/t, 1.93% zinc) and FW88-25 (36.1 ft. of 9.24 oz.silver/t, 1.11% zinc).

To date, the West zone mineralization has been tested by 26 holes at roughly 150 foot centers to a depth of 500 feet and along strike for about 1,150 feet. Further assay results are expected shortly. (SEE GCNL NO.167 for a map of the West zone).

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HOLE	INTERVAL	WIDTH		SILVER OZ/TON	LEAD %	ZINC %	OZ.GOLD/T EQUIVALENT
	METERS	M	FT				
88-33	107.0-118.0	11.0	36.1	0.67	1.23	3.75	--
incl.	109.0-113.0	4.0	13.1	.83	1.51	6.77	0.26
	*125.0-128.0	3.0	9.8	.68	1.48	2.15	--
88-34	* 68.8- 73.4	4.6	15.1	4.26	.40	.84	--
incl.	* 69.6- 72.4	2.8	9.2	5.32	.55	1.12	.13
88-35	*143.0-146.0	3.0	9.8	.74	1.03	1.33	.07
88-36	98.0-100.8	2.8	9.2	11.55	1.39	3.61	.32
	106.0-115.65	9.65	31.7	5.42	.56	1.08	--
incl.	107.0-112.0	5.0	16.4	7.55	.75	1.37	.18
88-37	*145.0-148.0	3.0	9.8	8.27	1.80	2.25	.23
incl.	*146.0-147.0	1.0	3.2	17.67	3.16	3.06	.43
	153.0-154.0	1.0	3.2	11.46	2.65	3.73	.35
88-38	124.0-140.0	16.0	52.5	5.27	1.09	1.75	.16
incl.	127.0-131.0	4.0	13.1	17.04	1.54	2.52	.37

* geochemical analysis only, currently being re-assayed

CATHEDRAL GOLD CORPORATION (CAT-T)

CATHEDRAL FINALIZES - Cathedral Gold Corporation has
BRALORNE ACQUISITION acquired a 32.46% interest in the
Bralorne gold property 100 miles
north of Vancouver, near Lillooet, B.C., from the
Imperial Metals Group. The interest was purchased in
exchange for 1,350,000 shares of Cathedral plus an
option for 300,000 shares at \$3.00 each, good for two
years. In addition, Cathedral will carry a 10% cost
share on behalf of one of the Imperial Group Limited
Partnerships (Geomex 8) through to commercial
production. This transaction brings the number of
outstanding shares of Cathedral to 5,992,414 and
increases the Imperial Metals Group's holding in
Cathedral to 66%. Imperial Metals Corporation holds a
38% beneficial interest in Cathedral.

The Bralorne property covers over 4,000 acres and
comprises the former King, Bralorne and Pioneer Mines.
Corona Corporation holds the remaining 57.54% interest
in the Bralorne property.

CANOVA RESOURCES LTD. (CVD-V) reports that Homestake
Mineral Development Company have fully vested a 60%
interest in the Yellow Jacket property, Atlin, B.C. by
payment of \$75,000. Canova has agreed to issue 277,778
shares at 27¢ per share in consideration for the \$75,000.

PIERCE MOUNTAIN RESOURCES LTD. (PMU-T,V) are presently
negotiating for the acquisition of a gold property on
Vancouver Island near Zeballos, B.C.