

1710-809 GRANVILLE ST.  
P.O. Box 10363 STOCK EXCHANGE TOWER  
VANCOUVER, B.C.  
V7Y 1G5  
(604) 683-7265  
FAX (604) 683-5306

JUN 15 1989

COPYRIGHT  
ALL REPRODUCTION  
RIGHT RESERVED  
PUBLISHED DAILY  
SUBSCRIPTION RATE  
\$300.00 PER YEAR  
FAX (604) 683-5306

NO. 113(1989)  
JUNE 13, 1989

# George Cross News Letter

"Reliable Reporting"

NO. 113(1989)  
JUNE 13, 1989

## WESTERN CANADIAN INVESTMENTS

### GEDDES RESOURCES LIMITED (GDD-T)

**WINDY CRAGGY RESERVES INCREASED-** Dr. Gerald Harper, president, reports underground drilling by Geddes Resources at the Windy Craggy deposit in NW B.C. has increased reserves with the deposit still open. An independent study with data from 86 holes shows diluted reserves of 111,500,000 tonnes grading 1.7% copper, 0.2 grams/tonne gold, 3.6 grams/tonne silver, 0.8% cobalt, using a 1% copper cut-off grade. About 33% of this reserve is probable and the balance as possible. At a 0.5% copper cut-off the reserves rise to 139,000,000 tonnes at 1.5% copper and at a 1.5% copper cut-off, reserves are estimated to be 66,000,000 tonnes at 2.0% copper. (SEE TABLE OVERLEAF, PAGE 1).

Preliminary engineering and economic studies demonstrate that open pit mining at a waste ore ratio of less than 2:1 is preferable to underground mining for the start of mining operations. Financial studies indicate reserves would support a 30,000 tonnes/day operation with annual production of 300,000,000 lbs copper, 40,000 oz. gold, 600,000 oz. silver. At this rate direct operating costs should be Cdn. 30¢ to 35¢ per pound of copper. Capital costs are estimated to be \$430,000,000.

Geddes Resources plans to expand 1989 exploration with the primary objectives of increasing the proportion of probable reserves to at least 50% of the total and investigating the extent to a near surface zone of secondary enrichment of copper which would allow above average grade mining for the early years. Total reserves will also be expanded with the objective of ensuring a minimum 20 year mine life.

Preliminary reports on the environmental impact and road access corridors have been submitted to the B.C. government and more detailed studies are underway.

The program of metallurgical testwork will be expanded after additional bulk samples have been mined. These will allow comparison of recovery from the various types of mineralization encountered across the extent of the deposit. The work on the character of the tailings has started. As they will have a high sulphide content special precautions may be required in their storage.

The company has held preliminary discussions with engineering companies prior to selecting one to prepare a full feasibility study. That study will be undertaken as soon as the additional exploration work has confirmed the increased confidence level required for the reserve.

114P2  
P. 1

Dr. Harper stated that the additional drilling is proceeding at the rate of 3,000 meters per month and 15 additional holes have already been completed since the reserve calculation. Several of those holes at the east side of the north end of the deposit have discovered zinc with associated higher gold and silver values as shown. (SEE GCNL NO.92, 12May89; NO.79, 25Apr89; and No.69, 11Apr89 FOR MUCH DETAIL).

# GEDDES RESOURCES LIMITED

## Zinc Intersections

<u>Section/Hole</u>	<u>Angle</u>	<u>Core Length</u>	<u>% Cu</u>	<u>% Zn</u>	<u>Au g/t</u>	<u>Ag g/t</u>
10390N 75	0°	406-420 14m	1.17	1.27	0.45	6.5
78	+59°	470-476 6m	1.88	1.79	0.98	14.5
10450N 85	0°	342-350 8m	0.76	2.08	0.81	6.75
88	+30	392-400 8m	0.56	1.41	0.27	4.50
90	+45	370-378 8m	0.34	1.51	0.40	14.75
92	+60	302-322 20m	1.67	1.73	0.56	10.95
10510N 95	0°	360-362 2m	1.32	1.52	0.46	4.0
97	+30	280-296 16m	0.02	1.49	0.05	18.6
		298-300.5 2.5m	0.28	0.38	2.43	35.3
		332-342 10m	0.81	1.20	1.00	11.1

This zinc zone within the massive sulphide body is flanked by copper zones more typical of the major portion of the deposit. See table of copper intersections.

## Copper Intersections

<u>Section</u>	<u>Hole</u>	<u>Interval</u>	<u>% Cu</u>
10390N	75	224-242 = 18m	3.24
		282-318 = 36m	2.63
		333-406 = 73m	2.12
		420-430 = 10m	2.01
	78	318-470 = 152m	2.07
		476-479.2 = 3.2m	2.79
10450N	85	290-342 = 52m	2.28
		350-393 = 43m	1.31
	88	356-392 = 36m	2.61
	90	314-342 = 28m	1.43
		378-382 = 4m	1.77
	92	292-302 = 10m	1.73
10510N	95	338-360 = 22m	2.11
		362-399.9 = 37.9m	1.87
	97	316-332 = 16m	2.29
		342-360 = 18m	1.13

Hole 75 was drilled on a bearing of 005 degrees while all others are at 050 degrees.

114P2

p.2

GCNL NO. 113

June 13/89