

# George Cross News Letter

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EUREKA RESOURCES, INC. (EUK-V) has acquired 2,000 acres of the Iron Mask batholith on the north shore of Kamloops Lake near Kamloops, B.C. No terms were disclosed. A geochemical program is planned. Eureka is negotiating to acquire several other base metal projects in B.C. The company has about \$1,000,000 in uncommitted funds.

FREMONT GOLD CORPORATION(FGC-V)

EXPLORATION FUNDS RECEIVED - Bernard J.Ouellette,

president reported that

Freemont Gold Corp. has received all of the \$180,000 from the private placement of 300,000 shares; made up of 150,000 flow through shares at 60¢ that qualify for the maximum 30% Canadian Exploration Incentive program grants and were sold to Zaleschuk Pubs Ltd., Orest Zaleschuk and Olive and Laurie Zaleschuk at 50,000 shares each, and 150,000 flow through shares at 60¢ with a warrant exercisable at 72¢ per share until Nov.1,1989, that were sold to Almont Mining Exploration Ltd. 100,000 shares and Erich Penner 50,000 shares.

The proceeds from these shares sale are being used to drill on the Ridge Zone and the Toquart Bay properties, 10 km east of Kennedy Lake, 60 km southwest of Port Alberni, Vancouver Island, B.C. To date, the company has spent \$500,000 on the claims, including two holes that intersected 30 to 40 feet of mineralization now in for assay. Freemont holds an option to earn a 60% interest in the property by spending \$1,000,000 on exploration from ELECTRUM RESOURCES LTD. Electrum can revert to a 15% net profit interest after the earning expenditure which would make the working interests in the property: Freemont 58.34%; Alcove Gold Corporation 25.0% and Caora Mining Corporation 16.66%.

Clarence (MUI) Beamer has been hired as a public relations person at \$1.00 per month with an option on 50,000 shares at 75¢ each until Jan.27,1994.

FORMOSA RESOURCES CORPORATION(FSA-V) optioned the Gold Hill property on Fortynine Creek, near Nelson, B.C. and may acquire a 75% interest by making cash payments and spending \$650,000 on exploration by 1992; \$153,000 was spent in 1988. Geochemical anomalies for copper and gold coincide with a north south striking structure. The 1989 budget has been set at \$250,000.

The Mass volcanogenic massive sulphide prospect in the Cariboo mining division, B.C., under option to Formosa Resources, was expanded from 9 to 114 units by staking in 1988. Formosa spent \$88,000 in 1988 and reported encouraging geochemical survey results and has set the 1989 budget at \$300,000.

The Aster property on Yanks Peak, in the Cariboo area, was optioned to SUKUMA EXPLORATION LTD. (SMA-V), who may acquire a 50% interest by spending \$140,000 by December 1989. A \$130,000 program was recently concluded which revealed a number of quartz veins up to 7 meters wide with values up to 0.77 oz.gold/t and 13 oz.silver/t in grab samples. Chip samples of the 1988 trenches included 0.073 oz.gold/t over 3.6 meters.

The Isla Mist property on Banks Island, B.C., was optioned in 1987 to CLAW RESOURCES LTD.(KLW-V) for cash payments and work commitments of \$150,000; when a number of mineralized veins, one of which averaged 1.6% copper and 1.2 oz.silver/t over 1 meter, were revealed. Claw spent \$60,000 on Isla Mist in 1988 and plans to complete geochemical and induced polarization surveys in 1989.

**UNITED LINCOLN RESOURCES INC. (UL-V;ULNMF-NASDAQ)**

**HOLE INTERVAL, FT INTERCEPT COPPER OZ./T GOLD/T TWO ZONES**

66 ZONE:							DISCOVERED
89-81	56.7- 912.8	856.1	ft	0.09%	0.014	'Continental	
incl.	56.7- 463.5	405.8		.15	.012	'Gold and its	
	739.0- 912.8	173.8		.04	.029	'69% owned	
89-83	170.9- 965.3	794.4		.03	.020	'subsidiary	
incl.	457.6- 899.4	441.8		.01	.029	'United	
	951.9- 965.3	13.4		.15	.094	'Lincoln	
89-84	123.0-1127.7	1004.7		.07	.023	'Resources	
incl.	314.9- 938.1	623.2		.08	.035	'reported	
	469.0- 752.8	283.8		.06	.063	'assays from	
89-88	142.0- 816.7	674.7		.11	.029	'Mt. Milligan	
incl.	142.0- 223.0	81.0		.44	.013	'45 miles	
	373.9- 754.4	380.5		.06	.042	'west of	
	459.2- 669.1	209.6		.06	.067	'Mackenzie	
MBX ZONE:							'B.C. The
89-71	254.9-1114.2	859.3		.24	.010	'Mt. Milligan	
89-72	987.6- 299.8	987.6		.18	.007	'property is	
89-73	315.9-1203.8	887.9		.12	.009	'a 70% United	
incl.	437.2- 764.2	327.0		.19	.015	'Lincoln, 30%	
89-76	293.9-1134.9	841.0		.24	.012	'BP Resources	
89-80	252.9- 985.6	732.7		.20	.015	'Canada joint	
incl.	433.0- 832.5	399.5		.22	.023	'venture. In	
NEW ZONE:							'addition to
89-87	202.7- 386.7	184.0		.32	.006	'the 66 & MBX	
79 VEIN:							'zones, the
89-79	505.1- 518.2	13.1		.20	.64	'drilling has	

**MENIKA MINING LTD. (MML-V)** reports that diamond drilling is still in progress at the 100% owned DES property at Highland Valley, B.C. halfway between Merritt and Kamloops. Some of the core shows visible sulphides and native copper. Due to extreme cold weather, the core has not yet been logged or assayed. Diamond drill hole 89-4 is now in progress.

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two new zones; a bulk tonnage copper-gold zone 1200 feet west of the MBX zone and a gold vein system 2600 feet north of MBX. Drilling is continuing.

**GOLDEN EYE MINERALS LTD. (GOM-V)**

FIVE PROPERTIES REVIEWED - Victor Guinet, president of Golden Eye Minerals Ltd.

summarized the 1988 exploration results of 5 properties.

The Redbird zinc-silver property under lease from Hecla Mining Company is adjacent to the Reeves MacDonald mine near Trail, B.C. which produced about 7,000,000 tons of zinc-silver ore from 1949 to 1975. Since 1985, the company has spent about \$1,000,000 on exploration. Diamond drilling in 1988 confirmed the continuity of the mineralization for some 500 ft. down plunge from the 800 level drift. DDH88-1 intersected 30.1 ft. of 7.53% zinc, 0.39% lead, 3.11 oz.silver/t between 2877.4 - 2907.5 ft.

This intersection is 450 ft. along strike from DDH 87-1 which intersected 54 ft. of similar material averaging 8.0% zinc, 1.6 oz.silver/t. Three other zones of similar mineralization, known from previous exploration remain to be tested. One of these zones, the Redbird, outcrops at surface where oxidized material grading 18.5% zinc and 6.5% lead has been outlined by surface and underground exploration. The 1988 drilling also confirmed ore grade mineralization in the Prospect Dolomite.

Drilling to date indicates between 1,000,000 and 2,000,000 tons of geologic reserves grading 8% zinc, 2 oz.silver/t with lead, cadmium and germanium values.

CHANNEL RESOURCES LTD. (CHU-V)

DIVERSIFIED AMALGAMATED FIRM TO SEEK- D.Ross Fitzpatrick  
INCREASED OIL AND GAS CASH FLOW president told

the annual meeting of Channel Resources that 27% owned PANATLAS ENERGY INC. (PA-T) drilled 26 new wells in 1988, with an average 36% interest. Ten wells were cased as oil, seven resulted in gas discoveries and one as a dual oil/gas well. These wells resulted in a new and increased reserve estimate of 8,900,000,000 cubic feet of natural gas and 214,000 barrels of oil net to PanAtlas after royalties. Channel participated directly in six of these successful wells and has a 1% working interest in three gas wells flowing over 4,000,000 cubic feet of gas per day in the Monias field, B.C., plus interests in three oil wells in Zama and Pine Creek, Alberta. Channels' oil and gas revenue increased 69% to \$122,000 in the 12 months ended Aug.31, 1988. Channel now controls \$22,000,000 of oil and gas assets discounted at 15%. Channel holds debentures which, if converted, would increase the ownership of PanAtlas to 40%.

Channel has changed the fiscal year end to Sept.30, and reported revenue for 13 months of \$403,400 and net earnings of \$141,800. Capital expenditures in the 13 months were \$615,800 and total assets increased to \$7,445,600 from \$3,700,000 the previous year. As of Sept.30,1988, Channel had cash on hand of \$2,209,000 when there were 6,106,392 shares issued.

DRILL HOLE ASSAY FROM HACKBERRY MT. Channel owns a 100%  
HOLE INTERVAL LENGTH OZ.GOLD/T interest in the Hack-  
4 10- 35 ft 25 ft 0.058 ' berry Mountain property  
6 30- 35 5 .065 ' 75 miles south of Las  
12 380-405 25 .016 ' Vegas in San Bernardino  
15 300-325 25 .050 ' California. Assays in  
17 280-340 60 .013 ' in the adjoining table  
18 460-500 40 .310 ' from 14 holes drilled  
21 305-365 60 .155 ' in January to follow  
22 225-235 10 .137 ' up on encouraging drill  
26 90-210 120 .050 ' intercepts of up to 120  
29 335-445 110 .056 ' feet of 0.050 oz.gold/t  
540-585 45 .039 ' The company believes  
31 205-230 25 .042 ' these results warrant  
48 315-335 20 .018 ' further drilling which  
49 370-415 45 .031 ' is now being planned.  
52 55- 85 30 .013 ' Channel holds 600,000  
----- shares of Bethlehem  
Resources Corp. and is in a 50/50 joint venture with

Bethlehem on claims 30 miles west of Vernon, B.C. on a similar geological setting as the Huntington discovery.

The Channel annual meeting on 28Feb89 approved the purchase of a 5 year, \$1,000,000 debenture with interest at 12% from PanAtlas Energy; plus the purchase from Mr.Fitzpatrick of 3,416,667 shares of Que West Resources Ltd. at 15¢ each or \$512,550.05; plus the purchase of 2,857,000 shares of Que West owned by PanAtlas on the basis of 6 1/2 shares of Que West for each one share of Channel and the purchase of Que West debt from PanAtlas in the amount of \$485,000 by the issuance to PanAtlas of 485,000 shares of Channel.

Channel has agreed to amalgamate with Que West Resources Ltd. on the basis of one Channel share for each 6.5 shares of Que West. All subject to fairness opinions, regulatory and shareholder approvals. After the amalgamation Channel will have cash of \$1,300,000 and an annual cash flow of some \$500,000 to \$600,000 and Pan Atlas will own 12% of the issued shares of Channel.

Mr. Fitzpatrick pointed out he owns 10% of the issued shares of PanAtlas, 32% to 38% of Channel (In Jan.1989 Mr.Fitzpatrick bought 1,000,000 units, with two year warrants, of Channel at 60¢ each.) and Channel owns 64% of the issued shares of Que West Resources Ltd. which tends to keep his attention focused on these companies' development.