

# George Cross

Reliable K

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WESTERN CANADIA

## POLESTAR EXPLORATION INC., (PSE-V)

RESERVE CALCULATIONS - Robert Wolfe, vice president, reports Polestar Exploration Inc. has completed 23 diamond drill holes and new reserve calculations on its Crystal Peak garnet deposit near Penticton, B.C. Due to the large size of the garnet orebody (300 m x 800 meters on surface), drilling was confined to high grade outcrop areas. Surface exposures were sampled on a detailed five-meter grid. All holes except No.13 bottomed in garnet, leaving the deposit open in all directions.

<u>ZONE</u>	<u>APPROX. SURFACE AREA (METERS)</u>	<u>DEPTH METERS</u>	<u>DRILL INDICATED RESERVES (TONS)</u>	<u>AVG.GRADE GARNET %</u>
North	350 x 200	73	18,000,000	80
West	300 x 124	91	12,000,000	78
South	270 x 124	91	<u>9,000,000</u>	77
Drill Indicated Reserves			39,000,000	
Possible Geological Reserves			<u>60,000,000</u>	
Total Reserves			99,000,000	

Polestar's wholly owned subsidiary, Crystal Peak Garnet Corp., has received a \$200,000 repayable grant from the Mineral Development Agreement (provincial and federal funds) for a \$560,000 feasibility study. If the study is favourable, Crystal Peak will seek private funding to develop the mine. On completion of the study, Polestar will have earned a 51% interest in the property. The owners then have an option to contribute 49% of the cost to production or retain 16%, which, in the latter case, Polestar will finance to production and earn an 86% interest in the property.

There are no garnet mines in Canada. Imported garnet sells in Vancouver, B.C. for over US\$600/ton and is used as an abrasive. The retail price of the Crystal Peak garnet is projected at US\$100/ton FOB minesite.

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