

George Cross

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WESTERN CANADIA

VANANDA GOLD LTD. (VAG-V)

TEXADA PHASE III BEGINS -Starley L. Beale, president of Vananda Gold Ltd., reports joint venture partner Freeport-McMoRan Gold will begin Phase III of drilling on the Texada project immediately. Texada Island is located in Georgia Strait near Powell River, B.C. It has a 100-year history of mining limestone, iron, gold and copper. Numerous drill targets have been identified by earlier work. (SEE GCHL Nos. 45,1989 & 217,1988 FOR EARLIER RESULTS & J/V DATA) The premier target is DDH#26, which was drilled under a trench having chip samples grading up to 1.123 oz.gol/ton over 2.0 feet. An intersection of 0.302 oz.gold/t over 7.2 feet proved a vertical extension of the surface mineralization to a depth of 300 feet. The hole ended in over 150 feet of skarn, sections of which were anomalous in gold.

Significant geological and geophysical features, including a zone with a 1,500 feet in strike length of massive sulphide veining, suggests a hydrothermal system has developed in this area.

The next two major targets are the Little Billie mine and an area near Ideal Cement's limestone quarry. Last November, drilling in the Little Billie area returned encouraging results. The Ideal Cement target is an intersection of two major faults and has several gold prospects in the vicinity.

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