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George Cross News Letter

"Reliable Reporting"

<u>CATHEDRAL GOLD CORPORATION (CAT-T)</u>		
<u>THREE MONTHS ENDED MARCH 31</u>	<u>1990</u>	<u>1989</u>
Operating Income	\$171,000	\$50,000
Net Loss	57,000	80,000
Net Loss Per Share	1¢	1¢
Sterling Mine Production (52%)(Oz)	1,581	
Sterling Mine Gold Sold (Oz)	1,134	562
Gold Price Realized	US\$408	US\$382
Sterling Mine Revenue	552,000	256,000
Cash Costs	US\$201	US\$244

INTERIM REPORT-Harry P. Sutherland, vice president,
Cathedral Gold Corp., reports the decline in administration costs was more than offset by interest charges and U.S. alternative minimum taxes. A planned equity financing and cash flow from operations during the year will reduce the level of debt and interest costs. At the 52%-owned Sterling mine in Nevada, inventory of gold on hand and on the heaps increased during the quarter to 5,143 oz. from 3,803 oz. at 31Dec89. During the first quarter, Cathedral optioned a 50% interest in its 100%-owned Takla Rainbow property 48 km west of Manson Creek, B.C. to EASTFIELD RESOURCES LTD. (ETF-V). Subject to regulatory approval, Eastfield will issue 40,000 shares and spend \$400,000 on exploration. Exercise of the option requires \$150,000 plus expenditures of \$2,850,000 by 31Dec94. To date, 74 diamond drill holes totalling 49,000 feet have outlined geological reserves of 321,000 tons grading 0.25 cz.gold/t. The 1990 exploration program is designed to expand existing gold reserves and to test the property's copper/gold potential. (SEE GCNL 97, 18May90, P.1 FOR MORE DETAILS)

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