George Cross News Letter
Reliable Reporting

NO.237(1991)
DECEMBER 10, 1991

GOLD RIDGE RESOURCES INC. (GRU-V)
EARLY RESUMPTION OF GOLD PRODUCTION FORECAST
FOR WINGDAM AND LIGHTNING CREEK HIGH GRADE GRAVELS

In recent interviews Sydney T.Fulljames, president and Len Fanning, project consultant, of Gold Ridge Resources reviewed activities at the underground gold mining project at Wingdam on Lightning Creek, 45 km. east of Quesnel, B.C. They forecast a positive cash flow in February or March 1992 from production. Jim. E.Wallis, P.Eng., is project manager.

First, renewed, gold recovery is scheduled for early February, 1992. A production rate of 150 cubic yards per day is forecast at start up toward the end of February, building to 300 cubic yards per day as conditions allow. The quantity of gold to be produced is difficult to forecast owing to the erratic nature of the very high grade gutter gravels recovered in previous operations. Some of the recent test holes produced grades as high 8 oz.gold per cubic yard, with an average grade suggested of 0.9 oz. gold per cubic yard for the 6,000 feet of channel gravels over a width of 40 to 70 feet.

Gold Ridge Resources first acquired the property in 1986. After restructuring the agreements in 1990, the company started driving, in Nov. 1990, a 17° decline in the wallrocks away from the old shafts and workings. By March 1991, this decline had been advanced 1,100 feet from the portal to a depth of 250 feet below surface. By Nov.26, the decline had been advanced, by two shift mining, a further 230 feet and was calculated to be about 390 feet from being directly under the gold channel gutter. The schedule calls for the mining to breakthrough into the gold gravels about Dec. 15, 1991, when mining will be suspended for the Christmas season. The breakthrough into the channel will be well away from the area of previous mining operations. Mining is scheduled to resume Jan.6, 1991, to completed

93H 12

p. 1 of 2

NO.237(1991)
DECEMBER 10, 1991

George Cross News Letter
"Reliable Reporting"

underground preparations and bulk sampling for grade control with the start of sustained gold gravel production toward the end of February. All mining will be mechanical, without explosives, taking 6 to 10 feet of gravel and broken bedrock shales using the retreat method.

In February 1991, as the decline advanced into heavy water flows at the water table. The company completed the drilling of eight wells each of 8 inch diameter, and each to about 300 feet below surface. All were drilled in the area of the 270 foot deep Melvin shaft, the 250 foot crosscut from the shaft bottom to below the buried gold gutter channel, and west or down stream from the extensive old Sanderson mine working. In the area of the shaft the bedrock is about 190 feet below surface. When the wells were completed, pumping started from six of the wells and built up to a rate of 2,250 gallons per minute. The pumping is into a series of settling ponds which release clear water to the down stream. Gradually the pumping lowered the water table in the mine area, including the old Sanderson mine workings, until at present the water level, in the shafts and wells is about 257 feet below surface and the pumping rate has slowed to about 600 gallons per minute in November, 1991.

The objective is to mine the de-watered ground, screen out the over size and pump the gold placer gravels in a slurry to surface for gravity, jig, table and sluice box recovery before returning the tails to underground as back fill. The surface processing will be done in the existing 6,000 sq. ft. steel building over the Melvin shaft and surrounding ground. There is a modern 20 man camp at the site.

OWNERSHIP AND FINANCINGS - By a Oct. 3, 1990, agreement Gold Ridge Resources acquired a two years lease for 100,000 shares on the property from Bob Henning, who retains a 5% royalty, in kind, of all gold and precious metals recovered. Since the company acquired the lease some $6,000,000 has been spent on the mine developemnt and pumping. Of this $1,300,000 was provided through two tax incentive, CEE, partnership, in the 1990 and 1991 tax year, which earned a 37% interest in mine production. In addition, in 1990 the company raised $1,300,000 by way of a debenture which will be repaid from 15.5% of mine production. The most recent funds are provided through a long term production loan from a private source in the amount $1,700,000 which is to be repaid from production of the first 30,000 oz, at a price of $65.00 per oz. below the spot gold price at the time of delivery. In March 1991, the company sold 135,000 flow through shares with warrants at 50¢ each to receive $67,500, and in Feb. 1991, the company issued 120,000 shares, at 83.3¢ each, to settle $100,000 debts. Gold Ridge Resources now has 5,077,990 shares issued.

By a July 8, 1991, agreement Gold Ridge Resources acquired 100% interest in the Gold Bell claims, near Eskay Creek, Skeena mining division, B.C for 100,000 treasury shares.

93H 12
p. 2 of 2