

NO. 239(1991)
DECEMBER 12, 1991

George Cross News Letter

"Public Reporting"

HABSBURG RESOURCES INC. (HAB-V)

**DOME MOUNTAIN MINE HAS STARTED - Habsburg Resources and
DIRECT ORE SHIPPING PROGRAM Timmins Nickel Inc.**

report the start-up of
the Dome Mountain Gold Mine near Smithers, B.C.
Deliveries of approximately 5,600 tons of ore have been completed in two lots to Equity Silver and Westmin Resources. Grade on the 1,600 tons shipped to Equity Silver was 0.45 oz/t gold. Habsburg's share of revenue from this 1,600 tons processed was \$47,000, one cent per share. The grade of the 4,000 tons shipped to Westmin is expected to exceed 0.6 oz/t gold. Final assays are expected from Westmin about Dec. 20, 1991. Habsburg Resources is to receive 20% of the revenue until 325,000 tons have been shipped and 40% of revenue thereafter. Timmins Nickel provided the funds for the mine development and working capital for the current direct shipping mining operation and receives 80% of the revenue. (SEE GCNL NO. 180, P.2, Sept.18, 1991, for property reserves etc.)

Development at the property will now allow a production rate of 5,000 to 6,000 tons per month at an anticipated grade of 0.5 oz/t gold. Lower dilution has accounted for the increase in grade from the previously published 0.355 oz/t gold. The 1989 feasibility study reported 325,000 tons of proven and probable ore with an average grade of 0.355 oz/gold per ton. In November 1990 the project geologist reported an additional 100,000 geological tons with an average cut grade before dilution of 0.515 oz/gold per ton in the first 500 feet east of the ore zone.

Three ore zones have been discovered on the 25,000 acre claim group, with development concentrated on the Boulder Zone which is presently being mined. I.P. surveys and diamond drilling in 1989 and 1990 confirmed

this zone extends easterly and to depth. Further exploration is planned for the second quarter of 1992.

93L 276