

**POLESTAR EXPLORATION INC. (PSE-V PSEAF-NASDAQ)  
GARNET PROJECT NEARS PRODUCTION PERMIT AND DECISION  
OTHER PROJECTS REVIEWED**

Dr. J. H. Montgomery, P. Eng., president, has reviewed progress at 100%-owned Crystal Peak garnet project at 6,500 ft. elevation, 28 km. SW of Penticton, B.C.

Data is being prepared for two required documents: a complete feasibility study and a Stage One Report for submission to the Mining Review Board of B.C., a requirement for permitting. The two documents are similar in content and will contain information on geology and reserves, a mining plan, a metallurgical flow sheet and plant design, a product use and market study, an environmental impact and reclamation study and an overall project operations plan. Also, a financial analysis will be included.

The garnet deposit is a very large and very pure skarn deposit consisting mainly of andradite garnet with some diopside. Less than 2% combined quartz and calcite are present and these are removed in processing. Areally, the deposit is about 800 metres by 300 metres and the thickness or depth to bottom is unknown, but certainly greater than 300 meters.

The first stage of drilling done in 1989, consisted of 23 drill holes which outlined a body containing some 40,000,000 tons of about 80% garnet. The last stage of drilling, completed in the fall and consisting of 18 holes, outlined an area of better grade material averaging 85-90% garnet which will be the first mined.

Initially, mining will take place for five weeks per year and will provide 100,000 tons for year-round feed for the mill at a rate of 250 tons per day. The pit design and mining plan are being prepared by Dave Pow, mining consultant. The raw garnet will be trucked one km to a stockpile near the processing plant.

A great deal of metallurgy has been done on the raw garnet ore and the company is assured various products of exceptional quality may be produced by standard processing methods. Work has been done by Canmet (a preliminary flow-sheet), B.C. Research Council and Bacon & Donaldson (crushing, sizing and magnetic tests). Work on the final flow sheet is continuing and completion of metallurgical tests and plant design is expected by the end of February. This phase is closely integrated with product testing.

Studies are underway concerning product use, product testing and potential end users. The major use of garnet will be in the abrasive-blasting industry but the product is also being prepared for testing in water-jet cutting, water filtration, non-skid surfaces and others.

Participation at a recent conference of the Steel

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# George Cross News,

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WESTERN CANADIAN INVESTMENT

DEVELOPMENTS LTD (HAD-V) was closed on 29Nov90 for proceeds of \$878,998.50, giving Polestar sufficient funds to complete the feasibility study and permitting. Polestar now has 6,550,914 shares issued.

Under the terms of the agreement, Hawkeye must make payments totalling \$5,000,000 to Polestar over five years and pay all costs of production. Polestar Exploration will retain 30% net profits and be paid a 3% net sales royalty.

Proceeds from the garnet operation of \$1,000,000 per year for five years, plus royalty payments of 3% and future proceeds from Polestar's retained 30% net profits interest will provide Polestar with the financial power to become a major exploration company.

Structures Painting Council provided a list of 75 potential users and/or distributors. The response to and interest in Polestar product has been exceptional. In January and February, a number of market field trials will be undertaken with distributors and end users throughout the continental U.S., Hawaii, Japan and Germany. Polestar will be capable of producing several superior products at a cost that will permit market penetration.

At the quarry, blasting tests are completed and environmental studies are done. A comprehensive environmental study by the B.C. Ministry of Parks took a year to complete and concluded that the project will have minimal impact. Hydrology studies of the area around the processing plant are almost complete. Reclamation of drill areas and roads not required for immediate use were recontoured and seeded. The Crystal Peak garnet project is assured of success at no further financial risk to Polestar.

A private placement by Polestar of 390,666 units of shares and warrants at \$2.25 each to HAWKEYE

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