

NO.41(1991)  
FEBRUARY 27, 1991

# George Cross News

*Reliable Reporting*

WESTERN CANADIAN INVEST.

## YANANDA GOLD LTD. (YAG-V)

TEXADA ISLAND DRILLING CONTINUES - Stanley Beale,

president, reports

Yananda Gold Ltd. is continuing its drilling program at the 100% owned Texada Island property, located in Georgia Strait about 75 miles northwest of Vancouver, B.C. SEE MAPS OVERLEAF PAGE 1. There have been several significant intersections of visible copper mineral in the first two holes. The bornite (copper) mineral on the property typically carries the gold values. Assays are pending; drilling continues at the Little Billie. Yananda Gold agreed Dec.7,1990, to sell 750,000 flow-through shares at 15¢ each to fund the current exploration. Prior to this sale the company had 3,047,878 shares issued including 375,000 in escrow.

The program is testing for extensions to the southeast and at depth to the Billings zone at the old Little Billie mine where three previous drill holes cut:

16.0 feet of 0.82 oz.gold/ton with 2.98% copper,  
15.1 feet of .508 oz.gold/ton with 2.60% copper,  
19.0 feet of .212 oz.gold/ton with 1.60% copper and  
8.2 feet of .416 oz.gold/ton with 5.92% copper.

The 1991 exploration work will also drill test the Florence Security copper/gold showings, which are geologically similar to the Fortitude copper/gold skarn deposit in Nevada. During 1987, a trenching program in the Florence Security area, southwest of the Little Billie, along the Marble Bay fault zone exposed an area 2,200 by 65 feet of almost continuous copper and gold-bearing sulphide-rich skarn. The best chip sample was:

4.59 feet of 0.692 oz.gold/ton with 1.59% copper. It is believed the Texada Island copper/gold mineralization

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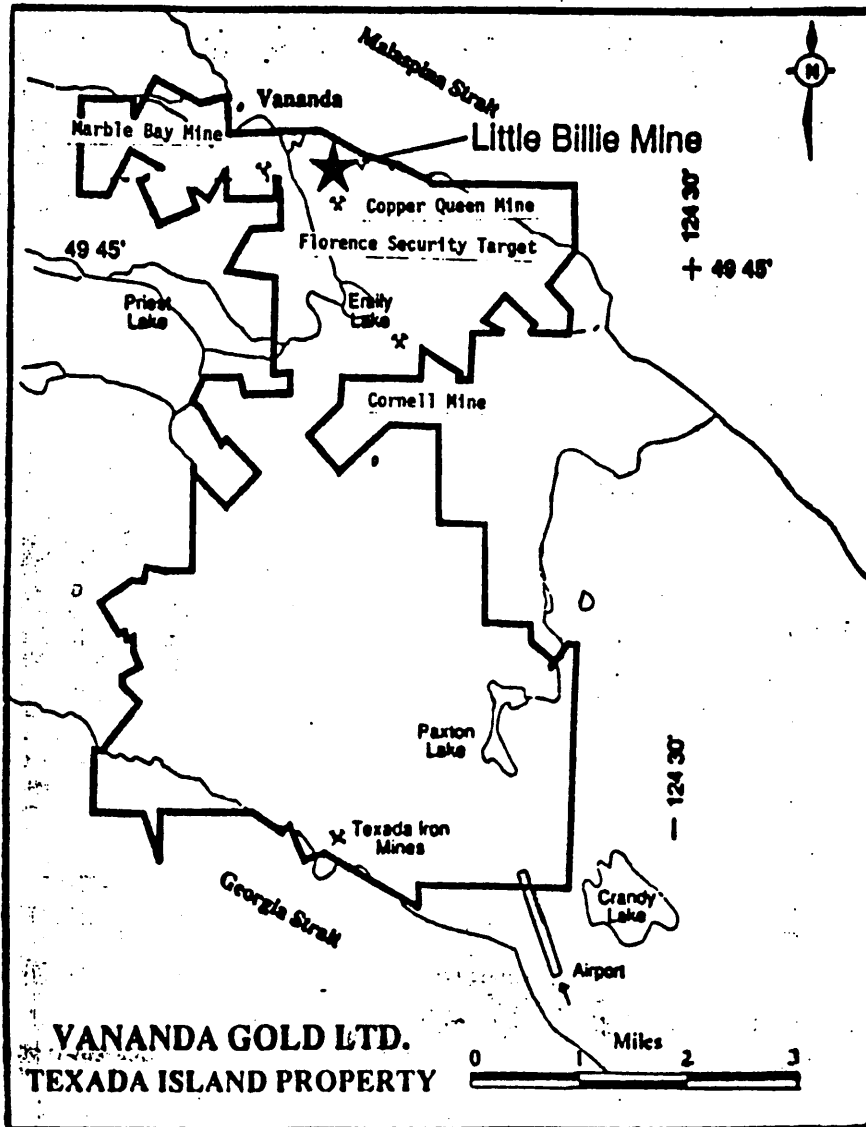
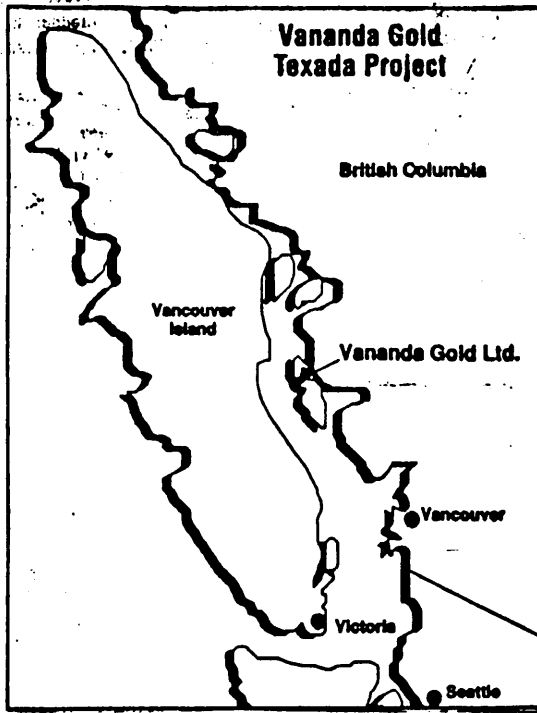
is the third largest skarn deposit in B.C.

Texada Island has a history of active mining dating back over 100 years and has included several iron mines in the southern part of the property which produced more than 20,000,000 tons of iron ore, 32,000 ounces of gold, 850,000 ounces of silver and 59,000,000 pounds of copper. The original Vananda copper/gold camp is located at the northern part of the property, which included the formerly producing Little Billie, Marble Bay, Copper Queen, Cornell and Florence Security mines. This camp operated at the turn of the century and produced 86,000 ounces of gold, 580,000 ounces of silver and 21,000,000 pounds of copper. By 1919, all the mines shut down due to a decline in copper prices following World War I. The southwest portion of the 5,200 acre claim block is actively quarried by the Ideal Cement Company which produces 2,600,000 tons of limestone/year.

During 1988, a joint venture between Vananda Gold and Freeport McMoran Gold Corp. completed an initial six drill holes which established reserves of: 170,000 tons of 0.21 oz.gold/ton with 1.5% copper and proved the existence and continuation at depth of the orebody discovered at the sixth level of the Little Billie mine. The joint venture was later terminated when Freeport was liquidated by its parent company.

Texada Island is serviced by road and ferry from Powell River. The town of Vananda, population 700, has skilled labour available. The island is serviced with water, electricity and has a mild cool climate year round work. (SEE GCNL No.30, 12Feb91, P.1 FOR PREVIOUS DATA)

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