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George Cross News Letter
"Reliable Reporting"

GALLERY RESOURCES LTD. (GYR-Alberta)

PLACER GOLD RESERVE ESTIMATED REPORTED - Bruce Costerd,
president of

Gallery Resources has reported results of the surveying, drilling, seismic and bulk testing conducted on the Lightning Creek bench at the western end of Gallery's Hannandor placer property, on Lightning Creek just off the Barkerville Highway, 22 miles east of Quesnel, B.C.

A reserve of 790,000 cu. yds. having an average value of \$7.48 Cdn. per cubic yard with a stripping ratio of 1.24 to 1 are on a small portion of the claims.

As previously announced on July 31, Gallery's joint venture partner, the Kamloops based Tercon Group, notified Gallery that, based on the 1992 test program, it is satisfied with the economic viability of commercial mining operations and would mobilize to the Hannandor site all necessary machinery and equipment required to commence production. Tercon has now assembled at the site a \$1,500,000 modern fleet of earth moving Caterpillar equipment consisting of 1 - D9L Cat, 2 - 773 50 ton rock trucks, 1 - 245 Excavator, 1 - 988 B Loader and 1 - 16 G. Grader; in addition, a \$500,000 mining plant infrastructure has been built and installed at the site to process a capacity feed rate of 400 yards per hour. An initial production run to test the mining plant processing system has now been completed and commercial mining operations have commenced. In accordance with the Gallery/Tercon Joint Venture, production revenues will be shared on a 50/50 basis between Gallery and Tercon after reimbursement of expenses and payment of the 10% gross royalty to the landlord, Hannandor Gold Ltd.

Tercon was founded in 1981 by its president, Mr. Glenn Walsh, and is one of western Canada's specialists in rock and earth excavation. Based in Kamloops, B.C., Tercon has become a leading contractor in construction projects involving contract mining, exploration drilling, earth and rock excavation, mining site design, preparation and plant development.

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