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George Cross News Letter

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MINISTRY OF ENERGY, MINES
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VANGOLD RESOURCES INC. [VN-V]

UNDERGROUND PROGRAM TO START - Dal S. Brynelsen,
president, Vangold

Resources Inc. reports an underground program will begin in early June on the Iron Colt claim at Rossland, B.C. A mine development contract has been signed with International Silver Ridge Resources Inc. of Silverton, B.C. Work to continue the raise along the high grade Iron Colt Main vein will begin immediately.

In 1991/1992, the company completed 300 feet of drifting which extended the No.6 adit of the historic Kootenay-Columbia mine to 3,000 feet and also completed 100 feet of raising along the Iron Colt vein system. The raise ended with the Main vein showing 2.5 feet of 0.55 oz. gold/ton. A percussion hole drilled ahead of the working face shows 1.1 oz. gold/ton from drill cuttings. Raising will continue from there along the Main vein to a point 144 feet away where 8.4 feet of 7.1 oz. gold/ton was intersected in hole 89-87.

Drilling programs conducted from 1989 to 1992 indicate the presence of three separate high grade gold veins. The Main vein averages 4 to 6 feet wide and has a high grade core contained between two dykes about 175 feet apart. The Iron Colt vein system has been intersected over a vertical extent of 300 feet and is open to depth.

The Iron colt veins are believed to be an eastern extension of the Main Le Roi vein system where 3,000,000 ounces of gold was mined at a recovered grade of 0.5 oz. gold/t over its life from 1898 to 1941.

In addition to the current work program being conducted by Silver Ridge, the company's other extensive North Belt claim holdings also include several other high grade gold properties. The Evening Star Main zone contains drill indicated reserves of 20,000 tons grading 0.5 oz. gold/ton. This reserve is near surface and lies only 100 feet from present underground workings. In 1991, a drill hole targeted 350 feet west and on strike with the Main zone intersected 10.2 feet grading 0.8 oz. gold/ton.

The Gertrude property showed initial drill results of 14.8 feet grading 0.41 oz. gold/ton and 12 feet of 0.19 oz. gold/ton on separate vein structures. These discovery holes were targeted 350 feet west and completely above the working levels of the Main War Eagle Number One vein which produced about 500,000 ounces of gold at the turn of the century.

Numerous gold bearing veins, some with surface samples up to 7.0 oz. gold/t and having coincident geophysical anomalies lay untested. The company is also negotiating a logging contract on its timber holdings in the Rossland area. The Rossland properties are held under the terms of a joint venture agreement, the North Belt Joint Venture Agreement with ANTELOPE RESOURCES INC. [ATF-V] and BRYNDON VENTURES INC. [BNV-T]. The company has earned approximately a 67.5% interest in the Rossland North Belt properties and a 70.8% interest in the Iron Colt Claim which has been designated a specific prospect under the North Belt Joint Venture Agreement. (SEE GCNL NO.20, 29Jan93, P.5 FOR OTHER CORPORATE DATA)

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