

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

George Cross News Letter

MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES
WESTERN CANADIAN INVESTMENTS

Rec'd

MAY 21 1993

LIBRARY

NO. 95 (1993)
MAY 18, 1993

COPYRIGHT
ALL REPRODUCTION
RIGHT RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$315.00 PER YEAR

NO. 95 (1993)
MAY 18, 1993

DIGGER RESOURCES INC. [DIG-V]

CHUCHI LAKE PROJECT UPDATE - Norman Yeo, director, Digger

Resources Inc., provides an update on the Chuchi Lake project, a 50/50 joint venture with BP Resources Canada Ltd., located 20 miles northwest of the Mt. Milligan project in central B.C. Results from the 1989 drilling program returned encouraging intercepts of copper/gold mineralization from an anomaly. In 1990, the drilling of 28 holes further confirmed the presence of an extensive copper/gold porphyry system with mineralization existing in places to 60 feet in depth.

These results prompted a 20,000-foot 1991 drilling program costing \$1,400,000 along with 130 line-km of line cutting and an additional 110 line-km of induced polarization and resistivity surveys. In the northern portion of the Chuchi Lake claims, a 1,000 by 250-meter zone of porphyry style copper/gold mineralization was drilled over thicknesses ranging from 40 to 190 meters with grades from 0.21% copper and 0.21 grams gold/tonne to 0.40% copper and 0.44 grams gold/tonne with one intersection down a set of quartz veins of 2.03 grams gold/tonne over 55 meters. A geologic reserve of about 50,000,000 tonnes was established with further in-fill drilling indicated.

Activity in 1992 was halted as Digger's joint venture partner, BP Resources, while retaining its operatorship, was no longer interested in the project and sought a buyer for its mining division which included its Chuchi Lake interest. On 24Jul92, a civil Action was commenced by BP against Digger for \$226,470. Digger filed a statement of defense denying any amount was owned and a counter claim to seek damages against BP for breach of contract. Placer Dome has expressed an interest in funding the project if Digger was compensated for its project costs and a satisfactory due diligence review was completed. There have been no further material changes.

93N 159