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George Cross News Letter

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\$315.00 PER YEAR

NO. 190 (1993)
OCTOBER 4, 1993

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MOSQUITO CONSOLIDATED GOLD MINES LTD. [MSQ-V]
FORMER PLACER MINE ACQUIRED - Brian A. McClay, president,
reports Mosquito Consolidated Gold Mines Ltd. has acquired the Canyon Mine located on the West Bank of the Fraser River 19 km northwest of Quesnel, B.C. The property consists of 21 placer leases and 48 mineral claim units. The agreement provides for the payment of \$25,000, and 100,000 free trading shares of Mosquito Consolidated and a 1% net smelter return royalty with a \$400,000 limit from production.
Canyon Mine was originally developed in 1917 as an underground placer mine and continued until 1935. In 1985, a 525-foot decline intersected the old underground workings, a placer recovery plant was

installed and limited testing of underground material was completed. In 1986, All Star Resources Ltd. completed a successful full scale mining test of the Tertiary paleoplacer buried river channel on the Canyon property. Underground development totalled 1,619.4 feet with 9,932 loose cubic yards processed by the wash plant yielding approximately \$242,799.91 with gold at CDN \$550. The total value of proven ore reserves is \$823,108.

A seismic survey extended the channel a further 1.5 miles, and all geological evidence points towards the over all down-dip extension of this channel to at least 4.4 miles or the total length of the All Star placer leases and mineral claims. The established grade of this channel is 2.61 troy ounces per linear foot. An assessment of the channel to include an evaluation of previous mining methods, and additional drilling to increase proven reserves are planned for 1994.

Patrick Bronson has been appointed as a director to replace Mr. Cameron McFeely. Director and Employee stock options of 800,000 at 20¢ are being applied for. (SEE GCNL NO.147, 3Aug93, P.1 FOR RELATED PROJECT INFORMATION)

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