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George Cross News Letter

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MINISTRY OF ENERGY, MINES
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SWANNELL MINERALS CORP. [SNL-V]
CALCO RESOURCES INC. [KLC-V]
GOLDEN NEWS RESOURCES INC. [GON-V]

In a separate development, Swannell reports geological reports of the 1993 field work on the ABE and PAL claims, located south of Kemess and north of Mt. Milligan, central BC, have been received. The company can earn a 60% interest in each property from the Takla Joint Venture which is 50% owned by MAJOR GENERAL RESOURCES LTD. [MGJ-V]. Results are considered highly encouraging and drilling has been recommended on both properties. On the ABE property, 1993 work consisted of line surveying, rock and soil sampling and magnetic and IP surveys. According to M. Rebagliati, P.Eng., geotechnical surveys outlined significant copper and gold soil geochemical anomalies coincident with a strong IP anomaly associated with a dioritic to monzonitic pluton intruding Takla Group volcanic strata.

The distribution of copper and gold in soils suggests porphyry copper-type mineralization, associated with the dioritic intrusions, is flanked by distal gold mineralization hosted by altered Takla volcanic rocks. This setting is somewhat analogous to the geological environment at the Mt. Milligan and QR deposits. Three drill target areas were outlined: 1) The East Zone is characterized by gold mineralization in andesite volcanic rocks and is overlain by a 600 by 1,500-meter gold soil anomaly. Chargeability values range from 10 to 20 msec. 2) The Central Zone is underlain by diorite and hybrid rocks and is characterized by a large, irregularly shaped copper soil anomaly coincident with chargeability responses greater than 20 msec. 3) The West Zone is underlain by diorite and hybrid rocks. High grade copper and gold mineralization is found in quartz veins and shear zones. Medium to high chargeability responses are coincident with high resistivity values.

Diamond drilling is recommended for the East, Central and West zones. Geological mapping, soil sampling, and magnetic and IP surveying is recommended to extend the open anomalies. On the PAL property, 1993 work consisted of line cutting, soil sampling and magnetic and IP surveys. The anomalies are associated with dioritic pluton intruding Takla Group volcanic strata. Two main target areas were outlined: 1) The central IP anomaly is characterized by medium to high chargeability values over an area of about 500 by 2,100 meters. The southern portion of the zone is coincident with a 600 by 1,200 meter soil anomaly. 2) The west IP anomaly is characterized by medium to high chargeability values coincident with high resistivity values along the western portion of the grid. The target is interpreted as a zone with high sulphide content combined with silicic alteration.

Diamond drilling is recommended to be carried out on the central and west anomalies. Magnetic and IP surveys are recommended to extend the open anomalies. Total budgets for the recommended exploration programs on the ABE and PAL properties are estimated at \$600,000. (SEE GCNL NO.237, 10DEC93, P.6 FOR RECENT SWANNELL FINANCING)

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