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George Cross News Letter

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AQUATERRE MINERAL DEVELOPMENT LTD.

[AQT-V] 4,644,001 SHS.

BLACKLINE OIL CORP.

[BLC-V] 1,661,388 SHS.

GEORGIA RIVER CLAIMS OPTIONED - Tom Waterland, president of Aquaterre Mineral Development Ltd., reports an option agreement has been executed to earn a 50% interest in the Georgia River mineral property in the Skeena Mining Division from Blackline Oil Corp.

A total of 20 vein systems have been identified on the Georgia River property. Previous work has confirmed drill indicated and inferred reserves in the Southwest vein system totalling 304,000 tons grading 0.81 oz.gold/ton. Included within this reserve are 72,000 tons grading 1.57 oz.gold/ton. The vein system is open along strike and down dip. Initial work by Aquaterre will include detailed in-fill drilling, to upgrade the reserves to a drill-proven category.

Mr. Waterland stated it is quite possible ore from initial mining of the higher grade material could be direct shipped by barge for custom milling. He also said that using a relatively conservative mining cost of \$150/ton with a 90% gold recovery and US \$400/oz. gold, the net present value of operating profit of a 200 ton-per-day mine over six years (beginning in four years) would be in the order of \$53,000,000.

"This is a particularly exciting property for Aquaterre," said Mr. Waterland, "for not only could the Georgia River property provide a substantial early cash flow, but work on the company's nearby Ashwood property and Georgia River could be carried out from the same camp and the abundance of data available on the epithermal Georgia River vein systems could help with the interpretation of the Ashwood gold-rich horizon."

The agreement requires Aquaterre to make an initial payment of \$40,000 to Blackline and to complete \$960,000 in exploration expenditures within a two to three-year period to earn a 50% interest in the property. After completion of the required expenditures, the project will proceed as a 50/50 joint venture. Aquaterre will be the operator.

The Georgia River claims cover an area of some 4,800 acres and

lie within 500 meters of Aquaterre's Ashwood property. Original work on the property began in early 1900's with the most recent work being done by Lac Minerals in 1990. Work on both properties will begin as soon as weather conditions permit in the spring of 1995. The agreement is subject to regulatory approval. (SEE GCNL NO.210, 2Nov94, P.2 FOR OTHER PROJECT INFORMATION)

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