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George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

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AQUATERRE MINERAL DEVELOPMENT LTD.

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

1994 FIELD PROGRAM COMPLETED - Tom Waterland, president of Aquaterre Mineral

Development Ltd., reports the 1994 field program on the company's Ashwood property, located 11 miles south of Stewart, B.C. and 15 miles southwest of Lac's Red Mountain deposit is now complete. Of the 12 claims comprising the property, six were staked by Aquaterre and six are being purchased for \$115,000 over four years, subject to a 2% NSR. The program consisted of seven exploratory BQ diamond drill holes, totalling about 3,500 feet, an airborne magnetometer/electromagnetic survey, follow-up ground geophysics, geochemistry, geological mapping and prospecting.

Five of the drill holes were drilled into the 1100 Zone, a geochemical gold anomaly in felsic tuffs of the Betty Creek Formation with values in soil and talus exceeding 4 grams gold/tonne, and rock chip samples of float exceeding 10 grams/tonne. The initial three holes were drilled to test for a bedding controlled deposit. Preliminary results from all three holes have now been received indicating an extremely high background content of gold throughout all holes, with erratically high anomalous values of gold, arsenic, zinc and silver. The anomalous zinc values are analogous to the zinc anomaly enveloping the ore reserves at Red Mountain. No commercial grade assays of gold were encountered in the initial three holes.

Drill Hole No. 4 was drilled to intersect a significant electromagnetic conductor in the "N" Zone. Visual examination of the core explains the anomaly is probably due to graphite in fine-grained argillites. Massive sulphides were not encountered.

Drill Hole No. 5 was drilled into the Dickie Zone, a rusty gossan zone to the north of the 1100 Zone, containing an abundance of sulphides in an altered felsite. Surface samples collected from outcrop indicates values up to 1 gram gold/tonne. Analytical results from holes 4 and 5 are anticipated shortly.

Drill Holes No. 6 and 7 were drilled to intersect a north 30 degrees east trending steeply dipping structure in the 1100 Zone. The structure was indeed intersected in both holes with a high sulphide content and alteration. In each hole the structure was encountered at similar locations to the surface expression of high geochemical gold soil values identified in 1993 and are believed to be the source of the gold anomalies. These drill core have been sampled and assay results are expected the last week of October.

Surface sampling and geological mapping have traced the

structure for 1,200 meters linking the 1100 Zone gold anomaly to the Ridge Zone anomaly. The panning of sediments in a creek that crosses the structures has yielded course gold.

Mr. Waterland said management is pleased with the results of the 1994 field programs and in particular the identification of the controlling structure and probable source of the gold values in the soil geochemical surveys. Assay results from Drill Holes 4 to 7 will be reported as received. (SEE GCNL NO.190, Oct.4/94, P.2 FOR OTHER PROJECT INFORMATION)

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General