

1710 - 609 GRANVILLE ST  
PO BOX 10363  
VANCOUVER BC  
CANADA V7Y 1G5  
(604) 683-7265 FAX 683-5306  
BBS 683-7206

# George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

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\$315.00 PER YEAR

NO. 171 (1994)  
SEPTEMBER 7, 1994

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## LANG BAY RESOURCES LTD.

[LNB-V] 4,932,109 SHS.

SIX MONTHS ENDED JUNE 30, 1994	1994	1993
REVENUES -		
OIL & GAS	\$57,596	\$67,879
INTEREST INCOME	-	146
TOTAL EXPENSES	187,542	154,410
NET LOSS	129,946	86,385
LOSS PER SHARE	11¢	1¢

SIX-MONTH REPORT - Lauch Farris, president, Lang Bay Resources Ltd., reports unaudited financial statements for the six months ended 30Jun94. Of the current period's losses, 9¢ per share resulted from the disposal and write-down of the company's oil and gas properties. Subsequent to 30Jun94, the company's directors exercised their stock options which raised \$17,500 and loaned Lang Bay \$50,000 which was required for working capital. These funds have allowed management to focus on finding a buyer for the Supply Mine patented mineral claims.

Lang Bay sold its Lone Pine Creek gas interests for about \$15,000 which resulted in a loss on disposition of \$72,873. The Lone Pine Creek unit was close to reaching the end to its economic life. After this sale Lang Bay holds interests in four producing gas units in Alberta, namely Sylvan Lake, Raven Ostracod, Tower South and Wandering River. These units are producing total net revenue for the company of \$2,000 to 4,000 per month. It is not anticipated these revenues will exceed future operating costs; consequently, a decision has been made to write off the remaining book value of \$350,899.

Lang Bay Kaolin Project near Powell River on tidewater about 100 km northwest of Vancouver, B.C. is under discussions with two major international resource companies toward possible development into a mining and processing operation. SEE MAP OVERLEAF P.2. Both companies are validating market size and are investigating the most economic ways to improve the brightness of LBK-60 up to the 73 to 75% range. This is the initial target brightness required for the improved newsprint market which is experiencing significant growth as more colour is used in the newspaper industry. One of the major companies has engaged a consulting group in Georgia to make recommendations concerning process development work. The intention is to carry out a research project at Hazen Research in Colorado where previous testwork involving wet grinding produced increased recoveries. Hazen tentatively plans to use flotation to remove the biotite (a type of mica) which is one of the contaminants causing the lower brightness. If the brightness can be beneficiated then a prefeasibility study could be carried out by Hazen Research at no cost to Lang Bay Resources.

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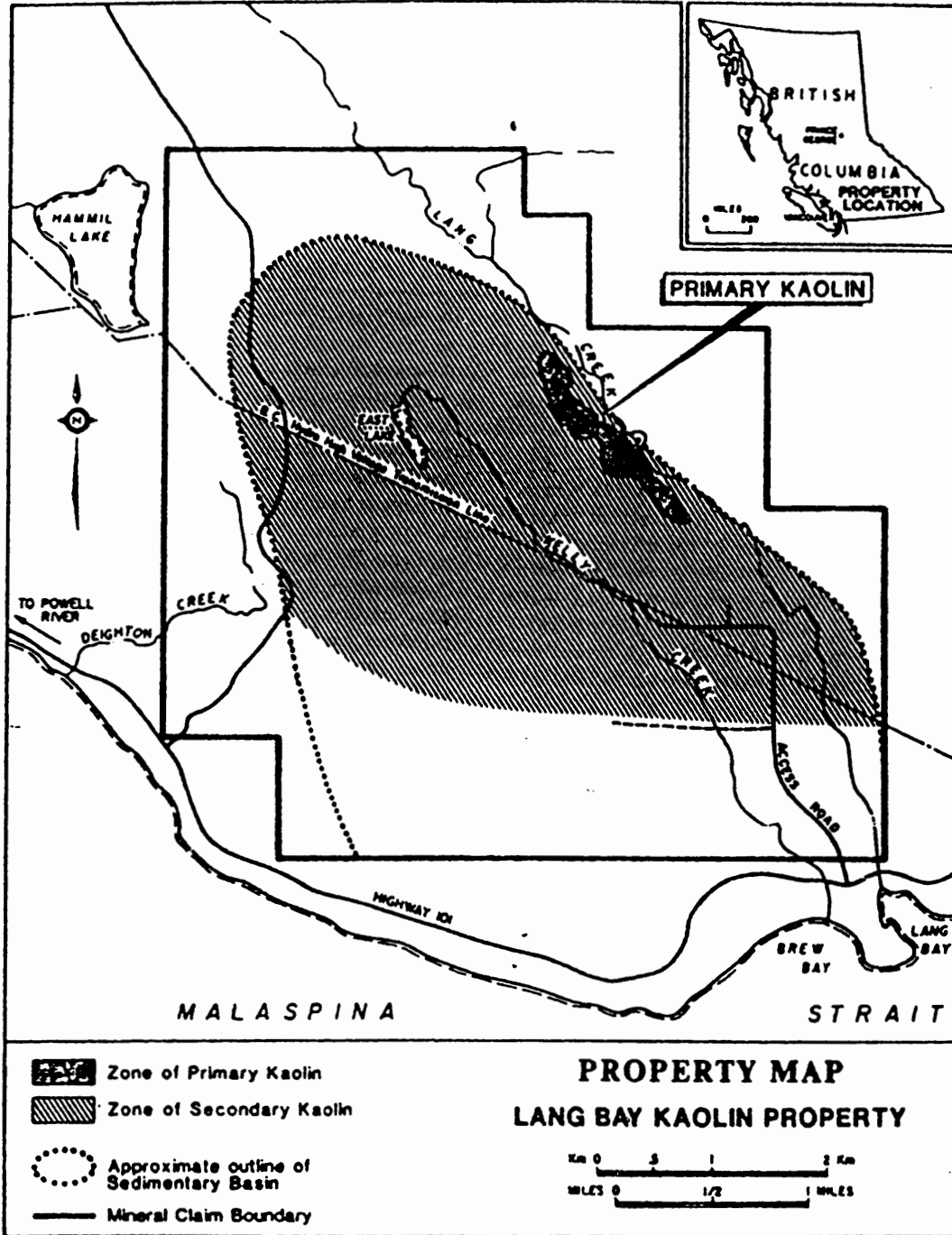
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