

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

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## RHINO RESOURCES INC.

[RNO-V] 5,927,768 SHS.

NED PROJECT ASSAYS RECEIVED - O. Contini, president, reports

Rhino Resources Inc. has now received geological and assay results of its Phase II drilling on the 100%-owned Ned claims, located west of the Afton Mine near Kamloops, B.C. The program consisted of six holes totalling 4,050 feet. The drilling encountered a number of anomalous gold zones in favourable geological environments, but, in contrast to the Phase I program, no commercial grades of gold were obtained.

Three new holes (95-4, 95-5 and 95-6) drilled to the east and

south of the Phase I Ned gold zone discovery hole (94-1), confirmed the proposed geological model. This model supposes a stratigraphic sequence of ultramafic, sedimentary and volcanic rock striking NW/SE and dipping 30 - 40° NE. Air photographic interpretation suggests these zones outcrop on the surface southwest of Ned Hill, and may be fairly continuous over about 10,000 feet in length. A second nickel/chrome-rich ultramafic zone was discovered beneath the first reported earlier, separated by a sulphide-rich layer; however, the grades are still sub-economic.

Hole 95-5, drilled vertically, encountered a favourable zone (over 300 feet) of carbon-rich sedimentary rock, similar but much wider to that of the Phase I program (which had one 8-foot section of 1.87 oz. gold/ton). While a number of anomalous gold readings were obtained (at 5 to 15 times background), none approached the earlier results. This fairly abrupt change in geology and assay results suggests that a fault between 94-1 and 95-5 has displaced the Ned gold zone vertically and horizontally.

Hole 95-3 was drilled 1,000 feet north of 94-1. Although anomalous gold values and epithermal alteration were encountered in this hole, much of the core rock was unaltered, suggesting this is the northern edge of the epithermal system, which extends for over 1,500 feet to the south.

Holes 95-1 and 95-2 were drilled 700 feet east of 95-3 with similar results although a larger number of anomalous gold zones were encountered, and the alteration was more extensive (over 550 feet of alteration in Hole 95-1 and 650 feet in 95-2). This still represents the northern edge of the epithermal system.

A new discovery in most holes was the presence of thymolite dykes. These appear to cross-cut the other rock types and are probably the youngest, although they are in some cases altered by later hydrothermal solutions. It is suspected these rocks are Tertiary in age and directly related to the intrusive source of epithermal solutions. The presence of these dykes also raises the possibility the inferred intrusive that intersects the northwest corner of the Ned claims is a Tertiary intrusive plug and the source of the epithermal solutions.

The current results, while not producing any additional commercial grade gold values (as was found in Phase I), still confirms the existence of an extensive 1500 feet by 1500 feet gold-rich epithermal system on the Ned claims. Considered together with the Phase I program, the results of the Phase II program are positive. The possibility exists of a Bonanza Zone south of Silica Hill, down dip in the sedimentary basin. This sedimentary basin is probably more than 100 feet thick and 3,000 feet wide. Being carbon-rich, it may be expected to play an important role in the deposition of gold.

The company is now examining several alternatives to fund an additional drilling program to explore the possible Bonanza Zone, locate the offset Ned gold zone and test the other known targets. (SEE GCNL NO.116, 16Jun95, P.5 FOR PREVIOUS PROJECT DATA)

92INE 133