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### George Cross News Letter

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NO. 89 (1995) MAY 9, 1995

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SPOKANE RESOURCES LTD.

[SKN-V] 7,916,360 shares, diluted - 11,307,720 shares
UNDERGROUND DRIFTING EXPECTED - Spokane Resources Ltd. is
TO FOLLOW 1995 DRILL PROGRAM planning a \$650,000
exploration program in

1995 including 19,000 feet of drilling to test the Rex Mountain gold quartz vein zone laterally and at depth. The property comprises 12,800 acres, including 4 Crown Grants and 24 contiguous mining claims (244 units) at 2,000 feet elevation, 25 miles northwest of Lillooet, 40 miles east of the Bralorne/ Pioneer gold camp, and 100 km north of Vancouver, B.C. Spokane Resources holds a 100% working interest, subject to an annual payment of the greater of \$25,000 or a 3% net smelter royalty to a cumulative maximum of \$1.000,000. (SEE OVERLEAF PAGES 1 & 2 FOR DRILL RESULTS & MAP)

The average of 51 intersections from 1994 and previous drilling confirmed a 2,000 feet strike length, across an average width of 11.2 feet, to a depth of at least 300 feet, of the mineralized zone with an average grade of 0.261 oz/ton gold and 0.95% copper.

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During the summer of 1994, Spokane Resources drilled 26 vertical holes on a 25 meter grid which confirmed vein and grade continuity. Mineralized quartz veins on surface extend the zone in both directions along strike and the zone is open at depth.

Initial metallurgical testing produced recoveries in a chalcopyrite and pyrrhotite sulphide concentrate of 99.4% for copper and 84.8% for gold. These results are encouraging as a simple flotation mill will produce high recoveries with little impact on the environment. A second test to produce a copper-gold concentrate and cyanidation to recover gold from a pyrrhotite concentrate indicate overall recoveries of 98% copper and 91% gold.

Detailed exploration of the property has never been conducted outside of the known Main zone of mineralization. In 1994 prospecting resulted in the discovery of a new zone of gold and copper mineralization 3 miles west of the known Main zone. In 1995 Spokane will conduct a complete evaluation of the Rex Mountain property and the recently acquired Shulap property, where high grade gold in quartz veins was reported in the 1920s.

This region of British Columbia has a long history of gold production dominated by the Gold Bridge/Bralorne camp, where 4.100,000 ounces of gold has been produced.

Although gold was discovered on the Rex Mountain property in 1906, no exploration was conducted on the property until 1984. Surface work and diamond drilling conducted prior to 1994 discovered the gold and copper zone.

Gold and copper in the property is associated with the Mission Ridge granodiorite, which has intruded into a series of ultramafic flows and marine sediments. Significant values of both gold and copper occur within well defined quartz veins. There is an excellent correlation of gold and copper values. Gold occurs as very fine "flecks" associated with both chalcopyrite and pyrrhotite. Higher grade zones tend to concentrate along the contacts of the veins.

In addition to the quartz veins, wide zones of alteration and silicification with low grade gold and copper are present throughout the mineralized zone. These have the potential to develop into larger tonnage lower grade deposits. The mineralized zone is structurally complex, which has made correlation and interpretation difficult.

Spokane Resources to date has defined significant, potentially economic grades of gold and copper across mineable widths throughout the zone. Spokane intends to extend this zone laterally

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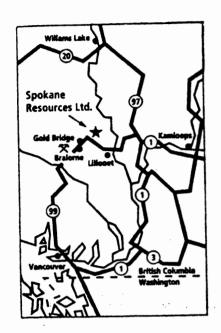
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and at depth while exploring the balance of the property, where numerous mineralized showings are known to exist.

Spokane anticipates a successful 1995 planned program will result in the start of underground development for reserve calculations and feasibility studies.

Spokane Resources has reserved 2.276.360 shares (25% of issued shares) to be issued to International Enexco Limited in exchange for a 25% working interest in the Rex Mountain property. There are 1,115,000 warrants exercisable at \$0.30. Head office is: Suite 480, 650 West Georgia St. Vancouver, B.C. V6B 4N9, Tel: 604 683 7361, Fax: 604 662 3231. Directors and officers are: G. Arnold Armstrong, director and chairman; Ronald Smith, director and president, George Sale, Carol Brownie, S. Paul Simpson, secretary. Geological consultants: G. A. Keevil, B.Sc., P.Geol. and Hugh C. Morris, Ph.D., P.Eng.

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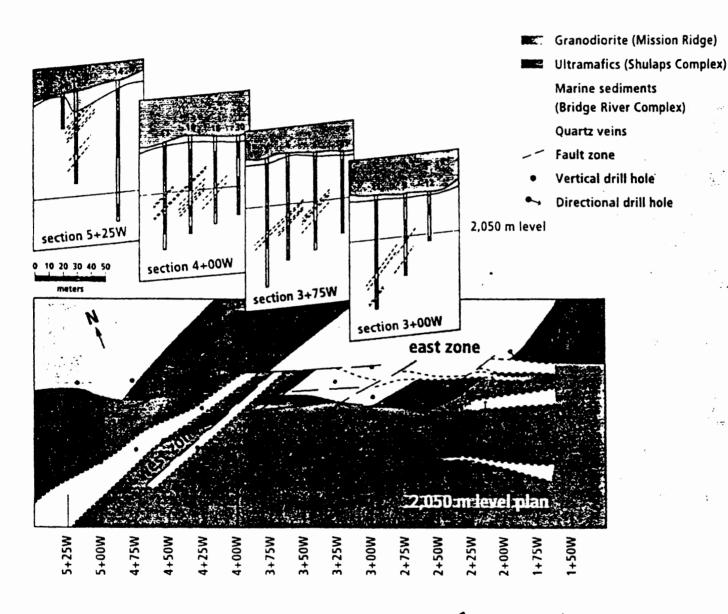
# SPOKANE RESOURCES LTD. Rex Mountain Property

### Significant drill results

Drill hole	Section	Interval (feet)	Length (feet)	Gold (oz/ton)	Copper (%)
89-3	1+69W	30-43	13	0.37	0.32
89-121	1+69W	38-45	7	0.60	0.80
89-124	2+00W	62-79	17	0.07	0.06
		7 <b>9-8</b> 3	4	0.16	0.34
89-123	2+12W	30-48	28	0.15	0.02
89-125	2+12W	114-128	11	0.10	0.09
	incl.	125-128	3	0.34	0.26
94-22	2+75W	165-175	10	0.12	0.48
94-20	2+75W	250-257	. 7	0.18	0.87
94-9	3+00W	167-171	4	0.21	0.57
		190-200	10	0.40	1.12
94-2	3+25W	262-274	14	0.04	0.75
94-1	3+25W	232-243	11	0.53	1.61
94-3	3+25W	69-75	6	0.14	0.61
,		121-133	12	0.18	1.13
		164-170	6	0.45	0.52
94-4	3+75₩	217-224	7	0.36	1.50
94-5	3+75W	236-241	5	0.37	3.65
94-6	3+75W	160-168	8	0.12	0.25
, ,		184-194	10	0.37	0.93
94-16	4+00W	180-193	13	0.06	0.62
,		210-223	4	0.37	0.95
94-18	4+00W	167-193	26	0.50	0.40
,	incl.	167-188	21	0.80	0.51
94-19	4+25W	187-192	15	0.09	0.51
94-15	4+50W	171-198	27	0.27	0.63
94-27	4+50W	123-130	7	0.09	1.02
94-8	4+75W	142-163	21	0.22	0.68
94-13	5+25W	59-84	25	0.32	1.80
,		92-100	8	0.15	0.70
		123-130	7	0.15	1.68
		210-220	10	0.17	0.91

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## SPOKANE RESOURCES LTD. Rex Mountain Property



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