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George Cross News Letter

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SPOKANE RESOURCES LTD.

[SKN-V] 11,657,720 SHS.

MAC PROJECT DRILL REPORT - G. Arnold Armstrong, chairman.
Spokane Resources Ltd., reports

Phase I diamond drilling on the Mac molybdenum/ copper porphyry property, located about 100 km east of Smithers, B.C., was completed on Oct. 23/95. Eleven holes totalling over 2,000 metres were completed; one in the southern Peak zone, four in the central Camp zone, and six in the northern Pond zone. SEE MAP OVERLEAF P.4.

Drill hole 95-13 in the Peak zone, which was drilled to a total depth of 289 metres, intersected a zone of silicification in altered volcanics with molybdenite and chalcopyrite mineralization similar to those intersected by previous drill holes in the Camp zone from 45 metres to 200 metres. This zone of mineralization is significant as it confirms the presence of the molybdenum/copper-bearing porphyry system beneath the Peak zone.

Drill holes 95-14 to 95-17 drilled within the Camp zone, intersected molybdenite and chalcopyrite mineralization similar to that intersected by drilling conducted in 1989. This drilling has expanded the known mineralization both laterally and at depth. The zone remains open in all directions.

Drilling within the Pond zone intersected intensely altered volcanics with molybdenite and chalcopyrite in quartz veins. The Pond zone as defined by the IP survey is at least two km. in an east-west direction and continues for over two km north from the Camp zone. The current drilling tested only one area of this large target. This drilling defined an extension of the alteration and mineralization associated with the Mac porphyry system.

To date, assays have been received only from the upper half of hole 95-13. Spokane expects the balance of the assays will be received within the next few weeks. Results will be released once they are more complete.

Spokane may retain its option for 10 years, if during the first year, it spends \$250,000 on the property. Spokane will then have a further nine years to spend an additional \$1,750,000 to earn a 60% interest. RIO ALGOM LTD. [ROM-T. M] will then have a one-time 30-day election to acquire an additional 20% working interest, to hold 60%, by completing a feasibility study and providing Spokane with a production decision. If Rio Algom fails to make this choice, a joint venture will be formed with Spokane retaining a 60% working interest and Rio Algom holding a 40% working interest. In that event, Spokane would retain operatorship. (SEE GCNL NO.183, 22Sept95, P.4 FOR PREVIOUS MAC PROJECT INFORMATION)

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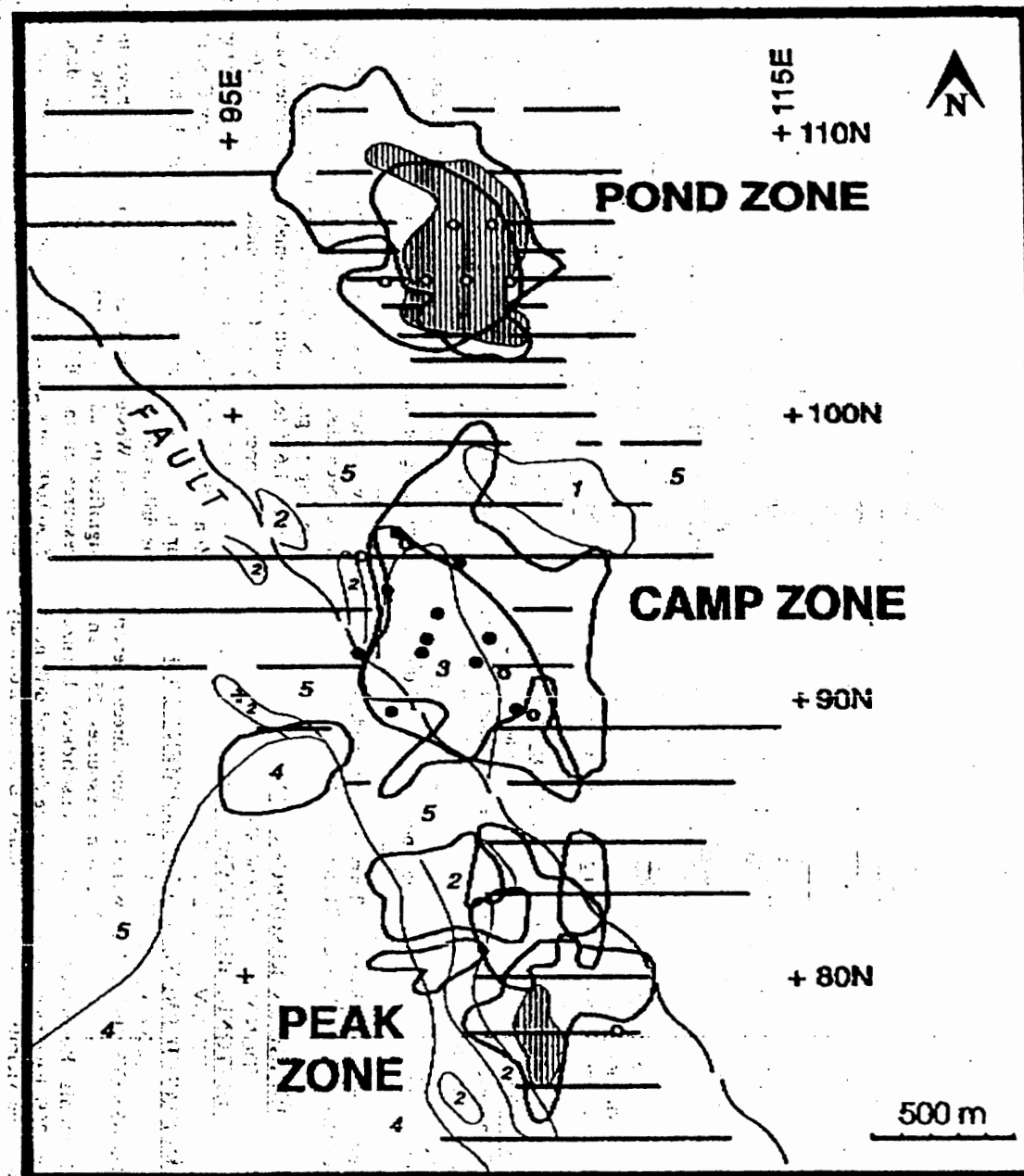
MAC PROJECT

Compilation Detail

- 5 Schistose Intermediate volcanic
 - 4 Biotite plagioclase porphyry
 - 3 Porphyritic quartz monzonite
 - 2 Serpentinite
 - 1 Silica Replacement
- ▨ Area of quartz veins with Cu/Mo mineralization
- Magnetic Low
- High Mo (> 15 ppm) in soils
- IP - Chargeability high
- 1989 Drill Hole collar
 - 1995 Phase 1 - Drill Hole collar

SPOKANE
Resources Ltd.

100 Km east of Smithers, B.C.



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