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George Cross News Letter

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NO. 206 (1995)
OCTOBER 26, 1995

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KALAHARI RESOURCES INC.

[KLA-V] 19,423,960 SHS.

TWO B.C. PROPERTIES ACQUIRED - Albert Applegath, president, reports Kalahari has obtained an option to acquire a 100% interest in two properties located about 40 km southwest of Smithers in the Omineca Mining District, B.C., subject to regulatory approval. The terms for each transaction are:

- 100,000 shares
- subject to a 3.5% net smelter return with Kalahari reserving the right to buy 1.5% of the NSR for \$1,500,000
- annual payments with \$15,000 due on the first anniversary, \$20,000 on the second anniversary, \$30,000 on the third anniversary, \$40,000 due the fourth anniversary and \$50,000 on the fifth anniversary.

The first property is the Tsai project consisting of five claims,

or 88 units totalling 5,060 acres. Prospecting in the south flowing drainage which crosses the property has identified an area of anomalous gold geochemistry in float material. Grab samples collected from float have yielded analyses of up to 3,425 ppb gold (0.10 oz.gold/ton) and 14.8 ppm silver (0.48 oz.silver/ton). A stream sediment sample, collected in a south flowing tributary of Tsai Creek yielded a gold analysis of 432 ppb gold (0.013 oz.gold/ton).

The Serb Creek property is located 7.5 to the northwest and was explored by Amax Exploration Inc. as a potential porphyry molybdenum deposit. The published indicated reserves of the Serb Creek property are 453,600,000 tons. This second property, called the Kitnay/Nilah project, consists of 8,280 acres.

This claim block contains the Snowflake occurrence (B.C. Minfile No. 58). Annual reports of the Minister of Mines for B.C. for the years 1918 and 1921 contain descriptions of the mineralization and showings on the then called Snowflake Group. In 1918, reference is made to "a small sample showing flakes of native silver on the seam faces was assayed and gave 7.5% copper and 19 oz/ton silver."

In 1921, a discussion was made for the development of one showing described as a vein of mineralization along the wall of a dyke. The dyke is from seven to eight feet wide and strikes S25°E dipping steeply to the south. Mineralization on the hanging-wall of the dyke consists of a partial replacement of andesitic rock with metallic sulphides and small amounts of quartz and calcite. The metallic minerals present are arsenical iron, grey-copper and small flakes of native silver. Both groups of claims are underlain by Lower Jurassic Telkwa Formation volcanoclastic rocks of the Hazelton Group. Kalahari now has about 70 gold properties in its inventory. (SEE GCNL NO.198, Oct.16/95, P.3 FOR PROJECT ABITIBI DATA)

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