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George Cross News Letter

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SPOKANE RESOURCES LTD.

[SKN-V] 11,507,720 SHS.

MAC PROJECT DRILLING SCHEDULED - Ronald Smith, president, reports Spokane Resources Ltd. has recently completed the second phase of surface exploration on its optioned Mac molybdenum/copper porphyry property located about 100 km east of Smithers, B.C. The company 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 by completing a feasibility study and providing Spokane with a production decision. If Rio fails to make this choice, a joint venture will be formed with Spokane retaining a 60% working interest and Rio holding a 40% working interest. In that event, Spokane would retain operatorship.

This exploration included an additional 18 km of induced polarization survey, a 42-km magnetic survey and further geological mapping and geochemical sampling. The program has confirmed the property hosts a porphyry-type mineralized environment over 3.5 km long and up to two km wide.

Previous diamond drilling in 1989 tested only a 400-metre length of the porphyry system within the mineralized Discovery, or Camp zone. This drilling intersected a quartz monzonite porphyry containing a stock work vein system mineralized with both molybdenum and copper sulphides. Higher grades of molybdenum

and copper were intersected in the surrounding volcanics, which are highly altered and silicified. This diamond drilling defined sections of up to 0.102% molybdenum and 0.13% copper over 690 feet including 237 feet of 0.20% molybdenum and 0.21% copper. The induced polarization survey now shows broad circular zones of high chargeability surrounding three distinct chargeability lows. One of the zones corresponds to the known Discovery porphyry intrusive and related mineralization.

Spokane Resources is now preparing to conduct an 11-hole diamond drilling program for a total of 2,025 metres. Four drill holes are located to extend and further test the mineralized zone discovered by previous diamond drilling within the Discovery or Camp zone. Six drill holes will test the Northern or Pond zone in an area of coincident soil geochemical anomalies, copper/moly mineralization at surface, magnetic lows, and an induced polarization anomaly. One drill hole will be located to test the Southern or Peak zone. Drill pads are currently being prepared and the drill will be mobilized to the property shortly. (SEE GCNL NO.168, 31Aug95, P.5 FOR PREVIOUS MAC PROJECT INFORMATION)

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