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# George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

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NO. 132 (1996)  
JULY 9, 1996

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920 51

## STIRRUP CREEK GOLD LTD.

[SGU-V] 4,437,400 SHS.

DIAMOND DRILLING CONTINUES - Larry Reaugh, president,  
AT WATSON BAR, HIGH reports Stirrup Creek Gold Ltd.  
GRADE GOLD PROJECT is diamond drilling on hole  
No.4 with cores from holes

Nos. 1 and 2 in for assaying from the Watson Bar gold project. SEE  
MAP/TABLE OVERLEAF P.3. Also, in for assay are trench and soil  
samples taken over the past two weeks. The Watson Bar Project  
consists of 8,500 acres, between 3,000 feet and 5,000 feet elevation  
on the west side of the Fraser River 33 km west of Clinton, B.C.

Access is by all-weather road from Lillooet, or alternatively from  
Clinton by a ferry-crossing at Big Bar on the Fraser River. This  
property hosts the potential for Bonanza type orebodies as well as  
low-grade high tonnages as indicated by a 1991 drill which returned  
92 feet of 0.027 oz.gold/ton.

The property was explored a little during the Cariboo gold rush  
since placer gold was found in both the Stirrup and Watson Bar  
Creeks and because there was reported to be more gold in Fraser River  
gravels below Watson Bar Creek than above Watson Bar. More  
recent exploration was initiated by a 1981 regional soil sample  
program by the B.C. Department of Mines which located anomalous  
gold, arsenic and mercury in the area creeks. The costs of  
exploration in the area were reduced when logging road access was  
established in 1990. The claims cover 14 separate mineralized zones  
over large areas.

Stirrup Creek Gold holds an option to earn a 70% interest in the  
property from R.M. (Rudd) Durfeld, P.Eng., Durfeld Geological  
Management Ltd. of Williams Lake, for \$600,000 in option  
payments with a \$2,000,000 work commitment over a number of  
years. The property covers a large, northwesterly trending,  
structurally controlled hydrothermal alteration zone hosted by  
Cretaceous sediments of the Jackass Mountain Group and Eocene  
felsic volcanics. Locally this zone hosts significant gold mineral as  
evidenced by previous work by Cypress Gold (Canada) Ltd. From  
Oct. 1987 to 1991 Cypress carried out soil and rock geochemical  
sampling which established a strong anomalous area over five km  
east-west by three km north-south. Cypress also carried out induced  
polarization, trenching, geological mapping and diamond drilling  
(totalling \$1,100,000) with significant results. Large regions of  
hydrothermal alteration in part driven by the intrusive activity, have  
been identified as carbonate, phyllic/ argillic and silicification as  
quartz veining and silica flooding. Visible gold has been noted as  
distinct rounded grains and flakes in quartz sulphide veins.

Diamond drilling in an area called Zone No.5, measuring 200  
metres in strike and 200 metres downdip returned gold values to 0.58  
oz./ton over 16.5 feet and trench samples returned gold values to 4.53  
oz. gold/ton over 6.5 feet. The trench averaged 0.27 oz.gold/ton  
over an 8-foot width for 49 feet of strike length.

During 1993 and 1994, a total of 125 tons was mined from Zone  
No.5 with 100 tons being shipped to Westmin's Premier Mill for  
processing. The shipment averaged 39.74 grams gold/tonne (1.169

oz/ton) and showed values for individual bags as high as 455.8  
grams gold/tonne (13.296 oz/ton). The grade from bulk sampling  
showed a 430% increase from the above 0.27 oz.gold/ton average  
trench assay.

Recent metallurgical testing on a one-ton sample averaging  
1.87 oz.gold/ton has returned a positive indication much of the gold  
is free. A coarse grind of 100% minus 28 mesh produced a  
concentrate containing 46.5 oz.gold/ton and 44.5 oz.silver/ton.  
Gold recovery was 68.8%. Further tests at finer grinds are underway.  
The 100-ton bulk sample through the cyanide mill circuit at Premier  
gave an overall recovery of 94%. Stirrup Creek Gold has reactivated  
the 20-man camp on the property and plans continued drilling,  
trenching, sampling bulk sampling for further test ore shipments  
and metallurgical studies. Results will be released when received.

-CONTINUED ON PAGE TWO-