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George Cross News Letter

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> NO. 196 (1996) OCTOBER 9, 1996

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ECSTALL MINING CORP. [EAM-V] 6,415,078 SHS. INMET MINING CORP. [IMN-T, M] 81,207,383 SHS.

AKIE DRILLING TERMINATED - Chris Graf, president, reports Ecstall Mining Corp. has been

advised that 60% joint venture partner Inmet Mining Corp., as operator, has terminated drilling on the Akie lead-zinc-silver deposit located in the Kechika Trough, 350 km north of Prince George. northeast BC. Inmet cancelled the program after completing only one of the two deep drill tests planned to be made in 1996 below the elevation of a tier of three drill holes; A-95-16, A-95-18 and A-95-19. Hole A-95-19 was also completed earlier this year.

The termination follows the completion of deep drill test A-96-29 at a depth of 1,262 metres in the target Gunsteel Formation. Ecstall was advised that no significant base metal mineralization was intersected by hole A-96-29 which entered the Gunsteel shale through a faulted contact; however it is important to note that 25 metres of 10-12% laminar bedded pyrite was intersected near the bottom of the hole. Hole A-96-29 was drilled to test for a continuation of massive sulphide mineralization at a point (350m above sea level) about 400 metres downdip of the previous deepest intersection of the Akie deposit made by hole A-95-18 in 1995 which intersected mineralization averaging 9% combined lead-zinc over 9.5 metres, including 6.6 metres of 10.72% combined leadzinc. No other deep hole has been completed below the estimated elevation (720m - 780m above sea level) of drill holes A-95-16. A-95-18 and A-95-19, to test the downdip extent of the 1.4 km long Cardiac Creek zone within which Inmet has estimated a geological resource for the Akie deposit of 12,000,000 tonnes at 8.6% zinc and 1.5% lead over a strike length of one km.

Contrary to the express intent of the 1996 program, which was to include a second deep drill test in hole A-96-21, collared about 500 metres north of hole A-96-29. Disregarding Ecstall's strong protest, Inmet used its majority position in the joint venture to authorize the termination of drilling without completing hole A-96-21 which was temporarily suspended at a depth of 600 metres in August of this year.

Ecstall is considering its options with regard to enforcement of the requirements of the joint venture agreement as amended earlier this year, including possible legal action against Inmet. (SEE GCNL NO.176, 11Sept96, P.3 FOR PREVIOUS AKIE PROJECT DATA)

94F 31