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George Cross News Letter

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B.G.M. DIVERSIFIED ENERGY INC.

[BGD-V] 8,256,750 SHS.

TWO BC PROJECTS REVIEWED - S. David Anfield, president.

B.G.M. Diversified Energy Inc., reports some technical information on the recently 100% optioned Greenhorn and Stewart claims in southeast BC.

The 1,400 hectare Greenhorn property is located in the Slocan Mining Division adjacent to Highway 23, some 11 km north of the

town of Nakusp. Mineralization on the property consists of chalcopyrite, pyrite and malachite within a fine grained pale green biotite-quartz altered tuffaceous horizon. This northwest trending horizon has been partially traced for 800 metres and sampling by Brenda Mines Ltd. in 1990 yielded grades to 3.14% copper and 18.1 oz. silver/ton. The stratabound nature of the mineralization suggests a volcanogenic massive sulphide setting. Coincident with this horizon is a copper, cobalt, magnesium, iron soil anomaly some two km long and up to 500 metres wide. In 1997, Phelps Dodge Corp. conducted geophysics and drilling on the property, but did not drill test the horizon discussed above. The company now intends to map and sample this target horizon in preparation for drilling.

The 3,250 hectare Stewart property is located in the Nelson Mining Division west of Highway 6 near the town of Ymir. This well mineralized property has received considerable exploration attention by major mining companies. Prior to 1978 Premier Gold Mines of B.C. Ltd., Cominco Ltd., and Quintana Minerals Corp. conducted exploration on various parts of the Stewart property. Since 1978 Shell Canada Resources Ltd., Selco Mining Corp., United States Borax & Chemical Corp., Lacana Mining Corp., Minnova Inc., Cameco Corp. and Orvana Minerals Corp. all had the property under option and conducted exploration. The property is underlain by Elise Formation Rossland Group. These rocks are intruded by a complex series of intermediate to felsic stocks, plugs and dykes ranging in age from Jurassic to Tertiary. The property covers many old mineral showings dating back to the 1890's. A wide variety, and different styles, of mineralization are evident on the property; they include: disseminated gold, copper values in pyroclastic rocks and intrusive rocks, bonanza gold and tungsten, molybdenum in extensive breccia zones peripheral to intrusive stocks. There are many partially defined mineralized targets on the property and they are of sufficient size with considerable gold, copper and/or molybdenum, tungsten values to host deposits of economic significance.

The company has retained Craig Payne, M. Sc., P.Geo., of Crest Geological Consultants Ltd. and John Chapman, B.Sc. P.Eng., FCIM, of J.A. Chapman Mining Services to plan and manage the Greenhorn and Stewart projects. (SEE GCNL NO.132, 12Jul99, P.9 FOR TERMS OF STEWART OPTION AND NO. 131, 9Jul99, P.6 FOR GREEN HORN OPTION TERMS)

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