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George Cross News Letter

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NOBEL METAL GROUP INC.

[NMG-V] 26,460,119 SHS.

KEITHLEY CREEK PRODUCTION STARTS - Dorothy Dennis,

president.

reports Noble Metal Group has resumed placer gold production at Keithley Creek, located 20 km north of Likely, 70 miles east of Williams Lake, BC. In early June, the company reported the production plant was on site. Assembly of the production plant and the extra features to test the capture of fine gold took longer than expected. Poor weather conditions delayed the arrival of the manufacturer and designer of the plant at the mine site.

During the shakedown period, benches were constructed to prevent sluffing of the overburden materials onto the worksite area. The crew also continued stockpiling pay gravels. During this time the "toe" of the third channel or most easterly channel was uncovered. The most southern tip of all three placer channels north of Keithley Creek are now exposed and ready to be mined.

Once testing began, it was determined the electric "live finger box" (designed to capture fine gold of between minus 50 to minus 70 mesh) was capable of recovering the fine gold; however, the box provided was inadequate for the size of the production plant and was removed. After the removal and required modifications were completed, testing of the upper bench gravel materials overlying the ancient Tertiary or paleogulch channels continued.

Testing of these materials through the production plant substantiated that about 75% could be feasibly mined or economically processed - stripping the same material would cost an average of Cdn \$4.50 per cubic yard as opposed to an average mining cost of Cdn \$2.50 per cubic yard. A recovery of US \$21.50 to US \$3.50 per cubic yard over the actual mining cost can be realized based on US \$340 per ounce of gold.

The ancient tertiary and paleogulch placer channels which were previously tested for gold, had values ranging from US \$10 to US \$15 per cubic yard based on US \$380 per ounce (1995/1996).

To facilitate increased production of the placer gravels and to use the full capacity of the production plant or gold maximizer, a larger water, motor and pump system had to be installed. The production plant can process up to 300 cubic yards of materials per

hour; however, production will be running between 1,000 and 2,000 cubic yards per day or 100 to 200 cubic yards per hour.

Full production of the overlying or upper bench gravels began 25 Aug 97 and by mid-September, the company expects to be processing the gold-bearing placer gravels of the ancient tertiary and paleogulch channels.

In June 1995, Noble Metal agreed to sell the placer gold leases to Naptau Gold Corp. for US \$1,000,000, the issuance of 4,000,000 and 10% to 25% of any gold recovered. The Naptau shares were received in March 1996. Noble Metal is operating the placer mining operations with Naptau supplying the working capital. When the transaction is registered, Noble Metal will own 59.7% of Naptau. (SEE GCNL NO.97, 21May97, P.5 FOR PREVIOUS PLACER PROJECT REVIEW)

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