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George Cross News Letter

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CONSOLIDATED GOLD CITY MINING CORP.

[CGD-V] 9,865,349 SHS.

OLD NICK PROJECT UPDATE - John Chapman, president, Consolidated Gold City Mining Corp., reports joint venture partner Applied Mine Technologies Inc. is entering Phase Two of exploration of the Old Nick nickel-cobalt deposit near Bridesville, 25 km east of Osoyoos, south-central BC.

The Old Nick project is owned by Cons. Gold City (47.5%) and Applied Mine Technologies (52.2% and operator). On 6Nov97 PHOENIX GOLD RESOURCES LTD. [PHO-V] and ORION INTERNATIONAL MINERALS CORP. [OIM-V] assigned their interests of 25% each to Applied Mine Technologies, subject to regulatory approval. Under the terms, Applied Mine Technologies will pay Phoenix Gold and Orion Int'l \$25,000 each, issue 500,000 shares each and grant an option on 500,000 shares each, subject to pooling terms.

Frank Wright, BBA, Bsc., P.Eng., project manager with Applied Mine Technologies, presented the paper, "Old Nick-New Approach to Nickel Recovery", at the recent Randol Gold Conference in Vancouver, BC, which included: deposit history; metallurgical testing and drilling since September 1995, and process development concept. Drilling and metallurgical results have been positive and

Applied Mine has planned larger scale drilling and metallurgical testing as part of a prefeasibility study. The 1998 program will include the construction and operation of a demonstration plant to study the feasibility of a bio-leach operation using SX-EW for nickel-cobalt recoveries. The 1998 program, costing \$3,000,000, which is yet to be raised by the sale of shares of Applied Mine Technologies, includes the completion of a feasibility study.

The Old Nick deposit is situated near the contact of Anarchist Group and Nelson Plutonic Complex rocks which also host Battle Mountain Gold Company's 1,800,000 ounce Crown Jewel lode gold deposit 10 km to the southeast. In the past, Newmont Mining, Nickel Ridge Mines and Utica Mines outlined a minimum 100,000,000 tons grading 0.22% nickel with cobalt credits.

Applied Mine Technologies, a reporting issuer in Ontario and Alberta (but not listed) and QUICK FIRE VENTURE CAPITAL CORP. [QFV-ALBERTA] have signed an agreement to merge the companies. The surviving entity, will be called Applied Mine Technologies Inc. and will trade on the Alberta Stock Exchange. The proposed merger will be on the basis of one Applied Mine share for each share of Quick Fire, resulting in about 14,000,000 shares outstanding and 19,500,000 shares fully diluted. (SEE GCNL NO.212, 4Nov97, P.5 FOR NEARBY ROCK CREEK SKARN PROJECT INFORMATION)

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