

1710-609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

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FIRST CHOICE INDUSTRIES LTD.

[FSD-V] 12,991,803 SHS.

Knob Hill Drilling Completed - Peter Dasler, president, reports First Choice Industries Ltd. has received complete assays and check assay for the current drill program at Knob Hill, located on northern Vancouver Island, BC. Twenty diamond drill holes (6,249 feet) were completed on the property, 17 in the main gold anomaly at Obling Creek, and three on outside geophysical targets indicated from the July airborne mag-electromagnetic survey.

The drilling yielded consistent and persistent sulphide mineralization as veining and disseminations in all rock types encountered; rhyolite breccias, intermediate volcanics, and a variety of intrusive dykes. However, in spite of a widely varied mineral assemblage, dominated by pyrite, arsenopyrite, pyrrhotite, sphalerite and chalcopyrite, assay results for gold have been discouraging. The strong relationship between copper, silver and gold established in the October 1996 program, was not evident in this program. Extensive zones of copper and silver, and locally high grade copper and silver did not correlate with enriched gold mineralization. In some of cases the opposite relationship held true.

The drill program was unable to establish a discrete gold zone in the Obling creek area. Hole 97-13, drilled 500 metres north west of Obling creek intercepted 67 metres (220 feet) of 0.17% copper and 0.99 grams silver/tonne in a biotite alteration zone related to a long EM anomaly which crosses the property. Drill hole 97-16 intercepted 67 metres (220 feet; 90-310 feet) of 0.09% copper and 2.29 grams silver/tonne (including 18 metres (60 feet) of 0.14% copper and 4.2 grams silver/tonne) within the centre of the large circular resistivity anomaly at Obling creek. Within the same area drill hole 97-6 intersected a 87 metre (284 feet) interval (52-336 feet) averaged 0.08% copper and 1.9 grams silver/tonne, including 27 metres (90 feet; 152-242 feet) of 0.13% copper and 1.9 grams silver/tonne. The large EM anomaly on the northwestern portion of the property was tested with one drill hole. The entire hole showed

5% sulphides as pyrite and pyrrhotite with further increasing sulphides at depth.

The company has identified a polymetallic sulphide alteration zone within rhyolitic rocks, with high gold values locally. The surrounding area shows characteristics related to porphyry copper deposits. The targets tested in the latest drilling appear to be related to alteration in the porphyry environment, but the rapidly changing lithologies make correlation between drill holes difficult.

First Choice recently staked a further 1,000 acres of land adjacent to the south border of the property, in joint venture with the neighbouring landowner. This area is 2.5 km south of the Obling Creek zone, and encompasses extensively altered bluffs bearing widespread sulphide mineralization. The area was identified from the recent airborne survey as showing characteristics of the porphyry copper deposits within the trend. The company is presently evaluating all the results from the Knob Hill project.

CRYSTALLEX INTERNATIONAL CORP. [KRY-T], which is acquiring a 30% interest in the Knob Hill property, provided funding for the program by purchasing First Choice shares. (SEE GCNL NO.204, Oct.23/97, P.3 FOR PREVIOUS KNOB HILL PROJECT INFORMATION)

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