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# George Cross News Letter

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## DEMAND GOLD LTD.

[DOT-V] 7,915,368 SHS.

HASKIN/REED PROJECT PROGRESSING - Guilford Brett, president, reports summary results

from the 1997 exploration program on Demand Gold's 100% owned Haskin/Reed base metal property near Cassiar in north-central BC. Recent drilling has confirmed the potential for expanding the property's established resources of some 3,000,000 tons of zinc, copper, lead, silver and bismuth mineralization contained in four proximal deposits. Demand Gold is now in discussions with associated company CUSAC GOLD MINES LTD. [CQC-T; CUSIF-NASDAQ], regarding the potential near term production of zinc concentrate from the high-grade Brett Zone and A Zone using possible future excess capacity at Cusac's nearby mill facility. Cusac currently owns 7% of Demand stock and has common directors.

The Haskin/Reed property consists of numerous showings and deposits outlined to varying degrees, and host significant zinc, copper, lead, silver, bismuth and molybdenum mineralization. These deposits are proximal to the Haskin quartz-feldspar porphyry intrusive stock that has given rise to abundant skarn, porphyry, and shear hosted mineralization. In 1997, work on the Brett massive sulphide zone comprised 14 km of soil sampling, 14 km of magnetometer surveying and nine diamond drill holes. This work defined a drill inferred reserve of 500,000 tons grading 10% zinc.

Eight diamond drill holes were completed on the A Zone where Della Mines Ltd. previously established a drill inferred resource of 300,000 tons grading 5% zinc, 3% lead and 1.0 oz. silver/ton. Significant results are as follows:

HOLE NO.	LENGTH METRES	LENGTH FEET	ZINC %	SILVER OZ/TON
AZ9701	1.0	3.28	22.57	-
AZ9705	0.6	2.0	24.85	-
AZ9708	6.0	19.7	4.0	0.89

Demand Gold has initiated a number of studies regarding the economic feasibility of developing the above noted zinc zones by underground and open pit mining with a view to shipping the ore to the Cusac Gold Mine mill, located 17.4 km by gravel and paved road

from the property. These studies included preliminary metallurgical testing, cost scoping and possible underground and surface mine plans. The company plans to advance the project to feasibility stage during 1998.

During the 1997 program, three base metal mineralized areas were tested by geochemical and geophysical methods. About 1,000 soil samples were collected concurrent with 34 km of grid-controlled magnetometer surveys. In addition, back-hoe trenching was completed on four anomalous zones. This work outlined three areas, strongly anomalous in lead, zinc and silver mineralization, that warrant follow-up work. The areas include the Dan Zone, located off the north-western corner of the Brett Grid and two large areas within the Hot Lake Grid. A 2.0 metre chip sample from the Dan Zone returned 5% zinc. The two areas of anomalous soil geochemistry within the Brett Grid documented lead up to 9,082 ppm and silver up to 34.9 ppm; background lead values average 122 ppm.

Geochemical and geophysical surveys were conducted on the property overlying an area previously unexplored. The geochemical survey on the Hot Lake Grid outlines an area of 700 by 300 metres highly anomalous in lead. The background for lead in this area was found to be 122 ppm which is extremely anomalous as it represents a mean average over the entire grid. Several sample locations returned lead values as high as 9,082 ppm with coincident values as high as 34.9 ppm silver and 15 ppm cadmium. The occurrence of such an extensive anomalous zone opens up a fresh area for exploration with the potential for discovery of additional reserves on the Haskin/Reed property.

A significant molybdenite discovery on the A Zone was made below the sedimentary package during the zinc exploration phase of the program. Drill Hole AZ9707 intersected 21.9 metres of 0.226% MoS<sub>2</sub> in a stockwork breccia. Management believes this represents a stockwork-hosted molybdenite feeder system indicating a strong potential for additional mineralization at depth. Mount Haskin has previously been drilled for molybdenum and, drill indicated reserves for the deposit are 13,500,000 tons grading 0.16% MoS<sub>2</sub>. The potential for higher grade MoS<sub>2</sub> values at depth within the brecciated molybdenite zone could increase the grade of the resource. Further drilling on this MoS<sub>2</sub> zone is planned for 1998. (SEE GCNI NO.151, 7Aug97, P.1 FOR PREVIOUS HASKIN-REED PROJECT INFORMATION)

104P 59 ✓