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George Cross News Letter

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CROSS LAKE MINERALS LTD.

[CRN-V] 25,153,080 SHS.

FALCONBRIDGE LTD.

[FL-T, M] 176,977,900 SHS.

SUSTUT PROJECT UPDATE - James Tutton, president, Cross Lake Minerals Ltd., reports the due diligence review is proceeding at the Sustut copper deposit located 200 km north of Smithers, BC. Two consulting firms have been engaged to assist in the process. Steffen, Robertson and Kirsten (Canada) Inc., consulting engineers, have been retained to conduct a review of the mineral resource, including the construction of an independent resource model, and of the environmental and permitting requirements of the property. Hallam Knight Piesold Ltd., environmental consultants, have been hired to identify the key environmental issues which may need to be addressed during the permitting process. The Sustut copper deposit was drilled by Falconbridge Ltd. in the 1970s with 139 holes, for 56,400 feet. A resource estimate indicated 25,000,000 tons grading 1.02% copper with limited precious metals credits, contained in three pits with a strip ratio of 1.6 tons waste to 1 ton ore. The company's intention is to develop the property as a low cost open pit copper mine.

Cross Lake may acquire a 100% interest in the property from Falconbridge by paying \$250,000 before signing a formal agreement, issuing 2,000,000 shares and 1,000,000 warrants, each warrant entitling Falconbridge to buy one Cross Lake share at \$1.25 for one year, and spending \$2,500,000 on the project by 1Jan2002. On a decision to place the property into production, Cross Lake will issue an additional 1,000,000 warrants, each warrant entitling

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Falconbridge to buy one share at \$2.50 per share for one year.

Keith E. Steeves, F.C.A., has been appointed a director. Henry Ewanchuk, director since April 1996, has been appointed chairman. (SEE GCNL NO.151 7Aug97, P.3 FOR PREVIOUS SUSTUT PROJECT INFORMATION)