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BARKHOR RESOURCES INC.

[BHO-V] 27,126,693 SHS.

NEWEN ENTERPRISES INC.

[NEP-V] 9,381,828 SHS.

JODI MOLY PROJECT REVIEW - Gerald Newcomen, president, Barkhor Resources Inc., and 50/50 joint venture partner Newen Enterprises Inc. report E.T. Kimura, consulting geologist, has completed a preliminary geological review of the jointly 100% optioned JODI Molybdenum property located 40 km west of Kimberley, southeast BC. Mr. Kimura summarizes the JODI molybdenum project as follows:

Barkhor has defined a molybdenum soil geochemical anomaly at the headwaters of Baker Creek. A series of 10 diamond drill holes have been completed over the central portion of the 1,700 metre long geochemical anomaly. Partial results from five of the 10 holes

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ave confirmed molybdenite mineralization in a stockwork developed in quartzite and a younger quartz monzonite intrusion. Preliminary geological interpretation of the results indicates a trend of higher grade mineralization in a southerly direction. From the perspective of a classic molybdenum porphyry deposit model, there is an interesting target for a core zone of molybdenite-bearing stockwork in the quartz monzonite. It is recommended additional drilling be designed and planned with the objective of exploring these two potential targets.

The molybdenum soil geochemical anomaly has a crude lens-shaped configuration. It extends along the west flank of the Baker Creek valley for a length of 1,700 metres and attains a width of 500 metres. The current drilling was centered over the wider section of the anomaly, and has intersected widespread molybdenite mineralization in the underlying quartzite and quartz monzonite rock units. Local glacial movement in the Baker Creek valley is presumed to have been down-stream in a northeasterly direction. Based on this glacial movement, it is interpreted the geochemical signatures from molybdenum in the overburden have been dispersed downstream, and there is good probability the underlying mineralized zones extend further up-stream beyond the limits of the geochemical anomaly.

The JODI property is predominantly underlain by a northerly-trending sequence of argillite and quartzite units of the Mt. Nelson Formation. This assemblage abuts the older conglomerate unit of the Toby Formation to the west. A small exposure of coarse grained quartz monzonite is identified, and occurs in the centre of the soil geochemical anomaly. A diamond drill hole indicates this quartz monzonite is much more expansive at depth, and this unit may be interpreted as an intrusive stock.

Molybdenite mineralization occurs in a quartz-pyrite-minor molybdenite stockwork in quartzite and quartz monzonite. Phyllic alteration is well-developed and occurs in the form of quartz-sericite envelopes on 0.10 to 30.0 cm quartz-pyrite-molybdenite and numerous barren quartz veins and veinlets in the host quartzite unit. Typical drill intersections are averaging 0.03 to 0.038% molybdenum over core lengths ranging from 90 to 230 metres; the most southerly hole encountered higher grade mineralization and averaged 0.078% molybdenum over 23 metres. The stockwork in the quartz monzonite is well-developed with quartz-pyrite veins and less frequently quartz-pyrite-molybdenite veins and veinlets. Strong phyllic and weak potassic alteration are prominently developed as quartz sericite and K-feldspar envelopes, respectively. Pervasive argillic alteration of the quartz monzonite is generally weak; however, it appears to intensify with depth in the one drill hole that penetrated 200 metres of quartz monzonite. Sampling of the quartz monzonite section is still in progress and no assays were as yet available.

Preliminary geologic interpretation of the JODI molybdenum occurrence suggests porphyry molybdenite mineralization is developed in the quartz monzonite intrusion, and the alteration and mineralization have extended into the surrounding quartzite in the form of a peripheral halo. The drilling to date appears to be focused within the phyllic alteration zone and associated pyrite-rich veins. Within the framework of a porphyry style of deposit, the molybdenum-rich zone is developed within the inner concentrically-developed core of the argillic and potassic zones. For the JODI mineralized system, the more favourable molybdenum zone would spatially be developed inward from the outer phyllic alteration zone. The higher grade mineralization in the most southern drill hole possibly suggests a favourable trend for better mineralization to the south. Part of the mineralized system may extend southerly beyond the geochemical anomaly.

Two and possibly three additional diamond drill holes are recommended to more completely evaluate the potential of the JODI mineralized system.

Newen and Barkhor will continue their diamond drill hole program on the JODI Molybdenum property beginning the first week of February, 1998. (SEE GCNL NO.238, 11Dec97, P.2 FOR PREVIOUS MOLY PROJECT INFORMATION)

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