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George Cross News Letter

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NO. 27 (1998)
FEBRUARY 9, 1998

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INTERNATIONAL WAYSIDE GOLD MINES LTD.

[IWA-V] 11,697,976 SHS.

UNDERGROUND DRILLING RESUMES - J. Frank Callaghan, president, International Wayside Gold Mines Ltd., reports underground drilling resumed on the 1200 Level, at the Cariboo Gold Quartz Mine, Wells, BC on 14Jan98, under the direction of Dr. Richard Hall, P.Eng.

Four holes of a 14 hole program on the 1200 Level have been completed and submitted for assay. A recently compiled geologic model of the 1500 level, based upon available information, has outlined prospective areas which would be accessible by open pit mining methods. After completion of the 1200 level drilling, an underground drilling program designed to extend the current mineral inventory is planned for the 1500 level. A surface diamond drill program began 26Jan98, on the Sanders Zone, and the first hole has been sent for assay; drilling continues. Assays are expected shortly from the balance of the 1997 drilling and trenching.

Geologic Systems has completed a preliminary economic analysis of the project, which indicates a viable mining operation is possible at current gold prices, using production rates of 1,500 to 2,000 tons/day from the proposed open pit, combined with 100 to 200 tons/day from higher grade underground mineralization. The current exploration program is concentrating on in-fill drilling, designed to outline sufficient reserves to support the proposed operation for a minimum mine life of 7 to 10 years. A model of the underground workings and stopes of the Island Mountain and Mosquito Creek Mines has also been completed. This information, along with the model of the Cariboo Gold Quartz Mine, gives a better understanding of the project.

Further to the VSE approval of 5Dec97, regarding the option agreement between MOSQUITO CONSOLIDATED GOLD MINES LTD. [MSQ-V] and Int'l Wayside, the companies are re-negotiating the terms of the agreement.

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The Cariboo Gold project encompasses the Cariboo Gold Quartz Mine, Island Mountain Mine, and the permitted Mosquito Creek Mine, which are contiguous to one another. Recorded production from the surrounding property owned by the company is 3,800,000 ounces of gold, including 2,600,000 ounces of placer gold and 1,200,000 ounces of lode gold. The property is about 17.5 square miles in area. (SEE GCNL NO.5, 8Jan98, P.3 FOR DETAILS OF INT'L WAYSIDE/MOSQUITO OPTION AGREEMENT)