

George Cross News Letter

"Reliable Reporting"

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ESPERANZA EXPLORATIONS LTD. (EEP-V)

MILL CONSTRUCTION PLANNED - A \$5,000,000 budget is
TO START MID - 1988 planned for Esperanza

Explorations' gold project at Tillicum Mountain, near Burton, B.C., during the spring and summer of 1988. The plan calls for extensive underground development and diamond drilling, which will lead to construction of a mill during the summer and fall of 1988. Pilot scale production will occur in late 1988 with full scale production anticipated in early 1989. Initial production will be from the Heino-Money gold deposit where underground mine development will commence in March 1988. Surface exploration will continue at an accelerated pace on the nearby East Ridge and Strebe gold zones with diamond drill.

Tenders are being sought for design and construction of a 125 ton per day mill with capacity for expansion to 300 tons per day. Production should produce 20,000 ounces of gold in the first year from the Heino-Money deposit.

As reserves are added from the Strebe and East Ridge zones, production could increase to more than 30,000 ounces gold per year by the second year.

Underground mine development will start soon at the Heino-Money deposit. The 2050 metre level will serve as the mine's Main haulage level and will be extended to 200 metres from its portal. An ore pass will be constructed from the 2050 level to existing workings at the 2112 level. The program will explore the zone through 800 vertical feet and along a 2000 foot strike length. Stockpiling of gold ore will begin by May. Average mill head grade is expected to average 0.7 oz. gold/t. The average grade from a 3700 ton bulk sample mined in 1985/86 was 0.93 oz. gold/t.

At East Ridge, reserves are drill indicated 3,000,000 tons of 0.05 oz. gold/t. Potential exists for development of a higher grade core zone, the extent of which will be determined by drilling followed by underground sampling.

Recent drilling of eight holes at the Strebe Prospect confirmed continuity of gold mineralization to depth. Surface sampling of the Strebe gold zone assayed 0.45 oz. gold/t over 39 feet. Assays from drill holes ranged to 0.33 oz. gold/t over 30 feet. Drilling will continue.

VERONEX RESOURCES LTD. (VEO-V, VEOXF-Nasdaq)

LEVON RESOURCES LTD. (LVN-V, LVNVF-Nasdaq)

CONGRESS PROPERTY UPDATE - James J. Bond, vice president of Veronex, reports that the company is currently assessing results from an extensive exploration and development program intended to block out 200,000-300,000 tons of ore grading 0.30 oz. gold/t on the Congress property in the Bridge River area of B.C. A production feasibility study is nearing completion and construction of a mining camp has begun at the Gun Creek outlet on Carpenter Lake, where the company intends to build a 250 ton per day mill. Since 1986, 1,500 feet of underground tunneling has been completed in the Howard zone, and four new ore zones were encountered. These discoveries are expected to establish sufficient ore to begin production. The Congress property is held 50/50 by Veronex and Levon.

CANADIAN-UNITED MINERALS, INC. (CUM-V)

IMPORTANT ASSAYS AWAITED FROM DRILL PROGRAM- Two parallel
IN VERY LARGE MASSIVE SULPHIDE TARGETS massive

sulphide
zones, each approximately 4 km along an east west strike
and from 70 to 200 meters wide, with one zone
intersected at 200 meters below the surface, are
currently being diamond drilled by Canadian United
Minerals, Inc. The program is on the 100% owned
Fireweed silver-zinc-copper property on the west side of
Babine Lake, at an elevation of 2,000 feet, 50 miles
east of Smithers, 10 miles north of Granisle Copper
Mines, B.C. (SEE GCNL NO.22, P.1, FEB.2,1988, for
previous results.)

The mineralization has been opened on surface by
four close spaced trenches in a creek near the west end
of the zone and in four other creeks and a mineralized
boulder train spread over 4 km toward the east. Each of
the trenches exposed massive sulphides of zinc, copper
and silver.

To Feb.21,1988, the company had drilled 12 holes
over an east west length of 2,800 meters. These holes
have been planned to test the northern most of two
magnetometer and induced polarization anomalies over the
massive sulphide zones.

The northern zone has been mapped on the surface as
a series of almost vertical beds of hydrothermally
altered and brecciated sandstone, bedded with mudstone,
carrying 2% to 5% pyrite with manganese stain, which
yielded 10 oz. silver/t on surface. Chip samples in one
of the western trenches assayed 2 oz. to 10 oz. silver/t
over 30 feet of outcrop near a creek. Further surface
samples collected near the anomalous target assayed
22.75 oz. silver/t, 0.10 oz/gold/t, and 2.59 oz. silver,
0.04 oz. gold/t, 0.3% copper. The first drill holes
under the trenches assayed up to 2 oz. silver/t, between
100 and 1,900 parts per billion gold, 3.5% zinc, 0.6%
copper, and between 1% and 2% lead. A number of the
more recent holes, No.8 and No.12, carry massive
sulphide sections, not yet assayed, which on visual
inspection, appear to have greater sulphide content than
the first holes. The holes drilled to date indicate a
fairly consistent 30 to 40 feet of overburden. The
exploration program has been facilitated by the property
having been almost entirely logged in the last five to
ten years.

The second or southern massive sulphides zone is
500 meters south of and parallel to the first and has an
indicated strike length in excess of 2 km. It has been
mapped as being in a volcanic/rhyolite series of rock at
or near a contact. The Southern target has not yet been
drilled. The present drill program is planned for a
minimum of 10,000 feet of which approximately 6,500 feet
have been drilled to date. It is scheduled to complete
the 10,000 feet by the end of February including a
minimum of three holes in the Southern target.

In addition, Canadian-United holds 1,000,000 shares
at a cost of 25¢ each, or 30% of the issued shares of
GEOSTAR MINING CORP. (GMC-V) which holds options to
earn a 100% interest in the Victoria /Duthie gold,
silver, lead, zinc and copper mine, 15 miles south of
Smithers, B.C. where an underground program is underway
following up on a series of quartz veins 2 to 3 feet
wide, traced for 1.5 km in length, and assaying up to
0.789 oz. gold/t, 17.44 oz. silver/t. The follow-up work
is the driving of three crosscuts of 150 feet each on
two adit levels to provide drill stations from which the
extensions of the vein can be explored. In the process
of driving the middle of these three levels the tunnel
has opened massive sulphides of lead, zinc and copper
across in excess of three feet. Assays are awaited and
drifting along the mineralization is continuing.