

# George Cross News Letter

"Reliable Reporting"

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AUGUST 31, 1987

## NORTHAIR MINES LTD. (NRM-V,T)

WILLA PROJECT REVIEWED - Donald A. McLeod, president, has reported that the \$2,100,000 exploration program underway at the Willa property 7 miles south of New Denver, B.C. is now about 60% complete. 1,100 feet of underground decline has been cut to provide lower access to the West Zone. 58 underground fill-in diamond drill holes have been drilled on the West Zone in this program to confirm the continuity of the zone. Results have been consistent with previous drilling with values as high as 0.691 oz.gold/ton over 39 feet. New reserves are being re-calculated. Prior to this program, reserves were 606,000 tons grading 0.22 oz.gold/ton, 0.28 oz.silver/ton and 1.04% copper. Two new potential zones have been identified by recent work. Mineralization was encountered in the decline as it progressed to the east of the West Zone. Channel sampling returned values of 0.220 oz.gold/ton over 6.5 feet. Drilling in June returned 46 feet of 0.202 oz. gold/ton in an area 250 feet north and 300 feet higher in elevation than the West Zone. An upper portal is being prepared that will connect with current underground workings, providing drill sites for underground drilling as well as a second entrance and additional ventilation.

Underground diamond drilling (approximately 25 holes) will start shortly to test these two new targets to substantially increase mineable reserves.

Northair's 350-ton per day mill at Brandywine, B.C. is now being dismantled for re-location and re-erection at Willa. Northair has received a firm bid of \$1,887,400 for re-erecting and upgrading the capacity of the mill from 350 to 500 tons per day. A Stage I report is presently being prepared to allow government permitting. On completion of the currently program, Northair interest in Willa will increase to approximately 68%.

Northair, 35%, has been advised by Joint Venture partner, BP Selco, 65%, that stripping is complete and a drilling program is now in progress on the Long Lake property located near Buchans, Newfoundland. This drilling is in the area of the discovery which returned values as high as 7.00 oz.gold/t.

## PUNDATA GOLD CORPORATION (PUN-Alberta)

### SPANISH MOUNTAIN - DIAMOND DRILL HOLES

HOLE	INTERVAL	FT.FOOTAGE	OZ.GOLD/T	PROGRESS REPORTED
87-100	20-161	141	0.04	ON B.C. & IDAHO
	Includes 20- 41	21	0.11	MINERAL PROPERTIES
	and 20- 33	13	0.178	Alan C. Savage, a
	and 102-125	23	0.11	director of Pundata
87-101	81- 97	16	0.066	Gold Corporation,
87-102	Holes lost,			reports that on
87-103	No recovery			their 60% owned CPW-
87-104	107-170	63	0.248	Spanish Mountain
	Include 150-170	20	0.668	property near Likely
87-105	40- 86	46	0.135	35 miles NE of
	Includes 63- 86	26	0.22	Williams Lake, B.C.,

TRENCHES FOOTAGE OZ.GOLD/T'  
 CABIN 30 0.067  
 Includes 13 0.11  
 S2 36 0.031  
 Includes 20 0.046  
 SOUTH 36 0.031  
 M 79 0.037  
 M-I-C 26 0.039  
 Includes 13 0.065  
 X 32 0.03  
 Includes 7 0.07

a \$900,000 program has been underway since mid-May. Some 3,000 feet of a 15,000-foot diamond drilling program have been completed. See table for assay results received on 6 of 12 holes so far completed and also from 950 feet of trenching on outlying areas of the property. This trenching indicates drill targets outside the main area of interest, so, regional exploration has also begun.

In Idaho, on the Wagonhammer project, surface sampling was completed in late July across the main zone of interest in which mineralized rock outcrops intermittently along a 4,000-foot strike length and a width between 60 and 100 feet. Encouraging gold values ranged from 0.01 to 0.19 ounce per ton. Trenching has started in anticipation of reverse circulation drilling in the fall. The target is a large, low grade gold-silver deposit amenable to open pit mining.

**ENERGEX MINERALS LTD. (EGX-V,T)**

<u>DIAMOND DRILL HOLE A87-102</u>				<u>SIGNIFICANT GOLD VALUES</u>
<u>FEET BELOW SURFACE</u>	<u>WIDTH FEET</u>	<u>OUNCES GOLD/T</u>	<u>OUNCES SILVER/T</u>	<u>'CUT IN DEEP DRILLING</u>
482	2.0	0.24	0.48	A. O. Birkeland,
515	1.5	0.13	0.88	' president of Energex

-----' a deep exploration drill success on the Ridge structure of the A1 project, part of their 55 square mile holding in the Toodoggone gold district 180 miles north of Smithers, B.C.

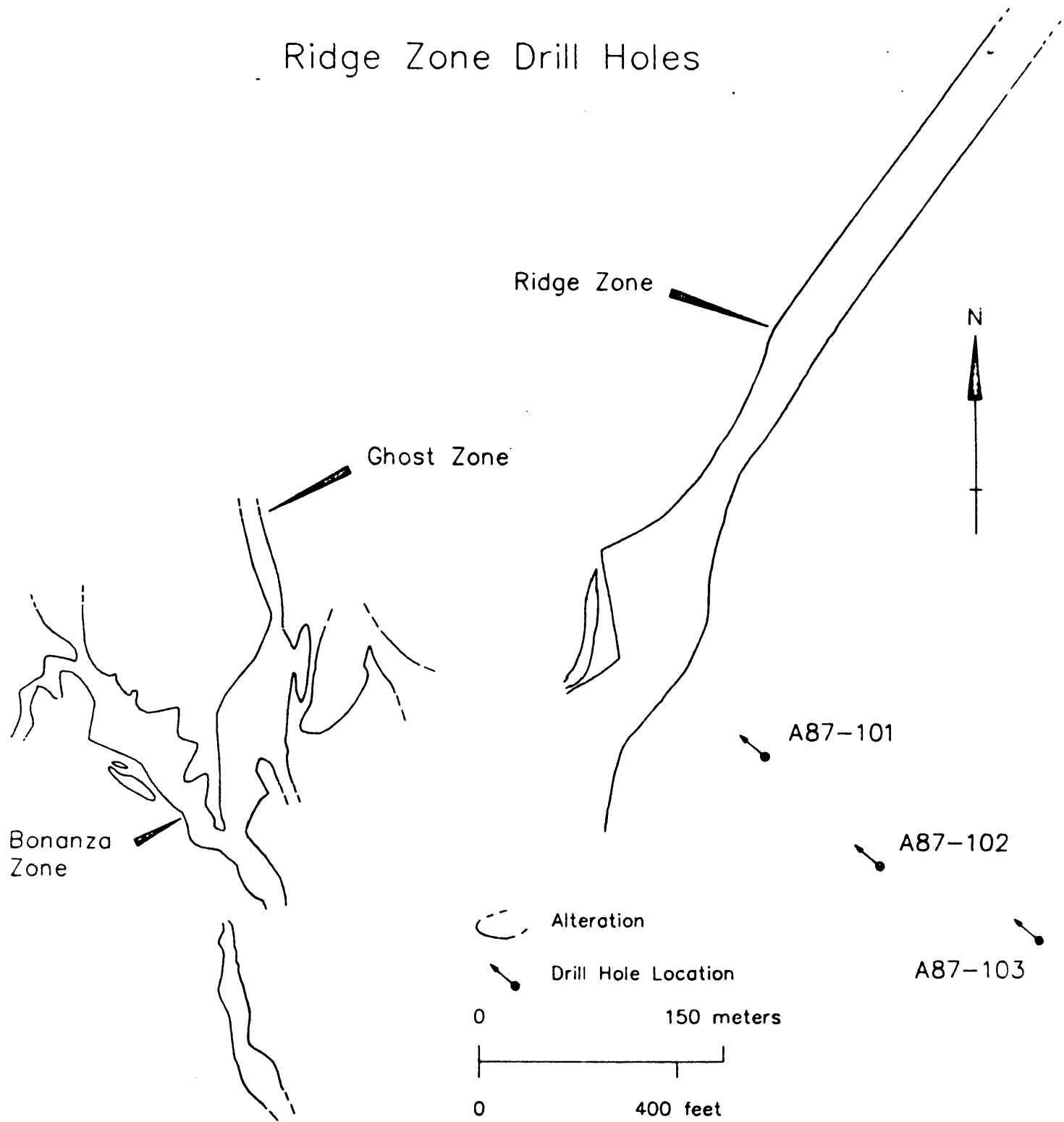
The Ridge is a NE-trending brecciated vein system between 50 and 115 feet thick on surface. The zone appears to extend for 1,800 feet. Previous work indicated potential for a large tonnage, partially open pit-able target. A diamond drill hole in 1982 encountered a 120-foot wide quartz breccia sulphide zone with mineralized intersections including 45 feet of 0.09 oz. gold and 0.47 silver/ton with gold assays up to 0.16 oz gold/ton.

The Ridge was chosen as a priority deep drilling target because previous work indicated silver/gold ratios greater than 10:1 which is similar to the ratios at Cheni Gold Mines' Lawyers deposits, 16 miles to the south which are reported to persist to at least 3,000 feet of depth. Cheni's mine is being brought to production (see GCNL166)

Three diamond drill holes have been collared for a deep drill test on the Ridge zone (SEE DIAGRAM OVERLEAF). The first hole, A87-101, cut about 90 feet true width of quartz breccia from 175 to 240 feet below surface. Assay results are awaited. The second hole, A87-102, cut multiple bands of disseminated to massive sulphides in a zone with apparent true thickness of 230 feet about 500 feet below surface with the footwall about 700 feet below surface. Short representative core samples from this hole were flown to Vancouver for rush preliminary assays. The two best sections are shown in the table. Complete sampling and assay results are expected within ten days.

The third hole, A87-103, has been collared on the same section to test the Ridge zone beneath DDH A87-102 at depths from 800 feet below surface. It cut the zone as predicted at a depth of 820 feet and drilled through the footwall at a depth of 984 feet. Disseminated sulphides were intersected from 850 to 950 feet down the hole, with banded silicified material from 700 to 1,050 feet downhole. Assays are awaited.

# Ridge Zone Drill Holes



CONTROL ENERGY CORP. (CTY-V)

<u>COPPER-PPM</u>	<u>LEAD-PPM</u>	<u>ZINC-PPM</u>	<u>OZ. GOLD/T</u>	<u>OZ. SILVER/T</u>
6,628	16,705	5,802	0.006	4.72
14,945	5,415	91,979	.024	2.21
1,751	2,409	13,422	.188	.64
3,484	4,363	42,805	.620	not assayed
511	1,136	841	not assayed	
35,728	24,672	99,999	.019	5.75

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Control Energy Corp. has reported West Coast Securities has agreed to underwrite 450,000 shares at 25¢ each. Prior to this funding there are 2,880,000 shares issued. The funds will be used for exploration on the Montana claims near Greenwood and Westbridge, B.C.

Sookochoff Consultants Inc. 21Jan87 reported the mineralization and geological setting indicates the potential for McKinney type mineralization where irregular veins up to several hundred feet long host pyrite, galena, spalerite, and gold.

The potential for gold bearing mineralization on the Montana is also in association with the pelitic-volcanic sequence where mineralization could occur within the volcanic rock.

DELAWARE RESOURCES CORP. (DLW-V)

<u>ZONE</u>	<u>INTERVAL, FT.</u>	<u>FOOTAGE</u>	<u>OZ. GOLD/T</u>	<u>MORE</u>	<u>GOOD</u>	<u>GOLD</u>
S-35	139.8-193.9	54.1	0.667	' ASSAYS		REPORTED
	includes	3.3	0.782	'		Delaware
	and	7.9	3.810	'		Resources Corp.
S-37	344.5-345.8	1.3	5.855	'		announces results of
	351.7-355.0	3.3	2.160	'		further fire assays
	646.3-671.2	24.9	1.130	'		from the SNIP
S-39	27.6- 36.1	8.5	0.171	'		project in the Iskut
	50.5- 62.6	12.1	1.311	'		River area 60 miles
	145.3-153.2	7.9	0.343	'		NW of Stewart, B.C.
	173.6-183.4	9.8	0.458	'		Currently, Holes
S-45	215.2-219.1	3.9	0.200	'		S-63 and 64 are
	250.6-252.2	1.6	2.142	'		being completed.
S-46	210.3-216.9	6.6	0.425	'		Most of the holes
	480.6-501.6	21.0	0.494	'		from S-45 to S-64
	includes	4.6	2.016	'		have completed the
						detailed coverage of the Twin Structural zone with
						50-meter spaced drill fences.

Director Ronald K. Netolitzky says continuity of mineralization and the presence of multiple zones is being clearly established. Assay intervals reported do not necessarily represent complete assay data as there are still considerable gaps in fire-assay and geochemical analyses of drill core. (See preceding report in GCNL 157(87)P.1

