

# George Cross News Letter

"Reliable Reporting"

NO.155(1987)  
AUGUST 13,1987

## TERRA MINES LTD.(TER-V,T;TMEXF-Nasdaq)

<u>6 MONTHS ENDED JUNE 30</u>	<u>1987</u>	<u>1986</u>
Revenues	\$5,042,000	\$198,000'
Net Loss	\$ 120,000	\$164,000'
Loss Per Share	0.6¢	0.8¢

PROJECTS IN B.C. - Robert A. Evans, president, has & MEXICO REVIEWED reported that Terra Mines Ltd.

recently acquired an option from GOLDRICH RESOURCES INC.(GRD-V) to earn 51% interest in properties in the West Kootenay area of B.C. including the Goldbelt mine, Bayonne and Ymir areas in the Sheep Creek mining camp. LIGHTNING MINERALS INC.(LTG-V), of which Terra is the major shareholder, will participate equally in completing the exploration program required by the option agreement.

Phase I of the exploration program costing \$500,000 must be completed by 31Dec88. The focus of exploration will be 6,600 feet of land between the Goldbelt and Reno mines. Proven reserves in place at the Goldbelt mine are 24,000 tons grading 0.40 oz.gold/ton. Work started on Phase I in July and involves geochemical, geological and geophysical work. An 8,000-foot diamond drill program started in late July.

In Mexico, diamond drilling has just started on Las Minitas property. It is intended to provide information on the structure down to 600 feet of depth and to provide additional information on parallel mineralized structures. Surface mapping and sampling in the Zobia North area has identified a 600 by 18 meter area of mineralization which is still open to the west. Bulk sample results to date indicate an average grade of 2.3 grams per tonne. Similar work is starting on the Zobia South zone.

Laboratory tests of leach processing indicate recoveries of 60% to 70% of contained gold. Tests are continuing to determine the effects of crushing to varying sizes. A 5,000-ton field test pad is planned to start in October 1987. Mr. Evans anticipates a production start as early as mid-1988, depending upon results obtained from the field tests. A reverse circulation drill should be operating on the property by November to provide value samples.

## GOLDEN BAND RESOURCES INC.(GBN-V)

### DELAWARE RESOURCES CORP.(DLW-V)

### AMERICAN ORE INC.(AOE-Alberta)

INITIAL DRILLING PROGRAM STARTED - Golden Band Resources, Delaware Resources and American Ore, as to one third working interest each, are exploring the property which adjoins the Delaware-Cominco Snip project, 60 km north of Stewart,B.C. Existing trenches were cleared and resampled. The best gold value reported was 0.952 oz./per ton across 0.5 meter. Silver values ranged from 1.4 oz. per ton to 25.81 oz. per ton, copper values from 2.9% to 8.32% and zinc from 1.51% to 12.02%. The trenches are over a 30-meter strike length within a gold soil geochemical anomaly which is 500 meters long. An initial 6 drill holes are planned to test the area of the trenches.

## MIKADO RESOURCES LTD.(MKO-V)

<u>HOLE NO.</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>OZ.SILVER/T</u>	<u>LEAD</u>	<u>ZINC</u>	<u>OZ.GOLD/T</u>
NEW DRILL HOLE ASSAYS						
87-60	477 - 486	9 Ft.	8.16	10.0 %	3.37%	0.024
PREVIOUSLY REPORTED DRILL HOLE ASSAYS						
87-59	442 - 452	10 Ft.	21.27	5.19%	1.44%	0.033
	includes	4	51.0	9.59	3.15%	.07
86-52	431 - 448	17	10.75	4.67	3.76	.017
	includes	5	32.60	9.19	8.51	.038

The hole No.87-60 intersected the high grade Abbott zone 42 feet below the intersection in hole No.87-59 and 92 feet below hole No.86-52. The next 1987 hole, No.61, has intersected the mineralization at a lower level. A well mineralized section has been sent for assay. Drilling is continuing and additional assays are awaited. The Wagner Abbott project is located on Mt.Templeton, 70 miles southeast of Revelstoke, B.C. Mikado has a 70% working interest in the property.

Additional drifting and raising in high grade ore on the Wagner has been underway for the past week.

During this period, 500 tons of ore have been trucked to the highway and stockpiled ready for hauling to the Ainsworth mill.

## NORTH AMERICAN METALS CORP.(NAM-V)

JOINT VENTURERS APPROVE GOLD - Robert G. Hunter, PRODUCTION FEASIBILITY STUDY president, reports that North American Metals Corp. (50%) and their joint venture partner, Chevron Minerals Ltds. (50%) have approved a production feasibility study of the Golden Bear project near Dease Lake in north central B.C. that recommends a 360 metric tonnes per day, 115,000 metric tonnes per year underground and open pit gold mine. Average mill feed grade and annual gold production are forecast at 0.60 ounce gold per metric tonne and 64,000 ounces, respectively. Operating costs per ounce of gold produced are projected to be well below average industry costs.

The joint venturers are now developing detailed construction plans and schedules. A Stage One study seeking approval for construction has been submitted to the B.C. Ministry of Energy Mines and Petroleum Resources.

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RULE RESOURCES LTD. (RUL-V)  
SUTTON RESOURCES LTD. (STT-V)  
REDFERN RESOURCES LTD. (RFR-V)

TOODOGGONE EXPLORATION PROGRAM UNDERWAY - John Lepinski,  
president of  
Rule Resources Ltd. has reported that the \$300,000  
program has started on the Toodoggone River area gold  
property. The program is a joint venture of Rule, Sutton  
Resources and Redfern Resources as to 33.33% each. The  
property, located northwest of the Cheni Gold Mines Inc.  
(Sedrem) project, will have excellent access as the  
recently announced Toodoggone road will pass within 1  
mile of the claims. (SEE PROPERTY LOCATION MAP  
OVERLEAF)

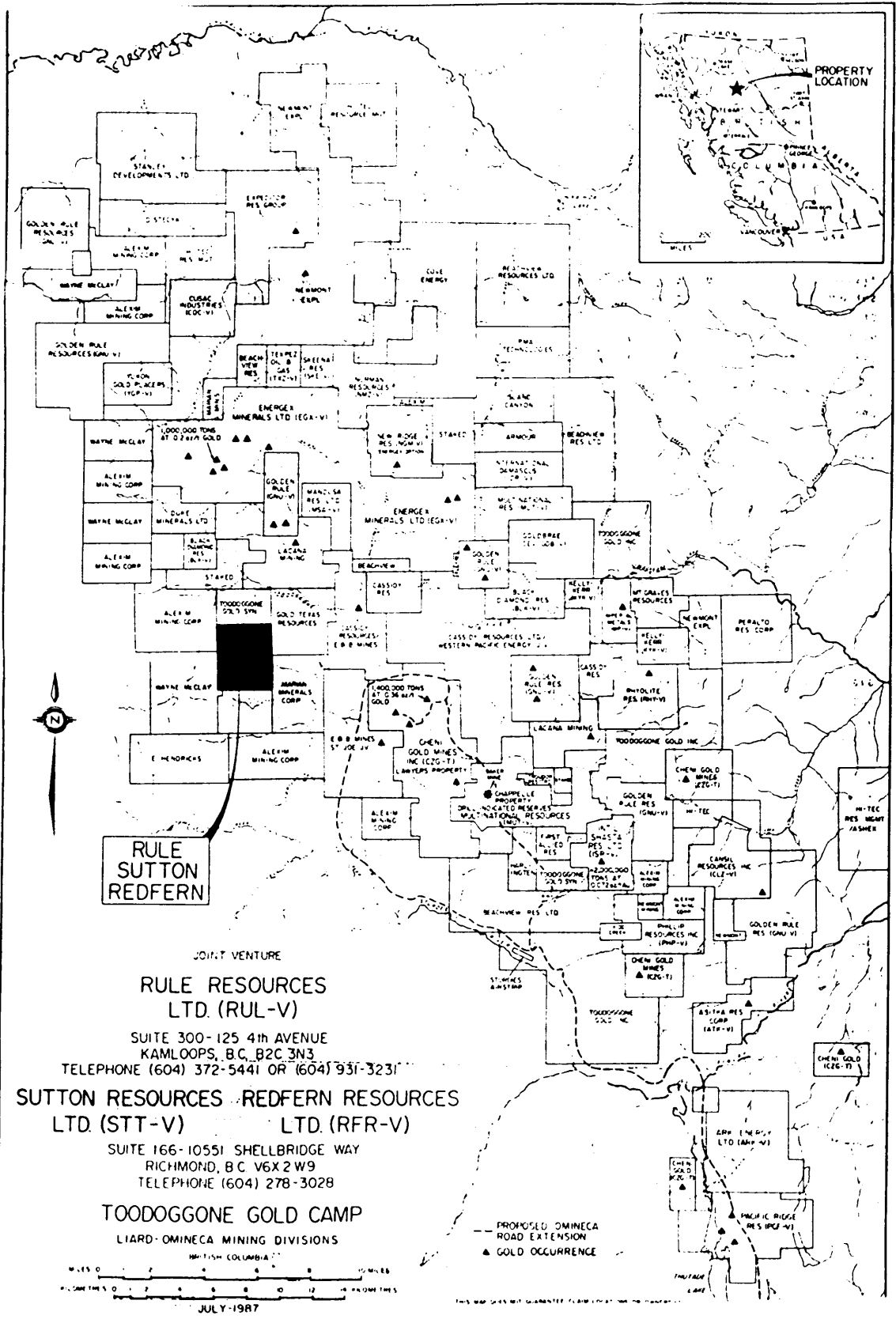
The drill program will concentrate on the new gold  
discovery outlined by the 1985 and 1986 exploration  
programs. This discovery occurs within a silicified  
quartz-veined breccia system over a length of 1,400 feet  
and widths of 150 feet. This breccia system has a  
marked similarity to the structural ore controls at the  
Cheni Lawyers orebody.

The most northerly trench in the north south  
striking main zone returned 0.42 oz.gold/t over 12.8  
feet and the most southerly trench 1,400 feet away  
assayed 0.04 oz.gold/t over 13.4 feet. A weighted  
average assay over 435 feet strike length at the north  
end of the exposed zone returned 0.208 oz.gold/t over an  
11.5 foot width.

The northwest zone has been relatively unexplored,  
however, a quartz system has been discovered which  
assayed 0.22 oz.gold/t over a minimum exposed width of 3  
feet.

NIM & Company Limited Partnership 1988 has committed  
an additional \$300,000 to Rule Resources for tax flow-  
through shares for the 1988 Toodoggone River exploration  
program.

Rule is also committed to an October 1987 drilling  
and exploration program to expand on the recent gold  
deposit on the Oest gold mine in Virginia City, Nevada.



**RULE  
SUTTON  
REDFERN**

JOINT VENTURE

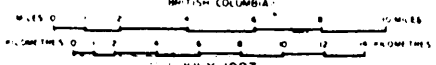
**RULE RESOURCES  
LTD. (RUL-V)**

SUITE 300-125 4th AVENUE  
KAMLOOPS, B.C. B2C 3N3  
TELEPHONE (604) 372-5441 OR (604) 931-3231

**SUTTON RESOURCES LTD. (STT-V)      REDFERN RESOURCES  
LTD. (RFR-V)**

SUITE 166-10551 SHELLBRIDGE WAY  
RICHMOND, B.C. V6X 2W9  
TELEPHONE (604) 278-3028

**TOODOGGONE GOLD CAMP**  
LIARD-OMINECA MINING DIVISIONS

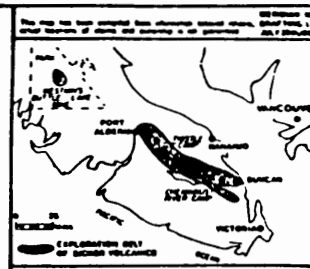


JULY-1987

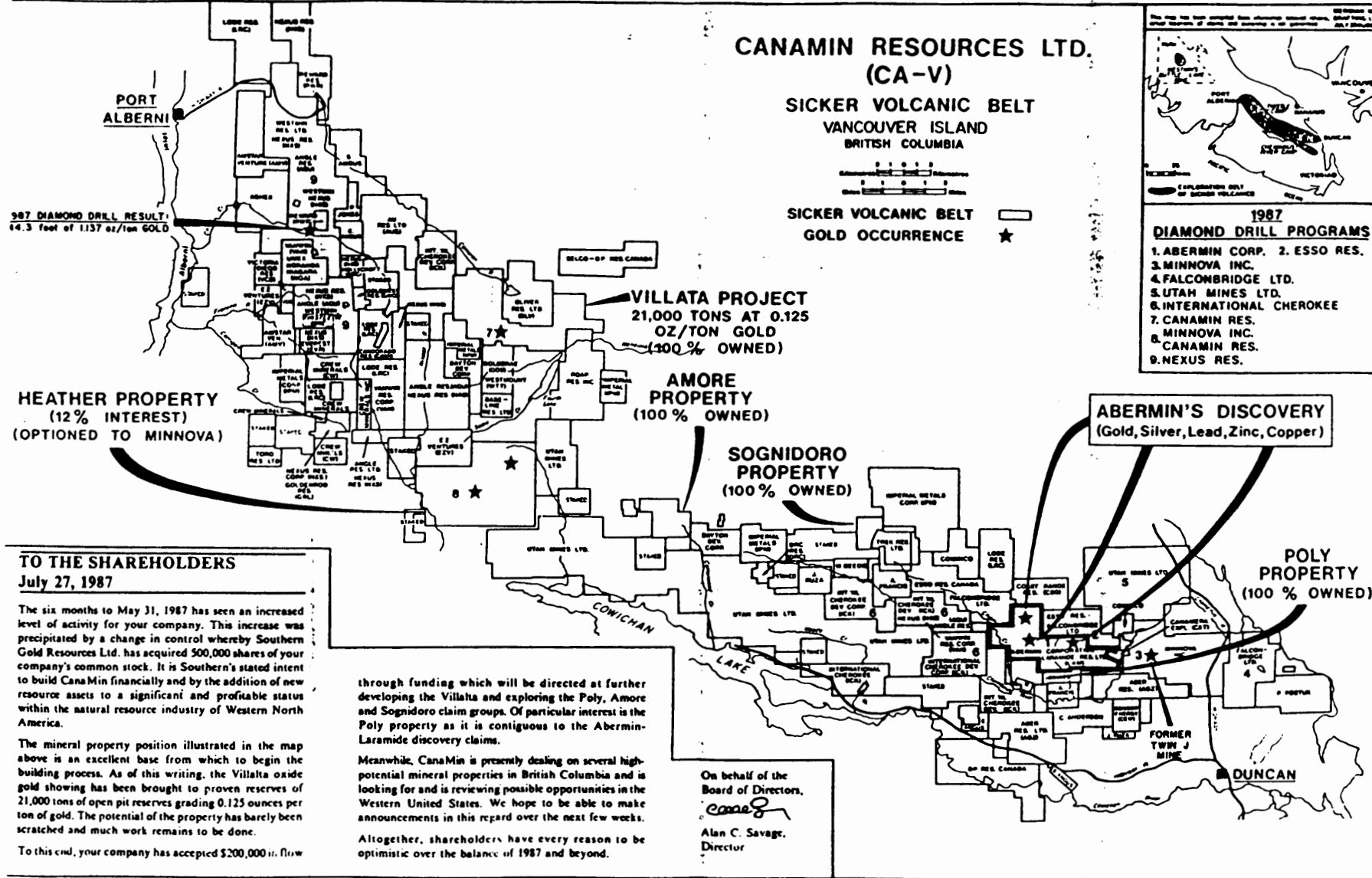
**CANAMIN RESOURCES LTD.  
(CA-V)**

**SICKER VOLCANIC BELT  
VANCOUVER ISLAND  
BRITISH COLUMBIA**

**SICKER VOLCANIC BELT  
GOLD OCCURRENCE** ★



- 1987  
DIAMOND DRILL PROGRAMS**
1. ABERMIN CORP.
  2. ESSO RES.
  3. MINNOVA INC.
  4. FALCONBRIDGE LTD.
  5. UTAH MINES LTD.
  6. INTERNATIONAL CHEROKEE
  7. CANAMIN RES.
  8. MINNOVA INC.
  9. NEXUS RES.



**TO THE SHAREHOLDERS  
July 27, 1987**

The six months to May 31, 1987 has seen an increased level of activity for your company. This increase was precipitated by a change in control whereby Southern Gold Resources Ltd. has acquired 500,000 shares of your company's common stock. It is Southern's stated intent to build CanaMin financially and by the addition of new resource assets to a significant and profitable status within the natural resource industry of Western North America.

The mineral property position illustrated in the map above is an excellent base from which to begin the building process. As of this writing, the Villata oxide gold showing has been brought to proven reserves of 21,000 tons of open pit reserves grading 0.125 ounces per ton of gold. The potential of the property has barely been scratched and much work remains to be done.

To this end, your company has accepted \$200,000 in flow

through funding which will be directed at further developing the Villata and exploring the Poly, Amore and Sognidoro claim groups. Of particular interest is the Poly property as it is contiguous to the Abermin-Laramide discovery claims.

Meanwhile, CanaMin is presently dealing on several high-potential mineral properties in British Columbia and is looking for and is reviewing possible opportunities in the Western United States. We hope to be able to make announcements in this regard over the next few weeks.

Altogether, shareholders have every reason to be optimistic over the balance of 1987 and beyond.

On behalf of the Board of Directors,

*Alan C. Savage*

Alan C. Savage,  
Director

*George Cross News Letter*  
"Reliable Reporting"

**VERDSTONE GOLD CORPORATION (VGC-V)****REA GOLD CORPORATION (REO-V, T: REOGF-Nasdaq)**

ASSAYS REPORTED FROM 13 HOLES ON ZINC-LEAD CK PROJECT

Assays have been reported from 13 holes drilled on the New Showing Zone on the CK project covering 22,000 acres located 52 km northeast of Clearwater which is 80 km north of Kamloops, B.C. This drilling was designed to confirm, define and extend drill inferred reserves of 1,640,000 tons grading 8.6% zinc, 1.4% lead and 0.25 oz. silver/t. The program is a 50-50 joint venture between Verdstone and Rea Gold and is under the management of J. Douglas Blanchflower, consulting geologist. Seventy holes are planned for this phase of exploration and will include diamond drill testing of both the Main Boulder and North Strat zones. (SEE GCNL NO.135, July 15, 1987 for previous property results.)

HOLE NO	INTERVAL METERS	TRUE WIDTH FEET	ASSAY RESULTS		
			ZINC %	LEAD %	OZ. SILVER/T
87-12	21.6 - 22.6	(3' - 3")	12.20	2.30	0.26
87-13	56.7 - 57.1	(1' - 4")	18.40	2.40	.28
87-14	10.4 - 11.4	(3' - 3")	19.20	3.98	.04
	13.0 - 13.8	(2' - 8")	20.88	3.85	.10
87-17	75.4 - 79.7	(14' - 1")	9.49	1.48	.07
	82.1 - 82.4	(1' - 0")	8.06	1.64	.04
87-19	106.6 - 107.0	(1' - 0")	19.60	3.74	.07
87-20	161.6 - 162.1	(1' - 8")	33.30	2.50	.01
87-21	69.2 - 69.7	(1' - 8")	15.20	3.04	.41
87-23	82.65 - 83.2	(1' - 10")	21.40	4.15	.25
87-24	110.2 - 110.8	(2' - 0")	19.50	4.32	.09
87-25	18.25 - 18.75	(1' - 8")	23.20	4.26	.09
	22.5 - 23.2	(2' - 4")	8.44	1.46	.04
87-27	39.8 - 41.2	(4' - 8")	14.95	2.32	.08
87-28	31.1 - 32.87	(5' - 10")	13.90	2.48	.07
	34.5 - 34.9	(1' - 4")	8.05	0.94	.06
87-29	69.6 - 70.8	(4' - 0")	14.90	3.48	.08
87-32	39.0 - 43.5	(14' - 9")	14.19	2.70	.08

**SKYLINE EXPLORATION LTD. (SKX-V)**

SAMPLED LENGTH	AVERAGE WIDTH	COPPER %	SILVER OZ/TON	GOLD OZ/TON
DISCOVERY 230 feet	5.52 feet	2.83	1.06	0.675
16 VEIN 480	4.75	0.71	1.76	1.323

DRIFTING EXTENDS RESERVES - Skyline Exploration's development of their 100% owned Stonehouse gold deposit 60 miles north of Stewart, B.C., is proceeding on schedule. Construction is well underway on the mill foundations and the camp. The airstrip extension will be completed in time for a Hercules aircraft to deliver the mill and equipment as scheduled on September 15.

Diamond core drilling continues from surface and underground. Two Super-38 surface drills are now drilling extensions of the Discovery and 16 veins and a new electric core drill has been installed underground to intersect the main zones at depth.

Complete assays have been received from the detailed back panel sampling along the drifts on both the main Discovery vein and the 16 vein. The high grade Discovery West ore shoot (raise) has a length of 125 feet and an average width of 5.7 feet with an average grade of 1.555 oz/ton gold, 1.273 oz/ton silver and 1.98% copper. The Discovery drift has now been sampled in detail over a length of 230 feet. The vein has widths in high grade of up to 16 feet and has an overall average width of 5.5 feet. Lead and zinc values averaging under 1% were returned from the Discovery and 16 veins.

As a result of this detailed sampling the average grade of the measured mineral reserves on the Discovery vein has been increased significantly. (See GCNL 134(87) p.1 for a previously published reserve estimate.) Development of the Discovery, 16, and Zephrin mineral reserves is continuing.

**BRICAN RESOURCES LIMITED (BRI-V; BRIIF-Nasdaq)**

GOLD ZONE EXTENDED - Gary Logan, president, announces

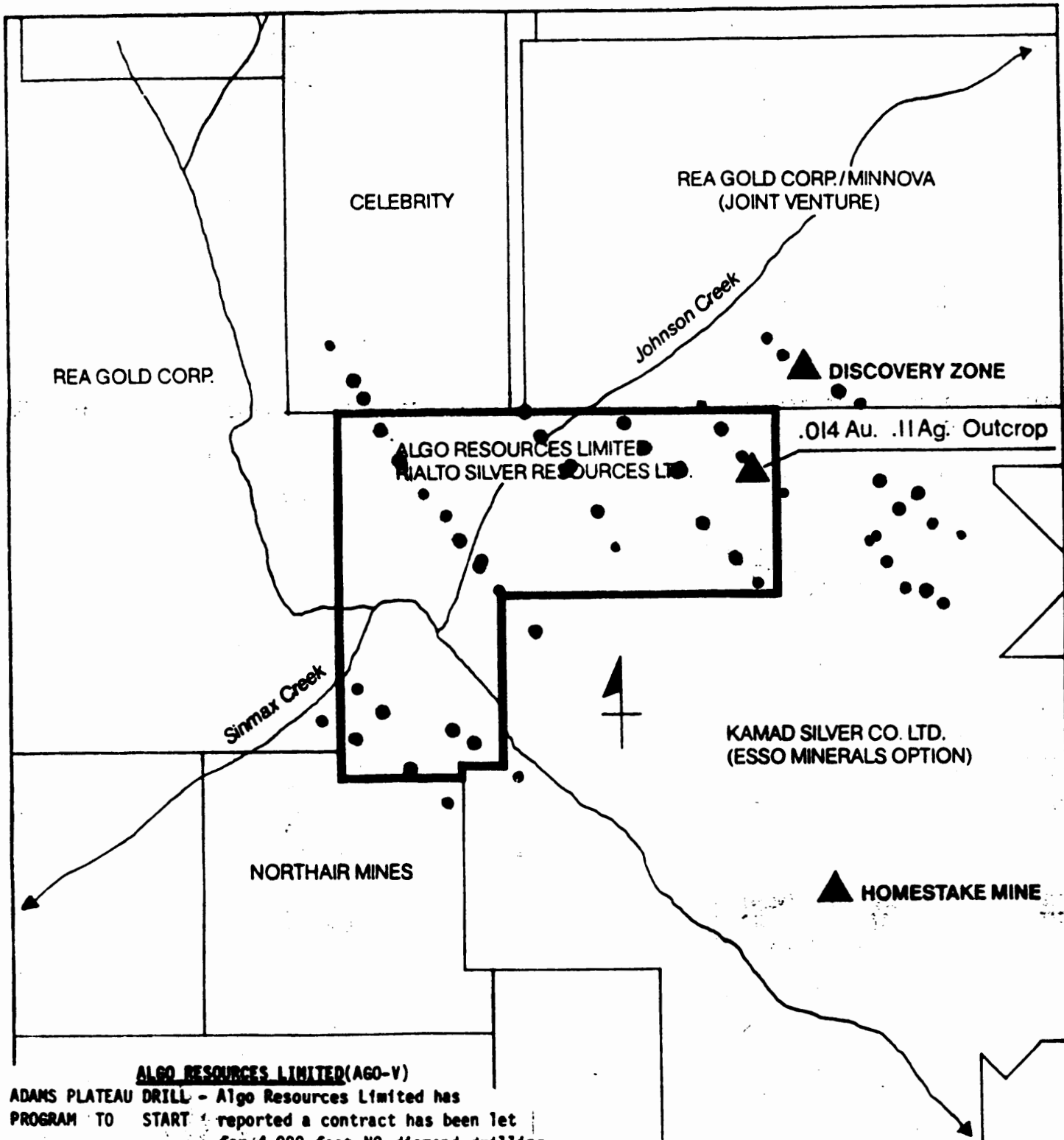
ON B.C. - PROSPECT Brican Resources' discovery of a

new zone of gold mineralization on the Jolly Creek prospect near Rock Creek in south central B.C. A small tonnage of high grade gold ore was shipped from underground mining on quartz veins about the turn of the century. Brican can gain 100% interest in the property. Brican has discovered a wide zone of sheared, altered and mineralized volcanic rock parallel to the quartz veins. This shear zone is up to 165 feet wide and extends over a minimum strike length of 2,950 feet.

Initial sampling of the shear zone has encountered encouraging gold values at 2 locations. At one exposure, chip samples across an outcrop averaged 0.04 oz. gold/ton across 47 feet including 2 sections grading 0.28 over 3.3 feet and 0.08 across 10 feet.

At a second exposure, 1,375 feet along strike from the first, chip sampling returned 0.23 oz. gold/t across 10 feet. Also, sampling of a quartz vein in a parallel zone returned 0.19 oz. gold/t across 1.6 feet.

Management regards this as a significant discovery offering potential for a large mineralized zone. Discussions are in progress with a major mining company to form a joint venture to explore the new zone.



.014 Au. .11 Ag. Outcrop

ALGO RESOURCES LIMITED  
 HALTO SILVER RESOURCES LTD.

KAMAD SILVER CO. LTD.  
 (ESSO MINERALS OPTION)

NORTHAIR MINES

HOMESTAKE MINE

**ALGO RESOURCES LIMITED (AGO-V)**

**ADAMS PLATEAU DRILL - Algo Resources Limited has reported a contract has been let for 4,000 feet NQ diamond drilling to start 17 Aug 87 on the property on Adams Plateau, 30 miles northeast of Kamloops, B.C.**

Glen E. White, consulting geophysicist, has reported that the current I.P. survey has detected a series of strong geophysical conductors coincidental to strong geochemical anomalies detected in the recent soil sampling.

Geologist Barry T. Furneaux took 12 channel samples across approximately 90 metres of quartz feldspar porphyry outcrop that gave anomalous values in gold, silver, lead, zinc and copper. These results indicate the presence of a large polymetallic sulphide zone.

**OK 1 & OK 2 CLAIMS**

**ADAMS LAKE AREA  
 BRITISH COLUMBIA**

● ● ● ● ● Airborne Conductors  
 ▲ Located by Ground Survey

SCALE 1 KILOMETRE 1 MILE

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