

George Cross News Letter

"Reliable Reporting"

NO.171(1987)
SEPTEMBER 4, 1987

CALEDONIA RESOURCES LTD. (CLM-V)

<u>DRILL HOLE</u>	<u>INTERVAL FT.</u>	<u>LENGTH</u>	<u>OZ. GOLD/T</u>
CK 87-1	0 - 220	220	0.050
includes	0 - 60	60	0.138
	60 - 100	40	0.040
	100 - 220	120	0.016
CK 87-2	0 - 300	300	0.068
includes	0 - 30	30	0.039
	30 - 100	70	0.177
	100 - 180	80	0.027
CK 87-3	0 - 300	300	0.041
includes	0 - 60	60	0.102
	60 - 140	80	0.039
	140 - 300	160	0.020
CK 87-4	110 - 350	240	0.037
includes	0 - 110	110	0.011
	110 - 230	120	0.029
	230 - 270	40	0.064
	270 - 350	80	0.034

CORRECTION - In a story in GCNL No. 168, P.1, Sept.1, 1987 four of the lower assays were printed from a recent series of drill holes on the Copper King gold property of Caledonia Resources Ltd. The entire assay results are reported above which show a much higher grade than those in the earlier story. David Jennings, president stated the results are most encouraging and suggest that similar results in the continuing program could lead to a production decision and first gold production during 1988. Caledonia is arranging to seek a public offering of shares of the owner of the Copper King property through a prospectus offering in B.C. This company is named Wyoming Gold Corp.

REA GOLD CORPORATION (REO-V,T,REOGF-Nasdaq)

VERDSTONE GOLD CORP. (VGC-V)

<u>HOLE NO.</u>	<u>INTERVAL FEET</u>	<u>TRUE WIDTH FEET</u>	<u>ZINC%</u>	<u>LEAD%</u>	<u>OZ. GOLD/T</u>
87-26	78.7 - 83.0	4.3	27.0	4.24	0.07
87-34	250.0 - 252.8	2.8	18.48	2.78	0.04
87-35	134.4 - 134.9	0.5	19.3	2.37	0.18
87-36	59.9 - 76.1	16.2	18.15	3.05	0.04
87-37	86.1 - 88.9	2.8	28.3	5.28	0.09
87-39	114.6 - 122.9	8.3	7.71	1.10	0.02

Additional drilling results have been reported on the CK 22,000 acre massive sulphide property located 52 kilometers northeast of Clearwater, B.C. a joint venture between Rea Gold and Verdstone. Assays are shown in the table. To date 59 drill holes have tested the New Showing and the Main Boulder zones. (SEE GCNL NO.156, 14Aug87 for previous results)

ADDITIONAL METALLURGICAL - Rea Gold Corporation has RESEARCH ORDERED hired Wright Engineers Ltd. to develop a process for the recovery of metals from the 100% owned Discovery zone at Adams Lake, B.C. The reserves, which contain arsenopyrite, have been estimated to be 266,000 tons containing 0.19 oz.gold/t based on a 0.05 oz.gold/t cut off for a gross value of \$45,000,000 (Cdn.) but, unlike the mineralization which occurs within the Silver Zone, (located 1,000 meters east) the Discovery zone reserves are not amenable to the conventional physical methods used to produce saleable concentrates economically.

The present test work involves chemical methods and the company is confident that an economic process will be developed in the near future.

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MAGNA VENTURES LTD. (MVN-V)

SILVER PRINCESS RESOURCES INC. (SVP-V)

GOLD ASSAYS REPORTED - Magna Ventures Ltd. managing
FROM SURFACE TRENCHING director, Bradford Cooke, has
reported partial assay data
from trenching and prospecting on the Doc property near
Stewart, B.C. Two known veins, Q25 and Q32, have been
trenched and sampled, as follows:

The Q25 vein has been exposed over 3 to 5 foot
widths in Trenches 1, 2 and 3, assaying 0.12 oz./ton, 2.03
oz./ton and 0.75 oz.gold/t respectively. These results
confirm work in 1947, when 7 trenches averaged 0.49
oz.gold/t over 3.9 feet.

In the footwall to the Q32 vein, a new vein
discovery assays 7.06 oz.gold/t and 0.81 oz.gold/t in
grab samples. The Q32 vein averaged 0.057 oz.gold/t
over a 5 foot width, and the vein is open in both
directions along strike.

Two new vein discoveries in the vicinity of the
Globe claims assay 0.19 oz.gold/t over 1 foot width and
0.54 oz.gold/t over 2.3 feet. Systematic prospecting
and trenching has just begun in this area.

Underground development on the Q17-Q22 vein has
advanced 400 feet in the main crosscut, with
approximately 300 - 350 feet to go until the high grade
vein target is reached. Underground drilling will
proceed once the vein is exposed in the tunnel.