

George Cross News Letter

"Reliable Reporting"

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KENAR RESOURCES LTD. (KNA-V)

FUNDS SOUGHT FOR - A.J. Kucheran, president, has reported **DRIFTING PROGRAM** Kenar Resources Ltd., will soon start a work program on the Gold Drop property near Greenwood, B.C. (SEE MAP OVERLEAF PAGE 2)

Work will include 160 meters of drifting as recommended by E.Livgard, P.Eng., to establish ore reserves below and near old stoping in the upper North Star adit. Underground diamond drilling is also planned to test the down-dip extension of the vein below the 250 foot level drift. Samples from this area has given values of over 1.10 oz.gold/t.

A public offering has been arranged to provide necessary funding for the work program. A statement of material facts has been filed with the V.S.E.

A 1925 Minister of Mines report notes that surface samples from the Gold Drop vein assayed as high as 17.63 oz.gold/t and 88.7 oz.silver/t. The main system has been explored on surface by pits and shafts over a length of 300m.

Extensive underground development was carried out on the Gold Drop and adjoining North Star claims from 1925 to 1940, with over 800 meters of crosscuts, drifts, and raises completed on 4 separate levels. Ore shipments up to 1940 totalled 860 tons grading 0.68 oz.gold/t and 4.1 oz.silver/t.

Since 1984 the property has been rehabilitated with the reconstruction of two main portals and the timbering of the lower North Star adit. Dewatering and sampling of a 75 foot winze on the lower North Star level has produced assays of 0.18-1.30 oz.gold/t.

NATIONAL RESOURCE EXPLORATIONS LTD. (NRE-T,V)

SHUSWAP DRILL - National Resource Explorations Ltd. has **PROGRAM STARTED** started diamond drilling on the Steep property Shuswap area, B.C. This property has a large mineralized zone with a high sulphide content. In late 1986 two diamond drill holes were completed, the first of which intersected over 300 feet of 10% to 60% sulphides mainly pyrrhotite and magnetite with some minor copper. The second hole intersected a broad band of mineralization mainly pyrite with some anomalous gold values.

Subsequent to the 1986 drilling, the surface program was enlarged and the zone is now known to be over 6,000 feet long over widths up to 300 feet with five areas of anomalous gold and other values. Within these zones soil values run from 200-2336 ppm copper, 50-1440 ppm lead, 100-1546 ppm arsenic, and 50-1500 ppb gold.

Surface work is also progressing on the Biere and White Rock claims where the property examination disclosed widespread, spotty galena and tetrahedrite mineralization running up to 18 oz.silver/t, 1.9% copper, 6.9% lead and 14% zinc in a grab sample. Diamond drilling is planned.

HUNTINGTON RESOURCES INC. (HUN-V)

GOLD ASSAY REPORTED - The Huntington Resources

Inc./Lacana Mining Corp. joint venture has encountered high grade gold intersections during the current drilling program on the Brett property near Vernon, B.C. A total of 4600 feet of drilling has been completed. Drilling is concentrated on the southern extension of the Main Shear zone. This structure has been traced over a length of 1700 feet and remains open along strike to the south and to depth. The most significant results have come from DDH 87-29 in which visible gold was observed. This is also the most southerly drill hole to date. The zones intersected are highlighted as follows:

<u>INTERSECTION, FT.</u>	<u>WIDTH</u>	<u>GRADE (OZ/TON GOLD)</u>
137.8-155.0	17.2	0.737
(includes	5.25	2.29
170.9-178.0	7.1	0.274

These values along with other anomalous values have been found over much greater widths than were encountered in the 1986 program.

Preliminary assays for 87-30, drilled beneath DDH 87-29 indicated significant gold values over similar widths and 200 feet lower in elevation. Drilling is to continue to the south of this area.

K-2 RESOURCES INC. (KTR-V)

MOLE #87-U-2

#4A Vein

<u>From</u>	<u>To</u>	<u>Width</u>	<u>Oz. Gold/t</u>	<u>Oz. Silver/t</u>	<u>Lead%</u>	<u>Zinc%</u>
131	134.5	3.5'	.001	2.13	7.42	9.51
134.5	137	2.5	.048	15.98	15.16	19.38
combined values		6.0'	.02	7.9	7.42	9.51

#4 Vein

263.25	267.2	4.0'	.232	14.67	12.98	13.11
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K-2 Resources president Bryan Glen has reported assays from hole 87-U-2 on the Camborne-Revelstoke, B.C. property. Assays are awaited from holes 87-U-4 through 87-U-6. Hole 87-U-7 is now being drilled and will be followed by 87-U-8/87-U-9. Phase two deeper drilling will be depend on results.

The tailings pond drilling is 50% complete and samples are in for assay. Tailings are estimated to total 100,000 to 140,000 tons. (SEE GCNL No.136)

