

# George Cross News Letter

NO.65(1988)  
APRIL 5, 1988

## TEESHIN RESOURCES LTD. (TEE-V)

TEESHIN BEGINS LEGAL ACTION - Stafford Kelly, president, reports that Teeshin Resources has begun legal proceedings against CANADIAN-UNITED MINERALS INC. (CUN-V); 3115 Investments Ltd., a company controlled by Canadian-United; TOTAL ERICKSON RESOURCES LTD. (TLE-V,T); PANTHER MINES LTD. (PTH-V); and REAKO EXPLORATIONS LTD. (RKX-V), all participants in the Dome Mountain project in central B.C. The value of the claim will exceed half the value of the Dome Mountain project.

Teeshin is claiming damages arising from Canadian-United withholding drill core, drill logs and other data generated by Canadian-United from the Dome Mountain project, and the release of that data to other defendants in breach of the Teeshin/Canadian-United option agreement.

The claim against 3115 Investments, Total Erickson, Panther and Reako is for inducing Canadian-United to breach the confidentiality provisions of the Teeshin/Canadian-United option agreement. The actions of the defendants resulted in Teeshin losing the opportunity to obtain certain financing and the 50% back-in right originally held by Noranda Exploration Company Limited, which was sold to Total Erickson.

Teeshin was also forced to incur additional costs associated with exploration and financing.

In meetings held with the project participants in the weeks of March 14 and 21, project data was reviewed. Teeshin is carrying out a limited underground drilling program, additional mapping and bedrock contouring to define overburden removal parameters. Dynatec Mining Ltd. has been retained to incorporate the new data into the feasibility study and produce a qualifying report. Production is planned at 350 tons per day, based on the present ore body of 320,000 tons grading 0.37 oz. gold/t and 2.0 oz. silver/t. Exploration carried out has indicated economic intersections in four other zones on the property, yet to be developed.

During the meetings, Total Erickson, Canadian-United and Teeshin discussed several potential solutions to the outstanding differences between the parties. Teeshin expects negotiations will continue. No undue delay is anticipated in the project.

DELLATERRA RESOURCES LTD. (DEL-V) director Balbir Johal, reports regarding their Paterson Lake property on Vancouver Island, B.C., that their consulting engineer states, "Considering the limited encouragement obtained from the Stage I program and negative results from trenching of soil anomalies, the proposed Stage II diamond drilling program cannot be recommended at this time".

## COLOSSUS RESOURCES EQUITIES INC. (CZK-V)

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

COLOSSUS OFFER AMENDED - Murray Pezim, chairman of Colossus Resources, and Ronald K. Netolitzky, president of Delaware Resources, jointly announced that an agreement has been reached on a variation of the offer by Colossus to purchase Delaware shares and warrants. The offer now consists of 2 Colossus shares, together with 2 A warrants and 1 one B warrant for each Delaware share, an addition of one A warrant to the original offer. (See GCNL52 p.1 15Mar88 for exercise terms which remain unchanged).

The Colossus offer has been extended 10 days from the original expiry date of 4Apr88, or as required by regulatory authorities. Upon completion of the offer, the board of Delaware will be re-constituted at five directors, with Colossus having the right to appoint three directors.

The offer to buy Delaware warrants remains unchanged at 3/4 of a Colossus share and 1 B warrant for each Delaware warrant. Colossus has agreed to fully exercise all warrants acquired under the offer within 60 days from completion. Assuming that Colossus acquires 1,000,000 Delaware warrants, it will exercise them at \$7 per share for net proceeds of \$7,000,000. The proceeds will be used for continued exploration and development of the Snip project, a joint venture with Cominco Ltd, 100 km north of Stewart, B.C.

## CANADIAN-UNITED MINERALS, INC. (CUN-V)

EXPLORATION PROGRAM COMPLETED - Michael Callahan,

president of Canadian-United Minerals, reports that the latest phase of exploration has been completed on the Fireweed precious and base metals prospect east of Smithers, B.C. This program included 48 km of induced polarization surveys and 24 km of magnetometer/VLF electromagnetic surveys, and 4,300 meters of diamond drilling in 23 holes.

Two zones of significant sulfide concentrations have been outlined to date. Eleven drill holes in the West zone all returned sulfide intersections. The best hole, FW-8, intersected 3 closely spaced mineralized horizons, of which a 13.56-meter interval averaged 1.22% lead and 1.94% zinc. The middle interval of 4.65 meters averaged 1.58% lead and 3.85% zinc. The lower interval proved to be the richest, which averaged 1.0% lead, 2.11% zinc and 18.89 oz. silver/t over 4 meters with assays up to 26.17 oz. silver/t. Further assay results are awaited.

The magnetic survey has outlined a number of strong, sharply defined magnetic highs. Two of these are coincidental with the strongest two of the five induced polarization responses.

INTERNATIONAL COAST MINERALS CORPORATION (INK-V)

<u>HOLE</u>	<u>INTERVAL</u>	<u>OZ. GOLDS/T'</u>	<u>KENNEDY LAKE DRILLING</u>
BR88-6	7 Ft	0.936	CUTS GOOD GOLD VALUES
BR88-7	6	0.313	Waldo W. Ejtel, president
BR88-8	6	0.321	of International Coast

-----' Minerals Corporation,

reports that a drilling program is underway on the Bear property in the Kennedy River gold camp 55 km west of Port Alberni, on Vancouver Island, B.C. Current drilling on the Black Vein indicates significant gold values over mineable widths. The highest recovered to date were obtained from cores of 3 diamond drill holes as shown in the table.

A significant new zone of quartz sulphide veinlets with gold values was discovered during the current drilling program.

CANADIAN PAWNEE OIL CORPORATION (CPW-V)

CANDOL DEVELOPMENTS LTD. (CJD-V)

<u>HOLE</u>	<u>INTERVAL</u>	<u>WIDTH</u>	<u>OZ. GOLD/TON</u>
<u>VACHER ZONE</u>			
88-4	21.0-34.0 meters	13.0 meters	0.058
includes	22.0-23.0	1.0	.312
and	24.0-25.0	1.0	.246
88-5	22.0-23.0	1.0	.052
	44.0-61.0	17.0	.050
includes	57.0-58.0	1.0	.116
88-6	95.0-96.0	1.0	.047
88-7	68.0-69.0	1.0	.030

DRILL RESULTS FROM MAIN ZONE AND GOLDEN CACHE ZONE  
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LEXINGTON PROGRAM COMPLETED - Paul Frigstad, president of Canadian Pawnee Oil, has reported the results of the 17-hole, 9,121-foot diamond drill program, of which 10 holes were drilled in the Main zone, 4 holes in the Vacher zone and 3 holes in the Golden Cache zone on the Lexington property near Greenwood, B.C. Candol Developments can earn 40% interest by spending \$1,250,000 (of which \$250,000 has been spent) and paying Canadian Pawnee \$400,000 by 1Mar90.

The January and February 1988 program indicates that a gold-copper zone of commercial dimensions may exist in the Main zone. Commercial grade gold or gold-copper mineralization was encountered in the Vacher and Golden Cache zones. Programs are being designed for the 1988 summer season to further define the potential of these zones, with particular emphasis on the Main zone to ascertain the feasibility for production.

MAIN ZONE:

LEXINGTON PROPERTY

CANADIAN PAWNEE OIL CORPORATION

DDH	INTERVAL (m)	WIDTH (metres)	COPPER %	OZ.GOLD/TON
88-1	127.0 - 128.8	1.8	.265	.032
	129.8 - 130.73	.93	.032	.064
88-2	131.0 - 135.0	4.0	.353	.069
	144.0 - 156.0	12.0	1.811	.432
	or 144.0 - 153.0	9.0	2.53	.561
	including			
	144.0 - 145.0	1.0	8.970	2.832
	150.0 - 151.0	1.0	3.230	1.090
	151.0 - 152.0	1.0	1.490	.324
	160.0 - 163.0	3.0	.809	.064
88-03	117.0 - 123.0	6.0	.233	.028
	130.0 - 131.0	1.0	.655	.101
	134.0 - 148.0	14.0	.811	.230
	including			
	139.0 - 140.0	1.0	1.300	.234
	147.0 - 148.0	1.0	.600	2.080
	174.0 - 175.0	1.0	.785	.036
88-11	46.0 - 47.0	1.0	.146	.047
	105.0 - 107.0	2.0	.167	.021
	143.0 - 145.0	2.0	.540	.400
	160.2 - 165.55	5.35		.307
	including			
88-12	164.45 - 165.55	1.1	.943	1.520
	172.0 - 181.0	9.0	.605	.269
	including			
	179.0 - 180.0	1.0	1.617	1.030
	180.0 - 181.0	1.0	1.595	.998
88-13	166.0 - 167.0	1.0	.172	.028
	180.0 - 186.0	6.0	.536	.082
	including			
	183.0 - 184.0	1.0	.629	.144
	185.0 - 186.0	1.0	.906	.151
	214.0 - 214.88	.88	.777	.043
88-14	161.0 - 171.0	10.0	.439	.097
	including			
	169.0 - 170.0	1.0	.646	.355
	191.0 - 192.0	1.0	.057	.030

88-15	93.0 - 103.0	10.0	.225	.055
	including			
	102.0 - 103.0	1.0	.010	.339
	111.0 - 115.0	4.0	.594	.280
	including			
	113.0 - 114.0	1.0	.851	.569
	117.0 - 124.0	7.0	.493	.060
	including			
	123.0 - 124.0	1.0	.584	.164
	126.0 - 132.0	6.0	.676	.095
	including			
	128.0 - 129.0	1.0	1.228	.258
	134.0 - 138.0	4.0	.242	.028
	158.5 - 159.5	1.0	1.250	.076
88-16	85.0 - 88.0	3.0	.292	.042
88-17	165.0 - 166.0	1.0	.610	.058
	188.0 - 189.0	1.0	.210	.028
<b>GOLDEN CACHE ZONE:</b>				
88-8	119.0 - 122.0	3.0	.304	.042
	127.5 - 128.5	1.0	.446	.176
88-9	91.0 - 92.0	1.0	.035	.011
88-10	153.0 - 154.0	1.0	.252	.092