

George Cross News Letter

NO.66(1988)
APRIL 6, 1988

HOUSTON METALS CORPORATION (HML-V)

<u>SAMPLE NO.</u>	<u>SAMPLE LENGTH</u>	<u>GOLD OZ/T</u>	<u>SILVER OZ/TON</u>	<u>COPPER %</u>	<u>LEAD %</u>	<u>ZINC %</u>	<u>GERMANIUM PPM</u>
13929	7.5ft	0.070	3.68	0.398	0.78	7.85	51
13930	7.5ft	0.341	29.46	1.030	1.53	5.18	96
13931	3.5ft	0.036	8.98	0.542	1.90	3.19	110
Weighted							
Average:		0.127	11.98	0.606	1.36	5.55	83

CHANNEL SAMPLES CUT 7.5 FEET - Adolf A. Petancic,
OF RICH PRECIOUS AND BASE METALS president of Houston
Metals Corporation,
reports that assays of channel samples from the crosscut
on the Silver Queen Mine 35 miles south of Houston, B.C.
confirm the grab sample assays reported in GCNL 63(88)
p.3. The samples were cut from the vein material of the
George Lake Lineament, samples 13929 and 13930 represent
7.5 feet on the left hand side and sample 13931
represents 3.5 feet on the right hand side of the
crosscut. Mr. Petancic says a sampling program of the
entire structure will now be carried out.

Houston has been advised by IMEX (1988) Limited
Partnership that a total of \$948,252 has been raised on
behalf of Houston in Quebec, \$336,224 is available upon
listing of Houston's shares on Montreal Stock Exchange,
and the balance on 15May88. For property interests and
review, see GCNL 20 and 27(88).

WESTLEY MINES LIMITED(WTY-V,T)

ALPINE EXPLORATION CORPORATION(AXC-V)

TASEKO PROPERTY JOINT VENTURED - Lawrence Roulston, vice
president of Westley

Mines reported signing a letter of intent to joint
venture the 2,900-acre Taseko property, 10 km SW of the
south end of Taseko Lake, B.C. Westley has the right to
acquire 51% interest for \$81,000 cash and by spending
\$600,000 on exploration over 3 years; and has a right of
first refusal to acquire the remaining 49% interest.
Under the terms of the joint venture, Alpine Exploration
can earn half of Westley's interest, or 25.5% interest,
over 3 years by paying the owners \$43,750 and spending a
total of \$337,500 on exploration.

The joint venture plans a \$100,000 exploration
program this summer consisting of soil sampling, a
VLF-EM survey and 2,000 feet of diamond drilling. From
1969 to 1976 the property was explored by 3 major mining
companies for its large tonnage, copper-molybdenum, open
pit potential. In 1976, a vertical diamond drill hole,
76-3, on the Empress showing intersected 164.5 feet of
1.28% copper and 0.065 oz. gold/t, with some higher
grade sections.

CHAPLEAU RESOURCES LTD. (CHI-V)

PLANNING UNDERWAY FOR FOUR 1988 EXPLORATION PROGRAMS

Mark Best, president, has reported Chapleau Resources, headquartered in Cranbrook, B.C., is arranging \$450,000 in new financing by a statement of material facts and joint ventures, with the funds to be spent on exploration of properties held in the Purcell Camp, near Cranbrook and Kimberley, southeastern B.C. A joint venture on the properties is in advanced discussion. Work will start in late May and will include geological mapping, soil sampling, geophysical surveys, trenching and some 24 holes for a total of 8,000 feet.

The company holds 25,575 acres in four groups in the camp. The primary exploration objective is a large tonnage low grade "Carlin - Type" disseminated gold deposit. Other targets are gold quartz vein deposits and Sullivan type sulphide deposits. The properties cover both Perry and Moyie placer gold creeks.

At Nov. 15, 1987 the company had working capital of \$38,398 when there were 1,811,200 shares issued.

The Hope property is 4 miles southwest of Slocan, B.C. where old records show reserves of 143,000 tons grading 7.7 oz. silver, 7.9% lead, 17.4% zinc. Noranda holds an option to earn a 51% interest in the claims by spending \$500,000 by Oct. 1, 1990. Recent geological mapping, soil sampling and magnetometer surveys located anomalous targets where trenching located narrow beds of low grade zinc, but drilling was unsuccessful. Work in 1987 included construction of a 6 km road to 6,500 feet elevation at a cost of \$40,000. Plans for a 1988 program include trenching new target areas, geophysical and soil sampling surveys and at least one further drill hole. In this same area the company has an option to acquire a 100% interest in the Cameronian single Crown granted claim where geological mapping and soil sampling is planned to follow up on an area of faulted lead zinc mineralization and a sample that assayed 2 oz. gold/t. This property is surrounded by ground being explored, with some success, by King Jack Resources.

The Bar, a former placer gold producer, is covered by 90 claims 8.5 miles southwest of Cranbrook, B.C. Recent sampling of the ELCR quartz vein stock work assayed from 0.013 to 0.878 oz. gold/t over 2.5 meters with a higher grab sample assay of 4 oz. gold/t. The first work will be soil sampling to try to duplicate high readings reported from work done several years ago. If these values are repeated trenching and drilling would follow. The company considers this group to also have a Sullivan type potential, similar to the target planned to be drill tested by a 5,000 foot hole on the adjoining Tectono-Goldpac property. There are transverse fault zones on the Bar similar to those at the Sullivan.

An option to earn a 60% interest in the Morgan property of 147 claims, 13 miles west of Cranbrook, B.C., is exercisable by spending \$250,000 by Feb. 3, 1990 and by issuing 40,000 shares. Grab samples have assayed 0.004 to 2.0 oz. gold/t, 0.04 to 0.88 oz. silver/t. A soil sample survey and geological mapping are expected to locate drill targets. A program in 1988 is planned.

An option to earn a 60% interest in the 152 claim Buck property, 10 miles southwest of Cranbrook, B.C., is exercisable by spending \$500,000 by 1991 and by issuing 45,000 shares. Exploration is planned.

CONTINENTAL GOLD CORP. (CUG-V)

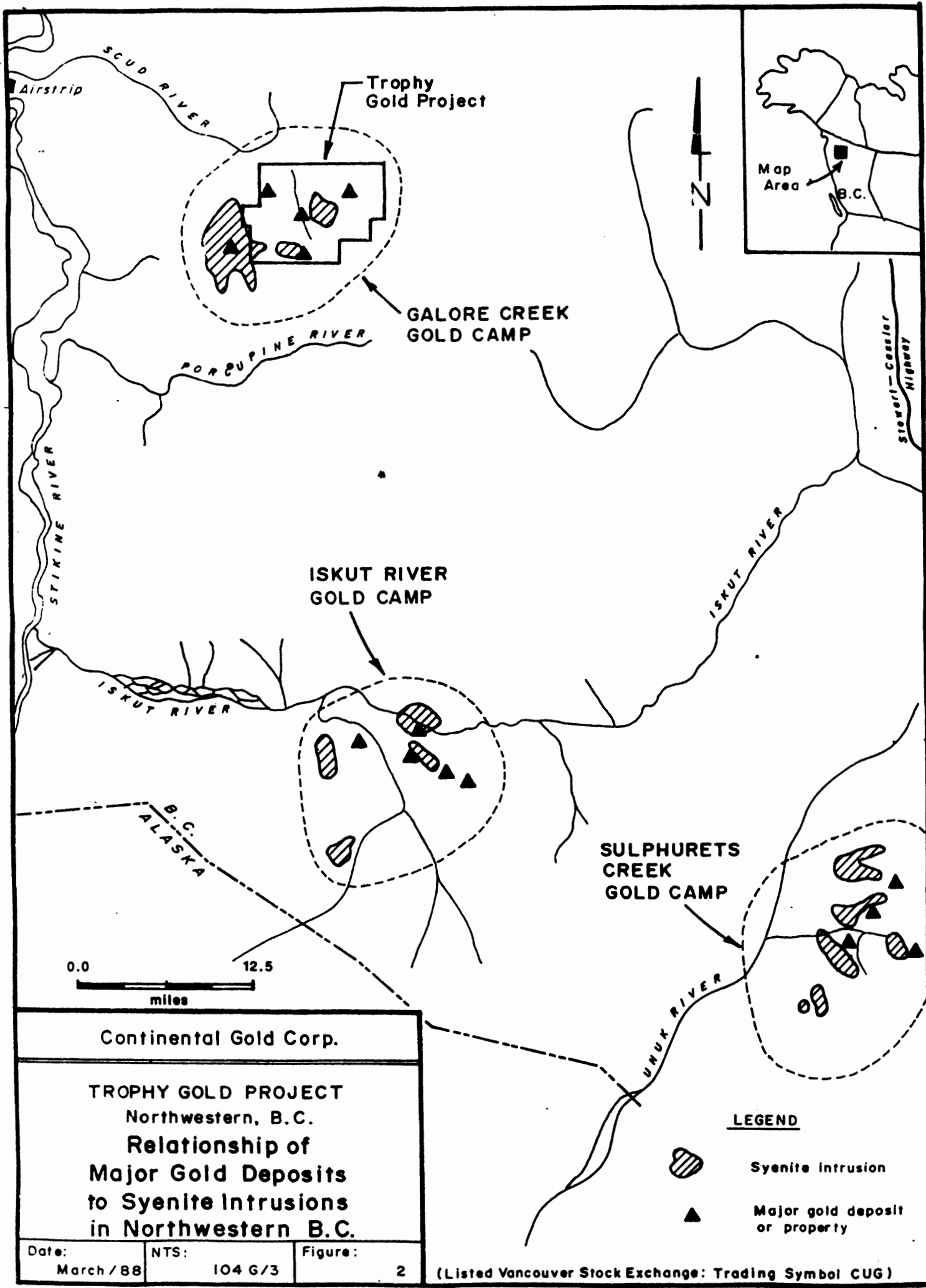
PROPERTY OPTIONED - Robert G. Hunter, president, reports that Continental Gold has acquired 100% interest in the Trophy gold project in the Galore Creek area, 70 miles SE of Dease Lake in northwestern B.C., for repayment of exploration expenditures of \$221,991, plus 400,000 shares in stages during exploration and 200,000 shares upon commercial production. (SEE MAPS PRINTED OVERLEAF PAGES 1 & 2)

Surface geological and structural mapping on the 60 square mile property has so far identified three major gold-bearing shear zones with a combined overall strike length of 20 miles. Identified as the Ptarmigan, Eagle and Hummingbird structures, they range in width from 25 to over 100 meters. Surface channel sampling has returned 0.07 oz. gold/t and 4.80 oz. silver/t or 0.15 oz. gold equivalent/t over a true width of 185 feet in the Ptarmigan zone; including 26.2 feet grading 0.394 oz. gold equivalent/t, 19.7 feet grading 0.371 oz. gold equivalent/t, and 10 feet grading 0.69 oz. gold equivalent/t, with a silver/gold ratio of 60:1. See map for further assay results.

The Trophy project adjoins and partially covers a portion of the syenite pluton that hosts the Galore Creek copper-gold deposit (2,000,000 ozs. of contained gold). Prospecting to date has focussed on only 5% of the known gold bearing structures in the claim group. A \$1,500,000 exploration program to include 2,500 meters of diamond drilling is planned for 1988.

Continental owns a 100% interest in the Southern Indian Lake property, 100 miles NE of Lynn Lake, Manitoba and has granted an option to ROUGH RIVER PETROLEUM LTD. (RRP-V) to earn 50% interest by making staged payments totalling \$180,000 and spending \$1,000,000 on the property by May 1991. NORTH AMERICAN METALS CORP. (NAM-V) has earned a 25% interest and can earn 50% interest in Continental's 122,000-acre Seal River gold prospect 120 miles west of Churchill, Manitoba.

Continental was listed on the VSE in January 1988 (See GCNL No. 14 for details).




Continental Gold Corp.


TROPHY GOLD PROJECT
Northwestern, B.C.
**Relationship of
Major Gold Deposits
to Syenite Intrusions
in Northwestern B.C.**

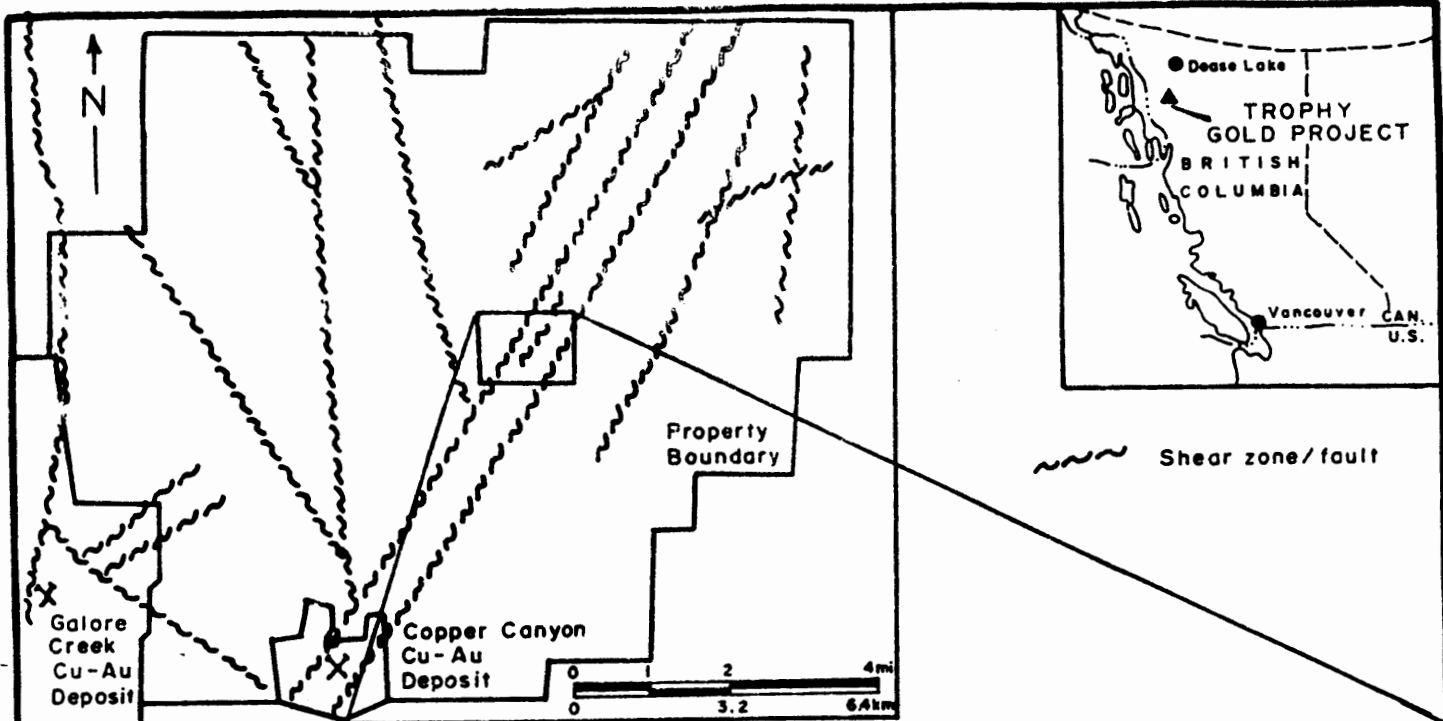
Date: March / 88	NTS: 104 G/3	Figure: 2
---------------------	-----------------	--------------

(Listed Vancouver Stock Exchange: Trading Symbol CUG)

LEGEND

 Syenite intrusion

 Major gold deposit or property



GOLD-SILVER MINERALIZATION

Ptarmigan Showings

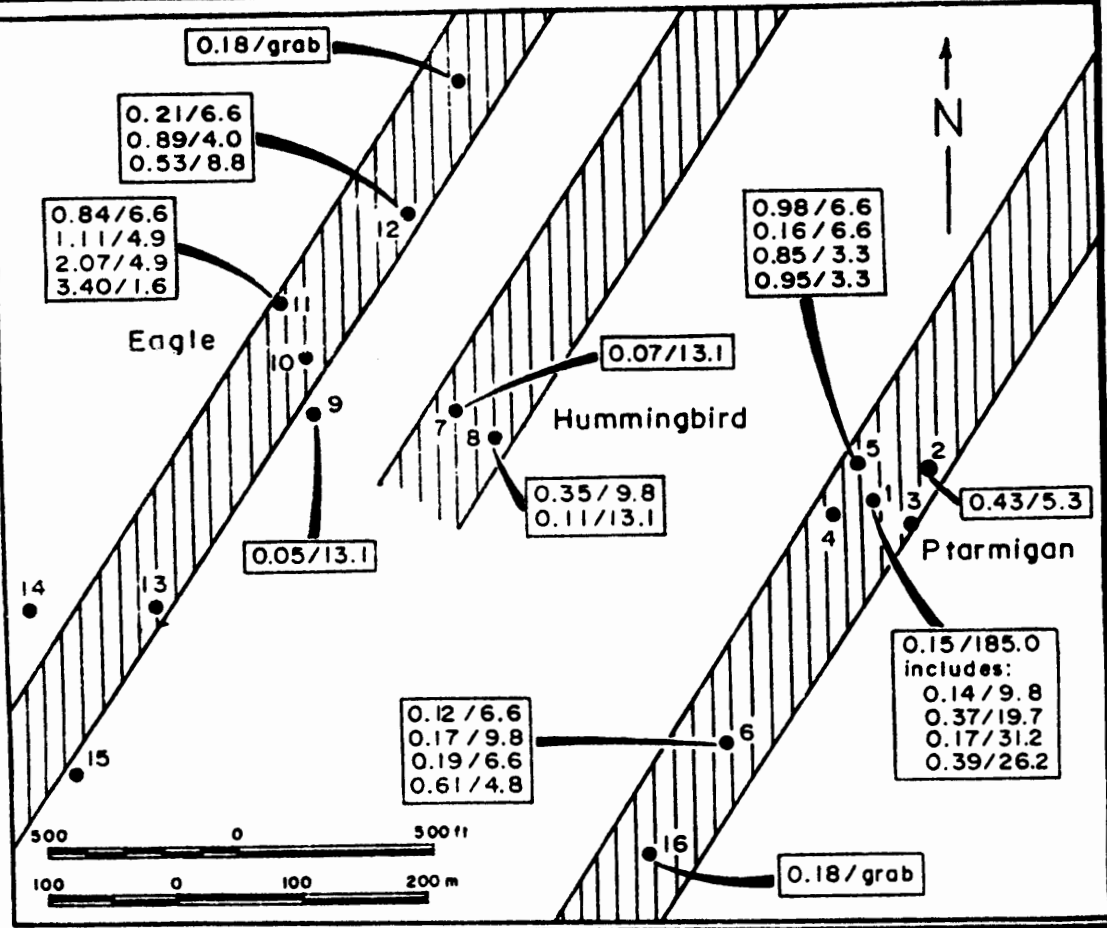
1. A Zone
2. B Zone
3. C Zone
4. D Zone
5. North Extension
6. E Zone

Hummingbird Showings

7. Hummingbird
8. South Extension

Eagle Showings

9. Massive Sulfide
10. F Zone
11. Quartz Breccia Sulfide
12. Bear Pass
13. Quartz Breccia Oxide
14. Skarn B
15. Skarn C
16. Zone G



0.83/6.6

oz. per ton gold equivalent
/true width in feet
Ag/Au ratio 60:1
(does not include base metal credits)



Shear zone

(Listed Vancouver Stock Exchange: Trading Symbol CUG)

Continental Gold Corp.

TROPHY GOLD PROJECT
North Western B.C.

Trophy, Bear, Scotch, Catto,
Glacier & Saddle Claims

Gold-Silver Mineralization

Date: March/88	NTS: 104 G/3	Figure: 1
-------------------	-----------------	--------------