

George Cross News Letter

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KETTLE RIVER RESOURCES LTD. (KRR-V)

SIX MONTH REVIEW - Brian Fagan, president of Kettle River Resources Ltd. reports on the exploration of the latest six months.

Sylvester K Property, Greenwood, B.C.: In October 1988, the Company (49%) and Noranda Exploration Company Limited (51%) granted SKYLARK RESOURCES LTD. (SKR-V) the right to mine 250,000 tons of gold bearing ore from the Sylvester K property. Skylark will pay Kettle River and Noranda a total 10% net smelter return royalty on this production. A close-spaced drill program to confirm the feasibility of the project has been completed and mining and processing is now in progress.

Canbec property, Greenwood, B.C.: Kettle River has acquired through a bankruptcy sale, a 100% interest in ground previously held by Canbec Resources Ltd.. This property is contiguous to and on strike with the mineralized zone on the Sylvester K property presently being mined by Skylark Resources. It is anticipated that the excavation and mining of the Sylvester K will reveal much valuable geological information about the complex structure of the immediate area. Kettle River plans to evaluate and use the information obtained from the Sylvester K to formulate an exploration program for the Canbec property to be carried out in the summer of 1989.

Empire Creek Property: Kettle River (48%) and CURLEW LAKE RESOURCES LTD. (CWQ-V) (52%) have granted to United States Borax & Chemical Corporation the right to acquire a 60% interest in their Empire Creek gold prospect Republic mining district, Washington State. U.S. Borax can earn its 60% interest by spending \$1,000,000 in exploration by 1May92 and is presently moving a diamond drill rig onto the property.

Rainbow Property, Midway, B.C.: In September 1988, Kettle River (50%) and DENTONIA RESOURCES LTD. (DTA-V) (50%) granted B.P. Selco Canada the right to earn a 51% interest in the Rainbow property by expending \$600,000 in exploration work by 31Dec91. B.P. Selco have completed 990 feet of diamond drilling in two holes. Although no significant gold values were encountered, two silicified zones with anomalous gold values were intersected confirming the north-east through going structure. Geological evaluation of the drilling and recently received surface data is presently in progress to decide on a further program.

As of Oct.31/88, the company's working capital was \$805,000.

NORTHAIR MINES LTD. (NRM-V,T)

WILLA PROPERTY REPORT - Donald A. McLeod, president of Northair Mines Ltd. reports that at current metal prices, the known reserves on the 78% owned Willa property, at New Denver, B.C., are insufficient to commit to production. No further work is planned until a comprehensive re-evaluation of these reserves is completed. In the interim, the property and all facilities are under care and maintenance.

A program of 7 widely spaced underground diamond drill holes totalling 3,900 feet was recently completed on the Willa property to discover another zone accessible from the present underground workings to supplement the known reserves. The program was geologically successful in discovering additional zones of mineralization. Hole No.535 intersected a quartz stockwork zone 425 feet west of previously known mineralization that assayed 0.069 oz. gold/ton and 0.05% copper over 6.6 feet. This style of mineralization, gold in quartz stockwork, had not been encountered before on the property. Hole 539 intersected a sulphide zone with sub-economic values that lies nearly 650 feet along the projected up-dip extension of the East zone.

Falconbridge Ltd. has recently completed a 5 hole, 5400 foot surface diamond drilling program on Northair's Brandywine property. Results of this drilling has not yet been made available to the company.

The company is currently pursuing other joint ventures whereby its technical expertise and substantial equipment inventory may be productively utilized.

SUNTAC MINERALS CORPORATION (SVJ-V)

COQUIHALLA PROPERTY ACQUIRED - Craig A. Angus, president reports that Suntac

Minerals Corporation has acquired a 100% interest in two groups of mineral claims in the Coquihalla River area of the New Westminster mining division, B.C. in consideration of 100,000 shares. The claims, known as the Jessy 1 and 2, comprise 32 units and are located on the Coquihalla River approximately 18 km northwest of Hope, B.C. These claims cover an extension of the same stratigraphic horizon as the former producing Carolin mine and Emancipation Gold mine located 2 km to the northwest.. An initial exploration program is presently being designed and will be carried out in the spring of 1989.