

George Cross News Letter

NO. 247(1988)
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SKYLINE EXPLORATIONS LTD. (SKX-V,T)

SKYLINE CONSIDERS SELLING COMPANY TO INTERESTED PARTIES

Ronald Shon, chairman reported that Skyline Explorations Ltd. has been approached by a number of parties who have expressed an interest in acquiring the company or a controlling position in it. The company has concluded that the continued development of its operating Johnny Mountain gold mine and the beginning of an accelerated exploration program on its substantial property interests in the Iskut River region of B.C., some 100 km north of Stewart, can best be achieved by a company with extensive mining expertise and a stronger financial base. Skyline has retained RBC Dominion Securities Inc. and Walwyn Stodgell Cochran Murray Limited as financial advisors in this respect. The company said it believes that any offer should be made to all shareholders.

Mr. Shon noted that production at the Johnny Mountain gold mine over the most recent ten day period has been similar to that reported in GCNL No.141, P.1, Dec.15,1988 for the first ten days of December, when 1,386 oz.gold, 2,894 oz. silver and 32,676 lbs. of copper were produced from an average daily through put of 259 tons with a gold recovery of 83%.

STRAND RESOURCES INC.(SQL-V) reports that an exploration program including diamond drilling was recently undertaken on the Bismark property near Kaslo, B.C. Strand has an option to earn a 50% interest in the property. The results of the drill program are considered inconclusive primarily because of poor core recovery. The property has been extended to include 7 Crown granted mineral claims covering the old Daybreak silver mine. Recent sampling on these claims showed high silver values. Management is now considering exploration of the enlarged property.

MERCANTILE GOLD CORPORATION (MGA-V)

BLACK LABEL RESOURCES, INC. (BLB-V)

JOINT VENTURE FORMED - Mercantile Gold Corporation and

Black Label Resources, Inc.

signed a joint venture agreement on the April claim group, Greenwood mining division, B.C. The agreement calls for Black Label to acquire a 50% interest in the property by spending \$250,000. on exploration work over three years.

KELSO RESOURCES LTD. (KLS-V)

FURTHER EXPLORATION IS RECOMMENDED - Kelso Resources

Ltd. has reported

the \$89,000 exploration work this year on its Matson property on the southeast shore of Carpenter Lake Bralorne area, B.C. The program sought the sources of geophysical and geochemical anomalies, and to delineate targets. The 1987 work concluded that the geological setting of the area to be favourable to high-grade, low tonnage gold/silver mineralization hosted by shear zone controlled quartz veins. The rock sampling resulted in a maximum of 0.082 oz/ton gold and 9.43 oz/ton silver. Analysis of soil samples also resulted in a good correlation between gold, lead, zinc and silver concentrations and the VLF-EM conductors throughout the survey grid.

The geologists report that results to date suggest a small sized mineral deposit. Further work is recommended to include trenching and diamond drilling. The company is considering funding of the program.

CHENI GOLD MINES INC. (CZG-V,T,M)

FIRST POUR EXPECTED SHORTLY - Paul Girard, president of

Cheni Gold mines Inc.

reports that commissioning of the 550-ton per day mill on its 100%-owned Lawyers property in the Toadoggone area, north-central B.C., is well underway and will continue over the holidays. The first pour is now expected within the next few days. Stope preparation has continued and currently there are 44,600 tons of ore grading 0.319 oz.gold/ton and 8.11 oz.silver/t stockpiled underground and on surface.

INEL RESOURCES LTD. (ILE-V)

UNDERGROUND SAMPLES AND - R.E. Davis president of Inel

DRILLING ASSAYS REPORTED Resources Ltd. reported

further assays from its Inel

project in the Iskut River area 100 km north of Stewart, B.C. The 1988 underground phase was completed Oct.9,1988 for 2,471 feet of 10 x 12 foot drifting.



INEL RESOURCES LTD.

Mine Heading	Survey Reference	Sample Width (feet)	Gold oz/T
Drift North	Main XC. +159 ft N	3.3	0.229
" "	" +175 ft N	3.3	0.196
" "	" +244 ft N	1.0	0.369
" "	" +306 ft N	2.0	0.789
Main XC	Drift S + 7 ft E	6.6	0.130
" "	" + 21 ft E	9.9	0.113
" "	" + 31 ft E	3.3	0.112
Drift South	Main XC + 58 ft S	3.3	0.220
" "	" + 68 ft S	5.0	0.148
" "	" + 76 ft S	2.0	0.386
" "	" + 87 ft S	3.3	0.360
" "	" +112 ft S	3.3	0.100
" "	" +151 ft S	3.3	0.122
" "	" +196 ft S	7.9	0.352
" "	" +237 ft S	5.3	0.149

Hole No.	Footage	Width (feet)	Gold oz/T
88-28	258.0-282.3	24.3	0.129
88-34	107.5-110.3	2.8	0.608
88-35	44.3- 49.0	4.7	0.325
88-36	412.6-422.6	10.0	0.084
88-39	158.8-163.0	4.2	0.425
	307.7-311.7	4.0	0.310
88-40	50.7- 64.0	13.3	0.770
	50.7- 54.1	3.4	2.316
88-41	159.9-161.7	1.8	0.577
88-45	32.3- 34.0	1.7	0.384
	284.7-295.4	10.7	0.089
88-47	43.8- 49.6	5.8	0.392
88-48	115.0-117.3	2.3	1.101
	135.5-144.5	9.0	0.106
88-54	16.3- 22.5	6.2	0.212
88-55	74.6- 82.5	7.9	0.279
	74.6- 76.8	2.2	0.764
	103.0-113.0	10.0	0.098
88-72	56.7- 87.7	31.0	0.175
	56.7- 62.0	5.3	0.372
	70.8- 77.7	6.8	0.339
88-83	225.6-230.6	5.0	0.202
88-85	168.0-184.0	16.0	0.105
88-87	150.8-160.9	10.1	0.460
	150.8-153.8	3.0	0.648
88-88	63.0- 68.7	5.7	0.345
	86.5- 98.7	12.2	0.137
88-89	5.7- 20.3	14.6	0.120