

George Cross News Letter

NO.239(1988)
DECEMBER 13, 1988

CALPINE RESOURCES INCORPORATED (CLP-V,ALBERTA)

HOLE	INTERSECTION	LENGTH	OZ.GOLD/T	OZ.SILVER/T
CA88-3	283.8-301.1 ft	21.3 ft	.200	.29
CA88-5	111.2-354.3	242.1	.136	2.03
incl.	112.2-122.0	9.8	.314	.70
"	189.3-218.8	29.5	.217	.91
"	251.6-304.1	52.5	.280	1.14
"	328.7-354.3	25.6	.045	12.28
CA88-6	294.6-391.1	96.5	.752	1.13
incl.	301.2-353.7	52.5	1.330	1.99
CA88-7	353.4-510.8	157.4	0.163	0.20
incl.	353.4-387.8	34.4	.422	.62
"	461.6-510.8	49.2	.208	.21

*Drill holes 3,5 and 6 were abandoned in mineralization at footages 301.1, 354.3 and 391.1 respectively.

NO. 21 ZONE EXTENDED - Calpine Resources Incorporated has TO 540 STRIKE LENGTH reported fire assay results from the first drill hole of the second phase drilling program in progress on the Eskay Creek property, 60 miles north of Stewart, B.C., shared 50/50 with CONSOLIDATED STIKINE SILVER LTD.(CKI-V)

Drill hole CA88-7, drilled to a depth of 627.8 feet intersected the top of the altered mineralized target - the 21 zone some 60 feet northeast and 40 feet below the reported intersection in drill hole CA88-6. As in hole CA88-6, CA88-7 failed to completely cross the 21 zone at this location. The significant assay results are shown in the table above. The complete fire assays for holes CA88-3,5 and 6 have also been received and show an increase of 2.58% over the gold values reported in GCNL NO.213, P.2, 4NOV88.

Seven drill holes, CA88-7 to 13, totalling about 5,300 feet have been completed. Drill holes CA88-3,5,6 and current drill holes CA88-7 through to 13 are testing a 540 foot strike length of the 21 zone. Based on the previous and current assay results and visual inspection of unassayed drill core, the altered and sulphide mineralized 21 zone averages in excess of 300 feet in width and is open along strike in both directions, and at depth.

Drilling will continue until December 19. Diamond drilling is scheduled to resume in the second week of January with the addition of a second drill. This program will continue through the winter.

It is estimated that Calpine will be vested at 50% interest in the property by December 15, after having expended \$900,000 in exploration. Exploration will continue on a 50/50 basis with Consolidated Stikine Silver Ltd.

MAGNA VENTURES LTD. (MUM-V)

ECHO BAY COMPLETES PHASE I - Bradford J.Cooke, president WORK PROGRAM ON DOC PROJECT reports that Magna Ventures is in receipt of a progress report on the 50% owned Doc property near Stewart, B.C. from ECHO BAY MINES LTD. An estimated \$3,000,000 has been spent by Echo Bay in 1988 on the Doc project. To date, Echo Bay has finished construction of a new, winterized, 40 man camp. Some 10,000 feet of diamond drilling was completed in 33 holes on the Q17, Q22 and Q25 veins and on a new discovery, the JT vein. A total of 770 feet of underground development was also carried out at the mine site, including 275 feet further west and 230 feet further east on the Q17 vein. Initial assay results from diamond drillind and underground development are just now being received. Compilation of geological and geochemical data will be completed by Echo Bay as soon as possible.

ARMADA GOLD AND MINERALS LTD. (ARM-V)

DRILLING UNDERWAY - Augustine F. Loo, president reports that Armada Gold and Minerals Ltd.'s 3,000 foot diamond drilling program on the Mackay River-Horsefly property in the Cariboo region of B.C. is in progress. To date three holes have been drilled totalling 1,738 feet and drilling on a fourth hole is underway. The target zone was encountered in all three holes. Assays should be available early in January 1989.

During August and September of 1988, the target structure was exposed at surface and fire assays from sampling across a true width of 43 feet averaged 0.110 oz.gold/ton with values to 0.985 oz.gold/t over a 6.6 foot section.

The company has until June 6, 1990 to spend \$500,000 to earn its 50% interest in the 171 claim unit Mackay River-Horsefly property. The directors have voted to undertake a \$200,000 drilling program in early 1989 to earn the 50% interest.

ALGO RESOURCES LIMITED (AGO-V)

LOW MINERALIZATION DRILLED - Algo Resources Limited has reported on the diamond drilling program on Algo's OK 1 & OK 2 claims situated adjacent to the Minnova/Rea Gold Samatosum ore body, Adams Plateau 35 miles NE of Kamloops, B.C. Minnova Corp. holds an option to earn a 60% interest in the OK 1 and 2 claims.

Nine holes and one extension of an existing hole totalling 800.9 m were drilled on OK 2 between October 12 and 19, 1988. Most of this drilling (7 holes, 556.3 m) was on the Scarlet zone where the main east-west vein set was tested with 6 holes (MOK 88-1 to 6) over a strike length of about 40 m and to a depth of about 60 m down dip (32 N) from surface. Scarlet zone intersected minor poddy lead-zinc-silver mineralization in quartz veins in both sedimentary and intermediate volcanic sequences.

Assays on MOK 88-1 returned values to 0.18% zinc, 0.39% lead, 2.3 grams silver/t, and 0.01 grams gold/t over 2 meters. Three of the 7 holes drilled faulted off short of the zone. Minnova will present Algo Resources with a detailed analysis of the 1988 program along with the 1989 anticipated program on OK 1 and OK 2 when it is completed. (SEE GCNL NO.202, P.2, OCT.20/88 FOR PREVIOUS

WINTERS GOLD HEDLEY LTD.(WGD-V) has completed a \$150,00 work program on its mineral prospect near Hedley, B.C. No significant mineral values were encountered. No further funds will be spent on the property.

DUTCH CREEK RESOURCES LTD. (DCK-V)

NELSON PROPERTY - Dutch Creek Resources Ltd. has spent DRILLING CONTINUES about \$1,200,000 of the \$1,600,000 exploration budget and anticipates completing the program before the end of February 1989. Drilling is continuing on the Wisconsin property 10 miles from Nelson, B.C. Dutch Creek holds the property under an option from ESPERANZA EXPLORATIONS LTD.(EEP-V) to earn a 100% interest by maintaining the property in good standing and conducting work culminating in a production decision. Esperanza can back in for 30% of expenditures.

The company's barite joint venture in the U.S. is now shipping 500 tons of barite per month, and equipment is being put in place to increase production. The production target is 3,500 to 5,000 tons per month by May-June 1989. The company's share of profits are presently being reinvested in the joint venture to achieve the production targets. The company anticipates a cash flow from this joint venture of \$100,000 to \$125,000 Cdn. per month by mid-summer of 1989.

John McLean has been hired as comptroller and Jamie Coltart has been hired to provide financial planning.

The company has agreed to pay \$51,000 of debt to Norland Geological (Engineering) by issuing 78,461 shares at 65¢ per share.