

George Cross News Letter

Reliable Reporting

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NEW GOLDEN SCEPTRE MINERALS LTD. (NGD-V)

MERIDOR RESOURCES LIMITED (MRO-V)

SHARE/FUNDING - New Golden Sceptre Minerals Ltd. has **DEAL REPORTED** agreed to buy for \$100,000 a total of 250,000 units of Meridor Resources Limited at 40¢ per unit comprising 1 share and 1 one-year warrant to buy 1 share for 50¢.

Meridor has interests in a number of mineral properties, including one in the Iskut River district, some 80 miles NW of Stewart, B.C. This property is adjacent to Delaware Resources' recent discovery. In 1987, a soil sampling grid was established and a large anomalous zone for gold, silver, copper and molybdenum was found. Rock outcrops and stream sediments were also sampled and some extremely high gold values were obtained. An exploration program on the Iskut property has been recommended. It will consist of detailed geological mapping, soil sampling and geophysics, followed by 1,500 meters of diamond drilling of the best anomalies obtained.

Elsewhere, Meridor recently completed a 2,500-foot diamond drill program in 2 holes on its Garrison town ship property east of Matheson, Ontario. These holes intersected several altered, bleached and silicified sections within a series of mafic volcanics containing highly anomalous gold values. Further work, including diamond drilling has been recommended for this prospect.

Richard W. Hughes and Frank A. Lang are directors of both New Golden Sceptre and Meridor and they own 12.09% and 11.69% equity interests, respectively, in Meridor.

CATEAR RESOURCES LTD. (CAA.A-V)

SURFACE CONSTRUCTION AND - E.R. Kruckowski, president, **UNDERGROUND WORK REPORTED** reports that Catar Resources Ltd. has made excellent progress on its Goldedge project in the Sulphurets area, some 50 miles NW of Stewart, B.C. He says the decline has been driven a distance of 303 feet and crews are now rock bolting and screening. Drilling, blasting and mucking will start upon completion of the rock bolting. It is anticipated that the decline will be at 400 feet by February 7. The engineering staff have extended the projected length of the decline prior to intersecting the Golden Rocket vein from 420 feet to 524 feet. This means that the Golden Rocket vein should be encountered by February 14.

The walls of the crusher building have been erected. Electric motors, conveyor belts and other equipment will be lifted in and then the roof will be completed and the building electrically wired. At present, building construction is on schedule. It is projected that the mill will be operational by late March. Catar management are reviewing other properties in the Sulphurets area for potential farm-in situations.

REA GOLD CORPORATION (REO-T,V)

ADIT COMPLETED - On their wholly owned Gold zone **INTO GOLD ZONE** property (formerly called Discovery zone) 50 miles NE of Kamloops, B.C.,

Rea Gold Corporation has completed a 315-metre adit to the L98 lens which contains 150,000 tons of the total 266,200 tons of reserves on that property. President Larry W. Reaugh says the L98 lens is currently being bulk sampled from the on-going exploration program along a sub-level drift and cross cuts.

Approximately 1,500 tons of gold bearing massive sulphide mineralization are being taken and stockpiled within a containment area on surface adjacent to the portal. Additional massive sulphides discovered below the L98 lens on the floor of the adit will be drilled from underground. Mr. Reaugh says the project is on schedule and within budget costs.

From the bulk sample, about one to two tons are being cut and prepared for use in hydrometallurgical tests necessary to complete the milling process feasibility study. This testwork is being conducted at the laboratory and pilot plant facilities of International Bioleach Inc., a subsidiary of GIANT BAY RESOURCES LTD. (GBY-T,V;GBYLF-Nasdaq) at Burnaby, B.C. The initial bio-oxidation tests were completed in December 1987 and proved successful with overall extraction of gold determined to be 86% and 94% in 2 separate tests.

A continuous bio-oxidation test is being conducted to confirm and extend the initial results. In this process, the complex mineralization is broken down through the oxidation of sulphides thereby freeing the gold, a portion of the silver and some of the zinc and copper so they can be recovered by other chemical methods. The present program will be expanded to a pilot plant scale to provide engineering data to establish the feasibility of the mill process, the aim being to reach a production decision in the very near future.

Half a mile NE of the Gold zone, Minnova Inc. is progressing on the feasibility studies of the Rea Gold/ Minnova joint-ventured, Samatosum high grade silver deposit in which Rea Gold has 30% working interest plus a royalty interest of 5% of net smelter returns.

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ENGLEFIELD RESOURCES LTD. (EGF-V)

FIRST DRILL RESULTS REPORTED - J. Cahill, a director of
FROM HARRISON LAKE PROPERTY Englefield Resources Ltd.

reports that gold assays and geochemical results have been received for 5 out of 8 diamond drill holes completed by Englefield on the Fire Creek property some 2 km west of the north end of Harrison Lake, 55 miles NE of Vancouver, B.C. By agreement with HYGROET RESOURCES AND DEVELOPMENT CORPORATION (HYR-V), Englefield can earn 50% interest in the property by spending \$500,000 by December 1992. Samples from Hole 4 are in for assay. Logging and splitting of the remaining core are almost complete with assay results expected by mid-February.

All of the holes cut sizeable zones of strong sulfide mineralization associated with intense quartz sericite alteration and silicification. Sulfides commonly ranging from 15-30% include pyrite, pyrrhotite, chalcopyrite, enargite, sphalerite, galena and arsenopyrite. Hydrothermal sulfides and silicification appear to be superimposed on older bedded sulfides.

The assays received include 78.7 feet grading 0.031 oz. gold/ton in Hole No.1 This includes 5 feet of 0.173 ounce per ton. This is lower than the original surface showing which was re-sampled and found to grade 0.293 oz./t across 6.6 feet.

Highly anomalous copper, lead, zinc, silver and arsenic values are associated with the mineralization and high manganese and barium values occur flanking the gold zones. Variations in these metals appear to be related to lateral zoning around the hydrothermal center, although some may relate to the bedded sulfide mineralization which may have been redistributed during the hydrothermal event. The highest base metal and silver values so far obtained are also table overleaf.

ENGLEFIELD RESOURCES LTD.

GOLD ASSAYS

| HOLE NO. INCLINATION | INTERCEPT METRES | LENGTH | | GOLD oz. /T |
|-------------------------|---------------------|--------|------|----------------|
| | | METRES | FEET | |
| 1 (-45) | 25.8 - 27.3 | 1.5 | 5.0 | .011 |
| | 69.3 - 93.3 | 24.0 | 78.7 | .031 |
| | (included above) | 1.5 | 5.0 | .173 |
| | 100.8 - 102.3 | 1.5 | 5.0 | .011 |
| 2 (-60) | 26.3 - 27.8 | 1.5 | 5.0 | .020 |
| | 35.3 - 36.8 | 1.5 | 5.0 | .022 |
| | 53.3 - 56.3 | 3.0 | 9.8 | .014 |
| | 93.8 - 95.3 | 1.5 | 5.0 | .013 |
| 3 (-60) | 18.0 - 19.5 | 1.5 | 5.0 | .011 |
| | 24.0 - 27.0 | 3.0 | 9.8 | .011 |
| | 33.0 - 34.5 | 1.5 | 5.0 | .028 |
| | 85.5 - 87.0 | 1.5 | 5.0 | .019 |
| | 111.0 - 112.5 | 1.5 | 5.0 | .012 |
| | 132.0 - 139.5 | 7.5 | 24.6 | .021 |
| 5 (-60) | 166.5 - 169.5 | 3.0 | 9.8 | .017 |
| | 4.4 - 6.8 | 2.4 | 7.9 | .012 |
| | 17.3 - 20.3 | 3.0 | 9.8 | .079 |
| | (included above) | 1.5 | 5.0 | .113 |
| 9 (-45) | 23.3 - 24.8 | 1.5 | 5.0 | .013 |
| | 10.8 - 16.8 | 6.0 | 19.7 | .010 |
| | 33.3 - 34.8 | 1.5 | 5.0 | .046 |
| | 61.8 - 72.3 | 10.5 | 34.4 | .011 |

BASE METAL AND SILVER RESULTS

| HOLE NUMBER | INTERCEPT METRES | LENGTH METRES | PPM | | | | |
|-------------|------------------|---------------|-------|------|-------|-------|------|
| | | | Cu | Pb | Zn | Ag | As |
| DH-1 | 31.8 - 33.3 | 1.5 (8ft) | 8427 | 265 | 1338 | 73.4 | 2405 |
| DH-2 | 26.3 - 22.8 | 1.5 | 12644 | 130 | 5622 | 14.8 | 27 |
| DH-2 | 35.3 - 36.8 | 1.5 | 4959 | 337 | 2429 | 30.2 | 1410 |
| DH-2 | 53.3 - 54.8 | 1.5 | 11019 | 542 | 1626 | 126.8 | 1997 |
| DH-2 | 54.8 - 56.3 | 1.5 | 9204 | 307 | 1940 | 127.8 | 1836 |
| DH-3 | 24.0 - 25.5 | 1.5 | 1945 | 287 | 4405 | 14.9 | 555 |
| DH-3 | 25.5 - 27.0 | 1.5 | 1242 | 446 | 5697 | 9.8 | 337 |
| DH-3 | 33.0 - 34.5 | 1.5 | 3455 | 4949 | 16219 | 46.0 | 1076 |
| DH-3 | 85.5 - 87.0 | 1.5 | 2698 | 36 | 1187 | 14.3 | 817 |
| DH-3 | 168.0 - 169.5 | 1.5 | 2205 | 601 | 4765 | 10.5 | 195 |
| DH-9 | 10.8 - 12.3 | 1.5 | 1446 | 80 | 3819 | 13.2 | 411 |
| DH-9 | 12.3 - 13.8 | 1.5 | 4696 | 351 | 22253 | 51.5 | 1194 |
| DH-9 | 33.3 - 34.8 | 1.5 | 7113 | 1448 | 1863 | 122.5 | 2392 |
| DH-9 | 67.8 - 69.3 | 1.5 | 1593 | 63 | 611 | 12.1 | 648 |
| DH-9 | 69.3 - 70.8 | 1.5 | 1330 | 338 | 4331 | 13.9 | 555 |

• 10,000 PPM = 1.0%
34.1 PPM = 1 oz. /TON