

# George Cross News Letter

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## QUEENSTAKE RESOURCES LTD. (QTR-V)

**PLACER GOLD PRODUCTION REPORTED-** Gordon C. Gutrath, president reports that Queenstake's B.C. and Yukon placer gold operations are well underway for the 1988 season with 3,327 fine troy oz. gold produced to 30 Jun 88 compared to 1,124 oz. and 1,353 oz. in the same periods in 1987 and 1986.

The largest portion of this increase, 1,614 oz., was from operations at Moyie River, B.C. where the stockpile of winter mined reserves was processed in May and June. The balance of the company's placer gold production was from Pine Creek (Atlin), B.C.- 873 oz., Black Hills Creek, Yukon- 288 oz. and Maisy May Creek, Yukon- 552 oz.

Queenstake's 1987 placer gold production was 13,222 fine troy oz. 1988 production is planned to exceed this level. The sale price of 4,500 oz. of the company's 1988 gold production is fixed at \$504 US per oz., approximately \$65 US above the present price level.

## ENERGEX MINERALS LTD. (EGX-V,T;EGEXF-Nasdaq)

**1988 TOODOGGONE EXPLORATION PROGRAM STARTED-** Energex Minerals

Ltd. has started work on the A1 project, Toodoggone gold camp, north-central B.C. Equipment and supplies are being mobilized along the Omineca Mine Access road and the Cheni Mine road extension after extensive delays caused by severe spring breakup conditions.

Energex's 1988 exploration objective will be the addition of reserves of both high grade milling ore and lower grade ore amenable to heap leaching. Exploration will consist of backhoe trenching, bulldozer stripping, surface sampling and diamond drilling, with planned expenditures of \$1,500,000. The program will focus on strike extensions of the existing deposits and on other previously delineated gold zones.

A priority target is the Bonanza West zone, a structure parallel to the Bonanza orebody. This zone, discovered at the end of the 1987 program, is up to 80 feet wide at surface and has been traced along strike for 1,200 feet.

Proven, probable and possible reserves at the A1 project are estimated to be 1,908,000 tons grading 0.16 oz. gold/ton including 304,000 tons grading 0.33

## NEWHAWK GOLD MINES LTD. (NHG-V,T)

### GRANDUC MINES LTD. (GND-V)

**1988 PHASE 2 BUDGET APPROVED-** Newhawk Gold Mines Ltd. 60% and Granduc Mines Ltd. 40% have approved a \$5,200,000 budget for the period to Oct. 31, 1988, for the Sulphurets property, 60 miles north of Stewart, B.C. Exploration of the West Zone will include extending the underground level to the south to prepare for diamond drilling and advancing the decline to the 1250 level (about 650 feet from surface). Surface work will include detailed mapping and investigation of the "5.9" vein to the south of the zone as well as investigating the northern extension of the zone.

Surface mapping and trenching will be conducted on the Shore zone to extend the areas of known mineralization and to gain a better understanding of ore controls before underground development is undertaken. Intensive surface geology will be conducted to establish the potential of the Gossan Hill zone, located 230 feet from the West zone. Drill indicated mineral inventory to date in the West zone totals 27,000 tons averaging 1.94 oz. gold/ton, and the potential for expansion is good.

An evaluation program of gold and silver showings throughout the property will be conducted independently from the major program.

A comprehensive pre-feasibility study, including environmental, metallurgical and other studies will be completed in preparation for the full feasibility study, which is expected to be initiated at the end of the present program.

The 1988 phase 1 exploration program was recently completed. Work was concentrated on the West zone and included work on the 1350 and 1300 levels, raising on ore grade mineralization, deep surface diamond drilling and road construction. Two drill holes were completed to depths of some 1,900 feet from surface to determine if the geological structure of the West zone extends to greater depth. Both holes deviated markedly to the south and flattened to some extent, however the structure was intersected in both holes and assays results are pending. (SEE GCNL No.80, P.1, 26Apr88 for previous article).

RAY RESOURCES LTD. (BAJ-V) reports that phase I, to locate and evaluate gold geochemical anomalies at a cost of \$40,000, has been completed on the Maiden Creek claims in the Kamloops Mining Division. Results will be released on completion of the engineers reports.

**CANAMIN RESOURCES LTD. (CA-V)**

**ACQUISITION COMPLETED-** Alan C. Savage, president reports **PROPERTIES UPDATED** that CanaMin Resources has completed the acquisition of 100% of Arizona Flux Mines, Inc., whose main asset is the producing Ash Peak silver and silica flux mine in Arizona.

The company has arranged the placement of 375,000 units at 70¢ per unit; each unit consists of one share and one warrant exercisable at 80¢ for one year. The net proceeds of \$262,500 will be added to flow-through funds and working capital to provide \$667,500 for exploration and development over the next six months.

The expenditures will be targetted to achieve the following:

1. To develop two new stopes at the Ash Peak Mine, which together with existing stopes will yield developed ore reserves of 45,000,000 tons with a gross value of about \$2,400,000 US and a net value of \$900,000 US. On the basis of 200 tons per day, 5 days per week, the developed reserves will provide 10 months of production.
2. To increase CanaMin's interest in the Sechelt, B.C. area Willastonite property from 15% to 20% by spending \$33,000 on the property. Overtures toward development have been received from several industrial mineral companies.
3. A favourable feasibility study has been received by CanaMin on its 100% owned Villalta gold project on southern Vancouver Island, B.C. The study is under review and the company will announce its intentions for this small, open pit, heap leachable deposit within 30 days.
4. To conduct \$200,000 in exploration to earn a 50% interest in the Rocher Deboile mine near Hazelton, B.C. The target is the development of reserves in the area of an assay along 330 feet of drift, across four feet in width, which assayed 3.8% copper, 11 oz.silver/t and 0.55 oz.gold/t.