

George Cross News Letter

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NEW PRIVATEER MINE LIMITED(NPM-V)

FIRST CONCENTRATES PRODUCED - The first jig and gravity table gold concentrates have been produced at the 100% owned Privateer mine of New Privateer Mine, located Zeballos, Vancouver Island, B.C. The plant has a rated capacity of 100 tons per day and is expected to operate at 25 tons a day for the next few weeks as the recovery circuit, the slope of the table, and water flows, are adjusted to optimum recovery. The tune up is expected to take a month to six weeks with production at 50 tons per day to be achieved during July. Additional working faces in the mine will then be developed in order to bring the mill up to a rate of 100 tons per day. When full production is achieved cash costs are expected to be less than \$150 U.S. per ounce.

Harvey H.Cohen, P.Eng., president has reported that seven stopes have been developed along the No.3 vein and are now being mined to produce mill feed. The underground exploration program has opened the No.4 vein underground. The No.5 vein is within 70 feet of the present face. A new quartz vein structure was recently uncovered on surface approximately 500 feet from the main portal which will be drill tested. As soon as mine cash flow will permit, the president plans a new decline to explore two veins discovered in 1948 and never examined. Exploration work has identified 16 veins on the New Privateer property. Production between 1938 and 1948 was 168,000 oz. gold recovered from 166,000 tons of ore. None of the veins were totally mined out and some of the veins have only been located by drilling. In 1985 a three ton sample from the stockpile of high grade ore mined from the No.3 vein assayed over 16 oz.gold/t, 3.0 oz.silver/t. Assays from this area include values in excess of 200 oz.gold/t over a six inch vein width.

Proven reserves are reported as 135,000 tons averaging 0.27 oz.gold/t, probable reserves are 358,000 tons averaging 0.44 oz.gold/t.

In the annual report the president states the milling equipment includes jaw and gyratory crushers, a ball mill, a jig, cyclone, two gravity tables and various pumps and motors. This plant will provide the metallurgical information necessary in the construction of a possible full scale gravity and flotation mill as well as other test work.

JAGUAR EQUITIES INC. (JGE-V)

HOLE NO.	INTERVAL (FEET)	WIDTH (FEET)	FIRE ASSAY OZ.GOLD/T	ROCK GEOCHEM OZ. GOLD/TON
Jag 1-88-80d	140.0-145.0	5.0	0.224	0.250
Jag 4-88-90d	240.0-245.0	5.0	.181	.174
	250.0-258.0	8.0	.043	.048

KAMLOOPS DRILL HOLES YIELD- ENCOURAGING GOLD ASSAYS Jaguar Equities president Kelly Loder, has reported assays from the first 4 diamond drill holes on the Barn property 8 miles south-east of Kamloops, Barnhart, B.C. The holes were in a gold, silver, copper geochem anomaly coincident with a VLF-EM anomaly.

These holes represent the first subsurface exploration work to be conducted on this property since trenching on the outcrop was done near the turn of the century.

All the core from the diamond drill holes was assayed and anomalous results from what appears to be at least two separate horizons of gold bearing mineralization were encountered. Some selected results are shown in the table above.

Grab and a 6 foot chip sampling of existing surface trenches and pits confirmed significant gold values of 0.65 oz.gold/t and 0.141 oz.gold/t respectively.

Sampling done by Copper Range Exploration Company Inc. in 1971 returned values as high as 3.13 oz.gold/t across 6 ft. of altered feldspar porphyry cut by numerous quartz stringers carrying pyrite, chalcopyrite and galena in one of the large trenches on the property near the current sampling program.

This year's magnetometer program conducted over a 1000 M. by 500 M. grid on 25 meter X 25 meter spacings has indicated several strong anomalies and possible fault zones. Drilling will start as soon as possible to test these targets for gold.

Jaguar Equities is negotiating to acquire two separate blocks of claims in the Adams Lake area.

BAY RESOURCES LTD.(BAJ-V) reports that in early May a work crew started Phase 1 on the Maiden Creek claims, near Kamloops, B.C. Phase 1, to locate and evaluate gold geochemical anomalies will cost a total of \$40,000. The program will be completed in June 1988.

EL PARAISO RESOURCES LTD. (EPR-V)

HOLE	INTERVAL FT.	WIDTH	OZ. GOLD/T	OZ. SILVER/T
1	49.8- 53.0	3.2 feet	0.05	0.17
2	26.0- 46.5	20.5	.10	.14
includes	40.5- 46.5	6.0	.30	.29
3	no significant values			
4	52.0- 54.0	2.0	.09	.47
5	19.0- 20.0	1.0	.22	.01
6	20.3- 71.4	51.1	.22	.57
includes	20.3- 30.0	9.7	.14	.20
includes	38.3- 71.4	33.1	.30	.80
and	38.3- 53.8	15.5	.56	1.56
7	104.6-121.2	16.6	.08	.01
includes	104.6-110.0	5.4	.16	.01
8	123.1-137.7	14.6	.09	.01
includes	123.1-126.5	3.4	.32	.01

PROPERTY OPTIONED- Douglas L. Mason, director, reports

that El Paraiso Resources Ltd. has optioned a 100% interest in four mineral claims in the Monashee Pass area near Vernon, B.C. The option fee is \$10,000 in the first year, \$20,000 in the second and \$30,000 in the third and subsequent years, payable June 30th. Should production occur the company can convert the option payments to a 2.5% net smelter return or a \$500,000 payout.

A total of 1,062 feet of N.Q. wireline drilling tested the down-dip extension of the surface showing results over 0.05 oz.gold/t in the table above. The mineralization is an epithermal fissure filling occurrence associated with a swarm of alkali dykes cutting granodiorite. In 1984, diamond drilling in 11 holes of 2,569 feet by Kerr Addison Mines Ltd. showed that the shear zone carries generally low values throughout, ranging from 0.01 to 0.15 oz.gold/t and trace to 0.5 oz.silver/t. However, where the shear zone is intersected by a swarm of dykes the grades are higher. Past drilling indicates that the area where the dykes intersect the shear zone is about 300 feet long, 100 feet wide and 50 feet thick.

RHYOLITE RESOURCES INC. (RHY-V) has granted CanQuest Resource Corp. of Calgary the right to earn a 50% interest in Microgold property near Kamloops, B.C. by spending \$125,000 on the property prior to 31Dec89 and \$25,000 cash (paid). In addition, CanQuest will arrange financing to bring the property into production after a feasibility study is completed. The exploration program starting this summer will search for bonanza vein structures typical of epithermal systems. The property is a recognized epithermal gold-silver deposit in B.C.

GULF INTERNATIONAL MINERALS (GIM-V)

EXPLORATION TO START- Gulf International Minerals Ltd. reports that surface exploration will start in mid-June on the 100% owned McLymont property, Iskut River area, 100 km north of Stewart, B.C. About 15,000 feet of drilling is planned for the second half of June 1988. Exploration will continue on the high grade Northwest zone where hole #87-29 returned a 36.5 foot intersection that averaged 1.605 oz.gold/t. (See GCNL No.45 p.3 4Mar88 for review of 1987 exploration).