

George Cross News Letter

"Reliable Reporting"

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AMAZON PETROLEUM CORPORATION (AMZ-V)
CARPENTER LAKE RESOURCES LTD. (CTA-V)
CHEVRON CANADA RESOURCES LTD.

BRIDGE RIVER/BRALORNE JOINT - The Amazon 50% Carpenter VENTURE PROGRESS REVIEWED Lake 50%, Wayside 55 claim property is located 8 miles north of Bralorne, 100 miles north of Vancouver, B.C. and is surrounded by the Levon- Veronex companies' claims where underground work is underway. (SEE PROPERTY LOCATION MAP OVERLEAF).

Chevron Canada Resources Ltd. can earn a 51% interest in the Wayside property by spending \$2,000,000 on exploration by Dec. 31, 1991 and making payments totalling \$300,000 to Amazon and Carpenter by Feb. 1, 1991.

Chevron spent approximately \$330,000 in 1987 on the property to completed geological mapping, trenching and soil sampling on a large portion of the property. There is still a portion of the property on the south side of Carpenter Lake where surface exploration has not yet been completed. The Chevron program included seven drill holes planned to collect geological subsurface data. The most significant information provided by the summer program was the location of a faulted eastern extension of the Bralorne-Pioneer gold host geological structure on the Wayside property. This discovery very substantially enhanced the value of the ground.

Chevron plans to map the underground workings of the mine to the lake level. The old workings have been opened and will now be washed down and the geology will be mapped. When the results of this mapping have been evaluated a decision will be made regarding dewatering the balance of the nine levels of the past producing mine. At present there is no comprehensive geological map of the mine. To add to the geological understanding of it is intended to relog the hole drilled several years ago which contained some 1,469 feet of massive sulphides and to assay the previously unsplit core.

A review of some of the gold results from previous drilling on the claims just west of the formerly producing Wayside mine include three holes drilled on the Commodore vein. The A-5 hole is 60 feet east of the A-1 hole, closer to the main mine. The third hole was the No. 5-A check hole drilled close to and parallel with No. A-5. The deep hole was drilled below the No. 9 level of the mine and in addition to the gold the deep hole also assayed 1.02 oz. silver/t.

<u>HOLE</u>	<u>INTERVAL FT.</u>	<u>LENGTH</u>	<u>OZ. GOLD/T</u>
A1	76 to 83 feet	7 feet	0.95
A5	125 to 131	6	9.81
A-5 Check hole		6	0.695
Deep hole 685 to 695 *		10	2.63

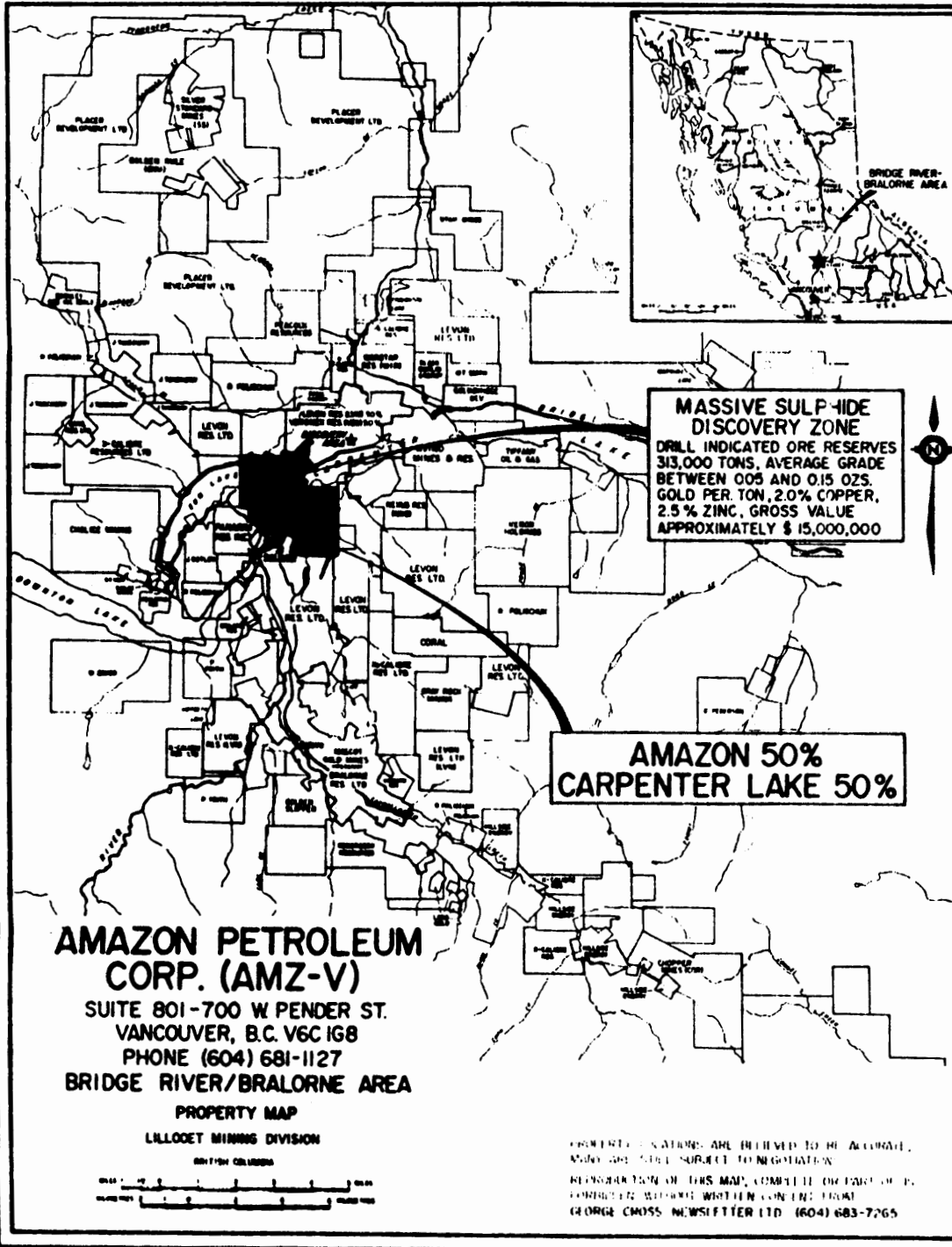
* This intersection was made below the No. 9 level.

For several years in the early 1980's Amazon Petroleum Corp. was in a 50% joint venture with Carnes Creek Explorations Ltd. on the Willey Placer mine, located at 2,600 feet elevation, in the Forest Hill area, 42 miles east of Sacramento, in Placer county, California. During the past year, in order to concentrate on the Wayside mine exploration, the interest in the Willey placer mine was returned to Carnes Creek Exploration. Amazon retains 200,000 shares of Carnes Creek for investment purposes as a continuing interest in the project which is scheduled to reach production in the spring of 1988. The recent market prices for Carnes Creek shares have been 55¢ to 60¢ each.

Owing to the interesting results from the current underground program on the adjoining Frasergold property of Eureka-Southland, aggressive exploration has been planned for the 40-unit Horsefly Lake prospect held by Amazon, 50 miles east of Williams Lake, B.C. and along the east side of the Eureka ground. Carpenter Lake Resources holds an option to earn a 50% interest in the ground from Amazon Petroleum by spending \$100,000 on exploration over several years. In 1987, Carpenter Lake Resources spent \$50,000 and will spend a minimum further \$50,000 in 1988. The work will include line cutting, soil sampling, magnetometer surveys and trenching. This work is planned to define anomalous targets and to initiate drilling during the season.

Amazon holds 160,000 shares of Tenquille Resources Ltd. with a recent market price of 25¢ each and 75,000 shares of Carpenter Lake Resources at recent prices of 35¢ each. At Dec. 31, 1987, the Amazon had working capital of \$125,000 and 3,146,960 shares issued. Carpenter Lake Resources has 3,520,508 shares issued.

**AMAZON PETROLEUM CORPORATION (AMZ-V) 50%
 CARPENTER LAKE RESOURCES LTD. (CTA-V) 50%
 DRILL PROGRAM MAKING A NEW BRITISH COLUMBIA MINE**



HOUSTON METALS CORPORATION (HML-V)

FEASIBILITY STUDY NOW - Adolf A. Petancic, president
MANAGED BY COMINCO stated in a March 7, 1988

progress report that the differences with First Exploration Corp. have been resolved and First Exploration will not exercise control and management of Houston Metals. On that basis the balance of the flow through funds in the amount of \$311,561 will be drawn down and the warrants issued. (See GCNL No.38, p.3, for funding agreement cancellation and No.20, No.27, No.42, for maps and a review of the property program).

Houston Metals has retained Cominco Engineering Services Ltd. as overall project engineer to coordinate metallurgical, milling and mine planning and to provide a feasibility report by June 30, 1988 for the Silver Queen mine, located 35 miles south of Houston, B.C. Morescol Environmental Consultants are preparing a Stage I Environmental report for submission by May 31, 1988.

The Cole Lake adit is being driven with the objective of increasing reserves. Metallurgical work is continuing toward the reduction of arsenic and antimony content of the copper concentrates thereby reducing penalties now estimated at \$1,500,000 per year. The present flow sheet indicates recoveries of 50% of the gold, 80% of the silver but enhanced recovery may increase recoveries to 90% and add \$7,300,000 per year to net smelter return. Indium and germanium are becoming more important and are contained in the zinc concentrate. A full credit for these metals could add in excess of \$2,000,000 per year to net smelter return. (SEE OVERLEAF P.1 for a summary of mine operating projections.)

COMINCO LTD. (CLT-V,T,M)

DELAWARE RESOURCES CORP. (DLW-V)

SNIP PROJECT REVIEWED - As noted in GCNL 53(88) p.3.

Ron Nichols of Cominco Ltd. will speak about the SNIP project of Cominco and Delaware Resources at the 23Mar88 luncheon meeting of the Mineral Exploration Group. A precis of his planned address follows.

"The Snip property is located on the lower slopes of Johnny Mountain, on the Iskut River, 100 km NW of Stewart, B.C. The property adjoins the north boundary of the Skyline REG property where gold production is scheduled to commence in 1988.

"After initial discovery in 1965 by Cominco and subsequent abandonment, the property was re-staked in late 1980 and Cominco carried out geological mapping, soil geochemistry and trenching in the 1981-84 period. During 1986-87, Delaware Resources provided funds, under an earn-in option agreement which covered the drilling of 85 diamond drill holes (15,350 m). These holes intersected several high grade vein structures. The best of these is the Twin Zone, a 1 to 10 meters thick discordant banded shear veins cutting a massively bedded sequence of feldspathic greywacke and siltstone.

The Twin Zone has been traced down the side of the mountain over 1000 meters of strike length through a vertical range of 500 meters between the 150 meter and 650 meter elevations. Average thickness is 3.0 metres. Gold mineralization in free form occurs in alternating bands of: massive calcite; heavily disseminated to massive pyrite; biotite-chlorite; quartz and pyritic to non-pyritic fault gouge.

"The present ore reserve estimate of 1,100,000 tonnes (1,213,000 short tons) of 24 g/t (0.70 oz.gold/t) average grade is based on 33 drill hole intersections in the central part of the Twin Zone structure. The reserve includes 20% mining dilution at zero grade, a minimum mining thickness of 2 metres and cutting of individual assays to 150 g/t gold (4.37 oz.gold/t).

"Underground exploration of the deposit is now in progress.

HOUSTON METALS CORPORATION

Silver Queen Project (Summary) (all amounts in Cdn. \$)

1.	<u>Ore Reserves</u>	888,065 tons proven and probable 905,575 tons possible						
	Total:	<u>1,793,640 tons</u>						
2.	<u>Ore Grade</u>	<u>Cu</u>	<u>Pb</u>	<u>Zn</u>	<u>Au</u>	<u>Ag</u>		
	(% or oz/ton)	0.554	1.41	6.17	0.085	10.22		
3.	<u>Mining Rate</u>	175,000 tpy; 500 tpd						
4.	<u>Concentrate Production, Grade, Value</u>							
	<u>Tons per Year</u>	<u>Cu</u>	<u>Pb</u>	<u>Zn</u>	<u>Au</u>	<u>Ag</u>	Net Smelter Return \$/year (x 1,000)	
	Cu Conc.	4,100	26.0	1.9	6.0	.680	167.0	6,400
	Zn Conc.	18,000	0.5	0.5	60.0	.077	6.0	5,500
	Pb Conc.	3,800	0.9	52.0	7.3	1.48	79.2	<u>5,500</u>
	Total:							<u>17,400</u>
5.	<u>Metals Recovered in Concentrates (% of Total)</u>							
		<u>Cu</u>	<u>Pb</u>	<u>Zn</u>	<u>Au</u>	<u>Ag</u>		
	Cu Conc.	81	-	-	16	50		
	Zn Conc.	-	75	-	32	22		
	Pb Conc.	-	-	90	8	8		
	Total:	81	75	90	50	80		
6.	<u>Operating Costs:</u>	(\$/year) x 1000						
	Mining	10,000						
	Milling	<u>3,700</u>						
	Total:	<u>13,700</u>						
7.	<u>Operating Margin:</u>	(\$/year) 3,700,000						
8.	<u>Capital Cost Estimate:</u>	Approx. \$18,000,000						
9.	<u>Mine Life on Present Ore Reserves (including possible):</u>	10 yrs.						