

George Cross News Letter

NO.202(1988)
OCTOBER 20, 1988

BEMA GOLD CORPORATION

AMALGAMATED COMPANY RECEIVED - On Sept.7, 1988, AMIR MINES LTD. (AMM-V,T).

NORMINE RESOURCES LTD. (NON-V) and BEMA INTERNATIONAL RESOURCES INC. (BMI-V) announced a proposed amalgamation to form Bema Gold Corporation. The amalgamated company will have working capital of about \$3,000,000, no debt, and some 16,500,000 issued shares, and will be listed on the Toronto and Vancouver exchanges. (See GCNL No.173, p.1, for share exchange ratios).

Bema Gold owns direct and, indirect through control of Abo Resource Corp.(ABU-V), 100% interest in Harrison Lake property, 80 miles east of Vancouver, B.C. The 1987 program defined a probable reserve of 2,500,000 tons grading 0.1 to 0.14 oz.gold/t in the Jenner stock. Underground drilling is underway on the Jenner to test the tonnage potential to sea level and below. Mapping and surface sampling has defined drill targets on some of the other 7 quartz diorite stocks, and drilling on the Portal stock is planned for later this year.

The directors of Bema Gold will be Ian D.Johnson, chairman; Clive T.Johnson, president; Richard J.Barclay, secretary/treasurer; Gary D.Nordin; Michael J.Beley; Barry D.Rayment; Anthony J.Williams; and Erwin J.Hass.

CANALASKA RESOURCES LTD. (CKE-V)

ZEBALLOS SAMPLING - Harry Barr, president of CanAlaska Resources Ltd. has reported drilling is scheduled to begin before the end of the year on the Central Zeballos mine, 5 km north of Zeballos, Vancouver Island, B.C. as a result of the success of an underground sampling program.

Based on the results from a back sampling program in 1982, D.Tully, P.Eng. had calculated possible-probable reserves of 9,020 tons based on a density of 12 cubic feet per ton, and a vein width of 1.2 feet. The western most area blocked out in the late 1940's on the No.5 level has been calculated to contain 1,662 tons grading 1.239 ounces gold, and 0.97 oz. silver/ton.

During the recent program, areas not accessed in 1982 were sampled. A review of the recent sampling indicated two ore shoots are existent at the No.6 level. Values from 0.546 to 0.79 oz.gold/t over 8 to 12 inches were obtained from 32 to 43 yards east of the main raise. At the western face of the No.6 drift, a value of 3.856 oz.gold/t over 8.66 inches was obtained. In the western most area blocked out by Mr.Tully on the No.5 level, values of up to 2.826 oz.gold/t over a width of 13.748 inches were obtained. At the western face of the No.5 level samples taken over 13.78 inches assayed 4.616 oz.gold/t.

CanAlaska under a contract with New Impact Resources Inc., has the right to earn up to 50% of the Central Zeballos Gold project by spending \$500,000 two years.

HOUSTON METALS CORPORATION (HML-V)

EXPLORATION STARTS - Houston Metals Corporation reports ON TAM O'SHANTER that work will start on the Tam O'Shanter property near Greenwood, B.C. Exploration work in 1979, including a limited diamond drill program, disclosed the presence of a high grade silver vein and an intensely hydrothermally altered zone, located near a major Tertiary fault, typical of epithermal gold-silver systems. Exploration work will consist of an induced polarization survey to be followed by a deep searching UTEM survey on selected lines.

GEDDES RESOURCES LIMITED (GDD-V,T)

PRIVATE PLACEMENT REPORTED - Geddes Resources Limited reported that it has arranged a private placement of 1,032,258 flow-through shares at \$1.55 each to Northgate Exploration Limited, subject to regulatory approval. The issue of these shares will bring Northgate's interest to 21% of the issued shares of Geddes. The \$1,600,000 provided by this private placement will be used for the ongoing exploration program at the company's Windy Craggy copper-gold-cobalt property in northwestern B.C.

ALGO RESOURCES LIMITED (AGO-V)

DRILLING UNDERWAY ON - An 8 drill hole program of a ADAMS LAKE PROPERTY planned 700 meters, approximately, started on Oct.13, 1988 on the OK property of Algo Resources 40% and Minnova Corp. 60%. The claims adjoin holdings of the Minnova-Rea Gold joint venture and also of the Esso-Kamad joint ventures located 35 miles north east of Kamloops, B.C. To earn the 60% interest Minnova must spend \$1,000,000 on exploration and development, including a minimum of \$100,000 in 1988, and make property payments of \$110,000.

The first six holes will test the mineralized quartz vein known as the Scarlet zone. This zone has been exposed over a 30 x 15 meter area.

Panel sampling of the irregular shaped zone has yielded positive results. Sixteen panels were sampled with assays returning values to 23% lead, 6.42 oz.silver/ton. (SEE DETAIL OF THE PANAL SAMPLING RESULTS OVERLEAF)

Table: Panel Sampling Results

<u>Sample Number</u>	<u>Panel Dimension, METERS</u>	<u>COPPER %</u>	<u>LEAD %</u>	<u>ZINC %</u>	<u>SILVER g/tonne</u>	<u>SILVER oz/ton</u>	<u>GOLD g/tonne</u>	<u>GOLD oz/ton</u>
OKPA 1000	0.80 x 0.83	.010	4.07	.07	36.5	1.06	.03	0.001
OKPA 1001	0.80 x 0.55	.011	4.92	.18	30.2	0.88	.01	0.001
OKPA 1002	0.70 x 0.45	.008	5.20	.01	36.2	1.06	.02	0.001
OKPA 1003	0.85 x 0.70	.012	10.00	.01	42.2	1.23	.02	0.001
OKPA 1004	1.0 x .7	.014	1.13	.12	12.0	0.35	.01	0.001
OKPA 1005	.8 x .7	.008	.52	.02	4.0	0.12	.01	0.001
OKPA 1006	1.9 x .25	.026	16.30	.03	129.0	3.76	.01	0.001
OKPA 1007	.75 x .35	.061	11.50	.02	82.6	2.41	.02	0.001
OKPA 1008	.9 x .65	.014	.02	.01	3.2	0.09	.01	0.001
OKPA 1009	.65 x .25	.022	13.40	.02	78.0	2.28	.01	0.001
OKPA 1010	.8 x .45	.014	23.10	.01	149.5	4.36	.01	0.001
OKPA 1011	.6 x .5	.008	2.30	.02	14.8	0.43	.02	0.001
OKPA 1012	.55 x .70	.016	23.30	.01	220.0	6.42	.01	0.001
OKPA 1013	.6 x .7	.009	6.70	.01	55.2	1.61	.01	0.001
OKPA 1014	.8 x 1.0	.024	16.70	.02	122.0	3.56	.02	0.001
OKPA 1015	.45 x .45	.012	6.92	.01	57.5	1.68	.02	0.001

PROGRESSIVE MINERALS LTD. (PVM-V)

WINSLOW GOLD CORP. (WGC-V)

PHASE I COMPLETED - Alex Guldí, president of Progressive Minerals Ltd., reports that phase I, AT WINSLOW PROJECT consisting of 3,750 feet of diamond drilling on the Winslow project in the Trout Lake area of southwestern B.C. has been completed. Progressive Minerals may earn a 60% interest from Winslow Gold Corp. by spending \$450,000 on exploration and making cash payments of \$100,000. The first 6 holes were drilled to the south of the main workings and did not encounter mineralization. The last 3 holes were drilled to explore the northern extension and encountered a stronger structure with widths up to 19 feet, but low gold values of up to 0.05 oz.gold/ton. The company has been advised that its consulting geologist will recommend further drilling on the northern extension and further exploration on the Okanagan and Enderby crown grants, where strong surface values have been derived.