

George Cross News Letter

NO.172(1988)
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CREAM SILVER MINES LTD.(CEM-V)

COMPENSATION FOR STRATHCONA - Frank A. Lang, president
EXPROPRIATION TO BE DISCUSSED reported that Cream
Silver Mines has been

informed "There will be no new mineral exploration in
Strathcona Provincial Park, Vancouver Island, B.C. except
for the Westmin site. Cream Silver Mines has held leases
adjoining to the south of the Westmin mine since 1965.
The B.C. Department of Parks, Department of Energy,
Mines and Petroleum Resources and Department of Forests
will be working to arrange fair compensation where
legitimately held rights are affected by the policy.

Mr.Lang notes that Cream Silver is very disappointed
with this decision since the B.C. Government gave the
right to explore and now twice have taken this right
away. The initial right also included the right to
develop and produce from an orebody, if found. On its
own account and through farmouts Cream has spend in
excess of \$2,000,000 on property exploration. Some
geologists have estimated the chances of finding a major
orebody as high as 50%. Indications from geophysical
work completed in 1987 are that the first priority
target in Price Creek could contain an orebody of up to
50,000,000 tons in size, three times the size of the
Westmin orebodies.

Mr.Lang also stated that Cream Silver recognizes
that the government had a very difficult time in making
the decision. He notes "Investors, Canadian, American,
European and others, have placed large sums of money in
good faith into Cream Silver's Vancouver Island project
and will no doubt have very strong feelings about this
change of direction. We can only try our best to resolve
it." Terry Huberts, Minister of Parks for B.C. has
indicated that a meeting will be called soon to discuss
compensation with Cream Silver. Cream Silver will
withhold legal action pending these discussions.

In June 1988, Cream Silver received \$250,000 from
the private placement sale of 500,000 shares at 50¢ each
with warrants to purchase a further 500,000 shares at
60¢ each until June 20,1989. Following the private
placement there were 10,827,228 shares issued.

LINK RESOURCES INC.(LR-V) has completed formal documen-
tation to acquire 68 claims in the Iskut River area, B.C.
The agreement calls for payment of an aggregate \$400,000
cash, \$150,000 of which has been paid, the issuance of
an aggregate 600,000 shares of Link over time and
expenditures of \$2,000,000 over three years.

Link has negotiated a \$150,000 demand loan from
Prime Capital Corporation, with interest at prime plus
2% per annum to be repaid from a proposed share offering
with a share bonus to Prime.

SOUTHERN GOLD RESOURCES LTD. (STG-V)

HALLMARK RESOURCES LTD.(HKR-V)

DRILLING TO START - Alan C. Savage, president, reports
AT CRONIN MINE that Southern Gold Resources Ltd.
will begin 2,000 feet of diamond
drilling by 20Sep88 at the Cronin mine property 28 km
northeast of Smithers, B.C. The drilling will test a
2,000 foot long electro-magnetic anomaly that may be
generated by the presence of silver-lead-zinc mineraliz-
ation. The anomaly is parallel to and about 500 feet to
the north of the old mine workings. Production records
from the Cronin mine indicate recovered grades of mined
ore were about 8.4% zinc, 7.6% lead and 13 oz.silver/ton.
Southern Gold is earning a 51% interest from Hallmark
Resources Ltd. by spending \$225,000 on the property and
making a cash payment of \$100,000.

EUREKA RESOURCES, INC.(EUK-V)

SOUTHLANDS MINING CORPORATION(SSM-V)

BATTLE CONTINUES FOR TITLE TO FRASERGOLD PROJECT

J.J.O'Neill, president of Eureka Resources has
reported receipt of a final assessment of the winter
development program on the Frasergold project, near
Horsefly, 60 miles east of Quesnel, B.C. The work was
performed by Southlands Mining. Mr.O'Neill does not
report who carried out the assessment of the work or
what the assessment included but he does say "Eureka
continues to have major objections to the quality, and
lack of direction of ongoing development work programs.
Although final reporting and compilation of a recent
reverse circulation drilling has not been received, it
is understood the results are very inconclusive. Eureka
feels satisfactory resolution can only be accomplished
by regaining absolute control over future programs.
Eureka will continue its position in litigation to
maintain a 100% interest in the Frasergold property."

Southlands succeeded earlier this year in obtaining
a court injunction preventing Eureka Resources from
taking any further property action. By completing a
feasibility study, anticipated by the end of 1988,
Southlands and Sirius Resouce Corporation can each earn
a 25% interest with Eureka holding the remaining 50%
working interest. (See GCNL NO.68, April 8,1988 for a
property review.) Reserves on the property are
classified as "strong inferred geological potential of
20,000,000 tons with an average grade of between 0.05
and 0.08 oz.gold/t".

See also GCNL No.168, P.3, Aug.31,1988 for review
of a newly discovered anomalous gold zone.

SEVEN MILE HIGH RESOURCES INC. (SVH-V)							
HOLE	CO-OR-	AZI-	DIP	INTERVAL	LENGTH	OZ/T	OZ/T
	DIMATES	WIDTH		FEET	FEET	GOLD	SILVER
72443	92SE 170N	180	-57	1529.6-1547.6	18.0	.09	.07
				1618.8-1627.2	8.4	.13	.21
72444	708 203	180	-46	1291.5-1304.1	12.6	.08	.25
				1396.6-1406.6	10.0	.08	.16
				1427.0-1462.9	35.9	.09	.16
72445	633 131	180	-46	ABANDONED			
72446	*633 132	180	-46	882.0-889.5	7.5	.18	.31
				1111.8-1125.7	13.9	.25	.20
				1142.6-1153.8	11.2	.11	.16
72422	previously reported			905.8-916.6	11.2	.18	.63
				1040.9-1069.8	18.96	.438	.52
				1040.9-1087.0	44.12	.298	.37

* HOLE NO.72446 is an overcut of hole No.72422.

ASSAYS REPORTED - Maurice Hamelin, president of Seven Mile High Resources has reported assay results from four further holes on the Vault claims near Okanagan Falls, 60 km south of Kelowna, Inco Ltd., operator, has earned a 60% undivided interest in the property. Exploration is continuing with one drill machine. All holes were drilled from north to south to test the main structure where gold values are present in quartz veins cutting silicified pyroclastics of the Eocene lower Marmora formation. (SEE GCML 140, 20JUL88, P.2 FOR PREVIOUS DRILL RESULTS).

EASTFIELD RESOURCES LTD. (ETF-V)							
DRILL	FROM	TO	INTERVAL	GOLD	- J.W.Morton,		
HOLE	FEET	FEET	FEET	OZ/T	president of East-		
88-I-1	104-109	5	0.024	field Resources has			
88-I-7	159-161	2	.029	reported drill hole			
88-I-8	136-138	2	.112	assays from the			
88-I-9	192-197	5	.080	Indata project,			
incl.	193.5-195	1.5	.200	120 miles north of			
88-I-10	174-190	6	.027	Fort St.James, B.C.			
incl.	174-175.5	1.5	.076	Drilling was done			
and	180-182	2	.083	at 40 to 50 meter			
88-I-11	216-218	2	.329	spacings along 1.5			
	218-220	2	.029	km of mineralized			
	243-263	20	.921	structure. Twenty			
incl.	243-249.5	6.5	2.520	of the holes cut			
88-I-15	266-269	3	.05	quartz-sulphide			
	269-272	3	.029	from 2 to 25 ft.			
88-I-22	189.5-194	4.5	.035	thick, 10 holes in			
				the Main zone, 4 in the South zone and 1 in the North			
				zone. Hole I-11 cut 20 ft. of 0.92 oz.gold/t about			
				1,000 feet north of No.87-I-4, which cut some 2 ft. of			
				0.52 oz.gold/t in 1987; both holes are in the Main zone			
				on the same structure. The hole I-11 cut gold in			
				silica-carbonate alteration, a new style of mineraliz-			
				ation for the property. As a result numerous areas of			
				similar core not previously assayed will now be tested.			

Eastfield Resources is seeking private placement financing. **IMPERIAL METALS CORPORATION (IPM-V,T,M)** is paying 30% of the costs of the program to maintain a 30% interest in the project. (SEE ALSO GCML NO.154,P.3,AUG.11)

ACCURA RESOURCES INC. (ACR-V) president T.J.M. Po has reported completion of the first phase of drilling on the the Max property, 30 miles north of Stewart, B.C. Three holes were drilled to test surface mineralization. He stated significant mineralization was located in each hole. No assay results were reported. Additional work will start immediately and will include, induced polarization surveys, soil sampling, geological mapping and drilling. An additional 20 unit claims have been staked to cover a possible extension of the mineralization. The company has arranged to sell 159,091 flow-through shares at \$1.10 for proceeds of \$175,000 to NIM Resources 1988, subject to regulatory approvals.

LOKI GOLD CORPORATION (LKI(-V))
(formerly **HIGHLAND VALLEY RESOURCES LTD.**)

THOR GOLD CORPORATION (THG-Alberta)

HOLE	DIP	INTERVAL	WIDTH M	OZ.GOLD/T	OZ.SILVER/T
S88-01	-65	137.0-140.2	3.23 M	0.051	0.24
		including	1.42	.088	.22
S88-02	-63	71.1- 73.3	2.14	.014	.01
		79.3- 80.3	1.03	.001	.01
		124.5-130.2	5.64	.115	.31
		includes	2.31	.190	.35
		160.3-161.4	1.12	.003	.01
S88-03	-49	60.6- 61.5	.93	.109	1.60
		105.3-110.3	4.96	.012	.15
		130.5-132.6	2.12	.175	3.01
S88-04	-52	66.0- 67.6	1.56	.008	.01
		100.0-102.0	1.97	.011	.20
		130.3-137.6	7.34	.072	1.22
		includes	2.09	.211	3.66
S88-05	-49	54.2- 55.2	.97	.037	.26
S88-06	-50	52.8- 53.6	.73	.002	.01
		101.8-102.7	.84	.112	.43
S88-07	-62	71.7- 72.8	1.11	.008	.01
		134.0-137.4	3.36	.045	.27
		181.0-189.0	7.97	.034	.27
		includes	2.04	.086	.60
S88-08	-72	129.3-134.1	4.74	.222	3.81
		156.6-157.8	1.11	results pending	
S88-09	assay results pending from five intervals				

ASSAY RESULTS REPORTED- Lawrence J.Nagy, a director of Thor Gold Corporation has reported assay results from nine diamond drill holes to test for strike and dip extensions to the ore zones mined in the Stemwinder mine property near Oliver, B.C. The program is funded under an agreement whereby Thor Gold can earn a 50% interest in the former producing mine by spending a minimum of \$500,000 on exploration and making cash payments of \$125,000 to Loki Gold. He notes that holes 2,3,4 and 8 all have quartz vein intersections of 2 meters or more grading 0.175 oz.gold/t. Drill holes 1, 5 and 6 intersected narrower, lower grade veins and cross faults which appear to have offset the main vein.

The current drilling program has confirmed that significant widths of gold and silver bearing quartz veins occur over a minimum 275 meters or 900 feet of strike length in the vicinity of the old Stemwinder mine and that this zone is open at depth and along strike.

The Fairview mine workings, from which over 53,000 oz. gold and 580,000 oz.silver were recovered, begin about 350 meters, 1,000 feet, on strike to the northwest of the Stemwinder mine.