

George Cross News Letter

Reliable Reporting

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WESTERN CANADIAN INVESTMENTS

CATHEDRAL GOLD CORPORATION (CAT-T)

CATHEDRAL ANNOUNCES NEW - Pierre B. Lebel, president, TONNAGE AT STERLING MINE reported that the ongoing surface rotary drilling program at Cathedral Gold's 52% owned Sterling gold mine near Beatty, Nevada, has increased the geological reserves by 49% to 469,000 tons grading 0.209 oz.gold/t. The mine, which produced 8,500 ounces of gold in 1988 at a cost per ounce including depletion of US \$230, has sufficient reserves for 5 to 6 more years mine life at present ore production levels. The current operating forecast calls for production of 10,000 ounces in 1989.

Dr. Hugh C. Morris, Cathedral's chairman said: "Sterling is in transition from a combined open pit and underground to a 100% underground operation. The change-over will require increased capital expenditures which are more than justified given our encouraging exploration results in the underground extensions of the ore body. We have never before had this much ore in front of us".

Sterling has been in production since 1980. To date, 65,000 ounces have been recovered from 333,000 tons of ore grading 0.233 oz.gold/t. The mine's gold recovery of 83.6% is one of the highest in Nevada for a heap leach operation.

steep, east-dipping Mineral Creek zone. A ten meter wide section along the south wall produced an average value of 0.17 oz.gold/ton within which a 3 meter section averaged 0.29 oz./t. The corresponding section in the north wall averaged 0.18 oz./t over 90 meters including a 5 meter wide section averaging 0.25 oz./t. These values are based on metallic fire assays. (SEE ASSAYS OVERLEAF).

Two bracketing drill holes from earlier surface drilling, Y39 (0.07 oz.gold/t over 6.5 m horizontal width) and Y13 (0.12 oz.gold/t over 14.3 m horizontal width), penetrated the Mineral Creek zone above and below the cross cut. These are significantly lower values than from the chip sampling in the crosscut. This indicates the importance of the underground program in establishing the tenor of the Mineral Creek gold zone.

The 9960N crosscut intersects a broad zone of complex deformation, alteration and quartz veining, that varies from 7 to 30 meters wide. The zone appears best developed in an area 230 meters to the north to 900 meters south of the 9960N cross cut. It contains lower grades of gold with intervening higher grade sections over most of its width.

The 9960N crosscut is located about midway along the Mineral Creek zone which surface drilling has shown contains significant gold mineralization along at least 850 meters. The Yellow property covers 550 meters of this strike-length and an additional southerly 950 meters of the Mineral Creek fault, along which the zone occurs. Seven reconnaissance drill holes intersected anomalous gold in three widely separated parts of the southerly section of the fault. This southern two-thirds of the property will be the subject of follow-up drilling.

Drill hole Y37, located 450 meters south of the 9960N cross cut, intersected 0.13 oz.gold/ton over a 4 meter core length.

In the Vancouver Island gold mines zone the series of narrow, high grade veins will be systematically evaluated in 1989.

Effective March 1, 1989, Nexus assumed operatorship of the 75.5% owned Yellow property and intends to execute a full operating joint venture agreement with 24.5% owner Westmin, before proceeding with the next program.

Total expenditures on the Yellow property in 1988/1989 were \$1,290,000. Westmin is expected to maintain its interest.

AMERICAN PACIFIC MINING COMPANY, INC. (APA-V)

YEAR ENDED FEBRUARY 28, 1988
Sales \$47,100,000
Cash Flow 14,400,000
Net Profit 12,100,000
Per Share \$1.46

Michael P. Raftery, secretary of American Pacific Mining Company, Inc. reported that due to the start of the El Mochita mining project in Honduras and restructuring of the group's finances in the later half of 1987/88, the figures are not comparable with results of the previous year. Profit calculations include unusual items totalling \$990,000 incurred as a result of office closures and termination settlements.

Fourth quarter sales were \$16,000,000, net profit was \$6,500,000 and earnings per share were 66¢.

The company intends to declare a dividend of 17¢ per share payable May 25, 1989, record April 15, 1989.

An application for listing of the company shares on the Toronto Stock Exchange has been filed.

GOLDEN NEVADA RESOURCES INC. (GVA-V,T)
FORMER COPPER-ZINC PRODUCER TO BE ACQUIRED - Henry G. Evanchuk, President of Bethlehem Resources Corporation 50% and John Ivany, President of Golden Nevada Resources Inc. 50% jointly reported that a letter of intent has been signed with an affiliate of Noranda Minerals Inc. to purchase a 100% interest in the Goldstream deposit and related facilities near Revelstoke, B.C. The final agreement is being drafted and the acquisition is expected to close by May 31, 1989. Completion of the sale is subject to approval by the VSE and TSE and to receiving good title from Noranda to the Goldstream property free of all encumbrances and liens. Terms for the acquisition are to be reported shortly. The Goldstream property is a former copper-zinc producer.
A decision to place the property into production was taken in January 1980 and production started in May 1983. Mineral inventory at the start of production was estimated at 4,343,700 tons grading 3.69% copper, 2.63% zinc and 0.91 oz.gold/ton. On April 16, 1984, the Goldstream mine was placed on a care and maintenance basis and a year later it was shut-down due to declining copper prices. Five persons were retained for security and maintenance services.

NEXUS RESOURCE CORPORATION (NXS-T,V)

WESTMIN RESOURCES LTD. (WMI-T,V)

UNDERGROUND ASSAY RESULTS- Nexus Resource Corporation and FROM YELLOW PROJECT Westmin Resources Ltd. have reported assays from the underground program on the Yellow Project 20 miles south west of Alberni, Vancouver Island, B.C. The results are from the 9960N crosscut penetrating the Mineral Creek gold zone. The crosscut is along Section 9960N, 40 meters south of the Debbie/Yellow property boundary and is off the recently completed access tunnel. Continuous 1 meter chip samples were taken along the entire 58 meter length of both walls of the east-west cross cut through the

VANCOUVER — With 9-month earnings hitting a record \$3.8 million or 22.6¢ per share as of Dec 31, 1988, and several exploration properties in various stages of development, the future looks bright for **Imperial Metals Corp. (TSE)**.

Imperial President, Pierre B. Lebel, notes that property and investment trading "maintained their key role as major contributors to earnings." In the third quarter, the company reported property gains of \$1.2 million bringing the nine month total to \$1.5 million. Investment transactions realized gains of \$442,000 and \$4.2 million in the third quarter and year to date respectively, he said.

At the company's **Mount Polley** project 30 miles northeast of Williams Lake, B.C., a 1988 drill program confirmed the presence of substantial tonnages of copper-gold mineralization. In-house calculations indicate a mineable reserve of 53 million tons grading 0.44% copper and 0.017 oz gold.

These reserves are contained in three zones separated by narrow sections of low grade mineralization which could be mined as a single pit with a strip ratio of 1.9:1. At 15,000 tons per day and over a mine life of 10 years, Mount Polley

Minnova, Laramide plan work on Lara

A major exploration program is planned this year on the Lara deposit of **Minnova Inc. (TSE)** and **Laramide Resources (TSE)** on southern Vancouver Island. The massive sulphide deposit has drill-indicated reserves of 583,000 tons averaging 1% copper, 1.2% lead, 5.9% zinc, 2.9 oz silver, and 0.14 oz gold. This year's program, which is expected to cost about \$1 million, will include metallurgical testing and diamond drilling.

Laramide's purchase of the property last year from troubled **Abermin Corp. (TSE)** was financed by selling 2.5 million of its shares to Minnova which now owns 29.7% of the company; Minnova can earn a further two million shares by spending \$2.5 million on exploration work.

Although gold has declined in recent months, Albert Reeve, Laramide president, estimates "the net smelter return of our ore has probably risen 15-20%" given higher base metal prices.

Exploration is expected to resume this April and the joint venture will be drilling down some deeper holes from surface. The underground workings are presently flooded.

N Miner
April 10/89



NOT FOR GOLD ALONE

by Frank Loukin, Director

would produce 70,000 oz gold and 32 million lb copper annually.

A recent drill program at subsidiary **Cathedral Gold Corp's. (TSE)** **Porcher Island** property 35 miles southwest of Prince Rupert, B.C. has confirmed the continuity and strength of the AT zone mineralization below 400 ft. A prefeasibility study is under way by **Wright Engineers of Vancouver** which will consider a 500 ton per day milling operation. An independent consultant has calculated reserves of 621,000 tons grading 0.32 oz gold in the AT zone above 400 ft. These are uncut and diluted.

Greater Lenora, RJK busy in Saskatchewan

Joint venture partners **Greater Lenora Resources (TSE)** and **RJK Mineral Corp. (ASE)** say they are studying the possibility of selective mining of high grade gold zones at their **Beaverlodge** property in northern Saskatchewan.

Located on the north shore of **Lake Athabaska**, the **Beaverlodge** property contains two separate low grade gold zones known as the **Box mine** and **New Athona** deposits.

Some highlights from a recently completed drill program on the properties are as follows:

Hole	From-To (ft)	Width (ft)	Grade (oz/t)
Box Mine			
34	42.6- 59.0	16.4	0.15
37	302.7-348.7	46.0	0.39
38	146.3-149.6	3.3	0.22
42	230.3-240.1	9.8	0.25
44	328.3-333.1	4.8	0.33
Athona			
19	141.4-184.0	42.6	0.15
23	61.7- 88.2	26.5	0.16
25	236.2-246.0	9.8	0.18
28	237.5-240.8	3.3	0.33
29	123.0-126.3	3.3	1.54
	185.3-188.6	3.3	0.64
30	149.9-208.9	59.0	0.18

All intersections closely approximate true widths and have not been cut. The results were obtained from within a Proterozoic granite porphyry unit and do not represent one continuous mineralized horizon.

The **Beaverlodge** property is reported to host a total of 19.2 million tons of probable reserves grading 0.056 oz gold per ton. The capital cost to bring the project into commercial production has been estimated at \$70 million.

Alberta-listed **RJK Mineral Corp.**, has an option to earn a 60% interest in the **Box** and **Athona** properties by spending a total of \$2.5 million on exploration by Dec 31, 1991. **Greater Lenora** resulted from the recent amalgamation of three **Kansner** group companies, **Lenora**, **Mary Ellen** and **AXR Resources**.

attempts to bring costs down at the **Spotted Horse** gold mine in **Lewistown, Mont.**, two lawsuits brought about by two exploration companies are providing more financial headaches for the **Toronto** company.

Rather than face a lengthy court battle, **Chelsea** has settled out of court with **Australia-based G & B Exploration Pty.** which in 1987 agreed to participate in a private placement of **Chelsea** shares.

The private placement of 900,000 **Chelsea** shares, at \$3 per share fell through. Under the terms of the settlement, **Chelsea** has agreed to pay **G & B** \$336,511 by issuing 350,000 shares.

However **Chelsea** has the option

Bakra Res. makes Sannorm estimate

Vancouver-based **Bakra Resources (VSE)** has made an initial reserve estimate for the A zone at its **Sannorm** gold property near **Rice Lake, Man.**

Bakra is earning a 50% stake in the 1,500-acre property from privately-owned affiliate **Orenada Resources** and has spent about \$150,000 on exploration so far. Located next to **Rea Gold Corp.'s (TSE)** **Bissett** project, **Sannorm** is part of a large land package controlled by the **Homestead** group of **Vancouver**.

Based on recent drilling results, over-all reserves stand at 200,000 tons of grade 0.122 oz (including 117,000 tons of 0.158 oz) to a depth of 500 ft.

According to **Bakra**, the zone has a single tabular geometry with a strike length of 300 ft, an average true width of 14 ft and widths of up to 23 ft in the central section of the zone.

"It is believed that a significant portion of the known reserves are amenable to open pit mining," **Bakra** said.

All reserves at **Sannorm** have been developed within a 300-ft strike length of the A zone which has a known strike length of 2,300 ft and has been intersected to a depth of 1,200 ft, the company said.

The company says that reserves could be expanded with additional higher grade lenses within the overall A zone. Future drill programs will attempt to develop near-surface reserves within the A zone.

Puffy Lake hurts Pioneer's earnings

VANCOUVER — Faced with the uncertainty of operating the **Puffy Lake** mine economically, **Pioneer Metals Corp. (TSE)** has reduced the carrying value of the mine in its financial results for the year ended Dec 31.

The company recently implemented a revised operating plan at

on or before August 26 a share plus an additional shares on or before Feb 27 the same price.

The **Chelsea** board has a pay off \$97,500 resulting from and accounting costs by shares for debt.

However, no sooner has sea settled the **G & B** law suit it was faced with another

Beardmore Resources (North Bay, Ont.) is claiming for breach of contract. **Chelsea** elected not to pursue alleged joint venture on the **Hill** project in **Montana**.

The **Gold Hill** property

STI
A technological provides an easy uranium and
Form
EXPLC
B
Da
P

Trimin Resources
is pleased to announce that has been appointed as and Director
Mr. Turner, former brings 20 years experience
Brian D. Fraser
Randy C. Turner
Byron B. Jolly
James M. Daws
Terry M. Hollan

Trimin Resources holds Zinc-Copper-Silver deposits in the Indian Gold

CANMET IN PART THE MINING AND
May 30-31, 1989
Hotel Georgia
Vancouver, British

CANM SEMINAR
in cooperation with
The Mining Association
The British Columbia
and Petroleum Resources
The Coal Association