

George Cross News Letter

Reliable Reporting

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WESTERN CANADIAN INVESTMENTS

CATHEDRAL GOLD CORPORATION (CAT-T)

CATHEDRAL ANNOUNCES NEW - Pierre B. Label, 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./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, 66,000 ounces have been recovered from 333,000 tons of ore grading 0.233 oz./t. The mine's gold recovery of 83.6% is one of the highest in Nevada for a heap leach operation.

WESTERN RESOURCES CORPORATION

GOLDEN NEVADA RESOURCES INC. (GVA-V,T)

POWER COPPER-ZINC PRODUCER TO BE ACQUIRED - Henry G. Emschek, president of Western Resources Corporation 88% and John Ivany, president of Golden Nevada Resources Inc. 60% 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 Nevada, 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 0.29% gold. 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.

NEBUS RESOURCE CORPORATION (NRS-T,V)

WESTMIN RESOURCES LTD. (MMI-T,V)

UNDERGROUND ASSAY RESULTS- Nebus Resource Corporation and 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

steep, east-dipping Mineral Creek zone. A ten meter wide section along the south wall produced an average value of 0.17 oz./t. The corresponding section in the north wall averaged 0.29 oz./t. The corresponding section in the north wall averaged 0.18 oz./t over 98 meters including a 5 meter wide section averaging 0.25 oz./t. These values are based on metallurgical fire assays. (SEE ASSAYS OVERLEAF)

The bracketing drill holes from earlier surface drilling, Y30 (0.07 oz./t over 6.5 m horizontal width) and Y13 (0.12 oz./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 600 meters. The Yellow property covers 900 meters of this strike-length and an additional southerly 900 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 section of the property will be the subject of follow-up drilling.

Drill hole Y32, located 400 meters south of the 9960N cross cut, intersected 0.12 oz./t 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 Michael P. Raftery, secretary Sales \$47,100,000 of American Pacific Mining Cash Flow 14,400,000 Company, Inc. reported that Net Profit 12,100,000 due to the start of the E1 Per Share \$1.46 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.

