

# George Cross News Letter

*Reliable Reporting*

## WESTERN CANADIAN INVESTMENTS

**PINE POINT MINES LIMITED (PPT-V,T)**

THREE MONTHS ENDED 31 MARCH	1989	1988
Revenue	\$50,090,000	\$35,658,000
Costs and Expenses	19,959,000	24,115,000
Taxes	8,367,000	3,678,000
Earnings Bef. Extra. Items	22,452,000	8,703,000
Extraordinary Items		81,000
Net Earnings	22,452,000	9,564,000
Per Share	\$4.85	\$2.06

**SHARE OF POLARIS OPERATIONS**

Ore Milled - dry metric tonnes	104,000	84,300
Percent Zinc	18.3	12.7
Percent Lead	3.7	3.1
Zinc Concentrate Produced (DNT)	29,600	16,600
Lead Concentrate Produced (DNT)	4,600	3,100
Zinc Concentrate Sold (DNT)	14,000	15,600
Lead Concentrate Sold (DNT)	1,500	1,100
Zinc Concentrate Inventory (DNT)	60,200	40,200
Lead Concentrate Inventory (DNT)	11,500	6,000

**FIRST QUARTER RESULTS** - David L. Johnston, president reported that Pine Point Mines Limited's 48% interest in the Polaris operations made a pre-tax contribution of \$6,200,000 to net earnings of \$1.34 per share. In the first quarter of 1989, Pine Point made a 32% increase in Polaris operations. Sales of zinc concentrate from Pine Point operations totalled 50,500 tonnes compared to 64,000 tonnes last year. The Corporation anticipates that sales volumes of zinc concentrates during the second quarter will be at near-normal levels.

**INTERNATIONAL HARD SUITS INC. (IHS-V)**  
1 MONTHS ENDED MAR 31/89: COMPANY RECORDS FIRST EARNINGS  
Revenues: \$820,278; Phil Hutton, president reported Net Earnings: 136,318; that International Hard Suits Per Share: \$1.36. Inc. has delivered two HEMTSUITS to date and is now in regular production of the HEMTSUIT. The company is projecting increasingly higher earnings as it continues to expand its production capacity to fill a growing order backlog.

**HUNTINGTON RESOURCES INC. (HUN-V) # 82 6510110**  
**CORONA CORPORATION (ICR.A, ICR.B-V,T,N,ANEX)**  
1989 PROGRAM DETAILED - Corona Corporation, Huntington's joint venture partner in the development of the Brits claims 25 km west of Vernon, B.C., requested the property early last week and estimated that the 1989 work program can begin by mid-May. Corona has earned a 51% interest in the property under the terms of an option agreement negotiated in 1987. Huntington retains a 49% interest. This year's program will be directed by Corona.

The first phase of the work program will include some 2,500-feet of diamond drilling along the Main Shear zone, additional road work, mapping and rock sampling. The Main Shear zone is a north-northwesterly trending fault which dips steeply to the west with a strike length of about 1.5 km. This zone is the source of several high grade occurrences of gold and silver mineralization.

The primary objective of this phase of the 1989 work program is to test the northern extension of the zone on section with a series of diamond drill holes and reverse circulation holes. SEE MAP OVERLEAF.

**SIRIUS RESOURCE CORPORATION (SRV-V)**  
**SOUTHLANDS MINING CORPORATION (SSN-V)**  
**EUREKA RESOURCES INC. (EUR-V)**

**MINERAL INVENTORY** - Andrew von Karsell, president of STUDY COMPLETED Sirius Resource Corporation reported on a recently completed mineral inventory study of the Frasergold project, 60 miles east of Vernon, B.C., by ILS Geological Ltd. using all available drill data from 15,824 ft. of reverse circulation and diamond drill holes spaced over 350 meters along strike. The study supports an indication of 2,130,000 tons grading 0.141 oz. gold/ton, or a geological inventory estimate of some 300,000 oz. gold. This figure is based on a combined recovery rate of less of 30%; a 32% upgrading of fire assay results between 0.1 and 1.0 oz. gold/t based on cyanidation tests; an open pit operation to a depth of 43 meters, although the mineralization is open at depth; all data analyzed using the computer program PC Explorer; and the use of a 15 meter zone of influence assumption in projecting these results.

The interests of Sirius and Southlands Mining Corporation in the Frasergold property is subject to litigation. Sirius and Southlands Mining Corporation could each earn a 25% interest with Eureka Resources Inc. holding the remaining 50% interest. A March 1989 economic study by Kilbom Engineering suggested that mineable reserves of 1,670,000 tonnes at 0.10 oz. gold/tonne would justify the establishment of a 3000 tonne/day milling operation and provide capital product in 9 months.

**3 MONTHS ENDED MARCH 31**

	1989	1988
Net Sales	\$282,200,000	\$296,100,000
Operating Income	30,000,000	57,600,000
Net Income	30,200,000	55,600,000
Per Share	\$1.26	\$1.22

**FIRST QUARTER REPORTED** - Canfor Corporation stated that its earnings reflected continuing strong demand and higher prices for pulp and paper. These positive factors were partially offset by the ongoing strength of the Canadian dollar and by reduced lumber production, particularly at three of the company's sawmills which are at various stages of startup following major modernization programs. The company declared an increased semi-annual common share dividend of 25¢ payable June 30, 1989, record June 15, 1989.

**WEST FRASER TIMBER CO. LTD. (WFT-V,T)**

3 MONTHS ENDED MARCH 31	1989	1988
Sales	\$119,900,000	\$102,200,000
Net Earnings	5,900,000	11,100,000
Per Share	38¢	72¢

**CONSOLIDATED STIKINE SILVER LTD. (CKI-V)**  
**PRIVATE PLACEMENT COMPLETED** - Consolidated Stikine Silver Ltd. reports that regulatory approval has been received and it has closed its private placement of 100,000 shares at \$10.625 per share for total proceeds of \$1,062,500. The places were granted non-transferable warrants to purchase an additional 100,000 shares at \$11.25 per share if exercised in the first year and \$12.25 per share in the second year.