

George Cross News Letter

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NO.71(1989)
APRIL 13, 1989

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WESTERN CANADIAN INVESTMENTS

CALPINE RESOURCES INCORPORATED (CLP-V, ALBERTA) CONSOLIDATED STIKINE SILVER LTD. (CKI-V)

21 ZONE ASSAYS REPORTED - Calpine Resources Incorporated 505 and Consolidated Stikine Silver Ltd. 802 have reported assays from holes CAB9-25 to CAB9-44 inclusive from the drilling program on the 21 Zone discovery of the Eskay Creek project, 69 miles north of Stewart, B.C.

The latest assay results are from the continuation of a drilling program initiated in mid-January of 1989 on the 21 Zone. Significant assays are as follows:

HOLE	INTERVAL, FT.	LENGTH	OZ. GOLD/T	OZ. SILVER/T
CAB9-27	207.6-216.5	8.9ft.	0.535	2.70
CAB9-28	212.9-240.7	28.2	1.054	.20
	478.6-488.4	9.8	.156	2.23
CAB9-30	341.9-358.4	16.5	.042	.09
CAB9-31	352.6-372.3	19.7	.178	.50
CAB9-35	218.1-375.6	157.5	.088	1.87
including	218.1-247.6	29.5	.142	5.12
	336.2-375.6	39.4	.156	1.76
CAB9-36	462.6-492.0	29.5	.019	3.19
CAB9-37	296.2-310.0	14.8	.272	.67
CAB9-42	344.4-389.2	14.8	.407	2.01
CAB9-43	323.1-386.9	73.8	.367	2.84
including	323.1-362.5	39.4	.639	2.79
CAB9-44	364.1-388.7	24.6	.313	1.30

Holes CAB9-43 and CAB9-44, both drilled on Section Line 1+00N, represent the first stop-out drilling to the east of previously reported holes CAB9-16 and CAB9-17, which returned assays of 0.71 oz. gold/ton and 3.42 oz. silver/t over 78.7 feet, and 0.323 oz. gold/t and 0.26 oz. silver/t over 44.3 feet, respectively. Holes CAB9-43 and CAB9-44 indicate that the 21 Zone continues to be open along strike and at depth to the east.

No significant results were received for holes CAB9-26, -29, -32, -33, -34, -38, -39, -40 and -41. Logging of these holes coupled with the negative assay results indicate a fault is terminating the known western strike extent of the 21 Zone, such that these holes were all collared well into the footwall stratigraphy. All of the holes with assays reported above lie to the east of the interpreted trend of this fault.

Two rigs are continuing to test the 21 Zone discovery currently. The rigs are coring holes CAB9-56 and CAB9-57. Calpine anticipates that the winter drilling program will be completed by late April. Drilling will be halted temporarily during spring breakup. A grade and tonnage calculation for the 21 Zone will then be made by an independent contractor.

Results of the airborne geophysical survey recently completed over the Eskay Creek project and the surrounding properties are anticipated to be received before the summer field season. (SEE GCNL NO.48, 9Mar89; NO.41, 28Feb89; NO.29, 10Feb89; NO.9, 13Jan89 FOR PREVIOUS ASSAY RESULTS)

CANFOR CORPORATION (CFP-V,T)

CANFOR ACQUIRES - Canfor Corporation has agreed to purchase all of the outstanding shares of Balfour Forest Products Inc. for \$93,750,000, part of which may, at the sellers' option, be paid by issuing up to 1,000,000 Canfor common shares. Balfour holds 1,750,000 cubic meters of annual allowable

cut in the interior of B.C., and operates five sawmills that produced 600,000,000 board feet of lumber and 318,000 bone dry units of wood chips in 1988. Balfour's forest tenures are complementary to those held by Canfor in the area, and the majority of its chips are used in Canfor's Prince George Pulp and Paper and Intercontinental Pulp mills. Balfour also operates an overseas wood products marketing division, which sells lumber and panel products for its own and some 24 independent Canadian and U.S. mills. The purchase is subject to the consent of the Minister of Forests and other regulatory approvals.

INTERNATIONAL THUNDERWOOD EXPLORATIONS LTD. (IVE-T)

ZONE	LENGTH, FEET	MINING WIDTH, FEET	CHIP ASSAY, OZ. GOLD/T	ROCK ASSAY, OZ. GOLD/T
750 DRIFT	507	5.4	0.56	0.936
(including)	375	5.4	.70	.46
(including)	236	5.6	1.06	.66
SUBLEVEL DRIFT	274	4.7	1.12	.71
(including)	186	4.7	1.70	1.00
E-RAISE	37	5.8	1.47	.86
N-RAISE	37	5.0	1.51	.78
TOTAL	1190	5.1	1.77	1.82

PHASE I UNDERGROUND - John B. Meslop, president reported PROGRAM COMPLETED that International Thunderwood

Explorations Ltd. continues to drift in high grade gold mineralization during an ongoing underground exploration program on its 100% owned Gold Hawk gold deposit located in Malartic township, some 13 miles west of Val d'Or, Quebec. Rock samples for the first 856 feet of drifting, raising and sublevel drifting in the Gold Hawk No. 1 vein average 0.82 oz. gold/t over a mining width of 5.1 ft. Panel chip samples of successive faces over the same interval average 0.77 oz. gold/t.

Raising and sublevel drifting above the 750 foot level drift which averaged 0.36 oz. gold/t over a length of 507 ft. yielded an average grade of 0.71 oz. gold/t over a length of 274 ft. in the subdrift and 0.82 oz. gold/t over a height of 37 ft. in each of two raises. These results have confirmed the continuity of the Gold Hawk deposit in both horizontal and vertical dimensions and have significantly increased the gold grades in this area.

Phase I of an underground exploration program on the Gold Hawk No. 1 vein on the 750 foot level, comprises of 1,600 feet of crosscutting, 781 feet of drifting on the main level and a sublevel, 74 feet of raising in the gold one and 3,750 feet of underground diamond drilling was completed on March 31, 1989.

To date, 3,622 tons of gold ore containing about 1,885 oz. gold have been stockpiled on surface. This ore will provide part of a bulk sample for mill testing during 1989. (SEE GCNL NO. 48, 9Mar89)

A Phase 2 underground program, to include additional drifting, raising and underground diamond drilling is currently being designed and it is anticipated that this program will begin in the next few weeks. Completion of the underground program will lead to a production feasibility study. (SEE GCNL NO. 43, P.I. 2MAR89 FOR MUCH MORE DETAIL).

International Thunderwood voluntarily delisted from the VSE on 17Mar89, but continues to trade in Toronto.