

# George Cross News Letter

NO.20(1989)  
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## ESPERANZA EXPLORATIONS LTD. (EEP-V)

| <u>RESERVE CATEGORY</u>  | <u>TONS</u>    | <u>OZ.GOLD/T</u> | <u>OZ.GOLD</u> |
|--------------------------|----------------|------------------|----------------|
| Proven & Drill Indicated | 633,500        | 0.34             | 216,600        |
| Drill Inferred           | <u>810,000</u> | <u>.21</u>       | <u>169,500</u> |
| Total Reserves           | 1,443,500      | .27              | 386,100        |

TILLICUM MTN. - 1988 IN REVIEW - John S. Brock, president of Esperanza Explorations Ltd. reported that in 1988 exploration activity moved to the East Ridge zone of the 100% owned Tillicum Mountain project 20 miles east of Burton, Slocan area, B.C., where programs of surface drilling and underground exploration have increased gold reserves to the figures in the table. The East Ridge zone is open to depth and along strike.

The 1988 exploration program comprised over 40,000 ft. of diamond drilling in 75 holes, together with 1000 ft. of underground drifting. This activity resulted in establishing a drill indicated reserve of 578,500 tons grading 0.28 oz.gold/t, and a drill inferred reserve of 810,000 tons of 0.21 oz.gold/t, using a cut-off grade of 0.12 oz.gold/t. This calculation supercedes previously published figures. The East Ridge gold mineralization is contained in a skarn structure varying in thickness from 5 ft. to 15 ft.

The Heino-Money zone has been demonstrated by drilling and underground exploration to contain 55,000 tons of proven/probable ore averaging 1.05 oz.gold/t. The gold mineralization is contained in a near vertical skarn structure that averages 6 ft. in width, along a strike length of 600 ft. and a vertical extent of 300 ft.; it remains open along strike to the north and south.

The 1989 work plan contemplates a \$3,300,000 pre-feasibility program of fill-in drilling within areas of drill inferred reserves, underground sampling and test mining to be completed by August 1989. A final feasibility study could then be in hand by year end. Several financing proposals are being considered for next phase of work in 1989. (SEE GCNL No.221, p.1 and Map, 17Nov88 and No.211, p.1, 2Nov88 for more detail).

X-CAL RESOURCES LTD.(XCL-T) 566,038 shs. at 53¢ per sh. thru agent Gaston Coblentz & Co. with 2 European financial institutions as placees. Placement proceeds will be used to continue exploration & drilling on X-Cal's Snowbird gold property at Fort St. James, B.C.