

George Cross News

Reliable Reporting

NO.200(1991)
OCTOBER 17, 1991

WESTERN CANADIAN INVESTA

REA GOLD CORP. (REO-V,T; REOGF-Nasdaq)

MINNOVA INC. (MVA-T,M)

FURTHER HIGH GRADE INTERCEPTED - Larry Reaugh, president,
reports Rea Gold Corp.

has intercepted more high grade mineralization in
underground drilling at the Samatosum mine located near

Barriere, north of Kamloops, B.C. Minnova Inc. has a 70% interest; Rea Gold holds 30% with a 5% net smelter return royalty. Drill hole U1290-01 was drilled at 45° on Section 97+00 meters west. The hole intersected 14.7 meters of semi-massive to massive sulphides from 47.65 to 62.35 meters, which represents virtual true thickness. The hole was designed to cross over the initial discovery hole, U1330-43, specifically to check the true thickness and geometry of the mineralization. Uncut assay results are listed below for U1290-01:

INTERVAL METERS	LENGTH METERS	GOLD GR/T	SILVER GRMS/T	COPPER %	ZINC %	LEAD %
47.65-62.35	14.7	6.6	213	0.62	4.55	2.45
Includes						
47.65-52.45	4.8	14.1	373	.83	7.10	4.17
59.20-62.35	3.15	6.2	43	.67	2.94	1.15

Drill holes U1290-02 and 03 were drilled on the same section about 15 and 30 meters down dip from hole U1290-01 and intersected similar mineralization with assay results pending. The diamond drill is currently drilling on the fourth hole, U1290-04, on Section 97+20 meters west.

Drilling of this new gold zone, discovered in April 1991, started after the underground access development was underway. The new zone is about 50 meters below the current development. It strikes subparallel to the Sam horizon, but appears to dip more steeply. The sulphides are composed of quartz-veined/silicified pyritic sediments.

The Samatosum mine is currently operating at 500 tons per day with ore supplied from the open pit and underground grading, in September, 1.37 grams gold/tonne, 692 grams silver/tonne, 0.82% copper, 2% zinc and 1.03% lead. Management expects the new gold zone will extend the life of the mine. Current reserves will be mined out in 1992. As the new discovery is close to the current underground workings, little development is required to access the zone. (SEE GCNL No.147, 31Jul91, P.2 FOR OTHER SAMATOSUM MINE INFORMATION)

82M 244