

CORPORATE STRUCTURE

Inc.: B.C., January 9, 1967.
Public: July 3, 1968.
H.O.: 14th Floor, 1030 W. Georgia, Van, B.C.
Reg. & T.A.: National Trust Co., Vancouver.
Auth. Cap: 3,000,000 shares of no par value.
Shares Issued:

For property.....	750,000
For services	73,500
For \$37,677 cash.....	212,502
Total issued, June 1/68...	<u>1,036,002</u>
Shares held in escrow	903,000

Financial Position: After expenditure of \$10,712, working capital at April 6, 1968, was \$26,965.

Underwriting: By prospectus accepted for filing by B.C.S.C. July, 1968, Annett, Mackay Ltd., made a firm commitment to purchase 200,000 shares at 40¢ per share to net the company \$80,000.

Directors: Guilford H. Brett, President; James W. Annett, Vice-president; John R. Mackay, secretary.

Promoters: G.H. Brett and Fred Brett.

GEORGE CROSS NEWSLETTER
JULY 16 1968

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camped on the property since early March, 1968, engaging continuously in exploration. Geophysical surveys, he states, and follow up detail work have disclosed the presence of two large anomalous zones approximately 2000 by 800 feet in size. He adds that one of these anomalous areas extends on to ground held by Utah Construction.

Start of testing the favourable areas by diamond drilling is planned in the near future.

The property, originally 40 contiguous claims has been increased to 84 claims by additional staking. It is 4 miles south of Port Hardy and 2½ miles north of Rupert Inlet. It is traversed by the Port Hardy-Coal Harbour Road and by several branch roads. Topographic and climatic conditions are such that exploration can be carried on throughout the year.

The current program follows recommendations of R.H.D. Philp, P.Eng. In a report dated January 24, 1968, he points out that copper-lead-zinc-iron mineralization has been found on adjoining claims to the east and that copper mineralization has been found on the Utah ground to the southeast. Extensive chemical and geophysical exploration methods in the

area. He based his recommendation for a \$49,800 program on the geochemical survey conducted last winter, the favourable geological conditions, plus proximity of the claims to extensive copper mineralization occurring in a similar geological setting to the southeast, and on the mineralization on the adjoining property to the east. The estimates include money for a claims survey, detailed geological, geochemical and geophysical surveys and diamond drilling if carried to completion.

HART RIVER MINES LTD.

STEP-OUT HOLES EXTEND FURTHER -
SHOW GOOD MINERALIZATION

Further good results are reported from the drilling program on the Mark property of Hart River Mines Ltd. The holes reported are located on the first step-out along strike, reports H.A. Balmer, president.

Hole No. 6 - a flat test into the footwall cut a 25 foot zone of sulphides averaging 0.03 ounces of gold, 0.75 ounces of silver, 1.45% copper, 0.12% lead, and 1.08% zinc.

Hole No. 7 - tested a portion of hanging wall only and was not assayed.

Hole No. 8 - cut very impressive grade mineralization - assayed as follows over 148 feet: Gold 0.03 ounces per ton, Silver 0.75 ounces per ton, Copper 2.44%, Lead 0.38%, Zinc 1.69%. Copper assays at intervals of 75 average were encountered over a 3 foot section. One 40 foot section (from 110 to 150 feet) averaged 5.03% copper.

The bottom 26 feet of hole 8 was mineralized hanging wall averaged in itself 1.13% copper.

Development drilling along strike continues with very favourable rate of progress. (See previous report, see GCNL No. 141.)

GUNN MINES LTD.

CANEX I.P. SURVEY -
FINDS 2 ANOMALIES

First part of the agreement between Gunn Mines and Canex Aerial Exploration Ltd. is underway, says a report to shareholders by R.C. Diffenbaugh, president. Line cutting has been completed on the 30 claim group covered by the Canex agreement, 35 miles west of Williams Lake, B.C., and the induced polarization survey has shown two large anomalous areas. Details of this agreement were reported in GCNL No. 137. In the same report, it was stated that the best intersection cut by Gunn Mines was 110 feet of 0.45% copper.

It appears from the induced polarization survey that Gunn Mines was drilling the edge of one of the large anomalous areas. Canex Aerial is now making preparations for magnetometer survey of the area and arranging for drilling as well.

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HART RIVER MINES LTD.

MASSIVE SULPHIDES DRILLED TO DATE ALONG STRIKE FOR LENGTH OF 335 FT. TO WEST OF DISCOVERY TRENCH

- In an interpretation of diamond drilling results to date at the Yukon property of Hart River Mines Ltd.,

D.L.McKelvie,P.Eng., has reported to Alex Briden,president, that drilling to date "has indicated the presence of an important metalliferous sulphide deposit. Of particular significance is the fact that drilling has continued to encounter massive sulphides 335 feet along strike to the west of the discovery trench while surface work in 1966 and 1967 indicated the sulphides continuing for several hundred feet to the east of the same trench.The length of the zone is indicated by electromagnetics, drilling and surface trenching is greater than 1,500 ft. and is still open to the east."

In introducing his interpretation, dated July 15,1968, the consultant points out that the drill program begun in 1968 was designed to probe the massive sulphide showing and coincident electromagnetic-geochemical anomalies outlined over a length of up to 3,500 ft. Two short "pack sack" holes gave the following averages for 52 ft. of core: lead 0.33%; zinc 2.02%; copper 1.75%; silver 1.60 oz/ton; gold 0.04 oz.ton. The systematic program was initiated in May. He notes that parallel conductors of more than 1,000 ft. are associated with the surface showing and that the geochemical anomalies of high lead and zinc (+1,000 ppm) were found over lengths of 2,300 and 3,500 ft., respectively.

Due to the topography, the choice of drill sites is restricted and the first sites were located in a saddle which developed along the sulphide zone. As a result, several of the first holes collared in ore-grade material. Mr.McKelvie,incorporates in his report the exact hole locations, angles, azimuths and total lengths. These details cover a total of 18 holes, No. 18 now drilling. Assays are not complete for hole 2 and for holes 9 - 18. He gives complete results of Holes 1,3,4,5,6 and 8,and his summary as reported in the first paragraph above is based on these results. His interpretation continues:

"From the data collected to the present, the massive sulphide zone is between 35 and 50 feet in width with an additional 30 feet of hanging wall material that carries up to 1.5% copper in the sections which have been assayed. Further sampling of the hanging wall is necessary. The strike of the deposit is within a few degrees of True East and the preliminary drilling suggests an easterly plunge. The dip varies widely in the drilled section from -80° south near hole No. 1 to -45° south near Hole No. 10.

"The tenor of the mineralization in the sulphide zone varies widely from hole to hole. As can be noted from the grade averages, Hole No. 1 encountered sections in which the relative proportions of the metals changed considerably and similar differences are noted in other holes. Mineralogically the composition changes, abruptly in some cases, gradually in others, from mainly pyrite to high pyrrhotite and/or sphalerite. Chalcopyrite is the principal copper mineral with minor bornite appearing in some sections. Better silver values appear to be confined to the zinc minerals while gold values are associated with the high pyrite mineralization. In the massive sulphide zone,total sulphides are greater than 85% of the core, with calcite and quartz being the non-metallic minerals. In addition to the massive material in some of the holes a distinctly banded material containing 20 - 60% sulphides with argillite and/or argillaceous limestone is found, usually near or at the footwall.

"Detailed geological mapping is being done in order to outline the structural features of the deposit and surrounding areas. Severe changes in strike and dip, abundant cleavages, fractures and jointing, and the presence of a major dioritic intrusive have all complicated the structural picture. Evidence to date suggests a replacement of argillite and/or argillaceous limestone near the edge of a diorite sill which is texturally andesitic near the sulphides. Further drilling and detail work is necessary before any interpretation can be reasonably accurate. The first 18 drill holes have proven the existence of a massive sulphide deposit which carries impressive quantities of copper, silver, zinc,gold and lead in

No.	Footage	Length of Intersection	oz. Au.	oz. Ag.	% Cu.	% Pb.	% Zn.
1	19 - 85	66'	0.059	0.75	1.58	0.21	2.68
	95 -145	50'	0.149	2.03	1.96	0.28	3.76
	153 -231	78'	0.133	3.20	0.81	1.63	11.49
	19 -231	212'	0.106	1.96	1.30	0.78	6.39
	19 -294	275'	0.084	1.60	1.05	0.69	5.24
3	22 - 47	25'	0.04	1.03	1.85	0.04	1.72
	13 - 75	62'	0.06	0.95	1.73	0.37	3.37
4	113 -245	132'	0.07	2.65	0.89	1.64	9.50
	13 -245	232'	0.06	1.87	1.00	1.04	6.43
	21 - 60	39'	0.025	0.34	1.45	0.06	0.34
5	60 -135	75'	0.02	0.10	0.52	0.09	0.85
	21 -135	114'	0.02	0.18	0.83	0.08	0.68
	20 - 45	25'	0.03	0.73	1.45	0.12	1.08
8	19 -166.8	147.8'	0.03	1.10	2.44	0.38	1.69
	100 -140	40'	0.03	0.89	5.03	0.10	0.64

the portion so far tested. From the electromagnetic, geochemical and surface trenching data, it is obvious that only a small part of a large anomalous area has been probed, and, if future results are consistent with those of the initial drilling, a multi-million ton massive sulphide zone is indicated."