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SUNDANCE GOLD LTD.

CAL-DENVER RESOURCES LTD.

92L/3W
FALCONBRIDGE LIMITED

DRILLING STARTED ON GOLD-SILVER - Mathew Jones, director, reports that Sundance Gold Ltd. PROPERTY ON VANCOUVER ISLAND, B.C. have entered a working option agreement with Cal-Denver Resources Ltd. and Falconbridge Limited relating to Falconbridge's Easy Inlet claims on Vancouver Island, B.C. If Sundance and Cal-Denver jointly contribute and cause Falconbridge to spend \$500,000 over the next 2 years on exploration programs, Sundance and Cal-Denver will each earn 24.5% interest and Falconbridge will retain 51% interest in the property.

Drilling started 18Apr83. Falconbridge is operator.

Preliminary investigation of the property has revealed the presence of alunite-pyrophyllite-sericite-quartz alteration with anomalous values of mercury, gold and silver in soil samples. The alteration appears to be similar to that described in a paper presented by D.Giles and J.Nelson in 1982 entitled "Principle Features of Epithermal Lode Gold Deposits of the Circum-Pacific Rim." In developing their model for epithermal gold deposits, the authors suggest the possibility that epithermal deposits are associated with deeper "bonanza" gold deposits and they include in their examples, the well-known Comstock and Cripple Creek camps. They state, "Current production comes from underlying silver sulphide ore bodies containing up to hundreds of grams of silver per ton of ore and to tens of grams of gold per ton. Deposits are typically of 1,000,000 to 10,000,000 metric tons but occur in districts with as many as 30 discrete orebodies."

The first phase of the 1983 work program involves drilling 6 holes to an average depth of 600 to 800 feet to test the extent of the surface alteration zone and the possibility of associated precious and base metals.

Four holes have been completed to date and the results of the first two holes revealed very fine-grained pyrite and indicated the existence of highly altered volcanics. All core will be split and sent for assay to determine the next phase of the program.