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Alexandria

NORWOOD RESOURCES LTD.
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PRESS RELEASE

December 2, 1997

100% optioned

The Company announces that crews have been mobilized to carry out the next phase of work on the Company's Alexandria Property. The Alexandria Property is located 60 km north-northwest of Campbell River above the western shore of the mouth of Phillips Arm.

The Property has extensive workings, the result, principally, of turn of the century mining activities which saw modest amounts of gold production from the property and the adjacent area. The Company, through its 1996 and 1997 exploration program, is seeking to re-evaluate and expand the known gold bearing structures on the Property. The exploration work will include the continuation of the Company's soil surveys, additional grid work and prospecting.

Management of the Company have been presented with an oil and gas farm in opportunity. Management has elected to participate in the opportunity and earn a 22.5% interest (before payout) and a 11.5% interest (after payout) in a well to be drilled in the Chip Lake area of Alberta. The well location is considered to be an extension to the north of productive Rock Creek Formation wells. The Chip Lake area of Alberta is 70 miles west of Edmonton.

To earn its interest the Company will pay \$144,000 of the expected \$640,000 costs to drill and complete the well. The operator of the play is Acanthus Resources Ltd. a Calgary based private oil explorer.

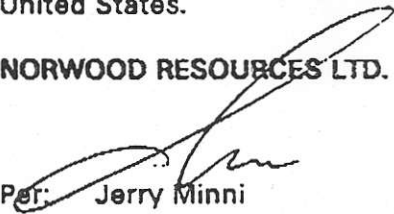
The Company has, subject to regulatory acceptance, negotiated a private placement in the amount of 1,300,000 special warrants ("Special Warrants") of the Company at a price of \$0.35 per Special Warrant for gross proceeds of \$455,000. Each Special Warrant is exercisable, without additional consideration, into a common share of the Company.

The Special Warrants are deemed to be exercised on the earlier of (a) the issuance of a receipt from the B.C. Securities Commission for a final Exchange Offering Prospectus qualifying the distribution of the common shares to the holders of Special Warrants, and (b) 12 months from the date of closing of the private placement.

The proceeds from the private placement will be used to fund the Company's participation in the well and for general working capital purposes.

Ted Konyi has agreed, upon the Company completing the funding of the well costs, to join the board of directors of the Company. Mr Konyi has extensive experience in the oil and gas industry. He has managed over \$100 million of oil and gas assets located in Canada and the United States.

NORWOOD RESOURCES LTD.

Per:  Jerry Minni
President and Director

THE VANCOUVER STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS PRESS RELEASE.

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GEOCHEMICAL, GEOPHYSICAL AND ROAD SURVEYS ON THE ALEXANDRIA PROPERTY

SUMMARY

The Alexandria property is located on the steep slopes of the Pembroke Range above the western shore of the mouth of Phillips Arm. It is at the boundary of the Pacific Ranges of the Coast Mountains of south-western British Columbia. The property comprises seventeen located claims. These claims cover 25 claim-units; about 537.5 ha (1290 A) after deducting areas of overlapping claims. This property adjoins the Doratha Morton gold mine property to the southeast.

The Alexandria workings, the most extensive workings in the claim-area, are located in the southeastern part of the property, at $50^{\circ} 29' 22''$ north and $125^{\circ} 22' 45''$ west in the Vancouver Mining Division of B.C.

The Alexandria property is about 60 km (36.6 mi) north-northwest of Campbell River, B.C. and is accessible by boat and float plane.

Access to the south-central part of the property is by a series of logging roads that terminate at tide water at Picton Point, about 3 km (1.8 mi) southwest of the Alexandria workings. All major access routes to the property area were brushed out during the 1996 exploration program. There are no significant creeks on the property. However, adequate fresh water for mining purposes could be obtained from the creek that flows into Cordero Channel southwest of Picton Point south of the claims.

Elevations on the property range from sea level to 993.6 m (3260 ft). The southwestern part of the claims is covered by second growth forest. The extremely steep slopes on the northeastern part of the claims has not been logged very far up from the shore. There is sufficient available timber on the Alexandria property to support a mining operation.

Soil development on the Alexandria property is extremely variable. However, on most slopes soil profiles are sufficiently mature to have distinct undisturbed horizons amenable to

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meaningful soil survey results. Even in poorly developed soils on very steep slopes, dispersion trains of gold particles can be used to locate gold-bearing lodes.

The property is owned by Bernard H. Fitch and Christopher I. Dyakowski. Norwood Resources Limited holds an option to acquire 100% interest in the property subject to a defined 2% net return royalty to Dyakowski and Fitch.

The Alexandria property is located on a roof pendant of metavolcanic and metasedimentary rocks within the Coast Range plutonic complex. The roof pendant hosts a series of sub-parallel, en echelon gold-bearing structures that attain lengths of over 500 m (1640 ft).

Gold occurs with sparsely disseminated pyrite, tellurides and traces of other sulphides in ribboned quartz veins and dilatant pods within these structures. Gold concentration in these quartz bodies can exceed 5.0 oz/ton (165.6 gm/mt) and commonly is in excess of 0.3 oz/ton (10 gm/mt) across widths in excess of 1 m (3.28 ft). Composite widths of several adjacent quartz bodies can exceed 10 m (32.8 ft).

The property covers some of the central and most intensely mineralized part of the Phillips Arm gold camp which extends for 6 km (3.7 mi) from the northern shore of the entrance to Phillips Arm, up the mountain toward Loughborough Inlet. Old gold prospects and mines presently within the Alexandria property are: the Alexandria, Enid-Julie, Empress and All Up. Northwest of the Enid-Julie and Empress is the Doratha Morton mine and the Champion-Commonwealth prospect which are presently covered by other claims.

Production from the Doratha Morton mine from 1898 to 1899 was 4,434.08 ounces of gold and 10,222 ounces silver from 9,707 tons of ore. The Alexandria mine produced 773.66 ounces of gold and about 1,340.5 ounces of silver from 1,915 tons of ore from 1898 until 1940.

Neither of these former producers is worked out.

Major gold-bearing structures have been found in two areas on the property; at the Alexandria mine, located in the southeastern part of the property, and along a trend that extends from the Enid-Julie workings northwestward to the northern property boundary near

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the Doratha Morton mine.

The 1997 soil survey in the Ben grid area was conducted over 5250 m of new grid line and 475 m of base line. This expanded soil grid-area covers the expired Comox and Empress crown grants (now covered by the Ben claims) and tests most of the area between the Doratha Morton and Enid-Julie workings. Soils range up to 760 ppb gold with high gold concentrations being concentrated along four linear trends named: the Doratha Morton, Comox, Main Empress and West Empress trends. Soil-silver anomalies indicate that they are the result of down-slope dispersion from very local sources along the soil-gold trends.

Magnetic and electromagnetic surveys were conducted along 2337.5 m of grid line and 800 m of base line in the central part of the Ben grid area.

The Comox adit was located at 2+80 E., 0+20 S. on the Ben soil grid. It was driven into meta-andesite for 46 m at a bearing of 215°. The adit was at an elevation of 838 m (2749 ft) and was an attempt to test the downward extent of mineralization in two parallel, 2 m-thick quartz bodies that outcropped at 849 m (2785 ft). Sparse pyrite and dark grey discolouration assumed by the writer to be sylvanite (AuAgTe₂) was exposed in a small exploration trench blasted into the westerly quartz ledge in the outcrop. That mineralization probably provided the encouragement to drive the adit. Sample CO97-1, a composite chip sample taken by the writer in the trench of grey quartz containing sparsely disseminated pyrite contained 2.19 gm/mt (0.064 oz/ton) gold and 7.5 gm/mt (0.219 oz/ton) silver with no copper, lead or zinc.

The Empress adit was located near 6+00 E., 0+25 S. at an elevation of 850 m (2788 ft). Soil has sloughed down the slope and buried the adit at the portal, however, the tunnel appears to have been driven at a bearing of 215° to get under a quartz body that is exposed about 10 m up the slope. There is enough material on the dump to account for a 30 m long tunnel.

A 2-m thick quartz ledge mineralized with pyrite, sylvanite and smoky grey mineralization assumed to be fine-grained tellurides is exposed at both sides of the portal. Sample ED97-1, a composite chip sample of material in place, ran 192.5 gm/mt (5.62 oz/ton) gold and 647 gm/mt (18.87 oz/ton) silver with no copper, lead or zinc. The Empress adit portal is

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close to a sample site containing 310 ppb gold in soil on the Main Empress soil-gold trend.

A new road route was surveyed from the mine camp on the Doratha Morton property to a point on the slope near 5+15 E., 1+00 N. on the Ben grid.

Work on the area between the Doratha Morton and Enid-Julie workings-areas during the 1997 program has added significantly to the understanding of the distribution of mineralization in that area.

The distribution of gold in soils indicates that there are at least four sub-parallel, en-echelon, mineralized structures in the Ben grid-area. The orientations of the soil-gold trends suggests that these structures are arcuate, sub-vertical tension gashes. This is confirmed by the presence of numerous quartz ledges and podiform bodies in outcrops of meta-andesite located along the soil-gold trends. Pyrite-sylvanite mineralization in quartz at the Empress adit and up-slope from the Comox adit demonstrate that gold and silver tellurides are locally present in significant amounts within these dilatant quartz bodies.

The intensity of mineralization within the dilatant quartz bodies seems to be quite variable. The distribution of soil-silver in the grid-area may be a good indication of the locations of high-grade gold and silver mineralization. Plumes of silver in soils extend down-slope from mineralized trends at several locations, perhaps revealing more mineralized areas.

Geophysical surveys seem to be of little use in the location of mineralization on the Alexandria property. The total pyrite content of gold and silver bearing rocks in this area is rarely more than 1% of the total rock. Consequently the magnetic response of mineralized quartz bodies would not be very different from that of the surrounding meta-andesites. Most of what is revealed by the magnetic survey conducted during the current program is probably gneissic layering or palaeostratigraphy in the meta-andesite host rocks. Steep variable slopes and the general lack of contiguous sulphide mineralization tends to render electromagnetic surveys ineffective.

Careful prospecting and soil geochemistry have been demonstrated to be the most effective tools for the exploration of economic mineralization in this area.