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NEWS RELEASE

September 27, 1988

Kappa Resource Corporation is pleased to announce the completion of an 11 hole drill program aggregating 3,808 feet on its Castle Joint Venture claims. The Castle Claims are located in the Iskut-Stikine area of northwestern British Columbia 10 kilometres west of the village of Iskut on the Stewart-Cassiar Highway.

*Funding for the Joint Venture is provided by Kappa Resources (75%) and Consolidated Silver Standard Mines (10%).*

Assay results have now been received for the first 9 holes. Holes 7 to 9 intersected significant gold mineralization in wide zones associated with silicification and disseminated to semi-massive sulphides in highly altered volcanic rocks.

The most significant intersections are summarized below:

<u>DDH</u>	<u>Interval</u> <u>---(ft)---</u>	<u>Length</u> <u>---(ft)---</u>	<u>Au</u> <u>(oz/ton)</u>
CAS 88-7	84.8 - 109.12	24.9	.130
Including		3.8	.319
		6.7	.240
CAS 88-8	54.0 - 75.8	21.9	.083
Including	135.0 - 156.1	21.6	.050
		5.1	.270
		5.7	.141
CAS 88-9	222.4 - 270.7	49.0	.021
	405.4 - 461.4	57.0	.022

*0.16% Cu*  
*0.11% Cu*

The mineralization encountered in holes 7 to 9 tested a strike length of 800 ft within a much larger zone 1.4 miles long averaging 400 ft wide. Kappa is very encouraged by the consistency of gold values over substantial widths indicating a potential for a large tonnage, low grade gold deposit which could be amenable to open pit mining.

Additional drilling will be required to evaluate this zone.

On behalf of the Board of Directors  
of KAPPA RESOURCE CORP.

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Frank Evanshen  
Director

The contents of this news release has neither been approved nor disapproved by the Vancouver Stock Exchange