

Regional Resources Ltd.

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NEWS

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Regional has concluded an agreement with Mineral Resources International Limited (MRI) to provide financing and technical expertise to further explore and develop the Midway silver, zinc, lead property.

The Midway property hosts a deposit with estimated geological reserves of 4.6 million tons grading 10.2 oz/ton silver, 12.3% zinc and 5.1% lead and is 51% owned and managed by Regional. Canamax Resources Inc. and Procan Exploration Company together own a 49% interest.

MRI is a public company (TSE) with total assets of about \$80 million, working capital of \$35 million and expected earnings of \$8 million for the year ended March 31, 1984. In addition to substantial oil and gas production, MRI owns a 53% interest in Nanisivik Mines Ltd., a major producer of zinc, lead and silver from its mine on northern Baffin Island.

The agreement calls for MRI to provide up to \$8.4 million through the purchase of 1.2 million flow through shares at \$7/share. Regional expects that this financing will fund its portion of all expenditures required to further explore and complete a comprehensive feasibility study of Midway. This transaction will close May 31, 1984 and has been approved in principal by the Toronto and Vancouver Stock Exchanges.

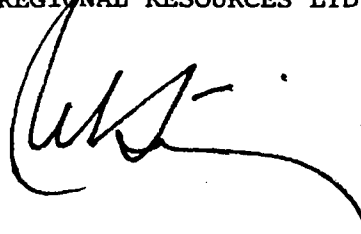
There are many similarities between Nanisivik and Midway. Regional's management is confident that the Nanisivik experience and expertise will greatly benefit the development of the Midway property.

In order to meet MRI's objective of a larger ownership in Regional the principal shareholders have granted an option and received a put on 250,000 shares, subject to shareholder approval at which the interested parties will abstain from voting.

In view of the MRI Agreement, Regional's announced public flow through share offering has been withdrawn.

Regional is listed on the Toronto and Vancouver Stock Exchanges under the symbol RGL.

REGIONAL RESOURCES LTD.



By: John W. Stollery, President