

October 25, 1990

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**THE
NORTHAIR
GROUP**

Sulphurets Property Feasibility Study Completed

Press Release

VANCOUVER, B.C. - Corona Corporation has delivered the completed Sulphurets Project Feasibility Study for Joint Venture consideration. The Sulphurets property is a gold and silver deposit located in northwestern British Columbia and is a Joint Venture between Newhawk Gold Mines Ltd. (60%) and Granduc Mines Ltd. (40%). The feasibility study was carried out by Corona Corporation in conjunction with Fluor Dainel Wright Engineers Ltd. and senior personnel from the Joint Venture partners.

Based on a 350 ton per day operation, the study assumes capital costs of \$42.7 million, including \$3.0 million working capital and a 15% contingency. Direct operating costs are estimated at C\$145 per ton or C\$265 per ounce gold equivalent. At 350 tons per day, the mine would produce approximately 67,500 ounces of gold equivalent per annum.

An economic review, using the above costs and production levels and based on a gold price of US\$400 and a silver price of \$5.00, suggests that a pre-tax discounted cash flow rate of return of about 7% may be expected. Financial analysis has also shown that with a gold price of US\$450 per ounce, the pre-tax discounted cash flow rate of return would rise to about 20% and payback could occur in 28 months. No allowance has been made for either financing costs or exploration funding in the above analysis.

The feasibility study was limited to the West Zone, where extensive exploration has been conducted by the Joint Venture since 1986. Proven and probable geological reserves for the West Zone are 715,000 tons at a grade of 0.431 oz gold/ton and 19.7 oz silver/ton. Fully diluted mineable reserves are calculated at 550,900 tons grading 0.418 oz gold/ton and 18.0 oz silver/ton.

The additional 111,000 tons of probable geological reserves grading 0.570 oz gold/ton and 13.6 oz silver/ton identified in the 1990 exploration program, was not included in the study.

The study will be subject to a comprehensive review by the Joint Venture partners. All avenues of capital and operating cost saving measures will be investigated in an attempt to make the project more attractive. With the recent decline in precious metal prices, the project is not economic. Gold and silver prices must rise to at least the levels used for the feasibility study, for the operation to be considered viable.

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