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NEWHAWK GOLD MINES LTD. (N.P.L.)

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News Release 88-17

TSE: NHG
VSE: NHG

SULPHURETS PROPERTY**Newhawk Gold Mines Ltd. (N.P.L.) 60% - Granduc Mines Ltd. 40%**

The \$5.8 million 1988 Phase II exploration program currently in progress at the Sulphurets property has emphasized structural investigation of the West Zone. Current underground development consists of a decline from surface to the 1300 m level and development on two levels, 1350 m and 1300 m levels. In this phase of the program 610 feet of drifting, 591 feet of cross-cutting, 160 feet of decline and 653 feet of raising have been completed. Work has now commenced on extending the decline to the 1250 m level.

The purpose of this work is to provide data for the preparation of mining reserve figures. Reserve calculations to be used in generating mining reserves, and based on various cutoff grades, are now in progress. Cominco Engineering Services Limited has been retained to provide engineering advice.

Underground exploration has shown that the West Zone is comprised of structurally controlled quartz vein stockworks within a silicified-sericitized alteration zone. Gold and silver mineralization consists of electrum, tetrahedrite and ruby silver and occurs within quartz veins stockworks, breccias and silicified zones. The dominant feature of the deposit is the Main Vein, a strong persistent zone of bifurcating quartz veins and a series of high grade, conjugate, subparallel veins and stockwork zones which splay off the Main Vein.

Drifting and Raising, West Zone

On the upper or 1350 m level, six drifts have been driven along some 640 feet of mineralized structures. Four raises have exposed a total of 222 feet of mineralization in four separate structures.

Chip samples from the 1350 m level drifts have returned the following:

Drift	Width (feet)	Length (feet)	Average Grade of Structure	
			Gold oz/ton	Silver oz/ton
502 E+W	5.0 (diluted)	141	0.300	38.00
505 N+S	10.1	118	0.120	9.15
505 S	7.5	95	0.141	7.61
510 SE	5.6	106	0.485	52.61
512	7.6	108	0.205	9.86
515 SE	5.8	75	0.090	10.69

Chip samples from raising above the 1350 m level have returned the following:

Raise	Width (feet)	Length (feet)	Average Grade of Structure	
			Gold oz/ton	Silver oz/ton
135-504N *	5.0 (diluted)	95.0	0.250	22.60
135-513N	8.1	26.2	0.398	22.33
135-511	5.9	52.5	1.993	172.42

* still in progress

On the lower or 1300 m level, four drifts have been driven along 555 feet of mineralized structure and three raises have exposed 232 feet of mineralization in three separate structures.

Chip samples from the 1300 m level drifts have returned the following:

Drift	Width (feet)	Length (feet)	Average Grade of Structure Gold oz/ton	Silver oz/ton
505-300 N+S	5.6	250	0.153	9.96
509-301 N+S	5.0 (diluted)	171	0.280	12.76
510-301 SE	5.3	105	1.033	79.75

Chip samples from raising above the 1300 m level have returned the following:

Raise	Width (feet)	Length (feet)	Average Grade of Structure Gold oz/ton	Silver oz/ton
130-508S	5.0 (diluted)	98.0	0.432	21.97
130-503S *	5.0 (diluted)	100.7	0.183	9.94
130-511A	5.7	32.8	2.017	152.59

* still in progress

This drifting and raising, together with continued geological interpretation has improved our understanding of the deposit. Mineralization has been shown to occur in discrete high grade shoots within a well mineralized structure. These shoots have been shown to be continuous along strike for lengths ranging up to 250 feet and up plunge for lengths of up to 100 feet.

Three additional raises are in progress from the 1300 m level. An exploration drift has been driven to the south at the 1325 m level. This drift will provide access to explore the southern extension of the structure with a pattern of underground drill holes.

Reconnaissance Program

Over the summer months, the Joint Venture has conducted a reconnaissance program with the objective of reviewing the many known zones of mineralization on the property and assessing their potential.

The area known as the **Sulphurets Lake Zone** was resampled and revealed gold mineralization in shear zones with grades of 0.246 ounces of gold per ton, 1.38 ounces of silver per ton over 6.6 feet and 0.244 ounces of gold per ton, 2.99 ounces of silver per ton over 6.6 feet.

The **Sulphurets Gold Zone** was tested and returned assays as high as 0.154 ounces of gold per ton in grab samples and 0.086 and 0.097 ounces of gold per ton over 9.8 feet. This zone appears as a broad halo around the west, south and east sides of the Main Copper Deposit discovered by Granduc Mines Ltd. in the early 60's.

The eastern end of the **Mitchell Sulphurets Ridge** was also tested and was named the **Josephine Zone**. Numerous quartz stockworks were sampled with resulting assays as high as 0.189 ounces of gold per ton, 84.01 ounces of silver per ton over 10.1 feet and as high as 0.309 ounces of gold per ton, 41.77 ounces of silver per ton in grab samples.

A new area named the **Golden Marmot Zone** was discovered approximately 1.5 miles north of the West Zone. Surface chip sampling of the zone gave results as high as 0.956 ounces of gold per ton, 0.32 ounces of silver per ton over 8.2 feet. Trenching returned assays as high as 4.814 ounces of gold per ton, 3.52 ounces of silver per ton over 9.8 feet. Five diamond drill holes were drilled in the Golden Marmot Zone, but assay results are not yet available.

Access and Camp Facilities

The access route from Highway 37 to the Knipple Glacier is now complete with the exception of a final clean up. Road access, including a new road around Brucejack Lake, is now in daily use. An airstrip in the Bowser Valley to complement this access, will be completed shortly. The camp and associated facilities have been upgraded with the addition of an assay lab and maintenance shop. A budget is being prepared for the next phase of exploration to follow the completion of the current phase, scheduled to end late this year.

UTC Zone

Work is underway to further define the mineralization encountered in the deep surface diamond drilling completed earlier this year. In two deep holes completed in July, significant intersections were encountered higher in the hole than anticipated, approximately 1,000 feet from surface and about 250 feet east of the West Zone.

These intersections indicate a possible new zone, named the "UTC" Zone. Additional surface diamond drilling is now underway to further test the zone and it is anticipated underground definition drilling will be scheduled from the current West Zone workings. Results of surface holes received to date are:

Drill Hole	From (feet)	To (feet)	Intercept (feet)	Gold oz/ton	Silver oz/ton
S-88-279 *	989.1	995.7	6.6	0.184	4.45
	1004.5	1018.3	13.8	0.168	1.66
	1046.9	1060.7	13.8	0.535	2.01
	1109.6	1116.2	6.6	1.193	.80
S-88-285	857.0	893.0	36.0	0.412	9.78
	987.0	1007.0	20.0	0.412	4.09

* Drill Hole reported previously as a portion of the deep drilling program.

A particularly significant high grade intersection has been encountered in Hole S-88-289 drilled on the same section as Hole S-88-285. Confirmatory assaying is now in progress and results will be announced when received.

NEWHAWK GOLD MINES LTD. (N.P.L.)

Per:

"D.A. McLeod"

Donald A. McLeod
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

higher
Au/Ag ratio
than West
Zone