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PRESS RELEASE

Wednesday, June 26 1991
Vancouver, British Columbia

GOLD DISCOVERED ON CENTRAL ZONE

Mr. Larry W. Reaugh, President and Chief Executive Officer of Rea Gold Corporation ("Rea Gold") reports significant results from surface drilling at their Samatosum Mine, a joint-venture between Minnova Inc. (70%), the operator, and Rea Gold, who have 30% interest and 5% net smelter return.

Analyses of intersections from diamond drill hole RG 398, located on the north side of Johnson Creek, have returned the following results:

120+00W, 800mN

Section 8+00W, dip -55°, azimuth 225°, depth 374.8m. See attached map for location.

Interval (m)	Width	Au (oz/ton)	Au (g/t)
156.3 to 158.4m	2.1m	1.17	40.03 (uncut)
156.3 to 158.4m	2.1m	0.20	6.89 (cut to 1 oz/ton)
includes			
156.9 to 157.3m	0.4m	6.076	208.31 (uncut)
232.9 to 233.4m	0.5m	0.17	5.90 (uncut)
235.3 to 240.2m	4.9m	0.16	5.36 (uncut)

Visible coarse gold was intersected in milky-white quartz carbonate veins within the highly deformed Samatosum sedimentary unit which lies between the known mineralized horizons. The mineralized veins appear to be part of a swarm that has been subjected to folding along with the host rock.

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Drilling to test the extent of the new find includes DDH RG 400 (updip of RG 398), DDH RG 401 (100m northwest of RG 398) and RG 402 (100m southwest of RG 398). Analyses of these drill holes have not yet been completed. The total metallics method of analysis is utilized where the quartz carbonate veins are present.

ON BEHALF OF THE BOARD

Larry W. Reaugh
President and Chief Executive
Officer

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

MINNOVA

MEMORANDUM

DATE: June 25, 1991

A
TO: I.D. Bayer

COPIES A
COPIES TO:

DE
FROM: Ian Pirie, Minnova Inc.

SUJET
SUBJECT: Results from RG 398

	Interval (m)	Width	Au (oz/ton)	Au (g/t)	
	156.3-158.4	2.1	1.17	40.03	(uncut)
incl	156.9-157.3	0.4	6.076	208.31	
	156.3-158.4	2.1	0.20	6.89	(cut to 1 oz/ton)
	232.9-233.4	0.5	0.17	5.90	
	235.3-240.2	4.9	0.16	5.36	

cc. Larry Reaugh, Rea Gold

MINNOVA INC.

DATE: JUNE 23, 1991.

TO: I. PIRIE

FROM: C. NAGATI

SUBJECT: SUMMARY LOG : RG 400 NEXT HOLE

HOLE: RG 400 STARTED: JUNE 18 FINISHED: JUNE 21, 1991.

NORTHING: 800mN EASTING: 12000mW DIP: -55 AZ: 225

PROPERTY: SAM

PURPOSE: To test the updip extension of the new gold mineralization zones intersected in hole RG 398.

FROM	TO	ROCK TYPE
0.0	92.65	CASING/OVERBURDEN
92.65	124.4	GREENISH-YELLOW SERICITE ALTERED SEDIMENTS AND QUARTZ-CARBONATE VEINS : The principal rock type throughout the interval is intensely sericitized sediments. Quartz-iron carbonate veining occurs primarily in the intervals 97.5-106.6m and 112.1-115.05m. The veins are coarse grained with irregular contacts which vary in orientation between 20 to 90 degrees to the core axis. At 99.5m a quartz vein hosts an irregular flake of VISIBLE GOLD measuring 0.75x2mm. Locally veins contain very fine grained felted masses of acicular arsenopyrite. There are trace amounts of base metals associated with some veins. Between 107.37-107.65m there is 10% aspy, py and 8% base metals.
124.4	242.9	ARGILLITE AND SERICITICALLY ALTERED SEDIMENTS : The core is 50% to 85% black argillite which alternates with sericitized seds. Argillite content increases downhole. The boundaries between altered and unaltered are frequently sharp rather than gradational; alteration is possibly due to diagenesis of the siltier beds. Between 124.4-204.7m the sericite is yellow in color. Below 204.7m the sericite is gray, green and brownish rather than yellow. A third zone of quartz-carbonate veining occurs between 127.4

RG 400 Cont... -2-

-138.4m. Trace amounts of base metals are disseminated in the veins.

*** END OF HOLE ***

DISCUSSION:

The current hole intersected visible gold bearing quartz-carbonate veins 90m updip of the initial intersection in hole RG 398. The amount of sulphides present in these veins was still very low, but the presence of two forms of arsenopyrite was notable.

The lower zone of veining was found to be barren of visible gold but carried trace amounts of base metal sulphides.