

KETTLE RIVER RESOURCES LTD.

823395

NEWS RELEASE

August 2, 1982

Kettle River Resources Ltd. has now completed the initial 20 hole phase of the diamond drill program on the Sylvester K Gold Discovery in the Phoenix Mining Camp near Greenwood, British Columbia. Results from all holes are summarized below. (Information on holes 1-9 were reported previously in the Company's June 16th News Release.)

The drill program has indicated that the discovery zone is cut-off by a nearly flat fault structure about 100 feet below the center of the main trench. Part of this structure is occupied by a complex of post-mineral volcanic dykes. Beneath this fault the mineralized zone has been displaced for at least 800 feet to the east toward the former Brooklyn Mine. Drilling to date has not located this offset part of the zone.

Holes 15, 16, and 18 intersected a previously undetected zone of gold bearing massive sulphide mineralization parallel to and about 280 feet east of the Discovery Zone. This new discovery, named the New York Zone, was intersected for 39 feet in hole 18 and includes a 10 foot intersection grading 0.155 ozs. per ton gold.

Hole 20 was drilled at minus 35° from west to east to gain geological information on the area beneath the flat fault. A strong zone of sulphide mineralization was intersected between 888 feet and 1230 feet but this zone is not thought to correlate with the Discovery Zone. Assays indicate that gold values are not significant in this deep zone.

Prior to the commencement of the second phase of drilling, results of the first 20 holes will be compiled and evaluated. The next drill program will define the grade and tonnage of the reserves on the Discovery Zone, explore the New York Zone further, test the strong geophysical target on the Timer Zone, (located 270 feet west of the north end of the Discovery Zone) and possibly explore the large geophysical I P anomaly between the Sylvester K and the former Brooklyn Mine.

Kettle River has now fulfilled the obligations of the option agreement with Noranda Exploration Company Ltd., and has earned a 49% interest in all of Noranda's claims in the Phoenix Camp. The Company has over 2.5 million dollars in the treasury and is adequately financed to continue exploration.

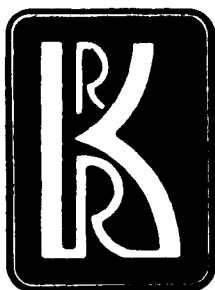
On the Blue Bell joint venture with New Frontier Petroleum Corp. and Fairmont Gas & Oil Corp., several targets have been defined by geophysical, geochemical and geological surveys, and trenching has begun on the first target area. Exploration is also being carried out on the Sappho, R B, and Rainbow Properties.

KETTLE RIVER RESOURCES LTD.

Brian Fagan

Brian Fagan
Vice President

This release has been prepared by Kenneth L. Daughtry P. Eng., Director and Mr. Daughtry accepts full responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved of the information herein.



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RESULTS FROM THE INITIAL 20 HOLE DIAMOND DRILL PROGRAM CARRIED OUT BY KETTLE RIVER RESOURCES LTD. ON THE 'SYLVESTER K' PROPERTY, LOCATED IN THE PHOENIX MINING CAMP, GREENWOOD, BRITISH COLUMBIA, MAY, JUNE, JULY, 1983. HOLES 1-19 WERE DRILLED FROM EAST TO WEST AND HOLE 20 WAS DRILLED WEST TO EAST.

HOLE NO.	ANGLE	LENGTH (feet)	CO-ORDINATES (feet)	INTERVAL (feet)	INTERSECTION (feet)	.OZ/TON GOLD
SK-1	-37°	498	20,000N - 19,900E including including	99.1 - 146.0 99.1 - 135.2 120.0 - 135.2	46.9 36.1 15.2	0.193 0.239 0.349
SK-2	-59°	252	20,000N - 19,902E	98.8 - 110.6	11.8	0.066
SK-3	-75°	283	20,000N - 19,903E	149.0 - 153.4	4.4	0.340
SK-4	-39°	163	19,900N - 19,910E	120.0 - 123.0	3.0	0.073
SK-5	-63°	270	19,900N - 19,915E	no sulphide zone, not assayed		
SK-6	-36°	266	20,100N - 19,935E including including	134.0 - 177.0 134.0 - 157.0 137.0 - 147.0	43.0 23.0 10.0	0.158 0.201 0.263
SK-7	-53°	282	20,100N - 19,936E	157.5 - 167.0	9.5	0.102
SK-8	-85°	390	20,100N - 19,945E	no sulphide zone, not assayed		
SK-9	-40°	263	20,200N - 19,901E	131.3 - 139.7	8.4	0.082
SK-10	-55°	248	20,200N - 19,905E	139.5 - 149.5	10.0	0.028
SK-11	-65°	208	20,200N - 19,906E	149.0 - 158.0	9.0	0.028
SK-12	-40°	168	20,300N - 19,892E	no sulphide zone, not assayed		
SK-13	-65°	193	20,300N - 19,896E	no sulphide zone, not assayed		
SK-14	-37°	173	20,400N - 19,914E	no sulphide zone, not assayed		
SK-15	-40°	438	20,400N - 20,158E	134.0 - 148.0	14.0	0.042
SK-16	-55°	456	20,400N - 20,160E	176.0 - 198.0	22.0	0.062
SK-17	-40°	372	20,300N - 20,159E	237.0 - 240.6	3.6	0.028
SK-18	-60°	253	20,300N - 20,161E including	134.0 - 178.0 168.0 - 178.0	39.0 10.0	0.076 0.155
SK-19	-75°	318	20,300N - 20,162E	no sulphide zone, not assayed		
SK-20	-35°E	1230	20,000N - 19,645E	888.0 - 1079.0	191.0	
				mineralized zone, no significant values		
				1110.0 - 1210.0	100.0	
				mineralized zone, assays not yet received		

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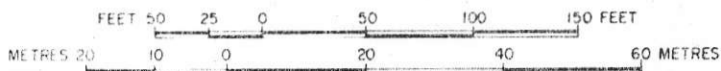
Brian Fagan

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Vice President

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ASSAY RESULT MAP FROM CURRENT TRENCHING ON THE SYLVESTER PROPERTY

GREENWOOD-PHOENIX AREA
BRITISH COLUMBIA



LEGEND

- CHIP SAMPLE
- GRAB SAMPLE
- MASSIVE SULPHIDE ZONE
- FOOTWALL DISSEMINATED-PYRITE ZONE
in argillaceous sediments, minor tuffaceous
rocks and sandstone.
- EXTENT OF ROCK EXPOSURE
- CROSS TRENCH
- py, po PYRITE, PYRRHOTITE

NOTE

Map drawn from information supplied
by K.L. Daughtry and Associates Ltd.

