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Rea Gold

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FALCONBRIJ THB

FALCOBRIJ NWR

NOVEMBER 9/83

B D SIMMONS

FOR THE IMMEDIATE ATTENTION OF DR. C CARBONNEAU AND E A SETH

PROPOSED PRESS RELEASE

CORPORATION FALCONBRIDGE COPPER AND REA GOLD CORPORATION ANNOUNCED TODAY THE SIGNING OF AN AGREEMENT UNDER WHICH FALCONBRIDGE COPPER HAS THE OPTION TO ACQUIRE FROM REA GOLD A 51 PERCENT INTEREST IN A PRECIOUS AND BASE METAL PROPERTY LOCATED AT ADAMS LAKE NEAR KAMLOOBS BRITISH COLUMBIA.

UNDER THE AGREEMENT CFC'S 51 PERCENT INTEREST WILL HAVE BEEN EARNED AFTER IT HAS INCURRED EXPLORATION EXPENDITURES OF AT LEAST 2,000,000 DOLLARS AND COMPLETED A FEASIBILITY STUDY. REA GOLD WILL THEN HAVE THE RIGHT TO PARTICIPATE IN A JOINT VENTURE WITH A 49 PERCENT INTEREST.

UNDER THE AGREEMENT FALCONBRIDGE COPPER WILL ALSO HAVE THE OPTION TO ACQUIRE UP TO APPROXIMATELY A 50.6 PERCENT SHARE INTEREST IN REA GOLD FOR PRICES WHICH ESCALATE OVER 30 MONTHS FROM 3.00 DOLLARS PER SHARE TO 10.00 DOLLARS PER SHARE.

FALCONBRIDGE COPPER WILL BEGIN AN EXPLORATION PROGRAM ON THE PROPERTY IMMEDIATELY WHICH WILL CONTINUE THROUGH THE WINTER.

SAMPLES TAKEN BY FALCONBRIDGE COPPER ON THE MINERAL SHOWING AVERAGED 1.32 OUNCES OF GOLD PER TON, 7.3 OUNCES OF SILVER PER TON, 2.6 PERCENT COPPER, 3.2 PERCENT ZINC AND 7.8 PERCENT LEAD OVER AN ESTIMATED WIDTH OF 3.2 METERS

A DAVIDSON

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