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Homestake
103P/12E

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NEWS RELEASE

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James M. Stephen, President, is pleased to announce that NDU has acquired the 5000 acre Homestake gold property near Alice Arm, B.C. It includes six Crown Granted claims that were part of the original 1914 discovery, optioned from the Bevil and McKern families of California, a seven claim block owned by Caulfield Resources Ltd. of Vancouver, 37 units owned by On Wah Investments Corp. of Vancouver, and 50 units acquired by staking. The property is three miles by an easy route from the end of a 20 mile road northeast of Alice Arm and immediately north of the Torbrit and Dolly Varden silver deposits.

The Homestake mineralization occurs in the same geological setting as the major gold deposits in the Stewart-Iskut district - Silbak, Big Missouri, Snip, Calpine and Tenajon. Gold occurs in sulphide lenses and low-sulphide alteration zones associated with volcanic complexes. Previous exploration on the Homestake property has included several short adits and hand trenches, and partial geophysical and geochemical coverage. Although analysis of soil samples for gold has been carried out on only a small portion of the property, several strong anomalies were outlined. No diamond drilling or bulldozer trenching has been performed. The consolidation of the claim ownership by NDU will permit the first modern systematic exploration of the entire Homestake deposit.

Previous gold assays reported from the Homestake property include a 27 foot chip sample grading 0.8 oz/ton from the Bevil-McKern group, 2.8 oz/ton across 76 inches from the Caulfield block and 1.72 Oz/ton across 28 inches from the On Wah claims. An 8.8 ton shipment from the Bevil-McKern claims in 1939 contained 36 ozs of gold, 52 ozs of silver, 1320 lbs of copper and 668 lbs of zinc, according to B.C. government records.

NDU can earn a 100% interest in the Bevil-McKern claims, subject to a 3% net smelter return interest, by carrying out \$750,000 of exploration and making staged payments totalling U.S. \$160,000 before January 30, 1993. A 50% interest can be earned in the Caulfield and On Wah claims by conduction exploration totalling \$550,000 and making cash payments totalling \$50,000 prior to 1992.

Under a separate agreement, NDU has agreed to grant an option on half of its rights under the Bevil-McKern, Caulfield and On Wah agreements to Noranda Exploration Company, Limited in return for Noranda funding the initial \$1,000,000 of exploration prior to December 31, 1991 and making all cash payments required to vest NDU in the underlying options. Noranda will be the operator of the field program, which will cost a minimum of \$300,000 in 1989. After Noranda has exercised its option, Noranda and NDU will continue exploration as a joint venture, with either party subject to dilution to a 10% net profits interest for non-contribution.

NDU RESOURCES LTD.

Per: _____
JAMES M .STEPHEN
President

COMPANY PRESIDENT JAMES M. STEPHEN PREPARED THIS NEWS RELEASE AND ACCEPTS RESPONSIBILITY FOR ITS CONTENTS.

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