



#580, 625 Howe Street, Vancouver, BC, Canada V6C 2T6
Telephone: (604) 685-4368 or 685-6464 Telex: 04-55346

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NEWS RELEASE

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January 19, 1987

In connection with a major restructuring of Carolin Mines Ltd. of Vancouver, British Columbia, the Board of Directors and all executive officers have agreed to resign on or about January 28, 1987. Mr. Neil Blumstein of Manhasset, New York has been appointed Chairman of the Board and Mr. Michael Berns of New York, New York has been appointed Vice Chairman. The other Directors are Major General Norman H. Ross, (Ret.), Mr. Chuck Morton and Mrs. Jean Mary Morton, all of Victoria, British Columbia. Mr. Berns has been appointed Chief Executive Officer and President. Mr. Blumstein has been appointed Chief Financial Officer and Secretary.

Carolin owns an underground gold mine located in Hope, British Columbia which was in production for approximately two years during 1982-1984. Production from the Mine during that period was unprofitable because of metallurgical problems.

Messrs. Blumstein, Berns and James Berns, of New York City (the "Purchasing Group"), have purchased approximately \$26,700,000 Canadian of secured and unsecured debt of Carolin. On January 14, 1987, the Purchasing Group gave notice to convert approximately \$13,468,854 Canadian of these liabilities into common shares. Notice will be given shortly to convert an additional \$8,000,000 of these liabilities into common shares. These conversions will give the Purchasing Group effective control of the Company.

In addition, the Purchasing Group has agreed to advance, subject to regulatory approval, new financing to Carolin in consideration of the issuance by Carolin of a debenture in the face amount of \$10,000,000 and the right to convert the indebtedness from time to time owing by Carolin into common shares of Carolin at a price to be determined.

Since November 14, 1986, the Purchasing Group have provided 100% of all working capital requirements of the Company; it is expected that they will continue to provide

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"Carolin dead file"*

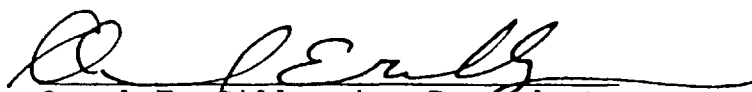
working capital over the short term. The Purchasing Group have also arranged, subject to regulatory approval, to acquire the remaining interests in the Mine held by Ocelot Industries Ltd. and Columbian Northland Explorations Ltd., giving Carolin 100% ownership of the Mine.

The Purchasing Group have also arranged for Intergold U.S.A. Inc. to conduct metallurgical testing and recovery work on the Mine's approximately 800,000 tons of tailings. Preliminary recovery testing by Intergold has indicated that each ton of tailings will yield 1 ounce of gold and 1/2 ounce of platinum at a cost of \$100 U.S. per ton. The preliminary recovery testing was done on randomly gathered samples. Assaying of tailings performed by others has resulted in a wide variance of metal values ranging from trace amounts of platinum group metals to substantially higher platinum group metal values than those reported by Intergold. Accordingly, during the week of January 5, 1987 the Purchasing Group retained independent consulting engineers who supervised a systematic grid and bulk sample of the tailings taken by Intergold. The tailings pile, which is over 100 feet deep, will be drilled in the near future and samples analyzed to determine overall values.

The Company intends to have its shares relisted for trading on NASDAQ during February, 1987 and to make the necessary applications to the Ontario Securities Commission for rescission of its cease trading order. Although the Company is considering a resumption of trading on the Vancouver and Toronto Stock Exchanges, no decisions have yet been made in this regard.

CAROLIN MINES LTD.

Per:


Orval E. Gillespie, President

The Vancouver Stock Exchange has neither approved nor disapproved of the contents of this News Release.