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**THE
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FOR IMMEDIATE RELEASE
January 2, 1992

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Newhawk to Acquire 100% Interest in Snowfield Zone, Add C\$3.7M to Treasury

VANCOUVER, B.C. - As previously reported, Newhawk Gold Mines Ltd has signed a letter agreement with Placer Dome Inc. for Placer to purchase a 100% interest in a portion of the Sulphurets property, identified as the Sulphside Area, for C\$7.2 million. As well, Newhawk has signed an option agreement with joint venture partner Granduc Mines Ltd., effective until February 28, 1992, for Newhawk to purchase Granduc's 40% interest in the Sulphside and Snowfield Areas of the Sulphurets property for C\$3.5 million.

Completion of these agreements will net Newhawk C\$3.7 million to bring Newhawk's cash position to over C\$7 million and increase Newhawk's ownership in the Snowfield Area to 100%. Newhawk continues as operator and retains its 60% ownership in the Bruceside Area.

The Snowfield Area includes the Snowfield Zone which holds significant potential to develop into a bulk tonnage mineable open pit gold deposit. Step out drilling and trenching conducted in 1991 indicates that the ultimate tonnage developed on the zone could be well in excess of the previously reported reserves of +/- 7 million tons grading 0.075 oz gold/ton. Newhawk may invite joint venture participation from major mining companies as one of its strategies for the development of the Snowfield Zone.

The exploration and development of the Bruceside Area will continue and planning is now in progress for a 1992 exploration program, with particular emphasis on the area of the West Zone. Extensive underground and surface work has been conducted on the Bruceside Area since the joint venture commenced work at Sulphurets in 1985. Geological reserves on the West Zone total 826,400 tons grading 0.449 oz gold/ton and 18.9 oz silver/ton.

In 1990 a production decision on the West Zone was deferred pending a return to higher metals prices. However, the addition of reserves in the many promising surrounding zones could advance the possibility of production for this zone.

Early in 1992, Newhawk will commence a significant program in search of economic mineral deposits located mainly in the United States and Mexico. This program will review grass roots targets, joint venture projects and outright acquisitions. Canadian properties with exceptional merit will be considered. A map identifying the areas mentioned above accompanies this release.

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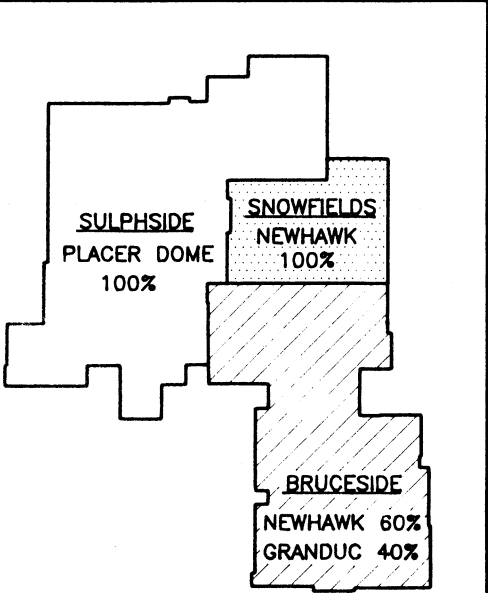
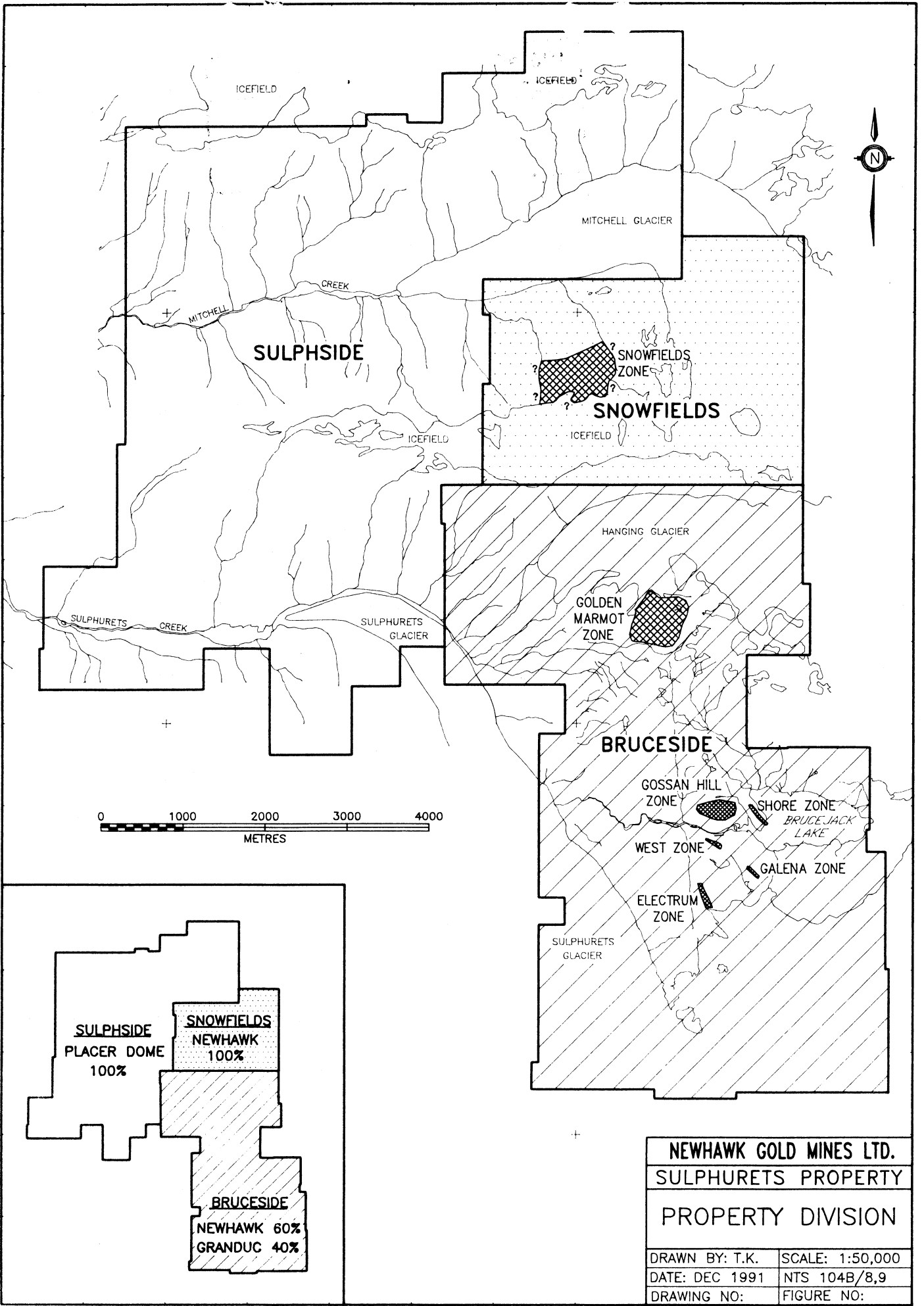
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NEWHAWK GOLD MINES LTD.	
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PROPERTY DIVISION	
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