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WESTERN CANADIAN INVESTMENTS

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NO. 36 (2000)
FEBRUARY 22, 2000

MINISTRY of
EMPLOYMENT and INVESTMENT
FEB 23 2000

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REDHAWK RESOURCES INC.

[RDK-CDNX] 4,558,155 SHS.

REDBIRD AREA HOLDINGS EXPANDED - Kristian Ross, president,
reports Redhawk

Resources Inc. has signed an option agreement for land and mineral titles adjoining the company's Redbird property south of Trail, BC, from REEVES MACDONALD MINES LTD. Redhawk also signed a letter of understanding with ZINCOX RESOURCES BV to explore and develop zinc oxide deposits on the Redbird and adjoining optioned Reeves property (collectively the Remac project). Both transactions are subject to CDNX approval and the Redhawk/ZincOx agreement is also subject to the approval of the boards of directors of Redhawk and ZincOx.

The Reeves property is located 35 km southeast of Cominco's zinc, lead smelter complex at Trail and consists of about 315 hectares of crown granted mineral rights and Crown granted and fee simple land. The option to purchase agreement allows Redhawk to consolidate a package of mineral claims covering approximately 4,430 hectares or 17 square miles.

ZincOx and Redhawk see the zinc oxide project at Remac as a potential source of low cost zinc metal due to recent metallurgical advances.

Redhawk has a four year option to purchase the Reeves property for \$1,950,000. Under the terms of the agreement Redhawk has made a \$1,000 irrevocable option payment to Reeves. Redhawk has 60 days from signing to get regulatory approval for the transaction and to then make a \$149,000 option payment to Reeves. The option can be extended on a yearly basis for an option payment of \$20,000 to Reeves until the purchase price is due.

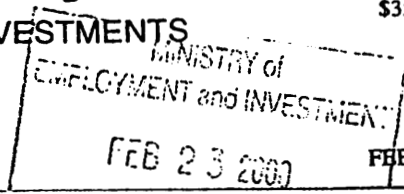
As part of this agreement, Reeves will subscribe for a \$100,000 "part and parcel" private placement of 250,000 shares of Redhawk at 40¢ per share. These shares will be subject to a one-year hold.

Coincidental with this announcement Redhawk also reports an agreement with ZincOx Resources BV to fund the exploration and development of the Remac zinc oxide project. The agreement provides for ZincOx to spend an optional \$3,000,000 over four years to earn a 50% interest in the zinc oxide project. The first year's

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ogram, of which Redhawk will be the operator, calls for a 100,000 expenditure. Following ZincOx's earn-in the project costs will be split 50/50 with a standard dilution clause for non-contribution.

As part of this agreement ZincOx will subscribe for a \$200,000 part and parcel private placement consisting of 500,000 units at 40¢ per unit. Each unit consists of one share and one warrant entitling ZincOx to buy an additional share at 50¢ for the first year and 60¢ for the second year. Funds from this private placement and the Reeves private placement is for the general corporate purposes of Redhawk. Subject to regulatory approval a finder's fee of 25,000 shares is payable on this private placement. Prior to the private placement described above ZincOx owns 600,000 Redhawk shares and has a warrant to increase their holdings to 1,200,000 shares.

The Remac zinc oxide project sits on and adjoins the site of a successful zinc sulphide mine that operated for 25 years before closing in 1975. The overlying zinc oxide zones were not mined, as the necessary skills were not available to recover the zinc in its oxide form. Redhawk has a high degree of confidence of the integrity of these zones through projections of underlying previously mined sulphide zones, geological projections, and surface and underground sampling. Management also believes there is room within the overall oxidized envelope to locate additional zones. As well considerable potential exists to expand the size of these zones by including their hanging wall portions which were not mined in the sulphide mine. An example of this potential is shown by the 1998 trenching of the Beer Bottle Zone. This showing was as a trenching with a backhoe and channel sampled by O. H. Klein, Eng., and gave the following results in the totally oxidized zone:

- 1) A footwall section grading 21.93% zinc, 3.1% lead, and 0.78 oz. silver/ton over 33.1 feet (estimated true thickness 21.5 feet)
- 2) An immediately overlying hangingwall section grading 17.77% zinc, 1.77% lead, and 0.11 oz. silver/ton over 25.4 feet (estimated true thickness 16.5 feet)

Taken together these sections would grade 14.93% zinc, 2.52% lead and 0.49 oz. silver/ton over an estimated true thickness of 38 feet.

In the Redbird zone underground development conducted in the early 1960's by Cominco while searching for a deeper sulphide zone beneath the oxidized surface showings. Sample plans show this zone grading 18.5% zinc and 6.5% lead along a length of 600 feet and across a thickness of 20 feet.

Redhawk will initially attempt to upgrade these and the other delineated steeply dipping zones to resource and reserve status by trenching and drilling. An ongoing program of metallurgical testing will begin under the direction of Noel Masson of ZincOx following the start of the trenching and drilling program.

The most recent advances in commercial zinc oxide beneficiation came at Reunion Mining's Skorpion project in Namibia under the direction of Mr. Masson. Skorpion is situated in a remote location in Namibia and contains a fully diluted proven and probable reserve of 19,500,000 metric tonnes grading 10.1% zinc. At Skorpion, London Special High Grade zinc metal is expected to be produced for \$24/pound.

In May 1999 Reunion was taken over by Anglo American following the completion of a detailed feasibility study by Reunion) Anglo American acquired the 60% portion of the Skorpion zinc oxide project owned by Reunion. Michael Foster, who was the managing director of Reunion, recently became a Redhawk director as the representative of Anglo American Resources BV.

The significance of the new zinc oxide beneficiation technology is that, unlike with sulphide production, it allows pure zinc metal to be produced without the need to send a concentrate to a conventional smelter. Although much detailed testing will be necessary to ensure success, preliminary metallurgical testing is encouraging and indicates the material should be amenable to beneficiation. Remac is close to necessary infrastructure. (SEE GCNL NO.219, 16Nov99, P.3 FOR PREVIOUS REDBIRD PROJECT INFORMATION)

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