

NO.153(1989)
AUGUST 10, 1989

DOLLY VARDEN MINERALS INC. (DYV-V)
AMERICAN PACIFIC MINING COMPANY, INC. (APA-V)
FIRST ASSAYS FROM 1989 DRILLING EXPECTED SOON

The first eight diamond drill holes, about 3,100 feet of core, have been completed on the Red Point North and Red Point zones on Dolly Varden Minerals property 30 km southeast of Stewart, B.C. The holes encountered sulphide mineralization and are expected to be shipped from the property for assaying in the next few days, with the results available about Aug.25,1989. Drill testing of the massive sulphide copper and gold showings is continuing. (SEE THE MAP OVERLEAF FOR THE PROPERTY LOCATION AND THE RELATIONSHIP TO THE SAME FORMATIONS WHICH HOST OTHER GOLD-COPPER DEPOSITS IN THE STEWART AREA. ALSO SEE OVERLEAF PAGE TWO FOR A REVIEW OF THE DEPOSITS IN THE AREA.)

The 1989 program is budgeted at \$900,000 which was provided through the private placement of 1,500,000 treasury shares of Dolly Varden at 65¢ each to American Pacific, with warrants to purchase a further 1,250,000 shares at \$1.30 each until April 15,1990. Fully diluted Dolly Varden Minerals has 12,200,348 shares issued.

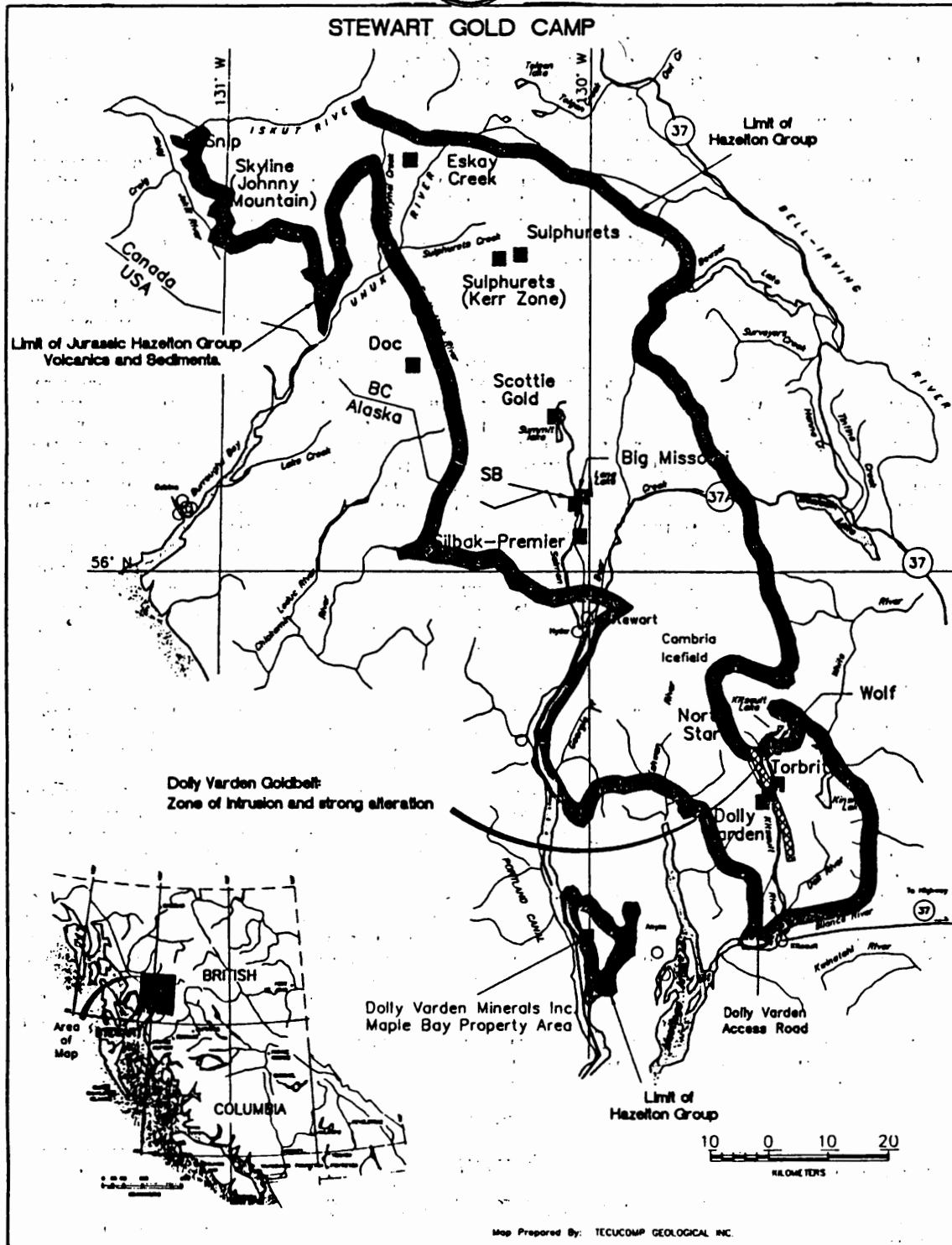
In the recent progress report Dolly Varden reported channel samples from old trenches on the Red Point and Red Point Extension as: South showing 0.165 oz.gold/t over 15 feet of width and a length of 125 feet. The best value along this strike length included 0.452 oz.gold/t over a 6.4 ft. width and 0.321 oz.gold/t across 3.6 feet. The Central showing returned an assay of 0.05 oz.gold/t over 9 feet. The North showing averaged 0.106 oz.gold per ton over a width of 12 ft. for a strike length of 165 feet. The best values included 0.303 oz.gold/t over 7.9 feet and 0.176 oz.gold/t across 10.4 feet.

These assays confirm values reported in sampling programs in 1916, 1921, 1966 all reported 19 years ago in GCNL No.147, July 17,1970. Copper values reported in those samples ranged from 0.3% to 7.54% copper.

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