

AN INVESTMENTS

REGIONAL RESOURCES LTD. (RGL-V,T)

REGIONAL RECEIVES - Graham Farquharson, president, OFFER FROM CANAMAX reports Regional Resources Ltd. has received an offer to sell from CANAMAX RESOURCES INC. (CMX-T,M) to Regional the 24.5% interest in the Midway project in northern B.C., 60 miles SW of Watson Lake, Yukon, for \$1,100,000. Subject to clarification of certain contractual commitments, Regional intends to accept the offer. The acquisition will bring Regional's interest in the Midway property to 75.5% with Procan Exploration Company Limited holding the remaining 24.5%.

Regional also reported its intention to initiate another underground program on the Midway property comprising 1200 m of underground development and 15,000 m of diamond drilling. The program is designed to increase the geological reserves which are presently estimated at 1,185,000 tonnes grading 410 grams of silver per tonne, (12 oz.silver/ton), 7.0% lead and 9.6% zinc and is expected to be completed during the first half of 1990.

The underground program is estimated to cost \$7,000,000 and Procan is not expected to participate. Under an existing agreement with Nanisivik Mines Ltd., signed in May 1984, Nanisivik will provide \$2,100,000 of the cost through the issue of 300,000 flow through shares at \$7 per share. The added costs, and any contingencies, will be financed through a new agreement under which Nanisivik will provide up to \$6,200,000 through the issue of 2,800,000 flow through shares at \$2.20 per share. The new agreement is subject to approval by the regulatory authorities and shareholders. An extraordinary general meeting is expected to be held in October 1989 to approve the financing. There currently are 5,878,600 shares of Regional issued, before the above financings.

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