

BLUE GOLD RESOURCES LTD. (BLQ-V)

ISKUT PROPERTY ACQUIRED - Charles S. Underhill, president, reports that subject to regulatory acceptance, Blue Gold Resources Ltd. agreed to acquire the Rust 1-4 claims comprising 71 units located in the Iskut River area, Lard mining division, B.C. Two gossns were discovered on the Rust property in 1988; one grab sample contained values of 9.79 oz. silver/ton with additional values in lead and zinc.

Blue Gold also recently signed an option agreement, which has received regulatory acceptance, to earn a 5% interest in the Gold 17-20 mineral claims in the Iskut River area, B.C. Exploration programs will be conducted on both of the Iskut River properties in 1989.

Subject to receipt of the required permits, a diamond drilling program is scheduled to start on the 100% owned Keystone property, Nicola mining division, B.C. Diamond drilling will be conducted in the area of the previous partially developed Keystone Mine and the recently discovered Julie zone where an earlier drill hole encountered 0.25 oz. gold/t over a width of 6.1 meters.



104B GENERAL