

AVONDALE RESOURCES INC. (AVD-V)

PANEL	FROM - TO	WIDTH	GOLD	SILVER	ZINC
<u>SAMPLE</u>	<u>FEET FEET</u>	<u>FEET</u>	<u>OZ/T</u>	<u>OZ/TON</u>	<u>%</u>
Right Rib	9.8 - 19.7	9.9	0.34	0.06	0.88
Includes		3.3	.94	.06	.90
Left Rib	9.8 - 23.0	12.2	.07	.54	1.73
Includes		3.3	.23	.45	.41

EXPLORATION UPDATE - William Campbell, secretary, reports Avondale Resources Inc. has received assays for the underground exploration program on the Inel project located in the Iskut River area about six km east of Johnny Mtn., 100 km northwest of Stewart, B.C. Avondale, the operator, can earn a 50% interest from GULF INTERNATIONAL MINERALS LTD. (GIM-V) by cash payments of \$150,000 by 31Mar92, issuing 500,000 shares by 31Mar94 and \$10,000,000 on exploration by 31Dec93.

The adit has been in progress since Aug. 8 toward the AK zone, the primary target of the underground exploration program. Sampling just inside the portal encountered a mineralized zone believed to be a strike extension of the Ninety-Eight zone. This zone was discovered by drilling in 1989, returning an intercept of 1.6 feet grading 96.279 oz.gold/ton. Other holes on the zone returned 15.1 feet of 0.48 oz.gold/ton, 6.9 feet of 0.32 oz.gold/ton and 4.9 feet of 0.56 oz.gold/ton. The above table lists results from panel samples of each rib of the adit, which has now advanced about 300 feet toward the AK zone.

Here, drilling in 1989 indicated gold and base metal mineralization occurs over true widths of six to 18 feet at the footwall contact of a syenite intrusive. Best drilling intercepts from the AK zone include 24 feet of 0.628 oz.gold/ton, 13.1 feet of 1.508 oz.gold/ton and 20 feet of 0.422 oz.gold/ton. The zone has been traced for 125 feet on surface where it is exposed between two icefields. Bulk sampling over a width of 25 feet and along the 125-foot strike length returned 0.876 oz.gold/ton. The zone is open down-dip below the limit of current drilling (280 feet) and along strike in both directions.

The underground program entails about 1,500 feet of adit and footwall drifting to establish drilling sites for about 12,000 feet of diamond drilling. This is planned to test the continuity of mineralization over a minimum 1,000 feet of strike length of the AK zone and down-dip from the deepest drilling to date. At the present rate of progress, the adit will reach the first drill station during the second week of September. Budget for the underground work is a minimum \$2,500,000. (SEE GCNL No.129, 5Ju190, P.2 FOR PREVIOUS INFORMATION)

104B 113