

NO.245(1990)
DECEMBER 19, 1990

George Cross

Reliable R.

WESTERN CANADIA

VANGOLD RESOURCES INC. (VN-V)

PRIVATE PLACEMENT ARRANGED - Dal Brynelsen, president, reports Vangold Resources Inc. has arranged, subject to regulatory approval, a private placement of 300,000 flow-through shares at 50¢ each for total proceeds of \$150,000. The placee will also be granted warrants to buy an additional 300,000 shares for one year at 65¢ each. Midland Walwyn Capital Inc. will receive a commission of 10% of the proceeds in free-trading shares on closing the private placement. A 5% finder's fee is also payable. The shares to Midland and the finder will be at 45¢ each.

Proceeds will be used to fund exploration of Vangold's recently optioned North Belt property located immediately north of Rossland, about six km from the Cominco smelter at Trail. To earn a 50% interest, Vangold must pay \$100,000, issue 200,000 shares and spend \$500,000 on exploration. Once the 50% option is exercised, Vangold can earn another 10% by spending an additional \$250,000 on exploration by Oct.19/93.

A 5,000-foot diamond drilling program has begun on the North Belt property, which contains several zones of near-surface, high grade gold mineralization on strike with and directly adjacent to the past-producing Le Roi mines where 3,000,000 ounces of gold was mined at 0.5 oz.gold/t. Previous operators of the North Belt property outlined a mineral inventory of 57,000 ounces of gold in 37,588 feet of shallow diamond drilling. Subsequent detailed geophysical and geological programs outlined numerous strong anomalies coincident with known high grade gold mineralization. The present drilling will focus on these targets, including the Iron Colt vein where 7.1 oz.gold/ton was intersected over 8.4 feet, the Bedspring trend where strong geophysical anomalies and surface assays up to 3.7 oz.gold/ton coincide with the same geological structures found in the high grade Iron Colt zone, the Gertrude claim which is on strike with the 600,000-ounce War Eagle/Number One vein, the Evening Star West zone, the Evening Star Blind zone where 38 feet of skarn mineralization grading 0.17 oz.gold/ton was intersected and the Georgia claim where drilling will test geophysical anomalies.

Once the private placement is completed, Vangold will seek to have its inactive status removed. (SEE GCNL No.218, 9Nov90, P.3 FOR PREVIOUS INFORMATION)

82FSW 100