

HAWKEYE DEVELOPMENTS LTD. (HAD-V)
POLESTAR EXPLORATIONS INC. (PSE-V)

FURTHER DETAIL REPORTED TO GARNET FUNDING - Hawkeye

Developments
has signed a letter of intent to fund Polestar Exploration's Crystal Peak garnet property. The letter provides : Hawkeye will provide \$1,000,000 to Polestar in exchange for shares with a warrant at prices to be set. The proceeds will be used to complete Crystal Peak's feasibility study including extensive market field trials of the product, take the company through the final permitting process and provide working capital. Hawkeye can earn a 70% interest in the Crystal Peak garnet property by making \$5,000,000 in property payments over 5 years, a 3% royalty on net sales and by arranging production financing estimated at \$2,500,000. Hawkeye receives 100% of the net cash flow subject to the 3% royalty on sales until the property payments and production costs are repaid to Hawkeye. After payback, Hawkeye retains a 70% interest subject to the royalty.

In a separate transaction, Hawkeye Developments Ltd. has agreed to purchase 300,000 shares at 30¢ per share of a private corporation. The corporation is owned by some of the directors of Hawkeye. The corporation's objective is to create a pool of capital for the funding of late stage mineral property development. Upon closing of an initial offering of \$30,000,000, the corporation has the option to assume the Hawkeye option of the Crystal Peak garnet property by providing Hawkeye and Polestar with 200,000 shares of CCC each. After financing, the corporation is estimated to have 5,400,000 shares outstanding.

Hawkeye Developments Ltd. has a letter of intent with Haywood Securities Inc. for a private placement of 500,000 shares at 40¢ each and a rights offering of .49 rights for each share at a price to be set. The underwriters will guarantee a minimum exercise of \$600,000. The underwriters will receive 480,000 rights and a finders fee of 5%. Proceeds will be used to finance the private placement with Polestar.

The Crystal Peak garnet property on Mt. Riordan near Pentiction, B.C. has drill indicated reserves of 40,000,000 tonnes plus possible reserves of 60,000,000 tonnes grading 80% Andradite garnet. Garnet is used in the abrasive blasting industry to strip steel surfaces. The U.S. industry's consumption is estimated at over 5,000,000 tonnes/yr. Currently, garnet sells for \$200-\$800 US per tonnes. Polestar's preliminary cost estimates indicate a selling price of \$100-\$140 Cdn. per tonnes f.o.b. Vancouver is feasible.

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