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George Cross
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KESTREL RESOURCES LTD. (KRZ-V)

EXPLORATION BEGINS - Robin T. Forshaw, president, reports Kestrel Resources Ltd. has begun exploration programs on its properties in the Iskut River area some 70 miles northwest of Stewart, B.C. Phase I of a two-phase program on the KRL claims, joint ventured to CLIFTON STAR RESOURCES INC. (CFO-V), is underway and comprises prospecting, grid work, detailed geochemical and geophysical surveys and detailed geological mapping and sampling. The Phase I work has already discovered mineralized quartz veins and extended the area of interest about 500 meters from the original showings, which assayed up to 7.28 oz. gold/ton. Detailed mapping and sampling is now underway on the extension. Phase II, scheduled to begin mid-July, comprises up to 5,000 feet of drilling based on targets established in Phase I. Clifton Star can earn a 50% interest by paying \$250,000 by Oct.1/90 and spending \$1,500,000 on exploration by Oct.31/93.

Work on the STU property, also joint ventured with Clifton Star, will begin the third week in July. Clifton can earn a 50% interest by paying \$100,000 by Oct.1/90 and spending \$750,000 on exploration by Oct.31/93.

Phase I work has also begun on the B-1 north property. The grid has been established and geophysical surveys will be completed by 1Jul90. Prospecting has resulted in the discovery of two new mineralized showings which are presently being sampled in detail.

Work on the remaining properties, joint ventured with DUNDEE RESOURCES CORP. (DNU-V), PRESIDENT MINES LTD. (PDT-V), BURNAC ENERGY CORP. (BUS-V) and CONSOLIDATED FWING INDUSTRIES INC. (CNG-V) will begin mid-July. Kestrel remains operator of all the joint venture projects, which have total work commitments of \$8,000,000 over periods up to four years for the partners to earn a 50% interest.

Exploration on the remaining Kestrel properties will begin in the next few weeks. (SEE GCNL No.37, 21Feb90, P.1 FOR COMPANY REVIEW)

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