

NO.231(1990)
NOVEMBER 29, 1990

George Cross

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POLESTAR EXPLORATION INC.(PSE-V)
HAWKEYE DEVELOPMENTS(HAD-V)

RIGHTS OFFERING COMPLETED - R.Wolfe, director, of Polestar Exploration has reported the rights offering made by Hawkeye Developments Ltd. has been completed to raise \$678,998.00. This amount will be used to buy 390,666 shares of Polestar at the agreed price of \$2.25. The placement also gives Hawkeye an equivalent number of warrants to purchase an additional 390,666 shares of Polestar at \$2.75 each.

The funds will be used by Polestar to complete a feasibility study and permitting for the Crystal Peak garnet project located near Penticton, B.C. A complete bankable feasibility study is scheduled to be completed to permit the start of construction in April 1991, toward production and sales in the fall of 1991.

The field work, including drilling, bulk sampling and reclamation has been completed for 1990. The bulk samples will be used for metallurgical testing to include crushing, sieving and magnetic separation tests. The resulting materials will be used for various product tests and for marketing. Recent sand blasting tests with a minus 16 to plus 40 mesh run of mine material proved very successful. Excellent results with regard to cleaning rates, cleaning quality and surface profiles were obtained in comparative tests conducted on rusted, pitted steel sheets. The tests were supervised by Powertech Labs, a division of B.C. Hydro, at the blast cleaning facilities of a large local coatings contractor. (SEE GCNL No.213, 2Nov90, P.3 FOR PREVIOUS INFORMATION)

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