

George Cross

Reliable K.

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WESTERN CANADIAN

EASTFIELD RESOURCES LTD. (ETF-V)

TAKLA-RAINBOW AGREEMENT - G.L. Garratt, secretary,
reports, Eastfield Resources
Ltd. has signed a letter of agreement with CATHEDRAL
GOLD CORP. (CAT-T) for an exclusive right to negotiate
the acquisition of an interest in the Takla-Rainbow
property, 110 miles north of Smithers, B.C. In
consideration Eastfield will issue 30,000 shares to
Cathedral by 15Jan90.

The Takla-Rainbow property has been held by
Cathedral and its parent company, IMPERIAL METALS
CORP., since 1983 and has seen about \$3,000,000 spent
on exploration of the precious metal vein systems. The
claims are about 15 km NE of Eastfield's Swan property.
Total drill-indicated and inferred reserves (in three
zones) have been reported at 161,000 tons grading 0.26
oz.gold/ton. Potential reserves are an additional
160,000 tons grading 0.23 oz.gold/ton.

Several promising soil geochemistry and geophysical
targets occur on strike with the drilled area and have
not been tested. Eastfield believes the geological
setting may offer a Mt. Milligan-type copper/gold

deposit. Several grab samples from intrusive rocks have
returned values as high as 2.25% copper, and 0.014
oz.gold/ton. Eastfield is seeking financing prior to
the field season, expected to begin in May.

Negotiations are continuing with PLACER DOME INC.
for exploration funding of Eastfield projects. The
financing agreement between Placer and Eastfield dated
June/88, which called for a private placement of 600,000
shares at \$4.00 each, has been allowed to lapse.

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