

NO.9(1990)
JANUARY 12, 1990

George Cross

Reliable K

WESTERN CANADIAN

KESTREL RESOURCES LTD. (KRZ-V)

CLIFTON STAR RESOURCES LTD. (CFO-V)

SOME OF ISKUT RIVER CLAIMS FARMED-OUT - Robin T. Forshaw
SERIES OF OTHER FARMOUTS IN DISCUSSIONS president of

Kestrel Resources has reported completion of negotiations to farmout the KRL and some of the surrounding claims to Clifton Star Resources. The claims are in the Iskut River area, 100 km north of Stewart, B.C. where Kestrel holds a number of claim groups. Clifton is to pay Kestrel \$250,000 and complete \$1,500,000 worth of exploration on the claims over three years to earn a 50% interest.

The KRL showing discovered in 1989 consists of 11 veins within a large northeast trending structure with a high assay of 7.236 oz.gold/t. The vein discovered in trench T-9 averaged 3.17 oz.gold/t for the 6 meter length uncovered to date and is open at both ends.

Kestrel is also negotiating a joint venture agreement on the Stu 1 - 2 claims, in the same area, with the same group. Option terms are expected to be similar. Discussions are also underway with other parties, including major mining companies, on other farm-out agreements. Kestrel holds 2,470 units in the area, 135,000 acres and is one of the largest claims holders in the camp. LOM Western has exercised the B warrants to buy 175,000 shares of Kestrel at 65¢ each and to bring the issued shares to 4,177,501.

Clifton Star on Nov.7,1989, received approval to the sale of 272,700 units at 22¢ each, with warrants at 22¢ in year one and 25¢ in year two through Jones Gable & Co.Ltd. bringing the issued shares to 3,393,555.

104B General