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VERDSTONE GOLD CORP. (VGC-V)

REA GOLD CORP. (REO-V,T; REOGF-Nasdaq)

NEWTON HILL EXPLORATION FUNDING SECURED - Larry Reaugh, president, reports Verdstone Gold Corp. has agreed for six investors to complete a private placement of 200,000 units at 35¢ each for total proceeds of \$70,000. Each unit comprises one Verdstone share and one warrant good to buy one share at 40¢ for one year. The funds will be used to complete the \$50,000 Phase I exploration program on the Newton Hill gold/copper porphyry property located 20 miles north of the Taseko Mines Fish Lake deposit 60 miles west of Williams Lake, B.C. Verdstone can earn a 50% interest in the project by spending \$500,000 on exploration over three years. See claim location map in GCNL No.173, 9Sep91, overleaf P.2.

Work in previous years has shown the Newton Hill property lies in the same geological structure as the Fish Lake deposit. Exploration to date on the 2,000 by 4,000-foot Central zone has returned assays up to 0.05 oz.gold/ton. In 1990, a trench returned 0.018 oz. gold/ton over 180 feet. A further trench, 2,000 feet northwest, gave a value of 0.10% copper over a length of 220 feet. Early drilling returned gold values of 0.015 oz.gold/ton over a 66-foot length of drill core from hole 82-4 and 45 feet of 0.023 oz.gold/ton in hole 82-1.

The recommended program for Newton Hill is further trenching and induced polarization surveys to be followed by drilling. The property is accessible year round.

In another development, Verdstone completed a \$15,000 reclamation program on the Northwest Territories Selena Creek joint venture with SIRIUS RESOURCES CORP. (SRV-V) during September. Verdstone returned its 50% interest to the prospectors due to the high cost of maintaining the property and option. (SEE GCNL No.138, 18Ju191, P.3 FOR PREVIOUS NEWTON HILL INFORMATION)

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