

# NEWHAWK GOLD MINES LTD. (N.P.L.)

Investment Summary  
NEWHAWK GOLD MINES LTD.  
 (VSE: NHG)

Newhawk is an exploration and development company joint venturing with a "major," Lacana Mining Corporation, to develop the massive Sulphurets property in northwestern British Columbia. Exploration to date has established mineral inventory of 313,000 ounces of gold and 26,000,000 ounces of silver in the Brucejack Lake deposits, plus probable additional reserves of 581,000 ounces of gold in the Snowfield deposits. Only 15% of the mineralized zones have been explored. Newhawk's 1986 exploration program is funded for \$1-1/2 million (C) and commenced in mid-July, 1986. It could yield substantial additional finds.

Shares Outstanding:	3,315,464	Price Range:	\$0.57 - \$1.73 (C)
Estimated Float:	2,500,000	Mkt. Cap.:	\$4.5 million (C)
Recent Share Price:	\$1.38 (C)	Avg. Daily Vol.:	15,000 shares

## The Joint Venture

In July, 1985, Newhawk, Lacana and Granduc Mines Ltd. (the property owner, a company controlled by Hecla Mining Co.) entered into a joint venture agreement whereby Newhawk and Lacana each are earning 30% interest in the Sulphurets property. Newhawk's 30% interest will have been earned in November 1986 when a total \$2,000,000 (C) has been spent by Newhawk and Lacana on exploration and development of the property. The \$500,000 1985 program, plus this year's \$1,500,000 program, will complete the requirements. Newhawk will be the mine operator, because of management's substantial production experience in northern British Columbia.

## The Property

- o The Sulphurets property is located 35 miles northwest of Stewart, British Columbia, and covers 33.11 square miles. Consulting geologist Norman Tribe, P. Eng., describes the property as "one of the most intensely mineralized, undeveloped areas left in the Coast Range of British Columbia. The size and number of showings, and variety of mineral assemblages in the Sulphurets area is amazing."
- o The 1985 drilling program, plus prior drilling conducted by Granduc and Esso, Canada -- 39,000 feet in total -- reveals exciting potential.

In the Brucejack Lake zone: 1,114,288 tons of ore graded .28 ounces gold per ton and 23.39 ounces silver per ton, drill-indicated. In the Snowfield Gold zone: 7,000,000 tons graded .083 ounces gold per ton, drill-indicated, with a total of 20,000,000 tons of a similar grade inferred.

- o Newhawk's 30% share of inventoried gold and silver is worth \$126 million (US), assuming \$325/ounce gold and \$5/ounce silver.
- o Drilling to date has only touched on 4 of the 15 mineralized zones on the property and covered some 15% of the potential areas. Additionally, the four

zones explored to date are open along strike and to depth. Another probable major deposit on the property still awaiting further exploration and definition is the Sulphurets gold zone, for which indications exist for an additional 20 million tons graded .08 ounces gold per ton.

#### 1986 Program

The 1986 drilling program is now underway with Newhawk's recent completion of a 500,000-share underwriting by Canarim Investment Corp. and two private placements of flow-through shares.

Two diamond drills will be utilized, both running two shifts. One of these will be used for fill-in drilling on the Brucejack Lake zones to extend and confirm inventory. The second will be moved to many of the numerous untested zones of the property. Last year drilling on one of these targets produced a spectacular 4 foot intersection of 10.93 ounces of gold/ton and 11.9 ounces of silver/ton.

While the primary objective is to prove-up sufficient tonnage and grade to commence production as soon as possible, considerable emphasis is being placed on new exploration. Production is expected to start in 18 months with initial annual production of 36,000 ounces gold and 4 million ounces silver.

#### Management

Donald A. McLeod, President of Newhawk Gold Mines Ltd., has brought two British Columbia mines to production in the last decade, having produced 245,000 ounces of gold and 780,000 ounces of silver, generating more than \$100,000,000 (C) between 1976 and 1985.

Consulting geologist N. Tribe, P. Eng. is responsible for implementing the planned exploration and development. Mr. Tribe has over 25 years experience in the mining industry. Formerly with Placer Developments and Eldorado Nuclear, he was instrumental in bringing several properties to production and has worked in South America, Australia and numerous areas in Canada.

Lacana Mining Corp. had 1985 revenues of \$32.4 million (C), including production of 60,000 ounces of gold and 1.6 million ounces of silver.

Corporate Address: NEWHAWK GOLD MINES LTD., 625 Howe St., Suite 860, Vancouver, B.C., Canada V6C 2T6 604/687-7545

#### Corporate Communications:

Donald A. McLeod or Lynne Jensen 604/687-7545

Michael Baybak and Co., Inc., 9033 Wilshire Blvd., Penthouse, Beverly Hills, CA 90211 213/276-4660

#### Knowledgeable Brokers:

Paul Wilkman, Pacific International Securities, 660-700 W. Georgia Street, Vancouver, B.C., Canada V7Y 1G1 604/669-2174

Jerry Pogue, National Securities Corp., 500 Union St., Suite 230, Seattle, WA 98101 206/622-7200