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UNDERWRITING COMPLETE - 1986 EXPLORATION TO COMMENCE  
ON SULPHURETS NEWHAWK/LACANA JOINT VENTURE

VANCOUVER, B.C. -- Newhawk Gold Mines Ltd. (NHG:V) is pleased to announce the commencement of the 1986 exploration program on the Sulphurets property. The program is budgeted at \$1.5 million, to be shared equally by Newhawk and Lacana Mining Corp. Funding for Newhawk's portion of the 1986 budget is now in place with the completion of a 500,000 share underwriting by Canarim Investment Corp. to net the Company treasury \$690,000 (C). Additionally, two private placements of flow through shares (announced April 14, 1986) have been arranged to provide the Company with a minimum of \$450,000 and a maximum of \$950,000 exploration funding, giving Newhawk considerable scope in planning the next phase of development of the Sulphurets.

Weather conditions in the area, northwest of Stewart, B.C., are good with the proposed new access road route along Bowser River having been clear of snow for some time now.

Crews are mobilizing for the start of the program. Equipment and a seven-man geological crew will arrive on site June 30th and drilling is expected to be underway by July 5th, 1986. A nine-man drilling crew will operate two diamond drills on two shifts for the 20,000 foot drilling on

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the West Zone in the Brucejack area. Last year's program resulted in a mineral inventory in the Brucejack area of 1,011,543 metric tons, average grade 0.826 oz gold equivalent/ton over an average width of 12 feet. The second drill will be utilized for drilling on several additional targets including the Gossan Hill Zone. The first two holes drilled on this zone were completed at the end of the 1985 season and assayed: 10.93 oz gold/ton and 11.90 oz silver/ton over 4 feet, and 1.55 oz gold/ton, 4.16 oz silver/ton over 2 feet.

Concurrently with the drill program, a portal will be collared in preparation for the 1,200 foot decline to be driven on the West Zone to begin underground exploration and development. A prospecting crew will concentrate on the structurally favourable Sulphurets Lineament and Brucejack Lineament following the success experienced last year in identifying additional targets on the property.

Assaying will be conducted by Norlite Assay Company in Stewart with check assays conducted by Vangeochem in Vancouver. This procedure will allow the Company to receive assay information expeditiously as the drilling program progresses.

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