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*Reliable*

NO.115(1989)  
JUNE 15, 1989

WESTERN CANAD

GRANDUC MINES LTD. (GDC-V)

NEWHAWK GOLD MINES LTD. (NHG-V,T)

RESULTS OF UNDERGROUND - The \$2,300,000 exploration pro-  
DRILL PROGRAM REPORTED gram recently completed at the  
Sulphurets property, 60 miles  
north of Stewart, B.C. included advancing the decline to  
the 1250 level, 146 feet of lateral development and 9,200  
feet of underground diamond drilling to define and extend  
the West zone to below the 1250 level. The property is  
held by Newhawk Gold Mines Ltd. 60% and Granduc Mines  
Ltd. 40%.

Underground drilling started in early May and was  
completed by month end. The 28 hole program was conduc-  
ted between sections 5110S and 5200S from the 1250 level.  
This program has returned excellent intersections and has  
further verified the West zone's southerly plunge.  
Results for the latest drilling program are supportive of  
the West zone continuing to depth with persistent high  
grade gold and silver mineralization.

The intersections are reported in the ASSAY TABLE  
OVERLEAF. In many cases the drilling has intersected the  
mineralized structure at an oblique angle and consequent-  
ly, the core length is not necessarily representative of  
true widths. For example, geological interpretation  
suggests that the true width of the veins associated with  
the major structures to be from 6 to 18 feet. However,  
drill Hole U-89-281, drilled perpendicular to the struc-  
ture, shows that the true width can be as wide as 48 ft.

A crosscut on the 1250 level was extended on section  
5100S and crossed the R 10 structure as postulated from  
diamond drilling. Chip samples from the crosscut assayed  
0.746 oz.gold/ton and 56.92 oz.silver/ton over 3.3 feet.  
This intersection is interpreted to be the top of the  
structure as an earlier diamond drill hole intersected  
0.220 oz.gold/t and 15.38 oz.silver/t over 15.4 feet, at  
a distance of 20 feet below the crosscut.

Two holes were drilled from the end of the crosscut  
to confirm earlier surface drill intercepts of the UTC  
zone. Hole U 89-273 (SEE OVERLEAF) intersected the UTC  
zone approximately 100 feet up dip from an earlier  
surface hole (S-88-289). Additionally, the hole inter-  
sected a new structure from 45.0 to 90.3 feet. Hole U  
89-274 failed to intersect the UTC zone at its projected  
northern limits, possibly due to hole deflection.

The decline has begun to advance to the 1200 level,  
and is to be followed by more than 20,000 feet of under-  
ground diamond drilling. This program is scheduled to  
be complete by September 1989.

Agreement in principle under the environmental  
review process, which has been expected since early April  
has not yet been received. This delay is attributable to  
the agencies involved being unable to reach agreement on  
certain specific issues.

A geological consulting firm, Watts, Griffiths, McQuat  
Limited of Toronto, has been retained to prepare final  
reserve estimates and will include the data from the  
recently completed program as well as data from the pro-  
gram now underway. Cominco Engineering Services Ltd.  
have completed most major components of the feasibility  
study and will be incorporating the data from Watts,  
Griffiths, McQuat, into their final report to the company.

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P. 1

104B 345  
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NEWHAWK GOLD MINES LTD.

Section	Hole	Dip	From - To (ft)	Core Length (ft)	Au oz/ton	Ag oz/ton
5110S	U-89-279	+10°	14.8 - 19.7	4.9	4.367	3.86
			135.1 - 154.8	19.7	0.757	72.68
5120S	U-89-248	-20°	123.0 - 139.1	16.1	0.364	23.77
			170.6 - 174.0	3.4	0.201	17.85
	U-89-249	-2°	196.8 - 218.6	21.8	0.107	10.01
			126.9 - 141.7	14.8	1.080	57.52
	U-89-250	+17°	341.6 - 379.0	37.4	0.113	18.67
			45.1 - 50.8	5.7	0.215	28.99
	U-89-251	+34°	127.3 - 221.1	98.8	0.435	22.26
			151.9 - 228.9	77.0	0.100	5.89
5130S	U-89-252	-31°	224.7 - 298.2	73.5	0.609	51.19
			148.5 - 165.3	16.8	2.046	106.95
	U-89-255	-4°	185.0 - 208.9	23.9	0.371	31.60
			197.9 - 202.9	5.0	1.420	141.51
	U-89-256	+16°	233.2 - 238.1	4.9	0.078	19.60
			44.6 - 48.9	4.3	0.235	25.52
5140S	U-89-258	flat	25.0 - 31.8	6.8	0.091	7.11
			68.6 - 111.2	42.6	1.380	3.45
	U-89-276	flat	208.7 - 225.4	16.7	0.455	7.06
			4.9 - 9.8	4.9	1.362	1.04
5150S	U-89-276	flat	38.9 - 44.0	5.1	0.449	0.61
			218.2 - 224.7	6.5	0.871	112.60
5160S	U-89-264	flat	32.0 - 36.9	4.9	2.196	2.37
			124.5 - 182.0	57.5	0.132	9.88
	U-89-265	-38°	239.3 - 244.7	4.9	0.035	13.87
			109.2 - 120.0	10.8	0.085	11.01
	U-89-266	-48°	197.7 - 246.8	49.1	0.074	11.26
			210.4 - 222.5	12.1	0.124	19.06
	U-89-266	-48°	100.6 - 105.5	4.9	0.393	0.94
			220.6 - 269.3	48.7	0.079	10.32
	U-89-267	+22°	includes	4.9	0.295	49.91
			95.3 - 101.5	6.2	0.075	19.54
	U-89-268	-12°	136.3 - 142.2	5.9	0.120	8.78
			41.7 - 45.3	3.6	1.063	1.31
5180S	U-89-270	+24°	48.2 - 56.9	8.7	1.483	1.29
			14.8 - 31.2	16.4	0.104	1.13
5200S	U-89-271	flat	124.6 - 133.0	8.4	0.044	7.46
			10.5 - 11.5	1.0	0.971	56.13
	U-88-272	flat	148.6 - 149.6	1.0	0.033	15.76
			128.4 - 176.5	48.1 *	0.387	26.42
Off Section	U-89-281	flat				

\* True width

5100S	U-89-273	-66°	45.0 - 90.3	45.3	0.294	15.30
			402.2 - 451.0	48.8* (20.6)**	1.745	12.72

\*\* core length \*\* estimated true width

P.2