

CHESBAR RESOURCES INC.

Vic file

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KERR ADDISON MINES LTD.

J. to Janine office
[Signature]

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NEWS RELEASE

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CHESBAR RESOURCES INC.

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Chesbar Cuts Important Gold Intersection

Recent drilling on Chesbar Resources Inc.'s Yukon project intersected a strong quartz vein over a width of 5.3 ft. grading 0.431 oz. gold per ton in the interval from 177.8 ft. to 183.1 ft. in the hole. The project involves 169 claims in the Carmacks area of the Yukon.

President J.T. Flanagan states the section came in the deepening of a previous drill hole which current interpretation of data suggested fell short of its target. While gold values had been obtained in previous drilling, this section is the strongest so far obtained, and thus confirms the original expectation that good gold-bearing quartz veins are in place subsurface.

Gold-bearing float has been located in two main target areas known as the North and South Zones where work to date has been concentrated, but it has also been found over widespread additional areas within the claims which total roughly 10,000 acres in extent. Less than half of this has been subjected to any systematic exploration.

Chesbar and States Exploration Ltd. can each earn a 25 percent interest by spending \$200,000 by December 31, 1987, and a further \$250,000 by the end of next year. Chesbar is operator. Kerr Addison Mines will retain a 50 percent interest.

J.T. Flanagan, President
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Chesbar Resources shares are listed on the Toronto and Montreal Stock Exchanges, symbol CBI.