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NEWS RELEASE

Trading Symbol: NDU.V (VSE)

Monday, July 18, 1988

James M. Stephen, President, reports that NDU Resources Ltd. and SMD Mining Co. Ltd., a subsidiary of Saskatchewan Mining Development Corporation, have approved a supplementary drilling budget of \$600,000 on the Marg volcanogenic deposit, Yukon, from which encouraging assays were recently announced. NDU holds a 66.67% interest in this property.

Significant assays from the first phase of drilling are summarized below:

Hole	Interval (ft)	Width	Assays				
			Cu (%)	Pb (%)	Zn (%)	Au (oz/t)	Ag (oz/t)
1	95.0 - 112.0	17.0	0.7	< 0.1	1.5	0.003	0.3
2	1 62.0 - 82.3	20.3*	0.3	7.9	< 0.1	0.050	9.3
	2 92.5 - 107.0	14.5	4.0	1.7	3.4	0.029	1.7
3	1 93.5 - 96.5	3.0	5.4	3.1	6.7	0.010	3.0
	2 115.0 - 117.0	2.0	1.1	1.7	3.5	0.040	1.2
	3 132.0 - 137.0	5.0	1.3	1.8	3.8	0.024	1.5
	4 150.0 - 160.0	10.0	1.1	1.0	2.1	0.008	0.9
4	214.0 - 224.0	10.0*	0.1	6.2	< 0.1	0.026	2.8
5	210.3 - 245.3	35.0	3.3	3.7	6.6	0.030	2.1

* Oxidized surface mineralization leached of most copper and zinc.

Hole 1 is located in the west-central part of a one mile long polymetallic soil geochemical anomaly. Holes 2 to 5 were drilled approximately 2500 feet east of Hole 1. The intersection in Hole 4 came from the footwall of a 21 foot wide open cavity that appears to be a deeply buried canyon eroded along the surface trace of the zone intersected in Hole 5. The other three holes in the first phase tested outlying geochemical and geophysical anomalies and did not produce any significant intersections.

Strange

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The mineralization coincides with weak EM conductors and more sensitive surveys that will compensate for deep overburden and surface oxidation are currently under way. A new camp will be built on the property before drilling resumes later in July. NDU has received expressions of serious interest in the Marg results from several major companies.

Two holes of a proposed 3 hole program have now been completed on the 100% owned Blende property, situated about 28 miles northwest of Marg and 40 miles northeast of Keno Hill. Both holes were collared on a well mineralized zone (Zone 9) and produced 45 foot intersections. Hole 2 also intersected several more zones of strong mineralization totalling 180 feet of core length between 95 and 706 feet, of which the final 50 feet is thought to represent Zone 5. In 1985 hand trenching along Zone 5 returned grades of greater than 5% zinc plus lead across widths of 27 to 82 feet for a length of about 2500 feet and through a vertical range of at least 800 feet. Silver values ranged between 0.7 and 7.5 oz/ton while incomplete assaying for germanium showed values of up to 200 ppm. The other mineralized zones intersected in Hole 2 were not recognized during surface prospecting because of talus cover.

NDU RESOURCES LTD.

Per: 

JAMES M. STEPHEN
President

COMPANY PRESIDENT JAMES M. STEPHEN PREPARED THIS NEWS RELEASE AND ACCEPTS RESPONSIBILITY FOR ITS CONTENTS.

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NICK PROPERTY

(Ni,PGE)

BLENDE PROPERTY

(Zn,Pb,Ag,Ge)

NOW PROPERTY

(Pb,Zn,Au,Ag)

CLARK PROPERTY

(Ag,Pb,Zn)

MARG PROPERTY

(Cu,Zn,Pb,Ag,Au)

KENO CITY

ELSA

**UNITED KENO HILL
MINES LTD.**

MAYO

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

LOCATION MAP

MAYO M.D. PROPERTIES, YUKON

NDU RESOURCES LTD.

SCALE 1:500,000

0 10 20 30 Km

