

092HSE 027 (J. SILKMAN)

008831

NO.148(1990)
AUGUST 1, 1990

George Cross

Reliable

WESTERN CANADA

PRINCETON MINING CORP. (PMC-T)
(formerly CASSIAR MINING CORPORATION)

RECENT MINE EXPLORATION HAS INCREASED TONNAGE
INCREASED OVERALL GRADE AND INCREASED GRADE AT DEPTH

At Dec.31,1989, reserves at the Similco copper mine, 100% owned by Princeton Mining, located at Princeton, B.C., were 170,000,000 tons grading 0.41% copper plus gold 0.0021 ounces gold/ton. The company in June reported 25,000 feet of drilling added some 20,000,000 tons to these reserves at a grade of 0.32% copper but with elevated gold values, three times the present mine average. (One hole carried 10 feet of 0.44 oz. gold per ton.) That would be to a gold grade of 0.006 oz. per ton. From 8,312,000 tons processed in 1989, the mine recovered 57,420,000 pounds of copper, plus 17,277 ounces gold and 432,220 ounces silver. These new reserves hold the potential to double or triple gold production in future years with a significant impact on earnings when these reserves are mined and processed. A further favourable feature is the ore is near surface and available to a suggested 0.6 to 1 stripping ratio. (SEE RESULTS AND MAPS OVERLEAF PAGES 1 & 2)

In April 1990, Princeton Mining concluded the sale of about 300,000 flow-through shares at \$6.50 each to CNP Funds Management Ltd. for \$2,000,000 to be used in mine exploration. About two-thirds of the program is now completed.

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In a recent interview with Bob A. Hamaguchi, general manager, Similco Mines, and Bill Epp, mine exploration geologist, they pointed out exploration at the mine substantially ceased about 1970 when ore reserves had been established for 20 years of operations. When ownership of the mine was assumed by Princeton Mining, exploration resumed. The work has been in two main areas. First is in the Lost Horse Gulch area where the Alabama zone and the Virginia zone have been drilled to add the 20,000,000 tons. The most recent drilling has added further to the mineable area in each of these zones but also has established the zones are connected and that they will likely be mined as one pit. New reserve calculations will only be made when the current drilling is completed but a substantial addition to the 20,000,000 tons is indicated. As important as the new tons is the real impact from the elevated gold values which tend to be increasing in both thickness and grade at depth. Two of the better holes returned 651 feet of 0.6% copper and 587 feet of 0.96% copper, with good grades in the toe of the hole. The zones are still open to extension on three sides. Part of the Lost Horse Gulch was being explored as a potential waste disposal area when soil sampling returned elevated gold values and two percussion holes cut 100 feet of 0.3% copper. Then a follow-up hole cut 575 feet of 0.5% copper. The area was considered attractive since there is an old adit carrying 1% copper on the Alabama zone.

The present drill plan calls for definition of the Virginia zone by year end where mining could be underway as early as mid-1991. The recent drilling has increased the Virginia zone overall grade from 0.32% to 0.41% with an indicated recovery of 85% in the mill.

-CONTINUED ON PAGE TWO-

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CONTINUED FROM PAGE ONE - In this same Lost Horse Gulch area there are the Mill zone, the Voight zone and the Wolf Creek East zone each of which hold strong potential and all are related to the contact area between the Voight stock and the Nicola volcanics. The Voight is a linear structure carrying copper and gold values indicated by geological mapping, soil sample and magnetometer anomalies. The Wolf Creek East has a high chargeability induced polarization anomaly and the old files note an adit with 1% copper.

The No.1 and No.3 pits which are currently being mined are located along the Main Mine fault which runs northwest-southeast. Just to the southeast of the No.3 pit is the Oriole zone which has been mapped over a 4,000-foot length along the fault and is up to 1,000 feet wide. Within this Oriole zone, in the northwest section, is an area 500 ft. by 500 ft. and to a depth of 600 feet which grades 0.5% copper. This area could add some 10,000,000 tons. None of zones are sufficiently explored to be included in reserves. Further to the southeast in the Oriole area there are induced polarization and soil sample anomalies which have returned 217 feet of 0.578% copper and 198 feet grading 0.5% copper which have yet to be tested in detail. Almost a mile due south of the Oriole zone is ground recently optioned from Targas which carries copper and gold values of interest and which will be further explored.

There are also half a dozen other areas on the property where elevated gold and copper values have been recorded which will also be further explored.

Mr. Hamaguchi summarized by saying while it is not yet complete he is comfortable a five-year mine plan will be in place by the end of 1990 and a ten-year plan probably by mid-1991. With those in place, more management efforts can be directed to increasing efficiency, through-put, recovery and cost reduction.

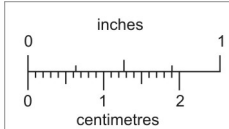
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ASP CREEK PROJECT

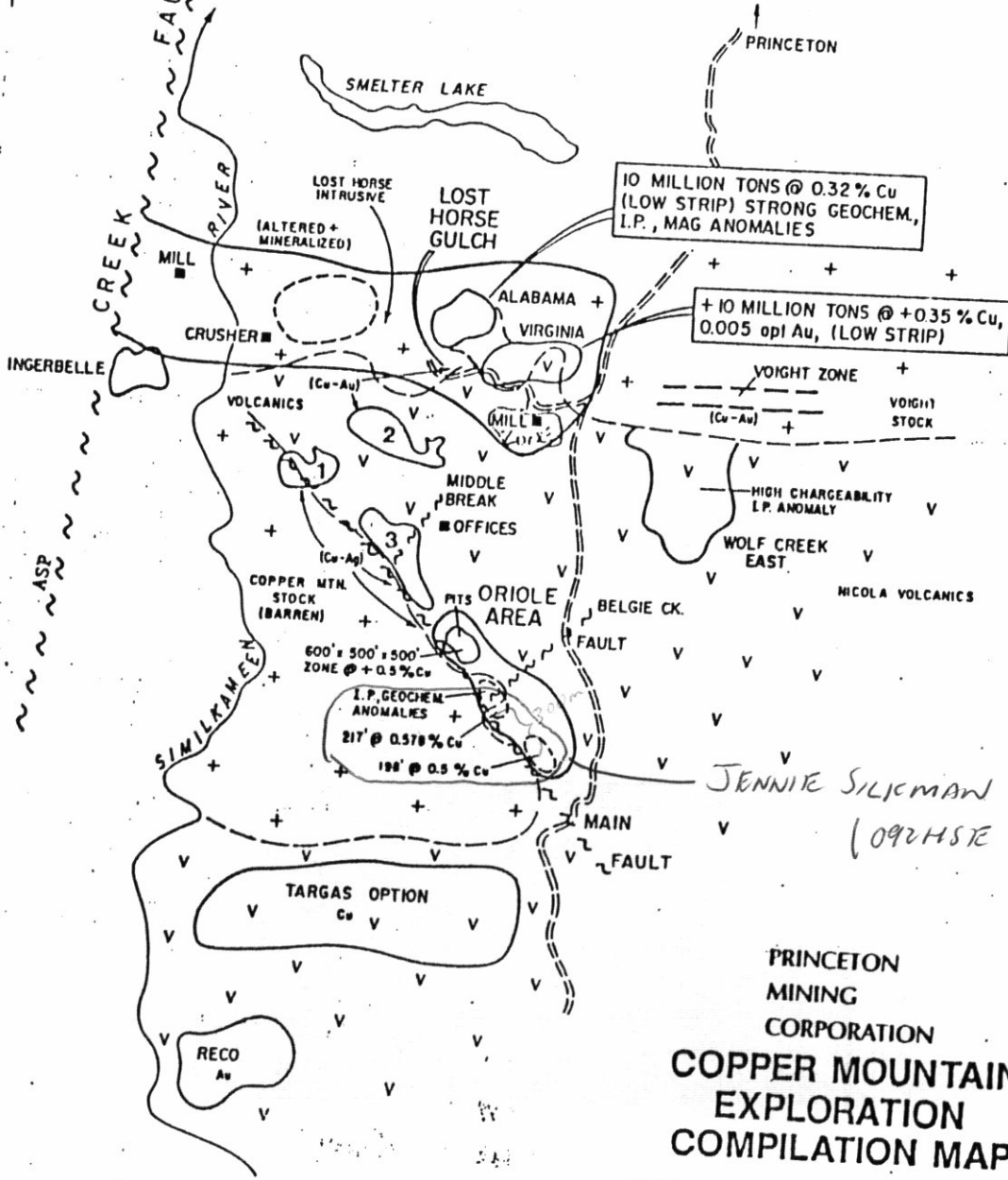
PRINCETON

LEGEND

- GEOLOGIC CONTACT
- - - TARGET AREA
- POSSIBLE DEPOSIT/RESERVES
- POTENTIAL RESERVES



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PRINCETON MINING CORPORATION
COPPER MOUNTAIN EXPLORATION COMPILATION MAP



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5056

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NO. 118(1990)
JUNE 19, 1990

WESTERN CANADA

PRINCETON MINING CORP. (PMC-T)

ORE RESERVES INCREASED BY - David K. Duval, manager,
12% IN CURRENT PROGRAM corporate relations, reports
encouraging diamond drill
results have been received from the first phase of an
exploration program on the 100%-owned Similco open pit
copper mine Princeton, B.C. SEE RESULTS AND MAP

OVERLEAF PAGE 1. Since April, 25,000 feet of drilling
has been completed on a large IP anomaly located
adjacent to the current mining. The work is being
funded by a \$2,000,000 flow-through equity issue to CMP
Funds Management. About \$500,000 has been spent to date.

The results indicate a link between the Alabama and
Virginia zones, which could result in a new low strip
ratio open pit reserve exceeding 20,000,000 tons. Mine
reserves at Jan. 1, 1990, were estimated at 170,500,000
tons grading 0.41% copper available to a 2.07 waste to
one stripping ratio. Copper assays in the Virginia and
Alabama zones average 0.32% copper with elevated
precious metal values up to three times the present mine
average. The mine produced 17,277 oz. of gold and
432,220 oz. of silver in 1989.

Drilling in the Oriole pits defined a vertically
dipping linear sulphide zone SE of Pit 3 grading 0.5%
copper. Average thickness of the portions drilled is
150 feet with a 600 foot strike length, open to depth.

Some 3,000 feet SE of the Oriole pits, drill hole
0-90-1 cut 130 feet of 0.7% copper. Two 1989 holes on
the same section returned 53 feet grading 0.97% copper
in hole 0-89-3 and 217 feet of 0.58% copper in hole
0-89-6. Other IP drill targets are about 4,000 ft. east
of Pit 2 and will be tested. Definition drilling is
planned for the Alabama and Virginia zones. The current
program is designed to upgrade reserves for mining. (SEE
GCNL No. 81, 26Apr90, FOR MINE REVIEW)

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