



Prime Equities Inc.

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PRIME EQUITIES INC.

1991 CORPORATE REVIEW

PRIME EQUITIES INC. is an exploration and management company involved in precious and base metals exploration and development. Its expertise in these fields has come through the association of its key management people in several of the hottest North American exploration plays over the past decade. This impressive track record includes the discovery and development of the Hemlo Deposits, and more recently the discovery of the Eskay Creek Deposits in northwestern British Columbia.

Equities commenced trading on January 16, 1991, through the facilities of the Vancouver Stock Exchange. Formerly a subsidiary of Prime Resources Group Inc., it was conceived as the new management company for the **Prime Equities Group of Companies**, a group of approximately 60 natural resource companies based in Vancouver, British Columbia. **Equities'** asset base is primarily its direct and indirect equity interests in these junior companies, whose cash balances as of mid-May 1991 total \$24 million and whose securities holdings have a value in excess of \$7 million.

The companies belonging to the Group are engaged in mineral exploration throughout the North American continent. **Equities** provides them with administrative and accounting services, geological consulting services, and financial assistance through direct investment or by arranging for financing to raise the necessary exploration funds. In return, the companies grant Board of Directors representation to **Equities**, and enter into administrative and consulting services contracts with **Equities** and its exploration division, **Prime Explorations**.

Through Prime Explorations, Equities is responsible for planning and execution of field work on over 70 exploration projects belonging to the Prime Equities Group of Companies. In addition, Equities is participating in the rehabilitation and development of the Goldstream Mine, a copper-zinc-silver mine in southeastern British Columbia, by virtue of its investment (approximately a 41% shareholding, fully diluted) in Goldnev Resources Inc. Production from this copper-zinc deposit commenced in May - cash costs are anticipated to be US\$0.74 a pound of copper. The first concentrates from the operation, expected to produce 36 million pounds of copper and 7 million pounds of zinc annually, are being readied for shipment to Japan.

Equities is headed by Chairman of the Board Murray Pezim and President Chet Idziszek, who were recently named Mining Men of the Year for 1990 by The Northern Miner, in recognition of their role in the discovery and development of the Eskay Creek Project in northwestern British Columbia. Mr. Pezim is acknowledged as one of the premier financiers of the Canadian mining industry. His efforts on Canadian stock exchanges have raised over \$1.0 billion for minerals and oil and gas exploration since the mid-1970's. His financings for mineral projects led to the development of the Jolu Mine in Saskatchewan and the Snip Mine in British Columbia, and the discovery and early development of the world-class Williams and David Bell Mines at Hemlo. Collectively, these deposits are estimated to contain between 25 million and 30 million ounces of gold, representing close to \$10 billion of reserves at recent gold prices.

Since its initial call for trading in January, the year 1991 has already provided a number of significant, both corporate and exploration, highlights for Equities. With respect to the former, Equities and a number of its managed companies have entered into financing agreements with Teck Corporation. Teck is one of the oldest continuously operating mining companies in Canada, producing gold, silver, copper, lead, zinc, niobium and coal from its directly and indirectly-owned mining interests. It realizes substantial production from its interests in the porphyry copper mines at Afton and Highland Valley Copper, and is operator of the multi-million-ounce David Bell and Williams Mines at Hemlo.

The deal with Teck is a natural step in the long-standing relationship between Teck and the Prime Equities Group, which dates back to the development of the David Bell Mine following initial discovery of the Hemlo orebody by International Corona. The deal calls for Teck to purchase four million shares

of **Prime Equities** at \$1.25 a share for \$5.0 million, with an option to purchase an additional six million shares as follows:

at \$1.25 a share to December 31, 1991 (\$ 7.5 million)
at \$2.25 a share to December 31, 1992 (\$13.5 million)
at \$3.25 a share to December 31, 1993 (\$19.5 million)

A number of the junior companies belonging to the **Prime Equities Group of Companies** have entered into financing agreements with Teck. These agreements allow the **Prime Group** company to finance and operate exploration up to a preliminary feasibility stage, at which time Teck reviews the project in question and can elect to finance it to production by completing a formal feasibility study. Teck will then earn 50% of the **Prime Group** company's interest by bringing the property into production, and the junior company will incur no further expenditures. Debt financing costs will be recouped first; thereafter exploration and pre-production costs are recouped proportionally from 50% of net profits by the junior and Teck (all of exploration and cash acquisition costs plus interest in the case of the **Prime Equities Group** company, and all of the pre-production costs plus interest in the case of Teck). The remaining 50% of net proceeds is shared 50-50.

The Teck deal is highly beneficial to **Prime Equities** and the **Prime Equities Group of Companies**. The **Group** has a proven exploration track record over the past decade; however it has lacked the mining and development know-how to bring its projects into production. Through Teck, the **Group** can now draw on the expertise of one of the foremost producers of precious and base metals in Canada. For those projects in which Teck makes its production election, the final link in the chain from discovery through deposit delineation by the junior to feasibility and production by the senior is forged. The junior will be carried with no requirement for further funding. This means the usually fatal overdose of dilution to the junior's stock will be avoided. Furthermore, the junior is free to pursue exploration opportunities on other projects while mining development of its key property is in progress. Recoupment of acquisition and exploration expenditures as well as its share of net profits will also provide an avenue of funding for other projects which will not require further stock dilution. On its side, Teck has

essentially doubled its exploration budget for 1991 with the arrangement; it is estimated the Prime Equities Group of Companies will spend some \$20-\$25 million on their properties this year. Secondly, the arrangement allows Teck a "first look" at properties of the Prime Equities Group which will have advanced to the stage where a large drilling database is available, thus increasing Teck's exposure to high risk early stage exploration properties but not its monetary contribution to such plays.

**PRIME EXPLORATIONS -
a division of PRIME EQUITIES INC.**

EXPLORATION ACCOMPLISHMENTS

Prime Explorations (formerly Galveston Explorations Ltd.) was formed early in 1987:

1. To directly manage exploration on properties where Prime Equities Companies were designated as project Operators;
2. To monitor exploration activities of Joint Venture partners on properties where partners were designated as project Operators;
3. To screen the growing numbers of property submissions and investment opportunities presented to the Prime Equities Group; and
4. To identify areas of mineral potential where property acquisitions were warranted.

Since the formation of Prime Explorations, the Group's greatest successes have been in the northwestern portion of British Columbia. In that year, the Group had over 30 active projects in British Columbia, Manitoba, Ontario, Newfoundland and Nevada, and spent over \$12 million on these properties. Of this total however, only six projects were in the Iskut River area in close proximity to the Snip and Johnny Mountain Deposits, with budgets totalling approximately \$500,000. Work by Prime Explorations in this area confirmed its mineral potential, leading to continued property acquisitions during 1988, and culminating in the takeover of Delaware Resources and its 40% interest in the Snip Deposit.

The year 1988 was a key year in the development of Prime Explorations and the Prime Group of Companies. The number of active projects more than doubled to approximately 70, with total Prime Equities Group expenditures of about \$30 million. In 1988, Goldnev purchased its 50% interest in the Goldstream Mine; fundraising by Prime/Delaware allowed the underground exploration of the Twin Zone, which by the end of 1988 had reserves in excess of 1.0 million ounces gold; and the first of the Eskay Creek Deposits were discovered by Calpine. Eskay Creek was the first major project under direct supervision of Prime Explorations. Based on spectacular results from 1988 drilling, a year-round exploration camp was established on the property, under adverse field conditions, to continue an aggressive program of drilling on the original 21A Deposit discovery during the winter of 1988-1989.

The momentum established by Snip and Eskay Creek carried forward into 1989, although unfavourable market conditions meant overall exploration expenditures by the Group declined to \$15 million. Drilling that summer resulted in the discovery of the 21B Deposit, which received widespread interest following the announcement of results from hole 109. By the end of 1989, approximately 18 months after the first discovery, the Eskay Creek Project advanced to a stage where reserves on the 21A and 21B Deposits totalled in excess of 2.3 million ounces of gold and 62 million ounces of silver. Prime Explorations continued to recommend property acquisitions in the Iskut-Eskay area based on its work at Eskay Creek, and identified the Galore Creek camp to the northwest as an area of mineral potential of interest to the Group.

In 1990, the number of active projects across North America increased to almost 80, and expenditures sharply increased to \$32 million, of which \$13 million was expended by Calpine/Prime Resources on the Eskay Creek Project. By the end of the year, the Snip Mine was ready for production, and since then has performed above expectations. On the Eskay Creek Deposits, 1990 was probably the most significant year to date, with the discoveries of the 21C and Pumphouse Lake Zones, and the commencement of underground exploration on the 21B Deposit under management of Corona Corporation. Reserves improved to 3.1 million ounces of gold and 114 million ounces of silver, and although base metal percentages were not calculated, it became obvious that there would also be considerable credits from recoveries of zinc, lead and copper. Clarification of land status in the immediate area of the deposits showed that the Ski Property of Adrian Resources Ltd. controlled the TOK Claim Gap over the heart of the

21B Deposit, giving Adrian some 110,000 oz gold and 2.95 million oz silver. To the west, the mineral potential of the Iskut River area was again confirmed by the discovery of the Black Dog massive sulphide mineralization by Eurus Resource Corp. and Thios Resources Inc.; and in the Galore Creek area, Consolidated Rhodes Resources Ltd. began drilling on the Copper Canyon porphyry copper deposit. Although this latter drilling was not sufficiently dense enough to permit a rigorous reserve calculation, assaying shows the deposit should have a considerably higher gold content than previously estimated.

Overall, Group expenditures "into the ground" on North American mineral exploration properties from 1987 to the end of 1990 total some \$96 million. Prime Explorations expects to manage some \$20-\$25 million in exploration expenditures by the Prime Group of Companies in 1991.

Highlights to date in 1991 include the following:

1. Drilling on the Goldstream Properties resulted in the downplunge extension of the Goldstream orebody and the discovery of the Grolsch Zone;
2. A revised reserve calculation on behalf of Adrian estimated the Ski Project has potential for in excess of 250,000 ounces of gold-equivalent reserves;
3. Based on 1990-1991 drill results on the Rock & Roll Project, Eurus and Thios have outlined 640,000 tons with a gold-equivalent of 0.34 oz/ton in the Black Dog Deposit and the newly discovered SRV Zone;
4. Numerous property acquisitions increased the exposure of the Prime Equities Group of Companies to the Rock & Roll area. These properties have been flown with an airborne geophysical survey designed to provide targets for ground follow-up this year; and
5. Prime Explorations identified the area between the Golden Bear Mine and Tulsequah as a priority exploration target, with the Metla Property of Galico Resources Inc. and Cominco and the Outlaw Property of Glider Developments Inc. and Consolidated Parklane being the most advanced to date. This area lies well to the north of the Galore-Iskut-Eskay area, but exhibits similar geological environments.

PRIME EQUITIES and the PRIME EQUITIES GROUP OF COMPANIES

EXPLORATION PROJECTS PORTFOLIO

Significant programs managed by Prime Explorations which will be active in 1991 are described below.

GOLDSTREAM PROJECTS

Although the Galore-Iskut-Eskay area and the new Metla area will be the focus of much of the activities of the Prime Equities Group in 1991, the most advanced project within the Group is the Goldstream Mine of Goldnev Resources Inc. and Bethlehem Resources Corp. These companies are equal joint venture partners on the Goldstream Mine and its milling complex, located north of Revelstoke. Goldnev and Bethlehem have reached a financing agreement with Nippon Mining Co., Ltd. and Sumitomo Corporation to allow reactivation of the mine under the management of Bethlehem; first concentrates from the operation are being stockpiled for shipment to Japan by mid-year. Based on work by a previous operator before mine closure in 1984, the Goldstream Deposit has mineable reserves averaging 1.86 million tonnes grading 4.81% copper and 3.06% zinc, and is projected to produce some 36 million pounds of copper and 7 million pounds of zinc annually. However, a \$400,000 drilling program under the management of Prime Explorations early in 1991 was successful in extending the deposit a minimum of 400 metres beyond its previously known deepest extent. Outside the immediate mine area, Goldnev spent approximately \$1.1 million on the Revelstoke, Jenkins and Brew Properties to test a large number of geophysical and geochemical anomalies interpreted to be in the same stratigraphy hosting the Goldstream Deposit. Best results were returned from the newly discovered Grolsch Zone on the Jenkins and Brew Properties. This zone features apparent

stratiform zinc and lead mineralization, with the best assays being from the most westerly hole on the zone. Geophysics and especially geochemistry indicate the anomalies associated with the Grolsch Zone remain open in that direction.

ESKAY CREEK PROJECTS

In the Galore-Iskut-Eskay region, the Prime Equities Group has a number of advanced drilling projects. There are two of these immediately adjacent to the Eskay Creek Deposits. The first is the Ski Project. Adrian Resources Ltd. has a 100% interest in this property, located adjacent to and in part covering the Eskay Creek Deposits. A revised ore reserve calculation was recently announced by Adrian, indicating the property has the potential to host in excess of 250,000 gold-equivalent ounces. The majority of these reserves (182,000 tons grading 0.812 oz/ton gold and 23.92 oz/ton silver) occur in the TOK Claim Gap, which overlies the heart of the 21B Deposit. This estimate is a significant increase from the previous estimate of 169,000 short tons grading 0.66 oz/ton gold and 17.47 oz/ton silver. The new calculation takes into account probable geological reserves on Adrian's portions of the 21B Deposit, possible geological reserves on the Pumphouse East Zone, and potential of the northern extension of the 21B Deposit onto the main part of the Ski Project claims. Adrian expects that continued exploration of the Pumphouse East and Mid-Fault Zones will add ounces to the TOK Claim Gap, where underground access is already provided by means of a decline and two crosscuts into the deposits. Because of the location of the TOK Claim Gap reserves with respect to the existing underground access and the high grade nature of the reserves, Adrian anticipates that mining of these reserves will take place early in the mining plan for the Eskay Creek Deposits.

Prime Resources Group Inc. and Stikine Resources Ltd., co-owners of the remainder of the Eskay Creek Deposits, can earn a 50% interest in the Ski Project by spending a minimum of \$5.0 million and bringing the property to production. Under this agreement, Adrian is carried for all further exploration and production expenditures for the reserves located on the TOK Claim Gap. In order to complete their expenditure requirement, Prime Resources and Stikine will need to spend approximately \$700,000 by 1994.

The second advanced project at Eskay Creek is the Lakewater Project. Tymar Resources Inc. and Akiko-Lori Gold Resources Ltd. each has a one-third interest

in the Lakewater Project adjacent to the southwest boundary of the Eskay Creek Property. Drilling last winter tested for precious metals deposits similar to those at Eskay Creek in the North and South SIB Claim Gaps on the Lakewater Property, and to follow up on the Lulu Zone discovery on the adjacent property. A hole on the Lulu Zone assayed 0.421 oz/ton gold and 30.192 oz/ton silver over 46.9 feet. Drilling on the Lakewater Project indicated the Lulu Zone mineralization was not present on the SIB Claim Gaps, and that this mineralization is likely in the footwall of the stratigraphy hosting the Eskay Creek Deposits. Tymar and Akiko-Lori will undertake additional drilling on the main portion of the Lakewater Property in 1991 to test the area where the Eskay Creek stratigraphy is interpreted to be covered by younger sedimentary rocks.

The immediate Eskay Creek area is a major exploration target for the Prime Equities Group, as Prime Explorations applies its expertise garnered on the Eskay Creek deposits to the search for similar mineralization throughout the Eskay Creek region. These projects will include the Treaty Creek Project of Tantalus Resources Ltd., where drilling is scheduled for the Mama Susu Zone discovery, and the 4J's Project of Maple Resource Corp..

ISKUT RIVER PROJECTS

The Prime Equities Group has established a significant land position in the Iskut River area to the west of Eskay Creek. Beginning with just six properties in 1987, the Group has been actively searching for gold deposits similar to the Snip and Johnny Mountain Mines. However, the discovery of volcanogenic massive sulphide mineralization on the Rock & Roll Project, coupled with the recent go-ahead decision for the Iskut Valley Road, has made this area an attractive exploration target for base metals as well as precious metals.

The premier property for the Group in the Iskut River area is the Rock & Roll Project of Eurys Resource Corp. and Thios Resources Inc. These companies are jointly acquiring a 100% interest in this property, located six miles northwest of the Snip Mine. Eurys and Thios have incurred some \$2.5 million to date in 1991, drilling along the strike of the Black Dog Deposit. A new zone of massive sulphide mineralization, the SRV Zone, was discovered in the footwall of the Black Dog Deposit. An in-house calculation suggests the Black Dog Deposit and the SRV Zone currently have geological reserves of 640,000 tons with a gold-

equivalent content of 0.34 oz/ton (equivalent to 0.072 oz/ton gold, 9.8 oz/ton silver, 3.08% zinc, 0.79% lead and 0.64% copper). The Black Dog Horizon and the SRV Horizon are only two of a number of extensive geophysical targets which have been drilled on the Rock & Roll property, suggesting the potential for not only expanding the known mineralized zones but finding additional deposits is excellent.

Eurus and Thios are also participants on the adjacent Bornagain Project, in which Consolidated Bel-Air Resources Ltd. is a 25% partner. Drilling of a number of geophysical anomalies, one of which is the extension of the Black Dog Horizon, is anticipated to be under way this summer.

To the east, Adrian Resources Ltd. has entered into an agreement with Skyline Explorations Ltd. on the Sky Creek Project which comprises the northwestern portion of Skyline's Johnny Mountain Property. Adrian has started exploration here for Snip-type gold targets and massive sulphide deposits similar to the Black Dog. On a number of properties close to the Rock & Roll Project, including Adrian's Phiz and Sky Creek Projects, airborne geophysical surveying has been completed to key in on geophysically anomalous areas for ground work during the summer of 1991.

Prime Explorations has completed construction of an 80-man camp on the Rock & Roll Property. This will be used to service not only the projects in the immediate vicinity, but will serve as a base for all the various projects for the Prime Equities Group in the Galore-Iskut-Eskay region.

GALORE CREEK PROJECTS

Further to the north, the Prime Equities Group of Companies are collectively the largest land holders in the Galore Creek area. Interest in this area has been revived, not only for its precious metals potential, but for revitalized evaluation of the large copper-gold porphyry deposits at Galore Creek. The Prime Equities Group properties range from grass-roots to advanced drilling projects. Of the latter, the most important is the Copper Canyon Project, in which Consolidated Rhodes Resources Ltd. can earn a 50% interest. The property hosts the Copper Canyon Deposit, a gold-copper porphyry deposit reported by a prior operator to have reserves of 29 million tons grading 0.70% copper, 0.30 oz/ton silver and

0.010 oz/ton gold. Drilling by Rhodes in 1990 showed the deposit has a much higher gold content than previously estimated; Rhodes' best holes intersected 884.2 feet of 1.06% copper, 0.65 oz/ton silver and 0.056 oz/ton gold, and 515.1 feet of 0.74% copper, 0.48 oz/ton silver and 0.033 oz/ton gold. The deposit remains open in all directions. Rhodes is planning to return to the Copper Canyon Project and the adjacent Copper Penny Project for further drilling in 1991.

Other advanced projects in the Galore Creek area where drilling is planned for 1991 include the Trophy Gold Project of Gigi Resources Ltd., the Paydirt Project of Pacific Century Explorations Ltd. and Ticker Tape Resources Ltd., the Trek Project of Pass Lake Resources Ltd., and the Scud Project of Slocan Development Corporation Limited.

METLA AREA PROJECTS

Based on the exploration successes in the Galore-Iskut-Eskay region, the Prime Equities Group of Companies began evaluation of the Metla area northwest of the Golden Bear Mine as the next logical area of underdeveloped mineral potential in northwestern British Columbia. The first and most important acquisition to date has been the Metla Property. Galico Resources Inc. has been granted an option to acquire an undivided 60% interest in the Metla Property from Cominco Ltd. The property lies 15 miles northwest of the Golden Bear Mine, which is serviced by an all-weather road originating at the village of Telegraph Creek. Originally comprised of a single 20-unit claim, the property has been expanded by Galico by staking 18 additional claims, nine of which were subsequently optioned to Adrian. The original Metla Property features cross-cutting breccia bodies which appear to host sulphide mineralization, a style of mineralization not previously reported in the area. Exploration by Cominco located a large zone of gold and base metal-bearing boulders, approximately 5,500 feet long and up to 900 feet wide, spanning 600 feet in elevation. Within this larger zone are six areas where mineralized boulders are concentrated. None of these targets has been drilled. The best target is Target A, marked by the occurrence of abundant heavy sulphide boulders and a strong EM anomaly. Assay results for 20 samples average 0.632 oz/ton gold, ranging from 1.291 to 0.152 oz/ton. Base metal assays as high as 7.40% zinc, 2.06% copper, and 1.81% lead are also reported. Galico is planning a program of diamond drilling and geophysical surveying to begin as soon as field conditions permit. Because of the large number of high priority targets

to be drilled, it is anticipated that the \$1.1 million expenditure requirement for Galico's 60% earn-in will be completed this year.

A second acquisition of merit is the Outlaw Property, in which Glider Developments Inc. can earn a 50% interest from Consolidated Parklane Resources Inc. This property, located several miles northwest of the Metla Project, features two large gold-antimony-arsenic soil geochemical anomalies. Limited drilling on one of these has returned up to 0.242 oz/ton gold over 0.95 metres. Glider will be conducting a mapping, geophysical and drilling program on the property this year.

Other companies of the Prime Equities Group have acquired land positions in the Metla area, also to be worked during the 1991 field season.

OTHER BRITISH COLUMBIA PROJECTS

Several properties have been acquired over the last year in other areas of the province which will be worked in 1991. These are the Ferguson Project of International Impala Resources Ltd., the HueyDuey Project of Maple Resource Corp., and the Swan Project of Candela Resources Ltd. The latter two properties have potential to host porphyry copper-gold mineralization; the Ferguson Project will be explored for large tonnage lead-zinc-silver mineralization. The Swan Property lies east of Takla Lake; year-round access is provided by a network of forestry roads. Previous drilling here suggests a reserve of 36 million tons averaging 0.2% copper in an alkalio porphyry system similar to that at Mount Milligan, 60 miles to the southeast. Recent work indicates that gold values are present along with copper; IP surveying shows that a chargeability anomaly associated with the deposit is open to the west rather than closed off, as had been previously interpreted. Candela will initiate additional IP surveying on the property in preparation for a program of diamond drilling to confirm the gold potential of the porphyry deposit, and to expand on the known reserve potential.

NEWFOUNDLAND PROJECTS

The Prime Equities Group of Companies is involved in a number of projects throughout the province of Newfoundland. Of particular interest are the Glenwood

Project of Springer Resources Ltd., where drilling on the Knob Showing returned an average gold assay of 1.13 oz/ton across 6.45 metres; and the Pacquet Project of International Impala Resources Ltd. which has a geological resource of some 347,000 tons averaging 0.131 oz/ton gold, amenable to open pit mining methods.

UNITED STATES PROJECTS

The Prime Equities Group of Companies are expanding their involvement in gold and base metals exploration situations in the state of Arizona. Consolidated Rhodes Resources Ltd., Toltec Resources Ltd. and Slocan Development Corporation Limited are exploring several properties located in Mohave County. In the southern portion of the state, Asiatel Media Corporation has entered into an agreement to earn a 50% interest in the Middlemarch Property. Located in Cochise County, the Middlemarch Property hosts eight historic polymetallic skarn occurrences and deposits along an 8,000-metre structural trend known as the Missouri-Cobre Loma Trend. The most important deposits, the Missouri #1 and Cobre Loma Mines, produced 130,000 tons of high grade copper ore (>4% copper) up to the 1920's. Outside the Missouri-Cobre Loma Trend, the San Juan and Zinc Basin Mines produced high grade zinc (40%) and silver (10 oz/ton) from manto deposits in carbonate rocks in the China Peak area. Drilling in 1990 confirmed the presence of mineralization over a 50-foot width between the Missouri #1 and Missouri #3 Deposits, a strike length of 1,400 feet. On the northern end of the trend, the Cobre Loma underground workings ended in massive chalcopyrite mineralization averaging 7% copper, which appears to widen at depth and trends northwest toward the Copper Glance Showing. This area has not been drilled. Immediately to the east, a large IP anomaly paralleling the mineralized trend has been traced over 3,600 feet along strike and 300-600 feet in width; this is related to silicified and pyritized sedimentary rocks interpreted to be a silica cap which may reflect mineralization at depth, similar to the geological setting of the Bisbee area 25 miles to the southwest. Recorded production from the Bisbee Mining District is 8 billion pounds of copper, 2.7 million ounces of gold, and 100 million ounces of silver. Asiatel is planning to undertake additional geophysical and geochemical surveying on the property prior to drilling the Missouri-Cobre Loma Trend, the China Peak area, and the IP anomaly.

Elsewhere in the United States, exploration by the Prime Group of Companies is in progress by Pulse Resources Ltd. in South Carolina. Here, the target again is bulk tonnage gold deposits.

In summary, 1991 is shaping up to be another good year for Prime Equities and the Prime Group of Companies. The Group has numerous properties of merit for precious and base metals, and is continuing to seek out new opportunities in British Columbia and elsewhere in North America. Prime Explorations will continue to apply its exploration expertise on the Group's properties. Furthermore, the involvement of Teck Corporation as a senior financing partner is a welcome addition for the future development of the current advanced projects and for those to come. Through its financing and exploration expertise and its new relationship with Teck, Prime Equities and the Prime Equities Group of Companies expect to maintain their position in North American minerals exploration and development throughout the next decade.

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HUMAN RESOURCES

Prime Explorations employs a full-time staff of five geologists and two administrative personnel, plus four geological consultants. Additional consultants and subcontractors are engaged as needed for individual projects.

James R. Foster, Vice President Exploration (Hon.B.Sc. 1979, University of Waterloo) joined Prime Explorations along with Mr. Idziszek in 1987. He has been active in the Canadian geological community since 1975, working primarily for New Jersey Zinc Exploration Co. (Canada) Ltd. and the Ontario Geological Survey. As a geological consultant prior to joining Prime Explorations, his clients included Gold Fields Canadian Mining, Ltd. and Homestake Mineral Development Company.

Lindsay R. Bottomer, Vice President New Projects (Hon.B.Sc. 1970, University of Queensland; M.Sc.App. 1975, McGill University) is responsible for evaluating the numerous property acquisition and investment opportunities that are presented to Equities and the Prime Equities Group of Companies. Prior to 1989, he was Regional Exploration Manager for Aberfoyle Resources Inc., overseeing base and precious metal exploration and development projects throughout Australia. Between 1977 and 1981 he was employed by Cominco Ltd. in Canada and before that by the Minerals Department of Shell Canada Ltd. in the Maritimes.

David W. Mallo, Manager of Advanced Projects (B.Sc.Spec. 1981, Brandon University) started with Prime Explorations in 1988. He was chosen to manage the Eskay Creek Project and several surrounding projects from 1989 to 1991, as the area rapidly advanced from its initial discovery to a major exploration play. Mr. Mallo's curriculum vitae includes over six years employment with Gold Fields Canadian Mining, Ltd. His current responsibilities include planning,

management and supervision of exploration on the Rock & Roll massive sulphide discovery and on adjacent properties held by the Prime Equities Group of Companies.

Diane J. Gregory, Administrative Geologist (B.Sc. 1969, Dalhousie University) brings an extensive background of computer-oriented skills to Prime Explorations. She monitors the constantly-changing land status and legal files management for the Group. Ms. Gregory has been employed as a geologist in the British Columbia mining industry for eleven years, with Amax Minerals Exploration and Falconbridge Limited, specializing in geoscience and computer applications and file system developments. She also worked with government mines departments in Nova Scotia and Australia.

Pete Loughheed, Senior Geologist (Hon.B.Sc. McMaster University; M.Sc. 1986, University of Western Ontario), joined Prime Explorations in May of 1990. He has since been planning and managing exploration on all the remaining properties held by the Prime Equities Group of Companies. He also was previously employed by Gold Fields Canadian Mining Ltd. There, his duties ranged from grassroots exploration to property evaluation to diamond drill project management. Between 1981 and 1986 he worked for Kidd Creek Mines Ltd. on base and precious metal explorations through the Canadian Shield.

Prime Explorations relies heavily on the services of a number of independent consultants to assist not only on ongoing exploration programs, but to generate projects and screen new property submissions. This strategy was particularly successful in the exploration of the Eskay Creek Projects and the 21 Zone Deposits, and is believed to be one of the few examples of a major "fast-tracked" program which did not rely on a significant number of in-house exploration staff for project execution up to the prefeasibility stage.

Jerry Blackwell (Hon.B.Sc. 1974, University of Western Ontario) has been employed since graduation as an exploration geologist on a variety of base, precious metal, industrial mineral and uranium projects across North America and overseas while employed by Cominco Ltd. Since 1988, he has provided independent exploration and consulting services to a number of junior to mid-sized Canadian mining companies with projects located in Western and Northern Canada. Mr. Blackwell initially began archives research for the Eskay Creek Project; his duties were quickly expanded to include many of the geoscientific studies undertaken by

Prime Explorations on the Eskay Creek Deposits. He has also generated a number of new acquisition opportunities for the **Prime Equities Group of Companies**, including the Metla Project of Galico Resources Inc.

Gregory Z. Mosher (Hon.B.Sc.Geol. 1970, Dalhousie University; M.Sc.Geol. 1973, McGill University) began his career with Cominco Ltd. as an exploration geologist on base, precious metal, industrial mineral and uranium projects across North America and overseas. From 1984 to 1988, he was Chief Geologist, then Exploration Manager for Asamera Minerals Inc. Since 1989, he has provided geological, ore-reserve, and feasibility analytical services for Canadian, U.S. and overseas properties. Mr. Mosher assisted in ore reserve calculations for the Eskay Creek Deposits, and is now retained for office and field management on a number of the advanced properties held by the Group.

Terry W. Bittle (Hon.B.Sc.Geol. 1984, B.Sc. Geochemistry 1985, University of Ottawa) has provided office and field management for a number of projects since 1989.

Jim Dunkley (B.Sc. 1984, University of British Columbia) has worked on the Eskay Creek Deposits ore calculations during the past two years, and is assisting in planning and compilation of data from the Rock & Roll Project.

Joanne Forbes (B.Sc. 1981, University of Calgary) began consulting for the **Prime Group of Companies** in 1989; she is now focusing her efforts on the Rock & Roll Project and the surrounding Iskut River Projects.

Douglas Turnbull (Hon.B.Sc. 1987, Lakehead University) has been on contract to **Prime Explorations** since January 1990 and assisted in the management and geoscientific studies for the Eskay Creek Project. He is presently involved in project management and property evaluation and acquisition.