



June 6, 1990

FOR IMMEDIATE RELEASE

ASARCO TO DEVELOP
FRASERGOLD PROJECT

Eureka Resources, Inc. (EUK.V) and Asarco Exploration Company of Canada Ltd., a wholly owned subsidiary of ASARCO Incorporated, (AR.NYSE), ("Asarco"), reported today the companies have reached an agreement for the further exploration and development of Eureka's Frasergold Project in central British Columbia.

Asarco can earn a 50% interest in the property on completion of a feasibility study and a decision to place the project into commercial production. The agreement requires expenditures by Asarco of \$1.4 million in 1990, and up to \$2.0 million in each of 1991 and 1992, as necessary to provide the feasibility study.

The Frasergold Project is located in the Cariboo area of central British Columbia, approximately 60 miles east of Williams Lake, and consists of 27 mineral claims encompassing approximately 10,000 acres. A potential geological reserve in excess of 1,000,000 ounces of gold has been indicated by drilling over a 1-1/2 km. strike length to a depth of 150 meters.

Company president, J. J. O'Neill, said the objective of ongoing exploration is to upgrade the indicated reserves to a minimum of 1.0 million ounces of mineable reserves, and explore the full length of the geochemical anomaly which extends for 12 kms.

O'Neill said the company is pleased with the terms of the Asarco agreement, and, "the quality of the partner that has displayed a similar confidence in the Frasergold project as we have".

"Having had the property tied up in litigation for two years has been a major set back. This agreement allows for aggressive development plans, and an early production decision," he added.

According to John Kerr, Eureka's vice-president, plans for the 1990 program are well underway. The \$1.4 million budget is to consist of 4000 meters of HQ diamond drilling and 4000 meters of reverse circulation drilling. A 4.5 tonne bulk sample is to be collected from the existing underground adit for further metallurgical tests. If the results of these tests are conclusive, a \$250,000 contingency has been allowed for further bulk sampling in 1990. The 1990 program will be managed by Eureka.

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"The camp is to mobilize to the site early in June, and the diamond drill will arrive July 1", Kerr stated. "The reverse circulation drill is scheduled to arrive 3-4 weeks later, following review of initial diamond drill results".

"The diamond drill will be used as the principal exploration tool, while the reverse circulation drill will be used to define reserves", he said.

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On behalf of the Board

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The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.