

NEWS ABOUT PLACER DOME INC.

FOR IMMEDIATE RELEASE

December 16, 1991

PLACER DOME ELECTS NOT TO INCREASE INTEREST IN ESKAY CREEK

Vancouver, B.C. - Placer Dome announced today that following completion of a review of the Eskay Creek mineral property in British Columbia, it has advised International Corona Corporation, Prime Resources Group Inc. and Stikine Resources Ltd. that it does not intend to proceed to the exploration and feasibility study stage under its agreement with those companies relating to development of the property.

Placer Dome concluded that while the property on its own is attractive and economically viable, the deposit's tonnage would not sustain a mine project that would under the terms of the agreement satisfy Placer Dome's financial objectives. Under the agreement, Placer Dome would have funded the full capital cost of the project up to \$240 million, while receiving only 50% of the cash flow from operations.

The Corporation continues to hold a 22% indirect interest in the property, held through its 44% interest in Stikine Resources. In terms of the current agreement, International Corona has the right, for 90 days, to acquire all of Placer Dome's shares of Stikine Resources for approximately \$105 million. If it does not exercise that right, Placer Dome, International Corona, Prime Resources and Stikine Resources will use their best efforts to cause a merger of Prime Resources and Stikine Resources by September 30, 1992.

If the merger is not achieved, International Corona is to offer to acquire all of Placer Dome's Stikine Resources shares in exchange for common shares of International Corona. If Placer Dome does not accept that offer, International Corona at Placer Dome's request is to cause Stikine Resources to prepare a prospectus to permit Placer Dome to sell its Stikine Resources shares by way of a secondary offering.

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For complete information on the Placer Dome Group, access Canquote (CNW), Starquote, Infoglobe, Infomart or QL Systems in Canada and "First Call" in the United States.

Monday, December 16, 1991

Placer Dome is an international mining corporation and one of the world's largest producers of gold. It has gold mines in Canada, the United States, Australia, Papua New Guinea and Chile. Other mines produce silver, copper and molybdenum. The Corporation's shares are traded under the symbol PDG on the Toronto, New York, Montreal, Vancouver, Paris, Swiss and Australian stock exchanges. International Depository Receipts for its shares are traded on the Brussels Stock Exchange.

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NEWS RELEASE



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December 16, 1991

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PLACER DOME ELECTS NOT TO INCREASE INTEREST IN ESKAY CREEK; CORONA TO PROCEED IMMEDIATELY TO FEASIBILITY

Vancouver, B.C. - International Corona Corporation today announced that Placer Dome Inc. has elected not to proceed with the joint development of the Eskay Creek gold project.

The decision comes after three months of due diligence which confirmed the economic viability of Eskay Creek. Under terms of the joint development agreement between International Corona, Prime Resources Group Inc., Stikine Resources Ltd. and Placer Dome, Placer Dome was to spend \$240 million to earn an additional 28% interest in the Eskay Creek mine. However, Placer Dome officials decided that with only 50% of the project's cash flow to repay the \$240 million, the deposit's tonnage would not satisfy Placer Dome's financial objectives.

Though Placer Dome's calculations on reserves and grade coincide generally with Corona's, the companies disagree on the size of the operation. "Our model was based on a 400 ton per day operation, while Placer Dome based its model on 750 tons per day," said Peter Steen, Corona President and CEO.

Mr. Steen said that while Corona was disappointed in Placer Dome's decision, Prime and Stikine with Corona's support, will proceed immediately with a feasibility study. Funding is available for the \$10 million feasibility which should be completed during 1992.

He said his company welcomes the opportunity to proceed alone and to control the project. "With all the new study on the property we're more confident than ever on Eskay Creek, and we have the people and the expertise to make it happen," he said.

A preliminary study by Kilborn Engineering, commissioned by Corona and received last week, has also confirmed the project's viability, based on 400 tons per day. The report estimates a total capital cost of \$210 million and a production cost under US\$150 per ounce. Annual production is projected to be 250,000 ounces of gold and 10 million ounces of silver (360,000 ounces of gold and gold equivalent) over an 8-year period.

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Earlier estimates of Eskay Creek reserves referred to indicated probable geological reserves for the 21B Zone while recent studies estimate mining reserves for the 21B Zone, as follows:

INDICATED PROBABLE GEOLOGICAL RESERVES - At a cut-off grade of 0.25 ounces per ton gold and using a 90:1 conversion ratio for gold and gold equivalent. 8.6

<u>Tons</u>	<u>Grade (ounces per ton)</u>	<u>Ounces (in millions)</u>
1,992,000	1.47 gold ^{50.4}	2.92 gold
1,867,102	55.8 silver ^{1913.14}	111.0 silver
		4.1 gold & gold equivalent

MINING RESERVE PROJECTION - At a cut-off grade of 0.4 ounces per ton gold equivalent and a 90:1 conversion ratio for gold and gold equivalent. The current estimate of mining reserves includes allowances for mining recovery and an approximate 27% dilution. This contrasts with the previous geological reserve estimate which was for in-situ reserves.

<u>Tons</u>	<u>Grade (ounces per ton)</u>	<u>Ounces (in millions)</u>
1,150,000	1.86 gold ^{63.78}	2.14 gold
1,043,257	74.8 silver ^{2564.59}	86.0 silver
		3.1 gold & gold equivalent

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Trading symbols:

International Corona - ICR - TSE, VSE, ME, AMEX