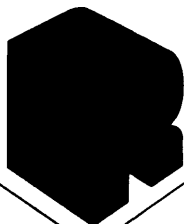


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FOR IMMEDIATE RELEASE



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MILL TEST CONFIRMS
HIGHER GOLD CONTENT

Eureka Resources, Inc. (EUK-V) said today a bulk sample from its Frasergold precious metals project has yielded higher gold content in a mill test than results from normal assaying procedures conducted under controlled conditions.

The company reported an approximate 1,200 pound bulk sample yielded 0.137 ounces gold per ton when concentrated and leached compared to an indicated average yield of 0.077 ounces gold per ton under normal assaying procedures.

Eureka said the sample, collected from outcrop, was crushed to one-quarter inch, coned and quartered and subsequently riffled to provide sixteen one kg samples for assay. Each sample was assayed three or four times at three laboratories and a total of 56 assays were completed.

The remaining sample material was subjected to a pilot-plant mill and gravity concentration process, conducted by Coastech Research Inc. of Vancouver.

The consultants reported that the concentrate confirmed the presence of coarse particles of gold that were not ground during the milling process.

The concentrates were leached in a cyanide solution and assays of the milled tailings, solution and solution residue indicated a total content of 0.137 ounce per ton gold in the bulk sample.

Commenting on the program, Eureka president J.J. O'Neill, said the results are of vital importance to the significance of grade estimate calculations at Frasergold, as reported from the results of normal assays of diamond drill core. The assay procedures used may therefore have underestimated the actual gold content by a factor as high as 1.7, especially in zones where coarse particulate gold was noted in drill core, he said. Further bulk sample testwork is required to give a better statistical representation of this possible underestimation. O'Neill said two additional ore samples have been collected and are currently being tested. The samples represent low-grade ore, with previous assays indicating grades ranging from 0.02 to 0.07 ounce per ton gold.

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O'Neill said an \$100,000 program oriented at further bulk sample collection and mill testing is contemplated to commence the 1986 field program. The company plans to collect from surface exposures and at depth by large diameter, reverse circulation drilling methods.

"If the results of this program indicate an appreciable upgrading of gold content, the viability of known reserves at existing metal prices would be greatly enhanced," O'Neill stated.

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On Behalf of the Board

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