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EUREKA RESOURCES INC. (EUK-V)

FRASERGOLD PROJECT ADVANCES -J.R. Kerr, director, reports Eureka Resources, Inc., will proceed with a \$1,250,000 exploration and development programme to advance its large, open-pit Frasergold project to the feasibility stage. The 9,000-acre property is located in the Cariboo region of central B.C. An independent summary review of the project indicates the possibility of geologic reserves in the range of 14,000,000 tons at a grade of at least 0.07 oz.gold/ton when applying an 18-meter mining width.

Extending the mining width to 25 meters could result in geologic reserves of 20,000,000 tons with a slightly lower grade, according to consultant K.V. Campbell, PhD. Both estimates project mineralization to a depth of 150 meters. The Campbell report states that the mineralized zone exposed in underground workings indicates a true width of 15-20 meters. Drilling elsewhere in the zone is 1.6 km to a down-dip depth of 170 meters. The average grade of mineralization, evidenced by underground bulk sampling, is between 0.07 and 0.08 oz.gold/t. The overall length of the zone indicated by soil geochemistry is in excess of 10 kms.

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