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DECEMBER 18, 1989

George Cross

Reliable A

WESTERN CANADA

CALPINE RESOURCES INCORPORATION(CLP-V)
PRIME RESOURCES CORPORATION(PMR-V)

21 ZONE RESERVE ESTIMATED EXPECTED FEBRUARY 1990

The shareholders' meetings of Dec.14,1989, of Calpine and Prime were told the Toronto consulting geologist Roscoe, Postle & Associates Inc., have been retained to calculate an interim reserve estimated on the 21 Zone on the Eskay Creek property, 65 km north of Stewart, B.C. Their report is expected to include all of the drill holes completed to Dec.15,1989, when drilling will be suspended for 20 days until Jan.5,1990 when the winter drilling program is scheduled to resume. The structure is 1,400 meters long with the southern portion now drilled on 25 meter hole spacing. The hole spacing on the northern end of the structure is 50 meters. It is intended to have the entire length tested on 25 meter spacing by July,1990. The winter spring program will also provide metallurgical samples from one and maybe more adits. The most northerly hole on the 21 Zone is 50 meters from the border and no further holes will be drilled to the north until the ownership of the property to the north has been established. The land survey work necessary to establish the northern border has been completed and is in the process of being filed with the government agencies.

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