

1710-609 GRANVILLE ST.
P.O. Box 10383 STOCK EXCHANGE TOWER
VANCOUVER, B.C.
V7Y 1G5

(604) 683-7265
FAX (604) 683-5306

George Cro.

R.H.H.

NO. 129(1989)
JULY 6, 1989

PIONEER METALS CORPORATION (PSM-T,V)

**WORKING CAPITAL LOAN - R.Art McQuade, vice president
ARRANGED WITH PEGASUS Finance, reports that Pioneer**

Metals Corporation has arranged a working capital loan of \$3,100,000 from PEGASUS GOLD INC. (PGU-T, AMEX). The loan was made by Pegasus through the advance of gold and has been secured by gold call options and warrants. These funds have been added to general working capital and are available for use for Pioneer's operating and capital expenditures at the 40% owned Premier Gold Mine near Stewart, B.C. and the 50% owned Stibnite Gold Mine, 100 miles NE of Boise, Idaho.

The Premier Gold Mine began mining and milling operations in early May and will continue through its start-up phase until August 1989 at which time commercial levels of production are expected. The mill is running at near design (2,000 metric tonnes per day) and is initially processing the low grade stockpile ore grading 0.035 oz.gold/ton and 1.1 oz.silver/t. Milling of the higher grade Premier pit ore is scheduled to begin in August. The first dore was poured on 9Jun89 and will continue on a regular basis. Pioneer's share of 1989 production is expected to be about 15,600 oz.gold and 136,000 oz.silver.

104B 54