

NO.148(1990)
AUGUST 1, 1990

George Cross

Reliable

WESTERN CANADA

PRINCETON MINING CORP. (PMC-T)
(formerly CASSIAR MINING CORPORATION)

**RECENT MINE EXPLORATION HAS INCREASED TONNAGE
INCREASED OVERALL GRADE AND INCREASED GRADE AT DEPTH**

At Dec.31,1989, reserves at the Similco copper mine, 100% owned by Princeton Mining, located at Princeton, B.C., were 170,000,000 tons grading 0.41% copper plus gold 0.0021 ounces gold/ton. The company in June reported 25,000 feet of drilling added some 20,000,000 tons to these reserves at a grade of 0.32% copper but with elevated gold values, three times the present mine average. (One hole carried 10 feet of 0.44 oz. gold per ton.) That would be to a gold grade of 0.006 oz.per ton. From 8,312,000 tons processed in 1989, the mine recovered 57,420,000 pounds of copper, plus 17,277 ounces gold and 432,220 ounces silver. These new reserves hold the potential to double or triple gold production in future years with a significant impact on earnings when these reserves are mined and processed. A further favourable feature is the ore is near surface and available to a suggested 0.6 to 1 stripping ratio. (SEE RESULTS AND MAPS OVERLEAF PAGES 1 & 2)

In April 1990, Princeton Mining concluded the sale of about 300,000 flow-through shares at \$6.50 each to CMP Funds Management Ltd. for \$2,000,000 to be used in mine exploration. About two-thirds of the program is now completed.

92HSE 13

p. 1 of 6

In a recent interview with Bob A. Hamaguchi, general manager, Similco Mines, and Bill Epp, mine exploration geologist, they pointed out exploration at the mine substantially ceased about 1970 when ore reserves had been established for 20 years of operations. When ownership of the mine was assumed by Princeton Mining, exploration resumed. The work has been in two main areas. First is in the Lost Horse Gulch area where the Alabama zone and the Virginia zone have been drilled to add the 20,000,000 tons. The most recent drilling has added further to the mineable area in each of these zones but also has established the zones are connected and that they will likely be mined as one pit. New reserve calculations will only be made when the current drilling is completed but a substantial addition to the 20,000,000 tons is indicated. As important as the new tons is the real impact from the elevated gold values which tend to be increasing in both thickness and grade at depth. Two of the better holes returned 651 feet of 0.6% copper and 587 feet of 0.96% copper, with good grades in the toe of the hole. The zones are still open to extension on three sides. Part of the Lost Horse Gulch was being explored as a potential waste disposal area when soil sampling returned elevated gold values and two percussion holes cut 100 feet of 0.3% copper. Then a follow-up hole cut 575 feet of 0.5% copper. The area was considered attractive since there is an old adit carrying 1% copper on the Alabama zone.

The present drill plan calls for definition of the Virginia zone by year end where mining could be underway as early as mid-1991. The recent drilling has increased the Virginia zone overall grade from 0.32% to 0.41% with an indicated recovery of 85% in the mill.

-CONTINUED ON PAGE TWO-

92H SE 13

P. 2 of 6

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CONTINUED FROM PAGE ONE - In this same Lost Horse Gulch area there are the Mill zone, the Voight zone and the Wolf Creek East zone each of which hold strong potential and all are related to the contact area between the Voight stock and the Nicola volcanics. The Voight is a linear structure carrying copper and gold values indicated by geological mapping, soil sample and magnetometer anomalies. The Wolf Creek East has a high chargeability induced polarization anomaly and the old files note an adit with 1% copper.

The No.1 and No.3 pits which are currently being mined are located along the Main Mine fault which runs northwest-southeast. Just to the southeast of the No.3 pit is the Oriole zone which has been mapped over a 4,000-foot length along the fault and is up to 1,000 feet wide. Within this Oriole zone, in the northwest section, is an area 500 ft. by 500 ft. and to a depth of 600 feet which grades 0.5% copper. This area could add some 10,000,000 tons. None of zones are sufficiently explored to be included in reserves. Further to the southeast in the Oriole area there are induced polarization and soil sample anomalies which have returned 217 feet of 0.578% copper and 198 feet grading 0.5% copper which have yet to be tested in detail. Almost a mile due south of the Oriole zone is ground recently optioned from Targas which carries copper and gold values of interest and which will be further explored.

There are also half a dozen other areas on the property where elevated gold and copper values have been recorded which will also be further explored.

Mr.Hamaguchi summarized by saying while it is not yet complete he is comfortable a five-year mine plan will be in place by the end of 1990 and a ten-year plan probably by mid-1991. With those in place, more management efforts can be directed to increasing efficiency, through-put, recovery and cost reduction.

92HSE 13
p. 3 of 6

George Cross

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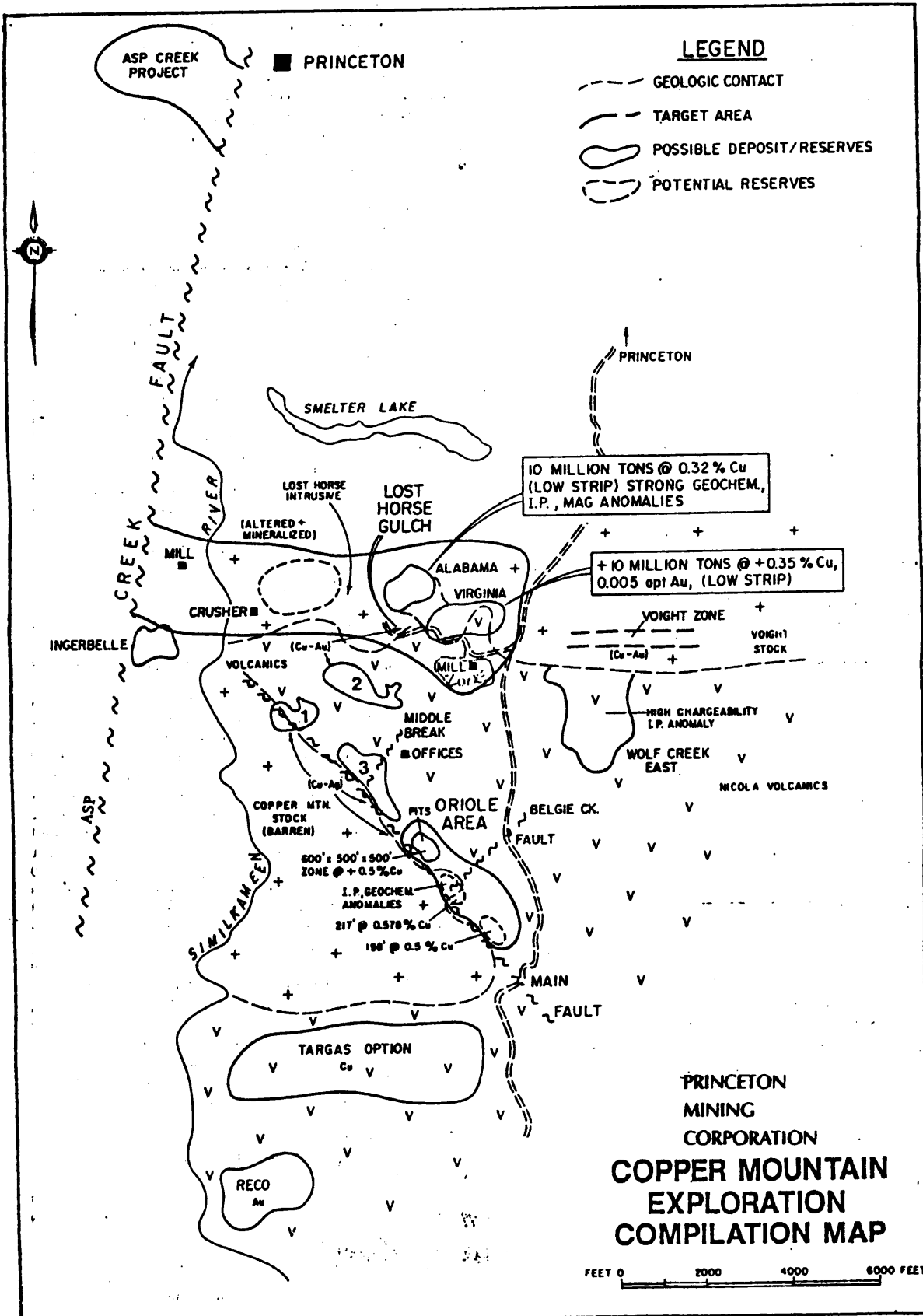
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T.G.Smith P.Eng., concentrator general superintendent reviewed the milling operations in recent months by pointing out the creation and introduction of a computerized maintenance program is beginning to show results in reduced down time. The installation of rubber liners in the 32-foot semi-autogenous ball mills have shown promise of significant operating improvements. The change over of all three mills is scheduled to be completed in September. The mills which have been completed have shown a considerable improvement in the consistency in size and quantity of the output. A \$2,000,000 capital program to install additional flotation cells is underway toward completion in the fall. The new cells will increase retention time by about 9 minutes and increase overall copper recovery about 2.5%. A 12-month payout on the installations is forecast. The program of installation of uniform 6-inch spill recovery pumps is well advanced and has started to show improved results. In the past when pipelines were replaced the old lines were left in place. These unused pipelines are now being removed and other pipelines are being replaced to reduce breaks and leakage.

92HSE 13

A 4 F 6



92HSE 13

p. 5 of 6



PRINCETON
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HOLE NO.	INTERVAL	LENGTH	COPPER %
VA-90-11	680-760	80	0.52%
VA-90-12	160-228	68	.25
	380-420	40	.28
VA-90-13	230-258	28	.26
VA-90-14	293-760	467	.44
including		60	1.30
VA-90-16	410-560	150	.26
including		40	.40
including		65	.30
VB-90-11	133-165	32	.30
	450-475	25	.29
	580-613	33	.24
VB-90-12	80-128	48	.26
	695-750	55	.35
	740-750	10	.95
VB-90-13	70-661	591	.34
including		75	1.12
including		135	.40
VB-90-14	370-580	210	.24
including		50	.46
VB-90-17	210-340	130	.32
including		100	.37
VB-90-18	140-180	40	.30
including		80	.34

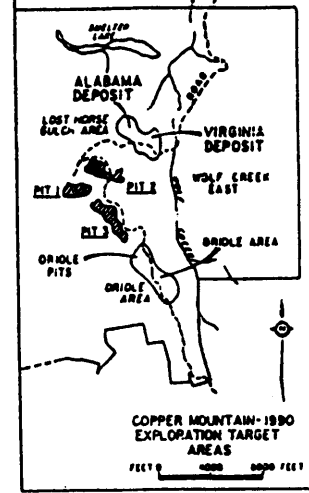
1990 VIRGINIA DRILLING RESULTS

HOLE NO.	MCLE	FROM FEET	TO FEET	LENGTH FEET	COPPER %	COPPER EQUIV. %
VA-90-1	885	330	345	15	0.31	0.32
ALSO	370	350	350	0	0.37	0.48
	424	372	40	0.33	0.66	
			END OF HOLE			
VA-90-2	80	205	206	1	0.30	0.44
	421	420	33	0.30	0.34	
VA-90-3	340	302	32	0.30	PENDING PRECIOUS METAL ASSAYS	
VA-90-4	30	373	453	0.33	PENDING PRECIOUS METAL ASSAYS	
ALSO	477	567	100	0.40		
	340	587	247	0.40		
ALSO	400	587	87	0.36		
	430	581	151	0.34		
VA-90-5	30	180	170	0.40		
ALSO	430	531	213	0.40		
			END OF HOLE			
VA-90-6	82	507	448	0.30		
VA-90-7	10	310	296	0.30		
ALSO	81	675	54	0.33		
ALSO	10	675	640	0.33		
			END OF HOLE			
VA-90-8	245	404.5	130.5	0.30		
VA-90-9	20	70	50	0.40		
	300	770	100	0.30		
VA-90-10	100	300	100	0.40		
VB-90-1	420	600	270	0.30	0.40	
			END OF HOLE			
VB-90-2	0	123	123	0.30	0.32	
ALSO	330	470	230	0.27	0.38	
VB-90-3	27	400	303	0.30	0.42	
			NOTE: 410-420 IS 0.40% TO 0.60%			
VB-90-4	230	400	230	0.32	0.39	
VB-90-5	110	310	193	0.32	PENDING PRECIOUS METAL ASSAYS	
VB-90-6	320	42	83	0.32		
ALSO	615	670	55	0.34		
VB-90-7	90	200	110	0.37		
ALSO	430	710	280	0.44		
			END OF HOLE			
VB-90-8	455	600	105	0.32		
ALSO	445	500	25	0.34		
ALSO	610	640	30	0.30		
VB-90-9	60	400	400	0.30		
VB-90-10	27	330	220	0.44	0.67	
ALSO	400	700	300	0.30	0.70	
ALSO	510	610	50	0.31	0.70	

*NOTE - ALL EQUV. CALCULATED @ 0.350 US\$/LBS AND 1.0 US\$/LBS AND 1.06 US\$/LBS

ALABAMA DEPOSIT
POSSIBLE RESERVES
10 MILLION TONS AT 0.32 % Cu

120' AT 0.50 % Cu



LEGEND

- GOLD ANOMALY (150 ppb)
- L.P. ANOMALY
- VIRGINIA DEPOSIT DEFINITION DRILLING

VIRGINIA DEPOSIT
POSSIBLE RESERVES
10 MILLION TONS AT 0.327 % Cu

SIMILCO MINES LTD.
LOST HORSE GULCH PROJECT
DRILL PLAN & RESULTS

FEET 0 200 400 600 800 1000 FEET

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