

ISKUT J/V DRILL RESULTS - John Ivany, president, reports Prime Resources Group Inc. has completed the initial drilling phase of the 1990 Phase I exploration program on the Iskut Joint Venture project located immediately north of the SNIP deposit of Prime/Cominco, some 66 miles northwest of Stewart, B.C. The project is a joint venture with Prime, AMERICAN ORE LTD. (AOE-Alberta) and GOLDEN BAND RESOURCES LTD. (GBN-V), all having an equal interest.

Ten holes totalling 5,499 feet have been drilled to date which began by testing the strike and dip extension of the RPX zone discovered in 1989. Four holes totalling 2,530 feet were drilled westward from I89-10, drilled last year, which intersected 10.6 feet averaging 0.427 oz.gold/ton. See drilling highlights in table above. Hole I90-1, drilled beneath I89-10, returned no significant results.

Hole I90-4 tested the down-dip potential of mineralization encountered in hole I89-1 in the Gorge zone about 1,000 feet east of the RPX zone. I90-04 intersected 0.046 oz.gold/ton over 7.5 feet from a depth of 267.3 feet and 0.14 oz.gold/ton over 4.9 feet at a depth of 383.6 feet. Holes I90-8 comprised a fence of holes drilled roughly midway between the RPX and Gorge zones. Both returned no significant values.

To the north, three holes totalling 670 feet were drilled on the Gregor zone to test results of 1989 surface sampling which returned an average of 0.133 oz.gold/ton across 23.0 feet including 0.376 oz.gold/ton across 3.3 feet. Holes I90-2 and I90-3 were drilled down-slope from this mineralization and did not intersect the target. Hole I90-10 however, was a vertical hole collared northward and upslope from the 1989 sampling site. This hole intersected 0.262 oz.gold/ton over 4.5 feet which includes an interval grading 0.620 oz.gold/ton over 1.47 feet at a depth of 32.6 feet, suggesting the Gregor zone mineralization is more flat-lying than previously believed. The joint venture partners will continue drill-testing the RPX zone to the west. More drilling is also planned for the Gregor zone to test the potential for a more flat-lying structure. Other areas of the property will be prospected. Ground geophysical surveys are planned for gold-in-soil anomalies in the SE part of the property. (SEE GCNL No.102, 28May90, P.1 FOR PREVIOUS INFORMATION)

104-B Gorge

