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JULY 19, 1990

George Cross

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EUREKA RESOURCES INC. (EUK-V)

BULK SAMPLING CONFIRMS CHANNEL RESULTS - J.J. O'Neill,
director,

reports Eureka Resources Inc. has completed an underground bulk sampling program on the Frasergold project located 60 miles east of Williams Lake, B.C. Asarco can earn a 50% interest by spending \$1,400,000 on the project in 1990 and up to \$2,000,000 in each of 1991 and 1992. In Aug/89, Eureka settled a litigation on the property with Southlands Mining/Sirius Resource Corp. and 1257 Geological Ltd. Eureka will acknowledge a 3% net smelter return royalty to be paid to Southlands after pay-back, with a cap of \$2,600,000.

Four one-ton samples from a 60 foot section of the main underground ore zone averaged 0.0757 oz.gold/t compared to 0.076 oz.gold/t for channel samples from the same section. The underground sampling was designed to provide mill flow sheet data.

Additional HQ diamond drilling of the 1.5-km strike length is underway. The property has been expanded to 17,000-acres. (SEE GCNL No.111, 8Jun90, P.3 FOR DATA)

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