

PRIME RESOURCES GROUP INC. (PRU-V)

STIKINE RESOURCES LTD. (SKZ-V,T)

PHASE II EXPLORATION BEGINS - Murray Pezim, chairman,
reports Prime Resources

Group Inc. and 50/50 joint venture partner Stikine Resources Ltd. have begun Phase II of the 1990 exploration program at the Eskay Creek project located about 50 miles northwest of Stewart, B.C. Two surface drills are now operating and an underground exploration decline will start shortly on the 21B deposit.

During the period January to May 1990, a winter diamond drilling program employing six rigs completed over 261,000 feet of drilling in 420 holes. The main objectives of the drill program was to define the continuity and grade of the 21B deposit, and to substantiate the initial ore reserve estimates prepared on behalf of the joint venture by Roscoe Postle Associates Inc. Though no new reserve estimates have yet been undertaken, drill results have confirmed predicted grades and thicknesses within the 21B main reserve block, and has further established continuity of the deposit northwards. Step out drilling, on 50 to 100-meter spaced fences further delineated the limits of the 21B deposit, and tested for additional new zones both north and east of the original 21A deposit. This latter drilling was successful in discovering the Pumphouse and 21C deposits. Total expenditures were \$15,000,000.

See tables overleaf pages 1 and 2 for drill holes returning significant results since the last press release. Complete assay results for 96 holes were received during this period. (SEE GCNL No.116, 15Jun90, P.1 FOR MOST RECENT DRILL RESULTS)

The Phase II 1990 exploration program has three objectives: drill testing of the northernmost extensions of the 21B deposit in the vicinity of the property boundary; drilling of previously untested showings and anomalies in the southern 2/3 of the property; and an underground program of drifting, drilling and bulk sampling on the 21B deposit. Budgeted expenditures are \$12,500,000. This program is underway, with drill activity principally directed at testing geophysical targets and mineralized strike extensions known to be present within the northern portion of the TON claims. A total of 16,500 feet of drilling is budgeted for this area. This program will be followed by diamond drill testing of up to 14 targets in the remainder of the property. Approximately 50,000 feet of drilling is anticipated for these targets. Additional drill rigs will be employed as required.

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George Cross

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WESTERN CANADA

It is anticipated that the underground decline will commence by the end of June. A new camp has been constructed to house contractor employees, and stripping of the portal collar is near completion. About 5,000 feet of underground exploration work is planned utilizing trackless mining equipment. The underground exploration drive is designed to lay in the footwall of the deposit and will allow for extensive examination of the rhyolite-hosted mineralization known to be present but which has yet to be assigned to a reserve status. The main ore bearing unit immediately overlying this mineralization will be explored by various subdrifts and raises. The portion of the 21B deposit selected for drifting coincides with an area of high grades and thicknesses with apparent excellent continuity. Extensions to the initial underground workings may be

developed as required. This underground program will both aid in establishing mining reserves and allow for taking a bulk sample for metallurgical testwork. To this end, a pilot mill is being constructed at Lakefield Research in Ontario to process shipments of ore samples. Additional work to be undertaken includes a variety of terrain engineering and environmental studies directed at establishing mill and tailings pond locations and demarcation of the road linking Eskay Creek to the Iskut Development road ten miles west.

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21B DEPOSIT - INFILL DRILL HOLE ASSAY RESULTS

HOLE #	SECTION (Metric)	INTERVAL (Feet)	LENGTH (Feet)	GOLD (oz/t)	SILVER (oz/t)
CA90-508	10+75N	314.9-344.4	29.5	0.201	3.51
		incl. 314.9-324.7	9.8	0.443	9.38
		478.9-488.7	9.8	0.339	1.12
CA90-563	5+75N	344.4-406.7	62.3	0.391	51.57
		incl. 347.7-367.4	19.7	0.772	62.22
CA90-564	5+75N	301.7-308.3	6.6	0.492	3.18
CA90-565	5+75N	324.7-380.5	55.8	4.246	214.84
CA90-567	7+25N	269.0-298.5	29.5	1.134	69.46
CA90-568	7+25N	367.3-403.4	36.1	0.677	3.85
CA90-570	7+25N	419.8-439.5	19.7	0.156	0.62
CA90-607	4+75N	485.4-498.5	13.1	0.302	0.26

21B DEPOSIT - STEP-OUT DRILL HOLE ASSAY RESULTS

HOLE #	SECTION (Metric)	INTERVAL (Feet)	LENGTH (Feet)	GOLD (oz/t)	SILVER (oz/t)
CA90-345	7+75N	373.9-387.0	13.1	0.899	109.83
		406.7-416.5	9.8	0.118	1.93
		462.5-478.9	16.4	0.155	1.41
CA90-371	7+25N	314.9-331.3	16.4	0.501	19.56
		396.9-403.5	6.6	0.482	3.84
		449.4-465.8	16.4	0.217	16.98
CA90-390	9+50N	291.9-328.0	36.1	0.466	15.71
CA90-391	9+75N	455.9-475.6	19.7	0.681	44.13
		482.1-488.7	6.6	0.158	28.70
		547.7-554.3	6.6	0.285	4.58
CA90-421	9+25N	154.2-187.0	32.8	0.389	31.94
		206.6-242.7	36.1	0.315	21.98
		318.1-337.8	19.7	0.169	2.86
		354.2-360.8	6.6	0.611	0.35
CA90-462	9+25N	196.8-216.5	19.7	0.837	28.72
CA90-498	8+25N	56.09- 62.32	6.2	0.369	33.86
		249.28-262.40	13.1	0.118	1.05
CA90-516	8+50N	114.8-141.0	26.2	0.064	19.08
		311.6-328.0	16.4	0.476	6.06
CA90-528	8+00N	45.9- 52.5	6.6	0.136	0.59
		282.1-314.9	32.8	0.285	59.23
CA90-552	2+00S	190.2-196.8	6.6	0.265	5.99

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QA90-556	11+50N	652.7-688.8 738.0-764.2	36.1 26.2	0.359 0.339	17.02 17.60
QA90-557	7+50N	108.2-121.3 219.8-259.1 incl. 249.3-255.9	13.1 39.3 6.6	0.132 0.231 0.800	0.49 10.78 28.20
QA90-582	10+25N	888.9-911.9	23.0	0.681	2.44
QA90-596	11+00N	403.4-413.2 426.4-452.6 incl. 436.2-446.0	9.8 26.2 9.8	0.342 0.218 0.445	51.57 0.35 0.49
QA90-597	11+00N	439.5-478.9	39.4	0.147	6.36
QA90-606	8+75N	259.1-380.5 incl. 275.5-305.0	121.4 29.5	0.454 1.228	0.43 0.88

21C DEPOSIT - DRILL HOLE ASSAY RESULTS

HOLE #	SECTION (Metric)	INTERVAL (Feet)	LENGTH (Feet)	GOLD (oz/t)	SILVER (oz/t)
CA90-426	1+50N	560.9-679.0 incl. 560.9- 587.1 1036.5-1043.1	118.1 26.2 6.6	0.189 0.385 0.593	1.37 0.41 2.34
CA90-535	4+25N	455.9-465.7 518.2-528.0	9.8 9.8	0.182 0.991	3.89 4.21
CA90-536	4+35N	488.7-514.9 695.4-744.6	26.2 49.2	0.059 0.116	10.97 0.13
CA90-538	4+35N	478.9-505.1	26.2	0.366	10.32
CA90-540	4+35N	410.0-419.8 616.6-662.5	9.8 45.9	0.112 0.139	13.54 2.70
CA90-541	4+25N	597.0-649.4 616.6-629.7	52.4 13.1	0.161 0.247	2.17 5.02
CA90-579	3+25N	606.8-616.6	9.8	0.203	1.15

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