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**EUREKA RESOURCES INC. (EUK-V)**

**FRASERGOLD DRILL RESULTS - J.J.O'Neill, president,**

Eureka Resources has reported assay results from 25 diamond drill holes and 39 reverse circulation drill holes on the Frasergold property, 60 miles east of Williams Lake, B.C. Asarco can earn a 50% interest by spending \$1,400,000 in 1990 and up to \$2,000,000 in 1991/92. (SEE ASSAY TABLE OVERLEAF P.2)

The most significant results were the extension of the Main zone, in the Grouse Creek area, by 1.6 km. In total, a 2.4-km strike length of mineralization will host ore deposits amenable to open pit mining.

Mr. O'Neill said it was too early to calculate mineable reserves; however, preliminary reviews of 1990 results indicate 12,000,000 to 15,000,000 tons to 100-meter depths grading 0.05 - 0.06 oz.gold/ton. This reserve is open to the southeast and at depth. The limits for open pit mining have yet to be determined; however, at the present time, the open pit potential is being developed only to a 100-meter level. Below this level, the reserves are indicated by previous drilling to depths exceeding 150 meters.

Included in the 1990 program was the collection of a five-ton bulk sample, comprised from four separate areas within the existing underground workings. The average grade of this sample is 0.068 oz.gold/ton. Preliminary metallurgical tests performed on this bulk sample indicate gold recoveries ranging from 87% to 92% from a combined gravity and /flotation recovery process.

Eureka recently acquired the 7,500-acre Kusk claims covering the 1 1/2 km southeast extension of the Frasergold mineralization, which will be included in the joint venture. The commitment to fund the 1991 development program has yet to be confirmed by Asarco. (SEE GCNL No.202, OCT.18/90, P.2 FOR PREVIOUS DATA)

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