

PRIME RESOURCES GROUP INC. (PRU-V)
STIKINE RESOURCES LTD. (SKZ-V)

ESKAY CREEK RESERVES - John Ivany, president, reports
Prime Resources Group Inc. has received from Prime Explorations Ltd. reserve estimates for the 21 Zone deposits at Eskay Creek, located about 60 miles northwest of Stewart, B.C. The calculations incorporate all assay to drill hole CA90-657. Geological reserves calculated are mainly for the 21B deposit. Portions of both the 21C deposit and the Pumphouse Lake zone which is in close proximity to the 21B reserve blocks have also been taken into consideration. New reserve estimates for the 21A deposit were not prepared. The table below is an interim statement of the probable and possible geological reserves, excluding the 21A deposit. The 21A zone reserves were reported in April 1990, at 1,065,000 tons grading 0.32 oz. gold/t in probable and possible classes at a 0.01 oz.gold/t cutoff.

CUT-OFF	TONS	GOLD	SILVER	STATUS
<u>OZ./GOLD/T</u>	<u>OZ/T</u>	<u>OZ/T</u>	<u>OZ/TON</u>	
0.25	1,992,000	1.47	55.77	Probable
.25	101,000	.62	19.35	Possible
TOTAL	2,093,000	1.43	54.01	
.10	4,190,000	.78	29.74	Probable
.10	174,000	.42	14.06	Possible
TOTAL	4,364,000	.77	29.12	

The possible reserves are located within the far northern portion of the 21B deposit, where ore continuity is reasonably known, but where more drilling is required. Calculations were made by cross-section method. Gold and silver assays were not cut. Base metal values were not calculated into the reserves.

Reserves exclude that portion of the 21B deposit falling within the TOK claim gap. Reserves in this area are held 100% by ADRIAN RESOURCES LTD. (ADL-V) and are subject to a 50% earn-in joint venture agreement. Current reserve estimates are a significant increase to those figures previously reported as reported by Roscoe Postle Associates Inc. (SEE GCNL No.72, 11Apr90, P.1 FOR RESERVE ESTIMATES) During the first half of 1990, in-fill drilling was completed to confirm the initial estimates and to establish extensions beyond the RPA reserve limits. A significant portion of the current reserves fall within the area encompassed by the RPA calculation. In-fill diamond drilling within RPA reserve limits confirmed or slightly improved upon predicted grades and thicknesses. New reserves to the RPA figures reflect new mineralization established during step-out drilling northwards to the property boundary and eastward in the vicinity of the Pathfinder structure.

Potential for more reserves is mainly in the northern portion of the deposit where widely-spaced drilling has intersected significant precious and base metal mineralization but has yet to trace those lenses along strike. Hole CA90-646 returned 95.1 feet grading 0.365 oz.gold/ton, 15.53 oz.silver/ton, 15.27% zinc, 5.15% lead and 1.58% copper.

The underground exploration decline has now reached the Main Contact ore lens of the 21B deposit at Section 4+00N. The ore zone is about 6 meters thick as predicted by drilling. Assay results are pending.

No new reserve calculations were done for the 21A deposit. Those portions of the 21C deposit which lay in

close proximity to the 21B ore blocks have been accounted for in the general geological reserve figures on a restricted basis. Drilling along the length of the 21C deposit is too widely-spaced to permit comprehensive assessment at this time. The 21C deposit lies 25 to 50 meters downdip from the 21B deposit. Sufficient diamond drilling has been completed to identify the mineralized zone along a minimum strike length of about 600 meters, which remains open along strike and down dip to the west.

No reserve figures have been prepared for the Pumphouse Lake zone due to the wide-spaced drilling. However, mineralized portions of the zone near the Main 21B ore blocks were taken into consideration in the overall reserves. The zone has been traced by drilling over a strike length of 250 meters, is open to the east, and has recently been transected by the decline. Three mineralized horizons are present; the Contact, Footwall I and Footwall II. The Pumphouse Lake Zone Contact horizon is about 15 meters stratigraphically above the Footwall I horizon, which is in turn located about 35 meters stratigraphically above the Footwall II horizon. The Pumphouse Lake zone is considered to represent the eastern fault off-set of the 21B deposit.

The decline crosses the mineralized horizons in the area of Section 4+00N. Assay results obtained from detailed panel sampling of the decline walls across the mineralized horizons are as follows:

MINERALIZED HORIZON	WIDTH FEET	GOLD OZ/T	SILVER OZ/TON	Exploration
Contact	9.8	0.198	5.41	is continuing at Eskay Creek with
Footwall I Including	52.5	.226	19.62	the underground decline cutting
Footwall II Including	23.0	.369	41.37	both the 21B deposit and the Pump-
And	88.6	.106	10.24	house Lake zone.
	13.1	.178	30.25	
	19.7	.239	.28	

Underground drifting, bulk sampling and drilling will continue for the remainder of 1990. Surface and underground diamond drilling on the Pumphouse Lake zone will begin shortly. Definition drilling to 25-meter centres is required to obtain sufficient assay data to calculate reserves. More drilling is proposed for the northern portion of the 21B deposit to measure the inferred ore reserves and find new reserves to the north. Exploration drilling in the southern portion of the Eskay Creek property has started, which is designed to test several mineralized structures, geophysical and geochemical anomalies identified during this summer's surface exploration program. Total geological reserves are an estimated 5,300,000 ounces of gold equivalent at the 0.10 oz.gold/ton threshold. This high grade reserve is contained within both the 21B and 21A deposits. Potential to increase the total reserves is considered excellent with immediately apparent potential lying within the northern 21B deposit, in the Pumphouse Lake zone, and the 21C deposit. More new zones may be forthcoming pending assays from surface drilling now underway elsewhere on the property.

An Inspection Report regarding complaints by Ken McKenzie on the TOK 3-6 claims has been received recommending to the Chief Gold Commissioner that the complaints be dismissed. (SEE GCNL No.167, 29Aug90, P.1 FOR RECENT PROJECT INFORMATION)

Prime Resources Group is seeking a private placement of 1,000,000 to 3,000,000 shares, price to be set.

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