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George Cross News Letter

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MINISTRY OF ENERGY, MINING
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EUREKA RESOURCES INC. [EUK-V]

FRASERGOLD PROJECT FUNDING NEGOTIATED - J.J. O'Neill,
president,
Eureka Resources, Inc., reports a private placement of 1,029,409
shares at 17¢ per share has been negotiated. The participants have been
granted an option to buy a further 1,029,409 shares exercisable at 17¢
per share to 19Aug94 or at 20¢ per share from 20Aug94 for year two.
As of 30Jun93, Eureka Resources had 5,423,799 shares outstanding.
The \$175,000 proceeds will be used to complete the Phase I
recommendations of L.J. Manning, P.Eng. on the 100%-owned
Frasergold property located 100 km east of Williams Lake, B.C. These
recommendations consist of detailed reverse circulation drill holes in
two areas of the gold deposit that will ultimately be bulk-sampled. Ten
holes to depths of 45-60 meters are scheduled for each area.

Sections of each drill hole through the ore deposit will be
collected in their entirety, each sample weighing 50-60 kg. The
resulting 120 samples are to be milled and treated by cyanide assay
techniques under the supervision of consulting metallurgist, M.J.
Beattie, P. Eng. Previous bulk cyanide assays of drill samples (1988)
indicated upgrading factors of 17-46% over conventional fire assays.
The Phase I program is intended to substantiate this earlier work. The
Phase II program, consisting of the collection of two 1,000-2,000
tonne bulk samples will verify the upgrading factor of Frasergold ore.

Current reserves at Frasergold are 13,000,000 tons indicated
grading 0.05 oz.gold/ton that could be open-pit mined with a strip
ratio of 5:1. The grade was established at a cut-off of 0.02 oz.gold/ton,
after cutting all high gold conventional fire assays to 0.3 oz.gold/ton.

The drilling is to start in early September, with milling and
cyanide assays completed by the end of October. (SEE GCNL NO.132,
9Jul93, P.2 FOR PREVIOUS PROJECT INFORMATION)

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