

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

George Cross News Letter

"Reliable Reporting"
WESTERN CANADIAN INVESTMENTS
MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES

COPYRIGHT
ALL REPRODUCTION
RIGHT RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$315.00 PER YEAR

NO. 233 (1993)
DECEMBER 6, 1993

Rec'd: DEC 07 1993

LIBRARY

NO. 233 (1993)
DECEMBER 6, 1993

PLACER DOME INC. (PDG-T,M)

AGREEMENT TO SELL ESKAY CREEK INTEREST - Placer Dome has

reached an agreement with investment dealers Bunting Warburg Inc. and RBC Dominion Securities to sell to them the 11,507,314 shares, about 16.2% of the issued, of PRIME RESOURCES GROUP INC. (PRU-V) it expects to receive through the tender of its shares of STIKINE RESOURCES LTD. Under the agreement, Placer Dome will receive a net price of CDN \$8 per share for net proceeds of CDN \$92,000,000.

The sale is conditional upon Placer Dome receiving the Prime shares in exchange for its 44% holding in Stikine Resources Ltd. through a proposed share exchange bid to be voted on at a Prime Resources Group Inc. shareholder meeting scheduled for 14Dec93, at 10:00 am, Connaught Room, Delta Place Hotel, 655 Howe St., Vancouver, B.C. Prime and Stikine are owners of the Eskay Creek gold property in northwest B.C. Upon closing, Placer Dome will record a substantial gain. (SEE GCNL NO.210, 2Nov93, P.1 FOR QUARTERLY REPORT)

Placer Dome and Homestake Canada Inc. have agreed to accept 7.35 common shares of Prime for each share of Stikine under a takeover bid by Prime for all the shares of Stikine.

Homestake Canada and Placer Dome presently hold about 52.7% and 43.8% of the outstanding shares of Stikine, respectively. Homestake Canada Inc. also holds about 54% of the common shares of Prime. If the offer is successful, Homestake Canada will hold about 54.2% of the outstanding shares of Prime. Other shareholders will hold about 29.6% of the outstanding shares of Prime.

Prime intends to acquire all of the shares of Stikine and merge or otherwise combine Prime and Stikine. Each company currently holds a 50% direct interest in the Eskay Creek Joint Venture which was formed to develop a gold mine in northwest B.C. On 24Sept93, Prime and Homestake Mining Company reported results of a feasibility study on the Eskay Creek project. The study indicated proven and probable reserves of 2,300,00 ounces of gold and 102,000,000 ounces of silver. Pre-production capital costs are estimated to be CDN. \$294,000,000 and operating cash costs are estimated at US \$108 per ounce of gold equivalent, net of base metal by-product credits, based on the use of a pressure oxidation circuit. Further assessment of smelting alternatives may change both the capital and operating cost estimates. A mine development certificate application will be made soon. Prime's other significant asset continues to be its 40% joint venture interest in the Snip mine, also in northwest B.C. (SEE GCNL NO.185, 27Sept93, P.1 FOR PREVIOUS RELATED INFORMATION)

104B 8