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George Cross News Letter

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PLACER DOME INC. [PDG-V,T,M]

PRIME RESOURCES GROUP INC. [PRU-V]

SHAREHOLDERS APPROVE - Prime Resources Group Inc. reports on STIKINE ACQUISITION 14Dec93, its shareholders approved the acquisition of **STIKINE RESOURCES LTD.** through an exchange of shares in which Placer Dome Inc. will receive 7.35 Prime shares for each share of Stikine Resources it owns. Placer Dome holds a 44% of the issued shares of Stikine and will receive 16% of the issued shares of Prime Resources Group. Placer has agreed to sell all of the Prime Resources Group shares to Bunting Warburg Inc. and RBC Dominion Securities for Can. \$8.00 per share net, a total of \$92,000,000. This transaction will be completed Dec.17, 1993. Prime Resources owns the remainder of the issued shares of Stikine and will then merge with Stikine Resources.

The transaction will result in Prime Resources owning 100% of the Eskay Creek gold/silver property located about 60 miles north of Stewart, B.C. Homestake Mining of San Francisco owning 54.2% of Prime Resources and the balance of 45.8% of the shares are held by others. Upon conclusion of the transactions, Placer Dome will have no interests in the Eskay Creek property, Prime Resources or Stikine.

A processing plant is being considered for the northern community of Houston, B.C. Meanwhile, a pioneer tote road to the Eskay Creek mine site has been completed and mine construction will begin in the spring. The Eskay Creek project has an estimated reserve of 2,300,000 ounces of gold. An alternative production plan including direct shipping of the highgrade crushed ore directly to various smelters through the world is being studied. This alternative plan would result in a substantially lower capital cost. The mine, at peak production, is expected to produce 250,000 ounces of gold and 10,500,000 ounces of silver annually. (SEE GCNL NO.233, 6Dec93, P 1 FOR MORE DETAIL)

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