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MINISTRY OF ENERGY, MINING  
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# George Cross News Letter

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\$315.00 PER YEAR

NO. 137 (1993)  
JULY 19, 1993

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## PRIME RESOURCES GROUP INC. [PRU-V]

ESKAY CREEK MINE ADVANCING - Jack E. Thompson, director, reports Prime Resources Group Inc. awarded Davy International, a member of the Engineering Division of Trafalgar House, a contract to engineer and purchase equipment for the Eskay Creek project, a 360 tonne-per-day gold/silver/base metals milling complex to be built 37 km southeast of Houston, B.C. The permitting and public consultation process is underway, with project approval from Provincial authorities expected in early 1994. The ore to be processed at the complex will be mined and crushed at the Eskay Creek property 90 km north of Stewart, B.C. Ore will be trucked 560 km from the Eskay Creek mine to the Houston site for milling.

Mineable ore reserves of just over 1,000,000 tonnes are projected to contain 2,200,000 ounces of gold and 100,000,000 ounces of silver. The ore is refractory, making the extraction of gold and silver challenging. Additionally, there are a number of other metals such as

lead, zinc, copper, antimony and mercury associated with the ore that will either be recovered or stabilized prior to placement in the tailings impoundment. Because of the multi-metal ore, the project involves a unique combination of unit operations, including pressure oxidation, carbon-in-pulp, solvent extraction and electrowinning, and Merrill-Crowe.

The initial scoping meeting for the project was held 22Jun93 at Davy's offices in San Ramon, California. Engineering is underway and assuming permits are received in a timely manner, construction will begin in 1994. Start-up is scheduled for 1996. The procurement portion of the contract will be conducted through Chemetics Group of Vancouver, B.C., a member of the Engineering Division of Trafalgar.

The Eskay Creek project is a 50/50 joint venture between Prime Resource group and Stikine Resources. Prime will be the operator. HOMESTAKE MINING CO. [HM-NY] through its interests in both Prime and Stikine, has a 54% interest in the project. PLACER DOME INC. [PDG-V,T,M] has a 44% interest in Stikine. (SEE GCNL NO.128, 6Jul93, P.2 FOR OTHER DETAILS)

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