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## George Cross News Letter

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### PRINCETON MINING CORPORATION

[PMC-T] 75,010,244 SHS.

POSITIVE FEASIBILITY FOR - Mark D. Kucher, vice president/CFO, HUCKLEBERRY PROJECT Princeton Mining Corp., reports H.A. Simons Ltd. has completed a positive final feasibility study to develop the Huckleberry project, a copper, gold, silver and molybdenum deposit 86 km southwest of Houston, B.C. The project was acquired by Princeton by acquiring New Canamin Resources Ltd. on 7Jul95. The study confirms an attractive return for the project at US \$1.00 per pound copper.

The bankable quality study is based on a conventional processing plant to treat a minimum of 15,500 tonnes per day of ore grading 0.51% copper or 0.66% copper equivalent with the values for precious metal and molybdenite credits added. The waste to ore ratio is calculated to be 1.1:1 which includes overburden and waste rock. Project costs for development including inventory and working capital are reported to be \$137,000,000. Copper production is forecast to average 65,000,000 pounds per year during the initial five years of production. Molybdenum production is projected to average in excess of 1,000,000 pounds per year over the 16 years of the scheduled mine life.

As previously reported, a consortium consisting of Mitsubishi Materials Corp., Dowa Mining Co. Ltd., Furukawa Co. Ltd. and Marubeni Corp. formed a strategic alliance with Princeton to develop the project. The detailed agreements drafted within the alliance announced earlier this year are progressing on schedule. These include: a) a long-term concentrate purchase agreement for the total mine production with competitive fixed terms set for the first five years of operation; b) a senior financing agreement for a US \$60,000,000 project loan with Huckleberry Mines Ltd. repayable over six years; c) the purchase of 40% of Huckleberry Mines Ltd. by the Japanese partners for US \$6,000,000 plus their proportionate share of ongoing equity funding.

A draft term sheet relating to a \$15,000,000 infrastructure loan which has been provided by the Province of B.C.'s Investment Office is currently under review. The completion of the feasibility study is a necessary component to advance his financing facility.

The application for the Mine Development Certificate was filed with Government agencies and the public 19May95, based on the environmental terms of reference provided by the Government. This eight-volume, 1,100-page application was filed to comply with the environmental terms of reference provided by government in response to the Pre-Prospectus filed in Jan/93 and the Pre-Application filed on Oct.11/94. Upon development approval, expected in September, the partners anticipate an early production decision in order to initiate construction of the access road and provide site services prior to winter to allow for a production start in the first half of 1997. (SEE GCNL NO.142, 25Juy195, P.3 FOR PRINCETON INTERIM REPORT)

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