

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

George Cross News Letter

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PRINCETON MINING CORPORATION

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

HUCKLEBERRY PRODUCTION - Princeton Mining Corp., reports
DECISION MADE the closing in escrow of its
agreements with a consortium of

Japanese partners for the joint development of the Huckleberry copper, molybdenum, gold and silver project near Houston, BC. The official signing of the agreement was concluded 28May96 and followed by the Huckleberry Mine's board decision to proceed with the construction upon the escrow conditions being satisfied. The escrow release is scheduled for the week of 3Jun96 upon a partial closing and release of

funds from an equity financing with First Marathon and CIBC Wood Gundy Securities Inc.

The shareholding in Huckleberry Mines Ltd. will be held 60% by Princeton and 40% by the Japanese consortium, made up of Mitsubishi Materials Corp., Dowa Mining Co. Ltd., Fukurawa Co. Ltd. and Marubeni Corp.

The project is expected to be completed over the next 16 months at a cost of \$137,000,000 and is scheduled to be in production in the third quarter of 1997. Annual output as projected by the H.A. Simons feasibility study will average 65,000,000 to 70,000,000 pounds of copper with 1,250,000 pounds of molybdenum as by-product. A total of 6,000 ounces of gold and 270,000 ounces of silver are projected to be contained in the upper concentrate.

The Huckleberry project was the first major project to receive a Project Approval Certificate under the Province of BC assessment review process and was submitted to a comprehensive critical review by authorities, the public and individuals who participated in its environmental evaluation.

A habitat compensation agreement with the department of Fisheries and Oceans Canada finalized and authorization under the Fisheries Act to proceed with development received.

In another development, copper production in the quarter ended March 31, 1996, at Similco mine near Princeton, southwest BC, was 8,400,000 pounds compared to 8,600,000 pounds in 1995 despite unusually difficult weather conditions and a mine slide in the pit that damaged one of the shovels. Gold production was 6,105 ounces in the first quarter of 1996 up from 5,300 ounces the first quarter of 1995.

Financial Results: Princeton reports a cash loss of \$359,000 for the first quarter of 1996 and a loss in earnings of \$3,700,000 for the period versus a profit of \$2,100,000 for the corresponding period in 1995. This is due to a decrease in the realized copper price recorded by Similco from US \$1.22 to US \$1.07 and higher costs associated with mining in the Ingerbelle Pit versus processing stockpiled ore in 1995. The strip ratio has decreased from 1.6 to 1.0 in January to 0.8 to 1.0 in April with further decreases projected throughout the year. (SEE GCNL NO.97, 17May96, P.5 FOR OTHER CORPORATE INFORMATION)

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