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

PUBLISHED DAILY
SUBSCRIPTION RATE
$350.00 + G.S.T.
PER YEAR

NO. 157 (1996)
AUGUST 14, 1996

NO. 157 (1996)
AUGUST 14, 1996

92HSE 1

PRINCETON MINING CORP.

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

SIMILCO MINE SUSPENSION PLANNED - Princeton Mining Corp. reports its wholly owned subsidiary, Similco Mines Ltd., which operates the Similco copper mine near Princeton, southwest BC, plans to suspend operations at year end pending a strengthening in world copper prices. The company reports it has hedged its production above US $1.00 per pound copper for 1996. The suspension of operations comes as a result of the unpredicted, sudden, dramatic fall in copper prices and the trend for continuing low prices throughout 1997. The company was unable to complete forward sales for its 1997 copper production at an attractive price.

Mining and milling operations will be suspended in December 1996. The closure will affect some 226 employees. Necessary personnel will be retained to maintain the property on a care and maintenance basis. The company plans to reactivate the industrial adjustment committee and work with the community and its work force to minimize displacement expected from the suspension of operations. The company plans to restart operations upon improvement of copper prices and depending on success of the current exploration program.

A 40,000-foot diamond drilling program is underway with the objective of increasing the quality and quantity of reserves at Similco. To date, 11 holes totalling 5,000 feet have been drilled in the Alabama area at the Copper Mountain minesite. Assay results are comparable to those previously reported, in the range of 0.31% to 0.55% copper with gold credits in the 0.25 grams/tonne range. Details of the exploration program will be reported later this month. The drilling program is being directed at identifying reserves that can be mined with total production costs in the US 80¢ per pound range to ensure the viability of a long term operation.

Princeton acquired the Similco mine in 1988 when it was scheduled for closure by its previous owner. The Similco mine is one of the lowest grade copper mines in operation requiring optimum efficiencies to maintain costs in the US $1.00 per pound range. (SEE GCNL NO.152, 7Aug96, P.5 FOR SIX-MONTH REPORT)