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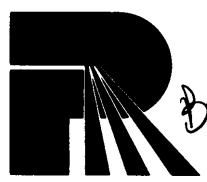
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SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

SNIP(?)
Gregor/George Smith
104B 357, 356

STATEMENT OF MATERIAL FACTS

EFFECTIVE DATE: 20th September 1989
(#52/89)



Primer
by Missouri

104 B 054
104 B 040

Prime Resources Corporation

11th Floor, 808 West Hastings Street, Vancouver, B.C., V6C 2X4 Telephone: (604) 687-7463
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#100, 200 Granville Street, Vancouver, B.C., V6C 1S4
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Guaranty Trust Company, 2nd Floor, 800 West Pender Street, Vancouver, B.C. V6C 2V7
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

OFFERING: 5,000,000 UNITS

Each Unit consists of One Common Share and One Series "A" Warrant, two such Warrants entitling the holder thereof who exercises such warrants to purchase one additional common share of the Issuer at the Offering Price, at any time up to the close of business within one year following the Offering Day.

	Offering Price (estimated)*	Commission	Estimated Net Proceeds to be Received by the Issuer
Per Unit	\$4.50	\$0.3375	\$4.1625
Total	\$22,500,000	\$1,687,500	\$20,812,500

*To be calculated in accordance with the Rules of the Vancouver Stock Exchange.

ADDITIONAL OFFERING

The Agents have agreed to purchase (the "Guarantee") any of the Units offered hereby which have not been sold at the conclusion of the Offering (see "Consideration to Agents"). Any Units acquired by the Agents under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

AGENTS

CANARIM INVESTMENT CORPORATION LTD.
#2200, 609 Granville Street
Vancouver, B.C., V7Y 1H2

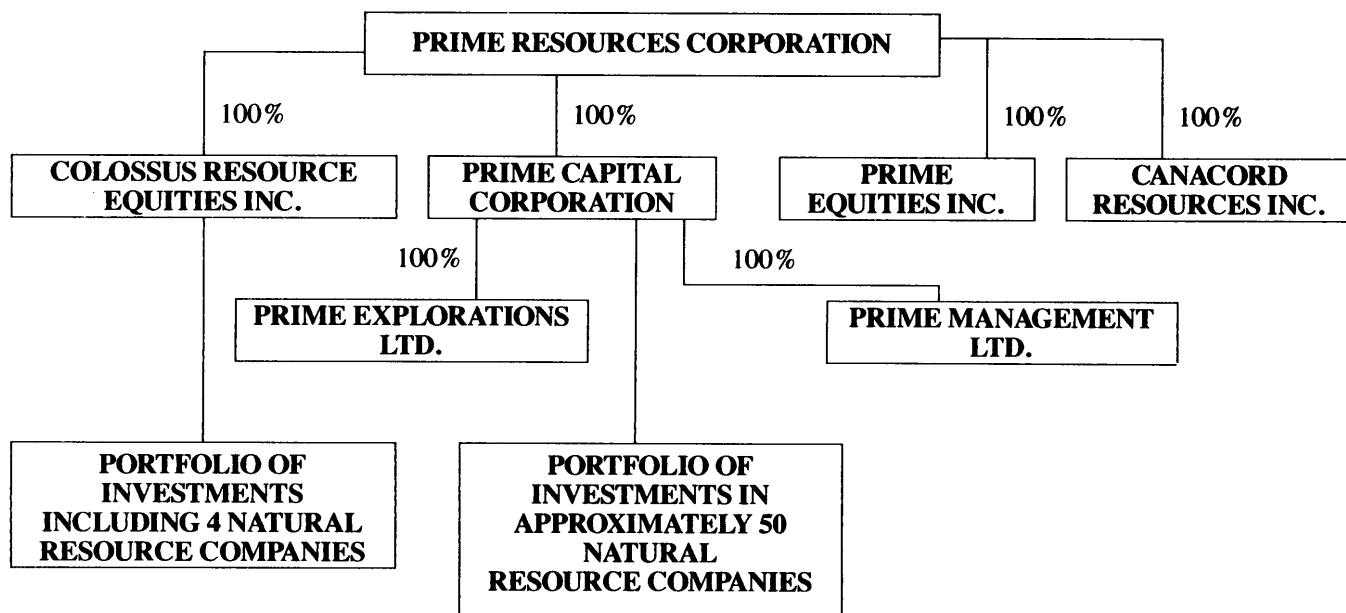
YORKTON CONTINENTAL SECURITIES INC.
10th Floor, 1055 Dunsmuir Street
Vancouver, B.C., V7X 1L4

McDERMID ST. LAWRENCE LIMITED
#1000, 601 West Hastings Street
Vancouver, B.C., V6B 5E2

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

rcud - Oct. 13/89

**PRIME RESOURCES CORPORATION
ORGANIZATIONAL CHART**



<u>Group</u>	<u>Property Name</u>	<u>Issuer's Acquisition and Exploration Costs to 30th June 1989 (in \$)</u>	<u>Shares Issued to 30th June 1989</u>	<u>Planned Expenditures from Funds Available upon Completion of the Offering</u>
I.	N/A			
II.	SNIP Property	Acquisition: \$8,000 Exploration: \$13,088,000	17,778	NIL
	Iskut Property	Acquisition: \$30,000 Exploration: \$60,836	NIL	NIL
	Premier Gold Project	Acquisition: NIL Exploration: \$13,421,998	NIL	NIL
III.	Terrace Bay Claims	Acquisition: \$36,275 Exploration: \$235,361	10,870	NIL
	La Ronge	Acquisition: \$11,000 Exploration: \$198,521	NIL	NIL
	Nelson Mining Division	Acquisition: NIL Exploration: \$206,520	NIL	NIL
	Ungava Properties	Acquisition: NIL Exploration: \$118,822	NIL	NIL

Group II

SNIP Property, British Columbia

The Issuer and Cominco Ltd. ("Cominco") are joint venturers on the SNIP Property which is located on the south side of the Iskut River in the Liard Mining Division, British Columbia. Cominco is the operator of the property which is accessible by fixed wing or rotary aircraft to an airstrip at Bronson Creek. The property consists of 67 units in seven claims covering 1675 hectares, all of which are in good standing until 1996.

Pursuant to the terms of agreements dated 31st January 1986, 14th January 1987 and 15th April 1988 between the Issuer and Cominco (collectively, the "Agreement"), the Issuer funded \$13,088,000 in exploration work on the SNIP Property to earn a 100% interest in the property, subject to the right of Cominco to earn a 60% interest therein. The Issuer estimates that Cominco will be required to fund expenditures of \$19,000,000 on the property to acquire such 60% interest, which expenditures are required to be made prior to the Issuer funding further expenditures. The Issuer and Cominco have each appointed one representative to a technical committee which reviews and, as necessary, modifies all exploration and development programs to be conducted on the property.

The Agreement provides that Cominco may cause a feasibility study to be prepared and may give a production notice to the Issuer whereupon the Issuer and Cominco will hold their respective interests in the property proportionately to the expenditures made by them to such time. In the event Cominco's interest is less than 60% at the time it gives a production notice, Cominco is obligated to earn a 60% interest in the property by incurring construction costs equal to two times the difference between the amount of the expenditures funded by the Issuer and the amount of the expenditures funded by Cominco. The Issuer may cause a feasibility study to be prepared and may give a production notice to Cominco in which event Cominco has the right to elect whether to continue as a participant in the development of a mine on the property or to transfer its interest to the Issuer and receive a royalty equal to 5% of net proceeds of production.

Gold was initially discovered in the Iskut River area in the early 1900's. Cominco staked claims in the area in 1929 and again in 1964, however, it allowed the claims to lapse each time. Hudson Bay Mining and Smelting Company Ltd. carried out exploration in the area from 1955 to 1963, as did Noranda Exploration Inc. in 1962 and Texas Gulf Sulphur Ltd. from 1974 to 1978.

The SNIP claims were staked by Cominco in 1980 and 1983. No substantial work was performed on the property until 1986 when 12 holes were drilled by Cominco which resulted in the identification of vein zones of potential economic interest. Since the commencement of the Issuer's involvement with the project in 1986, exploration work has concentrated on the Twin Zone. Underground development of the Twin Zone began in January 1988 and, based on the work completed by mid-August 1988, Cominco calculated proven and probable reserves of 1,576,000 tons grading 0.639 oz/ton gold, using a 25% dilution factor and cutting high grade assays to 4.38 oz/ton gold. The Issuer commissioned an independent study of the reserves by Watts, Griffis and McOuat Limited on results to the end of September 1988. This study increased the proven and probable reserves at a cut-off grade of 0.38 oz/ton gold to 1,691,000 tons at a cut grade of 0.834 oz/ton gold. In addition, Watts, Griffis and McOuat Limited estimated an additional 755,000 tons of "incremental" or lower grade ore averaging a cut grade of 0.234 oz/ton gold will become accessible during the mining of the ore reserves, which may be mined following payback of capital costs required to bring the deposit into production.

In September 1988, Cominco began funding a \$10,000,000 program of pre-production construction and development of the ore reserves. This latter expenditure is being made by Cominco as part of its back-in to a 60% interest in the property.

Up to the end of August 1989, Cominco expanded and upgraded the Bronson air strip, constructed a 220 person accommodation facility, diverted Sky Creek and completed the Bronson Creek berm. Mine development included completion of the 180 m, 300 m and 340 m levels, the access ramp between the 180 m and 420 m levels, and clearing of the portal entrance in preparation for driving the 130 m haulage tunnel to the mill site on Bronson Creek. In the spring and early summer, a program of infill drilling on 12.5 metre centres between the 220 m and 340 m levels to better define the central portion of the Twin Zone was completed. At present Cominco is continuing with 12,000 metres of underground drilling for stope planning and ore reserve purposes.

Cominco has advised the Issuer that it is preparing a formal feasibility study on the SNIP Property which is anticipated to be delivered to the Issuer in the last quarter of 1989.

Iskut Joint Venture Property, British Columbia

The Issuer holds a 33-1/3% interest, subject to a 2% net smelter royalty, in eight located mineral claims, comprising an area of approximately 8,150 acres, located immediately north of the SNIP Property in the Iskut River area, British Columbia. The Issuer is the operator of the property.

The Issuer acquired a 100% interest in the property pursuant to two option agreements with Alpha Joint Venture ("Alpha") dated 15th August 1986 by making cash payments of \$30,000 and by incurring aggregate expenditures on the property of \$150,000. By an agreement dated 15 July 1987, the Issuer granted an option to American Ore Ltd. ("American") and to Golden Band Resources Ltd. ("Golden Band") whereby American and Golden Band can each earn up to a 33-1/3% undivided interest in the property by incurring expenditures on the property of \$400,000 and making cash payments to the Issuer of \$60,000, all of which payments have been made and expenditures incurred. In addition, American issued 100,000 of its shares to Alpha and Golden Band issued 200,000 of its shares to Alpha.

A joint venture has been formed between the Issuer, Golden Band and American. To the end of 1988, exploratory programs consisting of linecutting, mapping, soil geochemical surveying, trenching and diamond drilling have been conducted on the property.

Two drilling campaigns have been carried out, the more recent keying on the Gregor and Gorge Showings. Gold mineralization at the Gorge Showing has been intersected in five holes, and the following table summarizes the most significant results encountered:

<u>Hole</u>	<u>Intersection (feet)</u>	<u>Core Length (feet)</u>	<u>Gold (oz/tonne)</u>
I88-6	306.8 — 309.1	2.3	2.531
I88-7	72.2 — 85.3	13.1	0.122
	120.1 — 128.0	7.9	0.203
	180.5 — 185.4	4.9	0.118
	190.3 — 195.2	4.9	0.253
	324.8 — 329.8	2.0	0.703
I88-8	131.9 — 144.4	12.5	0.446
	218.8 — 228.0	9.2	0.406
	263.8 — 278.9	15.1	0.921
	including 265.7 — 269.0	3.3	2.116
	269.0 — 272.3	3.3	1.017

The Issuer and its joint venturers have initiated a program of linecutting, soil geochemical sampling, geophysics and trenching in the area of Gregor and Gorge Showings in 1989. The estimated cost of this work is \$250,000. Contingent on results, the Issuer and its joint venturers are anticipating a drilling program will be recommended to continue evaluation of the high grade Gorge Showing and other nearby targets.

In the event that any party fails to contribute its respective share of the joint venture costs, that party's interest will be subject to dilution to 5% of net profits from the joint venture.

There are no surface or underground plant or equipment or known commercially recoverable ore reserves located on the property.

Premier Gold Project

The Issuer, through Canacord Resources Inc. ("Canacord"), holds a 9.9% working interest in the Premier Gold Project which covers approximately 13,000 acres and is located approximately 20 kilometres north of Stewart, British Columbia, adjacent to the Alaskan border. The properties comprising the project are readily accessible by road.

The Premier Gold Project consists of two non-contiguous properties, the Silbak Premier and Big Missouri, both former gold and silver producers. The properties are comprised of an aggregate of 110 Crown-granted mineral claims, 69 reverted Crown-granted claims and 23 located mineral claims.

Canacord has entered into a joint venture with respect to the Premier Gold Project with Westmin Mines Limited ("Westmin") and Pioneer Metals Corporation ("Pioneer"), which hold a 50.1% and 40% working interest in the project, respectively. Westmin is the operator of the Premier Gold Project. Westmin, on behalf of the joint venture, has entered into an option agreement with Esso Minerals Canada to acquire up to a 51% interest, by making exploration expenditures on 12 Crown-granted mineral claims, 38 reverted Crown-granted claims and 15 located claims located in the vicinity of the Premier Gold Project. Westmin has also acquired one lode mining claim in Alaska for the joint venture. Tournigan Mining Explorations Ltd. ("Tournigan") has a 5% net profits interest, after cost recovery, in all of the properties pursuant to an agreement between Canacord, Tournigan, Westmin and Pioneer dated 16th May 1988.

From 1918 to 1968 three former mines located on the Silbak Premier Property produced over 4,700,000 tons of ore with a recovered grade of 0.384 oz/ton gold and 8.03 ounces of silver per ton. In the same period, the Big Missouri Property produced over 820,000 tons with a recovered grade of 0.077 oz/ton gold.

Since commencement of the current exploration effort in 1982, approximately \$12,000,000 has been spent to outline additional reserves capable of supporting a renewed mining operation. Culmination of this exploration effort was a production decision announced by Westmin in January 1988. Capital costs are estimated by Westmin to be \$92,000,000. Production commenced in June 1989 and is expected to reach commercial production by September 1989.

Proven and probable reserves total 8.2 million tons with an average grade of 0.072 oz/ton gold and 2.01 oz/ton of silver. Metallurgical testing has indicated recoveries in the order of 94% and 72.4% can be anticipated for gold and silver, respectively.

Open pit mining first began on the Dago Pit at Big Missouri and at the Premier Pit. Westmin plans to stockpile a efficient amount of ore by mining the pits at an accelerated rate to provide continuous mill feed during the winter months, when mining operations will be placed on standby. The mill was commissioned during May 1989 and unofficially, gold and silver was first poured in June. Prior to completion of the haul road in August, all mill feed came from the Dago Pit.

Group III

Terrace Bay Claims, Thunder Bay Mining Division, Ontario

The Issuer holds an option to acquire a 100% interest in 63 contiguous mining claims located in Tuuri and Walsh Townships in the Thunder Bay Mining Division, Ontario. To date, 50 of the mineral claims have lapsed.

The Issuer has conducted geological mapping and prospecting, geochemical, soil and rock sampling, geophysical surveys, trenching and drilling on this property and has incurred exploration expenditures aggregating \$235,361.

No work is planned for the property at this time.

There is no surface or underground plant or equipment on the property and it does not contain known commercially recoverable ore reserves.

La Ronge, Saskatchewan

The Issuer holds various interests in properties located in the La Ronge area of northern Saskatchewan, as follows:

1. 5% carried interest in the CBS 8021 mineral claims with Colchis Resources Ltd. holding the remaining 95% interest. The claim block, which is located in the Pine Channel area, is comprised of some 1,200 acres. The property was acquired for staking costs;
2. 100% interest in the CBS6213 and 6214 mineral claims which total approximately 10,100 acres in the La Ronge Greenstone Belt. The Issuer has granted Benz Gold Resources Ltd. an option to earn a 60% interest in the claims by spending \$100,000 in exploration expenditures. Upon Benz Gold Resources Ltd. earning a 60% interest, a joint venture will be formed with the Issuer;
3. 40% interest in the CBS7418 mineral claims located in the MacKay Lake area and consisting of some 12,080 acres with Claude Resources Inc. ("Claude") owning the remaining interest. The Issuer and Claude have granted Radcliffe Resources Ltd. an option to earn a 60% interest in the claims by paying \$11,000 and spending a total of \$200,000 on exploration. Upon Radcliffe Resources Ltd. earning a 60% interest, a joint venture would be formed with the Issuer holding a 19.6% participating interest;
4. 75% interest in the CBS7377 and 8921 mineral claims consisting in the aggregate of approximately 5980 acres with Claude holding the remaining 25% interest; 5.75% interest in the CBS8945 mineral claims consisting of approximately 3,480 acres with Claude holding the remaining 25% interest. By agreement dated 11th September 1987, the Issuer and Claude granted an option to the Saskatchewan Mining Development Corporation ("SMDC"). SMDC has the option to earn a 55% interest in claims CBS8945 by expending \$250,000 on the property on or before 31st October 1990 and making a cash payment of \$20,000 (\$15,000 to the Issuer) prior to 1st December 1990. The SMDC may increase its interest to 75% by increasing the cash payment prior to 1st December 1990 to \$50,000 (\$37,500 to the Issuer) and agreeing to expend a further \$250,000 on the claims on or before 31st October 1992.

The La Ronge Greenstone Belt has been actively explored for gold during the last few years. The Issuer's properties are situated in the central portion of the belt approximately 30 miles north-northeast of the town of La Ronge. The properties are accessible by road and by boat from La Ronge.

There is no surface or underground plant or equipment on the La Ronge properties and they do not contain known commercially recoverable ore reserves.