

George Cross

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Prime's other major project in the area is its 40%-owned interest in the SNIP project; COMINCO LTD. 60%. The SNIP project has diluted ore reserves totalling 1,032,000 tons averaging 0.875 oz.gold/ton at a cut-off grade of 0.35 oz.gold/ton. It is expected Cominco will deliver a final feasibility study shortly with a view for production to start in the last quarter of 1990. A mill has been purchased and is undergoing modifications in Vancouver, B.C. to upgrade it to a 300 tons per day capacity. A hovercraft has been purchased and is to be refurbished as a carrier to move personnel and equipment from Wrangell, Alaska up the Stikine and Iskut Rivers to the property and return with concentrates from the mill.

Immediately to the north of the SNIP deposit, Prime and its equal joint venture partners AMERICAN ORE LTD. (AOE-Alberta) and GOLDEN BAND RESOURCES INC. (GBN-V) are exploring the Iskut Joint venture project. There are several zones of precious metal mineralization on the property, including the 1989 discovery of the RPX zone, still open in all directions, which returned 0.427 oz.gold/ton over 10.6 feet. Drilling on the Gorge showing has returned 19.2 feet and 19.6 feet averaging 1.151 and 1.293 oz.gold/ton respectively from hole 189-1. The Gregor showing returned 0.133 oz.gold/ton over 23.0 feet. Prime and partners will spend at least \$600,000 to continue drilling these three targets, scheduled to start in early June.

Prime also has indirect interests in the Iskut River-Eskay Creek area via holdings in a number of junior resource companies having various property interests. Thirty-three Prime-managed companies will be involved in exploration on over 50 projects from Galore Creek in the north to Stewart in the south with about \$9,000,000 planned for exploration. In total Prime will be involved in exploration programs totalling \$42,000,000 in these areas in 1990, excluding SNIP development costs.

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