

EUREKA RESOURCES INC. (EUK-V)

TESTING OF UPGRADING FACTOR CONTINUES - J.J.O'Neill,
president of

Eureka Resources Inc., has reported assay results from 50 reverse circulation holes on the Main zone on the Frasergold project, along Prairie Creek, just south of Horsefly Lake, 30 miles east of Horsefly, 60 miles east of Williams Lake, B.C. where Asarco must complete a feasibility study and make a production decision to earn a 50% property interest. Asarco must spend a minimum of \$2,000,000 in 1991. About 50% of this 1991 commitment has been spent to date.

The overall results indicate an average grade of 0.0585 oz. gold per ton over a width of 14 meters. (SEE TABLE OVERLEAF OF THE DETAIL ASSAYS FROM THE SIGNIFICANT HOLES) This compares with an average grade of 0.051 oz. gold per ton over a width of 16 meters from historic drilling in the same area. The new large diameter drill technique is indicating a possible upgrading factor of 10% to 12%. The underground bulk sampling program is 75% complete, with 7 of 9 planned, 100 to 200 pound, bulk samples collected. The samples are shipped to a ball mill at Slocan, B.C. where the table concentrate, flotation concentrate and tailings are sampled to determine head grades and recoveries. Preliminary assay results from some of the tailing and flotation concentrates are inconclusive to date.

Previous bulk sampling programs suggest an upgrading factor of 30% to 50% over drill hole results. Mr. O'Neill is optimistic the upgrading factor will continue through the current test program.

93A 150

p. 1 of 2

EUREKA RESOURCES, INC

DRILLING AND ASSAYS COMPLETE SECTION 52+50E TO 55+00E

CALCULATION OF AVERAGE INTERSECTION 1991 DRILLING

MINERALIZED INTERSECTIONS FRASERCOLO PROJECT REVERSE CIRCULATION DRILLING - 1991

25.6 AVG INTERSECT WIDTH
0.037 WEIGHTED AVG GRADE

HOLE NO.	DEPTH FROM		WIDTH (m)	GRADE (oz/t Au)	COMPOSITE WIDTH GRADE	
	TO	TO			WIDTH	GRADE
891-166	66.00	72.00	6.00	0.020	34.50	0.020
	105.00	133.50	28.50	0.020		
891-167A	29.50	33.00	7.50	0.034		
891-167	22.50	33.00	10.50	0.111	40.50	0.074
	39.00	43.50	4.50	0.019		
	55.50	66.00	10.50	0.049		
	85.50	100.50	15.00	0.001		
891-507	33.00	49.50	16.50	0.010	30.00	0.022
	70.50	84.00	13.50	0.029		
891-160	16.50	22.50	6.00	0.013	22.50	0.034
	30.00	39.00	9.00	0.042		
	70.50	84.00	13.50	0.029		
891-169*	15.00	24.00	9.00	0.024		
	31.50	34.50	3.00	0.035		
	40.50	43.50	3.00	0.031		
	43.50	54.00	3.00	0.031		
891-170*	10.50	19.50	9.00	0.033		
	30.00	31.50	1.50	0.032		
891-197	16.50	22.50	6.00	0.031	10.00	0.040
	36.00	48.00	12.00	0.056		
891-171	20.50	26.50	6.00	0.060	16.50	0.037
	44.00	94.50	10.50	0.019		
	105.00	109.50	4.50	0.015		
891-172*	9.00	10.00	9.00	0.030		
891-173	22.50	31.50	6.00	0.053	31.50	0.037
	39.00	49.00	10.50	0.034		
	60.00	75.00	15.00	0.032		
891-174	20.50	31.50	3.00	0.029	21.00	0.030
	46.50	51.00	4.50	0.012		
	63.00	69.00	6.00	0.047		
	93.00	105.00	12.00	0.022		
891-175	46.50	51.00	4.50	0.070	20.50	0.061
	64.50	69.00	4.50	0.040		
	94.50	104.00	13.50	0.021		
	126.00	132.00	6.00	0.162		
891-176	51.00	55.50	4.50	0.022	34.50	0.020
	67.50	84.00	16.50	0.033		
	97.50	121.00	13.50	0.023		
891-177	36.00	39.00	3.00	0.080	20.50	0.037
	49.50	50.50	9.00	0.024		
	67.50	73.50	6.00	0.065		
	96.75	107.75	10.50	0.019		
891-170	46.00	102.00	36.00	0.024	36.00	0.024
891-179* NO SIGNIFICANT INTERSECTIONS						
891-180*	44.50	66.00	1.50	0.047		
	76.50	85.50	9.00	0.016		
891-181	75.00	87.00	12.00	0.042	16.50	0.039
	103.50	100.00	4.50	0.032		
891-182	51.00	57.00	6.00	0.016		
	64.50	70.00	6.00	0.082		
	78.00	82.50	4.50	0.085		

HOLE NO.	DEPTH(m)		WIDTH (m)	GRADE (oz/t Au)	COMPOSITE WIDTH GRADE	
	FROM	TO			WIDTH	GRADE
891-183	63.00	63.00	6.00	0.013	21.00	0.021
	81.00	96.00	15.00	0.024		
891-184	70.50	90.00	19.50	0.027	31.50	0.027
	96.00	100.00	12.00	0.029		
891-185	50.50	73.50	15.00	0.042	49.50	0.020
	90.00	102.00	12.00	0.030		
	111.00	126.00	12.00	0.013		
	135.00	145.50	10.50	0.013		
891-186	70.50	90.00	19.50	0.020	24.00	0.026
	154.50	159.00	4.50	0.010		
891-187	60.00	72.00	3.00	0.034	25.50	0.024
	79.50	84.00	4.50	0.016		
	99.00	100.00	9.00	0.010		
891-188	120.00	129.00	9.00	0.020		
	70.00	93.00	15.00	0.066		
891-188	102.00	106.50	4.50	0.027	25.50	0.049
	114.00	120.00	6.00	0.021		
	124.00	120.00	6.00	0.021		
891-189	81.00	85.50	4.50	0.016	24.00	0.024
	106.50	117.50	6.00	0.040		
	123.00	136.50	13.50	0.015		
891-190	43.50	46.50	3.00	0.045	21.00	0.040
	96.00	109.50	13.50	0.042		
	110.50	123.00	4.50	0.020		
891-191	79.50	84.00	4.50	0.042	19.50	0.040
	96.00	111.00	15.00	0.040		
891-192	37.50	40.50	3.00	0.017	10.50	0.040
	76.50	81.00	4.50	0.045		
	96.00	99.00	3.00	0.055		
891-193* NO SIGNIFICANT INTERSECTIONS						
891-194*	12.00	19.50	7.50	0.037		
	43.50	54.00	4.50	0.019		
891-195* NO SIGNIFICANT INTERSECTIONS						
891-196	19.50	40.50	21.00	0.055	21.00	0.055
891-197	15.00	37.00	14.00	0.042	21.00	0.041
	45.00	40.00	3.00	0.033		
891-198*	34.50	40.50	6.00	0.021		
891-199	21.00	31.50	10.50	0.057	22.50	0.051
	69.50	61.50	12.00	0.046		
891-200*	46.50	55.50	9.00	0.035		

* Sections not composited, as not representative of total section across mineralized zone.

OR

13.0 AVERAGE INTERSECT WIDTH
.0585 WEIGHTED AVG GRADE

AVERAGE INTERSECTION FOR
HISTORICAL DRILLING

16.1 W AT A GRADE OF .051

93A 150

p. 2 of 2

NO. 164 (1991)
AUGUST 26, 1991

George Cross News
Ralph Reporting