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GOLDNEY RESOURCES INC. (GNZ-V)

BETHLEHEM RESOURCES CORP. (BTH-V,T)

PRIME EQUITIES INTERNATIONAL CORP. (PQE-V)

**GOLDSTREAM MINE UPDATE** - Murray Pezim, chairman, reports Goldnev Resources Inc. has received a report from Bethlehem Resources Corp. on the operations of the Goldstream Mine, located 60 km north of Revelstoke, B.C., a 50/50 joint venture between Goldnev and Bethlehem, the operator. Prime Equities International Corp. owns 86.7% of the outstanding shares of Goldnev.

Henry G. Ewanchuk, president of Bethlehem, reports that, after one full year of operation, the mine is producing well and he is pleased with the results to date. As at 31May92, some 427,500 tonnes have been milled which is about 11% more than expected in the feasibility study. Copper grades of 3.98% are lower than the 4.46% anticipated, however, with the higher tonnage milled, the actual pounds of copper produced is still some 2% higher than expected at 34,700,000 pounds. Copper recovery of 91.36% compares favourably with the feasibility study figure of 90%.

The zinc circuit was started in April with the zinc concentrate being sold to Cominco Ltd.'s smelter in Trail, B.C. The copper concentrate continues to be shipped to Japan on a monthly basis and sold to Nippon Mining Co. Ltd.

Bethlehem recently renewed the underground mining contract with Tonto Mining at savings of about 20% per month compared to budget. These savings will help to defray the cost of a development program currently under way to provide access to the ore reserves below the 655 level of the mine.

Mr. Brian Kynoch, vice president and chief operating officer of Bethlehem, was appointed to the board of directors at the annual general meeting. Mr. Kynoch has been with Bethlehem since its inception and is in charge of operations at the mine.

Discussions with a group interested in acquiring Bethlehem are continuing. (SEE GCNL No.5, 8Jan92, P.2 FOR PREVIOUS GOLDSTREAM MINE REPORT)

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