

ADRIAN RESOURCES LTD. (ADL-V)

SKI AND MORE PROJECT UPDATES - Murray Pezim, chairman, continues his report on Adrian Resources Ltd.'s exploration projects. (SEE GCNL No.125, 29Jun92, P.1 FOR PART I; THE PETAQUILLA PROJECT.)

Adrian has a 100% in the Ski project, adjacent to the Eskay Creek project of PRIME RESOURCES GROUP INC. (PRU-V) and STIKINE RESOURCES LTD. Prime and Stikine are jointly earning a 50% interest in the property, which includes the TOK Claim Gap, a staking gap which covers a portion of the 21B deposit. Last year, Prime estimated reserves within the gap to be 125,000 tons averaging 1.00 oz. gold/t and 26.99 oz. silver/t at a cut-off of 0.10 oz. gold/t, for 163,000 gold-equivalent ounces. On the Eskay Creek project, a revised reserve estimate reported by Prime and Stikine in May/92 indicates "probable mining reserves" are 1,190,000 tons averaging 1.91 oz. gold/t and 85.5 oz. silver/t, using a cut-off grade of 0.4 oz/ton gold-equivalent (at 90:1 conversion ratio for silver to gold for gold-equivalent) and a 27% dilution factor. This included about 150,000 mineable gold-equivalent ounces in the TOK Claim Gap. Also on the TOK Claim Gap are geological reserves in the Pumphouse Lake Zone, which are estimated by Adrian to be 57,000 tons of 0.40 oz. gold/t and 17.18 oz. silver/t. The 21B deposit, which trends north from the TOK Claim Gap through the Eskay Creek project, eventually comes back onto the Ski property. An estimated 80,000 tons of reserves grading 0.20 oz. gold/t and 40.0 oz. silver/t occurs on this northern extension of the 21B deposit.

Prime and Stikine will need to spend about \$700,000 to complete a \$5,000,000 exploration expenditure requirement on the Ski project by 6Jul94 to complete their earn-in. Adrian is carried on the TOK Claim Gap to production. Although there is no formal feasibility study at present for the Eskay Creek deposits, direct operating costs announced by Prime for the first nine months of production at the nearby Snip mine averaged US\$175 an ounce for ore with a grade of 0.85 oz. gold/t. Adrian is operator on the Ski project until Prime Resources and Stikine are vested.

104B General

P. 1 of 2

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An appeal of the Chief Gold Commissioner's decision to dismiss the Complaint filed under Section 35 of the B.C. Mineral Tenure Act by Tagish Resources Ltd. against the IKS 1 Claim is still to be heard by the B.C. Court of Appeal. Depending on the outcome of various procedural motions filed in the appeal, the matter will be heard in the fall of 1992 or late 1993. The IKS 1 claim controls the TOK Claim Gap on the Ski property. Appeals have also been filed respecting the Chief Gold Commissioner's decisions to cancel the original SKI 1-3 Claims, all of which cover substantially the same ground covered by the IKS 1-3 Claims. The date of these appeals will be governed by the results of the appeal of the complaint against the IKS 1 claim. Adrian is confident the appeal of the IKS 1 claim will be dismissed and its title to the claim confirmed.

At the More Creek project, Adrian and equal joint venture partner HEMLO GOLD MINES INC. (HEM-V,T,M) are earning 100% in the BEAR 1-4 Claims, 45 km north of Eskay Creek. This property features polymetallic mineralization in stratigraphy similar to that hosting the Eskay Creek deposits. Previous sampling returned assays of 0.071 oz. gold/t, 0.95 oz. silver/t, 0.5% copper, 0.5% lead and 2.8% zinc from the Main showing, and up to 0.266 oz. gold/t from a showing located 1,100 metres to the south. Adrian and Henlo are reviewing a two-phase \$250,000 program proposed by Adrian for the More Creek Project in 1992.

P. 2 of 2