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# George Cross News Letter

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### HOMESTAKE MINING COMPANY [HM-NY]

ESKAY CREEK MINE OPERATIONAL - Homestake Mining Company reported

all production facilities at the Eskay Creek mine in northwest B.C. have been commissioned and are fully operational. Homestake of San Francisco, California, owns 51% of PRIME RESOURCES GROUP INC. [PRU-V, T] which has a 100% interest in the Eskay Creek project. Initial shipments of crushed ore were trucked to the trans-shipment facility during December and the first shipment to Japan will depart from the port of Stewart, B.C. shortly. The shipment is scheduled to arrive in early February. Homestake expects to sell about 100,000 tons of Eskay Creek ore in 1995 which will result in the production of about 170,000 ounces of gold and about 7,300,000 ounces of silver. The company forecasts cash costs for the first year to average US \$185 per gold equivalent ounce including smelting costs.

Construction of Eskay Creek's facilities essentially was complete early in the fourth quarter of 1994 ahead of schedule and slightly below the estimated cost of US \$60,000,000. Mine development is progressing smoothly despite difficult ground conditions which have been encountered in the higher-grade core of the deposit.

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