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George Cross News Letter

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PRIME RESOURCES GROUP INC.

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DRILLING DEFINES MORE RESOURCES - Ronald Parker, president,
 Prime Resources Group

Inc., reports the follow-up diamond drilling program targeted at the NEX and Hanging Wall zones at Eskay Creek, north of Stewart, B.C., intersected high grade gold and silver mineralization. These zones are largely contained within the contact mudstone which also hosts the main 21B Eskay Creek ore zone. An additional six surface holes (910 metres) were drilled following the success of the first 10-hole program completed in October 1995. Four of the six holes in the program intersected gold and silver mineralization over widths of 1.0 to 3.0 metres (3 to 10 ft). Hole NEX 95-13 returned one of the most significant results of the follow-up program: 52.5 grams gold/tonne (1.53 oz/ton) and 1,146 grams silver/tonne (33.4 oz/ton) over a width of 3.0 metres (10 ft). As in the first 10 holes, these mineralized intervals are uniformly low in deleterious elements (mercury, arsenic and antimony) as compared to the 21B zone. In addition, several of the holes contained significant base metal enrichment. Assay results of the most recent drilling follows:

BOLE NO.	INTERVAL METRES	WIDTH METRES	GOLD GR/T	SILVER GR/T
NEX 95-11	52.0-53.0	1.0	9.7	725
NEX 95-13	75.8-78.8	3.0	52.5	1146
NEX 95-14	135.5-137.9	2.4	19.4	2899
NEX 95-16	59.6-61.0	1.4	13.2	1350

According to Mr. Parker, "This follow-up program has helped confirm the geological interpretations from the previous drilling. In fact, these results have now enabled us to estimate a diluted geological resource for both the NEX and Hanging Wall zones. In total, the two zones contain a geological resource of 206,000 tonnes (227,000 tons) grading 30.1 grams gold/tonne (0.88 oz/ton) and 1,921 grams silver/tonne (56.0 oz/ton)." A cut-off grade of 13.7 grams per tonne (0.4 oz/ton) gold equivalent with a minimum horizontal thickness of 2 metres was used to constrain the resource.

The 1996 surface exploration budget for Eskay Creek and the surrounding area has been increased to \$1,800,000. The majority of the planned exploration expenditures will be directed towards further investigation of the northern and eastern extensions of the Hanging Wall and NEX mineralization down dip. A significant underground development and diamond drilling program will also target the zones as well as the relatively underexplored northeastern limb of the Eskay Creek anticline.

Mr. Parker said, "Given the scope of this year's planned surface and underground drilling programs, it would be reasonable to expect a significant percentage of the approximate 374,000 ounces of gold equivalent contained in this resource will become part of Eskay Creek's proven and probable ore reserves by the end of 1996."

Prime Resources Group has a 100% interest in the Eskay Creek mine and a 40% interest in the nearby Snip mine. Homestake Canada Inc., a wholly owned subsidiary of HOMESTAKE MINING COMPANY [HM-NY], owns about 51% of Prime's outstanding shares and has been contracted by Prime to provide exploration, management and administrative services. (SEE GCNL NO.215, 8Nov95, P.1 FOR PREVIOUS ESKAY CREEK DRILL RESULTS)

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