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# George Cross News Letter

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## PRIME RESOURCES GROUP INC.

[PRU-T, V] 71,073,913 SHS.

## COMINCO LTD.

[CLT-V, T, M] 79,496,653 SHS.

PRIME ACQUIRE 100% OF SNIP MINE - Ronald D. Parker,  
president, reports

Prime Resources Group Inc., under its right of first offer, has agreed to purchase Cominco Ltd.'s 60% interest in the Snip mine north of Stewart, northwestern B.C., for \$55,000,000. The purchase price includes the mine's working capital and will be adjusted to reflect Cominco's share of Snip's cash profits from January 1, 1996. The transaction is scheduled to close on April 30, 1996.

The Snip mine has produced 669,000 ounces of gold at an average cost of US \$165 per ounce since it started production in January 1991. Proven and probable ore reserves at January 1, 1996 were 383,400 tons grading 0.78 oz.gold/ton containing 297,500 ounces of gold. In addition, possible reserves of 146,500 tons grading 0.69 oz.gold/ton containing 101,000 ounces of gold have been identified.

Commenting on the decision to proceed with this acquisition, Mr. Parker said, "This purchase will add 239,000 ounces of gold in proven, probable and possible reserves at a purchase cost excluding working capital of US \$157 per ounce and increase Prime's annual production by an average of 68,000 ounces of gold per year for the next three years. In addition, there are good exploration targets near the existing production areas as well as in the adjacent Twin West Zone."

Mr. Parker added, "The Snip mine is a mature, low cash cost operation. We are pleased to now own 100% of this excellent asset and look forward to identifying opportunities for improvement and exploring for additional reserves with the help of the experienced workforce which is already in place."

Homestake Canada Inc. will be appointed as operator of the mine under a managerial arrangement similar to that which exists for Prime's Eskay Creek mine. Homestake Canada is familiar with the workforce at the Snip mine and will offer employment to all employees when this transaction is completed.

Prime Resources has a 100% interest in the Eskay Creek and nearby Snip mines. Homestake Canada, a subsidiary of Homestake Mining Company of San Francisco, owns about 51% of Prime's outstanding shares and has been contracted by Prime to provide managerial, technical and administrative services.

## INTERNATIONAL SKYLINE GOLD CORP. [ISC-V],

which is exploring gold properties in the same area, had previously offered to buy Cominco's 60% interest in the Snip Mine for \$55,000,000. (SEE GCNL NO.43, 29Feb96, P.5 FOR PRIME RESOURCES YEAR-END REPORT)

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