MATERIAL CHANGE REPORT

Filed pursuant to:

s. 85 of the *Securities Act* (British Columbia),
s. 118 of the *Securities Act* (Alberta),
s. 84 of *The Securities Act, 1988* (Saskatchewan), and
s. 75 of the *Securities Act* (Ontario)

1. Reporting Issuer:

The full name and address of the principal office in Canada of the reporting issuer are:

Prime Resources Group Inc.
1100 - 1055 West Georgia Street
Vancouver, B.C.
V6E 3P3

2. Date of Material Change:

The material change occurred on December 1, 1998.

3. Publication of the Material Change:

A press release relating to the material change was issued and distributed for release through the Canadian Corporate News timely disclosure system on December 1, 1998 by Prime Resources Group Inc. ("Prime"). A copy of the press release is attached.

4. Summary of Material Change:

The shareholders of Prime voted to approve a plan of arrangement providing for the acquisition by Homestake Mining Company of the 49.4% of Prime shares it did not already own.

5. Description of Material Change:

At an Extraordinary General Meeting held on December 1, 1998, Prime's shareholders voted to approve the plan of arrangement providing for the indirect acquisition by Homestake Mining Company of the 49.4% of Prime shares it did not already own. The plan of arrangement provided for the acquisition of all of the issued and outstanding common shares of Prime, other than common shares already held by Homestake Canada

Inc., in exchange for either Homestake Canada Inc. exchangeable shares or shares of Homestake Common Stock.

The plan of arrangement was approved by the British Columbia Supreme Court on December 2, 1998 and a certified copy of the court order was accepted by the Registrar of Companies on December 3, 1998, thereby making the arrangement effective. As a result of the arrangement, Prime has become a wholly owned subsidiary of Homestake Mining Company.

6. Reliance on Confidentiality Provisions:

N/A

7. Omitted Information:

N/A

8. Senior Officer:

The following senior officer of Prime is knowledgeable about the material change and may be contacted by any securities commission respecting the change:

Walter T. Segsworth
President and Chief Executive Officer
Telephone: (604) 684-2345
Fax: (604) 684-9831

9. Statement of Senior Officer:

The foregoing accurately discloses the material changes referred to herein.

Dated at Vancouver, British Columbia, this 11th day of December, 1998.

(signed) *"Walter T Segsworth"*

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Walter T. Segsworth
President and Chief Executive Officer

cc. Manitoba Securities Commission
Commission des valeurs mobilières du Québec
Vancouver Stock Exchange
The Toronto Stock Exchange

NEWS RELEASE #17
FOR IMMEDIATE RELEASE, DECEMBER 1, 1998

PRIME SHAREHOLDERS VOTE TO ACCEPT HOMESTAKE OFFER

Vancouver, B.C., December 1, 1998: Prime Resources Group Inc. ("Prime") (TSE, VSE, AMEX: PRU), announced today that the Company's shareholders voted to approve a plan of arrangement (the "Arrangement") which provides for the acquisition by Homestake Mining Company ("Homestake") of the 49.4% of Prime shares it does not already own.

The Arrangement provided Prime shareholders (other than Homestake) with the option of receiving 0.74 of a Homestake common share or 0.74 of a Homestake Canada Inc. ("HCI") exchangeable share for each Prime common share owned. Prime shareholders who have not made the election to receive Homestake common shares will receive HCI exchangeable shares. The HCI exchangeable shares have been conditionally approved for listing on the Toronto Stock Exchange and are exchangeable at any time for an equivalent number of Homestake common shares. These shares have dividend and voting rights equivalent to those of Homestake common shares.

Of the 58.7 million Prime shares voted at today's Extraordinary General Meeting ("EGM"), 99.7% voted in favour of the Arrangement. In addition, 99.1% of the Company's shares voted by the minority at the EGM also were voted in favour of the Arrangement.

Walter Segsworth, Prime's President and Chief Executive Officer, commented: "I am pleased to know that our shareholders have clearly supported the Board of Directors' recommendation by voting decisively to accept Homestake's offer. I take this opportunity to thank the Board of Directors, particularly the Special Committee of Independent Directors for their work on this transaction and for their past contributions which helped make Prime an unqualified success."

Prime expects all necessary steps, including court approval, to be completed by December 3, 1998 at which time the Prime shareholders who have delivered their duly completed Letter of Transmittal to Montreal Trust Company of Canada ("Montreal Trust") will be issued either Homestake common shares or HCI exchangeable shares. Shareholders who have not returned a Letter of Transmittal must make arrangements with Montreal Trust to surrender their Prime share certificates in order to receive HCI exchangeable shares.

Prime is a precious metals mining company that owns the Eskay Creek and Snip gold mines located in northwestern British Columbia. With the completion of the Arrangement, Prime will become a fully integrated, wholly owned subsidiary of Homestake.

For further information please contact:

Stephen A. Orr
Vice President, Investor Relations – Homestake
(415) 981-8150

OR

Geoffrey A. Burns
Chief Financial Officer
(604) 684-2345

OR

Walter T. Segsworth
President and Chief Executive Officer
(604) 684-2345

OR

Stock Transfer Services
Montreal Trust Company of Canada
(888) 661-5566 or (800) 663-9097

Visit Prime's Home Page on the World Wide Web at http://www.prime-res.com