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JOINT NEWS RELEASE
May 29, 1991

GIANT GOLD-COPPER SYSTEM CONTROLLED BY EL CONDOR

El Condor Resources Ltd. and Covenant Resources Ltd. are pleased to announce that on May 23, 1991, El Condor completed the purchase of Kennecott Canada Inc.'s interests in the Kemess gold-copper project for \$3,500,000. This important acquisition was made possible by a loan from Covenant to El Condor as disclosed in the joint news release of May 13, 1991 and gives El Condor a 100% interest in all areas owned, optioned and known collectively as Kemess North. In addition, El Condor holds an option from St. Philips Resources Inc. and Stork Ventures Ltd. to earn an undivided 60% interest in the Ron 4 and Du claims, known collectively as Kemess South. El Condor's Kemess mineral property interests cover an important disseminated gold-copper sulphide system in north-central British Columbia. Preliminary exploration work within the 60 square kilometres of mineral claims that cover this system has identified four major centres of mineralization, each of which has the potential to host large-scale, bulk tonnage gold-copper deposits.

The Kemess mineral properties are well located for potential mine development. The Omenica Mining Road, a main line industrial road leading from the communities of Mackenzie and Ft. St. James to the nearby Cheni Gold Mine, passes within 12 km of the Kemess Project. The Sturdee airstrip, on the Omenica Mining Road 40 km north of the Kemess Project, is serviced by scheduled aircraft originating in Smithers, B.C.; The B.C. Rail Ltd. railway line terminates 80 km west of the claims; a connector road between the railhead and the Kemess project is feasible. Hydro-electric development sites, suitable for large-scale development of the Kemess Project are nearby; preliminary engineering work is in progress.

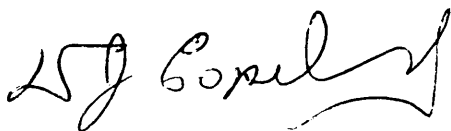
At Kemess North, 30 diamond drill holes totalling 5,197 m. have outlined porphyry style gold-copper mineralization over an area of 2,500 m. by 700 m. and to a depth of 125 m. This deposit has been traced on surface for a further 1,000 m. to the west and remains open to the north, south and east. Geological reserves at Kemess North total approximately 75 million tonnes at an average grade of 0.5% copper equivalent. At Kemess South 26 diamond drill holes and 11 rotary holes totalling 6,100 m have outlined a geological reserve of 75 million tonnes at an average grade of 0.90% copper equivalent. The Kemess South deposit has an average thickness of 135 m. and is open to extension in three directions. The deposit is well suited for low cost open pit development. At Kemess East, prospecting has identified an extensive area of

fracture-controlled, gold-copper mineralization. Surface sampling returned assays of up to 0.30% copper and 0.30 grams gold per tonne. At Kemess West, preliminary surface sampling has outlined a zone of gold-copper mineralization with grades of up to 0.30% copper and 0.69 grams gold per tonne. Further mapping and sampling are required to determine the extent of this zone. Exploration expenditures on the Kemess properties total \$2,400,000. In 1991, El Condor plans to further explore the properties with surface surveys and diamond drilling at an estimated cost of \$3,500,000.

El Condor and Covenant have executed the agreement which provides for their amalgamation on a one for one basis. Materials have been mailed to shareholders for a General Meeting seeking shareholder approval on June 24, 1991. Upon completion, this transaction will reunite the management team responsible for the discovery, exploration and sale of the Continental Gold Corp. Mt. Milligan gold-copper deposit. The Mt. Milligan deposit contains 440 million tonnes of ore grading 0.20% copper and 0.47 grams gold per tonne. The entire project was purchased by Placer Dome in 1990 for a total price of \$258,000,000. Three members of management of El Condor, holding approximately 34% of outstanding shares, and four members of management of Covenant, holding approximately 51% of outstanding shares, have entered into a shareholders agreement to vote their shares at the June 24th meeting in favour of the amalgamation agreement.

Subject to regulatory and shareholder approval, El Condor has issued to Covenant a convertible debenture that secures advances to be made by Covenant to fund preliminary expenditures for the 1991 exploration program. Covenant will advance a minimum of \$220,000 and may advance more at its discretion. These advances are intended to cover expenditures undertaken by El Condor in advance of finalization of the amalgamation. Once the amalgamation is finalized the comprehensive 1991 exploration program will commence. The debenture is convertible into shares of El Condor at \$2.52 per share if the amalgamation does not complete, however upon completion of the amalgamation the debenture will be cancelled. The debenture bears interest at the prime rate charged by the bankers of Covenant plus two percent.

EL CONDOR RESOURCES LTD



David J. Copeland, President

COVENANT RESOURCES LTD.



Robert G. Hunter, Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the form or content of this release.

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THE CONDOR FLIES . . .

GRANDDADDY OF ALL GOLD-COPPER SYSTEMS

When El Condor Resources and Covenant Resources recently merged into a single strong mining development company, it marked the reunification of the management team that had discovered and developed the mammoth gold-copper deposit at Mt. Milligan. But according to the new management group, El Condor and Covenant together will mean much more than that.

The merged company, known as El Condor Resources Ltd., has a controlling interest in the Kemess Gold-Copper Project in north central B.C. Management has stated that the Kemess project hosts the largest undeveloped gold-copper system in North America which, judging by preliminary drilling, may soon produce one of the largest mining operations in the world.

The Kemess project follows in the wake of management's immensely successful Mt. Milligan project, which was sold through the vehicle of Continental Gold Corp. in October, 1990 to Placer Dome Inc. for \$180 million, netting Continental shareholders \$20 per share.

"The new El Condor management team," says president Robert Dickinson, "is firmly committed to making the Kemess project another outstanding success."

Even prior to the merger, street opinion appeared to agree.

"All of the ingredients are in place," says Douglas Hurst, mining analyst with McDermid St. Lawrence Limited in Vancouver, "for an exciting and classic mining speculation."

El Condor's new management team combines the high profile marketing and financial skills and outstanding track record of Chairman Robert Hunter and President Robert Dickinson, the technical expertise and experience of Jeff Franzen, David Copeland, Douglas Forster, and Mark Rebagliati, and the financial management of Chartered Accountants Harold Forzley, Ronald Thiessen and Aziz Shariff.

Hunter first gained prominence as President and later Chairman of Breakwater Resources during the

development and bringing to production of its substantial gold producer at Wenatchee, Washinton. Later, he and Dickinson developed North American Metals' Golden Bear property, subsequently selling it to Homestake Mining Company of San Francisco under a \$40 million takeover offer.

Then, through Continental Gold Corp., they explored and delineated the huge gold-copper deposit at Mt. Milligan, which was the target of the Placer Dome takeover.

Covenant Resources Ltd., which was controlled by the Hunter-Dickinson group, in fact made possible the predecessor El Condor's acquisition of a 40% interest held by Kennecott Canada in the Kemess property, through the purchase from El Condor of a debenture in the amount of \$3,500,000. That amount was required to secure an undivided 100% interest in Kemess North. The Covenant-El Condor merger in other words brought together needed capital and management talent on the Covenant side and the Kemess property and technical talent on the part of the El Condor group.

The Kemess project occupies a large area (67 square kilometres) at the southern end of the Toodoggone region of north central B.C. Despite the remote area, accessibility is favourable. The property is reached via the Cheni Mine Road from Mackenzie and Prince George. Access roads into the two principal areas (Kemess North and Kemess South) have recently been upgraded.

An airstrip 40 kilometres north of the property is served by scheduled aircraft from Smithers. B.C. Rail terminates 80 kilometres west of the property, and a connecting road is feasible. Hydro-electric sites, suitable for the power requirements of a large-scale mining complex are located close at hand, and preliminary engineering work has been commissioned by El Condor.

The most intriguing aspect of the Kemess project, according to Dickinson, in addition to the attractive copper equivalent values when gold values are factored in, is that the size of the total land package is enormous, with indications that much more of it warrants further exploration and development.

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Including the Kemess North and Kemess South deposits, only 15% of the total claims area has been investigated. Meanwhile, surface sampling of the East and West sectors indicate comparable grades with those experienced in Kemess North and Kemess South.

It is for this reason that management is emphatic that the Kemess Project is the largest undeveloped gold-copper system in North America and may become one of the world's largest mining operations.

The Kemess properties are located within the Quesnel Trough, a geological setting which hosts a number of important disseminated gold-copper deposits, including those of Mt. Milligan and Fish Lake, in both of which El Condor management is or has been involved.

Kemess North, where El Condor holds an undivided 100% interest, has seen the most extensive drilling activity. Beginning in the late 1960's Kennecott and Getty Resources performed drilling programs in an attempt to define classic copper porphyry systems.

In 1988, El Condor re-assayed the diamond drill cores to determine precious metal content, finding significant gold values throughout. A total of 30 diamond drill holes totalling 5,197 metres have outlined gold-copper mineralization over an area of 850 by 300 metres and to a depth of 125 metres. The deposit extends 1,000 metres to the west and is open to the north, south and east.

Mineralization at Kemess North has been divided into three zones thus far which, with further drilling, may prove to be connected, forming one huge deposit. Drill testing in the easternmost zone over an area of 500 by 700 metres has outlined geological reserves of approximately 75 million tonnes with an average grade of 0.5% copper equivalent. Drilling results indicate that both gold and copper exhibit vertical and horizontal continuity, the only variations being slight improvement in grade with depth. More systematic grid drilling is expected to increase grade and tonnage dramatically.

The remaining two zones have been the subject of very limited work party activity. With a total expenditure in Kemess North of just under \$1 million El Condor management intends to spend an additional \$1 million over the next few months for delineation drilling of the Kemess North area.

If the size and potential of Kemess North are substantial, Kemess South may be even more impressive. According to McDermid St. Lawrence's Hurst, Kemess South currently represents the most important target, at least on current data, since it is proving that it contains exceptionally high gold grades for a bulk tonnage deposit.

Kemess South, in which El Condor holds a 60% undivided interest, has been the subject of an intensive drilling program comprising a total of 22 diamond drill holes - all of which intersected ore grade gold-copper mineralization demonstrating good continuity throughout. With the drill-tested area comprising 15% of the open-ended anomaly, a reserve of 75 million tons has been defined averaging 0.62 grams of gold per tonne and 0.28% copper, for a copper equivalent grade of 0.90% copper.

El Condor, with an expenditure of \$1.1 million, has earned a 60% undivided interest in Kemess South. The Company, as operator in a 60% El Condor - 40% St. Philips Resources Inc. joint venture, has planned for an expenditure of a further \$1.8 million on Kemess South over the next few months.

Kemess West is an area made up of 59 mineral claims covering approximately 1,475 hectares. Like the other areas within the total land package, it was the subject of exploration activity as early as the 1960's, but has seen very limited work, including six diamond drill holes.

Since acquiring the Kemess West property in 1990, El Condor has re-evaluated the existing data and completed geologic mapping and drill core sampling, which returned copper values approximating 0.2% - 0.3% copper. El Condor management intends to expend a further \$400,000 over the next few months for detailed geologic mapping, IP surveys, trenching and initial diamond drilling.

An interesting comparison with B.C.'s major open pit mines shows Kemess South, with minimal development thus far, with reserves of 75 million tons, compared with Gibraltar's startup reserves at 360 million tons, Bell with 50 million and Similkameen with 60 million tons.

Net smelter return values for the operating mines range from Gibraltar's \$4.40 per ton to Bell's \$9.10. Kemess South ranks highest with an estimated \$10.20 per ton. On the other hand, Kemess South's estimated operating cash costs (\$5.40 per ton) are