

Introduction Report



Southern Rio Resources Ltd.

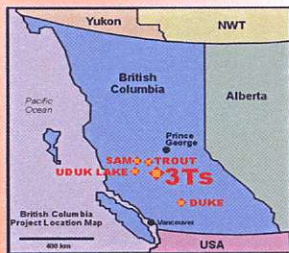
January, 2004

stock price Jan 16: c\$ 0.32
TSXV-SNZ
shares issued: 35,1 mio
fully diluted: 47,6 mio

ACQUIRED PROPERTIES FROM THE MAJORS COME WITH AN EXTENSIVE INFORMATION BASE

The 3Ts epithermal gold-silver camp located in central BC, approximately 120km southwest of Vanderhoof, area had received little exploration prior to 1993, when the BC Geological Survey discovered gold-bearing quartz veins in the Naglico Hills area. Release of the data in January 1994 led to immediate staking by Teck, Cogema and Phelps Dodge, with subsequent exploration in the period 1994-1998.

Teck drilled approximately 16,000 metres on the Tscaha property and identified 7 mineralized veins, including the Tommy vein which contains a resource of 112,000 ounces of gold and 987,000 ounces of silver. On the Taken property, limited drilling by Phelps Dodge encountered intersections including one of 22 metres grading 8.9 g/t gold and 65.22 g/t silver.



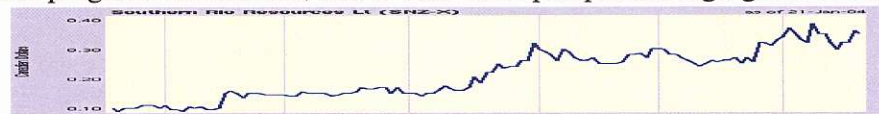
The consolidation of the properties under one management allows for comprehensive exploration of this newly discovered precious metal camp. It is not only the combination of the properties but especially the putting together of the extensive information bases that serves as an advantageous fringe benefit to Southern Rio's current status.

COMBINING PROPERTIES OF THREE MAJORS OFFERS EXTRA POTENTIAL TO SOUTHERN RIO

Take a look at the management and directors of Southern Rio Resources and you find an abundance of talent and experience, obtained from long-time previous engagements with major mining companies such as Placer Dome, Echo Bay and Esso Minerals, as well as from current connections with a diversified group of exploration companies.

The current management team was assembled in 2001 with a focus toward Canadian exploration. Management seized a great opportunity and acquired three highly prospective properties previously owned and operated in the mid 90s by Teck, Cogema and Phelps Dodge respectively. Though work by all three majors returned some impressive results, a negative political climate and declining metal prices caused the properties to fall dormant towards the end of the 90s. Recognizing the solid fundamentals of the properties and believing in the eventual recovery of metal prices, Southern Rio gained the rights to all three properties and consolidated them into what is now known as the 3Ts epithermal gold-silver project in Central British Columbia. To date, 10 mineralized veins have been outlined, with the Tommy vein containing a resource of 112,000 ounces of gold and 987,000 ounces of silver. Drilling in 2002/2003 has returned encouraging assay results and expanded the known strike length of the Ted Vein and identified the Mint Vein. In December 2003, a resource definition drilling program was completed at the Ted Vein. Initial assay results included intersections of 11.5 metres with 3.22 g/t gold and 86.1 g/t silver and 17.0 metres with 3.84 g/t gold and 364.6 g/t silver.

A prospecting program in the summer of 2003 identified several new zones of high-grade boulder occurrences, including the Ringer Zone, where eight samples returned an average of 19.01 g/t gold and 140.1 g/t silver, with individual values up to 78.5 g/t gold and 282 g/t silver. A January 2004 drill program will test this, and several other prospective high-grade zones.



With several known vein systems, a defined resource with an additional resource calculation in progress, drill testing new high-grade zones just having restarted, the 3Ts Project is poised for further advancement during the early stages of 2004. Favourable results could dramatically increase the scale of this deposit and increase the potential of a mineable threshold. As results will be reported, Southern Rio should be receiving even more attention from investors than it already experienced in the recent months. A company to follow very closely.

Henk J. Krasenberg