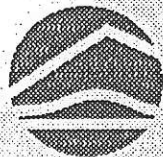


British Columbia

Kemess South Project

Open House – 1996



Royal Oak Mines Inc.

**El Condor Resources
St. Philips Resources**

Kemess South Gold Copper Project

Open House Presentation

1996

Site History and Project Description

The Kemess South gold-copper project is located approximately 300 km northwest of Mackenzie and Fort St. James and 250 km northeast of Smithers and falls within the Peace River Regional District.

The Kemess South property was first explored in 1983 by Pacific Ridge Resources Ltd., who completed soil geochemical surveys. Additional soil geochemical surveys were undertaken in 1984, and in 1988 the property was acquired by St. Philips Resources Inc., who conducted further exploration at the site.

El Condor optioned the claims from St. Philips in 1990. In 1991, El Condor and the joint venture of El Condor and St. Philips undertook further exploration. By the end of 1991, a mineral reserve of 245 million tonnes had been outlined on the project claims. El Condor has a 60% undivided interest in the Kemess South project, and St. Philips and its wholly owned Stork Ventures Ltd., hold 40%.

In August of 1995, El Condor, St. Philips and Royal Oak Mines Inc. reached agreement whereby Royal Oak would acquire all the issued and outstanding shares of the two companies by plan of arrangement.

The Kemess South project proposal covers the construction, operation and reclamation of a 40,000 tonne per day open pit gold copper mine mill complex in the Toadogone region of North Central British Columbia. The project site is located approximately 300 km to the northwest of Mackenzie, B.C. adjacent to the existing Omineca Resource Access Road. The purpose of the project is to produce approximately 213,000 ounces of gold, 58 million pounds of copper and 170,000 ounces of silver annually over the projected 15 year mine life and to contribute to the British Columbia mining economy, local regional economy, and social well being, and to provide a net positive investment for private and public investment.

The scope of the project includes:

- ▶ a 40,000 tonnes per day open pit to develop a deposit containing an audited mineable reserve of 200,440,000 tons of Hypogene and Supergene ore grading an average of 0.22% copper and 0.63 g/t gold.
- ▶ a 40,000 tonnes per day mill and associated facilities utilizing conventional crush, grind and stage flotation systems to recover on average 78.2% of gold and 88.4% of copper from Hypogene material and 70.2% of gold and 70.1% of copper from Supergene material. The process will produce a clean concentrate ranging between 22% to 28% copper, 50 to 100 g/t gold and 55 to 75 g/t silver.
- ▶ a tailings pond to accommodate the permanent underwater or dry storage of approximately 220 million tonnes of tailings, and to operate with a negative water balance throughout the mine life.
- ▶ a series of water collection, diversion and management structures to manage water at the project site, including the accommodation of flows in lower South Kerness and Kerness Creeks for fisheries purposes.
- ▶ a waste rock storage dump located adjacent to the mine, to contain all waste material totalling approximately 260 million tonnes.
- ▶ an onsite housing camp to accommodate construction personnel during project development, and employees, contractors, etc., during the mine life.
- ▶ an onsite 2,000 m (6,500 ft) long by 45 m (150 ft) wide airstrip to provide for employee transportation in and out of the project on a work rotation basis.
- ▶ the use of a portion of the existing Cheni Gold Mine Access Road, the Omineca Resource Access Road (ORAR) and the construction, operation, dismantling and abandonment (if required) of a new 59 km access-controlled private industrial haul road through the upper Sustut River Valley to join the ORAR to the BC Rail extension near Sloane, and a concentrate/supply load-out facility at the junction of the road and the BC Rail line.
- ▶ a 380 km 230 Kv electric transmission line from the BC Hydro Kennedy Substation, near Mackenzie, to the minesite, generally following the existing Finlay Forest Access Road and the ORAR.

In mid-March, El Condor Resources filed with the Chief Inspector of Mines, pursuant to Part 10.2.1 of the Health, Safety and Reclamation Code for Mines in British Columbia, a proposed pre-production mine plan together with a program for the protection and reclamation of the land and water courses related to the proposed Kerness South gold-copper project. This round of open house presentations is intended to provide the general public an opportunity to review the proposed pre-production plans and to make comment before construction begins.

Environmental Review of the Kemess Project

The Kemess South Project has been under environmental review by both Federal and Provincial Governments since the Spring of 1992. The current round of open house presentations is the third time that public input has been sought. An environmental impact report (The Project Application) was submitted by El Condor to the government in the spring of 1994. It was also placed in public libraries in Mackenzie, Fort St. James, Smithers, Prince George and Fort St. John to facilitate public review.

The BC Environmental Assessment office has co-ordinated an inter-agency review of the Kemess South Project under the auspices of the Environmental Assessment Act. This review took place over a two year period between 1994 and now. In April of 1996 the BC Environmental Assessment office issued the "Kemess South Project Committee Report and Recommendations". The report makes the recommendation to the BC Minister of Employment & Investment and to the BC Minister of Environment, Lands and Parks that the Project be authorized to proceed to the permitting stage. The report findings indicate that the project can be developed without significant adverse environmental impact and sets out the conditions that are to be imposed on the development plans to ensure adequate environmental protection.

The Federal Government, with the Department of Fisheries and Oceans acting as the lead agency, have conducted under the auspices of the Canadian Environmental Assessment Act a parallel environmental assessment of the Kemess South Project. Where possible the federal and provincial assessments have been harmonized. The project report as issued by the BC Environmental Assessment Office has been written with extensive input from Federal Government agencies. The Department of Fisheries and Oceans Canada have accepted this report as the basis for a Comprehensive Study Report and have referred this report to the Canadian Environmental Assessment Office for final review, public input and referral to the Federal Minister of Environment.

Environmental Highlights

- ▶ Approximately 80% of the waste rock extracted during the mine life is neutralizing, that is it has strong acid consuming content. The resulting waste dumps are predicted to be acid consuming consequently ARD is not expected to be a problem at Kemess.
- ▶ The tailings impoundment system will be operated as a full containment system, that is there will no discharge of effluent during the mine life from the tailings pond.
- ▶ All water used in the milling process is recycled from the tailings impoundment or taken from the dewatering of the open pit.
- ▶ There will be no hunting, fishing or use of company vehicles for recreational purposes at or near the minesite and its associated infrastructure allowed during the construction and operational phases. This policy will apply to all employees, contractors and visitors to the minesite.

- ▶ The company has reached agreement with DFO and MELP on an extensive fisheries compensation program to offset the impact of the project development on the fisheries resource in the Thutade watershed.

- ▶ The Sloane Connector Road will be operated as a private industrial road. There will be no public access to the Sustut valley using this road. The area along the road will be posted as a no hunting zone.

For Further Information on the Kemess South Project Contact:

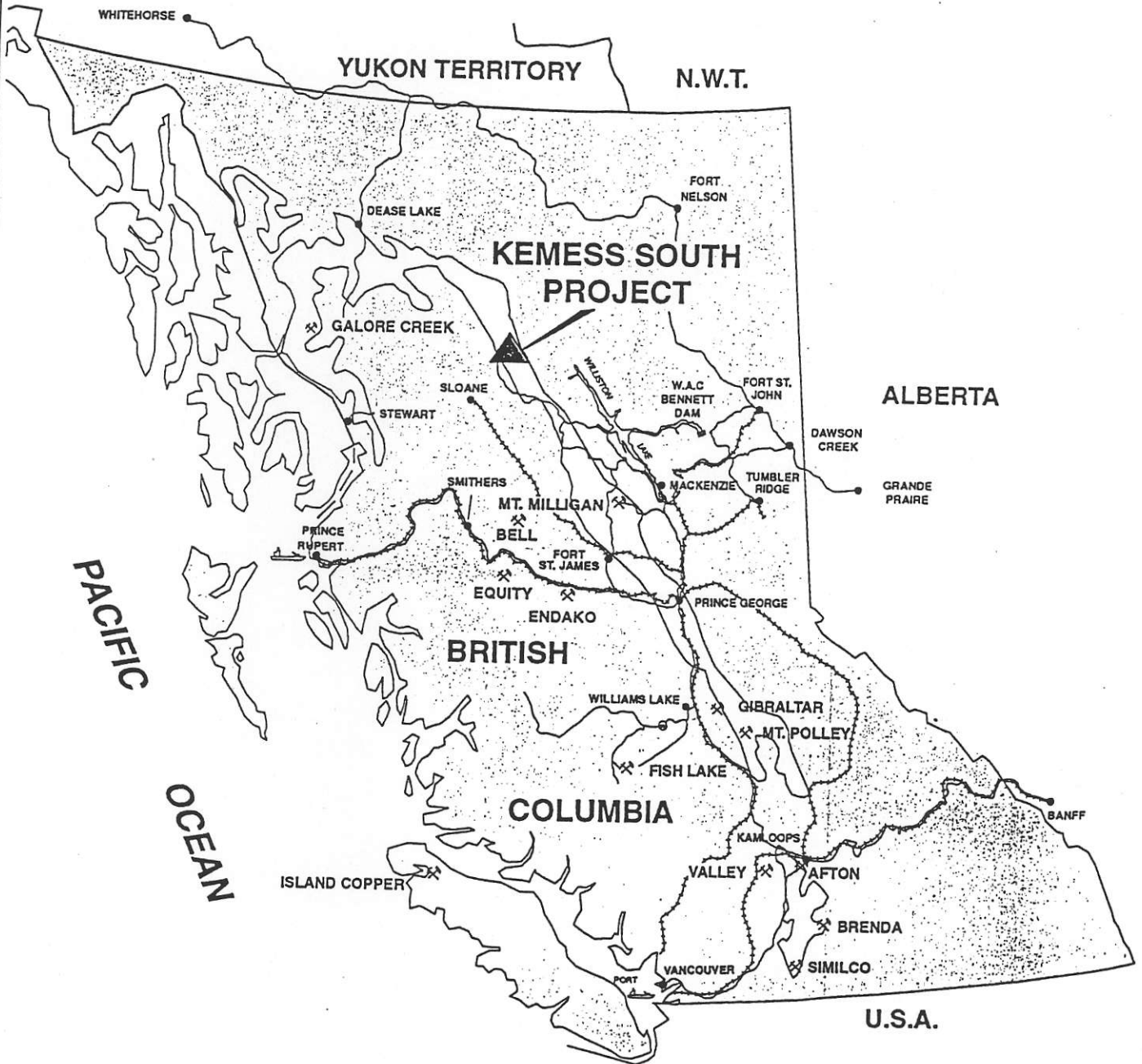
El Condor Resources Inc.
c/o Royal Oak Mines Inc. - B.C. Division
P.O. Box 3519
#9 - 3167 Tatlow Road
Smithers, B.C., V0J 2N0

Phone (604) 847-5667
FAX (604) 847-5606

KEMESS SOUTH PROJECT

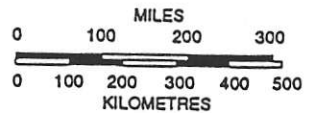
SUMMARY FACT SHEET

PROPERTY	Kemess South Gold-Copper Property
PROJECT	Kemess South Joint Venture - Kemess South Project
OWNER	El Condor Resources Ltd. (60%) St. Phillips Resources Inc. (40%)
OPERATOR	El Condor Resources Ltd. c/o Royal Oak Mines Inc. P.O. Box 3519 #9-3167 Tatlow Road Smithers, B.C. V0J 2N0 Tel: (604) 847-5667 FAX: (604) 847-5607 Contact: Doug Johnson, Manager of Environmental Services, B.C. Division
LOCATION	300 km northwest of MacKenzie, British Columbia (57 00'N, 126 45"W: NTS 94 D/15 E/2) 5 km east of Thutade Lake
ACCESS	North from MacKenzie or Fort St. James via the Omineca Resources Access Road (ORAR). B.C. Rail Dease Lake Extension is 80 km SW of property.
GEOLOGY	Disseminated gold-copper mineralization hosted in a flat-lying intrusion that is underlain by Takla Group volcanic and sedimentary rocks. The deposit is unconformably overlain by Tertiary clastic sediments and volcanics. Tailings products and waste rock from the deposit are acid consuming.
METALS	Co-product gold and copper. By-product silver.
MINERAL RESERVES	245 million tonnes grading 0.62 g gold/t and 0.22% copper (0.84% copper equivalent at 0.4% copper equivalent cut-off grade).
MINEABLE RESERVES	200 million tonnes grading 0.63 g gold/t and 0.22% copper. Life of mine stripping ratio is 1.26:1.
MINE	40,000 t/d open pit gold-copper porphyry. Conventional mining using large-scale electric shovels and haulage trucks.
MILL	40,000 t/d conventional flotation with average annual production of 213,000 ounces gold, 58 million pounds copper and 170,000 ounces silver.
INFRASTRUCTURE	Fly-in, fly-out camp rotation. Electrical power at 230 KV via a 380 km overhead line from Kennedy Substation. Concentrate will be transported to rail loadout facilities.

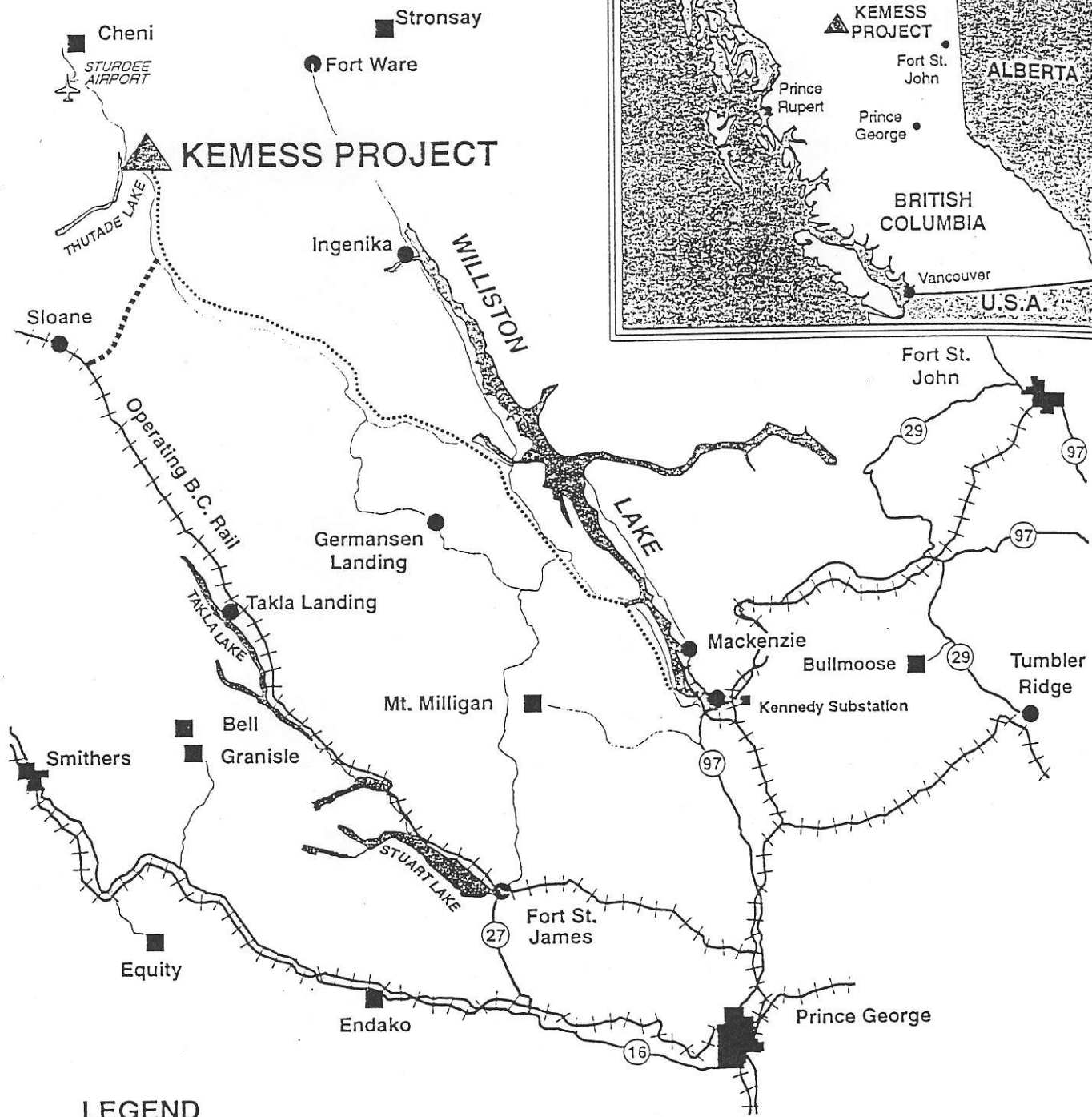


LEGEND

- Road
- +— Railway
- Quesnel Trough
- * Open Pit Porphyry Mines & Projects

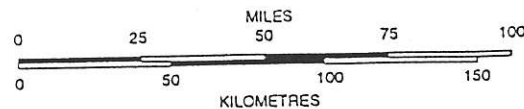


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ST. PHILIPS RESOURCES INC.	
KEMESS SOUTH PROJECT	
FIGURE 1.1	
LOCATION MAP	
DATE: April 1995	SCALE: AS SHOWN

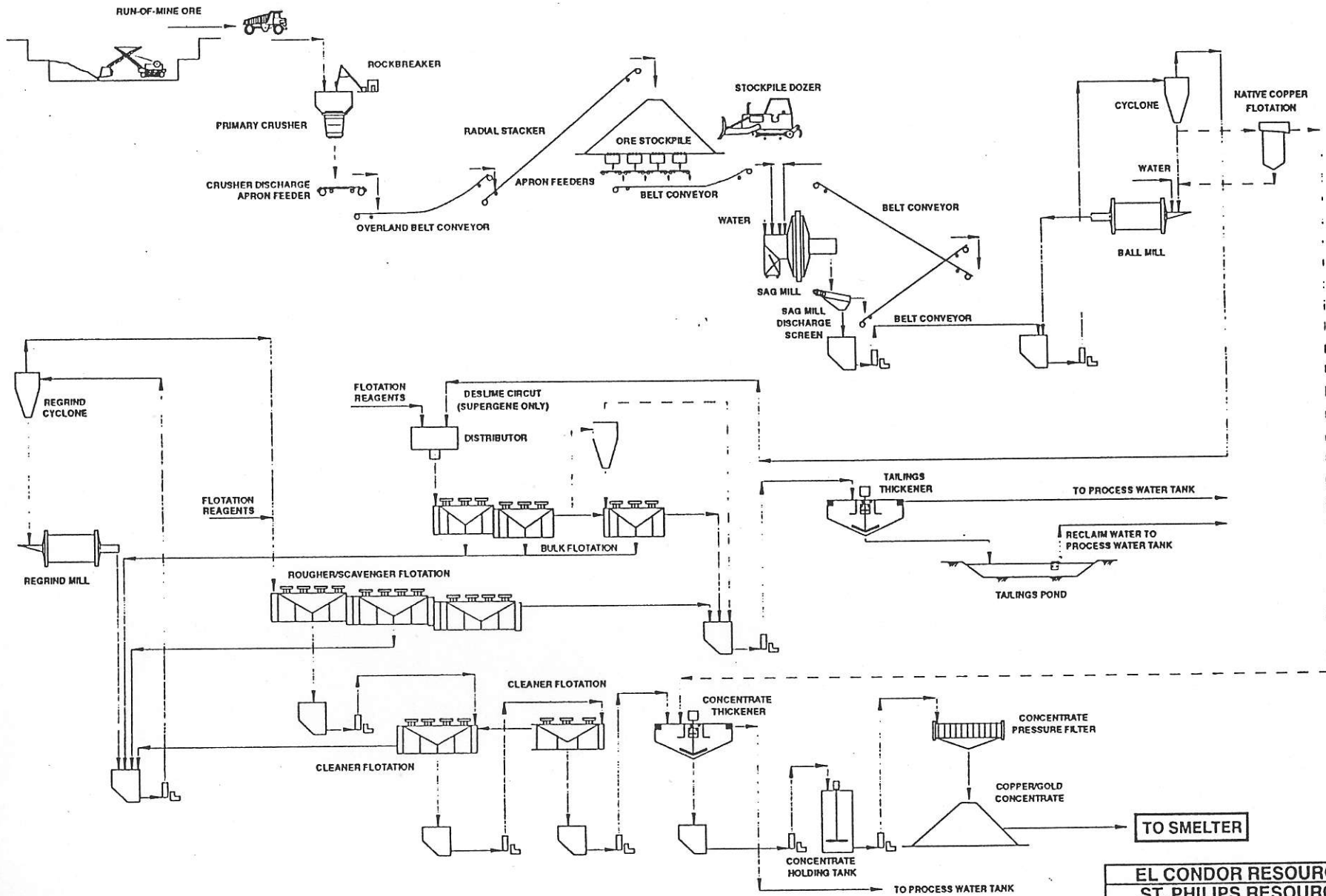


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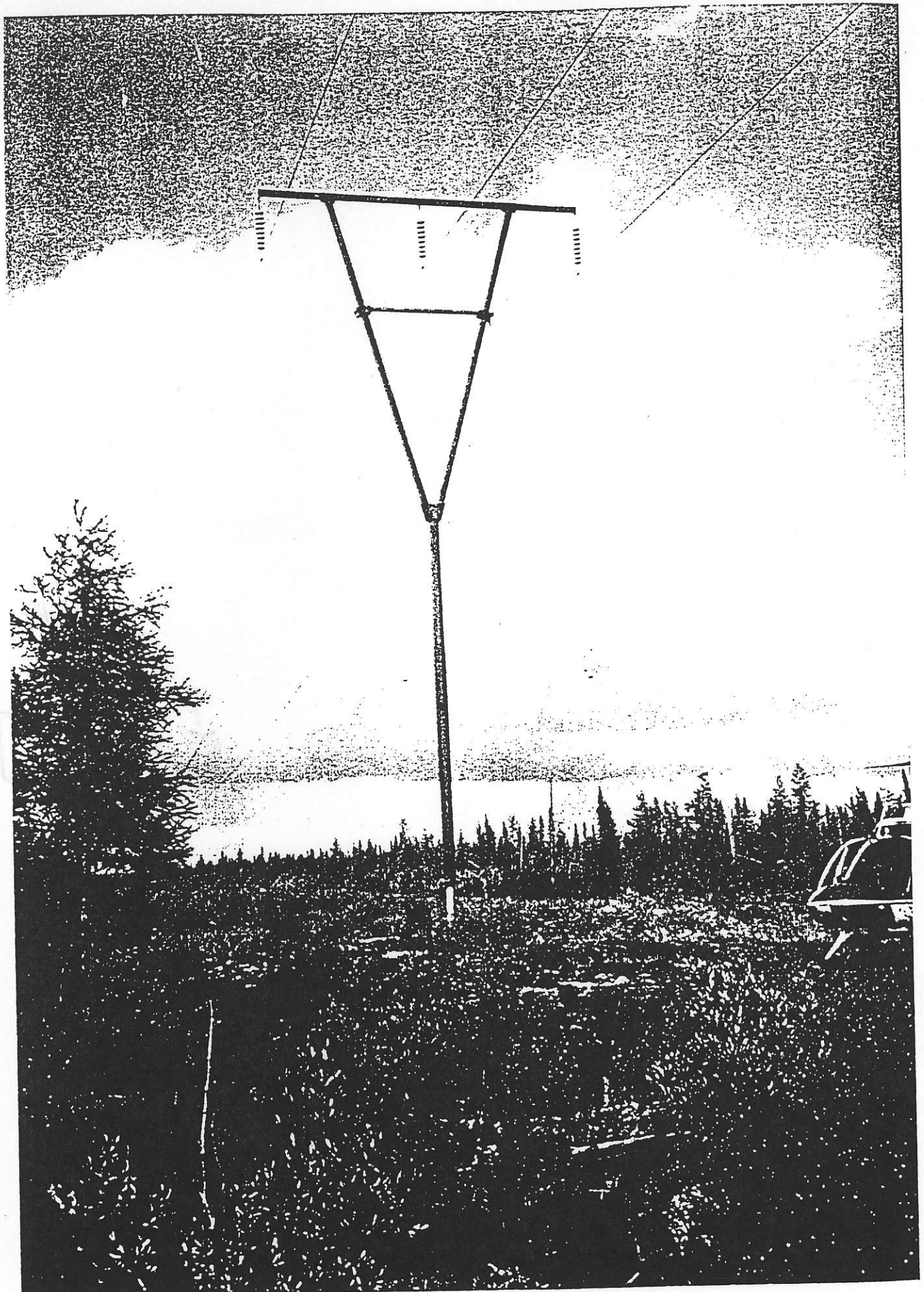
- Highway
- Year Round Industrial Road
- Designed Connector Road
- + + + Railway
- Hydro-Proposed 230 kV Line
- Mines And Mine Development Projects



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FIGURE 1.2	
INFRASTRUCTURE	
DATE: April 1995	SCALE: AS SHOWN



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FIGURE 5.3	
PROCESS FLOWSHEET	
DATE	April 1995



Transmission tower typical of the type proposed for the Kemess South 230 KV transmission line.