

EL CONDOR RESOURCES LTD. (ECN-V)

ST. PHILIPS RESOURCES INC. (SPP-V)

RIO ALGOM LTD. (ROM-T,M)

KEMESS SOUTH FUNDING ARRANGED - Robert Hunter, chairman, reports El Condor Resources Ltd., St. Philips Resources Inc. and Rio Algom Ltd. agreed to funding arrangements to advance development of the Kemess South gold/copper project about 200 miles north of Smithers, B.C. The joint venture ownership is El Condor 60%, St. Philips 40% with El Condor as operator. Rio Algom Ltd. has about a 30% equity interest in St. Philips and about 7.7% equity interest in El Condor. Under the funding terms, El Condor will loan \$500,000 and Rio Algom \$200,000 to St. Philips by way of debentures, convertible at the option of St. Philips, at \$1.00 per share for six months. If not converted into St. Philips stock within six months, the loans will be due and payable in full. As consideration, El Condor and Rio Algom will each receive interest payable at bank prime plus 3%, plus a bonus of 10% of the amount loaned in shares of St. Philips valued at \$1.00 per share. This transaction is subject to regulatory approval.

The joint venture has started a \$1,000,000 program comprising bulk sampling and metallurgy, open pit mine planning, power and access studies as well as tailings impoundment and environmental programs. A detailed pre-feasibility study is being tendered to international recognized mine engineering groups. An application for a Mine Development Certificate is planned to be made to the B.C. Government on completion of the study.

Current mine modelling for Kemess South is based on 44,000 tons milled/day over 14 years from a 204,000,000-ton mineable reserve for a projected 221,000 oz. gold and 58,000,000 lbs copper per year. (SEE GCNL No.236, 8Dec92, P.1 FOR PREVIOUS PROJECT INFORMATION)

94E 94