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EL CONDOR RESOURCES LTD., (ECN-V)  
ST. PHILIPS RESOURCES INC., (SPP-V)

ASSESSMENT AND PERMITTING UNDERWAY - Robert G. Hunter,  
chairman, reports

El Condor Resources Ltd., 60%, and joint venture partner St. Philips Resources Inc., 40%, have filed with the B.C. Government the first of two project documents required for mine development at the Kemess South gold/copper project located in the Toodoggone region about 200 miles north of Smithers, B.C. RIO ALGOM LTD. has acquired an approximate 30% equity interest in St. Philips and has options to acquire a majority interest in that company. Rio Algom has a 9.9% equity interest in El Condor.

The Pre-Application for a Mine Development Certificate is a comprehensive review of technical, environmental and socio-economic aspects of the 44,000 ton-per-day open pit project. It provides data required to determine terms of reference for the second project document - an Application for a Mine Development Certificate, which is expected to be filed within a year and will include results from engineering and feasibility programs now being planned by the joint venture.

Mineable reserves at the Kemess South deposit above a 0.4% copper equivalent cutoff grade total 228,000,000 tons averaging 0.23% copper and 0.019 oz.gold/ton containing 4,300,000 ounces of gold and 1.05 billion pounds of copper. Preliminary metallurgical tests on composite samples indicate a conventional grinding/flotation circuit will produce a high quality, co-product of gold/copper concentrate with silver as a by-product. Comparative work index values determined from grinding of feed material for flotation tests returned values of 10 - 11.77, indicating a relatively easy grind compared to other B.C. open pit mines. Acid-base measurements on tailings and waste rock samples also returned favourable results, indicating there will not be an acid discharge.

A starter pit has been designed to maximize revenues and minimize costs during the first four years of operations. The higher grade starter pit reserves are available at a favourable stripping ratio of 0.4:1.

Unexplored targets within and adjacent to the project claims have excellent potential to develop additional mineable reserves that would extend the project's 15-year mine life. (SEE GCNL No.7, 10Jan92, P.1 FOR PREVIOUS PROJECT INFORMATION)

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