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George Cross News Letter

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ROYAL OAK MINES INC.

[RYO-T, AMEX] 119,007,714 SHS.

GEDDES RESOURCES LTD.

[GDD-T] 36,693,721 SHS.

EL CONDOR RESOURCES LTD.

[ECN-V; ECNCF-NASDAQ] 14,503,903 SHS.

ST. PHILIPS RESOURCES INC.

[SPP-V, T] 11,342,475 SHS.

WINDY CRAGGY COMPENSATION RESOLVED - Geddes Resources

Ltd. and its controlling shareholder Royal Oak Mines Inc. jointly report reaching an agreement with the Government of B.C. on compensation for loss of development opportunities on the Windy Craggy copper property, northwest B.C. In an agreement designed to facilitate compensation, the provincial government has structured a linked package between compensation and development that will result in Royal Oak building two new mines in northern B.C. over the next three years, creating 500 new permanent jobs and over 1,000 indirect jobs.

The direct compensation component of the package payable to Geddes covers the direct costs the company spent on the Windy Craggy property. It will comprise cash of \$29,000,000 payable over two years. There is also a \$20,000,000 Mining Development Fund, to be matched and managed by Geddes. The purpose of this fund will be to provide for mineral exploration of properties located in B.C.

In a series of associated agreements, all subject to shareholder and regulatory approvals and definitive agreements, Royal Oak intends to acquire all of the outstanding shares of Geddes, El Condor Resources Ltd. and St. Philips Resources Inc. and by way of plan of arrangement. Terms are as follows: 1) 0.30 shares of Royal Oak for each Geddes share; 2) 0.95 shares of Royal Oak plus \$2.00 in cash for each El Condor share; and 3) \$3.40 in cash for each St. Philips share.

The cash portion of the above transactions will amount to about \$67,900,000 and will be funded from Royal Oak's treasury. Royal Oak will issue 20,900,000 shares from treasury to complete the transaction. This transaction will result in Royal Oak owning 100% of the Kemess South and KemessNorth projects, north-central B.C. More details in tomorrow's GCNL. (SEE GCNL NO.88, 8May95, P.1 FOR PREVIOUS RELATED INFORMATION)

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