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George Cross News Letter

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PHOENIX GOLD RESOURCES LTD.

[PHO-V] 5,109,312 SHS.

EXPLORATION UPDATE - John Carson, president, Phoenix Gold Resources Ltd., provides updates on various exploration activities.

Road refurbishing is complete and core drilling has begun at the 70% optioned Carlisle, Grasshopper Mountain platinum prospect near Tulameen, 260 km east of Vancouver, southwest BC. The purpose of the current drill program is to attempt to assess the continuity of the known platinum occurrences mapped by previous surface work, percussion and limited core drilling. Occurrences of the host rock, (dunite) have been identified over a 5.5 km. by 2.5 km area. Results of the previous work have included chip and channel samples up to 0.45 oz. platinum/ton (15.43 gr/t) over 5.9 feet, (1.8 metres). A 32 hole percussion drill program returned a high of 0.27 oz. platinum/ton (9.26 gr/t) over 10 feet (3.05 metres). Historically, the Tulameen River has yielded significant quantities of placer platinum.

Research has shown platinum demand continues to rise world-wide for use in automotive catalytic converters as well as jewellery and industrial applications. Currently South Africa and Russia produce a majority of the world's supply although South African production is decreasing and Russian supply has fluctuated. Platinum prices have been strong in the current market with a recent price of US \$452 oz. representing a 40% premium over the price of gold.

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