

NO.23(1992)
FEBRUARY 3, 1992

George Cross News Letter
"Reliable Reporting"

ST. PHILIPS RESOURCES INC. (SPP-V)

PRE-FEASIBILITY STUDY UNDERWAY - St. Philips Resources
has reported final

results for the 1991 diamond drilling program on the South Kemess project, located 200 miles north of Smithers, B.C. in the Toadoggone region, a joint venture between El Condor Resources (60%) and St. Philips Resources (40%). Drilling of 80,256 feet has established the boundaries of copper-gold mineralization to the north, east and partially to the south and drilling has been completed westerly to the property boundary where the deposit passes onto ground on which Rio Algom has an option to earn 100% control and to El Condor ground (100%). The defined portion of the deposit on Joint Venture ground now measures approx. 4,600 feet east-west, 2,000 feet north-south and is up to 800 feet thick. The tabular shape of the deposit and its flat-lying, near-surface configuration make it ideal for open pit development.

Rio Algom has calculated a geological reserve on the South Kemess property of 218,200,000 metric tonnes grading 0.625 grams/tonne gold and 0.224% copper, or 240,000,000 short tons grading 0.0182 oz. gold/t and 0.224% copper. Contained metals amount to 4,400,000 ounces of gold and 1,100,000,000 billion pounds of copper. The combined gold and copper is roughly equivalent to a copper only grade of 0.85%.

Preliminary tests suggest satisfactory recoveries of both gold and copper reporting to a good grade single flotation concentrate. A proposed budget of \$717,000 for the period January to March 1992, has been approved to include geostatistical studies and mineable ore reserve calculations, open pit design, metallurgical testing and environmental studies.

On 15Jan92, Rio Algom exercised options to buy

680,714 shares of St. Philips at \$2 per share and is committed to exercise an additional 259,286 shares at \$2 per share when funds are required by the company. Rio now holds 2,140,714 shares or 27.33% of the total issued shares of St. Philips.

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