

Vestor reports good 680027 results — Carmi drilling

Diamond drilling has produced encouraging results on the Carmi molybdenum property 50 miles SE of Kelowna, B.C.

Vestor purchased the property in January, 1974. Under the terms of the purchase, the vendors receive annual cash payments and retain a 3% net smelter interest on production. Vestor has the option to buy out the 3% net smelter interest for an amount ranging between \$600,000 and \$2,500,000 depending on when the buy out option is exercised.

In late March, Vestor was advised by Kennco Explorations (Western) Ltd. that it disputed the vendor's claim to title of a key area of four claims covering the major portion of the known molybdenum zone. The molybdenum was first discovered by Kennco in 1965. After Vestor had examined the Kennco documentation of title, Vestor and Kennco resolved the dispute by entering into an option agreement. Under the terms of the Vestor-Kennco agreement, the disputed four-claim area has been restaked in the name of Kennco and Vestor will earn a 50% interest in the Kennco claims by spending \$25,000 on exploration. After Vestor earns the 50% interest, the two companies will joint venture.

Under the terms of the joint venture, Vestor will determine future exploration programs and budgets and Kennco's participation in future programs will be optional. If Kennco decides not

to participate then its interest shall reduce. More particularly, if the aggregate expenditures by Vestor without participation by Kennco is \$50,000, then Vestor shall acquire a 60% interest in the claims and similarly if Vestor's aggregate expenditures without Kennco increase to \$75,000, \$100,000, \$125,000 or \$150,000, then Vestor's interest shall increase to 65%, 70%, 75% or 80% respectively.

If Vestor earns an 80% interest, then Kennco will retain a 20% net carried interest. Kennco does not by this agreement, hold any interest in the surrounding claims owned by Vestor. The vendor's 3% net smelter interest will be paid out of Vestor's share of production.

The molybdenum occurs in a breccia zone which is about 3,000' long in an east-west direction and averages at least 600' wide. The zone was drilled by Kennco in 1965 (two holes) and by International Minerals and Chemicals in 1971 (six holes).

Vestor's diamond drilling program commenced on a 4,000' contract in early May. To date nine holes have been completed for a total of about 3,000'. The first five holes were drilled off the breccia zone to test for a northeast extension of the zone and these returned negative or low grade results. Holes 6 to 9 are located on the breccia zone and all intersected good grade molybdenite (MoS₂). Assays of three holes have been received and results are as shown:

DDH#	Total Depth	Mineralized Intersection	Average Grade(MoS ₂)	Location
6	415'	11 - 380'	0.12%	South centre of breccia zone
7	350'	0 - 325'	0.18%	200' N of #6
8	375'	30 - 345'	0.16%	200' E of #6
9	455'	Assays Awaited		200' W of #6
10		Currently drilling		200' S of #6