

DATE:

May 10th, 1991

A TO:

AJD, JP

COPIES Á COPIES TO:

DHW, GSW

DE FROM: IDP

SWET SUBJECT: Quinto Mining Corp. property, Lumby, BC.

F.GS

25386 82L/5 MEMORANDUM

I am reviewing this property for potential Sam mill feed.

Location

1 km north of Lumby on the Mabel Lake road, approximately 140 km by road from Samatosum. It lies within the Brenda JV area.

Ownership

100% owned by Quinto Mining Corporation of Vancouver.

Background

Logging in the 1960's uncovered high grade sphalerite, tetrahedrite, galena veins which were subsequently mined and processed by a small mill on site at 50 tpd. Between 1968 and 1970 approximately 1500 tons of ore was shipped to Trail. Subsequent operators increased mill capacity to 150 tpd. Operations ceased in 1981 for unknown reasons.

Quinto purchased the property in 1983 and carried out geochem, geology and geophysical surveys resulting in the discovery of the Plateau shear zone. This zone, a major quartz - graphite shear along the axis of an anticline, has been the focus of all Quinto's work. It contains highly anomalous gold over at least 1500m in length, 200m in dip and up to 140m in width. The gold occurs free, with pyrite and possibly with tellurides. It's relationship to the high sulphide veins mined in the past is not yet clear.

While the presence of gold is obvious, just how much there is has been a problem. This one has it all - nugget effect, telluride assay problems, very high (potentially recoverable?) graphite content, etc. To try to sort this out, Quinto set out, in 1988 to take a bulk sample. They did most of the required drifting and

were just starting the crosscuts for sampling when their junior partner ran out of money and the work was halted. The property has been dormant since as they tried to raise additional funding.

The best available estimates of grade and tonnes is based on RC drilling and conventional geochemical gold assays. This yields 518,000 tons of 0.075 opt Au or 250,000 tons of 0.115 opt Au. It is open in at least two directions.

Immediate Action

I will visit the property on May 15th and review all available data over the next couple of weeks.

Concerns

- 1. Quinto is solely concerned with the gold zone and wishes to complete their bulk sampling in order to get a better handle on gold grades and the recoverability of the graphite. While this is an interesting target in itself, it does nothing for Sam. To assess the potential for Sam compatible ore would require a refocussing of priorities. This will make negotiations tricky.
- 2. There are rumours of ownership problems that will have to be checked out thoroughly.
- 3. The owners are "hands on" people with distinct eccentricities. It's likely that the only way to get into the property to look for Sam type ore will be to fund their continued efforts on the gold zone. I doubt that this would be a good investment.

Preliminary Conclusions

Subject to a thorough review of the data this property appears to have good potential for a few tens of thousands of tonnes to perhaps 100,000 tonnes of Sam feed. In addition it has excellent potential for a several million tonne gold deposit grading anything from 2.5 to 6 g/tonne or more in the Plateau zone and there are several other untested anomalies elsewhere on the property. The trick will be getting a deal which is acceptable to Minnova.

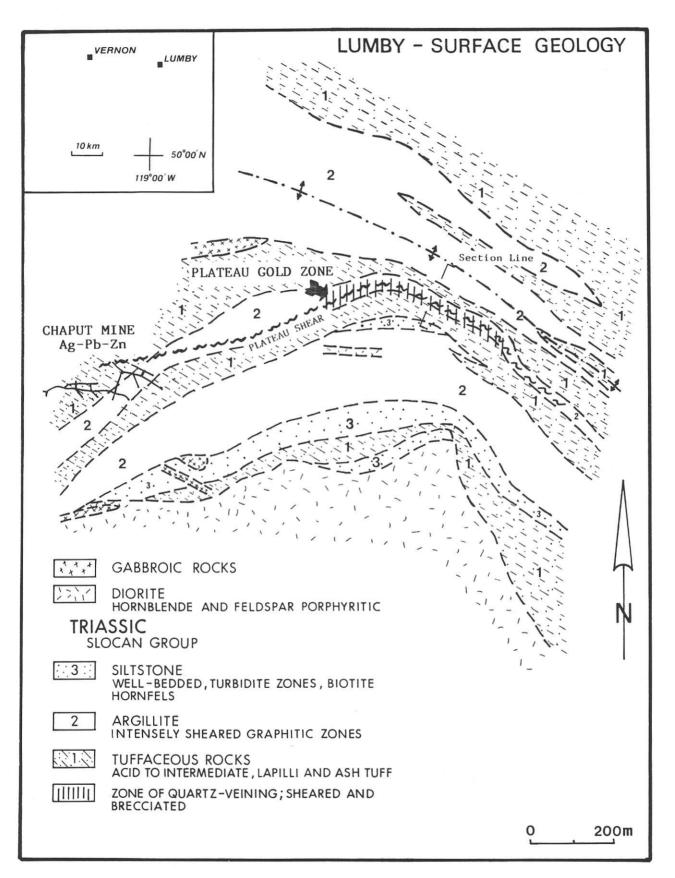


Figure B7. Surface geology of the Lumby (Chaput) project on Saddle Mountain, modified from mapping by D.L. Kuran, The Quinto Mining Corporation.

| IPQ 1 18" QU Chip IPQ 2 4 chip IPQ 3 12" view viewlind | 30 elevent 10P + An assay it warranted |
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SPECIALISTS IN MINERAL ENVIRONMENTS CHEMISTS • ASSAYERS • ANALYSTS • GEOCHEMISTS

VANCOUVER OFFICE:

705 WEST 15TH STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2 TELEPHONE (604) 980-5814 OR (604) 988-4524 FAX (604) 980-9621

SMITHERS LAB.:

3176 TATLOW ROAD SMITHERS, B.C. CANADA VOJ 2NO TELEPHONE (604) 847-3004 FAX (604) 847-3005

Assay Certificate

1V-0586-RA2

Company:

MINNOVA INC.

Date: JUN-26-91

Project:

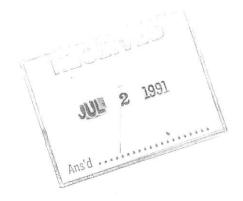
Copy 1. MINNOVA INC., VANCOUVER, B.C.

Attn:

I.PIRIE

He hereby certify the following Assay of 2 ROCK samples submitted JUN-21-91 by .

| Sample Number | AU g/tonne | AU oz/ton | |
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| 79 077, 378, 3 | | | ation made again, and made and and made and made and made and |
| IFQ1 | 1.28 | .037 | |
| IPQ8 | 1.77 | .052 | |



Certified by

MIN EN LABORATORIES

COMP: MINNOVA INC.

ATTN: I.PIRIE

PROJ:

MIN-EN LABS - ICP REPORT

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2 (604)980-5814 OR (604)988-4524

FILE NO: 1V-0586-RJ1

DATE: 91/06/26

* ROCK * (ACT:F31)

| SAMPLE NUMBER | AG PPM | AL PPM | AS PPM | B PPM | BA PPM | BE PPM | BI PPM | CA PPM | CD PPM | PPM | CU PPM | FE PPM | PPM | LI PPM | MG PPM | MN PPM | MO PPM | PPM | NI PPM | P PPM | PB PPM | SB PPM | SR PPM P | TH PM P | U PM | V PPM | ZN PPM | GA PPM | SN PPM I | W CI | R AU-F | FIRE |
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| IPQ1 IPQ2 IPQ3 IPQ7 IPQ8 | 4.6 28.5 | 3780 20120 26030 6620 1280 | 2164 57 10209 91 156 | 15 6 8 2 1 | 27 229 167 53 17 | .2 .1 .1 .4 | 12 10 2 | 31120 16640 18440 31600 7420 | 228.2 4.0 84.8 .1 .1 | 39 18 186 7 16 | 9 | 59660 47440 74690 22030 40420 | 2800 | 4 | 1640 13920 16060 12370 1840 | 1039 915 1261 1214 | 13 3 94 5 | 100 550 160 1060 1200 | 4 | 160 1120 1150 1270 150 | 173 20 | 53 2 | 14 27 27 101 17 | 2 1 5 1 | 1 1 | 13.1 13.6 09.3 14.1 4.6 | 7493 390 | 1 , 2 , 3 , | | 11 26 6 100 5 63 3 77 8 207 | 7 1 0 3 | 1130 18 746 40 1710 |
| IPQ9 | 1.7 | 4630 | 128 | 4 | 62 | .1 | 1 7 | 26890 | 29.3 | 40 | 68 | 86590 | 2770 | 2 | 13100 | 601 | 1 | 1050 | 18 | 950 | 24 | 1 | 71 | 1 | 1 | 12.4 | 1639 | 1 | 1 | 3 70 | 6 | 758 |
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COMP: MINNOVA INC.

ATTN: I.PIRIE

MIN-EN LABS - ICP REPORT

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2

(604)980-5814 OR (604)988-4524

FILE NO: 1V-0586-RJ2 DATE: 91/06/28

* ROCK * (ACT:F31)

| SAMPLE NUMBER | AG PPM | AS PPM | BA PPM | CU PPM | PB PPM | SB PPM | ZN PPM | AU-WET PPB | | |
|----------------------|-------------------|-----------------|-----------------|----------------|---------------|-------------|-----------------|---------------|------|--|
| IPQ4 IPQ5 IPQ6 | 3.3 2.5 2.5 | 1 296 167 | 226 87 93 | 40 48 55 | 17 12 9 | 1 1 1 | 229 71 69 | 5 65 30 | | |
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(604)980-5814 OR (604)988-4524

FILE NO: 1V-0586-RL2 DATE: 91/06/28

* ROCK * (ACT:F26)

SAMPLE AL203 ВА CAO FE203 K2O MGO MNO2 NA2O P2O5 SIO2 TIO2 S TOT(%)

| SAMPLE NUMBER | AL203 % | BA % | CAO % | FE203 % | K20 % | MGO % | MNO2 % | NA20 % | P205 % | S102 % | T102 % | S % | TOT(%) |
|----------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|-------------------|-------------------------|-------------------|-------------------|-------------------------|
| IPQ4 IPQ5 IPQ6 | 17.38 16.37 16.53 | .050 .070 .065 | 6.04 5.35 5.81 | 8.97 6.46 6.16 | 2.51 3.26 3.36 | 3.10 2.07 2.11 | .19 .11 .11 | 4.51 4.21 3.97 | .11 .15 .14 | 51.72 58.20 58.36 | .79 .72 .70 | .34 .30 .49 | 95.72 97.28 97.81 |
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Assay Certificate

1V-0586-RA1

Company:

MINNOVA INC.

Date: JUN-28-91

Project:

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Copy 1. MINNOVA INC., VANCOUVER, B.C.

Attn: I.PIRIE

We hereby certify the following Assay of 3 ROCK samples submitted JUN-21-91 by I.PIRIE.

Sample Number IPG4

IPQ5 IPQ6 3.30 1.80

LOI

1.80

Certified by_

MIN-EN LABORATORIES