

To: Mr Paul Schiller

825388

LAKEFIELD'S RESULTS ON QUINTO SAMPLES (DEC '86)

The results of initial metallurgical tests on two composite samples of material from Quinto's joint-venture project at Lumby B.C. have indicated high recoveries of gold.

The individual results obtained by Lakefield Research are based on composites made from a bulk sample of well oxidised material from a surface trench (0,27 oz Au/ton) and from ten rotary drill rejects (0,155 oz Au/ton).

1. TRENCH RESULTS

[Au] % RECOVERY

- | | |
|---------------------------------------|--------|
| (i) Gravity concentration & flotation | = 80,5 |
| (ii) Conventional Cyanidation | = 88,7 |
| (iii) Carbon in Leach Cyanidation | = 97,5 |

2. DRILL CORE RESULTS

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|---------------------------------------|--------|
| (i) Gravity Concentration & flotation | = 96,5 |
| (ii) Conventional cyanidation | = 85,9 |
| (iii) Carbon in leach cyanidation | = 95,6 |

Both samples contained approximately 0,3% graphitic carbon a portion of which was found to be active in a conventional cyanidation process. These results are however very encouraging and further work is being done to discover the mineralogical characteristics which will provide the key for continuing development of the most preferable mill process.

As you can see the gold content is easily extractable by a variety of methods. Mineralogy will indicate the nature of association and provide valuable clues necessary before additional tests are done.

I trust this is satisfactory.

John W. Fisher
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