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Kola 92F/2W 92F103

Amstar's star is rising with significant discovery on Vancouver Island



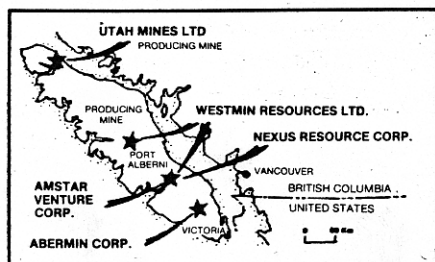
by James E. Ryan
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Not yet blazing across the evening sky, but rising steadily, Amstar Venture Corp.'s fortunes and future have taken a quantum leap forward because of the just-announced significant discovery on its Kola claims near

Port Alberni on Vancouver Island, British Columbia.

What was extensive mineralization over a 1,000-foot strike length with surface assays as high as 0.32 ounces of gold per ton, 8.6 ounces of silver per ton, and 17% copper, now has been proven to depth by diamond drilling.

A diamond drill intersection taken from the 90-foot level on a shear zone which branches off from the main discovery area



Map of Vancouver Island properties showing Amstar's Kola claims.

gave gold values as high as 0.264 ounces per ton, 4.4 ounces of silver per ton, and 14.4% copper. The average values over a six-foot width were 0.146 ounces of gold per ton, 2.44 ounces of silver per ton, and 8.5% copper.

Management views these high-grade results as geologically exciting. Substantial reserves could be indicated by these results so far, but additional drilling and assays will be necessary to prove up exact reserves. An additional 12 feet of mineralized cores are now being assayed and results will be announced as soon as available.

The project is a joint venture with Mariah Resources Ltd., which can earn a 50% interest.

Substantial land holdings in addition to the Kola claims have been acquired by Amstar. These holdings are adjacent and contiguous to Westmin and Nexus, where palladium, nickel, and cobalt have been reported. Other major mining companies such as Falconbridge Copper, Utah Mines, Esso Minerals Canada, Noranda Exploration, and Cominco have also acquired large land positions.

Several consulting geologists familiar with the area and the past activity there have stated that this Vancouver Island gold belt is one of Canada's most exciting greenstone formations. It may rank with the Casa Berardi now undergoing extensive exploration in eastern Canada.

Knowledgeable investors, of course, are recalling Westmin's success on its H-W deposit, also on Vancouver Island, which has proved up 15 million tons of reserves grading 0.07 ounces of gold per ton, 1.1 ounces of silver per ton, and 2.2% copper. Westmin's shares sell for C\$7.

Amstar is listed on the Vancouver Stock Exchange trading under the symbol AMV, and there are 5,170,702 shares outstanding. Its price per share is C\$0.80, which equates to only \$0.60 because of the currency advantage. This gives U.S. investors an added edge as it takes fewer U.S. dollars to buy the same number of shares.

In conclusion, with higher predicted gold prices, U.S. investors looking for a speculative opportunity in a low-priced stock certainly should consider Amstar.

James E. Ryan is considered the dean of the precious metal analysts in the United States and is an authority on gold, silver, and platinum stocks. He is the author of several books on silver and gold stocks, the latest being The Investor's Guide to Gold & Silver Penny Stocks. Ryan has been a partner and analyst in the investment business for the last 33 years and is presently vice president of National Securities Corp. in Seattle, a dominant firm specializing in silver, gold, platinum, and other natural resource stocks. His toll-free telephone number is 800-426-0640. ✕

Alawas Gold Corp. is a new resource company, having been created this year through the reorganization of Mt. Washington Copper Co. Ltd. Shares were reinstated for trading on the Vancouver Stock Exchange May 29, 1986. Alawas holds a 50% interest in a large property in Southern California that adjoins the very profitable open-pit, heap-leach gold mine of Glamis Gold Ltd.

Through a three-million share exchange early this year with a U.S. company named Kamal Resources Inc., Alawas acquired all the assets of Kamal, including C\$610,000 in cash and a 50% working interest in the Picacho Peaks gold property, Imperial County, California. The property is situated 20 miles north of Yuma, Arizona.

Adjoining the property to the south is Glamis' Picacho gold mine. Its mine has proven very profitable at a grade of 0.03 ounces of gold per ton and a low stripping ratio of 1:0.6. Reserves are estimated at 9.7 million tons averaging 0.044 ounces of gold per ton. Output is in excess of 25,000 ounces of gold per year. Cost to produce one ounce of gold is approximately \$125.

The Picacho Peaks property is bordered to the west, north, and east by claims held

total, \$60,000 was applied to pay off liabilities, C\$510,407 for exploration and development on the Picacho Peaks property, and the remainder to unallocated working capital.

Alawas holds a very attractive property asset situated between two established gold mining companies, one (Glamis) being a pioneer in the heap-leach processing method. The fact that the structure hosting the active Glamis mine trends onto the Alawas property makes for excellent mine-making potential. The likelihood of also using the open-pit, heap-leach process means low capital costs with a minimum start-up time and low operating costs. Access and the weather will enable processing to efficiently proceed on a year-round basis.

The purchase of Alawas shares is recommended for the investor seeking a speculative vehicle that could significantly appreciate should the current exploration work lead to the development and production stages.

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