

Quinto Mining metallurgist Dusan Milojkovic makes an adjustment to a flotation cell which is used to separate graphite or a graphite/mica product from others found in Lumby ore.

Morning Star photo by Dave Whitfield

Lumby company is bullish on mica

by DAVE WHITFIELD
Morning Star Writer

In Lumby, there's not only gold in them thar hills, there is an earth-bound treasure that could ultimately prove to be far more profitable.

While it doesn't take much of an imagination to picture the value of tons of gold buried deep within the bowels of a mountain, it does take a more creative thought process to compose an image of great wealth from muscovite (mica) and graphite.

Fortunately, Paul Schiller has just that kind of imagination.

Three years ago, Schiller, president of Quinto Mining in Lumby, found mica and mica impregnated with graphite in a mountainside near Lumby.

And, while other geologists who have their sights set on gold might have overlooked the find, Schiller thought the ore he found, which was out of the ordinary, would be worth investigating.

"The exciting part of this deposit is that it's unique and the first of its kind - nobody ever found a deposit like this in the world," he said.

"There are billions of tons of mica in the world, but this is unique. It's very expensive to grind mica, but, through a fluke of nature, in this area everything has been heaving back and forth, which ground it down.

"We had a gold deposit underground, but we realized we had more than gold."

To get the most out of his find, Schiller has installed a \$4 million laboratory and is now in the process of producing Schillerite 1, 2 and 3 as it has been called for export.

Raw ore is long-hole mined, trucked to Lumby and reduced to a powdery mica and mica/graphite mix that is five times finer than talcum powder. Schiller is looking to market his product as a filler to be used in plastics for automobiles, aircraft, trains and myriad other uses.



Paul Schiller

"Plastic is a big boon for man because it's something the world can't exist without now," he said. "But it stretches and deteriorates in the sun and has other problems. In order to stabilize it, 20 years ago a chemist injected a filler to create a composite material."

Granular fillers with little cohesiveness are in use now, but Schiller believes he has the Cadillac of fillers - fillers now being tested by labs at universities in Delaware and Michigan.

"Our muscovite/mica is a very fine flake, the finest, but it is also a lubricant by nature. It also overlaps like a fishscale and is flexible. Because it is so thin, they can inject it at 40 per cent, rather than 10 per cent like most."

Delaware University is currently testing Schillerite in fibreglas and concrete (900 tests with Schillerite 3) and Schiller see a multitude of uses for his namesake. Delaware has heated it, frozen it and tested it in salt water, with no adverse effects.

"When you introduce a new product, it may be superior, but it still needs testing and it takes time, especially with a specialty product like ours.

"And new research is always

expensive because you can't fall back on anything that anyone else has done. Everything you do is new.

"I wanted to concentrate on uses in three industries (aircraft, automobiles and trains) but they (universities) got so excited they started 50 different tests."

Schiller, looking into his crystal ball, sees uses for his product as nearly endless. Schillerite 1, 2 or 3 might be used to shield computers against industrial espionage, in electrical products and rust-free automotive parts even for plastic studs in earthquake-prone regions like California and Japan.

Worldwide, Schiller estimates the composite plastic industry is now worth \$50 billion. "And they say that by 2000, it could be \$400 billion."

With big profits available, it's no wonder Schiller has already fought off a \$9 million takeover bid.

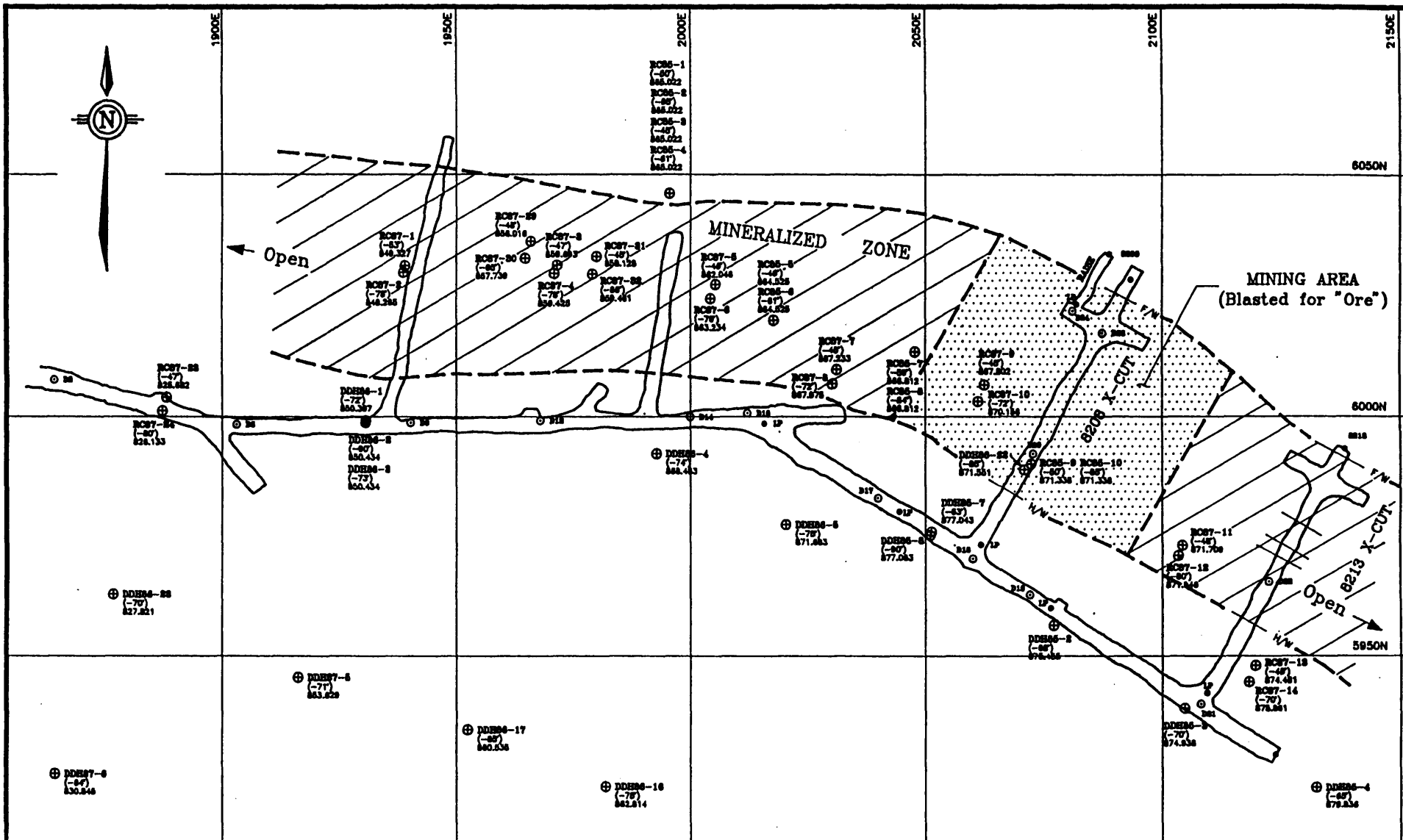
Finally, Schiller's operation is environmentally friendly. "And I don't think any mining operation can operate as cheaply," he said.

"In Lumby, the infrastructure is already in place. Usually for every person involved in mining, it takes five to support them, but in Lumby, everything is here - transportation, accommodation, equipment.

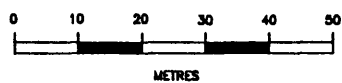
Currently, the Quinto operation has hired seven employees locally, with Bob Yarjau in place as mine manager and Dusan Milojkovic as metallurgist. Once mining begins again later this year, that number will be increased.

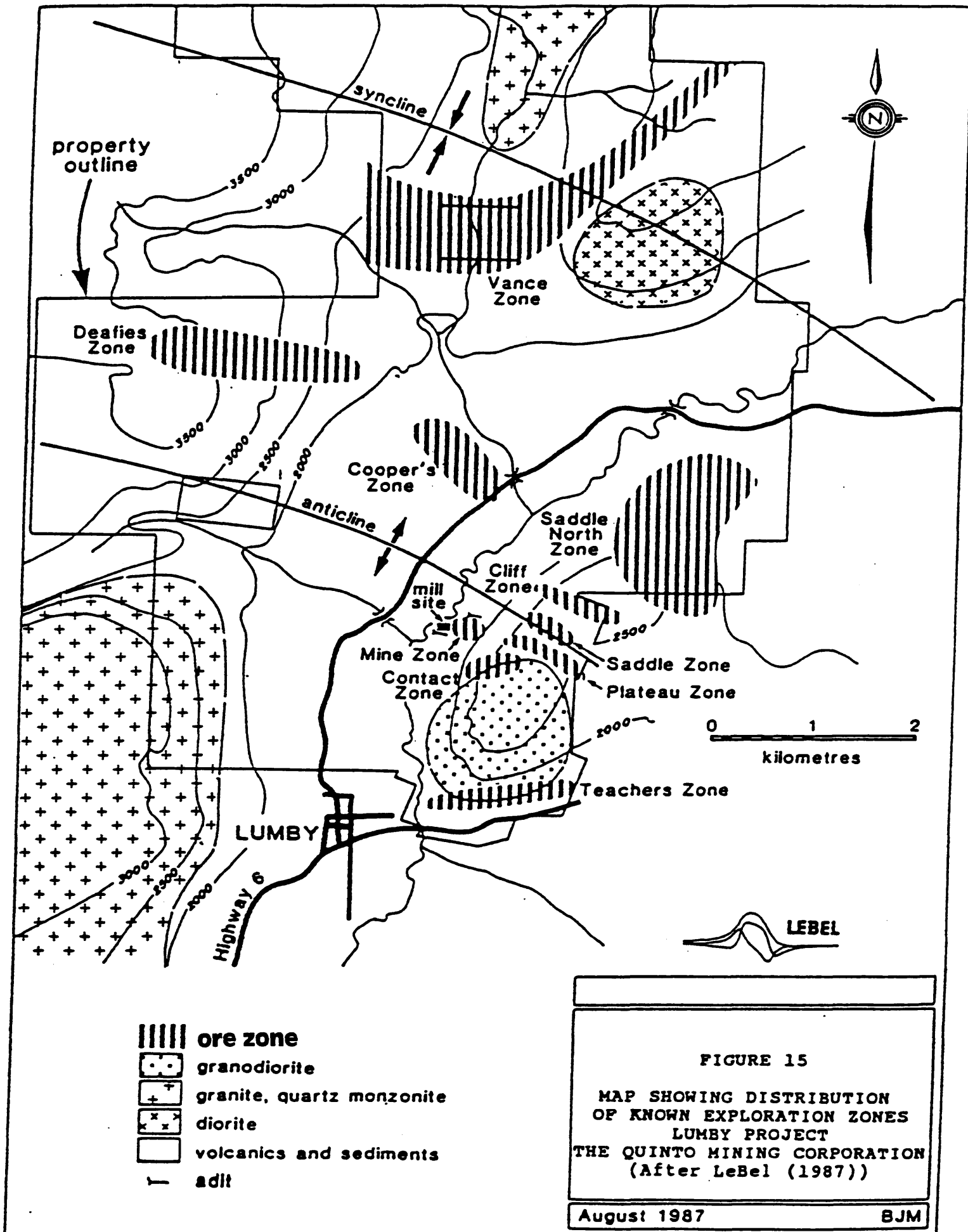
Right now, Schiller is looking for the few tentative sales that will launch his product, possibly worldwide.

"Quite often with business, as long as everyone is using the same thing, everyone is happy," he said. "But then, when a certain business starts using something better, there can be a big demand for it and everybody wants it."



THE QUINTO MINING CORP.
LUMBY PROJECT
PLATEAU ZONE
800 LEVEL
UNDERGROUND WORKINGS AND
DRILL HOLE LOCATION MAP
D.D.H. GEOMANAGEMENT LTD.
 DATE: JUNE, 1994 REVISED: SCALE: AS SHOWN FIGURE:





THE QUINTO MINING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
November 30, 1995

Interim Consolidated Balance Sheet

(UNAUDITED - PREPARED BY MANAGEMENT)

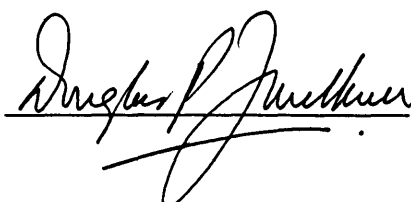
As at 30 November 1995

Canadian Funds

ASSETS		1995	1994
Current	Cash	\$ 412,528	\$ 1,152,789
	Accounts Receivable	0	316,442
	GST Receivable	8,745	-
	Prepays	3,684	4,520
		\$ 424,957	\$ 1,473,751
Resource Properties	Deferred Exploration costs	\$ 1,768,208	\$ -
	Advances to Joint Venture	-	820,926
	Equity in Joint Venture	-	1,883,257
	Investment	125,000	125,000
	Mineral Claims	490,000	-
		\$ 2,383,208	\$ 2,829,183
Capital Assets	Laboratory Equipment	\$ 400,117	\$ 319,734
	Furniture and Equipment	34,575	29,533
	Mill Building	15,756	-
	Heavy Equipment	123,073	-
	Vehicles	172,905	75,325
		\$ 746,426	\$ 424,592
	Less: Accumulated Amortization	240,022	58,328
		\$ 506,404	\$ 366,264
		\$ 3,314,569	\$ 4,669,198
LIABILITIES			
Current	Accounts Payable	\$ 44,902	\$ 31,989
	Due to related party	-	-
		44,902	31,989
SHAREHOLDERS' EQUITY			
Share Capital		\$ 5,715,074	\$ 5,373,657
Shares held for resale		(481,699)	
Deficit - Statement 2		(1,963,708)	(736,448)
		\$ 3,269,667	4,637,209
		\$ 3,314,569	\$ 4,669,198

ON BEHALF OF THE BOARD:

 Director

 Director

The Quinto Mining Corporation

Statement 2

(UNAUDITED - PREPARED BY MANAGEMENT)

Interim Consolidated Statement of Income and Deficit**For the Nine Months Ended 30 November 1995**

Canadian Funds

	1995	1994
Revenue		
Interest Income	\$ 42,156	\$ 56,346
Equipment Rental Income	8,900	-
Lab Testing Revenue	85,000	-
Sales Income	394	-
	<u>\$ 136,450</u>	<u>\$ 56,346</u>
Expenses		
Accounting and Legal	\$ 60,320	\$ 35,320
Amortization	47,005	20,620
Automotive	19,218	5,783
Consulting Fees	126,080	54,178
Laboratory Costs	66,194	9,608
Office and Misc.	61,895	116,898
Shareholders Information	7,582	21,034
Travel and Promotion	39,524	51,880
Wages	222,215	108,880
	<u>\$ 650,033</u>	<u>\$ 424,201</u>
Operating Loss	<u>\$ (513,583)</u>	<u>\$ (367,855)</u>
Other Items		
Equity loss in Joint Venture	\$ -	\$ (14,091)
Lab testing revenue	-	153,000
Administrative fees income	-	116,874
Extension fee income	-	300,000
Gain on disposition of resource property to Joint Venture	-	1,524,563
	<u>\$ 0</u>	<u>\$ 2,080,346</u>
Net Income (Loss) for Period	<u>\$ (513,583)</u>	<u>\$ 1,712,491</u>
Deficit - Beginning of period	(1,450,125)	(2,448,939)
Deficit - End of Period	<u>\$ (1,963,708)</u>	<u>\$ (736,448)</u>
Income (Loss) Per Share	<u>\$ 0.059</u>	<u>\$ 0.208</u>

The Quinto Mining Corporation

(UNAUDITED - PREPARED BY MANAGEMENT)

Statement 3

Interim Consolidated Statement of Changes in Financial Position

For the Nine Months Ended 30 November 1995

Canadian Funds

Cash Resources Provided By (Used In)		1995	1994
Operating Activities			
Income (Loss) for the period	\$	(513,583)	\$ 1,712,491
Gain on disp. of resource interest		-	(1,524,563)
Equity loss on Joint Venture		-	14,091
Amortization		47,005	20,620
	\$	(466,578)	\$ 222,639
Net Changes in Non-Cash Working Capital			
	\$	167,914	\$ (169,526)
	\$	(298,664)	\$ 53,113
Financing Activities			
Proceeds from issue of shares	\$	-	\$ 96,879
Shares held for Resale		(158,614)	(1,134,606)
Due from Director - Warrants		-	(153,106)
Warrants exercised		-	513,000
	\$	(158,614)	\$ (677,833)
Investing Activities			
Deferred Exploration	\$	(136,984)	\$ (516,433)
	\$	(136,984)	\$ (516,433)
Investment		-	(1,883,258)
Amortization		55,622	-
Advances to Joint Venture		-	(820,926)
USIG Inc. Payments		-	960,599
Purchase of Capital Assets		(15,630)	(277,181)
Proceeds on gain on disposition		-	2,697,348
	\$	(96,992)	\$ 160,149
Net Decrease in Cash			
	\$	(554,270)	\$ (464,571)
		Cash position - Beginning of Period	966,798
			1,617,360
Cash Position - End of Period	\$	412,528	\$ 1,152,789
Represented by:			
Cash	\$	66,213	152,789
Term Deposits		346,315	1,000,000
	\$	412,528	\$ 1,152,789

The Quinto Mining Corporation

(UNAUDITED - PREPARED BY MANAGEMENT)

Statement 4

**Interim Consolidated Statement of
Deferred Exploration Expenditures****For the Nine Months Ended 30 November 1995**

Canadian Funds

	1995	1994
Amortization	\$ 55,770	\$ -
Assays and Metallurgy	-	166,658
Drilling and Underground	(236,923)	1,026,394
Engineering and Consulting	-	199,744
Exploration Field	(5,218)	529,450
Geologists/Mapping	68	88,402
Lab Costs (Recovery)	(34,004)	161,881
Office and Other Field	(992)	21,867
Recording and Staking fees	(25,137)	-
Repairs and Maintenance	-	88,214
Road Access	-	32,596
Surface Rights	-	9,000
Travel and Auto	270	39,808
Utilities	-	5,622
Wages	4,249	263,553
Advertising and Promotion	1,712	-
Equipment Fuel	9,268	-
Equipment Rental	6,187	-
Filing Fees	25,104	-
Lab Lease	18,000	-
Lab Chemicals	2,731	-
Lab Supplies	1,447	-
Lab Testing	75,000	-
Mining Contractors	236,924	-
Phone and Fax	1,157	-
Sample Expense	1,372	-
For the 9 months ended November 30, 1995	\$ 136,984	
For the 9 months ended November 30, 1994		\$ 2,633,189
Balance Feb 28, 1995	1,631,224	
	\$ 1,768,208	\$ 2,633,189

SCHEDULE B

1. YEAR TO DATE REQUIREMENTS

- a) Deferred costs, exploration and development:
See financial statements for details.
- b) General and Administrative:
See financial statements for details.
- c) Expenditures to non-arms length parties:
None.

2. FOR THE QUARTER ENDED NOVEMBER 30, 1995

- a) Securities Issued:
None.
- b) Options Granted:
None.

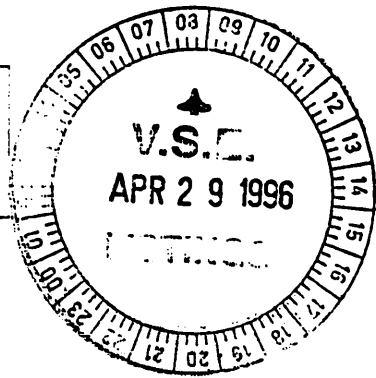
3. AS AT AUGUST 31, 1995

- a) Authorized and issued share capital:
Authorized 100,000,000 shares without par value.
Issued 8,687,419 shares.
- b) Summary of warrants outstanding:

Type:	Number:	Price:	Date:
Warrants	267,000	\$2.50	March 11, 1996
Warrants	430,000	\$1.60	October 21, 1995
- c) Shares in escrow subject to pooling.
None.
- d) List of Directors:
 - Paul Schiller
 - Margaret Dirksen
 - Douglas P. Faulkner
 - Alexander Smith
 - R. Geoffrey Caine
 - Alexander W. Cox



200 626 West Pender St., Vancouver,
British Columbia, Canada V6B 1V9



The Vancouver Stock Exchange
Delivered by Hand

N/R #64
April 29, 1996

Trading Symbol: "QU-V"

UPDATE

During the period of upgrading the existing mill, the management of **THE QUINTO MINING CORPORATION** (the "Company"), has not issued any news releases. However, it has come to our attention that some shareholders may think there is little or no activity within the Company. This is not so! Management has said all along, "We are dedicated to bringing in a producing mine." With such a large undertaking comes delays in certain areas beyond our control, that lead to frustration and time involvement, but do not in any way detract from our endeavours.

Since last October, the Company has concentrated its efforts on renovations and revisions for the existing mill, as well as upgrading and adding new equipment to achieve a greater production capacity. To date, all the buildings have been completed. The grinding circuit has been overhauled with some modifications added. The existing capacity has been more than doubled with the installation of new horizontal flotation cells. In preparing for production, the ore from the mine is now being brought down and stockpiled directly above the mill, in the location of the ore chute.

During the last six months, the Company has conducted many tests of its Schillerite III - a concrete admixture, with very good results. The tests have achieved a higher compressive strength, quicker curing time, greater resistance to moisture penetration, and freeze/thaw cycles over that of normal concrete of similar design strengths. For the upgrading of the mill, this unique material was used in the concrete mix for the floor slabs.

Management is encouraged by all that has been accomplished to date and is preparing for an exciting period of growth in its 100 percent British Columbian based operations.

On behalf of the Board of Directors

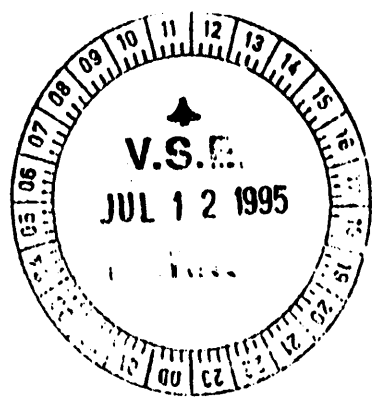

Paul Schiller - President

This press release was prepared by the Management for the Company who takes full responsibility for its contents.
The V.S.E. neither approves nor disapproves of this press release.



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MINING CORPORATION

200-627-626 West Pender St., Vancouver,
British Columbia, Canada V6B 1V9



The Vancouver Stock Exchange
Delivered by Hand

July 12, 1995
N/R #58

Trading Symbol: "QU-V"

UPDATE

THE QUINTO MINING CORPORATION (the "Company") has, to date, sent out over 200 samples of Schillerite IA, Schillerite II, and Schillerite III to companies in the composite field. Approximately 20 of these companies have been testing the Schillerite IA and its conductivity has proven positive as per the various tests which it has undergone. Testing has indicated resistivity, as expressed in ohms, of 2.4 and 6.3. To explain in simple terms, the Schillerite IA, which is a combination of 40% graphite impregnated in the muscovite mica, is a very good conductor. The companies which have tested the Schillerite IA intend to use it in computer casings and as a conductive coating for electrical applications. The price will be \$2.50 U.S. per pound, F.O.B. Lumby. The recovery rate is three percent (60lbs) per tonne of ore.

Schillerite II samples have primarily been sent to companies involved in injection molding. These companies are mostly large corporations and have been testing the product for months. Schillerite II has been recommended for use as a structural filler in the fiberglass industry, partially substituting the resin requirements, while still achieving the same or better structural impact resistance. The price will be based on competitive materials, currently being marketed at \$0.35 U.S. per pound. The recovery is 25% (500 lbs) per tonne of ore.

Schillerite III has been tested extensively by concrete companies, a few of which distribute product throughout southeast Asia and Australia. U.S. companies such as Fibermesh and Master Builders have been using artificial fibres in the past. According to these companies, the drawback of these materials is that they absorb moisture. In many parts of the world, silica fume is being used in concrete to increase compression resistance and reduce permeability. However, the silica fume makes concrete more brittle and is priced at U.S. \$0.50/lb. Schillerite III increases compression resistance, reduces permeability and is priced at U.S. \$0.10/lb. Fibermesh and Master Builders are testing Schillerite III and show great interest in the product. The recovery is approximately 35% (700 lbs) per tonne of ore.

On December 18, 1992 the Company reported that it was negotiating a \$2,000,000 U.S. gold loan. The loan was approved in Europe, but after many months of promises, the loan did not materialize. On August 19, 1993 the Company reported that it applied for listing on the Toronto Stock Exchange. However, the Company's application was not accepted as it did not have a sponsor.

Presently the Company has a 10,000 tonne stockpile of Schillerite ore that was mined in 1994. This ore is currently being processed in the metallurgical lab in Lumby to produce the Schillerite products.

The Company is currently in the process of purchasing additional equipment to meet its ore processing design of 100 tonnes per day, with larger production in 1996.

The Company commenced the mine and mill permitting process in 1994 and it is still ongoing.

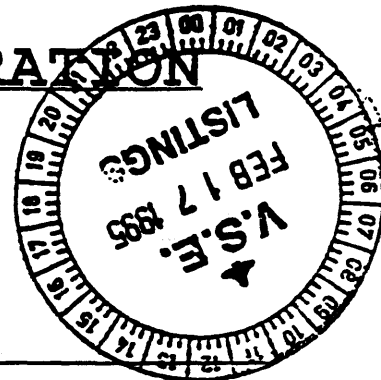
**ON BEHALF OF THE BOARD OF DIRECTORS OF
THE QUINTO MINING CORPORATION**

Paul Schiller
President

THE QUINTO MINING CORPORATION

(the "Company")

Suite 200 - 626 West Pender Street
Vancouver, British Columbia, V6B 1V9
Telephone: (604) 681-6526



February 16, 1995
N/R #52

Trading Symbol: "QU"

NEWS RELEASE

The Company announced today a summary of the status of its business development.

The Company's business centers around its 16,000 acres of contiguous claims in Lumby, British Columbia, on which the Company has blocked out 5,000,000 tons of ore, included in an estimated 30,000,000 tons of ore. The Company has invested \$7,000,000.00 in property development, and approximately \$1,000,000.00 in acquisition costs of its lab facilities and upgrading of its mill. The mill replacement value is approximately \$3,000,000.00, and the lab replacement value is approximately \$4,000,000.00. The blocked-out ores contain mineral product composed of approximately 30% of Schillerite I and II silicates, 30% Schillerite III silica, and 10% gold-bearing pyrite. Of the approximately 500,000 drill-defined and sampled tons of the block tested specifically for gold, assays have averaged 0.13 ounce per ton. However, the gold extraction is only considered a by-product of the production of the silicates and silica, which are considered by the Company to be its principal products. The silicates, Schillerite I and II, have been tested by the University of Delaware and the tests have identified a high value use of the silicates as fillers in the composite material industry and the construction industry.

The composite material industry is presently estimated at a size of \$50 billion world-wide, and is projected to grow several-fold over the next decade. Composite materials are employed for products such as automobiles and aircraft, and other such uses where high strength, light weight, and corrosion resistance are important factors in performance. The Company's laboratory has been producing refined bulk samples of its silicate products and delivering those samples to potential users of the Company's product. Sixty companies in North America are presently analyzing

the samples of the Company, with the intent of securing purchase orders for the Company. Once orders are received, the Company will be able to project production requirements and it will then be able to install the final equipment, such as appropriately-sized dryers, in its mill to produce at the projected capacity requirements. It is anticipated to take no more than 60 days to bring the mill into commercial production.

The Company presently has over \$1,000,000.00 in working capital reserves and no present debts or liabilities. It has a staff composed of 10 people, including geologists, lab technicians, and production personnel. The Company's monthly "burn rate" is \$35,000. The Company anticipates that the first orders for its product will begin to be received in June/July of this year, and cash flow from sales is then anticipated to commence.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
THE QUINTO MINING CORPORATION**



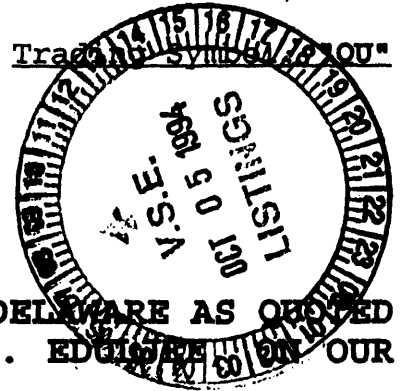
Paul Schiller
President

This press release was prepared by the Management for the Company who takes full responsibility for its contents. The V.S.E. neither approves nor disapproves of this press release.

October 4, 1994



606-626 West Pender St., Vancouver,
British Columbia, Canada V6B 1V9



The Vancouver Stock Exchange
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SUMMARY FROM THE REPORT OF THE UNIVERSITY OF DELAWARE AS OBTAINED BY DR. V. KARBHARI, DR. G. PALMESE AND DR. R. EDWARDS ON OUR PRODUCT SCHILLERITE II

"The Use of Schillerite II as a Filler in Thermosets"

1. Scope of Program

The scope of this work has been to initiate an investigation into the behaviour of Schillerite II as a filler for a specific thermosetting system used in the automotive area. Two major classes of thermosetting resins exist: (a) systems which cure by addition polymerization such as two component epoxy and urethane systems; and (b) systems which cure by chain polymerization mechanisms such as polyesters and vinyl esters. This work was conducted using the latter class and in particular the 411-C50 vinyl ester system available from the Dow Chemical Company.

The primary objectives of this program were four-fold:

- (1) To investigate the effects of Schillerite II loading on the flexural properties of vinyl ester,
- (2) Comparison of the flexural properties of the Schillerite II filled vinyl ester system with those of other filled vinyl ester systems (calcium carbonate and wollastonite)
- (3) To investigate the possibility of use of Schillerite II as a filler for resin transfer moulded glass-vinyl ester composites.
- (4) To investigate the use of surface treatments to improve filler behaviour.

2. Summary

Based on the results described earlier, it is our contention that the Schillerite II system has significant technical potential.

- * It is clearly better than the Calcium Carbonate extender used as a comparative basis over the range of tests conducted and is slightly inferior to the Wollastonite on an overall basis in flexure.
- * It appears to have an advantage in the impact resistance area. The conclusions on impact resistance are based on preliminary tests only and needs to be verified over a complete range of impact energies.
- * There appear to be no major problems with distribution and adhesion to the Vinyl-ester resin system used which is often a problem with other filler systems. The use of a silane to promote adhesion showed no increase in adhesion, indicating that untreated Schillerite II could be used directly (the use of modifiers and/or surface treatment adds to cost and therefore the result is significant).
- * Fracture modes of the Schillerite II filled systems were not seen to drastically change as compared to those of the neat resin although some crack branching and toughening due to crack deflection by the particles was indicated. The addition of Schillerite II, however, in no way suggested a decrease in toughness or transition to a more brittle failure mode. This again is viewed as a positive factor overall.

To add to the above summary THE QUINTO MINING CORPORATION states that it is very much taken with the report, proving that our Schillerite II equals the top fillers in flexible strength and it is much superior in impact, meaning that products made with our filler will be more resistable to breakage.

THE QUINTO MINING CORPORATION

Paul Schiller - President

This press release was prepared by the Management for the Company who takes full responsibility for its contents. The V.S.E. neither approves nor disapproves of this press release.



606-626 West Pender St., Vancouver,
British Columbia, Canada V6B 1V9

N/R #40

June 30, 1994

Trading Symbol: "QU"

PRODUCT INFORMATION

Quinto's property is very unique. Due to a quirk of nature, our graphitic shear happened to be in place when intrusive activity occurred over thousand of years. This resulting "back and forth" friction in the shear zone, ground everything within the shear into microscopic size particles. Mica and/or graphite are common minerals, but in order to reduce the grain size of mica, a large amount of electrical power is required. Fortunately, nature has done this size reduction for us. Our muscovite mica is 3 to 10 times finer than what can be accomplished mechanically.

Our industrial minerals **SCHILLERITE I** and **SCHILLERITE II** are the best available fillers for plastic composites in the market. The filler industry is 20 years old and constantly researching for new and better fillers. There are more than 200 fillers in the market today, all of which have many characteristics in common; they are soft, have a low melting point, and have to be treated before they are injected into the resin. Most composites are thick and brittle due to the use of granular shaped filler particles rather than flat thin micaceous particles.

The automakers are using wollastonite, a hair-like crystal shape, which has to be treated and softened, at a cost of \$1.00 per pound. This product can overlap itself while being injected in the resin making it stronger but still very brittle. An average car today has 4,623 parts of plastic composites. The automakers' aim is to double that amount by the year 2000 and at the same time, reduce the number of plastic resin groups from 27 to about 6.

What makes our filler superior is that it belongs to the mica family, which has the hardness of 2.0 to 2.5 and melts at 2700°F. It acts as a lubricant flake and easy to inject in the mold. Individual flakes have a length about 40 times larger than its thickness and align themselves in a "fish scale" arrangement which improves the composite in strength and flexibility.

The University of Delaware, a leader in composite research, injected as much as 60% of our filler into resin (3 times more than any other filler). This resulted in saving expensive resin and producing a better quality product at a much lower price.

THE QUINTO MINING CORPORATION

Paul Schiller - President

This press release was prepared by the Manager for the Company who takes full responsibility for its contents. The V.S.E. neither approves nor disapproves of this press release.

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