

QUINTO RECOGNIZED FOR ACHIEVEMENT IN 1994

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Lumby

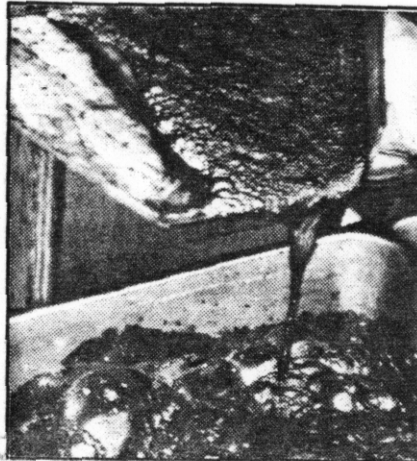
Company Prepares for First Year of Mining Rare Schillerite Mineral in British Columbia

Although the accomplishments of The Quinto Mining Corporation over the past few years certainly deserve recognition, its recent Outstanding Achievement Award at Vancouver's Seventh Annual Howe Street Awards banquet probably applies more to what it is *about* to achieve. To date, Quinto has taken a mountain of puzzling, seemingly worthless black rock and turned it into what may be one of the most valuable mineral deposits in North America. What's expected, however, is that Quinto will sell its minerals—in large volumes and at high profits—to some of the world's largest manufacturers in the fields of aerospace, automobiles, recreation, construction and a host of industries that aren't defined.

The Quinto deposit, located near Lumby in southern British Columbia, contains a unique, naturally occurring combination of extremely fine graphite/sericite and muscovite known as Schillerite. This combination has been found nowhere else in the world. Most importantly, it is extremely fine. Over millions of years, nature has ground the Schillerite to a fineness impossible to achieve by industrial methods. A particle of Schillerite is at least three times smaller than a grain of talcum powder.

Sericite and muscovite are forms of mica. They give Schillerite its other properties which, combined with its fineness, make it unique and extremely valuable. It will be used as a composite filler in metals, plastics and other materials to make them stronger, lighter, more flexible and more resistant to heat and radiation. Research is under way in thousands of fields to see what composites can do for the materials of the future.

Although Quinto has signed research agreements with Michigan State University, which is working on behalf of the U.S. automakers, and with the University of Delaware, its initial research in 1992 was a matter of much faith and curiosity on the part of Company president Paul Schiller. "We didn't know what we had," says Schiller from his Vancouver, B.C.



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office. "The experts kept telling us we didn't have any graphite."

That's when Schiller, who has no formal training in metallurgy, began asking a lot of questions. He learned enough to consider that the mineral's fineness might be skewing test results. He was right, and he persisted with testing. In 1992, metallurgists finally determined that the ore was not only loaded with finely powdered graphite, but also the muscovite and sericite mica, and that it was probably extremely valuable.

There is a lot of graphite/muscovite and sericite available in the world in various forms. Accordingly, the market for these products is large and growing rapidly, primarily due to the expected demand for composites. In fact, the U.S. Department of Commerce named composites the number one market of the future, projecting it will reach US\$400 billion by the year 2000.

However, testing to date shows that Schillerite is superior to *anything* available on the world market. As an example, there are only six producers of mica in the United States. The largest of these is KMG Materials in North Carolina. KMG produces approximately 80% of today's mica. Their material is 350 mesh, or about the size of fine beach sand. Quinto's material starts at 500 mesh and goes down to as low as 1/3 micron.

Magnified under a microscope, Schillerite particles appear as tiny fish scales, or flakes. This shape will add unusual strength and flexibility to composites.

Quinto's deposit of Schillerite is quite large, presently estimated at 30 million tons of ore containing about 20%-30% Schillerite and also gold. But its limits are not yet known. Recent exploration indicates the deposit extends much deeper than previously thought. For now, however, enough ore exists for many years of extremely profitable operation.

Pilot production begins within about two months to satisfy a growing demand by potential customers for bulk samples for evaluation. Larger scale operations are expected by the end of the year. The Company recently built a research lab on site to conduct its own evaluations as well.

Schillerite should sell for about \$1.00 per pound, depending on the purity and composition of each particular mill run. The cost to mine it?—less than \$0.135 per pound, according to the latest feasibility studies. Those are the sorts of numbers that add up to significant profits, good-paying jobs for a depressed area and high returns for shareholders.

Quinto's Outstanding Achievement Award is a milestone for the Company and its shareholders. It certainly recognizes the hard work and persistence of management over the past several years. But the Company's future—supplying an extremely valuable mineral in nearly a monopoly situation—is where the real achievement will take place, and where the patience and faith of its shareholders will be rewarded many times over.



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