

American Fibre Corporation to test extension of the Calpine/Stikine mother lode

Do ore zones containing an estimated 5 million ounces of gold and 96 million ounces of silver extend across American Fibre's property line?

The bidding war between Canadian gold giants Placer Dome and Corona over the Calpine/Stikine property at Eskay Creek where ore bodies have recently been discovered containing over \$2.5 billion in gold, silver, lead, and zinc, does not mean the British Columbia gold rush is over.

Far from it. Attention is rapidly shifting to American Fibre Corporation (VSE symbol "AFB") which has a geological setting identical to the Calpine/Stikine property on immediately adjacent claims. And since they host the same rock formations and fault zones as the property next door, they also have the potential to carry a hidden deposit of gold.

The world class gold strike at Eskay Creek, British Columbia, Canada, differs from other gold strikes by its sheer magnitude and richness. The estimated 7.9 million tons of ore on the 1,200-acre Calpine/Stikine property assay 0.52 ounces of gold per ton and 12 ounces of silver per ton; and contain an estimated total of 5 million ounces of gold, 96 million ounces of silver, plus lead and zinc.

Consequently, it is not just the vast deposits of precious metals that is important, but the fact that the bulk of what's been discovered so far only goes down 800 feet or so. As a result, the estimated mining cost for the gold is only \$77 per ounce—making it, potentially, one of the lowest cost mines (if not the lowest cost mine) in the world. No wonder Stikine shares skyrocketed from \$0.25 to \$74 in just over two years!

The search for gold at Eskay Creek

The search for gold at Eskay Creek began in the summer of 1932 when prospectors entered the Stikine Valley. After weeks of work, they staked a number of claims in the Eskay Creek area covering what they perceived to be the heart of the gold bearing zones. The claims ran in a northeast-southwest direction, and covered a major fault.

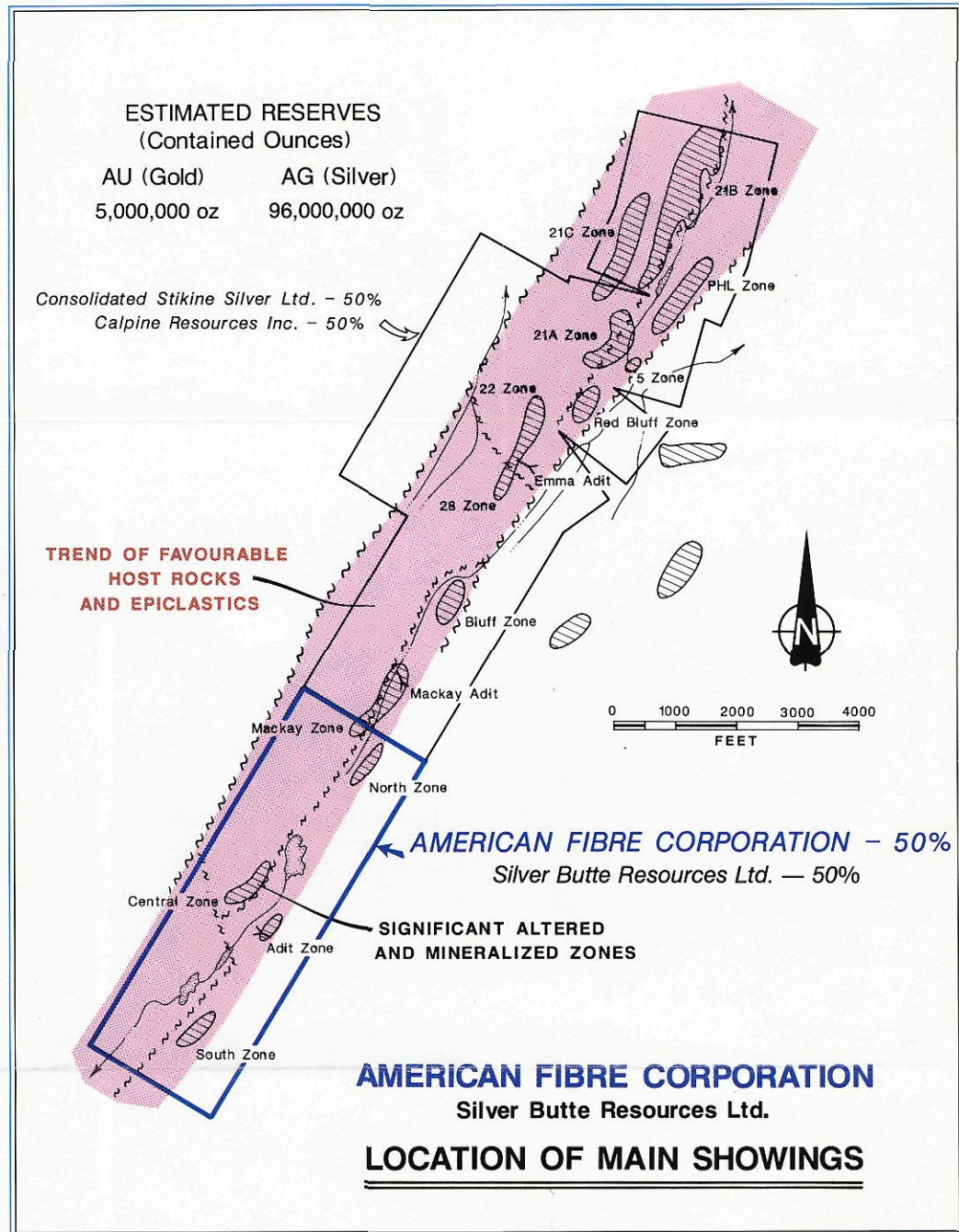


Surface prospecting on AFB's property has already located numerous surface outcrops assaying up to 2.17 ounces of gold per ton!

In 1972, the claims were divided. Stikine Resources took the northern claims and Silver Butte the southern ones. In June 1988, two further agreements were negotiated. Calpine agreed to earn a one-half interest in Stikine's 1,200-acre site, and American Fibre Corporation agreed to earn a one-half interest in Silver Butte's 800-acre prospect.

In September 1988, Calpine/Stikine proved the old timers right when they announced the discovery hole on the now famous "21 zone". The 21 zone—with an average width of 50 feet—has thus far been traced 3,600 feet along the Calpine fault line that trends northeast to southwest towards the American Fibre property. The southern extension of the trend has not as yet been tested by drilling, but numerous surface showings have been identified on the American Fibre claims along the fault line.

Despite the enormous deposit outlined so far, it wasn't easy at first to locate the Calpine/Stikine ore body: over 80 holes were drilled with only modest re-



American Fibre's claims host the same rock formations and fault zones as the immediately adjacent Calpine/Stikine property.

sults. Finally, the property was subjected to an induced polarization survey to locate promising anomalies for drill targets.

Only after hole #109 returned 0.875 ounce of gold per ton and 0.97 ounce of silver per ton over 682.2 feet—including a 62.3 foot section grading 7.765 ounces of gold per ton—did the mining community

realize that the Calpine/Stikine prospect had the makings of a truly major mine.

The induced polarization survey—which shows the areas that host sulphide minerals, i.e. those areas most likely to be mineralized—located the subterranean anomaly that became the now-famous 21 zone.

American Fibre's 1990 drill program

American Fibre is completing an induced polarization survey on its claims adjoining the Calpine/Stikine prospect. Surface prospecting has already located many surface outcrops assaying up to 2.17 ounces of gold per ton over 17 feet. So, there's no question gold is on the property. The real question is "how much gold is there?"

Only an extensive drill program can produce the answer. Once the results of the induced polarization survey are correlated with geochemical and other data, the most promising anomalies will be selected for the drill program. Management anticipates drilling will begin during the first week in September along the same Calpine fault as the major 21 zone discovery to the north.

Plans call for 16,000 feet of diamond drilling in two phases. After the first results are known, the follow-up targets will be chosen. The depth of the holes will vary between 150 feet and 800 feet. The first phase of drilling should only take two weeks to complete.

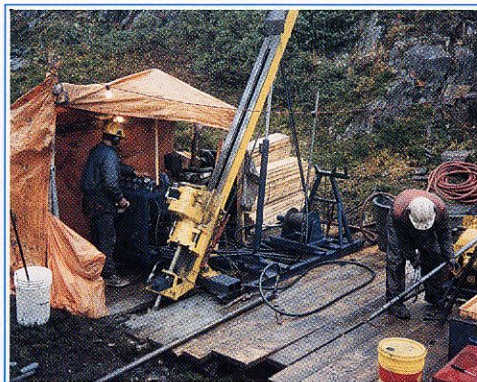
Geology of the Eskay Creek deposit

The massive sulphide nature of the Eskay Creek deposit is an unusual development for this region of northern British Columbia. It has been speculated that the massive sulphide lead-zinc lenses were first deposited by a smoker system when the rocks formed part of an ancient seabed.

It appears that the gold and silver was deposited throughout the massive sulphide lenses by later hydrothermal (i.e., volcanic activity associated with superheated water), that used the fault-shear structure as a conduit.

And the American Fibre prospect shares two faults with the Calpine/Stikine property. The high-grade, big tonnage, stratabound nature of the gold mineralization means that the deposit is layered

over a large area, and is not confined to small veins.



An induced polarization survey is being completed on AFB's claims. Diamond drilling to depths of between 150 and 800 feet is about to commence, with an overall drilling program of 16,000 feet planned.

The Eskay Creek area features rugged terrain and one of the highest precipitation rates on the west coast—most of which falls in the form of snow. While access is difficult, it will improve greatly when a highway is completed during 1991.

The Management Team

Lewis Dillman, the President of American Fibre Corporation, has a proven record in developing natural resources.

The high-grade, big tonnage stratabound nature of the gold mineralization in the Calpine/Stikine property means that the deposit is layered over a large area—quite possibly including AFB's adjoining claims.



Mr. Dillman discovered the Kirkella Oil Field in Manitoba, and was the founder of American Eagle Petroleum, a \$100 million oil company. He was also one of the founders of Golden Sceptre Resources, one of the companies in the Hemlo Gold Camp containing the largest producing ore body in North America. He has financed oil, gas and mining operations worldwide since 1955. He was a founder of Veronex Resources Ltd., now listed on the American Stock Exchange, and served as President from 1978 to 1988. Since 1984, he has been the President of American Fibre Corporation, and is also the President of Heritage Petroleums Inc. (both listed on the Vancouver Stock Exchange).

James J. Bond, Senior Vice President and Administrator, has extensive business and mining experience, and has been associated with Mr. Dillman since 1978 as a director/officer of Veronex Resources Ltd., American Fibre Corporation and Heritage Petroleums Inc.

The company has engaged two mining engineers, Mark Rebagliati and Dave

Copeland, for the Eskay Creek project. Mr. Rebagliati assisted in the development of the Congress Mine for Veronex Resources; and, with Mr. Copeland, headed up Continental Gold's geological team which spearheaded the discovery and development of its Mt. Milligan property between 1986 and 1990.

(Mt. Milligan reserves stand at 400 million tons of ore grading 0.02 ounce of gold and 0.22 copper. Recently, Placer Dome has made a takeover bid of Continental Gold for \$20 a share in order to put Mt. Milligan into production.)

American Fibre Corporation

American Fibre Corporation is registered with the Securities and Exchange Commission under file #0-14769, and has over US \$2.1 million in assets. An application for listing on NASDAQ in the U.S. has been submitted.

Outlook

With Placer Dome and Corona involved in a bidding war for the adjacent Calpine/Stikine property, the outlook for American Fibre's prospect grows brighter by the day. Given the nature and size of the Calpine/Stikine deposit, and the fact that the two properties are geologically identical, the odds of finding a commercial ore body on American Fibre's claims have never looked better.

Proof, however, awaits favorable drill results. Favorable results from this year's drill program will definitely alert the major mining companies now seeking to tie up the Eskay Creek gold field—and may well drive up the stock far more than one would normally anticipate.

There's no question that in terms of geology, share price, and corporate management, as well as the scientifically planned drill program now in the works, American Fibre Corporation is a superior speculation with a large potential payoff.



AMERICAN FIBRE CORPORATION

"AFB" \$1.25 Bid VSE

ADDRESS: Suite 701-475 Howe Street
Vancouver, B.C. V6C 2B3

PHONE: (604) 669-5650

FAX: (604) 685-6341

MARKET BID PRICE RANGE (1990)

High	Low
\$1.73	\$0.50

CAPITALIZATION:

LONG TERM DEBT: Nil

COMMON STOCK:

Authorized:	15,000,000	n.p.v.
Outstanding:	9,189,992	
Estimated Float:	7,000,000	

COMPANY CONTACT:

James J. Bond, Senior Vice President

OR

Sandy Milligan, Administrator
(604) 669-5650

S.E.C. Registration Number: File # 0-14769

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