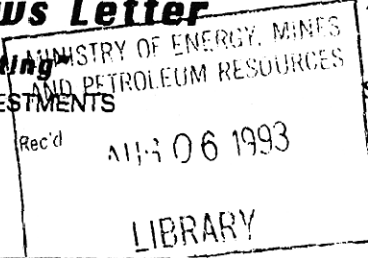


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NO. 149 (1993)
AUGUST 5, 1993

NO. 149 (1993)
AUGUST 5, 1993

QUINTO MINING CORP.[QU-V]

UNDERGROUND BULK SAMPLING EXPECTED TO START
IN FALL 1993 FOLLOWING ENCOURAGING PRELIMINARY
LAB TESTS - GRAPHITE SERICITE MICA PRODUCT MARKET
POSSIBLY SALEABLE AS PLASTIC FILLER IN AUTO INDUSTRY

On July 28, 1993, some 60 persons attended the annual meeting of Quinto Mining Corp. where Paul Schiller, president, reviewed the exploration and proposed bulk testing program on the Lumby property. The current program is directed to determine if a saleable industrial mineral containing very fine grained graphite/sericite mica, of a very high whiteness can be recovered from the property in sufficient quantities and at low enough costs to attract product demand in the form of long term sale contracts and to attract the investment capital needed to develop a production facility.

Some undetermined amount of gold is forecast to be recovered as a by-product if an operation is developed. A recent laboratory test produced a few pounds of a preliminary concentrate with probable saleable graphite/sericite mica characteristics. The material mined had a head grade of 0.03 oz. gold/ton. After being concentrated on a ratio of seven to one times in the laboratory, the concentrate had a grade of 0.2 oz. gold/ton. Metallurgical testing has progressed to the stage where a mill flow sheet can be designed to conduct a large bulk test to produce enough of the various products for trial shipments to end users for evaluation. Specialists working on the process are: Process Research Associates Ltd., Bernard Klein, Ph.D., senior metallurgist; D.D.H. Geomanagement Ltd., A.D.Drummond, P.Eng.; D.A.Howard., P.Eng., Cominco Research, U.B.C. Research Laboratories and Elmer Peltó, designing the underground bulk sampling mining plan.

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QUINTO MINING CORP.(QU-V)
 -CONTINUED FROM PAGE 1-

ESTABLISHED PROPERTY DATA -In 1983, Quinto Mining acquired 100% interest in the 251 claim, 16,000 acres, 25 square mile property, at elevations from 1,600 feet to 3,000 feet, along the highway at the town of Lumby, 23 miles east of Vernon, in the north Okanagan Valley, B.C. (SEE PROPERTY LOCATION MAP AND GEOPHYSICAL TARGETS OVERLEAF P.2)

The geological feature of interest is the Plateau shear zone which has been traced by surface work across Saddle Mountain over an east-west strike length of 3,250 feet, where widths vary up to 100 feet and drilling has tested to a depth of 500 feet. The shear is open to extension to depth. The dimensions of the shear suggest a total tonnage of 20,000,000 to 30,000,000 tons. Only limited sampling has been done to determine the graphite and mica content of some areas of the shear. Sampling of trenches, drill holes and underground levels have not yet been sufficiently close spaced to determine an overall or average grade. A drill indicated reserve within a small portion of the shear has resulted in a preliminary calculation of 560,000 tons grading 0.13 oz gold/ton using a cutoff grade of 0.06 oz/t. In October 1992, it was reported "Neither the graphite content nor the gold grade had been adequately defined....Recognition of the importance of the graphite as a potentially saleable product had been neglected in the past." It was then estimated the graphite grade could be somewhere between 1% and 30%. It is not possible to assay for graphite content. An estimate can only be made by mining bulk samples, then recovering a graphite/sericite mica product through three phases of flotation and cleaning. The next stage of evaluation is a detailed chemical and physical analysis of the product specifications and possible saleability. One of the favourable geological features of the deposit is the very fine size of the graphite and mica which adds to its potential saleability. Since much of the more favourable deposit material is along the borders of the shear, movements along the shear have resulted in the micro-fine particle size which produces poor recovery in drilling and sampling. Within the shear there are scattered, very nuggety gold values, including some very high grades.

Quinto expects to start mining, subject to permitting, the bulk samples and processing the mined material in about eight weeks, toward the end of September. To process the bulk sample when mined, Quinto is in the process of rehabilitating an old mill on the property with a rated capacity of 75 to 100 tons of material per day. One of the planned modifications of the plant is the conversion of the ball mill to a rod mill which is expected to assist in providing a finer product, 100% minus 200 mesh, for concentrating. Once the bulk sampling process starts in October, test products should be available for testing in about a month and analysis could be available for reporting before the end of 1993. Once the bulk sample products are available they will be shipped to potential buyers for further analysis and possible purchase orders. This timetable suggests firm purchase orders could be received as early as the first quarter of 1994.

Mr.Schiller told the meeting that if all these tests are as encouraging as the recently completed laboratory results were, then the company could proceed with expanding the existing plant to perhaps 300 or 350 tons per day during 1994.

At the same time, the company would seek to negotiate long term sales contracts, then plan, engineer and finance a possible 5,000 ton-per-day capacity plant. The suggested capital cost for such a plant could perhaps be \$50,000,000, the meeting was told.

Since 1983, Quinto and farmout partners have spent in excess of \$3,000,000 doing exploration including: 20,000 soil samples; Digheim aerial survey which indicated 10 anomalous targets, many of which has not yet been tested, ground VLF survey,trenching, open cuts

at intervals along 1,300 feet of the shear zone, 610 feet of drifting and crosscuts, and 33,000 feet of drilling in 76 holes.

In April 1993, Mr. Schiller reported a completed series of tests of the ore indicated a possible grade of 25% sericite mica plus 6% graphite of a minus 500 mesh size (finer than talcum powder). At that time he noted a possible concentrate from this material might find a market value of \$1,000 or \$2,000 per ton of value added concentrate. In a July 28, 1993 news release, Quinto reported encouraging preliminary laboratory results from metallurgical test work. The results indicate three phases of flotation, in the laboratory, can recover a total of between 27% and 35% of the contained graphite/mica in a very fine grained powder which might be saleable as a plastic filler for use in the auto industry and as a lubricant in steels, etc. The recent laboratory test work has been used to develop a beneficiation flow sheet. This will be used to process a 700-kg bulk sample to produce a graphite/sericite/mica product to be supplied to several potential customers. These potential customers have tested raw ore samples and indicated an interest in future testing of representative concentrate products from the bulk testing phase of the research work.

FINANCING CAPITAL STRUCTURE - On July 30, 1993, Quinto JOINT VENTURE AGREEMENT AND received \$1,000,000 from the SHARES LISTING PLANS FOR 1994 private placement sale of Units.

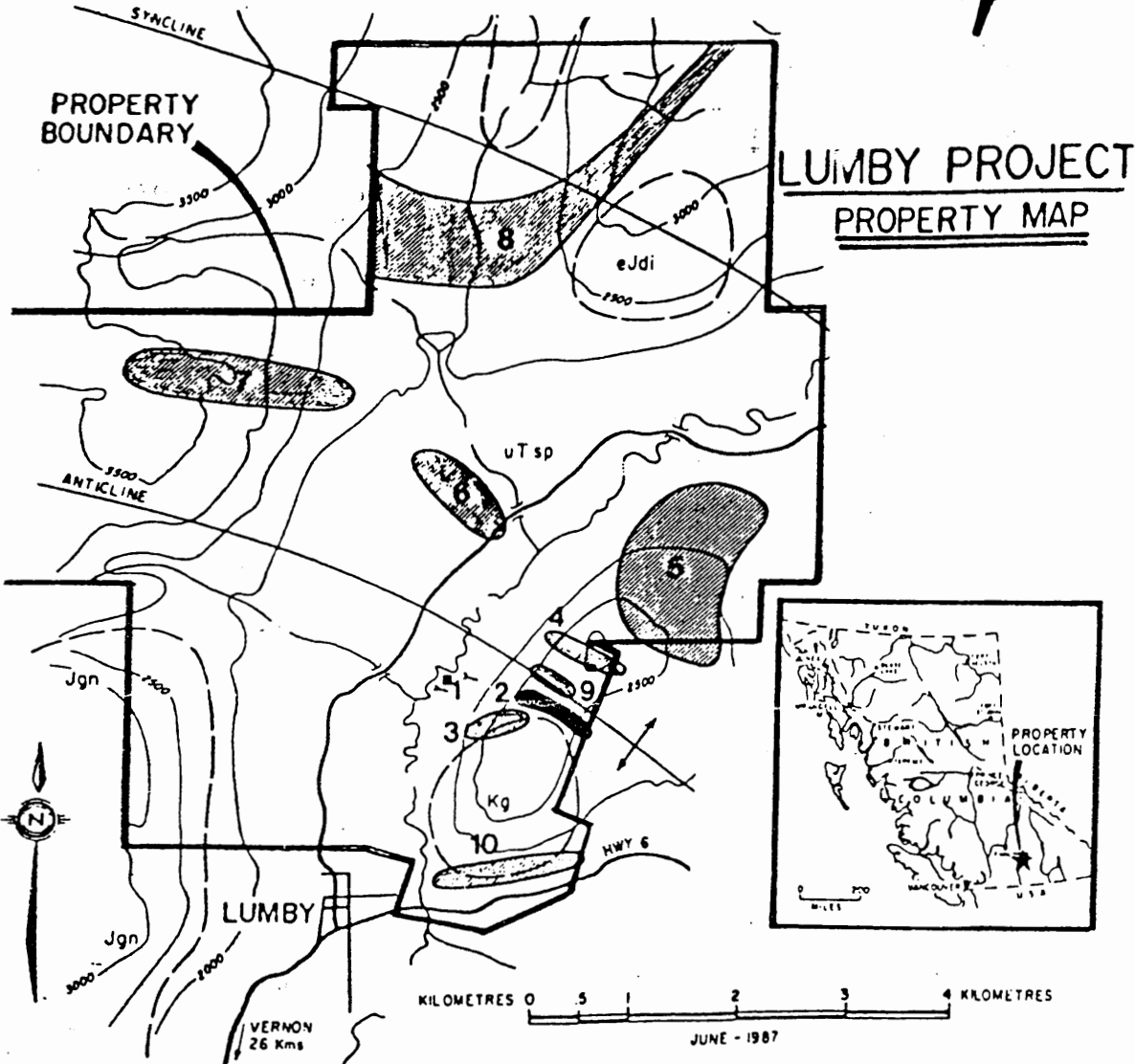
On July 28, 1993, the Vancouver Stock Exchange approved a joint venture agreement, first announced in October 1992, with USIG, Inc. of Escondido, California, USA. Representing USIG at the Quinto annual meeting were: Giles Kavanagh, chairman, Charles Pingle, of RBC Dominion in Windsor, Ontario; John Eger, a banker of Dallas, Texas and Phil Kratzer, of Ashford Capital of Dallas, Texas. The Syndicate has paid, as approved by the Vancouver Stock Exchange, CDN \$1,172,000 for 400,000 Quinto shares at \$2.93 each. The private placement had recently been announced as \$2.50 per share, and when first announced in October 1992, the share purchase was proposed to be 250,000 shares at \$0.80 each. This joint venture was finalized June 7, 1993, and amended July 26, 1993. The Syndicate now has an option to buy a 49% interest in the Lumby property by paying a total of CDN \$3,000,000 of which \$828,000 is payable Aug. 31, 1993; \$1,000,000 on Oct.31, 1993, and a final \$1,000,000 on Dec. 31, 1993. On May 31, 1993, Quinto had 7,406,069 shares issued after selling during the year a total of 757,982 shares for proceeds of \$312,678, an average of \$0.41 each. In a separate agreement dated June 7, 1993, Quinto agreed to a private placement of 456,000 units at \$2.25 each for proceeds of \$1,026,000 consisting of shares and warrants exercisable to buy a further 546,000 shares at \$2.25 each until June 7, 1994. Fully diluted, Quinto has 9,500,000 shares issued. The meeting approved an increase in authorized capital from 10,000,000 to 100,000,000 shares. During the 12 months ended Feb.28, 1993, Quinto spent \$105,010 on administration and \$31,631 on exploration ending the period with cash of \$53,571. In the 3 months ended May 31, 1993, Quinto spent \$77,242 on administration, \$26,910 on exploration and ended the period with cash of \$102,268 and liabilities of \$108,000. In the previous year ended Feb.28, 1992, Quinto spent \$68,000 on administration and \$75,000 on exploration. Upon completion of the two recent unit and share sale, Quinto will have in excess of \$2,200,000 cash on hand and no significant liabilities.

Mr.Schiller told the meeting an application for a listing on the Toronto Stock Exchange is pending with the start of trading there expected "soon". An application for a NASDAQ listing at some undetermined time in the future is planned. In the near future directors are to consider a share split on the basis of one-old for two or three-new shares to improve the marketability of the stock. (SEE GCNL NO.145, 29Jul93, P.2 FOR PREVIOUS PROJECT INFORMATION)

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- ADITS, MILL
- TARGET ZONE

LEGEND

- 1 MINE ZONE; Ag, Pb, Zn, Cu, Au VEINS
- 2 PLATEAU ZONE; Au VEINS, PROPOSED MINING
- 3 CONTACT ZONE; Ag-Au VEIN, Au SOIL ANOMALY
- 4 CLIFF ZONE; Au VEINS, Au SOIL, GROUND/AIRBORNE VLF/EM ANOMALY
- 5 SADDLE NORTH ZONE; AIRBORNE EM ANOMALY
- 6 COOPER'S ZONE; 10-30 m WIDE QUARTZ/SULPHIDE VEIN
- 7 DEAFIES ZONE; AIRBORNE VLF ANOMALY
- 8 VANCE ZONE; AIRBORNE EM ANOMALY
- 9 SADDLE ZONE; Au SOIL, GROUND EM ANOMALY, Au FLOAT
- 10 TEACHERS ZONE; Zn, As, Ag, Au VEINS, Au SOIL, AIRBORNE VLF ANOM

GEOLOGY

- Kg GRANODIORITE
- Jgn GRANITE, QUARTZ MONZONITE
- eJdi DIORITE
- uTsp VOLCANICS AND SEDIMENTS

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