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George Cross News Letter

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QUINTO MINING CORPORATION

[QU-V] 8,755,819 SHS.

APPLICATIONS FOR MINING AND MILLING AT THE LUMBY TEST PLANT STILL UNDERWAY - PRODUCT TESTING CONTINUING

Paul Schiller, president, has reported the Quinto Mining Corp. has sent out over 200 samples of Schillerite IA, Schillerite II, and Schillerite III to companies in the composite plastic field. Twenty of these companies have been testing the Schillerite IA for its conductivity qualities which have proven positive. Testing has indicated resistivity, as expressed in ohms, of 2.4 and 6.3. The Schillerite IA is a combination of 40% graphite impregnated in the muscovite mica making it a good conductor. The companies which have tested the Schillerite IA may use it in computer casings and as a conductive coating for electrical applications. The suggested price may be US \$2.50 per pound F.O.B. the Saddle Mountain property at Lumby, 30 miles east of Vernon, Okanagan Valley, B.C. Ownership of the property is subject of a legal dispute with it currently held 70% by Quinto Mining Corp and 30% by MICRO MINERALS RESOURCES INC. [MMR-V] 7,392,284 shares issued. The saleable product recovery rate is estimated at 3% (60 lbs) per tonne of ore processed.

Schillerite II samples have primarily been sent to companies involved in injection moulding. 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 fibreglass industry, partially substituting the resin requirements, while still achieving the same structural impact resistance. The price will be based on competitive materials, currently being marketed at US 35¢ per pound. The recovery is 25% (500 lbs) per tonne of ore processed.

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. The silica fume makes concrete more brittle and is priced at US 50¢/lb. Schillerite III increases compression resistance, reduces permeability and is priced at U. 10¢/lb. Fibermesh and Master Builders are testing Schillerite III and show interest in the product. The recovery is 35% (700 lbs) per tonne of ore processed.

On 18Dec92, Quinto reported it was negotiating a US \$2,000,000 gold loan. The loan was approved in Europe, but after many months of promises, the loan did not materialize. On 19Aug93 the company reported it applied for listing on the Toronto Stock Exchange. The application was not accepted as it did not have a sponsor.

Quinto has a 10,000-tonne stockpile of Schillerite ore which was mined in 1994. This ore is currently being processed in the metallurgical lab in Lumby to produce the Schillerite products. The company is in the process of purchasing additional equipment to meet its ore processing design of 100 tonnes per day, with larger

production forecast in 1996. The application for permits to allow mining and milling are still underway.

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