

Iron King Acquisition

SWMC completed its property holdings along the McCabe/Gladstone belt by acquiring the mineral rights to the Iron King Mine (see page 6). This acquisition is consistent with our policy of minimizing exploration risks by avoiding grassroots projects and searching out properties with favorable geological environments and a history of past production.

The Iron King was operated until 1967 and produced 5,000,000 tons of ore. SWMC had encouraging results from its geological mapping, as well as a comprehensive geophysical survey. The Company is currently evaluating alternative financing methods to fund an exploration program to locate and delimit mineralized extensions of the original ore body.

Corporate Developments

During the year, SWMC spent over \$2,700,000 in order to acquire additional equity interests in the McCabe Mine. In addition, the Company is expanding its ownership in the satellite properties by offering to acquire existing limited partnership interests in exchange for common

stock and warrants. These transactions substantially increase the Company's ownership percentage in the McCabe Mining Unit and will increase the Company's earnings once production commences.

In order to help finance these acquisitions and provide a broader financial base, SWMC was successful in raising over \$1,000,000 through the private placement of common stock and warrants. The gold indexed limited partnerships raised approximately \$2,000,000 which was invested in the McCabe's underground development program.

As a result of the Company's strong land position and current financial resources, Stan West Mining Corp. is currently positioned to maximize its potential as an aggressive U.S. mining company.

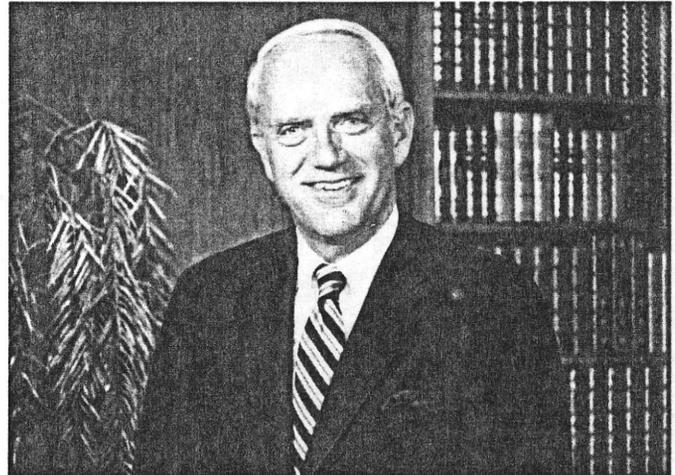
We would like to express our appreciation for the support of our stockholders and Board of Directors.



Frank H. Cerie
Chairman of the Board



Stanley W. Holmes
President



Frank H. Cerie
Chairman of the Board



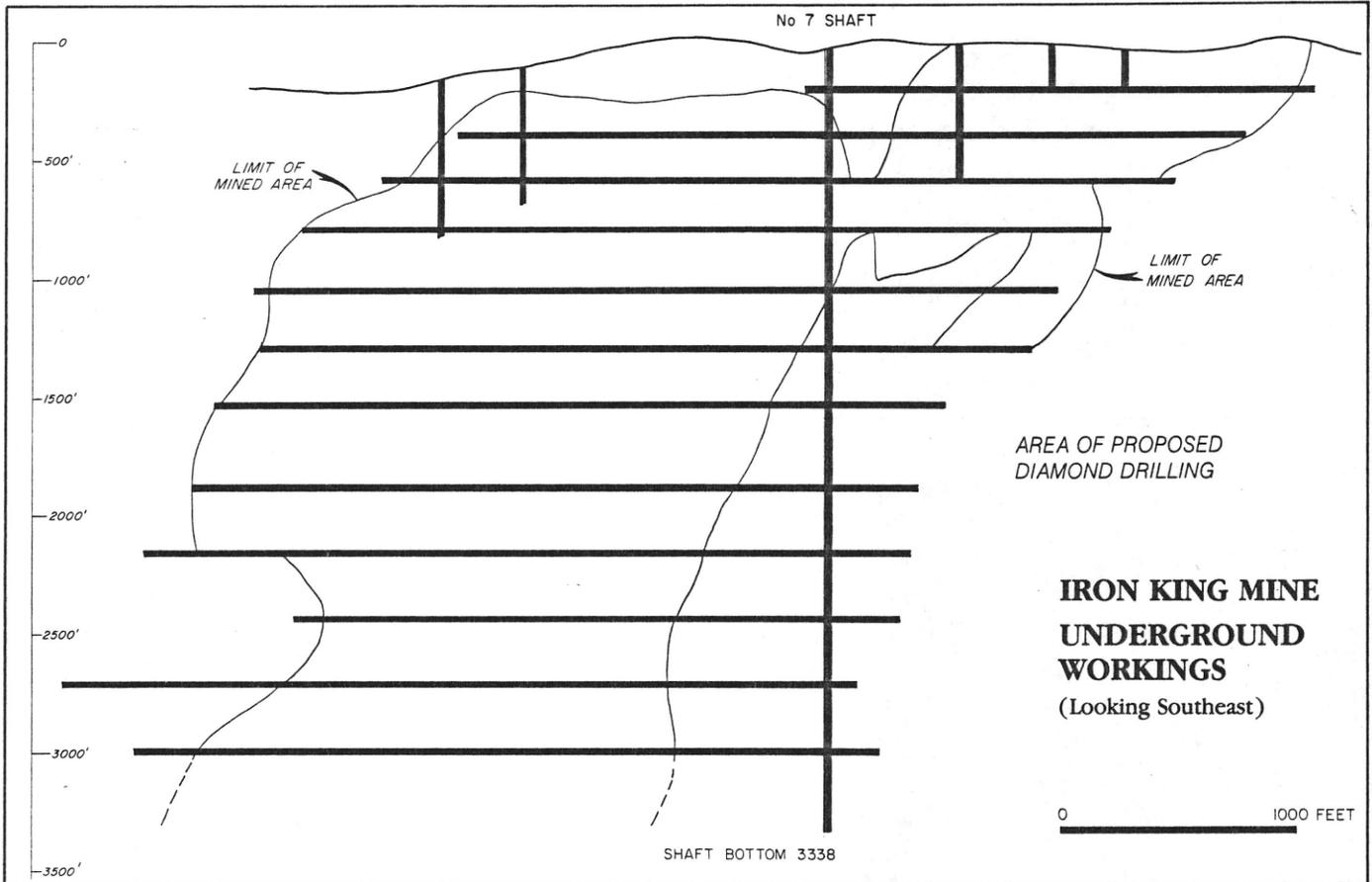
Stanley W. Holmes — Ph.D.
President



Iron King Mine

The Iron King Mine includes 54 claims that extend for approximately three miles by one mile. The original Iron King Mine produced 5,000,000 tons of massive sulphide ore with an average grade of 7.34% zinc, 2.50% lead, 3.60 ounces/ton silver and .123 ounces/ton gold. The mine bottomed in mineralization (3300 feet) when it closed in 1967.

Because the Iron King is a polymetallic, massive sulphide deposit of volcanogenic origin, the possibility of mineralized extensions is considered good. A surface geology study and comprehensive geophysical study have obtained favorable results. The Company is currently planning a program of diamond drilling.

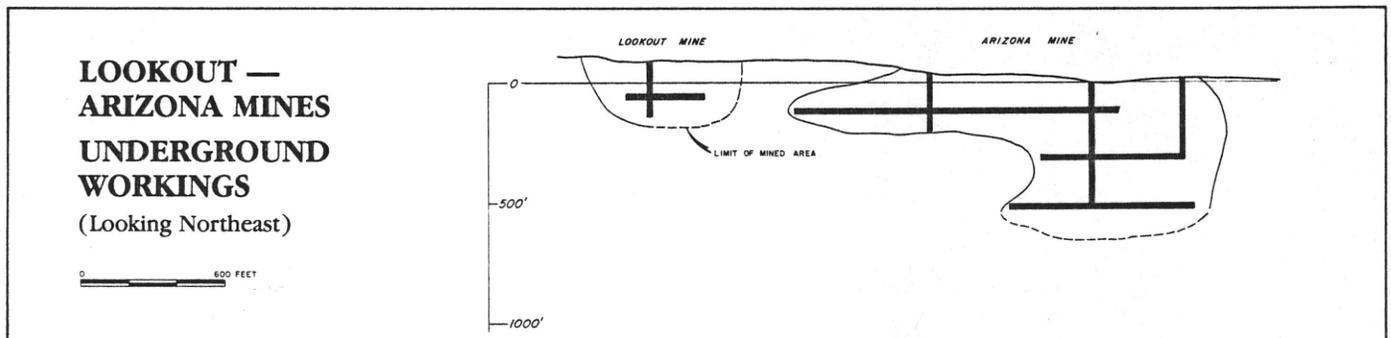


Arizona/Lookout (Silver) Mines

The Arizona/Lookout Mines lie between the Iron King Mine and the McCabe/Gladstone properties in the same belt of Precambrian volcanic mineralization. Both the Arizona and Lookout Mines have supported past production from underground workings that extend to 200–500 feet in depth. Old shipping records from 1930 exist for only the Arizona Mine and indicate that the

massive sulphide ore averaged 15 ounces/ton of silver with 3% lead, 4% zinc and minor gold.

Surface geochemical and geophysical studies as well as approximately 1,000 feet of preliminary diamond drilling have had very encouraging results. The Company is currently designing a detailed exploration program.



Iron King

	Au	Ag		
I-813	.99	.1	—	.029
14	.76	.3	—	.022
15	1.11	.4	—	.032
16	.79	.2	IRON KING	.023
17	.52	.2	—	.015
18	.10	.1		
19	.23	.1		
20	1.20	.1	HILLSIDE	
21	.75	.1		
23	7.02	.1		
24	.12	.1	INDIAN ROCK	
25	.01	.1		
26	.03	.2		
27	8.34	.4		
28	.44	.2		
29	.03	.1	GOLD HILL	
30	1.98	.4		
31	.12	.1		
32	.74	.1		
33	.76	.1		
34	.07	.6		

.0242
 oz/T Au
 .24 oz/T Ag

recovery = 75% Au
 50% Ag
 = .0182 oz/T Au
 .12 oz/T Ag

~~5,000,000~~
~~5,000,000~~ Tons
 191,000 oz Au | 600,000 oz Ag
 \$36.4MM | \$6.0MM
 \$42.4MM



Braver Heaps

oxide - 75% .07

sulfide - 55% .045

5.5 lbs/T.
 for silver → 70%

Cypress Mines - Iron King Mines
wholly owned subsidiary

- do land take off -

whoever owns land contact for
additional info.

Vern King Ownership:

IKS Corp.

2701 E. Camelback Rd. Ste 260
Phoenix, Az 85016

Richard H. + Eliz. A. Hanson
547. W Southern Hills Dr.
Pdx, Az 85023



Iron King	2.61 ac
Luine Rock	1.56 ac
Swee Thing	.3 ac
Remnants	.53 ac

SAMPLE RECORD

ppm
 ppm oz
 ppm oz
 ppm oz

Client Identification	Lab #	Fire Assay		Atomic Absorption or Emission		Spec
		Au	Ag	Au	Ag	
8337	1	2.16	1.08	1.84	1.80	
8338	2	2.16	1.08	1.84	1.80	
8339	3	2.16	1.08	1.84	1.80	
8340	4	2.16	1.08	1.84	1.80	
8341	5	2.16	1.08	1.84	1.80	
8342	6	2.16	1.08	1.84	1.80	
8343	7	2.16	1.08	1.84	1.80	
8344	8	2.16	1.08	1.84	1.80	

Client Name: ALCOA
 Address: ALCOA
 Telephone: 722-8888
 Received By: RECEIVED
 Date: 1-1-57
 1.9755 x .0212 = .0516 → 288,000 oz Au
 (ppm) Samples Submitted By: RECEIVED

PORPHYRY COPPER MINERALIZATION ASSOCIATED WITH
THE CENTRAL ARIZONA GREENSTONE BELT
CENTRAL ARIZONA GEOLOGICAL SOCIETY FIELD SYMPOSIUM
FEBRUARY 23-24, 1985

FIELD GUIDE

DAY 1

COMPILED AND WRITTEN BY:

RICHARD J. LUNDIN, PRESIDENT, WALLABY ENTERPRISES INC.

PHILLIP ANDERSON, PRECAMBRIAN RESEARCH AND EXPLORATION INC.

DR. PAUL GILMOUR, CONSULTANT

THE STAFF OF ANTIOCH RESOURCES LTD. AND QUEENSTAKE RESOURCES
(USA)

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Description of the History, Geology, and Mineral Potential of the Iron King-Gladstone-McCabe area and a discussion of the influence of the Big Bug stock in localizing mineralization.
(Page 3-6)

Road Log from Prescott to the Zonia Mine area.
(Page 7-8)

PART II:

Description of the History, Geology, and Mineral Potential of the Zonia Mine area with a discussion of the influence of Laramide-Tertiary tectonism and intrusive activity on the existing Cu-Au mineralization.
(Page 1-10)

FIELD TRIP GUIDE

DAY 1

ORIGINATION: Prescotttonian parking lot, Prescott, Arizona;

MILEAGE DESCRIPTION

0.00 Prescotttonian Parking lot, leave the lot at 8:30 and proceed east on Arizona Route 69 towards Prescott Valley.

0.60 Pass through weathered outcrops of the Precambrian Prescott granodiorite; some aplite dikes and quartz veins carry gold values.

1.70 Cover contact between Prescott granodiorite and Tertiary basalts. An intraflow baked soil contact is well exposed in the roadcut at the top of the hill. The source of these Tertiary flows is the Glassford Hill shield volcano located about 2.5 miles to the northeast.

2.50 Contact of Tertiary basalts and Precambrian metarhyolites, metatuff, metagabbro, and metasediments belonging to the old sedimentary units of the Lynx Creek-Bradshaw Mtns. area, here metamorphosed in the contact zone of the Prescott granodiorite. Precambrian exposures continue down to Lynx Lake Road. Continue on Highway 69. The Lynx Lake turnoff leads up into the Bradshaw Mountains, passing through Walker, a rich, old lode and placer gold camp related to a Laramide stock which intrudes mineralized Precambrian volcanic and sedimentary rocks.

3.80 Numerous small gold placers are present in the drainages of this area.

5.60 Off to the right is a small headframe on a prospect which explored the contact between a thin rhyolitic unit and underlying chloritic metavolcanics and metasediments. Gold production was recorded from the rhyolite and adjacent quartz veins.

6.60 Entering Prescott Valley, off to south are the lower drainages of Lynx Creek, which contain gold placers ranking among the richest in the state. Placer tailings from dredge, hydraulic, and hand work are found throughout the river bed and banks, down to the town of Dewey. The northern Bradshaw Mountains was the richest, early, gold mining area in Arizona, causing Prescott to be once the state capital. The lode gold was found mainly in quartz veins and had been remobilized out of the Precambrian rocks by Laramide intrusive activity.

- 6.8 Placer gold operation of Lynx Corporation.
- 10.5 Earth Products sand and gravel plant on the right, recovers minor amounts of gold from their wash circuits.
- 11.5 Cross Lynx Creek
- 13.7 At the base of the low range of hills off to the southeast is the Shylock zone-- a major Precambrian shear zone in the region. On the low range of hills, note a prominent white knob, which is the rhyolitic domal center of the Bell Property, a property which has received considerable attention in recent years from a number of major mining companies (Anaconda, Newmont, Quintana, Sunshine and others) as a potential area for bulk tonnage gold mineralization associated with proximal, felsic volcanic environments.
- 14.0 Entering Dewey, continue south on Highway 69
- 15.8 Entering Humboldt, off to the right is the old Humboldt smelter stack. The smelter processed ore from the De Soto, Gladiator, Blue Bell and Iron King Mines and was active from 1900 to 1926.
- 16.3 Turn right on to Iron King mine road at crest of the hill.
- 16.9 Continue past the mine office buildings on the main road.
- 17.0 Turn left on the dirt road.
- 17.1 Iron King Mine Area (STOP 1) PARK AT A PULLOUT ON THE ROAD

IRON KING MINE AREA

HISTORY AND PAST PRODUCTION:

Mining at the Iron King was carried out sporadically between 1880 and 1940 or so, at which time it was acquired by Shattuck Denn Mining Corporation and thereafter operated continuously until it closed in the late 1960's. In the period from 1906 up to 1964 (not long before it closed), the Iron King produced just over 5 million tons of ore with an average recovered grade of 0.123 ozs./T. Au, 3.67 ozs./T. Ag, 2.5% Pb, 7.34% Zn, and 0.19% Cu.

GEOLOGIC SETTING:

The country rocks at the Iron King strike NNE and dip about 80 degrees to the west, or more precisely, WNW (see generalized geologic map, following page). In a west to east cross-section, these rocks include meta-andesite, non-pyritic and pyritic felsic schist, the "ore horizon", and a sequence of chloritic schists and phyllite, the latter possibly representing meta-andesite and meta-sediments. The "ore horizon" is identifiable as prominent outcrops of banded, iron-oxide stained silica units along a line of abandoned mine workings.

Employing two independent lines of evidence, Anderson and Creasey (1958) on the one hand, and D.C. Bulmer on the other, inferred that the rocks are overturned, or "young" toward the east. In other words, the host rocks at the Iron King mine are overturned, and the sequence summarized above is stratigraphic succession reading from lower to higher units.

MINERALIZATION:

The mineralization at the Iron King occurs near the contact between the felsic schists and the stratigraphically overlying (structurally underlying) chloritic schists (meta-andesite?). The mineralization consists of a series of closely spaced tabular bodies arranged in echelon (figures 1, 2 & 3). These tabular or thin lenticular bodies may be divided into two sub-groups: (1) some 6 or so siliceous zones (X and Y, zones A through D, figures 2 and 4), containing recoverable amounts of Au and Ag and scattered base-metal sulfides. The enriched gossans above these ore zones were the material first mined in the early surface workings. (2) some 8 or so lenses consisting principally of fine-grained pyrite (designated E through H and I through I 4, shortened to "I series"), which were mined principally for the non-ferrous, base metal content.

A zone characterized by it's high copper content occurs about 50 feet to the WNW (stratigraphically below?) the massive sulfides (figures 2 & 3). The zone is made up of coarse, white vein quartz and contains scattered bunches of coarse grained chalcopyrite, sphalerite, pyrite and chlorite. Shoots averaging 2% Cu or better have a much shorter strike length and steeper plunge than the pyritic and siliceous lenses. (figure 5)

The presence of near-ubiquitous stratigraphic zoning of sulfides indicates that the sulfides predated deformation and metamorphism. Small pebbles of silica and jasper in an overlying intra-formational conglomerate suggest that the silica was deposited more or less contemporaneously with the host rocks. The sulfides there fore are of Precambrian age, not of Tertiary or Laramide age which is the age of the rhyolite dike cutting the schists.

By analogy with other similar deposits and modern volcanism, it is believed that the Iron King mineralization resulted from sub-aqueous volcanic processes, the precise nature of which are unknown in detail because of the complexity of the deposit.

MINE WORKINGS:

On the main dump just west of the mine buildings are the remnants of No. 5 shaft. From here, the steel headframes of Nos. 6 and 7 shafts lie off to the north, with the No. 2 shaft covered by the parking lot. There are a few remaining samples around the old headframe site of the various types of massive sulfides extracted from the underground workings. To the south are the early surface workings, and the creek near these workings provides good exposures of the non-economic but mineralized souther extensions of the ore horizons and related units containing massive sulfides.

GEOLOGIC TRAVERSE

From the small parking place at the side of the dirt road southwest of the mine buildings, the geologic setting section follows a small drainage down into the main wash area just before the ore zone. In the first part of the section, Spud Mountain Formation dacitic breccias grading upward (eastward) into thinly bedded dacitic tuffs are seen. Immediately east of this is a highly sericitic, schistose rhyolite showing minor refolding of the very planar foliation about tight kink-fold axes. As the wash is followed further, on it's banks one can see highly hematitic schistose rhyolitic tuff containing a network of thin gossanous "stringer" mineralization carrying up to 0.6 ppm Au.

IRON KING MINE

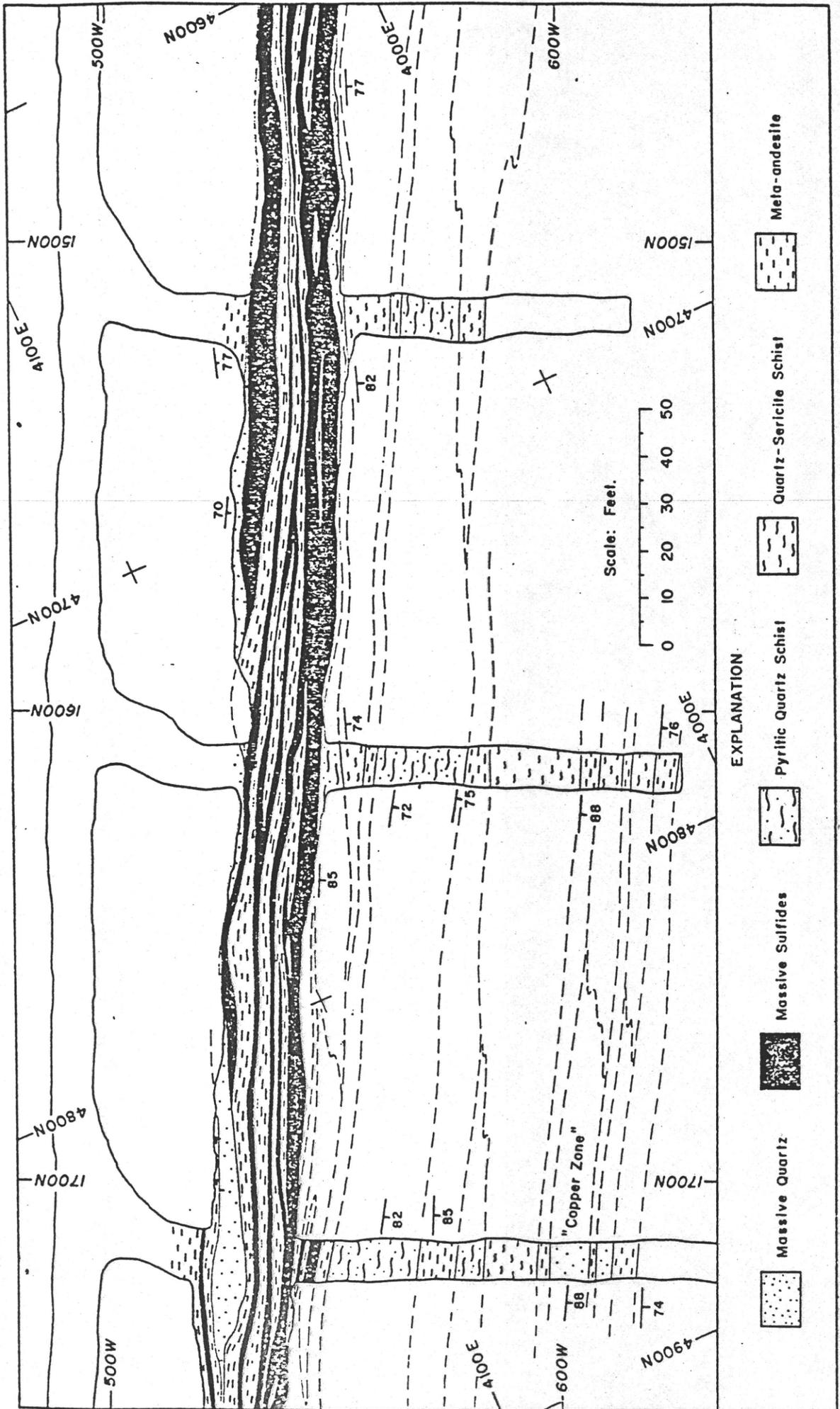


Figure 3. - Detail of a portion of the "I-series" of massive sulphide lenses at the 2200-level in the Iron King mine.

IRON KING MINE

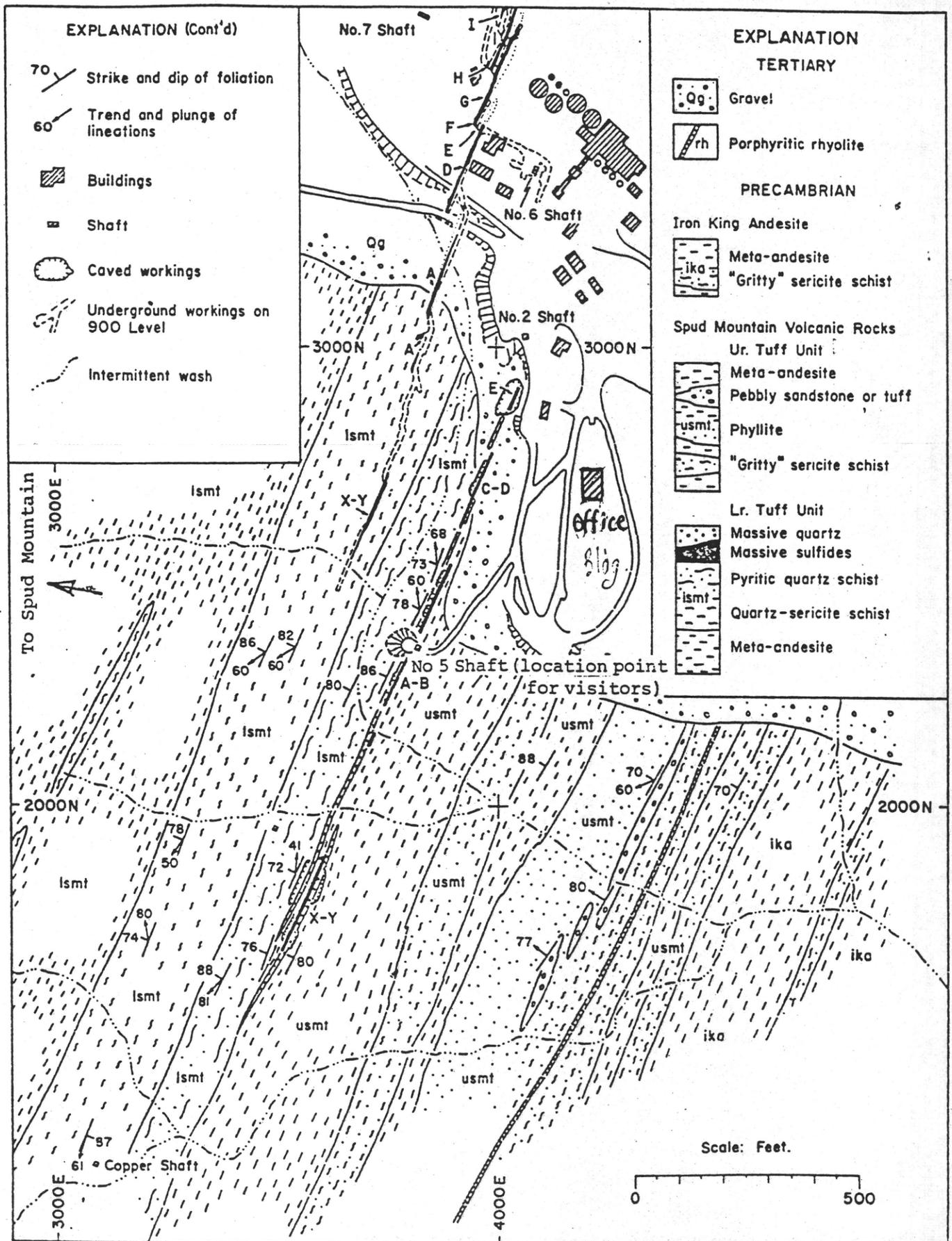


Figure 1. - Generalized geologic map of the surface at the Iron King mine, Yavapai County Arizona.

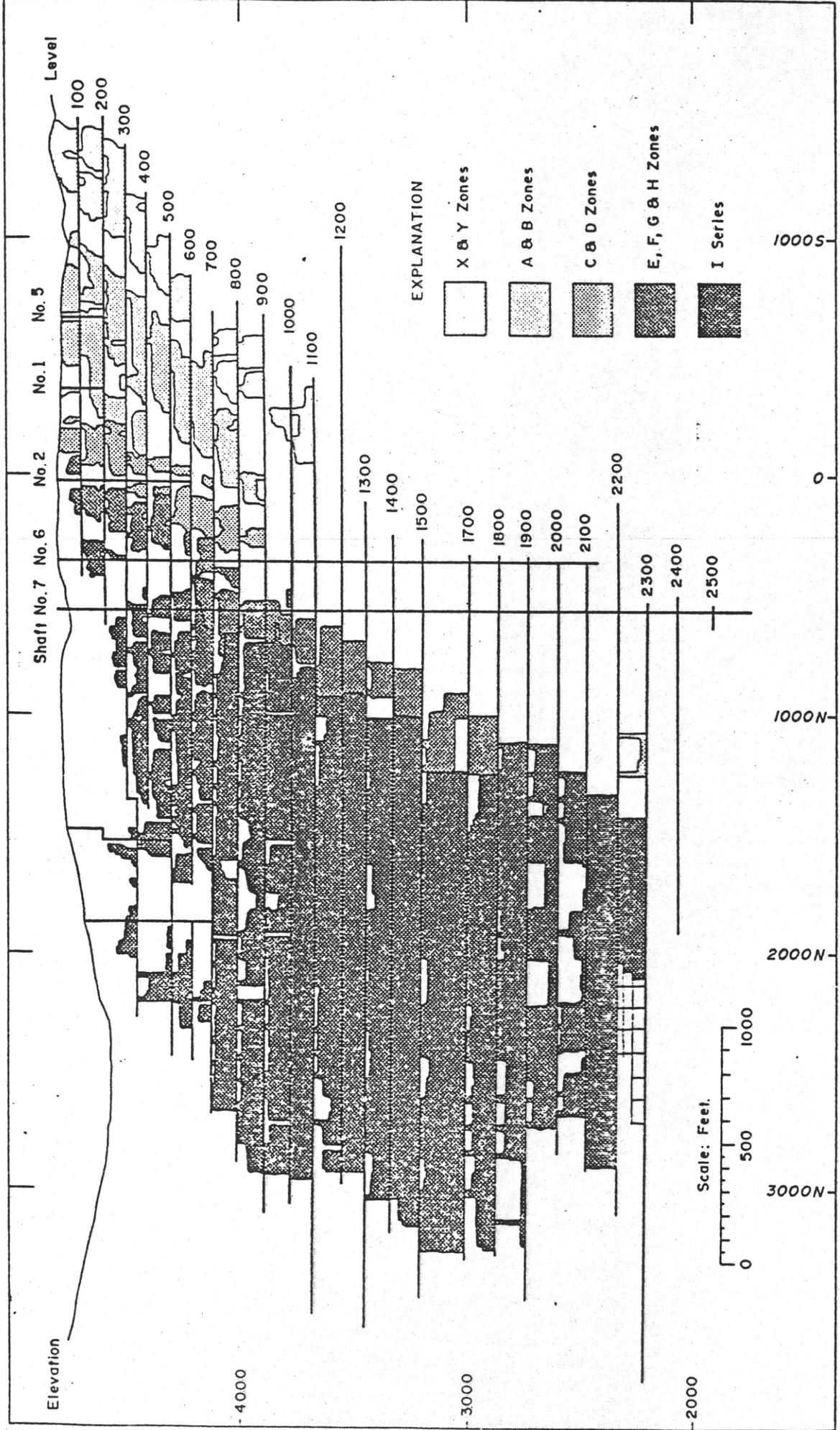


Figure 4. - Vertical longitudinal section of the pyritic and siliceous lenses at the Iron King mine.

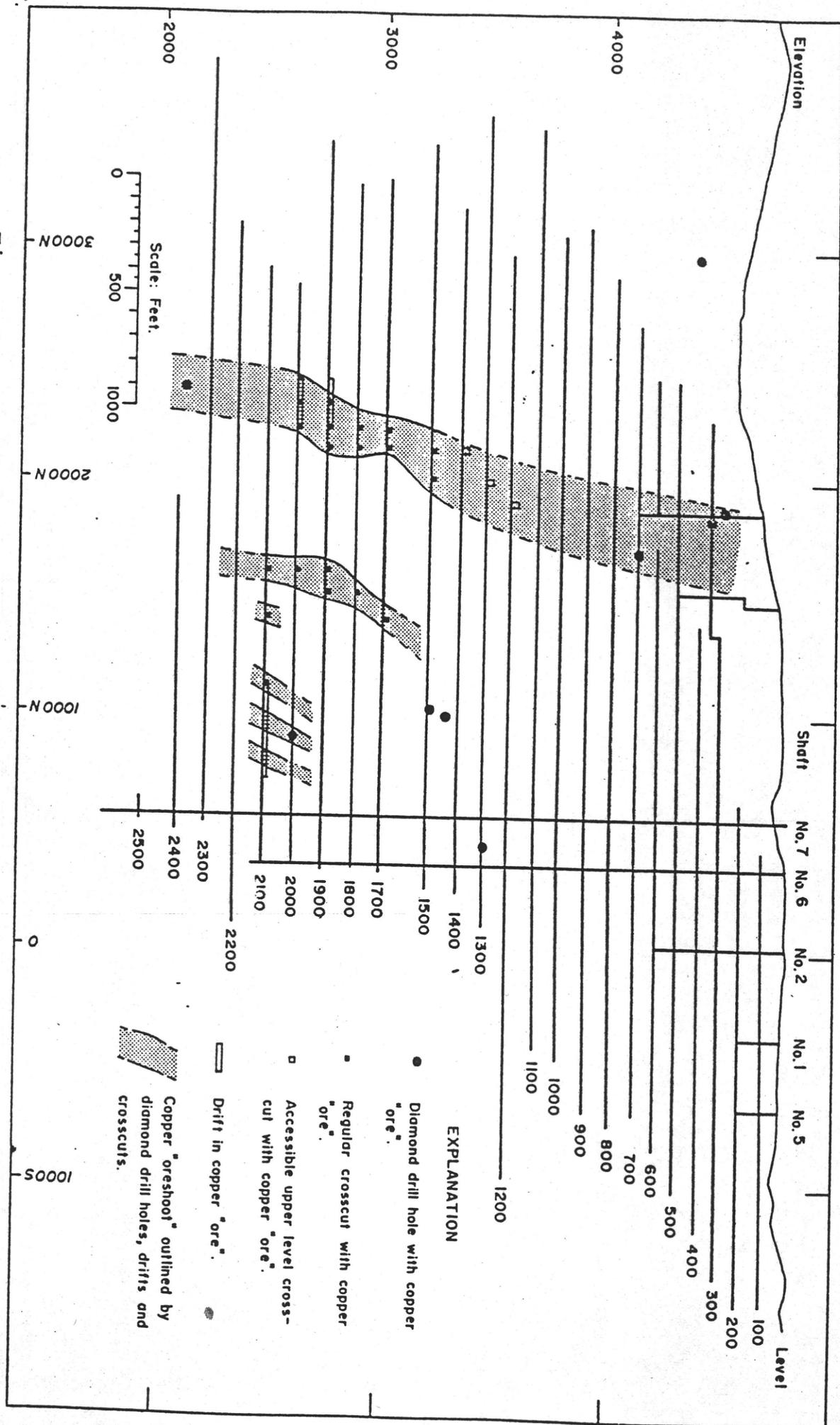
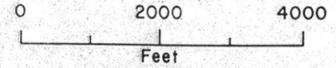


Figure 5. - Vertical longitudinal section of "shoots" (better values) in the copper zone at the Iron King mine.

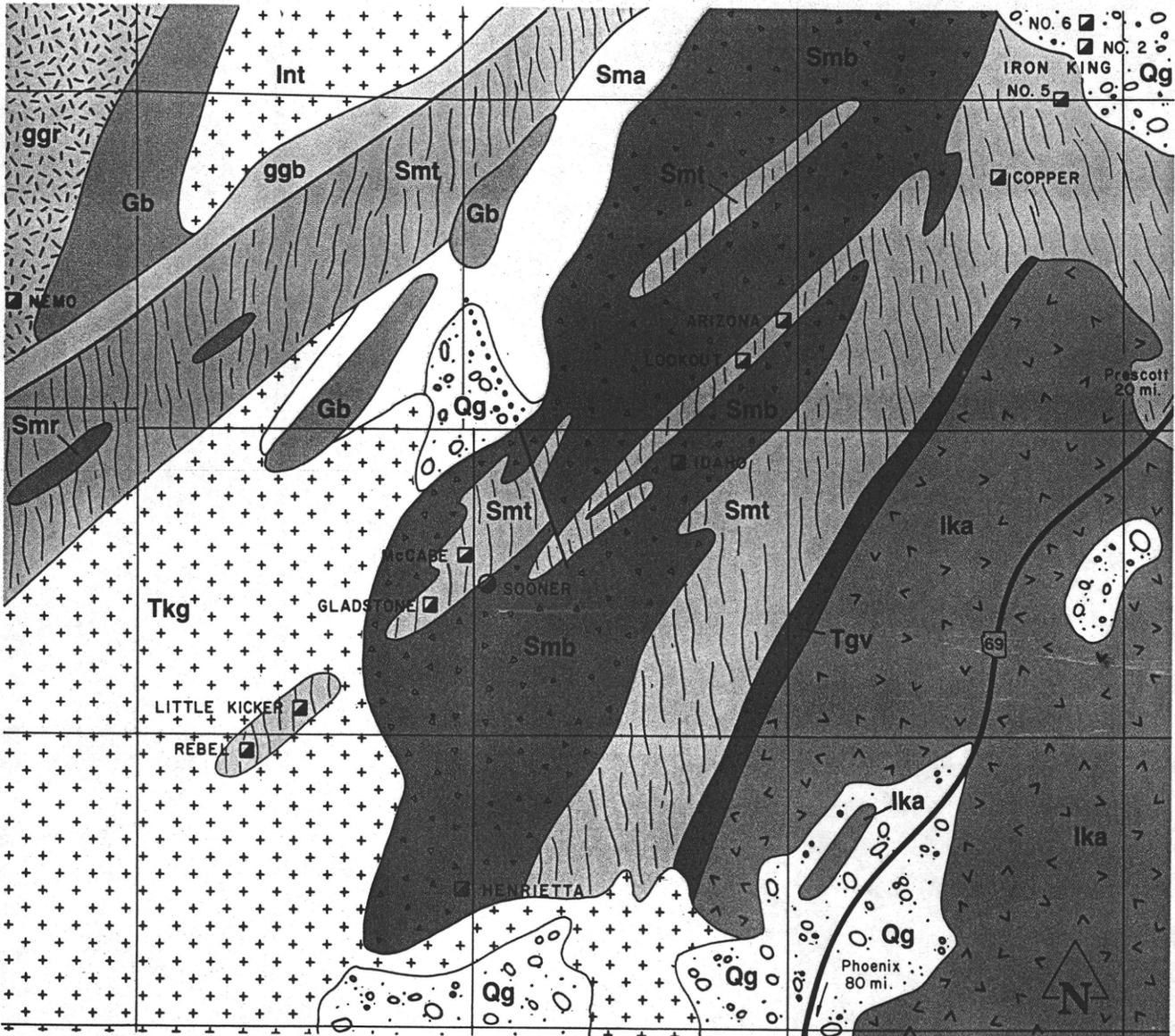


GEOLOGY MAP

McCABE – GLADSTONE AREA
YAVAPAI CO., ARIZONA



- Gravels
- Granodiorite
- Texas Gulch Volcanics
- Gabbro
- Iron King Andesite
- Spud Mountain Rhyolite
- Spud Mountain Andesite
- Spud Mountain Tuff
- Spud Mountain breccia
- Rhyolite Tuffs
- Basalt
- Shaft
- Section Lines
- Highway



From here, cross the main wash and climb straight up the slope until the resistant gossan unit is reached, noting on the way that the underlying rhyolitic units are both strongly chloritic and sericitic in places. The prominent ridge of highly silicic, gossanous material shows relict bedding, and is a classic sulphide facies iron formation unit. Looking southwest, one can see the sulfide facies iron formation unit lean rapidly in total sulphides such that on the hilltop, it is a resistant banded iron formation dominantly in oxide facies. The sharply transitional nature of these horizons is clearly demonstrated here.

In the pit just north of the shaft, is seen a resistant bed of gossanous sulfide-silican breccia carrying values up to 2.0 ppm Au, with the massive sulfide gossan, carrying 6-7 ppm Au, outcropping for about 2 feet on the east side. Immediately east of this is additional schistose rhyolite which also contains minor gold values.

Traverse about 100 feet further east from the shaft to examine some very interesting chloritic dacitic breccia units which immediately overlie the massive sulphide horizon. These rocks are identical to the main part of Spud Mountain breccias lying west of the deposit, except for increased chloritic alteration.

Then cut south into the wash and return to the vehicles via the creek section, noting the orientation and composition of the cross-cutting intermediate-mafic dikes that are encountered. RETURN TO THE MAIN ROAD BETWEEN THE IRON KING AND THE GLADSTONE-MC CABE AND CONTINUE ON TOWARDS THE GLADSTONE-MC CABE.

MILEAGE

DESCRIPTION

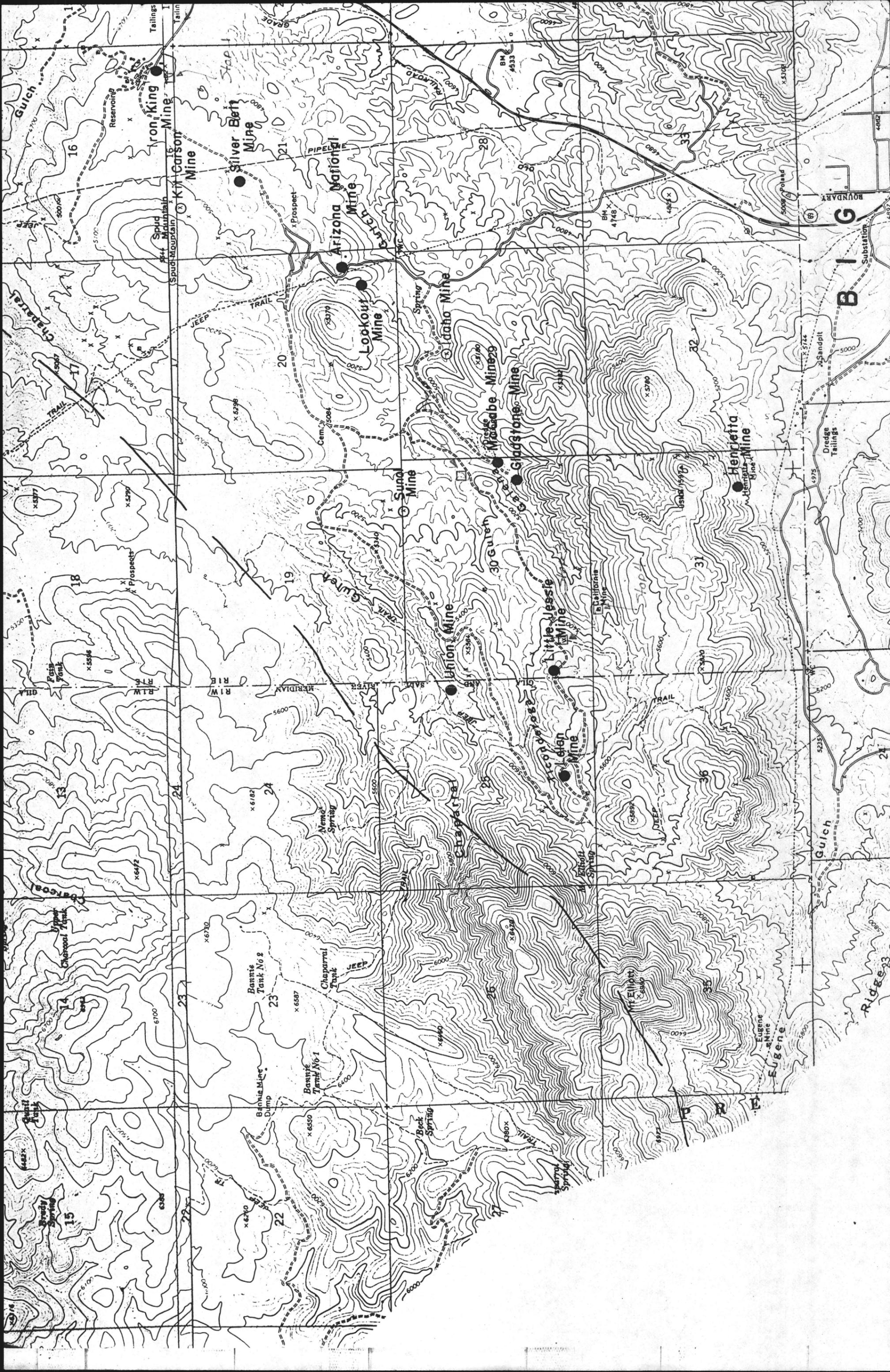
17.80 Dumps off to the right of the Silver Belt Mine, a past producer of gold and silver from vein systems adjacent to Laramide dikes.

18.60 Dumps on both sides of the road of the Arizona National and Lookout Mines, early day precious metal producers from vein systems adjacent to Laramide dikes.

19.85 Turn to the right on to the perimeter access road for the Gladstone-McCabe. This is directly adjacent to the security office and main entrance to the Gladstone-McCabe mine.

20.10 Turn left at road intersection.

20.40 Fork in the road, take left hand fork.



20.40 Overlook of the Gladstone-McCabe operation
(STOP 2) The Gladstone-McCabe property of Stan West Corporation was one of the major precious metal producers in the Big Bug District. An extensive, recent drilling program coupled with rehabilitation of some of the existing workings, has delineated ore reserves in excess of 500,000 with gold grades in excess of information, it appears that most of the mineralization was of an original Precambrian, syngenetic origin. Distinct lithologic units are difficult to discern through the metamorphic effects of the Big Bug stock, but it is apparent that some sort of original stratigraphic control limited the extent of base and precious metal mineralization. Laramide dikes and cross-fractures are thought to have localized and enriched the mineralization and created steeply plunging, high grade ore shoots.

20.50 Continue on the main road. The mines off to the right on the distant hillsides are the Union, Lelan, and Little Jessie Properties. All past precious metal producers from northeast striking vein systems.

21.50 Three way intersection, take the extreme left fork. PARK THE VEHICLES (STOP 4) At this location there is a small mass of Precambrian gneiss in the Big Bug Stock. Mineralization occurred along the contact in association with NE striking quartz veins. After inspection of the dump and the vein relationships, return to vehicles and continue along the road.

21.70 Fence intersection

21.90 Road intersection at the bottom of the wash, take the left hand fork. On the right hand side is a stone line cabin and on the left hand side are the ruins of several frame buildings. Continue across creek and bear to the left.

22.30 Little Kicker Mine area (STOP 4) The Little Kicker-Rebel mine area is the direct southwestern extension of the Gladstone-McCabe vein system. The property had only minor production. The mineralization occurs in a mass of Precambrian metavolcanics and gneiss and consists of Cu-Pb-Au-Ag mineralization associated with quartz vein material. The exposure of the Precambrian units is best seen directly southwest of the headframe. After examining the dump material and the contact relationships, return to the vehicles and to Prescott via the same route.

CONTINUE THROUGH PRESCOTT TO THE INTERSECTION OF GURLEY AND GROVE. TURN RIGHT AT THE STOP LIGHT ON TO GROVE AND CONTINUE ON GROVE TO A FIVE POINT INTERSECTION. AT THE FIVE POINT INTERSECTION, TURN LEFT ON TO IRON SPRINGS RD. AND CONTINUE WEST TO THE INTERSECTION OF IRON SPRINGS AND WILLIAMSON VALLEY RD. THE ROAD LOG WILL CONTINUE FROM THERE.

MILEAGE

DESCRIPTION

0.00 Intersection of Iron Springs and Williamson Valley Road. Continue on Iron Springs Rd.

0.80 Approximate contact of the Prescott granodiorite and the Older Precambrian gneiss-schist complex. Minor gold mineralization has been reported to the north along strike with this contact. The mineralization is associated with quartz veins.

0.90 Outcrops of Precambrian gneiss and schist units that have been intruded by aplite and pegmatite bodies.

1.60 Turnoff to Granite Basin Lake. This was an area of past mining activity. The mineralization consists of Cu-Pb-Ag-Au values in association with quartz veins in the granite and along the contact with the gneiss-schist complex.

2.10 Contact of the gneiss-schist units and the Prescott granodiorite. The thickness of the older Precambrian screens within the Prescott granodiorite vary from a few hundred feet to more than a half a mile.

3.1-3.8 Intersheared or folded sequences of older Precambrian units that have been subsequently intruded by dikes off the Prescott granodiorite. Within this area are a number of small precious metal deposits that are associated with quartz veins along the contact of the Prescott granodiorite and the older Precambrian lithologies.

3.8 Turnoff to the Highland Pines area. This area was originally the Derby Mine, a precious and base metal producer from 1902-1919. The mineralization is associated with quartz veins that paralleled the foliation of the older Precambrian units and a series of Laramide dikes. The area is now a housing development.

4.3 Contact with main mass of the Prescott granodiorite.

4.5 Turn off to Iron Springs

6.8 Turn off to Contreras Ranch. To the north of here is Granite Mountain. To the west of Granite Mountain is a screen of older Precambrian intermediate to felsic volcanics and sediments which have well-developed exhalite units. Conoco and Santa Fe have been doing a lot of work in the Mint Wash area of this screen to delineate a low-grade bulk tonnage gold system.

11.7 Outcrops of 1200 granites off to the right hand side in the intermediate and far distance.

- 12.4 Outcrops of 1200 granites off to left side of the road.
- 14.0 Contact of the pediment fill material and a mass of 1200 granite.
- 15.1 Entering Skull Valley, Skull Valley Store.
- 15.2 On the left hand side just before the Skull Valley Cafe is the turnoff for Copper Basin and the Boston-Arizona Mines.
- 19.2 Contact of Tertiary flows and volcanoclastics. The tuffaceous units are mined as lightweight building stone. These units form resistant ridges and caps and are interbedded with andesitic and basaltic flows and rubble breccias.
- 20.1 Three M Tufa Mine. This mine is currently active.
- 20.3 Contact of older Precambrian intermediate-mafic volcanics and sediments containing a few, thin exhalite units and the overlying Tertiary sequence. There are a few small gold prospects within this screen and some of the placer gold in Kirkland Creek is thought to have this area as it's source.
- 21.2 Entering Kirkland, bear left at the intersection and take the road to Yarnell.
- 21.9 The low hills on both side of the road are composed of Tertiary volcanics.
- 25.5 Intersection of Arizona 89, turn right on 89 and go south approximately 200 feet to the intersection with Wagoner-Walnut Creek Road.
- 25.6 Turn left on to Wagoner-Walnut Creek Rd.
- 28.3 Tertiary volcanics outcropping along the ridgetops on both sides of the road.
- 28.7 Turnoff to the Zonia Mine, turn right.
- 29.8 DEEP GULLY, WATCH OUT
- 30.2 Entering an area of metamorphosed and intruded Precambrian units. A coarse grained granitic unit has intruded a series of gneisses and schists.
- 30.9 Outcrops of fresh-looking mafic intrusives that cut the Precambrian units.
- 31.7 Main gate, Zonia Mine

Best Western

Rancho Grande



Great Western Hosts

basin accumulates
"drew" of incompatible
elements, etc. + exhalates -
got thick sequence of
volcaniclastic + chemical
seds.

landfill for
off flank
subvolcanic
intrusion
dikes, stocks



Pneumafor volcanic
faulting creates,
preserves dike
basin

submarine
volcanic
center



AMSTAR AMERICAN PETROLEUM CORP.

ARIVACA SILVER MINES LTD.

DRILLING OF ARIZONA PROSPECT IS PLANNED - Robert A. Sim, vice president, reports that Amstar American Petroleum Corp. are arranging a drill program for the Little Jessie - Union gold-silver prospect, a joint venture with Arivaca Silver Mines Ltd. in the Big Bug mining district of Arizona, near Prescott.

As president of a company with a nearby property, Stanley Holmes recently wrote that Stanest Mining Corp. "is currently involved in the McCabe-Gladstone project and hopefully will be in production in July, 1984. Our planned production will be 100,000 tons/year. Our plans are to expand to 500-750 tons/day in the near future. In view of this we are interested in additional mill-feed. The Jessie Union lies some 2000-2500 feet NW of the Little Kicker property which we intend to develop....If your surface drilling is encouraging - you will require underground testing. We would be interested in this."

AMSTAR AMERICAN PETROLEUM CORP.

DRILL TEST STARTING ON ARIZONA GOLD PROSPECT - Amstar American Petroleum Corp. president B.L. Williams announces that a Phase I drilling program contract has been signed with T.W. Enterprises to test the Union Vein on the Little Jessie gold property in Yavapai county, Arizona with ten 200-foot holes. Mr. Williams expects this will take 3 to 4 weeks to complete. The program will be directed by Stan Reamsbottom, Ph.D., P.Eng., of Questore Consultants.

AMSTAR AMERICAN PETROLEUM CORP. (AAP-V)

Recent surface sampling of the Wagner vein return values of:

Sample #	Oz.Silver/Ton	Oz.Gold/Ton	Sample #	Oz.Silver/Ton	Oz.Gold/Ton
1	.01	.01	1	1.0	.34
2	.61	.266	2	3.52	.678
3	.36	.042	3	2.81	.234
4	.74	.278	4	4.04	.044
5	.28	.68	5	.20	.024

FUNDS TO BE SOUGHT TO CONTINUE EXPLORATION

Robert A. Sim, vice president of Amstar American Petroleum Corp. has reported that on the Little Jessie project Yavapai County, Arizona, the Amstar/Arivaca Joint Venture has completed 10 holes of

200 ft. each to sample the surface of the "Union" and adjacent veins. Results are: Holes #1 through #6 & #8 trace gold, hole #7 cut 10 ft. of 0.104 oz. gold/ton, #9 cut 5 ft. of .082 oz. gold/ton, #10 cut 5 ft. of .048 oz. gold/ton. Drilling the structure to a depth of 700 ft. is recommended as a Phase II program.

In addition to further drilling on the Union system, the Phase II program will also test the Jessie and Wagner veins.

On the Jessie vein past surface sampling and shallow surface drilling returned values of 0.42 oz.gold/ton In addition there is + 125,000 tons of dump and backfill material on and within the workings estimated to grade .08 oz.gold/ton.

Amstar has increased its ownership to a 75% interest, with Arivaca retaining 25%.

Further exploration and development funding for the Phase II program will be secured through a public financing. Documentation is being prepared and will be filed shortly with the regulatory authorities.