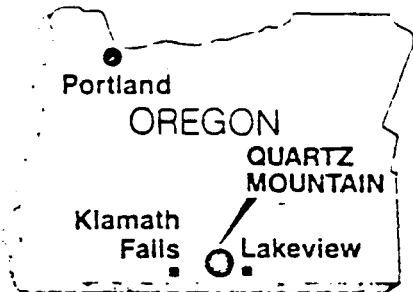


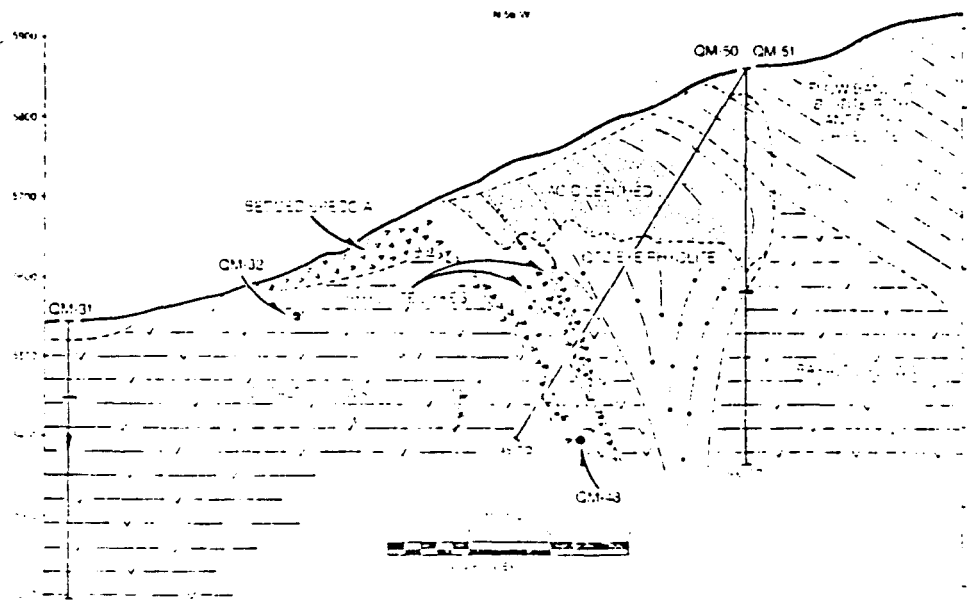
**THE CRONE HILL/
QUARTZ BUTTE
PROPERTY**



The 8000 acres owned by Quartz Mountain Gold Corp. are located in south central Oregon, 30 miles west of the town of Lakeview and 30 miles north of the California border. Highway 140 cuts across the southwest corner of the property and there are secondary roads providing additional access. The claims lie in the Fremont Range at an elevation of about 5,600 feet. Relief and climate are moderate.

In total, the property consists of a major gold discovery and three additional large gold exploration targets. Anaconda Minerals Company (a subsidiary of Atlantic Richfield Co.) originally put together the discovery, and at the time Anaconda ceased mining and exploration operations in 1985, Crone Hill was considered its best gold project. Anaconda's drilling outlined an enormous epithermal gold deposit similar in geology to Round Mountain and many other Nevada gold mines.

CROSS SECTION OF THE QUARTZ BUTTE AREA



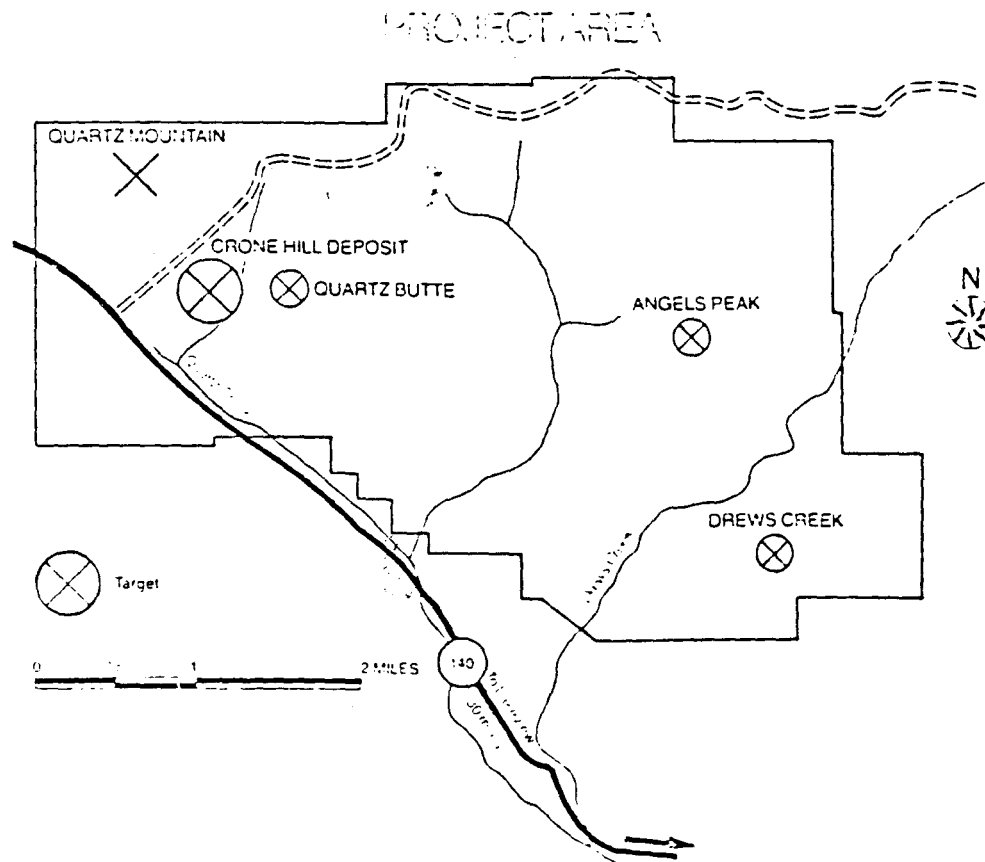
PROPERTY HISTORY

The earliest recorded activity on Crone Hill was carried out by Sun Oil Co. in the late 1930s, although overgrown pits and trenches attest to even earlier exploration, perhaps by migrant Chinese prospectors in the late 1880s. By 1949, only a small amount of gold had been recovered. In 1957, discoveries of uranium and mercury occurrences nearby supported a high level of prospecting activity, and mercury was mined at Angels Peak on the eastern part of Quartz Mountain Gold's property. The claims were allowed to lapse as the market for mercury declined in the 1960s.

The few remaining claims were optioned by Exploration Ventures Co., of Spokane, who in 1982 joint ventured the property with Anaconda Minerals Company. At that time, Anaconda enlarged the claim block to its present size.

Between 1983 and 1985, Anaconda carried out field programs consisting of geological mapping, detailed mapping of Crone Hill, and soil and geochemical sampling in the Crone Hill area. A regional airborne magnetic survey and limited induced polarization resistivity surveys were carried out at the west end of the property. A ground magnetometer survey was also done across the IP grid.

Anaconda completed 30 holes totalling 11,525 feet of rotary reverse circulation and diamond drilling on the Crone Hill deposit and calculated open pit, drill-indicated mineral reserves of from 10 to 25 million tons grading 0.04 ounces of gold per ton using a cut-off of 0.020 and a 2:1 stripping ratio.



Crone Hill And Quartz Butte Drilling Locates Gold Zones

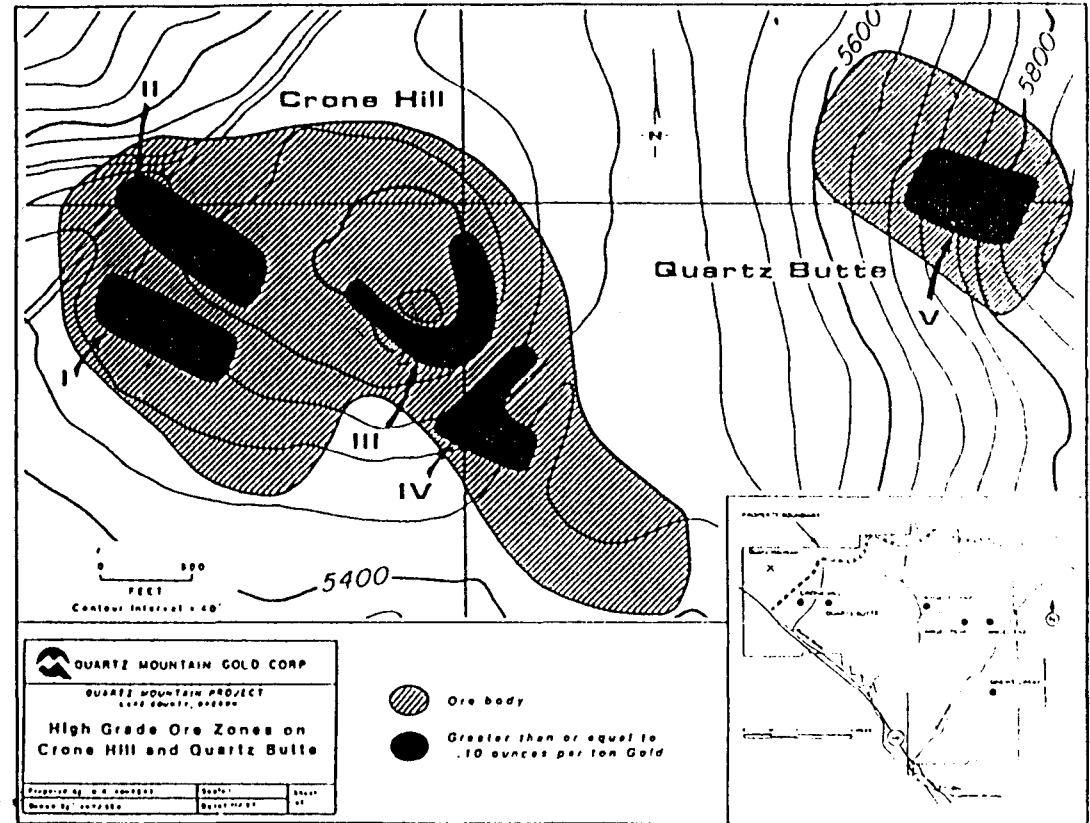
VANCOUVER, B.C. — Dr. William H. Bird, Chairman and CEO of Quartz Mountain Gold Corp., and Robert M. Friedland, Chairman and CEO of Galactic Resources Ltd., released information locating the five newly-discovered high grade zones with the Crone Hill and Quartz Butte ore bodies. Crone Hill and Quartz Butte lie in the western portion of the 10,000-acre southern Oregon property and they are presently being developed by a joint venture between Quartz Mountain Gold and Galactic.

Bird said that the most recently reported hole, QM-518 in Zone III, contained from the surface, 385 feet of .174 ounces of gold per ton; including 260 feet of .244 oz./ton, 125 feet of .474 oz./ton and 30 feet of 1.782 oz./ton. The five zones comprise roughly twenty percent of the areal extent of the ore bodies and they may expand significantly as additional

assays and drilling come in. Assay results from 140 drill holes are expected over the next six to eight weeks.

Bird noted that the most important aspect of all five of these high grade zones is that they are all open at depth and appear to lead to feeder structures for the entire ore body. Zones II and IV overlie buried intrusives which are thought to be the source for the ore-forming fluids. Zone I lies along a major fault. Zone III is hosted in breccias along the margin of the Crone Hill intrusive that may lead to the intrusive throat. Zone V is in the throat of the Quartz Butte intrusive. All zones significantly increase the grade of the present ore bodies and provide targets for deep high grade ore bodies. Detailed drilling programs are being planned to explore each zone.

Quartz Mountain Gold's address is 935 Marine Bldg., 355 Burrard Street, Vancouver, B.C. V6C 2G8, (604) 662-7557.



Royal Gold Details Gold Production

DENVER — Stanley Dempsey, president and chief operating officer of Royal Gold, Inc., speaking at the company's annual meeting in Denver, stated that Royal had achieved its goal of becoming

certain seasonal permitting restrictions which preclude operation during the period from the end of November to April.

The mine has undertaken a

NATIONAL WESTERN MINING ASSOCIATION



FEBRUARY 17, 18, & 19, 1988
 Sheraton Denver Tech Center
 EXHIBITS & SESSIONS

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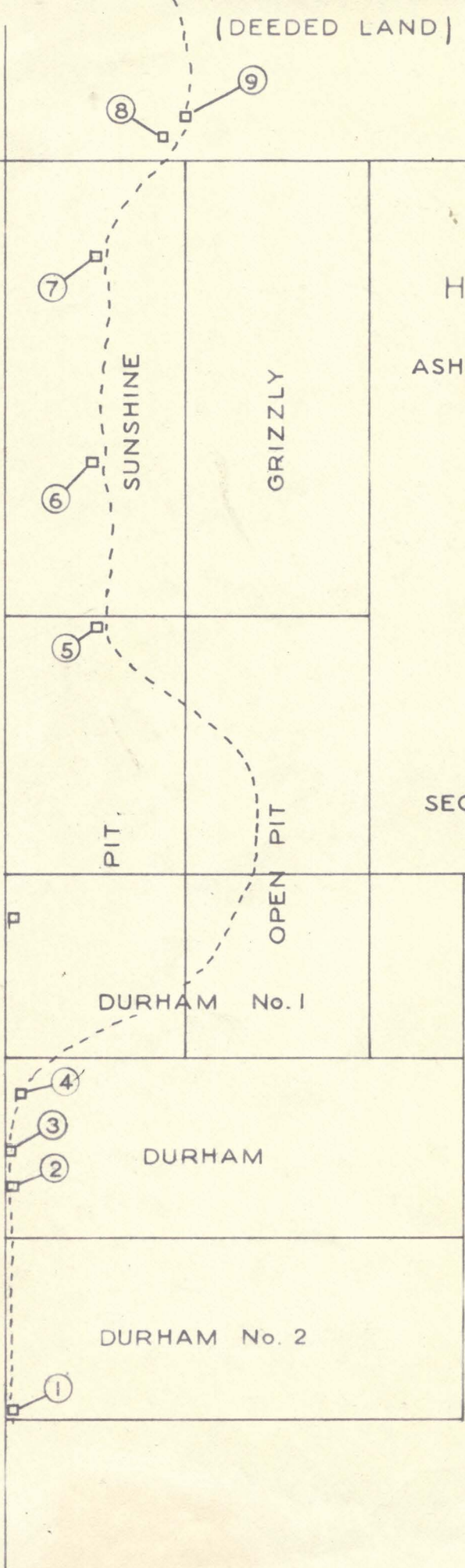
For more information contact
COLORADO MINING ASSOCIATION
 1500 Grant Street, Suite 330

(DEEDED LAND)

SEC. 4

Sketch Map of the
HAMISH BENTONITE PROPERTY
 Secs. 4 & 9, T.38 S. R.2 E.
 ASHLAND DISTRICT, JACKSON COUNTY, OREGON.

October 1948



SEC. 9

EXPLANATION

- cut
- ② Samples
- - - Access trail

H.D. Wolfe

(DEEDED LAND)

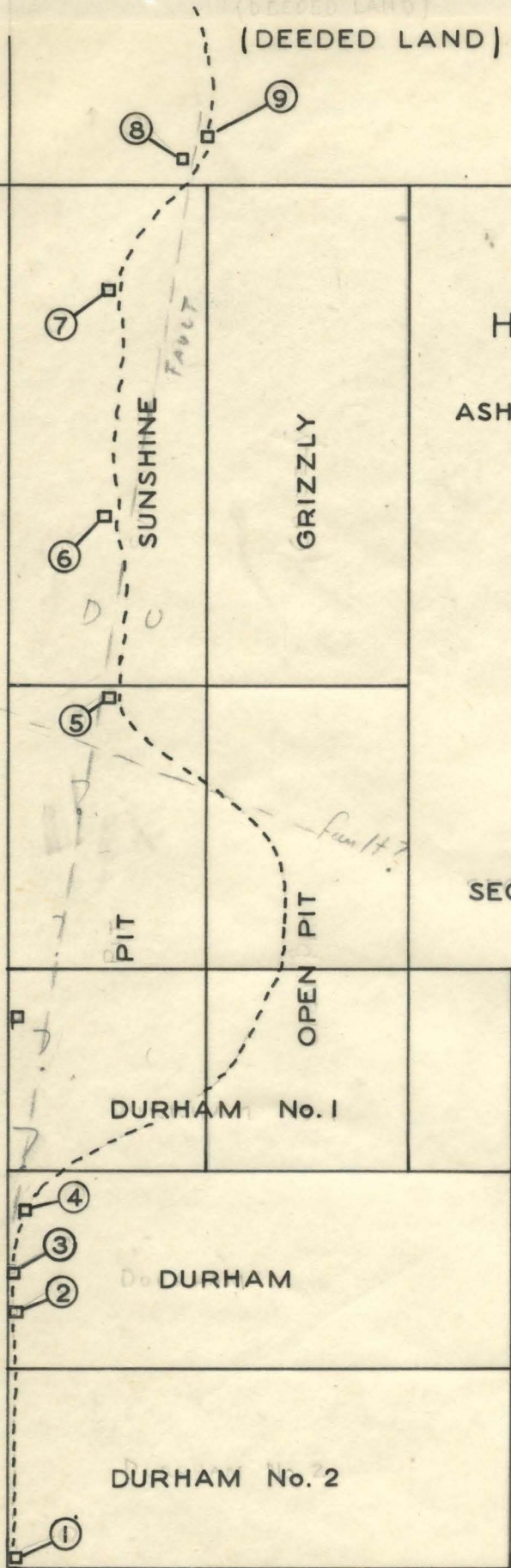
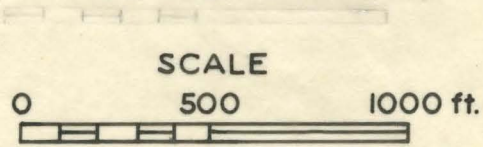
SEC. 4

Sketch Map of the HAMISH BENTONITE PROPERTY

Secs. 4 & 9, T.38S. R.2E.

ASHLAND DISTRICT, JACKSON COUNTY, OREGON.

October 1948



SEC. 9

EXPLANATION

- Pit cut
- ② Samples
- - - Access trail

H.D. Wolfe