

Sur American Gold advances exploration strategies

Sur American Gold Corp

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News Release

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COMPANY PLANS FOR MORE PRECIOUS METALS PROJECTS

Sur American Gold plans to substantially increase its exposure to precious metals whilst continuing to develop its key high-technology metals projects.

Precious metals strategy

As a result of a renewed interest in precious metals, the company is pursuing a number of options designed to increase shareholder value.

Firstly, the company announces that it has commenced "serious discussions" with an "offshore" mining company which holds rights to several potentially large precious and polymetallic projects in a country with a long-established mining history of world-class projects. Previous modern exploration including core drilling has established gold resources totalling several million ounces of gold.

The aim of the discussions and due diligence of the projects etc. is for Sur American Gold to acquire the entire portfolio of projects in return for a stock position in the company.

Secondly, in Colombia, the company owns three large epithermal gold projects viz. Mina Rica, Gavia and Loma Guerrero where exploration including geological mapping, geophysics, geochemical sampling and core drilling (at Mina Rica and Gavia) by the company has indicated the presence of large, potentially economic resources of gold mineralization. All the projects possess significant untested potential.

Of considerable significance is the recent election in Colombia of a new president, Mr. Uribe, who has vowed to take an aggressive stance towards achieving a cessation of the violence in the country. Should the new government succeed in its aims, the company will consider resumption of active exploration in this country.

Thirdly, the company is currently conducting a detailed review its large database of gold projects in the Western USA with a view to acquiring several key gold projects. The database consists of several thousand maps, books geological reports on more than 3,000 gold projects.

High-technology metals program

The company recently completed an extensive review of initial geological mapping and sampling results at its eight high-tech metals projects in Colorado, Arizona and New Mexico and has decided to immediately

commence phase 2 exploration at four of the projects:

Outpost project and Lower Jumbo projects, Arizona; and
Lithium and Opportunity projects, Colorado.

Excellent initial results were received from all four of these projects and importantly it is believed that tantalum mineralization predominantly occurs in the form of the mineral microlite which contains about 70 per cent tantalum. The mineral Microlite is particularly favourable because of its high tantalum content which should make any concentrated mineral product more commercially interesting.

Potentially economic widths and grades of tantalum were discovered at the Outpost project in Arizona (10 metres at 828 grams per tonne Ta₂O₅), at the nearby Lower Jumbo project (seven metres at 143 g/t Ta₂O₅ and eight metres at 390 g/t Ta₂O₅) and also at the Lithium and Opportunity projects in Colorado (six metres at 1,625 g/t Ta₂O₅ and five metres at 400 g/t Ta₂O₅).

In addition most of the four projects contain high concentrations of accessory minerals such as lithium (up to 1.21 per cent Li₂O), rubidium (up to 8,107 g/t Rb₂O) and caesium (1,474 g/t Cs₂O).

Importantly all four projects appear to possess similar mineralogical characteristics and if subsequent exploration is successful the ore may be able to be treated in one plant.

The company announces that during exploration of the company's Outpost project in Arizona gold mineralization in the form of stockworks and veins was discovered at several locations adjacent to the pegmatite system which hosts the tantalum mineralization.

Follow-up exploration in the form of geochemical surveys and trenching has already commenced at the above properties and results of this work will be advised in due course.