

Zinc Galvanizes Firestone Ventures

Zinc, Gold, and Uranium focus of summer work season

Overview

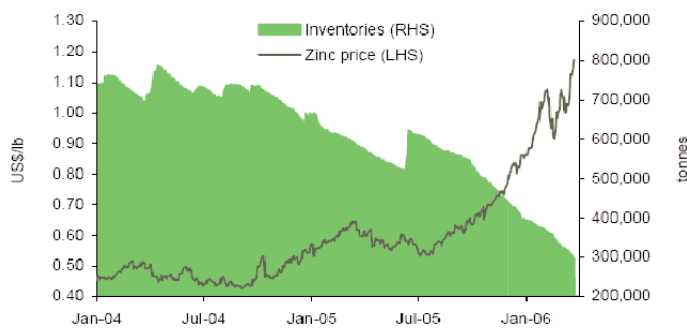
With a recent announcement of high-grade zinc (22 per cent over 33 metres) confirmed on its Torlon Hill zinc property in Guatemala, Firestone Ventures (TSX-V: FV) share price gapped up from \$0.40 level to well above \$0.60, and is holding those gains.

shaping up following Sherwood Copper's (TSX-V: SWC) announcement that it will move on mine development.

FV, which has uranium in addition to zinc and gold, now looks to be a well-diversified, well-structured junior exploration and development

company. It has around \$5.0 million cash on hand and, with Torlon Hill and Sonora Gulch both promising results in coming months, market

Exhibit 1. LME zinc price and inventory 2004-current



Source: Bloomberg

The market is clearly excited over the new results, and about the potential for more of the same in short order. FV has reported on only six of twenty-two holes in its current drill program.

attention is likely to remain focused on FV for some time to come.

Zinc may become "impossibly tight"

According to analysis from TD Securities, the LME cash zinc price has hit record highs of US\$1.50/lb. LME zinc inventories have dropped 96,725 tonnes year-to-date, or 24.6 per cent. LME zinc inventories have dropped,

The company also holds highly prospective gold-copper land in the southern Yukon, the Sonora Gulch Property, where an area play is



Firestone Ventures
TSX-V: FV

Shares OS: 36,212,052
FD: 55,017,454

#52 10203 - 178th Street
Edmonton, Alberta
Canada T5S 1M3

Website:
firestoneventures.com
Email:
info@firestoneventures.com

Investor Relations Contact:
Direct Tel: 888.221.5588

The zinc market is watching Xstrata's progress carefully. If the government of Australia's Northern Territory does not allow the project to proceed, the zinc market could move from being very tight to almost impossibly tight over the next several years.

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Also in April, the Mines Minister of Australia's Northern Territory told major zinc producer Xstrata to address environmental issues relating to its plans for the future of the McArthur River zinc/lead mine.

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Overall, barring a major and prolonged world recession, it's hard to see where prices for basic materials will soften. China alone, with "trimmed" annual growth rates of seven per cent for as far forward as realistic projections go, will need increasing volumes of just about everything to fill demand. If Chinese growth returns to 10 per cent annually, demand gets even stronger. Moreover, India is a huge market for raw materials, and is also forecast to grow quickly for the foreseeable future.

From a stock market perspective, players on the street have observed that it is only in recent months that retail investors have begun to return to resource equities, meaning that the market is far from frenzied and that there is at least one leg up remaining in resource stocks, and it may be a long one.

Investors can count on this phase of the market to bring junior exploration and development companies into play. Public interest means these companies have cash in the till and relatively low share prices. Ultimately, this is what investors want for their risk money—venture class returns in opportunities where downside can be accurately quantified and limited.

Junior base metal exploration and development companies now fit this profile, and the public is beginning to see it.

In our most recent special report, we profiled Jet Gold (TSX-V: JAU), which announced that they had acquired a coal property in northern British Columbia. At the time of the announcement, JAU traded at about \$0.10 per share.

Today, only three weeks down the path, JAU is holding above \$0.30.

To provide subscribers with some diversity, we are taking this opportunity to introduce Firestone Ventures (TSX-V: FV). FV holds highly prospective zinc, uranium and gold properties. Share prices, currently at \$0.67 have gapped up at the start of April and have held the gains on news that the company has encountered 33 metres of 22 per cent zinc at its Torlon Hill Property in Guatemala.

Torlon Hill Zinc

Company president Lori Walton conducted a great deal of research before taking operations international, and finally chose Guatemala for two primary reasons—local support for the project and security of tenure. She also saw the incredible geological potential of Guatemala and the fact it is grossly under-explored.

Walton struck a deal with the people who live in the area, twenty-five of whom were employed during the Torlon Hill drill program. As well, supplies and services were obtained locally. The company has set out to develop the property using the same environmental standards and social responsibility demanded of a company at work on a property located in Canada.

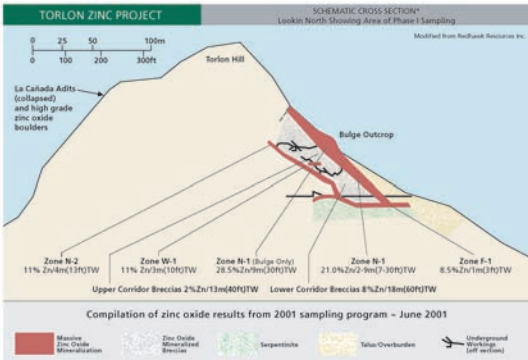
Thus far, it appears Walton's research was thorough and the company's approach to exploration and development in Guatemala has everybody satisfied, in particular financiers and shareholders who have backed the company.

FV has hired Watts, Griffis and McQuat Limited ("WGM") to conduct an independent



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While the April news on Torlon lit up the company's stock, the good news really is that this is only the start of a series of results expected from the company's drill program. Judging by the first set of results, investors still have much to look forward to. The company has completed a 22-hole, 1,500 metre drill program aimed at bringing resource calculations up to 43-101 compliance. So far, FV has released results from only six holes.



project review on the Torlon Hill zinc project and provide advice and recommendations to Firestone.

WGM is a Toronto-based firm of independent consulting geologists and engineers that has been serving the Canadian and international mining community for over 40 years with extensive expertise in many areas of mine development.

WGM, and in particular the Vice-President, Mr. Al Workman, has considerable oxide zinc experience from working on deposits in Yemen and Iran.

Based on their review, WGM stated in a news

release dated January 5, 2006 that the Torlon Hill represents a substantial, untested exploration target with good potential to develop into an economically viable deposit. Recommendations from WGM were integrated into the winter 2006 drill program.

WGM will be responsible for submitting a mini-bulk sample for preliminary metallurgical testing and they will also be responsible for preparing a preliminary 43-101 compliant resource estimate for the property.

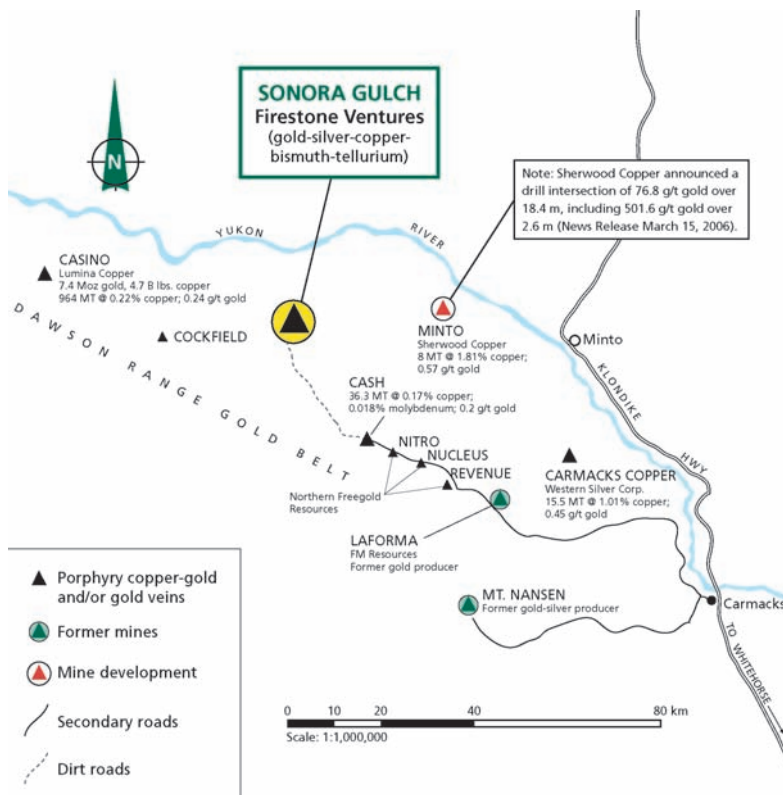
More News Coming

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The road-accessible Torlon Hill project sits 12 kilometres northwest of the city of Huehuetenango, situated on the Pan-American

During the 1970s and 1980s exploration included 26 drill holes that turned up as much as 18.9 g/t of gold, and trenching that produced values up to 62 g/t.

The property, located in the Dawson Range Gold Belt, has the possibility of hosting high-grade gold veins. Similar mineralization has been identified at the Pogo gold vein deposit (5.5 million ounces in vein systems) and at the bulk tonnage Ft. Knox (7.2 million ounces) near Fairbanks, Alaska.



Highway. The first modern exploration, conducted by Redhawk Resources and ZincOx Resources PLC, combined with subsequent exploration, has outlined zinc mineralization over a 100 meter by 700 meter area. Two zones identified (N-1 and N-2) show average zinc grades of 20.3 per cent and 11.2 per cent respectively. Zone N-1 also contains a high-grade section of 28.4 per cent zinc.

What it all amounts to, taking into consideration the first set of drill results from early April, is good potential for a commercial deposit that may be suitable for new, low-cost processing technologies.

The current FV program counts as the first time diamond drills have touched the property. With results from 16 holes outstanding, FV could be in for a major boost in coming weeks.

Yukon Area Play

A second, immediate value driver for FV, the drill season at the company's Sonora Gulch gold project, located in the southern Yukon Territory, is about to get underway.

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The property, located in the Dawson Range Gold Belt, has the possibility of hosting high-grade gold veins as well as bulk-mineable intrusion related gold like the Fort Knox deposit in Alaska and the Brewery Creek deposit in the Yukon.

A 40 km dirt and winter-road leads to the property, and FV plans to commence exploration work, including drilling, as the snows recede and dry conditions prevail.

With Sherwood Copper's (TSX-V: SWC) recent announcement that the company plans to proceed on its Minto copper-gold project following its news release of April 4 in which SWC reported very high mineralization values, and a number of highly prospective exploration programs nearby, the southern Yukon is now shaping up to be a noteworthy area play for this summer. Also worth noting is the fact that the Yukon government gives back 25 per cent of all exploration costs in the form of a refundable tax credit—so the cost of exploration is significantly offset.

Adding it all up, it is likely that market attention will now be more keenly focused on companies with properties in the region, including FV.

New Uranium

Firestone also owns an Alberta uranium property of the "roll front" variety. Smaller in size and lower grade than other uranium deposits, roll fronts are, however, often amenable to lower cost, in-situ recovery methods.

While this property and roll front exploration in southern Alberta remains early stage, longer term demand for U3O8 is expected to remain strong. Nuclear power generation, already used to generate 16 per cent of the world's electricity, is expected to grow as China, India, the United States and other regions of the world move to bring new nuclear facilities online. The supply gap in the market has been widely publicized and junior resource companies have gotten into the hunt for new sources. FV's Alberta Sun roll front property could be managed into a considerable asset going forward. Meanwhile, the property gives FV shareholders some prudent diversification.

The property has been unexplored since 1981 and FV's acquiring it kicked off a frenetic staking rush for uranium properties in southern Alberta starting in March, 2005. Earlier grab samples on the property returned values of 2,000 ppm uranium, 13 ppm molybdenum, and 78 ppm vanadium.

Firestone also holds a gold property near Williams Lake, British Columbia. In 2004, sampling confirmed a high-grade vein system. There have been samples up to 27 g/t gold, 431 g/t silver, and 13.55 per cent antimony (used in making semiconductors). The property is accessible by dirt road. FV is currently seeking a joint venture partner for further work on this property. Other than the surface sampling carried out by FV in 2004, the property has remained untouched since 1981.

FV has just completed a \$4.2 million financing at \$0.60. When completed, this will bring cash in the till up to well over \$5.0 million, more than enough to move aggressively on existing prospects and perhaps pick up more properties. Firestone has institutional support from Canada and Europe.

As is the case with any venture class investment, management is a key factor. Three of the

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company's four directors are geologists, and president Lori Walton has extensive mineral exploration experience, particularly in the Yukon.

Walton has also structured FV to operate on a minimal fixed-cost basis. At the same time she has met the current structural shortage of top-notch geological talent by hiring highly qualified consultants, and operating management on an focused, cost-effective basis—a smart way to go in this day and age.

Lori Walton, M.Sc., P. Geol., G.G.

Position: President, CEO, Director

L. Walton graduated from the University of Alberta with a MSc degree in Economic Geology in 1987 and also holds a Graduate Gemology degree from the Gemological Institute of America. She has managed mineral exploration programs, acquisitions and joint ventures in Canada and Central America. Before joining Firestone Ventures Inc., Ms. Walton worked as Senior Mineral Development Advisor for the Yukon government. She is a Professional Geologist with APEGGA and President of Tigerstar Geoscience, providing management and consulting services to the mining industry.

Ken Powell, DDS

Position: Chairman of the Board, Director

During the last twenty years, Ken Powell has been involved in venture capital projects and publicly trading companies, both as an investor and director.

Pamela Strand, M.Sc., P. Geol.

Position: Director

Ms. Strand worked as a geologist and in management positions for government and several mining companies before founding Shear Minerals Ltd. in 1997 with a focus on diamond and gold exploration. She has been the President and CEO of Shear Minerals Ltd. since 1997. She is a Professional Geologist with APEGGA, a Director of the NWT and Nunavut Chamber of Mines, Past President of the Edmonton Geological Society and Chairperson for the Student Liaison Committee for APEGGA and the University of Alberta. Ms. Strand is also currently a Director on several private companies such as GravelTech Inc. and 974134 NWT Ltd. Ms. Strand has a B.Sc. from the University of Toronto and a M.Sc. in Economic Geology from the University of Western Ontario.

John Kowalchuk

Position: Director

John has more than 36 years of mineral exploration experience with both senior and junior mining companies working in Canada, US, Mexico and Chile. He was District Geologist for Placer Dome for over 6 years and was instrumental in the discovery of several world class mineral deposits in Canada, including the Howard's Pass lead-zinc deposit on the Yukon/NWT border and the Kerr Copper Gold Deposit at Eskay Creek, BC. John has also served as officer and director for several junior mining companies, including Admiral Bay (ADB—TSXV) and is presently a director for Lions Gate Energy Ltd. (LG-TSXV), Gold Star Resources Corp (GXX-TSXV), Action Minerals Ltd (ATM-TSXV), Aries Resources Ltd. (AES-TSXV) and Orphan Boy Resources Ltd (ORS-TSXV).

Peter Aubry

Position: Advisor

For 30 years Mr. Aubry has been President of Aubry Consultants Ltd., a private resource consulting company. Mr. Aubry is also President of Bopete Resources Ltd. and Westcal Gas Ltd., both private oil and gas companies. During the period 1978 to 2000 he was co-founder and Director of two Toronto Stock Exchange listed junior oil and gas companies, Zephyr Resources Ltd. and Vero Resources Ltd. and served as Director of Pan Atlas Energy Inc., also a TSE listed junior oil and gas company. Most recently Mr. Aubry was Director of Golden Regent Resources Ltd., a junior mining company involved in exploration in Nevada and overseas.

Mr. Aubry graduated from Michigan Technological University in 1959 with a B.Sc. in Geology. In 1996, Mr. Aubry was inducted into the University's Distinguished Alumni Academy for Geological and Mining Engineering and Geology, Geological Sciences and Geophysics.

Carl Schulze, B.Sc., P.Geo.

Position: Consultant

Carl Schulze has over 20 years experience in mineral exploration and mining. He is a graduate of Lakehead University (B.Sc. 1984). Mr. Schulze has worked throughout Canada for Noranda Exploration Company Ltd., Hemlo Gold Mines Inc., Battle Mountain Ltd., Viceroy Exploration Inc. and Novagold

All in, FV looks to be a nice package of zinc, copper, gold and uranium properties with Canadian and international exposure, highly suitable for investors who want more than grass roots and are willing to accept phase two development risk.

Bottom line, this is a well-run company that could end up operating a substantial zinc mine as a base for further exploration and development. Beyond the raw prospect stage, FV still offers venture-class returns as equity migrates up market to long term and institutional holders.

Resources Inc. More recently, Mr. Schulze worked as Resident Geologist for the Government of Nunavut before founding All-Terrane Mineral Exploration Services based in Whitehorse, Yukon. Mr. Schulze is a member of the Association of Professional Engineers and Geoscientists of British Columbia and provides geological consulting services to Firestone Ventures Inc. as an independent "Qualified Person" as set out under NI 43-101.

Conclusion

FV's diversification, management team and approach, strong property holdings and good financial position form the underpinnings for advancing value. Against a backdrop of continued strong metals prices and long-term demand forecasts, Firestone Ventures is positioned to grow well into the future. In immediate weeks and months, market attention will be focused on the company's Torlon Hill zinc

project, as results are pending. As a kicker, the company's involvement in the southern Yukon as part of an evolving area play ought to create additional excitement.

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