

Memo to File

From: J.C. Stephen

Date: July 6, 1990

Re: Review of "Report on Hand Trenching, Geology and Geochemistry on the Quash Creek Property" NTS 104G/16W, by T.M. Delaney of Teck Explorations Limited, October, 1988.

The 1988 program consisted of prospecting, trenching, geochemical and rock sampling and geologic mapping.

Polymetallic sulphide mineralization is structurally controlled along northwest trending faults and shear zones. Gold mineralization in the Main Showing zone is exposed over a strike length of 90 m.

The claims are owned (1988) by Teck Corporation 90%, Consolidated Silver Standard (10%). Kappa Resources Corporation has the right to earn 50% of Teck's interest.

Review of this report is for listing purposes with Geonational Resources Inc. Modified grid claims transferred from Teck to Kappa Resources Corp. or successors are the QC 8, 11, 12, 13, 14.

Kappa wishes to retain the QC 8. Geonational may earn a commission by arranging sale of the other blocks individually or as a package. The claims are still registered in the name of Teck Explorations; a letter testifies to the transfer.

| <u>Claim Name</u> | <u>Units</u> | <u>Recorded</u> | <u>Record #</u> |
|-------------------|--------------|-----------------|-----------------|
| QC 11 | 8 | May 6/88 | 4567 |
| QC 12 | 16 | " | 4568 |
| QC 13 | 16 | " | 4569 |
| QC 14 | 16 | " | 4570 |

A porphyry copper occurrence is located in the QC 3 and 7 claims. It was explored by Conwest, Amoco, Silver Standard and Texasgulf. See text of report copied.

Work was conducted on QC 1, 2, 6, 9, 10.

No work of consequence was done on the QC 11-14 during the 1988 program.

Review of the data with this report indicates several anomalous areas and relatively small zones of significant mineralization.

Frank Evansham said Teck would be spending \$1M on the adjoining QC property. the data does not, in itself, appear to justify such expenditure.

Evansham also said Ascot Resources and Dryden Resources were spending \$4M. This should be investigated.

The particular claims available for sale/option have no direct supporting data.

J.C. Stephen visited Frank Evansham, Equity Pacific Capital Corp., July 4, 1990. They want GRI to present a proposal as to how this property could be sold or otherwise disposed of and at what price. They will retain QC 8 pending developments. Contact at Teck would be Bill Meyer.