

Open Grave area  
IDP "ZIG PROP"  
Pls review  
↓ return 9/24/15

826673

November 9, 1989

5th Floor  
164 Water Street  
Vancouver, B.C.  
V6B 1B5  
(604) 669-2251

Mr. A. Davidson  
Minnova Inc.  
4th Floor - 311 Water Street  
Vancouver, B.C.  
V6B 1B8

Dear Alex:

ASGS PROPERTY

As mentioned on the phone today, MineQuest has assembled a claim package covering an alkaline porphyry system with occurrences of copper and gold. We now seek an optionee to fund further exploration.

The claims were staked to cover certain features analogous to those at alkaline porphyry deposits elsewhere, including Mount Milligan;

- Alkaline diorite (manifested by a pronounced magnetic high) intruding Triassic volcanic rocks;
- A neighbouring porphyritic monzonite;
- Numerous occurrences of copper;
- Epidote alteration.

The ground appears to have been worked in a piece-meal fashion for many years. At no time has the main target, as now perceived, been systematically explored.

We believe the prime opportunity lies in the systematic exploration for a large tonnage of disseminated copper-gold (or gold-copper) in the vicinity of the diorite or monzonite intrusives. To this end the first program should involve routine exploration over the most promising areas. Although there is a drill hole on the property which in 1979 obtained 104 feet of 0.14% copper (not apparently assayed for gold), we believe it is important to avoid pursuit of this drill hole to the exclusion or to the postponement of systematic work.

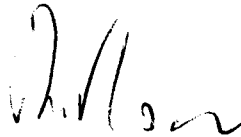
The two attached ("location concealed") maps show:

- 1) A compilation of what we believe to be the essential features, and;
- 2) Plan of proposed IP coverage.

We are showing this data to a limited number of companies. It is proposed that once agreement on terms (attached) is reached, your representative examine in detail the data assembled in the MineQuest Office.

We would prefer to do much of the routine grid work (including IP) in the near future in preparation for drilling next year.

Yours truly,

A handwritten signature in cursive script, appearing to read 'R.V. Longe', written in dark ink.

R.V. Longe

RVL/se  
Encls.  
MQ3

## ASGS PROPERTY

### Property Summary

Access: Excellent: The property is traversed by numerous logging roads.

Claims: 116 mgs units.

Owners: MineQuest and G. Vernon (100% is available for option).

Commodity: Copper - gold

Geology: Alkaline diorite plug with associated monzonite intruded into Triassic volcanic rocks.

#### Previous Work:

Geochemical soil sampling: 10.6 kilometres  
VLF: 29.75 kilometres  
Ground magnetometry: 43.70 kilometres  
IP: 8.95 kilometres  
Drill holes - two percussion drill holes,  
(four percussion holes were drilled without reaching bedrock. No gold analyses are reported from drill samples). One diamond drill hole is reported but no data are available. Other unrecorded holes are believed to have been drilled.

#### Recent History:

George Vernon, prospector, brought the opportunity to the attention of MineQuest which agreed to joint venture the project to the point at which it could be optioned to a third party.

#### Mineralization:

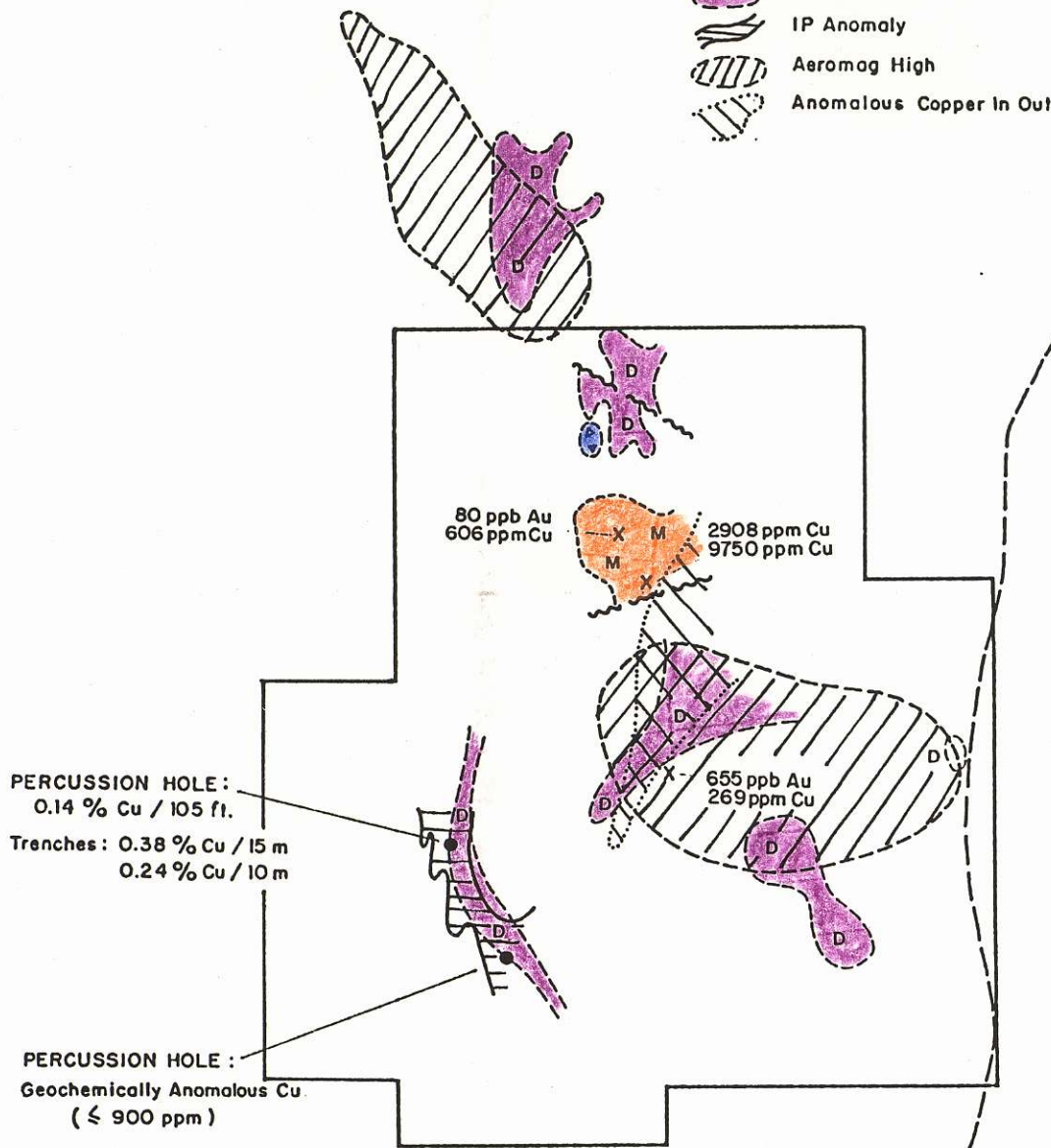
Numerous occurrences of anomalous copper in outcrop are reported. One (of two reported) drill holes intersected 105 feet of 0.14% Cu.

RVL/se  
November 1, 1989  
MQ3

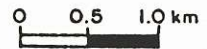
# ASGS PROPERTY

## LEGEND

- Monzonite
- Diorite Breccia
- Diorite
- IP Anomaly
- Aeromag High
- Anomalous Copper In Outcrop



(No Au Analyses for trenches  
or drillholes)



**GEOLOGICAL FEATURES OF COPPER-GOLD ALKALINE PORPHYRIES**

<u>TYPICAL DEPOSIT</u>	<u>MOUNT MILLIGAN</u>	<u>ASGS PROPERTY EXPLORATION TARGET</u>
Diorite-gabbro	/	/
Porphyritic monzonite	/	/
Intrusive breccia	/	/
K-Spar alteration	/	
Albitization	/	/
Propylitization	/	/
Copper	/	/
Gold	/	/

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**ASGS PROPERTY**

PROGRAM DESCRIPTION FOR FALL 1989

Objectives:

Milligan-type disseminated copper-gold.

Methods:

- 1) Prospecting to identify and locate (on 1:5,000 scale maps) all outcrops, and to locate and sample all former trenches, adits, etc.
- 2) Geological mapping to compile and tie together existing mapping, to complete gaps in such mapping and to identify alteration zones.
- 3) Line cutting to establish a baseline and winglines and to cut lines for reconnaissance IP program.
- 4) Reconnaissance IP at lines spaced 400 metres apart. (The Milligan orebody has dimensions of 2000 metres and is therefore theoretically detectable by a wide-spaced program such as this).

Estimated Cost:

\$150,000

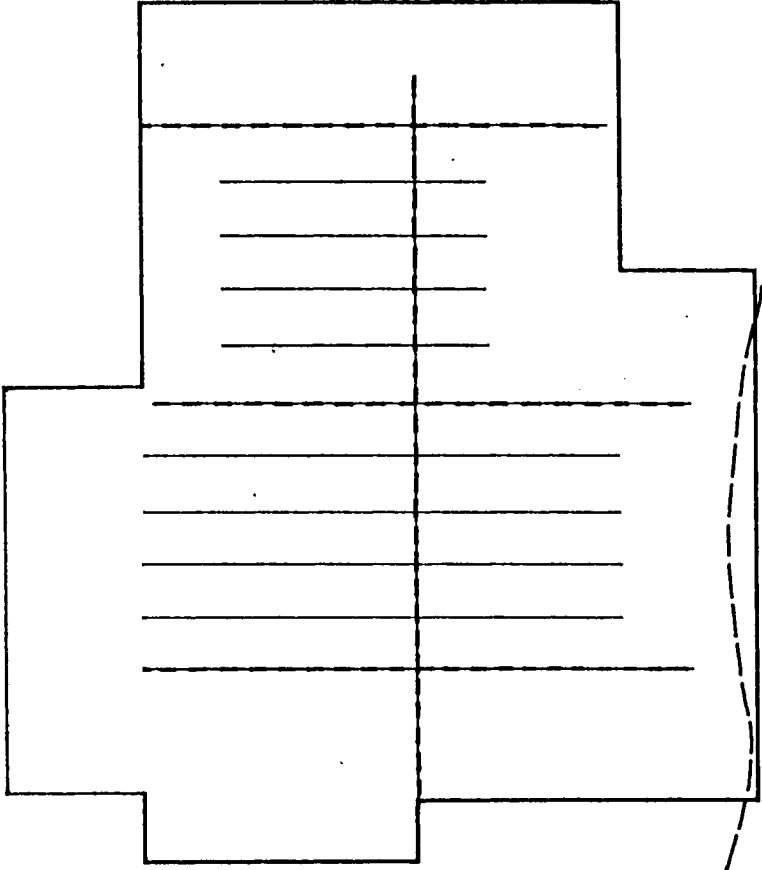
Period: November-December, 1989

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November 1, 1989

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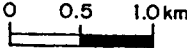
**PROPOSED WORK PROGRAM**

- IP Survey
- Prospecting
- Geological mapping
- Soil Geochemistry (orientation survey)
- Line cutting



**LEGEND**

- Surveyed lines
- IP lines



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COST ESTIMATE SUMMARY

1.	<u>Fees, salaries and wages</u>		
	Geologist and Supervisor	21,350	
	Prospector/Crew Chief	11,750	
	Field Crew	22,000	
	External Consultants	2,000	
	Casual	780	
		<hr/>	57,880
2.	<u>Travel and transport</u>		5,994
3.	<u>Subcontract</u>		
	Geophysics		37,400
4.	<u>Rentals</u>		440
5.	<u>Materials and supplies</u>		15,762
6.	<u>Analyses</u>		11,550
7.	<u>Deposits, option and renewal fees</u>		1,144
8.	<u>Communications</u>		440
9.	<u>Drafting, reprographics, reporting</u>		7,502
			<hr/>
			138,112
			<hr/> <hr/>
		allow:	150,000

Estimate prepared by R.V. Longe  
DATE: November 1, 1989  
MQ3



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T E R M S

	<u>CASH AT START OF PERIOD</u>	<u>WORK TO BE COMPLETED BY END OF PERIOD</u>
On Signing	\$ 15,000	\$ 150,000*
March 1990	\$ 15,000	\$ 250,000
Start of Year 2	\$ 30,000	\$ 300,000†
3	\$ 35,000 §	\$ 400,000†
4	\$ 40,000 §	\$ 500,000†
5	\$ 50,000 §	
6+	\$ 50,000 §	

\* target identification - no drilling

† expenditures may be reduced to claim maintenance costs by doubling cash payments

§ inflation indexed

- 
- Option to purchase 100% (subject to 10% NPI) can be exercised at any time for \$1,000,000 §
  - Exploration work for first five years to be by MineQuest
  - 1989 program to be designed by MineQuest in consultation with Optionee. Subsequent programs to be designed by optionee in consultation with MineQuest.