

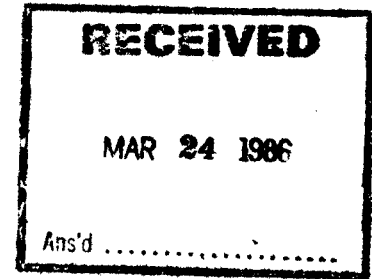
QUEST CANADA

EXPLORATION
SERVICES INC.

#302 Shelly Building, 119 West Pender Street, Vancouver, British Columbia V6B 1S5 (604) 681-9362

File 921

826906



TO: MR. ALEX DAVIDSON
CORPORATION FALCONBRIDGE COPPER
6415 - 64th Street, Delta, B.C.
V4K 4E2

MARCH 19 1986

RE: Proposal for a joint venture exploration program on the Genesis claim groups located near Cache Creek B.C. in the Kamloops Mining Division.

Dear Alex;

Quest Canada Exploration Services Inc. (formerly Spirex Geoservices Ltd) conducted a prospecting survey over the 280 unit Genesis property during August 1985. The survey confirmed the presence of the felsic volcanics as shown on the G.S.C. Open File 980. However the aerial extent of the felsic volcanic rocks in the northern half of the property is considerably larger than that shown on the Open File 980 geological map. The felsic volcanics located in the southern claim area are often highly pyritic. Significant alteration assemblages consisting of pyrite, sericite, kaolinite ± magnetite were discovered throughout these felsic rocks.

As a result of the prospecting survey the property will be divided into two groups, namely the Genesis North and the Genesis South Groups. The Genesis North Group will consist of 99 units made up of the following claims; Genesis 11,12,13,14,15 and 17 with record numbers of 6202,6203,6204,6205,6206 and 6208. The Genesis South Group will consist of 83 units including the following claims; Genesis 2,3,4,5 and 6 with record numbers 6193,6194,6195, 6196 and 6197. All the claims in both groups have an anniversary date of May 10.

The Joint Venture Proposal submitted for your attention is as follows:

- 1) Quest Canada Exploration Services Inc. would Establish a field camp on the property during April 1986.
- 2) Quest Canada would conduct linecutting, geological mapping, VLF-EM and proton magnetometer geophysical surveying and collect approximately 1750 soil samples.
- 3) All geophysical instruments, misc. field tools, small survey instruments, camp gear and accomodation would be supplied by Quest Canada.
- 4) Personnel for the exploration program would be supplied by Quest Canada. (However, a representative of the Joint Venture Partner would be welcomed on the field program)
- 5) Joint Venture Partner would cover costs for food, fuel and misc. field supplies such as flagging tape, soil sample bags, pickets, etc.
- 6) Joint Venture Partner would cover the cost of analysis for the soil samples and any rock samples collected during mapping.
- 7) Joint Venture Partner would earn a 50% interest in the property for funding the program as noted above.
- 8) If the results of the program are encouraging the Joint Ventuer Partner would have the right to option the property. Terms of the option would grant your company an 80% interest in the property by;
 - a) reimbursing Quest Canada for its costs of staking and exploration to date. (these costs are estimated to be \$ 25,000 and will cover costs for staking, recording fees, prospecting and Quest Canada's portion of the current program proposed here.)
 - b) making a yearly option payment of \$ 5,000 to Quest Canada commencing one year after signing

the option agreement.

- c) a schedual of work commitments to be negotiated prior to signing option agreement.

The proposal presented above includes both the Genesis North and the Genesis South Groups. However, either of these two groups would stand nicely on their own as a seperate property.

The estimated cost for a joint venture on one or both of these groups is presented in an estimate of costs encolsed with this proposal.

We have a suite of rock samples collected during the prospecting survey as well as a sample location map showing reconnaissance geology.

If your company is interested in this proposal please call me at the number noted above.

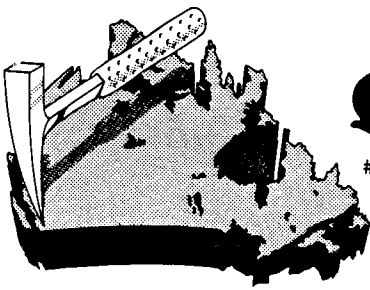
I will be following up this proposal with a telephone call shortly.

Thank you for your attention.

Sincerely
Quest Canada Exploration Services Inc.

per: 

Ralph Shearing, P.Geol.
President



QUEST CANADA EXPLORATION SERVICES INC.

#302 Shelly Building, 119 West Pender Street, Vancouver, British Columbia V6B 1S5 (604) 681-9362

-COST ESTIMATE-

RE: Preliminary geological exploration on the Genesis North and South Claim Groups, located near Cache Creek in the Kamloops Mining Division, B.C.

Genesis South Group (83 units)

Exploration to consist of approximately 45km of linecutting proton magnetometer and VLF-EM geophysical surveying and collecting 800 soil samples.

Personnel

Linecutting - hip chained, slope corrected, blazed, flagged and picketed. 2.5 km per man per day - 18 days @ \$150.00 per day	\$ 2700.00
Soil sampling 60 samples per day - 13 days @ \$ 150.00 per day	1950.00
VLF-EM Survey 5km line per day - 8 days @ \$ 150.00 per day	1200.00
Proton Magnetometer Survey 7 km line per day - 7 days @ \$150.00 per day	1050.00
Geological Survey Geologist 7 days @ \$ 200.00 per day	1400.00
Accomodation - 5 person field camp - 7 days @ \$ 50.00 per day	350.00
Vehicle - 4 X 4 pick-up - 7 days @ \$ 35.00 per day	245.00

Geophysical Equipment Rental		
EM-16 1 week rental	\$	200.00
GM-122 mag 1 week rental		<u>200.00</u>

Estimated cost to Quest Canada for work on the Genesis South Group.	<u>sub-total</u>	\$ <u>9295.00</u>
---	------------------	-------------------

Meals - 53 crew days @ \$ 25.00 per day	1325.00
---	---------

Fuel	500.00
------------	--------

Analysis		
800 soil samples for Cu,Pb,Zn,Au,Ag @ \$ 13.00/sample ..		10400.00
50 rock geochem @ \$ 14.00 per sample		700.00

Misc Field Supplies

850 soil sample bags @ 15¢ per bag	127.50
20 rolls hip chain thread @ \$ 3.50 per roll	70.00
900 pickets	130.00
80 rolls flagging tape @ \$ 1.50 per roll	120.00
plastic rock sample bags	30.00
40 soil sample note books @ \$ 1.55 per book	62.00
batties for mag and EM-16	40.00
propane for camp	50.00
misc.	<u>200.00</u>

Estimated cost to Joint Venture Partner for exploration work on the Genesis South Group	<u>sub-total</u>	\$ <u>13754.00</u>
--	------------------	--------------------

Total estimated cost of preliminary exploration on the Genesis South Group		\$ 23049.00
---	--	-------------

Genesis North Group (99 units)

Exploration to consist of approximately 40 km linecutting, proton magnetometer and VLF-EM geophysical surveying and collecting 925 soil samples. Two separate grids will be established. One to cover an area containing a strong Zn soil geochemical anomaly. The other is to cover an area underlain by felsic volcanics intercalated with mafic volcanics and sediments.

Personnel

Linecutting - hip chained, slope corrected, blazzed, flagged and picketed.	
2.5 km per man per day - 16 man days @ \$ 150.00/day	\$ 2400.00
Soil Sampling - 925 soils - 60 samples /man/day - 15 man days @ \$ 150.00/day	2250.00
VLF Survey 5 km per day per operator 7 days @ \$ 150.00/day	1050.00
Proton Magnetometer Survey 7 km per day per operator 6 days @ \$ 150.00/day	900.00
Geological Survey 1 geologist 8 days @ \$ 200.00 per day	1600.00
Accomodation 5 person field camp @ \$ 50.00/day - 8 days-	400.00
Vehicle - 4 X 4 pick-up rental- 8 days @ \$ 35.00 per day	245.00
Geophysical Equipment	
EM-16 VLF instrument 8 days	228.00
GM-122 proton Magnetometer 8 days	<u>228.00</u>
Estimated cost to Quest Canada for exploration program on the Genesis North Group	<u>sub-total 9301.00</u>

Meals	52 crew days @ \$ 25.00 per man per day	\$ 1300.00
Fuel	500.00
Analysis		
	925 soil samples analyzed for Cu,Pb,Zn,Au,Ag. \$ 13.00 per sample	12025.00
	50 rock geochem @ \$ 14.00 per sample	700.00
Misc Field Supplies		
	1000 soil sample bags @ 15¢ per bag	150.00
	1000 pickets	150.00
	20 rolls hip chain thread	70.00
	70 rolls flagging tape	105.00
	100 plastic rock sample bags	30.00
	50 soil sample note books	77.50
	propane for camp	50.00
	misc.	<u>200.00</u>

Estimated cost to Joint Venture Partner for preliminary exploration on the Genesis North Groupsub-total \$ 15375.50

Total estimated cost of preliminary exploration on the Genesis North Group \$ 24658.50

IN SUMMARY

Genesis South Group

Estimated cost to Quest Canada	\$ 9295.00
Estimated cost to Joint Venture Partner	<u>13754.00</u>
Estimated total cost of program	\$ 23049.00

Genesis North Group

Estimated cost to Quest Canada	\$ 9301.00
Estimated cost to Joint Venture Partner	<u>15357.50</u>
Estimated total cost of program	\$ 24658.50

Both Genesis North and South Groups

Estimated cost to Quest Canada	\$ 18596.00
Estimated cost to Joint Venture Pantner	<u>\$ 29111.00</u>
<u>Estimated total cost of both programs</u>	<u>\$ 47707.00</u>

Respectfully Submitted
Quest Canada Exploration Services Inc.

per: *Ralph Shearing*

Ralph Shearing, P.Geol.
President