

PROPERTY DESCRIPTION

Name: CHURN CREEK

Property size: 21 claims, 319 units

Location: Southern Chilcotin, 90 km SSW of Williams Lake
(NTS map sheet 92-O/7E, 8W)

Access: Access is by gravel road from Williams Lake or from Clinton. The road on the property is muddy and often requires 4-wheel drive.

Terrain: Relief on the claims is moderate except for a cliff near the western boundary near Churn Creek.

History: The claims were staked for the GoldQuest I Limited Partnership as a result of anomalous gold and arsenic in heavy mineral concentrates from stream sediments. This sampling was part of an extensive program covering a large area west of the Fraser River north of Lilloet.

Target: The claims are promising for two types of gold deposit: disseminations in porous sediments and tuffs, mineable by open pit methods; and gold and silver-bearing quartz veins such as those at Blackdome, mineable underground.

Work to date: Most exploration to date has been on the western part of the claims where the potential is mainly for a disseminated type of deposit. Work has included geological mapping, prospecting, and soil and rock sampling. On the eastern part of the claims where the potential is mostly for Blackdome-type veins, little work has been done except preliminary soil sampling and reconnaissance VLF surveys.

Owner: GoldQuest I Limited Partnership.

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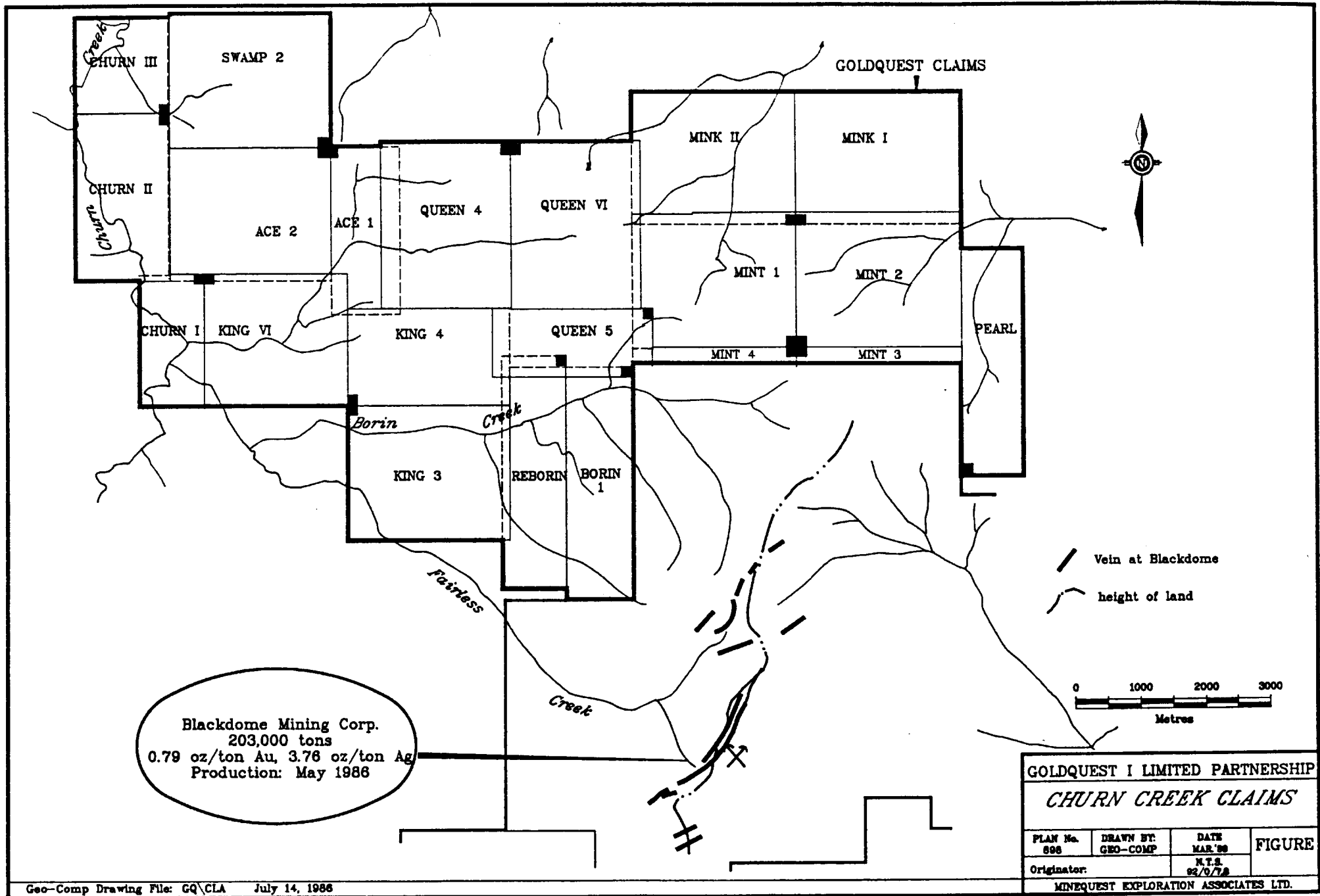
Exploration program proposed for 1986:

On the eastern claims: soil sampling, prospecting, magnetometry and VLF-EM, geological mapping, and (towards the end of the season) trenching. Drilling in 1987. On the western claims: detailed geochemistry to pursue geochemical anomalies already established, prospecting, magnetometry and VLF-EM, and trenching. Drilling most likely in 1987.

Comment:

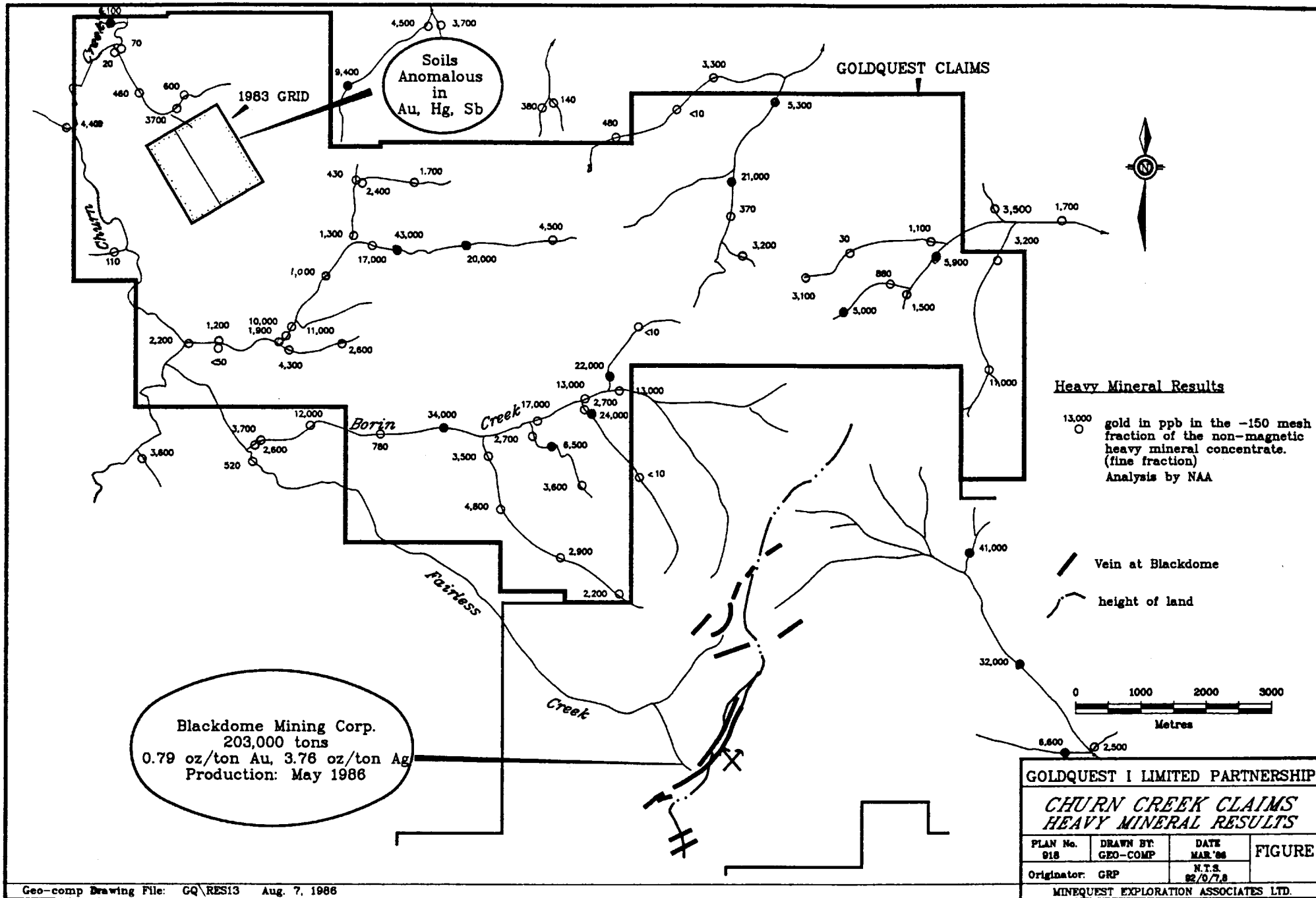
The claims adjoin the Blackdome Mining Corp. property, where commercial production at a rate of 200 tons per day began in May 1986. Blackdome is projected to produce 40,000 oz of gold and 220,000 oz of silver annually. This proximity, coupled with favourable geology and geochemical responses, make the claims an attractive exploration target. The property could be subdivided into two or three blocks for option purposes.

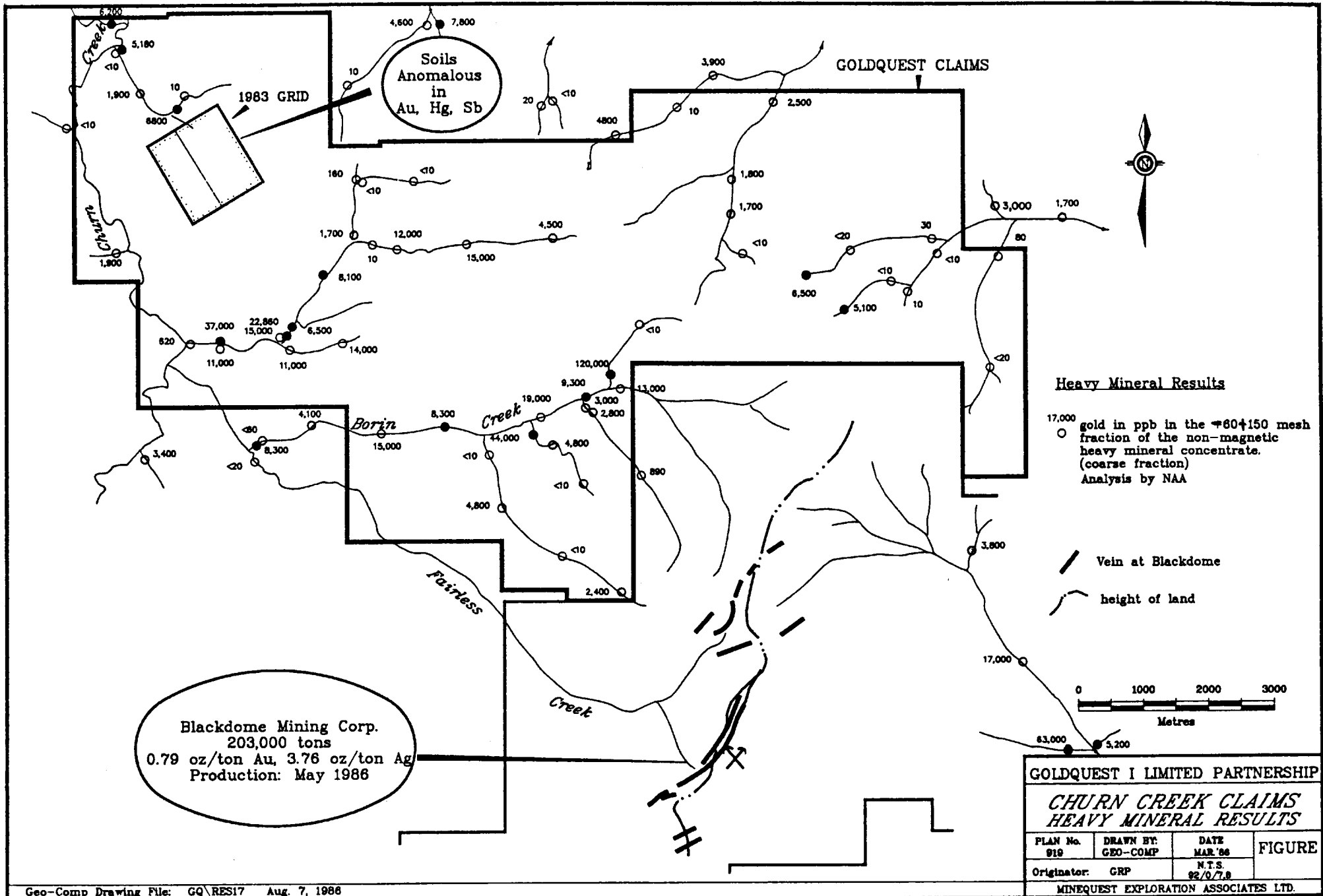
CHURN CREEK
RS207
Jul86

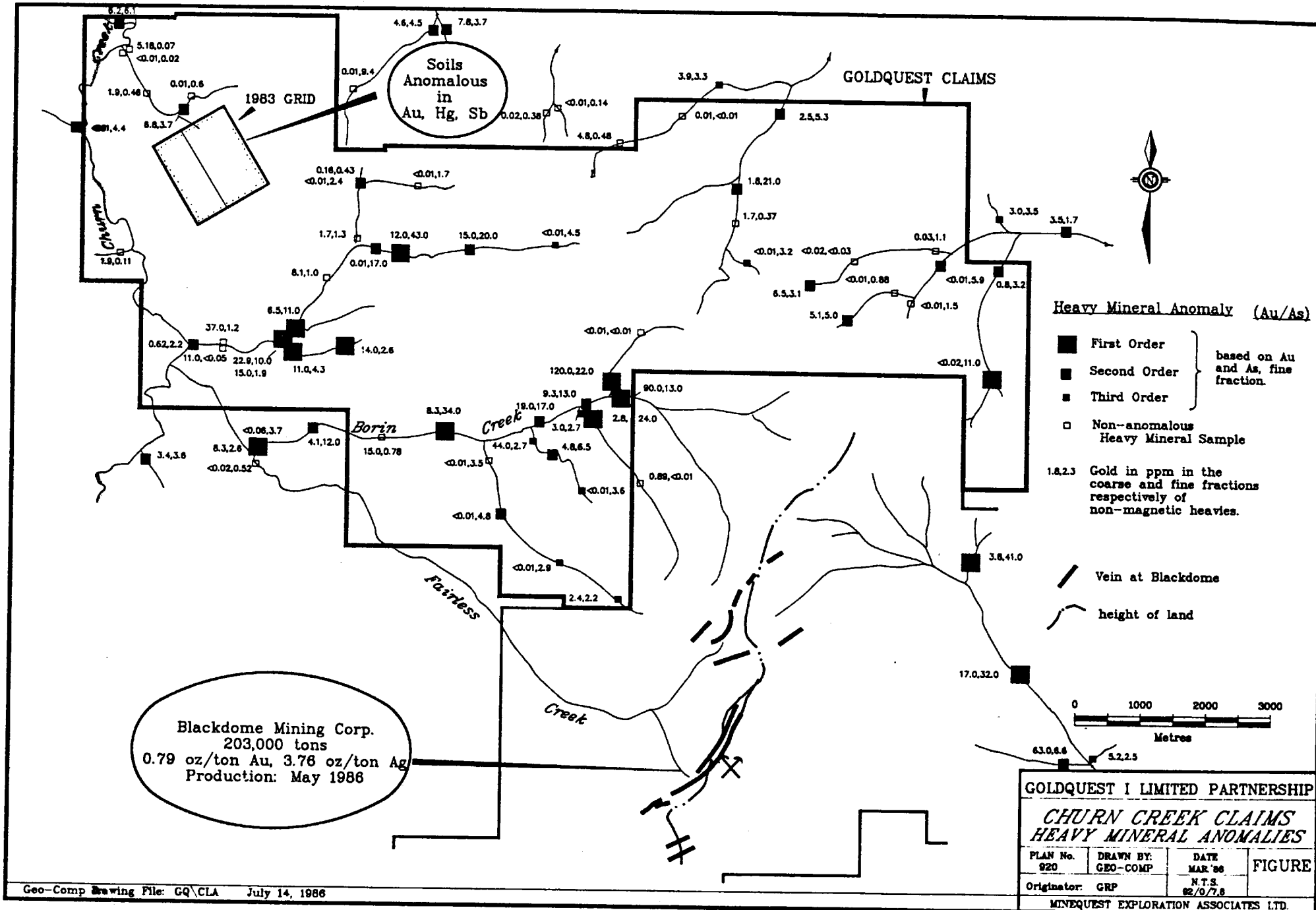


Blackdome Mining Corp.
 203,000 tons
 0.79 oz/ton Au, 3.76 oz/ton Ag
 Production: May 1988

GOLDQUEST I LIMITED PARTNERSHIP			
CHURN CREEK CLAIMS			
PLAN No. 898	DRAWN BY: GEO-COMP	DATE MAR '88	FIGURE
Originator:		N.T.S. 92/9/78	
MINEQUEST EXPLORATION ASSOCIATES LTD.			







Soils Anomalous in Au, Hg, Sb

GOLDQUEST CLAIMS

1983 GRID

Churn Creek

Borin Creek

Fairless Creek

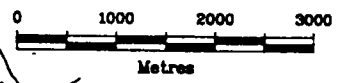
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Heavy Mineral Anomaly (Au/As)

- First Order
 - Second Order
 - Third Order
 - Non-anomalous Heavy Mineral Sample
- 1.2.2 Gold in ppm in the coarse and fine fractions respectively of non-magnetic heavies.

--- Vein at Blackdome
- - - height of land



GOLDQUEST I LIMITED PARTNERSHIP			
<i>CHURN CREEK CLAIMS HEAVY MINERAL ANOMALIES</i>			
PLAN No. 920	DRAWN BY: GEO-COMP	DATE MAR '86	FIGURE
Originator: GRP		N.T.S.	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

CHURN CREEK PROPERTY TERMS

<u>Date</u>	<u>Payment Schedule</u>		<u>Must Have Expended (Cumul.)</u>		<u>Make Firm Commitment to Additional Sum to be Expended by Date Given</u>
	<u>Option 1</u>	<u>Option 2</u>	<u>Option 1</u>	<u>Option 2</u>	
on signing	0				50,000 by Dec 31, 1986
Dec 31, 1986	5,000		75,000		75,000 by Aug 1, 1987
Aug 1, 1987	5,000		150,000		
Dec 31, 1987	15,000		200,000		150,000 by Aug 1, 1988
Aug 1, 1988	15,000		400,000		
Aug 1, 1988	elect to continue on reduced (Option 1) or total (Option 2) property				
Dec 31, 1988	15,000	25,000	450,000	500,000	
Dec 31, 1988	earn 51% interest, form joint venture. GQ has 90 days to decide to contribute or the following happens:				
Dec 31, 1989	30,000	50,000	750,000	900,000	
Dec 31, 1990	<u>65,000</u>	<u>110,000</u>	1,500,000	1,800,000	
TOTAL	150,000	225,000			
Dec 31, 1990	earn 75% interest in joint venture. Following this, dilution for either party pro-rata from a deemed expenditure base of \$2,000,000 or \$2,400,000 plus expenditures after earning 75%. IF GQ is diluted below 10%, reverts to 5% n.s.r. royalty.				

MineQuest Exploration Associates Ltd. to manage program at least to Dec 31, 1990.