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Cottonbelt
News Release

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FUNDING OF 1996 EXPLORATION PROGRAMS

VANCOUVER, February 26, 1996 - CanQuest Resource Corporation is pleased to announce that it has signed a Fiscal Agency Agreement with IBK Capital Corp. of Toronto, Ontario. Under the terms of the agreement, IBK will endeavour to secure, on terms and conditions acceptable to CanQuest, an offering on a private placement basis of up to C\$3.3 million of common shares or some other acceptable financing arrangement. This agreement shall be subject to approval of the Vancouver Stock Exchange.

IBK Capital Corp. is a prominent, independent, privately owned investment banking firm which offers a full range of services to both senior and emerging mining companies. Since January 1994, IBK Capital Corp. has raised nearly C\$200 million in equity-related funding for junior mining clients.

Proceeds of the funding will be used by CanQuest to:

- a) initiate a major drilling program at its 100% owned, 52 square kilometre (20 sq. mile) **Microgold** epithermal/bonanza vein gold project near Kamloops, B.C.;
- b) renew drilling at its 100% owned, 104 square kilometre (40 sq. miles) **Cottonbelt** polymetallic base/precious metals project near Revelstoke, B.C.;
- c) provide a reserve for general corporate purposes.

At the **Microgold** project, thick, flat-lying, gold-bearing siliceous horizons, are presently known to encompass a minimum area of nearly 8 square km and possibly as much as 15 square kilometres on surface and at shallow depths on the property. Within these areas are numerous zones of intense alteration, brecciation, and steeply dipping veins and faults. One or more of these fault systems may represent deep-rooted bonanza-vein feeder systems for the surface and shallow gold mineralization on the property. CanQuest intends to probe these steeply-dipping veins and fault systems as a major priority of the exploration program. Drilling to enlarge the zones of surface and shallow mineralization will also be conducted as part of the program. A significant number of surface grab samples taken over an extensive area of the central portion of the property, have returned potentially economic gold values ranging from 0.01 oz. to 0.69 oz. per tonne.

At the **Cottonbelt** project, drilling will resume to further probe the 18 km long folded, stratiform structure (the Mt. Grace syncline) that transects the property, and wherein occurs extensive copper, lead, zinc, and silver mineralization in at least three, and possibly more horizons. To date, surface mineralization has been traced in these horizons over a total distance of over 8 km. The next phase of the exploration program will target an area to the north of the zone drilled in the fall of 1995, and where it is postulated that the important axial trough (hinge) of the synclinal structure may be accessed by diamond drilling. The numerous, large geophysical anomalies that occur on other areas of the property will also be explored by diamond drilling. In particular, a very strong anomaly that may represent the hinge of an anticlinal structure to the west of the Mt. Grace syncline will be drilled this coming summer. It is in the hinge areas of such folded structures where significant concentrations of mineralization are often localized.

John Bissett
President

Ian de W. Semple
Executive Vice-President

The Vancouver Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Stock symbol **CQ (V)**.