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Tom Schwetz
PDA 2000
→ Magnolia

CanQuest Resource Corporation

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MANAGEMENT

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CANQUEST RESOURCE CORPORATION

Corporate Profile

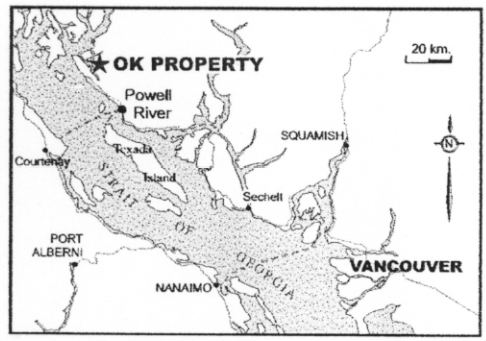
HIGHLIGHTS

- CanQuest has a 100% interest in **three large**, advanced precious metals and poly-metallic base metal properties, plus an option to purchase a 100% interest in a fourth such property. One or more of these projects could be at a **pre-feasibility stage within 2 years**.
- All the properties are located in southern British Columbia and are accessible by road (no high cost logistics). With one partial exception, the properties are non-seasonal.
- Three of the properties have **major tonnage potential**: two have existing reserves.
- Excepting one prospect where trenching is planned, all the projects are at the drilling stage.
- All the properties are in areas with existing commercial activity; **none** are in provincial parks, aboriginal reserves or designated areas of land use study.
- The Company has experienced, competent **management** and a **sound** shareholder base that includes a number of Canadian and international investment institutions.
- The majority of foreseeable exploration funding will be used to advance the status of the **OK Project**.

THE PROPERTIES

OK PROPERTY

The Company's flagship OK Property is a large, porphyry-type copper-molybdenum-silver-(gold) open-pit prospect in an intermediate stage of exploration. A production pre-feasibility stage of development could be reached within eighteen months.



Located on a rolling plateau overlooking the Strait of Georgia, this 10 x 4 km property is situated on tidewater 25 km northwest of, and connected by road to, the town of Powell River, B.C., which in turn is located 120 km north of Vancouver. As a consequence of over 20 years of logging activities on the property, road development on the claims themselves is considerable, although in many cases requiring varying degrees of rehabilitation.

At an annual cost of $20,000, CanQuest has an option to purchase the OK claims for $2,000,000 using funds from production revenue at the rate of $0.10 per ton of ore delivered to the treatment plant.

Prior drilling over portions of the property between 1966 and 1982 has partially outlined a number of loosely identified zones of mineralization in altered granodiorite at the periphery of a central quartz feldspar porphyry intrusion ('QFP') which is approximately 500m wide and 5 km long.

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MAGNOLIA PROPERTY (TEXADA ISLAND)

This 100% owned property adjoins the former magnetite-copper-gold producing mines of Texada Iron Mines. Aerial geophysics, geochemistry, and prospecting have outlined on the property a number of areas conducive to skarn-type copper-gold mineralization or quartz-flooded brecciated structures containing high-grade gold mineralization. Two mineral skarn occurrences will be trenched and hopefully connected for continuity prior to drill testing. Grab samples from these occurrences have assayed as high as 8% copper and 0.258 oz/mt gold. A number of other anomalous areas on the property will also be followed up.

MICROGOLD PROJECT UPDATE

A recent exploration program carried out over a limited portion of CanQuest's 20 square mile (52 square kilometre) Microgold gold property by two of the Company's consultants focused on several prime objectives:

1) to confirm the previous work done in the Kullagh Lake area by BP Minerals;
2) to confirm that the resistivity anomalies that were measured in an aerial geophysical survey done for CanQuest, and which occur over widespread areas to the west of Kullagh Lake, were reflective of an additional epithermal environment conducive to gold deposition;
3) to define targets for a major drill program to be initiated on the property by CanQuest. A secondary program of sampling for fluid inclusion studies was also completed.

The results of this field program have fully met these objectives. The Kullagh Lake area has been confirmed as an area with widespread surface gold mineralization occurring in an epithermal depositional environment. Earlier work in this area had seen 368 rock chip samples collected for assay. The results of these assays defined a large zone of highly anomalous gold mineralization. Subsequent re-sampling of this zone on an intermittent but representative basis by CanQuest has confirmed these anomalous results, with gold assays ranging as high as 8.12 g/t (0.237 oz/t).

Limited work in the West Zone area has defined a large, but still not fully delimited zone of faulting, brecciation, siliceous and carbonaceous alteration, and associated epithermal veining and gold mineralization. Rock chip sampling in this area returned a large number of anomalous gold values, ranging up to 4.1 g/t (0.132 oz/t).

This area, not fully delimited, returned anomalous gold values from a siliceous epithermal vein system within brecciated volcanics, and just north of a sinuous fault that bounds a geophysical aeromagnetic "high" (heat source?) to the south and an anomalous resistivity "high" (siliceous alteration and veining) to the north. This area is also proximate to an important steeply dipping, north-south and northeast trending fault system that may lead to a heat source and high-grade gold mineralization.

Aside from, and even including some of the West Zone, much of the areas defined by geophysical resistivity anomalies to the west, southwest and northwest of Kullagh Lake have yet to be examined in detail for their economic gold mineralization potential. However, in conjunction with an equal area of high resistivity geophysical anomalies, approximately 7.5 square kilometres of gold-prone, heavily siliceous, and in many cases brecciated rock, have to date been identified on surface, covering the Kullagh Lake Zone and West Zone on the Microgold property. An additional minimum of 5.5 square kilometres of resistivity anomalies, many of them still "open" to the west, are presently known to represent in major part, areas of similarly siliceous rock on the property, but which have not yet been properly investigated.