

Tom Schuett  
PDA 2000  
→ Microgold



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## The Company

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Director

## 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**.

June 17/02  
John Kowalchuk  
- recommend to  
Admiral Bay  
\$ 50k drilling prog.

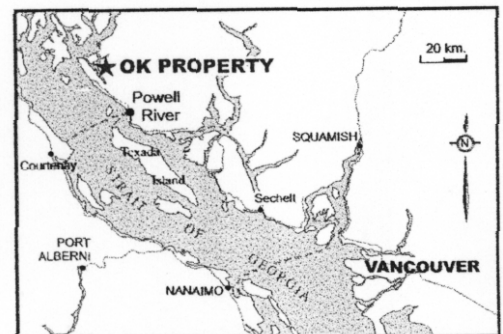
## THE PROPERTIES



### 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.

Shallow underground workings developed as part of a then remote, high grade lead-silver project early this century, on a very small area now enveloped by the present property, established a reserve of 725,000 mt of 5% lead, 6% zinc, and 50 grams silver/mt. The separate copper horizon the northeast limb of the fold is known to assay up to 4% copper along its presently defined 2.4 km length.

Observation has been made of the striking similarity between the Cottonbelt mineralization and that of the famous Broken Hill deposit in Australia, with such similarities extending to age and tectonic setting, metamorphic grade, mineral assemblage and the impressively persistent and lengthy surface mineralization. Similarly, on the Cottonbelt property, potential thickening of mineralization in the fold limbs and keel of the folded structure will be explored by extensive drilling. Like the Broken Hill orebody, it is in these zones where commercial quantities of mineralization are likely to occur.

Bethlehem Resources Corporation (now a wholly subsidiary of Imperial Metals Corporation) and Goldnev Resources hold an option to earn 50% interest in the property by obtaining a bankable feasibility study, arranging all capital costs of production and related working capital, and refunding to CanQuest 50% of the latter's total exploration expenditures on the Cottonbelt property.

#### **MICROGOLD PROPERTY**

100% owned by CanQuest, this large (52 sq. km) property is located at Stump Lake, B.C., midway between Kamloops and Merritt and is bordered by Highway 5A, which connects these municipalities. The property encompasses all or part of an extensive epithermal mineralizing system featuring at least several principal areas of alteration, silicification, brecciation and associated gold enrichment, perhaps controlled by cross faulting in this classic interior belt, block-faulted geologic environment. Two such zones on the property encompass an area of 6 square km. Typical epithermal indicator minerals such as chalcedony and fluorite as well as important geochemical indicators abound in these silicified zones. Grab samples assaying up to 0.69 oz/ton have been taken from these areas and limited, shallow drilling has produced anomalous gold values below the surface. The "plumbing system", likely one or more key faults, that are conduits for this extensive mineralization, and wherein can occur high grade "bonanza"-type gold occurrences that typically underlie the higher level epithermal mineralization, have yet to be discovered on the property, and will be the focus of the future drilling. Results from a low-level aerial geophysical survey over the entire property have revealed strong evidence of cross structures that could form controls for both the deeper "bonanza" as well as the surface mineralization on the property. Other anomalies have also been exposed in areas of the property where silicification and alteration are known to occur.

British Columbia government geologists have identified only ten major Tertiary epithermal gold-silver depositional systems in British Columbia and Washington State. With the exception of CanQuest's Microgold system, a relatively recent discovery, all of the nine other systems and deposits noted on the map have had significant exploration and development done on them. Excepting the Dusty Mac and Engineer properties, the balance of those nine deposits are, or have been producing gold mines, or have achieved advanced development status. As an example of the latter, recent drilling at the Specogna (formerly Cinola) deposit has encountered a rich, bonanza-vein feeder system responsible for at least part of the extensive, low grade mineralization occurring at or near the surface of the property. In like fashion, CanQuest's drilling program will in part focus on locating the bonanza-vein feeder system(s) responsible for the major epithermal gold-silver system that has been identified on the Microgold property.

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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.