

CITY RESOURCES (CANADA) LIMITED (CIZ-V, CCIMF-Nasdaq)
RHYOLITE RESOURCES INC. (RHY-V)

City Resources (Canada) Limited has acquired an option to earn a 50% interest in the 22,000 acre Texada Island gold property of Rhyolite Resources by providing \$3,000,000 for exploration and development by 31Dec90. City Service will earn a 50% interest in the property and the 75 ton per day concentrating plant on the property.

City Service has subscribed for 200,000 shares of Rhyolite Resources at 50¢ each on a private placement basis. Starting Aug.31,1987, City Service will make a further \$500,000 investment in shares of Rhyolite at prices permitted by the Vancouver Stock Exchange. The investment will be made in four quarterly installments of \$125,000 each.

Rhyolite is now bulk sampling a gold bearing structure on Texada Island and processing the material through the 75 ton plant with the objective of developing sufficient reserves to justify increasing the plant capacity to 300 tons per day.

NOR-QUEST RESOURCES LTD. (NQT-V)

OPTION AGREEMENT TO BE COMPLETED- Raynerd B. Carson, president, has reported Nor-Quest is in the process of completing an option to acquire the Ymir Consolidated and Protection (Goodenough) claims in the Yimr area, B.C. The concentrating plant recently acquired by Nor-Quest is about 10 miles from the property.