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George Cross News Letter

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CANQUEST RESOURCE CORP.

[CQ-V] 19,737,632 SHS.

OK PROJECT RESOURCES CLARIFIED - Ian de W. Semple, president, Can Quest Resource Corp., reports a new consultants report answers queries from the VSE on the terminologies in the to news releases of April 8 and 14, 1999. The report is on the 100% optioned OK copper, molybdenum, silver, gold property, on tidewater, 20 km. north of Powell River, Sunshine Coast, BC. The report was written by consulting engineer J. D. Williams, and was filed May 31 with the VSE.

This report reviews the historical work done on the property, describes in detail the 1998 field program, and draws conclusions based on this work and earlier exploration programs conducted by Mr. Williams on the property during periods of the past three summers. As well, and with reference to this fieldwork, the Williams report reviews the validity of certain reserve figures computed in a geostatistical study commissioned of a qualified, outside consultant by CanQuest in 1989. The Williams report draws a number of conclusions pertaining to the OK property, including:

1) the results of the 1989 geostatistical study are valid, and, using the accepted VSE Appendix 19C 'Definitions For Mineral Resources' (based on the Canadian Institute of Mining, Metallurgy and Petroleum 'Reserve Definitions'), the figures therefrom and noted in the table below can be deemed to be an 'Inferred Resource.'

CUT-OFF GRADE	TONNAGE	COPPER	MOLYBDENUM
% CU EQUIVALENT	TONNES	%	%
0.2	228,400,000	0.32	0.020
0.3	155,000,000	0.39	0.024
0.4	104,900,000	0.46	0.028
0.5	72,000,000	0.54	0.033

2) that "the seven or eight mineralized zones identified by earlier workers may simply be known highlights in a continuous mineralized zone", and that "the notion of discrete centres is probably obsolete and fails to grasp the metallogeny of the OK or its economic potential." Mr. Williams suggests the entire periphery of the mineral influencing intrusive "over a width of at least 250 metres and a length of five km is potentially mineralized." The report also reiterates the openness of the mineralization on the OK property, noting earlier work that observes "these zones appear open at depth with their lateral boundaries poorly defined."

Zones of higher grade mineralization are known to occur on the property, with their tonnage potential as starter open-pits yet to be evaluated. Limited sampling in one such zone returned assays as high as 2.4% copper and 0.52% molybdenum. Earlier work on the property did not consider the potential of silver and gold as potentially economic by-products. Both minerals occur on the OK property, with silver in particular, appearing to have a close spatial and potentially economic relationship with the copper mineralization, while the distribution of gold and its economic potential on the property has yet to be determined.

CanQuest has designed a comprehensive exploration program designed to take the OK project to a pre-feasibility stage. Financing to effect an immediate start to this program is currently being sought. (SEE GCNL NO.74, 19Apr99, P.2 FOR PREVIOUS OK PROJECT INFORMATION)

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