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George Cross News Letter

"Reliable Reporting"

PUBLISHED DAILY
SUBSCRIPTION RATE
$315.00 PER YEAR

RE: WESTERN CANADIAN INVESTMENTS

NO. 43 (1994)
MARCH 3, 1994

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CANQUEST RESOURCE CORPORATION

[CQSR- CANADIAN DEALER NETWORK] 7,258,114 shs.

ADDITIONAL FUNDING SOUGHT TO FURTHER EXPLORE 4 B.C. PROJECTS - Canquest Resource Corp. on January 12, 1994, reported completion of an interim private placement financing of $250,000 by sale of 1,250,000 shares at 20¢ each, of which 833,33 were flow-through shares, with First Marathon Securities Limited. The funds are to be used to explore:

- Cottonbelt stratabound polymetallic massive sulphide/precious metals project near Revelstoke, B.C.;
- Magnolia copper/gold project in north-central Texada Island, Georgia Strait, 100 miles northwest of Vancouver, B.C.;
- Microgold epithermal gold project half way between Merrit and Kamloops, B.C.; and
- OK Porphyry copper/molybdenum project, 125 km north of Vancouver, near Powell River, B.C.

All Canquest's properties are accessible by road and have power, support and production logistics at hand.

Canquest's immediate objectives are to obtain a listing on a recognized Canadian stock exchange and to fund the initial work programs for $1,000,000. The company currently has 7,258,114 shares issued or about 9,700,000 shares fully diluted. A proposal to option a working interest in the Cottonbelt project to a major company is under consideration. The 1994 work will include 770 line-km of helicopter low-level geophysical surveys over the Microgold and Cottonbelt properties, and follow up of gold/copper geochemical and geophysical anomalous on the Magnolia property. These programs are to further the definition targets for diamond drill testing. Drilling is planned at all three projects in 1994.

82M 86
p 1 of 4

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The 100%-owned, Cottonbelt stratiform, large tonnage potential, massive sulphide project has returned average assays of 12% combined lead/zinc, 2 oz.silver/ton, 3% copper and by-product gold from underground and surface sampling which suggest a 1,000,000 tons. The property is located 26 km northeast of the village of Seymour Arm, 60 km northwest of Revelstoke, B.C. SEE MAP OVERLEAF P.1. Dominant geology is 12 km.of tightly folded regional syncline. On each exposed limb of this U-shaped structure lies a stratabound massive sulphide layer from 1 to 3 metres wide, over a length of more than one km on one limb and two km on the other limb and over a vertical range of 900 meters. A target is the projected enriched keel of these two limbs. The Cottonbelt occurrence has some dramatic similarities with the Broken Hill mine, Australia, including geologic age, tectonic setting, metamorphic environment, mineral assemblage and persistent surface trace.

A distinct layer of copper/silver/gold mineralization within a quartzite unit stratigraphically higher than the lead/zinc/silver horizon, occurs in the northern portion of the syncline's east limb. This zone, up to 3 metres thick as exposed, is known to occur on surface over a length of at least three km on this limb. Limited sampling over a 300 metres averaged 3% copper, with silver and gold.

Stratigraphically underlying all known mineral horizons on the property is a distinctive carbonatite formation thought to span the length of the property. Averaging some 4 metres in thickness, this unit is known to contain a diversity of rare earth minerals, of as yet undetermined value.

A preliminary 1994 program of structural definition, geophysics and prospecting will be initiated. A magnetic anomaly occurring in the southern portion of the property and similar to one which defines the minerilization to the north will be investigated to determine possible southeasterly strike extensions of the mineralized zones.

82M 86
p 2 of 4

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The 100%-owned, 1,250-hectare Magnolia skarn vein copper/gold project covers numerous geophysical and geochemical anomalies with the potential for high grade. Texada Island is developed with a history of mining, including a number of gold mines, a major iron/copper mine now depleted, and three presently active quarry operations.

Geologically, Texada consistes mainly of a northern limestone unit and a more southerly volcanic unit with limestone interbeds, both intruded by dioritic intrusives and major and minor structural lineaments. These structures provide the prospecting targets for quartz-rich high grade vein gold, while the intersection of the intrusives with the limestone and volcanic units provide the classic replacement setting for skarn copper and gold mineralization. The property is close to known mineralization. Airborne and ground geophysics plus geochemistry by Canquest have located magnetic and conductive anomalies, some of which are coincident with base metal and gold geochemical soil anomalies. Further work has been recommended to define drill targets.

The 100%-owned, 13 sq km, Microgold is an example of a volcanic-hosted epithermal gold system, similar to the great Nevada gold deposits. It has been explored by geological mapping, geochemical and geophysical surveying and diamond drilling, which confirmed the gold epithermal system plus several geochemical anomaies. Rock sampling has returned 1,000 ppb gold, 0.03 oz. gold/ton with a high of 0.237 oz.gold/ton. The results have established many of the features of a higher level epithermal gold system: the vein mineralogy and textures; the tendency for mineralization to occur in flat vein structures and "sinter" caps; the suite of geochemically anomalous indicator minerals, including mercury, arsenic, molybdenum, silver, and gold.

The search for deeper bonanza-style gold mineralized zones has not been carried out. A program of geophysics and drilling is planned to explore the deeper aspects of this epithermal system.

82M 86
p. 3 of 4

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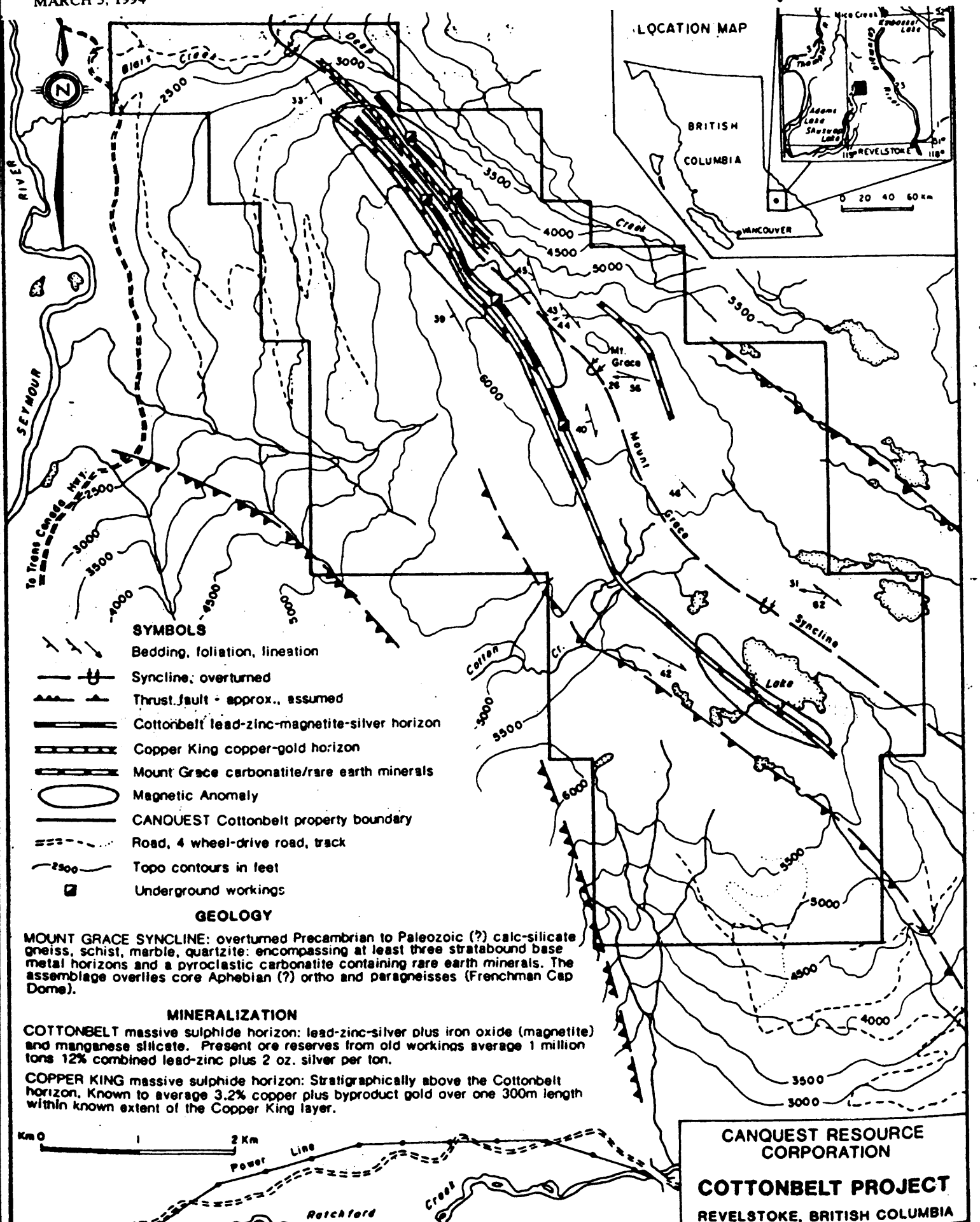

GEOLOGY

MOUNT GRACE SYNCLINE: overturned Precambrian to Paleozoic (?) calc-silicate gneiss, schist, marble, quartzite: encompassing at least three stratabound base metal horizons and a pyroclastic carbonatite containing rare earth minerals. The assemblage overlies core Aphebian (?) ortho and paragneisses (Frenchman Cap Dome).

MINERALIZATION

COTTONBELT massive sulphide horizon: lead-zinc-silver plus iron oxide (magnetite) and manganese silicate. Present ore reserves from old workings average 1 million tons 12% combined lead-zinc plus 2 oz. silver per ton.

COPPER KING massive sulphide horizon: Stratigraphically above the Cottonbelt horizon. Known to average 3.2% copper plus byproduct gold over one 300m length within known extent of the Copper King layer.

Km 0 1 2 Km

CANQUEST RESOURCE CORPORATION

COTTONBELT PROJECT

REVELSTOKE, BRITISH COLUMBIA