GEOLOGICAL FIELD MAPPING REPORT

on the OK Property

Claim | OK C - tenure# 258173
Mining Division | Vancouver
NTS Location | 092K/02E
Latitude | 50°01'N
Longitude | 124°38'W
Owner | Mary V. Boylan
Robert E. Mickle
Operator | CanQuest Resource Corporation

for

CanQuest Resource Corporation
830 - 470 Granville Street
Vancouver, BC V6C 1V5

by

INTEGREX ENGINEERING
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J.David Williams, P.Eng.

02 July 1997

25,068
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INTRODUCTION

The OK Property, northeast of Powell River, is a copper-molybdenum porphyry prospect discovered in 1965. This report summarizes a geological mapping program completed in June 1997, that covers an area known as the South Zone on claim OK C. Although the existence of anomalous soil geochemistry and favorable mineralization has been known for several years, a detailed geology map had never been prepared. Near the center of the South Zone, a strongly mineralized South Breccia Zone [SBxZ] has been the focus of much of the recent work at the OK.

Recent logging roads have exposed new outcrop that, like the rest of the Property, is otherwise nearly totally obscured by overburden. The writer was contracted by CanQuest Resource Corporation to map the geology in the South Zone with greater detail than had been attempted to then, and to include exposures along new roads. This fieldwork covered an area about 2 hectares in size and the resulting 1:1,000 scale geology map is attached (as figure 3).
Property, Location & Access

Located about 20 kilometers northwest of the coastal community of Powell River in southwestern British Columbia (see figure 1), the OK Property enjoys a panoramic view of the Strait of Georgia. The claims occupy an area about 3,560 hectares in a roughly rectangular outline 10 kilometers north-south by 2500 to 4000 meters east-west. They lie on the height of land and along the crest of western facing slopes of the Bunster Hills at elevations averaging 900 meters. The north edge of the claims fall to sea level at Theodosia Inlet, and the slopes along the southern edge of the claim group face south descending below 800 meters in elevation.

New and improved roads built by logging interests are making access to the property easier. From the Powell River bridge on highway 101 just outside the town of Powell River, a 9 kilometer drive north leads to the Southview Road/Theodosia Forest Service Road #01 turnoff. Theodosia Forest Service Road #03, at the southern edge of the Property, turns north at 19 kilometers along Theodosia #01. Theodosia #03 runs along the centerline of the Property for several kilometers but at 3 kilometers, a new logging road branches east leading to the mapping area. Except for highway 101, which is paved, all are narrow gravel roads, providing access to any vehicle during the summer months, but four-wheel drive would be recommended for regular travel to the Property. According to the BC Ministry of Forests District Office in Powell River, none of the mentioned roads are radio-controlled.

Logging is an active industry in the claim area. Tree cover varies from scrubby patches of short or low growth on high or exposed ground, to stands of heavy timber in sometimes steep ravines. But much of the ground on claim OK C is clear-cut and most of the remaining timber is expected to be logged this year. Outcrop is rare with the best exposures along the increasing number of road cuts. Soil profiles are well developed and average about a meter deep.
Claims & Ownership

A total of 143 units in 8 contiguous Modified Grid mineral claims outline the OK Property (see figure 2). Geology mapping at the South Zone was confined to the OK C claim.

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CanQuest Resource Corporation operates the Property under option with owners Robert E. Mickle and Mary V. Boylan.

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1 CanQuest Resource Corp.: 830-470 Granville Street, Vancouver, BC V6C 1V5
Robert E. Mickle: Dunlop Road, Likely, BC V0L 1N0
Mary V. Boylan: 6935 Quesnel Street, Powell River, BC V8A 2H7
**Previous Work**

Staking by the current owners on what is now the OK Property was recorded in 1965. From then to 1985 the property was nearly continuously worked by a succession of several companies. These efforts included a wide range of fieldwork including geological mapping, geochemical and geophysical surveying, trenching and drilling. Up to 1996, a total of 94 holes had been drilled (Carter, 1994), consisting of nearly 13,660 meters of diamond drilling and 728 meters in 12 vertical percussion holes.

In 1989, a geostatistical study concluded that a resource of as much as 228,400,000 tonnes grading 0.32%Cu and 0.020%Mo at a 0.2%Cu cut-off could be recovered by an open-pit operation (Froc, 1989). This resource figure is considered no better than a 'possible' category (Carter, 1994).

A program of reconnaissance geological mapping was conducted over the SBxZ area in June 1994, followed by an Induced Polarization (IP) survey by Peter E. Walcott & Associates in June of 1995. Walcott's IP survey consisted of 4.2 line-kilometers over a small portion of OK C (Walcott, 1995). In the following year a single drill hole, OK96-01, was, in part, meant to follow up anomalous results from the Walcott survey (Williams, 1996). Geology mapping detailed in this report continues with an emphasis in the South Zone and especially with the SBxZ.
REGIONAL & PROPERTY GEOLOGY

The OK copper-molybdenum Property falls within the Coast Plutonic Complex, which dominates the entire coastline of British Columbia. Rocks of the Complex are predominantly granitic and in the vicinity of the Property, consist of granodiorites and quartz diorites of varying basic composition including gabbros. Radiometric dates from granitic rocks in southwestern B.C. range from early to middle Cretaceous.

The central portion of the Property is dominated by multiple phases of the OK Intrusive Complex, which displaces the diorite-gabbro country rocks that outcrop on its northwestern and eastern margins. The Complex consists of an earlier variably altered granodiorite that has been intruded by a northerly trending dike-like quartz-feldspar porphyry. Quartz-feldspar porphyry is essentially barren of sulfides whereas the granodiorite hosts widespread disseminated pyrite, chalcopyrite and molybdenite.

Hornblende diorite dikes seem to pervade the entire Property. They range to 3 meters wide and sometimes cluster in swarms. These dikes appear to favor a north-northeasterly strike that parallels faults that cut both the Coast Plutonic Complex and the OK Intrusive Complex. Lesser fine-grained andesite-dacite dikes represent the youngest intrusive phase on the property, and rare lamprophyre dikes have been noted.

Several breccia zones have been mapped along the complete length of the OK Complex but all are poorly understood. Of particular significance is the South Breccia Zone, which was the focus of the Walcott IP survey in 1995, the follow up drilling of 1996 and the recent mapping detailed in this report. Earlier maps have it appearing in discontinuous locations over a distance of 100 meters, with an estimated width of at least 10 meters. Its core is intensely mineralized with chalcopyrite, bornite, pyrite and molybdenite that occupy the interstices of breccia fragments.

Elsewhere on the OK Property, economic mineralization consists of pyrite, chalcopyrite and molybdenite with lesser bornite, sphalerite and magnetite. Principal sulfide minerals occur in a stockwork of predominantly northeast trending quartz veinlets, with molybdenite found as selvages along fractures. The greatest concentration of copper-molybdenum mineralization occurs in granodiorite adjacent to the quartz-feldspar dike. Pyrite is generally associated with chalcopyrite and molybdenite in the more strongly mineralized zones and increases around the periphery of Cu-Mo mineralization.

\[\text{\textsuperscript{2}}\text{ Much of this section has been modified after Froc, 1989, p 7-11.}\]
PURPOSE & SUMMARY of WORK

This program of field geology mapping was undertaken to fulfill assessment requirements. It was intended to generate new information in the South Zone, even though at least two reconnaissance mapping efforts had been undertaken over the Property's history. It was hoped that the extent of new logging roads would provide enough exposures for a fairly detailed geology map to express the character of the area.

Topographic control was carried along the centerline of the roads by compass and hip chain from an origin where the logging road branches east, off the main access road, to the South Zone (see figure 2). Each outcrop along the road was located and examined. It was discovered that the numerous skid trails extending into the bush lead to trenches that were either unmapped or previously unknown. These trenches appear to have been cleared of overburden by a bulldozer blade to a width of at least 6 meters and some have been drilled and blasted in places. Topographic control was carried onto as many of these trenches as could be found from stations established on the nearest road.

Mapping was recorded at 1:2,000 scale then expanded in figure 3 to 1:1,000 to accommodate the unexpected complexity of the geology. A much greater diversity of rock types than had been appreciated and an extensive intrusive history with a complicated structural history, along with important alteration and mineralization effects was noticed. This program was successful in recording new information in an area that may become important to the mining history of the Property. But the complexity and diversity of the bedrock is so great that the few days mapping ought to represent only an extended period of familiarization in a survey whose results, in a simpler environment, could have been more conclusive. This work raises more questions than answers.
LITHOLOGY

The diversity of rocks in the South Zone falls into four types. The host granodiorite is intruded by a variety of dikes and quartz feldspar porphyry. A fragmental rock or breccia occupies the central portion of the zone, as does the area of greatest alteration. Sulfide mineralization, principally pyrite with chalcopyrite and molybdenite appear in various habits throughout the map area. Each of the rock types are discussed below:

Granodiorite

In outlying locations in the mapped area, where the host rock is generally unaltered, the granodiorite consists of a hard, blocky, medium to fine grained material with a usually leucocratic salt and pepper texture (color index 5 to 20). Nearly spherical, more mafic xenoliths about 20cm across are sometimes prominent but are rare. A faint pinkish cast is often noticeable sometimes diffusing from fracture planes or permeating an entire exposure. Pyrite is often visible in accessory amounts (i.e. <1%) as small, disseminated subhedral grains.

The equigranular texture is less pronounced in alteration where the mafic component (hornblende) is chlorite altered. A distinctive faint blotchy pattern of diffuse medium to dark green islands of chlorite alteration in a much less chlorite altered host rock characterizes the bulk of the granodiorite in the South Zone.

Dikes

To over-generalize, most of the Property consists of granodiorite intruded by dikes. At least three varieties of dike rocks have been observed but their mutual relationship is unclear.

Green Diabase: is the most abundant dike material in the map area. Diabase is the rather generic term applied to a medium to dark green rock, rarely red-brown, hard and aphanitic to very fine grained, sometimes containing sparse small faint feldspar and/or hornblende phenocrysts. It occurs in widths up to several meters and displays abrupt, usually planar but sometimes irregular contacts, often with a dark green or black chill margin of a few centimeters. Wider dikes are often accompanied by thinner ones to each side in the granodiorite host rock. Thinnest dikes often appear as elongate slashes that snake along one or more fracture regimes. Of all the types of dike rock in the South Zone, this type tends to be more intensely fractured, is often offset by small adjustments along joint surfaces and/or is diverted by them. Occasionally, selvages of epidote occupy fracture surfaces. Pyrite appears as an accessory mineral as sparse disseminated euhedral or flocculated grains.

Hornblende diabase: is best recognized by a greenish-rust colored, pockmarked weathering surface where lath-shaped hornblende crystals have eroded. Dikes of this type are always wider than about 3 meters with contacts that can rapidly vary in strike and dip with chill margins centimeters in width. A fresh surface displays bright centimeter-length shards of black hornblende in a medium green, fine to
medium grained groundmass sometimes containing freckles of small white feldspar phenocrysts.

"Lamprophyre": can be traced in an east-west direction through most of the center of the map sheet and is one of the most distinctive rock types in the map area. It is an unaltered blue-grey blocky hornblende feldspar porphyry containing prominent rounded, usually spherical mafic xenoliths up to a meter across. Its contacts are always highly irregular but clearly visible with chill margins of black aphanite several centimeters thick. Feldspar phenocrysts are millimeter-sized and densely distributed in a grey, fine grained groundmass with large black or grey hornblende shards. Xenoliths show evidence of being resorbed. "Lamprophyre" is the term assigned to this dike variety mostly in an effort to distinguish it from the others—it is not nearly as dark colored as one would expect of a true lamprophyre. The coarse hornblende phenocrysts, which can range to 20%, give the name a sort of mnemonic appeal.

All dikes are nearly invariably steeply dipping but with orientations in strike that, apart from the lamprophyre are remarkably variable. Dikes in the south of the map area show a crude tendency of northwest orientations which appears to swing to north and northeast strikes in the west and north parts of the map sheet. Genetic relationships between the types of dikes are a matter of debate. Hornblende diabase [HD], which occurs as wider intrusions, may simply be a coarse grained or unchilled variety of the usually narrower green diabase dikes. This conclusion was made early in the program, so a formal distinction was not made between them in the mapping. The hornblende of the HD and the lamprophyre suggests a relationship, especially when the HD sometimes displays a micro-porphyritic groundmass that could simply be a fine grained phase of the feldspar porphyry groundmass in lamprophyre.

In one location, a several-meter-long fragment of green diabase enclosed in lamprophyre and another location where lamprophyre cuts green diabase indicates the relative recent emplacement of lamprophyre. If the HD dikes and green dikes are the same or nearly coeval then the lamprophyre is the latest intrusive event recognized in the map area.

**Quartz Feldspar Porphyry**

A distinctive knobby or pimpled, light colored weathering surface emphasizes the irregular dime-sized quartz phenocrysts in an otherwise crowded feldspar porphyry. The groundmass is medium green, fine grained and chloritic. Hornblende occurs in accessory amounts as small, partly chloritic laths. Contacts of quartz feldspar porphyry [QFP] with granodiorite are exceptionally irregular and in some places appear diffuse over 10 centimeters.

Although the lamprophyre dike cuts QFP in a clean, chilled though sinusoidal contact, its similar texture, except for a higher and coarser mafic fraction leads to speculation of a possible genetic relationship between it and
QFP. The resorbed QFP contact against granodiorite suggests a mesothermal depth of emplacement, while the chilled contact of the lamprophyre indicates a shallow intrusion into cold wall rocks. It is likely that an extended period of time separated the emplacement of the QFP from the more recent lamprophyre intrusion making a genetic relationship less plausible. No crosscutting exposure involving the QFP and either the green diabase or HD intrusions was mapped, leaving their relative ages unclear.

**Breccia Zone**

By far the single most important feature in the South Zone is the sulfide mineralization in a zone of brecciation that is exposed near the center of the map area. In a trench that is now mostly occupied by the road leading to drill hole OK96-01, mineralized breccia returned an assay of 2.4% copper and 0.52% molybdenite (CanQuest, 1995).

Mineralized breccia in outcrop is usually dirty yellow and rusty weathering that sometimes clearly outlines its fragmental texture. Fragments tend to be rounded and spherical, ranging from 2 to 20 centimeters in size, and densely packed in a strongly chloritic groundmass that comprises about 20% of total volume. Mineralization is interstitial to the fragments except where sulfides appear to have replaced the occasional breccia fragment. Compositionally, the fragments vary from mafic to felsic, and in texture from fine to more coarsely grained.

Outside of the 4m by 20m mapped zone of mineralized breccia, sulfides decrease to accessory amounts, while the intense chlorite alteration of the groundmass changes to silicification. A similar breccia texture is exposed over a much larger area but the extent of this rock type is unclear as its features are often overprinted by alteration effects or terminated against a shear zone. Variations in the breccia texture to include subrounded mafic fragments nearly a meter in size adjacent to angular pebble-sized felsic fragments, leaves open an alternative identification of this material as an agglomerate. Transported clastic material that an agglomerate would imply is an interpretation not thought to be as plausible now, as it once was, earlier in the program. Interpretation of this unit as a breccia constrains the rock to a pure fragmental history, but no other genetic conclusions can be put forward.
MINERALIZATION, ALTERATION & STRUCTURE

Centered in the map area the South Breccia Zone appears to localize a particular kind of mineralization. A halo principally of silicification surrounds the SBxZ with its own pattern of mineralization that may be open to the northwest and southeast. Outward from the alteration zone, additional mineralization is evident in chloritic altered granodiorite. Late faulting may have occurred along surfaces now occupied by dikes.

Mineralization

Mineralization in the map area occurs as sulfide minerals of which only pyrite, chalcopyrite and molybdenite were recognized. Several locations showed an abundance of malachite and a single location of azurite was noted, but these were thought to be weathering products. At least three different settings of sulfide mineralization have been recognized:

Breccia type: fine, medium and coarse grained subhedral to massive pyrite in strongly chloritic breccia groundmass as knots or heavy disseminations often with amorphous patches or splashes of chalcopyrite and accessory molybdenite. Occasional discretely formed shapes of fine or medium grained pyrite about the size of neighboring breccia clasts indicates that pyrite may have replaced clasts of a particular composition.

Quartz flood: patches where thin, often randomly oriented, sometimes faintly visible and diffuse quartz veinlets, stingers or loose stockworks developed in host rock that may range from relatively unaltered to intensely altered but occurring in locations inside the alteration halo centered around the SBxZ. Pyrite, with lesser chalcopyrite, may be associated with quartz as isolated coarse-grained knots or medium to fine-grained slashes or intermittent smears. Molybdenite may occur in the same manner but often in locations isolated from those containing pyrite.

Vein-type: very similar to Quartz flood in occurrence but in locations removed from the breccia zone or its alteration halo and in veins or stringer zones of coarse grained quartz. Veins may be several centimeters wide, at various orientations and in moderately to strongly fractured or sometimes weakly sheared, often chlorite altered granodiorite.

In general, chalcopyrite seems to follow pyrite in its distribution and mode of occurrence; usually found where pyrite distribution is either locally massive or strongly disseminated. While molybdenite may exist along with pyrite where mineralization is heaviest, it is more often found alone. It occurs as very fine-grained dustings or discontinuous streaks along joint fractures often filled by thin quartz seams, or as dense fine or medium grained clots with vein-quartz sometimes accompanied by dense clots or smears of pyrophyllite.
Alteration

The map area is marked by zones of alteration that change with distance outward from the SBxZ. Strong chlorite alteration accompanying mineralization of the SBxZ rapidly grades to silicification of an intensity that is often so strong that textural features of the protolith are completely obscured. Outward from the halo of silicification, chlorite alteration dominates in rocks readily recognizable as granodiorite. Eventually, chlorite alteration diminishes to rocks that are mostly unaffected. The alteration isograd in figure 3 marks the chlorite line where silicification fades in favor of chlorite alteration.

Within the alteration isograd, silicification takes on a pattern that consists of islands of hard, massive, rusty weathering, fine to medium grained blue-grey alteration that represent localities of greatest silicification. These blue-grey islands can range from soccer ball size to 10 meters across. Within the blue-grey silicification are slight diffuse color variations that relate to variations in alteration intensity. On occasion a patch of unaltered granodiorite may be visible. Often mineralization can be very strong consisting of up to 10% nearly pervasive fine-grained disseminated pyrite. Related to the few quartz stringers or fracture fillings, isolated knots of coarser grained pyrite with chalcopyrite and separate patches and streaks of fine-grained molybdenite may be found.

A strongly bleached crackle zone several meters in width surrounds the blue-grey islands. It is distinguished by fine-grained translucent and diffuse quartz flooding that heals bleached and fractured rock. Flooded quartz may range from a minor component to predominant over short distances in crackle zones that are often localized in area. Further outboard, a gradational change to a bright white, intensely bleached zone (containing clay minerals?) may extend for several more meters before fading to less strongly altered chloritic granodiorite. Mineralization in the flooded and clay altered zones is usually confined to sparsely distributed knots of pyrite or to an occasional selvage of molybdenite. These islands of blue-grey silicification occur throughout the area marked by the isograd lines and can be observed in isolated locations elsewhere.
Structure

Although mapping has shown that the South Zone may have a complicated structural history, almost no effort to unravel its detail was attempted. In general, faulting of large blocks is suggested by some of the evidence recorded during the program.

Different alteration intensities on either contact of a dike may indicate displacement along a fault line now occupied by the dike. In some places where discontinuous alteration grades are noticed, the dike is strongly fractured or sheared. Subhorizontal slickensides along some surfaces were noticed in a few places and joint regimes show adjustment in various directions. A nearly pervasive subhorizontal joint regime is coincident with small offsets in some dike exposures. These observations suggest that large and small blocks may have seen movement of possibly significant magnitudes and along several directions throughout the tectonic history of the area.
SUMMARY, CONCLUSIONS & RECOMMENDATIONS

A degree of diversity and complexity in the rocks in the South Zone has been recorded in this mapping program that was largely unappreciated before now. This work has shown that the intrusive history including dikes and the QFP are more involved than was thought and the rather enigmatic breccia and its associated mineralization in the SBxZ are no less so.

The large alteration zone of silicification that occupies about half of the map area falls neatly between the zones of higher chargeability of Walcott’s induced polarization [IP] survey (Walcott, 1995). This leads to the conclusion that IP may be a good detector for alteration zones by its lack of response in areas of greatest alteration.

Structural features are probably important clues in understanding the mineralization of the OK Property and will become paramount in deciphering how mineralization may be redistributed since its emplacement. A large part of that issue will revolve around the relationship between generations of dikes and the disruption caused by what may be several faulting episodes.

Mineralization of the South Breccia Zone, as mapped, appears to be confined to an isolated patch surrounded by a far more extensive alteration halo. Given the favorable assays from the SBxZ from previous work, this zone should be a target of priority. A comparatively simple and inexpensive drill program of several short holes could rapidly assess the size of the SBxZ at shallow depths. Last year’s program involving the 154 meter-long drilling of hole OK96-01 (Williams, 1996), provides evidence that the SBxZ could be a size of economic significance.

Respectfully submitted,

J.David Williams, P.Eng.

VANCOUVER, B.C.
02 July 1997
REFERENCES


CERTIFICATION

I, J. David Williams residing at 303 - 1225 Cardero Street in the City of Vancouver, in the Province of British Columbia

DO HEREBY CERTIFY;


2. That I am doing business under the name of INTEGREX ENGINEERING and that I am the sole proprietor of the company and that I hold a valid license issued by the City of Vancouver to conduct business.

3. That I am a graduate of the University of Toronto where I obtained a Bachelor of Applied Science degree in Geological Engineering (exploration option).

4. That I have actively practiced my profession as a geological engineer since graduating in 1978.

5. That I am a registered member, in good standing, of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

6. That the information, opinions and recommendations in the attached documents are based on my field work during 10Jun97 through 17Jun97 and on a review of the relevant documents held by CanQuest Resource Corp.

7. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of CanQuest Resource Corporation, nor do I directly own any securities of CanQuest Resource Corporation or any affiliate thereof.

J. David WILLIAMS, P.Eng.
dated at Vancouver, British Columbia this 2nd day of July, 1997.
STATEMENT of COSTS

FIELD MAPPING
Integrex Engineering.
08-17Jun 1997 (including travel time)
Geologist 10 days @$450/day $4,500.00
Assistant 10 days @$150/day 1,500.00
$6,000.00

FOOD, LODGING & TRAVEL
Accommodation in Powell River
09-16Jun 1997
8 days @ $55.54/day, 2 persons $444.35
Food, Expenses & Travel (including ferry & gas)
09-17Jun 1997
2 pers., 9 da. (computed to $42.91/pers/da) $772.38
$1,216.73

RENTAL EQUIPMENT
Com-West Radio Systems Ltd.
hand-held radios 09-17Jun 1997
2 units @$64.20/radio/wk, 2 weeks $256.80
Cana Rentals (1985) Ltd.
rental four-wheel drive vehicle
09-17Jun 1997 $682.00
Mileage 1,214km @$0.1926/km & taxes $233.82
$1,172.62

REPORT PREPARATION
Integrex Engineering
28Jun-30Jun 1997
preparation 3 days @$450/day $1,350.00
consumables (estimated) 25.00
$1,375.00

TOTAL $9,764.35