

REYNOLDS GEOLOGICAL

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GEOLOGICAL ASSESSMENT REPORT

on the

OK PROPERTY

Vancouver Mining Division
British Columbia

N.T.S. 092F/15E, 092K/02E
Latitude 50° 02' N
Longitude 124° 39' W

for

SUB-RECORDER	CANQUEST RESOURCE CORP.
RECEIVED	830 - 470 Granville Street
SEP 15 1994	Vancouver, B.C.
M.R. # _____ \$ _____	V6C 1G3
VANCOUVER, B.C.	

830 - 470 Granville Street
Vancouver, B.C.
V6C 1G3

by

P. REYNOLDS, B.Sc., P.Geo.

SEPTEMBER 5, 1994

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

23,511

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1. SUMMARY

- 1.1 The Magnolia property consists of eight contiguous mineral claims totalling 143 units. The claims are located approximately 25 kilometres north of Powell River, British Columbia. The claims are accessible by a combination of logging roads and highway 101 from Powell River. The property is bordered by navigable ocean inlets on the north and west.
- 1.2 Since its discovery in 1965, the OK property has been explored by a number of geological, geochemical and geophysical surveys and by more than 14,000 metres of percussion and diamond drilling. Geostatistical analyses of previous drilling results suggest a possible resource of more than 200,000,000 tonnes grading 0.32% copper and 0.002% molybdenite at a copper equivalent cut off grade of 0.20%.
- 1.3 The property is underlain by Coast plutonic Complex granitic rocks of mid-Cretaceous age which have been intruded by a middle to late Tertiary multiphase granitic complex which hosts copper and molybdenum mineralization. Several mineralized porphyry phases are evident. Post mineral basic dyke swarms and possible andesite flows are numerous and present a potential dilution problem.
- 1.4 Several copper-molybdenum mineralized zones have been identified over a northerly trend some five kilometres in length.

2. INTRODUCTION

- 2.1 This report was prepared at the request of Mr. John Bissett, President of CanQuest Resource Corporation for the purpose of filing assessment on the OK claims. The work program essentially followed (but did not complete) recommendations made by N.C. Carter, Ph.D., P.Eng., in his report dated January 7, 1994.
- 2.2 The information for the accompanying report was obtained from sources cited under references and from a personal examination of the property from June 5 - 10, 1994. CanQuest provided some private reports together with other historical geological data including government reports and maps.
- 2.3 Pertinent information such as extent and character of ownership as set out in section 4, was submitted by the Company and the Company's representatives and is believed to be true. No attempt was made to verify this information as this is beyond the scope of this report.
- 2.4 This report is prepared for the exclusive use of CanQuest Resource Corp., and shall not be reproduced, distributed or made available to any other persons or companies without the knowledge and written consent of the author.

3. LOCATION, ACCESS AND PHYSIOGRAPHY

- 3.1 The property is located approximately 25 kilometres north of Powell River, British Columbia. Powell River is located 120 kilometres north of Vancouver and is accessible by a combination of car and ferry or by regularly scheduled air service from Vancouver.
- 3.2 The property is centered at 50° 02' north latitude and 124° 39' west longitude on N.T.S. mapsheets 092F/15E and 092K/02E. Road access to and within the property is good. The property is accessible by following Highway 101 north of Powell River and turning right onto Southview Road. This road turns into a logging mainline and is followed for approximately 14 kilometres to the southern property area. Interior travel is aided by old logging roads traversable by 4-wheel drive vehicles and other trails suitable for foot access only.
- 3.3 Topographic relief on the property ranges from sea level along the north boundary to approximately 800 metres in the central part of the property. The central part of the property is situated on a relatively flat upland plateau which drops off very steeply into Theodosia and Okeover inlets on the north and west sides of the property.
- 3.5 The property is situated along the south coast of British Columbia and features mild winters and moderate, dry summers. Water for diamond drilling is available from the many creeks and lakes on the property. The property is partially logged. Most bedrock exposures occur within areas disturbed by logging, along roadcuts or on steep slopes.

4. CLAIM STATUS

- 4.1 The OK property is comprised of eight four-post claims containing 143 units. The contiguous claims form a group which is approximately 10 kilometres north-south by four kilometres east west with an area of 3,575 hectares (Figure 2). Complete claim information is as follows:

<u>CLAIM NAME</u>	<u>TENURE NUMBER</u>	<u>UNITS</u>	<u>EXPIRY DATE*</u>
OK A	258171	20	June 17, 1999
OK B	258172	20	June 17, 1997
OK C	258173	20	June 17, 2001
OK D	258174	18	June 17, 1995
OK E	258175	10	June 17, 1995
OK F	258176	15	June 17, 1995
OK G	258177	20	June 17, 1995
OK H	321056	20	June 17, 1995

* Includes assessment currently being applied.

- 4.2 The registered owners of the claims are Mary V. Boylan of Powell River, B.C. and Robert E. Mickle of Likely, B.C. Canquest has an option on the claims. The writer is not familiar with the terms of the option thus any legal aspects of claim ownership are beyond the scope of this report.

5. REGIONAL GEOLOGY

- 5.1 The OK property is located near the western margin of the Coast Plutonic complex. Coast Plutonic intrusive rocks in the area of the OK claims include granodiorites, quartz diorites, monzonites as well as more basic dykes and gabbros. Screens and dykes of intermediate to basic volcanic rocks have been reported.
- 5.2 Two subcircular structures - East Redonda Island to the north and Powell Lake to the east - may represent collapsed caldera structures.

6. HISTORY

- 6.1 Copper-molybdenum mineralization was discovered on the OK property in 1965. Between 1966 and 1982, eight companies carried out exploration work on the property. Work consisted of a variety of geological mapping, geochemical and geophysical surveying, mechanical trenching, percussion drilling and diamond drilling.

- 6.2 Twelve percussion drill holes and 82 diamond drill holes have partially tested several of the known zones of copper-molybdenum mineralization on the property. The 12 percussion holes were vertical and totalled 728 metres. A total of 13,360 metres of diamond drilling was completed. Most of the diamond drill holes were inclined at -45° or less. The average vertical depth tested was 130 metres.

7. PROPERTY GEOLOGY AND MINERALIZATION

- 7.1 Coast Plutonic granites have been intruded by the O.K. intrusive complex, measuring approximately 3.6 kilometres north-south by 2.3 kilometres east-west. The age of this complex is unknown but it is reasonable to assume a mid-Tertiary or younger age, similar to other mineralized intrusions in southwestern British Columbia (Carter, 1994).
- 7.2 Principal geological features are shown on Figure 3 and in more detail in Figures 4 and 5. The intrusive phase features multiple intrusions, characteristic of many porphyry deposits. At least six intrusive phases have been noted on the property. A younger, variably altered granodiorite is intruded by a large northerly trending dyke-like body of leucocratic quartz feldspar porphyry.
- 7.3 Later phases include narrow quartz-eye porphyries and post mineral hornblende diorites which occur as north-northeasterly trending dykes up to several metres in width. Discontinuous fine grained andesite dykes represent the latest intrusive phase. Several of these "andesite dykes" were observed by the authors and thought to be flows.
- 7.4 In the southern property area, intrusive breccias host higher grade copper mineralization. The geometry of these bodies is unknown. Trenching and limited diamond drilling by previous operators suggest a north-northwest trend for the breccia zone. The breccia zone consists of rounded two to five centimetre clasts of varying lithologies contained in a fine grained matrix consisting of a relatively high percentage of sulphide minerals.
- 7.5 North-northeast trending faults cut both the coast granitic rocks and the O.K. intrusive complex. These faults post date the mineralization and most likely form a conduit for the post mineral dyke swarms.
- 7.6 Rocks in the vicinity of the South Breccia zone exhibit moderate to strong phyllic and argillic alteration. Elsewhere on the property, alteration was much less intense and consists predominately of chlorite and epidote. Mineralization on the property consists of pyrite, chalcopyrite and molybdenum with lesser bornite, sphalerite and magnetite. Sulphide mineralization occurs as disseminations and as quartz veinlet and fracture fillings.

9. CONCLUSION AND RECOMMENDATIONS

- 9.1 The OK property contains a large tonnage of low grade copper. Work in the past has consisted primarily of drilling in order to define tonnage. The South Breccia zone hosts higher grade copper mineralization (2-5%). The dimensions and geometry of this zone are unknown at present. In order to delineate this zone a program of excavator trenching or diamond drilling and detailed mapping will have to be undertaken.
- 9.2 It is recommended that the roads on the northern part of the property be surveyed in and used as a control for geological mapping and prospecting.

10. **REFERENCES**

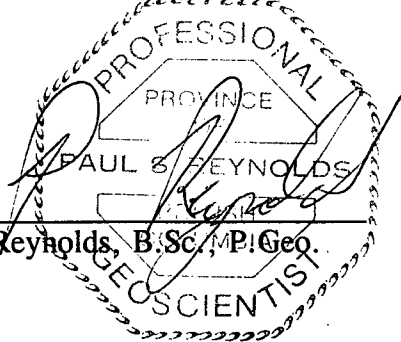
- Cardinal, D.G. Geological, Geochemical and Geophysical Assessment Report on the OK Property for Aquarius Resources Ltd. June 1983.
- Carter, N.C. Geological Report on the OK Property for Canquest Resource Corporation. January 7, 1994.
- Meyer, W. Summary Report, 1972. OK Property for Granite Mountain Mines Ltd. February 1973.

11. **CERTIFICATE**

I, Paul Reynolds, of the city of Vancouver in the province of British Columbia do hereby certify that:

- 1) I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia.
- 2) I am a graduate of the University of British Columbia with a B.Sc. degree in geology.
- 3) I have practiced my profession as exploration geologist since graduation in 1987.
- 4) This report is based on a review of previous reports and on field work carried out by the author during the period June 4 to June 9, 1994.
- 5) I have no interest, directly or indirectly, nor do I expect to receive any interest, directly or indirectly, in the Magnolia property or in the securities of CanQuest Resource Corp.
- 6) Permission is hereby granted to CanQuest Resource Corp. to use this report in support of any filing to be submitted to the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia for the purpose of filing assessment on the OK claim group.

Dated this 5th day of September, 1994.



A circular professional seal for a geoscientist in the Province of British Columbia. The seal features a central diamond shape with the text 'PROFESSIONAL' at the top, 'PROVINCE' in the middle, and 'GEOLOGIST' at the bottom. The name 'PAUL S. REYNOLDS' is written across the center. A signature is written over the seal. Below the seal, the text 'P. Reynolds, B.Sc., P. Geo.' is printed.

P. Reynolds, B.Sc., P. Geo.

APPENDIX I
STATEMENT OF COSTS (JUNE 1994 PROGRAM)

STATEMENT OF COSTS
JANUARY 1994 PROGRAM

WAGES

Paul Reynolds, P.Geo.	7 days @ \$350/day	2,450.00
Rod Husband, P.Geo.	6 days @ \$350/day	2,100.00

TRUCK RENTAL

6 days @ \$50/day	300.00
kilometres: 703 km @ \$0.15/km	105.45

ROOM AND BOARD	13 man days @ \$75/day	975.00
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ASSAYING	337.05
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SUPERVISION AND PROGRAM INITIATION	1,265.67
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MISC. FIELD EXPENSES	500.00
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<u>REPORT PRINTING, DRAUGHTING, BINDING, ETC.</u>	<u>2,000.00</u>
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TOTAL	10,033.17
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APPENDIX II
ANALYTICAL RESULTS

GEOCHEMICAL ANALYSIS CERTIFICATE

CanQuest Resources Corp. PROJECT ICANO-OK File # 94-1793

8301 470 Granville Street, Vancouver, BC V6K 1T1 Submitted by: Paul Reynolds

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Mn ppm	Co ppm	Ni ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au ^u ppb
D 38351	2	94	4	28	.1	6	2	197	1.09	10	<5	<2	<2	22	<2	2	2	4	.20	.017	5	6	.22	34	.05	<2	.48	.05	.06	3	6
D 38352	4	77	5	22	.1	7	2	262	1.40	7	<5	<2	<2	11	<2	3	<2	4	.14	.018	3	6	.17	54	.02	2	.42	.04	.11	2	4
D 38353	53	1086	5	21	.7	7	2	135	1.19	6	<5	<2	<2	19	<2	3	<2	2	.22	.014	3	6	.12	67	.03	2	.45	.05	.10	2	4
D 38354	11	208	4	24	.1	7	2	152	1.40	5	<5	<2	<2	34	<2	<2	<2	3	.21	.012	3	8	.15	69	.03	2	.48	.04	.11	2	2
D 38355	90	674	5	20	.4	6	3	130	1.06	11	<5	<2	<2	14	<2	2	<2	3	.19	.012	4	7	.15	44	.03	<2	.41	.04	.10	1	3
D 38356	10	134	4	18	.1	7	2	171	.84	9	<5	<2	<2	11	<2	2	<2	2	.13	.012	4	7	.13	65	.03	2	.41	.04	.11	1	3
RE D 38356	11	137	5	18	.2	6	2	175	.85	10	<5	<2	<2	11	<2	<2	<2	2	.13	.013	4	7	.13	66	.03	<2	.41	.05	.11	1	3
D 38357	11	143	4	11	.2	7	1	96	1.04	4	<5	<2	<2	31	<2	2	<2	2	.08	.009	4	7	.10	71	.02	<2	.36	.05	.11	2	2
D 38358	14	473	6	18	.5	7	1	122	1.12	2	<5	<2	<2	21	<2	<2	<2	2	.24	.012	4	7	.17	69	.04	2	.49	.05	.09	1	1
D 38359	35	89	2	15	.2	6	1	142	1.19	3	<5	<2	<2	17	<2	2	<2	2	.07	.010	3	8	.13	69	.02	<2	.49	.05	.13	1	9
D 38360	13	100	6	22	.1	7	1	217	1.32	2	<5	<2	3	31	<2	<2	3	3	.13	.015	5	8	.16	87	.04	<2	.53	.05	.11	2	6
D 38361	1568	3878	6	16	4.0	8	4	94	1.85	<2	<5	<2	<2	6	.3	<2	<2	<2	.01	.004	2	8	.04	73	<.01	<2	.24	.01	.12	<1	23
D 38362	400	427	7	20	.7	7	4	164	1.92	<2	<5	<2	3	29	<2	2	<2	2	.05	.013	4	8	.15	109	.02	<2	.50	.03	.14	1	7
D 38363	314	147	9	43	.3	11	4	212	1.68	33	<5	<2	3	7	<2	<2	<2	9	.08	.014	4	15	.43	68	.03	2	.73	.03	.13	2	6
D 38364	179	361	4	51	.3	6	2	122	.92	<2	<5	<2	<2	134	.6	<2	2	4	.19	.019	4	7	.20	169	.04	<2	.47	.06	.08	<1	3
D 38365	5	119	3	140	.2	6	3	334	1.80	<2	<5	<2	<2	49	.9	<2	<2	23	.33	.037	3	7	.51	96	.11	<2	.92	.06	.05	<1	2
D 38366	3	87	5	86	.3	7	3	344	1.72	3	<5	<2	<2	80	.2	<2	<2	21	.73	.039	3	8	.52	128	.11	<2	1.20	.06	.07	1	1
D 38367	13	106	11	64	.2	19	18	146	6.54	<2	<5	<2	4	11	<2	<2	<2	36	.08	.017	6	10	.53	15	.12	<2	1.01	.05	.03	1	3
D 38368	29	21361	9	169	19.1	9	11	201	5.40	3	<5	<2	<2	80	2.4	<2	<2	13	.18	.056	3	8	.26	39	.06	<2	.59	.05	.05	<1	14
D 38369	22	46888	10	372	32.9	12	19	145	7.69	2	<5	<2	<2	89	6.1	3	<2	9	.19	.048	4	8	.15	22	.06	<2	.42	.04	.06	1	38
STANDARD C/AU-R	18	58	41	126	6.7	71	28	1034	3.96	38	18	6	36	47	17.4	13	18	61	.49	.090	39	56	.89	182	.08	33	1.88	.06	.15	11	480

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL.
 ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPB
 - SAMPLE TYPE: ROCK AU^u ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE. Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: JUN 22 1994

DATE REPORT MAILED:

June 28/94

SIGNED BY: *C. Chong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

APPENDIX III

FIGURES 1 - 5

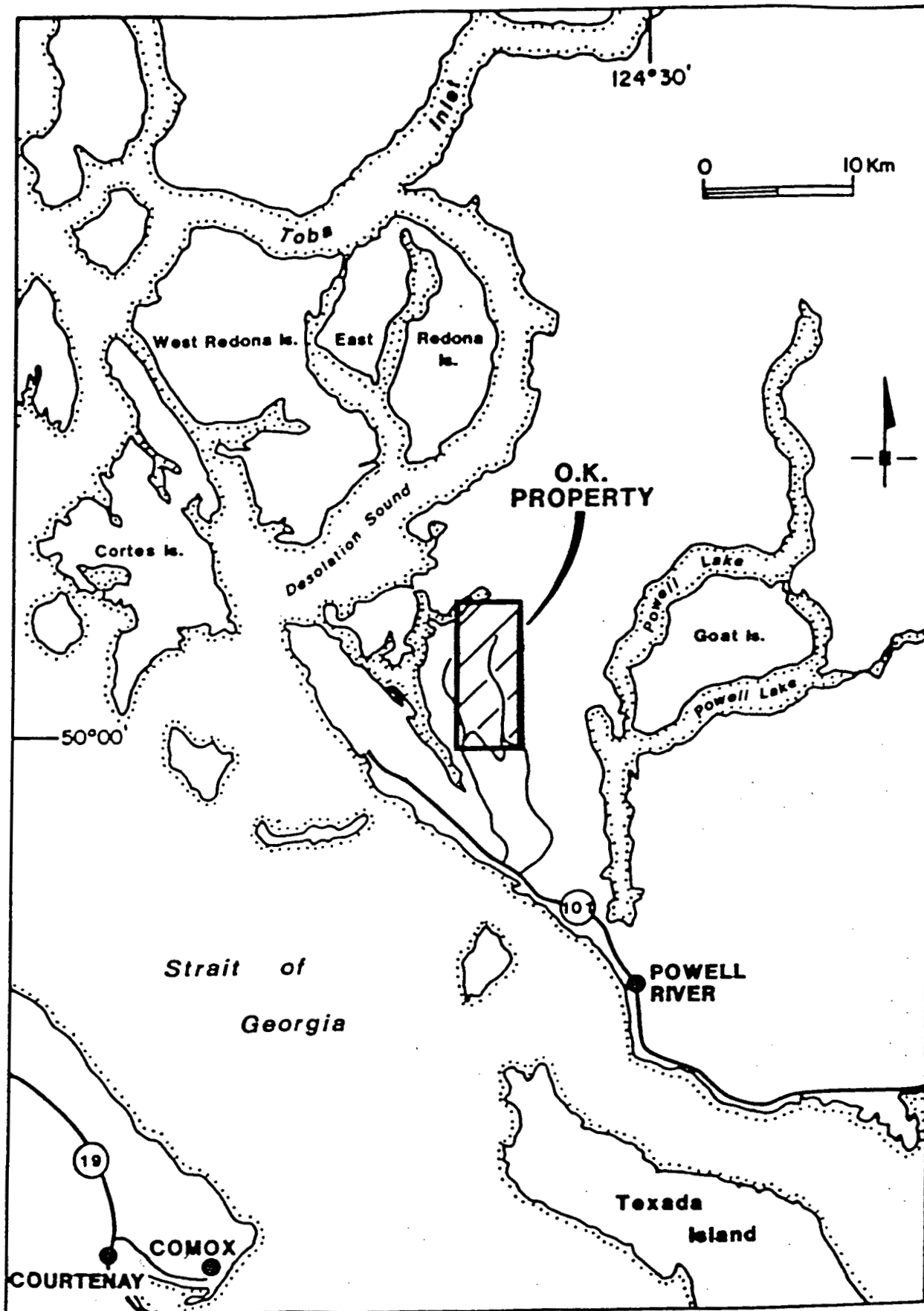


FIGURE 1 - O.K. PROPERTY - LOCATION

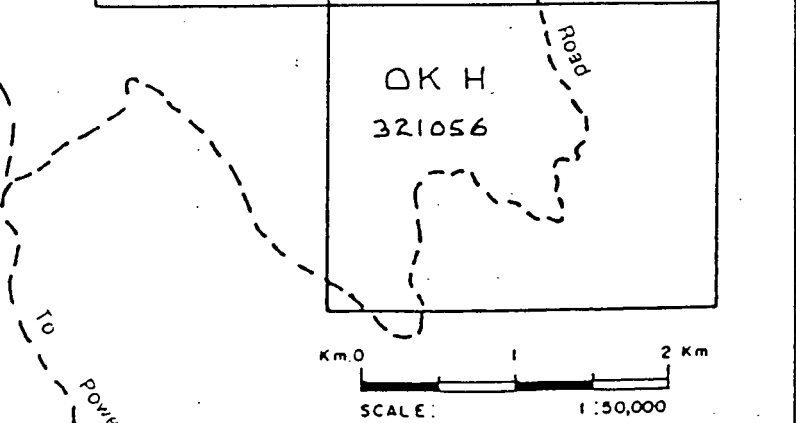
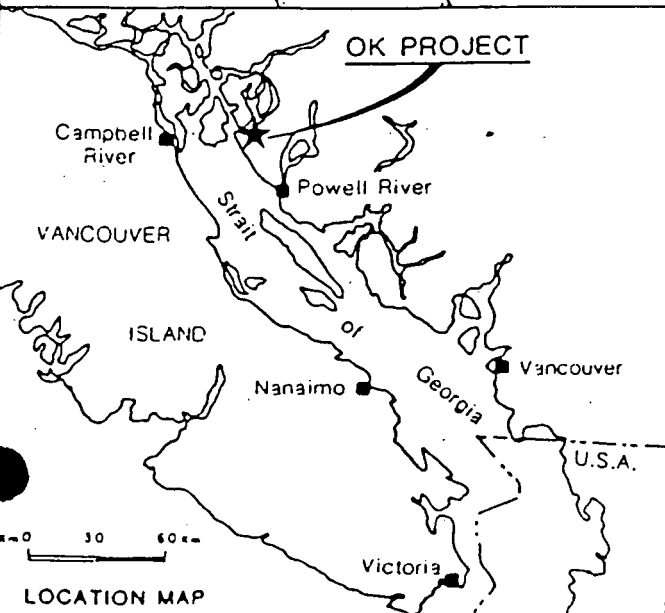
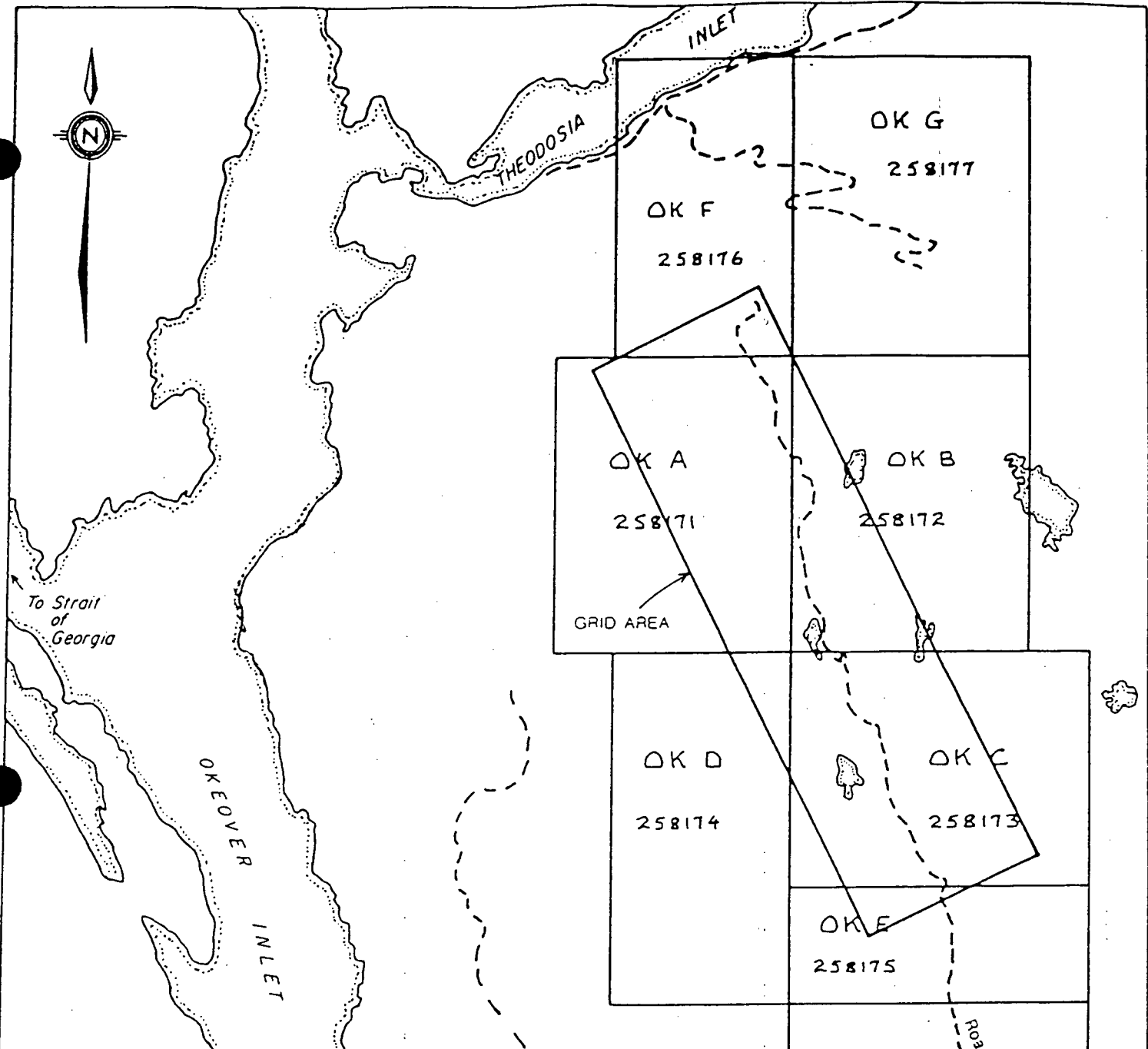
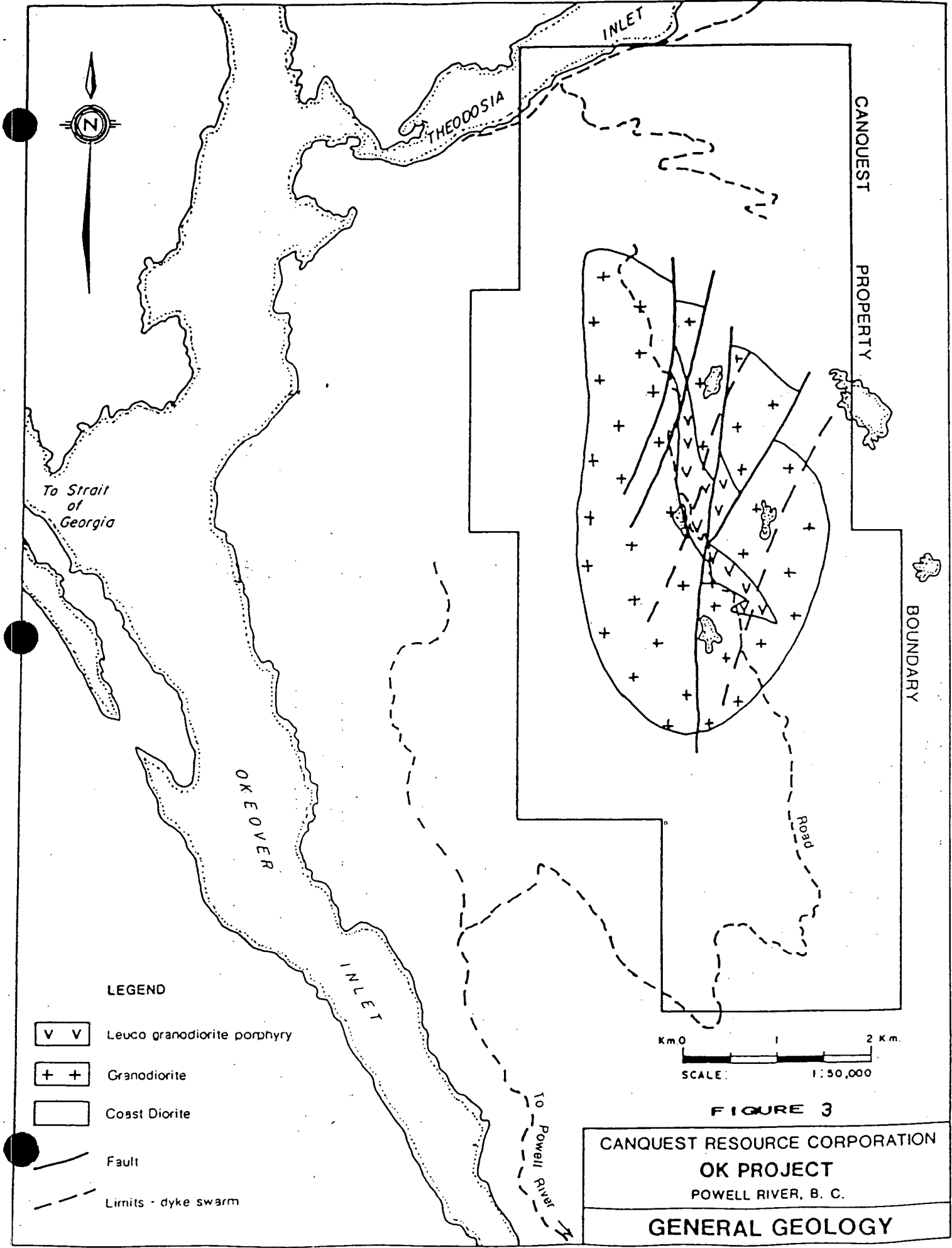


FIGURE 2
CANQUEST RESOURCE CORPORATION
OK PROJECT
 POWELL RIVER, B. C.
CLAIM MAP



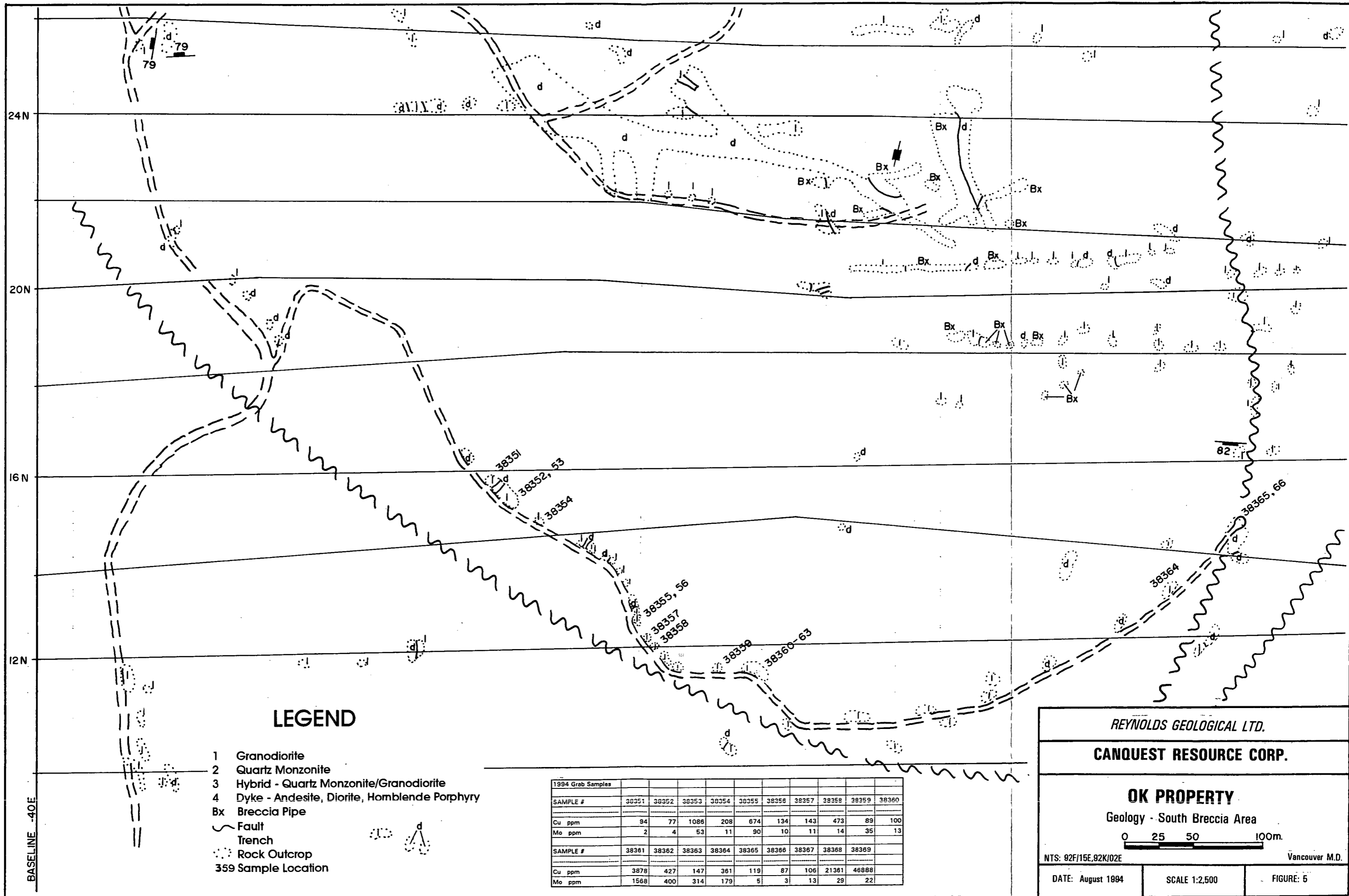
LEGEND

- V V Leuco granodiorite porphyry
- + + Granodiorite
- Coast Diorite
- Fault
- Limits - dyke swarm

Km.0 1 2 Km.
 SCALE: 1:50,000

FIGURE 3

CANQUEST RESOURCE CORPORATION
OK PROJECT
 POWELL RIVER, B. C.
GENERAL GEOLOGY



LEGEND

- 1 Granodiorite
- 2 Quartz Monzonite
- 3 Hybrid - Quartz Monzonite/Granodiorite
- 4 Dyke - Andesite, Diorite, Homblende Porphyry
- Bx Breccia Pipe
- ~ Fault
- Trench
- Rock Outcrop
- 359 Sample Location

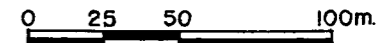
1994 Grab Samples										
SAMPLE #	38351	38352	38353	38354	38355	38356	38357	38358	38359	38360
Cu ppm	94	77	1086	208	674	134	143	473	89	100
Mo ppm	2	4	53	11	90	10	11	14	35	13
SAMPLE #	38361	38362	38363	38364	38365	38366	38367	38368	38369	
Cu ppm	3878	427	147	361	119	87	106	21361	46888	
Mo ppm	1568	400	314	179	5	3	13	29	22	

REYNOLDS GEOLOGICAL LTD.

CANQUEST RESOURCE CORP.

OK PROPERTY

Geology - South Breccia Area



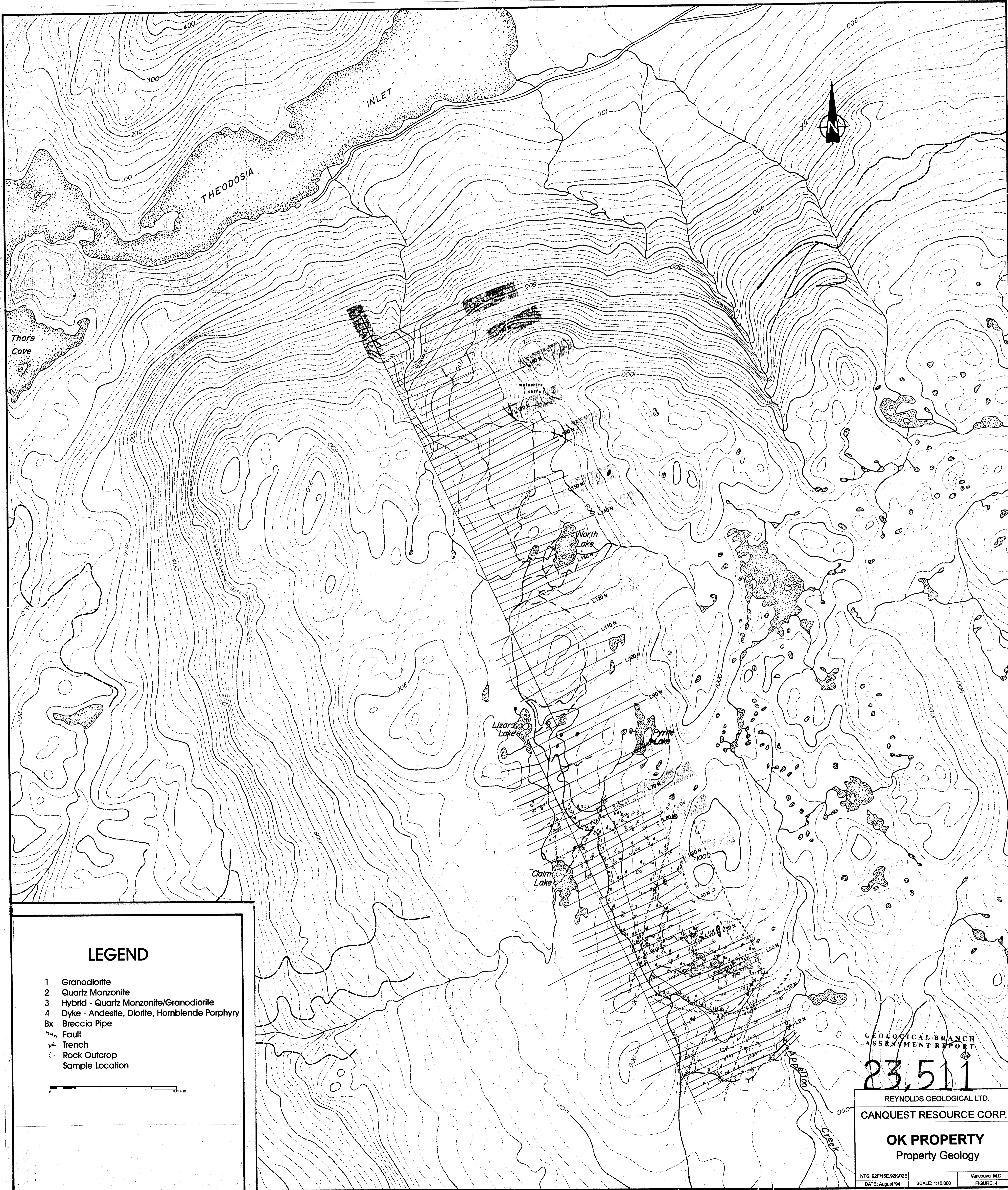
NTS: 92F/15E, 92K/02E Vancouver M.D.

DATE: August 1984

SCALE 1:2,500

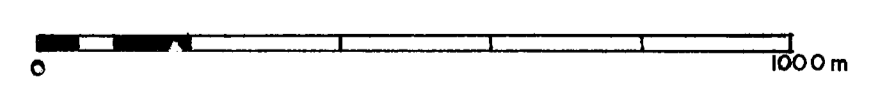
FIGURE: 5

BASELINE -40E



LEGEND

- 1 Granodiorite
- 2 Quartz Monzonite
- 3 Hybrid - Quartz Monzonite/Granodiorite
- 4 Dyke - Andesite, Diorite, Hornblende Porphyry
- Bx Breccia Pipe
- Fault
- Trench
- Rock Outcrop
- Sample Location



GEOLOGICAL BRANCH
ASSESSMENT REPORT

23,511

REYNOLDS GEOLOGICAL LTD.

CANQUEST RESOURCE CORP.

OK PROPERTY
Property Geology

NTS: 92F15E, 92K02E Vancouver M.D.
DATE: August '94 SCALE: 1:10,000 FIGURE: 4