PROPERTY FILE

104B/10

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GEOLOGICAL REPORT

on the

Ger 1, 2 & 3 MINERAL CLAIMS 56°39' North Latitude / 130°46' West Longitude

Located in the Iskut River Area Liard Mining Division NTS 104B/10

- prepared for -

JAZZMAN RESOURCES LTD.

- prepared by -

S. L. Todoruk, Geologist C. K. Ikona, P.Eng.

April 1987

GEOLOGICAL REPORT on the GER 1, 2 & 3 MINERAL CLAIMS

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1.0 INTRODUCTION

The Ger 1, 2 & 3 mineral claims (44 units) were staked in the fall of 1986. The property is situated approximately seven kilometers south of the Bronson Creek headwaters and ten kilometers west of Snippaker Creek. Jekill River lies seven kilometers to the west of the claim boundary. Western Canadian Mining Corporation holds the Gossan mineral claims to the east and north adjoining the Ger 1 and 3 claims respectively. Exploration activity to date has delineated three main gold-bearing areas. Skyline Explorations Ltd.'s high-grade Stonehouse Gold deposit is nine kilometers to the northwest, while that company's polymetallic massive sulphide Inel prospect lies six kilometers to the north. Skyline's Stonehouse Gold deposit as reported by Grove (1987) indicates mineral reserves of 938,000 tons grading 0.73 ounces gold and 0.85 ounces silver per ton, and 0.76% copper.

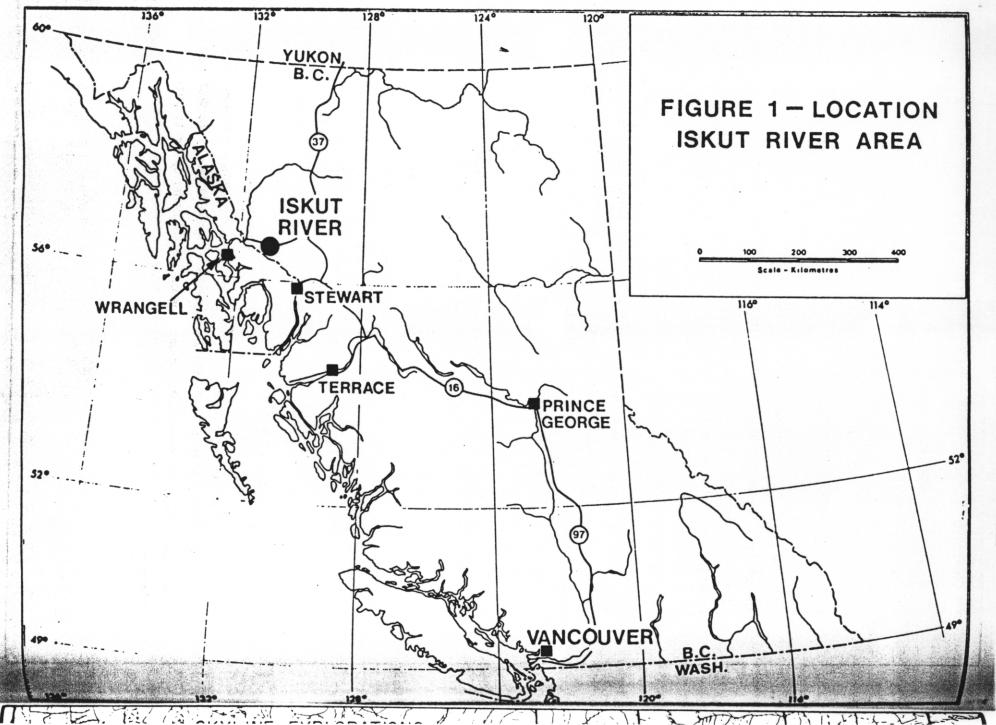
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At the request of the directors of Jazzman Resources Ltd., the writers have reviewed all the available data and prepared a compilation report on which to base further exploration. Although the writers have not visited the property, Mr. Ikona is presently coordinating engineering services for Skyline on the Reg project. In addition, Mr. Ikona has supervised the exploration of a number of prospects in the Iskut and Stikine River areas over a period of twenty-four years, and has acquired a considerable level of familiarity with the types of mineralization found in the region.

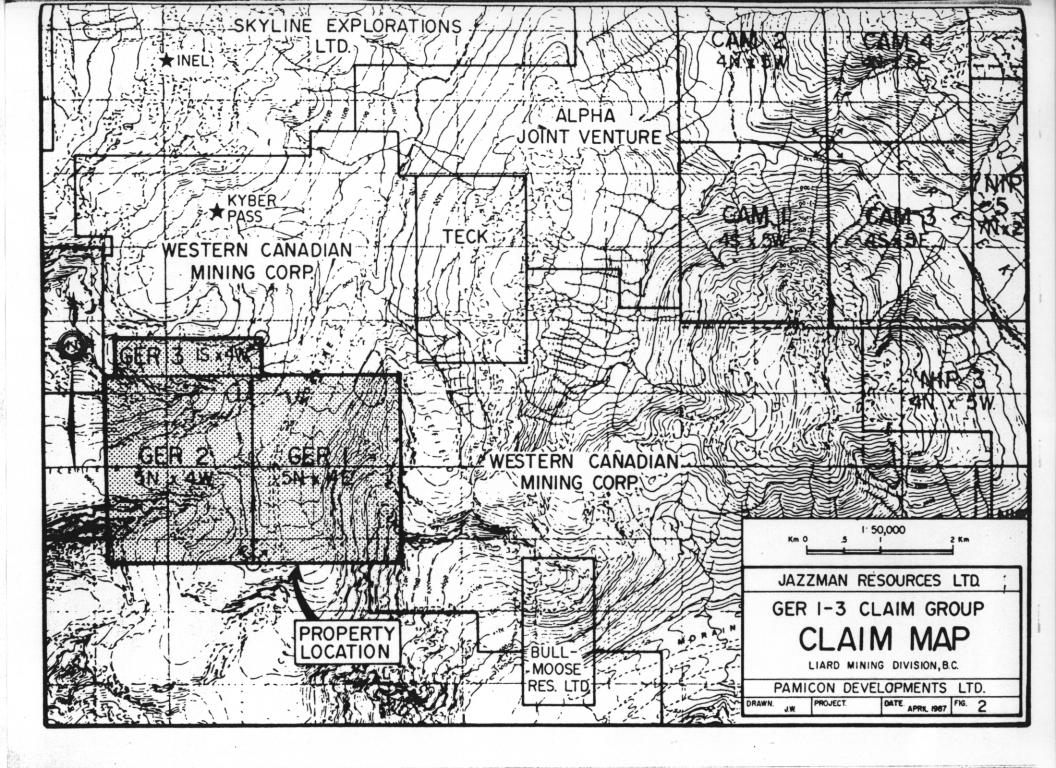
2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims (Figure 2) are owned by I. Hagemoen. Separate documents indicate the claims are under option to Jazzman Resources Ltd.

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Claim Name	Record No.	No. of Units	Record Date
Ger 1	3756	20	05 December, 1986
Ger 2	3757	20	05 December, 1986
Ger 3	3758	04	05 December, 1986

3.0 LOCATION, ACCESS AND GEOGRAHY

The Ger 1, 2 & 3 mineral claims are located approximately 80 kilometers east of Wrangell, Alaska, and 100 kilometers northwest of Stewart, British Columbia, on the eastern edge of the Coast Range Mountains (Figure 1). The Iskut River flows 15 kilometers to the north, while Snippaker Creek is situated 10 kilometers to the east. Coordinates of the claims area is 56°33' north latitude and 130°55' west longitude, and the property falls under the jurisdiction of the Liard Mining Division.

Access to the property is via helicopter from either the Snippaker gravel airstrip eight kilometers to the east, or the Bronson Creek airstrip, 13 kilometers to the north-northwest. Daily scheduled flights to the strips should be available during the field season using a variety of fixed wing aircraft.

The construction of a road 65 kilometers long has been proposed by C. K. Ikona of Pamicon Developments Ltd. on behalf of Skyline Explorations Ltd. The road would be situated on the south side of the Iskut Valley to connect the Stewart-Cassiar Highway with a proposed BC Hydro dam site on the Iskut River and Skyline's Stonehouse Gold deposit on Bronson Creek.

Geographically, the area is typical of mountainous and glaciated terrain with the elevations ranging from a few hundred meters above sea level in the river valley bottoms to in excess of 1500 meters at the ridge tops. Major drainages are U-shaped, whereas smaller side creeks tend to be steeply cut due to the intense erosional environment. Active glaciation is prevalent above the 1200-meter contour, with the tree-line existing at 1000 meters. The upper reaches of the area are covered with alpine vegetation. The lower slopes are predominantly timbered with a variety of conifers with an undergrowth of devil's

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club. More open areas and steeper slopes contain dense 'slide' alder growth. Both summer and winter temperatures would be considered generally moderate and in excess of 200 centimeters of precipitation may be expected during any given year.

4.0 AREA HISTORY

The first recorded work done in the Iskut Region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny Mountain. Iskut Mining Company subsequently worked crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 30-foot adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd.'s Stonehouse Gold deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopterborne reconnaissance exploration programs in a search for porphyry-coppermolybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Sulphurets Creek. Work included trenching, drilling and 460 meters of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling.

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After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Stonehouse and Inel deposits between 1981 and 1985.

In 1986, drilling and 1500 feet of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity.

Grove, in his summary of mineral reserves for the Stonehouse deposit in a report dated January 12, 1987, presents the following:

•	Au (oz)	Ag (oz)	<u>Cu</u> (%)	Tons
Total Measured	1.328	1.91	1.5	79,848
Total Drill-indicated Total Inferred	0.671 0.67	0.97 0.70	0.78 67	153,598 705,000
Total	0.73	0.85	0.76	938,446

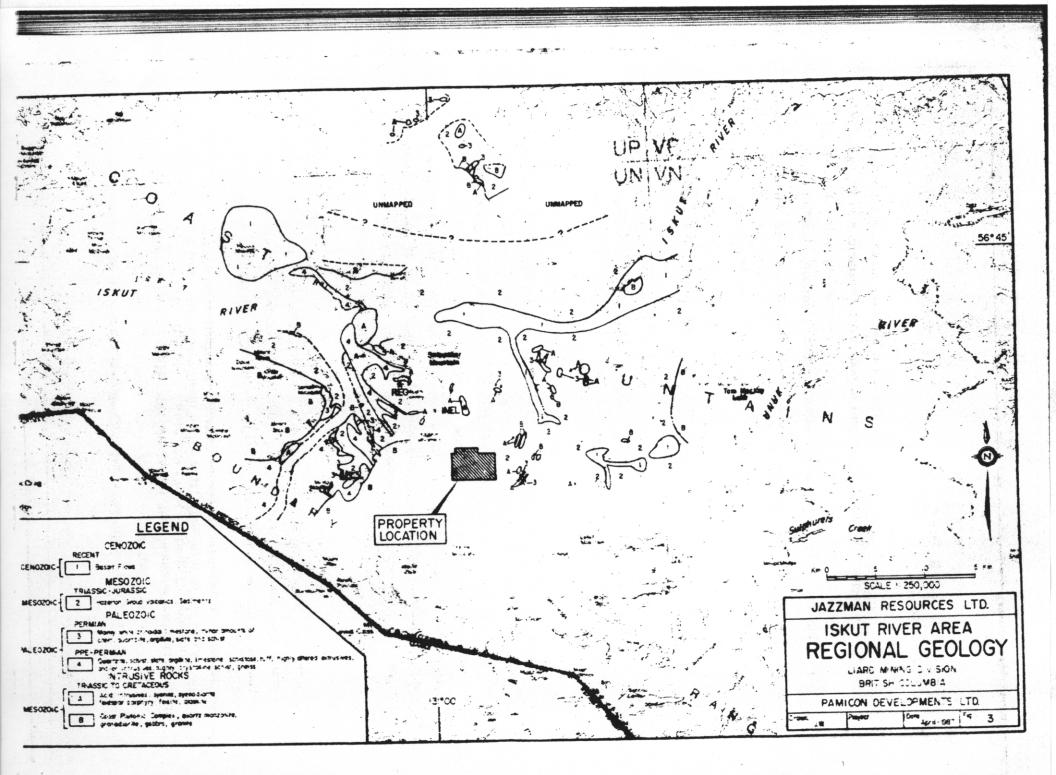
Grove also indicates the possible presence of substantial additional reserves from geological potential.

Also during 1986, Delaware Resources (Cominco), on ground located immediately to the north of Skyline's Reg property, completed drilling and trenching delineating a gold-bearing zone with a minimum strike length of 800 feet over a vertical interval of 400 feet (The Stockwatch, September 5, 1986).

5.0 REGIONAL GEOLOGY

Government mapping of the general geology in the Iskut River area (Kerr, 1948, GSC Memoir 246, "Operation Stikine", GSC Maps 9-1957 and 1418-1979, "Iskut River") has proved to be incomplete and unreliable. Subsequent mineral exploration studies have greatly enhanced the lithologic and stratigraphic knowledge of this area defined as the Stewart Complex (Grove, 1986) (Figure 3).

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Grove (1986) defines the Stewart Complex in the following manner:

"The Stewart Complex lies within the Intermontane tectonic belt along the contact between the Coast Plutonic Complex on the west, the Bowser Basin on the east, Alice Arm on the south and the Iskut River on the north."

Within the Stewart Complex, Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members are the oldest rock group. Correlation has been made between this oceanic assemblage and the Cache Creek group.

Unconformably overlying the Paleozoic limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments. These rocks have informally been referred to as the "Snippaker Volcanics". Grove (1981) correlates this assemblage to the Unuk River Formation of the Stewart Complex, whereas other writers match this group with the time equivalent Stuhini Volcanics. Monotis fossils have been recognized on the north slope of Snippaker Peak and west of Newmont Lake, 20 kilometers to the north, giving an age dating of Upper Triassic. It is within these rocks that Skyline's Stonehouse and Inel gold deposits occur.

Grove reports an unconformable contact between Carboniferous and Middle Jurassic strata on both sides of Snippaker Ridge, north of Snippaker Peak. The same unconformable relationship between these major rock units appears to extend from Forrest Kerr Creek west, along the Iskut River, to the Stikine River junction. Present interpretation suggests an east-west trending thrust along the axis of the Iskut River which, like the King Salmon Thrust Fault, pushed up and over to the south.

Following the Iskut River thrust faulting, the entire region was overlain by Middle Jurassic Hazelton Group volcanic-sedimentary rocks named the Betty Creek Formation by Grove (1973, 1982). It is believed that the Betty Creek rocks act as a mineralizing trap and as such are useful in delineating underlying older units such as the Unuk River Formation.

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Intrusion of the batholithic Coast Plutonic complex in the Iskut region of Cretaceous and Tertiary age followed. Composition varies from quartz monzonite, granodiorite to granite. Important in many instances to the localization of mineralization are satellite facies of epizonal or subvolcanic acidic porphyries.

Quaternary and Tertiary volcanics occur at Hoodoo Mountain, along the Iskut River near Forrest Kerr Creek, and in several localities along Snippaker Creek.

6.0 LOCAL GEOLOGY

The geology of the Ger 1, 2 & 3 mineral claims is based upon a compilation of data obtained from various government and private sources (Figure 4).

Geological mapping carried out by Brinco Limited in 1985 on the Gossan 11 claim (how owned by Western Canadian Mining Corporation) two kilometers to the north recognized three main formations. A lower unit of banded siltstones and tuffs, a central unit of andesitic volcaniclastics, and an overlying formation of sedimentary rocks. Bedding strikes 325 to 340° and dips 37 to 55° northeast. Intrusive into these rocks are acidic and grey porphyries. The Khyber Pass zone is hosted within the lower two units. Intense pyrite-sericite alteration has been developed within the banded siltstones and tuffs. Above the contact with the overlying andesitic volcaniclastics the alteration assemblage changes to chloritepyrite-sericite.

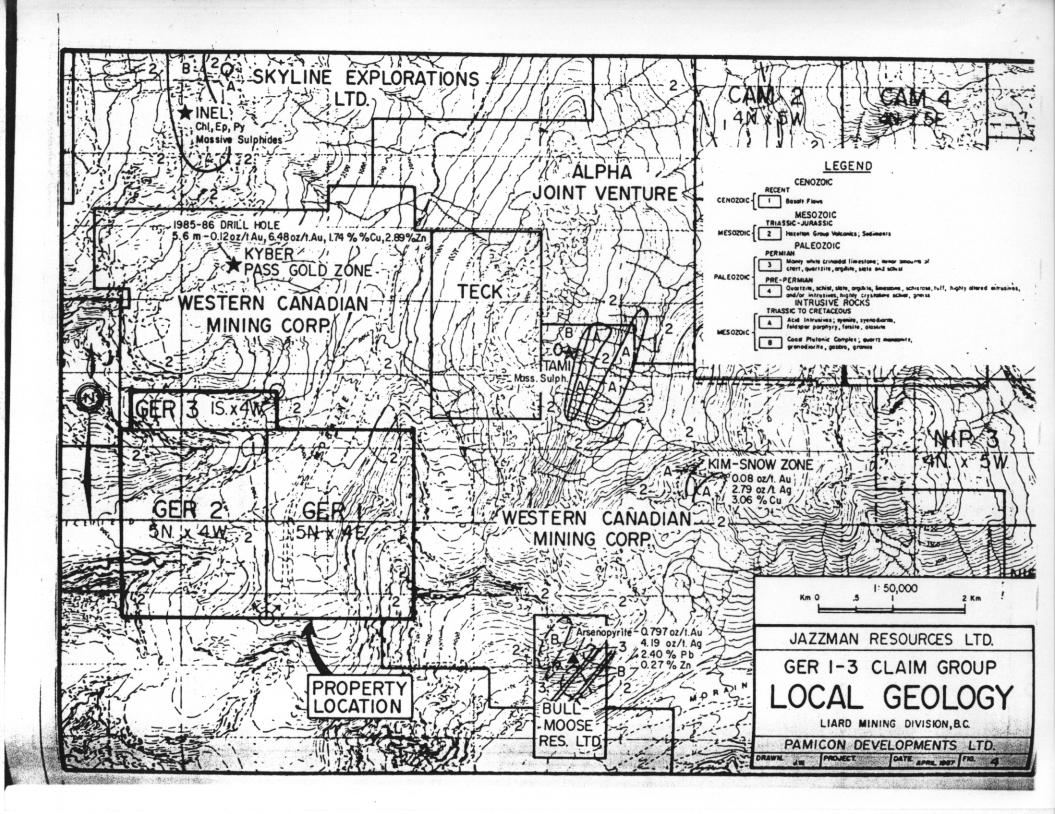
During 1983, Lonestar Resources Ltd. (D. A. Bending) recognized five distinct units while mapping the Gossan 1 to 23 claims. From oldest to youngest, these rocks are Black Argillite Unit, Banded Tuffaceous Siltstone Unit, Green Volcanic Unit, Upper Tuffaceous Sedimentary Unit, and Grey Volcanic Unit.

7.0 MINERALIZATION

ALC: NO.

To the writers' knowledge, no previous mineral exploration has been carried out on the Ger 1, 2 & 3 claims.

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Adjoining the claims to the north and east are Western Canadian Mining Corporation's Gossan claims. During the 1970s, the property was explored for its porphyry copper and molybdenum potential. With the recent success on Skyline's high-grade gold Stonehouse Deposit, the Gossan claims are being re-evaluated for their precious metal content. All previously reported copper showings (Tami, Kim and Pins) were re-examined during a reconnaissance exploration program in 1985. New discoveries included the Khyber Pass Gold Zone and the Wolverine Zone, located two kilometers north and four kilometers northwest repsectively of the Jazzman Resources property.

On the Khyber Pass Zone, a gold soil anomaly with coincident silver, lead, zinc, copper, molybdenum and copper values 800-meters long by 200 meters wide has been defined. A single drill hole was drilled to a depth of 69 meters, testing a sulphide-quartz structure.

Intersections of interest as reported by Brinco (1985) are summarized below. Four separate zones of almost massive pyrite with lesser quartz, chalcopyrite, sphalerite, galena, calcite and chlorite were reported. Gold is found within the sulphides.

From (m)	To (m)	Length (m)	True <u>Width</u> (m)	Ag (oz/t)	Au (oz/t)	<u></u> %	<u>Zn</u> %	Au Equivalent (oz/t)
11.2	16.8	5.6	2.8	6.48	0.12	1.74	2.89	0.33
39.0	44.2	5.2	2.6	2.66	0.17	0.90	-	0.25
54.5	60.1	5.6	2.8	1.77	0.15	-	-	0.18
66.0	69.0	3.0	1.5	1.54	0.28	-	-	0.31

The andesitic volcaniclastic unit hosts three of the intersections, while the underlying sericite-altered siltstone hosts the fourth zone.

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A mineralized quartz vein, 300 meters to the northeast from the abovementioned drill hole, together with a quartz-pyrite vein 340 meters to the

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southwest, all coincide with a 1200-meter airborne electromagnetic anomaly trending northeast-southwest.

Arsenopyrite-galena-quartz veins up to 25 centimeters in width have been reported on Bull Moose Resources' Nee claims two kilometers to the eastsoutheast. Assays range up to 0.797 ounces gold per ton, 4.19 ounces silver per ton, 2.40% lead, and 0.27% zinc.

8.0 DISCUSSION AND CONCLUSIONS

The Ger 1, 2 & 3 mineral claims appear to be predominantly underlain by Mesozoic volcanic and sedimentary rocks belonging to the Unuk River Formation. In the Iskut River gold camp, Skyline's high-grade Stonehouse Gold Zone and Inel prospect and several recently discovered prospects (Delaware Resources, Western Canadian Mining Corporation and Tungco Resources Corp.) are all hosted within this Unuk River package. The Stonehouse Gold Zone has underground and surface developed mineral reserves of 938,000 tons grading 0.73 ounces gold and 0.85 ounces silver per ton, and 0.76% copper. Production from the Stonehouse deposit is expected by 1987 year-end.

Considering the close proximity of the Ger 1, 2 & 3 mineral claims to the known gold occurrences on the Western Canadian Mining Corporation property to the north, and the Bull Moose Resources' claims to the east, the potential of discovering new gold mineralization on the subject property appears excellent.

9.0 RECOMMENDATIONS

9.1 PROGRAM

The 1987 field program should be undertaken to include geological mapping and prospect sampling of the entire claims area on enlarged aerial photographs. Heavy mineral concentrate stream sediments and silt sampling of all accesible drainages should be carried out, as well as soil sampling in areas of interest. VLF-electromagnetic and magnetometer surveys would be conducted over accessible grids. . s.

Upon completion of this initial phase, hand trenching of anomalous areas would follow.

Claim boundaries should be accurately located while in the field.

The cost of this program is estimated at \$54,172. A detailed cost breakdown is shown below. Upon completion of the project, results should be reviewed to determine whether additional expenditures are warranted.

9.2 BUDGET

Geological Mapping & Prospect Sampling

WAGES

Project Geologist 21 days @ \$300/day Prospector 21 days @ \$200/day Helpers 2 for 21 days @ \$175/day	\$ 6,300 4,200 7,350	\$ 17,850
ANALYSES		
Heavy Mineral Concentrates 60 @ \$32.50 Assays (Rock Chips, Soils & Silts) 200 @ \$20/sample	\$ 1,950 4,000	5,950
SUPPORT		• • • • •
84 man-days @ \$35/man-day		2,940
TRENCHING SUPPLIES		1,300
EQUIPMENT RENTALS		
VLF, Magnetometer, Drill		1,200
TRANSPORTATION		
Vehicle Rental 4 days @ \$50/day Airfares, Fixed Wing, Helicopter	\$ 200 13,000	13,200
REPORT		2,500 \$ 44,940

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Western Canadian Mining Corporation: News Release, Winter, 1987.

ENGINEER'S CERTIFICATE

I, CHARLES K. IKONA, of #5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

THAT I am a Consulting Mining Engineer with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.

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- 2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
- 3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
- 4. THAT this report is based on a research of all available information surrounding the Ger 1, 2 & 3 mineral claims compiled by Steve Todoruk, with whom I have worked for one year, and in whom I have every confidence.
- 5. THAT I have not examined the property reported on, but have had extensive experience in the area.
- 6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property; nor do I expect to acquire any such interest.
- 7. THAT I consent to the use by Jazzman Resources Ltd. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, British C	columbia, this $\frac{7}{2}$ day of $\frac{April}{2}$, 1987.
and	CHARLES K. INC.
Charles K. Ikona, P.Eng.	CHITISH CLUMCH NGINE Constant
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SUMMARY OF WORK PROGRAM ON GER CLAINS June, 1988

A geological report on the Ger claims was prepared by S.L. Todoruk, Geologist, and C.K. Ikona, P.Eng., dated April 1987 (the "Ger Report"). The Ger Report recommended the first phase of the program at a total estimated cost of \$54,172.

Included in this first phase exploration work was geological mapping and prospect sampling of the entire claims area on enlarged aerial photographs. Heavy mineral concentrate stream sediments and silt sampling of all accessible drainages should be carried out, as well as soil sampling in areas of interest. VLF-electromagnetic and magnetometer surveys would be conducted over accessible grids. Upon completion of this initial phase, hand trenching of anomalous areas would follow. Claim boundaries should be accurately located while in the field. Upon completion of the first phase, results should be reviewed to determine whether additional expenditures are warranted.

The program recommended above was initiated in the fall of 1987 but not completed due to weather and access problems. A summary of the results of this abbreviated program is presented below.

- Because of extreme rugged topographic constraints, much of the Ger claims were inaccessible to work without specialized equipment. As a result, only \$19,873 of the \$54,172 for the first phase was spent on the Ger claims. A further \$6,515 was spent on an airborne survey as recommended subsequently.
- A total of 23 man days were spent prospecting, soil and rock chip sampling the Ger 1 to 3 mineral claims in the Iskut River area. On the Ger 3 claim, 56 soil samples and several rock chip samples were collected.
- The soil sampling program identified three anomalous gold/copper/zinc areas which warrant additional follow-up work. Rock chip samples obtained from this area produced geochemically anomalous gold and copper values although these have not yet been located in place.

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- Considering the close proximity of the Ger claims to the Western Canadian Mining Corporation Khyber Pass Gold Zone and Pyramid Hill Zone, a detailed airborne geophysical survey was flown to help define any potential mineral targets. Results of this survey have not yet been received.
- Prospecting has located float material with copper and up to 1.5 gm/tonne gold in samples appearing to originate on the east side of the Ger 1 claim.

Recommendations at this time are:

- Results of the airborne survey should be correlated with known geology and mineralization. Subsequently experienced mountain climbing geologists should be employed to investigate anomalous targets of interest as well as to carry out a much more comprehensive rock chip sampling and geological mapping program in the more rugged areas of the claims which were unable to be explored during 1987.
- Claim boundaries should be accurately located especially the northern claim boundary of the Ger 3 which adjoins Western Canadian Mining Corp.'s.
- The remainder of the 1987 Phase I recommended budget (\$27,784) should be utilized to initiate this work.
- Based upon these results another stage of exploration may be warranted on the project at an estimated cost of approximately \$77,000.

Yours sincerely. CHARLES KARONA UNITICH Charles K. Ikona, P.Eng.

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