

SUPERINTENDENT OF BROKERS AND VANCOUVER STOCK EXCHANGE
(Development Company)

STATEMENT OF MATERIAL FACTS #66/88
EFFECTIVE DATE: 5TH AUGUST 1988

Adrian Resources

LTD.

Granville Street, Vancouver, B.C., V7Y 1C6 Telephone: (604) 687-3303

ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Granville Street, Vancouver, B.C., V6C 1S4

REGISTERED AND RECORDS OFFICES OF ISSUER

Company of Canada, 800 West Pender Street, Vancouver, B.C., V6C 2V7

COMPANY OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

Offered hereunder are speculative in nature. Information concerning the risks obtained by reference to this document; further clarification, if require may broker.

OFFERING : 1,375,000 UNITS

Units of One Common Share and Two Series "A" Warrants, two such Warrants will entitle the holder thereof who exercises such warrant to purchase one additional common share of the Issuer at any time up to the close of business within one year following the Offering Day as determined in accordance with the rules of the Vancouver Stock Exchange.

	Price to Public (estimated)*	Commission	Estimated Net Proceeds to be Received by the Issuer
Per Unit	\$0.60	\$0.045	\$0.555
Total	\$825,000.00	\$61,875.00	\$763,125.00

* To be calculated in accordance with the rules of the Vancouver Stock Exchange.

This Offering is subject to a minimum subscription of the entire Offering being received by the Issuer (see "Minimum Subscription" herein).

SHAREHOLDER OFFERING: This Statement of Material Facts also qualifies for sale at the market price for shares of the Issuer at the time of sale 125,000 common shares and up to an additional 125,000 common shares that may be acquired on the exercise of certain non-transferable warrants, all of which the Issuer has or will have issued to the shareholders described herein (the "Shareholder Offering"). None of the proceeds of sale from the Shareholder Offering will be received by the Issuer.

AGENTS

CONTINENTAL SECURITIES

10th Floor, 1055 Dunsmuir Street
Vancouver, B.C., V7X 1L4

CANARIM INVESTMENT CORPORATION LTD.

#2200, 609 Granville Street
Vancouver, B.C., V7Y 1H2

GEORGIA PACIFIC SECURITIES CORPORATION

16th Floor, 555 Burrard Street
Vancouver, B.C., V6C 1H2

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

PROPERTY FILE
D.L.
(P.W. OF R.V.)
ISKUT RIVER 104B/11
GENERAL

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference 14th June 1988 (the "Agency Agreement"), Adrian Resources Ltd. (the "Issuer") appointed the following as its agents (the "Agents") to offer to the public on a best efforts basis through the facilities of the Vancouver Stock Exchange (the "Exchange") 1,375,000 Units of the Issuer (the "Units") in the amounts set opposite their respective names (the "Offering"):

<u>Agents</u>	<u>No. of Units</u>
Canarim Investment Corporation Ltd.	750,000 Units
Continental Securities	375,000 Units
Georgia Pacific Securities Corporation	250,000 Units

The offering price of the Units (the "Offering Price") will be determined in accordance with the rules of the Exchange. The purchasers of any Units under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

The Offering will take place on the "Offering Day" which will be not more than sixty (60) calendar days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers (the "Effective Date").

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced dealers, brokers and investment dealers who may or may not be offered part of the commissions derived from the Offering.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events before the opening of the market on the Offering Day.

The Issuer has agreed to notify the Agents of any further public equity financing that it may require or propose to obtain during the twelve month period following the Effective Date and the Agents shall have the right of first refusal to provide such financing.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or other person or company in connection with the Offering. The directors, officers and other insiders of the Issuer may purchase Units from the Offering.

B. THE UNIT

II. Iskut River Property
British Columbia

Pursuant to an agreement dated 11th April 1988 (the "Iskut Agreement") between the Issuer and Iskut Gold Syndicate of #1140, 625 Howe Street, Vancouver, British Columbia ("Iskut Gold"), the Issuer has an option to acquire a 100% interest in the following unpatented mineral claims located in the Laird Mining Division, British Columbia:

thermal system. Work to date has focused on the western flank of the system where the mineralized zone is 2,500 m. long and 400 m. wide. Soils overlying the zone are strongly anomalous in gold, arsenic and bismuth. A parallel gold-arsenic anomaly defines the eastern flank of the system. This anomaly has not been explored. A systematic bulldozer trenching program on the western anomaly identified several styles of structurally controlled gold mineralization in an upright 750 m. thick structural succession. Twelve trench channel samples from the anomaly area returned an average grade of 1.22 g Au/tonne over an average width of 19m. Narrow higher grade intervals commonly core the mineralized zones.

Mr. Franzen also states that the widespread low grade gold mineralization and associated geochemical signature at the Hyland Gold Property are not unlike that in established western United States bulk tonnage, precious metals districts and, accordingly, he recommends a two stage program to further assess the fault and sediment hosted precious metals potential of the Hyland Gold Property. The first stage will include fill in bulldozer trenching, VLF-EM Resistivity surveys and a diamond drill program on the western anomaly at an estimated cost of \$682,000. Priority targets include the quartzite tourmaline limonite breccia, siderite lodes with pyrite and arsenopyrite and graphitic shear zones. A VLF-EM Resistivity survey over the eastern anomaly would trace fault structures through this overburden covered area and identify areas of intense silicification and favourable carbonaceous zones and horizons.

Contingent upon positive results, Stage 2 will consist of additional diamond drilling to properly define the zones of interest identified by Stage 1 work, at an estimated cost of \$940,000.

Under the terms of the Hyland Gold Agreement, the Issuer will be responsible for \$470,500 of the said Stage 1, plus 30% of the difference between \$682,000 and \$558,000 (assuming all parties meet their commitments) equal to \$37,200 for an aggregate expenditure of \$507,700.

THERE IS NO UNDERGROUND OR SURFACE PLANT OR EQUIPMENT ON THE PROPERTY NOR ANY KNOWN BODY OF COMMERCIAL ORE. THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

II. Iskut River Property British Columbia

Pursuant to an agreement dated 11th April 1988 (the "Iskut Agreement") between the Issuer and Iskut Gold Syndicate of #1140, 625 Howe Street, Vancouver, British Columbia ("Iskut Gold"), the Issuer has an option to acquire a 100% interest in the following unpatented mineral claims located in the Laird Mining Division, British Columbia:

<u>Name of Claim</u>	<u>Number of Units</u>	<u>Record Number</u>	<u>Record Date</u>
New 1	20	3913	19 February 1987
New 5	20	3917	19 February 1987
New 6	20	3918	19 February 1987

(the "Iskut River Property")

In order to exercise the said option, the Issuer shall:

- (a) pay Iskut Gold the sum of \$69,600, \$9,600 of which has been paid and \$60,000 of which is to be paid out of the proceeds of this Offering;
- (b) incur minimum exploration and development expenditures on the Iskut River Property in the amount of \$225,000 on or before 31st December 1990, in accordance with the following schedule:
 - (i) \$50,000 on or before 31st December 1988;
 - (ii) \$75,000 on or before 31st December 1989;
 - (iii) \$100,000 on or before 31st December 1990; and
- (c) issue in the aggregate 200,000 shares to Iskut Gold (50,000 of which have been issued). The remaining 150,000 shares may only be issued in three installments of 50,000 shares each subject to the completion of each respective phase of the mineral exploration program on the Iskut River Property, and the approval of such issuance by the Vancouver Stock Exchange, such issuance to be made within five business days of receipt of such approval.

Previous Exploration and Proposed Program

Denis A. Collins, B.Sc., Ph.D. and J.P. Sorbara, M.Sc., F.G.A.C., in their report on the Iskut River Property dated 14th April 1988, state that the Iskut River Property:

"lies approximately 8 kilometers northeast of the Stonehouse and Snip gold deposits. The Stonehouse gold zone proven reserves to date are 1,087,875 tons grading 0.7 oz/t Au, 1+ oz/t Ag, and 1% Cu. The geologically possible reserves are estimated to be 4,000,000 tons at a similar grade (Grove, 1988).

Delaware Resources Corporation, in a joint venture with Cominco Exploration Ltd., conducted a 13,857 m drilling program on the Snip Property near Bronson Creek, and announced plans to go into production in 1988. The geologically possible reserves for this deposit are 1.1 M metric tonnes @ 24.0 g/t gold or 1.2 M short tons @ 0.7 oz Au/t (Wolfe and Nichols, 1988).

No previous detailed work has been done on the subject Property. However, regional mapping by the Geological Survey of Canada and evidence from adjacent properties suggests that the Property is underlain by a similar suite of rocks as those at the known gold showings.

A geological survey was undertaken on the Ticker Tape Property, contiguous with the subject claims to the north, by Hi-Tec Resource Management Ltd. during 1987. This work defined a number of anomalous Au, Ag and Zn zones and preliminary geophysical and diamond drilling programs were then conducted.

A number of anomalous geochemical zones coincident with VLF and magnetic conductors were delineated and drilling commenced in October 1987. The presence of a well mineralized assemblage of up to 26.0 m (85') thick and in addition to mineralized fault zones at depth was confirmed by the limited 1987 drilling program. This area lies 1.5 kilometers north of the subject Property.

Silver values ranging from 2.0 g/t to 219.0 g/t (6.39 oz/t) and gold values from 0.01 g/t to 7.30 g/t (0.213 oz/t) were detected in the core.

An examination of core from the nearby Snip deposit by D.A. Collins, has confirmed that the presence of a lower siliceous red-purple coarse clastic assemblage is common to both properties.

Visible gold and bismuthinite(?) were found adjacent to sulphide zones, within the King vein. A grab sample of this mineral yielded an assay value of 1725.0 g/t Au (50.313 oz Au/ton) and 4,825 ppm bismuth. A 20 centimetre chip sample taken across the vein and adjacent wall rock yielded 864.0 g/t Au (25.20 oz Au/ton) in addition to 122.0 g/t Ag (3.56 oz Ag/ton). The highest silver value recorded from the King Vein was 11.61 oz/ton."

The writers conclude that the Iskut River Property has the potential to host precious metal deposits similar to those recently found in the region and in order to properly test the potential of the Iskut River Property, they recommend a two phase exploration program with the second phase being contingent upon the results of the preceding work. Phase I includes preliminary prospecting, mapping and geochemical sampling at an estimated cost of \$50,000. This would identify geologic environments similar to those which host the mineralization in the adjacent Ticker Tape Property.

Phase II would be contingent upon the results of Phase I and should involve detailed geochemical sampling, mapping and preliminary diamond drilling of anomalous areas discovered in Phase I at an estimated cost of \$175,000.

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