

ISKUT GOLD CAMP

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Gulf International Minerals Ltd's McLymont Property is located in the heart of the Iskut River Gold Camp in northwestern British Columbia. The property was originally prospected for base metal lode deposits and later, gold. However, despite numerous favourable surface indications, success eluded the early explorers before Gulf's prospecting team arrived.

The property was staked by Gulf in 1986 and initial work led to a new target area. Drilling in 1987 discovered a heretofore totally hidden mineral zone with high gold grades and significant values in silver and copper. Subsequent drilling has outlined a potentially economic reserve which will be further examined from underground with a major program to commence before the end of 1989.

This style of stratabound, yet structurally controlled gold mineralization is new to the Iskut Camp. Understanding it has led to the re-evaluation of a number of targets on the McLymont property which are being systematically tested in the current drilling phase.

The Inel property was one of the first to be explored in the Iskut Camp because of its very bright red, iron-stained rocks and numerous mineral showings. The property was originally explored for its porphyry copper potential and later its massive sulphide base metal potential. Today, the primary target is gold.

The Inel was initially staked by Skyline Explorations Ltd. in 1969 and was worked by a number of major companies in the early seventies. Skyline Explorations Ltd. began its exploration on the property in 1980 with prospecting programs which discovered numerous high grade gold showings. Inel Resources Ltd. was formed in 1987 to operate the property under option from Skyline. Diamond drilling led to the definition of a number of gold zones which were examined in detail with a 2400 foot underground exploration program in 1988/89. Meanwhile, surface exploration continued with the recent AK Zone discovery. This high grade zone has returned an exceptional 91.99 oz./ton Au assay in one drill hole, with numerous other assays in the one oz./ton Au range.

The Inel has unlimited potential: high grade gold zones similar to Skyline, base and precious metal stratabound zones such as Calpine and bulk tonnage copper-gold as at Sulphurets Gold's Kerr property, both dramatic new discoveries in the Iskut region. Inel's intensive exploration program carried out over the past two seasons is just starting to measure this potential.



"BRAIDED CHANNELS OF THE ISKUT RIVER — FROM BRONSON CREEK DOWNSTREAM TOWARDS THE STIKINE RIVER AND WRANGELL, ALASKA"



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mineralized lenses and pods, some with very high precious metal values. Plans are now underway to examine the deposit from underground workings.



"British Columbia boasts some of the world's largest base metal mines, such as Sullivan and Highland Valley. Recent discoveries in the Iskut Gold Camp will soon position B.C. as a world-class gold producer as well."

Gerald G. Carlson Ph.D., P.Eng.
President
Gulf International Minerals Ltd.
Inel Resources Ltd.



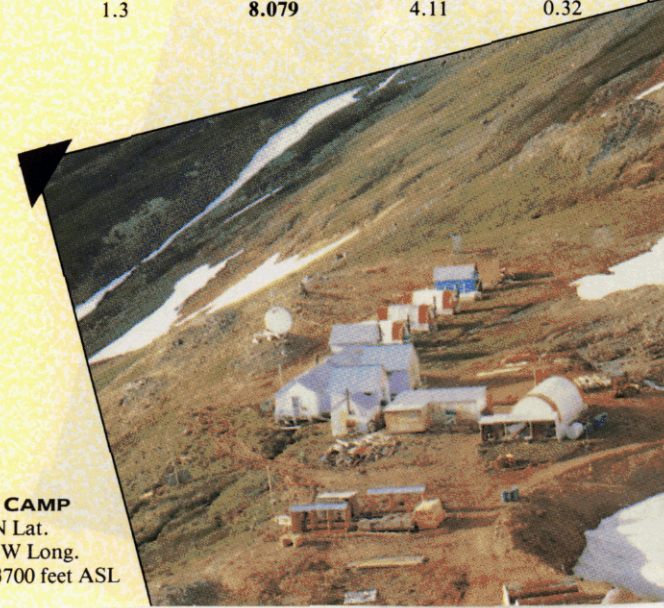
PORTAL TO UNDERGROUND WORKINGS ON INEL PROPERTY.



HIGHLIGHTS OF GULF'S DRILL RESULTS NORTHWEST RIDGE ZONE

Drill Hole	Length (ft.)	Au (oz/t)	Ag (oz/t)	Cu (%)
87-25	30.0	0.404	0.11	0.23
87-29	36.5	1.605	1.16	0.97
88-28	15.1	0.810	0.29	0.41
88-35	6.9	3.551	1.80	0.58
89-11	21.1	0.770	1.74	0.47
89-23	17.9	0.401	0.28	0.20
89-29	6.3	0.970	1.09	0.45
89-51	1.3	8.079	4.11	0.32

THE INEL CAMP
56°36'30" N Lat.
130°58'00" W Long.
Elevation: 3700 feet ASL



Two hundred million years ago, the western half of British Columbia was a mass of seething volcanoes, erupting layer upon layer of lava and ash. In the surrounding oceans, great thicknesses of sediments accumulated. As these strata of volcanic and sedimentary rocks thickened, they were intruded by the molten magmas which fed the volcanoes. These same formations are the hosts for the rich gold, silver and base metal lodes of the Iskut, while the underlying magmas provided the heat, fluids and metals from which they formed.

The first prospectors to enter the area, around the turn of the century, saw in the steep and rugged mountain slopes the innermost cores of those same volcanoes. Yet the treasures were well hidden within the rocks. Although these early explorers were driven by the lust for gold, they were rewarded with copper showings containing only limited silver and gold.

Without a major gold discovery and because access was difficult, the area was largely ignored until B.C.'s porphyry copper boom of the 50's and 60's. At that time, a number of major mining companies staked and worked on most of the prospects in the Iskut camp, including Gulf's McLymont and the Inel. These two properties represent contrasting geology and mineral deposit types.

The central part of the Inel property contains the core of a volcano. Within the core are intrusive rocks and associated copper-gold mineralization, both disseminated, low grade porphyry style mineralization and high grade gold shoots in the Discovery Zone. Peripheral to this are zinc-rich zones, some with very high gold values. These zones are currently being explored with an aggressive surface and underground exploration program.

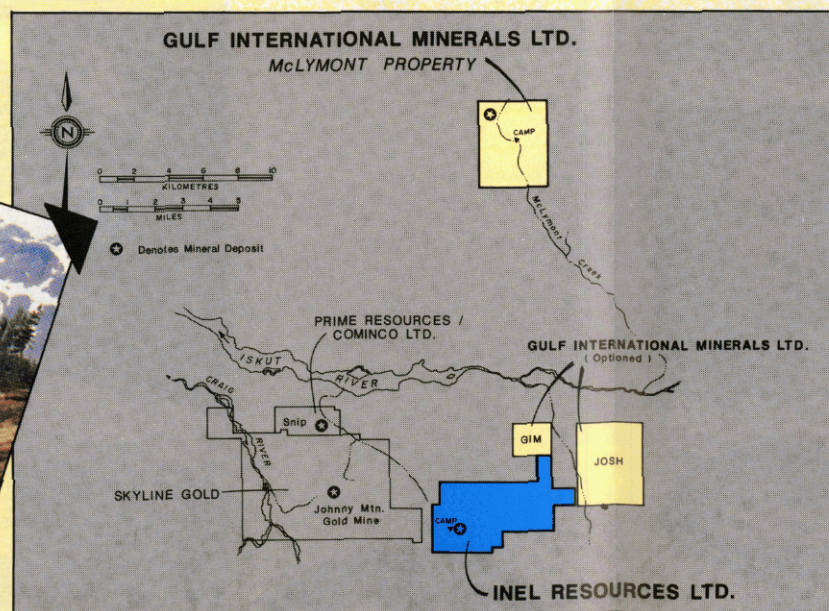
The McLymont Property, on the other hand, contains rich gold-copper-silver mineralization in sedimentary rocks much older than the volcanoes of the Inel. These rocks were fractured and faulted during the volcanic period, and were intruded by the same molten magmas. They acted as a sponge to the metal bearing fluids, forming a series of

Skyline's Johnny Mountain mine is in production and the Cominco/Prime Snip deposit is nearing a production decision. The McLymont, Inel and Sulphurets are at advanced exploration stages and with the exciting new discoveries such as Calpine and Kerr, the potential of the Iskut Camp has just begun to be realized. Road access and hydro-electric power are part of the area's foreseeable future. When combined with the application of advanced exploration technology, the vision of the pioneers may soon yield several profitable mines.

HIGHLIGHTS OF INEL'S ASSAY RESULTS

Location	Length (ft.)	Au (oz/t)	Ag (oz/t)	Cu (%)	Zn (%)
Discovery Zone					
• Underground panel	3.3	1.460	0.59	—	6.70
• Drill hole U 88-40	13.3	0.770	0.74	—	2.13
• Drill hole U 88-87	10.1	0.460	2.46	0.05	7.54
AK Zone					
• Trench #1	9.8	1.290	2.58	0.54	0.51
• Trench #3	6.6	1.270	1.17	0.16	0.38
• Drill hole S-116	8.0	1.21	1.61	0.31	—
• Drill hole S-148	12.4	1.474	2.28	0.29	1.36
• Drill hole S-130	1.5	91.999	23.01	—	0.64

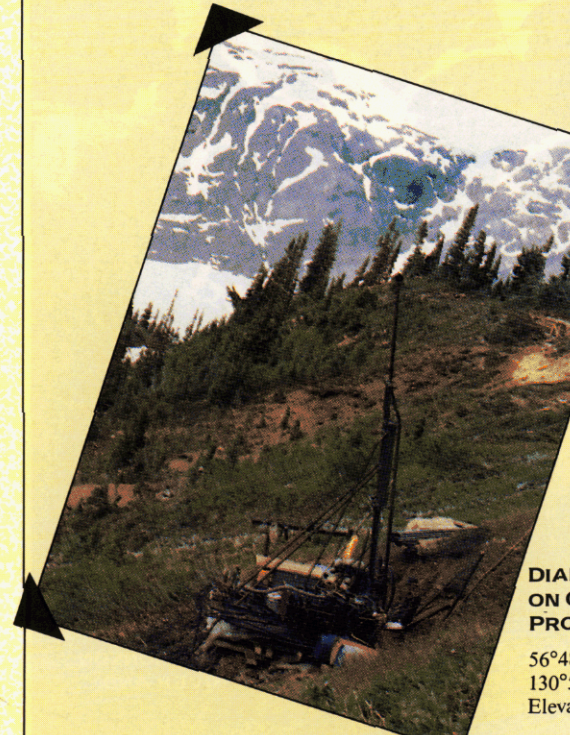
ISKUT GOLD CAMP, BRITISH COLUMBIA, CANADA



DIAMOND DRILLING ON GULF'S McLYMONT PROPERTY

56°48'30" N Lat.
130°57'30" W Long.
Elevation: 3600 feet ASL

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G.G. Carlson—President
C.W. Cowan—Secretary
M.D. Laidlaw—Vice President
E.W. Grove—Director
M. Pezim—Director

Stock Information
Exchange: Vancouver
Trading Symbol: GIM
Shares Outstanding: 4,027,876



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This corporate profile was prepared by
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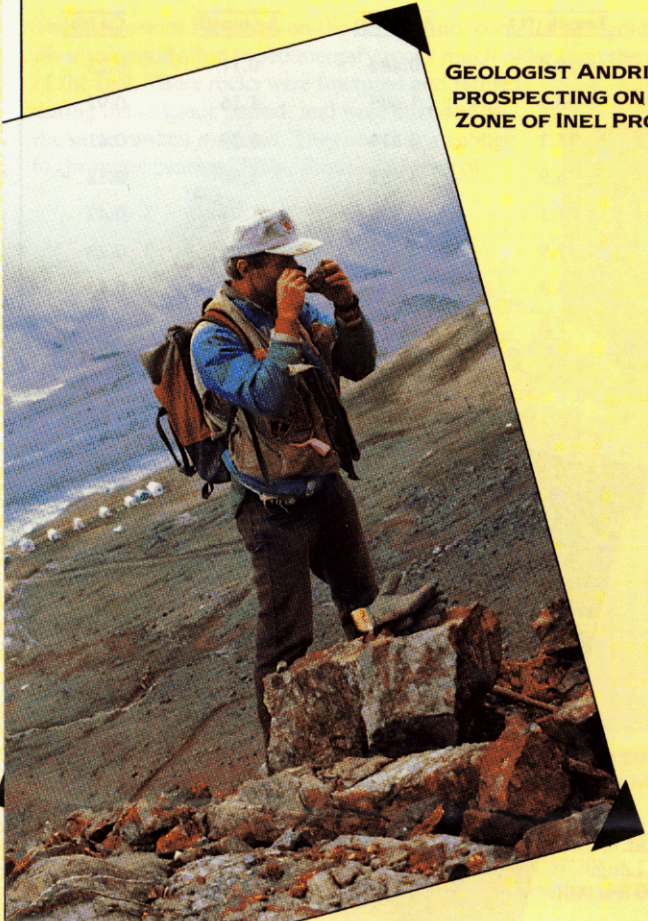
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ISKUT PIONEERS

In every way these two companies, Gulf and Inel, have been pioneers in the exploration of the Iskut River Gold Camp. Both companies evolved from Skyline Explorations Ltd., the discoverer of the Johnny Mountain gold deposit which was put into production on August 17, 1988. Their success, derived from their depth of experience and their persistence, is largely due to the leadership of the founder of all three companies, Reg Davis. Reg pioneered the modern exploration effort in the Iskut, and spearheaded many of the exploration projects now active in the camp. At his side were two outstanding geologists: Bob Gifford, the first to recognise the camp's gold potential, who guided the companies' acquisitions in the camp; and Ted Grove, the first to provide a comprehensive geological map of the area, who has been a longtime geological consultant to the companies.

Typical of many pioneering plays in Canada, most of the initial, high-risk exploration was carried out by junior companies. The critical funding to carry out this work was provided by visionary financial people such as Ron Gabriel (of Yorkton Continental Securities Inc.) in Vancouver and Michael D. Laidlaw of London, England. It was their belief in the camp and their faith in the people that have enabled the projects to attain success. The newest member of this team, Murray Pezim, is a pioneer in his own right, with one of the most successful mine-finding records in Canada to his credit, including Hemlo and the Iskut's exciting new Calpine discovery.

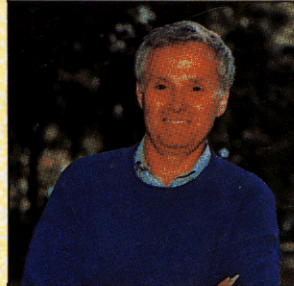
Where others quit and have faded away, this group of pioneers persisted, searched for more and will continue to do so — unravelling the mystery of the Iskut's gold — a true mining camp of world class proportions.



**GEOLOGIST ANDRIS KIKAUKA,
 PROSPECTING ON DISCOVERY
 ZONE OF INEL PROPERTY**



Reg Davis



Bob Gifford



Ted Grove



Mike Laidlaw



Murray Pezim

