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SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS #25/89
EFFECTIVE DATE: JUNE 19, 1989

MAGENTA DEVELOPMENT CORPORATION

11th Floor, 808 West Hastings Street, Vancouver, B.C. V6C 2X6 Telephone: 687-7463
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#100 - 200 Granville Street, Vancouver, B.C., V6C 1S4
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Guaranty Trust Company, 800 West Pender Street, Vancouver, B.C. V6C 2V7
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

O F F E R I N G : 1,500,000 UNITS

Each Unit consists of One Common Share and Two Series "A" Warrants, two such Warrants entitling the holder thereof who exercises such Warrants 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 at a price to be determined in accordance with the rules of the Vancouver Stock Exchange.

| | Offering Price (minimum)* | Commission | Estimated Net Pro- ceeds to be Received by the Issuer |
|----------|------------------------------|------------|---|
| Per Unit | \$0.40 | \$0.03 | \$0.37 |
| Total | \$600,000 | \$45,000 | \$555,000 |

* To be calculated in accordance with the Rules of the Vancouver Stock Exchange; \$0.40 is the minimum price per Unit allowed thereunder.

A D D I T I O N A L O F F E R I N G

The Agents have agreed to purchase (the "Guarantee") any of the Units offered hereby which have not been sold at the conclusion of the Offering (see "Plan of Distribution - Consideration to Agents"). Any Units acquired by the Agents under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

A G E N T S

CANARIM INVESTMENT CORPORATION LTD.
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Vancouver, British Columbia
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**INTERIM DRILLING REPORT
ON THE
ROB 13 AND 14 MINERAL CLAIMS
PHIZ PROJECT**

**Located in the Iskut River Area
Liard Mining Division
NTS 104B/10W
56°41' North Latitude
130°11' West Longitude**

- Prepared for -

CREST RESOURCES LTD./MAGENTA DEVELOPMENT CORP.

- Prepared by -

**E.A. SCROGGINS, Geologist
C.K. IKONA, P.Eng.**

January, 1989

INTERIM DRILLING REPORT on the ROB 13 and 14 MINERAL CLAIMS

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INTERIM DRILLING REPORT on the ROB 13 and 14 MINERAL CLAIMS

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1.0 INTRODUCTION

During September and October of 1988 an exploration program was conducted on the Rob 13 and 14 claims of Crest Resources and Magenta Developments in the Iskut River area of B.C. These claims adjoin Delaware Resources and Cominco's Snip claims which contain published reserves of 2,446,000 tons of 0.648 oz/ton gold.

The program consisted of line cutting, soil sampling, geological mapping and prospecting and led to the discovery of an auriferous quartz-sulphide vein of possible important economic significance.

This report summarizes results from a preliminary 3,116 foot drill program conducted on this vein late in 1988 and recommends a further work program on the vein and property.

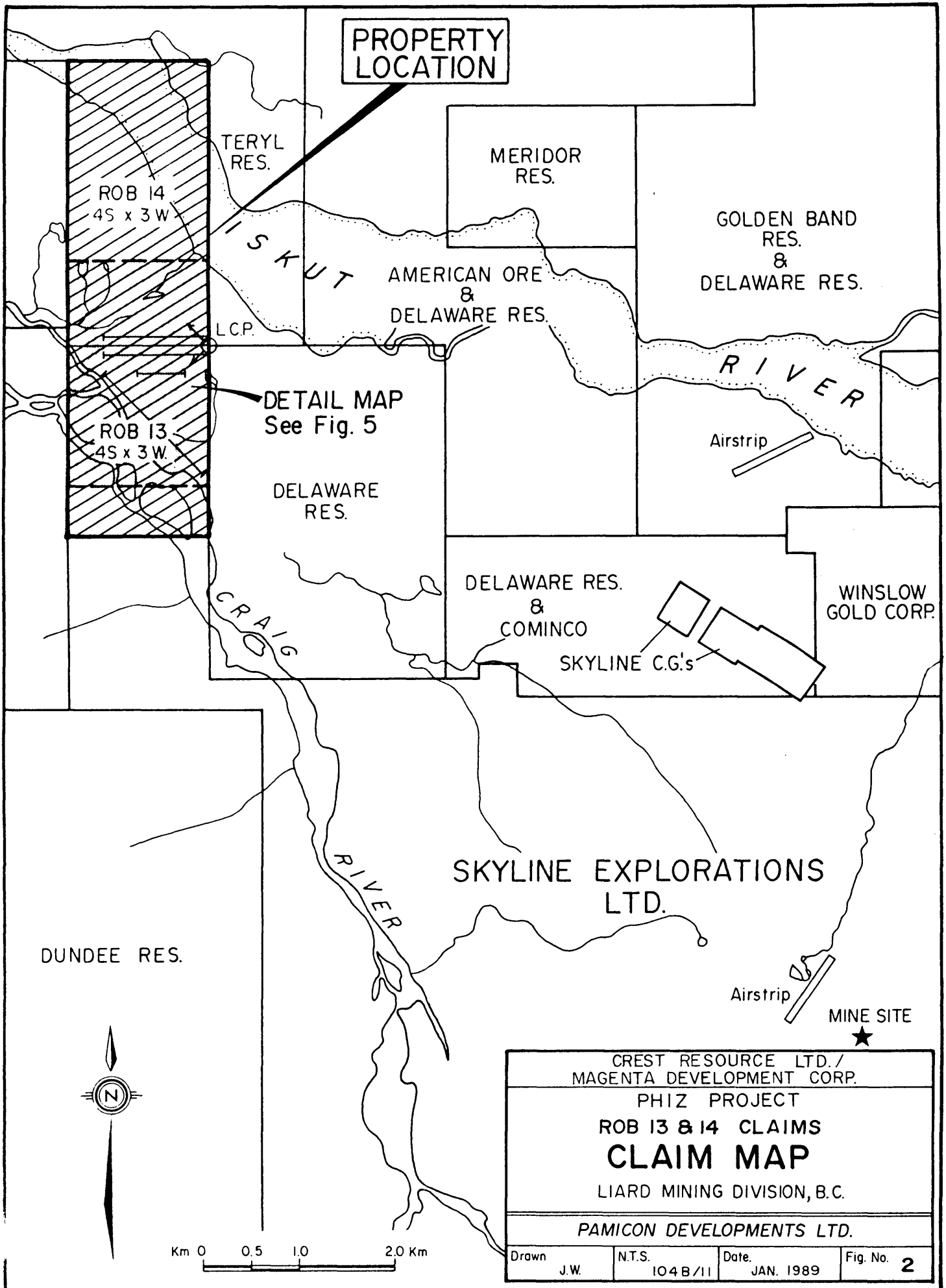
Complete results of the 1988 exploration activities on the property will be contained in a forthcoming report.

2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims are owned by Crest Resources Ltd. and Magenta Development Corp. in a 50/50 joint venture agreement.

| <u>Claim Name</u> | <u>Record Number</u> | <u>No. of Units</u> | <u>Record Date</u> | <u>Expiry Date</u> |
|-------------------|----------------------|---------------------|--------------------|--------------------|
| Rob 13 | 3783 | 12 | December 5, 1986 | December 5, 1990 |
| Rob 14 | 3784 | 15 | December 5, 1986 | December 5, 1990 |

PROPERTY LOCATION



3.0 LOCATION, ACCESS AND GEOGRAPHY

The Rob 13 and Rob 14 mineral claims are located approximately 80 kilometres east of Wrangell, Alaska and 100 kilometres northwest of Stewart, British Columbia, on the eastern edge of the Coast Range Mountains (Figure 1). The Iskut River flows through the northeast corner of the Rob 14 claim while the Craig River passes through the southwest corner of the Rob 13 claim. Coordinates of the claims are 56°41' north latitude and 130°11' west longitude, and the property falls under the jurisdiction of the Liard Mining Division.

Access to the property is via helicopter from the Bronson Creek gravel airstrip located approximately six kilometres to the east. Daily scheduled flights to the strip from Smithers, Terrace and Wrangell, Alaska have been available during the field season using a variety of fixed wing aircraft.

The construction of a road 65 kilometres 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 the Cominco/Delaware-Skyline gold mines at Bronson Creek.

Geographically, the area is typical of mountainous and glaciated terrain with elevations ranging from a few hundred metres above sea level in the river valley bottoms to in excess of 1500 metres 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 metre contour, with the tree line existing at 1000 metres. 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 club, alder and berries. The claims may be worked between the months of late May and mid-October.

The Rob 13 and 14 claims are situated over part of the height of land between the Iskut and Craig Rivers, immediately south of the confluence of the Twin

River and the Iskut River. Along the Iskut, the claims elevations reach a maximum of above 215 metres above sea level. The lowest elevations along the Craig River are approximately 80 metres above sea level.

4.0 AREA HISTORY

Figure 3 of this report presents a 1:500,000 scale area of northwestern B.C. from Stewart in the south to near Telegraph Creek in the north. This represents some 225 km. Within this area, which has been referred to as the Stikine Arch, mining activity goes back to the turn of the century. Due to the size of the region it historically has been referred to in more specific areas ranging from the Stewart area to Sulphurets, Iskut and Galore Creek. As can be noted in Figure 3, however, all of these individual camps appear to be related to the Stikine Arch as a whole. Recent discoveries appear to be filling in areas between these known mineralized camps. It is probable that the entire area be considered as one large mineralized province with attendant subareas. As the Rob 13 and 14 claims are located within the Iskut area a more detailed history is presented below.

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 9 metre 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 helicopter borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum



COMPILED BY S. TODORUK (1988)

PROPERTY OWNER

1. Vestain Resources Ltd./Silhak Premier Mines
2. Vestain Resources Ltd./Tourelgan Mining Explorations Ltd.
3. Noranda (Told Creek Project)
4. Scottie Gold Mine
5. Grandoc
6. Echo Bay Mines/Nagna Ventures/Silver Princess Resources (Doc Project)
7. Western Canadian Mining (Kerr Project)
8. Cataract Resources Ltd.
9. Newhawk/Lacana/Grandoc (Sulphureta Project)
10. Calpine/Consolidated Stikine Silver Ltd. (Eskey Creek Project)
11. Comaltek Silver Standard Mines Ltd. (E & L Deposit)
12. Joel Resources Ltd.
13. Skyline Explorations Ltd. (Stonehouse Gold Deposit)
14. Lestrel Resources Ltd.
15. Hector Resources Inc. (Golden Spray Vein)
16. Thango Resources Corp.
17. Hinalon
18. Conance/Delaware Resource Corp. (Snip Deposit)
19. Pezgold Resource Corp.
20. Meritor Resources Ltd.
21. Delaware Resource Corp./American Ore Ltd./Golden Band
22. Magenta Development Corp./Frost Resources Ltd.
23. Fitcher Tape Resources Ltd. (King Vein)
24. Pezgold Resource Corp.
25. Consolidated Sea-Gold Corp.
26. Gulf International Minerals Ltd. (Northwest Zone)
27. Kerr Claims
28. Pezgold Resource Corp. (Cuba Zone)
29. Pezgold Resource Corp. (Ilex Zone)
30. Porrest Project
31. Pass Lake Resources Ltd. (Trek Project)
32. Galore Creek
33. Continental Gold Corp.
34. Bellor Resources Ltd./Sarabat Resources Ltd. (Jack Wilson Project)
35. Pass Lake Resources Ltd. (JD Project)
36. Lac Minerals (Kashlin Peak Project)
37. Schaft Creek
38. Papirt

MINERAL RESERVES AND/OR ELEMENTS

- 5,900,000 tonnes 0.063 oz/ton Au, 2.3 oz/ton Ag
- 1,400,000 tonnes 0.110 oz/ton Au, 0.86 oz/ton Ag
- 1,000,000 tons 1.75% Cu
- 470,000 tons 0.21 oz/ton Au, 1.31 oz/ton Ag
- Cu, Au
- 291,916 tons 0.835 oz/ton Au, 2.44 oz/ton Ag
- 2,000,000 tons 0.462 oz/ton Au, 31.78 oz/ton Ag
- Au, Cu, Ag
- 3,200,000 tons 0.805 %S, 0.505 Cu
- Au, Ag, Cu, Pb, Zn
- 1,100,000 tonnes 0.700 oz/ton Au, 1.0 oz/ton Ag, 1% Cu
- Au, Ag, Cu, Pb, Zn
- Au, Ag
- Au, Ag, Cu, Pb, Zn
- Au, Ag, Cu, Pb, Zn
- 1,200,000 tons 0.700 oz/ton Au
- Ag, Au
- Au
- Au
- Au, Ag, Cu, Pb
- Au
- Au, Ag, Cu, Pb
- Au
- Au, Ag, Cu
- Ag, Cu, Au
- Ag, Pb, Zn
- Cu, Au
- Au, Ag, Cu
- Cu, Au
- 125,000,000 tonnes 1.06% Cu, 0.397 g/t Au, 7.94 g/t Ag
- Au, Cu
- Au, Ag, Cu
- Au, Cu
- Au
- 910,000,000 tonnes 0.302 Cu, 0.202 %S, 0.113 g/t Au, 0.392 g/t Ag
- 200,000 tons 0.120 oz/ton Au

CREST RESOURCE LTD./MAGENTA DEVELOPMENT CORP.

Regional Mineral Occurrence Map

LIARD MINING DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

Geologist: L. Scroggins NTS: 103, 104 Date: March 1989 FIGURE: 3

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 Snippaker Creek. Work included trenching, drilling and 460 metres 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. One and one-half metres grading 0.220 ounces gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing.

In 1980 Dupont Canada Explorations Ltd. staked the Warrior claims south of Newmont Lake on the basis of a regional stream sediment survey. In 1983, Skyline Explorations Ltd. and Placer Developments Ltd. optioned the Warrior claims from Dupont. Efforts were directed at sampling and extending several narrow quartz-pyrite-chalcopyrite veins with values ranging from 0.1 to 3.0 oz/ton gold. Geophysics and coincident geochemical values indicated a significant strike length to the mineralized structure. The Warrior claims were allowed to lapse in 1986, at which time, Gulf International Minerals Ltd. acquired the McLymont claims covering much the same area.

Assays of interest from recent Gulf drilling are listed below (Gulf International Minerals Ltd., Annual Report, 1987 and news releases):

| <u>Drill Hole</u> | <u>Interval</u> (feet) | <u>Length</u> (feet) | <u>Copper</u> (%) | <u>Silver</u> (oz/ton) | <u>Gold</u> (oz/ton) |
|-------------------|---------------------------|-------------------------|----------------------|---------------------------|-------------------------|
| 87-25 | 343.0-373.0 | 30.0 | 0.23 | 0.11 | 0.404 |
| | 409.3-412.0 | 2.7 | 0.55 | 0.35 | 0.250 |
| | 470.2-473.8 | 3.6 | 0.42 | 0.19 | 1.520 |
| 87-29 | 167.0-170.0 | 3.0 | 0.001 | 0.01 | 0.140 |
| | 205.0-241.5 | 36.5 | 0.97 | 39.73 | 1.605 |
| 88-28 | 213.9-229.0 | 15.1 | | | 0.810 |
| | 260.5-276.6 | 16.1 | | | 0.645 |
| | 354.0-363.2 | 9.2 | | | 0.319 |

(average grade = 149.0 feet of 0.207 oz/ton gold)

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 Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 460 metres 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. With production commencing in August, 1988 a total of 196,927 lbs. copper, 19,329 oz silver and 9,894 oz gold were produced up to the end of 1988. Remaining reserves reported to date in all categories are 686,000 tons grading 0.57 oz/ton gold.

On the Cominco/Delaware Snip claims immediately north of the Stonehouse Gold deposit, approximately 20,000 metres of diamond drilling has been carried out defining the Twin Zone gold deposit. Three thousand metres of underground

development work has also been completed as the project readies for production. As of January, 1989, reserves on the Twin Zone were reported as:

| | <u>Au</u> (oz) | <u>Tons</u> |
|----------------|-------------------|-------------|
| Total Inferred | 0.648 | 2,446,000 |

During 1987, Inel Resources Ltd. commenced an underground drifting and diamond drilling program along the main cross-cut intent on intersecting the Discovery Zone which hosts gold-bearing polymetallic massive sulphide mineralization. Underground drilling on the centre section of workings has returned in U88-3 a grade of 0.769 oz/ton gold for 4.1 metres (September, 1988). As of November, 1988, 730 metres of underground development has been completed in the area of the Discovery zone.

Western Canadian Mining Corp. in 1987 drilled tested to Khyber Pass massive sulphide showing on their Gossan claims in the Iskut area while in 1988 drilling was carried out on their Kerr project copper-gold porphyry deposit in the Sulphurets camp to the southeast.

Tungco Resources Corporation has drill tested four main gold/copper quartz vein targets; the Bluff, No. 7, Swamp and Gold Bug Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold. Drill testing was also carried out near the western edge of the claims on the Boot Zone lead/zinc/copper/silver/gold prospect.

During 1988 Pezgold Resource Corp./International Prism Exploration drill tested the old Newmont Ken Zone magnetite/chalcopyrite/gold skarn zone north of Gulf International Minerals' Northwest Gold Zone. High grade silver-lead-zinc was also found on the eastern side of the property.

In late 1988, Calpine Resources Incorporated/Consolidated Stikine Silver announced several exciting drill holes on their Eskay Creek Project at Tom McKay Lake. Drill hole CA88-6 reported values of 0.730 oz/ton gold across 96.5 feet.

South of Calpine's Eskay Creek Project and in the Sulphurets Gold Camp several properties are quickly moving into production phases as listed below:

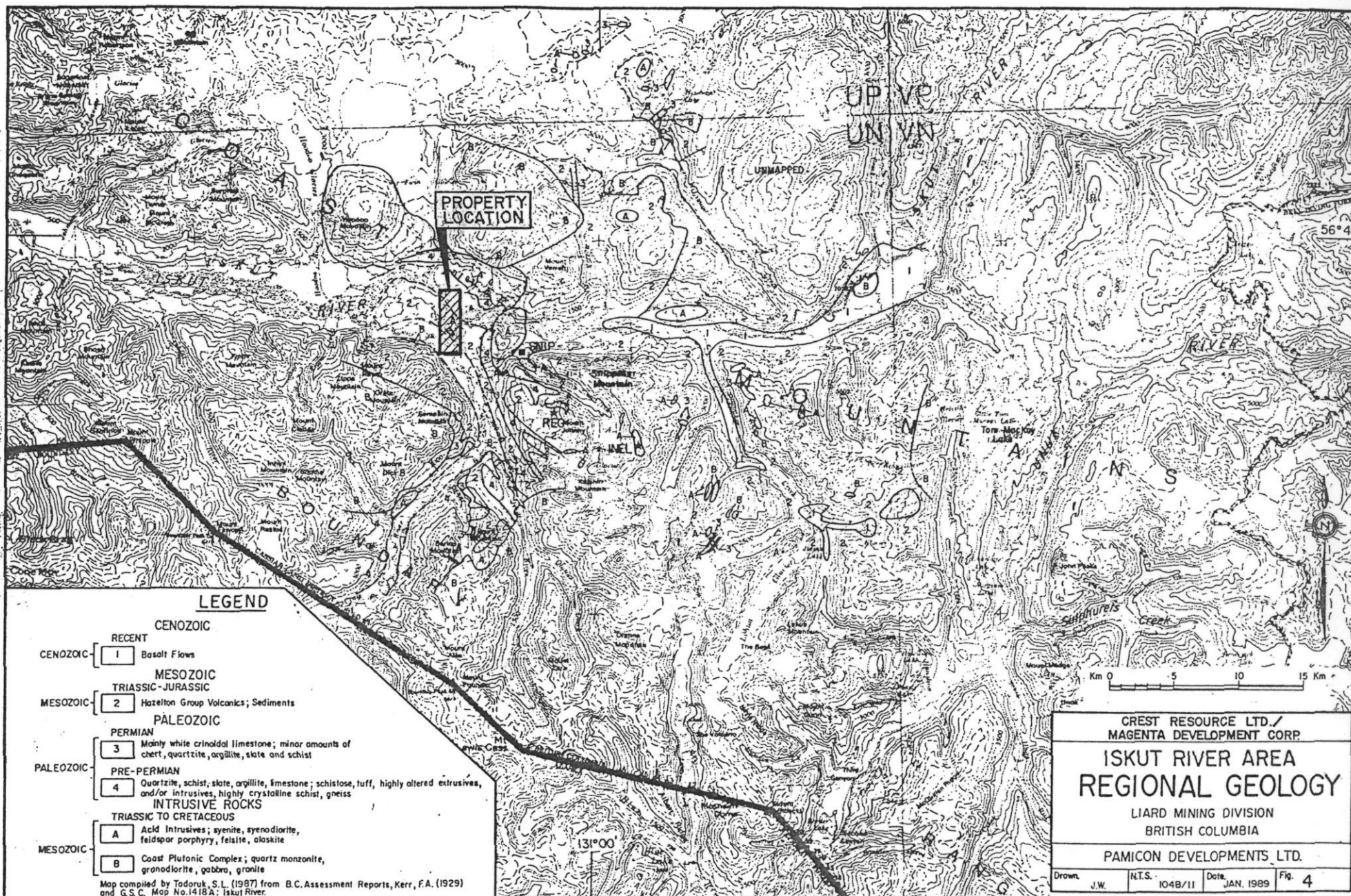
| <u>Project</u> | <u>Mineral Reserves</u> |
|--|---|
| Newhawk/Granduc/Lacana Mine | 2,000,000 of 0.462 oz/ton Au, 21.78 oz/ton Ag |
| Catear Resources Ltd. Mine | 291,916 of 0.835 oz/ton Au, 2.44 oz/ton Ag |
| Echo Bay Mines/Magna/ Silver Princess Project | 470,000 of 0.270 oz/ton Au, 1.31 oz/ton Ag |

5.0 REGIONAL GEOLOGY

The following regional geological interpretation is taken from B.C. Geological Survey Branch publication, in press, Exploration in British Columbia 1987 by D.V. Lafebure and M.H. Gunning.

A northwest-trending belt of Permian to Lower Jurassic volcanic and sedimentary rocks and their metamorphic equivalents trends northward from Alice Arm to Telegraph Creek and forms part of Stikinia. It is bounded to the west by the Coast Complex and is overlapped to the east by the clastic sediments of the Bowser Basin.

The dominant lithologies in the Bronson Creek area are clastic sediments and volcanics with minor carbonate lenses which are intruded by a diverse suite of intrusive rocks, most commonly granitic and syenitic. The sedimentary rocks are sandstones (typically greywackes), siltstones, shales, argillites, conglomerates and minor limestones. Volcanic rocks vary in composition from mafic to felsic and display a wide variety of igneous, pyroclastic and volcanoclastic textures.



LEGEND

- | | | |
|-----------|------------------------|--|
| | CENOZOIC | |
| | RECENT | |
| CENOZOIC | 1 | Basalt Flows |
| | MESOZOIC | |
| | TRIASSIC-JURASSIC | |
| MESOZOIC | 2 | Hazelton Group Volcanics; Sediments |
| | PALEOZOIC | |
| | PERMIAN | |
| | 3 | Mainly white crinoidal limestone; minor amounts of chert, quartzite, argillite, slate and schist |
| PALEOZOIC | PRE-PERMIAN | |
| | 4 | Quartzite, schist, slate, argillite, limestone; schistose, tuff, highly altered extrusives, and/or intrusives, highly crystalline schist, gneiss |
| | INTRUSIVE ROCKS | |
| | TRIASSIC TO CRETACEOUS | |
| | A | Acid Intrusives; syenite, syenodiorite, feldspar porphyry, felsite, alaskite |
| MESOZOIC | B | Coast Plutonic Complex; quartz monzonite, granodiorite, gabbro, granite |

Map compiled by Todoruk, S.L. (1987) from B.C. Assessment Reports, Kerr, F.A. (1929) and G.S.C. Map No. 1418A: Iskut River.

| | | | |
|---|------|-------------------|-------------------|
| CREST RESOURCE LTD./ MAGENTA DEVELOPMENT CORP. | | | |
| ISKUT RIVER AREA REGIONAL GEOLOGY | | | |
| LIARD MINING DIVISION BRITISH COLUMBIA | | | |
| PAMICON DEVELOPMENTS LTD. | | | |
| Drawn | J.W. | N.T.S. 104B/11 | Date JAN. 1989 |
| | | | Fig. 4 |

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

Kerr (1948) correlated most of the rocks along Bronson Creek with Triassic volcanics that he had seen farther to the north and northwest. These volcanics consist of intensely folded and sheared tuffs, agglomerates, lavas, rare pillow lavas and bedded sediments. He believed that the volcanics are overlain by Triassic argillites with lenses of limestone. The lower northern and western slopes of Johnny Mountain are underlain by pre-Permian metamorphosed shale, sandstone and limestone.

Exploration geologists have defined stratigraphic columns for specific properties (Birkeland and Gifford, 1972; Sevensma, 1981) and for the area as a whole (Parsons, 1965; Bending, 1983). Bending defined a stratigraphic column with black argillite conformably overlain by banded siltstone which underlies a green volcanic unit composed principally of intermediate to felsic rocks. The green volcanic unit has an irregular upper contact with the "Upper Tuffaceous Sedimentary Unit," a sequence of limestones, tuffaceous sandstones, argillites and siltstones with lenses of conglomerate near the upper contact. At the top of Bending's sequence is hornblende-biotite andesite tuff and subordinate breccia. Based on descriptions by Kerr (1930, 1948), Bending correlated the basal argillite and siltstone with the upper Paleozoic, the green volcanic unit with the Triassic and the upper tuffaceous sediments with the lower Jurassic. Fossils collected from 350 metres southwest of Snippaker Peak have been determined as Lower Jurassic, probably Toarcian age, by H.W. Tipper of the Geological Survey of Canada (Graf, 1985).

Grove (1986b) subdivided the sedimentary and volcanic rocks on the top of Mount Johnny into the Unuk River and Betty Creek formations of the Hazelton Group, based on correlations with his work to the east.

6.0 PROPERTY GEOLOGY

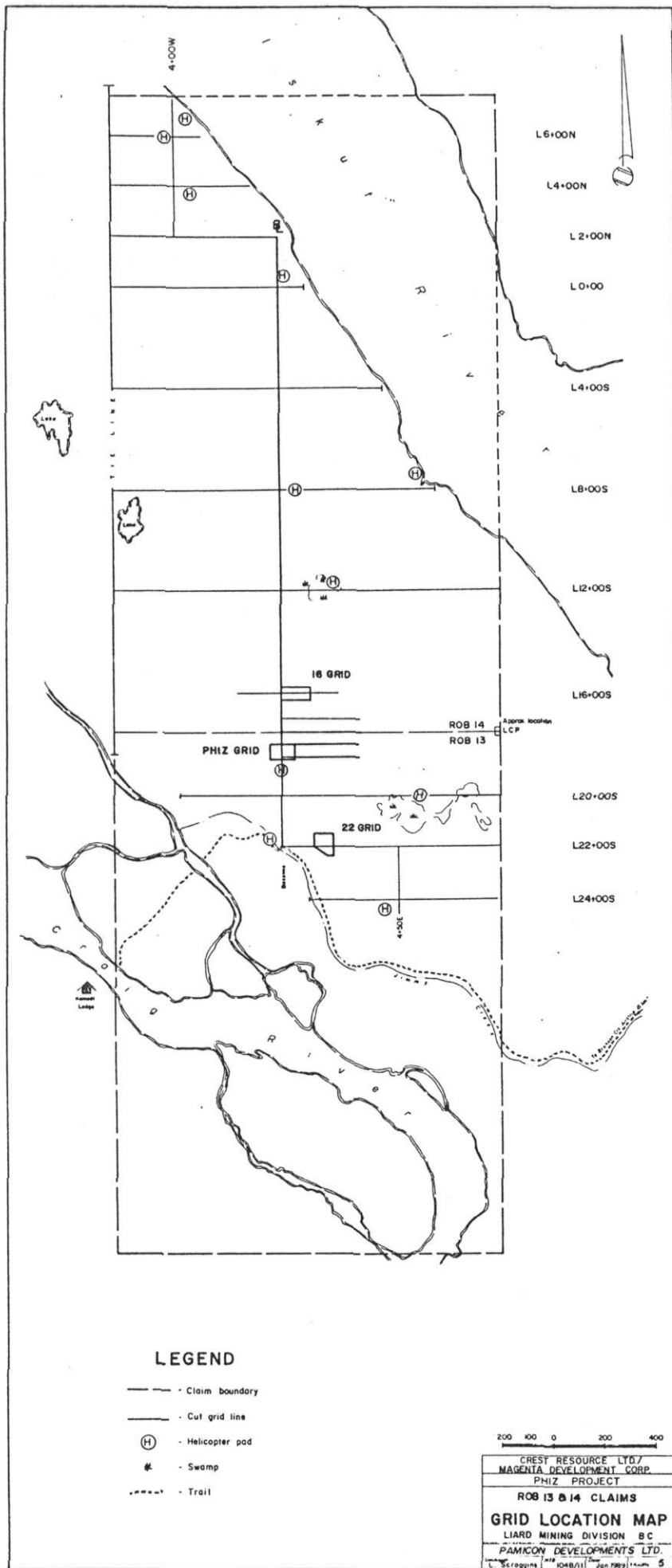
Lower Jurassic to Triassic volcanic and sedimentary rocks occur on the Rob 13 and 14 claims. A diorite plug has intruded these rocks in the central portion of the Rob 13 claim.

Mapping on surface was difficult due to limited outcrop exposures. Most of the rocks possess a distinct green colouration which probably represents regional propylitic alteration. Shearing and foliation is quite prominent and several meta-volcanics display a pseudo-mylonitic texture.

Generally, rock identification was quite difficult as a result of strong alteration and deformation.

7.0 MINERALIZATION

In early October, an auriferous quartz-sulphide vein was discovered, henceforth referred to as the Phiz Vein. The quartz vein appears to be composed of multiphase quartz and displays several variations in colour and mineral content. Sulphides include chalcopyrite, galena, pyrite, chalcocite (?) and malachite/azurite. Some zones within the vein contain up to 80% sulphides and assay results as high as 7.394 oz/ton gold and 6.79 oz/ton silver over 1.0 metre have been obtained during a trenching program in October. The Phiz Vein has been uncovered over some 80 feet (25 metres) striking in a north-northeasterly direction. The gold-bearing structure is up to 4 metres wide, and pinches out in the approximate location of a large bend or fold. This interpretation is based on the irregular surface expression of the vein and may in fact be fault related. Hence, the Phiz Vein takes on an hourglass shape. This is represented in Figure 6, along with a table of results from the trenching program. Field trenching suggested that the structure was striking 020° and dipping 45°E.

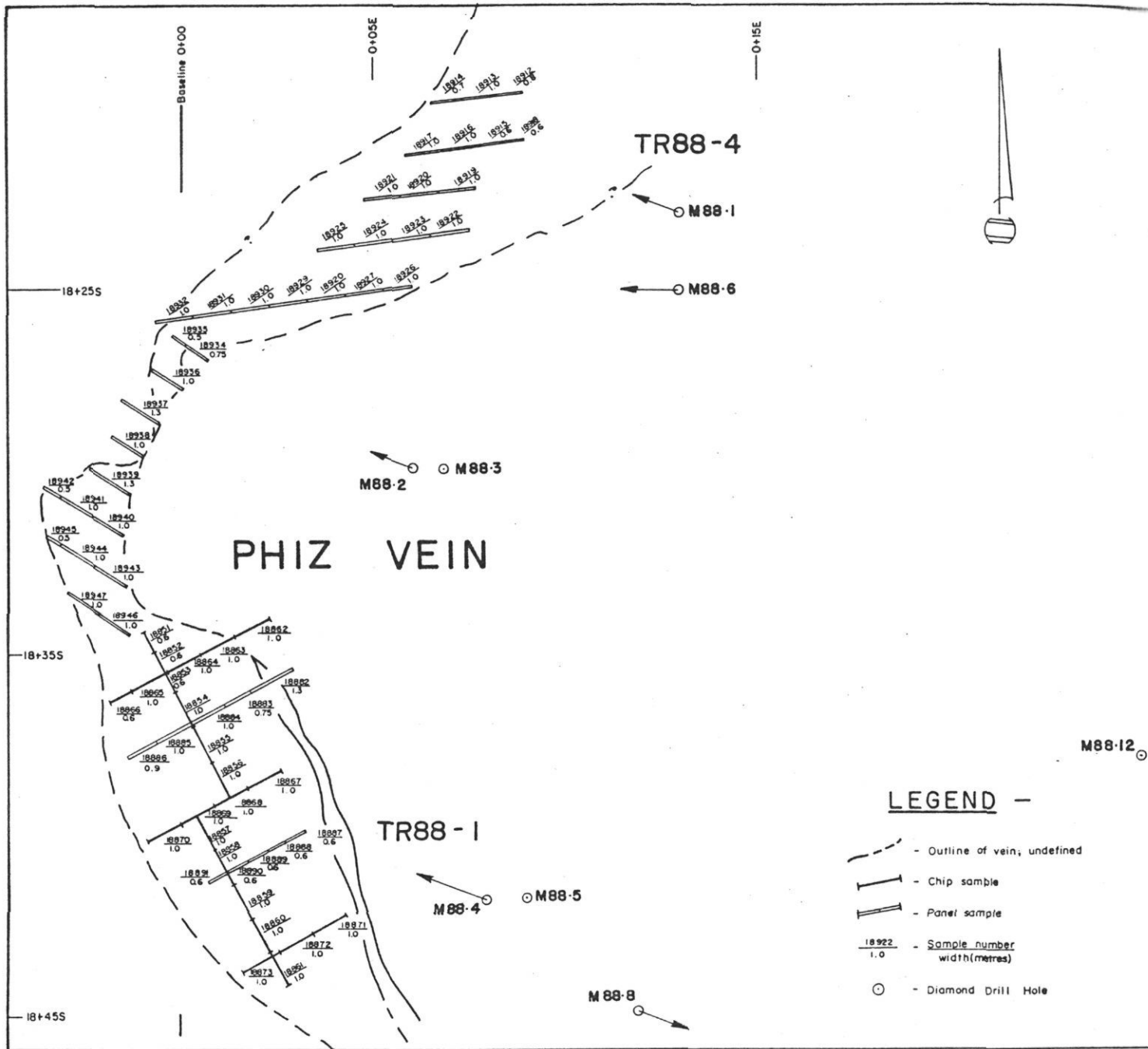


LEGEND

- - - - - Claim boundary
- — — — — Cut grid line
- (H) Helicopter pad
- # Swamp
- - - - - Trail

200 100 0 200 400

CREST RESOURCE LTD/
 MAGENTA DEVELOPMENT CORP.
 PHIZ PROJECT
 ROB 13 & 14 CLAIMS
GRID LOCATION MAP
 LIARD MINING DIVISION B.C.
 PAMICON DEVELOPMENTS LTD.
 1048/111 Jan 1987 1:25000 5



| Sample No. | Sample Type | GR | | Fe | | Cu | | Zn | | Total Assay | Grade | |
|------------|-------------|--------|-------|--------|--------|--------|------|--------|--------|-------------|--------|------|
| | | g/t | % | g/t | % | g/t | % | g/t | % | | | |
| 18911 | 1.0 | 0.8 | 2.109 | .27 | 19.869 | 1.07 | .27 | .03 | 10.000 | 4.77 | 10.000 | .380 |
| 18912 | 0.8 | 1.074 | 1.25 | 0.140 | 0.21 | .27 | .01 | 25.1 | 1.00 | 10.000 | .320 | |
| 18913 | 1.0 | 2.179 | 1.24 | 0.140 | 0.21 | 1.779 | .11 | 10.000 | 1.33 | 10.000 | .513 | |
| 18914 | 1.0 | 3.440 | .29 | 0.237 | .05 | 114 | .91 | 57.7 | 1.00 | 7.900 | .233 | |
| 18915 | 1.0 | 4.245 | .27 | 11.431 | 1.18 | 75 | .01 | 26.2 | 1.07 | 10.000 | .390 | |
| 18916 | 1.0 | 10.263 | 1.23 | 10.261 | 1.05 | .67 | .01 | 31.5 | 1.00 | 10.000 | .407 | |
| 18917 | 1.0 | 21.782 | 2.18 | 17.430 | 1.55 | .299 | .03 | 10.000 | 3.29 | 10.000 | .940 | |
| 18918 | 1.0 | 13.490 | 1.34 | 13.376 | 1.13 | .373 | .03 | 39.5 | 3.74 | 10.000 | .986 | |
| 18919 | 1.0 | 17.523 | 1.75 | 5.237 | .48 | .557 | .01 | 62.2 | 2.25 | 10.000 | .554 | |
| 18920 | 1.0 | 17.053 | 1.70 | 3.555 | .33 | 130 | .03 | 10.000 | 3.30 | 10.000 | .537 | |
| 18921 | 1.0 | 2.404 | .24 | 0.371 | .04 | 130 | .03 | 10.000 | 4.30 | 5.500 | .131 | |
| 18922 | 1.0 | .454 | .05 | .496 | .04 | 154 | .02 | 9.5 | .18 | 7.60 | .087 | |
| 18923 | 1.0 | .643 | .06 | .571 | .06 | 136 | .02 | 15.2 | .28 | 6.50 | .078 | |
| 18924 | 1.0 | 4.113 | .41 | 13.353 | 1.33 | 134 | .03 | 10.000 | 4.40 | 10.000 | .920 | |
| 18925 | 1.0 | 2.794 | .28 | 5.713 | .54 | 143 | .03 | 47.9 | 1.38 | 10.000 | .308 | |
| 18926 | 0.6 | .533 | .05 | 5.157 | .48 | .91 | .01 | 43.1 | 1.25 | 10.000 | .444 | |
| 18927 | 1.0 | 1.110 | .11 | 3.472 | .33 | 167 | .03 | 76.1 | 2.18 | 10.000 | .516 | |
| 18928 | 1.0 | 3.790 | .38 | 4.810 | .46 | .231 | .02 | 55.7 | 1.53 | 10.000 | .419 | |
| 18929 | 1.0 | 3.754 | .37 | 28.597 | 2.83 | 4.352 | .44 | 64.1 | 1.34 | 10.000 | .1818 | |
| 18930 | 1.0 | 19.755 | 1.98 | 21.597 | 4.03 | 2.083 | .24 | 10.000 | 11.86 | 10.000 | .554 | |
| 18931 | 1.0 | 9.327 | 1.02 | 3.405 | .34 | .374 | .03 | 60.2 | 1.85 | 7.800 | .233 | |
| 18932 | 1.0 | 8.860 | .89 | 1.028 | .10 | 368 | .04 | 11.2 | .79 | 995 | .623 | |
| 18933 | 1.0 | 22.777 | 2.28 | 3.250 | .30 | 388 | .04 | 81.5 | 3.54 | 10.000 | .344 | |
| 18934 | 1.3 | .254 | .03 | .113 | .02 | 109 | .03 | 2.3 | .01 | nd | — | |
| 18935 | 0.75 | .826 | .10 | .443 | .05 | .27 | .01 | 17.2 | .29 | 450 | — | |
| 18936 | 1.0 | 10.623 | 1.05 | 15.742 | 1.55 | 431 | .05 | 950 | 3.43 | 7.440 | .236 | |
| 18937 | 1.0 | 2.923 | .29 | 3.290 | .30 | .51 | .01 | 18.4 | .28 | 8.000 | .217 | |
| 18938 | 0.9 | 1.474 | .15 | 1.903 | .18 | .53 | .01 | 50.2 | 4.5 | 10.000 | .578 | |
| 18939 | 0.6 | .251 | .03 | .315 | .03 | .91 | .01 | 1.5 | .01 | nd | — | |
| 18940 | 0.6 | .339 | .03 | .511 | .04 | 119 | .03 | 4.9 | .20 | 80 | — | |
| 18941 | 0.6 | 5.713 | 1.01 | 1.207 | .14 | 970 | .11 | 950 | 1.2 | 10.000 | .222 | |
| 18942 | 0.6 | 16.740 | 1.51 | 5.125 | 1.21 | 14.114 | 1.37 | 14.1 | 1.24 | 10.000 | .411 | |
| 18943 | 0.6 | 0.232 | .03 | 2.600 | .24 | 1.244 | .13 | 43.5 | .83 | 3.200 | .043 | |
| 18944 | 0.8 | — | .05 | — | .57 | — | .05 | — | .79 | — | .063 | |
| 18945 | 1.0 | — | .35 | — | 3.23 | — | .06 | — | .37 | — | .110 | |
| 18946 | 0.7 | — | .17 | — | .42 | — | .01 | — | .17 | — | .210 | |
| 18947 | 0.6 | — | 1.11 | — | 3.44 | — | .13 | — | 13.8 | — | 1.106 | |
| 18948 | 1.0 | — | .7 | — | 4.4 | — | .25 | — | 3.54 | — | 3.092 | |
| 18949 | 1.0 | — | .04 | — | .30 | — | .30 | — | 1.18 | — | .224 | |
| 18950 | 0.6 | — | .11 | — | .26 | — | .03 | — | .47 | — | .108 | |
| 18951 | 1.0 | — | .83 | — | 1.1 | — | .01 | — | 4.8 | — | .274 | |
| 18952 | 1.0 | — | 3.24 | — | 4.53 | — | .03 | — | 6.79 | — | 7.294 | |
| 18953 | 1.0 | — | .06 | — | .11 | — | .01 | — | .23 | — | .030 | |
| 18954 | 1.0 | — | .27 | — | .99 | — | .03 | — | 1.27 | — | .250 | |
| 18955 | 1.0 | — | .14 | — | .19 | — | .02 | — | 1.22 | — | .242 | |
| 18956 | 1.0 | — | .47 | — | .23 | — | .02 | — | 1.18 | — | .508 | |
| 18957 | 1.0 | — | .23 | — | .63 | — | .01 | — | 1.46 | — | 1.38 | |
| 18958 | 0.8 | — | .09 | — | 1.07 | — | .01 | — | 1.43 | — | .87 | |
| 18959 | 1.0 | — | 1.07 | — | .84 | — | .01 | — | 1.49 | — | 1.274 | |
| 18960 | 1.0 | — | .46 | — | .47 | — | .02 | — | 1.36 | — | .288 | |
| 18961 | 1.0 | — | .54 | — | .26 | — | .01 | — | 1.18 | — | .508 | |
| 18962 | 1.0 | — | .13 | — | .06 | — | .01 | — | .50 | — | .118 | |
| 18963 | 1.0 | — | .37 | — | .12 | — | .01 | — | 1.73 | — | .346 | |
| 18964 | 1.0 | — | .13 | — | .07 | — | .01 | — | .33 | — | .092 | |
| 18965 | 0.75 | — | .04 | — | .19 | — | .05 | — | .26 | — | .072 | |
| 18966 | 0.3 | — | .05 | — | .15 | — | .02 | — | .42 | — | .046 | |
| 18967 | 1.0 | — | .24 | — | .27 | — | .03 | — | 1.01 | — | .030 | |
| 18968 | 1.3 | — | .07 | — | .04 | — | .03 | — | .10 | — | .170 | |
| 18969 | 1.0 | — | .13 | — | .00 | — | .01 | — | .01 | — | — | |
| 18970 | 1.3 | — | .43 | — | .11 | — | 4.03 | — | 1.36 | — | .684 | |
| 18971 | 1.0 | — | .42 | — | .21 | — | 4.93 | — | 1.23 | — | .772 | |
| 18972 | 1.0 | — | .42 | — | .17 | — | 4.83 | — | 1.04 | — | .500 | |
| 18973 | 1.0 | — | .42 | — | .13 | — | 4.81 | — | 1.0 | — | .400 | |
| 18974 | 1.0 | — | 1.02 | — | .27 | — | 4.81 | — | 1.98 | — | .982 | |
| 18975 | 1.0 | — | .64 | — | .49 | — | .01 | — | .94 | — | .542 | |
| 18976 | 0.5 | — | .78 | — | .38 | — | .01 | — | 1.57 | — | .488 | |
| 18977 | 1.0 | — | 1.49 | — | 3.49 | — | .72 | — | 2.47 | — | .678 | |
| 18978 | 1.0 | — | .48 | — | 1.15 | — | .30 | — | 1.48 | — | .514 | |

LEGEND -

- - - Outline of vein, undefined
- ||| Chip sample
- ▬ Panel sample
- 18922 / 1.0 Sample number / width(metres)
- Diamond Drill Hole

2 1 0 2 m

CREST RESOURCES LTD.
MAGENTA DEVELOPMENT CORP.
PHIZ PROJECT
DETAILED TRENCH ASSAY
PLAN MAP
TR88-1 & TR88-4
PAMICON DEVELOPMENTS LTD.
 Geologic: L. Croggings INTS Date: 1048/11 Jan. 1989 FIGURE 6

8.0 DRILLING

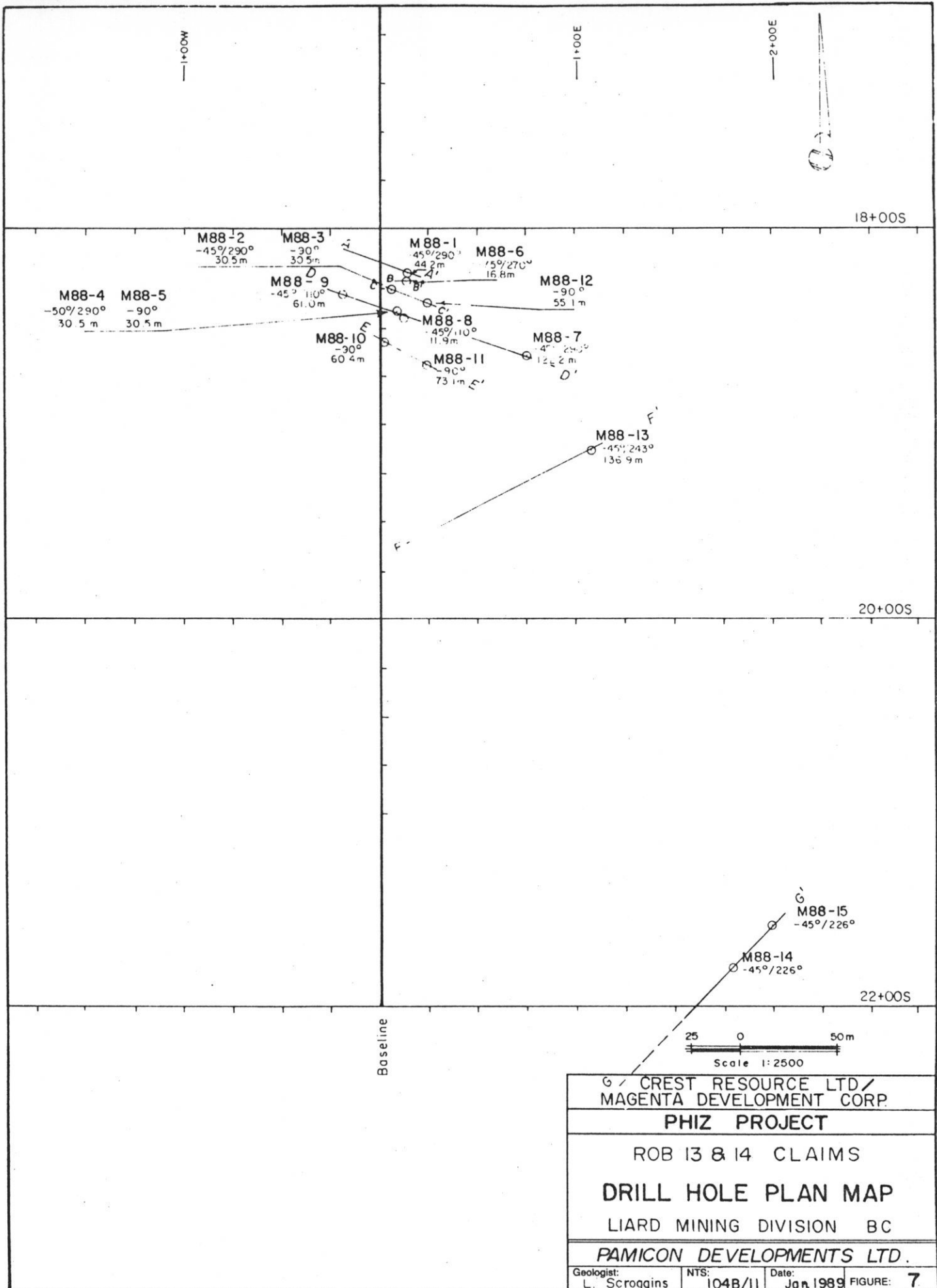
Upon completion of the surface trenching a short diamond drilling program commenced. Fifteen holes totalling 3,116 feet (950 metres) were drilled from mid-November to mid-December.

The first six holes were collared 7 to 8 metres east of the vein/hanging wall contact and were directed at the vein. Holes M88-1 and M88-6 did not intersect the structure and probably cased through the vein (Figures 8 and 9). Holes M88-2 and M88-3 (Figure 10) and M88-4 and M88-5 (Figure 11) intersected mineralized quartz vein material and returned encouraging results listed below.

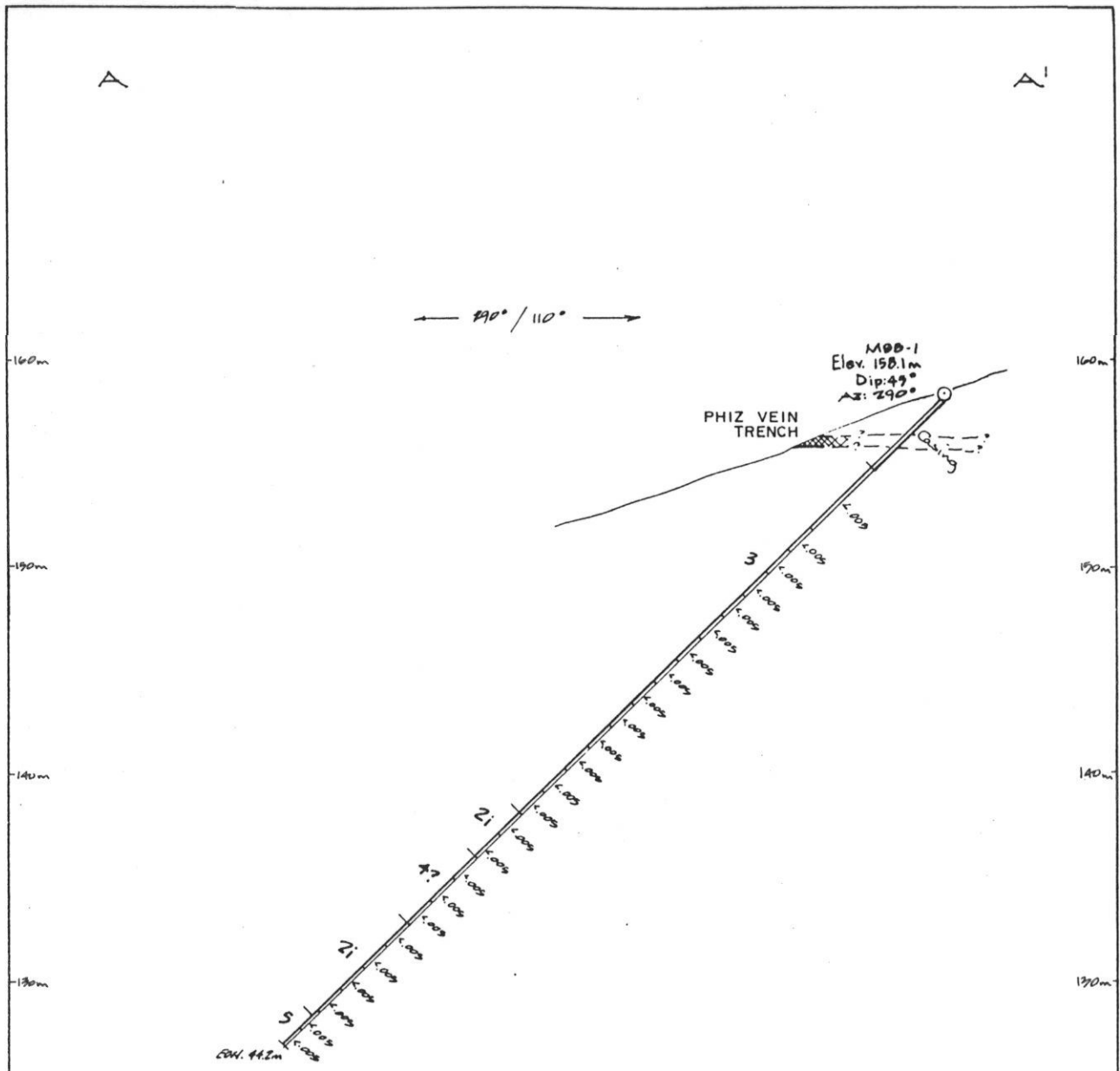
| <u>Hole</u> | <u>Interval</u> (m) | <u>Length</u> (m) | <u>Gold</u> (oz/ton) | <u>Silver</u> (oz/ton) | <u>Copper</u> (%) | <u>Lead</u> (%) | <u>Zinc</u> (%) |
|-------------|------------------------|----------------------|-------------------------|---------------------------|----------------------|--------------------|--------------------|
| M88-2 | 4.4 - 5.2 | 0.8 | .166 | 1.42 | | | |
| | 5.2 - 5.8 | 0.6 | .064 | .30 | | | |
| M88-3 | 3.4 - 4.2 | 0.8 | .498 | 1.04 | .36 | .38 | .01 |
| | 4.2 - 5.7 | 1.5 | .026 | .07 | | | |
| M88-4 | 6.6 - 7.9 | 1.3 | .086 | 1.04 | 1.10 | | |
| | 7.9 - 8.7 | 0.8 | .426 | 5.86 | 1.11 | 3.89 | .44 |
| | 8.7 - 9.7 | 1.0 | .033 | .46 | | | |
| M88-5 | 4.7 - 5.2 | 0.5 | .394 | 2.45 | 2.07 | 1.09 | .06 |

Hole M88-7 was a 65 metre step out to the east of the vein, along section D-D' (Figure 11). This hole encountered a variety of rock types, however no significant results were obtained.

Holes M88-8 and M88-9 are also located along section D-D'. M88-8 was collared a few metres to the east of M88-4 and M88-5 and the hole was directed away from the vein (see Figure 11). Mineralized quartz vein was intersected for 1.2 metres, however the results are somewhat lower than Holes M88-2 to M88-5. The footwall to the vein is a silicified/altered diorite in which a zone of



| | | |
|---|-----------------|-------------------|
| G / CREST RESOURCE LTD / MAGENTA DEVELOPMENT CORP. | | |
| PHIZ PROJECT | | |
| ROB 13 & 14 CLAIMS | | |
| DRILL HOLE PLAN MAP | | |
| LIARD MINING DIVISION BC | | |
| PAMICON DEVELOPMENTS LTD. | | |
| Geologist: L. Scroggins | NTS: 104B/11 | Date: Jun 1989 |
| | | FIGURE: 7 |



LEGEND ~

INTRUSIVE

- ① - Diorite
- ② - Monzonite

META-VOLCANICS/SEDIMENTS

- ③ - Amphibolite ④ - Porphyritic amphibolite
- ⑤ - Andesite
- ⑥ - Argillite ⑦ - Black-graphitic-argillite

ALTERATION

- i - ankerite veins abundant
- ii - argillic alteration
- iii - silicification
- iv - hornfels

SS - Fault

16/30/04/07/020 - Sample interval, Au (oz/t)/Ag (oz/t)/Cu (%) / Pb (%) / Zn (%)

--- - Quartz vein (inferred)



| | | |
|--|-------------------|-------------------|
| CREST RESOURCE LTD./ MAGENTA DEVELOPMENT CORP. PHIZ PROJECT | | |
| ROB 13 & 14 CLAIMS SECTION A - A' M88 - 1 LIARD MINING DIVISION BC | | |
| PAMICON DEVELOPMENTS LTD. | | |
| Geologist L. Scroggins | N.T.S. 1048/11 | Date Jan. 1989 |
| | | FIGURE 8 |

B

B'

← 270°/90° →

160m

160m

M88-6
Elev: 157.6m
Dip: -75°
Az: 270°

150m

150m

Casing

140m

140m

130m

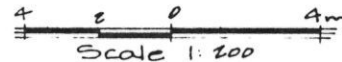
130m

LEGEND

- 1 - Diorite
- 3 - Amphibolite

| .005 - Sample interval, Au (oz/t)

- - - - - Quartz vein inferred



CREST RESOURCE LTD./
MAGENTA DEVELOPMENT CORP.

PHIZ PROJECT

ROB 13 & 14 CLAIMS
SECTION B - B'
M88-6

LIARD MINING DIVISION BC

PAMICON DEVELOPMENTS LTD.

| | | | |
|---------------------------|-----------------|--------------------|--------------|
| Geologist: L Scroggins | NTS: 1048/11 | Date: Jan. 1988 | FIGURE: 9 |
|---------------------------|-----------------|--------------------|--------------|

massive sulphides was located, and contains higher gold/silver values than the quartz vein above. The following table represents these results.

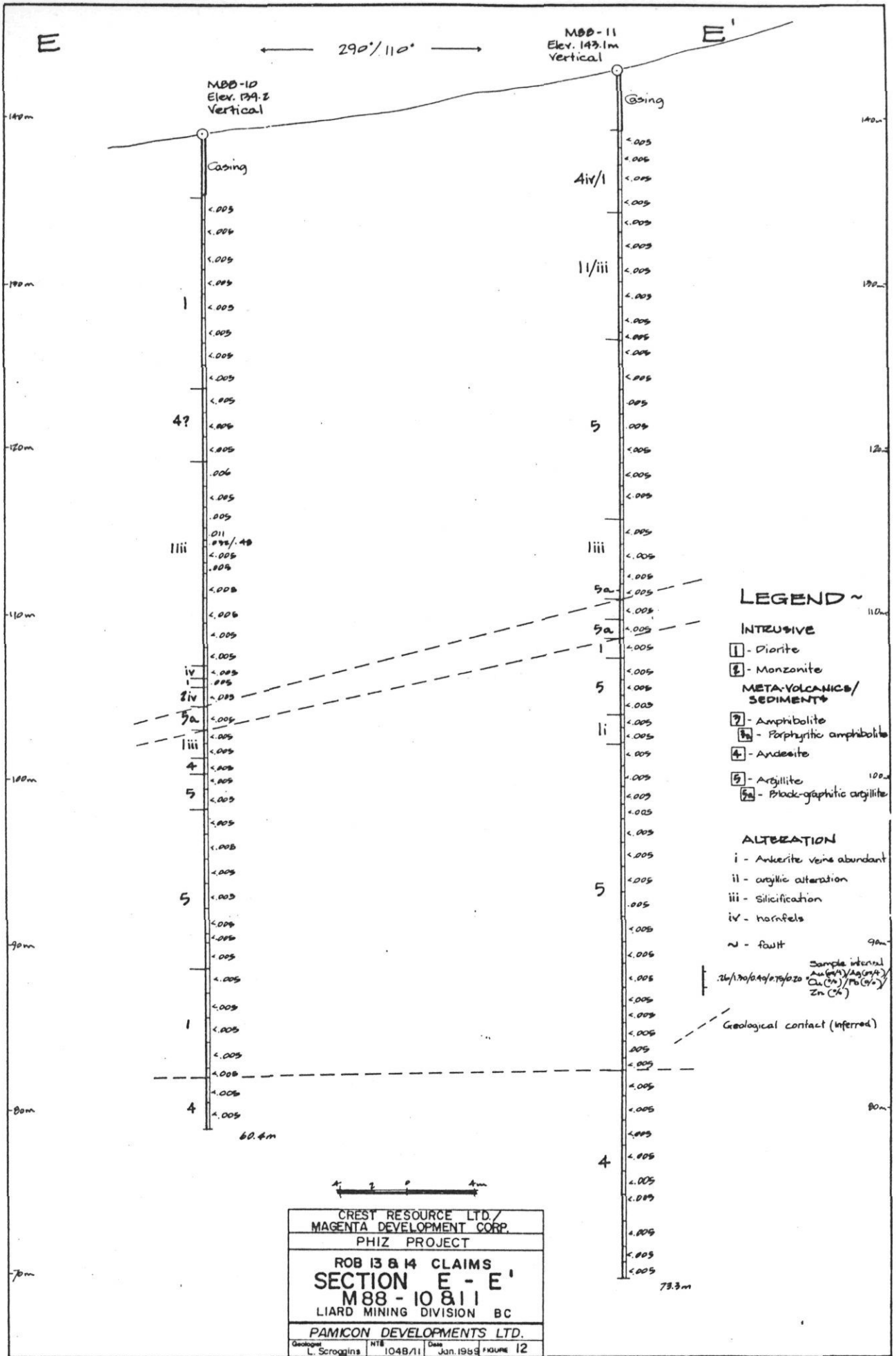
| <u>Hole</u> | <u>Interval</u> (m) | <u>Length</u> (m) | <u>Gold</u> (oz/ton) | <u>Silver</u> (oz/ton) | <u>Copper</u> (%) | <u>Lead</u> (%) | <u>Zinc</u> (%) |
|-------------|------------------------|----------------------|-------------------------|---------------------------|----------------------|--------------------|--------------------|
| M88-8 | 4.6 - 5.2 | 0.6 | .022 | .26 | | | |
| | 5.2 - 5.8 | 0.6 | .013 | .15 | | | |
| | 5.8 - 6.5 | 0.7 | .205 | .57 | .57 | 1.45 | 2.18 |
| | 6.7 - 7.3 | 0.8 | .023 | .28 | | | |

Overall, M88-8 contains a zone which is 2.7 metres long containing 0.068 oz/ton gold and 0.32 oz/ton silver.

M88-9 was collared along section D-D' and directed at the Phiz Vein from the west. There was no vein intersection in this hole however some zones of silicified diorite returned anomalous gold and silver values as listed below.

| <u>Hole</u> | <u>Interval</u> (m) | <u>Length</u> (m) | <u>Gold</u> (oz/ton) | <u>Silver</u> (oz/ton) | <u>Copper</u> (%) | <u>Lead</u> (%) |
|-------------|------------------------|----------------------|-------------------------|---------------------------|----------------------|--------------------|
| M88-9 | 11.7 - 12.3 | 0.6 | .049 | .82 | .12 | .31 |
| | 22.5 - 24.0 | 1.5 | .015 | .13 | | |
| | 24.0 - 25.5 | 1.5 | .011 | <.01 | | |
| | 25.5 - 27.0 | 1.5 | .022 | .01 | | |
| | 27.0 - 28.5 | 1.5 | .031 | .15 | | |
| | 28.5 - 29.4 | 0.9 | .016 | .12 | | |

M88-10 and M88-11, along section E-E', were drilled approximately 20 metres south of section D-D' (see Figure 7). Both holes were vertical and were drilled to test the vein to the south of the main Phiz Vein as defined by trenching. Neither of the holes intersected the vein, however M88-10 did return anomalous results. Elevated gold and silver values occurred within a zone of silicified diorite and are listed below.



| <u>Hole</u> | <u>Interval</u> (m) | <u>Length</u> (m) | <u>Gold</u> (oz/ton) | <u>Silver</u> (oz/ton) | <u>Copper</u> (%) |
|-------------|------------------------|----------------------|-------------------------|---------------------------|----------------------|
| M88-10 | 24.1 - 24.8 | 0.7 | .011 | .04 | .04 |
| | 24.8 - 25.2 | 0.4 | .032 | .48 | .24 |

M88-13 was set up to drill test a northwesterly projected gold-silver geochemical anomaly. The source of this anomaly is located within the '22' Grid (Figure 5), and is located approximately 285 metres to the south of the drill hole. An interesting intersection was encountered at 46.7 metres within altered diorite, where a 10 cm quartz-sulphide vein with pyrite and galena was observed. Further down the hole at 94.0 metres another quartz-sulphide vein/veinlet (1 cm wide) was seen. Results from these two intersections are listed below.

| <u>Hole</u> | <u>Interval</u> (m) | <u>Length</u> (m) | <u>Gold</u> (oz/ton) | <u>Silver</u> (oz/ton) | <u>Copper</u> (%) | <u>Lead</u> (%) |
|-------------|------------------------|----------------------|-------------------------|---------------------------|----------------------|--------------------|
| M88-13 | 46.7 - 47.3 | 0.6 | .138 | 3.95 | .02 | 24 |
| | 93.1 - 94.6 | 1.5 | .026 | 1.19 | | |

Holes M88-14 and M88-15 are located 25 metres and 50 metres respectively northeast of a strong gold-silver soil geochemical anomaly (Figure 7). Both holes were set up to drill through the anomaly in a southwesterly direction.

M88-14 intersected a gold zone at 10.1 metres within the diorite.

| <u>Hole</u> | <u>Interval</u> (m) | <u>Length</u> (m) | <u>Gold</u> (oz/ton) | <u>Silver</u> (oz/ton) |
|-------------|------------------------|----------------------|-------------------------|---------------------------|
| M88-14 | 10.1 - 11.6 | 1.5 | .136 | .05 |
| | 11.6 - 13.1 | 1.5 | .027 | .01 |

M88-15 did not produce any significant results.

Drilling has shown the host rocks and structure to be quite complex. Near the surface exposure, the vein is hosted in strongly sheared and foliated altered

meta-volcanics. Holes drilled within the vicinity of the vein were collared in a dark green, fine-grained, silicified and altered andesite. Petrographic analysis has labelled these rocks as amphibolite. A diorite plug exists in the area and has been intersected in most holes. The diorite is strongly altered and silicified. Petrographic studies of these diorites has suggested that due to the strong foliation and alteration of these rocks, it is likely that strong cataclastic deformation has taken place in this region. This style of metamorphism is caused by a local thrust event. The Iskut River, located 2.5 kilometres to the north, has been referred to as an east-west structural thrust fault by Grove (1986). This event could likely have caused the type of deformation seen at the Phiz Vein zone.

Altered volcanics, predominantly andesite, occur along with a package of banded and black graphitic argillites.

9.0 DISCUSSION

An auriferous quartz-sulphide vein was discovered on the Rob 13 and 14 claims in early October. Extensive hand blasting and trenching has traced the vein 80 feet (25 metres) along strike. This vein, the Phiz Vein, contains chalcopryrite, galena, pyrite, chalcocite and malachite/azurite. Assays as high as 7.394 oz/ton gold and 6.79 oz/ton silver have been obtained on surface.

A short diamond drill program was undertaken to test the gold-bearing structure at depth.

Holes M88-1 to 6 and M88-8 to 12 were all drilled within the vicinity of the surface showing in an attempt to define attitudes and structural controls. Vein mineralization was encountered in holes M88-2 to 5 and M88-8. Holes M88-1 and 6 which were drilled at the north end of the mineralized outcrop did not intersect the vein in core, however, quartz vein pebbles recovered in the casing indicated the vein was closer to surface than expected and may have been cased through.

Hole M88-7 was a 65 metre step out to the east of the vein. This hole did not intersect the vein and assays were generally quite low.

Holes M88-9 and M88-10 encountered zones of disseminated pyrite and galena with lesser chalcopyrite mineralization. Anomalous gold values have been obtained in these sections.

Holes M88-13 to 15 were drilled through a strong gold-silver geochemical anomaly located approximately 350 metres to the southeast of the Phiz Vein area. M88-13 was a broad step out on this geochemical target and encountered a narrow quartz-sulphide vein (10 cm wide) containing pyrite and galena. Assays are encouraging although the zone is quite narrow.

M88-14 and 15 were drilled at the geochemical zone. Hole M88-14 intersected a zone of modest mineralization containing anomalous gold values.

10.0 CONCLUSIONS

The Phiz Vein zone is an exciting new gold discovery in the emerging Iskut River gold camp. The extensive surface showing containing high gold values led to a diamond drilling program.

The gold-bearing structure appears to lie within a "cataclastic terrain" as the area has undergone strong deformation and alteration. A geological interpretation of this zone is yet to be demonstrated.

The vein structure has shown that it contains anomalous amounts of metal with gold and silver and minor base metals of economic interest. The definition of this zone at depth has yet to be determined.

Continued exploration is required to determine if the Phiz Vein zone will develop grades and tonnages sufficient to produce an ore body.

11.0 RECOMMENDATIONS

A two-phase program totalling \$500,000 has been recommended on Crest Resources Ltd./Magenta Development Corp.'s Phiz project. These programs have been outlined to obtain detailed geochemical and geophysical data to aid in the development of the Phiz vein and complete the surface work on the balance of the claim group.

PHASE I

1. Linecutting on the grid should continue to provide 100 metre crosslines with stations every 25 metres, for a total of 30 line kilometres of grid.
2. Geochemical soil survey on all crosslines every 25 metres. Detail grids (12.5 metre spacings) should be flagged over any interesting soil anomalies or mineralized zones. Proper sampling techniques must be employed in this area due to thick overburden.
3. Geophysical work consisting of magnetometer and VLF-electromagnetic surveys should be conducted over the entire property. Data should be compiled and reviewed daily to allow for immediate additional work in areas of interest defined by these surveys.
4. Hand trenching and blasting at the '22' gold soil anomaly will be necessary to evaluate the possibility that a mineralized zone is located in this area. Hand trenching other possible geochemical soil anomalies will be decided in the field.
5. A professional faller will be required sporadically during both phases. Several trees fallen in the vicinity of the Phiz vein will also need to be bucked up and moved.

The total cost of this phase is \$183,779.

Contingent upon an engineering evaluation of the Phase I data, a Phase II program of trenching and diamond drilling totalling \$315,681 has been recommended.

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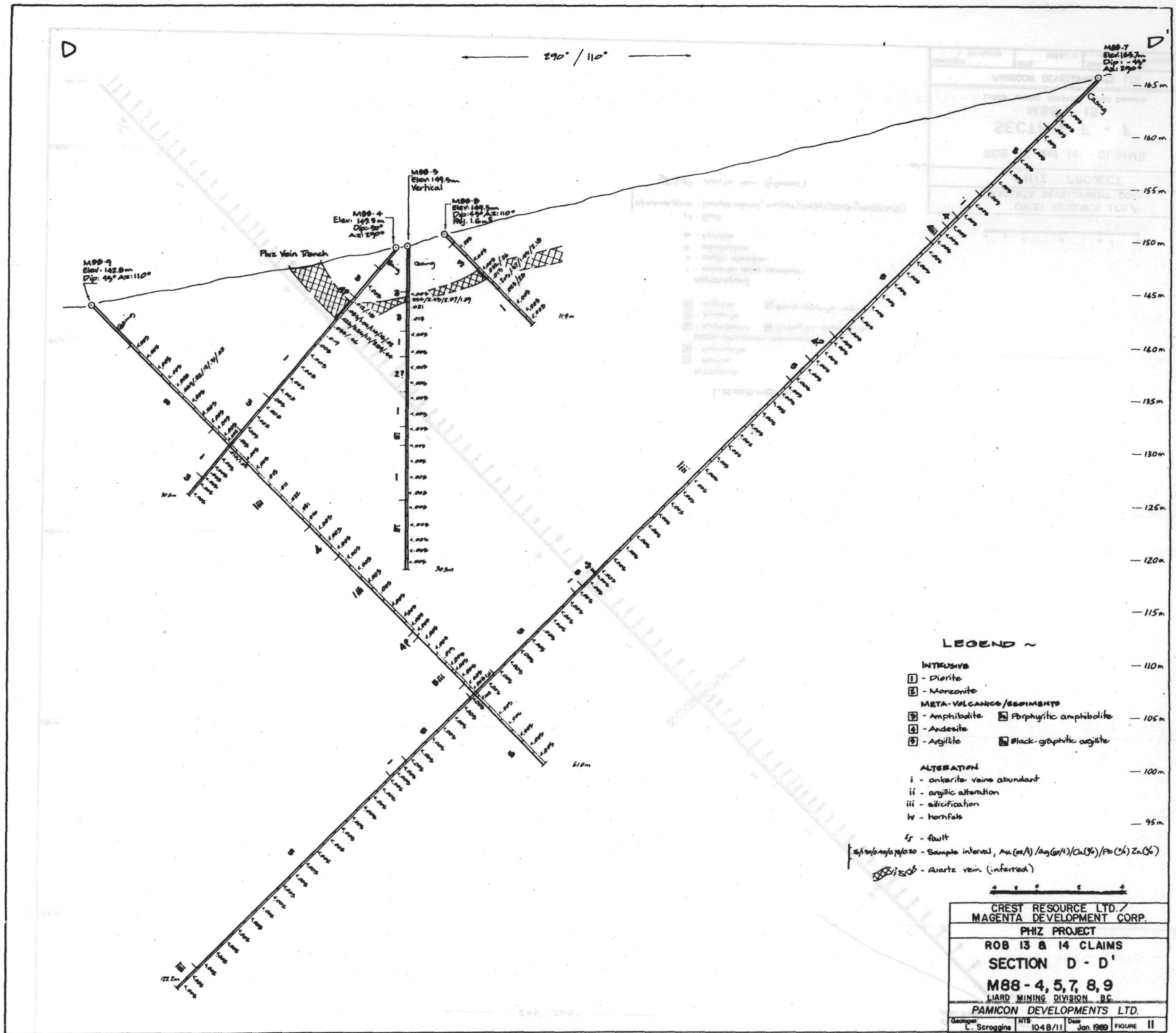
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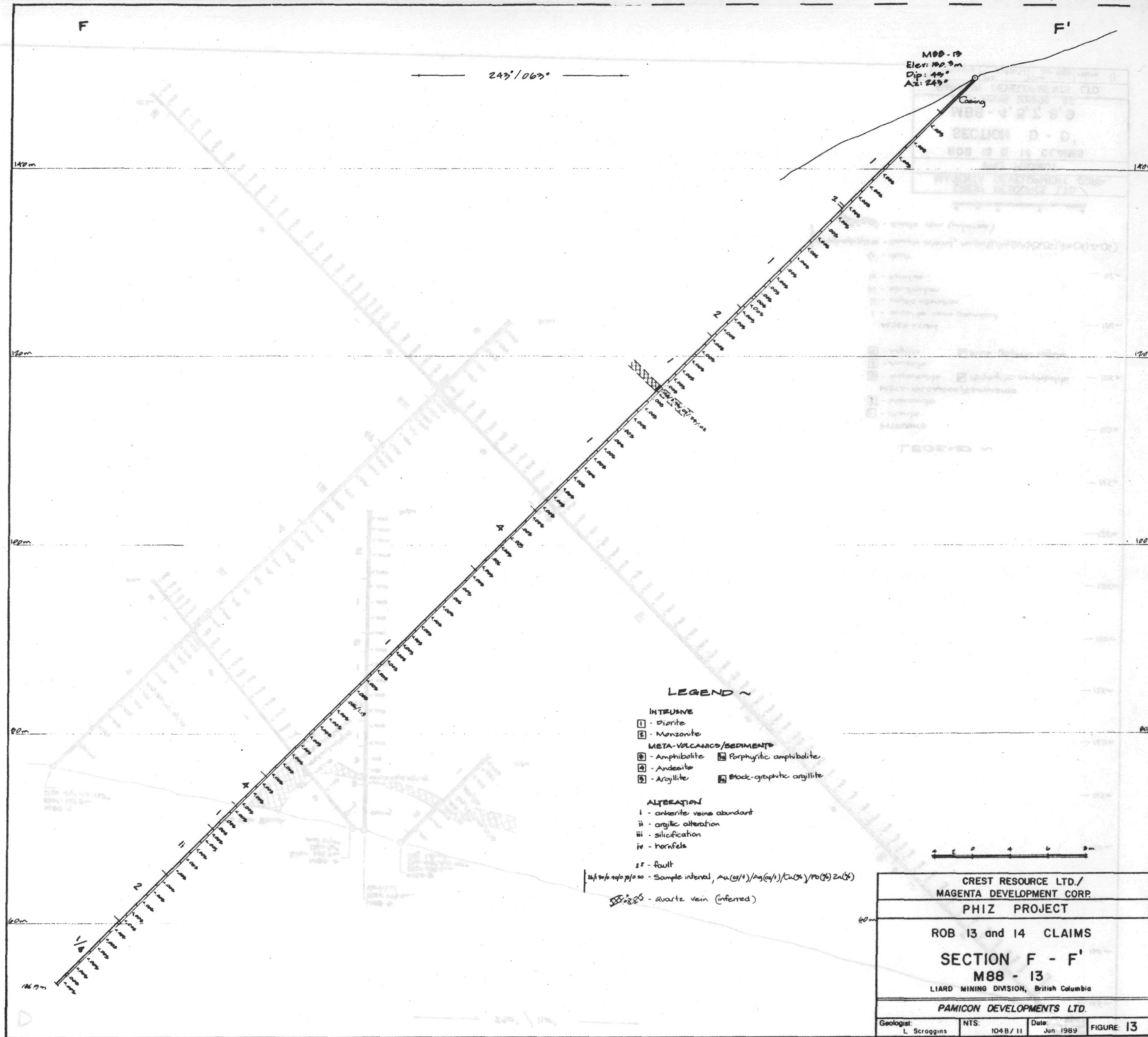
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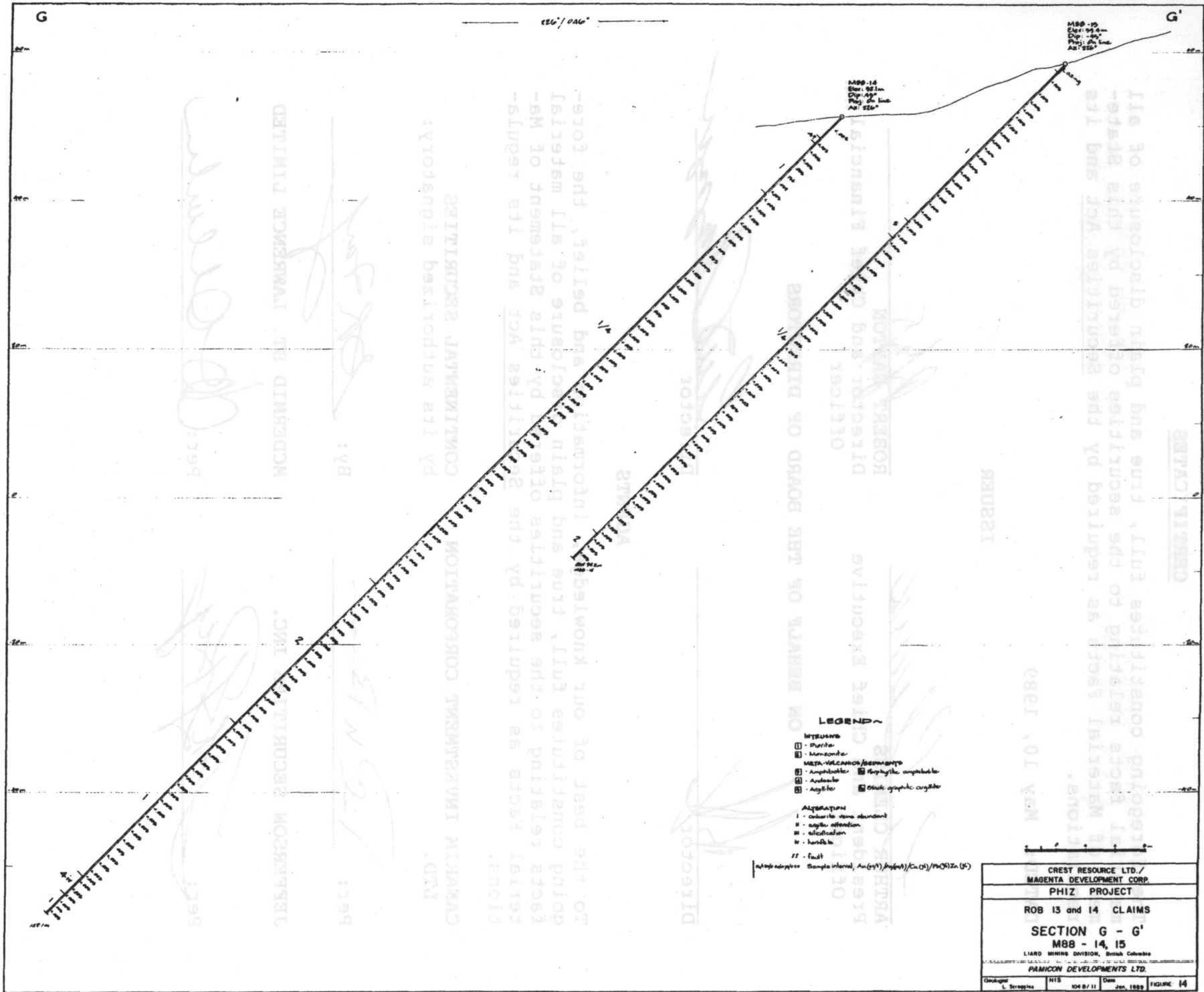
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LEGEND ~

- INTRUSIVE**
- - Diorite
 - - Monzonite
- META-VOLCANICS/SEDIMENT**
- - Amphibolite
 - - Andesite
 - - Argillite
 - - Porphyritic amphibolite
 - - Black-graphitic argillite
- ALTERATION**
- i - ankierite veins abundant
 - ii - argillic alteration
 - iii - silicification
 - iv - hornfels
- sf - fault
- - Sample interval, Au(21/1)/Ag(4/1)/Cu(26)/Pb(25)Zn(26)
- - quartz vein (inferred)



M88-15
 Elev: 99.4m
 Dip: 45°
 Proj: 40. Line
 Az: 226°

M88-14
 Elev: 99.4m
 Dip: 45°
 Proj: 40. Line
 Az: 226°

LEGEND

- INTRODUCTIONS**
- - Quartz
 - - Magnetite
 - ▣ - Magnetite/serpentine
 - ▤ - Amphibole
 - ▥ - Andalusite
 - ▦ - Aegirite
 - ▧ - Sphynitic amphibole
 - ▨ - Black graphic crystals

- ALLEGATIONS**
- I - colorless mass abundant
 - II - angular alteration
 - III - silicification
 - IV - brecciation

II - fault
 Sample interval: Au (ppm), Ag (ppm), Cu (ppm), Pb (ppm), Zn (ppm)


| | | | |
|---|-----|----------|-----------|
| CREST RESOURCE LTD./ MAGENTA DEVELOPMENT CORP. | | | |
| PHIZ PROJECT | | | |
| ROB 13 and 14 CLAIMS | | | |
| SECTION G - G' | | | |
| M88 - 14, 15 | | | |
| LIARD MINING DIVISION, British Columbia | | | |
| PAMCON DEVELOPMENTS LTD. | | | |
| Geologist | NIS | Date | FIGURE 14 |
| L. Scroggie | | 104/8/11 | Jan, 1989 |

CERTIFICATES


The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

DATED: May 10, 1989

ISSUER




ARTHUR CLEMISS
President and Chief Executive
Officer



ROBERT CAYTON
Director and Chief Financial
Officer

ON BEHALF OF THE BOARD OF DIRECTORS



Director

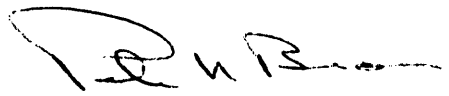


Director

AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.


**CANARIM INVESTMENT CORPORATION
LTD.**

Per: 

JEFFERSON SECURITIES INC.

Per: 

CONTINENTAL SECURITIES
by its authorized signatory:

By: 

MCDERMID ST. LAWRENCE LIMITED

Per: 