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✓ Josh Property 104B

104B 291, 290, 326, 023\*

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE  
(Venture Company)

**STATEMENT OF MATERIAL FACTS (99/90)**  
EFFECTIVE DATE: August 30, 1990

**YUMA GOLD MINES LTD.**

#210 - 475 Howe Street, Vancouver, British Columbia, V6C 2B3  
Telephone: (604) 685-8730

**NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER**

#550 - 999 Canada Place, Vancouver, British Columbia, V6C 3C8

**ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER**

**MONTREAL TRUST COMPANY OF CANADA**

510 Burrard Street, Vancouver, British Columbia, V6C 3B0

**NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S  
SECURITIES IN BRITISH COLUMBIA**

**OFFERING:** 1,000,000 Units, each Unit comprising one common share and one Series "A" share purchase warrant, one warrant being required to purchase one further common share. (The Offering may be increased by up to 15% (150,000 Units) in the event of over subscription.) See heading "Plan of Distribution".

	Estimated (1) Price to Public	Estimated Agents' Commission(2)	Estimated Net Proceeds to be received by the Issuer(3)
Per Unit	\$0.55	\$0.05005	\$0.49995
Total	\$550,000	\$50,050	\$499,950

- (1) To be calculated in accordance with the rules of the Vancouver Stock Exchange.
- (2) In addition the Agents will be granted Agents' Warrants entitling them to purchase up to a total of 500,000 common shares in return for guaranteeing the sale of the Units offered hereby. See heading "Plan of Distribution".
- (3) Before deduction of the costs of this Offering estimated to be \$20,000.

**ADDITIONAL OFFERING**

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. Any shares or Series "A" Warrants 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.

Spt. 10/90

THE SECURITIES OFFERED HEREUNDER ARE SPECULATIVE IN NATURE. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND NONE OF THE ISSUER'S PROPERTIES CONTAIN A KNOWN BODY OF COMMERCIAL ORE. OTHER THAN THE ISSUER'S DEATH VALLEY PROPERTY LOCATED IN CALIFORNIA, NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

**AGENTS**

**YORKTON CONTINENTAL SECURITIES INC.**

Four Bentall Centre, P.O. Box 49333,  
10th Floor, 1055 Dunsmuir Street,  
Vancouver, B.C. V7X 1L4

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.

(2) The Issuer intends to carry out Phase IA of Phase I, a two phase stage one program, at a cost of \$80,000 U.S. which has been converted to Canadian funds using a rate of \$1.20 Canadian for each \$1.00 U.S.

**GROUP I - Properties for which regulatory approval  
has been obtained under this Statement of Material Facts:**

**Josh Property**

Pursuant to the terms of an Option Agreement made the 10th day of July, 1990, as amended by letter agreement dated August 27, 1990, between the Issuer and Gulf International Minerals Ltd., of #301 - 675 West Hastings Street, Vancouver, British Columbia, the Issuer has an option to acquire a 50% interest in and to four claims known as Josh 1 - 4, comprising 80 units, covering approximately 20 square kilometres and located in the Liard Mining Division, northwestern British Columbia. The expiry date of the Josh claims are: Josh 1, September 13, 1990; Josh 2 and Josh 4, October 13, 1990 and Josh 3, October 13, 1991. The Issuer can exercise the option by making aggregate cash payments of \$100,000, issuing 200,000 common shares in the capital of the Issuer and making periodic and cumulative expenditures on the Property as follows:

1. on or before the fifth day following completion of this offering, provided same is prior to September 15, 1990, pay \$25,000 and issue 50,000 common shares;
2. on or before July 10, 1991, pay \$25,000, issue 50,000 common shares and meet the periodic and cumulative expenditure requirement of \$110,000;
3. on or before July 10, 1992, pay \$25,000, issue 50,000 common shares and meet the periodic expenditure requirement of \$340,000 or the cumulative expenditure requirement of \$450,000;
4. on or before July 10, 1993, pay \$25,000, issue 50,000 common shares and meet the periodic expenditure requirement of \$750,000 or the cumulative expenditure requirement of \$1,200,000,

and in addition the Issuer must make all necessary payments and filings to maintain the Josh claims in good standing during the term of the option, the value of such payments and filings to be credited toward the required periodic and cumulative expenditures. If the Issuer fails to maintain the option, as set out above, the option will terminate. In the event of termination of the option the Issuer will quitclaim any interest in and to the Josh claims to Gulf, maintain the Josh claims in good standing for not less than one year from the date of termination and deliver to Gulf, within 30 days of receipt by the Issuer of a written request therefor, a report on all work carried out by the Issuer on the Josh claims together with copies of maps, drill logs, assay results, formal reports prepared by outside professional engineers and other technical data compiled by the Issuer with respect to the Josh claims. In the event of termination of the option the Issuer will have six months to remove any facilities erected, installed or brought by it upon the Josh claims.

Gulf acquired the Josh claims in 1983 by staking at a cost of \$4,662. Gulf is a reporting company and its shares trade on the Vancouver Stock Exchange. Gulf is at arms length to the Issuer.

David G. Wahl, P.Eng., of Derry, Michener, Booth & Wahl Inc. ("DMBW") has prepared an engineering report entitled "Report on Gulf International Minerals Ltd., Josh Property, Iskut River Area" dated July 12, 1990, (the "Josh Report") for Gulf and the Issuer, which Josh Report is available for review as set out under Item 9(e) hereof. The following sections describing the Josh Property are reproduced from the Josh Report.

The Josh Property is located approximately seven kilometers southeast of the confluence of Snippaker Creek and the Iskut River. The property lies within the Liard Mining Division and consists of four contiguous mineral claims which comprise 80 units covering 20 square kilometres.

Access to the property is by helicopter from the Bronson Creek gravel air strip, located approximately 16 kilometers to the west. 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 proposed road from Bob Quinn Lake on the Stewart-Cassiar Highway to Bronson Creek would pass within one kilometer of the northern boundary of the claim group.

The Province of British Columbia has recently completed a study on possible road access to the Iskut River, Eskay Creek and Sulphurets area. Construction of a road from the Stewart-Cassiar Highway at Bob Quinn Lake, down the south side of the Iskut River to Bronson Creek, is anticipated in the near future.

The Josh claims cover the peak and northwestern flanks of an unnamed mountain which rises from Snippaker Creek at 350 meters elevation to above 1,800 meters. Major drainages are U-shaped, whereas smaller side creeks tend to be steeply cut. Active glaciation is prevalent above the treeline which approximates the 1,200 meter contour. The upper reaches of the area are covered with alpine vegetation; lower slopes are generally covered by a variety of conifers with an undergrowth of devil's club. More open areas and steeper slopes contain dense slide alder growth. Both summer and winter temperatures are moderate with over 200 cm of annual precipitation.

Mineralization in the area now covered by the Josh mineral claims was first located by Newmont Mining Corporation of Canada Ltd. ("Newmont") in 1963. During 1964 Newmont carried out an airborne magnetic survey and some surface exploration work, but allowed the claims to lapse. The lapsed claims were relocated in 1969 and subsequently were purchased in 1970 by Skyline Explorations Ltd. ("Skyline"). During the period 1970 - 72 Skyline carried out surface exploration including geological mapping, linecutting, geochemical soil sampling and hand trenching. Previous exploration on the property was directed towards the discovery of porphyry copper-molybdenum mineralization.

The Josh mineral claims were restaked on behalf of Gulf International Minerals Ltd. in 1983. During 1983 airborne magnetic and electromagnetic surveys were

completed over the property by Placer Development Limited ("Placer"). The same year ground exploration by Gulf included geological mapping, prospecting, rock sampling and stream sediment sampling. Gulf carried out follow-up geological mapping, trenching, rock sampling and contour soil sampling in 1985.

In 1987 Redwood Resources Inc. ("Redwood") acquired an option on the property from Gulf and proposed a comprehensive geological investigation for the entire claim block. Unfortunately, financial problems of Redwood delayed start of the program until the fall of the year and by late October inclement weather conditions caused suspension of work prior to completion of the proposed program. Redwood maintained the option during 1988 and 1989 but only minimal funds for assessment purposes were expended completing limited soil and rock geochemical sampling and trenching over one of the known mineralized areas. The Redwood option has subsequently been relinquished with Gulf becoming the sole owner of the claims.

The property is underlain by a succession of limestone, volcanics and related sediments of Paleozoic and Mesozoic ages which have been intruded by elements of the Coast Plutonic Complex. These supracrustal rocks are host to the nearby Johny Mountain and Snip gold deposits.

Reconnaissance exploration over a portion of the property has identified four styles of mineralization:

- (1) chalcopyrite-magnetite-sphalerite skarns;
- (2) weak quartz stockworks;
- (3) base metal bearing, quartz filled fissures; and
- (4) pyrite-chalcopyrite quartz breccia with associated skarns.

The pyrite-chalcopyrite quartz breccia with associated skarns currently has the greatest exploration potential. Prospecting has identified this style of mineralization at two locations on the Josh 3 claim, designated as the North-Central Zone and the Southwest Zone. The North-Central Zones varies from 2.5 metres to 5.0 metres wide and has been traced along strike for 30 metres. A selected grab sample of freshly blasted material returned 0.098 ounces of gold per ton, 4.79 ounces of silver per ton and 4.90% copper. A chip sample in trenching on the poorly exposed Southwest Zone returned 0.150 ounces of gold per ton, 2.98 ounces of silver per ton and 1.08% copper over 1.5 metres.

Gulf has recommended and DMBW agrees that further work on the Josh property is warranted and that this work would include: completion of geochemical and reconnaissance prospecting programs; detailed follow-up in areas of known geophysical and geochemical anomalies; and continuation of the trenching and geochemical program on the auriferous North-Central and Southwest quartz breccia zones.

The total cost of the proposed work program has been estimated at \$110,000 and will comprise surveying, prospecting, trenching, assays and analysis.

The Issuer proposes to carry out the recommended work program using the proceeds of this Offering.

The property has no known ore reserves.

### **Other Properties**

The Issuer has recently entered into two option agreements and a purchase agreement to acquire three different properties, two of which are located in the Nelson mining division and the other in the Skeena mining division. To date no work has been carried out on the properties and the Issuer has not had an independent consulting engineer prepare a report recommending a work program on any of the three properties. From the proceeds of this Offering the Issuer proposes to use \$50,000 to carry out preliminary exploration work on all of the three properties. Any further expenditures on any of the properties will be subject to the acceptance by the Exchange of an acceptable report recommending further work on the property.

Two of the acquisitions are exempt transactions pursuant to the policies of the Exchange and details of same are disclosed under Group II below. The third acquisition is being approved under this Statement and is described below.

#### **- Buck Claims, British Columbia**

By agreement dated June 27, 1990, among David Wiklund of Box 1480, Creston, B.C., Harry Davies of Box 12, Boswell, B.C. (the "Optionors") and the Issuer as optionee, the Issuer has acquired an option to acquire an undivided 100% interest in and to 25 mineral claims, comprised of 40 units, known as the Buck 1 - 25 inclusive, which claims are situate in the Nelson Mining Division, British Columbia. The Buck property is located due east of the Star property discovery of Kokanee Explorations Ltd. and Barkhor Resources Inc. and borders on the eastern boundary of the Kydd claims recently optioned from Chevron Minerals by Kokanee.

Pursuant to the terms of the option agreement to exercise the option the Issuer must issue a total of 150,000 common shares in the capital of the Issuer in three instalments, as to 50,000 upon the Issuer being satisfied as to the state of title to the claims; 50,000 on or before December 27, 1990 and 50,000 on or before June 27, 1991. The issuance of the 150,000 common shares is subject to the Exchange receiving acceptable engineering reports indicating work on the claims has been carried out and recommending further programs and the Optionors have agreed to extend the time for share issuances for such purposes. Upon exercise of the option the Issuer shall have acquired a 100% interest in the Buck claims subject to a 2% net smelter return royalty payable to the Optionors, as to 1% to each Optionor.

The Issuer has agreed to pay a finder's fee of 15,000 common shares in its capital to Yorkton Continental Securities Inc. for assisting in the Issuer acquiring the option, which shares will be issued concurrently with the issuance of the 150,000 shares issued on completion of this Offering.

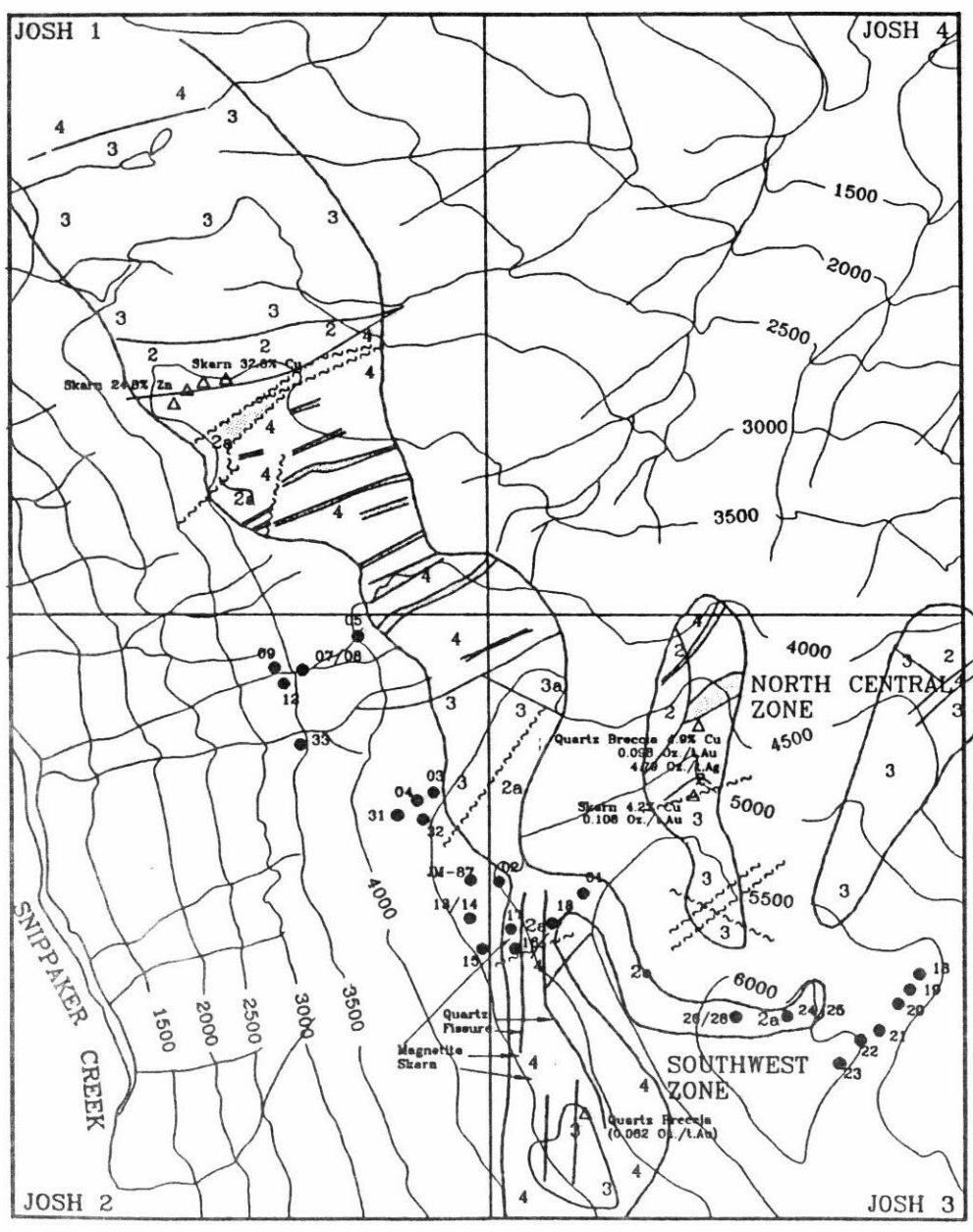
## YUMA GOLD MINES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 1990

## 7. SUBSEQUENT EVENTS (CONT'D.)

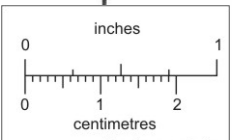
A finder's fee of 15,000 common shares is payable in connection with the acquisition.

- d) By an agreement dated June 27, 1990, the company acquired a 100% interest in certain mining claims known as the Elk Property located in the Nelson Mining Division of B.C. To acquire the interest, the company issued 100,000 shares at an assigned value of \$0.48 per share to the vendors. The interest is subject to a 2% net smelter return royalty. As a finder's fee for the property the company issued 10,000 shares.
- e) The company granted stock options for 150,000 shares exercisable at \$0.46 per share until July 11, 1992.
- f) The company is planning a public offering through the facilities of the Vancouver Stock Exchange. The planned offering is for 1,000,000 units at \$0.55. Each unit is comprised of one common share and one Series "A" share purchase warrant entitling the holder to purchase an additional common share at the offering price for a one year period following the offering day. Net proceeds to the company after deducting a 9.1% agents' commission will be \$499,950. The agents will also receive 500,000 non-transferable share purchase warrants each entitling them to purchase one common share of the company under the same terms as the Series "A" share purchase warrants.

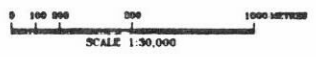
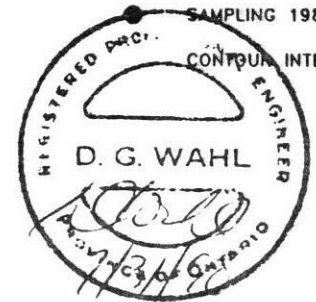


LEGEND

- 6 GABRO
- 5 GRANODIORITE
- 4 SYENODIORITE PORPHYRY
- 3 ANDESITIC VOLCANICS
  - a. Breccia with limestone clasts
  - b. Tuff and argillite
  - c. Acidic components
- 2 LIMESTONE
  - a. Minor volcanics
- 1 RHYOLITIC VOLCANICS
- FAULT
- GEOLOGIC CONTACT
- BOUNDARY OF MAPPING
- BEDROCK MINERALIZATION



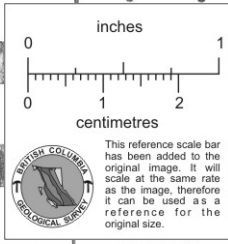
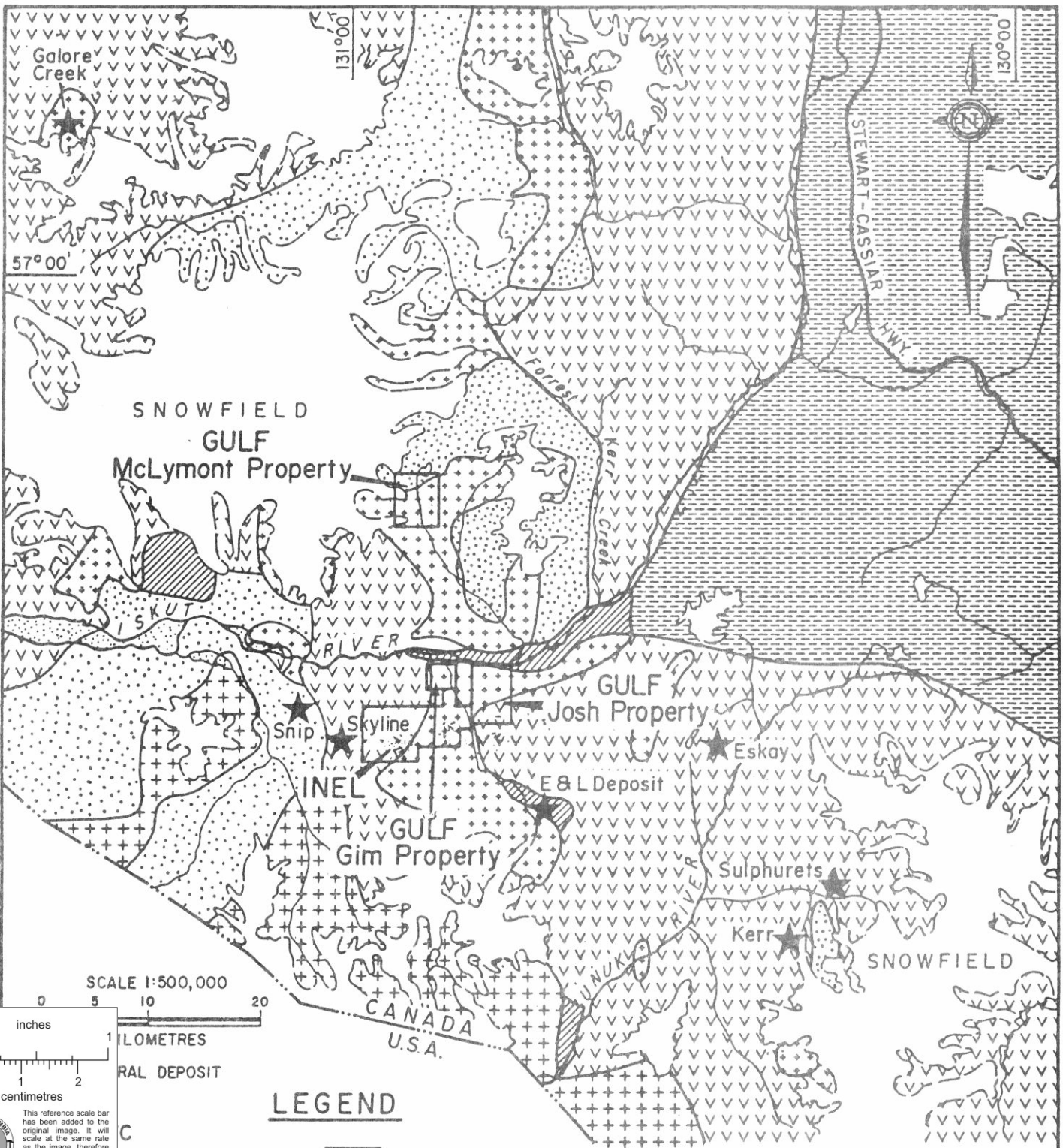
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(Compilation by DMR, 1990)

GULF INTERNATIONAL MINERALS LTD			
JOSH PROPERTY			
LIARD MINING DIVISION			
Property Geology			
Drawn by CK	Checked by M.E.	Date MAR 14, 1990	Sheet J-3
DERRY, MICHENER, BOOTH & WAHL			
TORONTO		CANADA	





SCALE 1:500,000  
0 5 10 20  
KILOMETRES  
CENTIMETRES

**LEGEND**

- Early Tertiary felsic intrusives, primarily quartz monzonite
- MESOZOIC**
- Cretaceous and Tertiary intrusives, felsic to intermediate
- Middle to Upper Jurassic Bowser Lake Group clastic sediments

- Recent basalt flows
- Upper Triassic to Upper Jurassic volcanics and sediments, Hazelton and Stuhini Groups

- PALEOZOIC**
- Permian and older clastic, limestone and volcanic rocks and metamorphic equivalents; includes metamorphic rocks of unknown age.

**GULF INTERNATIONAL MINERALS LTD.**

**SIMPLIFIED REGIONAL GEOLOGY**  
LIARD MINING DIVISION, B.C.

**PAMICON DEVELOPMENTS LTD.**

Drawn. J.W.	N.T.S. 103,104	Date Jan.1990	FIG. 4
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Geology interpreted from G.S.C. Map II-1971, Telegraph Creek; Equity Preservation Corp., Stewart-Sulphurets-Iskut Map 1988; and from Pamicon Developments Ltd. field maps

Table J-2

SUMMARY OF SIGNIFICANT RESULTS\*

<u>Sample Number</u>	<u>Cu (ppm)</u>	<u>Pb (ppm)</u>	<u>Zn (ppm)</u>	<u>Ag (ppm)</u>	<u>Au (ppb)</u>	<u>Length (Metres)</u>	<u>Comments</u>
12701				1.5	45	Comp. chip	frothy siliceous float, py
12702	3,521					4.0	skarnified agglomerate; cp
12703		18,471	39,642	6.3	70	Comp. chip	qtz v between lst and aggl; 5% gn, py
12704	56,606	2,754	34,433	100.0	340	Grab	coarse frothy cp-rich ep skarn; adjacent to 12703
12705					135	Grab	gossan zone; alt'd volc and felsic dykes; py, box work
12707				1.7		3.50	1.5 m wide qtz vein, bleached wall rock
12708				2.1		6.50	qtz stringers with box work alt'd wall rock
12709						0.50	rusty fault
12710						1.00	qtz v and rusty wall rock; tr mal with py
12711				1.4	40	1.75	frothy qtz v with box work
12712				45.9	65	Grab	float; frothy qtz with box work
12713				1.3		6.0	limonitic metaseds. 2%-4% py + pyrr, skarn (?)
12714				2.0		Grab	frothy qtz; 8% py (from middle of 12713)
12715					240	2.0	massive magnetite 1 m from skarn
12716	2,377	4,625	2,102	5.2		Comp. Grab	qtz fissure zone; cp, gn; sil'd fault breccia(?)
12717	1,556	28,023		19.1		0.15	frothy qtz vein; gn, sp, cp, py

\* - Greater than or equal to 25 ppb Au  
Greater than 1 ppm Ag  
Greater than 1,000 ppm Cu, Pb, Zn