

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

019477

STATEMENT OF MATERIAL FACTS
EFFECTIVE DATE: JUNE 29, 1988

#60/88

ISSUER: CELES INC. (a Development company),
Avenue, Vancouver, British Columbia, V6H 2B4, (604) 736-4450
REGISTERED AND RECORDS OFFICES OF ISSUER

West Georgia Street, Vancouver, British Columbia, V6C 3E8
REGISTERED AND RECORDS OFFICES OF ISSUER

TRUST COMPANY
Street, Bentall Centre IV, P.O. Box 49390, Vancouver, B.C., V7X 1P3
**ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S
BRITISH COLUMBIA**

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

OFFERING: 700,000 SHARES

	Estimated Price to Public	Underwriters' Discount	Net Proceeds to be received by the Issuer*
Per Share:	\$0.38	\$0.08	\$0.30
Total:	\$266,000	\$56,000	\$210,000

(*) Before deducting costs of the Offering, estimated at approximately \$15,000.

UNDERWRITERS

McDERMID ST. LAWRENCE LIMITED
Suite 1000, 601 West Hastings Street,
Vancouver, B.C., V6B 5E2

CONTINENTAL SECURITIES
1000 - 1055 Dunsmuir Street,
P.O. Box 49333,
Vancouver, B.C., V7X 1L4

DAVIDSON PARTNERS LIMITED
900-580 Hornby Street
Vancouver, B.C.
V6C 3G6

The Underwriters will receive options to purchase a further 350,000 shares of the Issuer.
These shares are also qualified for sale hereunder.

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.

D.L.
PROPERTY FILE -05
104B 292 - GIM (Zone 1)
104B 292 - GIM (Zone 2)

- (a) 50,000 common shares on the Effective Date;
- (b) 50,000 common shares upon the expenditure of \$250,000 by the Company on exploration of the Property.

The Property is located in the Iskut River Valley on the eastern flank of Snippaker Mountain on the Coast Range Mountains, approximately 110 kilometres northwest of Stewart, B.C., and approximately 10 kilometres east-northeast of Skyline Exploration Ltd.'s Stonehouse gold deposit, and 12 kilometres east of Cominco/Delaware Resources Corp.'s Twin Zone deposit. The Property is centered at 56°40'N latitude and 131°53'W longitude. Access to the Property is by helicopter from the Snippaker gravel airstrip located approximately 11 kilometres southeast of the Property. Access to the Snippaker airstrip is by daily scheduled flights from Terrace or Stewart, B.C. Alternate access is possible from two other airstrips, one on Johnny Flats about 10 kilometres west-southwest of the Property and the other at the mouth of Bronson Creek 12 kilometres west-northwest of the Property. A proposal on behalf of Skyline Explorations Ltd. presently contemplates the construction of a road approximately 65 kilometers long on the south side of the Iskut River Valley connecting the Stewart-Cassiar Highway with a proposed B.C. Hydro dam site on the Iskut River and Skyline's Stonehouse gold deposit on Bronson Creek. At present, operating with local helicopter support appears to be the most practical and cost-effective means of exploring the Property during reconnaissance-style programs.

The Property is underlain by the same Upper Triassic Group of volcanic and sedimentary units which host the Inel and Stonehouse deposits of Skyline Explorations Ltd. The environment on the Property appears to be favourable for locating similar precious and base metal mineralization as has been found on the Reg (Stonehouse Gold), Inel, Handel-Chopin, Gossan, Snip (Twin Zone) and Waratah Claims. Both the Stonehouse Gold and the Twin Zone deposits report reserves in excess of 1,000,000 tons grading approximately 0.7 oz. gold per ton.

The following paragraph contains a summary of previous exploration on the Property and was prepared based on information contained in the report on the Property dated June 16, 1987 prepared by D.A. Caulfield, Geologist, and C.K. Ikona, P.Eng.

No mineral exploration has been reported to have been conducted in the immediate area of the Property prior to 1980. In May 1980, heavy mineral sampling by Du Pont of Canada Exploration Ltd. returned highly anomalous gold values from a tributary of Snippaker Creek. In July 1980, the Zappa Claim (later the GIM Claim) was staked to cover this drainage. No significant mineralization has been encountered on the Property to date. An evaluation program in 1981 including rock sampling and stream sediment sampling indicated a large area of base and precious metal geochemistry and a small grid (150 m x 160 m) along a ridge north of the main creek outlined a narrow but strong copper-gold-silver zone for a 130 metre strike length with the anomaly being open to the west. The source of this anomaly has not been determined and requires more detailed investigation. Seventeen rock samples were submitted by Du Pont for analysis with the best result (0.061% copper, 0.03 oz/ton silver, 0.011 oz/ton gold) coming from a sample taken in the grid area. Du Pont personnel noted that numerous gossans occur on the Property. The main creek contains one of these gossanous zones as does the grid location. These gossans have not been examined in detail. In July 1983, a Dighem III airborne survey totalling 920 line kilometres which included the Zappa Claim was flown for Placer Development Ltd. No electromagnetic conductors or areas of low resistivity were indicated by the survey. A north-south trending magnetometer high lies off the

**GEOLOGICAL REPORT
ON THE
GIM MINERAL CLAIM**

**Located in the Iskut River Area
Liard Mining Division
NTS 104B/10W
56°40' North Latitude
130°53' West Longitude**

- Prepared for -

KYLE RESOURCES INC.

- Prepared by -

**S.L. TODORUK, Geologist
C.K. IKONA, P.Eng.**

February, 1988

GEOLOGICAL REPORT on the GIM MINERAL CLAIM

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1.0 INTRODUCTION

Kyle Resources Inc.'s GIM claim block (20 units) is situated in the Iskut River area of northwest British Columbia 10 kilometres east-northeast of Skyline Explorations Ltd.'s Stonehouse Gold deposit and 12 kilometres east of the Cominco/Delaware Resource Corp. Twin Zone gold deposit. Both deposits report reserves in excess of one million tons grading approximately 0.7 oz/ton gold.

A total of 24 man days were spent prospecting, mapping, rock chip and soil sampling and trenching the GIM property between July 20, 1987 and September 20, 1987.

To date, two mineralized zones of economic interest have been discovered with gold values up to 3.707 oz/ton gold. Also, an as yet unexplained soil anomaly consisting of 10 soil samples spaced at 20 metre intervals along a contour traverse returned anomalous gold values ranging between 50 and 280 ppb gold.

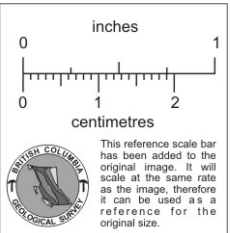
Introductory material for this report has been abridged from the June, 1987 Geological Report on the GIM Mineral Claim written by Caulfield and Ikona.

2.0 LIST OF CLAIMS

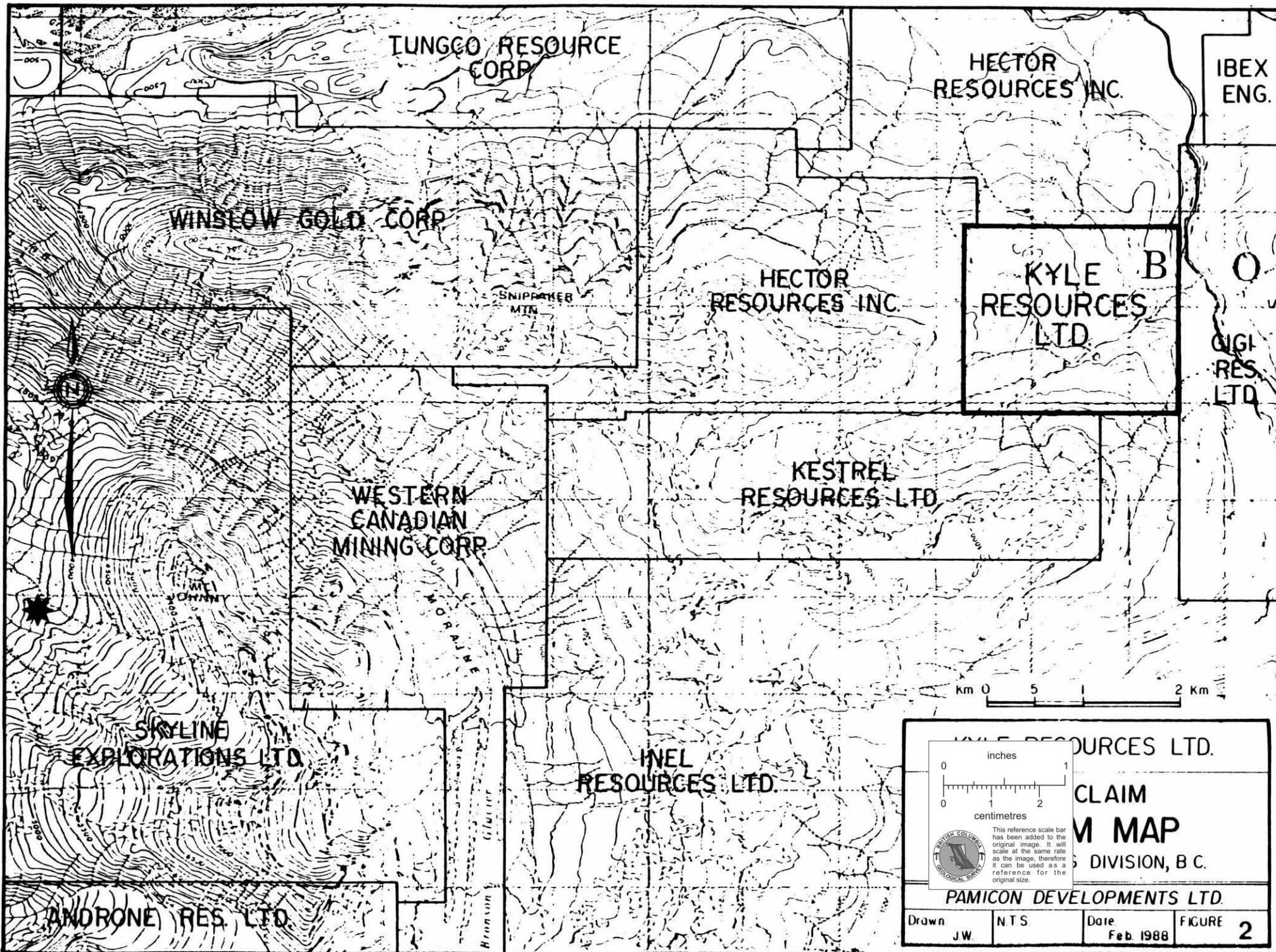
Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claim (Figure 2) is owned by Gulf International Minerals Ltd. Separate documentation shows the group is under option to Kyle Resources Inc.

<u>Claim Name</u>	<u>Record Number</u>	<u>No. of Units</u>	<u>Record Date</u>	<u>Year of Expiry</u>
GIM	3723	20	December 5, 1986	1990

PROPERTY LOCATION



KYLE RESOURCES INC.			
GIM CLAIM			
PROPERTY LOCATION MAP			
PAMICON DEVELOPMENTS LTD.			
DRAWN JW	N.T.S. 104 B/10W	Date. Feb. 1988	FIG. L



KYLE RESOURCES LTD.
 CLAIM
 MAP
 DIVISION, B.C.
 PAMICON DEVELOPMENTS LTD.
 Drawn J.W. N.T.S. Date Feb 1988 FIGURE 2

0 1
 inches
 0 2
 centimetres

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

BRITISH COLUMBIA GEOLOGICAL SERVICE

3.0 LOCATION, ACCESS AND GEOGRAPHY

The GIM Mineral Claim is located on the eastern edge of the Coast Range Mountains approximately 110 kilometres northwest of Stewart, British Columbia. The property is situated on the eastern flank of Snippaker Mountain. The GIM Claim lies within the Liard Mining Division centred at 56°40' north latitude and 131°53' west longitude.

Access to the property is by helicopter from the Snippaker gravel air strip, located approximately 11 kilometres to the southeast. Daily scheduled flights to the strip from Terrace and Stewart have been available during the field season using fixed wing aircraft. Alternate access may be possible from the airstrip constructed by Skyline Explorations Ltd. on Johnny Flats, about ten kilometres west-southwest of the property or from a newly constructed strip at the mouth of Bronson Creek 12 kilometres to the west-northwest.

A proposal by C.K. Ikona of Pamicon Developments Ltd., on behalf of Skyline Explorations Ltd., addresses the construction of a road approximately 65 kilometres long, 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 metres above sea level in the river valley bottoms to in excess of 1200 metres on the western claim boundary. Most of the property occurs below tree line although the upper reaches are covered with alpine vegetation.

The Snippaker Creek tributary below 580 metres falls within a precipitous, gossanous canyon. Lower slopes are covered with a dense growth of spruce with an undergrowth of devil's club. More open areas contain alder growth. Both summer and winter temperatures are moderate with over 200 centimetres of annual precipitation.

Rugged topography, climate and vegetation all inhibit traversing throughout the claim group. Therefore, operating with local helicopter support appears to be the most practical and cost effective means of exploring the GIM Claim during reconnaissance-style programs.

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 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 Reg 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 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 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.

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. As of January 1988, reserves on the Stonehouse Gold Zone were reported as:

	<u>Au</u> (oz/ton)	<u>Tons</u>
Total Measured	1.246	121,000
Total Drill-Indicated	0.556	236,875
Total Inferred	<u>0.570</u>	<u>700,000</u>
Subtotal	0.644	1,057,875
McFadden	<u>2.800</u>	<u>30,000</u>
Ore Reserve Total	0.704	1,087,875

On the Delaware Resources Ltd. - Cominco Snip claims immediately north of the Stonehouse Gold deposit, approximately 10,000 metres of diamond drilling was carried out, mainly delineating the Twin Zone. Drill hole S-71 intersected 10.2 metres of 2.59 oz/ton gold. An underground program is expected to begin

in early 1988. As of December, 1987, reserves on the Twin Zone were reported as:

	<u>Au</u> (oz)	<u>Tons</u>
Total Inferred	0.700	1,100,000

Also, 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.

Western Canadian Mining Corp. carried out an extensive diamond drilling program on their Gosson claims, concentrating on the Khyber Pass Gold Zone which is 45 metres thick. The best drill hole intersection in this zone to date is as follows:

<u>Hole</u>	<u>From</u>	<u>To</u>	<u>Length</u>		<u>Gold</u>	<u>Silver</u>	<u>Copper</u>
	(m)	(m)	(m)	(ft)	(oz/t)	(oz/t)	(%)
85-3	11.2	16.8	5.6	18.4	0.12	6.48	1.74
	30.2	44.2	5.2	17.1	0.17	2.66	0.90
	54.5	60.1	5.6	18.4	0.15	1.77	--
	66.0	69.0	3.0	9.8	0.28	1.54	--

Tungco Resources Corporation drill tested three main gold/copper quartz vein targets; the Bluff, No. 7 and Swamp 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.

5.0 REGIONAL GEOLOGY

Government mapping of the general geology in the Iskut River area (Kerr, 1929, GSC Maps 9-1957 and 1418-1979) has proved to be incomplete and unreliable. Subsequent mineral exploration studies have greatly enhanced the lithological and stratigraphic knowledge of this geo-entity known as the Stewart Complex (Grove, 1986).

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

"The Stewart Complex lies 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 the oldest rock unit consists of Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members. This oceanic assemblage has been correlated with 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 km to the north, giving an age Late Triassic. It is within these rocks that Skyline's Stonehouse Gold and Inel deposits occur (Figure 3).

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 (1986).

The batholithic Coast Plutonic Complex intrusions in the Iskut region are of Cretaceous and Tertiary age. Composition varies from quartz monzonite and granodiorite to granite. Satellitic subvolcanic acidic porphyries may be important in the localization of mineralization.

Quaternary and Tertiary volcanics occur to the east along the Iskut River near Forrest Kerr Creek and north at Hoodoo Mountain.

6.0 PROPERTY GEOLOGY

The lithological units on the GIM claim were briefly examined in a general nature while prospecting was being carried out by the author and a prospector. A base map at a scale of 1:5,000 was utilized (Figures 4 and 5) for plotting. The claims are predominantly underlain by andesite to andesite agglomerate of the Unuk River Formation.

7.0 MINERALIZATION

A total of 38 rock chip (Figure 4) and 91 soil (Figure 5) samples were collected from the GIM mineral claim during the 1987 field program. Two anomalous mineralized sulphide quartz veins and a soil geochemical anomaly 180 metres in length were discovered.

ZONE 1

A quartz vein carrying pyrite and chalcopyrite was exposed for approximately 10 metres of strike length (Figure 4). The vein (6 to 8 cm) is hosted within a zone of extremely crumbly limonitic boxwork which varies in width up to 1.0

metre. Fine-grained massive pyrite with minor magnetite was discovered as sub-outcrop along the vein (Samples 13421 and 13422). Samples from this zone are listed below:

<u>Sample Number</u>	<u>Cu</u> (ppm)	<u>Pb</u> (ppm)	<u>Zn</u> (ppm)	<u>Fe</u> (%)	<u>As</u> (ppm)	<u>Ag</u> (ppm)	<u>Au</u> (ppb)
13418	1,684	612	376	33.13	4,429	8.0	65
13419	1,309	44	339	21.50	223	1.0	nd
13420	1,141	46	242	14.00	185	2.9	40
13421	2,184	386	2,883	25.09	463	17.5	30
13422	1,865	134	858	21.79	397	3.3	nd

Approximately 100 metres to the northeast from the above mineralized zone two anomalous samples were collected from a similar gossanous outcrop. Sample assays are as follows:

<u>Sample Number</u>	<u>Cu</u> (ppm)	<u>W</u> (ppm)	<u>Fe</u> (%)	<u>Ag</u> (ppm)	<u>Au</u> (ppb)
13426	413	101	11.74	7.5	360
13427	718	206	6.66	4.8	600

A soil sample collected directly below this outcrop at L0+00/0+80E produced the following assay:

<u>Sample Number</u>	<u>Cu</u> (ppm)	<u>Pb</u> (ppm)	<u>Zn</u> (ppm)	<u>As</u> (ppm)	<u>Fe</u> (%)	<u>W</u> (ppm)	<u>Ag</u> (ppm)	<u>Au</u> (ppb)
L0+00/0+80E	666	119	198	138	11.39	219	3.7	415

ZONE 2

An auriferous quartz/pyrite vein (140/85SW) was discovered near the northwest corner of the property by the Legal Corner Post (Figure 4). Visible gold is present within the vein. Approximately 5 metres of strike length and 7 metres

of down dip extension were uncovered with widths varying from 1 to 4 cm. Samples are as follows:

<u>Sample Number</u>	<u>As</u> (ppm)	<u>Bi</u> (ppm)	<u>Ag</u> (ppm)	<u>Au</u>	
				(ppb)	(oz/ton)
13339	233	560	9.4	94,560	--
13459	27	129	5.5	--	0.586
13464	147	647	24.2	--	3.707
13465	198	156	8.3	--	1.935
13466	55	40	2.7	--	0.365
13468	33	160	2.6	960	--

ZONE 3

Ten soil samples (KS-62 to KS-71) returned anomalous gold values ranging between 50 and 280 ppb gold (Figure 5) along a contour traverse at elevation 1100 metres above sea level. Samples were collected at 20 metre station intervals. The samples also produced anomalous lead, zinc, arsenic and silver values.

8.0 DISCUSSION AND CONCLUSIONS

The GIM mineral claim is underlain by Mesozoic Unuk River Formation andesite to andesite agglomerate.

In the Iskut River area, this formation hosts several important gold deposits (Skyline Explorations Ltd., Delaware/Cominco Resources, Inel Resources Ltd.) as well as numerous promising prospects. Three main types of mineralization have been discovered in the area:

1. Gold/silver/copper in quartz/carbonate veins (Skyline, Delaware/Cominco, Tungco, Hector).

2. Volcanogenic massive sulphide with gold/silver/zinc/copper (Inel, Western Canadian Mining Corp.).
3. Skarn type auriferous massive pyrite + magnetite (Gulf International Minerals Ltd.).

Three economic areas of interest were discovered on the GIM claim during 1987:

1. High-grade gold (3.707 oz/ton) with lesser silver values in narrow quartz veins.
2. Multi-element values in quartz veins associated with extremely limonitic boxwork.
3. A 180 metre contour gold, silver, lead, zinc and arsenic soil anomaly with values ranging from 50 to 280 ppb gold.

9.0 RECOMMENDATIONS

For the 1988 field season, continued prospecting and geological mapping should be carried out to a much greater extent than in 1987 as this identified two promising mineralized targets. A soil sample grid should be established to fully cover the claim, with particular emphasis being placed on tightening up the present 10 station soil anomaly which extends for 180 metres. Emphasis should also be placed on thoroughly investigating the northwest-southeasterly striking air photo lineament which appears to host significant mineralization successfully drill-tested on the adjacent Hector Resources Inc. property to the west.

Geophysical surveys consisting of magnetometer and VLF-EM should be carried out using the soil survey lines. Survey stations should be at 25 metre spacings.

A detailed airborne geophysical survey should be flown across the entire property with 250 metre spaced lines in a north-south direction to help define major controlling structures and additional mineralization.

A program of trenching should then be undertaken to test anomalies and exposed showings of interest.

Upon a comprehensive compilation of all available data, a diamond drilling program would be initiated to test favourably mineralized targets.

A camp should be constructed in close proximity to the property to minimize costs. Helicopter support would be necessary to transport goods to and from the Bronson Creek airstrip and occasionally for moving field crews.

9.1 BUDGET

PHASE I

WAGES

Project Geologist 16 days @ \$350/day	\$ 5,600	
Prospector 16 days @ \$225/day	3,600	
Helpers (geophysics, soil sampling, trenching) 2 x 16 days @ \$175/day	5,600	
Cook 16 days @ \$175/day	<u>\$ 2,800</u>	\$ 17,600

Carried Forward		\$ 17,600
ANALYSES		
Assays		
200 rock chip samples @ \$18/sample	\$ 3,600	
600 soil samples @ \$15.50/sample	<u>9,300</u>	12,900
AIRBORNE GEOPHYSICAL SURVEY		3,000
SUPPORT		
105 man days @ \$125/man day		13,125
TRENCHING SUPPLIES		1,500
EQUIPMENT RENTALS		
VLF, magnetometer, drill		1,500
TRANSPORTATION		
Vehicle Rental		
4 days @ \$50/day	\$ 200	
Airfares, fixed wing, helicopter	<u>10,000</u>	10,200
REPORT		<u>3,500</u>
Subtotal		63,325
Contingency @ 10%		6,330
Management @ 15% (expenses only)		<u>6,860</u>
TOTAL		<u>\$ 76,515</u>

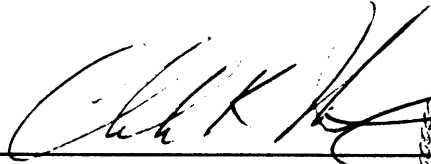
PHASE II

Contingent upon the success of the Phase I program, it is estimated that an additional \$125,000 should be made available for a diamond drilling program.

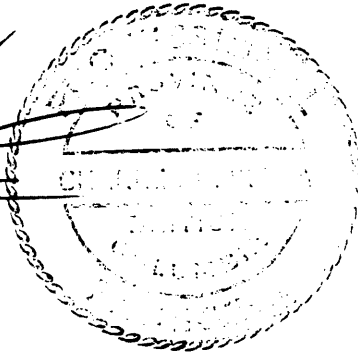
Respectfully submitted,



Steve L. Todoruk, Geologist



Charles K. Ikona, P.Eng.



APPENDIX I

BIBLIOGRAPHY

BIBLIOGRAPHY

Caulfield, D.A. and C.K. Ikona (1987): Geological Report on the GIM Mineral Claim.

Delaware Resources Corp.: Progress Report, Snip Prospect, November 19, 1987.

Gulf International Minerals Ltd.: Annual Report, February 1988.

Skyline Explorations Ltd.: Annual Report 1987.

Todoruk, S.L. and C.K. Ikona (1987): Geological Report on the Stu 1 & 2 Mineral Claims.

Todoruk, S.L. and C.K. Ikona (1987): Geological Report on the Gab 11 & 12 Mineral Claims and Stu 8 & 9 Mineral Claims.

Todoruk, S.L. and C.K. Ikona (1987): 1987 Summary Report on the Sky 4 & 5 and Spray 1 & 2 Claims.

Tungco Resources Corporation: News release dated December 1, 1987.

Western Canadian Mining Corp.: News release dated November 12, 1987.

APPENDIX IV

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, STEVE L. TODORUK, of Suite 102, 8675 Fremlin Street, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Pamicon Developments Limited, with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a Bachelor of Science Degree in Geology.
3. THAT my primary employment since 1979 has been in the field of mineral exploration.
4. THAT my experience has encompassed a wide range of geologic environments and has allowed considerable familiarization with prospecting, geophysical, geochemical and exploration drilling techniques.
5. THAT this report is based on data generated by myself, under the direction of Charles K. Ikona, Professional Engineer.
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 receive any such interest.
7. THAT I hereby grant permission to Kyle Resources Inc. for the use of this report in any prospectus or other documentation required by any regulatory authority.

DATED at Vancouver, B.C., this 10th day of February, 1988.



Steve L. Todoruk, Geologist

APPENDIX V

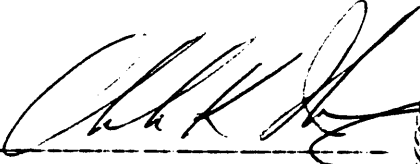
ENGINEER'S CERTIFICATE

ENGINEER'S CERTIFICATE

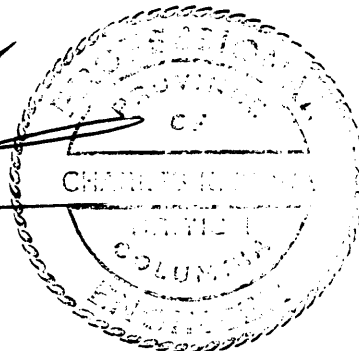
I, CHARLES K. IKONA, of 5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

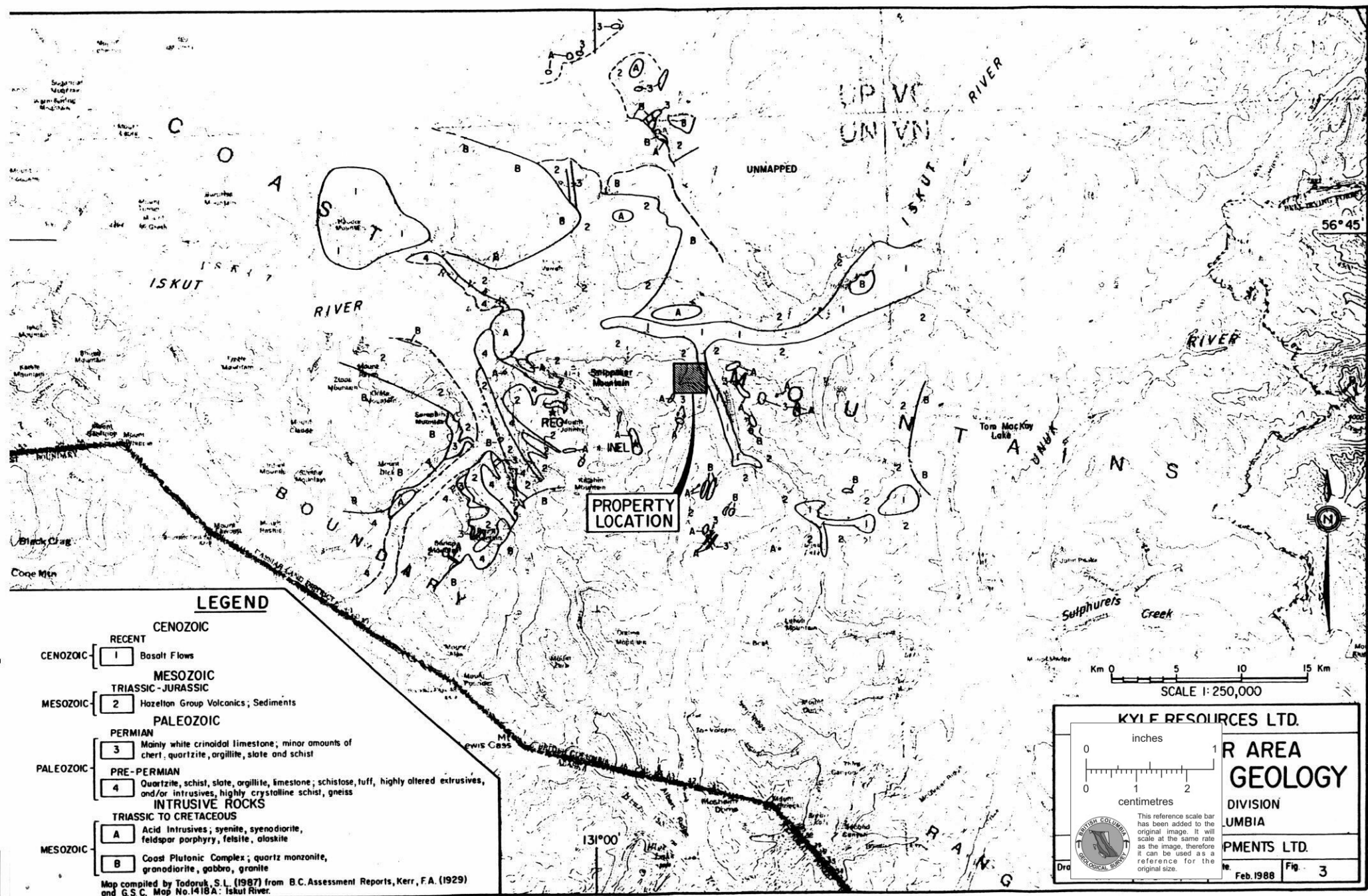
1. THAT I am a Consulting Mining Engineer with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. THAT this report is based on a research of all available information surrounding Kyle Resources Inc.'s mineral claim compiled by Steve Todoruk, with whom I have worked for two years, and in whom I have every confidence.
5. 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.
6. THAT I consent to the use by Kyle Resources Inc. 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, B.C., this 10th day of Feb, 1988.



Charles K. Ikona, P.Eng.





56°45'

Km 0 5 10 15 Km
 SCALE 1: 250,000

0 1 2
 inches
 centimetres

0 1 2
 inches
 centimetres

0 1 2
 inches
 centimetres

0 1 2
 inches
 centimetres

0 1 2
 inches
 centimetres

PROPERTY LOCATION

131°00'



UNMAPPED

UPPER
 UNIVN
 RIVER

ISKUT
 RIVER

RIVER

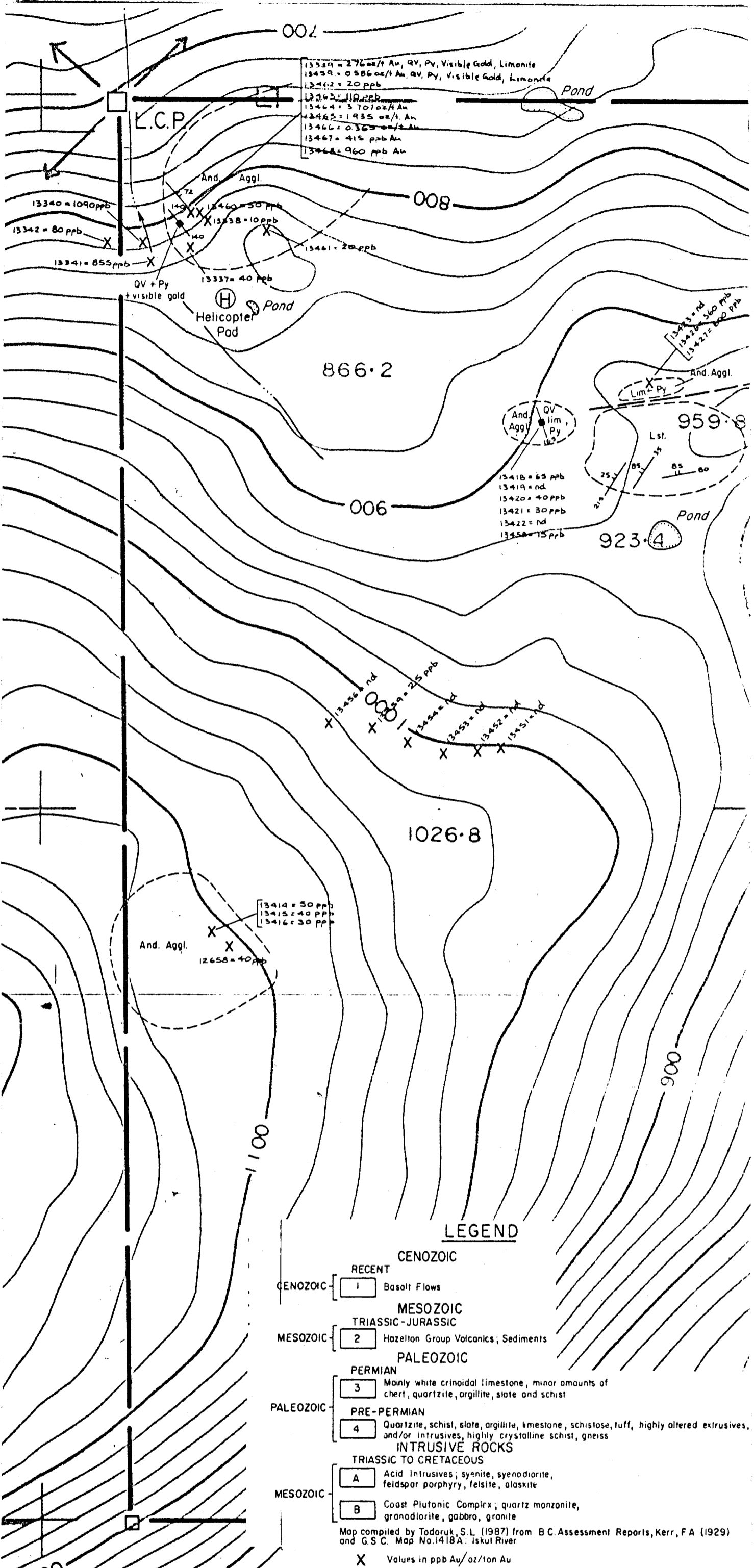
REO
 MOUNTAIN

UN
 T
 MOUNTAINS

BOUNDARY

Sulphure's
 Creek

FRANK



13339 = 276 oz/t Au, QV, Py, Visible Gold, Limonite
 13439 = 0.586 oz/t Au, QV, Py, Visible Gold, Limonite
 13442 = 20 ppb
 13463 = 1935 oz/t Au
 13466 = 0.365 oz/t Au
 13467 = 415 ppb Au
 13468 = 960 ppb Au

13340 = 1090 ppb
 13342 = 80 ppb
 13341 = 855 ppb
 13337 = 40 ppb
 13460 = 50 ppb
 13438 = 10 ppb
 13461 = 20 ppb

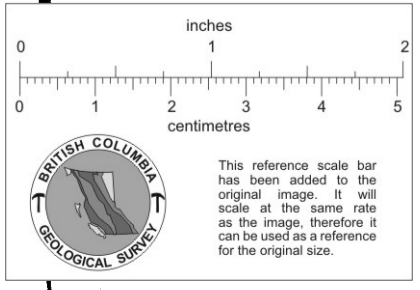
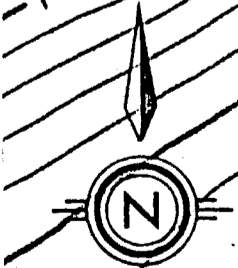
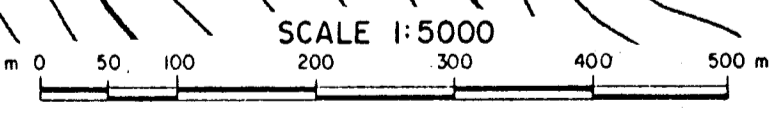
13418 = 65 ppb
 13419 = nd
 13420 = 40 ppb
 13421 = 30 ppb
 13422 = nd
 13458 = 15 ppb

13414 = 50 ppb
 13415 = 40 ppb
 13416 = 30 ppb
 12658 = 40 ppb

13436 = nd
 13439 = 25 ppb
 13434 = nd
 13433 = nd
 13432 = nd
 13431 = nd

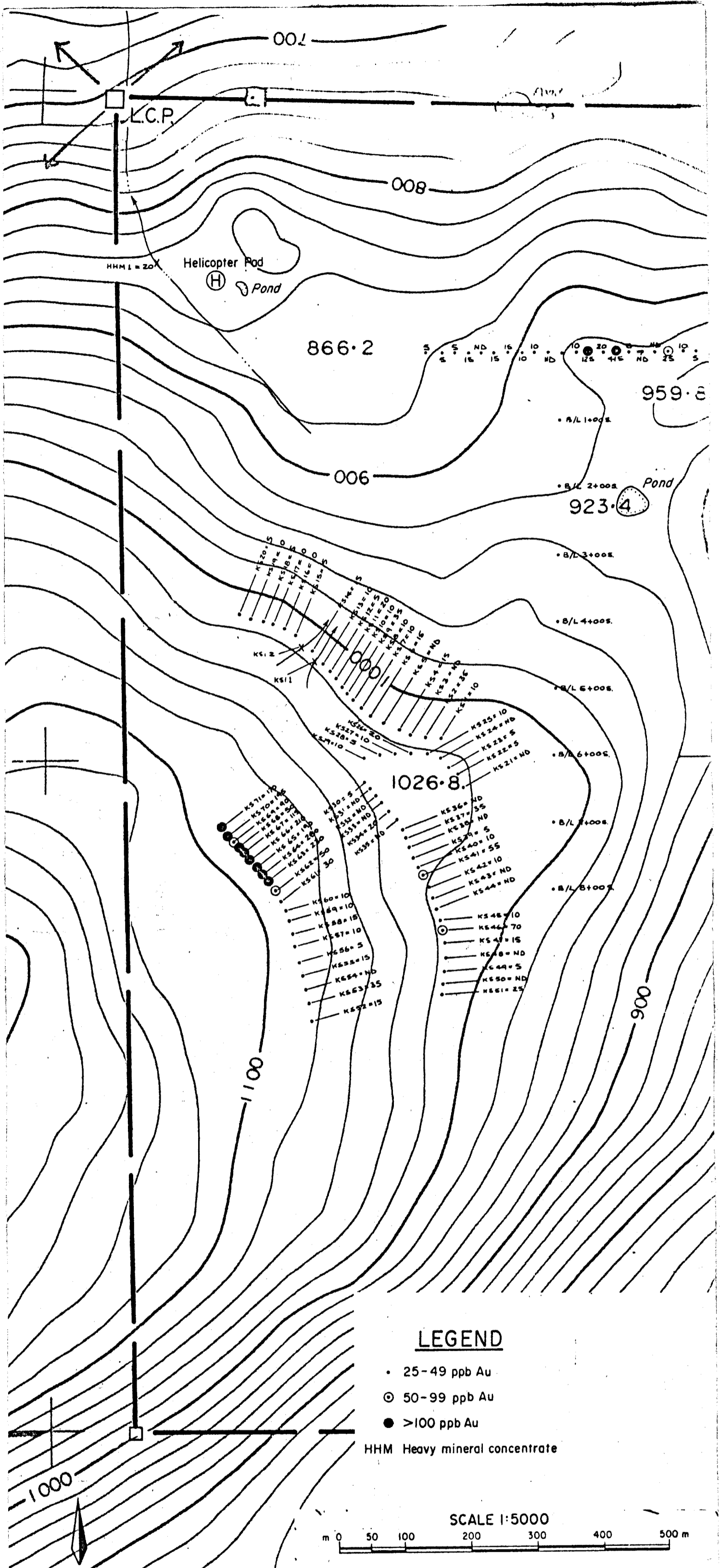
LEGEND

- CENOZOIC**
 - RECENT
 - 1 Basalt Flows
 - MESOZOIC**
 - TRIASSIC-JURASSIC
 - 2 Hazelton Group Volcanics; Sediments
 - PALEOZOIC**
 - PERMIAN
 - 3 Mainly white crinoidal limestone, minor amounts of chert, quartzite, argillite, slate and schist
 - 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
 - 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
- X Values in ppb Au/oz/ton Au



KYLE RESOURCES LTD.
GIM CLAIM
PROPERTY GEOLOGY & ROCK CHIP SAMPLE MAP
 LIARD MINING DIVISION, B.C.
PAMICON DEVELOPMENTS LTD.

Drawn. J.W.	N.T.S.	Date. Feb. 1988	FIGURE 4
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LEGEND

- 25-49 ppb Au
- ⊙ 50-99 ppb Au
- >100 ppb Au
- HHM Heavy mineral concentrate

SCALE 1:5000



KYLE RESOURCES LTD.

GIM CLAIM

SOIL GEOCHEMISTRY MAP

LIARD MINING DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

Drawn J.W. N.T.S. Date Feb. 1988 FIGURE 5

