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PROPERTY FILE

104B 350-Adrian

SUPERINTENDENT OF BROKERS AND VANCOUVER STOCK EXCHANGE
(Development Company)

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

Adrian Resources

D.L.
(As of RM)
PROPERTY FILE
Iskut River 104B/15-85
(Frontier - Gem 926/NG or 924/NW)

LTD.
Granville Street, Vancouver, B.C., V7Y 1C6 Telephone: (604) 687-3303
ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Granville Street, Vancouver, B.C., V6C 1S4
REGISTERED AND RECORDS OFFICES OF ISSUER

Company of Canada, 800 West Pender Street, Vancouver, B.C., V6C 2V7
OFFICE OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

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

OFFERING : 1,375,000 UNITS

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

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

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

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

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

AGENTS

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

CANARIM INVESTMENT CORPORATION LTD.
#2200, 609 Granville Street
Vancouver, B.C., V7Y 1H2

GEORGIA PACIFIC SECURITIES CORPORATION
16th Floor, 555 Burrard Street
Vancouver, B.C., V6C 1H2

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

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

(the "Iskut River Property")

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

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

Previous Exploration and Proposed Program

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

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

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

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

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

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

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

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

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

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

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

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

1048 338-KING
North & South
Zones
Ag/Pb/Zn
Ticker Tape
NE Verrett Cl
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Ore Quest → New Property 104