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SUPERINTENDENT OF BROKERS AND VANCOUVER STOCK EXCHANGE
(Development Company)

STATEMENT OF MATERIAL FACTS #88/88

EFFECTIVE DATE: December 8, 1988

LTD.

st Hastings Street, Vancouver, B.C., V6C 2X6 Telephone: (604) 687-7463

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 be obtained from the broker.

OFFERING : 1,200,000 UNITS

Each Unit consists of One Common Share and Two Series "A" Warrants, two such Warrants will entitle the holder thereof who exercises such warrant to purchase one additional common share of the Issuer at any time up to the close of business within six months following the Offering Day at a price equal to the Offering Price, as hereinafter defined.

	Price to Public (estimated)*	Commission	Estimated Net Proceeds to be Received by the Issuer
Per Unit	\$0.60	\$0.045	\$0.555
Total	\$720,000	\$54,000	\$666,000

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

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 (see "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.

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

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

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

JEFFERSON SECURITIES INC.
300, 1040 West Georgia
Vancouver, B.C., V6E 4H1

MERIT INVESTMENT CORPORATION
1500 - 625 Howe Street
Vancouver, B.C.
V6C 2T6

JONES, GABLE & COMPANY LIMITED
400, 700 West Pender Street
Vancouver, B.C.
V6C 1C1

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
Iskut River
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II. Iskut River Property British Columbia

Pursuant to an agreement dated 11th April 1988 (the "Iskut Agreement") between the Issuer and Iskut Gold Syndicate of #1140, 625 Howe Street, Vancouver, British Columbia ("Iskut Gold"), the Issuer has an option to acquire a 100% interest in three unpatented mineral claims located in the Liard Mining Division, British Columbia, (the "Iskut River Property").

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

- (a) pay Iskut Gold the sum of \$69,600 which has been paid;
- (b) incur minimum exploration and development expenditures on the Iskut River Property in the amount of \$225,000 on or before 31st December 1990, of which \$138,622 has been paid to date; 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 5,825 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.

Work on the Iskut River Property in 1988 entailed an initial reconnaissance program of soil and silt sampling, regional mapping sampling and prospecting, which resulted in the discovery of anomalous rock samples over a large area.

A follow up program of grid work, mapping and sampling resulted in the discovery of a network of gold bearing quartz veins. These were mapped in detail and channel sampled. A diamond drilling program was planned, however, winter conditions set in and the program could not be carried out.

The Issuer intends to do further work on this property but cannot finalize its plans until it receives all of the results from the 1988 program.

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.