

R.M. "Bob" MacKenzie,
1409 Front St.,
Nelson, B.C. V1L 4C5,
604-352-3219.

Pec Santos

Lawrence Ranson,
Box 330,
Nelson, B.C. V1L 5R2,
604-352 9597.

Monument Group Mineral Claims

521026
Monument
82 F/11

Property Description and History.

The property consists of 3 crown-granted claims held by mineral lease M-111. Also, 52 claim units encompassing this lease. They are Monument (12 units), Annex (20 units) and Annex 2 (20 units). The Annex had just been staked and the Annex 2 was not staked until a year after Mr. P.J. Santos, P. Eng. made his report. Therefore the report does not contain information on them. The crown-granted claims were located in 1898 and surveyed in 1901. They were then bonded to Halls Mines Smelter of Nelson who contemplated building a tram line to the property. Unfortunately this did not come about as ore ran out at the Silver-King and their assets were taken over by the Bank of Montreal. The bank disposed of these assets to the C.P.R. who then structured the C.M. & S. to mine and treat the "Rossland Ores" at Trail. Bear in mind that there was a penalty on Zinc ores at that time due to the inability of smelters to treat it.

The area held is underlain by metamorphosed volcanic rocks and metamorphosed sedimentary rocks belonging to the Jurassic Rossland Group and by granite belonging to the Cretaceous Nelson Intrusives. In this area, the rock units of the Rossland Group occur as a series of roof pendants within the Nelson Intrusives. These rocks are the host rocks of the gold-bearing copper sulphide veins known in the area as the "Rossland Type Ores". A large chalcedony-breccia zone was recently discovered on the Annex 2 which has yet to be mapped. It has been traced from the 4500 ft elevation to the 6100 ft elevation (well over 1 km. in strike) and appears to continue well beyond this point following the general direction of the meta-volcanic-sedimentary rocks of the Rossland Group. This zone is estimated to average over 150 feet in width with wall rock alterations extending well beyond this on both sides. This type of Chalcedony-Breccia is comparative to that which hosts the huge "Cheni-Gold" deposit in the Toadogone. There is an immense tonnage potential to this very favourable geological setting on the Annex 2.

The quartz vein covered by mineral lease M-111 and the Monument claim may well be continuous for some 5000 feet covering 1000 ft in elevation. It measures 8 ft. wide on the original Monument to 4 ft. wide on the Monument 3. This vein was sampled for Tungsten by Can-ex, Amax and others who have stated it was expected to average 2% WO₃ across 5 ft. As their only mandate was for tungsten no other work was done by them. The silver values as sampled by Mr. Santos run from 5.6 oz. to 20.9 oz. per ton. This vein may well be connected to the hydrothermal structures on the Annex 2 as both have similar relations to the volcanic and sedimentary rocks. A quartz vein was uncovered on the Annex 2 which has a width of at least 15 feet and outcrops continuously for 250 feet. This vein has yet to be tested.

THIS GROUP OF CLAIMS IS AT PRESENT AVAILABLE FOR OPTION TO QUALIFIED MINE DEVELOPERS FAMILIAR WITH BRECCIA HOSTED DEPOSITS AND WHO WILL ALSO SHOW AN INTEREST IN CARRYING OUT THE RECOMMENDATIONS OUTLINED IN MR. SANTOS REPORT ON THE OTHER STRUCTURES.

For Sale

Management Group Mineral Claims

Property Description and History

The property consists of 3 crown-granted claims held by mineral lease M-111 (Annex 1), 2 claims units encompassing E-111 (Annex 2) and Annex 3 (30 units). The Annex 1 has been staked and the Annex 2 was not staked until a year after Mr. P. L. Santos, P. Eng. made his report. Therefore the report does not contain information on them.

The crown-granted claims were located in 1898 and surveyed in 1901. They were then bonded to Halls Mines Smelter of Hinton who consolidated building a tram line to the property. Unfortunately this did not come about as one can see at the Silver Lake area. The area was taken over by the Bank of Montreal. The Bank then sold the area to the C.R.A. who then struck a vein in the area. The vein is generally on "Roseland Green" at Trail. The vein is generally on the line over at that time but the capability of smelting to treat it.

✓ 2-803/7A

over 2-5' (th. sm)

- Qtz vein in roof pendent in Nelson Batholith

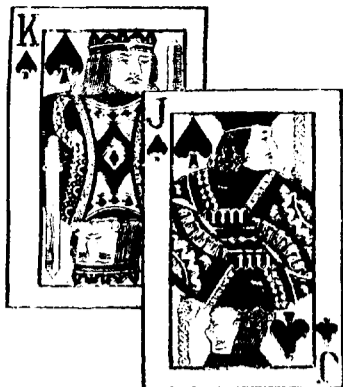
The area held is a large carbonate-precipitate metamorphosed sedimentary rock. The rock is a quartzite. In this area, the rock units are a series of roof pendants with various known are the host rocks of the gold-bearing copper carbonate-precipitates in the area as the "Roseland Type Quartz". A large carbonate-precipitate zone was recently discovered on the Annex 2 which has yet to be mapped. It has been traced from the 2500 ft elevation to the 2100 ft elevation (well over 1 km. in strike) and appears to continue well beyond this point following the general direction of the meta-volcanic-sedimentary rocks of the Roseland Group. This zone is estimated to average over 150 feet in width with rock alterations extending well beyond this on both sides. This type of carbonate-precipitate is characteristic to that which hosts the huge "Chert-Gold" deposit in the Toiyabe. There is a immense tonnage potential in this very favourable geological setting on the Annex 2.

The quartz vein covered by mineral lease M-111 and the Monument claim may well be continuous for some 2000 feet covering 1000 ft in elevation. It measures 8 ft. wide on the original Monument to 4 ft. wide on the Monument 2. This vein was sampled for tungsten by Santos, Annex and others who have stated it was expected to average 1% WO₃ across 2 ft. As their only mandate was for tungsten no other work was done by them. The silver values as sampled by Mr. Santos run from 0.8 oz. to 10.0 oz. per ton. This vein may well be connected to the hydrothermal structures on the Annex 1 as both have similar relations to the volcanic and sedimentary rocks. A quartz vein was uncovered on the Annex 2 which has a width of at least 12 feet and outcrops continuously for 250 feet. This vein has yet to be tested.

THIS GROUP OF CLAIMS IS AT PRESENT AVAILABLE FOR OPTION TO QUALIFIED MINE DEVELOPERS FAMILIAR WITH BRITISH COLUMBIA MINING DEPOSITS AND WHO WILL ALSO SHOW AN INTEREST IN CARRYING OUT THE RECOMMENDATIONS OUTLINED IN MR. SANTOS REPORT ON THE OTHER STRUCTURES.

521020
Monument
82711

Lawrence Hanson
Box 330
Vancouver, B.C. V6L 1W3
604-253-7219



king jack RESOURCES LTD.

For Sure Breccia Zone-

A total of 3515 feet of diamond drilling was completed in the early part of 1989. Sections of this core was submitted to Dr. Siems of the University of Idaho (an expert on hydrothermal structures) for his study. Following excerpts from his report. "The distribution of alteration zones is very characteristic of numerous gold-mining districts around the world. The occurrences belong to three different classes of Gold deposits. The first is gold-silver telluride deposits, the best example of these are Cripple Creek, Colorado. The Emperor Mine, Fiji and at a slightly deeper subvolcanic level of erosion, Zortman-Landusky Montana. The second deposit class includes the gold-rich Porphyry molybdenite deposits. A recent described example is the Salvage deposit northwest Spain. The third and largest class is the well known quartz-carbonate lode gold deposits. Examples are Red Lake and Timmins Ontario and the Mother-Lode-Grass Valley region, California."

Dr. Siems report in whole is quite encouraging. The full text of this and related report of Mr. Santos (Engineer for King Jack Res. Ltd) are available at the office of your company in Delta.

The company has been successful in obtaining an additional 20 unit claim (KJ 3) hosting this breccia. This extends our holdings to the border of The Crusader property (held by Viola McMillan) which according to L.W. Little (1960) is a gold-silver bearing breccia. This indicates a possible strike length of 5km to the breccia zone giving it an absolute massive tonnage potential.

Our work program for the coming year will be to carefully map this structure. Complete a comprehensive geo-chem and/or geo-physical analysis of this area. This is to allow us to clearly define the best possible diamond drill sights as well to attract a major company for joint-venture development.

Quartz vein structures; There are 32 known gold-silver veins on the property. To date only 5 of these have received more than a cursory examination. Of the 5 veins on which intensive exploration has been done the following ore potential exists;

King Jack & Chapleau veins, 199,400 tons grading .42 Au-11.496Ag. To date 9022 feet of diamond drilling has been done on these 2 veins. The present ore potential would have a value of approximately \$47 million but more drilling must be done to confirm this.

Ore potential of the Fran is 40,000 tons grading .299Au-3.528Ag; Full House, 37,500 tons of .26Au-36.20Ag; Hollinger, 286,000 tons of .096Au-.20Ag.

The Howard Fr., obtained in 1988, has yet to be rehabilitated in order to fully assess this vein. Minister of Mines reports shipments of 7 tons returning \$ 16Au-163 oz. Ag made in 1895 and 12 tons returning \$ 26 Au-206 Oz.-Ag at a later date. Gold prices at this time were \$ 15 to \$ 25 per Oz. There was considerable work done in this area by Cyprus-Anvil Mines some 20 years or more ago at a time when precious metal prices were declined.

Potential Ore; Ore for which tonnage and grade are estimated based on the broad knowledge of the character of the deposit for which there are relatively few samples and measurements. Continuity is assumed based on reasonable geological and geochemical indications.

Wild Rose Joint Venture, Nevada

The holdings of the joint venture in the Carlin Gold Trend, Nevada have been increased dramatically to 1,285 claims from the original 300 when it was first started.

A drilling program is currently underway by a large company on certain of the claims. This company's drilling efforts will convert to an interest in the property if their initial results are favorable.

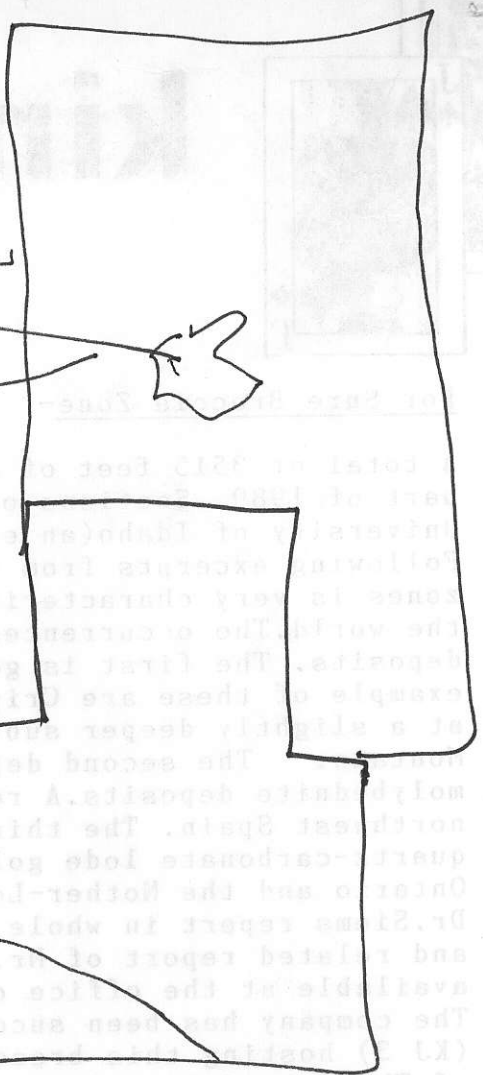
King Jack Resources Ltd.

Chilo Res

Chapman ch

LFmow Cu.

BZ-F-11



Monument Sp.

[Faint, mostly illegible text from the reverse side of the paper, including phrases like 'The second deposit class includes...', 'The first in gold-silver telluride deposit...', and 'Potential Ore: One for which tonnage and grade are estimated based on the broad knowledge of the character of the deposit for which there are relatively few samples and measurements. Continuity is assumed based on reasonable geological and geochemical indications...']

Wild Rose Joint Venture, Nevada

The holdings of the joint venture in the Carlin Gold Trend, Nevada have been increased dramatically to 1,385 claims from the original 300 when it was first started.

A drilling program is currently underway by a large company on certain of the claims. This company's drilling efforts will convert to an interest in the property if their initial results are favorable.