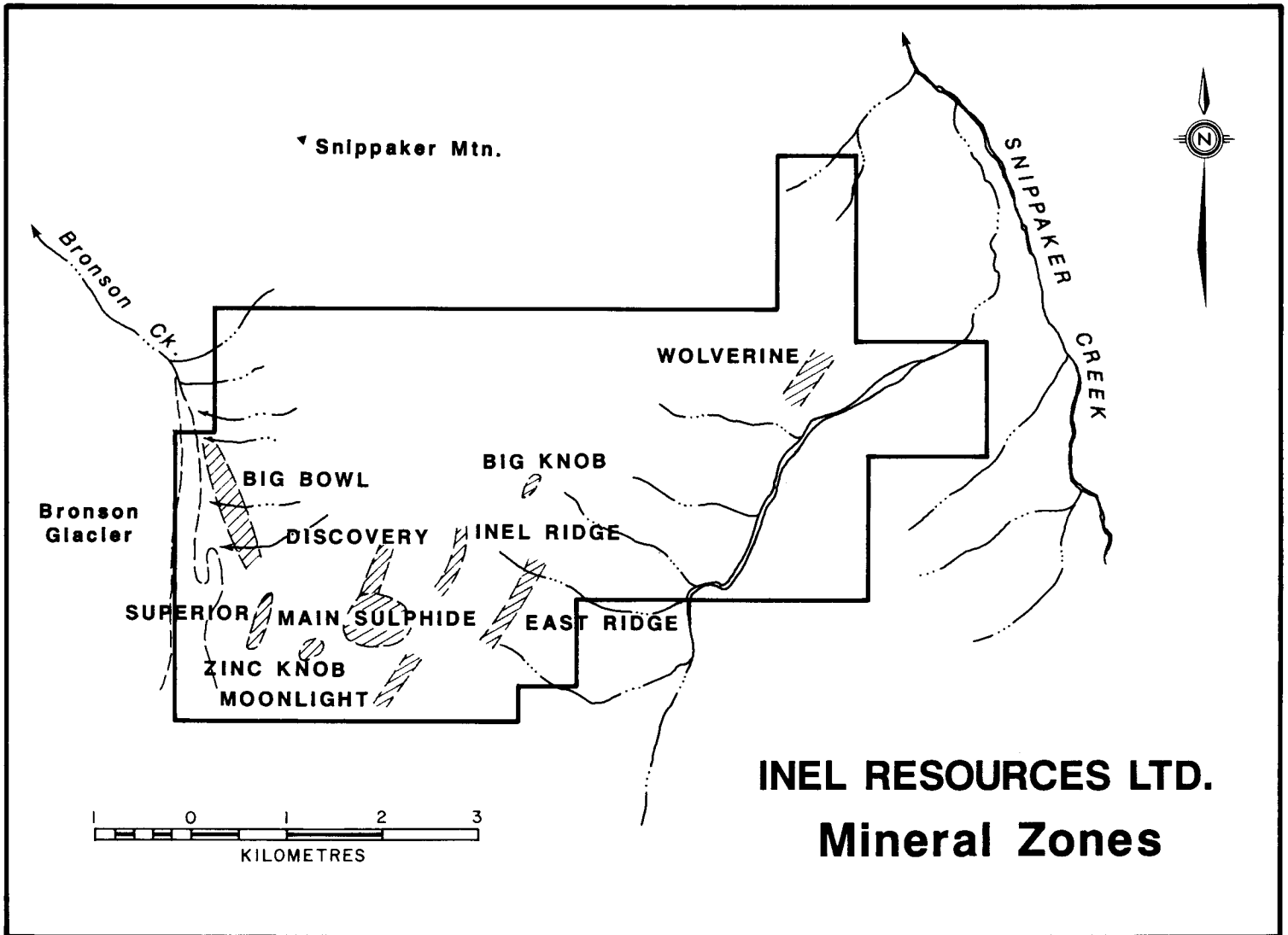


802845



INEL RESOURCES LTD.



INEL RESOURCES LTD.
Mineral Zones

Officers & Directors
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 C.W. Cowan - Corporate Secretary
 R.G. Gifford - Vice President
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 C.W. Cowan—Secretary
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 M. Pezim—Director

Stock Information

Exchange: Vancouver
 Trading Symbol: GIM
 Shares Outstanding: 4,027,876



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ISKUT

PIONEERS

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Where others quit and have faded away, this group of pioneers persisted, searched for more and will continue to do so — unravelling the mystery of the Iskut's gold — a true mining camp of world class proportions.



Reg Davis



Bob Gifford



Ted Grove



Mike Laidlaw

**GEOLOGIST ANDRIS KIKAUKA,
 PROSPECTING ON DISCOVERY
 ZONE OF INEL PROPERTY**



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Bank

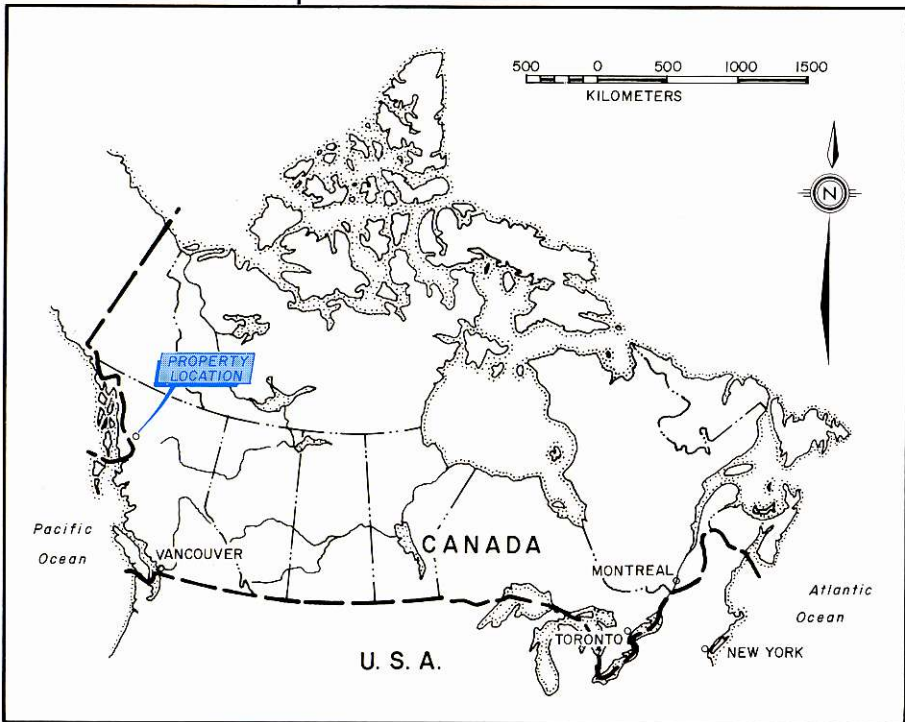
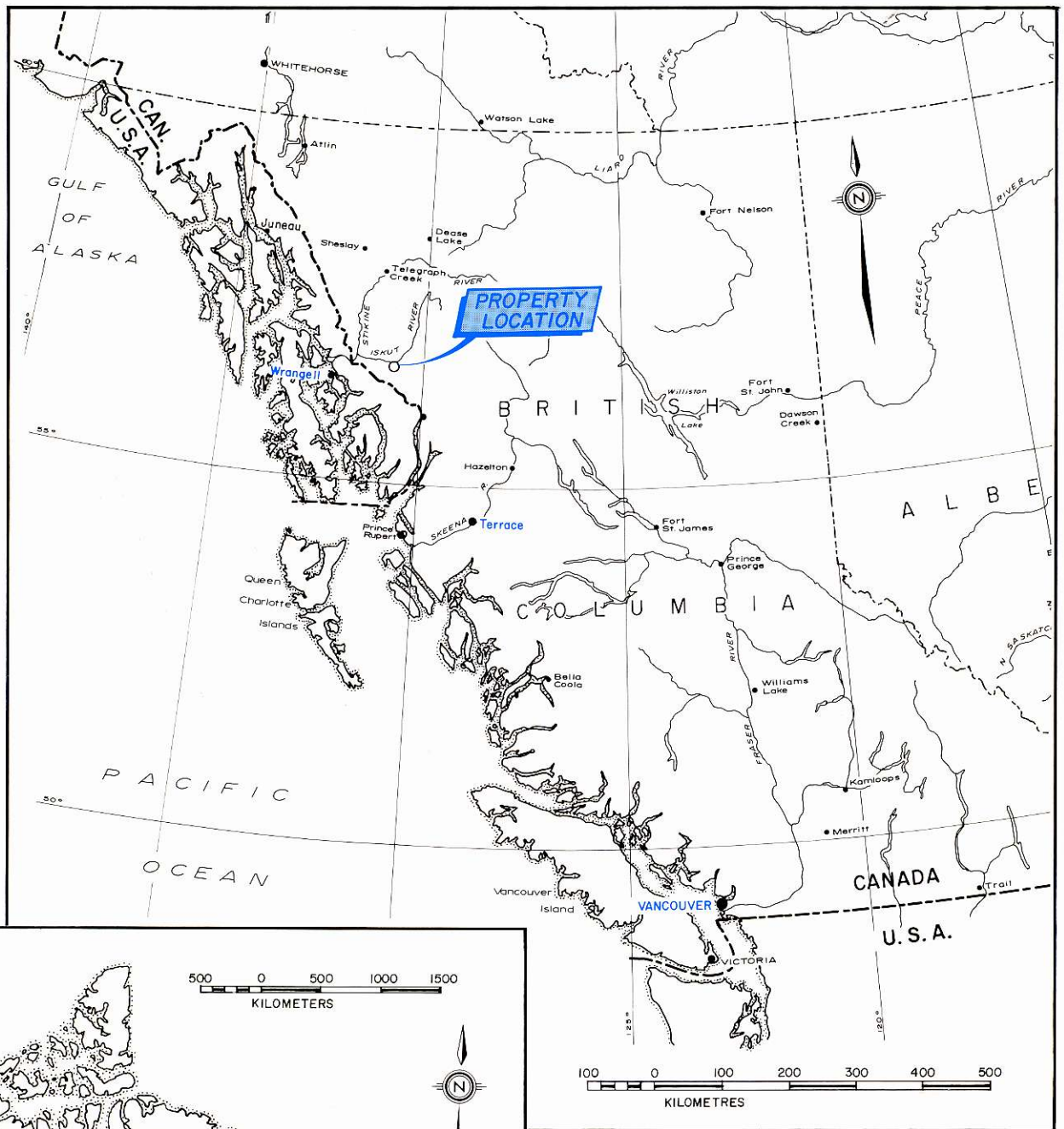
Toronto Dominion
 499 Granville Street
 Vancouver, B.C. V6C 1V3

Transfer Agent

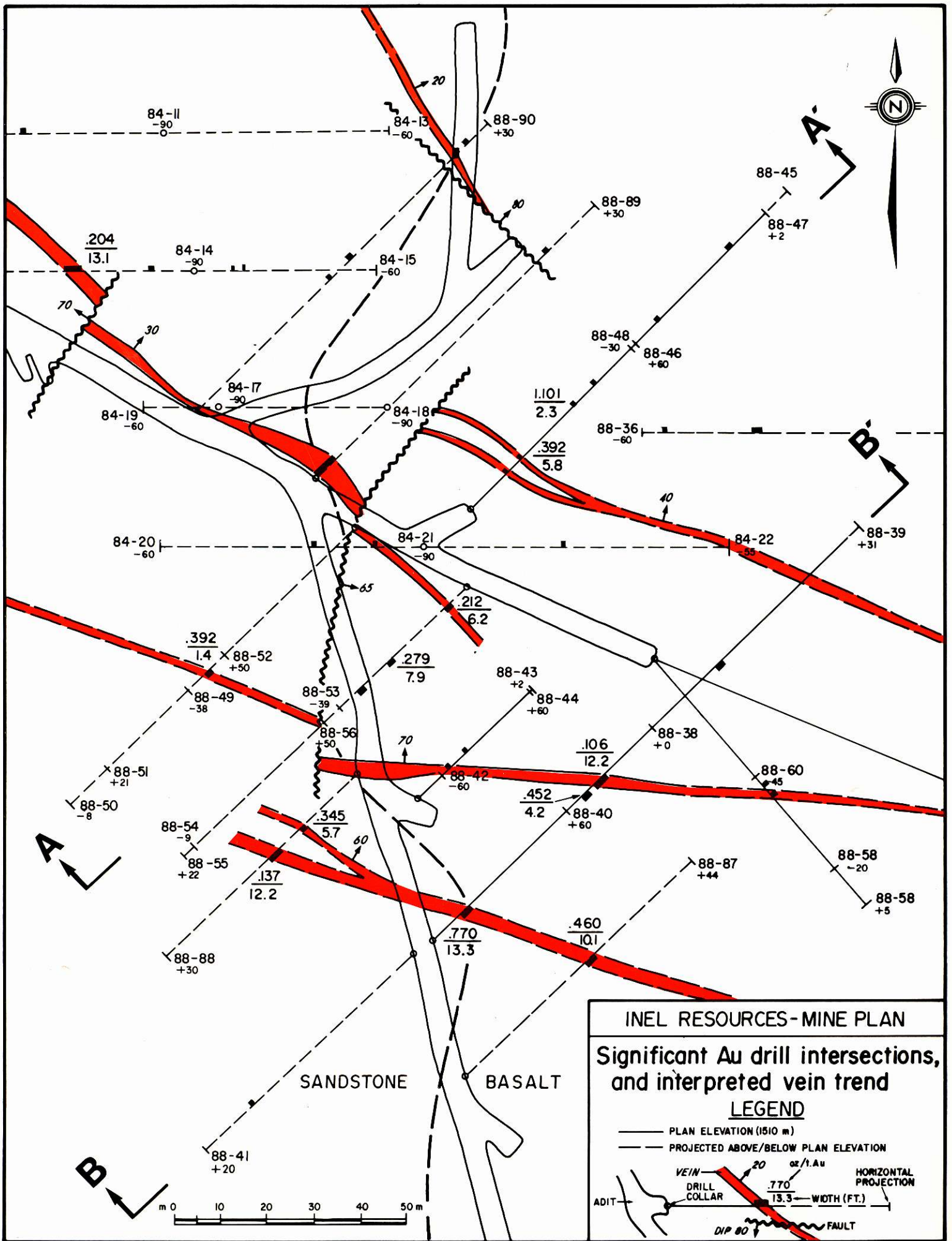
Guaranty Trust Company of Canada
 800 W. Pender Street
 Vancouver, B.C. V6C 2V7

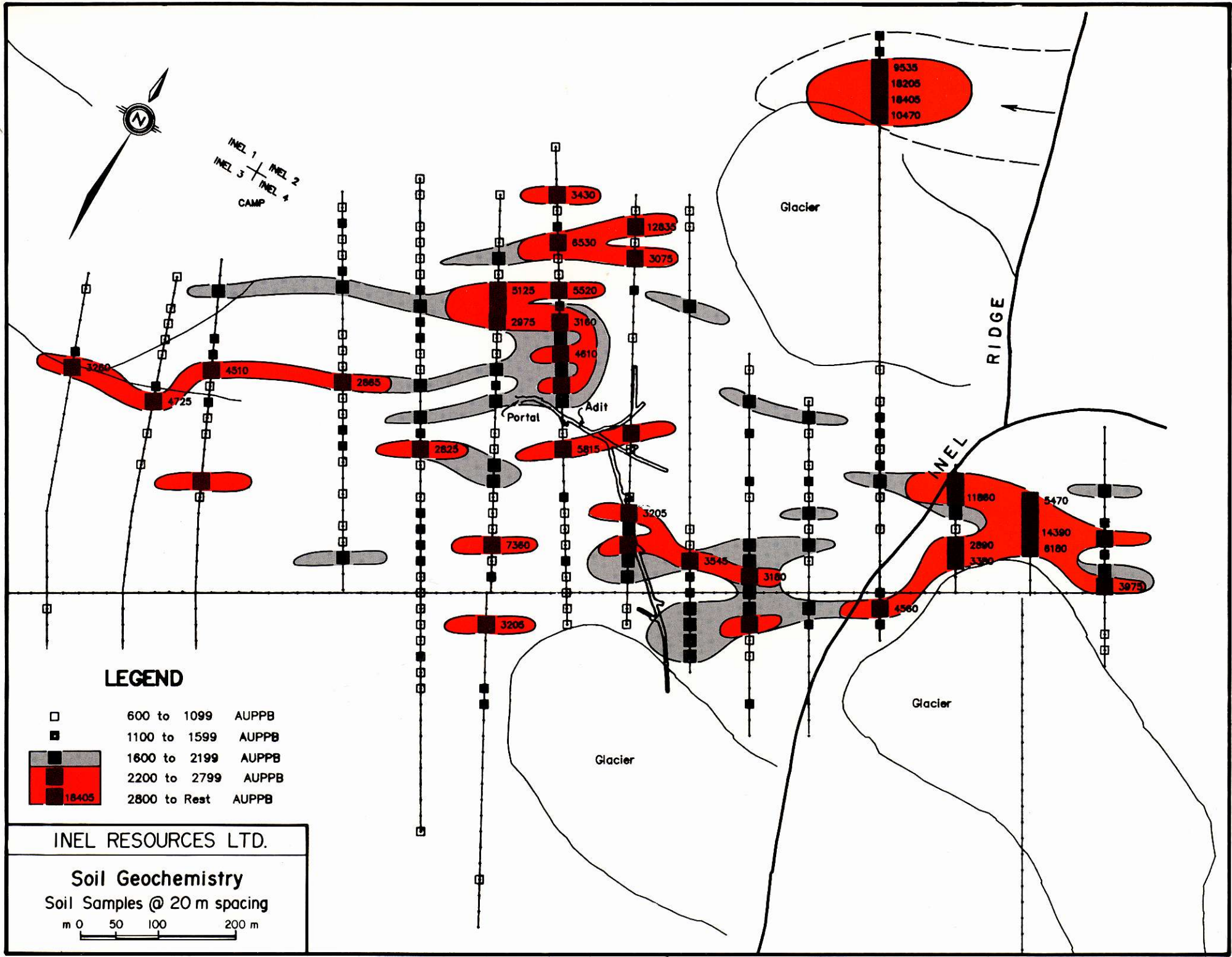
Listed

Vancouver Stock Exchange
 Trading Symbol ILE



PROPERTY LOCATION MAPS

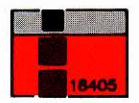




INEL 1
INEL 2
INEL 3
INEL 4
CAMP

LEGEND

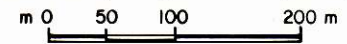
□	600 to 1099	AUPPB
■	1100 to 1599	AUPPB
■	1600 to 2199	AUPPB
■	2200 to 2799	AUPPB
■	2800 to Rest	AUPPB



INEL RESOURCES LTD.

Soil Geochemistry

Soil Samples @ 20 m spacing



Glacier

RIDGE

Glacier

Glacier

Portal

Adit

INEL

9535
18205
18405
10470

3430

12835

8530

3075

3125

5520

2975

3180

4610

3280

4510

2885

4725

2825

5815

3205

7360

3545

3180

11880

5470

2890

14380

3380

8180

3975

3205

4560

INEL RESOURCES LTD. — 1988 — SUCCESSFUL

The 1988 exploration and development program on the INEL staked mineral claims located in the Iskut River Gold Belt, just 5 km east of the new Johnny Mountain Gold Mine was successfully completed in November 1988. In 1984 a saturation exploration program on the Inel property, then held 100% by Skyline Explorations Ltd., showed the presence of nine major areas of gold, silver, copper, lead and zinc mineralization within the claim limits (see map on reverse side). Although isolated by overburden and topography, the majority of the gold bearing mineralization appeared to be localized on the upper western part of Inel Ridge and was suggested to represent broadly zoned sulfide mineralization found along basalt/sandstone contacts, in network fractures, and extensive sulfide veins. Because of the topography and climate it was determined that an underground operation would provide the best opportunity for exploration.

In late 1987 the old camp was rehabilitated, and the 1,500 meter-level adit was started utilizing trackless equipment to provide a drilling and sampling platform to test what had previously been called the "Discovery" and "Main Sulfide" zones. In 1988 the program was restarted underground. Some surface drilling, and trenching along with geochemical and geophysical surveys were completed on the west side of Inel Ridge, mainly on the INEL 2 and 3 claims while drifting was underway.

The results of the various parts of the 1988 program are compiled on the accompanying tables, maps and sections.

The adit has been driven east about 600 feet, and north-south about 1,345 feet roughly along a major mineralized contact between altered sandstone and a thick overlying basalt. The length of the underground development now totals 2,471 feet most of which was completed in 1988. The numerous sulfide fracture, discrete sulfide vein and disseminated mineral zones were tested by detailed panel sampling and drilling. Fifty-three underground AQ size core holes were drilled from the adit to intersect the mineral veins and zones. The significant assay results for the panel sampling and the drilling (ie. over 0.100 opt Au) are listed in the attachments.

The overall results of the 1988 drifting and drilling have outlined gold bearing sulfide veins with intersections to 13.3 feet up to 0.770 opt gold as well as numerous other veins and zones with grades up to 1.460 opt gold as well as significant silver, zinc and copper.

Soil geochemistry results have indicated extensive areas on the ridge which remain to be tested. They include the high ridge (West and East Ridge zones) where exceptional results suggest in place mineralization that remains to be explored.

▼ Snippaker Mtn.



Bronson Ck.

SNIPPAKER CREEK

Bronson Glacier

WOLVERINE

BIG BOWL

BIG KNOB

DISCOVERY

INEL RIDGE

SUPERIOR

MAIN SULPHIDE

EAST RIDGE

ZINC KNOB

MOONLIGHT



KILOMETRES

INEL RESOURCES LTD.

Mineral Zones

ISKUT

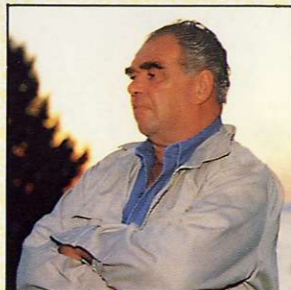
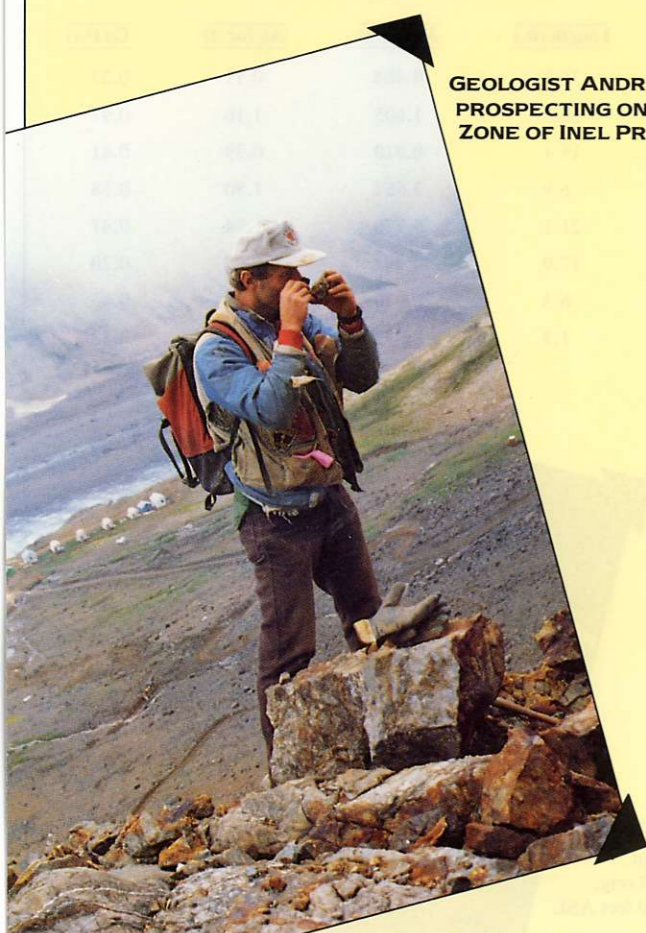
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**GEOLOGIST ANDRIS KIKAUKA,
PROSPECTING ON DISCOVERY
ZONE OF INEL PROPERTY**



Reg Davis



Bob Gifford



Ted Grove



Mike Laidlaw



Murray Pezim



Gulf International Minerals Ltd.'s McLymont Property is located in the heart of the Iskut River Gold Camp in northwestern British Columbia. The property was originally prospected for base metal lode deposits and later, gold. However, despite numerous favourable surface indications, success eluded the early explorers before Gulf's prospecting team arrived.

The property was staked by Gulf in 1986 and initial work led to a new target area. Drilling in 1987 discovered a heretofore totally hidden mineral zone with high gold grades and significant values in silver and copper. Subsequent drilling has outlined a potentially economic reserve which will be further examined from underground with a major program to commence before the end of 1989.

This style of stratabound, yet structurally controlled gold mineralization is new to the Iskut Camp. Understanding it has led to the re-evaluation of a number of targets on the McLymont property which are being systematically tested in the current drilling phase.



Printed In Canada

ISKUT

GOLD CAMP



"BRAIDED CHANNELS OF THE ISKUT RIVER — FROM BRONSON CREEK DOWNSTREAM TOWARDS THE STIKINE RIVER AND WRANGELL, ALASKA"

The Inel property was one of the first to be explored in the Iskut Camp because of its very bright red, iron-stained rocks and numerous mineral showings. The property was originally explored for its porphyry copper potential and later its massive sulphide base metal potential. Today, the primary target is gold.

The Inel was initially staked by Skyline Explorations Ltd. in 1969 and was worked by a number of major companies in the early seventies. Skyline Explorations Ltd. began its exploration on the property in 1980 with prospecting programs which discovered numerous high grade gold showings. Inel Resources Ltd. was formed in 1987 to operate the property under option from Skyline. Diamond drilling led to the definition of a number of gold zones which were examined in detail with a 2400 foot underground exploration program in 1988/89. Meanwhile, surface exploration continued with the recent AK Zone discovery. This high grade zone has returned an exceptional 91.99 oz/ton Au assay in one drill hole, with numerous other assays in the one oz/ton Au range.

The Inel has unlimited potential: high grade gold zones similar to Skyline, base and precious metal stratabound zones such as Calpine and bulk tonnage copper-gold as at Sulphurets Gold's Kerr property, both dramatic new discoveries in the Iskut region. Inel's intensive exploration program carried out over the past two seasons is just starting to measure this potential.





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 M. Pezim-Director

Stock Information
 Exchange: Vancouver
 Trading Symbol: GIM
 Shares Outstanding: 4,027,876



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 M.M. Rahal-Director
 M. Pezim-Director

Stock Information
 Exchange: Vancouver
 Trading Symbol: ILE
 Shares Outstanding: 12,035,655

This corporate profile was prepared by
 DYNAMIC STOCK MARKET
 ANALYSIS LTD.
 309-543 Granville Street, Vancouver, B.C.
 V6C 1X8 Canada (604) 684-8484

ISKUT GOLD CAMP

Two hundred million years ago, the western half of British Columbia was a mass of seething volcanoes, erupting layer upon layer of lava and ash. In the surrounding oceans, great thicknesses of sediments accumulated. As these strata of volcanic and sedimentary rocks thickened, they were intruded by the molten magmas which fed the volcanoes. These same formations are the hosts for the rich gold, silver and base metal lodes of the Iskut, while the underlying magmas provided the heat, fluids and metals from which they formed.

The first prospectors to enter the area, around the turn of the century, saw in the steep and rugged mountain slopes the innermost cores of those same volcanoes. Yet the treasures were well hidden within the rocks. Although these early explorers were driven by the lust for gold, they were rewarded with copper showings containing only limited silver and gold.

Without a major gold discovery and because access was difficult, the area was largely ignored until B.C.'s porphyry copper boom of the 50's and 60's. At that time, a number of major mining companies staked and worked on most of the prospects in the Iskut camp, including Gulf's McLymont and the Inel. These two properties represent contrasting geology and mineral deposit types.

The central part of the Inel property contains the core of a volcano. Within the core are intrusive rocks and associated copper-gold mineralization, both disseminated, low grade porphyry style mineralization and high grade gold shoots in the Discovery Zone. Peripheral to this are zinc-rich zones, some with very high gold values. These zones are currently being explored with an aggressive surface and underground exploration program.

The McLymont Property, on the other hand, contains rich gold-copper-silver mineralization in sedimentary rocks much older than the volcanoes of the Inel. These rocks were fractured and faulted during the volcanic period, and were intruded by the same molten magmas. They acted as a sponge to the metal bearing fluids, forming a series of

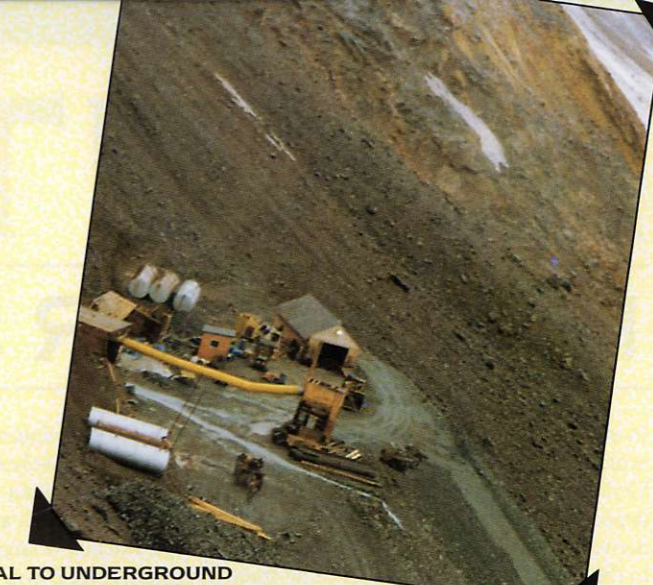
mineralized lenses and pods, some with very high precious metal values. Plans are now underway to examine the deposit from underground workings.

Skyline's Johnny Mountain mine is in production and the Cominco/Prime Snip deposit is nearing a production decision. The McLymont, Inel and Sulphurets are at advanced exploration stages and with the exciting new discoveries such as Calpine and Kerr, the potential of the Iskut Camp has just begun to be realized. Road access and hydro-electric power are part of the area's foreseeable future. When combined with the application of advanced exploration technology, the vision of the pioneers may soon yield several profitable mines.

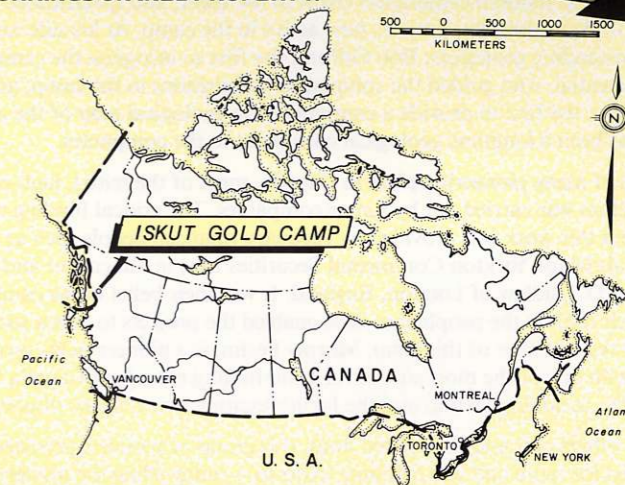


"British Columbia boasts some of the world's largest base metal mines, such as Sullivan and Highland Valley. Recent discoveries in the Iskut Gold Camp will soon position B.C. as a world-class gold producer as well."

Gerald G. Carlson Ph.D., P.Eng.
 President
 Gulf International Minerals Ltd.
 Inel Resources Ltd.



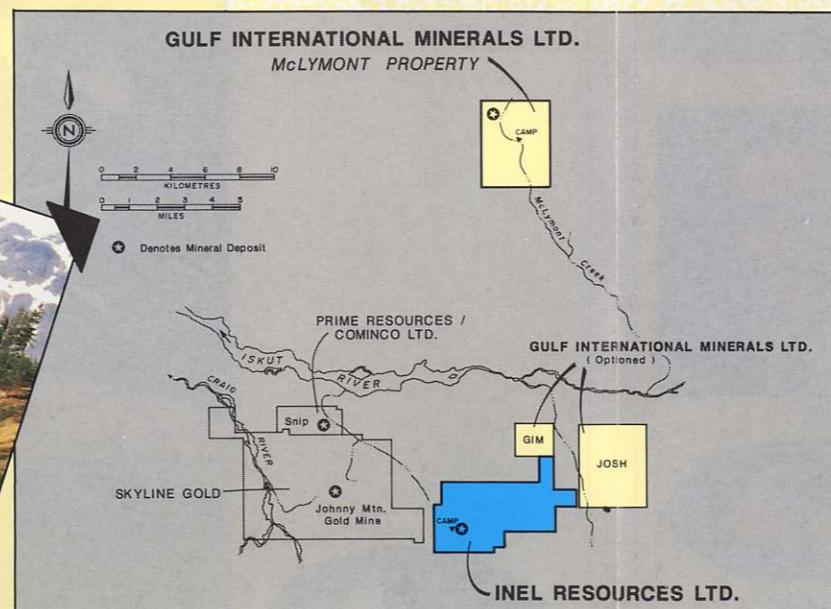
PORTAL TO UNDERGROUND WORKINGS ON INEL PROPERTY.



HIGHLIGHTS OF INEL'S ASSAY RESULTS

Location	Length (ft.)	Au (oz/t)	Ag (oz/t)	Cu (%)	Zn (%)
Discovery Zone					
• Underground panel	3.3	1.460	0.59	—	6.70
• Drill hole U 88-40	13.3	0.770	0.74	—	2.13
• Drill hole U 88-87	10.1	0.460	2.46	0.05	7.54
AK Zone					
• Trench #1	9.8	1.290	2.58	0.54	0.51
• Trench #3	6.6	1.270	1.17	0.16	0.38
• Drill hole S-116	8.0	1.21	1.61	0.31	—
• Drill hole S-148	12.4	1.474	2.28	0.29	1.36
• Drill hole S-130	1.5	91.999	23.01	—	0.64

ISKUT GOLD CAMP, BRITISH COLUMBIA, CANADA



DIAMOND DRILLING ON GULF'S McLYMONT PROPERTY

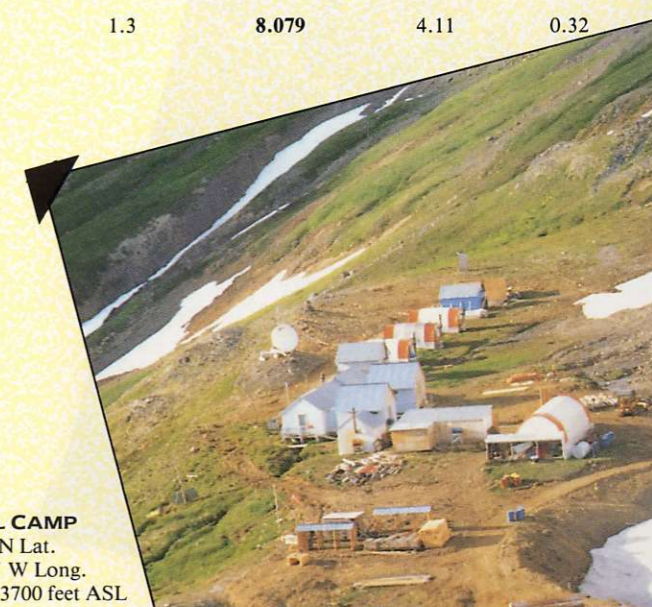
56°48'30" N Lat.
 130°57'30" W Long.
 Elevation: 3600 feet ASL

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HIGHLIGHTS OF GULF'S DRILL RESULTS NORTHWEST RIDGE ZONE

Drill Hole	Length (ft.)	Au (oz/t)	Ag (oz/t)	Cu (%)
87-25	30.0	0.404	0.11	0.23
87-29	36.5	1.605	1.16	0.97
88-28	15.1	0.810	0.29	0.41
88-35	6.9	3.551	1.80	0.58
89-11	21.1	0.770	1.74	0.47
89-23	17.9	0.401	0.28	0.20
89-29	6.3	0.970	1.09	0.45
89-51	1.3	8.079	4.11	0.32

THE INEL CAMP
 56°36'30" N Lat.
 130°58'00" W Long.
 Elevation: 3700 feet ASL





INEL RESOURCES LTD.

In March 1989, Inel Resources successfully came to an option agreement with Tower Hill Mines Ltd. whereby Inel Resources may acquire 70% interest in the Siwash Creek claim group by spending one million dollars on an exploration project by April 1992.

The forty six unit claim group is located 30 kilometers north-north east of Princeton, B.C. The property lies in a forested upland plateau and can be accessed by well maintained logging roads.

Work on the property dates to 1917 when high grade silver-lead-zinc fissure veins were explored near the junction of Galena and Siwash Creeks. Little work was done in the area until 1979-1981 when grass-roots exploration followed by scattered diamond core drilling for copper and molybdenum. More recently, in 1988, a limited exploration project of rock sampling and a soil geochemistry survey of the property was carried out by Tower Hill Mines.

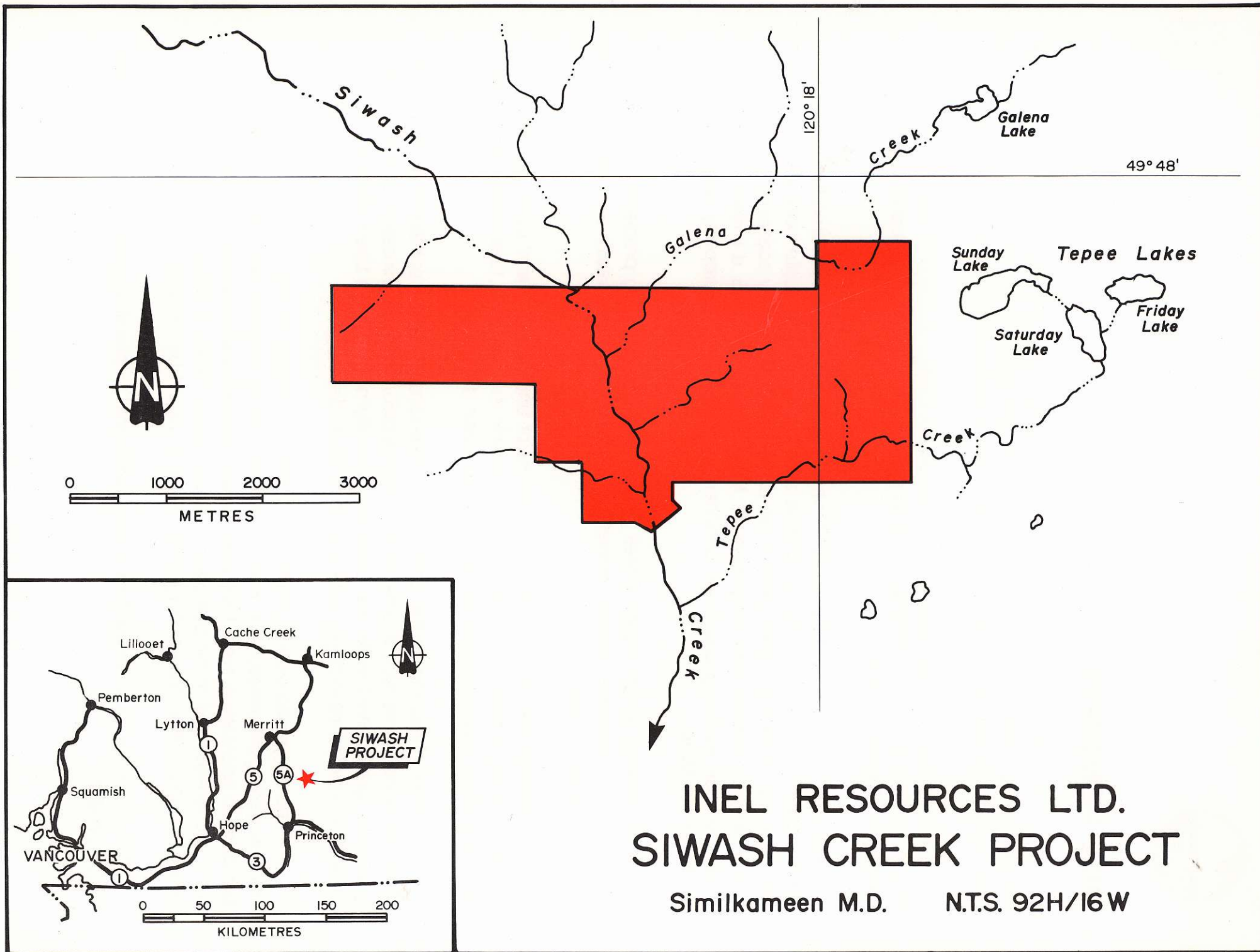
Area geology at the Siwash Creek property and surrounding properties is underlain by a variety of extensive plutonic masses which have intruded Triassic and other volcanic and sedimentary rocks.

The general area is also noted for both major underground and open pit porphyry copper and molybdenum production from volcanic and intrusive host rocks. Significant gold and silver has also been recovered from these deposits.

Core drilling has shown the presence of widespread galena sphalerite and pyrite as stock-like veins, some with fluorite veining epidotization and kaolinization of the mainly granitic to syenitic host rocks are pervasive. Virtually no work has been done with regards to vein/zone/porphyry type bulk gold-silver deposits.

A three stage exploration project is currently proposed for the property. Stage I involves geological assessment with property mapping, gridding and detailed soil sampling in anomalous areas. Re-logging of old diamond core was commenced in late April and is expected to be complete in a few weeks. Stage II would mainly include trenching and limited core drilling while Stage III would be detailed core drilling.

The company looks forward to a successful gold exploration program on the Siwash Creek project.



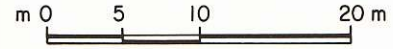
**INEL RESOURCES LTD.
SIWASH CREEK PROJECT**

Similkameen M.D. N.T.S. 92H/16W

INEL RESOURCES LTD.

Vertical X-Section A-A'

@ 045° Azimuth

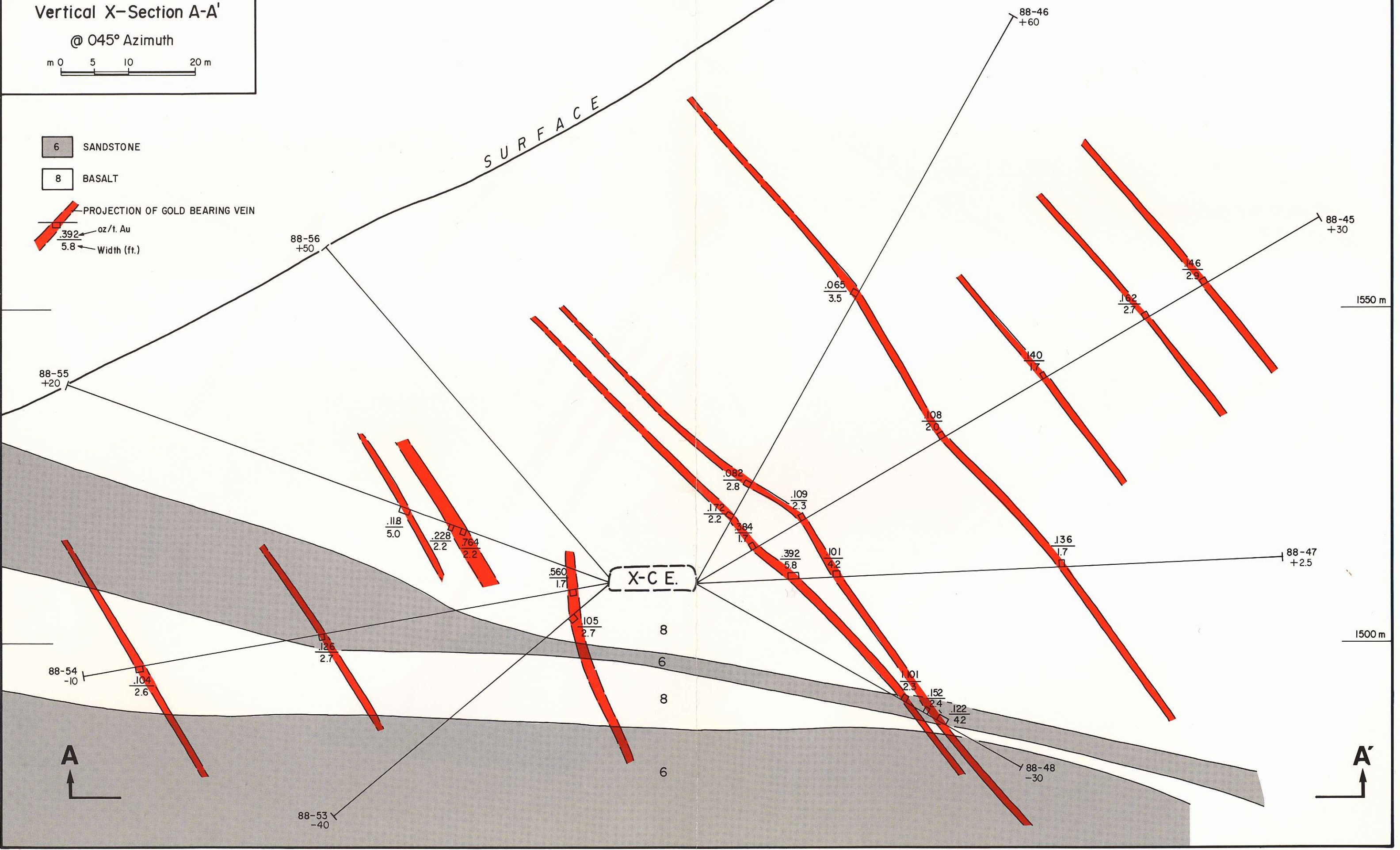


6 SANDSTONE

8 BASALT

PROJECTION OF GOLD BEARING VEIN
oz/t. Au
Width (ft.)

SURFACE



X-C.E.

88-54
-10

88-53
-40

88-55
+20

88-56
+50

88-46
+60

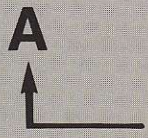
88-45
+30

88-47
+2.5

88-48
-30

1550 m

1500 m



.104
2.6

.126
2.7

.118
5.0

.228
2.2

.764
2.2

.560
1.7

.105
2.7

8

6

8

6

.082
2.8

.172
2.2

.384
1.7

.392
5.8

.101
4.2

.109
2.3

.101
2.3

.152
2.4

.122
4.2

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2.0

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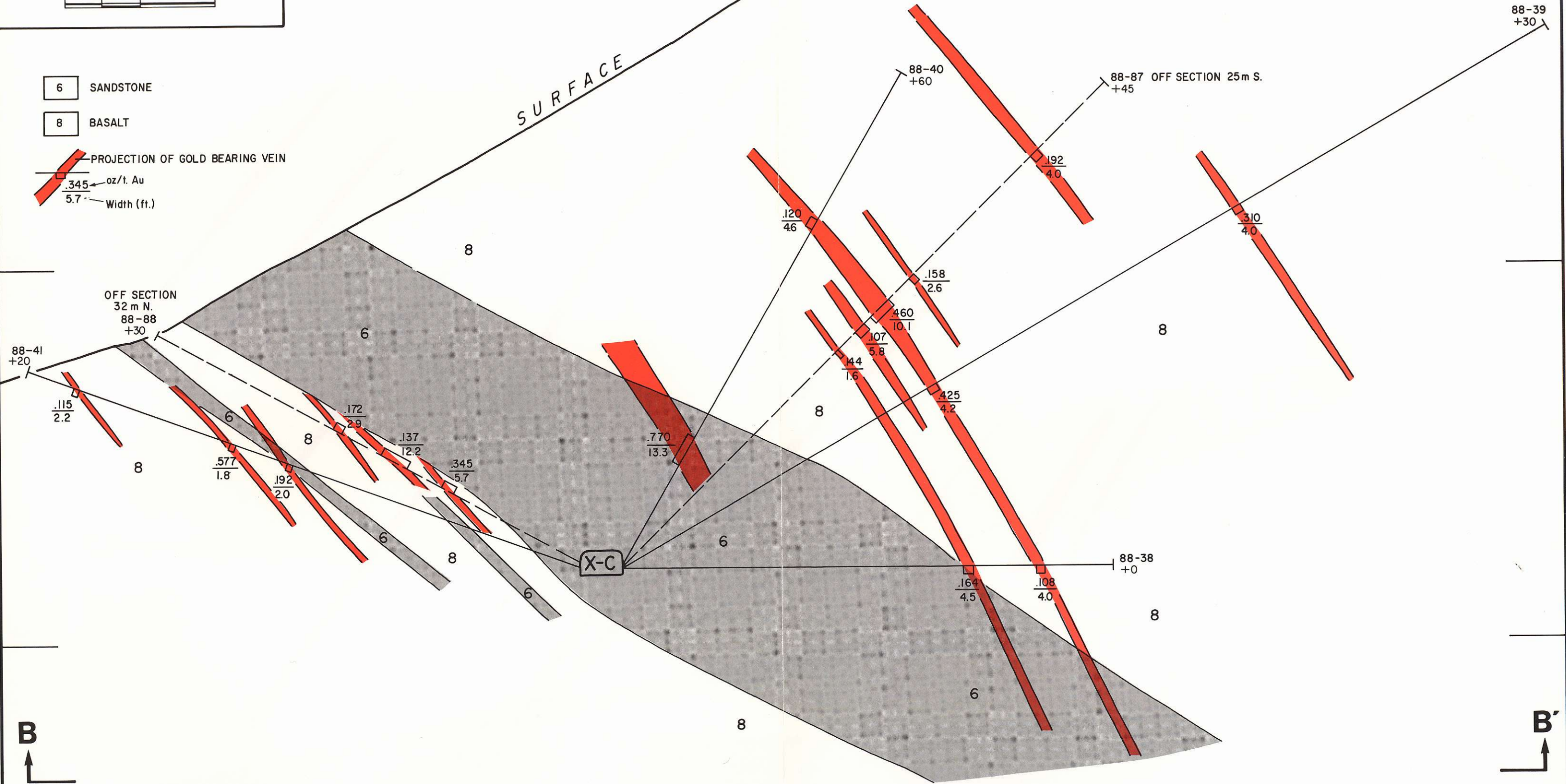
INEL RESOURCES LTD.

Vertical X-Section B-B'

@ 045° Azimuth



- 6 SANDSTONE
- 8 BASALT
- ▬ PROJECTION OF GOLD BEARING VEIN
- ▬ $\frac{.345}{5.7}$ oz/t. Au
Width (ft.)

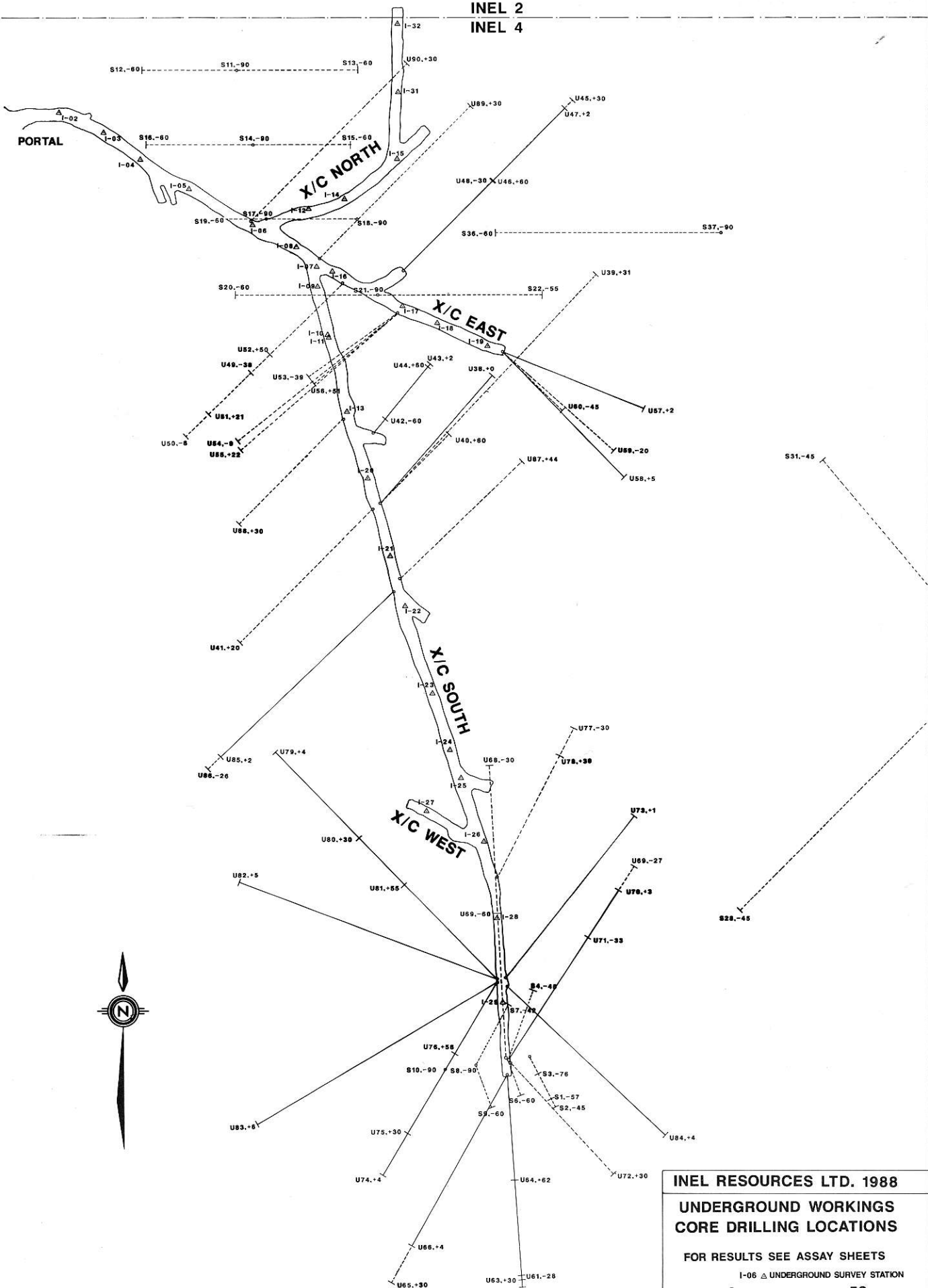


UNDERGROUND DRILLING RESULTS

In addition to the drifting, 53 underground core holes were drilled to intersect and outline the new mineralization. Results to date suggest considerable continuity of the contact zone and vein mineralization.

Drill Hole	Intersection Feet	Length Feet	Gold oz/T	Silver oz/T	Zinc %
88-U-38	148.0 - 152.5	4.5	.164	.73	0.75
	180.0 - 184.0	4.0	.108	.23	3.26
88-U-39	158.8 - 163.0	4.2	.425	1.88	2.60
	307.7 - 311.7	4.0	.310	.52	3.90
88-U-40	50.7 - 64.0	13.3	.770	.74	2.13
	168.0 - 172.8	4.6	.120	.11	1.07
88-U-41	133.0 - 135.0	2.0	.192	1.66	4.75
	159.9 - 161.7	1.8	.577	1.05	1.91
	231.1 - 233.3	2.2	.115	2.10	6.00 +
88-U-42	16.6 - 19.6	3.0	.179	.32	.22
88-U-43	29.0 - 31.5	2.5	.222	.54	.52
	81.2 - 83.8	2.6	.170	.54	6.00 +
88-U-44	24.2 - 26.7	2.5	.085	.22	.81
	89.9 - 91.3	1.4	.221	.34	3.61
88-U-45	32.3 - 34.0	1.7	.384	.56	6.00 +
	60.3 - 62.6	2.3	.109	.68	1.46
	139.2 - 141.2	2.0	.108	1.23	6.00 +
	197.4 - 199.1	1.7	.228	.19	9.25
	254.5 - 257.2	2.7	.182	1.02	1.16
88-U-46	287.0 - 289.9	2.9	.146	.37	5.22
88-U-47	37.2 - 39.4	2.2	.172	.38	3.87
	43.8 - 49.6	5.8	.392	.50	6.00 +
88-U-48	65.7 - 69.9	4.2	.101	.27	5.46
	178.0 - 179.7	1.7	.136	.10	1.76
	115.0 - 117.3	2.3	.770	.08	.02
88-U-49	127.0 - 129.4	2.4	.154	.10	1.27
	135.5 - 139.7	4.2	.101	.20	2.06
	186.0 - 187.4	1.4	.392	1.95	.12
88-U-50	92.5 - 94.0	1.5	.122	.49	.18
88-U-51	168.7 - 177.2	9.5	.108	.50	4.29
88-U-53	22.0 - 24.7	2.7	.105	.13	5.84
88-U-54	16.3 - 18.0	1.7	.560	.38	4.24
	140.4 - 143.1	2.7	.126	2.83	1.83
	228.2 - 230.8	2.6	.104	.57	1.70
88-U-55	74.6 - 76.8	2.2	.764	2.76	26.42
	80.3 - 82.5	2.2	.228	1.40	1.09
	103.0 - 108.0	5.0	.118	.64	4.05
88-U-68	83.4 - 89.0	5.6	.142	.40	—
88-U-72	56.7 - 62.0	5.3	.372	2.07	.25
	70.8 - 77.7	6.9	.339	3.35	.64
	85.5 - 87.7	2.2	.227	2.08	.68
88-U-74	187.0 - 190.5	3.5	.112	.08	.03
88-U-76	13.3 - 18.0	4.7	.108	.53	.48
88-U-83	225.6 - 230.6	5.0	.202	.07	.04
88-U-84	63.0 - 66.4	3.4	.110	.76	.21
88-U-85	168.0 - 178.0	10.0	.141	3.57	.09
88-U-87	128.0 - 129.6	1.6	.144	.73	.03
	141.5 - 147.3	5.8	.107	.12	.05
	150.8 - 160.9	10.1	.460	2.46	.23
	174.3 - 176.9	2.6	.158	1.44	.22
	249.0 - 253.0	4.0	.192	.46	.08
88-U-88	63.0 - 68.7	5.7	.345	.28	.03
	86.5 - 98.7	12.2	.137	1.18	.02
	119.8 - 122.7	2.9	.172	.27	.05
88-U-89	5.7 - 8.5	2.8	.170	.72	.12
	17.0 - 20.3	3.3	.251	.51	.24
	87.0 - 89.0	2.0	.166	2.57	.31
	252.9 - 258.1	5.2	.192	.30	.04
88-U-90	133.1 - 135.1	2.0	.127	.14	.03
	148.6 - 150.8	2.2	.215	.35	.05
	155.0 - 157.3	2.3	.149	.46	.14
	168.0 - 171.5	3.5	.213	.28	.04
	250.7 - 255.1	4.4	.116	.77	.13
294.2 - 299.7	5.5	.131	.17	.02	

INEL 2
INEL 4



INEL RESOURCES LTD. 1988
UNDERGROUND WORKINGS
CORE DRILLING LOCATIONS
FOR RESULTS SEE ASSAY SHEETS
I-06 Δ UNDERGROUND SURVEY STATION
0 50m

SURFACE DRILLING AND SAMPLING RESULTS: 1988

During the summer of 1988 fifteen surface core holes were drilled on accessible parts of the Inel Ridge Zone, and high easterly segments of the main Inel mineralization. The new drilling has shown the presence of several new gold-sphalerite zones related to basalt-sedimentary rock contacts as well as numerous cross-cutting vein structures. Assay results from this surface work are as follows:

Drill Hole	Intersection Feet	Length Feet	Gold oz/T	Silver oz/T	Zinc %
88-S-23	193.4 - 196.2	2.8	.110	1.55	.21
88-S-24	433.5 - 439.7	6.2	.139	.65	—
88-S-28	258.0 - 262.6	4.6	.202	.18	.07
	271.8 - 282.3	10.5	.134	.65	.09
	311.8 - 313.0	1.2	.169	2.05	.28
88-S-32	41.0 - 54.0	13.0	.118	.06	—
88-S-34	107.5 - 112.8	5.3	.393	—	—
88-S-35	40.5 - 49.0	8.5	.167	.12	.09
88-S-36	542.2 - 545.0	2.8	.297	.30	6.83
88-S-37	313.7 - 318.0	4.3	.166	.42	.24
	364.3 - 371.7	7.4	.137	.40	1.64
	452.0 - 454.0	2.0	.172	.25	.26

Other surface work during 1988 included trenching and geochemical soil sampling. Results include the following:

Location	Width (feet)	Gold oz/T
L9 + 00 W /1 + 50 S	3.3	.221
L9 + 00 W /1 + 50 S	3.3	.922
L9 + 00 W /1 + 50 S	1.6	.144
L2 + 90 E /6 + 00 S	1.0	.128
L3 + 75 W /3 + 60 N	6.6	.332
Trench 88-5	3.0	.140
Trench 88-5	2.0	.154
Trench 88-8	3.0	.126

Location	Width (feet)	Gold oz/T
Trench 88-9	3.0	.175
Trench 88-9	3.0	.135
Trench 88-9	3.0	.220
Trench 88-10	3.0	.122
Trench 88-10	3.0	.112
Ridge Zone	1.6	.222
Ridge Zone	1.6	.122
Ridge Zone	1.6	.164
Ridge Zone	5.3	.434
Ridge Zone	10.0	.176
Ridge Zone	2.3	.156
Ridge Zone	5.0	.668
Prospect Pit (south of camp)	2.0	.217
Moonlight Trench	2.6	.139
Zinc Knob Trench	0.7	.115
Zinc Knob Trench	0.7	.772
Between Trench 8 and B.T.	2.0	.576
East Ridge	1.0	.128
Big Bowl (lower west part of Inel Ridge Zone)	1.0	1.222
	1.3	1.582

The new Big Bowl sampling was performed northeast of the Inel Camp where new rock outcrop has been exposed by the retreating snowline.

In addition geochemical soil sampling gave the following results across a 100 meter wide slope below and west of the Inel Ridge Zone:

Location	Gold (ppb)	Silver (ppm)
L1 + 00 E / 7 + 00 N	1,335	11.1
/ 6 + 80 N	1,545	5.6
/ 6 + 60 N	9,535	13.6
/ 6 + 40 N	18,205	24.6
/ 6 + 20 N	18,405	48.4
/ 6 + 00 N	10,470	20.6

These results plus the new rock sampling suggest that the Inel Ridge Zone is more extensive than previously known and should be explored in the future.

UNDERGROUND DRIFTING RESULTS

The 1988 underground INEL development phase was successfully completed October 9th for a total of about 2,471 feet of 10 x 12 foot drifting. Both the North and South drifts reached the objectives and the main phase of underground panel sampling and core drilling commenced October 11th and was completed on November 15, 1988. Results from underground sampling of newly discovered vein mineralization cut by the underground workings follow:

	Location meters	Panel Width ft	Gold oz/T	Silver oz/T	Zinc %	
X-C	I-6 + 42.0	1.3	.104	.35	.44	
North	I-6 + 55.2	1.3	.138	.14	1.19	
	I-7 + 46.3 - 47.3	3.3	.110	.23	1.40	
	I-7 + 45.3 - 46.3	3.3	.214	.35		
	I-7 + 44.3 - 45.3	3.3	.212	.18		
	I-14 + 12.0 - 13.0	3.3	.229	.27	.23	
	I-14 + 17.0 - 18.0	3.3	.196	.21	.94	
	I-14 + 38.0	1.0	.369	.58	—	
	I-15 + 31.0 - 31.6	2.0	.920	2.19	1.72	
	I-15 + 31.8	2.0	.668	1.14	1.13	
	I-15 + 31.8	2.0	.778	.99	.79	
	I-24 + 63.6	2.0	.808	.31	—	
X-C East	I-26 + 42.5 - 43.5	3.3	.268	.47	—	
	I-5 + 30.5	3.3	.117	.28	.38	
	I-6 + 36.0	2.0	.262	1.15	1.75	
	I-6 + 38.1	3.0	.117	.50	3.14	
	I-6 + 39.6	2.5	.437	.40	3.64	
	I-6 + 42.1	5.0	.175	.67	3.07	
	I-7 + 2.0 - 3.0	3.3	.234	.73	5.45	
	I-7 + 3.0 - 4.0	3.3	.156	.24	1.25	
	I-7 + 6.4 - 7.4	3.3	.116	—	—	
	I-7 + 7.8 - 6.8	3.3	.130	—	—	
	I-7 + 7.9	3.3	.194	—	—	
	I-7 + 9.5 - 11.0	5.0	.112	—	—	
	shop cut-out	1.6	.176	.35	1.69	
	cut-out # 1	3.3	.233	.72	3.90	
	X-C South	I-9 + 10.0 - 11.5	3.3	.220	—	—
		I-9 + 13.0 - 14.5	5.0	.148	—	—
		I-9 + 15.5 - 16.5	3.3	.386	—	—
I-9 + 18.0 - 19.0		3.3	.360	—	—	
I-9 + 26.3		3.3	.100	.12	—	
I-11 + 18.0		3.3	.122	.03	—	
I-11 + 32.0 - 33.0		1.0	.190	1.59	1.32	
I-11 + 32.0 - 33.0		3.3	.142	1.15	1.26	
I-11 + 32.0 - 33.0		3.3	.400	.41	—	
I-11 + 32.0 - 32.4		1.3	.634	4.90	—	
I-11 + 44.3 - 45.3		3.3	.212	.18	1.79	
I-11 + 45.3 - 46.3		3.3	.214	.35	1.42	
I-11 + 46.3 - 47.3		3.3	.110	.23	1.44	
I-13 + 5.0 - 5.7		2.3	.150	1.66	.90	
I-13 + 5.0 - 6.0		3.3	.208	.36	1.15	
I-13 + 5.0 - 6.0		3.3	.303	.89	3.25	
I-13 + 6.0 - 7.0		3.3	.124	1.27	1.31	
I-13 + 18.5 - 19.2		3.3	1.460	.59	6.70	
I-13 + 18.5 - 19.2		2.3	.138	.14	1.19	
I-13 + 71.5 - 72.5		3.3	.177	.39	—	
I-13 + 71.5 - 72.5		3.3	.134	.56	—	
I-13 + 77.6		.7	.122	.35	.26	
I-13 + 130.0		1.6	.119	.53	2.20	
I-13 + 131.5 - 132.0		1.6	.312	.85	1.40	
I-13 + 133.5 - 134.0		1.6	.331	1.47	1.70	
I-24 + 34.5 - 35.5		3.0	.106	.23	—	
I-24 + 35.5		.7	.140	.27	4.12	
I-24 + 37.2		3.3	.206	.48	—	
I-24 + 63.6		2.0	.808	.31	.02	
I-26 + 16.5		2.3	.110	.35	.02	
I-26 + 42.5 - 43.5		5.0	.268	.47	.03	
Drift W (vein cut by Drift South)						
I-26 + 27.0 - 28.0	1.7	.237	1.47	—		
I-26 + 28.3 - 29.0	2.3	.282	1.71	.01		
I-26 + 29.0 - 29.7	2.3	.362	1.65	.04		
I-26 + 30.5 - 31.5	3.3	.144	.87	—		
I-26 + 31.5 - 32.5	3.3	.149	.63	—		

INEL 2
INEL 4

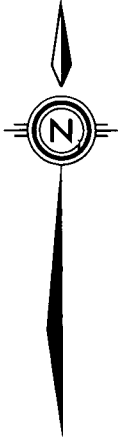
PORTAL

X/C NORTH

X/C EAST

X/C SOUTH

X/C WEST



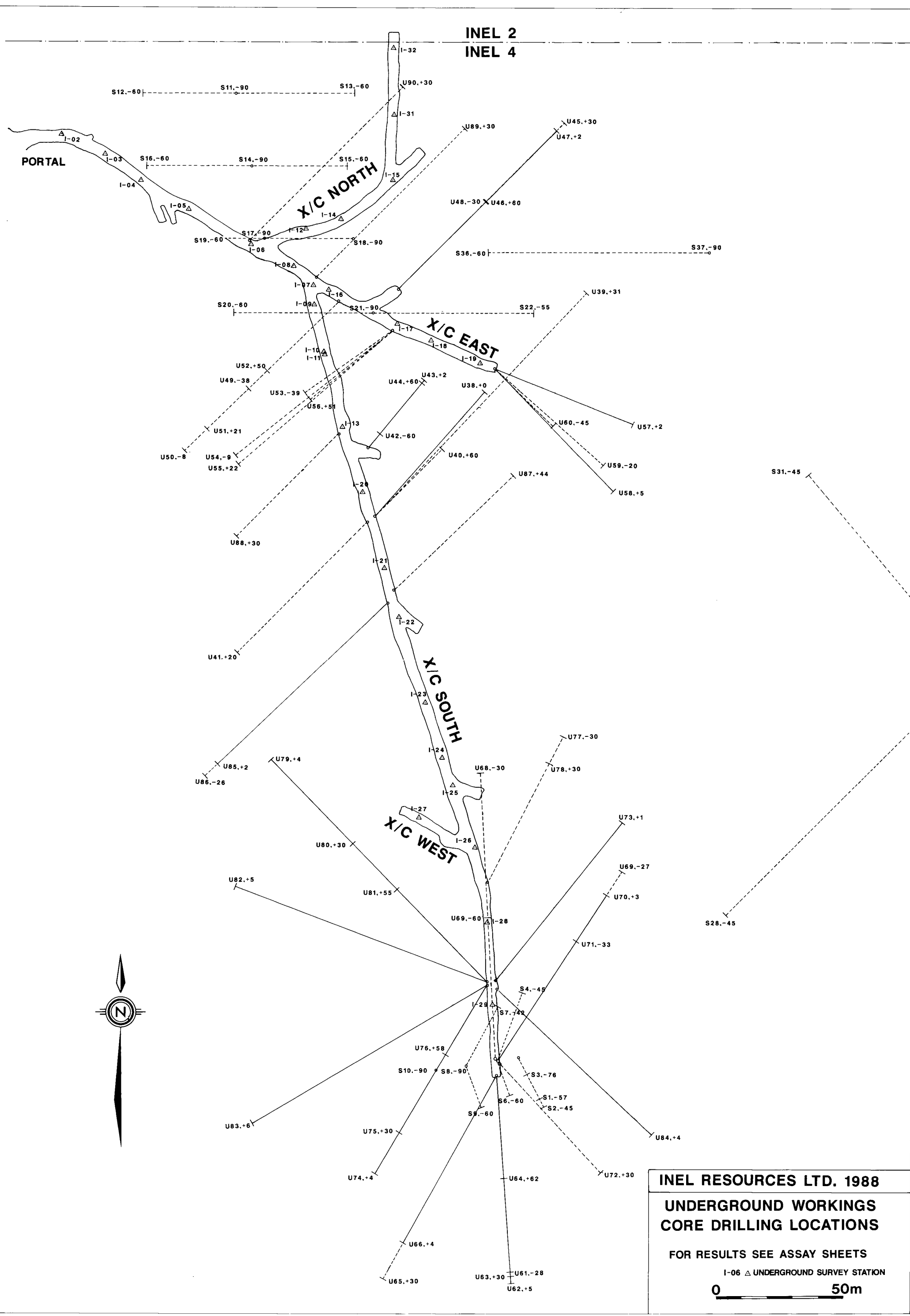
INEL RESOURCES LTD. 1988

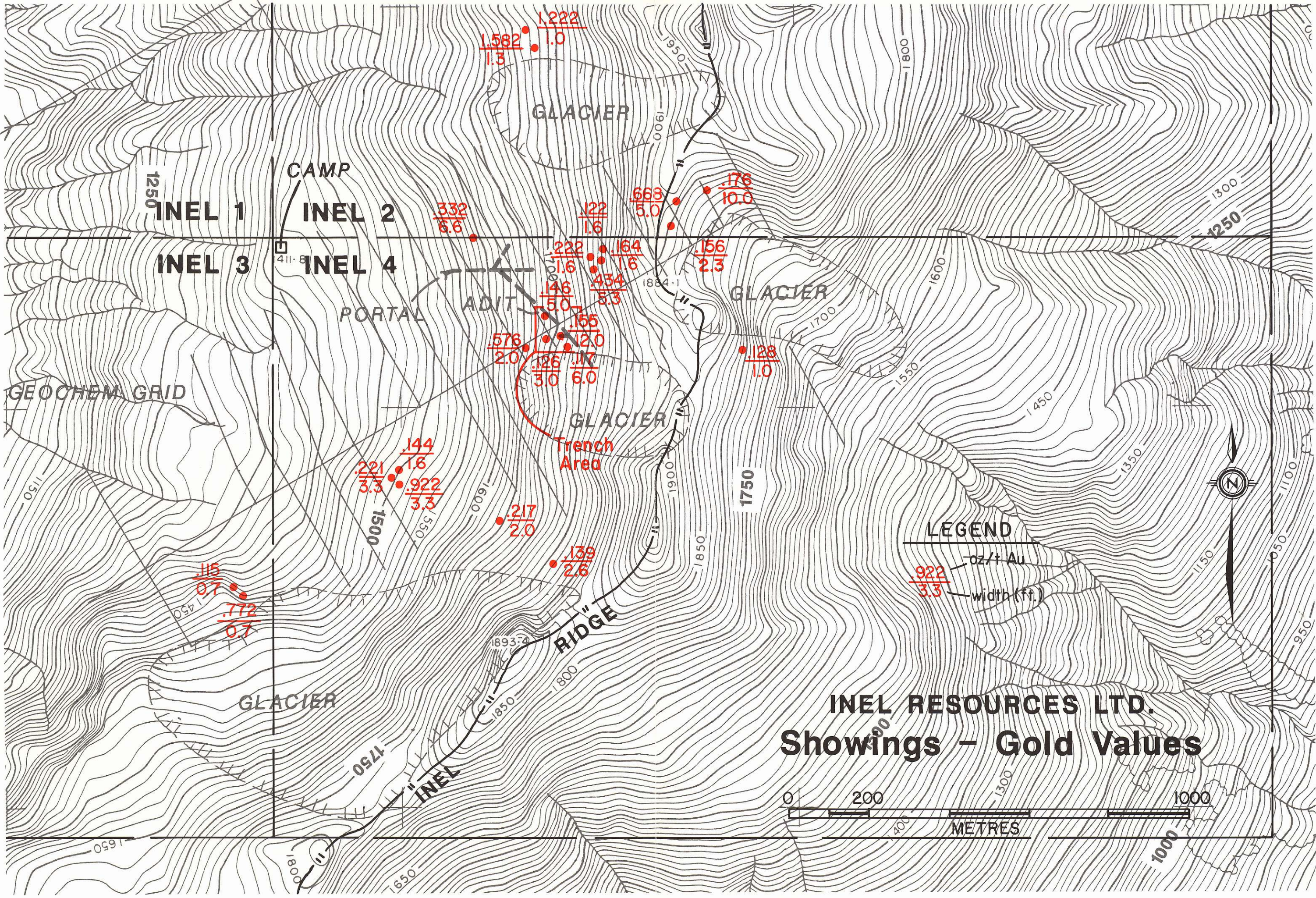
UNDERGROUND WORKINGS
CORE DRILLING LOCATIONS

FOR RESULTS SEE ASSAY SHEETS

I-06 Δ UNDERGROUND SURVEY STATION

0 50m





INEL RESOURCES LTD.
Showings - Gold Values

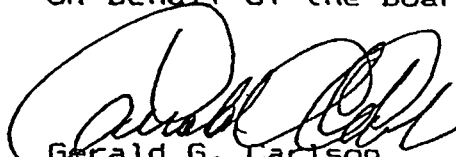


INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

N E W S R E L E A S E

The Company has terminated its option with Tower Hill Mines Ltd. on the Siwash Creek Property, located in the Princeton area, British Columbia. A program of prospecting detailed geological mapping soil and rock chip sampling confirmed the presence of narrow, mineralized shears as well as broad areas of porphyry style alteration, but failed to locate any new mineralization or define drill targets.

On Behalf of the Board



Gerald G. Carlson
President

July 25, 1989

THE VANCOUVER STOCK EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION HEREIN.



INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

N E W S R E L E A S E

The Company is pleased to announce that the program on the Inel property, Iskut River area, northwestern B.C., is now progressing smoothly. Underground work had been delayed because of a failed generator. At present, one drill is working underground, one on surface, and the proposed extension of the drift is two thirds completed.

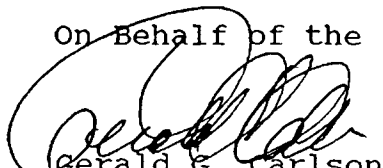
Surface trenching, to follow up last year's discovery of the new Northwest Inel Ridge Zone, encountered high grade mineralization. The trenches are on three separate exposures along the edge of a small ice field, along a strike length of 180 ft. The zone is otherwise covered by ice.

Trench No.	Length (ft.)	Cu (%)	Pb (%)	Zn (%)	Ag (oz/t)	Au (oz/t)
1	9.8	0.54	0.25	0.51	2.58	1.29
2	16.4	0.24	0.06	0.31	1.05	0.38
includes	3.3	0.90	0.17	0.31	4.47	1.54
3	22.9	0.06	0.05	0.34	0.51	0.41
includes	6.6	0.16	0.07	0.38	1.17	1.27

The surface drill is presently set up on the edge of the ice and testing the zone with a number of short holes.

August 14, 1989

On Behalf of the Board


Gerald G. Carlson
President

THE VANCOUVER STOCK EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION HEREIN.



INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

August 29, 1989

Dear Shareholder:

I am pleased to report that your company has embarked on its third full season of exploration on the Inel Property, adjacent to Skyline's Johnny Mountain Mine. With a projected budget of \$1,000,000, the program will include surface and underground diamond drilling as well as an additional 300 ft. of drifting. The objective of the program is twofold: To establish high grade reserves in the vicinity of the underground workings and to prospect and drill test other targets on the property, namely, the Inel Ridge and Northwest Inel Ridge Zones.

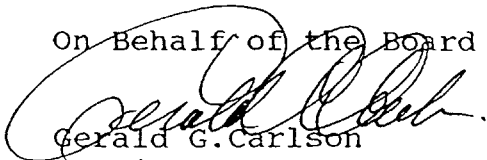
The program is well underway and the surface program has already reported some excellent success. Just subsequent to the end of this reporting quarter, our trenching crews exposed a new mineralized zone, with assays to 0.41 oz/t Au and 0.51 oz/t Ag over 22.9 feet to 2.36 oz/t Au and 5.88 oz/t Ag over 3.3 feet. The zone has an average width of 15 feet, is exposed over a strike length of 180 feet and is open to depth and along strike. The surface drill is currently testing the zone.

The company's option of the Siwash Property of Tower Hill Mines Ltd. has been terminated. After completing a \$200,000 surface exploration program, it was determined that the existing targets did not hold potential for a significant ore deposit. While the potential to develop new targets on the property does exist, the early stage and high cost of this alternative does not fit the company's objectives. We continue to evaluate exploration opportunities with a view to acquisition or joint venture of advanced, high quality projects.

Your company has invested \$82,250.00 in City Waste Inc., a domestic and commercial waste collection company. The investment allowed City Waste to successfully bid for a collection route for part of the City of Nanaimo.

At the company's annual meeting, Melvyn M. Rahal and Michael D. Laidlaw were elected to the Board of Directors. Subsequently, Joyce A. Davis resigned and Gerald G. Carlson was elected to the board. The board then appointed Reginald E. Davis as Chairman and Chief Executive Officer, Gerald G. Carlson as President and Chief Operating Officer and Christopher W. Cowan as Corporate Secretary. In addition, a 200,000 share incentive stock option was approved for Mr. Carlson.

On Behalf of the Board


Gerald G. Carlson
President



INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

N E W S R E L E A S E

The company is pleased to announce the results of preliminary drill testing of the newly discovered Northwest Ridge Zone. Trenching on the zone, previously announced, produced assays of 1.29 oz/ton Au over 9.8 feet, 0.38 oz/ton over 16.4 feet and 0.41 oz/ton Au over 22.9 feet, including 1.27 oz/ton Au over 6.6 feet.

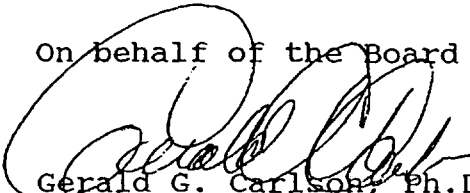
The zone is a steeply dipping, northwest trending breccia, of either intrusive or hydrothermal origin, with true widths of 10 to 18 feet. Sulphides, mainly pyrite, with chalcopyrite, sphalerite and galena, occur in the breccia matrix. The following are the significant drill results:

Hole No.	From (ft.)	To	Length (ft.)	Cu (%)	Ag (oz/t)	Au (oz/t)
S-112	62.0-	80.0	18.0	0.11	0.37	0.23
S-115	97.0-	107.0	10.0	0.32	0.80	0.68
	includes		5.0	0.52	1.23	1.11
S-116	174.0-	198.0	24.0	0.17	0.84	0.61
	includes		8.0	0.31	1.61	1.21

Drilling to the northwest showed the structure to continue but with lower gold values. The high grade zone is open to the southeast and subsequent trenching on surface has shown the mineralization to be stronger in this direction. Assays from this work are pending. Drill testing of the zone will resume shortly.

On behalf of the Board

September 12, 1989


Gerald G. Carlson, Ph.D., P.Eng.
President

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NEWS RELEASE

VSE SYMBOL - ILE

The Company is pleased to report a high grade intercept from its Inel property, northern British Columbia. Hole S-130 encountered the following results:

<u>From</u> <u>(feet)</u>	<u>To</u> <u>(feet)</u>	<u>Width</u> <u>(feet)</u>	<u>Au</u> <u>(oz/t)</u>	<u>Ag</u> <u>(oz/t)</u>	<u>Zn</u> <u>(%)</u>
80.5 -	82.0	1.5	91.999	23.01	0.64
82.0 -	87.0	5.0	0.074	0.43	0.14
87.0 -	92.0	5.0	0.757	0.39	0.13
Average		11.5	12.361	3.36	0.20
92.0 -	97.0	5.0	0.059	0.12	0.67
97.0 -	102.0	5.0	0.024	0.12	1.24
Average		21.5	6.631	1.85	0.55

The result has been confirmed by both fire assay and ICP analysis by Acme Analytical Laboratories. The true thickness of the section is interpreted to be approximately 8 feet.

This hole is a 650 foot step-out from the original surface trenching on the Northwest Ridge Zone. Previously reported assays from this zone include 1.29 oz/ton Au over 9.8 feet, 0.38 oz/ton over 16.4 feet and 0.41 oz/ton Au over 22.9 feet, including 1.27 oz/ton Au over 6.6 feet from surface trenches and 0.68 oz/ton over 10.0 feet and 0.61 oz/ton over 24 feet from surface drilling. Initial interpretation suggests the new intercept represents a separate but parallel zone.

The Company currently owns a 50% interest in the Inel property and will increase its interest to 100% through the expenditures of an additional \$2.4 million by 1992. Over \$500,000 has been spent to date this season.

On Behalf of the Board

September 15, 1989


Gerald G. Carlson, Ph.D., P.Eng.
President

THE VANCOUVER STOCK EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION HEREIN.



NEWS RELEASE

ILE - VSE

COPY

INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

The Company is pleased to announce results from the second phase of drilling on its newly discovered AK Zone (formerly Northwest Inel Ridge Zone). Partial results have been returned from additional surface sampling and drill holes S-138 to S-150, drilled to test strike and dip extensions of the zone. Previous results include up to 1.21 oz/t gold over 9.8 ft in surface trenching, 1.21 oz/t gold over 8.0 ft. in initial drilling and 91.99 oz/t gold over 1.5 ft in the adjacent, newly named Ninety-Eight Zone.

A new surface trench on the zone returned 0.300 oz./ton gold, 0.846 oz./ton silver, 0.15% copper and 0.45% zinc across 32.8 feet (including 0.638 oz./ton gold, 1.67 oz./ton silver, 0.32% copper and 0.79% zinc across 13.1 feet).

Highlights from the new drill holes are as follows:


Hole No.	From (ft.)	To	Width (ft.)	Gold (oz/t)	Silver (oz/t)	Zinc (%)
S-139	88.0	100.0	12	.139	.24	.26
S-140	99.0	103.0	8	.084	.19	.24
	143.0	155.0	12	.200	.50	.31
S-142	68.0	76.0	8	.105	.22	.10
S-143	32.0	45.5	13.5	.184	.68	.32
	includes		3.0	.702	2.73	.96
S-144	177.0	200.0	23.0	.162	.21	.11
S-145	176.5	181.5	5	.115	.26	1.22
S-146	139.0	143.0	4	.141	.23	.88
	206.0	216.0	13	.118	.30	.22
S-147	162.0	167.0	5	.308	.33	.87
S-148	96.6	119.0	17.4	1.112	1.70	1.08
	includes		8.0	2.251	3.48	2.02
S-149	100.8	110.0	9.2	.254	.54	.38
	128.0	157.0	29.0	.290	.62	.26
	includes		15.0	.511	1.03	.38

This mineralized intrusive breccia, on the footwall of syenite porphyry dike, forms a sheet-like body with the potential to develop into an ore shoot with significant tonnage potential. The core of the zone, which contains the highest grades and best widths, locally in excess of 20 feet true, appears to plunge steeply and is open at depth.

The new zone is within 600 feet horizontally to the north and a short distance vertically above existing underground workings. Plans are currently underway to examine the zone from underground.

On behalf of the Board

October 12, 1989


Gerald G. Carlson, Ph.D., P.Eng.
President

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NEWS RELEASE

ILE - VSE

INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

The Company is pleased to announce the completion of the 1989 field program on its Inel Property, Iskut Gold Camp, northwestern British Columbia. The work included 390 feet of underground drifting, 14 underground and 63 surface diamond drill holes, for a total of 27,934 feet, geological mapping, ground geophysical surveys, surface trenching and aerial photography.

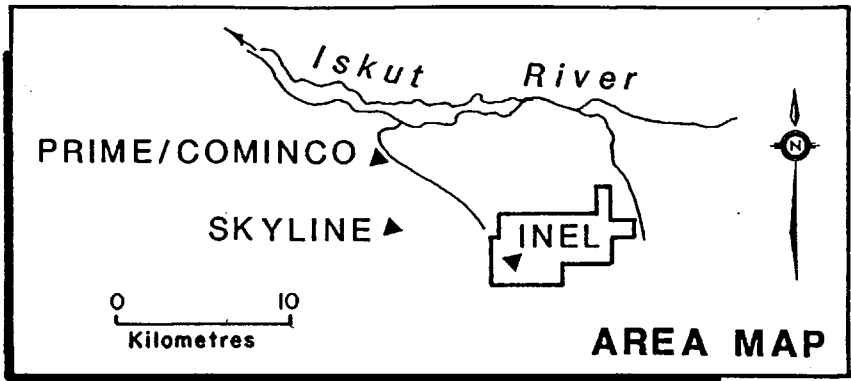
The program was an outstanding success: Several new mineral zones were tested. The AK Zone, first discovered in 1988, yielded high grade assays over significant widths in surface trenching, including 1.29 oz/t gold over 9.8 feet, 0.41 oz/t gold over 22.9 feet and 0.638 oz/t gold over 13.1 feet. Subsequent drilling of the zone has shown it to be a mineralized breccia on the footwall of a porphyry dike, with a strike length of over 250 feet, and a down dip extent of at least 280 feet, open in all directions. True widths are up to 20 feet in the central part of the zone.

Highlights from the drilling of this zone, previously reported, are as follows:

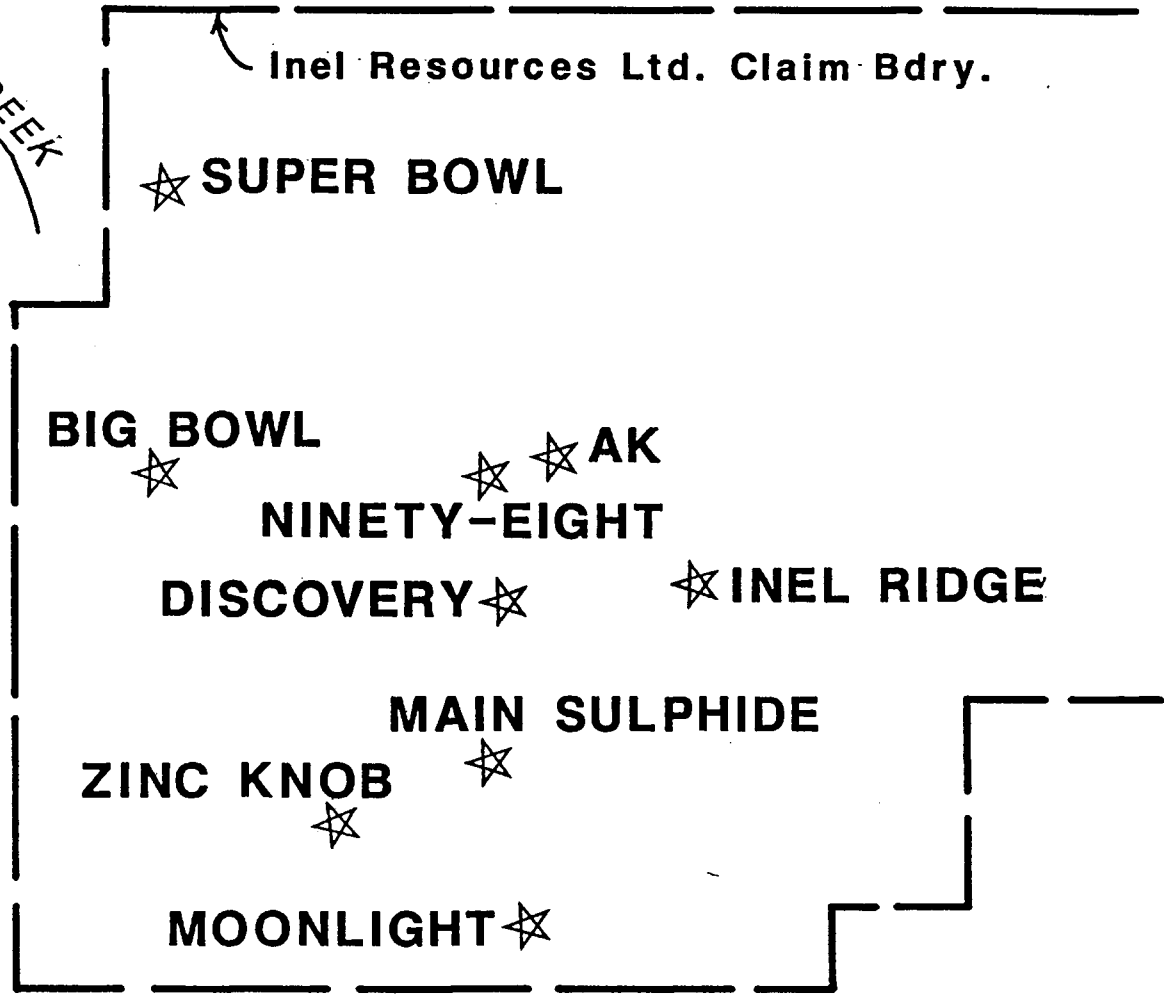
AK ZONE DRILL HIGHLIGHTS

Hole No.	From (ft.)	To	Width (ft.)	Gold (oz/t)	Silver (oz/t)	Zinc (%)
S-112	62.0	80.0	18.0	.233	.37	.23
S-115	97.0	107.0	10.0	.676	.80	.72
	includes		5.0	1.110	1.23	.52
S-116	174.0	202.5	28.0	0.526	.72	.05
	includes		8.0	1.210	1.61	.31
S-140	143.0	155.0	12.0	.200	.50	.31
S-143	32.0	45.5	13.5	.184	.68	.32
	includes		3.0	.702	2.73	.96
S-144	177.0	200.0	23.0	.162	.21	.11
S-147	162.0	167.0	5	.308	.33	.87
S-148	96.6	119.0	17.4	1.112	1.70	1.08
	includes		8.0	2.251	3.48	2.02
S-149	100.8	110.0	9.2	.254	.54	.38
	128.0	157.0	29.0	.290	.62	.26
	includes		15.0	.511	1.03	.38

A second, similar zone, the Ninety-Eight, was discovered approximately 600 feet southwest of the AK Zone. This zone, also along a porphyry dike contact, is distinguished by extensive zinc mineralization with the gold values. It boasts the only visible gold encountered on the Inel property to date, in a drill hole which assayed 91.999 oz/t gold over 1.5 feet. A gold metallics



BRONSON CREEK



ZONE LOCATIONS

Inel Resources Ltd.



INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

NEWS RELEASE
ILE - VSE

The Board of Directors announce that they have agreed in principal to an amalgamation with Gulf International Minerals Ltd. ("Gulf").

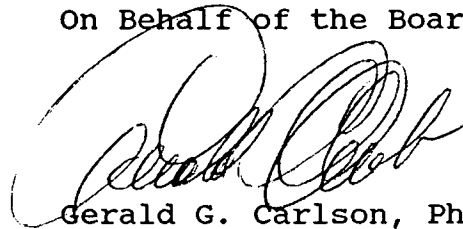
The Board has struck a Management Committee to negotiate with Gulf the proposed terms of the amalgamation. If the terms are agreed, the necessary shareholder's meeting will be called and application for regulatory approval will be sought.

It is hoped that terms can be reached quickly and that the amalgamation can be finalized early in the new year.

If the amalgamation is completed, it would be the intention of the amalgamated company to seek listing on the Toronto Stock Exchange.

On Behalf of the Board

November 24, 1989



Gerald G. Carlson, Ph.D., P.Eng.
President

THE VANCOUVER STOCK EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION HEREIN.

INEL RESOURCES LTD.
200 - 675 West Hastings Street
Vancouver, B.C.
V6B 1N2

Telephone: (604) 683-9630

N E W S R E L E A S E

The Company wishes to announce that it has cancelled an incentive option for 150,000 shares.

DATED at Vancouver, B.C. this 19th day of December, 1989.

INEL RESOURCES LTD.

per:



Director

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THE CONTENTS HEREIN.**

GULF INTERNATIONAL MINERALS LTD.
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A N D

INEL RESOURCES LTD.
200 - 675 West Hastings Street
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The Board of Directors of both Gulf International Minerals Ltd. and Inel Resources Ltd. announce that they have determined the exchange ratio for use in the proposed amalgamation of Gulf International Minerals Ltd. and Inel Resources Ltd. to be one share of the Amalgamated Company for one share of Gulf and one share of the Amalgamated Company for each 2.5 shares of Inel.

Each Board has obtained an independent fairness opinion to support their conclusions.

General meetings of the members for both Gulf and Inel are scheduled for March 7, 1990 and appropriate material for the meetings will be mailed to the members by February 2, 1990.

DATED at Vancouver, British Columbia this 25th day of January, 1990.

GULF INTERNATIONAL MINERALS LTD.
per: 

INEL RESOURCES LTD.
per: 

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NEWS RELEASE
ILE - VSE

INEL RESOURCES LTD. 200 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-2913 FAX (604) 683-2392

The Board of Directors of Inel Resources Ltd. announce that Inel has entered into a private placement to sell 615,384 units at a price of \$0.65 per unit. Each unit shall consist of one share of Inel and one non-transferable share purchase warrant.

Two warrants shall entitle the holder thereof to purchase one additional share of Inel at a price of \$0.65 per share exercisable within one year.

A finder's fee in an amount to be approved by the Vancouver Stock Exchange will be payable.

It is the intention to complete the private placement prior to the proposed amalgamation with Gulf International Minerals Ltd. The shareholders of Inel will consider the proposed amalgamation at a meeting of the members to be held on March 07, 1990.

These funds will be used for general corporate purposes, as well as to begin preparations for the 1990 field season.

A major underwriting in early spring is planned to fund exploration for the year, as well as to explore potential acquisitions which are at or near the production stage.

The Company is confident of a successful completion of its amalgamation with Gulf International Minerals Ltd., a move which will bring significant savings and benefits to both companies.

We look forward to an exciting and rewarding 1990.

DATED at Vancouver, British Columbia this 29th day of January, 1990.

On Behalf of the Board

Gerald G. Carlson, Ph.D., P.Eng.
President

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