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GULF INTERNATIONAL MINERALS LTD.

SUMMARY REPORT ON THE

INEL PROPERTY

Bronson Creek Mining Camp
British Columbia, Canada

Located in the Iskut River Area
Liard Mining Division
NTS 104B/10W
56°37' North Latitude
130°57' West Longitude

R.G. Gifford, P. Eng.

October 31, 1994

INTRODUCTION

The Inel property remains one of the most prospective in the Iskut Gold Camp. A \$2.5 million exploration program carried out in 1990 examined the AK gold breccia from underground. The geology of this zone is now better understood, however, the program was cut short before it had reached its full objective. With the underground portion of the project now in place, the stage is set for a drilling campaign to fully evaluate the AK's potential.

HISTORICAL PERSPECTIVE

The Inel property has been the subject of systematic base and precious metals exploration programs since the late 60's. In the past 20 years, surface exploration has resulted in the discovery of numerous gold, copper and zinc occurrences and a complex, highly mineralized geological framework which hosts vein, breccia, porphyry and massive sulphide styles of mineralization.

Since 1987, exploration on the property has been accelerated with the excavation of two separate underground openings and significant diamond drill programs both from surface and from underground.

This work now totals 3,880 ft. of underground development and 37,700 ft. of diamond drilling in 175 holes.

GEOLOGICAL SETTING

The property is underlain by the same sequence of volcanic and sedimentary rocks which host the nearby Snip and Johnny Mountain gold deposits. These rocks have been cut by a variety of intrusions which appear to have been important in forming the district's ore deposits.

One of these intrusives, a distinctive syenite porphyry, forms a dike-like body cutting across the central part of the property. An intrusive breccia lies adjacent to this dike and hosts the gold mineralization of the AK Zone.

Related mineralization includes the Discovery Zone gold-sulphide veins which were examined from the 1500 level underground workings in 1987 and 1988. At the same time, surface drilling tested high grade showings on the Inel Ridge Zone, directly above the workings. In 1989, while testing for depth extensions of the AK Zone, an exciting new discovery, the Inel Creek Zone, was made. All of these zones appear to be related to the same gold mineralized system. Assay highlights are shown in the accompanying table.

1990 PROGRAM

Work in 1990, funded by Avondale Resources Ltd., totalling \$2.5 million value, was under the field direction of Gulf. The objective of the program was to define an economic reserve in the AK Zone by driving an adit into the hanging wall of the zone and drilling from underground. The program included 1,230 ft. of drifting, which was completed by October 11, 1990. Unfortunately, due to the early arrival of winter, the drilling program was cut short before the program objective could be realized. Drilling from underground included 7,743 ft. in 22 holes.

1990 RESULTS

A major part of the 1990 program involved an upgrading of the camp facilities, mobilization of a new D-6 tractor and underground drill jumbo, construction of road access and the establishment of the new 1650 portal site. This work was successfully completed by August 2, 1990 and the underground drifting begun.

Initial drilling confirmed the presence of high grade gold mineralization within the AK intrusive breccia, with results such as:

DRILL RESULT HIGHLIGHTS

	Hole No.	Width (ft.)	Gold oz/ton
AK Zone	S-112	18.0	0.233
	incl	5.0	0.631
	S-115	10.0	0.676
	S-116	24.0	0.611
	incl	8.0	1.213
	S-140	4.4	0.554
	S-143	3.0	0.702
	S-147	5.0	0.308
	S-148	17.4	1.110
	S-149	15.0	0.541
Discovery Zone	U-171	24.3	1.197
	U-172	3.3	0.918
	U-174	4.0	0.468
	U-179	5.0	0.619
	U-182	6.2	0.700
	U-185	12.0	0.812
	incl	6.1	0.961
	incl	5.0	0.763
	U-40	13.3	0.770
	U-87	10.1	0.460
Inel Ridge Zone	U-101	15.5	0.308
	U-104	6.3	0.433
	U-111	3.5	0.717
	S-34	7.4	0.868
	Inel Creek Zone	S-98	3.6
S-119		15.1	0.485
S-130		1.6	94.279
incl		4.9	0.689
S-160		6.8	0.319
S-163		4.9	0.558

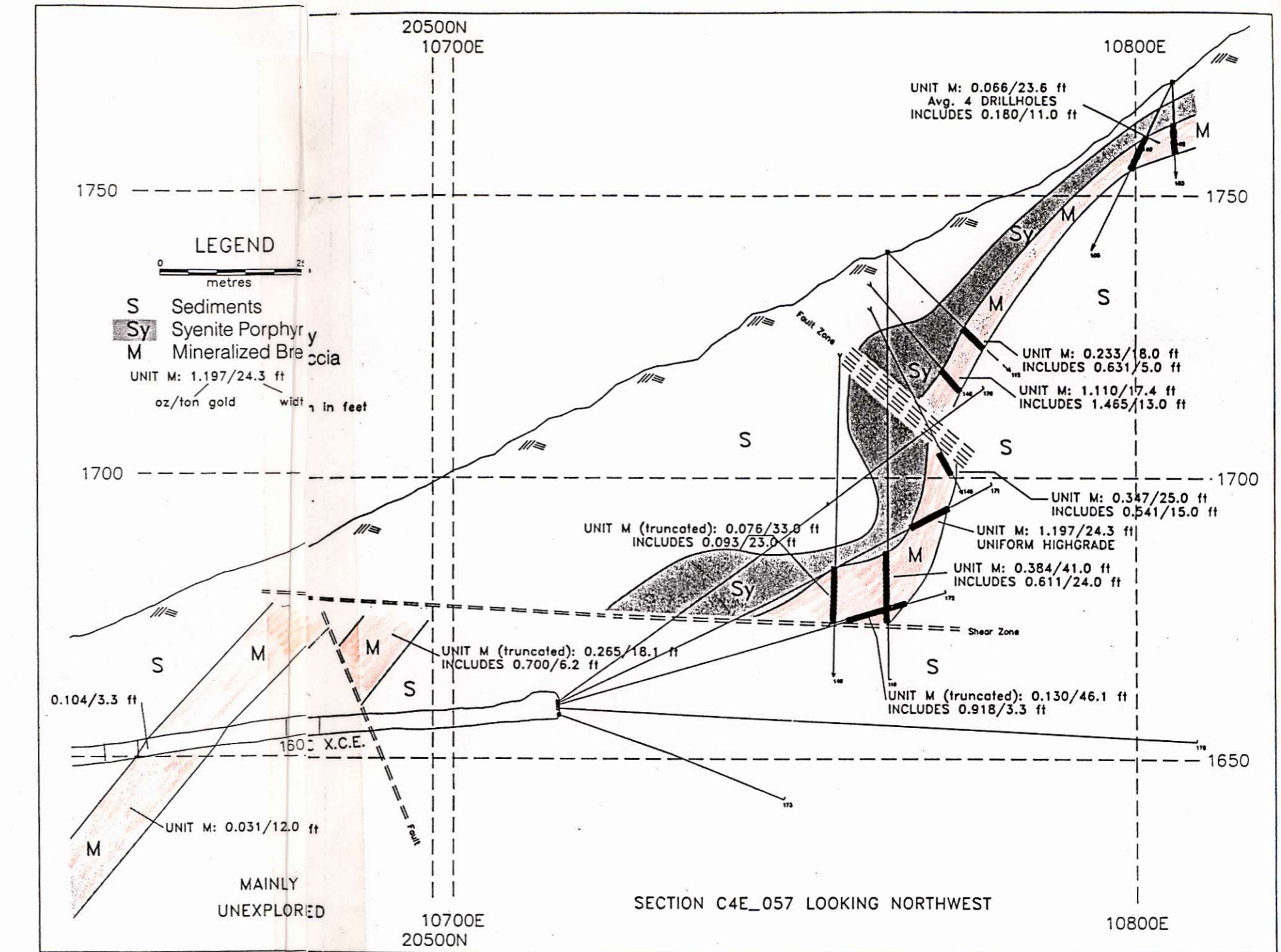
Additional drilling along strike confirmed the continuity of the breccia, although gold values were lower. Interpretation of the geology from the drilling and underground exposures has shown the breccia to be offset by a flat fault at about the adit level, displacing it to the south.

Nonetheless, gold mineralization is very widespread and appears to be picking up in intensity towards the east end of the new workings.

POTENTIAL OF THE AK ZONE

Work on the AK Zone has shown the potential for a significant tonnage of high grade gold mineralization. Mineralized breccias, although not previously recognized in the Iskut Gold Camp, are a well recognized class of ore deposit, described from around the world, which are often associated with vein deposits such as Snip and Johnny Mountain. The gold grades of over 0.5 oz/ton and thicknesses of over 20 ft. encountered in the vicinity of the original AK showing demonstrate the potential for the discovery of a significant gold deposit.

Of great interest are the possible strike extensions: Over 1,500 ft. to the south, and almost 500 ft. lower in elevation, gold mineralization in the southern part of the Discovery Zone has some striking similarities to the AK breccia. These are also closely



associated with a syenite porphyry intrusive dike. Surface trenches have yielded results up to 8 oz/ton gold in this area. This zone is also partially exposed in the lower levels of underground workings completed in 1988. To the east, higher on the ridge, and also on strike with the AK Zone, numerous high grade gold occurrences have been discovered. These occurrences, known as the Ridge Zone, were originally exposed on surface, and have been followed up with limited diamond drilling.

Some of the most exciting possibilities for high grade mineralization are just to the south of the new workings, where the AK-Ridge Zone trend is intersected by the trend of the Discovery Zone veins.

OTHER POTENTIAL ON THE INEL PROPERTY

The AK gold breccia represents only part of the Inel Property's potential. The property is known to host several other styles of mineralization. Gold with copper in veins, gold with zinc and copper in stratabound, massive zones and porphyry copper-gold mineralization. Anyone of these target types has the potential to produce a world class mineral deposit on the property.

Gulf is funding research on the mineral deposits of the region through the Mineral Deposits Research Unit at the University of British Columbia. Given the much improved understanding of the geological setting of the Iskut Gold Camp that is evolving from

this work, as well as current studies by the Geological Survey of Canada and the British Columbia Geological Survey Branch, the time is right for a complete review and re-mapping of the Inel property.

RECOMMENDED PROGRAM

The main thrust of the 1991 program should be to complete the work begun in 1990. This would involve a short extension of the 1650 level drift and up to 30,000 feet of underground drilling. The program would also include detailed surface mapping of the entire property.

GULF INTERNATIONAL MINERALS LTD.

INEL PROPERTY

Bronson Creek Mining Camp
British Columbia, Canada

Status of Inel Property, October 1994

The Inel property is in northwestern British Columbia in the Iskut River area and easily attracts attention with its bold red colouration of iron stained rocks and mineral occurrences. The claim group is about 13,000 acres in size.

Prospecting and diamond drilling on the property, with continuity of key personnel, has taken place intermittently through a period of three decades. Gulf International Minerals was responsible for the major part of this work and the activity led to the recognition of several gold prospects. Two of these are of particular interest and have been explored in their initial stage of delimitation by drilling carried out from both surface and underground headings.

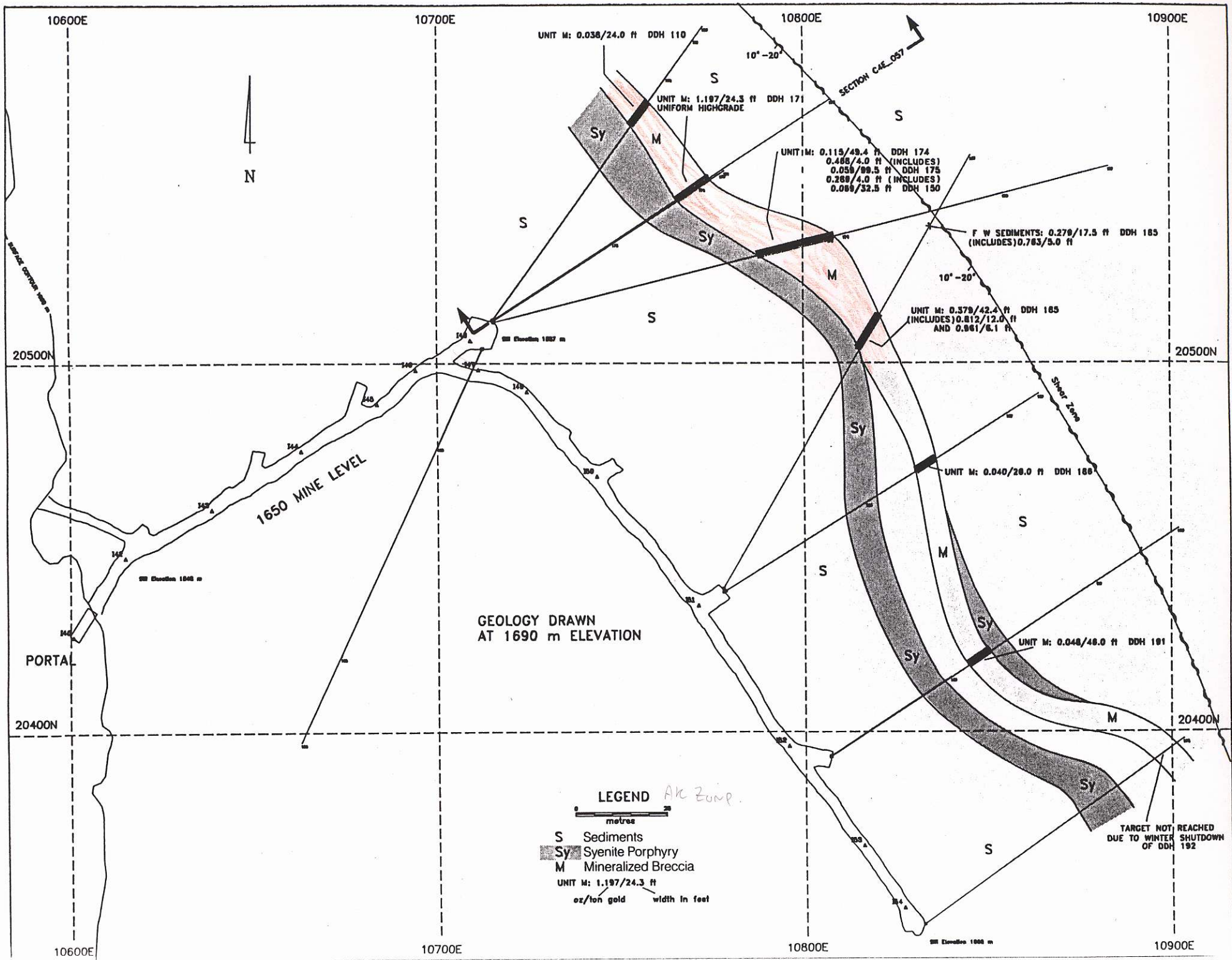
The main period of physical work on the Inel was from 1988 to 1990. As a result the AK gold deposit and the Discovery zinc-gold deposit show considerable potential for a major mining operation. Continuity of property development was disrupted by two intervals of repressive Provincial resource management, one before and the other following the dominant period of Inel test work.

In perspective, preliminary exploration on the property amounts to 10% of available acreage. Work has yielded many mineral prospects, several of which are of particular significance. Attention to two of these has met with success at each test stage of their development. These achievements suggest that the unexplored 90% of the property have superb potential.

Review of structural and mineralization factors in the AK and Discovery areas is currently underway. This work incorporates new information accumulated in the post-1990 period. In addition, aspects of geological features not fully considered in the reduction of earlier property records are being assessed.

Geological Setting

Sedimentary and volcanic rocks underlie the Inel property and are intruded by a granitic stock of Early Jurassic age (190 Ma).⁽⁶⁾ Age analysis for the stock is consistent with dating for galena from



10600E

10700E

10800E

10900E



UNIT M: 0.036/24.0 ft DDH 110

UNIT M: 1.197/24.3 ft DDH 171
UNIFORM HIGHGRADE

UNIT M: 0.115/49.4 ft DDH 174
0.488/4.0 ft (INCLUDES) DDH 175
0.058/89.5 ft DDH 175
0.268/4.0 ft (INCLUDES) DDH 150
0.089/32.5 ft DDH 150

F W SEDIMENTS: 0.279/17.5 ft DDH 185
(INCLUDES) 0.783/5.0 ft

UNIT M: 0.379/42.4 ft DDH 185
(INCLUDES) 0.812/12.0 ft
AND 0.961/6.1 ft

UNIT M: 0.040/20.0 ft DDH 180

UNIT M: 0.048/48.0 ft DDH 181

GEOLOGY DRAWN
AT 1690 m ELEVATION

LEGEND *AK Zump.*



- S Sediments
 - Sy Syenite Porphyry
 - M Mineralized Breccia
- UNIT M: 1.197/24.3 ft
oz/ton gold width in feet

TARGET NOT REACHED
DUE TO WINTER SHUTDOWN
OF DDH 192

20500N

20500N

20400N

20400N

PORTAL

10600E

10700E

10800E

10900E

the property.⁽³⁾ Base and precious metals have hydrothermally mineralized the hood of the invading stock, and the bordering country rock and an associated explosive breccia complex. Gold is the chief commercial component; copper and zinc are conspicuous associates. Middle Jurassic rocks unconformably cap this mineralized assemblage.⁽⁴⁾

Mineralization at the Inel occurs principally in three forms as outlined below. Refer to the isometric view of Inel Workings (figure 2) for the location of areas discussed.

1. Breccia-hosted gold and associated megacrystic dykes; two mineralized centres occur 2800 feet apart.

a) AK Area Primary interest; systematic, close definition drilling is warranted.

- portion of target examined yields 63,500 tons at 0.34 oz/t Au.
- tested by 49 holes (29 from the surface, four misses; 20 from workings, 10 misses).
- 77% of hits on target are centred in a one-acre plan area.
- target includes a region of highly anomalous gold values in soils astride Inel Ridge.
- breccia in the East Inel Creek area is believed to be an offset of the AK structure (1750m ASL) traced to greater depth (1545m ASL); intercepts to illustrate host rocks and better grades, in breccia and 100' into hanging wall, include:
 - (1673m ASL, breccia) 0.4% Zn, 0.70 oz/t Au - 6.2' DDH 182.
 - (1640m ASL, sediment) 0.2% Zn, 12.4 oz/t Au - 11.5' DDH 130.
 - (1612m ASL, syenite) 9.3% Zn, 0.10 oz/t Au - 5.0' DDH 161.
 - (1595m ASL, breccia) 0.4% Zn, 0.01 oz/t Au - 11.5' DDH 130.
 - (1594m ASL, basalt) 7.2% Zn, 0.58 oz/t Au - 3.5' DDH 160.

b) Red Area Systematic, framework drilling in step-out panels along the strike is warranted.

- outcrop of the target structure is a "red thumb" with:
 - plan width = 600'
 - plan length = 2000'
 - vertical height = 1150', elevation 1500m to 1850m
- structure is explored (i) in Lower section by 24 holes from underground workings (1500m ASL) directed south across the target, and by 10 short, "Winkie" slim holes from the surface (1600m ASL), (ii) in Central section by four holes (1730m ASL); three directed in the north margin and one in the north-side wall rock, and (iii) in Upper section by six holes (1790m ASL); two directed in the north margin and four in the north-side wall rock.
- five of the underground holes, Lower section, probed near the south margin; the rest were in the north side of the structure, mostly towards its margin.
- intercepts to illustrate the structure include:
 - (1850m ASL) 0.1% Cu, 0.1 oz/t Ag, 0.17 oz/t Au - grab Ridge.
 - (1779m ASL) 0.1% Cu, 0.1 oz/t Ag, 0.12 oz/t Au - 13.0' DDH 32.

- (1675m ASL) 0.1% Cu, 0.4 oz/t Ag, 0.10 oz/t Au - 27.1' DDH 28.
- (1609m ASL) 0.4% Cu, 9.3 oz/t Ag, 0.21 oz/t Au - 12.2' DDH 04.
- (1524m ASL) 0.6% Cu, 3.4 oz/t Ag, 0.34 oz/t Au - 6.9' DDH 72.
- (1494m ASL) 0.3% Cu, 0.1 oz/t Ag, 0.02 oz/t Au - 35.5' DDH 61.
- structure is believed to link with the East Inel Basin area of copper-gold-silver mineralization (1455m ASL).

2. Shear-hosted sulphide and gold concordant with bedding; three mineralized centres occur in the same horizon within an interval of 5000 feet.

a) Discovery Area Primary interest; systematic, broad definition drilling is warranted.

- portion examined yields 350,000 tons of 2.6% Zn, 0.102 oz/t Au for tested part of the No.1 lens; other parallel lenses are known and remain to be examined.
- target section is explored by 53 holes; most of the holes do not penetrate the full productive zone, and only a few of the holes bracket the hanging wall.
- exploration below the mine level is limited to about 100 feet of depth.

b) Inel Creek Area Ties closely with the Discovery environment and systematic, broad definition drilling is warranted.

Notable zinc enrichment and periodic gold are associated with a chloritic basalt/sediment zone. The area is divided into three drilling centres for description; each spaced 500 feet apart, in line.

(i) West Inel Creek - Explored on basis of a VLF-EM conductor and a nearby mineralized outcrop, three holes were drilled.

- intercepts to illustrate the structure include:
 - 1.1% Zn, 0.4 oz/t Ag, 0.21 oz/t Au - 15.0' DDH 96.
 - 3.3% Zn, 0.5 oz/t Ag, 0.22 oz/t Au - 6.0' and
 - 2.0% Zn, 0.1 oz/t Ag, 0.03 oz/t Au - 23.0' DDH 97.
 - 0.3% Zn, 0.2 oz/t Ag, 0.78 oz/t Au - 5.5' DDH 98.

(ii) East Inel Creek - Explored on basis of a nearby mineralized outcrop, 20 holes were drilled.

- intercepts to illustrate the shear-controlled structure include the following:

- 0.1% Zn, 0.1 oz/t Ag, 0.49 oz/t Au - 15.0' DDH 119.
- 4.9% Zn, 0.3 oz/t Ag, 0.03 oz/t Au - 21.0' DDH 120.
- 0.3% Zn, 0.1 oz/t Ag, 0.11 oz/t Au - 15.0' DDH 152.
- 1.6% Zn, tr oz/t Ag, 0.04 oz/t Au - 25.0' DDH 153.
- 1.4% Zn, 0.1 oz/t Ag, 0.01 oz/t Au - 40.0' DDH 159.
- 2.2% Zn, 0.2 oz/t Ag, 0.02 oz/t Au - 64.0' DDH 161.
- 1.0% Zn, 0.3 oz/t Ag, 0.56 oz/t Au - 5.0' DDH 163.

(iii) Tread Centre - Designed to explore the AK breccia, missed the target but picked up the mineralized basalt/sediment zone. One hole was drilled.

- intercepts to illustrate the structure follow below:
0.3% Zn, 0.1 oz/t Ag, 0.02 oz/t Au - 35.5' DDH 121, includes
0.6% Zn, 3.4 oz/t Ag, 0.34 oz/t Au - 6.9'.

c) Zinc Knob Area Similar in nature to the Discovery mineralization and host rock, explored on basis of a mineralized outcrop. Five holes were drilled, continued exploration is warranted.

- trenching results yield 0.25 oz/t Au for 9.8'.
- drilling encountered spotty, low values; for example DDH 131 with 1.6% Zn for 29', followed by an interval of 0.18 oz/t Au for 5'.

3. Porphyry copper-gold; prospective area of the Inel stock encompasses approximately 500 acres in the Inel basin. The environment is viewed inhospitable for large-scale pit development. Merits attention for possibility of local gold enrichment.

For description, the Inel Basin area is divided into three drilling centres spaced: "East" > 650' < "Central" > 800' < "North".

a) East Inel Basin Exploration was based on a VLF-EM conductor and a nearby mineralized outcrop (1455m ASL). Four holes were drilled and two were abandoned short of the target. This structure is believed to link with copper-gold mineralization in the Red zone; systematic, broad definition drilling is warranted.

- intercepts to illustrate the structure follow below:
0.15% Cu, 0.004 oz/t Au - 151.0' DDH 137, includes
3% Py, 1% Mgt, 0.16% Cu, 0.003 oz/t Au - 50.0'.
- 0.9% Cu, 1.7 oz/t Ag, 0.04 oz/t Au - composite of 100' by 30' trenched area, 400' southwest of DDH 137; it includes 3.3' sample grading 1.8 % Cu, 3.2 oz/t Ag, 0.13 oz/t Au.

b) Central Inel Basin Exploration was based on a VLF-EM conductor and a nearby mineralized outcrop. Two holes were drilled and long sections of massive sulphide with intervals greater than 0.05 oz/t gold (distinctly anomalous within the mining camp) were encountered. Systematic, broad definition drilling is warranted.

- intercepts to illustrate the structure follow below:
60% Py, 0.01% Cu, 0.03 oz/t Au - 25.0' DDH 165, includes
40% Py, 0.01% Cu, 0.06 oz/t Au - 5.0'.
20% Py, 0.04% Cu, 0.02 oz/t Au - 111.3' DDH 166, includes
35% Py, 0.02% Cu, 0.07 oz/t Au - 5.0'.

c) North Inel Basin Exploration was based on a nearby mineralized outcrop. Three holes drilled, long intervals of strong pyrite and magnetite plus chalcopyrite were encountered.

- intercepts to illustrate the structure include:
16% Py, 2% Mgt, 0.15% Cu, 0.006 oz/t Au - 35.0' DDH 167.

A fourth area of skarn copper-gold mineralization, in the northeast part of the property, is untested at this stage.

AK Gold Zone

The AK zone details a breccia body of igneofragmental composition derived from explosive igneous action. Gold clearly enriches this unit in comparison with other enclosing rock units. The tenor of the breccia is 0.14 ounces per ton gold (132 samples, 1990 drilling), it is the only unit at the AK that contains significant quantities of gold.⁽⁷⁾ Elevated gold values are usually associated with enhanced copper grades.

Drilling and underground work has traced the deposit a distance of 800 feet; it projects to an exceptional gold soil anomaly situated 1600 feet, all inclusive, to the southeast. The target breccia has a southeast strike and 60° southwest dip.

The AK structure ranges 20 to 40 feet in thickness, and is traced from surface (1750m ASL) to a depth of 250 feet (1675m ASL). Skeletal drilling traced the breccia a further 400 feet in depth (1545m ASL) on an offset believed to be the faulted equivalent of the AK zone, two hundred feet to the southwest.

Tonnage calculations take in only a small part of the identified target structure. Estimates for a tested slice of the deposit 200 feet long by 230 feet high gives an inferred resource of 63,500 tons averaging 0.34 oz/ton gold across 24 feet for the host breccia, wall-to-wall.⁽²⁾ Within this segment is an estimated 20,200 tons of higher grade, visually identifiable material that runs 0.68 oz/ton gold.

The main potential of the AK deposit is along its strike to the southeast and down dip below the workings, on the faulted offset. A size possibility for the breccia-controlled AK deposit could be in the order of two to four million tons using the Richmond Hill and Turnaround ore bodies, Black Hills, South Dakota as an analogue.

Red Zone

The Red zone outlines an additional breccia-controlled gold setting that has similar potential to that of the AK area. Realization of

possibilities for this area came from AK work in the 1989-1990 field seasons. Red zone results were seen as similar to the AK zone in that:

1. Breccia with its matrix enriched in pyrite is directly associated with dykes of megacrystic syenite porphyry.
2. Significant gold is present in drilling intercepts and in surface occurrences.
3. Chalcopyrite, an important ingredient, and pyrite are conspicuous in the environment.

This prospect like the AK deposit has the size possibility for two to four million tons of commercial material that could lead to major development.

Discovery Zone

The Discovery area exhibits shear-hosted, stratabound lenses of semi-massive to massive pyrite enriched in zinc and gold. Mineralization is bedding-controlled and associated with a transition from underlying clastic sediments to a sequence of basaltic flows and fine clastic rocks. Elements of the mineralized environment are seen at large intervals in strike projection. Its dip extent below mine workings is virtually unexplored.

Work on the Discovery polymetallic deposit has identified a stratigraphic section that is the host to several lenses of disseminated to well-laminated massive and semi-massive sulphide material. Diamond drilling from a platform of underground development has delimited the No.1 lens. It is visually distinct and exhibits continuity from hole to hole and from section to section. Mineralization in the tested area remains open in its plunge and strike direction.

The tested part of No.1 lens is approximately 700 feet in length, 700 feet in width and three to 45 feet in thickness. Its dip is 30 degrees to the northeast. Estimates of tonnage for the No.1 lens give an inferred resource of 350,000 tons grading 0.1% Cu, 0.1% Pb, 2.6% Zn, 0.39 oz/ton Ag and 0.102 oz/ton Au.⁽¹⁾ Other parallel lenses are known and remain to be examined.

Within the No.1 lens is a better grade section with 127,000 tons of 0.1% Cu, 0.2% Pb, 3.5% Zn, 0.72 oz/ton Ag and 0.204 oz/ton Au. Intercepts of massive sulphide mineralization are characterized by DDH 87, which returned 0.23% Cu, 2.76% Pb, 7.54% Zn, 2.45 oz/ton Ag and 0.460 oz/ton Au over 10.1 feet. These intercepts are usually associated with a broad section of both veined and disseminated base-metal sulphide.

First inspection of the Discovery work suggests that the following factors can govern mineralization and guide exploration:

- a) Mineralization is observed across 300 feet of stratigraphic section by drilling and is traced 1000 feet on strike by the mine workings. The mineralized zone strikes southeast and undulates from near horizontal to a dip of 30 degrees to the northeast.
- b) The same kind of mineralization is also seen in the Inel Creek area of drilling, 1000 feet to the north, and again in the Zinc Knob area one-half mile to the south.
- c) First exploration in the Discovery area was directed towards delineation of structures that had superior gold enrichment. The theme of large scale, shear-hosted sulphide potential was not addressed in the early work; it remains a worthy target.
- d) Gold mineralization is associated with lenses of massive pyrite and sphalerite and is contained within a broad envelope of chloritic alteration. Other lenses are present in the main structure besides the No.1 lens and have yet to be investigated.

A size possibility for the Discovery shear-hosted, volcanic associated, massive sulphide deposit is about one to two million tons of commercial material using the Snip and Eskay Creek ore bodies, Iskut River area, B.C. as possible analogues. There is always the possibility of a giant in this geological environment, and for the Inel the potential reward merits persistent exploration effort.

Exploration Targets

Preferred targets on the Inel property include the following:

1. AK Zone for its gold potential.
2. Discovery Zone for its large scale, massive sulphide, zinc-gold potential.
3. Red Zone for possibilities of repeating the AK zone type of breccia controlled gold mineralization.

The AK breccia-hosted gold deposit has an excellent possibility for developing a major tonnage mining operation. Results from testing a small section of the AK zone suggests a potential for ore shoots of 0.7 oz/ton gold within an ore field of 0.3 oz/ton gold.

The Discovery shear-hosted, zinc and gold massive sulphide deposit has considerable tonnage potential. Elements of the mineralized environment are seen periodically through one mile of strike projection. Its dip extension is virtually unexplored.

Drilling at the Discovery has tested approximately 15% of the strike length of related mineral occurrences. The stratigraphic horizon in which the sulphide zone occurs has been traced on the ground for a length of 5000 feet, extending from the Inel Creek area in the northwest to the Zinc Knob area in the southeast. Exploration development of the Discovery sulphide deposit is enhanced by the ability to assign 350,000 tons grading 2.6% Zn, 0.102 oz/t Au to one lens out of at least three suggested in the favourable section.

The Red zone situated one-half mile from the AK zone is quite untested for its potential. Interpretation suggests the presence of a gold mineralized, explosive breccia that is analogous to the AK mine area. In addition, gold mineralization associated with similar geology is known to occur 2½ miles to the north. Air photos suggest a possible tie-in of this setting with the Red zone and AK mine system; dynamics of the geology evoke keen interest.

In summary, the work to date has looked at several structures controlling gold mineralization on the property. In no instance, from prospective drilling that found gold in 10 of 12 locations to early delimitation work at two mineralized centres, has testing had opportunity to take the next step in evaluation. The promise that was present at the inception of test work is still very evident at these localities. The Inel property is a quality exploration target with excellent potential for developing a commercial gold deposit.

GULF INTERNATIONAL MINERALS LTD.



R.G. GIFFORD, P.Eng.

October 31, 1994

Summary Report on the Inel Property, October 31, 1991

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Statement of Qualifications

I, Robert G. Gifford of Port Moody, British Columbia, do hereby certify that:

1. I am a consulting geologist with a business address at 1256 Alderside Road, Port Moody, British Columbia.
2. I am a graduate of the University of British Columbia, B.A.Sc., Geological Engineering.
3. I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. I have practised my profession as a geologist in mineral exploration continuously for the past thirty-six years in Canada, U.S.A., Australia and Central America.
5. I have prepared this report based on experience in exploration programs on the property during a 29 year period.
6. I am a Director of Gulf International Minerals Ltd.



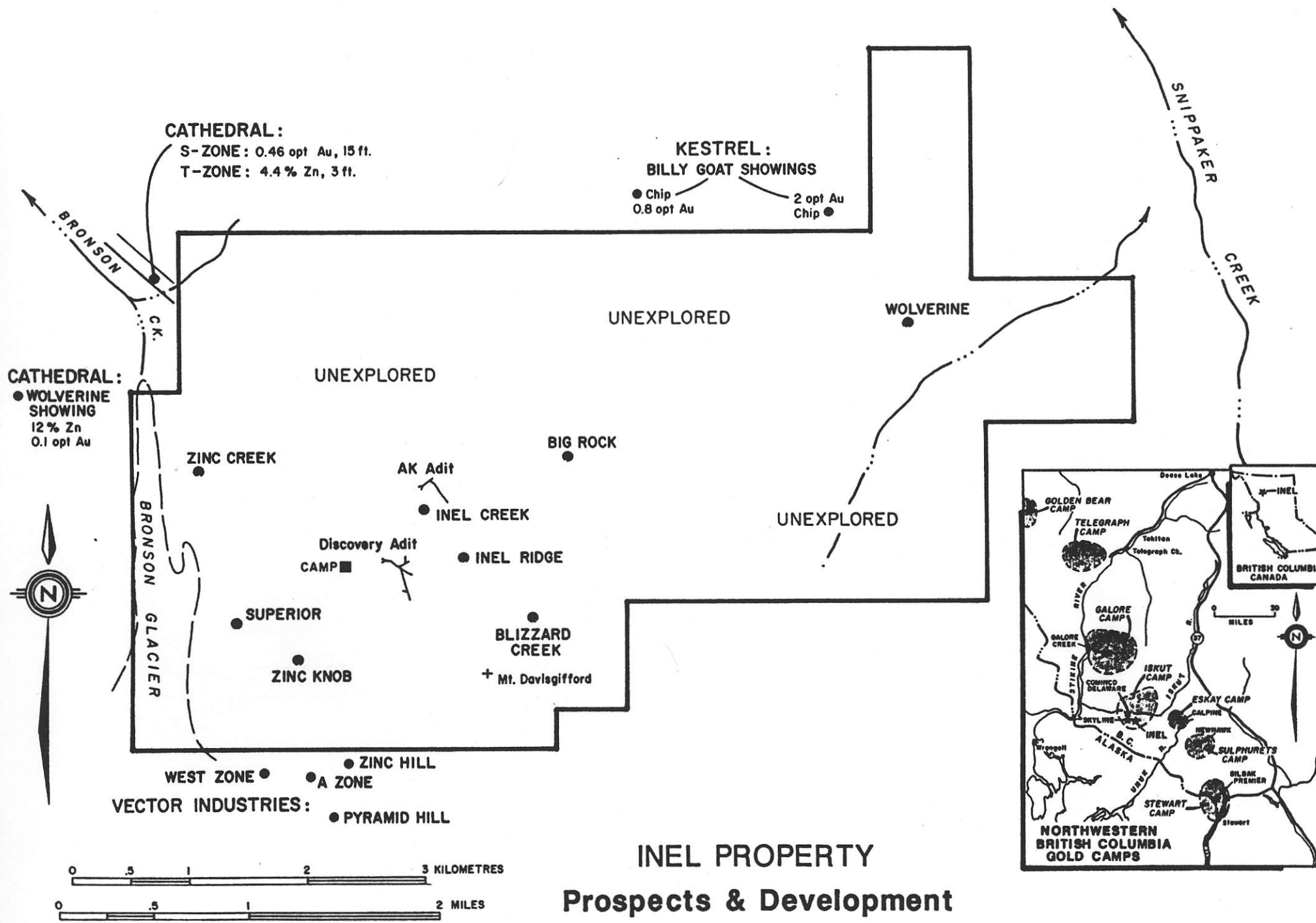
R.G. Gifford, P. Eng.

Signed and dated this 31st day of October 1994 at Vancouver, British Columbia.

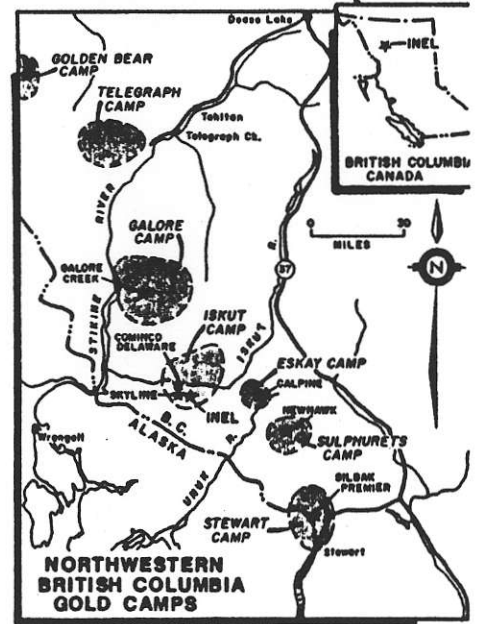
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**INEL PROPERTY
Prospects & Development**



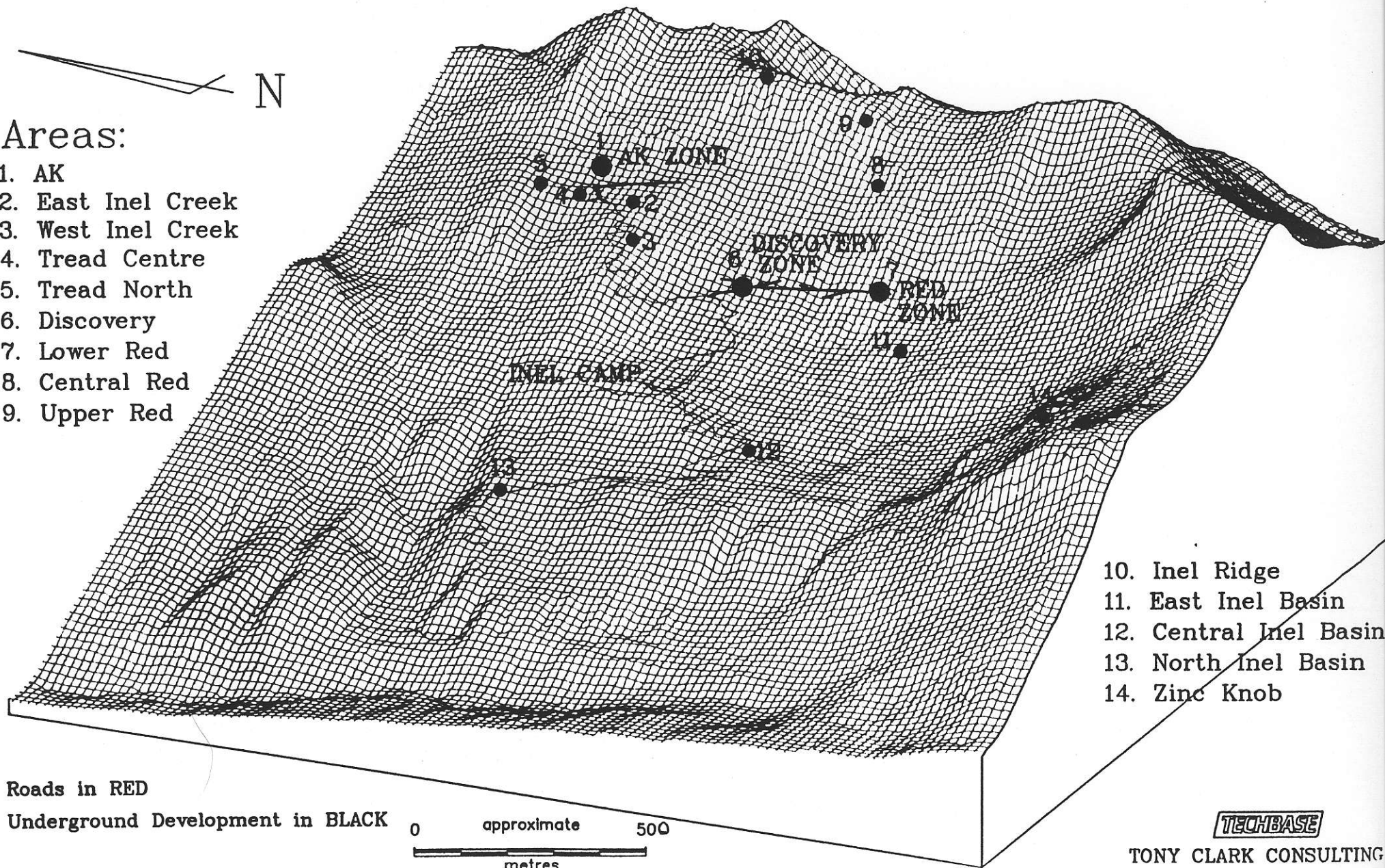
INEL WORKINGS

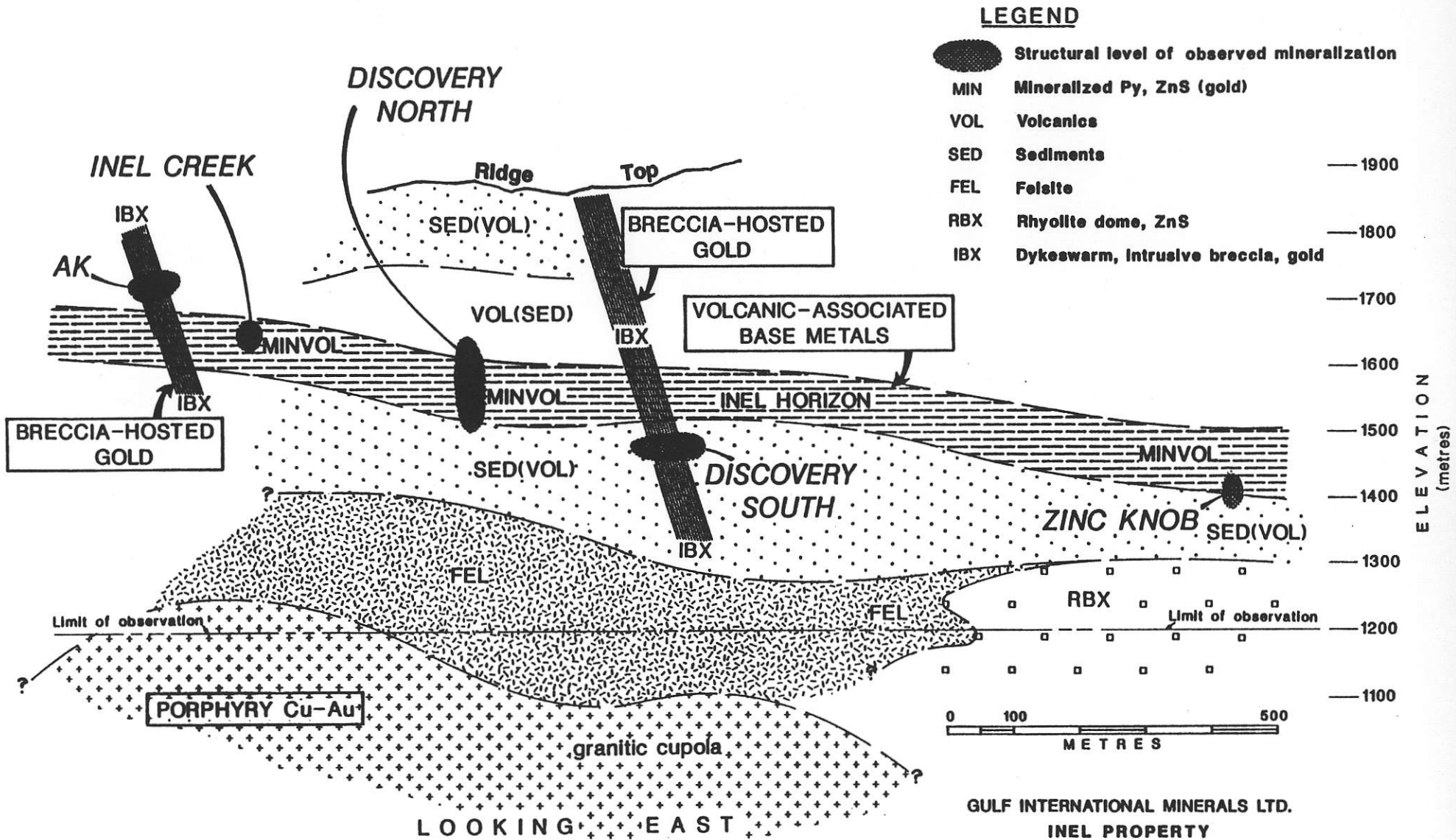
LOOKING NORTHEAST



Areas:

1. AK
2. East Inel Creek
3. West Inel Creek
4. Tread Centre
5. Tread North
6. Discovery
7. Lower Red
8. Central Red
9. Upper Red





**Schematic Composite Section
Interpreted Forms of Mineral Occurrence**



1. AK ADIT
(Top Left)



2. INEL BASIN
(Top Right)



3. INEL CAMP
(Above)



4. COFFEE BREAK
(Bottom Left)