

**1987 SUMMARY REPORT
on the
GAB 9 CLAIM**

**Located in the Iskut River Area
Liard Mining Division
British Columbia
NTS 104B/10W**

at

**56°52' North Latitude
130°55' West Longitude**

**- Prepared for -
JAZZMAN RESOURCES INC.**

**- Prepared by -
S.L. TODORUK, GEOLOGIST
C.K. IKONA, P.Eng.**

December 1987

SUMMARY REPORT on the GAB 9 MINERAL CLAIM

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1.0 INTRODUCTION

Jazzman Resources Inc.'s Gab 9 mineral claim (20 units) was staked in the fall of 1986 to the west and north of Newmont Lake in northwestern British Columbia (Figure 1). The ground was acquired to cover favourable geology immediately north of Gulf International Minerals Ltd.'s McLymont claim group. Gulf International has been actively exploring their property for the last three years.

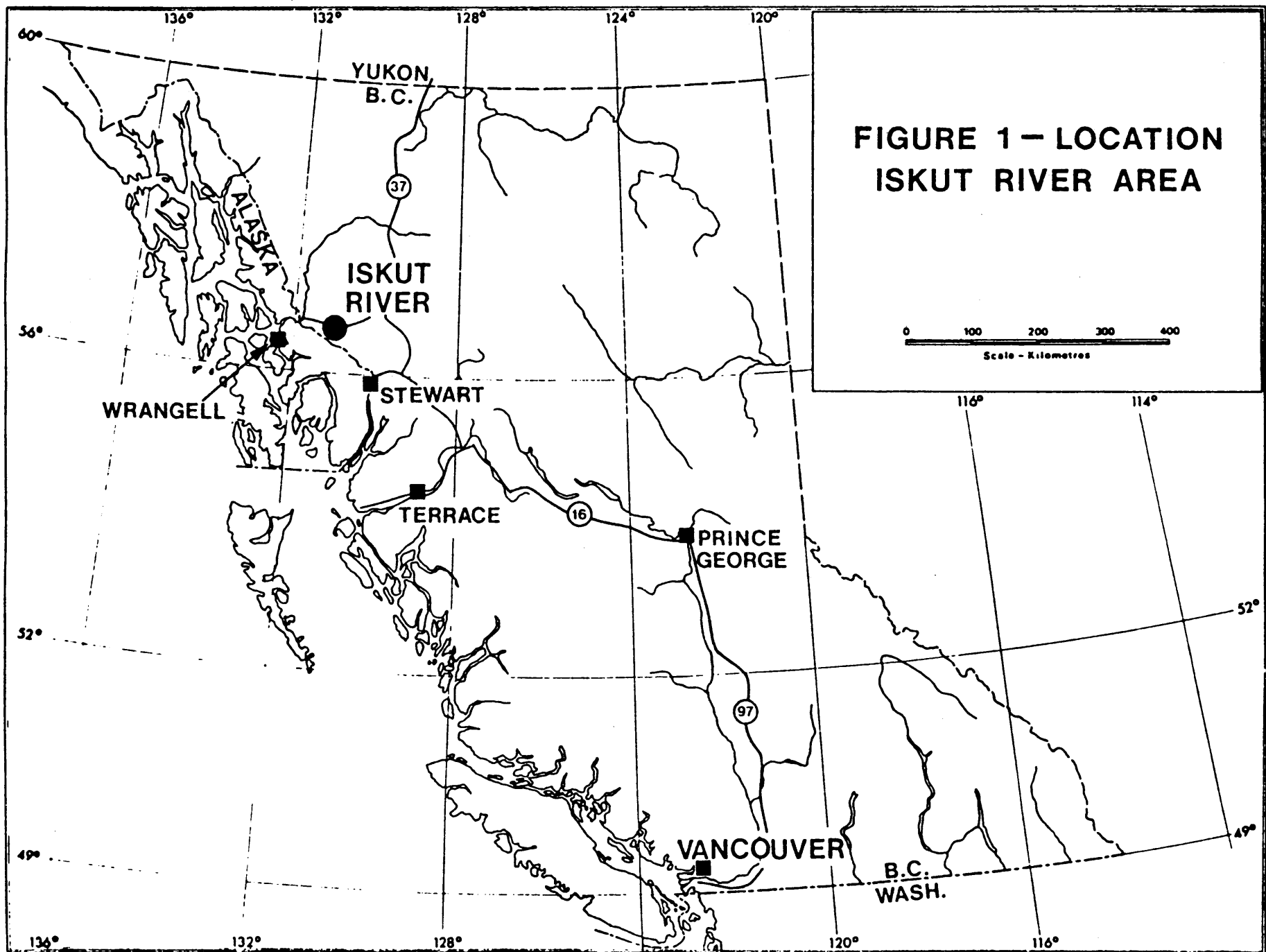
A major northeast trending air photo lineament can be noted in the area. This is a steeply dipping fault which extends for in excess of 10 km from Consolidated Sea Gold's Gab 11 and 12 claims in the southwest through the northwest portion of Gulf International's McLymont claim group and bisecting Jazzman's Gab 9 claim to the northeast.

Prospecting samples of mineralization apparently associated with this structure returned values up to .789 oz/ton Au on the Consolidated Sea Gold claims and in excess of 1.0 oz/ton in the area of Gulf International's 1987 drilling. Gulf has recently released the results of some of their drilling in this area. Highlights of this program include:

<u>Hole Number</u>	<u>Width (metres)</u>	<u>Gold (oz/ton)</u>
25	4.06	0.82
29	2.06	7.72
29	1.5	1.28

Detailed exploration of the Gab 9 claim has not taken place although regional work by Dupont in 1982 yielded anomalous geochemical samples from creeks associated with the fault structure on the Gab 9 claim.

This report is intended to summarize the available information on the property and recommends an exploration program for the 1988 field season.



2.0 LIST OF CLAIMS

Jazzman has purchased the claim group from the Iskut Gold Syndicate under an agreement dated 20th of November 1987.

<u>Claim Name</u>	<u>Record Number</u>	<u>No. of Units</u>	<u>Record Date</u>	<u>Expiry Date</u>
Gab 9	3822	20	December 22, 1986	December 22, 1989

The writers have been associated with both the Sea Gold and Gulf projects and have visited these properties but have not examined the Gab 9 property in the field.

3.0 LOCATION, ACCESS AND GEOGRAPHY

The Gab 9 mineral claim is located on the eastern edge of the Coast Range Mountains approximately 120 kilometres northwest of Stewart, British Columbia. The property covers the southeastern flank of a mountain northwest of Newmont Lake. The Gab claim lies within the Liard Mining Division centred at 56° 52' north latitude and 130° 55' west longitude.

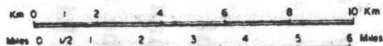
Access to the property is by helicopter from the Bronson Creek air strip located approximately 20 kilometres to the southwest. Daily scheduled flights to the strip from Smithers and Terrace have been available during the field season using fixed wing aircraft. The air strip is being readied to accommodate DC-3 aircraft.

A proposal by C.K. Ikona of Pamicon Developments Ltd., on behalf of Skyline Explorations Ltd., addresses the construction of a road approximately 65 kilometres long, on the south side of the Iskut Valley to connect the Stewart-Cassiar Highway with a proposed BC Hydro dam site on the Iskut River and Skyline's Stonehouse Gold deposit.

PROPERTY MAP

LIARD MINING DIVISION

BRITISH COLUMBIA

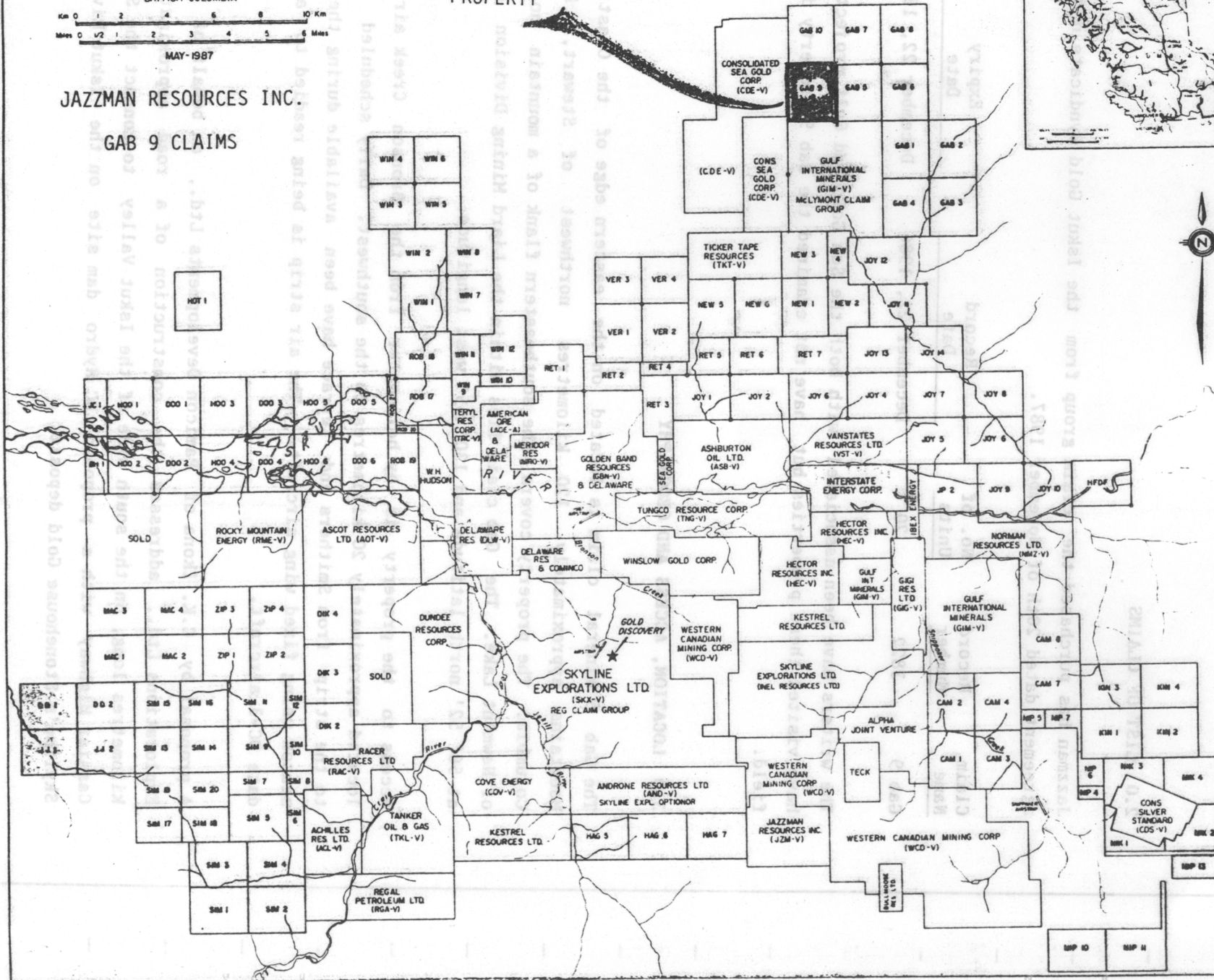
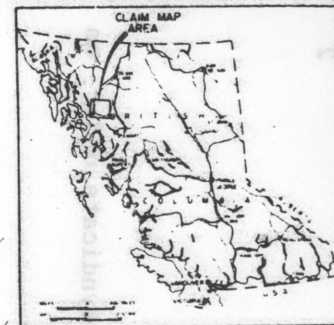


MAY-1987

JAZZMAN RESOURCES INC.

GAB 9 CLAIMS

PROPERTY



Geographically, the area is typical of mountainous and glaciated terrain with the elevations ranging from under 1000 metres above sea level at Newmont Lake to in excess of 2000 metres. Most of the property occurs above tree line although the lower elevations may be covered with a dense growth of spruce and slide alder.

Rugged topography, glaciers, climate and vegetation all inhibit traversing throughout the area. Operating with local helicopter support is the most practical and cost effective means of exploring the claim.

4.0 AREA HISTORY

The first recorded work done in the Iskut Region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny Mountain. Iskut Mining Company subsequently worked crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 9 metre adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd.'s Reg deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopter borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Sulphurets Creek. Work included trenching, drilling and 460 metres of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling. One and one-half metres grading 0.220 ounces gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing. In 1981 and 1982 Dupont Exploration conducted work on their Warriier claims which comprised a portion of Newmont's property near Newmont Lake. These claims were allowed to lapse and now comprise portions of the ground held by Gulf International, Consolidated Sea Gold and Jazzman.

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 460 metres of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity. As of March 1987, reserves on the Stonehouse Gold Zone were reported as:

	<u>Au</u> (oz)	<u>Ag</u> (oz)	<u>Cu</u> (%)	<u>Tons</u>
Total Measured	1.328	1.91	1.50	79,848
Total Drill-Indicated	0.671	0.97	0.78	153,598
Total Inferred	<u>0.670</u>	<u>0.70</u>	<u>0.67</u>	<u>705,000</u>
Total	0.730	0.85	0.76	938,446

(New ore reserve calculations will be announced in January, 1988. It is anticipated reserves and grades will be noticeably higher than reported above.)

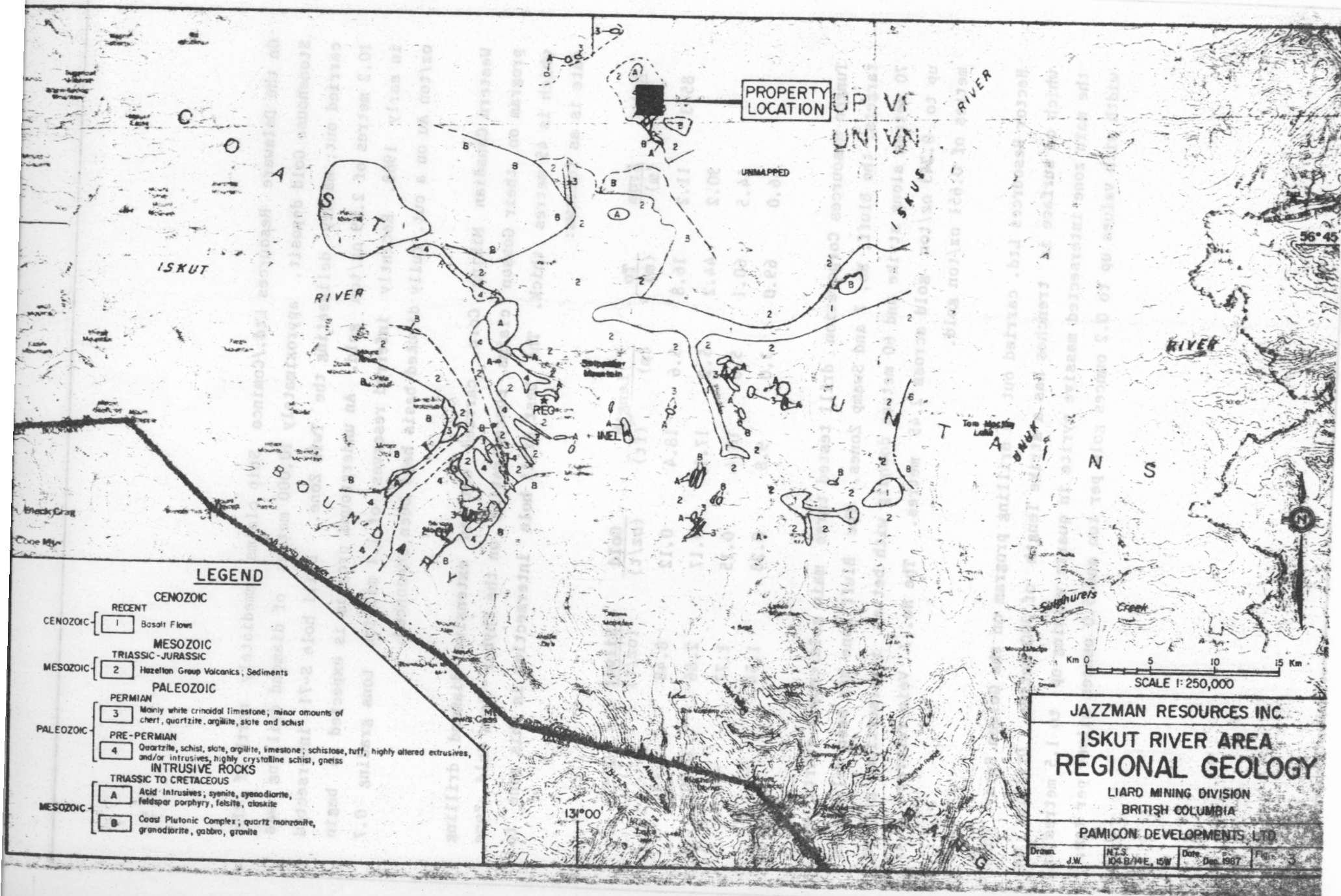
On the Delaware Resources Ltd./Cominco Snip claims immediately north of the Stonehouse Gold deposit, approximately 10,000 metres of diamond drilling was carried out, mainly delineating the Twin Zone. Drill hole S-71 intersected 10.2 metres of 2.59 oz/ton gold. An underground program is expected to begin in early 1988. Recently inferred reserves of 1.1 million tons grading 0.7 oz/ton Au on a cut, fully diluted basis have been announced.

Western Canadian Mining Corp. carried out an extensive diamond drilling program on their Gosson claims, concentrating on the Khyber Pass Gold Zone which is 45 metres thick. The best drill hole intersection in this zone to date is as follows:

<u>Hole</u>	<u>From</u> (m)	<u>To</u> (m)	<u>Length</u>		<u>Gold</u> (oz/t)	<u>Silver</u> (oz/t)	<u>Copper</u> (%)
85-3	11.2	16.8	5.6	18.4	0.12	6.48	1.74
	30.2	44.2	5.2	17.1	0.17	2.66	0.90
	54.5	60.1	5.6	18.4	0.15	1.77	--
	66.0	69.0	3.0	9.8	0.28	1.54	--

Tungco Resources Corporation drill tested three main gold/copper quartz vein targets; the Bluff, No. 7 and Swamp Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold.

Hector Resources Ltd. carried out a drilling program on the Golden Spray Zone which on surface in trenches has a strike length of 300 metres. Drilling on the main zone intersected massive pyrite in quartz veining up to 1.5 metres in width with values up to 0.2 ounces gold per ton and 5.0 ounces silver per ton.



5.0 REGIONAL GEOLOGY

Government mapping of the general geology in the Iskut River area (Kerr, 1929, GSC Maps 9-1957 and 1418-1979) has proved to be incomplete and unreliable. Subsequent mineral exploration studies have greatly enhanced the lithological and stratigraphic knowledge of this geo-entity known as the Stewart Complex (Grove, 1986). Figure 3 presents a compilation of the regional geology based on government mapping, available reports and the writers' experience in the area.

Grove (1986) defines the Stewart Complex in the following manner:

"The Stewart Complex lies along the contact between the Coast Plutonic Complex on the west, the Bowser Basin on the east, Alice Arm on the south and the Iskut River on the north."

Within the Stewart Complex the oldest rock unit consists of Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members (Figure 3). This oceanic assemblage has been correlated with the Cache Creek Group.

Unconformably overlying the Paleozoic limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments. These rocks have informally been referred to as the "Snippaker Volcanics." Grove (1981) correlates this assemblage to the Unuk River Formation of the Stewart Complex whereas other writers match this group with the time equivalent Stuhini Volcanics. Monotis fossils have been recognized on the north slope of Snippaker Peak and west of Newmont Lake, 20 km to the north, giving an age Late Triassic. It is within these rocks that Skyline's Stonehouse Gold and Inel deposits occur.

Grove reports an unconformable contact between Carboniferous and Middle Jurassic strata on both sides of Snippaker Ridge, north of Snippaker Peak. The same unconformable relationship between these major rock units appears to extend from Forrest Kerr Creek west, along the Iskut River, to the Stikine

River junction. Present interpretation suggests an east-west trending thrust along the axis of the Iskut River which, like the King Salmon Thrust Fault, pushed up and over to the south.

Following the Iskut River thrust faulting, the entire region was overlain by Middle Jurassic Hazelton Group volcanic-sedimentary rocks named the Betty Creek Formation by Grove (1986).

The batholithic Coast Plutonic Complex intrusions in the Iskut region are of Cretaceous and Tertiary age. Composition varies from quartz monzonite and granodiorite to granite. Satellitic subvolcanic acidic porphyries may be important in the localization of mineralization.

Quaternary and Tertiary volcanics occur to the east along the Iskut River near Forrest Kerr Creek and north at Hoodoo Mountain.

6.0 PROPERTY GEOLOGY

Figure 4 of this report presents the geology of the claim area. The basis of this map is Dupont's 1982 mapping, modified to reflect recent work by Gulf and Pamicon in 1986 and 1987.

The southwestern portion of the property is underlain by andesite and andesite agglomerate units of Permian and/or Triassic age. A major northeasterly trending fault bisecting the property has evidently resulted in uplifting of the geologic units to the northwest. This has exposed the lower units of this sequence near the fault contact. These units appear to be a sedimentary sequence of sandstones and limestones of possible Mississippian age which are overlain higher in the sequence and to the northwest by the andesite agglomerates.

Mineralization noted in the area has been associated with a skarn developed within the lower sequence of sediments in the overthrust package of rocks.

LEGEND

CRETACEOUS & TERTIARY

- 9 BASALTIC DYKE - Fine grained, dark green
- 8 FELSITE - Up to 2m in width, found within shears
- 7 GRANITE - QUARTZ MONZONITE - Fresh, slightly altered in part magnetite bearing
- 6 DIORITE - Massive, grey, no significant mineralization
- 5 QUARTZ PORPHYRY - Intensely altered (argillite), mineralized

PERMIAN &/OR TRIASSIC

- 4 PURPLE ANDESITIC AGGLOMERATE - (Possibly post - dated units 5 - 7) a) Flow b) Wacke c) Argillite
- 3 ANDESITE - Green - grey, pyritic, in part tuffaceous
- 2 RHYOLITE - CHERTY TUFFS - Pyritic, siliceous, gasconous a) Banded chert

- MISSISSIPPIAN
- LIMESTONE - Interbedded with andesite, agglomerate; massive, fossiliferous

FAULT (showing movement)

- JAZZMAN RESOURCES INC.

- CONSOLIDATED SEA GOLD

- 1987 Drill Area

- GULF INTERNATIONAL MINERALS

- JAZZMAN RESOURCES INC.

- GAB 9 AREA

- GEOLOGY MAP

- LIARD MINING DIVISION, B.C.

- PAMICON DEVELOPMENTS LTD.

- Drawn J.W.

- N.T.S. 104B

- Date. Dec. 1987

- Fig. No. 4

- AFTER: DUPONT 1982, GULF 1987, PAMICON 1987

- SCALE 1:20,000

- 500 1000

- METRES

- 56° 50' N.

- 130° 55' W.

- ICE

- 3500

- 4000

- 5000

- 6000

- 7000

- 8000

- 9000

The mineral assemblage noted in the Gulf drilling in the area consists of massive to disseminated magnetite, barite, pyrite and chalcopyrite with associated gold values as shown in Section 7.0 of this report.

7.0 SAMPLE RESULTS

Figure 5 of this report shows sample results from the area associated with the strike of the major fault structure. Gold values for the Dupont silt samples are shown on the figure with Table I presenting the entire analysis.

Table I

<u>Sample Number</u>	<u>Cu (ppm)</u>	<u>Pb (ppm)</u>	<u>Zn (ppm)</u>	<u>Ag (ppm)</u>	<u>Au (ppb)</u>
9603	40	14	50	0.8	25
9604	46	19	60	1.2	25
9606	167	17	58	1.1	45
10350	24	23	68	0.5	120
6859	56	--	72	1.0	60
6860	84	--	78	1.2	195

The above samples were collected and processed by standard industry methods with analysis done by atomic absorption spectrometer at Min-En Labs. The samples shown represent those relative to this report although a total of some 60 samples were collected over the balance of the then existing Dupont claim area. No statistical analysis of the samples was presented by Dupont although it is noted that only 12 of the samples were greater than 5 ppm Au and of these, values of 25 ppm or greater would appear to be considered anomalous.

Figure 5 shows the general location of samples from recent follow-up prospecting on the Dupont values both on the Sea Gold and Gulf properties. Table II presents a summary of these values.

LEGEND

- Dupont Geochemical samples (silt) - 1982 (See Table 1)
- Drill set-ups (approx.)

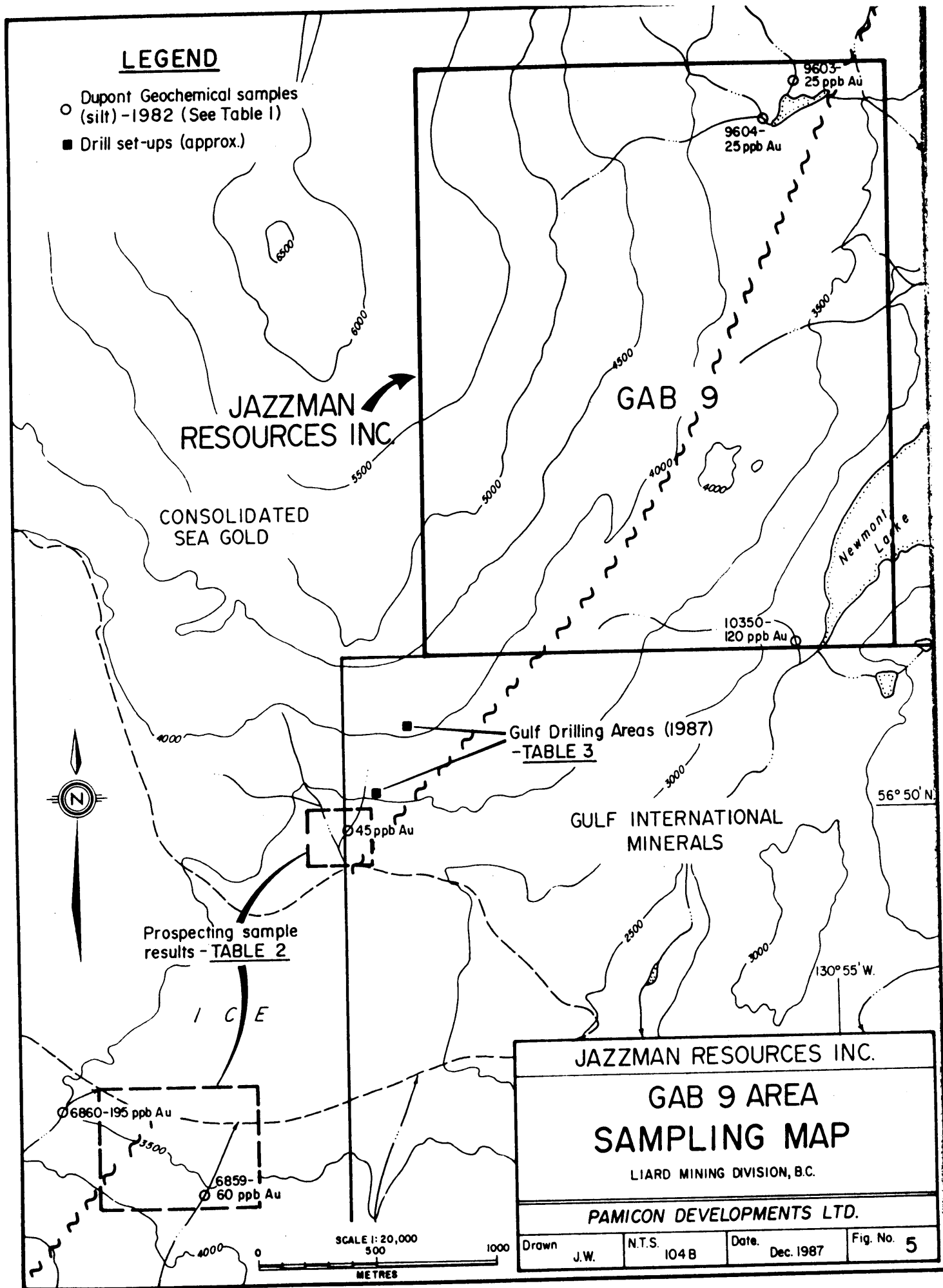


Table II

a. Consolidated Sea Gold (SW of Glacier)

<u>Sample</u>	<u>Au (oz/ton)</u>
16042	0.356
16284	0.303
16047	1.858
15398	0.688

b. Gulf-Consolidated Sea Gold (NE of Glacier)

<u>Sample</u>	<u>Au (oz/ton)</u>
1380	0.209
1373	0.789
1385	0.344

Figures 4 and 5 show the general area of 1987 drilling by Gulf International. Table III below presents a summary of results recently released.

Table III

<u>DDH No.</u>	<u>Footage</u>	<u>Width (feet)</u>	<u>Gold (oz/ton)</u>	<u>Silver (oz/ton)</u>
25	343.0-373.0	30.0	.404	
25	409.3-412.0	2.7	.250	
25	470.2-473.8	3.6	1.520	
28	150.5-154.0	3.5	.150	
29	205.0-241.5	36.5	1.492	
30	137.1-142.0	4.9	.120	
30	224.1-234.0	9.9	.215	1.42
31	173.4-186.0	12.6	.158	
31	220.9-222.0	1.1	.360	
32	161.3-168.5	7.2	.201	

Minimal additional work appears to have been done on the Gab 9 claim area.

8.0 DISCUSSION AND CONCLUSIONS

The Gab 9 claim appears to be underlain in part by the same structural and geologic units which are associated with known gold mineralization on the adjoining properties to the southwest. Follow-up prospecting on silt geochemical anomalies on these properties of the same order of magnitude as those on the Gab 9 claim led to the discovery of good grade gold values. The Gab 9 would therefore appear to be an excellent exploration target. A recommended program for this property is contained in the following section of this report.

9.0 RECOMMENDATIONS

- a. The exact location of property boundaries in the area must be determined. As the Gulf property pre-dates both Sea Gold and Jazzman's staking the legal corner post of the Gulf claim group will determine these boundaries. A surveyor should be engaged to determine the boundaries with the cost possibly shared by the three companies.
- b. Prospecting, geological mapping and geochemistry has proven to be of value in the area. All three should be used on the property.
- c. The presence of massive magnetite in the skarn hosting some of the gold values in Gulf's drilling indicates a magnetometer survey in areas of interest should be used following the above recommendations.
- d. Trenching of any mineralized areas encountered should proceed.

This program is estimated to cost \$40,000 as detailed below.

Dependent upon the results of the above program additional expenditures for the next stage of the project will be necessary. This could possibly comprise additional trenching and/or a short drill program. An accurate estimate of this cost is not possible, however some \$125,000 should be available should this proceed.

9.1 STAGE I - RECOMMENDED BUDGET

Boundary survey

\$6,000 : by 3 companies	\$ 2,000
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Geological mapping and prospecting

1 geologist @ \$300/day for 10 days	3,000
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1 prospector @ \$200/day for 10 days	2,000
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Geochemical sampling

2 samplers @ \$150/day for 10 days	3,000
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Trenching

1 blaster and 1 helper @ \$500/day for 5 days	2,500
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Assay and geochem

100 @ \$15	\$1,500
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200 @ \$10	<u>2,000</u>
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	3,500
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Food and support

50 man days @ \$100	5,000
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Transportation

Fixed wing (pro-rated)	3,000
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Helicopter - 20 hours @ \$500	10,000
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Equipment expense and rentals

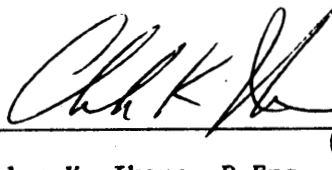
4,000

Engineering and reports


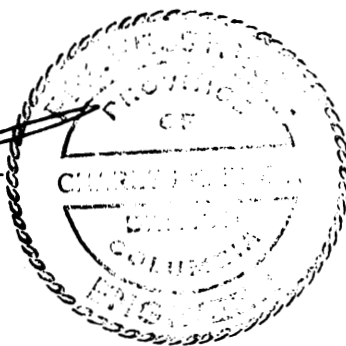
2,000

\$40,000

Respectfully submitted,



Charles K. Ikona, P.Eng.



Steve L. Todoruk, Geologist

APPENDIX A

BIBLIOGRAPHY

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APPENDIX B

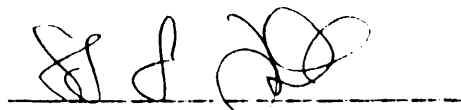
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, STEVE L. TODORUK, of Suite 102, 8675 Fremlin Street, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Pamicon Developments Limited, with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a Bachelor of Science Degree in Geology.
3. THAT my primary employment since 1979 has been in the field of mineral exploration.
4. THAT my experience has encompassed a wide range of geologic environments and has allowed considerable familiarization with prospecting, geophysical, geochemical and exploration drilling techniques.
5. THAT this report is based on data generated by myself, under the direction of Charles K. Ikona, Professional Engineer.
6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
7. THAT I hereby grant permission to Jazzman Resources Inc. for the use of this report in any prospectus or other documentation required by any regulatory authority.

DATED at Vancouver, B.C., this 22 day of Dec., 1987.



Steve L. Todoruk, Geologist

APPENDIX C


ENGINEER'S CERTIFICATE

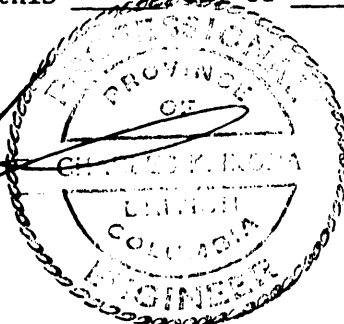
ENGINEER'S CERTIFICATE

I, CHARLES K. IKONA, of 5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Consulting Mining Engineer with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. THAT this report is based on a research of all available information on the Gab 9 mineral claim and on examination and work programs conducted on adjacent claims by myself and Steve Todoruk, Geologist of our office.
5. That I have not examined the property reported on, but have had extensive experience in the area.
6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to acquire any such interest.
7. THAT I consent to the use by Jazzman Resources Inc. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, B.C., this 22 day of Dec, 1987.


Charles K. Ikona, P. Eng.



PAMICON
DEVELOPMENTS LIMITED

PAMICON DEVELOPMENTS LIMITED
#711-675 WEST HASTINGS ST., VANCOUVER, BC
CANADA V6B 1N4
TELEPHONE: (604) 684-5901

July 25, 1988

Mr. C. Underhill
Jazzman Resources Inc.
1140, 625 Howe Street
Vancouver, B.C.
V6C 2T6


Dear Sir:

In response to the letter of July 20, 1988 from the Vancouver Stock Exchange which refers to our report of December 1987 on the Gab 9 claim group of Jazzman Resources Inc.

On July 14, 1988 I made a brief examination of the Gab 9 claims accompanied by Mr. Steve Todoruk of our office. Subsequent to this Mr. Todoruk spent an additional day on the claims.

Based on these examinations we see no reason to modify our report of December on the property and recommend that the Stage I program as presented in the report be initiated.

Yours truly,


Charles K. Ikona, P.Eng.

CKI/cg

