

PROPERTY FILE

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104B 282
104B/15W

MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES

Rec'd JUL 6 1990

SMITHERS, B.C.

SUPERINTENDENT OF BROKERS
- AND -
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS #30/90.

EFFECTIVE DATE: June 5, 1990.

JAZZMAN RESOURCES INC. (the "Issuer"), of Suite 1140, 625 Howe Street,
Vancouver, British Columbia, V6C 2T6; Telephone: (604) 689-5588

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Suite 1140, 625 Howe Street, Vancouver, British Columbia, V6C 2T6

ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

THE ROYAL TRUST COMPANY, Corporate Trust Department, 1177 West Hastings
Street, P.O. Box 1900, Station "A", Vancouver, British Columbia, V6C 3K9

NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S
SECURITIES IN BRITISH COLUMBIA

OFFERING

800,000 UNITS AT A ESTIMATED PRICE OF \$0.75 PER UNIT

**EACH UNIT CONSISTS OF ONE (1) COMMON SHARE AND ONE (1) SERIES "A"
SHARE PURCHASE WARRANT. EACH SERIES "A" SHARE PURCHASE
WARRANT ENTITLES THE HOLDER THEREOF TO PURCHASE AN ADDITIONAL
COMMON SHARE OF THE ISSUER AT THE OFFERING PRICE FOR THE FIRST
YEAR OR AT 115% OF THE OFFERING PRICE FOR THE SECOND YEAR FROM
THE OFFERING DAY FOR THIS STATEMENT OF MATERIAL FACTS.**

	Price to Shareholder (estimated)(1)	Agent's Commission (estimated)(3)	Estimated Net Proceeds to the Issuer from Offering
Per Unit:	\$ 0.75	\$0.05625	\$0.69375
Total:	\$600,000(2)	\$ 45,000	\$555,000

- (1) To be calculated in accordance with the Rules of the Vancouver Stock Exchange.
- (2) In addition, the Agent will be granted 300,000 Agent's Warrants as described under the Item captioned "Plan of Distribution" herein.
- (3) Before deducting the costs of this Offering, estimated to be \$30,000, which will be paid by the Issuer.

June 25/90

ADDITIONAL OFFERING

THE AGENT HAS AGREED TO PURCHASE ANY OF THE UNITS OFFERED HEREBY WHICH HAVE NOT BEEN SOLD AT THE CONCLUSION OF THE OFFERING (THE "GUARANTEE"), AND AS CONSIDERATION FOR THE GUARANTEE HAS BEEN GRANTED THE AGENT'S WARRANTS. ANY UNITS ACQUIRED BY THE AGENT PURSUANT TO THE GUARANTEE WILL BE DISTRIBUTED UNDER THIS STATEMENT OF MATERIAL FACTS THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AT THE MARKET PRICE AT THE TIME OF THE SALE. FOR FURTHER PARTICULARS PLEASE REFER TO THE ITEM CAPTIONED "PLAN OF DISTRIBUTION" HEREIN.

Name and Address of the Issuer's Agent

L. O. M. WESTERN SECURITIES LTD.
Stock Exchange Tower, P.O. Box 10337
Suite 2200, 609 Granville Street
Vancouver, British Columbia
V7Y 1H2

THE ISSUER IS, UNDER THE RULES OF THE VANCOUVER STOCK EXCHANGE, A VENTURE COMPANY.

THE SECURITIES OFFERED HEREUNDER ARE SPECULATIVE IN NATURE. INFORMATION CONCERNING THE RISKS INVOLVED MAY BE OBTAINED BY REFERENCE TO THIS DOCUMENT. FURTHER CLARIFICATION, IF REQUIRED, MAY BE SOUGHT FROM A BROKER.

NEITHER THE SUPERINTENDENT OF BROKERS NOR THE VANCOUVER STOCK EXCHANGE HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATIONS TO THE CONTRARY IS AN OFFENCE.

DATED: May 25, 1990.

In accordance with the terms of the Gab 9 Mineral Claim Option and Joint Venture Agreement, Crimsonstar's Option is conditional upon the receipt of Exchange approval for the same on or before July 15, 1990.

(Crimsonstar is a British Columbia reporting company whose common shares are listed for trading on the Exchange. Crimsonstar has no insiders or associates of insiders in common with the Issuer.)

A copy of the aforementioned Gab 9 Mineral Claim Option Agreement and Gab 9 Mineral Claim Option and Joint Venture Agreement will be available for inspection at the head office of the Issuer located at Suite 1140, 625 Howe Street, Vancouver, British Columbia, V6C 2T6, during normal business hours while the distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.

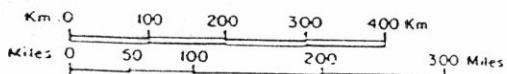
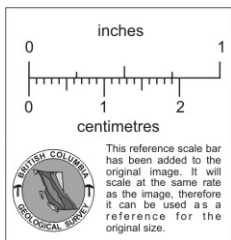
Description of the Gab 9 Mineral Claim

The following information respecting the Issuer's Gab 9 Mineral Claim has been excerpted from an engineering report dated March, 1990 (the "*Gab 9 Mineral Claims Report*"), prepared for the Issuer by S. L. Todoruk, Geologist, and C. K. Ikona, P.Eng, both of Pamicon Developments Ltd., of Suite 711, 675 West Hastings Street, Vancouver, British Columbia, which Gab 9 Mineral Claim Report is available for inspection at the head office of the Issuer located at Suite 1140, 625 Howe Street, Vancouver, British Columbia, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.

Introduction

The Gab 9 Mineral Claim Report discloses, at pages 1 and 2, the following:

"Jazzman Resources Inc. owns a 100% interest in the Gab 9 mineral claim (20 units) located within the Liard Mining Division of northwestern British Columbia. The property is situated immediately north of Gulf International Minerals' McLymont project where Gulf has carried out extensive drilling programs delineating their Northwest zone. Drilling on that property has identified a north-northeast striking zone of stratabound skarn-limestone replacement style mineralization consisting of pyrite-chalcopyrite-magnetite-jasper-barite + visible gold generally associated with recrystallized horizons of crinoidal limestone. Drill hole intersections from this zone have produced significant results such as in drill holes 87-29 and 89-11 which gave 36.5 feet grading 1.605 oz/ton Au(gold) and 21.1 feet grading 0.770 oz/ton Au respectively.



JAZZMAN RESOURCES INC.

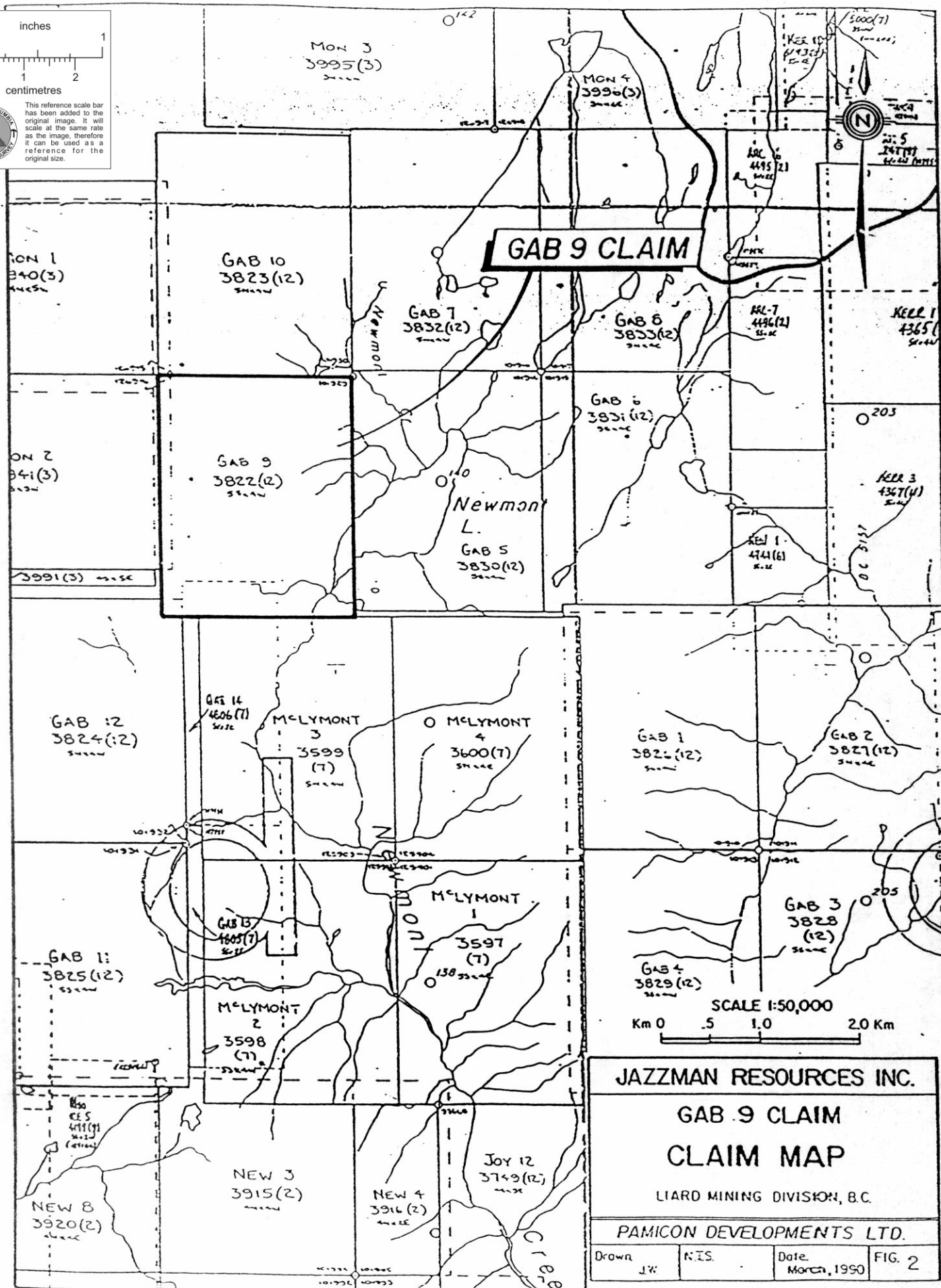
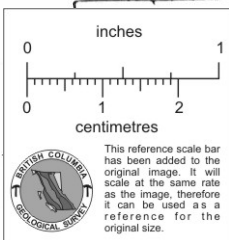
GAB 9 CLAIM

PROPERTY LOCATION MAP

LIARD MINING DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

DRAWN J.W.	NTS 104B/15W	DATE MAR./90	FIGURE 1
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- MINERAL OCCURRENCE
- MAJOR MINERAL OCCURRENCE

SCALE 1:500,000
0 10 20 Km

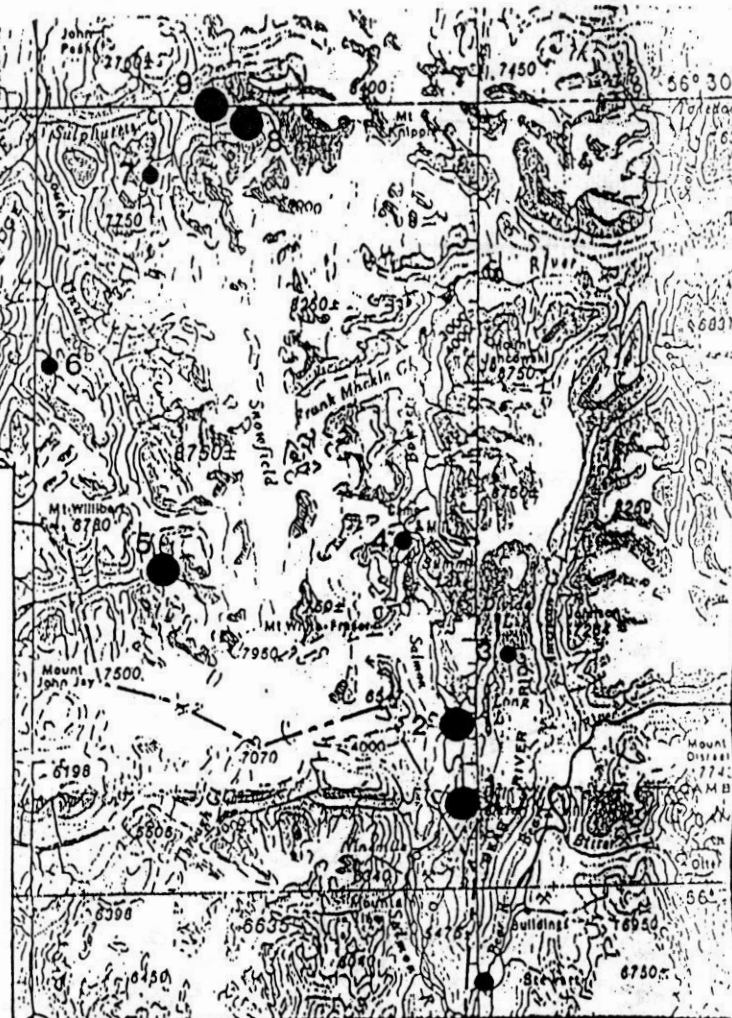
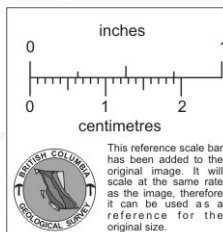
COMPILED BY S.TODORUK (1988,1989)

PROPERTY OWNER

1. Vestal Resources Ltd./Silkha Premier Mines
2. Vestal Resources Ltd./Tournigan Mining Exploration Ltd.
3. Noranda (Toll Creek Project)
4. Scottie Gold Mine
5. Granduc
6. Echo Bay Mines/Nagna Ventures/Silver Princess Resources (Doc Project)
7. Western Canadian Mining (Kerr Project)
8. Catear Resources Ltd. (Gold Wadge Project)
9. Newhawk/Granduc (Sulphurets West Zone Project)
10. Calypso/Consolidated Silkhine Silver Ltd. (Zakay Creek Project)
11. Consolidated Silver Standard Mines Ltd. (D & L Deposit)
12. Inel Resources Ltd.
13. Skyline Exploration Ltd. (Stouchouse Gold Deposit)
14. Kestrel Resources Ltd.
15. Hector Resources Inc. (Golden Spray Vein)
16. Tungen Resources Corp.
17. Vinalow
18. Conlaco/Delaware Resource Corp. (Snip Deposit)
19. Perzgold Resource Corp.
20. Herldot Resources Ltd.
21. Delaware Resource Corp./American Ore Ltd./Golden Band
22. Nugenta Development Corp./Crest Resources Ltd.
23. Nicker Page Resources Ltd. (King Vein)
24. Perzgold Resource Corp.
25. Consolidated Sea-Gold Corp.
26. Gulf International Minerals Ltd. (Northwest Zone)
27. Kerr Clalma
28. Perzgold Resource Corp. (Cuba Zone)
29. Perzgold Resource Corp. (Ken Zone)
30. Porrest Project
31. Pass Lake Resources Ltd. (Trek Project)
32. Calore Creek
33. Continental Gold Corp.
34. Jelles Resources Ltd./Sarabat Resources Ltd. (Jack Wilson Project)
35. Pass Lake Resources Ltd. (JD Project)
36. Lie Minerals (Bankin Peak Project)
37. Schult Creek
38. Paydirt

MINERAL RESERVES AND/OR ELEMENTS

6,100,000 tonnes 0.044 oz/ton Au, 3.39 oz/ton Ag
1,450,000 tonnes 0.05 oz/ton Au, 0.47 oz/ton Ag
Au
10,890,000 tons 1.791 Cu
470,000 tons 0.27 oz/ton Au, 1.31 oz/ton Ag
Cu, Au
375,000 tons 0.75 oz/ton Au, 1.0 oz/ton Ag
854,000 tons 0.354 oz/ton Au, 22.94 oz/ton Ag
Au, Cu, Ag
3,200,000 tons 0.801 Ag, 0.402 Cu
Au, Ag, Cu, Pb, Zn
710,000 tons 0.57 oz/ton Au, 1.0 oz/ton Ag, 0.451 Cu
Au, Ag, Cu, Pb, Zn
Au, Ag
Au, Ag, Cu, Pb, Zn
Au, Ag, Cu, Pb, Zn
1,037,000 tons 0.875 oz/ton Au
Ag, Au
Au
Au, Ag, Cu, Pb
Au
Au
Au, Ag, Cu
Ag, Cu, Au
Ag, Pb, Zn
Cu, Au
Au, Ag, Cu
Cu, Au
125,000,000 tonnes 1.061 Cu, 0.391 g/t Au, 1.54 g/t Ag
Au, Ag, Cu
Au, Cu
Au, Cu
Au
910,000,000 tonnes 0.301 Cu, 0.0301 Mo, 0.113 g/t Au, 0.991 g/t Ag
200,000 tons 0.120 oz/ton Au



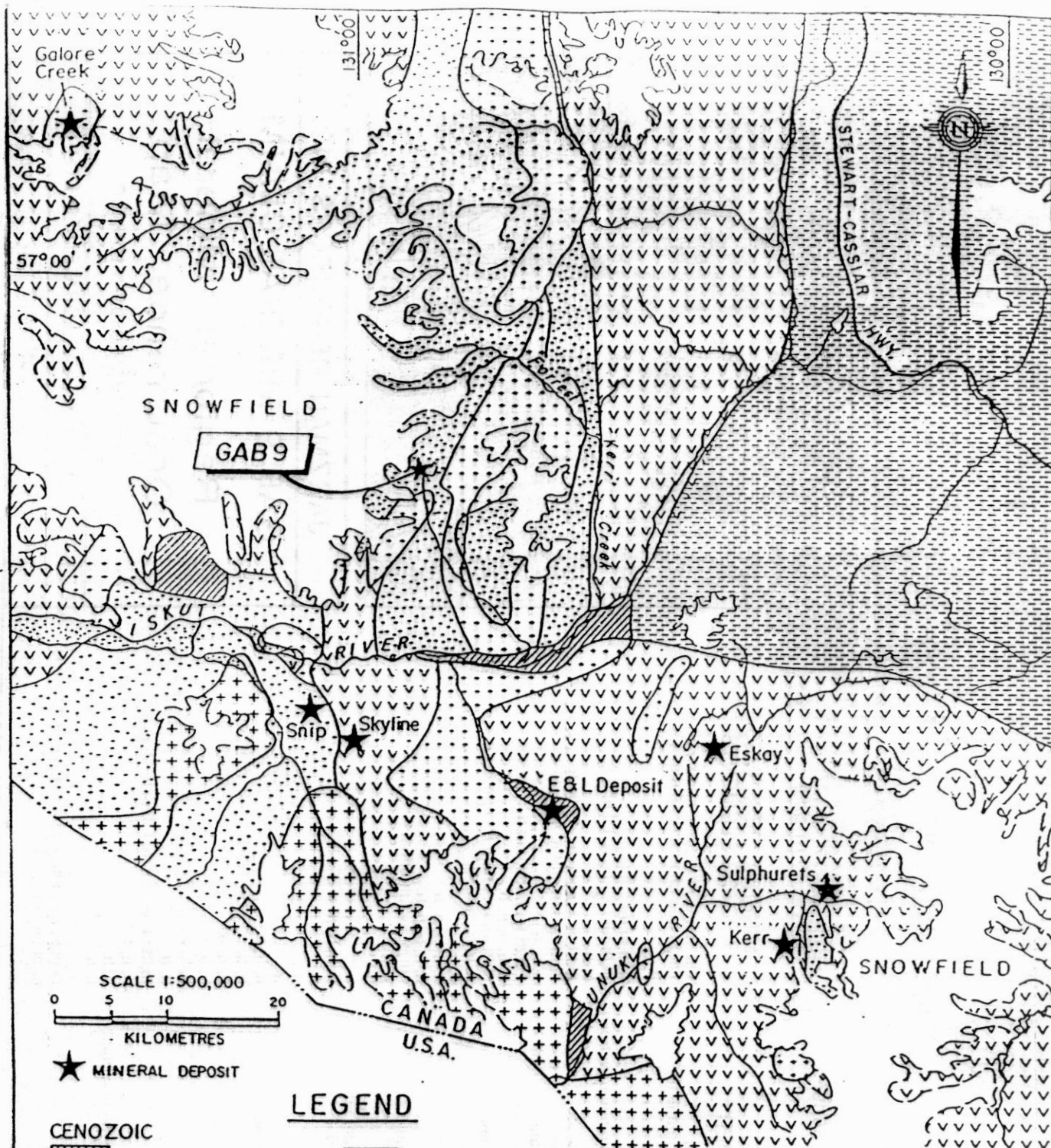
JAZZMAN RESOURCES INC. GAB 9 MINERAL CLAIM

Regional Mineral Occurrence Map

LIARD MINING DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

NTS: 103, 104 Date: Mar./90 FIGURE: 3



Geology interpreted from G.S.C. Map II-1971, Telegraph Creek; Equity Preservation Corp., Stewart-Sulphurets-Iskut Map 1988; B.C.G.S. Open File 1990-1; and from Pamicon Developments Ltd. field maps.

0 1

0 1 2

inches

centimetres

BRITISH COLUMBIA
GEOLOGICAL SURVEY

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SOURCES INC.

CLAIM

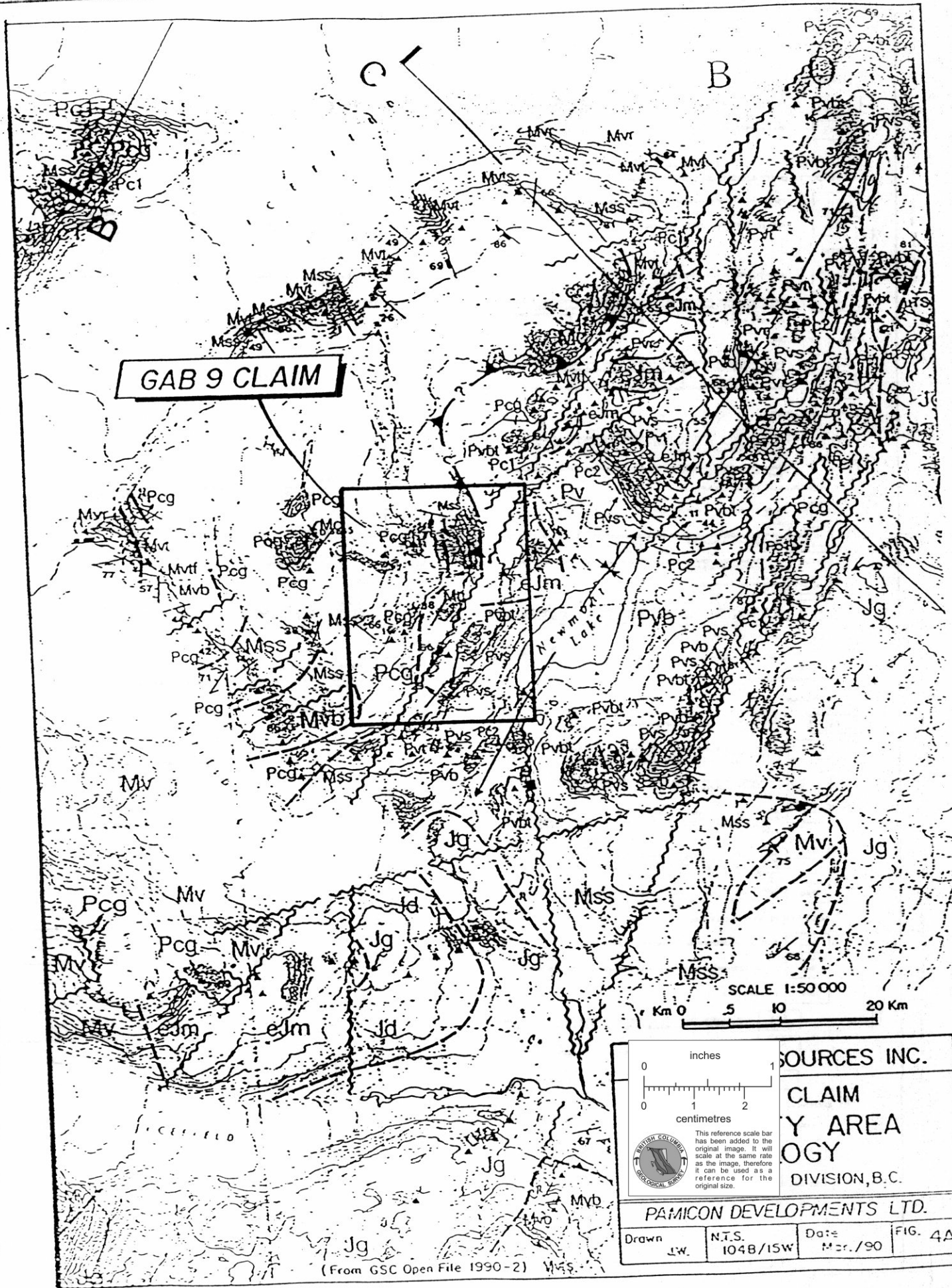
IFIED

GEOLOGY

LIARD MINING DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

Drawn J.W. N.T.S. 103, 104 Date Mar./90 FIG 4



GAB 9 CLAIM

SCALE 1:50 000
Km 0 5 10 20 Km

inches

centimetres

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SOURCES INC.

CLAIM

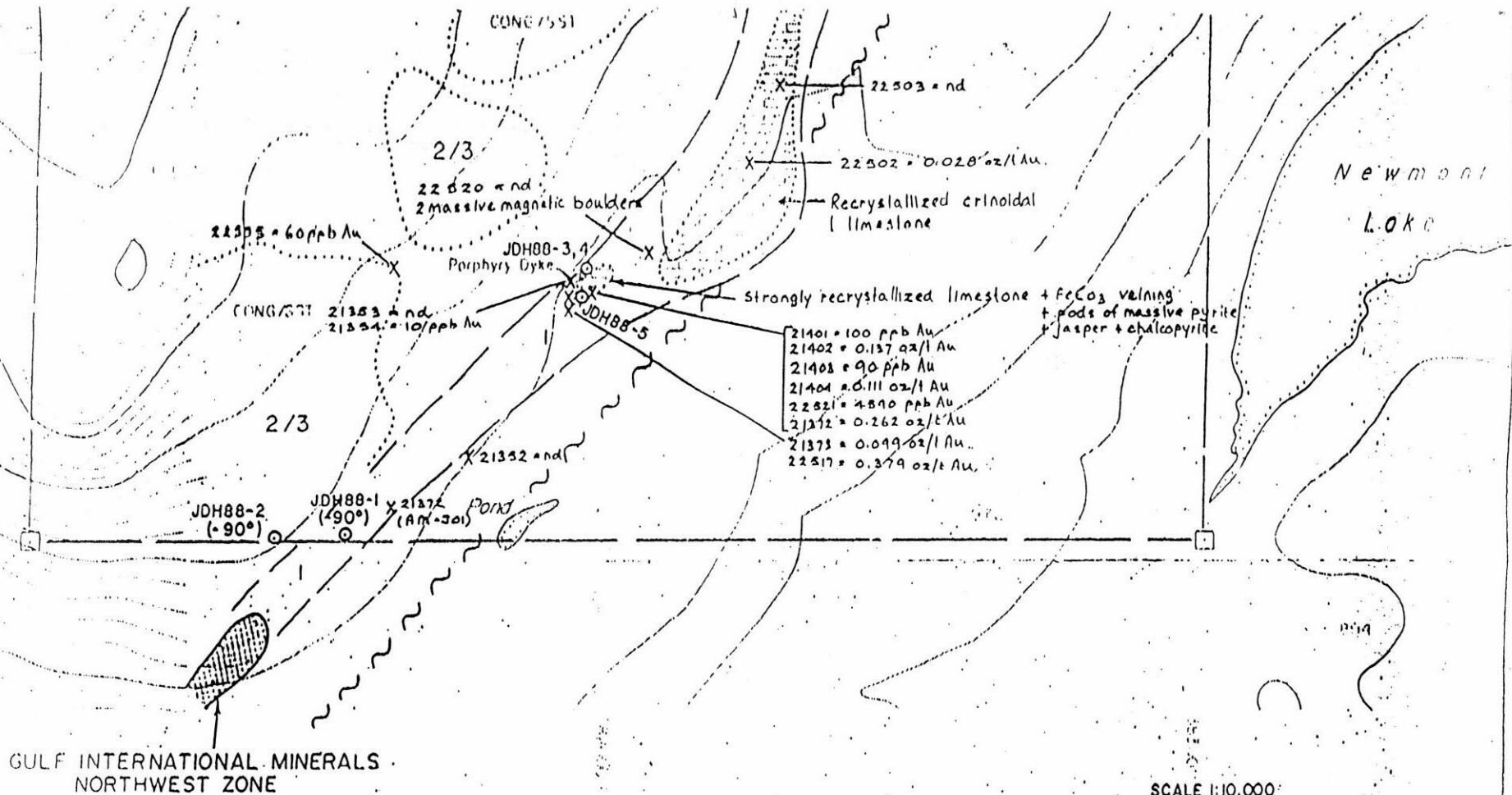
Y AREA

OGY

DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

Drawn J.W.	N.T.S. 1048/15W	Date Mar./90	FIG. 4A
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LEGEND

INTRUSIVE



Feldspar porphyry dyke / Andesite Porphyry dyke

PALEOZOIC



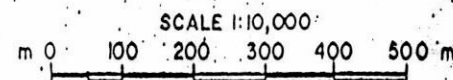
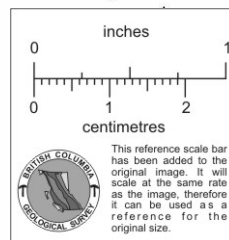
Sandstone/Siltstone/Argillite



Conglomerate



Mississippian grey crinoidal limestone (locally
marbled with jasper, chalcopyrite + pyrite)



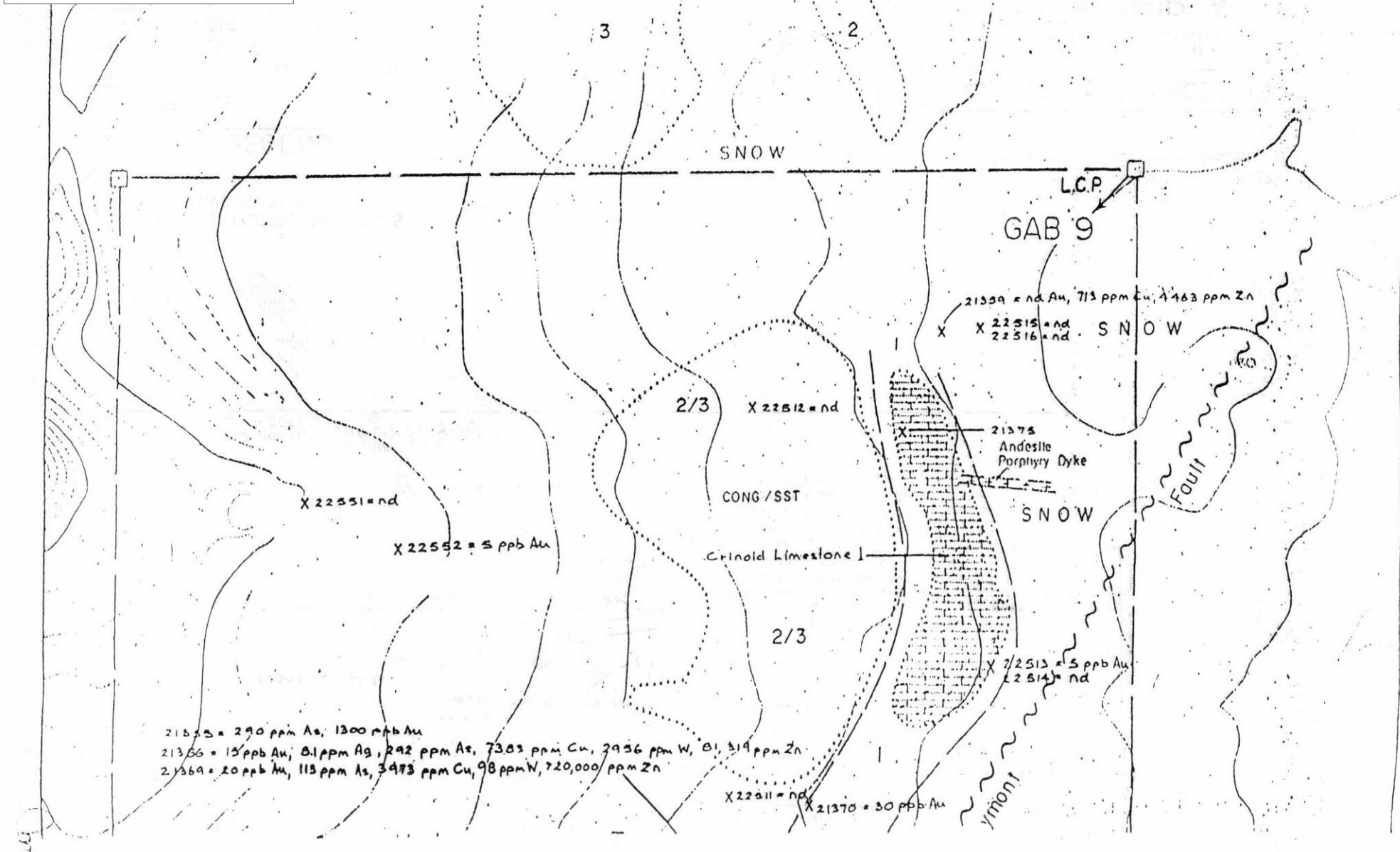
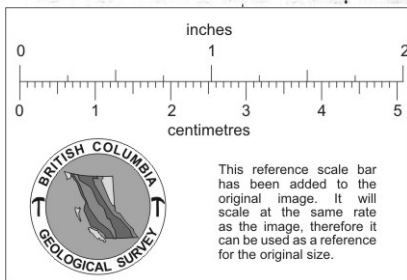
JAZZMAN RESOURCES INC.

GAB 9 CLAIM ROCK CHIP & GEOLOGY MAP

LIARD MINING DIVISION, B.C.

PAMICON DEVELOPMENTS LTD.

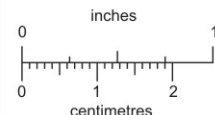
Drawn. J.W.	N.T.S. 101 B/15 W	Date. Feb. 1989	FIGURE 5
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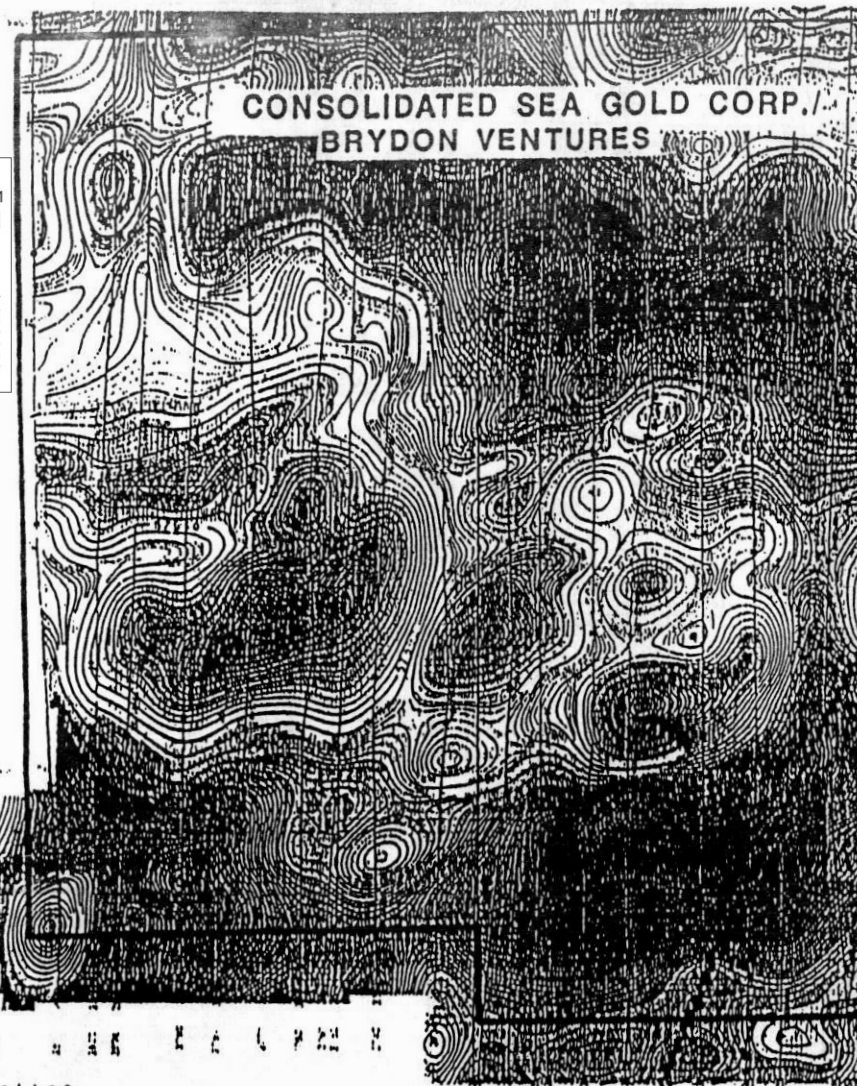
CONSOLIDATED SEA GOLD CORP./
BRYDON VENTURES

GULF INTERNATIONAL
MINERALS LTD.

Northwest Zone



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McLymont Fault

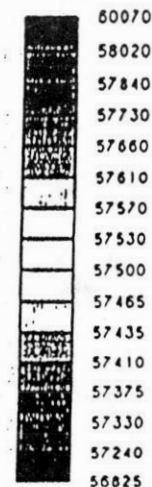


Figure 6

JAZZMAN RESOURCES INC.

GAB 9 CLAIM

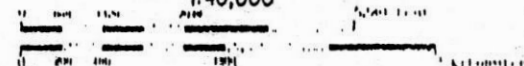
PAMICON DEVELOPMENTS LTD.

TOTAL FIELD MAGNETICS
CONTOURS AND COLOURS

AREAS 10-14

ISKUT RIVER, B.C.

1:40,000



EM Anomalies

Conductivity Threshold (mhos)

- 0 - 1
- 1 - 2
- 2 - 4
- 4 - 8
- 8 - 15
- 15 - 30
- > 30

EM Anomaly A, 1000 Hz
increase the scale 2 ppm
Conductivity threshold
1-2 mhos (line shown)

Magnetics

Total Field Magnetic Intensity
Contours in nT

Cesium high sensitivity
magnetometer.

Colours distributed at
an equal area basis.

Sensor elevation 45m

Flight Path

Flight path courtesy from
VIIS video tape.

Average terrain clearance 80m
Average line spacing 250m



AERODAT LIMITED

DATE: MAY 88

NIS No: 104B

MAP No: 4

J87100

KESTRAL RESOURCES LTD.

STAKED

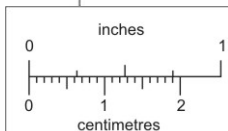
INTERNATIONAL PRISM EXPLORATIONS

Area of 1988 Drilling
JDH88-3,4,5

KIRBY ENERGY
INC.

GAB 9

Area of 1988 Drilling
JDH88-1,2



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

The Northwest zone trends directly onto the central part of Jazzman's Gab 9 claim. Gulf International Minerals has drill tested their mineralized zone to a distance of less than 150 metres south of the Jazzman claim boundary where hole 89-64 intersected 12.8 feet grading 0.309 oz/ton Au. Excellent potential exists for this gold bearing zone to trend across onto Jazzman's property.

Drilling was carried out by Jazzman Resources Inc. in 1988 on the Gab 9 mineral claim near the Jazzman/Gulf claim boundary in an attempt to intersect the extension of Gulf's Northwest zone. Although no significant gold values were reported from two deep drill holes, the lithological units which host Gulf's deposit were intersected.

It is believed that the crinoidal limestone horizon which host the Northwest zone trends through the central part of the Gab 9 claim across the entire claim, and that similar mineralization may be found not only near the Gulf/Jazzman claim boundary but also toward the centre of the property where outcrops of strongly recrystallized limestone hosts pyrite-chalcopryrite-jasper mineralization. Three shallow drill holes completed in the central claim area in 1988 returned low gold values associated with pyrite-chalcopryrite-magnetite-jasper mineralization within strongly recrystallized crinoidal limestone. This zone is very similar in appearance to zones intersected by Gulf in the Northwest zone.

With in excess of \$100 million being targeted for exploration and development in the Iskut River-Eskay Creek-Sulphurets areas of northwestern B.C. in 1990 further exciting developments are likely. Jazzman Resources Inc.'s Gab 9 mineral claim holds excellent mineral potential with the possibility of a strike extension of Gulf's Northwest zone. Accordingly, an intensive and aggressive exploration program including geophysics and diamond drilling is warranted on the property. \$500,000 should be made available for a first phase program which would include 10,000 feet of drilling. Additional funds should be on hand dependant upon success of the first phase."

List of Claims

The Gab 9 Mineral Claim Report then reveals, at page 2, the following:

"Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources Indicate that the Gab 9 claims are owned by Jazzman Resources Inc. (Figure 2).

<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, 1990"

Location, Access and Physiography

The Gab 9 Mineral Claim Report then discloses, at page 2, the following:

"The Gab 9 claims are located approximately 110 kilometres east of Wrangell, Alaska, and 100 kilometres north of Stewart, British Columbia, on the eastern edge of the Coast Range Mountains (Figure 1). Bob Quinn Lake on the Stewart-Cassiar Highway is situated 45 kilometres to the northeast while Bronson airstrip (servicing Cominco/Delaware's Snip deposit and Skyline Exploration's Stonehouse Gold deposit) is 17 kilometres to the south. Coordinates of the claims area are 56°52' north latitude and 130°55' west longitude, within the jurisdiction of the Liard Mining Division.

Access to the property is via helicopter from the Bronson Creek gravel airstrip or the Forrest Kerr airstrip. Daily scheduled flights using a variety of fixed wing aircraft to the Bronson strip from Smithers, Terrace and Wrangell, Alaska have been available during the field season.

Geographically, the claims area is moderately forested below treeline and easily accessible above this elevation, with gentle to steep slopes. Elevations on the property vary between 500 to 1500 metres."

Area History

The Gab 9 Mineral Claim Report then reveals, at pages 3 through 8, the following:

"Figure 3 of this report presents a 1:500,000 scale map of northwestern B.C. from the town Stewart in the south to near Telegraph Creek in the north, a distance of 225 kilometres. Within this area, a semi-arcuate band of Hazelton equivalent volcanic and sedimentary rocks with their metamorphic equivalents trend northwest and contain most of the known mineral occurrences. This group is bounded by the Coast Range intrusive complex to the west and by the much younger sediments of the Bowser Basin to the east.

This area of approximately 10,000 square kilometres has historically been referred to as the Stikine Arch. Mining activity within it goes back to the turn of the century. Due to the large size of the region it has been referred to in more specific areas which range from the Stewart area to Sulphurets, Iskut and Galore Creek areas. Recent discoveries appear to be filling in areas between these known mineralized camps. It is probable that the entire area can be considered as one large mineralized province with attendant subareas.

The history of the area can be divided into two time periods: circa 1900 to the mid-1970s and the more recent activities of the late 1970s and 1980s.

1900 - 1975

The original discovery of mineralization in the area can be attributed to miners either en route to or returning from the Klondike gold fields at the turn of the century. Rivers flowing through the Alaska Panhandle served as access corridors and mineralization was noted along the Iskut and Unuk Rivers and at the head of the Portland Canal. Highlights of this period were:

- * discovery of copper, gold, silver mineralization at Bronson Creek in the Iskut

- * location of similar mineralization along the Unuk and at Sulphurets Creek
- * discovery of the Silbak-Premier gold-silver mine near Stewart plus a number of other rich silver occurrences along the Portland Canal
- * the location by Tom MacKay of the original mineralization at Eskay Creek near the headwater of the Unuk River

Development and production at this time was largely limited to the area around Stewart where a number of mines produced high grade silver. The most significant producer was the Silbak-Premier some 12 km north of Stewart which from 1920 until 1936 produced some 2,550,000 tons grading 16.8 g/ton gold and 409.5 g/ton silver.

After World War II the area was explored for base metals, notably copper. This era led to the discovery of the Granduc, Galore Creek and Schaft Creek copper deposits and the E & L copper-nickel deposit. Published reserves of these are listed below and shown on Figure 3.

	<u>Tons</u>	<u>Cu</u> (%)	<u>Au</u> (g/t)	<u>Ag</u> (g/t)	<u>Mo</u> (%)	<u>Ni</u> (%)
Granduc	10,890,000	1.79				
Galore Creek	125,000,000	1.06	0.397	7.94		
Schaft Creek	910,000,000	0.30	0.113	0.992	0.02	
E & L	3,200,000	0.60				0.80

Of these Graduc was taken to production by Newmont Mining but a combination of low copper prices and high operating cost resulted in suspension of activity.

1975 - Present

The more recent activity in the area dates to the rise of precious metal prices in the 1970s. Significant early events at this time were:

- * acquisition by Skyline Explorations of their property on Mt. Johnny near Bronson Creek in the Iskut in 1980
- * continued work by Esso Minerals on Graduc Mining's properties on Sulphurets Creek in the Unuk River area
- * re-organization of the Silbak-Premier property and participation by Westmin Resources Ltd.

Work on these properties led to the following reserves being published for the properties listed below as well as stimulating exploration activity in the area. This activity led to the definition drilling of the Snip deposit by Cominco/Prime, the reserves of which are also shown.

<u>Company</u>	<u>Deposit</u>	<u>Area</u>	<u>Short Tons</u>	(Silver)		<u>Ref.</u>
				<u>Au</u> (oz/T)	<u>Ag</u> (oz/T)	
Skyline	Reg	Iskut	740,000	0.52	1.00	Note 1
Comico/Prime	Snip	Iskut	1,032,000	0.875		Note 2
Newhawk/Lacana	West Zone	Sulphurets	715,400	0.430	19.70	Note 3
	Sulphurets	Sulphurets	20,000,000	0.08		Note 4
	Lake Zone					
Catear Resources	Gold Wedge	Sulphurets	295,000	0.835	2.44	Note 5
Westmin Silbak	Silbak	Stewart	5,770,000	2.06g/t	86.3g/t	

Note 1: Pers. Comm., D. Yeager, Skyline Gold Corporation, January, 1990

Note 2: News Release, Vancouver Stockwatch, November 7, 1988

Note 3: News Release, Northern Miner, February 19, 1990

Note 4: News Release, Vancouver Stockwatch, August 24, 1989

Note 5: Pers. Comm., Catear Resources

Of the above properties, Skyline and Westmin/Silbak have entered commercial production within the last year and the Cominco/Prime project is in a final feasibility stage.

These successes have generated extensive exploration activity in the area which has led to the discovery of a large number of mineral occurrences which are in a preliminary stage of evaluation. The most notable of these to date is on Tom MacKay's old Eskay Creek showings. The 1988/89 work on this project of Calpine/Stikine Resources indicates a major gold-silver base metal mineral deposit with a minimum strike length of 1300 metres. Some notable recent results on the project are:

DDH #CA 89-93	91.8 feet	0.453 oz/ton Au and 16.9 oz/ton Ag
DDH #CA 89-101	55.8 feet	0.867 oz/ton Au and 19.92 oz/ton Ag

These intersections are considered to be close to the true width of the mineralization. A great many other excellent intersections have been published by the companies and exploration is continuing. Reserves based on this drilling indicate probable reserves of 1,256,000 tons grading 1.52 oz/ton Au and 38.0 oz/ton Ag. An additional 437,000 tons averaging 0.88 oz/ton Au and 32.9 oz/ton Ag fall in the possible reserve category (the Northern Miner, February 26, 1990).

Drilling on Gulf International Minerals' Northwest Zone near Newmont Lake was conducted in 1987, 1988 and 1989. A few of their more significant intersections are provided below (annual reports and news releases).

<u>Drill Hole</u>	<u>Interval</u> (feet)	<u>Length</u> (feet)	<u>Copper</u> (%)	<u>Silver</u> (oz/t)	<u>Gold</u> (oz/t)
87-25	343.0-373.0	30.0	0.23	0.11	0.404
	409.3-412.0	2.7	0.55	0.35	0.250
	470.2-473.8	3.6	0.42	0.19	1.520
87-29	167.0-170.0	3.0	0.001	0.01	0.140
	205.0-241.5	36.5	0.97	39.73	1.605
88-28	213.9-229.0	15.1	(0.41)	(0.29)	0.810

260.5-276.6	16.1	(0.24)	(0.29) 0.645
354.0-363.2	9.2	(0.15)	(0.17) 0.319

A major program for 1990 on this property is under consideration by Gulf.

In September 1989 Bond International Gold Inc. announced initial drill results from their Red Mountain project. The location of this project is believed to be some 15 kilometres east of Stewart. A 66 metre intersection on the Marc Zone reportedly graded 9.88 gm/tonne gold and 49.20 gm/tonne silver. On the Willoughby Gossan Zone a 20.5 metre intersection is reported as 24.98 gm/tonne gold and 184.2 gm/tonne silver.

A great many other companies active in the areas have released assays from preliminary trenching and/or drilling. Many of these show excellent values in gold, silver and base metals and it is anticipated that additional properties with mineral reserves of possible economic significance will emerge.

The location of a number of these occurrences are indicated in the accompanying figure. At this time these represent only a fraction of the reported results in this rapidly developing area."

Regional Geology

The Gab 9 Mineral Claim Report then discloses, at pages 8 through 11, the following:

"The geology of the Iskut-Galore-Eskay-Sulphurets area has undergone considerable study in the past few years by industry, federal and provincial geologists (Figure 4). Much of this work stemmed from Grove's mapping of the Stewart Complex (Grove, 1969, 1970, 1973, 1982, 1987). Earliest geological mapping of the area was carried out by Kerr (1948) during the 1920s and 1930s although Operation Stikine undertaken by the Geological Survey of Canada in 1957 produced the first publications. R.G. Anderson of the Geological Survey of Canada is presently mapping the area covered within NTS 104B.

Grove defined a northwest trending assemblage of Upper Triassic and Jurassic volcanics and sedimentary rocks extending from Alice Arm in the south to the Iskut River in the north as the Stewart Complex. Paleozoic limestone and volcanics underlie the complex while Mesozoic to Tertiary aged intrusives cut the units. Tertiary felsic plutons forming the Coast Plutonic Complex bound the area to the west while clastic sediments of the Spatsizi and Bowser Lake Groups overlap on the east.

Age dating of mineralization within the various mining districts suggests a close cospatial and coeval relationship with early Jurassic volcanics and intrusives within the Hazelton Group. This has directed exploration efforts toward these members.

A stratigraphic column of the area's lithologies is presented on the following page.

Paleozoic Stikine

Paleozoic Stikine assemblage rocks commonly occur as uplifted blocks associated with major intrusive bodies as exposed along the southwest flanks of Johnny Mountain and Zappa Mountain.

At the base of the Stikine assemblage stratigraphic column, at least four distinctive limestone members have been differentiated; interlayered with mafic volcanoclastics, felsic crystal tuffs, pebble conglomerate and siliceous shale.

Mississippian rocks consist of thick-bedded limestone members interbedded with chert, pillowed basalt and epiclastic rocks.

Lower Permian units comprise thin- to thick-bedded coralline limestone interbedded with volcanic mafic to felsic volcanic flows, tuffs and volcanoclastics.

Mesozoic Volcanics and Sediments

Stuhini Group

Upper Triassic Stuhini Group volcanic and sedimentary rocks are characterized by a distinct facies change from bimodal mafic to felsic flows and tuffs interbedded with thick sections of limestone in the northwest to predominantly mafic volcanics with minor shale members in the southeast.

Hazelton Group

Lower Jurassic Hazelton Group volcanic and sedimentary rocks predominantly occur in the southeast, northwest corners and central portions of the Galore-Iskut-Sulphurets area. Hazelton Group stratigraphy consists of the lowermost Unuk River Formation (Grove, 1986) comprised of mafic to intermediate volcanics with interbedded shale, argillite and greywacke sediments; the Betty Creek Formation (Grove, 1986) overlying the Unuk River Formation consists of maroon and green volcanic conglomerate and breccia, with the youngest upper most member of the Hazelton Group consisting of welded tuff and tuff breccia correlative with Grove's (1986) Salmon River Formation and Alldrick's (1987) Mount Dilworth Formation.

Lower Jurassic volcanics of the area are commonly correlated with the Telkwa Formation of the Hazelton Group. A close spatial and coeval relationship has long been recognized (Alldrick, 1986, 1987 and others) between Lower Jurassic volcanism and early Jurassic intrusive activity and its metallogenic importance in precious metal mineralization (Premier porphyry). Because of the relationship, lower members of the Hazelton Group are considered the most favourable targets for exploration.

Spatsizi Group

Spatsizi Group shales, tuffs and limestone of upper Lower and lower Middle Jurassic age overlay Hazelton Group rocks in the eastern part of the map area. Buff, sandy bivalve and belemnite fossil bearing limestone units decrease in abundance in the north parts of the area at the expense of shale. Here, black radiolarian-bearing siliceous shale alternately interbeds with white tuffs giving

the units an informal name of 'pyjama beds'. This pyjama bed sequence serves as an important marker for identifying the favourable underlying Hazelton Group.

Bowser Group

Bowser Lake Group Middle and Upper Jurassic clastic sediments cover most of the northeast quadrant of the map area. Interbedded shale and greywacke units predominate in the south while thick-bedded shales dominate toward the north. Near the highlands toward the northern reaches of the Bowser Basin, basal chert-rich conglomerates identify the Bowser Group as an overlap assemblage.

Cenozoic Volcanics

Recent mafic flows and ash of the Hoodoo Formation, Iskut Formation and Lava Fork Formation cap specific areas within the region.

Plutonic Rocks

The Coast Plutonic Complex, forming the western boundary of the Stewart Complex, is generally characterized by felsic Tertiary plutons. Late Triassic Stuhini Group and Early Jurassic Hazelton Group plutonic styles suggest coeval and cospatial relationships with surrounding volcanics via distinctive porphyritic dykes such as the Premier Porphyry. Tertiary Coast Complex plutons lack these dykes and volcanic equivalents."

Property Geology

The Gab 9 Mineral Claim Report then reveals, at pages 11 and 12, the following:

"The Gab 9 claim is predominantly underlain by a thick succession of sedimentary sandstone/conglomerates with an interbedded horizon of crinoidal limestone. These units are believed to be Mississippian in age. Syenitic feldspar porphyry complexes intrude these rocks (Figure 4A and 5).

The conglomerate unit consists of sedimentary and volcanic subrounded fragments up to 15 to 30 cm in diameter set in a dark green medium grained matrix (referred to as volcanic cobble conglomerate from 1972 Newmont mapping). This unit is interbedded with a bedded, dark green to grey colored sandstone with occasionally interbedded light green mudstone. Bedding has various orientations which correspond with the structural complexity of the immediate area.

A thick light grey flat-lying crinoidal limestone unit trends from approximately 600 metres south of the Jazzman property on the Gulf claims northward across the entire length of the Gab 9 claim block. The unit occurs only as subcrop at the southern most end of the Northwest Zone on the Gulf property and is not exposed on surface again until near the middle of the Jazzman property. Based on knowledge from Gulf drilling information, the limestone units attains a thickness of up to 20 metres. It is within this limestone that Gulf's Northwest Zone is hosted. Replacement style mineralization is located within zones of marblized

(skarned) limestone and consists of quartz, calcite, magnetite, pyrite, chalcopyrite and to lesser extent barite, gypsum, sphalerite, galena and specular hematite.

Intrusive rocks on the claims consist mainly of a syenitic feldspar porphyry which outcrops in the centre of the claims in close proximity to mineralized marblized crinoidal limestone. In this location, the feldspar porphyry contains feldspar phenocrysts up to 1 cm in size and is moderately to strongly magnetic. Similar feldspar porphyry was also intersected in drill hole J88-2 near the Gulf/Jazzman claim boundary at a depth of 182.3 metres."

Airborne Geophysics Interpretation

The Gab 9 Mineral Claim Report then discloses, at pages 12 and 13, the following:

"An airborne geophysical survey was carried out between November, 1987 and June, 1988 on behalf of Pamicon Developments Ltd. in the Iskut River area of northwestern B.C. Magnetic-electromagnetic-VLF surveys were flown over Jazzman Resource Inc.'s Gab 9 mineral claims (Figure 6).

A major northeast-southwesterly trending magnetic high dissects the north eastern corner of the Gab 9 claim block. This same signature extends for several kilometres along the same trend off of the property and is believed to represent the McLymont fault. Near the centre of the claim at the southwest end of this magnetic high, diamond drill testing intersected marblized (skarned) crinoidal limestone with magnetite, pyrite, chalcopyrite and jasper. Immediately below this magnetite mineralized zone moderate to strongly magnetic feldspar porphyry (syentite) was encountered. These results suggest that the strong magnetic high trending northeast from these drill holes along McLymont fault may as well host additional skarn/replacement style mineralization.

Along the McLymont fault trend to the southwest on the Gab 9 claim, the crinoidal limestone unit (potential Gulf mineralization host) is covered by a thick succession of sedimentary conglomerates and sandstone/siltstone/mudstone measuring approximately 200 metres in thickness. Feldspar porphyry intrusive (weakly magnetic) was also intersected in diamond drill hole J88-2 immediately north of the Gulf claim line boundary at the south end of the Gab 9 claim. Crinoidal limestone was also encountered in close proximity to this feldspar porphyry. Approximately 600 metres southwest onto the Gulf property along the trend of the magnetic high feature of McLymont fault lies a smaller magnetic high which is believed to represent Gulf's Northwest Zone (magnetite, pyrite, chalcopyrite, jasper gold bearing mineralization). In this area, the favourable crinoidal limestone unit is again close to surface and thus magnetite bearing mineralization is more likely to be detected by the airborne geophysical survey instruments.

Separate magnetic high signatures are also found immediately to the west and northwest of the Gab 9 claim on Consolidated Sea Gold Corp.'s and Pezgold Resource Corp.'s properties. These anomalies are believed also related to magnetite skarn style mineralization and syenitic intrusives.

Reference may be made to R. J. de Carle's REPORT ON A COMBINED HELICOPTER-BORNE MAGNETIC, ELECTROMAGNETIC AND VLF SURVEY, ISKUT RIVER AREA, September 23, 1988."

Mineralization and Drilling

The Gab 9 Mineral Claim Report then reveals, at pages 13 through 16, the following:

"The primary exploration target on Jazzman's Gab 9 property is a possible northeasterly trending extension of Gulf International Minerals' gold-bearing Northwest Zone (Figure 5). Drilling by Gulf has indicated a 025° trend to their deposit which has been encountered in drilling along 300 metres of strike to within 150 metres south of the Jazzman/Gulf claim boundary. The zone attains a width of up to 25 metres. On the Gulf property, the mineralized limestone unit is usually less than 130 metres below surface while on the Jazzman property because of a marked increase in the thickness of the overlying conglomerate/sandstone unit this same limestone is at a depth of 190 to 220 metres. Gulf has delineated the Northwest Zone deposit to a distance of approximately 150 metres from the common claim boundary, where in diamond drill hole 89-64 a 12.8' section of strongly mineralized skarn was intersected grading 0.309 oz/ton Au, demonstrating that the zone continues and is open to the north. Some of the more significant diamond drill hole intercepts from the Northwest Zone are listed below:

<u>Drill Hole</u>	<u>Interval (feet)</u>	<u>Length (feet)</u>	<u>Copper (%)</u>	<u>Silver (oz/ton)</u>	<u>Gold (oz/ton)</u>
87-25	343.0-373.0	30.0	0.23	0.11	0.404
	409.3-412.0	2.7	0.55	0.35	0.250
	470.2-473.8	3.6	0.42	0.19	1.520
87-29	167.0-170.0	3.0	0.001	0.01	0.140
	205.0-241.5	36.5	0.87	1.16	1.605
88-28	213.9-229.0	15.1	0.41	0.29	0.810
	260.5-276.6	16.1	0.24	0.29	0.645
	300.2-301.5	1.3	0.15	0.17	0.320
	330.1-338.9	8.8	1.99	0.31	0.340
	353.0-363.2	10.2	1.02	0.22	0.288
(average grade = 149.0 feet of 0.207 oz/ton gold)					
88-29	145.0-149.0	4.0	0.24	0.09	0.294
	160.4-165.7	5.3	1.27	0.30	0.530
	177.5-179.5	2.0	5.12	0.50	0.309
	186.0-193.9	7.9	1.04	1.33	0.216
	286.1-287.0	0.9	0.22	0.22	0.138
	316.3-320.9	4.6	0.54	0.07	0.175
	371.4-373.7	2.3	0.21	0.05	0.189
89-64	476.7-489.5	12.8	0.11	0.10	0.309

Two diamond drill holes (J88-1 and J88-2) were drilled immediately north of the Gulf/Jazzman claim boundary in an attempt to intersect the Northwest Zone 025⁰ mineralized structure (Figure 8). J88-1 is believed to have been drilled too far to the east of the zone but did intersect the favourable crinoidal limestone unit (Figure 7). J88-2 was drilled approximately 100 metres to the west of the first hole and indicated a closer proximity to a mineralizing environment (Figure 8). In this second hole, more of the crinoidal limestone appeared to be recrystallized (marblized) and sulphide content was markedly increased with 1% to 2% pyrite common. Chalcopyrite (1% to 2%) was also observed between 221.3 and 221.9 metres.

Diamond drill holes J88-3, 4 and 5 were all drilled near the centre of the claim at the southwest end of the strong airborne geophysical magnetic anomaly which coincided with outcropping exposure of well developed marblized, mineralized crinoidal limestone (Figure 5). Mineralization consists of jasper + pyrite + chalcopyrite. In close proximity to this mineral occurrence is a feldspar porphyry intrusive. Iron carbonate (ankerite) veining up to 1.0 metre wide swarms through the limestone here. Rock chip samples collected from this showing are listed below:

<u>Sample Number</u>	<u>Cu</u> (ppm)	<u>As</u> (ppm)	<u>Ag</u> (ppm)	<u>Au</u> (ppb)	<u>Au</u> (oz/ton)
22517	—	—	—	—	0.379
21402	1,748	1,721	11.5	5,040	0.137
21404	926	7,529	8.1	4,045	0.111
22521	1,389	1,640	8.1	4,590	—

All three drill holes intersected well developed marblized crinoidal limestone horizons within weakly to moderately recrystallized limestone (Figures 9 to 11). Drill hole J88-3 intersected the most encouraging mineralization between 65.8 and 68.0 metres with moderate magnetite + jasper + chalcopyrite + pyrite. Although low gold values were reported from assays, these characteristics are very similar to mineralization found in Gulf's Northwest Zone.

Approximately 500 to 700 metres north of the zone copper/silver/gold mineralization was again discovered within the crinoidal limestone. Iron carbonate (ankerite) veining is present in this area. Assays from rock chip samples are listed below:

<u>Sample Number</u>	<u>Cu</u> (ppm)	<u>Ag</u> (ppm)	<u>Au</u> (ppb)
22504	—	—	2,050
22505	37,651	10.3	110
22506	8,197	1.1	280

One hundred metres northwest of these samples, anomalous values in gold, silver, copper, arsenic, tungsten and zinc have been obtained from siliceous limestone. Assays are listed below:

<u>Sample Number</u>	<u>Ag</u> (ppm)	<u>Cu</u> (ppm)	<u>As</u> (ppm)	<u>W</u> (ppm)	<u>Au</u> (ppb)	<u>Zn</u> (ppm)
21355	—	—	290	—	1,300	—
21356	8.1	7,383	292	2,956	15	81,319
21357	—	3,973	113	98	20	>20,000"

Discussion and Conclusions

The Gab 9 Mineral Claim Report then concludes, at pages 16 and 17, as follows:

"Jazzman Resource Inc.'s Gab 9 20 unit mineral claim is situated within the Liard Mining Division of northwestern British Columbia approximately 17 kilometres north of the Iskut River and the Cominco/Delaware Snip and Skyline Explorations Stonehouse Gold deposits. Gulf International Minerals' Northwest Zone gold skarn/replacement deposit is located immediately south of the Jazzman property. The Northwest Zone is "open" to the north toward Jazzman's property with Gulf's furthest hole drilled north along the zone intersecting 12.8' of 0.309 oz/ton Au in hole 89-64. An extensive \$2 million program of diamond drilling and underground exploration is planned in 1990 on Gulf's property.

Diamond drilling on the Jazzman claim in 1988 focused on attempting to intersect the northern extension of Gulf's Northwest Zone deposit which to date has been traced to within 150 metres of the Jazzman/Gulf claim boundary. Two deep drill holes collared immediately north of the Gab 9 claim line both intersected the Northwest Zone-hosting crinoidal limestone unit. The second hole drilled appears to indicate a close proximity to mineralization with a marked increase of total sulphides and better developed marblization of limestone, which is characteristic of the Northwest Zone.

Three additional short drill holes were drilled near the centre of the claim along the trend of the Northwest Zone focusing on skarn/replacement marblized crinoidal limestone. In this area, mineralized outcrop assayed up to 0.379 /oz/ton gold. Mineralization in outcrop consists of jasper, chalcopyrite and strong pyrite. All three holes intersected favorable marblized jasperoid limestone while the first drill hole also intersected moderate magnetite and pyrite mineralization with noticeable chalcopyrite. Although low gold values were reported, all of the above mentioned minerals in this environment is indicative of Gulf Northwest Zone style of mineralization. Encouraging results from drilling to date on Jazzman's claim and a corresponding 1.7 km long northeast trending airborne magnetic high are a strong implication of the positive mineral potential of the Jazzman property."

Recommendations

The Gab 9 Mineral Claim Report then finally recommends, at pages 17 through 19, as follows:

"An intensive program consisting of ground geophysics and diamond drilling totalling \$500,000 in a Phase I program is recommended for 1990 on Jazzman's Gab 9 mineral claim in the Iskut River area of northwestern British Columbia.

The Gab 9 claim is situated immediately north of Gulf International Minerals McLymont claims where Gulf has identified a gold-bearing structure (the Northwest Zone) trending 025° with a present strike length of 300 metres. Gulf has drill intersected the zone to within a distance of 150 metres south of Jazzman's claim boundary. At this location, drill hole 89-64 intersected 12.8' grading 0.309 oz/ton Au. Excellent potential exists for the Northwest Zone to continue onto the Gab 9 claim and it is therefore strongly recommended that a drill program consisting of a fence line of closely spaced holes be drilled north of the Jazzman/Gulf claim boundary in an attempt to identify the continuation of this auriferous structure. Gulf is reportedly planning a \$2 million exploration program for 1990 on the Northwest Zone which would include continued diamond drilling and an exploration underground adit to more fully evaluate the zone and provide better access for drill sites.

The mineralized horizon which hosts Gulf's Northwest Zone trends directly through the central part of Jazzman's property - being buried by a 150 to 200 metre succession of sediments near the Jazzman/Gulf claim boundary and outcropping in the centre of the Gab 9 claim. Surface outcrop exposures of mineralization displaying many characteristics similar to the Northwest Zone are seen at this location where rock chip samples have assayed up to 0.379 oz/ton Au. Three short holes drilled here by Jazzman in 1988 identified marblized limestone hosting jasper-pyrite-magnetite-chalcopryrite, all of which are commonly seen in the Gulf drill core. Although low gold values were obtained in these intersections, the mineralization encountered may indicate a close proximity to significant mineralization. Continued geophysics and drilling are recommended for this central zone on the Gab 9 claim - which may well be a further continuation of Gulf International Minerals' Northwest Zone.

A detailed budget is listed below."

(...)

"Wages

Senior Geologist - 21 days @ \$400/day	\$ 8,400
Sampler/Core Splitter - 21 days @ \$250/day	<u>5,250</u>

\$ 13,650

Geophysics - 2 men X 10 days @ \$700/man day

7,000

Drilling - 10,000 feet @ \$28/foot

280,000

Camp Support

Geophysics -	20 man days
Drillers -	84 man days
Crew -	<u>42 man days</u>
	146 man days @ \$125

18,250

Field Supplies

1,550

Assays - 500 drill core @ \$20/sample

10,000

Freight

2,500