

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

019677

PROSPECTUS

ISKUT

GOLD CORPORATION

DATED: March 15, 1988

(hereinafter called the "Issuer")

Suite 780 - 885 Dunsmuir Street
Vancouver, British Columbia V6C 1N8

PUBLIC OFFERING 350,000 COMMON SHARES

Shares	Price to Public	Commission**	Net Proceeds to be received by the Issuer*
Per Share	\$ 0.70	\$.07	\$ 0.63
.....	\$245,000.00	\$ 24,500.00	\$220,500.00

of the costs of the issue estimated to be \$20,000.00.
was determined by negotiation between the Issuer and the Agents.

ct to this issue, the net book value of each common share will be \$0.215, representing a dilution per share of .485
gible book value thereof at October 31, 1987 which results in a dilution factor of 69.3 %.

MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

IS SUBJECT TO A MINIMUM SUBSCRIPTION FOR 350,000 COMMON SHARES BEING RECEIVED BY THE
180 DAYS OF THE EFFECTIVE DATE OF THIS PROSPECTUS. SEE ALSO CAPTION "PLAN OF DISTRIBUTION"

IF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED SPECULATIVE. ALL OF THE
WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND
A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE
RE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE,
NCE AND AREA COULD BE IN DOUBT. SEE ALSO CAPTION "RISK FACTORS" HEREIN.

ER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS
LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL THE LISTING REQUIREMENTS OF THE
TOCK EXCHANGE ON OR BEFORE SEPTEMBER 26, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND
UIREMENTS:

AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER
THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES
OFFERED BY THE ISSUER.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 22.24% OF THE SHARES THEN OUTSTANDING AS
COMPARED TO 53.68% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND
SENIOR OFFICERS OF THE ISSUER.

REFER TO CAPTION "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS,
PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENTS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL
RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO CAPTION "DIRECTORS AND OFFICERS" HEREIN FOR A
COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS.

WE, AS THE AGENTS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED
BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY
AGREEMENT REFERRED TO UNDER THE CAPTION "PLAN OF DISTRIBUTION" IN THIS PROSPECTUS SUBJECT TO
APPROVAL OF ALL LEGAL MATTERS ON BEHALF OF THE ISSUER BY CASEY, O'NEILL & BENCE, AND ON OUR BEHALF BY
OUR LEGAL COUNSEL.

CANARIM INVESTMENT CORPORATION LTD.
22nd Floor - 609 Granville Street
Vancouver, British Columbia V7X 1H2

WOLVERTON & COMPANY LIMITED
1750 - 701 West Georgia Street
Vancouver, British Columbia V7Y 1J5

EFFECTIVE DATE: March 28, 1988

PROPERTY FILE

1046076
1046/2W

PROSPECTUS SUMMARY

THE FOLLOWING IS A SUMMARY ONLY AND REFERENCE IS MADE TO THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS.

THE ISSUER

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has an interest in the properties described under the heading "Properties" and intends to seek and acquire additional properties worthy of exploration and development.

THE OFFERING

Issue: 350,000 Common shares without par value (the "Shares")

Price: \$0.70 per Share

Use of Proceeds: The aggregate of the estimated net proceeds, after deducting expenses of the Offering, and after the addition of working capital as at March 1, 1988 is \$239,180.00 of which \$170,250 will be used to complete Phase II of the work program recommended by Donald W. Tully, P.Eng. in his report dated August 31, 1987 as updated by an addendum to the report dated December 11, 1987. The remainder will be used for general corporate purposes.

Risk Factors: An investment in the Shares is speculative and subject to certain risks. See "Risk Factors".

Financial Results: The Issuer was incorporated on July 13, 1987 and has carried on a limited amount of business since that date. Accordingly, the financial results of the Issuer since the date of its incorporation are not indicative of its future business operations.

Dividends: Management intends that the Issuer will retain future earnings to expand its business. The payment of dividends on the Shares will be determined by the board of directors on the basis of the Issuer's earnings, financial requirements and other relevant circumstances. See "Dividend Record".

REPORT

ON THE

B.J. MINERAL CLAIM GROUP (97 UNITS)

BEE, JAY, BJ, WINDY, GREY, RAINY, DAY, VALLEY, WISH MINERAL CLAIMS

RECORD NOS. 1478(7), 1479(7), 1480(7), 1556(8), 1557(8),

1558(8), 1559(8), 1626(9), 2065(9)

MESS CREEK - ARCTIC LAKE - MT. HICKMAN AREA

LIARD MINING DIVISION

TELEGRAPH CREEK, BRITISH COLUMBIA

N. Lat. $57^{\circ}08'$

W. Long. $130^{\circ}57'$

NTS 104-G-2W

for

ISKUT GOLD CORPORATION
Suite 780
885 Dunsmuir Street
Vancouver, British Columbia
V6C 1N8

by

DONALD W. TULLY, P.ENG.

August 31, 1987

DON TULLY ENGINEERING LTD.
SUITE 1205, 555-13TH STREET
WEST VANCOUVER, BRITISH COLUMBIA
V7T 2N8

ISKUT GOLD CORPORATION
SCHEDULE OF DEFERRED EXPLORATION COSTS

For the Period July 13, 1987 (date of incorporation) to October 31, 1987

BJ Mineral Property, Liard Mining Division, British Columbia

Assaying	\$ 4,030
Aircraft and helicopter	20,917
Consultants - geology	2,227
Camp and exploration support	8,893
Salaries and wages	23,843
Geological field work	499
Materials and supplies	214
Travel	3,957
Drafting and reports	<u>3,288</u>
	<u>\$ 67,868</u>

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Figure 6 - Generalized Geology Map.....	(Appendix I)
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Figure 8 - Geology and Sample Date of hand Trenches.....	(Appendix I)

APPENDIX I

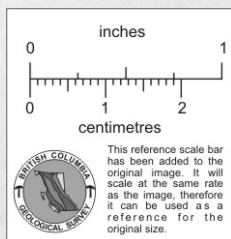
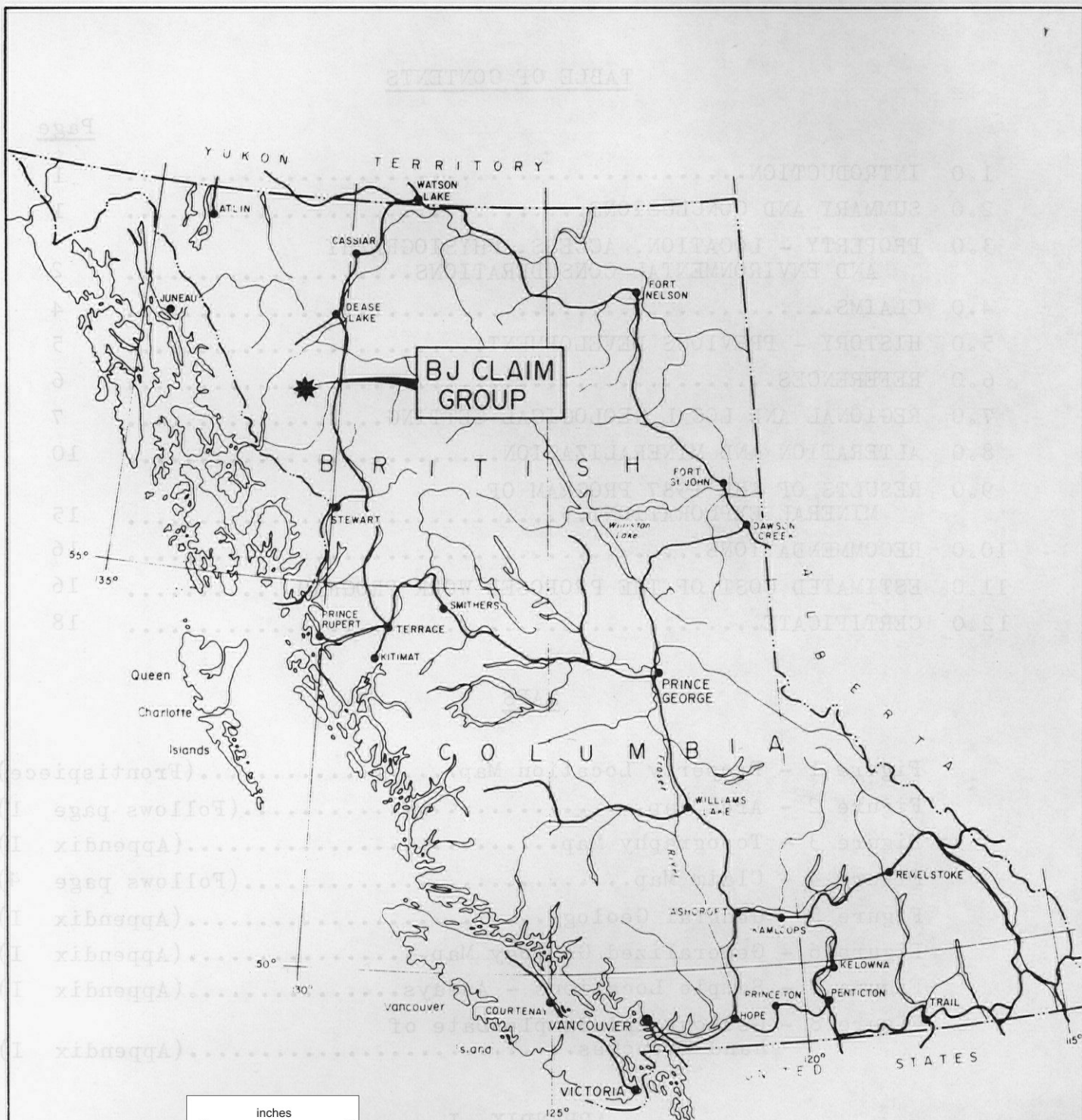
Maps 3, 5, 6, 7, 8

APPENDIX II

Assay Certificate File #87-2542

87-2885 (2 pages)

8708 - 2054(B)



Donald W. Tully

FIGURE I.

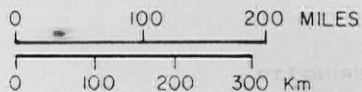
PROPERTY LOCATION MAP

ISKUT GOLD CORPORATION

SCALE AS SHOWN

AUGUST 31, 1987

DONALD W. TULLY, P. ENG.



1.0

INTRODUCTION

1.1

This report was prepared pursuant to a request from the Directors of ISKUT GOLD CORPORATION, Suite 780, 885 Dunsmuir Street, Vancouver, British Columbia V6C 1N8.

1.2

The purpose of this report is to summarize the results of the previous development on the B.J. Mineral Claim Group and assess the mine-making potential of the property.

1.3

This report is based upon a field examination of the hand trenchings on the WINDY claim on August 14, 1987 in company with Mr. W. Meyer, P.Eng. Valuable assistance is gratefully acknowledged to Mr. Meyer and Teck Corporation for the information provided to construct this report.

1.4

A program of mineral exploration is recommended.

2.0

SUMMARY AND CONCLUSIONS

2.1

The B.J. Mineral Claim Group consists of nine contiguous claims comprising ninety-seven claim units located some 80 kilometres (50 miles) south-southeast of Telegraph Creek, in the headwaters area of Mess Creek in Northwestern British Columbia.

2.2

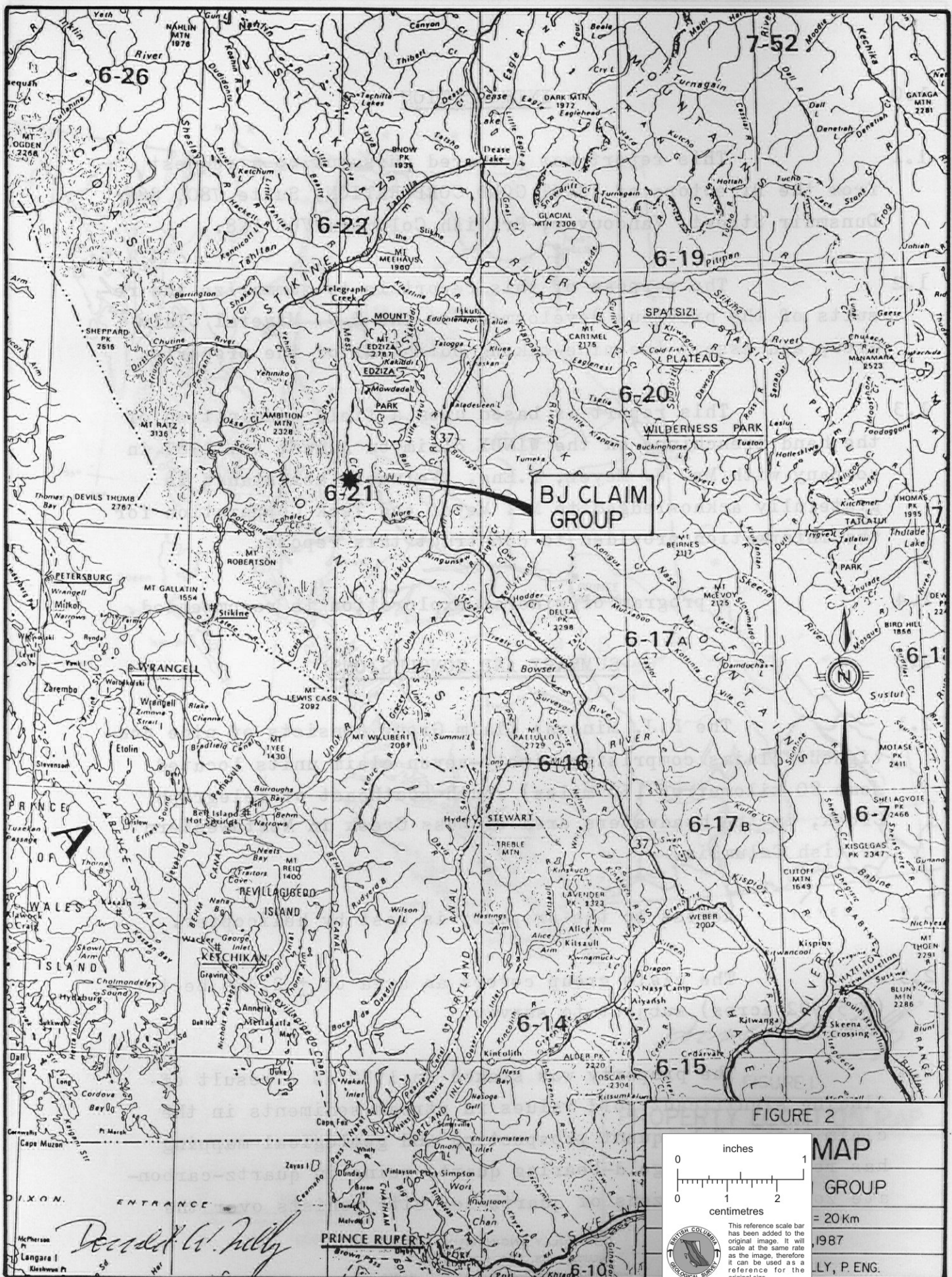
Access to the property is best by helicopter.

2.3

The claim group covers an area of \pm 2,425 hectares (\pm 5,992 acres) subject to survey.

2.4

The property was staked in 1980 as a result of finding significant gold values in stream sediments in the claim area. Subsequent prospecting and geological mapping has revealed many gold-bearing quartz veins in quartz-carbonate zones and horizons of quartz-sericite schists over the



claimed ground.

2.5 Prospecting and hand trenching have been successful in developing the many mineral discoveries on the B.J. claim area. A recently discovered zone of quartz veins on the WINDY claim occurs along an east trending contact between quartz-sericite schist and metavolcanics has been hand trenched. Values in gold up to 0.883 opt across 1.5 metres have been found in channel samples taken on this zone which has been opened up by trenching for some 120 metres. This zone is reported to have been traced for a strike length of 450 metres. Other mineral occurrences having apparent significant values in gold that require further development have been found on the claim group.

2.6 It is concluded the B.J. Claim Group is an excellent exploration bet in a favourable geological environment and warrants further mineral development.

2.7 A two-phase program of mineral exploration is recommended at an estimated total cost of \$229,530.

3.0 PROPERTY - LOCATION, ACCESS, PHYSIOGRAPHY AND ENVIRONMENTAL CONSIDERATIONS

3.1 The B.J. property comprises nine mineral claims named the BEE, JAY, BJ, WINDY, GREY, RAINY, DAY, VALLEY and WISH containing a total of ninety-seven claim units having a calculated area of 2,425 hectares. Glaciers cover a significant portion of the west sector of the claim area.

3.2 The latitude of the B.J. Claim Group is 57°08' north and the longitude is 130°57' west. The area is covered by NTS map sheet 104-G-2.

3.3 The B.J. Claim Group is located on the east flank of the Coast Range Mountains of Northwestern British Columbia. The town of Telegraph Creek on the Stikine River, is situated some 80 km to the north of the claim group, near the mouth of Mess Creek. The valley of Mess Creek is a north-south topographic feature of the area. Dease Lake, located on the Stewart-Cassiar Hwy, is the largest town in this part of British Columbia and is situated some 210 km northeast of the property.

3.4 Access is best by helicopter from the airstrip at Iskut, a highway maintenance depot, on the Stewart-Cassiar Hwy at the north end of Eddontenajon Lake, some 90 km to the northeast of the B.J. Claim Group. Alternate accessibility is possible from the Schaft Creek airstrip, located on Schaft Creek, a tributary of Mess Creek, some 15 km north of the B.J. property. Float-equipped aircraft can be landed on Arctic Lake situated about 8 km to the northeast of the B.J. ground. Also, a temporary helicopter base at Bob Quinn Lake on the Stewart-Cassiar Hwy can provide closer access (\pm 50 km).

3.5 The main topographic features of the area are Mount Hickman and Hankin Peak, located about six km to the northwest and due east respectively, of the B.J. claim group. Mount Hickman rises to \pm 9,250 feet and Hankin Peak rises some 8,386 feet above sea-level. The topography over the claim area is relatively rugged. Elevations over the property range from around 2,700 feet in the valley of Mess Creek in the northeast sector of the Windy claim to some 5,800 feet in the western portion of the ground on the common boundary area of the B.J. and Rainy claims. The ground is drained north-northeasterly by the valley of Mess Creek.

3.6 Groves of small spruce and balsam occur along the valley slopes below the 5,000-foot elevation. The treeline

is about 4,800 feet above sea-level. Snow covers the claim area for some eight to nine months of the year.

3.7 Mount Edziza Provincial Park is located about 25 km north and east of the B.J. Claim Group.

3.8 Although mountain terrain is relatively fragile, in the environmental sense, the B.J. property is considered to be only moderately sensitive.

4.0 CLAIMS

4.1 Nine contiguous mineral claims comprising ninety-seven mineral claim units are located near the headwaters of Mess Creek, Liard Mining Division, British Columbia.

4.2 Information with the Gold Commissioner for the Liard Mining Division, Victoria, British Columbia on August 28, 1987 was as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Record Date</u>	<u>Recorded Owner</u>
BEE	1478(7)	2W x 2S = 4	July 29, 1980	Teck Corporation
JAY	1479(7)	3W x 5N = 15	July 29, 1980	Teck Corporation
BJ	1480(7)	4W x 5N = 20	July 29, 1980	Teck Corporation
WINDY	1556(8)	3E x 6S = 18	Aug. 29, 1980	Teck Corporation
GREY	1557(8)	3N x 4E = 12	Aug. 29, 1980	Teck Corporation
RAINY	1558(8)	2W x 6N = 12	Aug. 29, 1980	Teck Corporation
DAY	1559(8)	2E x 4S = 8	Aug. 29, 1980	Teck Corporation
VALLEY	1626(9)	3S x 2W = 6	Sep. 22, 1980	Teck Corporation
WISH	2065(9)	1E x 2S = 2	Sep. 22, 1981	Teck Corporation
		TOTAL	97 units	

4.3 The claims are shown on British Columbia Mineral Titles Map M104-G-2W (Figure 4).

TO EAST SEE MAP 104G/3E

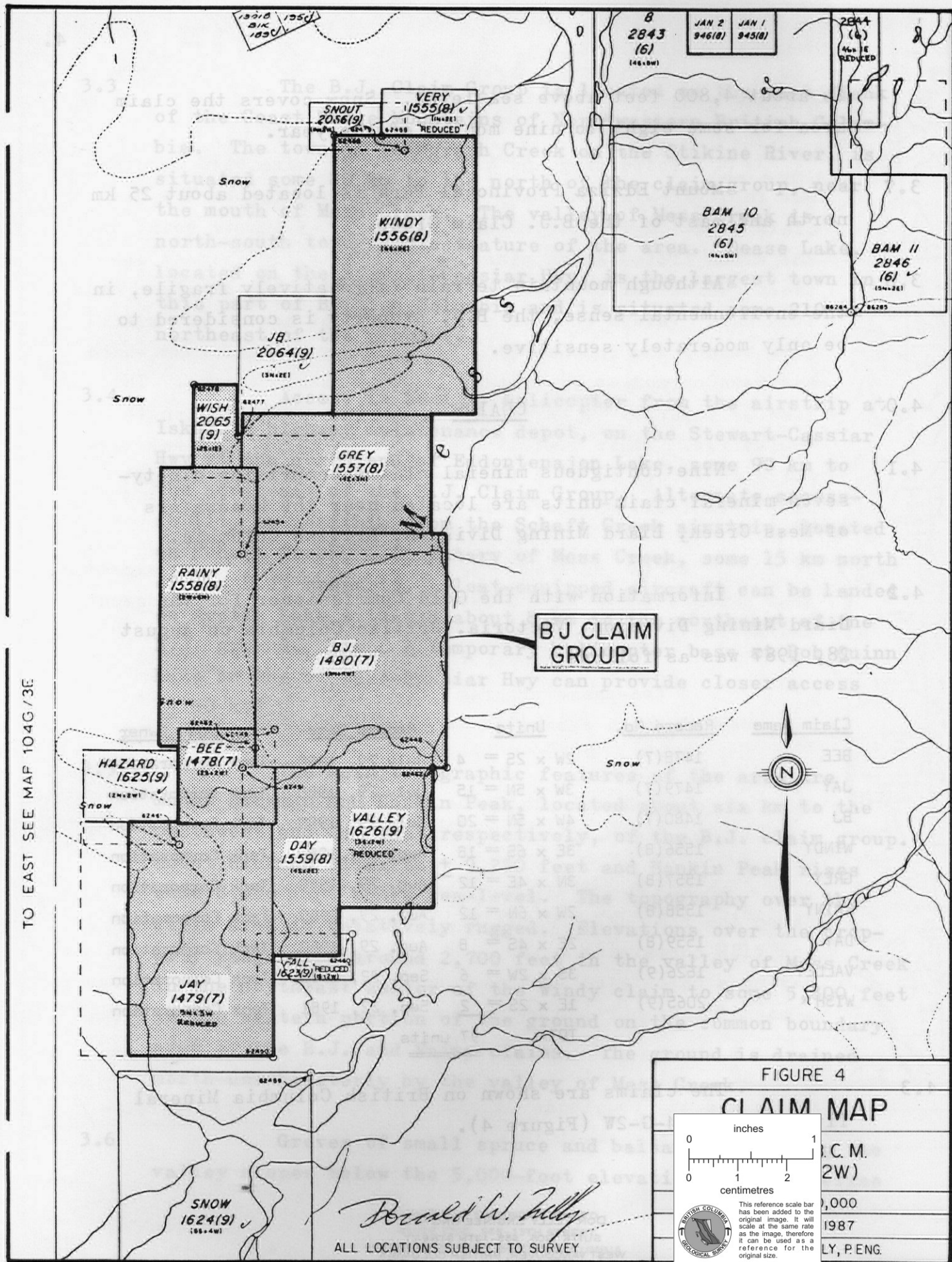
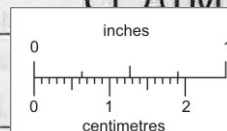


FIGURE 4

CLAIM MAP



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.

C. M.
2W)

0,000

1987

LY, P. ENG.

- 4.4 The total claim area is calculated to contain \pm 2,425 hectares (\pm 5,992 acres) subject to survey.

5.0 HISTORY - PREVIOUS DEVELOPMENT

5.1 The discovery of fine gold in the gravel bars of the Stikine River brought a rush of prospectors to the Telegraph Creek area in 1873. The Klondike Rush of 1896 - 1900 also brought an influx of mine-seekers. During the Klondike Rush, Telegraph Creek and the nearby town of Glenora housed more than 5,000 persons bound for Dawson via the Telegraph Trail. The Telegraph Trail and the telegraph line which connected Dawson with the outside world in 1901 extended northwestward east of the B.J. Claim area through Telegraph Creek to Atlin. Boat access to the area was also available in the early days from the coast along the Stikine River.

5.2 Mineral activity has been active in the Telegraph Creek area since the mid-1950's. It is reported there is no record of claims having been previously staked in the B.J. Claim Group area although evidence of prior prospection has been found. Undoubtedly, prospectors traversed this area during the Klondike Rush years and later during the 1950's when the Galore Creek and Liard Copper mineral discoveries were made.

5.3 All the claims in the B.J. Claim Group excepting the WISH claim were staked in 1980 as a result of positive prospecting and geochemical assay results during the field season. During 1981, geological mapping, geochemical soil sampling and hand trenching was carried out on the WINDY and B.J. claims and the WISH claim was staked. Peter Holbeck, B.Sc. did preliminary geological mapping and geochemical soil sampling during the 1981 field season and completed his assignment in 1982 over the total claim area.

5.4 A program of prospecting, hand trenching and geochemical soil sampling was commenced during the 1986 field season and resulted in the discovery of a new gold zone in the central area of the WINDY claim (Figures 6, 7 and 8).

5.5 A joint venture to further explore the B.J. Claim Group was undertaken with Iskut Gold Corporation and the initial results of the 1987 field work program are shown on Figure 8.

6.0

REFERENCES

6.1 A partial list of publications and private reports containing information on the B.J. Claim Group are as follows:

Souther, J.A. (1971)

- Geological Survey of Canada Paper 71-44 and Map 11-1971

Operation Stikine (1956)

- Geological Survey of Canada Map 9-1957
- Geological Survey of Canada Aeromagnetic Map 9226G
- BCMEMPR Assessment Reports Nos. 9040, 10,917, 14,982
- National Topographic System (NTS) Map 104-G-2

Polk, Peter, P.Eng. (March 1981)

- Geological and Geochemical Report on the BJ Gold Claims, Schaft Creek Area, Liard Mining Division, for Teck Explorations Limited

Polk, Peter, P.Eng. (March 1981)

- Report on Rock and Soil Geochemical Surveys and Physical Work on the BJ, BEE, JAY, WINDY, GREY, RAINY, DAY claims, for Teck Explorations Limited

Holbeck, Peter, B.Sc., (January 1982)

- Report on the Geology and Soil Geochemistry of the BJ, BEE, JAY, WINDY, GREY, RAINY, DAY, VERY, FALL and VALLEY claims, for Teck Explorations Limited

Holback, Peter, B.Sc., (December 1982)

- Geology, Geochemistry and Lithogeochemistry of Mineralization and Alteration - BJ Groups 1 and 2, for Teck Explorations Limited.

Polk, Peter, P. Eng. (July 1986)

- Report on the Geology and Geochemistry of the BEE JAY Group of Claims (B.J., BEE, JAY, WINDY, GREY, RAINY, DAY, VALLEY, WISH Claims), for Teck Explorations Limited.

Monger, J.W. (1977)

- Upper Paleozoic Rocks of the Western Cordillera and their bearing on Cordilleran Evolution, Canadian Journal of Earth Science, Vol. 14, pp. 1832-1859

7.0 REGIONAL AND LOCAL GEOLOGICAL SETTING

7.1 The general geology of the area of the B.J. Claim Group is shown on Figure 5.

7.2 Late Paleozoic sediments, volcanics and volcanoclastic rocks underlie the claim area and the immediate environs. In the area immediately north and east of the property Upper Triassic volcanoclastics have been mapped unconformably overlying the late Paleozoic rocks.

7.3 P. Holbeck recognized seven main lithological units on the B.J. Claim Group. In addition, he reported another six units in the general map-area (Figure 6).

7.4 A tentative geologic timetable of the general area of the B.J. Claim Group constructed according to Peter Holbeck's report dated January 1982 and Figure 6 is as follows:

<u>Formation</u>	<u>Description/Event</u>	<u>Age</u>
Sand, gravel, silt and glacial debris	Unconsolidated (Erosional unconformity)	Quaternary

<u>Formation</u>	<u>Description/Event</u>	<u>Age</u>
Mineralization, quartz veining and metamorphism	Gold, silver, oxides and sulphides of iron, cop- per, lead, zinc arsenic and tellurium (Folding, faulting, shear- ing and related tectonic activity)	Tertiary (?)
Lamprophyre and dykes, sills masses (Unit 10)	Biotite-rich (Folding, faulting, shear- ing and related tectonic activity)	Tertiary (?) (may be post mineralization in part ?
Quartz-sericite schist (Unit A)	Meta-equivalents of felsic tuffs and volcaniclastics	(?)
Ferruginous car- bonate and breccia (Unit B)		(?)
Serpentine (Unit C)	(Probably several periods of folding, faulting, shearing and related tec- tonic activity)	(?)
Granodiorite (Unit 9)	Medium-grained, chlori- tized (may be related to the Hickman batholith) (Folding, faulting, shear- ing and related tectonic activity)	Triassic (?) and later
Sediments (Unit 8)	Conglomerate, pelite, chert, argillite	Triassic
Volcanics and volcaniclastics (Unit 7)	Undifferentiated (Folding, faulting, shear- ing and tectonic activity related to vulcanism) (Unconformity)	Triassic

<u>Formation</u>	<u>Description/Event</u>	<u>Age</u>
Greenstone (Unit 6)	Coarse-grained phases of peridotite reported in association with foliated greenstone (May be related to Unit C above?)	Permaaan (?) and earlier
Felsic tuffs and breccias (Unit 5)	Quartz-sericite and chlorite schists	Paleozoic
Greenschist facies (Unit 4)	Purple and green schists, tuffs and pyroclastics	Paleozoic
Chlorite schist (Unit 3)	Massive horizons interbedded and folded in paleozoic units	Paleozoic
Argillite (Unit 2)	Horizons of intercalated graphitic schist	Paleozoic
Limestone (Unit 1)	Ferruginous phases	Paleozoic

7.5 Holbeck described the geologic structure over the B.J. Claim Group on page 8 of his report as follows:

" Four distinct phases of folding are evident. Two early phases of isoclinal folding have colinear fold axes, trending north, northwest. Axial planes were nearly perpendicular resulting in crenulation cleavage and Ramsey type 2 interference patterns. Metamorphism and metasomatism took place prior to the onset of the second deformational phase. The extreme ductility contrast between lithologies resulted in most of the strain being taken by units 4 and A.

The third phase of folding is related to north-south compression and has produced kinkbanding, chevron folds and broad open warps in well developed foliation. It is likely that this phase was coincident with north-south strike slip faulting.

A final phase of east-west compressional stress produced a northeasterly trending, vertical, open fold which flattens to the north. This phase dramatically intensifies to the west, where upright tight folds with amplitudes of 1 km can be seen. The great variation of fold style over short distances during this phase was probably due to forceful emplacement of plutonic rocks. "

8.0

ALTERATION AND MINERALIZATION

8.1

P. Holbeck, B.Sc., has described the several geological settings of the gold mineralization on the B.J. Claim Group on pages 25 - 33 in his report dated December 1982 as follows:

" Rocks containing elevated precious metal values occur in several distinct settings. Occurrences can be divided into silica or carbonate dominated systems. Further subdivisions can be made on the basis of morphology, textures and mineral assemblage. In the order of paragenetic sequence the subdivisions are: 1) metamorphogenic quartz-pyrite veins; 2) disseminated sulphides in carbonate alteration zones; 3) carbonate-sulphide veins; 4) quartz-chalcopyrite veins; and 5) quartz breccia veins. Superimposition and gradations between groups often make strict classification difficult. Details of the various groups are given below.

1) Metamorphogenic quartz-pyrite veins

These veins are ubiquitous to the property and surrounding area. Dimensions are highly variable, but irregular, sub-continuous, lenticular morphology is standard. Silica-potassic alteration peripheral to veins is common. Most veins are concordant, either lying along foliation planes or concentrated in zones of dilation such as fold noses. Veins are synchronous with the first phase of deformation and have been deformed by subsequent phases.

Veins consist of coarse grained, milky quartz with coarse euhedral pyrite. Chalcopyrite is associated, but other sulphides are scarce. Gold values are generally low, ranging from mildly anomalous to potentially ore grade in rare sulphide rich pods.

The only significant showing in this group is the telluride vein in the central area of the Jay chain. The vein is conformable, exposed over a distance of 180 m and hosts a mineral assemblage including: gold, hessite, tetradymite, tellurobismuthite, galena, tetrahedrite, sphalerite, chalcopyrite and pyrite. The gold assay was disappointing, yielding only 0.014 oz/t. Vein margins are indistinct showing gradually increasing silicification of wall rocks. Faint outlines of ghost fragments, which still maintain structural conformity with wall rocks, indicate passive emplacement.

" 2) Quartz breccia veins

These veins are easily distinguished by their cross-cutting relationships and breccia textures. Breccia fragments are angular to subrounded chunks of wall rock in varying stages of silification; suggesting forceful emplacement of veins. Mineralization consists of pyrite, galena, sphalerite and gold hosted by fine grained, grey, glassy quartz and minor barite. Grades of up to 0.412 oz/t Au, with an Ag:Au ratio of 8:1 have been obtained within this type of mineralization.

3) Quartz-chalcopyrite veins in carbonate alteration zones

These veins are likely synchronous to the quartz breccia veins. Veins are commonly dark to light grey and glassy but can be milky and occur exclusively within iron-carbonate alteration zones in greenstones. Coarse ameboid chalcopyrite with lesser tetrahedrite is characteristic. In general, veins are narrow and sinuous, and do not constitute an appreciable tonnage. The best showing of this type is on the Wish claim.

4) Carbonate-sulphide veins

Steeply dipping and fracture controlled, these veins have sharp contacts with their wall rocks which are usually altered to fuchsite, sericite, carbonate, quartz schists. Breccia textures, with both wall rock and vein fragments indicate multiple stages of formation. Sulphides range from massive to granular pyrite and arsenopyrite through to scattered coarse blebs of sphalerite, chalcopyrite and galena in a matrix of mangosiderite. Friebergite commonly occurs between carbonate bands or breccia fragments. Gold distribution is erratic with the same location giving samples of > 2.0 oz/t and > 0.2 oz/t. Carbonate sulphide breccia veins are located on the Snout, Grey and Jay claims.

5) Carbonate alteration zones

Restricted to massive chlorite schists and greenstones, these conspicuous zones of oxidation and carbonization are common over much of the property area.

Zones may be related to either carbonate-sulphide breccia veins or small stock works of quartz-chalcopyrite veins. Sulphides are typically medium grained disseminated pyrite and lesser arsenopyrite. Grades in these zones range from 0.03 oz/t Au to 0.09 oz/t Au. Gold occurs as micro grains within the pyrite and along hairline silica fracture fillings. Although sub-economic, these zones occur

" in sufficient quantity and size to account for widespread anomalous gold geochemistry. "

8.2 Peter Polk, P.Eng. has described the alteration and mineralization on the WINDY claim on pages 7 and 8 of his report dated March 1981 as follows:

" At least three ages of quartz are present:

1. Concordant Quartz - Formed during metamorphism, this unmineralized quartz is ubiquitous. It forms lenses and stringers parallel to the foliation.
2. Semi-concordant Veins - These carry some pyrite and minor other sulphides. The veins cut the foliation locally but are concordant in a general sense. Where the veins are not concordant, the axial planes of folds or the direction, approximately 75 degrees, are important.
3. Discordant Veins - Later quartz-ankerite veins and shear breccias with or without mariposite cut all other structures. Where displacements have been observed they have been normal in character. Widths vary between 1 and 4 feet.

These structures occupying topographic lows and creek valleys are fairly consistent and contain sulphides as disseminations and more massive material. Pyrite, siderite, an unidentified possibly copper bearing sulphide, chalcopyrite and galena have been observed. These veins are completely independent of stratigraphy or rock type.

Generally the structural base of the massive greenstone is associated with an increase in quartz, especially where folding is prominent. On the other hand, semi-concordant quartz-carbonate veining in schists is abundant in other locations. Within any one rock type 6 to 10 foot vein thicknesses are not uncommon.

The discordant veins have an envelope of carbonate (ankerite) and pyritic alteration for a short distance into the walls. This is particularly noticeable where the structures cut the massive greenstone unit. Mariposite, where it occurs, is spatially related to the discordant veins and fault breccias.

" Semi-concordant veins have similar envelopes and in areas where there are numerous veins the country schist is bleached and stained brown from fine limonite along the foliation planes. The effect is to produce rocks which appear to be, if they are not in fact, brown quartz-sericite schists. "

8.3 Peter Polk, P.Eng., has further described the alteration and mineralization on the WINDY Claim on page 3 of his report dated July 1986 as follows:

" Upper greenschist to lower amphibolite grade metamorphism has produced metamorphogenic quartz veining and an assemblage of muscovite, chlorite, talc, tremolite and secondary biotite. Most of the metamorphogenic quartz veins even though weakly pyritized are usually barren of gold mineralization. A later event of hydrothermal alteration has produced cross-cutting quartz veins and Fe carbonate breccia zones in structural traps. Pyrite is the most abundant sulfide with lesser arsenopyrite and trace amounts of tetrahedrite, chalcopyrite, sphalerite and galena. Colors of gold can be found in some of the streams draining the claim group and have been found in the soil below a vein at about 600 S, 450 E on the grid. Distinctive brown, limonitic iron carbonate alteration envelopes are associated with fault controlled veining and carbonate breccia zones. Up to 20% epidote with minor disseminated pyrite was found solely within Unit 6A. Semi-conformable quartz veining is well developed at the Greenstone-Schist contact on the WINDY and BJ claims but gold values are rare. "

8.4 In addition to widespread gold values in soil and stream silt samples as well as rock float samples, rock chip samples in situ have indicated significant values in gold over the claim group at the following locations noted on Figure 7:

- a) 0.49 opt gold over a width of 1.8 feet is indicated in the west central area of the GREY claim.

- b) An iron carbonate zone on the B.J. claim has been described by Peter Polk, P.Eng. on page 4 of his report dated July 1986 as follows:

" On the BJ claim an extensive Fe carbonate breccia zone contains gold values in the 0.01 to 0.06 oz/t range within its pyritic sections. "

- c) 0.11 opt gold is indicated over a width of 5 feet in the north boundary area of the DAY claim.
- d) 0.320 opt gold is indicated over a width of 5 feet in the central sector of the JAY claim.
- e) 0.292 opt gold is indicated over a width of one foot on the RAINY claim.
- f) A study of Figure 8 shows a horizon of vein structures varying up to four metres in width in a zone of hand trenches trending along a strike of $\pm 100^\circ$ for a length of some 120 metres. This north-dipping zone occurs along a contact area of quartz-sericite schist and meta-volcanics. Values up to 0.883 opt/gold and 0.61 opt/silver across a width of 1.5 metres has been obtained. All the samples taken as shown assayed in gold. The gold values appear to be related to late cross-cutting structures. *
- g) The writer took a chip sample across a one metre width in the second last hand trench to the west (3 + 55E) on this zone numbered 0065. A grab sample numbered 0066 was taken from the same vein structure in the next trench about 7 metres to the west (3 + 50E).

The assay results were as follows:

<u>Sample No.</u>	<u>Width (m)</u>	<u>Gold (opt)</u>	<u>Silver (opt)</u>	<u>Copper %</u>	<u>Arsenic %</u>
0065	1.0	0.076	0.10	0.006	0.02
0066	Grab	0.026	0.05	0.004	2.46

9.0

RESULTS OF THE 1987 PROGRAM OF MINERAL EXPLORATION

9.1

At the time of the writer's examination prospecting was underway and channel sampling had been carried out on the zone of hand trenches on the WINDY claim shown on Figure 8. The results of the channel sampling showed the following significant gold values.

<u>Sample No.</u>	<u>Gold (opt)</u>	<u>Silver (opt)</u>	<u>Width (m)</u>	<u>Remarks</u>
30501	0.148	0.31	0.3	Trench near 4 + 45E
30512	0.252	0.53	1.5	Trench near 3 + 50E
30517	0.883	0.61	1.5	Trench near 3 + 55E

9.2

Gold values ranging from 0.001 through 0.883 opt were found in all the fifty channel samples taken. The values occur in a zone of quartz veins along a contact between quartz-sericite schist and metavolcanics. The trend of this north dipping zone is $\pm 100^{\circ}$ and is open both east and west. It is reported this zone has been found along a strike length of 450 metres. Extension by hand trenching is underway.

9.3

Visible gold has been noted in this zone. Arsenic is present in sample #0066. The ICP analysis shows significant barium.

9.4

The GSC aeromagnetic Map 9226G does not show any significant magnetic anomalies in the B.J. claim area.

10.0

RECOMMENDATIONS

10.1

A two-phase program of mineral exploration is proposed to further explore the 97-claim unit property and further define the indicated gold-bearing zones for diamond drill testing.

10.2 Phase 1

Hand trenching and chip sampling on the indicated gold-bearing zones on the WINDY, GREY and BJ claims to prepare these zones for diamond drilling.

10.3 Phase 2

Contingent upon the results of the Phase 1 program and a recommendation to further explore the property, it is proposed to diamond drill test those zones that are deemed to have economic potential.

10.4

The WINDY claim zone, shown on Figure 8 and described in sections 9.1 and 9.2 herein, is recommended for diamond drill exploration.

11.0

ESTIMATED COST OF THE PROPOSED WORK PROGRAM11.1 Phase 1

Hand trenching (4 men - one month	\$18,750
Camp and accommodation	8,600
Land transportation, assaying, maps, reports and communications	9,050
Helicopter (20 hours x \$650/hour)	13,000
Contingency @ 20% of above costs	<u>9,880</u>
Total estimated cost	
Phase 1 (Carried Forward)	\$59,280

Brought Forward

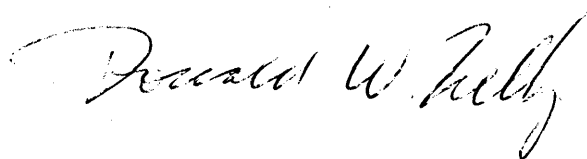
\$ 59,280

11.2 Phase 2

Contingent upon the results of the Phase 1 program and a recommendation to further test the property, a program of diamond drilling is proposed as follows:

Diamond drilling (2,500 feet BQ core size @ \$30/foot)	\$ 75,000
Mobilization and demobilization	10,000
Wages (geologist and helper)	13,500
Camp and accommodation (45 days)	13,050
Land, transportation, assaying, maps, reports and communications	7,575
Helicopter (35 hours x \$650/hour)	22,750
Contingency @ 20% of above costs	<u>28,375</u>
Total estimated cost of Phase 2	<u>170,250</u>
Total estimated cost of Phases 1 and 2	<u><u>\$229,530</u></u>

Respectfully submitted,



August 31, 1987

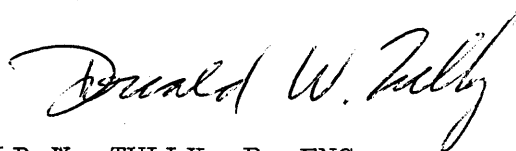
Donald W. Tully, P. Eng.

12.0

CERTIFICATE

I, DONALD WILLIAM TULLY, of the Corporation of West Vancouver, Province of British Columbia, hereby certify as follows:

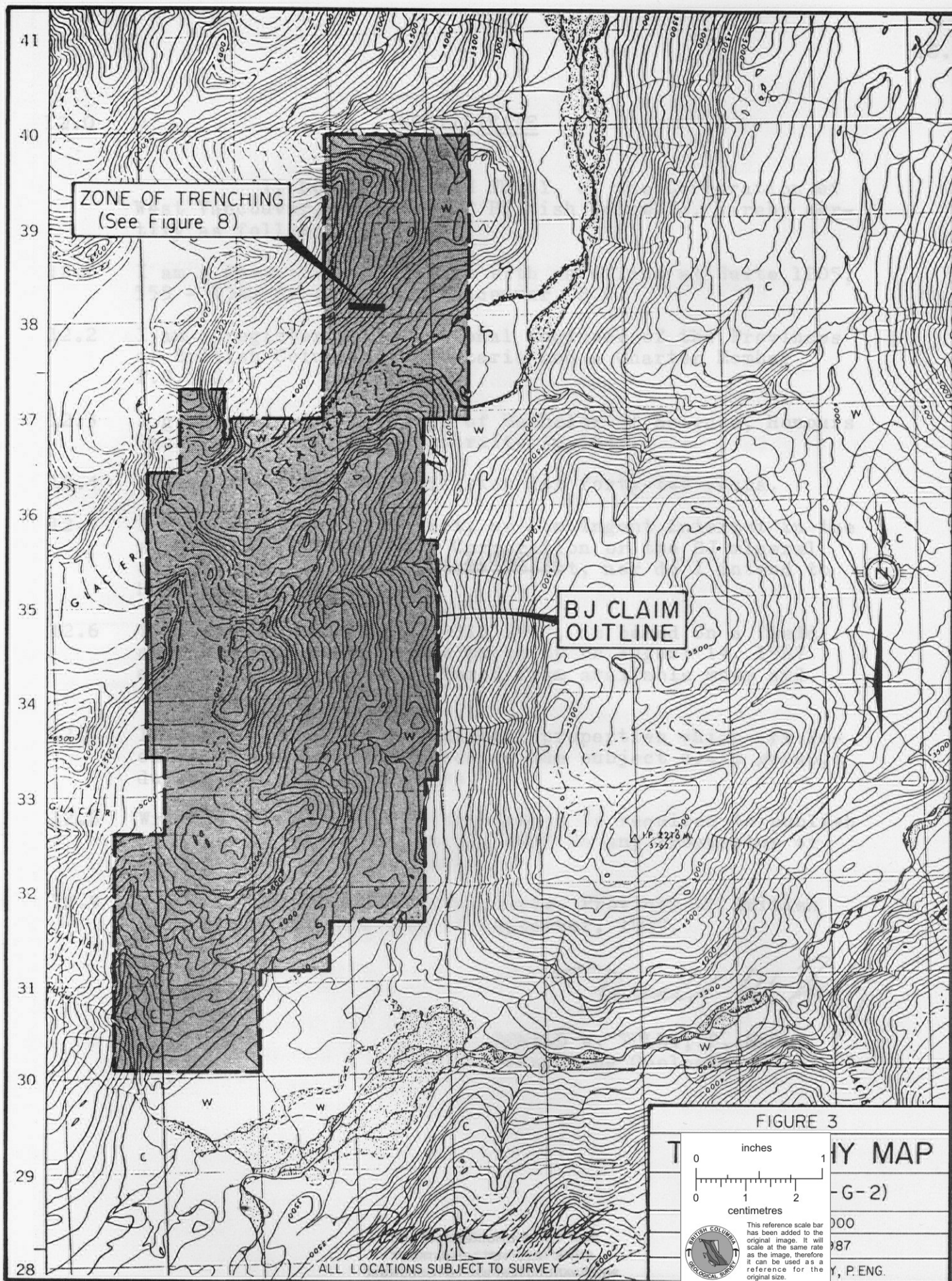
- 12.1 I am a Consulting Geologist with an office at Suite 1205, 555 - 13th Street, West Vancouver, B.C.
- 12.2 I am a registered Professional Engineer of the Provinces of British Columbia and Ontario and a Charter Member F.G.A.C.
- 12.3 I graduated with a degree of Bachelor of Science, Honours Geology, from McGill University in 1943.
- 12.4 I have practiced my profession for forty-two years.
- 12.5 I have no direct, indirect, or contingent interest in the securities of Iskut Gold Corporation or the BJ mineral claim group, subject of this report, nor do I intend to have any interest.
- 12.6 This report dated August 31, 1987, is based on a field examination I made on the property on August 14, 1987 and from information gathered from available maps and reports.
- 12.7 I have not examined any mineral properties which are located within ten kilometres of the subject claim group, during the past five years.
- 12.8 Written permission from the author is required to publish this report dated August 31, 1987 in any Prospectus or Statement of Material Facts.
- 12.9 DATED at West Vancouver, Province of British Columbia, this 1st day of September, 1987.

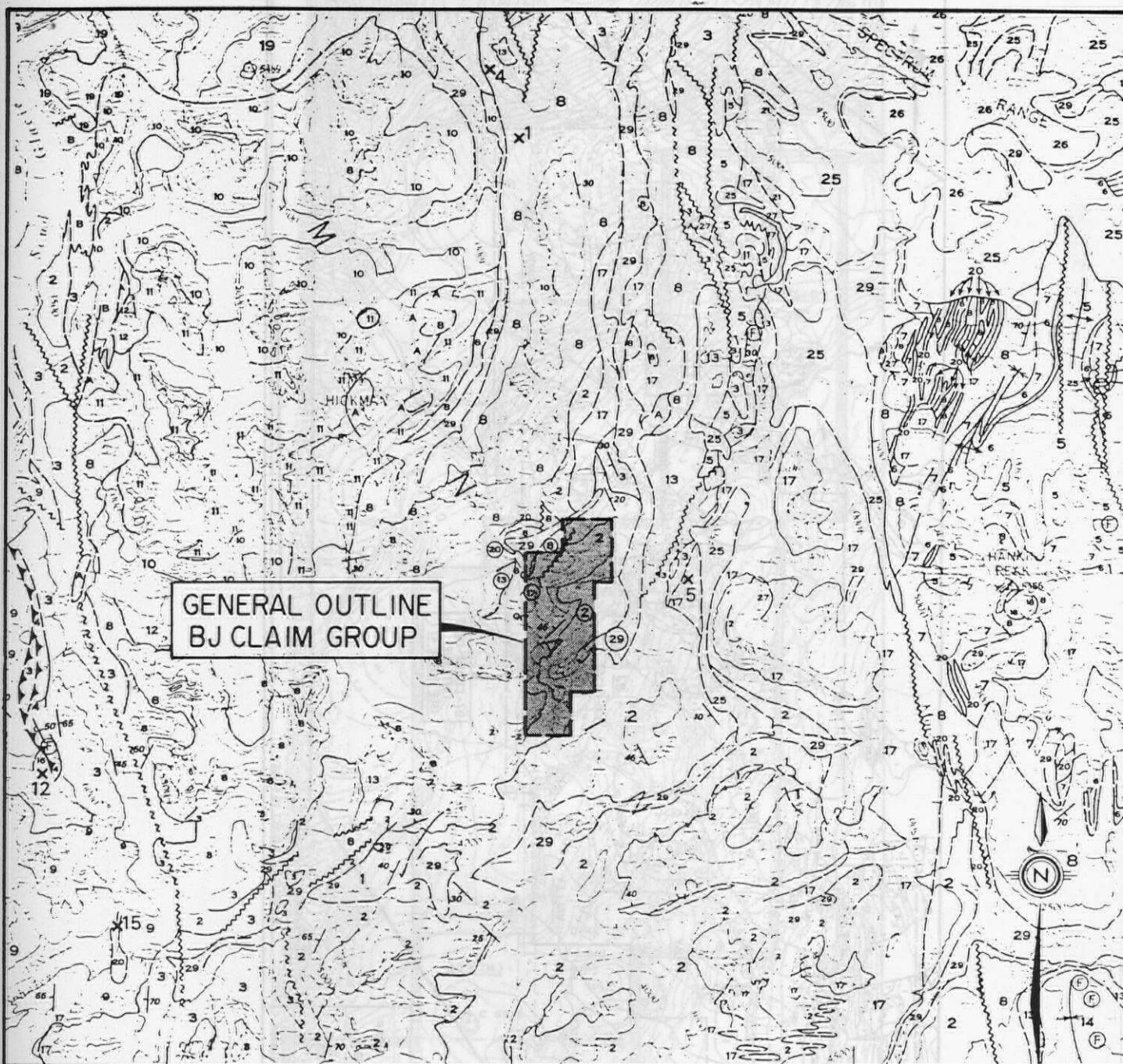


DONALD W. TULLY, P. ENG.,
Consulting Geologist

APPENDIX I

DON TULLY ENGINEERING LTD.
SUITE 1205, 555-13TH STREET
WEST VANCOUVER, BRITISH COLUMBIA
V7T 2N8





LEGEND

- 29 OVERBURDEN
- 20 FELSITE DYKES
- 17 GRANODIORITE
- 13 SEDIMENTS
- 8 VOLCANICS
- 2 QUARTZ-SERICITE SCHIST

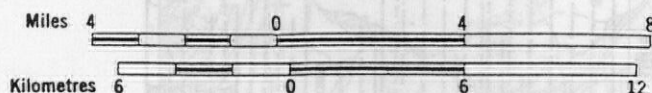
MAP 11-1971
PAPER 71-44

GEOLOGY

TELEGRAPH CREEK

BRITISH COLUMBIA

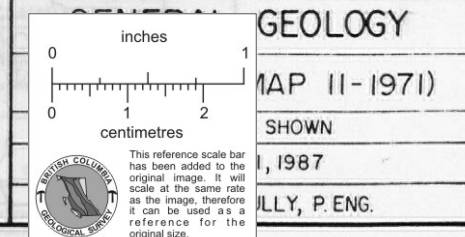
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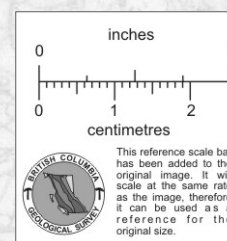
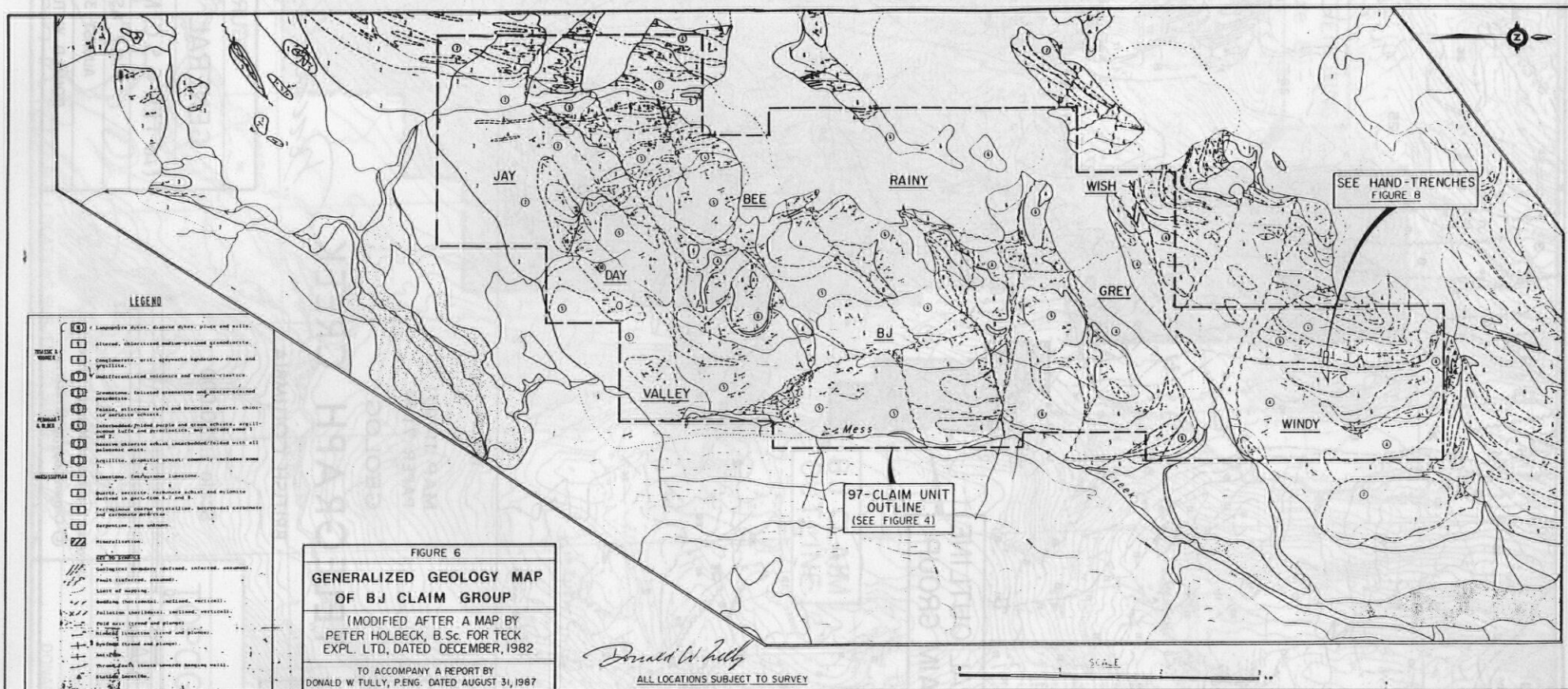


Universal Transverse Mercator Projection

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FIGURE 5





APPENDIX II

CERTIFICATE OF ASSAY



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

Date: August 23, 1987
File: 3703-2054 (B)

TO: DON TULLY ENGINEERING LTD.
1205 - 555 13th Street
West Vancouver, B.C.
V7T 2N8

We hereby certify that the following are the results of assays on: **Ore samples**

MARKED	GOLD	SILVER	Copper	Arsenic	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
	oz/st	oz/st	Cu (%)	As (%)				
63	0.076	0.10	0.006	0.02				
66	0.026	0.05	0.004	2.46				
ICP analysis								

REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.
ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSION OR EXTRACTS FROM OR REGARDING OUR REPORTS IN NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.

L. Wong

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing association
REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

No 8708-2054

Date August 31, 1987

DON TULLY ENGINEERING

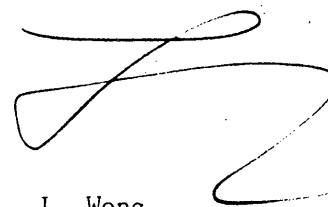
SGS Supervision Services Inc.
GENERAL TESTING LABORATORIES LTD.
1001 East Pender Street,
Vancouver, B.C., Canada V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

We hereby certify that the following are the results of ICP analysis on :

SAMPLE NO.	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm
65	2	50	164	92	4	5	15	--	**	*	1	ND	1	92	1
66	3	40	46	20	2	24	19	--	**	*	1	ND	1	51	1

SAMPLE NO.	Pb ppm	Bi ppm	V ppm	Ca ppm	P ppm	La ppm	Cr ppm	Mg ppm	Ba ppm	Ti ppm	B ppm	Al ppm	Na ppm	K ppm	W ppm
65	2	--	10	*	507	--	--	355	1589	26	--	*	--	--	1
66	2	--	5	*	316	--	--	1200	348	21	--	*	--	--	1

* greater than 1000
** greater than 5%


L. Wong
Provincial Assayer

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.

PH: (604) 253-3158 COMPUTER LINE: 251-1011

DATE RECEIVED JULY 19 1987

DATE REPORTS MAILED

July 19/87

ASSAY CERTIFICATE

SAMPLE TYPE : ROCK - CRUSHED AND PULVERIZED TO -100 MESH.

AG** & AU** BY FIRE ASSAY

ASSAYER *D. Toye* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATION PROJECT 1283 FILE# 87-2542

PAGE# 1

SAMPLE	Ag** oz/t	Au** oz/t
30501	.31	.148
30502	.15	.019
30503	.18	.066
30504	.10	.042
30505	.01	.012
30506	.01	.007
30507	.19	.056
30508	.06	.016
30509	.09	.022

ACME ANALYTICAL LABORATORIES
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: JULY 31 1987

DATE REPORT MAILED: *Aug. 7/87..*

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips

ASSAYER: *D. J. J.* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATION PROJECT-1283 File # 87-2885 Page 1

SAMPLE#	AG OZ/T	AU OZ/T
30510	.02	.006
30511	.23	.050
30512	.53	.252 ✓
30513	.10	.089
30514	.06	.015
30515	.22	.108
30516	.08	.002
30517	.61	.883 ✓
30518	.11	.011
30519	.13	.041
30520	.03	.008
30521	.24	.037
30522	.12	.048
30523	.24	.014
30524	.07	.068
30525	.06	.033
30526	.06	.049
30527	.02	.003
30528	.02	.006
30529	.06	.051
30530	.07	.035
30531	.04	.007
30532	.07	.013
30533	.02	.016
30534	.05	.021
30535	.36	.075
30536	.14	.004
30537	.07	.018
30538	.03	.002
30539	.03	.003
30540	.02	.006
30541	.04	.001
30542	.09	.002
30543	.12	.001
30544	.07	.001
30545	.04	.001

SAMPLE#	AG OZ/T	AU OZ/T
30546	.03	.001
30547	.02	.004
30548	.12	.022
30549	.07	.016
30550	.06	.048
30651	.21	.002
30652	.17	.007
30653	.29	.440
30654	.22	.105
30655	.05	.086
30656	.48	.032
30657	.36	.033
30658	.19	.006
30659	.06	.003
30660	.15	.015
30661	.10	.001
NO NUMBER	.19	.540

ADDENDUM TO A REPORT

ON THE

B.J. MINERAL CLAIM GROUP (97 UNITS)

BEE, JAY, BJ, WINDY, GREY, RAINY, DAY, VALLEY, WISH MINERAL CLAIMS

RECORD NOS. 1478(7), 1479(7), 1480(7), 1556(8), 1557(8),

1558(8), 1559(8), 1626(9), 2065(9)

MESS CREEK - ARCTIC LAKE - MT. HICKMAN AREA

LIARD MINING DIVISION

TELEGRAPH CREEK, BRITISH COLUMBIA

B. Lat. $57^{\circ}08'$

W. Long. $130^{\circ}57'$

NTS 104-G-2W

for

ISKUT GOLD CORPORATION
Suite 780
885 Dunsmuir Street
Vancouver, British Columbia
V6C 1N8

by

DONALD W. TULLY, P.ENG.

December 11, 1987

DON TULLY ENGINEERING LTD.
SUITE 1205, 555-13TH STREET
WEST VANCOUVER, BRITISH COLUMBIA
V7T 2N8

ADDENDUM TO A REPORT FOR ISKUT GOLD CORPORATION
DATED AUGUST 31, 1987 ON THE B.J. MINERAL CLAIM GROUP
(97 UNITS), LIARD MINING DIVISION, BRITISH COLUMBIA

This ADDENDUM is based upon a report by P.G. Folk, P.Eng., dated October 28, 1987. Mr. Folk's report is an update of the results of the 1987 program of mineral exploration on the B.J. claim group, which was in progress during the writer's visit to the property on August 14th last, and covered in the writer's report dated August 31, 1987.

The B.J. Claim Group consists of nine contiguous mineral claims comprising ninety-seven claim units located some 80 kilometres (50 miles) south-southeast of Telegraph Creek, in the headwaters area of Mess Creek in Northwestern British Columbia. The claim group covers an area of +2,425 hectares (+5,992 acres) subject to survey.

The B.J. property was staked in 1980 as a result of finding significant gold values in stream sediments in the claim area. Subsequent prospecting and geological mapping has revealed many gold-bearing quartz veins in quartz-carbonate zones and horizons of quartz-sericite schists over the claimed ground. Prospecting and hand trenching have been successful in developing the many mineral discoveries on the B.J. claim area. In 1986, P.G. Folk, P.Eng., discovered a gold-bearing quartz vein on the WINDY claim. Subsequent hand-trenching and sampling has shown substantial values in gold from channel samples taken on this vein zone. This zone has been traced for a strike length of some 550 metres. Mr. Folk has described the results of the 1987 program of mineral exploration on pages 2, 3 and 4 of his report dated October 28, 1987, as follows:

" Work Done

Prospecting in the vicinity of the vein discovered in 1986 located an additional six mineralized structures. Hand trenching to expose the veins was followed by chip sampling and mapping. A total of 45 trenches to bedrock were dug for a total of 398 linear metres. 344 rock chip samples were taken and assayed for gold and silver. "

" SAMPLING AND ASSAYING

Chip sampling was carried out with a moil and hammer and the samples were submitted to ACME ANALYTICAL LABS in Vancouver for analysis. Standard fire-assay techniques were utilized.

RESULTS

Chip sample results from the work completed in the 1987 season are plotted on figures 5 to 9. Figure 4 is an index map and shows the relative locations of the various veins. Assay certificates are included in the Appendix. Several potentially economic gold values were obtained up to a maximum of 1.2 oz Au/t over 0.3 m.

The main vein (figure 5, 6) discovered in 1986 has been located over a strike length of 550 m and is open to the east. Selected portions of the vein are of economic interest and are tabulated below:

<u>Assay</u> (oz/ton Au)	<u>Width</u> (metres)	<u>Location</u>	<u>Notes</u>
0.058	6.8	2+15E, 5+90S	Main vein
0.116	5.5	3+50E, 6+00S	Main vein
0.883	1.5	3+50E, 6+00S	Main vein
0.556	1.6	5+30E, 6+10S	Sulfide portion of vein

Six additional veins now partially exposed were located in 1987 and have produced encouraging results. All remain open to the east where they are obscured by overburden.

A vein which occurs about 60 m north of the main vein (figure 6) has been exposed in only four trenches and assays 0.142 oz Au/t over 2.8 m in one isolated trench and 0.302 oz Au/t over 1.0 m in another. A narrow split off this vein contains up to 1.125 oz Au/t over 0.3 m. Averaging the values in the most easterly four trenches yields 0.093 oz Au/t over an average width of 4.35 metres for a strike length of 35 m. Stibnite was noted in float material near this area but none was noted in outcrops.

" Thirty-five metres to the north another vein with the most consistent values discovered to date averages 0.276 oz Au/t over a 2.4 m average vein width and a strike length of 78 m. A narrower width of 1.3 metres averages 0.479 oz Au/t. Visible gold was panned from the soil in the trenches. Unfortunately, the vein is exposed by only three trenches and additional trenching and sampling will be required to confirm these results.

DISCUSSION AND CONCLUSIONS

Prospecting and hand trenching have discovered a series of at least seven quartz sulfide veins carrying gold values. The veins appear to split and narrow to the west but thicken to the east as they approach an area of overburden cover. It is thought that the veins may be mesothermal and could therefore have depth potential. Significant gold values over mining widths have been indicated at several locations.

Further bedrock assays are required in known areas of good gold values and to the east where overburden precludes hand trenching. This can be accomplished by mechanized trenching and/or by diamond drilling. Further prospecting to locate vein extensions and detailed geology to define the ore controls is also warranted. "

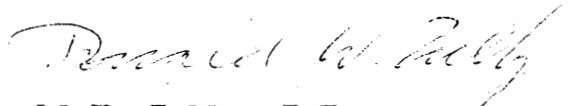
During the period July 9 - September 23, 1987, the cost of the work program was \$39,262.

Plans and assay certificates of the results discussed herein accompany this ADDENDUM.

The writer concurs with Mr. Folk's recommendations to further prospect the B.J. property by hand-trenching and in some locations of deeper overburden by mechanical earth-moving equipment and/or diamond drilling in conjunction with geological mapping and sampling.

A program of diamond drilling is recommended as indicated in the writer's report dated August 31, 1987.

Respectfully submitted,



December 11, 1987

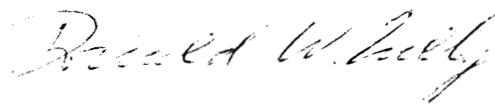
Donald W. Tully, P.Eng.

12.0

CERTIFICATE

I, DONALD WILLIAM TULLY, of the Corporation of West Vancouver, Province of British Columbia, hereby certify as follows:

- 12.1 I am a Consulting Geologist with an office at Suite 1205, 555 - 13th Street, West Vancouver, B.C.
- 12.2 I am a registered Professional Engineer of the Provinces of British Columbia and Ontario and a Charter Member F.G.A.C.
- 12.3 I graduated with a degree of Bachelor of Science, Honours Geology, from McGill University in 1943.
- 12.4 I have practiced my profession for forty-two years.
- 12.5 I have no direct, indirect, or contingent interest in the securities of Iskut Gold Corporation or the BJ mineral claim group, subject of this ADDENDUM, nor do I intend to have any interest.
- 12.6 This ADDENDUM dated December 11, 1987, is based on a field examination I made on the property on August 14, 1987 and from information gathered from available maps and reports.
- 12.7 I have not examined any mineral properties which are located within ten kilometres of the subject claim group, during the past five years.
- 12.8 Written permission from the author is required to publish this ADDENDUM dated December 11, 1987 in any Prospectus or Statement of Material Facts.
- 12.9 DATED at West Vancouver, Province of British Columbia, this 11th day of December, 1987.



DONALD W. TULLY, P.ENG.,
Consulting Geologist

ITEMIZED COST STATEMENT

(after a report by P. Folk, P. Eng.
of Teck Explorations Limited and
dated October 28, 1987)

ITEMIZED COST STATEMENT

PERIOD JULY 9 - 29 (Statement of Exploration and Development filed July 29/87)

P. Folk, P.Eng, Project Manager July 9 - 15, July 21 - 27	14 days @ \$230/D	=	\$ 3,220
J. Bacon, Prospector July 9 - 29	21 days @ \$132/D	=	\$ 2,772
D. Nikirk, Party Chief July 9 - 15	7 days @ \$132/D	=	\$ 924
R. Folk, Helper July 9 - 29	21 days @ \$100/D	=	\$ 2,100
R. Nikirk, Helper July 21 - 27	7 days @ \$ 93/D	=	\$ 651

Okanagan Helicopters, Jet Ranger from Bell II gas station.

July 11	5.3 hrs.	
14	0.4 hrs.	
21	0.4 hrs.	
27	1.1 hrs.	
28	<u>0.7 hrs.</u>	
	7.9 hrs. @ \$650/hr.	\$ 5,135

Assays @ ACME ANALYTICAL LABS, Vancouver	
100 @ \$ 12	= \$ 1,200

Camp materials, fuel, generator rental, radio rental, communications	\$ 1,900
---	----------

Truck rental	\$ 1,000
--------------	----------

Food	60 man-days @ \$ 15/D = \$ 900
------	--------------------------------

\$19,802
=====

PERIOD JULY 30 - SEPTEMBER 23

P. Folk, P.Eng, Project Manager Aug. 17, 18	2 days @ \$230/D	=	\$ 460
J. Bacon, Prospector July 30, 31; Aug. 1 - 5, Aug. 26 - Sept. 23	36 days @ \$132/D	=	\$ 4,752
R. Folk, Helper July 30, 31; Aug. 1 - 5,	7 days @ \$100/D	=	\$ 700
G. Lovang, Prospector Aug. 13 - Sept. 23	42 days @ \$187/D	=	\$ 7,854
R. Schneider, Prospector Aug. 13 - 26	14 days @ \$187/D	=	\$ 2,618

Helicopter, Northern Mountain Helicopters from Iskut River.

August	5	0.9 hr.
	13	3.0 hr.
	17	1.2 hr.
	18	2.1 hr.
	20	2.7 hr.
	25	3.8 hr.
	29	1.6 hr.
September	5	0.9 hr.
	14	1.4 hr.
	22	2.3 hr.

19.9 hr. @ \$650/hr = \$12,935

Food 101 man-days @ \$ 15/D = \$ 1,515

Assays @ ACME ANALYTICAL LABS
244 rock assays @ \$ 12 = \$ 2,928

Camp costs, fuel, generator rental,
radio rental, communications \$ 1,800

Truck rental, air transportation, freight \$ 2,800

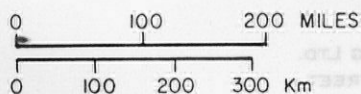
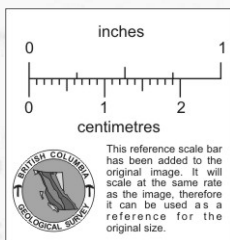
Report preparation, drafting \$ 900

\$39,262

MAPS

DON TULLY ENGINEERING LTD.
SUITE 1205, 555-13TH STREET
WEST VANCOUVER, BRITISH COLUMBIA
V7T 2N8

PERIOD JULY 30 - SEPTEMBER 23



Donald W. Tully

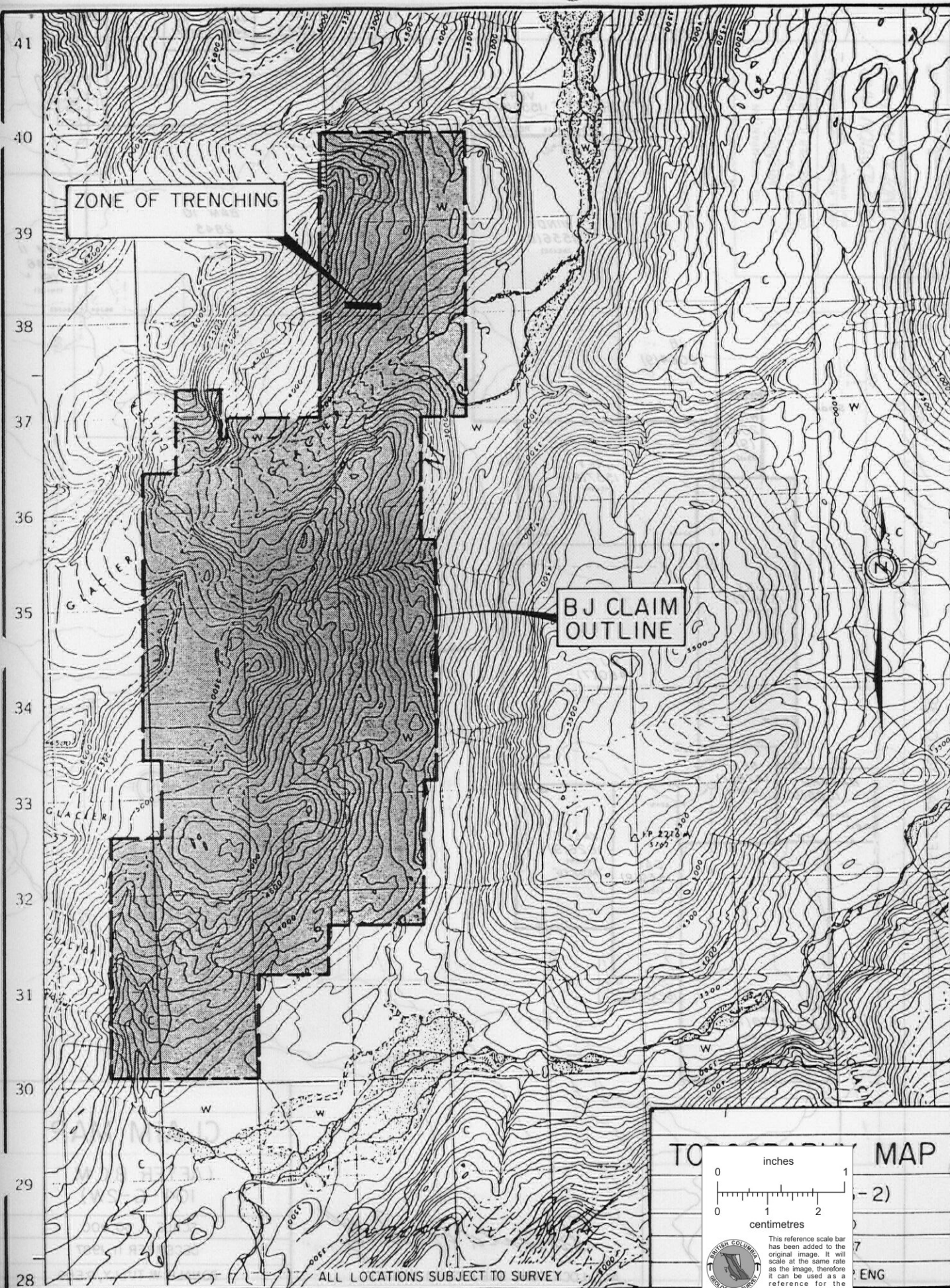
PROPERTY LOCATION MAP

ISKUT GOLD CORPORATION

SCALE AS SHOWN

DECEMBER 11, 1987

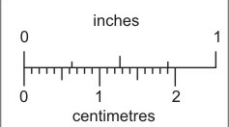
DONALD W. TULLY, P. ENG.



ZONE OF TRENCHING

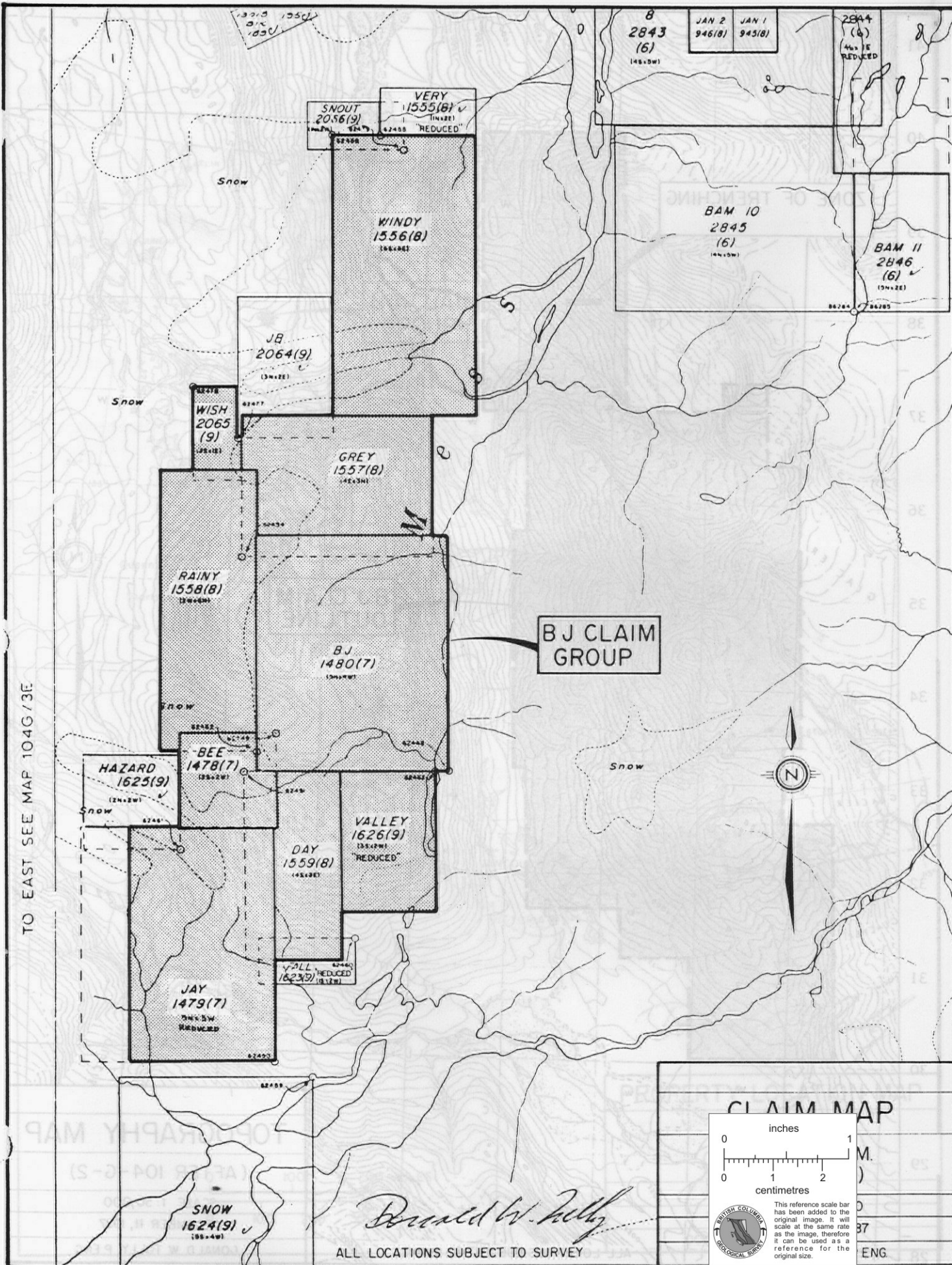
BJ CLAIM
OUTLINE

TO MAP



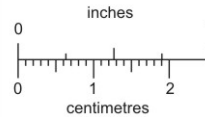
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

ALL LOCATIONS SUBJECT TO SURVEY



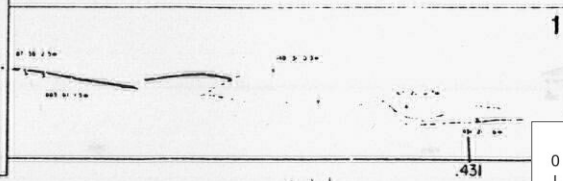
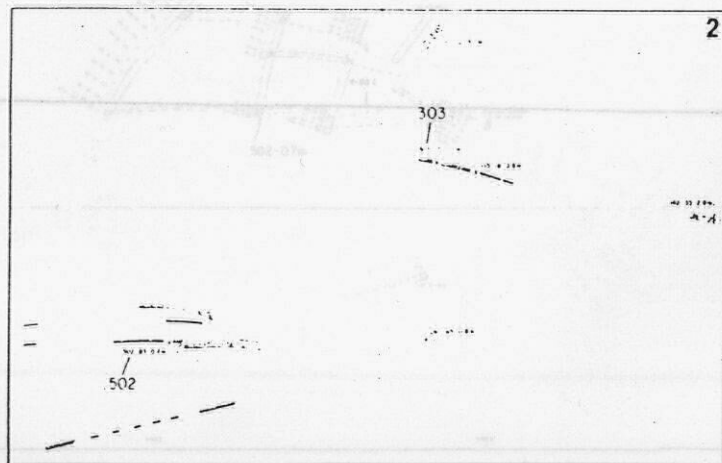
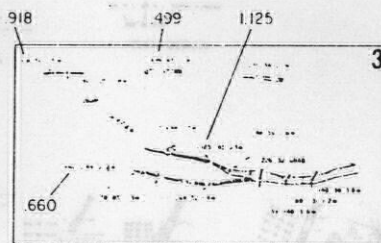
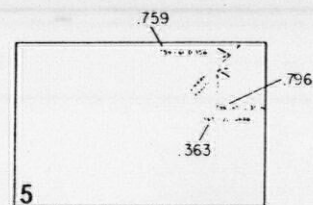
TO EAST SEE MAP 104G/3E

CLAIM MAP



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.

ENG



LEGEND

140 mW

Au 02/1 Au 02/1

Length: metres

TO ACCOMPANY AN
ADDENDUM
BY DONALD W TULLY, P. ENG.
DATED DECEMBER 11, 1987

TECK EXPLORATIONS LIMITED
GROUP - WINDY CLAIM

1. COMPILATION AND INDEX MAP


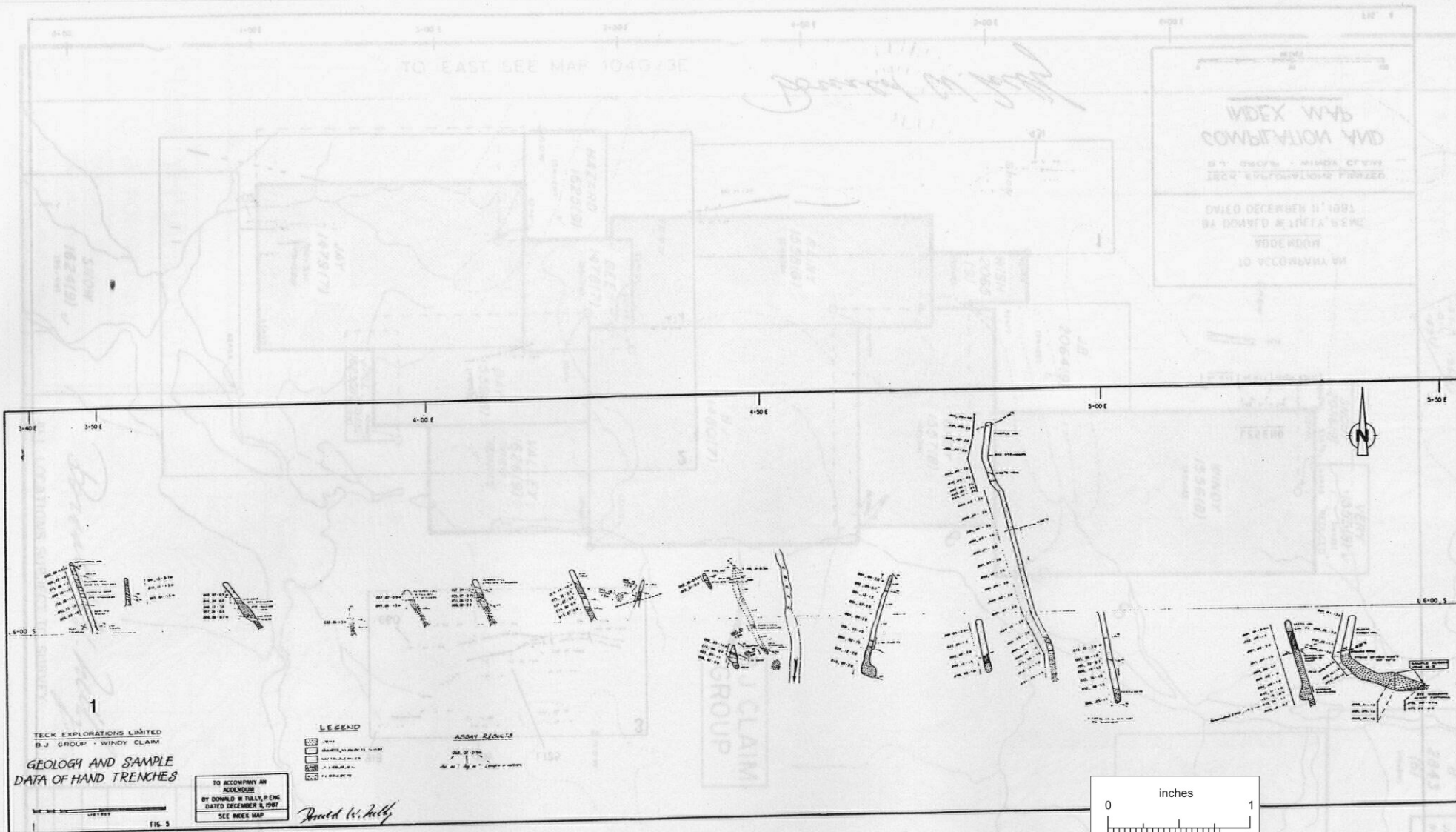
 This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

FIG. 4



This reference scale 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.

DATA OF HAND TRENCHES GEOLOGY AND SAMPLE

BY DONALD W. TULLY, P. ENG.
TECH. EXPLO. DIVISION

3



101-3.0m

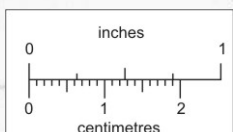
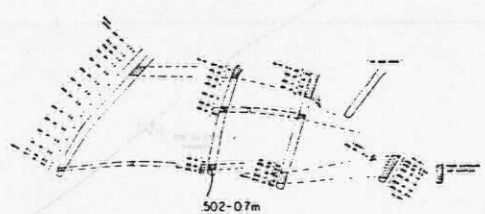
SEE INDEX MAP
DATED DECEMBER 11, 1987
BY DONALD W. TULLY, P. ENG.
TECH. EXPLO. DIVISION



222-1.0m

Donald W. Tully

TO ACCOMPANY AN
ADDENDUM
BY DONALD W. TULLY, P. ENG.
DATED DECEMBER 11, 1987
SEE INDEX MAP

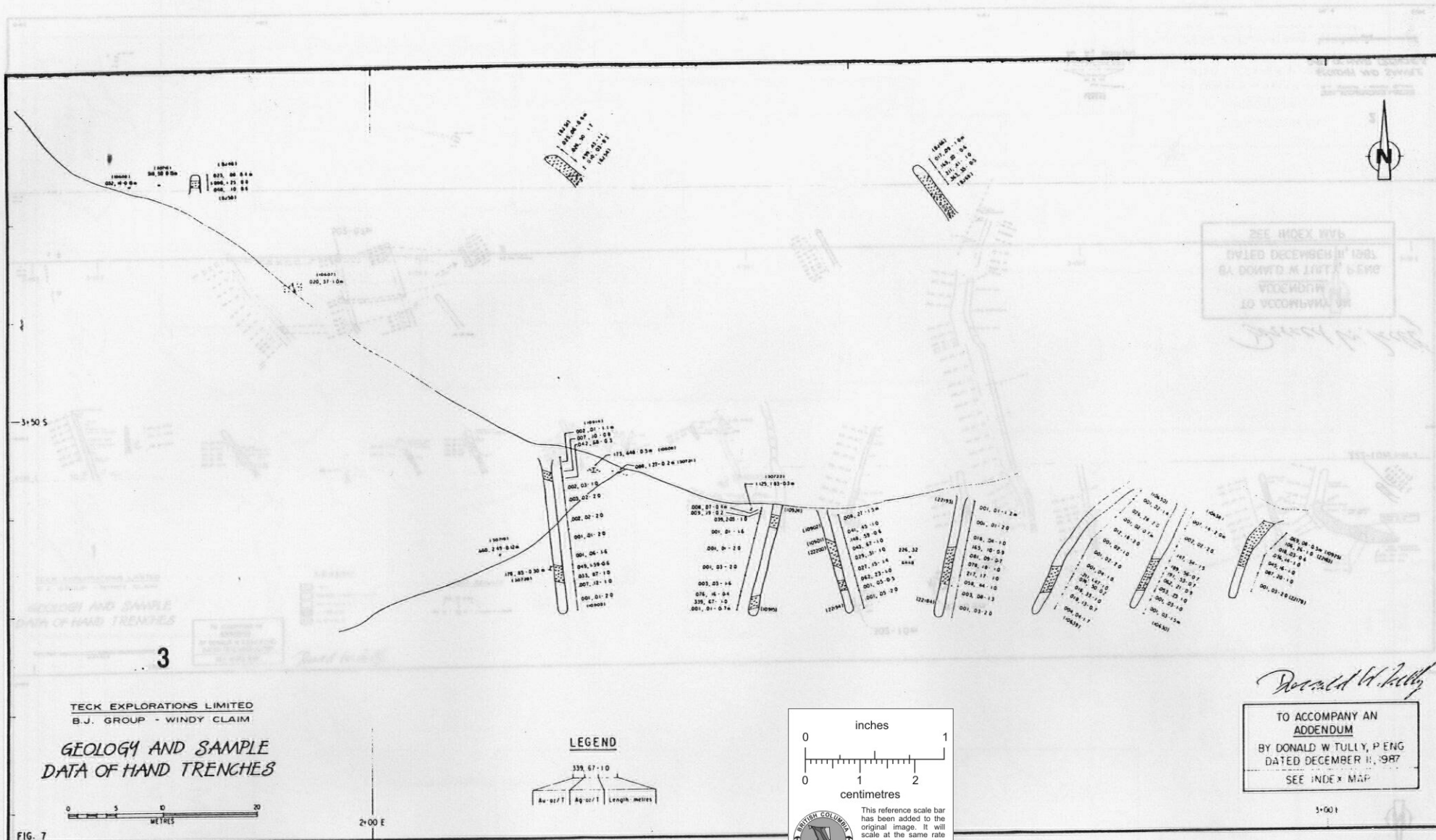


This reference scale bar
has been added to the
original image. It will
scale at the same rate
as the image, therefore
it can be used as a
reference for the
original size.

LEGEND
Au Ag width (m)

TO ACCOMPANY AN
ADDENDUM
BY DONALD W. TULLY, P. ENG.
DATED DECEMBER 11, 1987
TECH. EXPLO. DIVISION
GEOLOGY AND SAMPLE
DATA OF HAND TRENCHES
Scale 1cm = 3m
SEE INDEX MAP

2



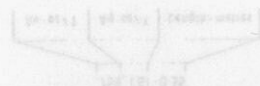
2+50 E

3+00 E

SEE INDEX MAP
DATED DECEMBER 11, 1987
BY DONALD W TULLY, PENG
MODIFIED
TECK EXPLORATIONS LTD

PLAN OF LAND TENDERS
DIA 190103

B-1 GROUP - MINERAL CLAIM
TECK EXPLORATIONS LIMITED



LEGEND

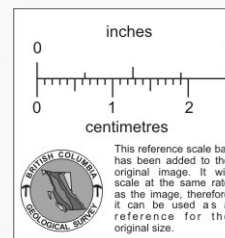
2

2+00 S

(B251)
1001.43-0.7m

(B240)
1001.29-1.1m
1001.17-1.0
1001.14-1.5
1001.03-1.0
1001.00-2.0
(B241)

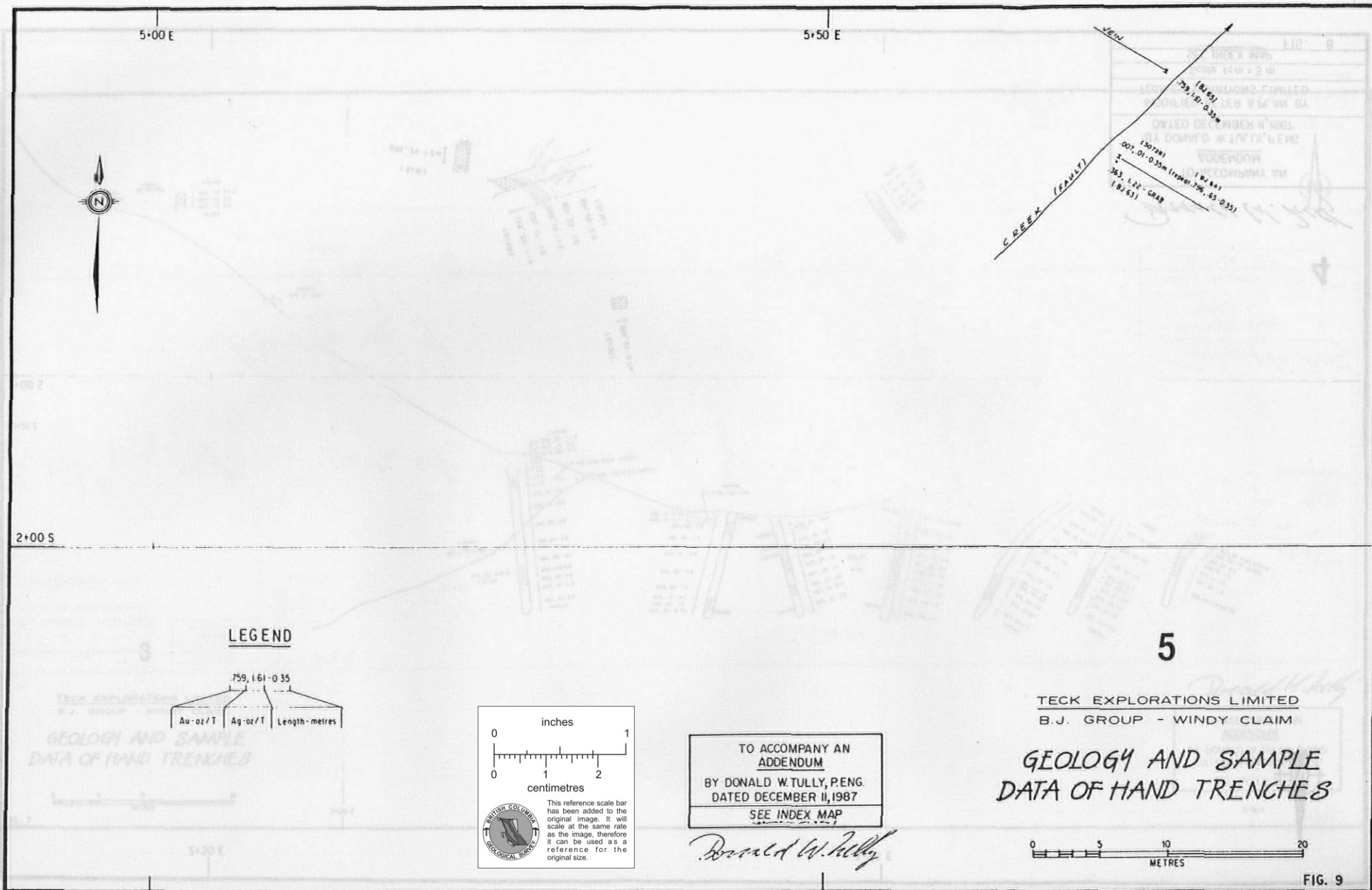
(B261)
1001.19-1.2m



4

Donald W. Tully

TO ACCOMPANY AN ADDENDUM
BY DONALD W TULLY, PENG DATED DECEMBER 11, 1987
MODIFIED AFTER A PLAN BY TECK EXPLORATIONS LIMITED
Scale 1cm = 3 m
SEE INDEX MAP
FIG. 8



ASSAY CERTIFICATES

DON TULLY ENGINEERING LTD.
SUITE 1205, 555-13TH STREET
WEST VANCOUVER, BRITISH COLUMBIA
V7T 2N8

3.5.
ACME ANALYTICAL LABORATORIES
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: AUG 20 1987

DATE REPORT MAILED: Aug 28/87..

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips

ASSAYER: *R. J. J.* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATIONS PROJECT-1356 File # 87-3461 Page 1

SAMPLE#	AG OZ/T	AU OZ/T
---------	------------	------------

10601	.06	.038
10602	.06	.015
10603	.01	.001
10604	.05	.001
10605	.01	.002

off to waste

10606	.01	.004
10607	.37	.020 ✓
10608	.14	.032 ✓
10609	6.48	.173 ✓
10610	.32	.226 ✓

off to waste

10611	.04	.002
10612	.05	.010
10613	.02	.002
10614	.08	.070
10615	.01	.001

30662	.05	.001
30663	.09	.002
30664	.02	.002
30665	.12	.002
30666	.03	.038

30667	.01	.001
30668	.02	.004
30669	.05	.001
30670	.10	.032
30671	.07	.001

30672	.01	.001
30673	.02	.001
30674	.01	.001
30675	.07	.004
30676	.06	.004

30677	.11	.039
30678	.07	.003
30679	.06	.002
30680	.05	.010
30681	.02	.006

30682	.03	.003
-------	-----	------

SAMPLE#	AG OZ/T	AU OZ/T
30683	.08	.002
30684	.08	.001
30685	.03	.016
30686	.15	.004
30687	.23	.001
30688	.05	.001
30689	.74	.060
30690	.36	.013
30691	.11	.012
30692	.25	.031
30693	.01	.001
30694	.09	.022
30695	.03	.001
30696	.07	.011
30697	.06	.004
30698	.08	.003
30699	.08	.024
30700	.11	.042
30701	.13	.121
30702	.24	.572
30703	.10	.045
30704	.01	.001
30705	.02	.001
30706	.02	.001
30707	.01	.004
30708	.09	.009
30709	.16	.009
30710	.09	.034
30711	.11	.055
30712	.09	.081
30713	.01	.009
30714	.08	.036
30715	.02	.025
30716	.40	.322
30717	.08	.029

J.
ACME ANALYTICAL LABORATORIES
352 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: AUG 27 1987

DATE REPORT MAILED: *Sept. 3/87...*

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips AU** AND AG** BY FIRE ASSAY.

ASSAYER: *D. Toye* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATIONS PROJECT-1356 File # 87-3691

SAMPLE#	AG** OZ/T	AU** OZ/T	
30718	.50	.918 ✓	
30719	2.49	.660 ✓	
30720	.85	.178 ✓	
30721	1.27	.088	
30722	1.83	1.125 ✓	
30723	.32	.047 ✓	
30724	.40	.029	
30725	.08	.003	
30726	1.97	.856 ✓	BANANA
30727	.63	1.195 ✓	BANANA
			0.20 m } 0.15 m }
30728	.01	.007 ✓	BANANA
30729	.17	.029 ✓	FOOTWALL
30730	.06	.016 ✓	
30731	.27	.046 ✓	
30732	.98	.001 ✓	
30733	.09	.003	
30734	.10	.018	
30735	.01	.002	
30736	.08	.007	
30737	.36	.006	
30738	.36	.550	
30744	.81	.532	

ACME ANALYTICAL LABORATORIES
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: SEPT 1 1987

DATE REPORT MAILED: *Sept 1/87*...

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips AU** AND AG** BY FIRE ASSAY.

ASSAYER: *D. Beys* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATIONS PROJECT-1356 File # 87-3820

SAMPLE#	AG** OZ/T	AU** OZ/T
10616	.02	.002
10617	.03	.001
10618	.04	.001
10619	.05	.001
10620	.03	.001
10621	.02	.001
10622	.01	.002
10623	.02	.002
10624	.08	.017
10625	.03	.003
10626	.02	.001
10627	.12	.003
10628	.04	.029
30739	.02	.015
30740	.16	.710
30741	.04	.004
30742	.04	.001
30743	.07	.049
30745	.04	.001
30746	.06	.028
30747	.04	.001
30748	.02	.001
30749	.02	.059
30750	.05	.001

B.J.

B.J.

ACME ANALYTICAL LABORATORIES

DATE RECEIVED: SEPT 4 1987

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE 253-3158

DATA LINE 251-1011 DATE REPORT MAILED:

Sept 16/87

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips AU** AND AG** BY FIRE ASSAY.

ASSAYER: *D. Toye* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATION PROJECT-1356 File # 87-3916

SAMPLE#	AG** OZ/T	AU** OZ/T
10629	.01	.013
10630	.03	.001
10631	.03	.001
10632	.23	.053
10633	.21	.062
10634	.53	.191
10635	.56	.189
10636	.34	.147
10637	.02	.002
10638	.14	.007
10639	.04	.004
10640	.13	.018
10641	.33	.016
10642	.50	.074
10643	1.47	.211
10644	.04	.001
10645	.02	.001
10646	.02	.001
10647	.18	.012
10648	.02	.001
10649	.28	.026
10650	.02	.001
22178	.03	.001
22179	.20	.087
22180	.16	.045
22181	.14	.036
22182	.03	.018
22183	.26	.106

ACME ANALYTICAL LABORATORIES

DATE RECEIVED: SEPT 9 1987

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE 253-3158

DATA LINE 251-1011 DATE REPORT MAILED:

Sept 24/87

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips AU** AND AG** BY FIRE ASSAY.

ASSAYER: DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATION PROJECT-1356 File # 87-4026 Page 1

BJ. GOLD.

SAMPLE#	AG** OZ/T	AU** OZ/T
---------	--------------	--------------

10901	.45	.041
10902	.27	.008
10903	.01	.001
10904	.12	.007
10905	.87	.033

10906	1.59	.049
10907	.06	.001
10908	.01	.001
10909	.02	.002
10910	.02	.003

10911	.03	.002
10912	.68	.042
10913	.10	.007
10914	.01	.002
10915	.01	.001

10916	.67	.339
10917	.16	.076
10918	.03	.003
10919	.03	.001
10920	.01	.001

1.0m CAMP VEIN.

10921	.01	.001
10922	2.03	.039
10923	.19	.009
10924	.07	.008
10925	.08	.069

22184	.03	.001
22185	.08	.003
22186	.44	.058
22187	.17	.217
22188	.18	.078

CAMP VEIN, 1.0m.

22189	.09	.081
22190	.10	.165
22191	.04	.018
22192	.01	.001
22193	.01	.001

CAMP VEIN 0.7m

22194	.05	.001
-------	-----	------

SAMPLE#	AG** OZ/T	AU** OZ/T
---------	--------------	--------------

22195	.05	.001
22196	.23	.062
22197	.15	.027
22198	.31	.029
22199	.67	.043

22200	.59	<u>.148</u>
-------	-----	-------------

0.6m core VAIN

ACME ANALYTICAL LABORATORIES

DATE RECEIVED: SEPT 28 1987

652 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE 253-3158

DATA LINE 251-1011 DATE REPORT MAILED:

Oct 13/87...

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips AU** AND AG** BY FIRE ASSAY.

ASSAYER: *D. Toye* DEAN TOYE, CERTIFIED B.C. ASSAYER

TECK EXPLORATION PROJECT-1356 File # 87-4533A Page 1

SAMPLE#	AG** OZ/T	AU** OZ/T	length (m)
BJ-1	.15	.005	.5
BJ-2	.83	.502	.7
BJ-3	.01	.001	1.0
BJ-4	.01	.001	.9
BJ-5	.10	.033	1.0
BJ-6	.06	.004	2.0
BJ-7	.03	.007	1.0
BJ-8	.06	.016	1.0
BJ-9	.06	.012	1.0
BJ-10	.06	.047	1.0
BJ-11	.13	.018	.6
BJ-12	.17	.040	1.0
BJ-13	.26	.011	.6
BJ-14	.02	.006	.6
BJ-15	.02	.001	.6
BJ-16	.01	.001	1.0
BJ-17	.11	.032	1.0
BJ-18	.07	.025	1.0
BJ-19	.03	.010	1.0
BJ-20	.01	.006	.6
BJ-21	.17	.039	1.0
BJ-22	.26	.059	1.0
BJ-23	.15	.050	1.0
BJ-24	.08	.030	.65
BJ-25	.01	.008	.6
BJ-26	.10	.044	1.0
BJ-27	.07	.037	1.4
BJ-28	.01	.001	.99
BJ-29	.13	.082	1.0
BJ-30	.54	.222	1.0
BJ-31	.38	.116	.8
BJ-32	.03	.004	.8
BJ-33	.04	.005	.9
BJ-34	.19	.025	2.0
BJ-35	.13	.004	2.0
BJ-36	.06	.006	2.0

SAMPLE#	AG** OZ/T	AU** OZ/T	
---------	--------------	--------------	--

BJ-37	.10	.009	0.7
BJ-38	.07	.004	0.7
BJ-39	.49	.032	1.0
BJ-40	.19	.018	1.0
BJ-41	.03	.007	1.0

BJ-42	.10	.012	1.0
BJ-43	.34	.044	1.0
BJ-44	.20	.069	1.0
BJ-45	.65	.267	0.0
BJ-46	.02	.008	0.8

BJ-47	.07	.022	FLOAT
BJ-48	.08	.023	0.4
BJ-49	1.25	1.090	0.8
BJ-50	.10	.048	0.4
BJ-51	.06	.025	0.6

BJ-52	.50	.026	1.7
BJ-53	.43	.499	1.1
BJ-54	.03	.010	0.3
BJ-55	.43	.061	0.7
BJ-56	.06	.001	2.0

BJ-57	.03	.001	1.0
BJ-58	.14	.002	1.5
BJ-59	.17	.025	1.0
BJ-60	.29	.129	1.1
BJ-61	.79	.070	1.2

BJ-62	.13	.039	2.0
BJ-63	1.22	.363	- GRAB
BJ-64	.65	.796	— REPEAT OF 30728-29 (over 35 cm)
BJ-65	1.61	.759	.35
BJ-66	.09	.017	1.0

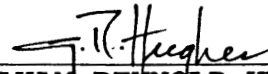
BJ-67	.22	.169	0.6
BJ-68	.41	.211	1.0
BJ-69	.35	.363	0.5
BJ-70	.07	.032	.30


CERTIFICATE OF THE ISSUER AND THE PROMOTERS

DATED: March 15, 1988

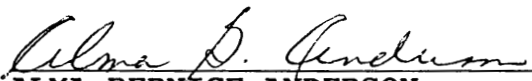
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

THE COMPANY


GRAHAM REYNOLD HUGHES
Chief Executive Officer


WILLIAM SAVAGE IRWIN
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS


ALMA BERNICE ANDERSON
Director


DAVID FERRIES PRENTICE
Director

PROMOTER

Per: 
GRAHAM REYNOLD HUGHES

CERTIFICATE OF THE AGENTS

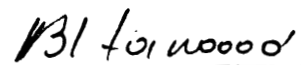
DATED: March 15, 1988

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

**CANARIM INVESTMENT
CORPORATION LTD.**

WOLVERTON & COMPANY LIMITED

Per:



Per:

