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The President & Directors
Giant Explorations Limited (N.P.L.)
1131 Melville Street
Vancouver 5, B.C.

Gentlemen:

During the fiscal year ended November 30, 1970, the Company's principal exploration activities consisted of its participation in the Nickel Syndicate, the Hedley Syndicate and a continuing program at Nahwitti Lake in British Columbia. Interesting prospects were examined in Western Canada, the Yukon Territory and a number of the Western States, some of which warrant further investigation.

The Nickel Syndicate property lying to the southeast of Harrison Lake became the major exploration effort for your Company in 1970. In view of the encouraging geochemical and geophysical results, the size of the property was increased to 564 claims. Although the geologic data at hand must still be considered of a preliminary nature, it is sufficiently significant that detailed exploration of specific areas at an increased tempo will be undertaken in 1971.

As part of the Company's continuing program at its Nahwitti Lake property on Vancouver Island, an Induced Polarization survey was carried out over a portion of the property.

Work continued on properties previously acquired by the Hedley Syndicate and as a result of a review of the geological data accumulated over the past four years by the Syndicate, the Company and Pacific Petroleum Ltd., as the members of the Syndicate, have agreed to extend the program of reconnaissance prospecting into certain adjoining areas of interest and to continue exploration of other sectors previously prospected.

Total exploration expenditures for the year ended November 30, 1970 were \$116,388 of which \$103,417 was spent on exploration and operating expenses, \$5,549 on additions to vehicles and exploration equipment and \$7,422 on property payments.

PROPERTIES

1. Nickel Syndicate - 50% interest - 564 claims

This joint venture with Giant Mascot Mines Limited, on an equal basis, was considerably expanded during the year, and as a result of the reconnaissance exploration the property was enlarged from 240 to 564 claims, covering favourable geological structures and rock types, from the northwesterly boundary of the Giant Mascot mine property westerly through to Harrison Lake.

An airborne magnetometer survey of the Syndicate's area of interest and the Giant Mascot property, an area of approximately 85 square miles, was conducted at nominal quarter mile spacing, utilizing a Scintrex NPM-1 Nuclear Resonance, total intensity magnetometer, suspended 50 feet below a Bell 206 helicopter, maintaining a mean terrain elevation of 300 feet. Sixty flight lines, measuring a total of 335 line miles, were flown in a northeast-southwest direction. The results of this survey have been and will continue to be of value in subsurface interpretation of geological formations and structural conditions.

Geochemical soil sampling and, where possible, collection of rock samples, were carried out concurrently, along contours at approximately 400 foot elevation differentials and 200 foot sample intervals, covering a major portion of the property. Over 4,000 soil and 600 rock samples were collected. The soil samples were tested for copper, nickel and lead, while mineralized rock samples were assayed for nickel and copper.

Correlation of all data has indicated at least five areas of coincident geochemical copper and nickel values, in direct association with ultrabasics and other rock types common to the Giant Mascot mine area, with a further significant association with the airborne magnetics. Mineralized samples from two areas of ultrabasics in the south-central sector of the property, near the headwaters of Talc Creek, returned interesting nickel values.

The proposed program for 1971 provides for an overall acceleration of exploration work. The five selected areas will be subjected to detailed geochemical, geological and geophysical surveying to locate specific diamond drill targets. Reconnaissance exploration will be continued over the balance of the property.