

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

019516

STATEMENT OF MATERIAL FACTS #12/89
EFFECTIVE DATE: MARCH 23, 1989

GIGI RESOURCES LTD.

11th Floor, 808 Hastings Street, Vancouver, British Columbia Telephone: 604-687-7463
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#100 - 200 Granville Street, Vancouver, B.C., V6C 1S4
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Trust Company, 800 West Pender Street, Vancouver, British Columbia
OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

ferred hereunder are speculative in nature. Information concerning the
y be obtained by reference to this document; further clarification, if
sought from a broker.

OFFERING: 1,200,000 UNITS

s of one common share and two Series "A" Warrants, two such warrants will
r thereof who exercises such warrants to purchase one additional common
er at any time up to the close of business within one year following the
" Warrants are posted and called for trading, at a price to be determined
h the Rules of the Vancouver Stock Exchange.

104 B 328
104 G 050,053

	Price to Public (estimated)*	Commission	Estimated Net Pro- ceeds to be Received by the Issuer
Per Unit	\$0.50	\$0.0375	\$0.4625
Total	\$600,000	\$45,000	\$555,000

* To be calculated in accordance with the Rules of the Vancouver Stock Exchange.

ADDITIONAL OFFERING

The agents have agreed to purchase (the "Guarantee") any of the Units offered hereby which
have not been sold at the conclusion of the Offering (see "Consideration to Agents"). Any
Units acquired by the Agents under 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 sale.

A G E N T S

Canarim Investment Corporation Ltd.
Suite 2200, 609 Granville Street
Vancouver, British Columbia V7Y 1H2

Continental Securities
10th Floor, 1055 Dunsmuir Street
Vancouver, British Columbia V7X 1L4

Georgia Pacific Securities Corporation
16th Floor, 555 Burrard Street
Vancouver, British Columbia V7X 1S6

Midland Doherty (Davidson Group)
10th Floor, 595 Burrard Street
Vancouver, British Columbia V7X 1C3

Jefferson Securities Inc.
Suite 300, 1040 West Georgia Street
Vancouver, British Columbia V6E 4H1

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 representation to the
contrary is an offence.

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference February 6, 1989 (the "Agency Agreement") Gigi Resources Ltd. (the "Issuer") appointed the following as its agents (the "Agents") to offer through the facilities of the Vancouver Stock Exchange (the "Exchange") 1,200,000 units (the "Units") of the Issuer (the "Offering") at a fixed price in the amounts set opposite the Agents' respective names:

<u>Agents</u>	<u>No. of Units</u>
Canarim Investment Corporation Ltd.	600,000
Continental Securities	250,000
Georgia Pacific Securities Corporation	150,000
Midland Doherty (Davidson Group)	100,000
Jefferson Securities Inc.	100,000

The Offering will take place on the "Offering Day" which will be not more than sixty (60) calendar days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers (the "Effective Date").

The offering price of the Units (the "Offering Price") will be determined in accordance with the rules of the Exchange, at a premium over the average trading price of the Issuer's shares as determined by the Exchange, subject to the agreement of the Issuer and the Agents; however, the Offering Price shall not be less than Forty Cents (\$0.40) per Unit. The purchasers of any Units under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced dealers, brokers and investment dealers who may or may not be offered part of the commissions derived from the Offering.

The obligations of the Agents under the Agency Agreement may be terminated at any time at their discretion on the basis of their assessment of the state of the financial markets before the opening of the market on the Offering Day, and may also be terminated upon the occurrence of certain stated events.

The Issuer has agreed to notify the Agents of any further public equity financing that it may require or propose to obtain during the twelve month period following the Effective Date and the Agents shall have the right of first refusal to provide such financing.

Issuer has only earned a twenty-five percent (25%) interest in the Trophy Project as its largest interest, and the Issuer's interest is reduced to less than five percent (5%) under the terms of the Joint Venture Agreement, the Issuer shall relinquish and transfer its interest in the Trophy Project to Continental, and shall receive as consideration therefor a royalty equal to five percent (5%) of net profits.

The Issuer has appointed Prime Explorations Ltd. of 10th Floor, 808 West Hastings Street, Vancouver, British Columbia to manage any exploration work carried out on the Trophy Project, in consideration of a management fee equal to 15% of total exploration costs. Prime Explorations Ltd. is a wholly owned subsidiary of Prime. The greater than 5% shareholder of Prime, directly and indirectly, is Prime Resources Corp., a reporting company whose securities are listed on the Exchange.

The Trophy Project is the subject of an Engineering Report dated January 27, 1989 by Sorbara Geological Consulting Ltd. (the "Sorbara Report") which states that the Property is underlain by a complex of Lower Jurassic syenite stocks and dykes intruding a volcano-sedimentary package. During 1987 three major northeast trending, precious metal-bearing shear zones, the Ptarmigan, Eagle and Hummingbird, were discovered on the subject property. Thirteen new, structurally controlled and skarn hosted, auriferous sulfide mineralized zones were discovered during the 1988 field season.

The Sorbara Report states that the 1988 drilling program on the Trophy Project tested approximately fifteen percent (15%) of the known precious metal bearing structures on the property. All holes on the Ptarmigan shear zone penetrated wide zones of intense brecciation, silicification and sulfide replacement. The highest precious metal values, 0.16 oz/t gold and 0.88 oz/t silver over 36.4 feet, were recorded in hole TR88-4 which was drilled to a depth of 570 feet. Drilling has shown that the Ptarmigan structure is open at depth and to the south.

The Sorbara Report further states that drilling on the Eagle showing recovered a 26.3 foot intersection which assayed 0.02 oz/t gold and another 6.6 feet assayed 0.09 oz/t gold and 0.53 oz/t silver. In the QBS showing, hole TR88-11 intersected 133.5 feet grading 0.02 oz/t gold within an oxidized zone. The Hummingbird showings consist of a copper-gold skarn, and an associated massive sulfide horizon containing lenticular pods of auriferous massive sulfide. Grab samples from the poorly exposed skarn yielded up to 0.156 oz/t gold, 1.41 oz/t silver and 4.25% copper. Blasting has indicated that the massive sulfide pods thicken and lengthen with increasing depth. Drilling of the skarn and the massive sulfide zone, towards the end of the 1988 program, was abandoned due to the lack of proper drilling equipment on site at the time.

The Sorbara Report concludes that the Trophy Project has the potential to host significant precious and/or base metal mineralization and an exploration program designed to further test this potential is recommended. The Sorbara Report recommends additional geological mapping and prospecting, in conjunction with stream sediment and soil geochemical sampling. In addition, follow up ground geophysical surveying, magnetics and VLF-EM, should be conducted on any targets generated by the airborne geophysical survey. Trenching of the more significant zones of mineralization, discovered during the 1988 reconnaissance exploration program, is considered necessary. Additional diamond drilling should be conducted on the Ptarmigan, Hummingbird and Eagle shear zones to further define the geometry and grade characteristics of these structures. The estimated cost of the exploration program is Five Hundred Thousand Dollars (\$500,000). The Issuer intends to finance this exploration program from the net proceeds of this Offering.

THERE IS NO UNDERGROUND OR SURFACE PLANT OR EQUIPMENT ON THE TROPHY PROJECT, NOR ANY KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

Group II: Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year: None

Group III: Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000:

RAN PROPERTY, YUKON TERRITORY

By an agreement dated January 27, 1988, as amended, between Prime Capital Corporation ("Prime") of 11th Floor, 808 West Hastings Street, Vancouver, British Columbia, as the vendor, and Norman Resources Ltd. ("Norman") of 11th Floor, 808 West Hastings Street, Vancouver, British Columbia and the Issuer, both as the purchasers, wherein the Issuer and Norman acquired an exclusive option to purchase an 100% undivided interest in and the 190 unpatented mining claims, situated in the Yukon Territory, Canada (the "RAN Property") more particularly described as follows:

<u>Claim Name</u>	<u>Record Numbers</u>	<u>Expiry Date</u>
RAN	721-754 (inclusive)	Nov. 25, 1993
RAN	801-834 (inclusive)	Nov. 26, 1993
RAN	881-914 (inclusive)	Nov. 26, 1993
RAN	961-994 (inclusive)	Nov. 26, 1993
WALK	1-20 (inclusive)	July 19, 1989
RUN	1-12 (inclusive)	July 19, 1989
KOKO	1-22 (inclusive)	Aug. 03, 1989

REPORT ON THE
TROPHY GOLD PROJECT
LIARD MINING DIVISION, BRITISH COLUMBIA

for

GIGI RESOURCES LTD.
1100-808 West Hastings St.
Vancouver, B.C.
V6C 2X4

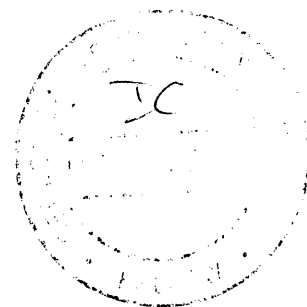
NTS 104-G 3
Latitude 57° 10'N
Longitude 131° 15'W

BY

DENIS A. COLLINS, Ph.D., P.Geol., F.G.A.C.

SORBARA GEOLOGICAL CONSULTING LTD.
6703 Nicholson Road,
Delta, B.C.
V4E 2T2

January 27, 1989



4. Related party transactions

During the year ended April 30, 1988, the Company had the following related party transactions:

- a. paid \$23,000 (1987 - \$10,195) for administration fees and \$1,050 (1987 - \$5,000) for accounting services to companies related by way of common directors;
- b. paid \$4,650 for exploration management fees to a company related by way of common director;
- c. acquired the option for the Ran mineral claims (Note 2) from a company related by way of common directors.

Included in accounts payable is \$5,758 to a company related by way of common directors.

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SUMMARY

The subject properties are located in the Galore Creek area of northwestern British Columbia, within the eastern boundary of the Coast Range Mountains. The claims lie approximately 180 air kilometers northwest of Stewart, B.C., 80 kilometers south of Telegraph Creek and 60 air kilometers north of the Iskut River gold camp. The claims lie within NTS 104-G 3 map area, approximately centered at latitude 57°10'N and longitude 131°15'W. The Stikine River-Iskut River region has been the focus of intense mining exploration activity in recent years which has resulted in several new discoveries.

The property consists of forty-seven (47) claims, totalling 778 units, within the Liard Mining Division. The claims are held in the name of Continental Gold Corp. and are under option to Gigi Resource Ltd.

The claims are situated in a mountainous, heavily glaciated terrain and lie on the east side of the Stikine River. Part of the claim area (roughly 35%) is covered by ice and could not be explored on the ground.

The subject property is underlain by a complex of Lower Jurassic syenite stocks and dykes intruding a volcano-sedimentary package. During 1987 three major northeast trending, precious metal-bearing shear zones, the Ptarmigan, Eagle and Hummingbird, were discovered on the subject property. Thirteen new, structurally controlled and skarn hosted, auriferous sulfide mineralized zones were discovered during the 1988 field season.

The 1988 drilling program on the Trophy Gold Project tested approximately 15% of the known precious metal bearing structures on the property. All holes on the Ptarmigan shear zone penetrated wide zones of intense brecciation,

silicification and sulfide replacement. The highest precious metal values, 0.16 oz/t Au and 0.88 oz/t Ag over 36.4 feet, were recorded in hole TR88-4 which was drilled to a depth of 570 feet. Drilling has shown that the Ptarmigan structure is open at depth and to the south.

Drilling of the Eagle showing recovered a 26.3 foot intersection which assayed 0.02 oz/t gold and another 6.6 feet assayed 0.09 oz/t gold and 0.53 oz/t silver. In the QBS showing, hole TR88-11 intersected 133.5 feet grading 0.02 oz/t gold within an oxidized zone.

The Hummingbird showings consist of a copper-gold skarn, and an associated massive sulfide horizon containing lenticular pods of auriferous massive sulfide. Grab samples from the poorly exposed skarn yielded up to 0.156 oz/t gold, 1.41 oz/t silver and 4.28% copper. Blasting has indicated that the massive sulfide pods thicken and lengthen with increasing depth. Drilling of the skarn and the massive sulfide zone, towards the end of the 1988 program, was abandoned due to the lack of proper drilling equipment on site at the time.

The geological setting of the claims within an area of known mineral deposits and underlain, in part, by a correlative volcano-sedimentary sequence and granodioritic to syenitic complex, provide sufficient encouragement to conduct further exploration programs on the claims. In addition, recent mineral discoveries from preliminary exploration work on portions of the subject claims and diamond drilling on selected zones demonstrates that the potential for the existence of significant mineralization exists and should be tested.

The writer concludes that the subject properties have the potential to host significant precious and/or base metal mineralization and an exploration program designed to further test this potential is warranted and recommended.

INTRODUCTION

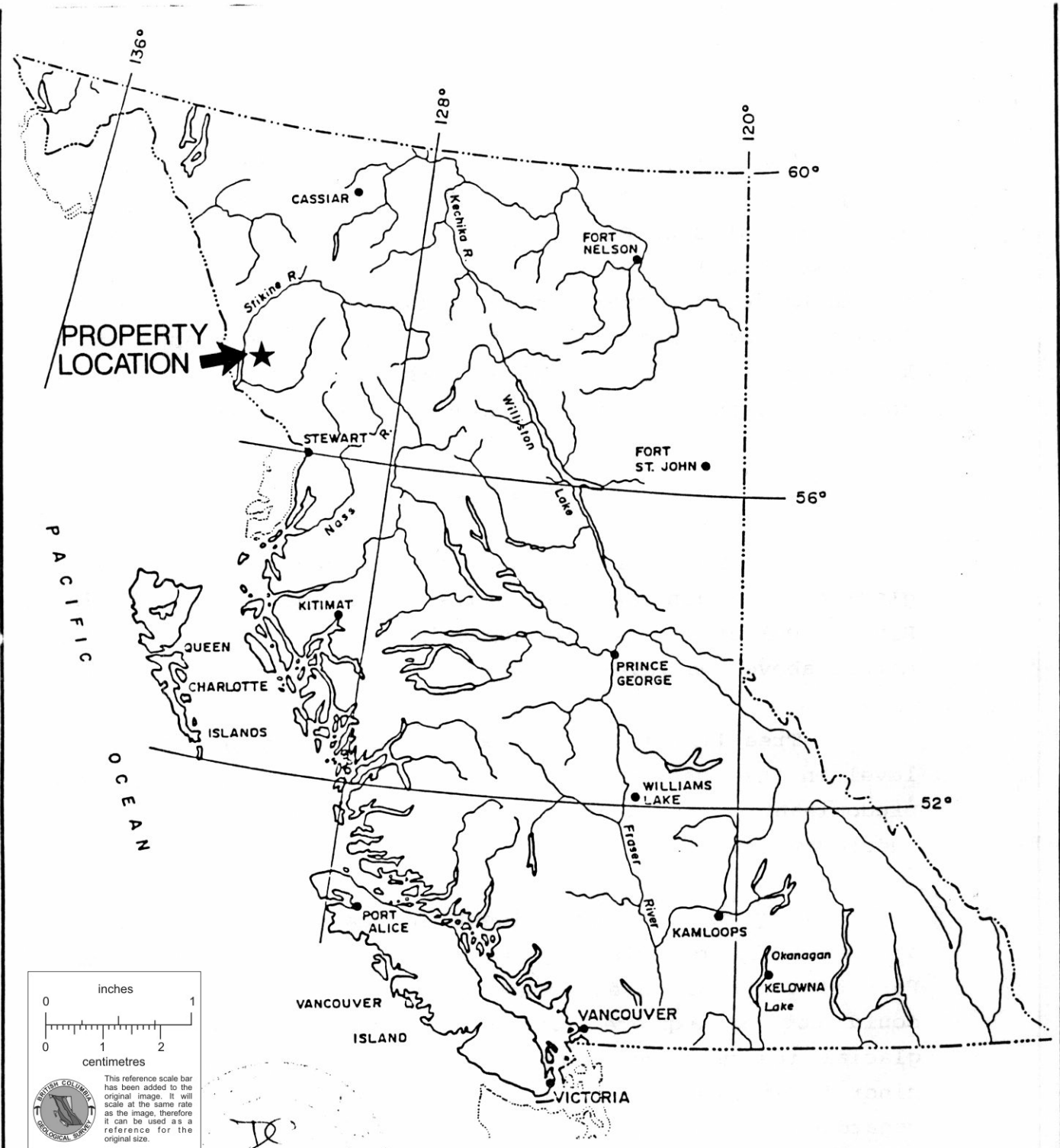
This summary and evaluation of the Trophy Gold Project group of mineral claims is done at the request of the Directors of Gigi Resources Ltd. of Vancouver, British Columbia. The purpose of this report is to evaluate the precious metal potential of the claim group and to propose an exploration program designed to further test this potential.

This report is based on a review of public and private reports pertaining to the area, recent exploration activities on and adjacent to the properties, government geological and topographical maps and claim data from the mining recorder's office. The author has extensive knowledge of the region, and has examined the geology of properties in the Iskut River region and inspected known anomalous showings in the Iskut River area during the 1987 and 1988 field seasons.

This report was commissioned in January 1989 and an examination of the subject property itself would not be practical at the time of writing due to heavy snow cover.


LOCATION AND ACCESS

The subject property is located in the Galore Creek area of northwestern British Columbia, within the eastern boundary of the Coast Range Mountains (Figure 1). The claims are approximately 180 air kilometers northwest of Stewart, B.C., 80 kilometers south of Telegraph Creek and 60 air kilometers north of the Iskut River gold camp. The property lies within NTS map sheet 104-G 3 and is approximately centered at latitude $57^{\circ}10'N$ and longitude $131^{\circ}15'W$.



inches
0 1

centimetres
0 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.

0 100 200 300 400 500 km

GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
GENERAL LOCATION MAP		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 1

The area is accessible by air from Smithers, Wrangell, Stewart, Dease Lake or Telegraph Creek to gravel air strips at Scud River, Bronson Creek or Johnny Mountain. The most practical means of daily travel to the claim group is via helicopter from the Scud River airstrip. During the 1960's, an access road was constructed for a distance of 35 kilometers from the Scud River airstrip to the Galore Creek copper deposit, via the Scud River and Galore Creek valleys.

PHYSIOGRAPHY

The claims are situated in a mountainous, heavily glaciated terrain and lie on the east side of the Stikine River. Relief ranges from approximately 700 meters to 2,000 meters above sea level.

Tree line is at approximately 1200 meters above sea level in this region. Dense vegetation below this consists predominantly of spruce, fir, and hemlock with an undergrowth of devil's club.

Many cirques are evident in the region and valleys are commonly occupied by both glaciers and ice-sheets. Part of the claim area (roughly 35%) is covered by ice and could not be explored on the ground. The presence of glacial ice does not make development, of any significant mineral discovery, unfeasible. However, the drawback regarding the ice cover is that a mineral deposit that is now under ice would be more difficult to locate, in that it would rely on airborne geophysics without follow-up prospecting and geochemistry. The feasibility of diamond drilling would depend largely on local topography, as drilling through ice itself is not necessarily a problem.

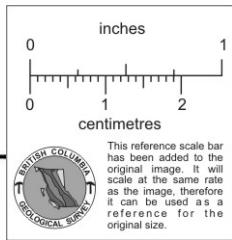
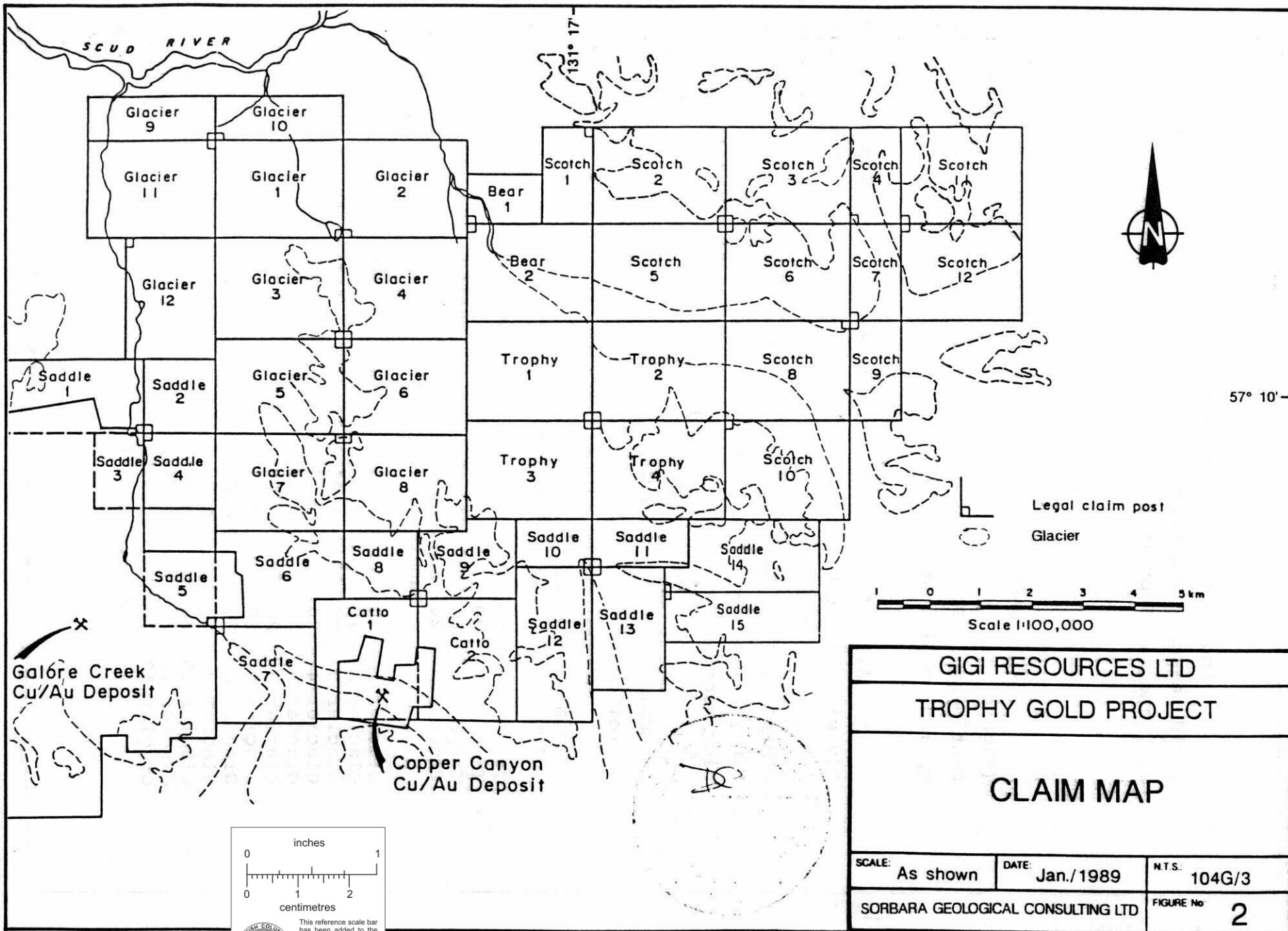
Snow cover is a limiting factor on the exploration field season. The period of least snow cover occurs between July and mid-September.

PROPERTY AND OWNERSHIP

The property consists of forty-seven (47) claims (Figure 2), totalling 778 units, held in the name of Continental Gold Corp. The claims are currently under option to Gigi Resources Ltd.

All of the claims are within the Liard Mining Division of British Columbia. The Trophy 1-4 claims were staked in May, 1987. All of the remaining claims were staked during the period June and July 1987 by United Mineral Services Staff on behalf of D.B. Forster and R.A. Dickinson. The claims were later sold 100% to Continental Gold Corp. The properties are recorded at the British Columbia Ministry of Energy, Mines and Petroleum Resources as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>
Trophy 1	20	4067	5/5/87	1998
Trophy 2	20	4068	5/5/87	1998
Trophy 3	20	4069	5/5/87	1998
Trophy 4	20	4070	5/5/87	1998
Sub-total: 80 units				
Glacier 1	20	4121	7/24/87	1997
Glacier 2	20	4122	7/24/87	1996
Glacier 3	20	4123	7/24/87	1996
Glacier 4	20	4124	7/24/87	1996
Glacier 5	20	4125	7/24/87	1997
Glacier 6	20	4126	7/24/87	1997
Glacier 7	20	4127	7/24/87	1996
Glacier 8	20	4128	7/24/87	1998
Glacier 9	10	4475	2/17/88	1994
Glacier 10	20	4476	2/17/88	1995
Glacier 11	20	4477	2/17/88	1995
Glacier 12	20	4478	2/17/88	1994
Sub-total: 225 units				



<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>
Scotch 1	8	4136	8/10/87	1998
Scotch 2	20	4137	8/10/87	1998
Scotch 3	20	4138	8/10/87	1992
Scotch 4	8	4139	8/10/87	1993
Scotch 5	20	4140	8/10/87	1998
Scotch 6	20	4141	8/10/87	1992
Scotch 7	8	4142	8/10/87	1993
Scotch 8	20	4143	8/10/87	1998
Scotch 9	8	4144	8/10/87	1998
Scotch 10	20	4145	8/10/87	1998
Scotch 11	20	4483	2/17/88	1994
Scotch 12	20	4484	2/17/88	1994
Sub-total: 192 units				
Catto 1	20	4131	7/24/87	1993
Catto 2	20	4132	7/24/87	1998
Sub-total: 40 units				
Bear 1	6	4129	7/24/87	1995
Bear 2	20	4130	7/24/87	1996
Sub-total: 26 units				
Saddle 1	18	4430	12/9/87	1992*?
Saddle 2	9	4431	12/9/87	1992
Saddle 3	6	4432	12/9/87	1991
Saddle 4	9	4433	12/9/87	1992
Saddle 5	15	4434	12/9/87	1991
Saddle 6	20	4435	12/9/87	1993
Saddle 7	16	4436	12/9/87	1993
Saddle 8	20	4437	12/9/87	1993
Saddle 9	20	4438	12/9/87	1998
Saddle 10	6	4439	12/9/87	1998
Saddle 11	8	4440	12/9/87	1998
Saddle 12	18	4441	12/9/87	1998
Saddle 13	15	4442	12/9/87	1997
Saddle 14	18	4776	6/6/88	1998
Saddle 15	12	4777	6/6/88	1997
Sub-total: 210 units				

Total: 778 Units

HISTORY AND PREVIOUS WORK

Although the Stikine River served as the access route to the placer deposits of the Telegraph Creek-Cassiar area which were discovered in the period 1861 to 1873, there is no record of any prospecting activity in the Iskut River area until 1907. During the 1920's, 1930's and 1940's the exploration for lode deposits was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

Little work was done in the area until 1954, 1955 when Hudson's Bay Mining and Smelting located the large tonnage copper-gold porphyry deposit at Galore Creek (137 MT grading 1.02% Cu, 0.014 oz/ton Au). In 1957, they also discovered the Copper Canyon copper-gold porphyry deposit (28 MT grading 0.64% Cu, 0.02 oz/ton Au) approximately eight kilometers east of the Galore Creek Central Zone (Grant, 1964).

Hudson's Bay Mining and Smelting also located the Pickaxe showing, and found high grade gold-silver-lead-zinc float on the upper slopes of Johnny Mountain. After performing exploration work on the latter showing in the mid-1950's, Hudson's Bay Mining and Smelting allowed these claims to lapse. These showings are now part of Skyline Exploration's Reg property.

Following the discovery of the Galore Creek Cu-Au deposit, (2 million ounces of contained gold), exploration was increased in the Stikine River area. During the late 1950's and early 1960's, several major mining companies conducted airborne geophysical surveys in the region, on a reconnaissance basis, for potential porphyry copper-molybdenum deposits. Several new claims were staked in the Stikine River area, on Johnny Mountain and along Sulphurets

Creek in that period, while Kennco and Noranda investigated the original showings on Johnny Mountain. The BIK Syndicate (Silver Standard Mines, McIntyre Porcupine and Kerr Addison) also conducted exploration in the region in the late 1950's and early 1960's.

Several of the claims staked by the Syndicate, at that time, covered the Trophy Gold Project property. After performing limited exploration work in the mid-1960's, the lead-zinc rich Ptarmigan showing, with assay values of up to 0.16 oz/t gold and 6.7 oz/t silver, was discovered. Prospectors also located skarn type Cu-Au mineralization at the Hummingbird showing (Forster, 1988). However, the failure to discover another large copper ore body resulted in many of the claims in the area being allowed to lapse.

In 1969, Skyline Explorations Ltd. restaked the Inel property, after having discovered massive sulfide float originating from the head of Bronson Glacier. In 1974, Texas Gulf Inc. investigated the porphyry copper potential of Johnny Mountain.

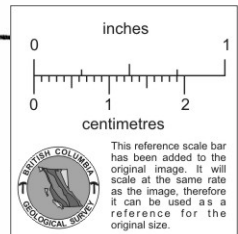
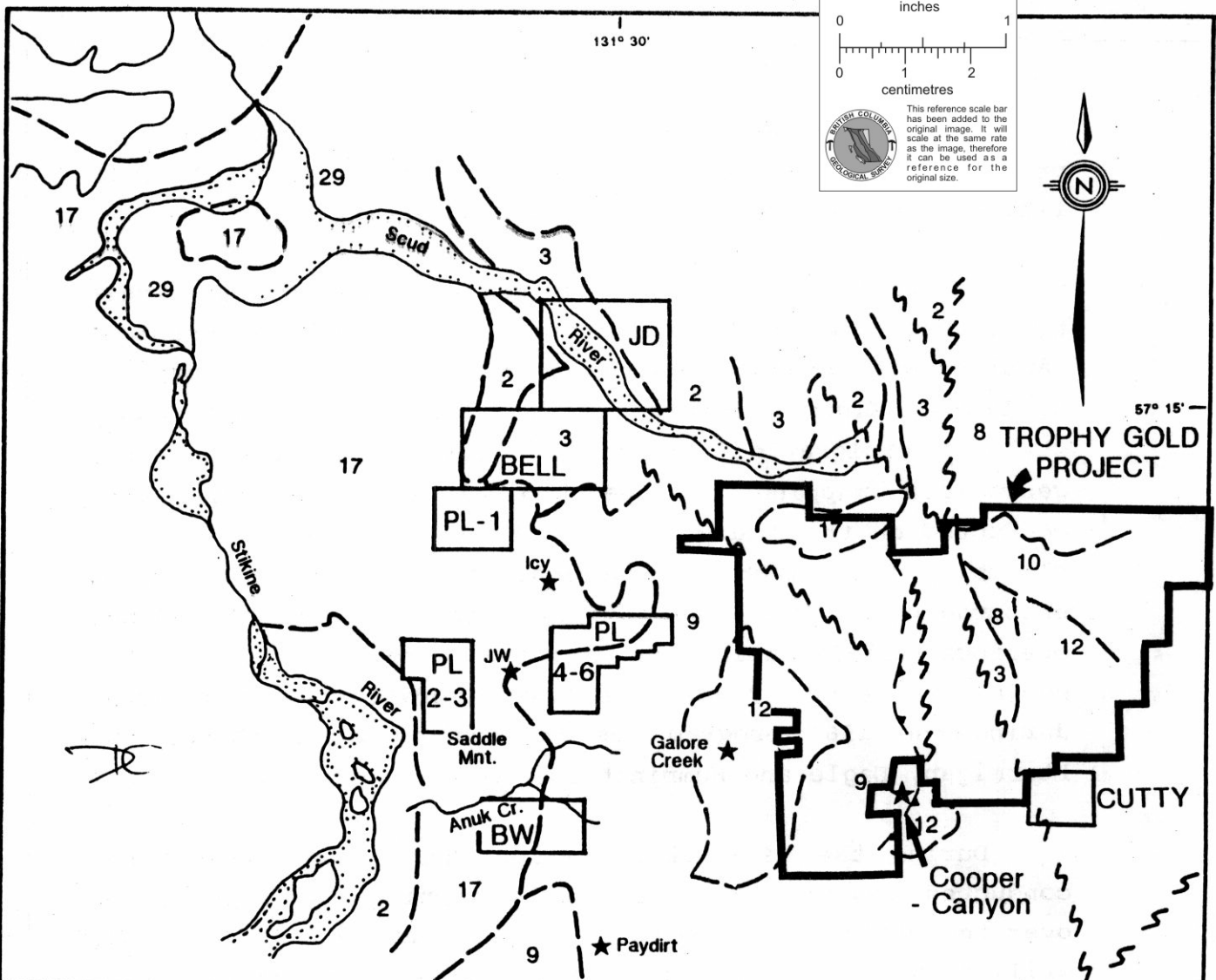
The Reg property was restaked by Skyline in 1980 and following a series of joint venture exploration programs the property reverted back to Skyline Explorations Ltd. in the latter part of the 1980's. During 1987, Skyline completed 13,665 meters of diamond drilling, 226m of underground raise development and 551.4m of drifting on the Reg Deposit. This work confirmed the presence of high grade gold mineralization in addition to silver and copper with good lateral and depth continuity over mineable widths. The proven reserves to date are 1,087,875 tons grading 0.7 oz/t Au, 1+ oz/t Ag, and 1% Cu. The geologically possible reserves are estimated to be 4,000,000 tons at a similar grade (Grove, 1988).

During August, 1988 Skyline commenced production at the Reg Deposit. The success of Skyline's program has provided the impetus for an extremely active mining exploration scene in the Iskut River area over the past few years. In 1987, companies such as Western Canadian Mining Corporation, Gulf International Minerals Ltd., Tungco Resources, and Newhawk Gold Mines among others, carried out extensive drilling programs in the area.

Delaware Resources Corporation, in joint venture with Cominco Exploration Ltd., have conducted extensive exploration programs on the Snip Property near Bronson Creek. The geologically possible reserves for this deposit are 1.1 M metric tonnes @ 24.0 g/t gold or 1.2 M short tons @ 0.7 oz Au/t (Wolfe and Nichols, 1988). A decision to place the Snip deposit into production is currently under consideration.

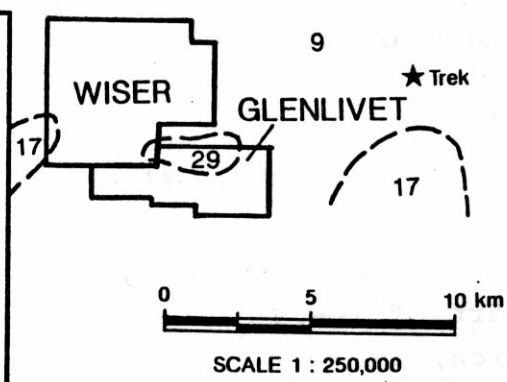
Teck Corp. conducted a regional reconnaissance stream sediment geochemical survey in the Galore Creek-Stikine River area. They also defined reserves of 185,000 tonnes, grading 4.11 g/t gold, for the Paydirt deposit (Holtby, 1985). Longreach Resources Ltd. commenced underground development and exploration on the Paydirt deposit during 1987. Additional work is planned for this deposit during 1989.

The discovery of the Snip and Reg deposits in the Iskut River district has provided renewed interest in the Galore Creek area, which is within a similar geological setting. Several new mineral showings have been discovered in the area surrounding the Paydirt and Galore Creek deposits during the period 1986 to 1988. According to Awmack (1989a), significant precious metals occurrences were discovered on each of the TREK, ICY and Jack Wilson (JW) properties (Figure 3) during the 1988 field season. The



LEGEND

- 29 Quaternary
- 17 Jurassic Granodiorite
- 12 Triassic/Jurassic Syenite
- 10 Hickman Batholith
- Triassic
- 9 Undifferentiated Volc./Sed. Rocks
- 8 Volcanoclastic Rocks
- Permian & Older
- 3 Limestone
- 2 Phyllite/argillaceous quartzite
- - - Geological contact
- - - Fault
- - - Thrust fault



GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
REGIONAL GEOLOGY MAP and MINERAL SHOWINGS		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No. 3

latter author states that each of these properties had previously been explored for copper during the 1960's with little attention paid to their gold potential.

The Trophy Gold property was also staked during this time. Detailed geological mapping and rock geochemical sampling was conducted on the Trophy 1-4 claims during 1987 by United Mineral Services Ltd. Limited, reconnaissance style, exploration programs involving prospecting, geological mapping and geochemical sampling were also conducted on the Glacier 1-8, Catto 1, 2 and Scotch 3 and 6 claims. Preliminary geochemical sampling results proved encouraging. During 1987 three major northeast trending, precious metal-bearing shear zones were outlined on the subject property. All gold-silver mineralization discovered during the 1987 program was related to these three, the Ptarmigan, Eagle and Hummingbird, shear zones

During the 1988 field season Continental Gold Corp. conducted regional 1:10,000 scale mapping and prospecting over the claim group. Detailed mapping and 9,295 feet of NQ drilling was completed on the three major structures, namely the Ptarmigan, Hummingbird and Eagle showings.

REGIONAL GEOLOGY AND MINERALIZATION

The subject property lies within the western most part of the Intermontane Tectonic Belt, within the Stikine Arch, close to its boundary with the Coastal Crystalline Tectonic Belt. As a result of the proximity of this area to a regional tectonic boundary, geologic relationships tend to be quite complex. The geology of this area (Figure 3) has been studied by Kerr (1930, 1948), Souther (1971) and by Grove (1986, 1988), and is represented in Geological Survey of Canada Maps 9-1957, 1418A-1979.

The oldest rocks in the Stikine River - Iskut River area are complexly folded, metamorphosed schists and gneisses of probable mid-Paleozoic age. The metamorphism occurs within and adjacent to a plutonic system. The metamorphic rock is commonly overlain by a white to grey crystalline bioclastic limestone which is believed to belong to a Late Paleozoic sedimentary sequence that includes some minor greenstone units. This oceanic assemblage is part of the Stewart Complex, a tectonic unit which has been correlated with the Cache Creek Group.

The principal component of the Intermontane Tectonic Belt in the Iskut River area is an unconformable Mesozoic volcanic and sedimentary sequence. This volcano-sedimentary assemblage hosts the Stonehouse, Snip and Inel deposits. This was originally regarded as a Late Triassic sequence, relative with the time equivalent Stuhini Volcanics; a theory which is supported by the presence of Monotis fossils on the north slope of Snippaker Peak and to the west of Newmont Lake. Grove (1986), however, correlates this unit with the Middle Jurassic Unuk River Formation of the Stewart Complex.

In the Galore Creek area, Souther (1971) mapped the Upper Triassic Hazelton Group as an undifferentiated sequence of island arc volcanics and sediments. The Paydirt gold deposit, approximately 7 kilometers southwest of the Saddle 7 claim, is hosted within silicified, sericitized and pyritized Upper Triassic volcanics (Holtby, 1985) and is correlated with the sequence which hosts the Snip and Stonehouse gold deposits at Bronson Creek. The Paydirt gold deposit hosts drill indicated reserves of 185,000 tonnes grading 4.11 grams of gold per tonne. Porphyritic felsites of volcanic origin have been mapped by Souther (1971) in the Stikine River area.

On the north slopes of Johnny Mountain and Snippaker Peak, Paleozoic metasedimentary rocks are found to overlie the Mesozoic sequence. These apparently represent the upper plate of a regional, east-west trending thrust fault, which pushed up and over to the south in a manner similar to that of the King Salmon Thrust Fault.

In the Coast Crystalline Tectonic Belt, and in the Galore Creek area, Paleozoic and Mesozoic sequences are intruded by Upper Triassic to Lower Jurassic syenitic stocks and also by Jurassic to Lower Cretaceous plutonic rocks of quartz monzonite to quartz diorite composition. The Galore Creek copper-gold porphyry deposit is hosted by Upper Triassic volcanics intruded by syenitic stocks. The Central Zone of this deposit reportedly contains reserves of 125 million tonnes grading 1.06% copper and 400 ppb gold (Allen et al., 1976). On a regional basis, the most significant polymetallic (including precious metals) deposits including the Sulphurets and Iskut River camps, are commonly associated with the presence of orthoclase porphyry or syenitic stocks.

Quaternary flows and ash deposits of olivine basalt are the youngest rocks in the area. Hoodoo Mountain, to the south of the subject property, is underlain by these units, which also occur in parts of the valleys of the Iskut River and Snippaker Creek.

Souther (1971) recognized numerous phases of faulting and shearing in the Stikine River area. Major northerly trending faults and associated subsidiary minor faults occur throughout the area. Normal faulting, initiated during the early Jurassic, is most commonly developed with only minor reverse faulting having been identified (Souther, 1971).

Numerous quartz-sulfide veins and skarn deposits have been reported from various locations along the Stikine and Iskut Rivers. Low gold values, and good grades of silver, copper, lead and zinc have been reported from these. Mineralized float has been observed below several glaciers in the area.

The first mineral showing to be discovered in the western Iskut River area was located on Bronson Creek, two miles upstream from its confluence with the Iskut River. This is in the vicinity of the Snip property currently being explored by the Delaware Resources-Cominco joint venture. The original showing was marked by a prominent zone of gossan and extensive alteration peripheral to an orthoclase porphyry intrusion.

The two most significant mineral deposits subject to current investigation in the Iskut River area are the Skyline Explorations Ltd. Reg property on the north slope of Johnny Mountain and the Delaware Resources-Cominco Ltd. joint venture Snip property near Bronson Creek. These properties are only five kilometers apart and appear to be similar in nature.

In addition to gold, copper and silver also occur in significant quantities, on the Reg deposit. Grove (1988) estimates the known reserves to be 1,087,875 tons grading 0.70 oz Au/ton, 1+ oz Ag/ton and 1% Cu. Probable reserves are 4,000,000 tons at similar grades. This deposit was placed into production during 1988.

On the Delaware-Cominco joint venture Snip property, native gold occurs in a 1-10m thick discordant banded shear zone cutting a massively bedded feldspathic greywacke-siltstone sequence.

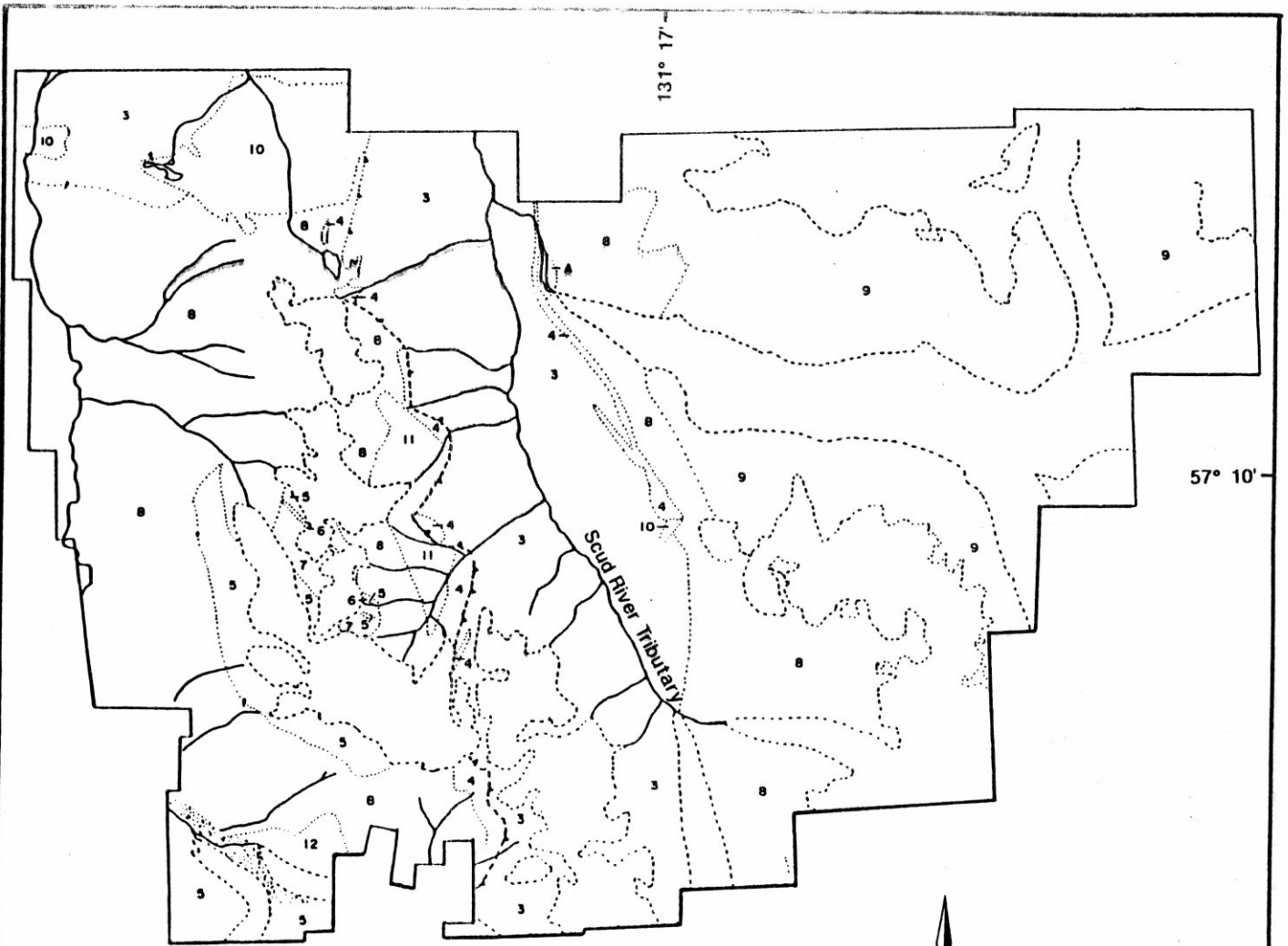
Gulf International Minerals Ltd. discovered a zone on their McLymont property which comprises a number of sub-parallel northwest-southeast trending quartz veins hosted almost entirely within an areally extensive quartz syenite intrusive. The main vein which has been traced by surface trenching was drilled in two areas and yielded assay values of up to 0.528 oz/t gold over a length of 23.3 feet (GIM, 1988). The veins occur within an extensive swarm and several of the veins remain to be explored. The mineralization in the veins comprises quartz, pyrite, chalcopyrite, minor sphalerite and galena with scattered free gold (GIM, 1988).

During the 1970's, the Stikine River area was investigated for large Cu-Au porphyry deposits. Exploration programs conducted in the area during the 1980's have predominantly focused on vein systems hosted by Mesozoic volcanic and sediments peripheral to porphyry-style mineralization.

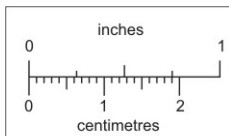
PROPERTY GEOLOGY

The 1987 and 1988 exploration programs outlined a complex of Lower Jurassic syenite stocks and dykes intruding a volcano-sedimentary package (Figure 4). This consists of Permian limestone, dark grey Triassic cherts and cherty argillites, Triassic felsic to intermediate tuffs of the Stuhini Group, conglomerates and breccias (Forster, 1988; Dawson, 1988).

Rock units to the east of the tributary of the Scud River are subvertical or overturned to the east and young eastward (Reed, 1988). On the west side, the rock units are overturned to the west and are transected by easterly



LEGEND



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.

SYMBOLS

- Glacier boundary
- Geologic contact
- Thrust fault

UPPER JURASSIC

- 12** Orthoclase porphyry (syenite)
- 11** Biotite hornblende granodiorite, qtz monzonite

LOWER JURASSIC

- 10** Granodiorite

HICKMAN BATHOLITH

- 9** Hornblende granodiorite, monzonite, minor syenite

UPPER TRIASSIC

- 8** Augite-andesite flows, massive andesite flows, plagi-phyrlic andesite flows
- 7** Siltstone, thin-bedded siliceous siltstone
- 6** Polymictic conglomerate
- 5** Lapilli tuff, laminated ash tuff, undifferentiated volcanic conglomerate, derived volcaniclastic rocks

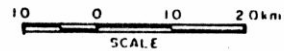
MIDDLE TRIASSIC

- 4** Shale, concretionary black shale, siliceous black argillite, chert

PERMIAN

- 3** Limestone, thick-bedded, mainly bioclastic limestone, minor siltstone and chert, minor undifferentiated Paleozoic volcanics, tuffs and sediments

- A** Ultra mafic rocks, peridotites



After Augsten 1988.

GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
GEOLOGY		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 4

dipping thrust faults. Within the northeastern portion of the claim group, the Hickman Pluton is found to intrude the volcanics of the Stuhini Group (Figure 4).

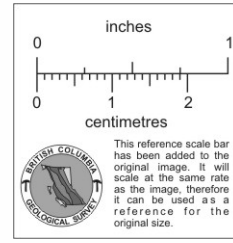
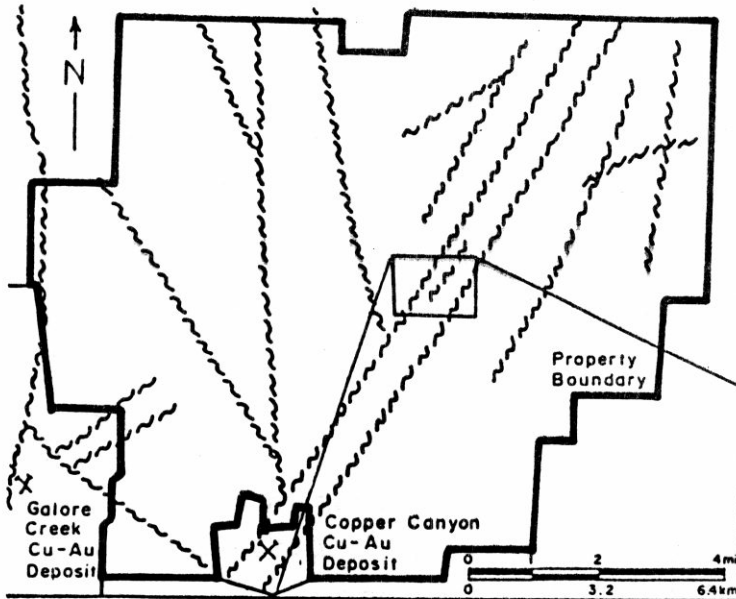
Two phases of folding have been recognized within the sedimentary rocks on the subject property by Forster (1988). The first phase is predominantly a ductile deformation and is evidenced by a series of isoclinal folds. The second phase is characterized by the presence of detached fold limbs and noses and is classified as a brittle type deformation.

Northeast trending faults and shears, ranging in width from 15 to 100 meters, were first mapped on the Trophy 1-4 claims. Severe brecciation of all rock units is commonly present within these deformation zones (Forster, 1988).

PROPERTY MINERALIZATION

Various types of mineralization were mapped on the Trophy Gold property during the 1987 and 1988 exploration programs. Three major mineralized shear zones, the Ptarmigan, Hummingbird and Eagle zones, were outlined in 1987 (Figure 5) and 1,217 rock samples were collected. Detailed descriptions of these zones and sample locations are found in Forster (1988).

The Ptarmigan shear zone contains five gold showings, the A, N.Ext., B, C and D, which are located at an elevation of 1,520 meters on the Trophy 2 claim. Forster (1988) states "Disseminated and vein stockwork shear hosted gold-silver mineralization has been traced over a 100 meter exposed true width within highly brecciated and silicified volcanic agglomerates... Auriferous sulfide mineralization is both disseminated and vein controlled..." Sampling of the



GOLD-SILVER MINERALIZATION

Ptarmigan Showings

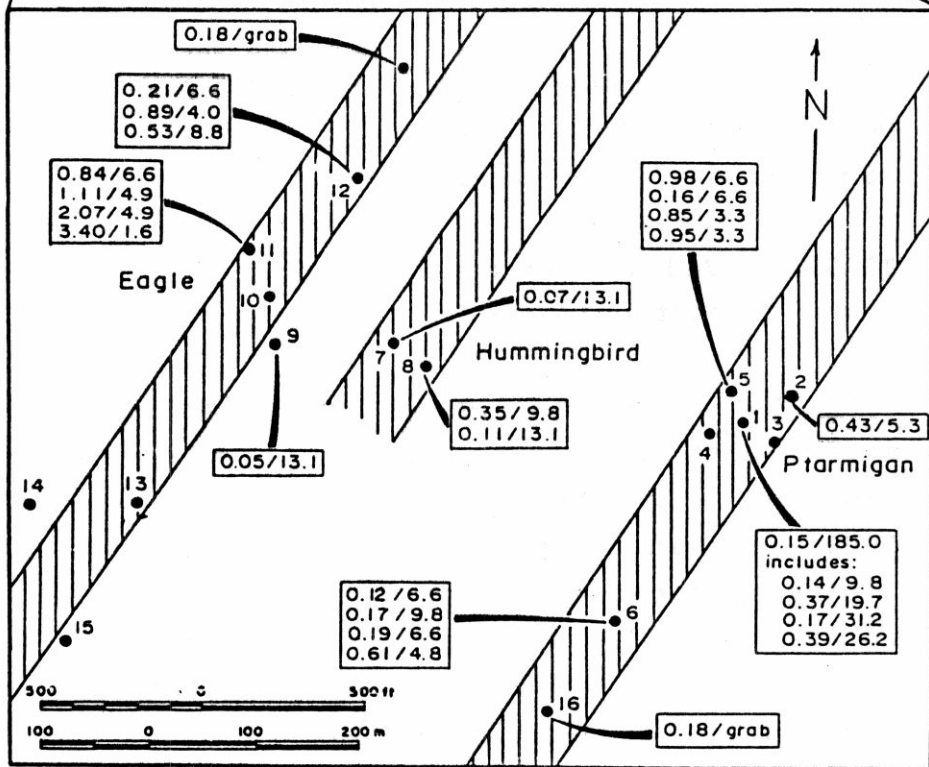
1. A Zone
2. B Zone
3. C Zone
4. D Zone
5. North Extension
6. E Zone

Hummingbird Showings

7. Hummingbird
8. South Extension

Eagle Showings

9. Massive Sulfide
10. F Zone
11. Quartz Breccia Sulfide
12. Bear Pass
13. Quartz Breccia Oxide
14. Skarn B
15. Skarn C
16. Zone G



0.83/6.6

oz. per ton gold equivalent
/true width in feet
Ag/Au ratio 60:1
(does not include base metal credits)



Shear zone

[Handwritten signature]

GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
PTARMIGAN, EAGLE & HUMMINGBIRD		
SHEAR ZONES		
GOLD - SILVER MINERALIZATION		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 5

showing has yielded values of up to 3.2 oz/t gold and 324 oz/t silver. Selected results and sample widths from chip sampling of the showings are given in Figure 5.

The Hummingbird Au-Cu-Ag mineralized shear zone lies 280 meters northwest of the Ptarmigan zone on the Trophy 1 claim. Mineralization occurs within a garnet skarn containing disseminated and fracture filling pyrite, chalcopyrite and pyrrhotite. Limited prospecting, on this zone during 1987, yielded values of up to 0.156 oz/t gold, 1.41 oz/t silver and 4.28% copper from rock grab samples.

A 15 to 100 meter wide zone of intense brecciation occurs 50 meters southwest of the skarn zone. Gold mineralization is associated with pyrite and pyrrhotite within this zone. Limited chip sampling of this zone in 1987 yielded values of up to 0.35 oz/t gold over 3 meters and 0.83 oz/t gold over 1 meter (Forster, 1988).

The Eagle Au-Ag-Pb-Zn mineralized shear zone lies 175 meters northwest of the Hummingbird zone on the Trophy 1-4 claims and can be traced for over 3 kilometers (Forster, 1988). Seven auriferous showings have been outlined by the limited prospecting which has been conducted on this zone. Forster (1988) termed the main showings the Bear Pass, Quartz - breccia sulfide (QBS) and Quartz - breccia - oxide (QBO) (Figure 5). Throughout the Eagle zone, auriferous sulfide mineralization is hosted by quartz veins and vein stockworks within brecciated volcanics. Grab samples from the poorly exposed Bear Pass gold showing, on the Trophy 1 claim, returned values of up to 0.4 oz/t Au and 65.4 oz/t Ag while chip samples yielded values of up to 0.15 oz/t Au and 22.3 oz/t Ag over 2.7 meters (Forster, 1988).

The QBS showings lie approximately 150 meters southwest of the Bear Pass showings (Figure 5) and are exposed in a 50

meter high bluff on the Trophy 1 claim. Gold bearing sulfide mineralization is found within intensely sheared and brecciated zones that form part of a wide (>100 meters) suture zone (Forster, 1988). Values of up to 4.3 oz/t Au and 48 oz/t Ag were recorded from grab samples of this zone and of over ninety 1 meter chip samples collected, fifteen yielded more than 1000 ppb gold and only twenty-eight assayed less than 200 ppb gold. Detailed sample locations, descriptions and assay results are found in Forster (1988).

The QBO mineralized showing is situated approximately 200 meters southeast of the QBS zone, however, the intervening area is obscured by snow. On the QBO showing, mineralization is confined to silicified, sheared and brecciated limestones. Five of the grab samples taken from this zone in 1987 yielded gold values ranging from 230 ppb to 700 ppb.

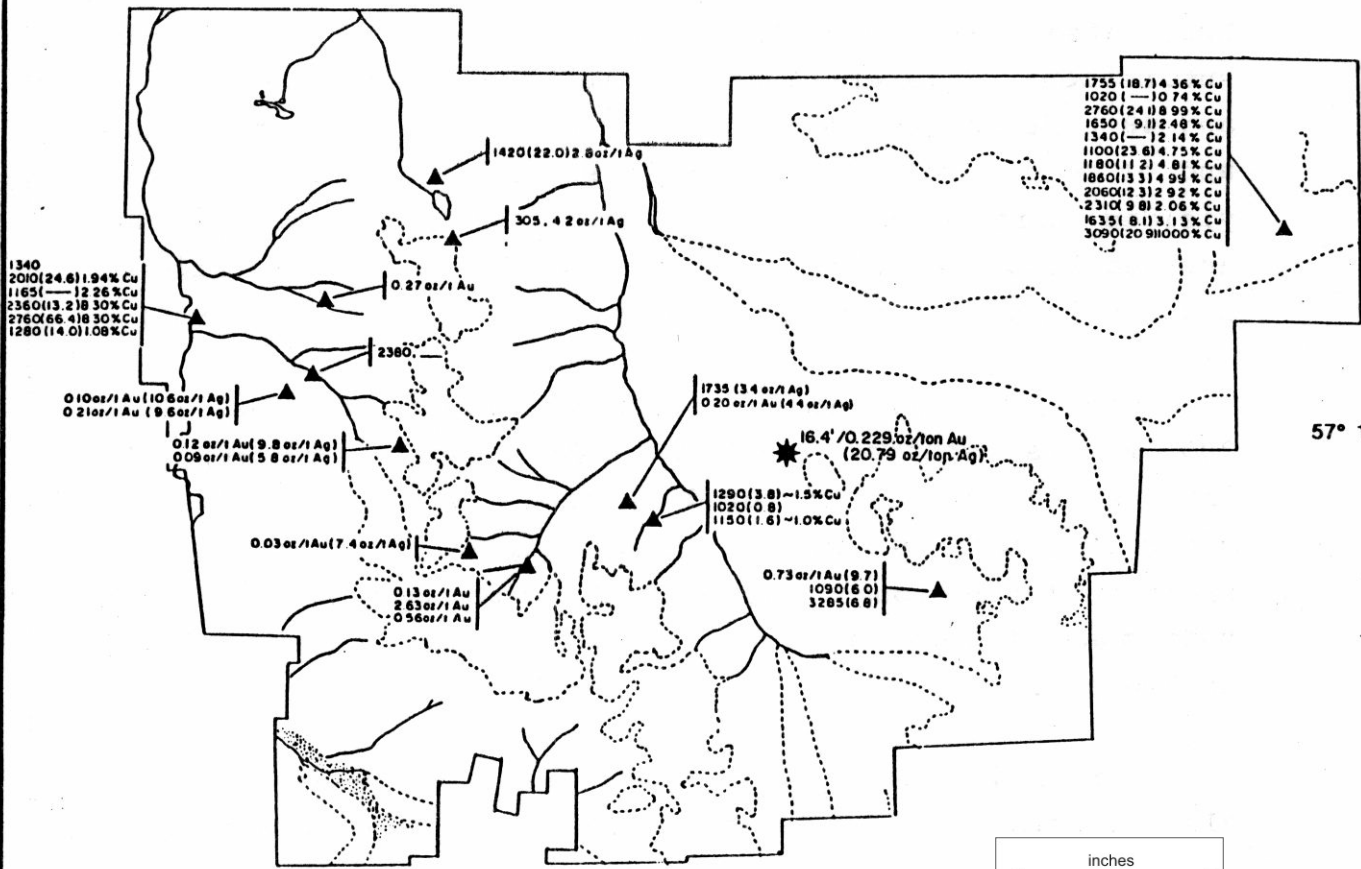
Garnet-diopside-quartz-calcite skarn mineralization was also discovered in two sites on the Eagle Zone (Skarns B, C Figure 5). Only limited work was conducted on these showings during the 1987 exploration program. Gold values ranging from 300 to 700 ppb were reported from grab samples (Forster, 1987).

Stratabound massive sulfide mineralization was located on the Trophy 4 claim during the 1987 program. This varies in width from 2 to 6 meters and contains interlayered massive pyrite, pyrrhotite, chalcopyrite and arsenopyrite. Chip sampling of part of this zone yielded values of up to 0.06 oz/t gold over 4.0 meters.

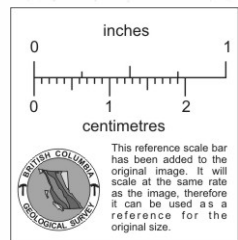
Thirteen new gold mineralized sulfide zones (Figure 6) were discovered during the 1988 field season (Augsten, 1988). On the Scotch 12 claim, a steeply dipping fracture-joint system which trends north, northwest and north-

131° 17'

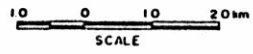
57° 10'



* LOCATION OF THE 1987 DISCOVERIES:
PTARMIGAN, HUMMINGBIRD AND EAGLE
PRECIOUS-METAL-BEARING STRUCTURES



Note: Values shown in ppb Au
(ppm Ag), unless otherwise
noted



DC

GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
1988		
PRECIOUS METAL DISCOVERIES		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 6

After Augsten 1988.

northeast, crosscut the Hickman Pluton. These fractures are host to gold mineralization in association with massive magnetite-quartz-tourmaline-chalcopyrite-pyrite rich veins and shears. These veins and shears vary in width from 0.5 meters to 10.5 meters (Augsten, 1988). Values of up to 3,050 ppb gold and in excess of 9% copper have been recorded from grab and continuous chip samples from these zones (Augsten, 1988).

Skarn mineralization, hosted by Permian crinoidal limestone, was mapped on the Trophy 3 claim. This mineralized zone, consisting of magnetite and chalcopyrite, is deformed by intensely developed shears and fractures which are commonly malachite stained (Augsten, 1988).

Gold values of up to 1,290 ppb and copper values of up to 1.78% were recorded from the magnetite rich zone. According to Augsten (1988), "the metallogeny bears a striking resemblance to Gulf International Minerals Ltd., McLymont Creek property located in the Iskut River Gold Belt."

In the southeastern corner of the Glacier 1 claim and the northwest corner of the Glacier 4 claim, known as the Trench Lake area, a parallel set of quartz/carbonate veins oriented 120° are host to base metal mineralization (Augsten, 1988). These veins have a frequency of development of one per five meters and vary in width from 20 cm to over 1 meter. Twelve of the grab samples collected in the area returned values in excess of 100 ppb gold. Silver values of up to 96.6 ppm (2.8 oz/t) and 4.71% copper were recorded by Augsten (1988) from grab samples. One anomalous grab sample yielded a gold value of 1,420 ppb, however, other samples adjacent to this returned only poor gold values.

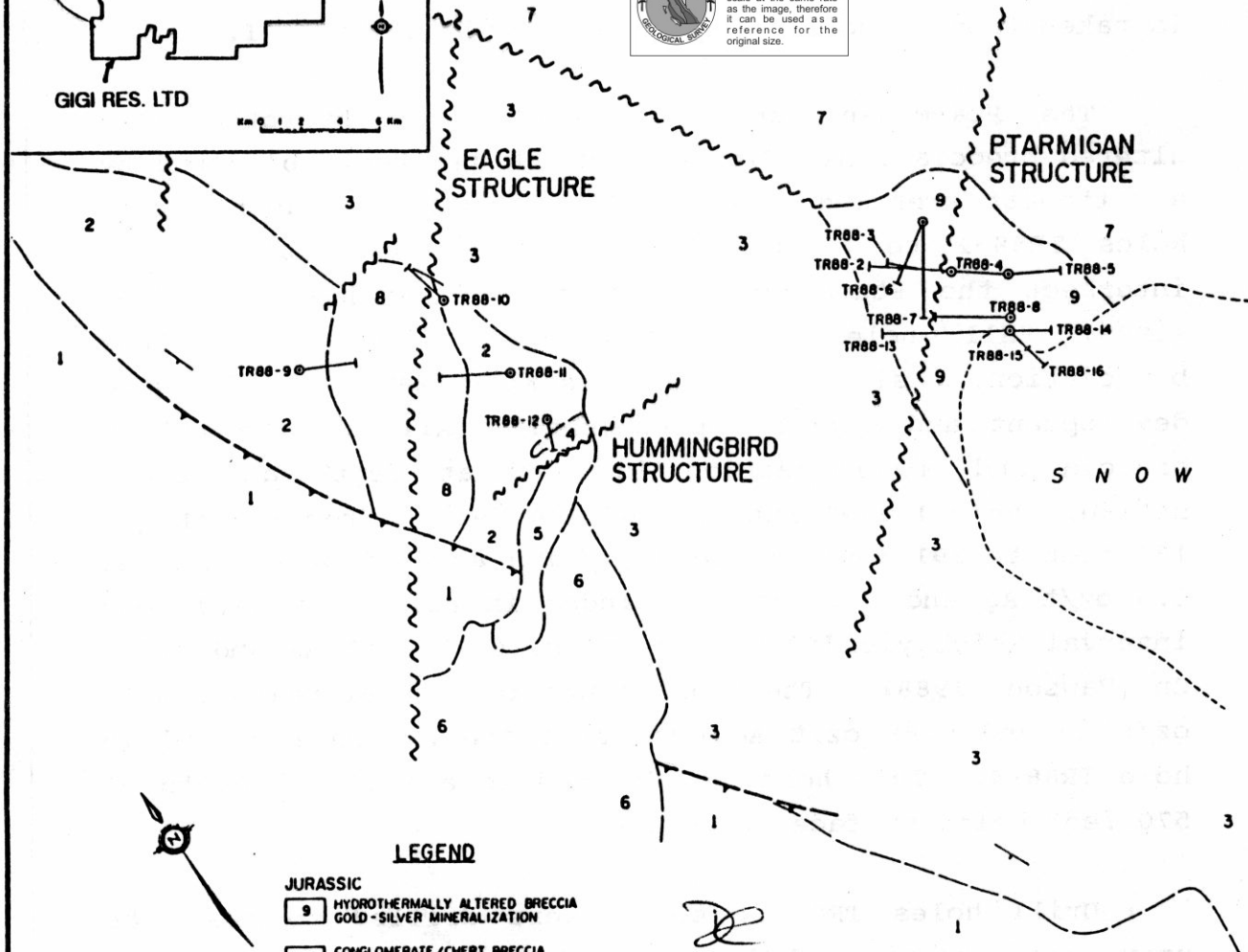
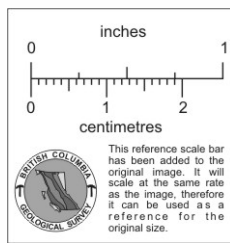
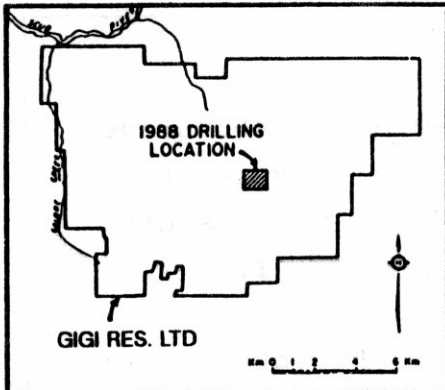
Similar types of shears were also located within limestone in various parts of the property. Only two chip samples and one grab sample were taken from one of these shears during the 1988 exploration program. Values of 0.05 oz/t gold and 3.5 oz/t silver were obtained from a 0.5 meter wide chip sample consisting of massive sphalerite, chalcopyrite and pyrite. A grab sample of the same composition, taken 2m along strike of the previous sample, yielded values of 0.2 oz/t gold and 4.5 oz/t silver. Anomalous base metal values were recorded in all three samples. The exact locations of the samples could not be verified by the author.

Additional mineralization showings were also discovered during the 1988 field season. The majority of these were associated with fault zones, veins and shears. On the Glacier 12, 3, 5 and 8 claims, shear zones within volcanics were frequently mineralized. These zones vary in width from 10 cm to 1.0 meters. All of the shear zones which yielded anomalous results contained significant amounts of visible pyrite, arsenopyrite and/or chalcopyrite. Values of up to 2.63 oz/t gold were reported by Augsten (1988) from a grab sample of an arsenopyrite rich quartz/carbonate vein taken on the Glacier 8 claim.

Mineralization was also discovered in the central portion of the Saddle 14 claim during reconnaissance prospecting. Values of up to 0.73 oz/t gold were returned from grab samples of plagioclase porphyritic volcanics.

DIAMOND DRILLING PROGRAM

Continental Gold Corp. diamond drilled a total of 9,295 feet of NQ core in 16 holes on the Ptarmigan, Hummingbird and Eagle showings, during the summer of 1988 (Figure 7).



LEGEND

- JURASSIC**
- 9 HYDROTHERMALLY ALTERED BRECCIA GOLD-SILVER MINERALIZATION
 - 8 CONGLOMERATE/CHERT BRECCIA GOLD-SILVER MINERALIZATION
 - 7 QUARTZ MONZONITE-SYENITE
 - 6 GRANODIORITE
 - 5 RHYOLITE
 - 4 Cu-Au SKARN
- TRIASSIC**
- 3 VOLCANIC FLOWS AND TUFFS
 - 2 CHERT AND CHERTY ARGILLITE
- PERMIAN**
- 1 LIMESTONE
- GEOLOGIC CONTACT (INFERRED)
- ~ ~ ~ SHEAR ZONE/FAULT
- ↗ THRUST FAULT
- ↘ BEDDING SYMBOL
- 1988 DRILL HOLE LOCATION

After Dawson, 1988.

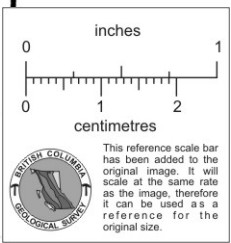
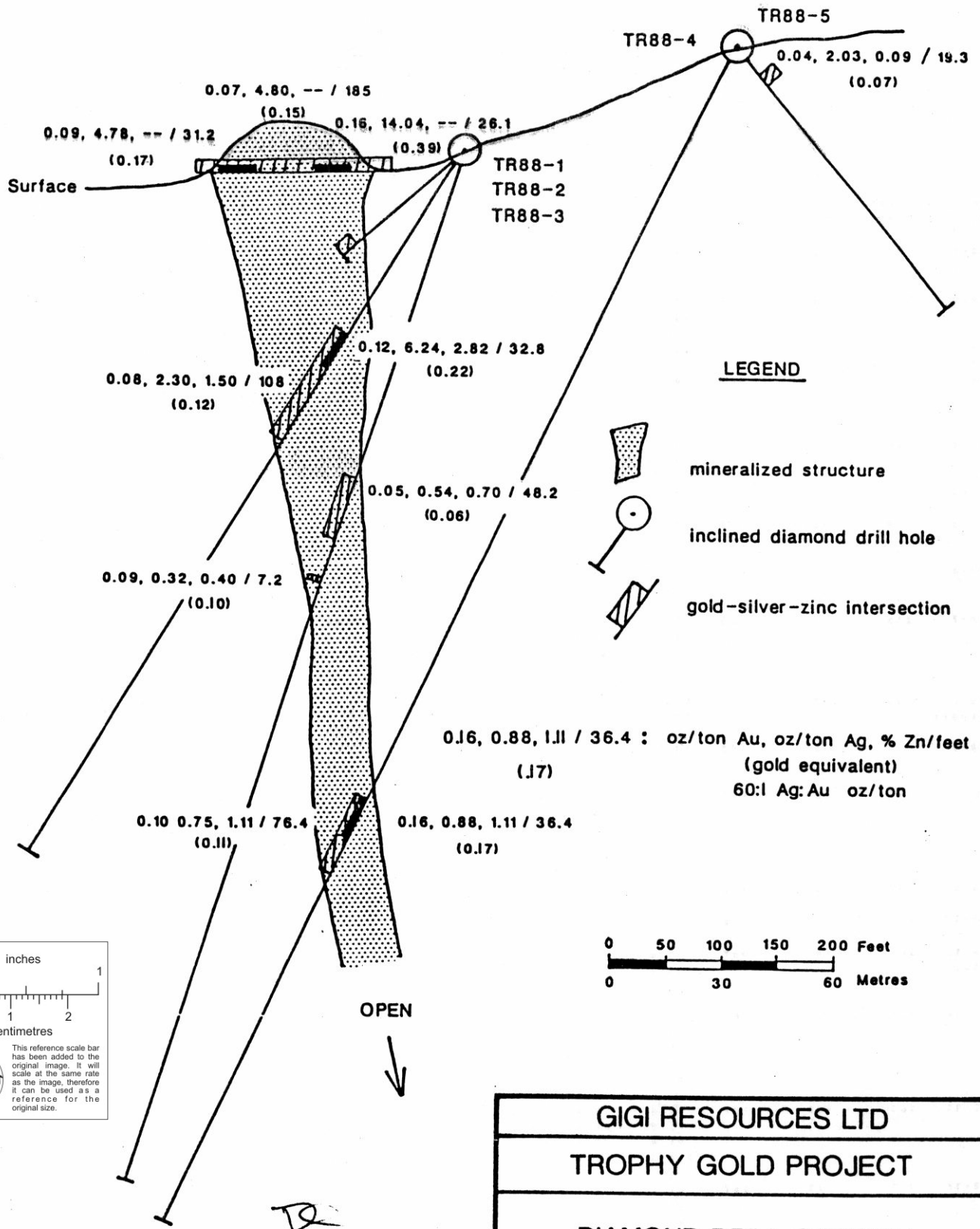
GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
1988 DIAMOND DRILL HOLE LOCATION MAP		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 7

The drill program was designed as a follow-up to anomalous mineralization discovered during the 1987 exploration program. A summary of the 1988 diamond drill hole results is taken from Dawson (1988) and presented in Table I.

The Ptarmigan zone is hosted by a hydrothermally altered breccia zone (Figure 8) which is itself bisected by a northeast trending shear (Dawson, 1988). Diamond drill holes TR88-1 to 8 and TR88-13 to 16 were laid-out to intersect the Ptarmigan structure. According to Dawson (1988) "All holes penetrated wide zones of intense brecciation, silicification, sericitization, fuchsite development and sulfide replacement." All holes ended in breccia and mineralization is open at depth and along strike. Hole TR88-2 intersected 108 feet, from a depth of 183 feet to 291 feet (Table I), which assayed 0.08 oz/t Au, 2.3 oz/t Ag and 1.5% Zn. Included in this is a 32.8 foot interval which yielded 0.12 oz/t Au, 6.24 oz/t Ag and 2.82% Zn (Dawson, 1988). The highest precious metal values, 0.16 oz/t Au and 0.88 oz/t Ag over 36.4 feet, were recorded in hole TR88-4. This hole was drilled to a vertical depth of 570 feet below surface (Figure 8).

Drill holes TR88-14 to 16 were drilled to test the unexposed extension of the zone 340 feet south of the TR88-1 to 5 drill section (Dawson, 1988). In this area the zone is obscured by a moraine and snow cover. The best results from this setup was 6.6 feet grading 0.12 oz/t Au, 3.98 oz/t Ag and 2.9% Zn (Table I).

Included in the Eagle zone is the Bear Pass and QBS zones which were defined in 1987. Drill hole TR88-10 was laid-out to test the down dip extension of veins and mineralized breccias exposed at surface on the Bear Pass showing. Mineralization in the core consisted of tetrahedrite, galena, arsenopyrite and pyrrhotite. One 26.3



GIGI RESOURCES LTD		
TROPHY GOLD PROJECT		
DIAMOND DRILL SECTION DDH'S TR88-1,2,3,4,5 Section looking Northeast		
SCALE: As shown	DATE: Jan./1989	N.T.S.: 104G/3
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 8

After Dawson, 1988.

TABLE 1
 TROPHY GOLD PROJECT
 1988 DIAMOND DRILL RESULTS
 SUMMARY OF PERTINENT Au, Ag, Zn, Pb ASSAYS
 DIAMOND DRILL HOLES TR88-1 TO TR88-16

HOLE NO.	AZIMUTH (DEGR.)	Dip (DEGR.)	LENGTH (FT)	INTERVAL (FT)	WIDTH (FT)	Au (oz/ton)	Ag	Zn %	Pb %	Au Equiv 60:1	REMARKS	TARGET
TR88-1	310	-45	140	123.3 - 139.7	16.4	0.02	1.29	0.51	-	0.04	Hole Lost Short of Target	Pteranigan
Includes				129.8 - 139.7	9.9	0.03	1.85	0.69	-	0.06		
TR88-2	310	-60	721	183.7 - 291.7	108.0	0.08	2.30	1.50	-	0.12		Pteranigan
Includes				193.5 - 226.3	32.8	0.12	6.24	2.82	-	0.22		
"				239.4 - 255.8	16.4	0.14	1.27	1.82	-	0.14		
"				193.5 - 203.3	9.8	0.16	9.46	4.25	-	0.32		
TR88-3	310	-75	947	295.2 - 343.4	48.2	0.05	0.54	0.70	-	0.04	Poor Recovery	Pteranigan
				391.3 - 375.2	7.2	0.09	0.32	0.40	-	0.10		
				758.0 - 759.6	1.6	0.19	0.11	0.11	-	0.19		
TR88-4	310	-65	1117	680.6 - 683.9	3.3	0.43	0.44	-	-	0.44		Pteranigan
				699.2 - 775.6	76.4	0.10	0.75	1.11	-	0.11		
Includes				699.2 - 735.6	36.4	0.16	0.88	1.11	-	0.17		
Includes				699.2 - 710.5	11.2	0.22	1.43	1.26	-	0.24		
TR88-5	120	-50	326	29.5 - 37.8	4.3	0.02	5.63	0.35	-	0.11	Geological Hole	Pteranigan
				46.6 - 65.9	19.3	0.04	2.03	-	-	0.07		
TR88-6	240	-75	1009	348.9 - 352.9	4.0	0.12	0.19	0.54	-	0.12	Geological Hole	Pteranigan
				408.4 - 414.3	5.9	0.06	0.32	0.63	-	0.07		
TR88-7	215	-50	633	236.2 - 249.3	13.1	0.08	1.90	0.66	-	0.12		Pteranigan
				324.1 - 328.4	4.3	0.11	0.21	0.18	-	0.11		
				342.1 - 345.7	3.6	0.11	0.26	-	-	0.11		
				395.9 - 410.6	14.7	0.07	1.00	1.11	-	0.09		
				417.2 - 420.8	3.6	0.12	3.10	2.15	-	0.17		
TR88-8	305	-57	577	176.4 - 198.3	21.9	0.06	1.12	0.10	-	0.08	Hole Lost Short of Target	Pteranigan
Includes				176.4 - 186.4	10.5	0.10	1.87	0.16	-	0.13		
TR88-9	125	-55	448	HOLE LOST								Eagle
TR88-10	355	-60	401	10.8 - 37.1	26.3	0.02	-	-	-	0.02		Eagle
				57.1 - 66.8	9.8	0.03	-	-	-	0.03		
				80.0 - 106.3	26.3	0.02	-	-	-	0.02		
				143.3 - 169.9	6.6	0.09	0.53	-	-	0.10		
				251.9 - 253.9	2.0	0.03	1.85	-	-	0.06		
TR88-11	305	-57	519	14.1 - 147.6	133.5	0.02	-	-	-	0.02		Eagle
TR88-12	212	-50	210	HOLE LOST								Hummingbird
TR88-13	300	-60	1089	103.6 - 117.7	14.1	0.04	0.50	-	-	0.05		Pteranigan
Includes				108.2 - 112.1	3.9	0.10	0.18	-	-	0.10		
				125.6 - 132.1	6.5	0.04	0.66	-	-	0.05		
TR88-14	120	-60	386	34.7 - 45.9	9.2	0.08	2.50	-	-	0.12	Hole Lost Short of Target	Pteranigan
				223.4 - 230.0	6.6	0.12	3.98	2.90	-	0.19		
				255.8 - 266.3	10.5	0.05	0.20	-	-	0.05		
				286.0 - 295.8	9.8	0.06	0.20	-	-	0.06		
				380.5 - 385.4	4.9	0.04	2.28	-	-	0.08		
TR88-15	165	-60	187	52.8 - 59.4	6.6	0.05	2.62	-	-	0.09	Hole Lost Short of Target	Pteranigan
				65.9 - 69.5	3.6	0.11	0.63	-	-	0.12		
				95.8 - 99.1	3.3	0.03	5.73	4.08	0.91	0.13		
				144.3 - 147.9	3.6	0.05	4.83	1.32	1.89	0.13		
TR88-16	165	-75	567	49.2 - 55.8	6.6	0.06	1.01	-	-	0.08		Pteranigan
				64.9 - 77.0	12.1	0.03	1.66	-	-	0.06		
				96.7 - 103.3	6.6	0.07	1.93	0.81	-	0.10		
				164.0 - 167.6	3.6	0.11	0.43	-	-	0.12		
				203.4 - 210.0	6.6	0.10	6.20	0.90	0.92	0.20		
				232.9 - 336.2	3.3	0.10	11.01	0.54	2.85	0.28		
				350.9 - 354.2	3.3	0.03	3.21	0.45	1.25	0.08		
				363.4 - 367.3	3.9	0.04	3.38	0.93	1.26	0.10		
				372.3 - 375.6	3.3	0.05	7.19	1.40	1.90	0.17		
				411.6 - 418.2	6.6	0.04	8.92	2.31	3.61	0.21		

foot intersection assayed 0.02 oz/t gold and another 6.6 feet assayed 0.09 oz/t gold and 0.53 oz/t silver (Dawson, 1988; Table I). In the QBS showing, hole TR88-11 intersected 133.5 feet grading 0.02 oz/t gold within an oxidized zone.

The Hummingbird showings consist of a copper-gold skarn, which has developed at a limestone, volcanics and intrusives contact, and an associated massive sulfide horizon containing lenticular pods of auriferous massive sulfide. The lenticular pods are in the order of 10 feet wide by 15 feet long. The pods have developed along a structural feature which cuts the volcanics and sediments (Dawson, 1988).

Grab samples from the poorly exposed skarn yielded up to 0.156 oz/t gold, 1.41 oz/t silver and 4.28% copper. Blasting has indicated that the massive sulfide pods thicken and lengthen with increasing depth. Dawson (1988) quotes typical grab sample values of 0.28 and 0.67 oz/t gold and chip sample values varying from 0.02 to 0.17 oz/t gold over 3.3 feet. A drill hole laid-out to intersect both the skarn and the massive sulfide zone was abandoned due to technical difficulties.

CONCLUSIONS

The subject property is located in the Galore Creek area of northwestern British Columbia, within the eastern boundary of the Coast Range Mountains. The 1987 and 1988 exploration programs outlined a complex of Lower Jurassic syenite stocks and dykes intruding a volcano-sedimentary package underlying the property. During 1987 three major northeast trending, precious metal-bearing shear zones, the Ptarmigan, Eagle and Hummingbird, were outlined on the subject property. Thirteen new, structurally controlled

and skarn hosted, auriferous sulfide mineralized zones were discovered during the 1988 field season.

The 1988 drilling program on the Trophy Gold Project tested approximately 15% of the known precious metal bearing structures on the property (Stockwatch, 1989). All holes on the Ptarmigan shear zone penetrated wide zones of intense brecciation, silicification and sulfide replacement. Hole TR88-2 intersected 108 feet, from a depth of 183 feet to 291 feet (Table I), which assayed 0.08 oz/t Au, 2.3 oz/t Ag and 1.5% Zn. The highest precious metal values, 0.16 oz/t Au and 0.88 oz/t Ag over 36.4 feet, were recorded in hole TR88-4 which was drilled to a vertical depth of 570 feet below surface.

Gold grades show an increase with increasing depth as recorded during the drilling program. Drilling has shown that the Ptarmigan structure is open at depth and to the south under moraine and snow.

Drilling of the Eagle showing recovered a 26.3 foot intersection which assayed 0.02 oz/t gold and another 6.6 feet assayed 0.09 oz/t gold and 0.53 oz/t silver. In the QBS showing, hole TR88-11 intersected 133.5 feet grading 0.02 oz/t gold within an oxidized zone. Deeper drilling is required to test the down dip extension of this zone.

The Hummingbird showings consist of a copper-gold skarn, and an associated massive sulfide horizon containing lenticular pods of auriferous massive sulfide. Grab samples from the poorly exposed skarn yielded up to 0.156 oz/t gold, 1.41 oz/t silver and 4.28% copper. Blasting has indicated that the massive sulfide pods thicken and lengthen with increasing depth. Dawson (1988) quotes typical grab sample values of 0.28 and 0.67 oz/t gold and chip sample values varying from 0.02 to 0.17 oz/t gold over 3.3 feet. A drill

hole laid-out to intersect both the skarn and the massive sulfide zone was abandoned due to technical difficulties.

Only reconnaissance style exploration has been conducted over the vast majority of the subject property and consequently the potential for additional mineralization remains untested.

Detailed surface mapping, geochemical sampling and limited diamond drilling has been conducted only on the Trophy 1 to 4 claims. Much of the subject mineral claims are at a preliminary stage of exploration and very little geological and geochemical data has been compiled from many of them. The geological setting of the claims (a) within an area of known mineral deposits and (b) underlain by a correlative volcano-sedimentary sequence and granodioritic to syenitic complex which contains highly anomalous to ore grade mineralization in several locations in the region, provides sufficient encouragement to conduct further exploration programs on the claims. In addition, recent mineral discoveries from preliminary exploration work on portions of the subject claims and diamond drilling on selected zones demonstrates that the potential for the existence of significant mineralization exists and should be tested.

The writer concludes that the subject properties have the potential to host significant precious and/or base metal mineralization and an exploration program designed to further test this potential is warranted and recommended.

RECOMMENDATIONS

An exploration program consisting of an airborne geophysical survey, follow-up ground geophysics, geochemical

sampling, trenching and geological mapping and prospecting is highly recommended.

Additional geological mapping and prospecting, in conjunction with stream sediment and soil geochemical sampling should be conducted over the entire group of claims. This should provide more detailed lithological and stratigraphical control on the types and characteristics of alteration and mineralization present on the claims.

Follow-up ground geophysical surveying, magnetics and VLF-EM, should be conducted on any targets generated by the airborne geophysical survey.

Trenching of the more significant zones of mineralization, discovered during the 1988 reconnaissance exploration program, is considered necessary.

Additional diamond drilling should be conducted on the Ptarmigan, Hummingbird and Eagle shear zones to further define the geometry and grade characteristics of these structures.

An estimated cost breakdown of this exploration program is given in Appendix I.

Respectfully submitted,

SORBARA GEOLOGICAL CONSULTING LTD.



DENIS A. COLLINS, Ph.D., P.Geol., F.G.A.C.

January 27, 1989

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APPENDIX I

ESTIMATED COST OF PROPOSED PROGRAM

ESTIMATED COST OF PROPOSED PROGRAM

Project Preparation		\$ 6,000.00
Mobilization/Demobilization		\$ 10,000.00
Salaries		
Project Geologist	44 days @ \$375.00/day	\$ 16,500.00
Junior Geologist	44 days @ \$300.00/day	\$ 13,200.00
Senior Prospector	44 days @ \$275.00/day	\$ 12,100.00
5 Technicians	220 man days @ \$225.00/m/day	\$ 49,500.00
Cook	44 days @ \$185.00/day	\$ 8,140.00
Supervision	15 days @ \$400.00	\$ 6,000.00
Flight Support and Fuel		
Fixed Wing		\$ 5,000.00
Helicopter	80 hours @ \$650.00	\$ 52,000.00
Trenching/Blasting		\$ 4,000.00
Diamond Drilling	3000 Feet @ \$27.00/foot	\$ 81,000.00
Geochemistry:		
150 Silts/Streams samples	@ \$35.00/sample	\$ 5,250.00
800 Soil samples	@ \$14.50/sample	\$ 11,600.00
2000 Rock/Core samples	@ \$16.00/sample	\$ 32,000.00
Airborne Geophysics		
100 line Kms	@ \$95.00/km	\$ 9,500.00
Grid Establishment	30 Km @ \$200.00/Km	\$ 6,000.00
Ground Geophysics (includes Operator)		
Mag. Total Field & Vertical Gradient.		
30 kilometers	@ \$200.00/km	\$ 6,000.00
VLF-EM Survey (2 channels)		
30 kilometers	@ \$200.00/km	\$ 6,000.00
Geophysical Consulting	4 days @ \$400.00/day	\$ 1,600.00
Domicile		
Camp Rental	(411 man days @ \$80.00/man day)	\$ 32,880.00
Food and Fuel	(411 man days @ \$50.00/m/day)	\$ 20,550.00
Radio Rental	44 days @ \$35.00/day	\$ 1,540.00
Walkie talkie Rental	44 days @ \$140.00/day	\$ 6,160.00
Field Supplies & Equipment		
411 man days	@ \$30.00/man day	\$ 12,330.00
Expediting		\$ 3,000.00
Accounting/Communication/freight		\$ 5,500.00

Report and Drafting		\$ 7,500.00
Project Management @ 15.00% (not on salaries)		\$ 48,571.50
Contingency @ 5.00%		<u>\$ 21,542.50</u>
	Total	\$ 500,964.00
	Say Total:	\$ 500,000.00

APPENDIX II
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, DENIS A. COLLINS, of the City of Vancouver, Province of British Columbia, hereby certify:

1. THAT I am a geologist residing at 1541 Kilmer Road, North Vancouver, British Columbia, Canada, V7K 1R5.
2. THAT I obtained a Bachelor of Science degree in Geology from University College Cork, Ireland in 1980 and a Ph.D. in Structural Geology from the same university in 1985.
3. THAT I have been practising my profession as a geologist in Ireland, South Africa and Canada since 1980.
4. THAT I am a Fellow, in good standing, with the Geological Association of Canada.
5. THAT I am a registered Professional Geologist, in good standing, with a license to practice with the Associations of Professional Engineers, Geologists and Geophysicists of Alberta and the Northwest Territories.
6. THAT this report is based upon a thorough review of published and printed reports and maps on the subject property and the surrounding area. I have not visited the property personally but I have carried out exploration programs on properties in the Iskut River region during the 1987 and 1988 field seasons.
7. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
8. THAT I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of private or public financing.

Dated in North Vancouver, British Columbia, this 27th day of January, 1989.



Denis A. Collins, Ph.D., P. Geol., F.G.A.C.

**CERTIFICATE OF THE DIRECTORS
AND PROMOTERS OF THE ISSUER:**

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

DATED as of this 20th day of March, 1989.

GIGI RESOURCES LTD.

Arthur Clemiss
Arthur Clemiss, President and
Chief Executive Officer by his
attorney-in-fact GE Scott



ON BEHALF OF THE BOARD OF DIRECTORS

E. Keays
Elenore Keays, Director
and Secretary

Janet Robertson
Janet Robertson, Director

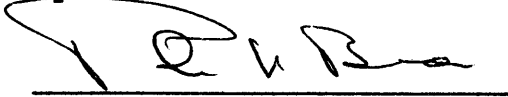
CERTIFICATE OF THE AGENTS:

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

DATED this 20th day of March, 1989.

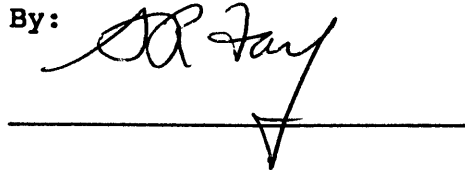
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CORPORATION LTD.**

By:



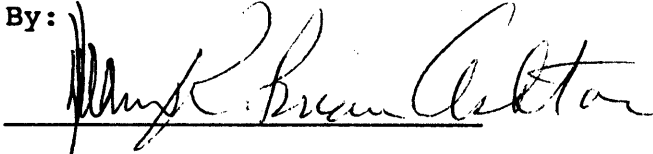
CONTINENTAL SECURITIES

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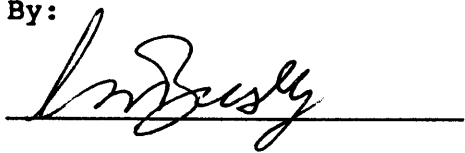
**GEORGIA PACIFIC SECURITIES
CORPORATION LIMITED**

By:



**MIDLAND DOHERTY (DAVIDSON
GROUP)**

By:



JEFFERSON SECURITIES INC.

By:

