

GIANT EXPLORATIONS LIMITED

BEING CONTEMPLATED FOR - L.P. Starck, president and managing director of Giant NICKEL SYNDICATE PROGRAM Explorations Limited, states in the recently issued annual report that the possibility of a public underwriting is presently being examined. The proceeds, to a large extent, will be used in the company's expanded program planned for the Nickel Syndicate 564 claim property and the continuing program proposed to be undertaken by the Hedley Syndicate.

The program planned for the Nickel Syndicate property in 1971 is designed to test the five major geochemical anomalous areas of coincident nickel, copper and lead values, which were found to be not only associated with aeromagnetic anomalies, but also situate in areas where rock types were of the same character as those in which commercial deposits of nickel copper have been found in the Giant Mascot Nickel mine, which adjoins the Nickel Syndicate property to the southeast. To date eight such areas of ultrabasics and other favourable host rocks have been defined. Field surveys have discovered to date two areas of surface mineralization from which samples running from 0.18% to 0.23% in nickel values have been obtained. The president states that, in view of the size of the anomalous areas which are involved, ground geophysical work and detailed geological mapping will first be undertaken in order to delimit more closely the optimum areas for diamond drilling and surface stripping.

At the Nahwitti Lake, 111 claim property near Port Hardy, northern Vancouver Island, the two well defined airborne electromagnetic anomalies, located in 1969, were further defined by 3.5 line miles of induced polarization survey, combined with geochemical and geological reconnaissance. Sulphides, essentially pyrite with lesser quantities of chalcopyrite, were observed in several localities. Further I.P. work is planned for the 1971 season.

The Hedley Syndicate, 50-50 with Pacific Petroleum Limited, was continued with work in the Beaverdell-Greenwood and Hedley areas of B.C. On the Greenwood-Beaverdell claim group, geochemical and geological investigation indicated a porphyry intrusive, with scattered molybdenum. Several groups in the Hedley area were allowed to lapse.

The company proposes to enlarge one of the areas of interest and pursue in more detail other specific targets, requiring an increase in the 1971 budget.

During the year ended 30 Nov 70, Giant Explorations Limited spent \$103,417, including, \$77,931 on exploration and \$25,486 on administration, and ended the year with a working capital deficit of \$1,957 and 2,494,224 shares issued. During the year the company sold 225,000 treasury shares to Giant Mascot Mines Limited and received \$50,625.

EARLCREST RESOURCES LTD.

OIL - GAS PROGRAM OUTLINED - Earlcrest Resources Ltd., in equal partnership with Rand Resources Ltd. and two other companies engaged in the oil and gas exploration business, has negotiated an agreement with Texas Gulf Sulphur Company whereby Earlcrest and its partners may earn a 50% interest in 7 sections (4,480 acres) of potential gas-bearing land in the Cessford area of Alberta by drilling a test well. The test well will be twinned to a well drilled in the Fall of 1959. During the drill stem test on the 1959 well over an interval of 3,010 ft. to 3,027 ft. natural gas flowed to the surface immediately, and flows up to 7,000,000 cu. ft. per day were measured during an 80 minute test. The operator at that time estimated the well to have encountered 42 ft. of net gas pay.

The well was completed and remained capped until November 1969, when Texas Gulf Sulphur Company commenced a production testing programme. The well has produced (November 27 to December 3, 1969) at rates up to 7MMCF per day, levelling off at approximately 4.5MMCF per day plus minor amounts of water. It was placed on production 29 May 70. During initial production periods, the well produced less than 1MMCF of gas per day and later attempts to stimulate the well failed and the well is considered non-productive in its present state.

If the test well encounters commercial production, Earlcrest and its partners have agreed to drill another test well to earn a further 50% interest in an additional 7 sections of land.

Under present economic conditions, a gas well in this area flowing at the rate of 1MMCF of gas per day generates a net cash flow of approximately \$35,000 per year. The "dry hole" costs of a well in this area are approximately \$20,000. Several other drilling ventures are near conclusion.

VENUS MINES LTD.