INTRODUCTION

This report, prepared on behalf of Gold Giant Minerals Inc. summarizes the exploration history in the area of the Nizi Project as well as the regional geology. Recommendations are made for A two phase exploration program to evaluate the property's potential. A two day property exam was completed by author Chapman on July 7 and 8, 1991. At that time it was determined that additional preliminary sampling would be required. That sampling was carried out July 17, 18 and August 12, 21, by Robert McIntosh (B.Sc.), an OreQuest employee.

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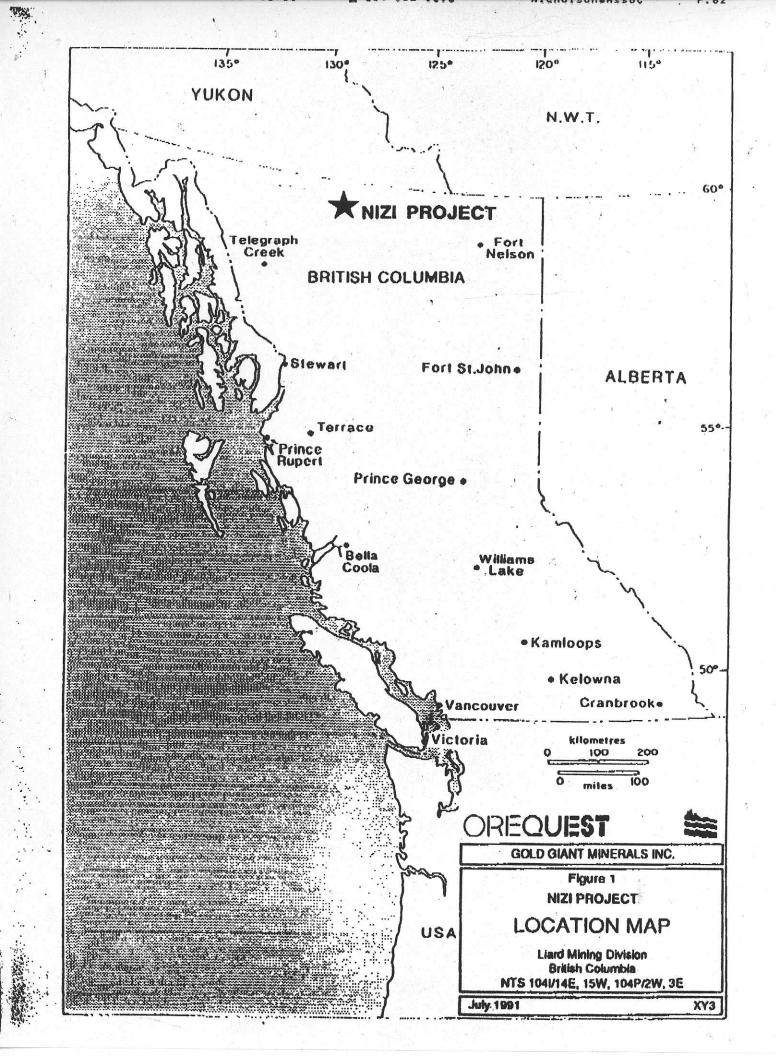
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LOCATION AND ACCESS

The Nizi Project is situated in northwestern British Columbia, on NTS mapsheet 104I/14, 15 and 104P/2 and 3 (Figure 1). Its reference coordinates are $58^{\circ}59'N$ latitude and $129^{\circ}00'W$ longitude. The property lies on the east side of Nizi Creek, which flows into the Dease River system which flows into the Liard River at Lower Post, B.C. on the Alaska Highway.

The towns of Cassiar and Dease Lake, from which charter helicopter can transport supplies and personnel to the property, are situated 60 km northwest and 80 km southwest respectively of the project area. The townsite of McDame, which is located 25 km to the northwest, is accessible by an all weather road, however final access to the project would have to be by helicopter. A winter road from Cassiar to the Alaska Highway lies approximately 13 km from the Nizi property.



PHYSIOGRAPHY AND VEGETATION

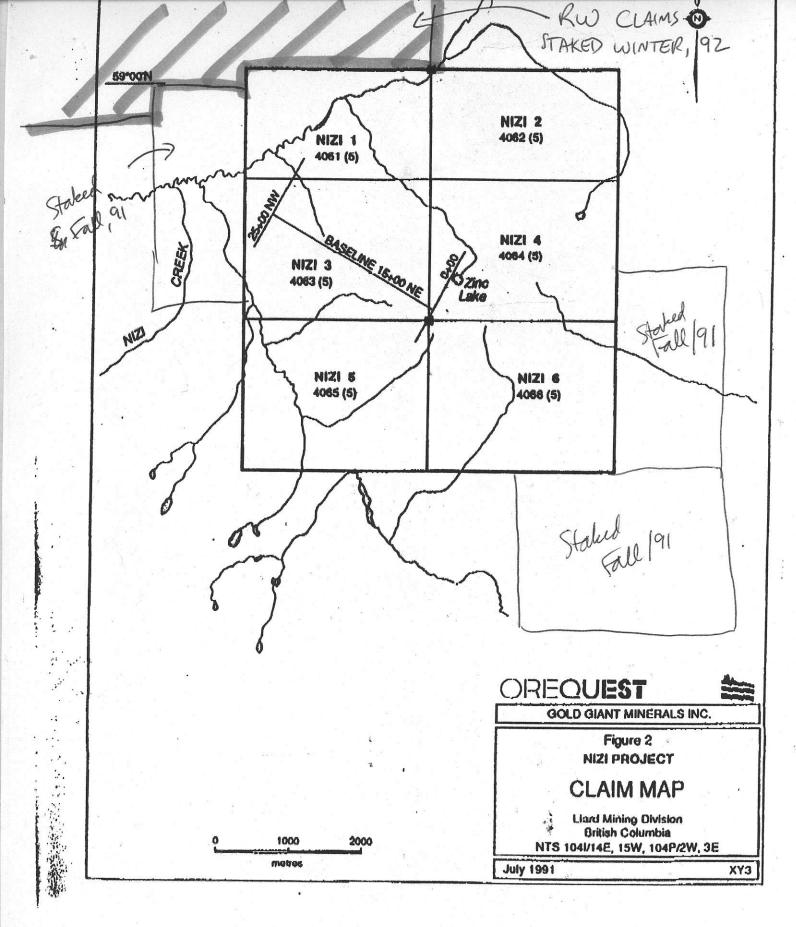
The property lies within the Cassiar Mountains and contains steep slopes in the western portion giving way to gentle to moderate slopes in the east. Elevations range from 1100 m above sea level in the northwest corner of the claim block to 1931 m in the south central portion of the property. Vegetation includes mixed fir, spruce and jackpines. Above 1500 m the claims are covered with alpine grasses and low shrubs. Within the main area of interest, there is approximately 20% outcrop exposure, predominantly on the steep north facing slopes.

CLAIM STATUS

The Nizi Project comprises the Nizi 1-6 modified grid mineral claims, totalling 110 units, all within the Liard Mining Division (Figure 2). The claims are wholly owned by Izumi Exploration Ltd., who in 1989 changed their name to Gold Giant Minerals Inc. Pertinent claim information is summarized in the following table:

TABLE 1: CLAIM INFORMATION

Claim Name	No. of Units	Record No.	Bapiry	Date
Nizi 1 Nizi 2	15	4061	May 1,	
Nizi 3	15 20	4062 4063	May 1, May 1,	
Nizi 4 Nizi 5	20 20	4064 4065	May 1, May 1,	
Nizi 6	20	4066		1993



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HISTORY AND PREVIOUS WORK

The Cry Lake area of northwestern B.C. is an area that is currently being reevaluated by a number of companies for both base and precious metal occurrences. The area from Tulsequah to Stewart has been heavily staked and exploration is now moving easterly into areas previously overlooked.

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The only deposit in the Cry Lake area which has seen extensive exploration is the Kutcho Creek massive sulphide deposit, located 90 km south of the Nizi property. This deposit, originally a joint venture between Esso Minerals and Sumitomo Metal Mining Co.. (Sumac) was discovered in 1973 by Esso who were following up a 1967 single stream sample geochemical anomaly of 1280 ppm copper and 22,750 ppm zinc. American Reserve Mining Corp. has recently reached an agreement to purchase 100% of Esso's interest, which in turn has been held by Homestake Canada who purchased all of Esso's mining interests in 1989.

The deposit consists of three massive sulphide zones which occur in the same stratigraphic horizon in the highest and thickest felsic volcanic cycle of the Kutcho Formation. The Kutcho zone contains 17,000,000 tons of open pit reserves of 1.62% copper, 2.32% zinc, 29.2 g/t silver and 0.3 g/t gold. The Sumac West zone contains 10,000,000 tonnes of 1.0% copper and 1.2% zinc but remains open. The Esso West zone contains 1-1.5 million tonnes with about twice the grade of the Kutcho zone. Other smaller massive sulphide bodies were intersected in drill holes along the trend of the main deposits.

The McDame gold camp, located 20 km to the northwest, has been an historic gold producer since placer gold was first discovered in 1874 in McDame Creek. Recorded placer production from 1874-1895 was 70,000 ounces, but limited small scale production has continued since then. Lode gold was discovered in 1934 on Troutline Creek and limited production commenced between 1937-1939. The gold occurs primarily in north trending quartz and quartz carbonate veins within Sylvester Group greenstones adjacent to the greenstone-sediment contact. Serious production has been from four producers, the Erickson, Taurus, Cusac and Plaza properties, but not until 1979-1987. Total recorded production in the camp has been 514,594 ounces of gold, 306,080 ounces of silver from 1,600,060 tons of rock milled, of which 3/4 of the produced metal and rock milled was from the Brickson Mine. Present published reserves in the camp are 695,963 tons of 0.332 oz/ton gold at the Erickson mine; 113,458 tons of 0.912 oz/ton gold at the Cusac mine; 60,000 tons of 0.25 og/ton gold at Taurus and 80,137 tons of 0.44 oz/ton gold at the Plaza mine.

Exploration in the region dates back to the 1960's when porphyry copper-molybdenum deposits were the primary target. A number of major companies including Esso, Noranda and Kennco carried out regional geochemical surveys. The Esso survey was successful in discovering the Kutcho deposit. Information gained by other companies' surveys remains confidential.

There are two reported mineral occurrences in the area of the Nizi property. MinFile #27 (Kirk) on 104P lies 9 km northeast of the northern claim boundary. The Kirk property consists of a steeply dipping, mineralized shear zone in the Sylvester Group of sediments that contains specular hematite, pyrite, chalcopyrite, galena, azurite and malachite.

The second occurrence is MinFile #32 on 1041, listed as the Niz occurrence, which is now covered by the Nizi 1-6 claims. The property was first staked by J. Altenbury in 1969. In 1970, the claims received a small (84 sample) soil survey and a geological evaluation of veins and shears with copper, lead, zinc and antimony mineralization, contained within large gossanous areas. The geochemical survey located some anomalous concentrations of lead and zinc associated with north-trending topographic lineaments.

In 1972, Sumac Mines Limited optioned the property and carried out geological and silt and soil geochemical surveys looking primarily for a porphyry copper deposit. Several silver-zinc anomalies were identified to the southeast of Zinc Lake (Figure 2), and a high gold anomaly was partially outlined to the west of the lake. The claims were allowed to expire in 1973.

The area was staked in 1979 by Regional Resources Ltd., who examined the property for its gold and silver potential by completing detailed geological and soil geochemical surveys. Coincident gold,

silver, lead and manganese anomalies were located in the northwestern corner of the grid, confirming and extending the anomalous zones identified by Sumac. The core of the anomalies coincides with an area of intersecting lineaments. Values as high as 0.095 oz/ton gold and 9.54 oz/ton silver from a 0.5 m quartz vein were reported from one of the lineaments within the gossan zone.

Regional Resources Ltd. followed up with further exploration in 1982 by reexamining the area of anomalous gold geochemistry. A number of quartz veins and pyritic shear zones were located, again in the area of intersecting topographic lineaments. Massive sphalerite, pyrite and galena veins are reported by Rowe (1983) that range from a few centimetres to one metre in thickness. A 0.2 m chip sample of one of these veins assayed 68.50 oz/ton silver, 0.089 oz/ton gold, 13.0% zinc and 7.7% lead. A sample from a pyritic andesite breccia contained 0.080 oz/ton gold and 2.29 oz/ton silver. The claims were allowed to lapse.

In 1987, the area was restaked by Izumi Exploration Limited. The Company completed a 36.4 line km grid over the area of the previously indicated geochemical anomalies with grid lines spaced 100 m apart and 25 m sample stations. The grid area was geologically mapped and 1060 soil samples were collected. In addition the company conducted magnetometer, VLF-EM, and EM-16R resistivity geophysical surveys over the grid. The results of that work form the bulk of the information for this report.

REGIONAL GEOLOGY

The most recent regional geological mapping available for this area has been done by H. Gabrielse for the Geological Survey of Canada which was published as Open File 610 (1978). It covers most of the property (the portion that lies within NTS 104I) but does not extend into 104P. The northernmost part of the property is covered by Gabrielse's mapping between 1957 and 1961, published as Memoir #319 (Figure 3).

The two generations of regional geological maps generally agree. The property is in the overlap assemblages between the Intermontane and Omineca Tectonic Terranes (Gabrielse, 1990).

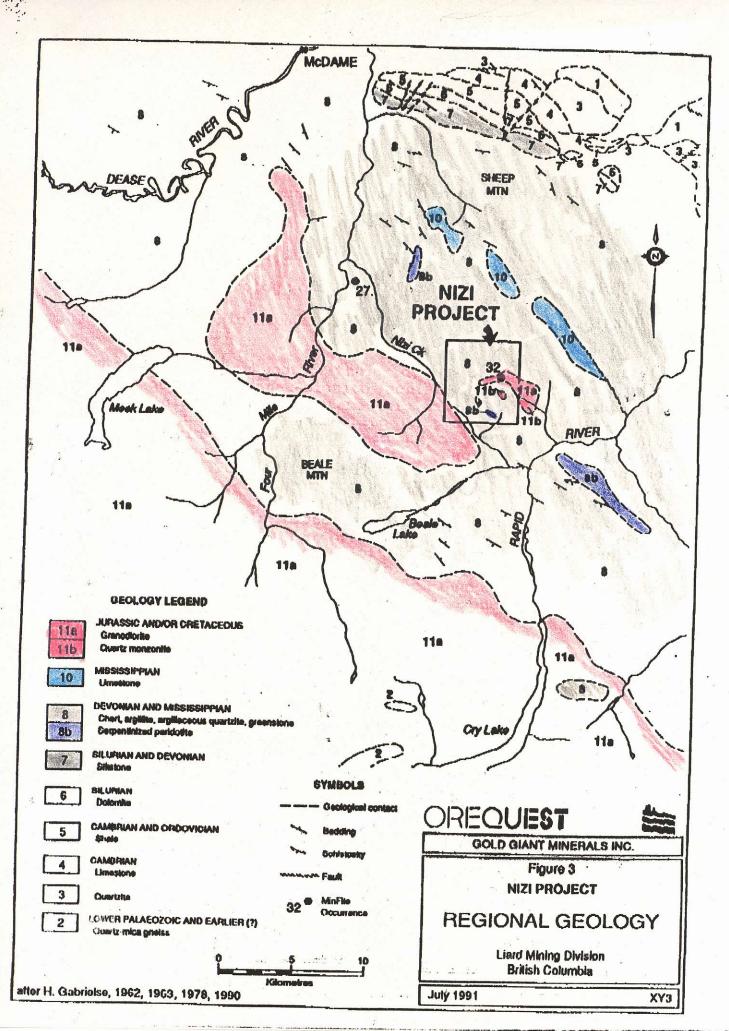
More specifically, the property lies predominantly within the Upper Devonian-Lower Mississippian Sylvester Group (Unit 8) of greenstones, cherts, argillites, quartzites and conglomerates. The southwestern corner of the property is occupied by a satellite intrusion of the Jurassic or Cretaceous aged Cassiar Batholith, which is composed of granodiorite and quartz monzonites.

According to Gabrielse (1978) there is a small intrusive quartz monzonite and granodiorite body in the east central portion of the property. Two small serpentinized peridotites also have been noted on Gabrielse's map.

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PROPERTY

Geology

No property scale mapping has been conducted, the majority of the work to date having been completed within and immediately surrounding a small grid located in the west central portion of the property (Figure 2). The geology of the grid area differs from that documented by Gabrielse on his maps and is best summarized by Rebagliati (1990):

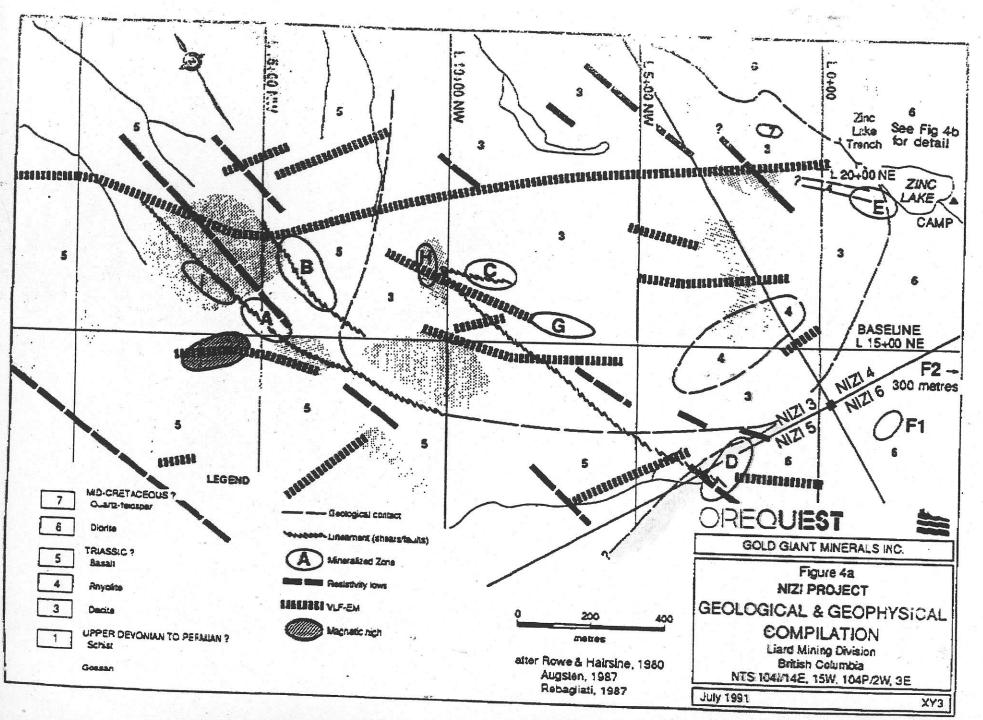
"To the southwest of the grid, the property is underlain by quartz-feldspar-biotite schist, quartzite and minor calc-silicate. The metamorphic assemblage is intruded by small, ultramafic peridotite or pyroxenite bodies. The main grid area is underlain by a younger (?) volcanic assemblage comprised of basalt, dacite, rhyodacite and rhyolite. The dacite and rhyolite exhibit flow banding and are variably feldspar porphyritic. Feldspar phenocrysts are partially replaced by sericite and quartz alteration. Minor pyrite is disseminated throughout. Thin guartz veinlets, accompanied by varying proportions of pyrite, sericite, chlorite and calcite, are common. The basalt is moderately altered with calcite-sericite replacement of plagioclase and chlorite or quartz-sericite-calcite replacement of hornblende and pyroxene. Thin calcite veinlets are numerous.

The schists and the volcanic rocks are separated by a diorite stock which has undergone weak to moderate sericite-epidote-chlorite alteration. A series of northwest trending guartz-feldspar dykes cut all units.

All units are cut by north, northwest and northeast trending lineaments which are particularly abundant in the central portion of the grid. The lineaments are controlled by faults and shears which host numerous veins and breccia zones."

Mineralization

Izumi and others have uncovered six areas of mineralization within or close to the grid. These areas, labelled A-F, are located on Figure 4a.



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Zone A

Laminated carbonate-quartz veins containing galena, sphalerite and pyrite are observed closely associated with a prominent lineament, likely a shear system. The two best grab samples contain 7.6% zinc, 56.21 oz/ton silver and 165 ppb gold, as well as 1.11% zinc and 57.64 oz/ton silver. Other grab samples taken on the west side of the shear contained 0.10, 0.285 and 0.032 oz/ton gold. The samples were collected by Izumi Exploration in 1987.

Zone B

A layered quartz-carbonate vein has been exposed across a 0.5 m width within a 3-5 m wide shear/gouge zone. Grab samples returned values of 1.1% lead, 6.32% zinc, 0.032 oz/ton gold and 91.61 oz/ton silver in addition to 1.1% lead, 6.98% zinc, 0.038 oz/ton gold and 56.29 oz/ton silver across the 0.5 m width (Izumi, 1987). Approximately 150 m south along the lineament/shear zone, additional grab sampling of a 40 cm sphalerite rich quartz vein returned values of 3.45% zinc and 14.71 oz/to silver in addition to 4.37% zinc and 13.98 oz/ton silver. Sampling was completed by Izumi in 1987.

Zone C

Mineralization in this zone is also related to the north trending shear zones and consists of quartz-iron-carbonate veins with massive sphalerite and minor galena over 20-60 cm widths. Values from Izumi grab samples (1987) include 0.102 oz/ton gold, with 38.7 oz/ton silver in addition to 37.57% zinc with 0.033 oz/ton gold (1160 ppb) and 6.33 oz/ton silver, as well as 1.99% lead, 10.54% zinc and 7.1 oz/ton silver.

consists of open space quartz veining containing purite with minor hosts Zone C approximately 450 m to the north. Mineralization consists of open spaced quartz veing containing pyrik with minor galena and sphalerite. Grab samples from this zone returned values of 0.084 oz/ton gold (2890 ppb), 1.37 oz/ton silver as well as 0.167 oz/ton (5740 ppb) and 0.052 oz/ton (1780 ppb) gold (Izumi, 1987).

Zone E

This sone is closely associated with a large gossan west of Zinc Lake. Silicified, altered rhyolites with north trending quartz veins occur in a poorly exposed area. Grab samples from this zone returned values of 0.048-0.099 oz/ton gold (Izumi, 1987). Two chip samples, each across 1.5 m and located 5 m apart, returned values of 0.068 oz/ton gold, 2.27 oz/ton silver and 0.034 oz/ton gold and 3.27 oz/ton silver (Izumi, 1987).

zone F

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Previous authors have referred to this large area as one zone, This report breaks the zone into zones F1 and F2, which are approximately 400-700 m apart. Base and precious metal mineralization is confined to narrow shear systems containing quartz carbonate, sphalerite, pyrite, with minor galena, chalcopyrite and arsenopyrite. Zone F1 contains a grab sample of 0.045 oz/ton gold and 1.44 oz/ton silver. Zone F2 contains grab samples of 0.078, Z 604 682 1816

0.034 and 0.088 oz/ton gold with 0.23, 0.66 and 1.84 oz/ton silver respectively (Izumi, 1987).

OreQuest Consultants carried out a brief 4 day reconnaissance mapping and prospecting program in the volcanic assemblage and has discovered extensive mineralization both in the form of massive sulphide horizons and gold bearing quartz vein stockworks.

The following table outlined some of the values obtained from the 1991 sampling program. All analytical results have been reproduced in Appendix 1.

TABLE 2: 1991 ASSAY RESULTS

ARE	A.	SAMPLE	† TYPE	Gold oz/ton	Silver og/ton	Zinc	Lead
ZON	s G	78998	Grab	0.341	1.17	0.39	0.16
		79000	Grab	1.046	37.91	0.32	0.12
		117004	Chip	1.196	22.34	low	low
		117005	Grab	0.688	18.09	low	low
		117006	Grab	940 ppb	3.78	low	low
ZONI	S H	78679	Grab	0.029	17.50	16.24	1.7
		78680	Grab		17.50	20.22	1.5
ZONI	3 1	78753	Grab	450 ppb	39.08	6.51	1.34
	*	78754	Grab	60 ppb	18.08	0.69	1.53
		78755	Grab	500 ppb	11.67	12.03	0.26
		78757	Grab	<5 ppb	30.33	2.35	0.67
		78758	Grab	<5 ppb	0.47	2.51	1.25
ZONI	B	78677	Grab	220 ppb	14.58	5.46	0.9
		78678	Grab	90 ppb	3.70	6.30	0.6
ZONI	s C	79040	Grab	0.08	1.98	2.40	low
OTHER ARE	eas	78991	Grab	480 ppb	4.08	low	low
		79045	Grab	20 ppb	1.10	.12.45	low
		79046	Grab	<5 ppb	0.17	3.29	2.03
		79048	Grab	260 ppb	7.64	2.15	0.12

ginc Lake Trench

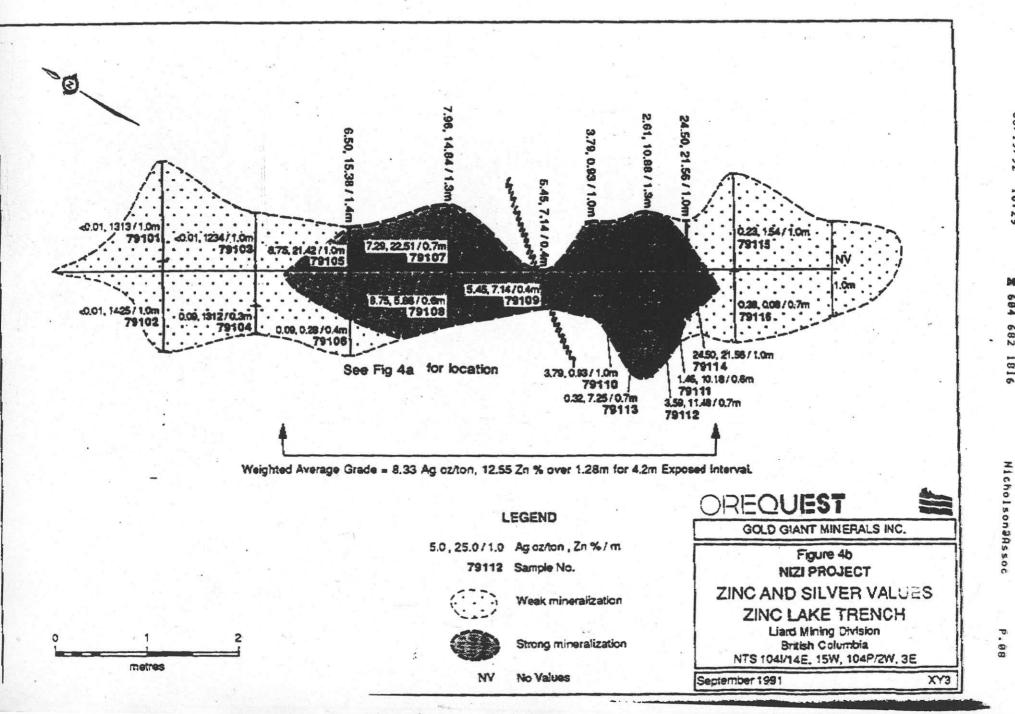
Hand trenching and channel sampling of a quartz-carbonate flooded rhyolite breccia containing sphalerite and galena north of gone E in the Zinc Lake trench assayed up to 21.56% zinc, 24.50 oz/ton silver and 0.18% lead from a 1991 OreQuest 1 m chip sample (Figure 4a, 4b). A weighted average of all samples taken returned 12.55% zinc and 8.33 oz/ton silver over 1.3 m for the 4.2 m of the exposed interval that was sampled (Figure 4b). Topographic and overburden conditions prevented the true width or strike length of the zone to be exposed. Samples were collected by OreQuest, 1991.

The Zinc Lake zone lies close to the trend of a VLF-EM conductor. The mineralization in the trench would likely be a weak VLF-EM conductor but with the limited exposure in the area the exact cause of the conductor cannot yet be determined.

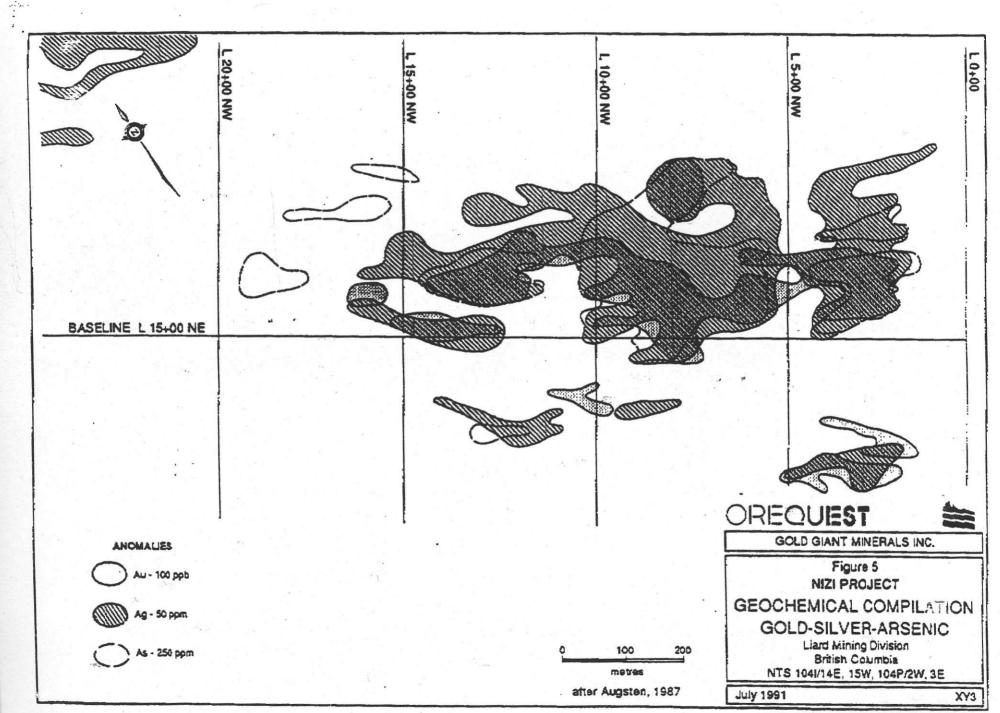
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An extensive quartz vein system was uncovered proximal to a strong 1300 x 500 m multielement geochemical anomaly. This quartz vein stockwork system is hosted by a pyritiferous rhyolite. The samples taken from this system have returned significant gold and silver values along with anomalous base metal results.

One vein measuring 3-4 m in width returned values of 1.046 oz/ton gold and 37.91 oz/ton silver from a 1991 OreQuest grab sample (sample #79000). A 1991 chip sample from this vein across 1.5 m



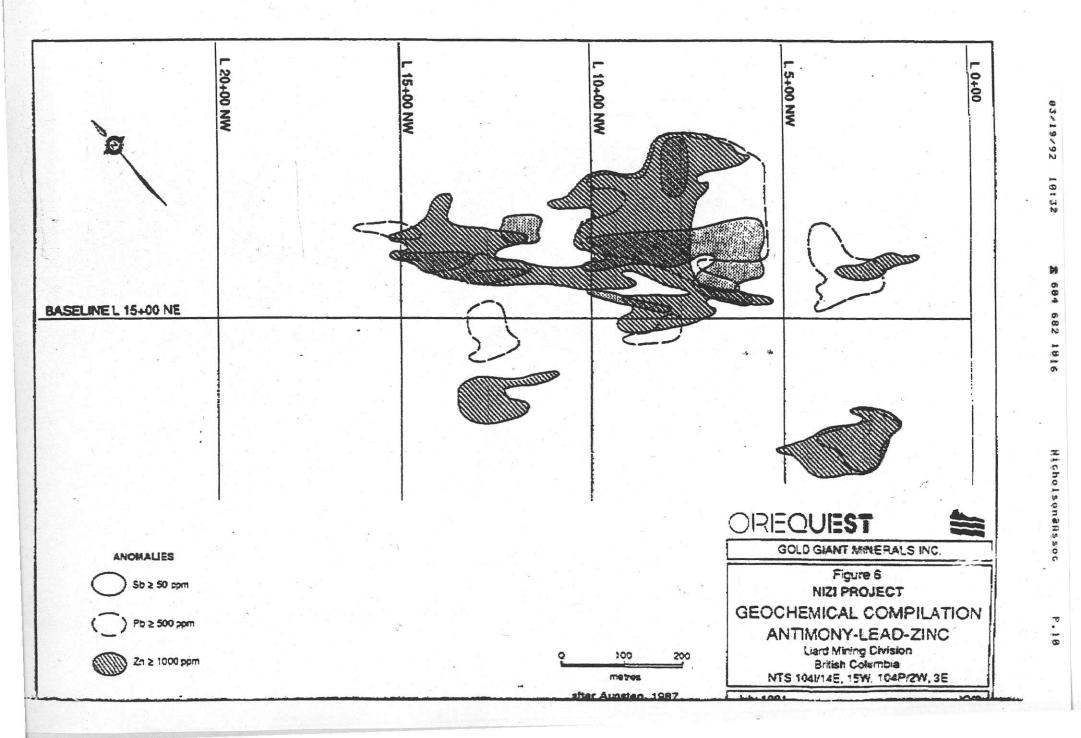
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assayed 1.196 oz/ton gold and 22.30 oz/ton silver (sample #117004). Similar quartz veining has been noted over 400 m in a southeasterly direction along the old baseline and should be evaluated.

The VLF-EM conductor in this area corresponds with the mineralization in the G Zone. The conductor is likely reflecting the pyrite mineralization and therefore indicates that the G Zone could be continuous for several hundred metres in a northwesterly direction opposite to the direction of the trend of the quartz vein. Further work will be required to test this zone and the VLF-EM conductor.

Zone H

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The mineralization observed in this area is similar to that seen in the Zinc Lake trench consisting of zinc rich bands in a pyritic rhyolitic breccia. Pyrite observed in this area may likely be related to the VLF-EM conductor that passes through the zone. The banded sinc rich mineralization trends at approximately 160°, similar to the trend of the VLF-EM conductor. The best values obtained from 1991 OreQuest grab samples from this area contain 0.029 and 0.055 0Z/ton gold and both contain 17.50 oz/ton silver. Zinc values were 15.24% and 20.22% with 1.7% and 1.5% lead values (Table 2).

Zone I

Prospecting in 1991 failed to locate Zone A in the location documented. Instead, mineralization similar in description to Zone A was located 100-200 m northwest and has been tentatively labelled

Zone I. Detailed mapping and sampling will determine whether this is one or two zones. Mineralization consists of sphalerite and minor galena in a sheared brecciated carbonate vein. Samples returned values up to 39.08 oz/ton silver, 12.03% zinc and 1.34% lead (Table 2).

Geochemistry

The grid generally encompassed an area of poor soil development, consequently 1060 samples were collected from talus fines instead of the B horizon. Results of the sampling program outlined a large, up to 1300 m by 500 m, multi-element anomaly extending from line 3+00NW to line 16+00NW, between stations 15+00NE and 20+00NE. The following table summarizes the peak values of the various elements within this broad, multi-element anomaly (after Augsten, 1987).

TABLE 3: SOIL/TALUS RESULTS

8	TO		PEAK VALUES					
FROM		BETWEEN	Au ppb	bbw yà	ppm Ns	Sb Ppm	bb w bp	Zn ppm
L6+00NW L8+00NW L12+00NW	L7+00NW L15+00NW	15+50-16+00NE 18+50-20+00NE 16+00-16+75NE	425 585 1160	203 22.6 447	371 1159 3207	573 117 817	6903 778 26822	2018 5355 10761

Much of the soil/talus anomaly lies in an area with little outcrop, but the geochemical anomaly clearly includes all the major mineralized zones. Many of the coincident multi element anomalies remain unexamined. The soil/talus survey did not include Zone F.

Geophysics

Izumi Explorations carried out magnetometer, VLP-EM and a resistivity survey on the Nizi property grid in 1987. In general, magnetic disturbances prevented the proton magnetic survey from producing meaningful results. One small magnetic anomaly occurs west of Zone A in an area where a grab sample, (Izumi, 1987), of small quartz veins assayed 0.10 oz/ton gold and near a siliceous andesite that assayed 0.285 oz/ton gold.

A Results of the VLF-EM survey did not correlate with many of the known north trending structural lineaments associated with the known mineralized zones. Many of the VLF-EM trends are attributed to topographic expressions instead of geological influences. One VLF-EM conductor bisects Zone H and ends near Zone G. The H Zone mineralization contains pyrite which may explain the EM conductor at the north end. At the south end of the conductor the G Zone mineralization contains low base metal values but very high gold assays (.341 and 1.046 oz/ton). Mineralization is hosted in a pyrite rich rhyolite breccia which would likely give a good VLF-EM response. How the two zones are related has not yet been determined. Another correlation occurs just west of Zone A where a VLF-EM conductor is coincident with the small magnetic anomaly and anomalous rock samples previously mentioned.

The resistivity survey was carried out using a VLF-EMR utilizing Cutler, Maine as a station. This survey was more useful than the

VLF-EM as it partially outlined the north trending lineaments as a series of resistivity lows associated with Zone A, D and the north part of Zone B. It also revealed a series of north trending resistivity lows north of Zone E, an area of poor outcrop exposure. The survey also outlined another linear resistivity low between Line 16+00NW at station 10+00NE and Line 22+00NW at station 150NE in an area of no sampling. Other single station resistivity lows were discovered in areas of no previous sampling and should be investigated. このちょうない ないないない たいというないひょう いちょういち

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CONCLUSIONS AND RECOMMENDATIONS

The property is underlain by a fine-grained sequence of mafic and felsic volcanic rocks, not Sylvester Group sediments as indicated by Gabrielse (1978), which in turn have been intruded by a satellite intrusion of the Cassiar Batholith.

As a result of these intrusions, the volcanic rocks are hydrothermally altered and feature prominent gossans. A series of generally north trending faults and shears, visible as topographic lineaments, are commonly filled with quartz carbonate or quartzsulphide veins carrying precious and base metal values. The multielement soil/talus geochemical survey outlines a 1300 m by 500 m area, containing coincident gold and/or silver, lead, zinc, arsenic and antimony anomalies. Nine zones of mineralization have been identified to date in an area with generally poor outcrop exposure.

Numerous samples collected from partially-exposed quartz sulphide veins, are sufficiently rich in gold and silver to indicate that this structurally deformed and hydrothedrally altered area of volcanic rocks has the potential to host economic gold and silver veins. Massive sulphide mineralization was discovered near Zinc Lake that averaged 12.55% zinc and 8.33 oz/ton silver over 1.3 m along a sample length of 4.2 m. A new gold zone (Zone G) was located at the south end of a VLF-EM anomaly. One chip sample of a quartz vein in a pyritized rhyolite returned a value of 1.196 oz/ton gold and 22.3 oz/ton silver over 1.5 m. Similar quartz veining was noted over 400 m to the southeast.

A two phased exploration program is warranted to further investigate this property. A Phase I exploration program, budgeted at \$100,000, is proposed. Work during this phase should consist of property wide prospecting, mapping and geochemical sampling, grid reestablishment and expansion where topographically feasible, detailed geological mapping, trenching and rock sampling, all to provide both property wide and detailed geological and geochemical data. The identification of targets worthy of more detailed evaluation would lead to a Phase II program with a \$150,000 budget that would include an initial 750 m diamond drilling program of targets outlined by Phase I.

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