

GIANT BAY RESOURCES LIMITED

1986 UNDERGROUND PROGRAM AND ORE RESERVES
FOR THE No. 1 ZONE
OF THE GORDON LAKE GOLD DEPOSIT
MACKENZIE MINING DISTRICT (N.W.T.), CANADA

NTS - 85 I-14 LAT. 62°58'N LONG. 113°19'W

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1. SUMMARY

This report consists of a description of the 1986 program as well as an ore reserve calculation for the No. 1 Zone of the Gordon Lake gold property which is 100% owned by Giant Bay Resources Ltd.

The 1986 program included 2,680 feet of underground development which consisted of a 10' x 14' decline 1,600 feet in length, two 10' x 14' drifts at the 200 foot level for a total length of 540 feet and two 5' x 7' raises for a total of 540 feet.

Since 1983, 27,798 feet of diamond drilling has been completed on the No. 1 Zone. This includes 8,640 feet drilled during the 1986 program, comprising 2,598 feet from surface and 6,042 feet from underground.

The parameters used in the ore reserve calculation are:

Cut-off grade: 0.20 oz/ton Au
Minimum mining width: 4.0 feet
Specific gravity: 2.8
Assay values: uncut, cut to 3.0 oz/ton and
cut to 1.0 oz/ton

The calculated reserves in the No. 1 Zone are as follows:

(A = Uncut values, B = Values cut to 3.0 oz/ton and
C = Values cut to 1.0 oz/ton)

	<u>Proven</u>		<u>Probable</u>		<u>Possible</u>	
	(Above 300-ft level)		(Between 300 & 600 feet)		(Between 600 & 1,000 feet)	
	(tons)	(oz/tn Au)	(tons)	(oz/tn Au)	(tons)	(oz/tn Au)
A.	63,131	.427	47,056	.874	62,700	.618
B.	63,131	.388	47,056	.660	62,700	.504
C.	63,131	.304	47,056	.412	62,700	.350

The total reserves, for assays cut to 3.0 oz/ton, are

172,887 tons at .504 oz/ton Au.

2. LOCATION AND ACCESS

The Gordon Lake gold property is situated on the southwestern shore of Gordon Lake, approximately 50 miles north-northeast of Yellowknife, Northwest Territories.

Access during the summer months is limited to float-equipped airplanes or helicopters which are based at Yellowknife. During the winter months the property is accessible from a winter road originating in Yellowknife, which traverses Gordon Lake enroute to its termination at the Lupin Mine at Contwoyto Lake.

3. CLAIMS STATUS

The Gordon Lake gold property covers 4,979.6 acres and comprises the following minerals claims:

<u>Claim Name</u>	<u>Acreage</u>	<u>Record No.</u>	<u>Expiry Date</u>
POL	1,187.9	F 10302	June 6, 1988
AR	723.1	F 09131	January 26, 1987
AD	955.7	F 10304	June 6, 1988
BEAR	816.0	F 09132	January 26, 1988
AR #1	51.6	F 11766	June 6, 1988
MAHE	206.6	F 89416	March 1, 1988
MAHE #1	206.6	F 11765	June 6, 1988
MAHE #2	103.3	F 09445	June 6, 1988
LYNK 1*	182.2	46293	August 12, 1992
LYNK 2*	182.2	46294	August 12, 1992
LYNK 3*	182.2	46295	August 12, 1992
LYNK 4*	182.2	46296	August 12, 1992

*Crown Lease 2450

4. PROPERTY GEOLOGY

The Gordon Lake property is located in the Slave Province of the Canadian Shield. It is underlain by rocks of the Archean Yellowknife Supergroup which, locally, are described as a turbidite sequence comprising predominant metagreywackes with intercalations of subordinate siltstones

and less abundant argillites. Property nomenclature for these units are greywacke, grey siltstone and black siltstone, respectively.

Petrographic studies have indicated that all three units are, at least in part, volcanic in derivation which adds support to the model of ore genesis as proposed by Caelles (1984), vis: a syngenetic/hydrothermal deposit rather than that of epigenetic origin.

The stratigraphic sequence has been subjected to four periods of deformation (Fyson, 1975). The first event created open, steeply-plunging folds with amplitudes from one to fifteen kilometres. These have not been recognized on the property. The second deformational event produced tight to isoclinal folds with a wavelength of several hundreds of metres and limbs of comparable length. These are recognizable in the No. 1 Zone and are characterized by bedding and axial-plane cleavage dipping vertically to very steeply and striking northwesterly to west-northwesterly. The third period of deformation is recognized as small folds in quartz veins with a foliation (S_3) at 330° . Finally, the fourth event resulted in disharmonic open folds, several metres in wavelength, which produced a cleavage at 060° .

<u>Fold</u>	<u>Foliation</u>	<u>Cleavage</u>	<u>Feature</u>
	S_0		Bedding
F1	?	?	Large Folds, 10 - 15 km. wavelength
F2	?	?	Isoclinal folding
F3	S_3	330°	Small folds in quartz veins
F4	S_4	060°	Disharmonic open folds several metres wavelength

5. MINERALIZATION - NO. 1 ZONE

The most recent diamond drilling and underground sampling has better delineated the spatial distribution of the mineralized zone. The general constraints of the orebody, as outlined by Caelles (1985) remain

virtually unchanged. That is, the steeply dipping zone is localized in a series of disharmonic (drag?) folds with a west-northwesterly strike length of at least 1,000 feet. The zone is open at depth and along strike to the northwest but appears to pinch out or to be faulted off to the southeast.

The wallrocks comprise predominant greywackes and lesser amounts of grey siltstones with a quartz vein content below one per cent. The boundaries of the zone are sharp, occurring within a foot or less. The gold-bearing zone is made up of predominant grey and black siltstones with subordinate greywacke. The quartz content varies from 10 - 90% throughout the zone with an average approximating 30 - 40%. The thickness of the zone varies both along strike and at depth and ranges from 20 feet to in excess of 100 feet.

Sulphide content within the zone varies from 2 - 3%, but can be present up to 10% over narrow intervals. There are equal amounts of pyrrhotite and pyrite with subordinate arsenopyrite and trace amounts of chalcopyrite, sphalerite and galena. In general, good gold values were obtained whenever galena was encountered, although the sparse amounts of the latter precludes its usefulness as an indicator mineral. Gold appears to occur only as free gold; there is no evidence at this time to suggest that it would also be present within the crystal lattice of the sulphide minerals. Visible gold, commonly present as 1 mm specks and less often as 3 - 4 mm blebs, was observed in a large number of drill holes and very occasionally on the walls of the drift.

It is apparent from the underground development and diamond drilling that the zone is not continuous across strike, but contains intercalated barren sections, with generally very limited strike extent. These should present little problem for a selective mining method, indeed, they may prove to be useful as pillars.

Diamond drilling has indicated a very continuous zone of ore immediately adjacent to, or in close proximity to, the structural hanging-wall. This zone is virtually continuous on every cross-section especially

above a cut-off grade of 0.1 oz/ton, and is semi-continuous at a cut-off grade of 0.2 oz/ton.

Many other, seemingly discontinuous, zones occur throughout the orebody. This is due to the fact the gold occurs in a very erratic distribution, which is normal for this deposit type. For this reason, it is suggested that all of the zone with a quartz content greater than 10% contains gold, although the average grade cannot be ascertained until a large bulk sample has been milled.

6. UNDERGROUND DEVELOPMENT

The 1986 program included approximately 2,680 feet of underground development which consisted of a 10' x 14' decline 1,600 feet in length, two 10' x 14' drifts at the 200 foot level for a total length of 540 feet and two 5' x 7' raises for a total of 540 feet. The objective of the underground program was to test the No. 1 Zone for possible open pit reserves. Regrettably, due to the erratic distribution of the gold mineralization (ie: the strong nugget effect), the results of the underground sampling were, for the most part, disappointing. These results were offset by the encouragement of the many visible gold occurrences observed within the underground drill core.

The methods of sampling the underground workings were as follows:

Muck Samples: One 5 - 8 pound random grab sample was recovered from each 2.2 cubic yard bucket taken from the mineralized zone. This resulted in 30 - 75 samples per round, the results for which are in Appendix I. Each round from the drifts and every two rounds from the raises were stored in separate, accessible muck piles in order to facilitate removal for possible future mill tests.

Face Samples: Each face within the mineralized zone was chip sampled over panels three feet in width, resulting in five 3 - 4 pound samples, the assays for which are documented in Appendix I.

Wall Samples: Channel samples 2.5 feet in length and at chest height were taken along the decline whenever anomalous amounts of quartz were encountered. The same method was used for the complete length of both walls along the drifts in the mineralized zone. The assays for these samples are found within Appendix II, whilst a lithological description of the samples can be found in Appendix III.

Raise Samples: Where the raises were perpendicular to the geological strike, a channel sample three feet in length was taken from the floor, parallel to the raise. In the event the raise was parallel to geological strike, a channel sample 6 - 8 feet in length was taken every 10 feet across the floor of the raise. The assay results and lithological descriptions are located in Appendices II and III, respectively.

7. DIAMOND DRILLING

A total of 21,756 feet of surface diamond drilling in 45 holes has been completed within the No. 1 Zone during the 1983, 1984, 1985 and 1986 exploration programs. Core recovery was essentially 100%.

In 1983 and 1984 BQ core was recovered but in early 1985 it was decided to recover the larger NQ core. The following is a summary of all the surface drilling completed on the No. 1 Zone:

<u>HOLE #</u>	<u>CORE SIZE</u>	<u>DIP ANGLE</u>	<u>TOTAL DEPTH</u>	<u>HOLE #</u>	<u>CORE SIZE</u>	<u>DIP ANGLE</u>	<u>TOTAL DEPTH</u>
DH83-01	BQ	-45	303'	DH84-29	BQ	-65	739'
DH83-02	BQ	-45	280'	DH84-30	BQ	-70	844'
DH83-03	BQ	-45	321'	DH84-31	BQ	-60	577'
DH83-04	BQ	-45	400'	DH84-60	BQ	-45	408'
DH83-05	BQ	-45	454'	DH84-68	BQ	-70	367'
DH83-07	BQ	-45	410'	DH84-69	BQ	-45	250'
DH84-10	BQ	-45	388'	DH84-70	BQ	-50	404'
DH84-11	BQ	-70	565'	DH851-01	BQ	-45	335'
DH84-12	BQ	-60	452'	DH851-02	BQ	-45	253'
DH84-13	BQ	-70	540'	DH851-03	BQ	-45	207'
DH84-14	BQ	-65	518'	DH851-04	BQ	-45	187'
DH84-15	BQ	-55	570'	DH851-05	BQ	-45	237'
DH84-16	BQ	-68	625'	DH851-06	NQ	-45	240'
DH84-17	BQ	-65	460'	DH851-07	NQ	-45	222'
DH84-18	BQ	-55	500'	DH851-11	NQ	-45	187'

<u>HOLE #</u>	<u>CORE SIZE</u>	<u>DIP ANGLE</u>	<u>TOTAL DEPTH</u>	<u>HOLE #</u>	<u>CORE SIZE</u>	<u>DIP ANGLE</u>	<u>TOTAL DEPTH</u>
DH84-19	BQ	-58	111'	DH851-12	NQ	-55	347'
DH84-20	BQ	-62	429'	DH851-13	NQ	-45	237'
DH84-21	BQ	-55	499'	DH851-15	NQ	-45	157'
DH84-22	BQ	-45	554'	DH861-01	NQ	-70	1202'
DH84-23	BQ	-61	695'	DH861-16	NQ	-70	200'
DH84-25	BQ	-69	765'	DH861-17	NQ	-70	1196'
DH84-26	BQ	-55	561'				
DH84-27	BQ	-67	720'				
DH84-28	BQ	-65	737'				

A total of 6,042 feet of underground diamond drilling was completed in 70 holes on 13 sections. A thin-wall system of drilling tools was used which resulted in essentially NQ size core recovery. The following is a summary of all underground diamond drilling:

<u>SECTION</u>	<u>HOLE NUMBER</u>	<u>LOCATION</u>	<u>AZIMUTH</u>	<u>DIP</u>	<u>DEPTH</u>
A	U861A-01	200 level-east	220	0	29.0'
	U861A-02	200 level-east	040	0	82.0'
	U861A-03	200 level-east	040	+43	30.0'
	U861A-70	Decline	220	-15	140.0'
AB	U861AB-04	200 level-east	040	0	25.0'
	U861AB-05	200 level-east	040	-76	27.5'
	U861AB-06	200 level-east	220	0	24.0'
	U861AB-68	Decline	220	-18	144.0'
	U861AB-69	Decline	220	+10	123.0'
B	U861B-07	200 level-east	220	0	34.0'
	U861B-08	200 level-east	220	+71	34.0'
	U861B-09	200 level-east	220	-52	54.0'
	U861B-10	200 level-east	040	0	20.0'
	U861B-67	Decline	220	+30	124.0'
BC	U861BC-11	200 level-east	220	0	69.0'
	U861BC-12	200 level-east	220	-40	114.0'
	U861BC-13	200 level-east	040	+25	64.0'
	U861BC-14	200 level-east	040	-50	51.0'
	U861BC-65	Decline	220	+6	130.0'
	U861BC-66	Decline	220	-18	149.0'
C	U861C-15	200 level-east	220	-41	108.0'
	U861C-16	200 level-east	220	0	61.5'
	U861C-17	200 level-east	040	0	31.0'
	U861C-18	200 level-east	040	-64	53.0'
	U861C-63	Decline	220	-14	146.0'
	U861C-64	Decline	220	+30	133.0'

<u>SECTION</u>	<u>HOLE NUMBER</u>	<u>LOCATION</u>	<u>AZIMUTH</u>	<u>DIP</u>	<u>DEPTH</u>
CD	U861CD-19	200 level-west	220	0	41.0'
	U861CD-20	200 level-west	220	-46	146.0'
	U861CD-21	200 level-west	040	-69	70.0'
	U861CD-22	200 level-west	040	0	38.0'
	U861CD-60	Decline	220	0	159.0'
	U861CD-61	Decline	220	-22	145.0'
	U861CD-62	Decline	220	+24	146.0'
D	U861D-46	200 level-west	220	0	55.0'
	U861D-47	200 level-west	040	+23	115.0'
	U861D-48	200 level-west	040	0	90.0'
	U861D-49	200 level-west	040	-74	121.0'
DE	U861DE-42	200 level-west	040	0	69.0'
	U861DE-43	200 level-west	040	-40	100.0'
	U861DE-44	200 level-west	220	0	63.0'
	U861DE-45	200 level-west	220	-47	80.0'
	U861DE-58	Decline	220	-8	140.0'
	U861DE-59	Decline	220	+20	114.0'
E	U861E-39	200 level-west	040	0	81.0'
	U861E-40	200 level-west	220	0	48.0'
	U861E-41	200 level-west	220	-61	101.0'
	U861E-57	Decline	220	+11	106.0'
F	U861F-35	200 level-west	040	0	81.0'
	U861F-36	200 level-west	220	0	61.0'
	U861F-37	200 level-west	040	-58	92.0'
	U861F-38	200 level-west	220	-42	94.0'
	U861F-55	Decline	220	+5	122.0'
	U861F-56	Decline	220	+41	142.0'
G	U861G-31	200 level-west	040	0	100.0'
	U861G-32	200 level-west	220	0	66.0'
	U861G-33	200 level-west	040	-62	80.0'
	U861G-34	200 level-west	220	-65	117.0'
	U861G-52	Decline	220	+4	218.0'
	U861G-53	Decline	220	+48	62.0'
	U861G-54	Decline	220	+40	100.0'
GH	U861GH-27	200 level-west	220	+23	48.0'
	U861GH-28	200 level-west	220	-49	70.0'
	U861GH-29	200 level-west	040	+23	51.0'
	U861GH-30	200 level-west	040	-80	53.0'
	U861GH-50	Decline	220	+6	112.0'
	U861GH-51	Decline	220	+43	120.0'
H (5' from face)	U861H-23	200 level-west	040	0	45.0'
	U861H-24	200 level-west	220	0	20.0'
	U861H-25	200 level-west	040	-74	83.0'
	U861H-26	200 level-west	220	-62	84.0'

8. ORE RESERVES

Method: The ore reserve calculation has been made using standard engineering techniques. Intervals above the cut-off grade (0.2 oz/ton Au) were chosen from the drill hole assay summary (Appendix V), and the total core length and weighted average grade were calculated for each hole using assays which were uncut, cut to three ounces and cut to one ounce (Appendix IV).

The assay intervals were plotted on geological cross-sections A - J (Plates L - Z) and where adequate geological continuity was assured, these intercepts were joined to those of an adjacent drill hole thereby defining an outline of the reserve area. These areas have been subdivided into geometric individual blocks extending half way between drill holes on each section. Volumes have been calculated by multiplying the area of the individual blocks by the length between half the distance to both adjacent sections. This volume was converted to tonnage by multiplying it by the estimated average specific gravity of the ore zone.

The total reserve tonnage was then obtained adding the tonnage of each individual block and the average grade was calculated by weighting the grade of each block by its tonnage.

Parameters

The parameters used in the ore reserve calculation are:

Cut-off grade: 0.20 oz/ton Au

Minimum mining width: 4.0 feet

Specific gravity: 2.8

Assay values: uncut, cut to three oz/ton and cut to one oz/ton

The total reserves (proven, probable and possible), for assays cut to three oz/ton Au are 172,887 tons at 0.504 oz/ton Au.

GEOLOGICAL RESERVES AT GORDON LAKE

(November 24, 1966)

	<u>PROVEN</u>		<u>PROBABLE</u>		<u>POSSIBLE</u>	
	(Above -300-ft level)		Between -300 & 600 ft		Between -600 & -1000 ft	
	(tons)	(oz/tn Au)	(tons)	(oz/tn Au)	(tons)	(oz/tn Au)
Uncut assays	63,131	.427	47,056	.674	62,700	.618
Assays cut to 3 oz	63,131	.388	47,056	.660	62,700	.504
Assays cut to 1 oz	63,131	.304	47,056	.412	62,700	.350

SUMMARY

(Assays cut to 3 oz)

	TONNAGE (tons)	GRADE (oz/tn Au)
Proven reserves (above -300-ft-level)	63,131	.388
Probable reserves (between -300 and -600-ft-level)	<u>47,056</u>	<u>.660</u>
Proven and probable reserves (above -600-ft-level)	110,187	.504
Possible reserves (between -600 and -1000-ft-level)	<u>62,700</u>	<u>.504</u>
TOTAL RESERVES	172,887	.504

GIANT BAY RESOURCES LIMITED

No. ZONE

TONNAGE CALCULATION

(above -300 ft LEVEL - uncut assays)

SECTION	BLOCK	AREA (ft ²)	LENGTH (ft)	GRADE (OZ/TN Au)	VOLUME (ft ³)	VOLUME (m ³)	DENSITY	TONNES (Block)	TONS (Block)	TONS x GRADE	TONS SECTION	GRADE SECTION
A	A	1,000	74.0	.288	74,000	2,095	2.80	5,867	6,469	1863.03	6,469	.288
AB	A	141	49.0	.362	6,909	196	2.80	548	604	230.71	604	.362
B	A	462	42.5	.428	19,635	556	2.80	1,557	1,716	734.63	2,731	.349
	B	273	42.5	.216	11,603	329	2.80	920	1,014	219.08		
BC	A	794	35.5	.889	28,167	798	2.80	2,235	2,464	2190.51	3,771	.716
	B	421	35.5	.391	14,946	423	2.80	1,185	1,306	510.84		
C	A	198	41.0	.201	8,118	230	2.80	644	710	142.64	975	.218
	B	74	41.0	.262	3,034	86	2.80	241	265	69.49		
CD	A	670	46.0	.235	30,620	873	2.80	2,444	2,694	633.13	6,217	.777
	B	265	46.0	3.431	12,190	345	2.80	967	1,066	3656.11		
	C	347	46.0	.211	15,952	452	2.80	1,266	1,395	294.42		
	D	264	46.0	.232	12,144	344	2.80	963	1,062	246.29		
D	A	735	37.0	.246	27,195	770	2.80	2,156	2,377	584.62	6,543	.289
	B	520	37.0	.265	19,240	545	2.80	1,525	1,662	445.70		
	C	347	37.0	.376	12,839	364	2.80	1,018	1,122	422.00		
	D	198	37.0	.312	7,326	207	2.80	581	640	199.81		
	E	223	37.0	.328	8,251	234	2.80	654	721	236.58		
DE	A	330	27.5	.515	9,075	257	2.80	720	793	406.55	6,279	.573
	B	223	27.5	.345	6,133	174	2.80	486	536	184.95		
	C	223	27.5	.210	6,133	174	2.80	486	536	112.58		
	D	240	27.5	.606	6,600	187	2.80	523	577	349.63		
	E	1,596	27.5	.662	43,890	1,243	2.80	3,480	3,837	2539.91		
E	A	1,636	29.5	.287	48,262	1,367	2.80	3,827	4,219	1210.63	8,554	.310
	B	235	29.5	.224	6,933	196	2.80	550	606	125.75		
	C	405	29.5	.258	11,948	338	2.80	947	1,044	279.90		
	D	256	29.5	.296	7,552	214	2.80	599	660	195.41		
	E	562	29.5	.271	16,579	469	2.80	1,315	1,449	392.76		
	F	223	29.5	.763	6,579	186	2.80	522	575	438.78		
F	A	421	29.5	.295	12,420	352	2.80	985	1,086	320.27	15,251	.260
	B	181	29.5	.210	5,340	151	2.80	423	467	98.02		
	C	148	29.5	.206	4,366	124	2.80	346	382	78.62		
	D	826	29.5	.270	24,367	690	2.80	1,932	2,130	575.12		
	E	1,116	29.5	.325	32,922	932	2.80	2,610	2,878	935.33		
	E	2,578	29.5	.233	76,051	2,154	2.80	6,030	6,648	1549.02		
	I	644	29.5	.249	18,998	538	2.80	1,506	1,661	413.53		
G	A	210	25.5	.661	5,355	152	2.80	425	468	309.43	3,683	.698
	B	430	25.5	1.004	10,965	310	2.80	869	959	962.36		
	C	115	25.5	.937	2,933	83	2.80	233	256	240.20		
	D	99	25.5	2.790	2,525	71	2.80	200	221	615.71		
	F	248	25.5	.381	6,324	175	2.80	501	553	210.63		
	G	640	25.5	.261	16,320	462	2.80	1,294	1,427	372.35		
GH	A	223	29.0	.245	6,467	183	2.80	513	565	138.50	565	.245
H	A	248	59.5	.917	14,756	418	2.80	1,170	1,290	1182.86	1,290	.917
TOTAL	Ave.										63,131	.427

GIANT BAY RESOURCES LIMITED

No. ZONE

TONNAGE CALCULATION

(between -300 & -600 ft LEVEL - uncut assays)

SECTION	BLOCK	AREA (ft ²)	LENGTH (ft)	GRADE (OZ/TN Au)	VOLUME (ft ³)	VOLUME (m ³)	DENSITY	TONNES (Block)	TONS (Block)	TONS x GRADE	TONS SECTION	GRADE SECTION
A	B	802	74.0	1.137	59,348	1,681	2.80	4,705	5,188	5,898.77		
	C	951	74.0	.250	70,374	1,993	2.80	5,580	6,152	1,537.97		
	D	677	74.0	.609	50,098	1,419	2.80	3,972	4,379	2,667.06	15,719	.643
C	B	1,042	41.0	.261	42,722	1,210	2.80	3,387	3,735	974.74		
	C	2,480	41.0	2.509	101,680	2,879	2.80	8,062	8,889	22,301.35	12,623	1.844
CD	D	124	46.0	.232	5,704	162	2.80	452	499	115.68	499	.232
B	E	413	25.5	.240	10,532	298	2.80	835	921	220.95		
	F	408	25.5	.381	10,404	295	2.80	825	909	346.51	1,830	.310
F	G	495	29.5	.292	14,632	414	2.80	1,160	1,279	373.49		
	H	372	29.5	.372	10,974	311	2.80	870	959	356.86	2,238	.325
H	B	1,414	59.5	.297	84,133	2,382	2.80	6,671	7,355	2,184.33	7,355	.297
I	H	468	85.0	.377	39,780	1,126	2.80	3,154	3,477	1,311.00	3,477	.377
J	A	446	85.0	.851	37,910	1,073	2.80	3,006	3,314	2,820.19	3,314	.851
TOTAL	AVE.										47,056	.874

GIANT BAY RESOURCES LIMITED

No. ZONE

TONNAGE CALCULATION

(above -300 ft LEVEL -assays cut to 3 oz)

SECTION	BLOCK	AREA (ft ²)	LENGTH (ft)	GRADE (OZ/TN Au)	VOLUME (ft ³)	VOLUME (m ³)	DENSITY	TONNES (Block)	TONS (Block)	TONS x GRADE	TONS SECTION	GRADE SECTION
A	A	1,000	74.0	.286	74,000	2,095	2.80	5,867	6,469	1,863.03	6,469	.286
AB	A	141	49.0	.362	6,909	196	2.80	546	604	230.71	604	.362
B	A	462	42.5	.363	19,635	556	2.80	1,557	1,716	623.06	2,731	.308
	B	273	42.5	.216	11,563	329	2.80	920	1,014	219.08		
BC	A	794	35.5	.889	28,187	798	2.80	2,235	2,464	2,190.51	3,771	.716
	B	421	35.5	.391	14,546	423	2.80	1,185	1,306	510.84		
C	A	198	41.0	.201	8,118	230	2.80	644	710	142.64	975	.218
	B	74	41.0	.262	3,034	86	2.80	241	265	69.49		
CD	A	670	46.0	.235	30,620	873	2.80	2,444	2,694	633.13	6,217	.442
	B	265	46.0	1.475	12,190	345	2.80	967	1,066	1,571.78		
	C	347	46.0	.211	15,962	452	2.80	1,266	1,395	294.42		
	D	264	46.0	.232	12,144	344	2.80	963	1,062	246.29		
D	A	735	37.0	.246	27,195	770	2.80	2,156	2,377	584.82	6,543	.289
	B	520	37.0	.255	19,240	545	2.80	1,525	1,682	445.70		
	C	347	37.0	.376	12,829	364	2.80	1,018	1,122	422.00		
	D	196	37.0	.312	7,325	207	2.80	581	640	199.81		
	E	223	37.0	.328	8,251	234	2.80	654	721	236.58		
DE	A	330	27.5	.515	9,075	257	2.80	720	793	408.55	6,279	.573
	B	223	27.5	.345	6,133	174	2.80	486	536	184.95		
	C	223	27.5	.210	6,133	174	2.80	486	536	112.58		
	D	240	27.5	.606	6,600	187	2.80	523	577	349.63		
	E	1,596	27.5	.662	43,890	1,243	2.80	3,480	3,637	2,539.91		
E	A	1,636	29.5	.287	48,252	1,367	2.80	3,827	4,219	1,210.83	8,554	.310
	B	235	29.5	.224	6,933	196	2.80	550	606	135.75		
	C	405	29.5	.258	11,948	338	2.80	947	1,044	279.90		
	D	256	29.5	.296	7,532	214	2.80	599	660	195.41		
	E	562	29.5	.271	16,579	469	2.80	1,315	1,449	392.76		
	F	223	29.5	.763	6,579	186	2.80	522	575	438.78		
F	A	421	29.5	.295	12,420	352	2.80	985	1,086	320.27	15,251	.260
	B	181	29.5	.210	5,340	151	2.80	423	467	98.02		
	C	148	29.5	.206	4,366	124	2.80	346	382	78.62		
	D	826	29.5	.270	24,367	690	2.80	1,932	2,130	575.12		
	E	1,116	29.5	.325	32,922	932	2.80	2,610	2,878	935.33		
	E	2,578	29.5	.233	76,051	2,154	2.80	6,030	6,648	1,549.02		
	I	644	29.5	.249	18,998	538	2.80	1,506	1,661	413.53		
G	A	210	25.5	.661	5,355	152	2.80	425	468	309.43	3,863	.642
	B	430	25.5	1.004	10,965	310	2.80	869	959	962.36		
	C	115	25.5	.937	2,933	83	2.80	233	256	240.20		
	D	99	25.5	1.800	2,525	71	2.80	200	221	397.23		
	F	248	25.5	.381	6,774	179	2.80	501	553	210.63		
	G	640	25.5	.261	16,320	462	2.80	1,294	1,427	372.35		
GH	A	223	29.0	.245	6,467	183	2.80	513	565	138.50	565	.245
H	A	248	59.5	.917	14,756	418	2.80	1,170	1,290	1,182.86	1,290	.917
<u>TOTAL</u>	<u>Ave.</u>										<u>63,131</u>	<u>.388</u>

GIANT BAY RESOURCES LIMITED

No. ZONE

TONNAGE CALCULATION

(between -300 & -500 ft LEVEL -assays cut to 3 oz)

SECTION	BLOCK	AREA (ft ²)	LENGTH (ft)	GRADE (OZ/TN Au)	VOLUME (ft ³)	VOLUME (m ³)	DENSITY	TONNES (Block)	TONS (Block)	TONS x GRADE	TONS SECTION	GRADE SECTION
A	B	802	74.0	1.137	59,346	1,681	2.80	4,706	5,188	5,898.77		
	C	951	74.0	.250	70,374	1,993	2.80	5,580	6,152	1,537.97		
	D	677	74.0	.609	50,098	1,419	2.80	3,972	4,379	2,667.06	15,719	.643
C	B	1,042	41.0	.261	42,722	1,210	2.80	3,387	3,735	974.74		
	C	2,480	41.0	1.424	101,680	2,879	2.80	8,062	8,889	12,657.29	12,623	1.080
CD	D	124	46.0	.232	5,704	162	2.80	452	499	115.68	499	.232
E	E	413	25.5	.240	10,532	298	2.80	835	921	220.95		
	F	408	25.5	.381	10,404	295	2.80	825	909	346.51	1,830	.310
F	G	496	29.5	.292	14,632	414	2.80	1,160	1,279	373.49		
	H	372	29.5	.372	10,974	311	2.80	870	959	356.86	2,238	.326
H	B	1,414	59.5	.243	84,133	2,382	2.80	6,671	7,355	1,787.18	7,355	.243
I	H	468	85.0	.377	39,760	1,125	2.80	3,154	3,477	1,311.00	3,477	.377
J	A	446	85.0	.851	37,910	1,073	2.80	3,006	3,314	2,820.19	3,314	.851
<u>TOTAL AVE.</u>								42,679	47,056	31,067.70	47,056	.660

GIANT BAY RESOURCES LIMITED

No. ZONE

TONNAGE CALCULATION

(above -300 ft LEVEL -assays cut to 1 oz)

SECTION	BLOCK	AREA (ft ²)	LENGTH (ft)	GRADE (OZ/TN Au)	VOLUME (ft ³)	VOLUME (m ³)	DENSITY	TONNES (Block)	TONS (Block)	TONS x GRADE	TONS SECTION	GRADE SECTION
A	A	1,000	74.0	.288	74,000	2,095	2.80	5,867	6,469	1,863.03	6,469	.288
AB	A	141	49.0	.382	6,909	196	2.80	548	604	230.71	604	.382
B	A	462	42.5	.320	19,635	556	2.80	1,557	1,716	549.26	2,731	.281
	B	273	42.5	.216	11,603	329	2.80	920	1,014	219.08		
BC	A	794	35.5	.550	28,187	798	2.80	2,235	2,464	1,355.21	3,771	.483
	B	421	35.5	.358	14,946	423	2.80	1,185	1,306	467.72		
C	A	198	41.0	.201	8,118	230	2.80	644	710	142.64	975	.218
	B	74	41.0	.262	3,034	86	2.80	241	265	69.49		
CD	A	670	46.0	.235	30,620	873	2.80	2,444	2,694	633.13	6,217	.307
	B	265	46.0	.688	12,190	345	2.80	967	1,066	733.14		
	C	347	46.0	.211	15,962	452	2.80	1,266	1,395	294.42		
	D	264	46.0	.232	12,144	344	2.80	963	1,062	246.29		
D	A	735	37.0	.246	27,195	770	2.80	2,156	2,377	584.82	6,543	.278
	B	520	37.0	.265	19,240	545	2.80	1,525	1,682	445.70		
	C	347	37.0	.311	12,839	364	2.80	1,018	1,122	349.05		
	D	198	37.0	.312	7,326	207	2.80	581	640	199.81		
	E	223	37.0	.328	8,251	234	2.80	654	721	236.58		
DE	A	330	27.5	.515	9,075	257	2.80	720	793	408.55	6,279	.402
	B	223	27.5	.345	6,133	174	2.80	486	536	184.95		
	C	223	27.5	.210	6,133	174	2.80	486	536	112.58		
	D	240	27.5	.606	6,600	187	2.80	523	577	349.63		
	E	1,596	27.5	.383	43,890	1,243	2.80	3,480	3,837	1,469.47		
E	A	1,636	29.5	.287	48,262	1,367	2.80	3,827	4,219	1,210.83	8,554	.293
	B	235	29.5	.224	6,933	196	2.80	550	606	135.75		
	C	405	29.5	.268	11,948	338	2.80	947	1,044	279.90		
	D	256	29.5	.296	7,552	214	2.80	599	660	195.41		
	E	562	29.5	.271	16,579	469	2.80	1,315	1,449	392.76		
	F	223	29.5	.508	6,579	186	2.80	522	575	292.14		
F	A	421	29.5	.295	12,420	352	2.80	985	1,086	320.27	15,251	.221
	B	181	29.5	.210	5,340	151	2.80	423	467	98.02		
	C	148	29.5	.206	4,366	124	2.80	346	382	78.62		
	D	826	29.5	.221	24,367	690	2.80	1,932	2,130	470.75		
	E	1,116	29.5	.236	32,922	932	2.80	2,610	2,878	679.19		
	E	2,578	29.5	.198	76,051	2,154	2.80	6,030	6,648	1,316.33		
	I	644	29.5	.249	18,998	538	2.80	1,506	1,661	413.53		
	G	210	29.5	.249	18,998	538	2.80	1,506	1,661	413.53		
G	A	210	25.5	.456	5,355	152	2.80	425	468	213.46	3,683	.346
	B	430	25.5	.362	10,965	310	2.80	869	959	346.99		
	C	115	25.5	.500	2,933	83	2.80	233	256	128.17		
	D	99	25.5	.800	2,525	71	2.80	200	221	176.55		
	F	248	25.5	.194	6,324	179	2.80	501	553	107.25		
	G	640	25.5	.261	16,320	462	2.80	1,294	1,427	372.35		
GH	A	223	29.0	.245	6,467	183	2.80	513	565	138.50	565	.245
H	A	248	59.5	.539	14,756	418	2.80	1,170	1,290	695.27	1,290	.539
TOTAL	Ave.									62,131		.304

GIANT BAY RESOURCES LIMITED

No. ZONE

TONNAGE CALCULATION

(between -300 & -600 ft LEVEL -assays cut to 1 oz)

SECTION	BLOCK	AREA (ft ²)	LENGTH (ft)	GRADE (OZ/TN Au)	VOLUME (ft ³)	VOLUME (m ³)	DENSITY	TONNES (Block)	TONS (Block)	TONS x GRADE	TONS SECTION	GRADE SECTION
A	B	802	74.0	.642	59,348	1,681	2.80	4,706	5,188	3,330.71		
	C	951	74.0	.250	70,374	1,993	2.80	5,580	6,152	1,537.97		
	D	677	74.0	.509	50,098	1,419	2.80	3,972	4,379	2,229.12	15,719	.452
C	B	1,042	41.0	.261	42,722	1,210	2.80	3,387	3,735	974.74		
	C	2,480	41.0	.681	101,680	2,879	2.80	8,062	8,889	6,053.10	12,623	.557
CD	D	124	46.0	.232	5,704	162	2.80	452	499	115.68	499	.232
B	E	413	25.5	.240	10,532	298	2.80	835	921	220.95		
	F	408	25.5	.381	10,404	295	2.80	825	909	346.51	1,830	.310
F	G	496	29.5	.292	14,632	414	2.80	1,160	1,279	373.49		
	H	372	29.5	.372	10,974	311	2.80	870	959	356.86	2,238	.326
H	B	1,414	59.5	.134	84,133	2,382	2.80	6,671	7,355	985.52	7,355	.134
I	H	468	85.0	.377	35,780	1,126	2.80	3,154	3,477	1,311.00	3,477	.377
J	A	446	85.0	.462	37,910	1,073	2.80	3,006	3,314	1,531.06	3,314	.462
<u>TOTAL</u>	<u>AVE.</u>							42,679	47,056	19,366.71	47,056	.412

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