

Giant Mine Exploration Assistance Program
Third Quarter Report
Period Ending June 30th, 1999

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**Giant Mine Exploration Assistance Program
Third Quarter Report
Period ending June 30th, 1999**

**Timothy W. Canam P. Geol
Chief Mine Geologist
Giant Mine**

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Summary

All exploration programs continued during the third quarter of the Exploration Assistance Program with the surplus funding remaining from the first and second quarters. Advance was continued until most of the surplus funds were consumed. With the third quarter funding withheld, it was decided to terminate development in the 3-70, 7-80 and 1500 exploration drifts and use the remaining funding for diamond drilling. The 7-80 exploration drift continued as an operational expense to Giant and was completed at the end of June.

Diamond drilling began late April in the 3-70 and 1500 level drifts and continued through the end of May. Diamond drilling continues at this time in the 3-70 program; three holes were drilled from the 1500 level drift, two to the east to the alteration zone and one to the west.

A total of 4,768 feet was drilled in the 3-70 exploration drift and expensed to GNWT exploration assistance program. A total of 2,295 feet was drilled on 1500 level, the two holes to the east were expensed to the GNWT exploration program. The hole drilled to the west is not included in the footage and was expensed to the Giant mine operation.

At the end of May 1999 the funding received from the Government of the Northwest Territories; a total of \$771,250 has been spent in carrying out the exploration program.

The suspension of the Exploration Assistance program could not have come at a worse time. With the gold price at a 20 year low, the Giant mine is not able to fund the continuation of the 1500 level exploration program or any deep exploratory drilling below the 2000 level. As a result the mid term future is in doubt and the exploration potential of the mine will not be realized.

Third Quarter Results

The lineal advance from the three development headings was 216 feet; total diamond drilling was 7,063 feet. Expenditures during the third quarter were \$131,930.41. This represents the balance of funding remaining at the end the 2nd quarter.

1500 Level Exploration

The drift advanced 93 lineal feet during the third quarter. Total advance of the drift was 722 feet. Approximately 553 feet of the proposed drift remain to be driven. Diamond drilling to test the Lower East zone commenced during late April. One section was drilled with 2 holes to the east and one to the west. The alteration zone to the east was intersected in the area expected. Generally, the alteration zone was moderately to strongly sericitized and carbonatized. The high carbonate content was not encouraging. There were localized sections of silicification; in these areas the alteration zone was weakly mineralized with pyrite and very fine grained arsenopyrite, but failed to return any significant assays.

The drill hole to the west did not intersect an alteration zone. However, it did return an intersection of **0.811/1.7 feet** approximately 500 feet west of the drift. This intersection was essentially a quartz vein with a few specks of visible gold. Sulphides in the quartz were rare. This intersection requires fill in drilling which, when time and scheduling allows, will be done.

SuperCrest 3-70 Exploration

The 3-70 program advanced 38 feet in April; this completed the development in the north end of the 3-70 Exploration drift. A diamond drill unit moved into the drift and commenced drilling operations during April and continued into May. Initial drill spacing is on 100 foot centres, with any follow-up drilling to be on 50 or 25 foot centres. A summary of results to the end of June 1999 is attached, but sections are not available at this time. Since further funding was withheld and these are tough economic times, additional geologists were not hired to handle the additional core. All work is being done with available Giant mine geology staff.

SuperCrest 750 Exploration

The total advance for the 780 N. Dr to the end of April was 609 feet. In May and June the drift advanced another 396 feet to completion; this was expensed to the mine operations. Diamond drilling is expected to begin in mid July 1999.

For diamond drill holes expensed to the GNWT exploration assistance program, sampling of the drill core involved cutting the core in half with one half going to the assay laboratory, and the other half being retained in the core box. Generally, only the core near the alteration zone hosting the ore lenses was saved. One or two complete holes were saved. In order to continue the diamond drilling, it was necessary to recycle the core boxes. Financial constraints prevented the purchase of additional core boxes. Assaying of the core was done at the Giant mine assay laboratory by atomic absorption; occasional checks were done by fire assay on selected samples or on some with AA results greater than one ounce per ton.

For the holes drilled from 1500 level, representative samples were collected and recorded prior to discarding the core. Sample interval was variable depending on the variability of the lithologies within the holes.

Reviewed by:

J. Stard
Mine Manager
Giant Mine

GNWT Exploration Assistance Program

3-70 Diamond Drilling

DIAMOND DRILL PROGRAM			
Date:	04/07/1999		
By:	JAM		
Level:	3RD	Heading:	3-70 N EXPL.
Section Book(s):			
Accessibility:			
Section	Bearing	Hole Number	Comments
7500 N	S60E	26027	1.60/1.7' (0.486/5.9')
7500 N	S60E	26028	.668/2.5' (.372/4.7')
7500 N	S60E	26029	.87/2.6' (.443/5.6')
7500 N	S60E	26030	No Significant Assays
7500 N	S60E	26031	NSA
7500 N	S60E	26032	NSA
7400 N	S60E	26034	0.359/2.5' (0.257/5.0')
7400 N	S60E	26035	0.257/2.4'
7400 N	S60E	26036	NSA
7400 N	S60E	26037	NSA
7300 N	S60E	26040	0.277/4.7' 2.5 ground core at end of intersection
7300 N	S60E	26041	NSA
7300 N	S60E	26042	NSA
7300 N	S60E	26043	NSA
7300 N	S60E	26044	NSA
7200 N	S60E	26045	NSA
7200 N	S60E	26046	NSA
7200 N	S60E	26047	NSA
7200 N	S60E	26048	0.615/5.0'
7200 N	S60E	26049	Drilled short
7150 N	S60E	26051	0.58/3.5' (0.363/6.8')
7150 N	S60E	26052	0.434/4.7'
7150 N	S60E	26053	0.418/3.5' (0.269/7.0')

Funds vs Expenditures

Program	1st Quarter			2nd Quarter			3rd Quarter			Balance of Funds
	Funds	Expenditures	Variance	Funds	Expenditures	Variance	Funds	Expenditure	Variance	
3-70 SuperCrest	\$375,000.00	\$114,635.02		\$396,250.00	\$132,805.25					\$65,082.95
1500 Level Exploration		\$115,639.90			\$82,960.23					\$70,193.84
750 Level SuperCrest		\$75,406.74			\$87,017.59					\$29,515.26
	\$375,000.00	\$305,681.66	\$69,318.34	\$396,250.00	\$302,783.08	\$93,466.92				\$164,792.05
										-\$2,006.79

Status of the GNWT Funding for Exploration/Development As of May 31/99

June 16, 1999

Monies Received from the GNWT

1st Quarter	\$375,000.00
2nd Quarter	\$396,250.00
	<hr/> <u>\$771,250.00</u>

Monies Received from Corporate

Payment #1 (1st Quarter)	(\$282,000.00)
Payment #2	(\$168,497.38)
Payment #3	(\$188,822.21)
	<hr/> <u>(\$639,319.59)</u>

<u>Balance of Acct</u>	<u>\$131,930.41</u>
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Expenditures to the end of May 1999 as per the General Ledger May 31/99

370 Exploration	\$312,523.24
750 Exploration	\$191,939.60
1500 Exploration	\$268,793.97
	<hr/> <u>\$773,256.81</u>

Amount to be invoiced to Corporate

Expenditures as per G.L. to May 31/99	\$773,256.81
Draws from Corporate	(\$639,319.59)
Balance	<hr/> <u>\$133,937.22</u>

GNWT Funding Balance

Total GNWT funding	\$771,250.00
Expenditures up to and incl May-99	\$773,256.81
Free Balance in GNWT funding	<hr/> <u>-\$2,006.81</u>
 Invoice to corporate	 \$133,937.22
	-\$2,006.81
	<hr/> \$131,930.41

Giant Mine Exploration Assistance Program
Expenditures to the end of June 1999.

3-70 Exploration Program											
Year/Type	Orderer	Customer	Budget	November		January		February		March	
				Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Development	Forge & Tools	Forge & Tools	\$10,000	\$10,000	\$10,000	\$11,454.57	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Diamond Drilling	Cost	Cost	\$50,000	\$42,165.13	\$50,000	\$38,840.00	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Geology	Geology & Tech	Geology & Tech	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total	Expl. Cost										

4500 Level Exploration Program											
Year/Type	Orderer	Customer	Budget	November		January		February		March	
				Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Development	Forge & Tools	Forge & Tools	\$50,000	\$1,679.53	\$44,000	\$1,10	\$44,000	\$11,595	\$44,000	\$10,000	\$10,000
Diamond Drilling	Cost	Cost	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Geology	Geology & Tech	Geology & Tech	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total	Expl. Cost										

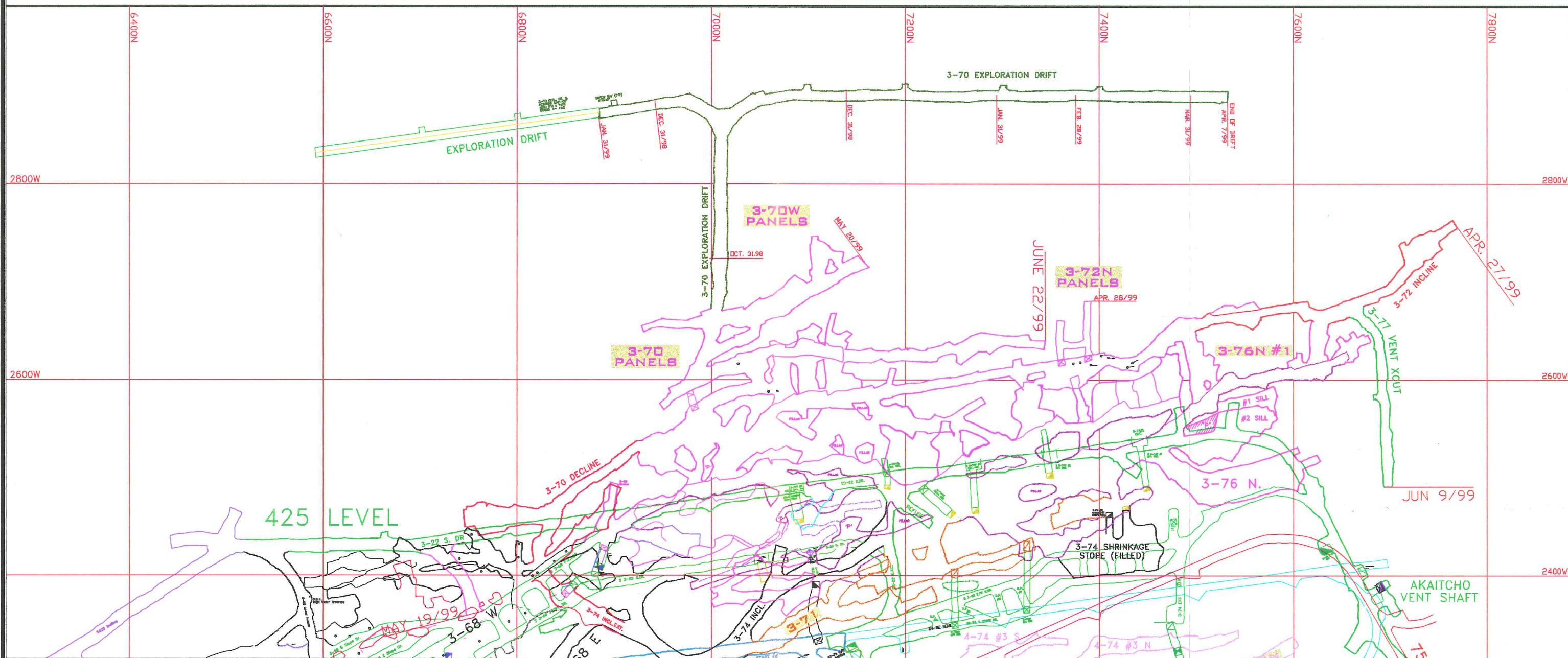
750 Level Superstreet Exploration											
Year/Type	Orderer	Customer	Budget	November		January		February		March	
				Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Development	Forge & Tools	Forge & Tools	\$50,000	\$0	\$50,000	\$0	\$50,000	\$0	\$50,000	\$0	\$50,000
City of Yellowknife	Cost	Cost	\$50	\$0	\$50	\$0	\$50	\$0	\$50	\$0	\$50
Total	Expl. Cost										
Diamond Drilling	Cost	Cost	\$50	\$0	\$50	\$0	\$50	\$0	\$50	\$0	\$50
Geology	Geology & Tech	Geology & Tech	\$50	\$0	\$50	\$0	\$50	\$0	\$50	\$0	\$50
Total	Superstreet Expl. Cost										

3-70 Exploration Program
Summary of Expenses by Cost Centre

Asset	Account	Reference	Description	1st Quarter			Jan 99	Feb	Mar	Adjustment	2nd Quarter	Apr	May	Jun	Year One			
				Oct.	Nov.	Dec.									3rd Quarter	YTD		
68	7135 0000	370 SC U/G Development/Exploration		\$352.17	\$2,492.84	\$4,072.16	\$6,917.17	\$3,938.98	\$1,185.02	\$1,357.15	(\$3,043.62)	\$2,437.53	\$743.42	\$0.00	\$743.42	\$11,098.12		
68	7135 0001	Drilling Labour		\$1,223.00	\$1,463.04	\$1,727.20	\$4,413.24	\$2,377.44	\$894.08	\$1,280.16	\$4,551.68	\$386.08	\$0.00			\$9,351.00		
68	7135 0002	Drilling Material		\$117.60	\$687.68	\$531.04	\$1,336.32	\$1,095.39	\$485.57	\$422.69	(\$195.96)	\$1,807.69	\$154.94			\$154.94	\$3,298.95	
68	7135 0003	Blasting Labour		\$1,160.00	\$3,340.80	\$3,944.00	\$8,444.80	\$5,428.80	\$2,041.60	\$2,223.20	\$10,393.60	\$881.60	\$0.00			\$881.60	\$19,720.00	
68	7135 0004	Blasting Material		\$559.36	\$2,342.41	\$3,033.02	\$5,954.79	\$5,976.08	\$2,002.93	\$1,596.50	(\$1,137.00)	\$8,438.51	\$1,838.42	\$0.00		\$1,838.42	\$16,231.72	
68	7135 0005	Mucking Labour		\$1,158.00	\$0.00	\$0.00	\$1,158.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00	\$1,158.00	
68	7135 0006	Mucking Material		\$0.00	\$429.80	\$1,003.54	\$1,433.34	\$1,290.21	\$759.94	\$428.56	(\$419.84)	\$2,058.87	\$164.18				\$164.18	\$3,656.39
68	7135 0007	Ground Control Labour		\$150.00	\$432.00	\$510.00	\$1,092.00	\$702.00	\$264.00	\$378.00	\$1,344.00	\$114.00	\$0.00			\$114.00	\$2,550.00	
68	7135 0008	Ground Control Material		\$0.00	\$343.84	\$222.40	\$566.24	\$260.11	\$195.66	\$22.24	(\$94.68)	\$385.33	\$0.00			\$0.00	\$949.57	
68	7135 0009	Air/Water pipe Labour		\$407.63	\$1,173.97	\$1,385.94	\$2,967.54	\$1,907.71	\$717.43	\$1,027.23	\$3,652.56	\$309.80	\$0.00			\$309.80	\$6,929.71	
68	7135 0010	Air/Water piping Material		\$0.00	\$42.98	\$88.96	\$131.94	\$51.23	\$156.44	\$0.00	(\$41.23)	\$146.44	\$0.00			\$0.00	\$278.38	
68	7135 0011	Ventilation Labour		\$455.43	\$462.03	\$5,775.22	\$6,692.68	\$750.81	\$282.35	\$404.28	\$1,437.44	\$4,500.59	\$0.00			\$4,500.59	\$12,630.71	
68	7135 0012	Ventilation Materials		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00
68	7135 0013	Track Supplies		\$0.00	\$12,962.88	\$15,303.40	\$32,767.28	\$21,064.68	\$11,342.52	\$2,117.50	(\$2,117.32)	\$9,850.56	\$4,250.89	\$1,539.28			\$5,790.17	\$28,751.88
68	7135 0014	Bonus		\$0.00	\$3,985.15	\$9,126.20	\$13,111.35	\$16,589.98	(\$6,739.80)	\$2,117.50	\$1,423.48	\$0.00					\$1,423.48	\$30,205.14
68	7135 0015	Maintenance		\$0.00	\$3,394.24	\$6,368.20	\$11,762.44	\$8,765.64	\$3,533.62	\$4,719.96	\$17,019.22	\$1,423.48	\$0.00					
68	7135 0016	Indirects		\$4,501.00	\$12,962.88	\$15,303.40	\$32,767.28	\$21,064.68	\$11,342.52	\$2,117.50	\$1,423.48	\$0.00						
68	7135 0020	Accrual		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
68	7135 0021	Power		\$0.00	\$3,808.80	\$4,496.50	\$8,305.30	\$6,189.30	\$2,327.60	\$3,967.78	\$12,484.68	\$1,028.99	\$0.00			\$1,028.99	\$21,818.98	
68	7135 0022	NWL		\$0.00	\$3,403.26	\$4,177.32	\$7,580.58	\$12,497.87	\$2,972.71	\$0.00	\$15,470.58	\$3,399.96	\$0.00			\$3,399.96	\$26,451.12	
68	7135 9996	Diamond Drilling		\$10,104.19	\$42,765.73	\$61,765.10	\$114,635.02	\$88,886.22	\$18,980.91	\$31,987.77	(\$7,049.65)	\$132,805.25	\$43,756.62	\$21,326.33	\$0.00		\$40,926.57	\$40,926.57

3-70 EXPLORATION DRIFT

SCALE: 1" = 100'



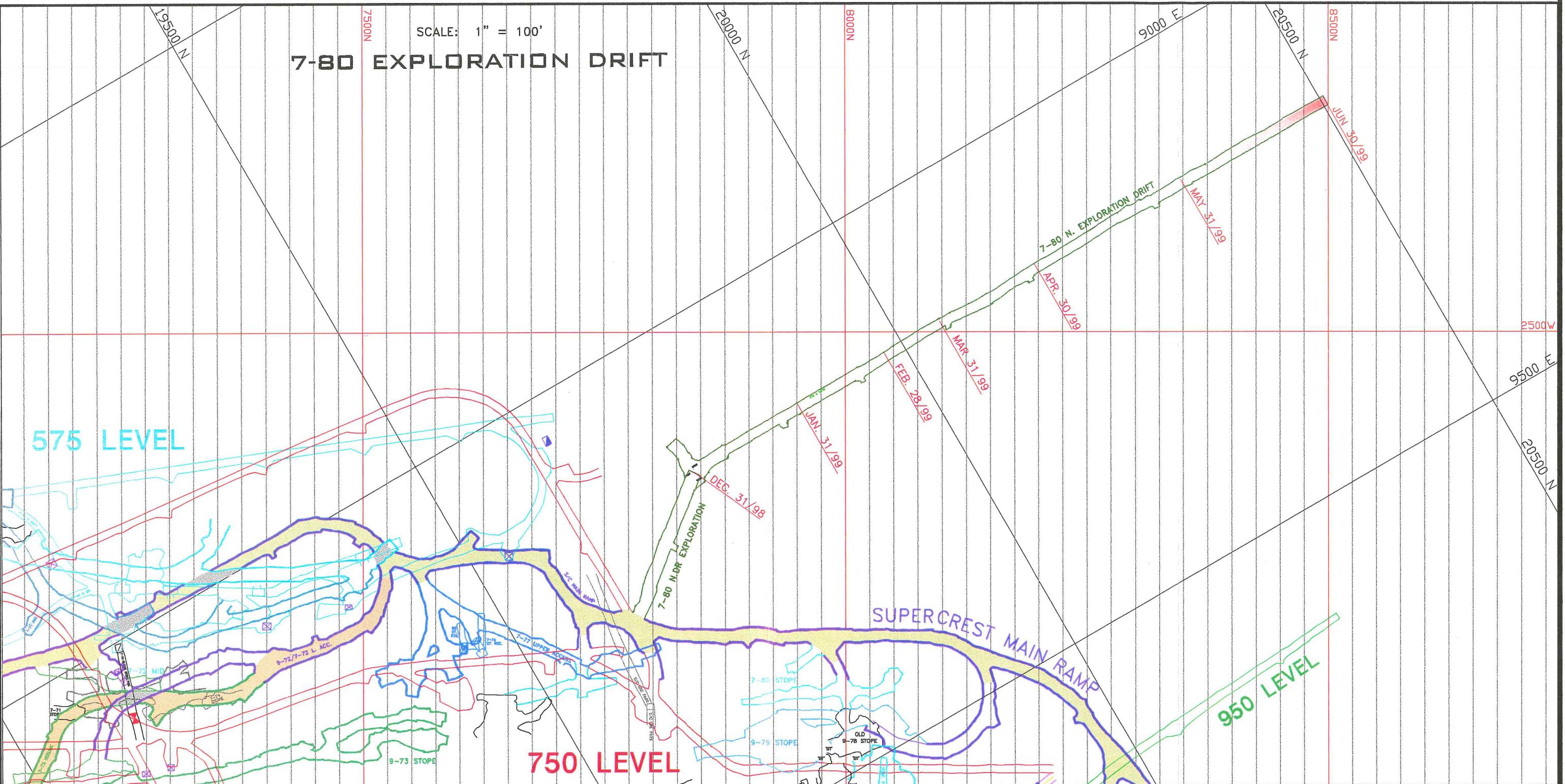
GIANT MINE

TITLE: 3-70 EXPLORATION DRIFT

LEVEL: 425 SCALE: 1" = 100'

DRAWN: MSL CHECK: DATE: NOV. 9, 1998

750 Supercrest Exploration Program Summary of Expenses by Cost Centre

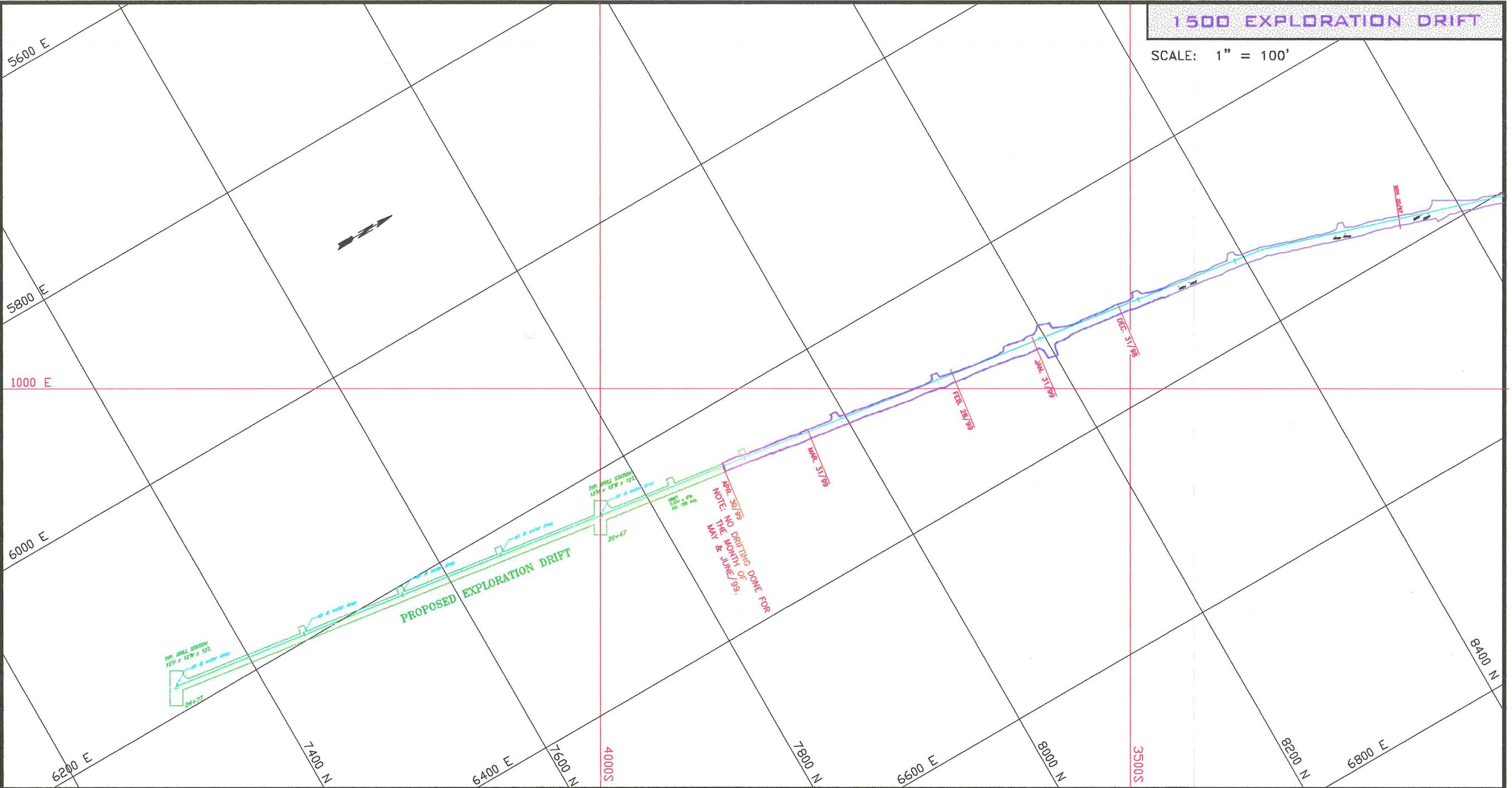


GIANT MINE

TITLE:		7-80 EXPLORATION DRIFT	
LEVEL:	750	SCALE:	1" = 100'
DRAWN:	MSL	CHECK:	DATE: JAN. 6, 1999

1500 Level Exploration Program
Summary of Expenses by Cost Centre

Asset Account	Reference	Description	Oct.	Nov.	Dec.	1st Quarter	Jan'99	Feb.	Mar.	Adjustment	2nd Quarter	Apr.	May	Jun.	3rd Quarter	Year One
																YTD
68 7137 0000 1500 U/G Development/Exploration			\$128.94	\$2,621.78	\$2,146.11	\$2,342.41	\$2,718.49	(\$6,572.00)	\$635.01	\$1,676.22	\$0.00	\$1,676.22				\$13,270.83
68 7137 0001 Drilling Labour			\$40.24	\$704.20	\$653.90	\$1,98.34	\$472.82	\$503.00	\$739.41	\$1,715.23	\$467.79	\$0.00	\$467.79			\$3,581.36
68 7137 0002 Drilling Material			\$85.96	\$1,450.58	\$1,762.26	\$3,298.80	\$1,504.17	\$1,536.63	\$1,439.96	(\$623.05)	\$3,4857.71	\$999.35	\$0.00	\$999.35		\$8,155.86
68 7137 0003 Blasting Labour			\$205.44	\$3,605.95	\$3,349.15	\$7,160.54	\$2,404.74	\$2,568.00	\$3,774.96	\$8,147.70	\$2,388.24	\$0.00	\$2,388.24			\$18,296.48
68 7137 0004 Blasting Material			\$128.94	\$2,621.26	\$3,137.58	\$5,887.78	\$2,971.55	\$2,557.33	\$2,707.74	(\$1,058.95)	\$7,177.67	\$1,729.95	\$0.00	\$1,729.95		\$14,795.40
68 7137 0005 Mucking Labour			\$62.72	\$0.00	\$0.00	\$62.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$62.72
68 7137 0006 Mucking Material			\$343.91	\$365.38	\$709.29	\$777.86	\$580.30	\$225.75	(\$83.54)	\$1,400.37	\$150.50	\$0.00	\$150.50			\$2,160.16
68 7137 0007 Ground Control Labour			\$22.72	\$397.60	\$789.52	\$266.96	\$294.00	\$417.48	\$68.44	\$264.12	\$0.00	\$264.12			\$2,022.08	
68 7137 0008 Ground Control Material			\$0.00	\$91.35	\$134.35	\$36.70	\$32.25	\$33.75	(\$15.20)	\$107.50	\$32.25	\$0.00	\$32.25			\$274.10
68 7137 0009 Air Water Piping Labour			\$63.06	\$1,103.53	\$1,024.71	\$2,191.30	\$740.94	\$786.24	\$1,158.71	\$2,872.89	\$773.06	\$0.00	\$773.06			\$733.06
68 7137 0010 Air Water Piping Material			\$257.88	\$42.99	\$0.00	\$300.87	\$0.00	\$21.50	\$0.00	\$21.50	\$107.5	\$0.00	\$107.5			\$333.12
68 7137 0011 Ventilation Labour			\$21.96	\$489.23	\$454.28	\$971.46	\$328.48	\$349.45	\$513.69	\$1,191.61	\$4,703.65	\$0.00	\$4,703.65			\$6,866.72
68 7137 0012 Ventilation Materials			\$21.47	\$1,699.06	\$1,434.84	\$7,445.28	\$2,483.65	\$4,437.19	\$3,884.01	(\$1,795.00)	\$9,019.86	\$2,457.23	\$0.00	\$2,457.23		\$5,612.26
68 7137 0013 Track Supplies			\$12,077.80	\$21,090.86	\$23,168.66	\$16,553.12	(\$1,3946.77)	\$7,187.46	(\$7,187.37)	\$2,606.44	\$11,820.50	\$8,894.36				\$20,715.16
68 7137 0014 Bonus			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$56,490.26
68 7137 0015 Maintenance			\$3,438.50	\$7,141.50	\$2,485.30	\$2,645.00	\$3,888.15	\$9,019.45	\$2,459.85	\$0.00	\$2,459.85					\$18,620.80
68 7137 0016 Indirects			\$1,922.20	\$1,754.90	\$3,707.10	\$1,290.62	\$1,373.00	\$2,018.31	(\$1,784.90)	\$2,897.43	\$1,276.89	\$0.00	\$1,276.89			\$7,881.02
68 7137 0025 Accrual			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$55,101.60
68 7137 0021 Power			\$1,097.60	\$1,019.20	\$2,116.80	\$736.96	\$784.00	\$1,152.48	(\$1,019.20)	\$1,654.24	\$779.12	\$0.00	\$779.12			\$4,500.16
68 7137 0022 NWL			\$0.00	\$1,047.29	\$7,543.31	\$14,590.60	\$7,477.95	\$5,073.32	\$0.00	\$12,551.27	\$7,691.40	\$0.00	\$7,691.40			\$34,833.27
68 7137 9996 Diamond Drilling			\$49,921.33	\$64,088.95	\$115,639.90	\$47,113.14	\$16,858.84	\$39,127.45	(\$20,392.1)	\$82,960.22	\$44,175.77	\$26,018.37	\$0.00	\$17,123.41		\$268,793.97



NOTE: NO DRIFTING DONE FOR
THE MONTH OF MAY/99.



GIANT MINE

TITLE: 1500 EXPLORATION DRIFT

LEVEL: 1500 SCALE: 1" = 100'

DRAWN: MSL CHECK: DATE: JAN. 20, 1999