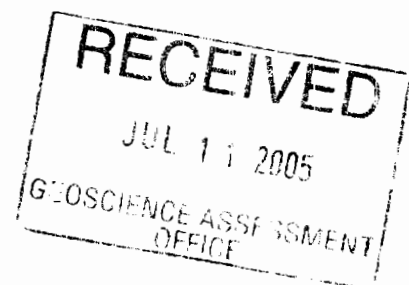


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PROSPECTING REPORT

SKALESKY PROPERTY (KONDRAT CLAIM)

Claim #862665
McComber Township
42 E 12/NW



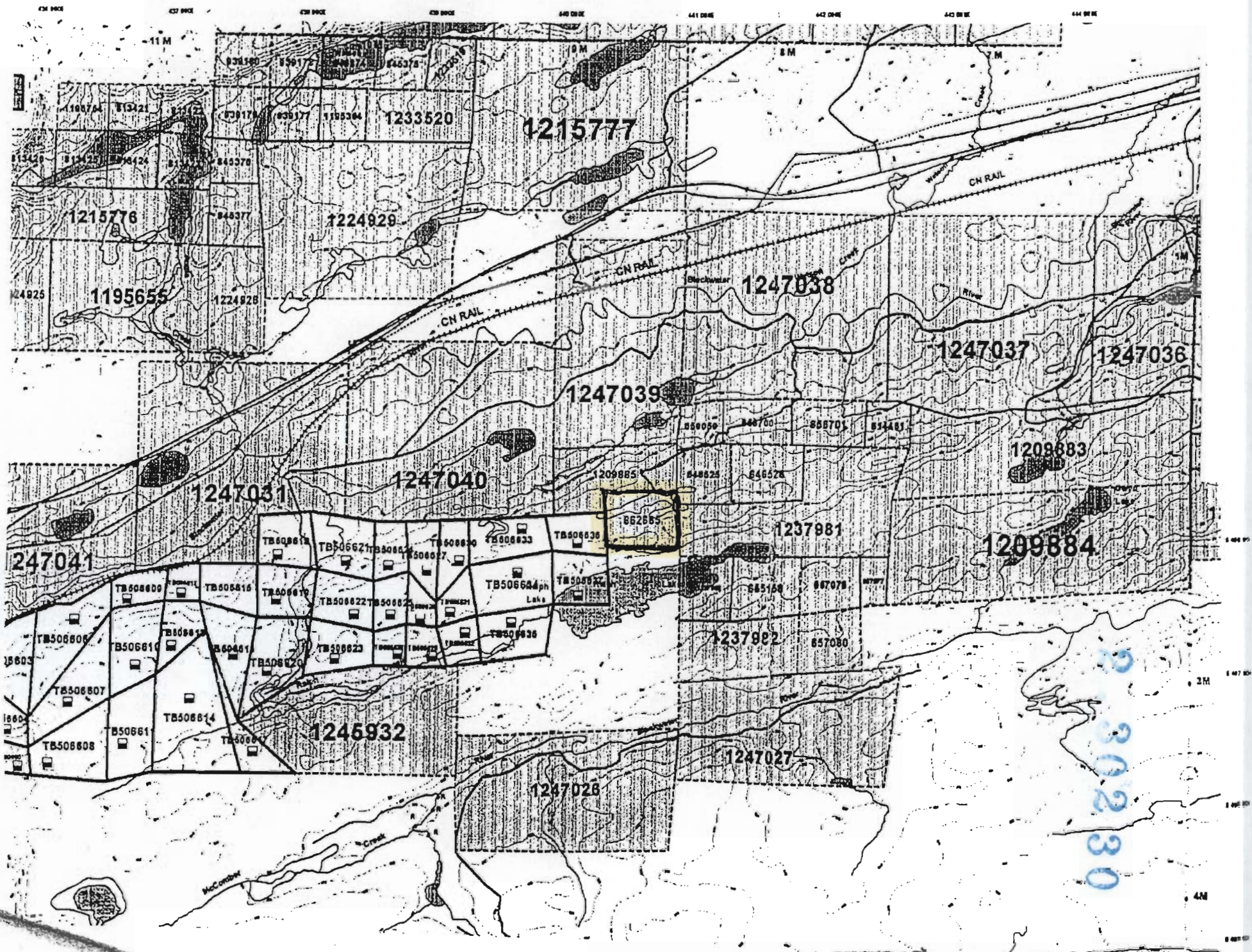
July, 2005
Don A. Skalesky
Prospector

KONDRAT PROPERTY

The Kondrat property is located on claim TB862665, north of Ralph Lake within the north central portion of McComber Township. The Town of Beardmore is situated 10 km south southwest of the property. Access to the claim is via Hwy 11 east to the old Jackpine Station on the C.N.R. line and south for approximately 750 m to the Blackwater River. The northern portion of the claim can be reached by foot or ATV from this point by crossing a bridge and travelling along a series of old logging or more directly, across country for approximately 1.5 km.

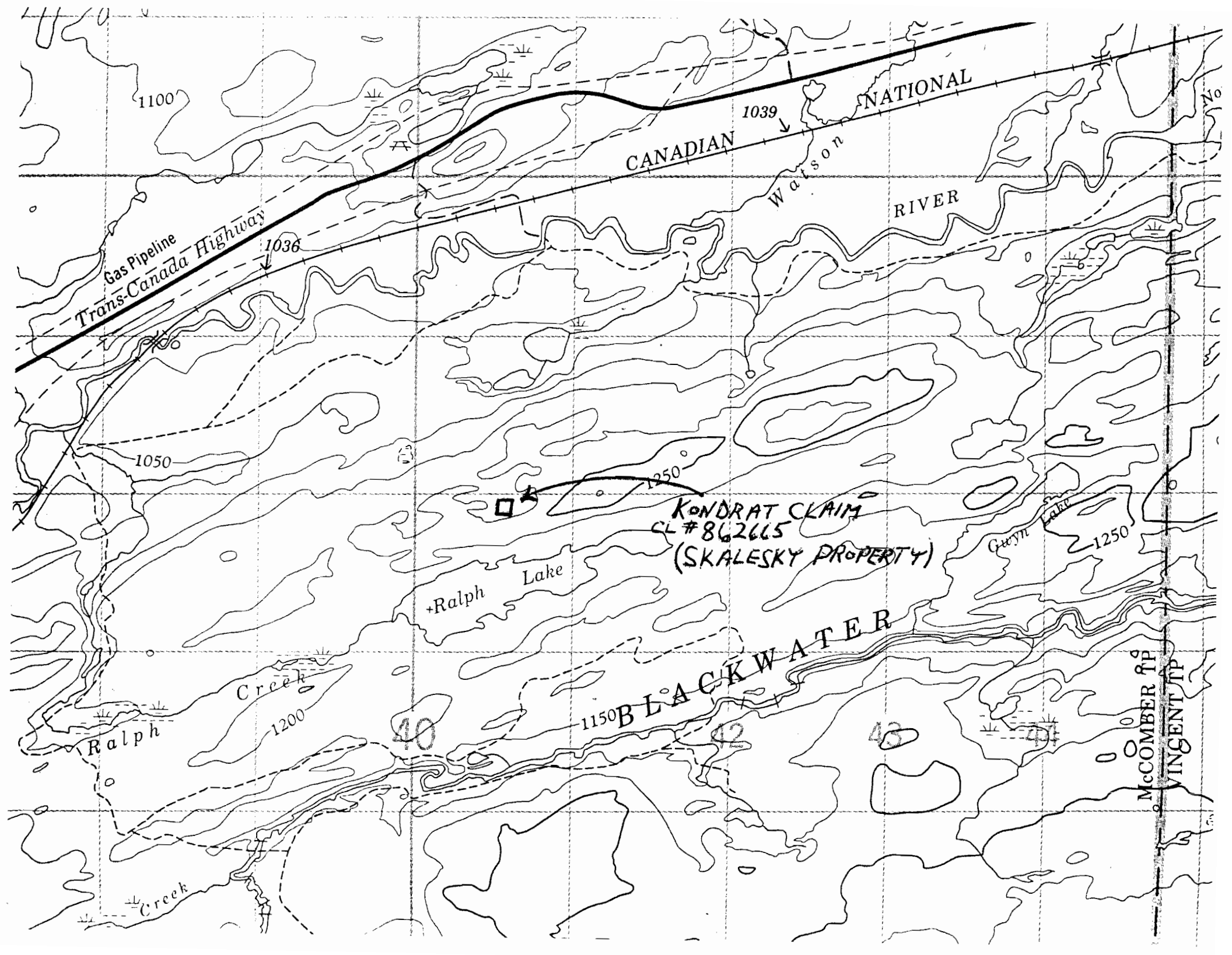
The Kondrat property lies entirely within the southern metavolcanic sub-belt, which is part of the main east-trending Beardmore-Geraldton structure and marks the southern boundary of the Wabigoon Subprovince of the Canadian Shield.

In June, 2005, prospecting work was conducted by Don Skalesky and Lloyd Lundstrum along the northern boundary of claim TB862665. A 20 m wide by 65 m long zone was located consisting of at least 3 horizons of discontinuous banded oxide iron formation (chert-argillite), containing vuggy sugary recrystallized quartz vein material in altered mafic metavolcanic host rocks. These rocks strike at N75° E and have a vertical dip. In places the quartz contains disseminated pyrite and coarse patches to massive arsenopyrite. Several samples were taken for assay. Further prospecting along the western strike extension of this zone revealed the existence of numerous 1930's vintage trenches and pits also containing arsenopyrite-rich quartz vein material.



20230

OLD CASH MAP 12003



Gas Pipeline
Trans-Canada Highway

CANADIAN NATIONAL
Watson RIVER

KONDRAT CLAIM
CL #862665
(SKALESKY PROPERTY)

BLACKWATER

1100

1039

1036

1050

1250

1250

1200

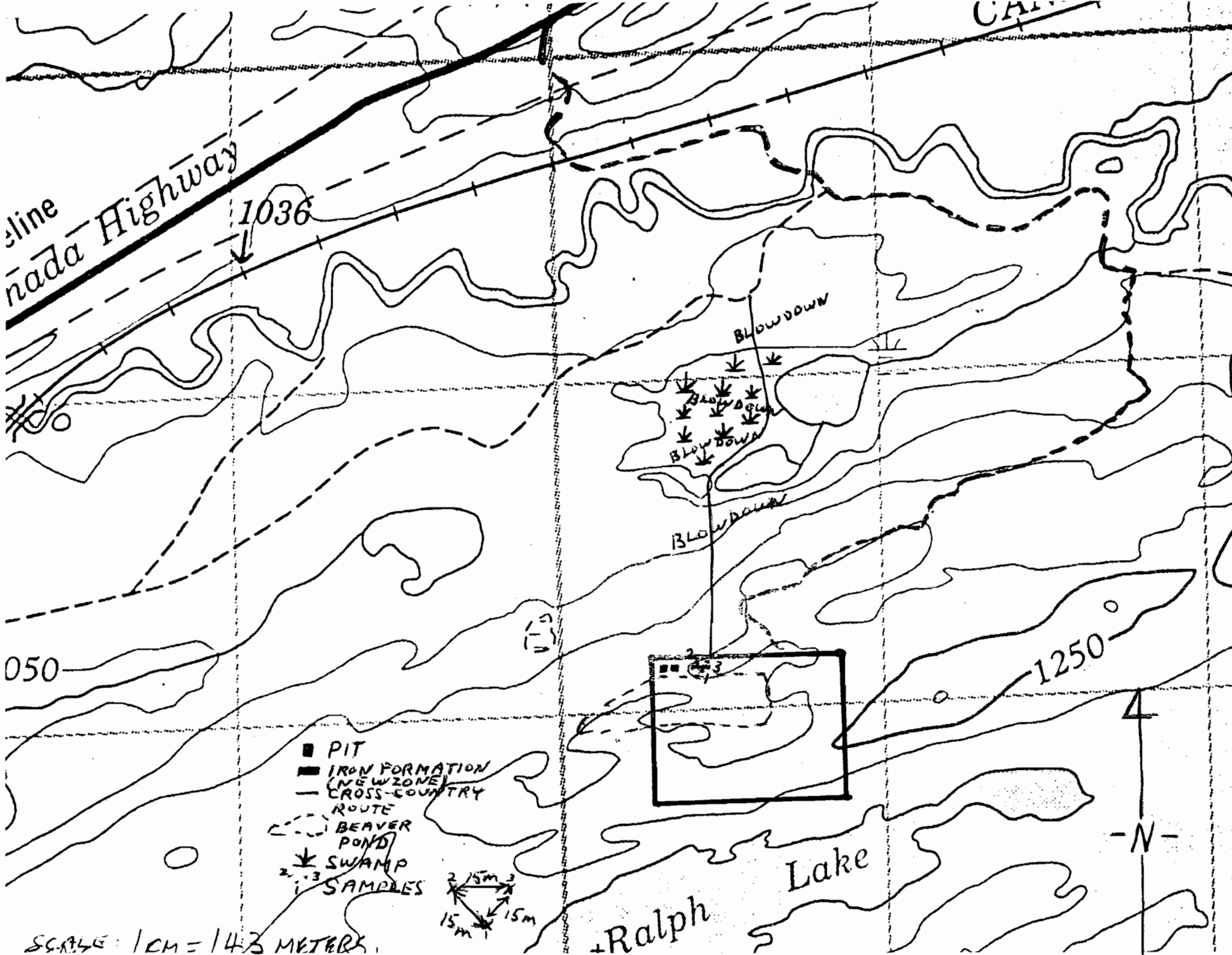
40

42

43

44

McCOMBER TP
VINCENT TP



Line
nada Highway

1036

BLOWDOWN

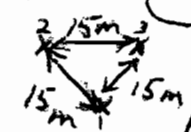
BLOWDOWN
BLOWDOWN
BLOWDOWN
BLOWDOWN
BLOWDOWN

BLOWDOWN

1500

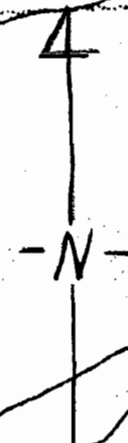
1250

- PIT
- IRON FORMATION (NEW ZONE)
- - - CROSS-COUNTRY ROUTE
- - - BEAVER POND
- ★ SWAMP SAMPLES

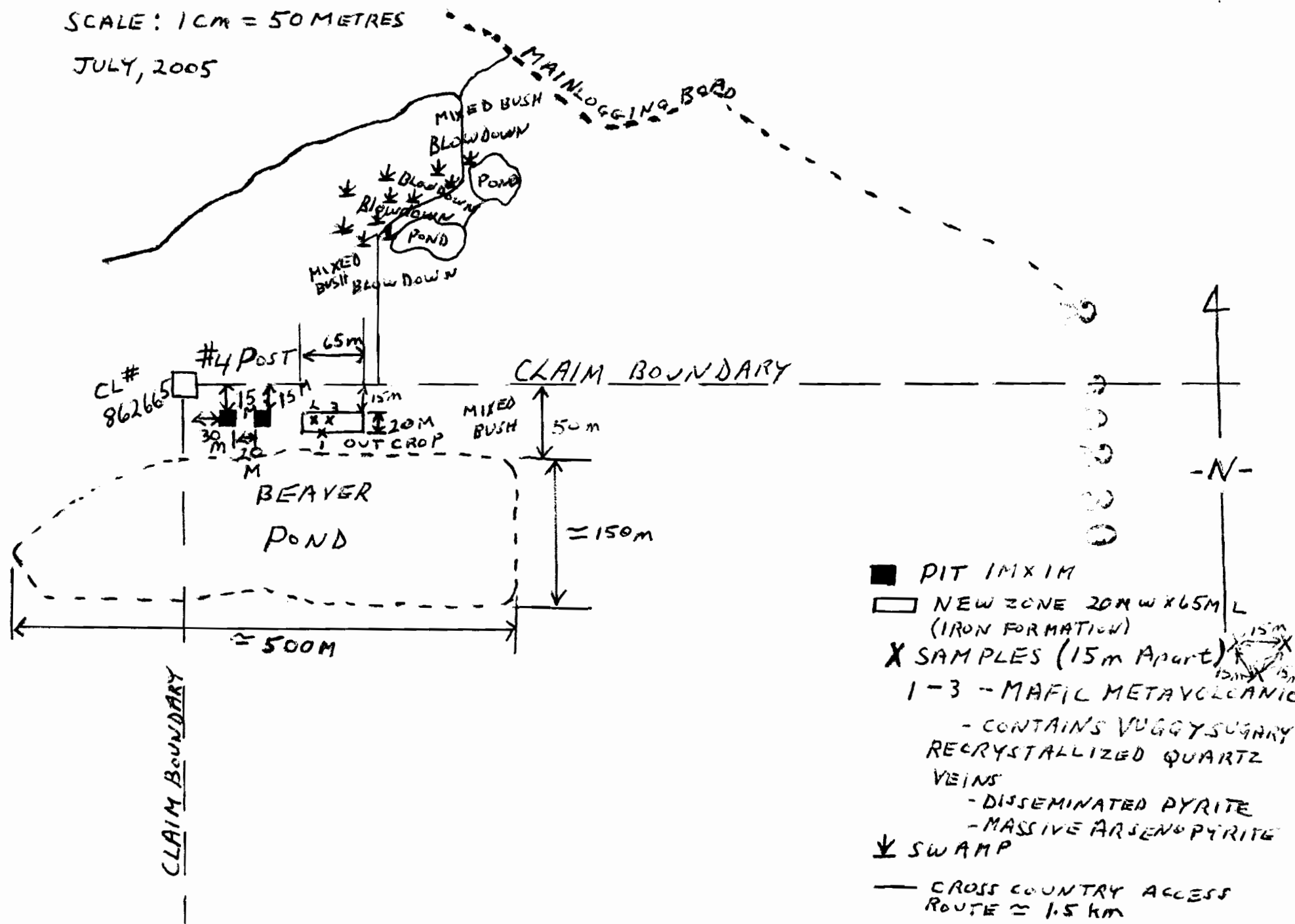


SCALE: 1 CM = 143 METERS

Ralph Lake



PREPARED BY: DON SKALESKY
 FOR: ANN SKALESKY
 SCALE: 1 CM = 50 METRES
 JULY, 2005



- PIT 1M X 1M
- NEW ZONE 20M W X 65M L (IRON FORMATION)
- X SAMPLES (15M APART)
- 1-3 - MAFIC METAVOLCANIC
- CONTAINS VUGGY SUGARY RECRYSTALLIZED QUARTZ VEINS
- DISSEMINATED PYRITE
- MASSIVE ARSENO PYRITE
- ↓ SWAMP
- CROSS COUNTRY ACCESS ROUTE ≈ 1.5 km



Certificate of Analysis

Monday, July 04, 2005

Skalesky, Don
732 Erwestine Ave.
Thunder Bay, ON, CA
P7E1W8
Ph#:
Fax#:
Email

Date Received : 28-Jun-05
Date Completed : 01-Jul-05
Job # 200540969
Reference :

Sample #: 3 Rock

Accurassay #	Client Id	Au ppb	Au oz/t	Au g/t (ppm)
72921	KB-1	1315	0.038	1.315
72922	KB-2	2036	0.059	2.036
72923	KB-3	9223	0.269	9.223
72924 Check	KB-3	8002	0.233	8.003

PROCEDURE CODES: AL4AU3

Page 1 of 1

Certified By: _____
Derek Demianiuk H.Bsc., Laboratory Manager

The results included on this report relate only to the items tested

The Certificate of Analysis should not be reproduced except in full, without the written approval of the laboratory

2 . 3 0 2 8 0

DAILY LOG

D. SKALESKY & L. LUNDSTROM

June 6, 2005 – June 8, 2005

Monday, June 6, 2005

We left Thunder Bay at 10:30 a.m., stopped in Nipigon for breakfast and arrived in Jellicoe at 2:30 p.m. After checking in at Ann's Café (Travel-Air Motel), we headed out to find the road that leads to the Skalesky Property (Kondrat claim). Gerry White, the resident geologist at MNDM (Thunder Bay), had told us where the road to the property basically was. We found three roads within a few kilometers of each other leading south of the Trans-Canada Highway 11. After the first two unsuccessful tries, we hit pay dirt on the third one. We followed the road in as far as the bridge on the Blackwater River. Satisfied that we had accomplished what we had wanted to for the day, we returned to Jellicoe.

Tuesday, June 7, 2005

We set out for the property early in the morning from Jellicoe and travelled approximately 18 km along the Trans-Canada Highway 11. We turned left off the highway and headed south for approximately 750 m to the Blackwater River. We then took the ATV across the bridge to the road heading west off the main logging road for about five minutes. When we were in Gerry's office in Thunder Bay, he told us to cut across country due south off the road heading west and it would take us near the centre of the claim. We found the spot and flagged our way in for approximately 1.5 km. It took us about two hours as the walk was difficult through the swamp, over the steep ridge and the blowdown.

After reaching the north boundary of the claim we headed east for a short distance and looped back to the west to locate the #4 post. After that was accomplished we proceeded east along the boundary through some dense brush and literally stumbled across two pits approximately 20 m apart, 30 m east of the #4 post and 15 m south of the boundary. We continued east and came upon an outcrop where we discovered the new zone which is about 30 m east of the pits and 15 m south of the north boundary.

We walked off a 20 m wide x 65 m long zone consisting of three horizons of discontinuous banded opide iron formation (chert-argillite) containing vuggy sugary re-crystallized quartz vein material in altered mafic metavolcanic host rocks. These rocks strike at N 75° E and have a vertical dip. In places the quartz contains disseminated pyrite and coarse patches to massive arsenopyrite. We prospected across this zone and took three bags of samples for assays.

2 . 302 30

Approximately 15 m further south we encountered a beaver pond which is roughly running 150 m east to west and 500 m north to south, thus preventing us from reaching the main showing described in previous reports (Clark – June 1992, June 1996 and June 1998; Courtney – June 2000 and Galley – 2005). We got so caught up prospecting and sampling the new zone that we completely forgot to take any samples from the pits west of the iron formation (new zone). It was getting late and we knew we had a long hard walk out so it was time to call it a day.

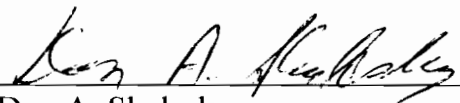
Wednesday, June 8, 2005

This day was spent trying to find a better access route to the property. We need to cut a road into our claim to facilitate access by diamond drill to penetrate the main showing. We took the road west off the main logging road and traveled for about 45 minutes until we came to a dead end. We also scouted some trails to the east off the main logging road which proved to be unsuccessful as well. We traveled the main logging road south, hoping to reach the northeast corner of the claim but didn't find the #1 post. After a long, frustrating day we headed back to the motel. After studying the claims map again, Lloyd was convinced that we did not go far enough on the road south, although at the time we believed that we had gone too far.

The summary of this trip is as follows:

- We spent one day prospecting and sampling on the claim.
- We spent one day trying to locate a better and more feasible access route.

Yours truly,



Don A. Skalesky

Lloyd V. Lundstrom

Please note that Lloyd Lundstrom was not available to sign above as he is currently out of town in British Columbia.