KL-5540

Technical Report
On
Bannockburn Nickel Property,
Bannockburn, Doon, Montrose, Hincks
And Zavitz Townships, Ontario
For
Mustang Minerals Corp.

By: G.A. Harron P.Eng.
Effective Date: March 18, 2005
Signing Date: May 4, 2005

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Table of Contents

List of Figures

List of Tables

1.0 Summary

The Bannockburn Property is owned 100% by Mustang Minerals Corp. The Bannockburn Property consists of 69 unsurveyed mining claims comprised of 553 units and 3 surveyed patented claims comprised of 3 units located in, Bannockburn, Doon, Montrose, Hincks and Zavitz townships The 556 claim units are contiguous and cover a nominal 8,896 ha. All of the townships are within the Larder Lake Mining Division, except Zavitz, which is in the adjoining Porcupine Mining Division. Thirty of the mining claims (143 units) that comprise the Bannockburn Property were acquired from Outokumpu Mines Inc. in 2003. These claims are subject to a 2% net smelter royalty. Mustang Minerals Corp. staked 39 claims (410 units) and optioned 3 patented claims (subject to a net smelter royalty).

The Bannockburn Property is located approximately 100 km southeast of the City of Timmins and 27 km west of the Town of Matachewan. There is excellent road access to the property from Matachewan to the end of Highway 566, thence southwest along good quality gravel forestry roads. The Bannockburn Property is 5 km southwest from the end of Highway 566.

The property is situated in the Shinging Tree area of the Archean age Abitibi Greenstone Belt on the northeastern side of the Halliday Dome structural feature. The Halliday Dome consists mainly of calc-alkaline felsic and intermediate volcanic rocks with minor quantities of iron formation and basaltic rocks of the Tisdale Assemblage, unconformably overlain by younger Kinojevis Assemblage rocks, which are in turn unconformably overlain by sedimentary rocks of the Porcupine Assemblage. Proterozoic age diabase dykes of the Matachewan swarm (2,454 Ma) and the Sudbury swarm (1,238 Ma) intrude all supracrustal assemblages.

Exploration techniques for Ni-Cu-Co-(PGE) deposits is efficiently carried out by utilizing geophysical techniques over areas containing ultramafic flow and intrusive rocks. Mustang Minerals Corp. has used a combination of airborne, ground and subsurface geophysical techniques to guide their diamond drilling programs.

The most recent exploration program on the property consisted of a 2,386 km airborne electromagnetic / magnetic survey, 15.9 km of surface and 1,515 m of bore hole pulse electromagnetic surveys. This was followed by 18,031 m of diamond drilling and 2,000 square metres of stripping.

Three main areas, containing multiple zones of Ni-Cu-Co-(PGE) sulphide mineralization have been identified on the Bannockburn Property. The "F" Zone in the Thalweg (Charlewood Lake) area and the "C" and "D" zones in the Rahn Lake area are associated with Kambalda-style massive and heavily disseminated sulphides that occur in footwall embayments at the base of komatiitic flows. The massive to heavily disseminated mineralization is composed primarily of pyrrhotite and pentlandite with trace amounts of chalcopyrite and a grey alteration mineral. The nickel tenors of the zones range from between 4% to 43.3% Ni in 100% sulphide, but average approximately 5 to 6% Ni in 100% sulphides. A best assay from the "C" zone returned a value of 2.2% Ni over a core length of 4.0 metres.

The B Zone (Bannockburn) located west of Rahn Lake has similarities to Mt. Keith-style disseminated sulphide mineralization and occurs centrally within a thick olivine adcumulate body. The B zone sulphide deposit is composed of a few percent of pyrrhotite, pentlandite, healzewoodite, and native nickel. The nickel tenor of this zone is extremely high at >80% Ni in 100% sulphide and is related to the nickel-rich mineralogy. A best assay from this deposit returned a value of 0.45% Ni over a core length of 23.5 metres.

Nickel is the most valuable element in all of the zones with minor amounts of Cu-Co-PGE mineralization.

The potential to define several medium to small sized high grade Ni deposits on the property is evident from the diamond drill results. The C/C offset zone represents the largest zone of mineralization. Assays of 2.02% Ni / 2.04 m in DDH 15 and 2.21% Ni / 4.0 m in DDH 31 suggest that further drilling may encounter additional mineralization of economic interest at depth.

The drilling completed on the F Zone in the Charlewood Lake area intersected mineralization of economic interest. A nickeliferous zone measuring approximately 100 m long to a depth of 100 to 400 m has been outlined and remains open to depth. Down hole geophysics has identified a strong conductor continuing below the zone to a vertical depth of at least 600 m. Further drilling of this zone is warranted in order to define the dimensions and grade of this zone.

The geological observations and drill results from the 10 DDHs in the B Zone indicate wide intercepts of low-grade nickel mineralization containing nickel-bearing healzewoodite and native nickel are hosted in a serpentinized dunite intrusion. Two drill holes 250 m apart intersected 25.3 m grading 0.52% Ni (BN-19) and 202.0 m grading 0.33% Ni (MBB4-09). It is noted that DDH MBB4-09 bottomed in mineralization. While the drilling defines a strike length of 350 m, the hosting lithologic unit is estimated to be 4,000 m long, between 200 and 600 m wide, and to an unknown depth. The potential to define a very large tonnage of low grade nickel mineralization similar to the Mt. Keith deposit within this lithologic unit is considered to be excellent.

Preliminary metallurgical tests completed on representative samples of the B zone mineralization grading 0.0.33% Ni was undertaken. The scope of the work included mineralogical investigations, flotation recovery and concentrate grade. Mineralogical studies estimated that approximately 71% of the nickel assay was attributable to healzewoodite that occurs as liberated grains or associated with magnetite and serpentine minerals as attachments or inclusions. Preliminary flotation tests indicated a best recovery of 52% and a best concentrate grade of 35% nickel. Additional testing to explore healzewoodite liberation, the application of Mt Keith milling procedures and modified flotation and cleaner procedures are recommended to enhance recovery and concentrate grade.

The proposed Phase I exploration program and $ 500,000 budget on this advanced stage property recommends a major focus on the economic potential of the B zone and a minor focus on further exploration of the C/C Offset and F zones.

On the B zone an additional 40 km of survey grid is required to cover portions of the host dunite not previously explored. The survey grid will be covered with an IP/RES survey in order to delineate other areas of disseminated sulphides and serpentinite alteration. Drilling, guided by the IP/RES data, will focus on lateral extensions of the known zone of nickeliferous mineralization. It is estimated that 3,000 m of NQ size diamond drilling at 15 sites will be required to provide a preliminary test of the B Zone. Down-hole geophysical surveys of all drill holes is recommended in order to explore for other sulphide zones not apparent in the surface geophysical surveys.

A second component of the Phase I program is to drill the untested depth potential of the C/C Offset zone and the F zone. Both zones are open to depth. Approximately 700 m in two drill holes is recommended for this portion of the Phase I program.

A proposed Phase II exploration program and $ 1,250,000 budget would allow further exploration of the B zone, provided that the results from the Phase I program are sufficiently encouraging. This 10,000 m diamond drilling program would focus on delineating the tonnage and grade of the deposit.

2.0 Introduction and Terms of Reference

At the request of Mr. K. Lapierre, Vice President of Exploration, Mustang Minerals Corp.("Mustang") MPH Consulting Limited ("MPH") was contracted to review and prepare a Technical Report on the Bannockburn Property located in Bannockburn, Doon, Montrose, Hincks and Zavitz townships, Ontario, as of February 28, 2005 The project is classified as an "advanced exploration property". This report is to conform to National Instrument 43-101 standards.

Mustang is a reporting issuer in the provinces of Ontario, Alberta and British Columbia, and is under the jurisdiction of the Ontario Securities Commission. The common shares trade on the TSX Venture Exchange. It is understood that this report will be used to provide disclosure to the Mustang Board of Directors and to support Mustang's forthcoming financing activities.

In preparing this report, MPH reviewed public domain geological reports, maps, miscellaneous technical papers, and private company geological reports, maps and technical documents as listed in the Section 20 of this report. Mustang supplied the authors with confidential reports, and in MPH's opinion no reports or other data were withheld.

This report contains details of the land tenure, a summary of previous exploration and development work, and a compilation and synthesis of geology, and mineralization found on the Bannockburn Property. The Technical Report qualifies the proposed budget for further exploration and development of the property all within the context of the local and regional geology and the appropriate ore deposit models.

The author of this report visited the Bannockburn area on numerous occasions in the past. The author also reviewed drill core stored in Matachewan on December 7, 2004.

All dollar amounts are expressed in Canadian funds, unless otherwise stated.

The following is a list of abbreviations used throughout this report and the meanings attached them

Abbreviation	Meaning
AEM	airborne electromagnetic survey
Ag	silver
Au	gold
AMAG	airborne magnetic survey
Co	cobalt
Cu	copper
DDH	diamond drill hole
g/t	grams per tonne
ha	hectare(s)
HLEM	horizontal loop electromagnetic survey
IP/RES	induced polarization / resistivity survey
km	kilometre(s)
Ma	millions of years
m	metre(s)
MAG	magnetometer survey
Ni	nickel
Pd	palladium
PEM	time domain electromagnetic survey
PGE	platinum group elements
Pt	platinum
Pb	lead

The prefix "meta-" has been omitted from the words metasedimentary and metavolcanic for the sake of brevity and readability. It is to be understood that all of the Precambrian age rocks in the Superior Province exhibit sub greenschist to amphibolite facies of metamorphism.

3.0 Disclaimer

The historical work reported in this technical document is taken from assessment files maintained by the Ontario Ministry of Northern Development and Mines ("MNDM"), unpublished reports and maps provided by Mustang, and reports held by MPH. While the author has made every attempt to accurately transcribe and convey the contents of these files and maps, he cannot guarantee the accuracy, validity or completeness of the data contained in these files and maps. The authors of these files are not necessarily qualified persons within the context of National Policy 43-101.

Land tenure information has been obtained from the MNDM web site, which contains a disclaimer as to the veracity of the data. In addition the existence and validity of any un-registered agreements between parties are not reflected in the land management systems of the MNDM. MPH has relied on representations of Mustang Minerals Corp. management that the company has clear and full ownership of the properties.

4.0 Property Description and Location

The Bannockburn Project is located approximately 100 km southeast of the City of Timmins and 27 km west of the Town of Matachewan (Figure 1). The Bannockburn Project consists of three separate claim blocks, (called properties) containing 76 unpatented mining claims and 3 patented claims, for a total of 79 claims (Figure 2). The Argyle Property consists of 3 contiguous claims (22 units) and is located to the north of the Bannockburn Property straddling the Bannockburn/Argyle township boundary. The Powell Property consists of an internally contiguous 4 claim block (54 units) and is located east of the Bannockburn Property in Bannockburn/Powell townships. The Argyle and Powel properties are not further discussed in this report.

The Bannockburn Property consists of 69 unsurveyed mining claims comprised of 553 units and 3 surveyed patented claims comprised of 3 units located in Bannockburn and Doon, Montrose, Hincks and Zavitz townships The 72 claim units are contiguous and cover a nominal 8,896 ha. All of the townships are within the Larder Lake Mining Division, except Zavitz, which is in the adjoining Porcupine Mining Division.

Thirty of the mining claims (143 units) that comprise the Bannockburn Property were acquired from Outokumpu Mines Inc. ("Outokumpu") pursuant to an option agreement. Under the Outokumpu Option Agreement dated June 9, 2003, Mustang can earn an undivided 100% interest in the 30 mining claims by paying $40,000 on closing (paid) and $60,000 (paid) on or before the first anniversary. Mustang must also complete a total of $350,000 in approved expenditures on or before the first anniversary to exercise its option (completed). Outokumpu retains a 2% net smelter royalty on future mineral production from the claims. The Outokumpu claims are all in good standing (Table 1) with several years worth of banked assessment credits ($113,455) available for future application to the claims.

Three patented claims were optioned from the Newman Group in August, 2003 (Table 1). Mustang has acquired a 100% interest in the mining and surface rights of three parcels (3998, 3999, 4000) by granting a $500 annual advanced royalty payment commencing upon execution of the option agreement, reimbursement of property taxes commencing in the current year; issuing 50,000 Mustang common shares (or $200,000 in certain circumstances) and granting a

Fig. 1

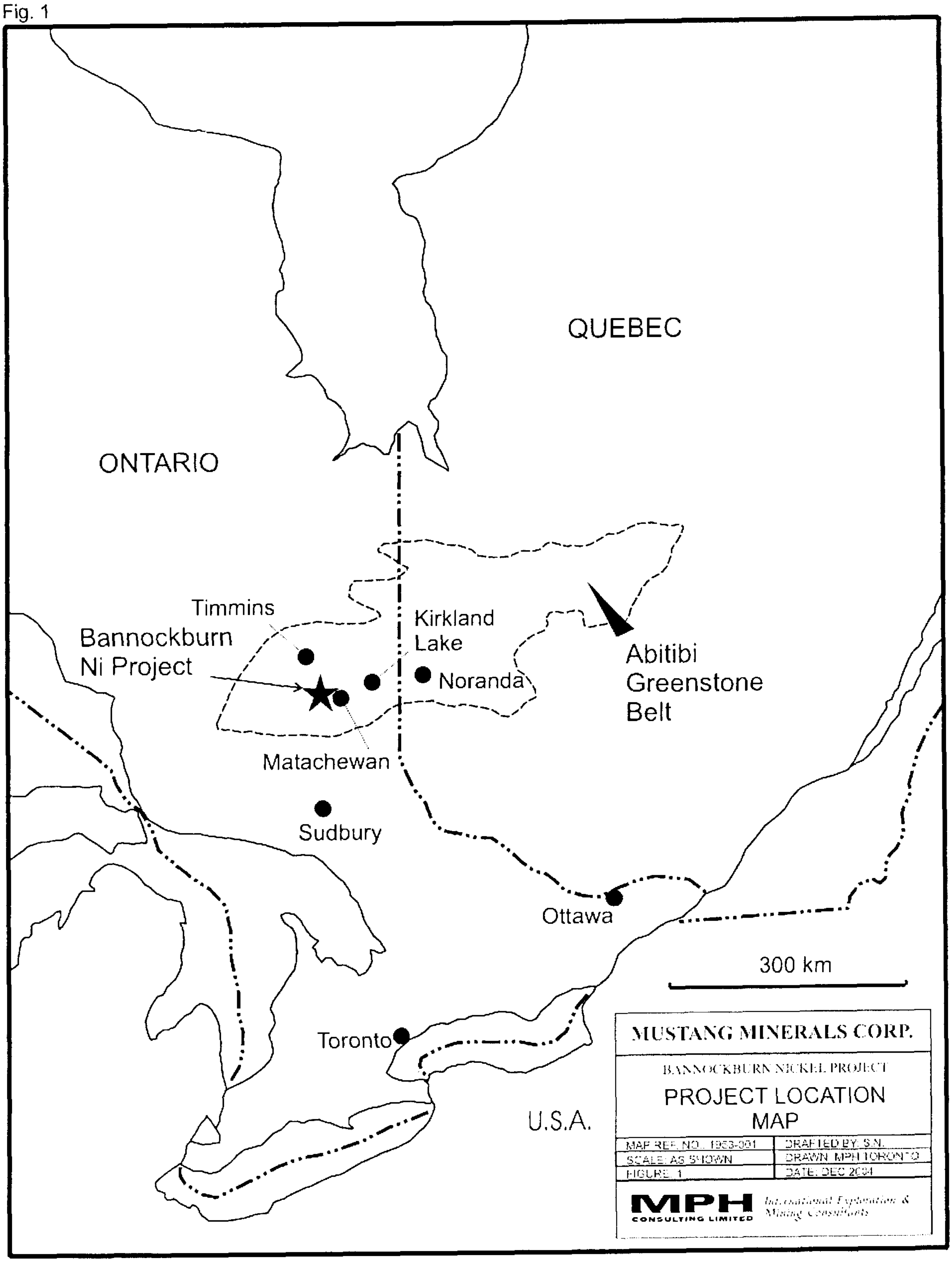
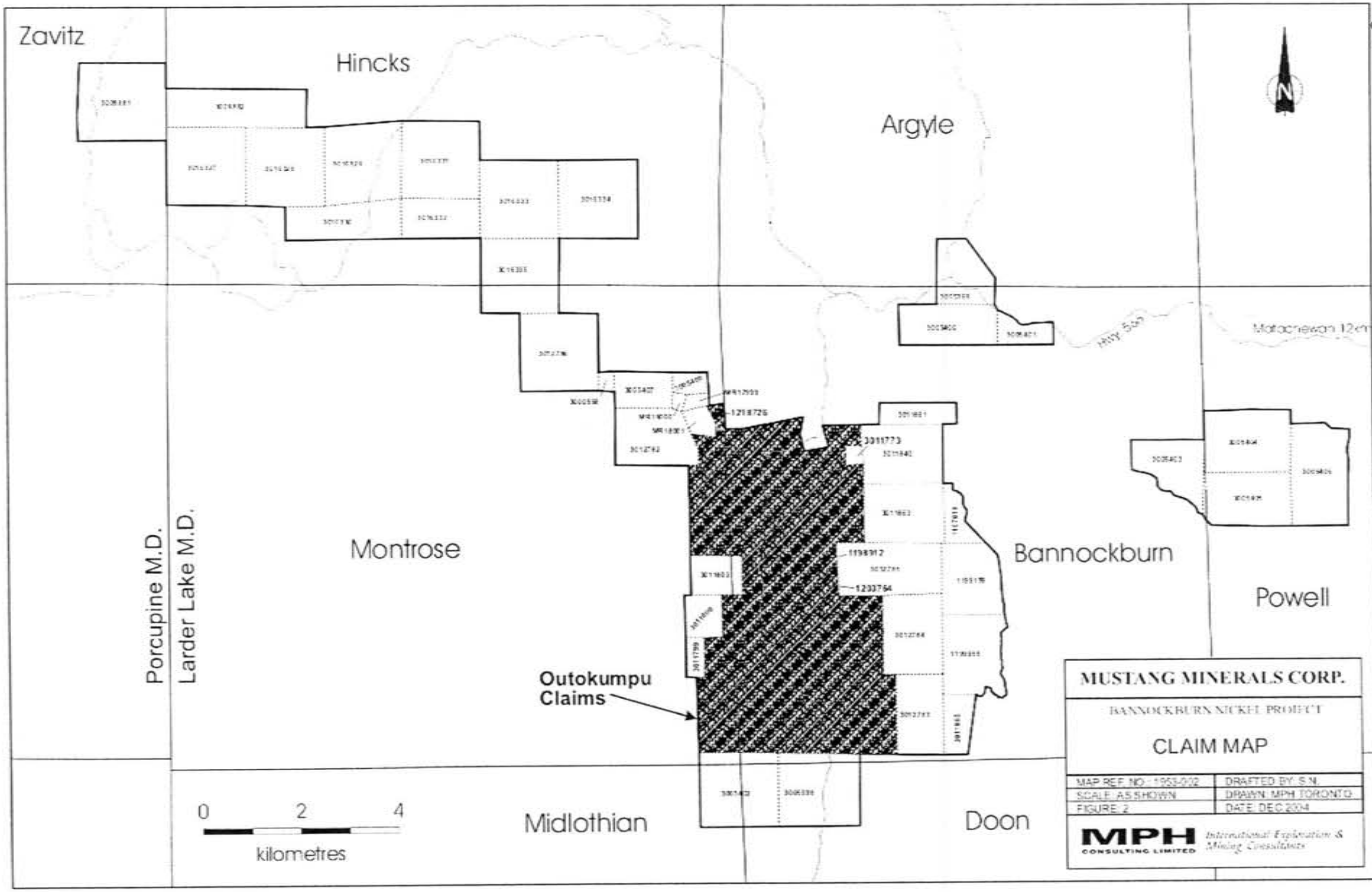

QUEBEC
ONTARIO
Timmins
Bannockburn
Ni Project
Kirkland
Lake
Noranda
Abitibi
Greenstone
Belt
Matachewan
Sudbury
Ottawa
300 km
Toronto
U.S.A.
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROJECT
PROJECT LOCATION
MAP
MAP REF. NO.: 1953-001
DRAFTED BY: S.N.
SCALE: AS SHOWN
DRAWN: MPH TORONTO
FIGURE: 1
DATE: DEC 2004
MPH
CONSULTING LIMITED
International Exploration &
Mining Consultants

Fig 2


Zavitz
Hincks
Argyle
Montrose
Bannockburn
Powell
Midlothian
Doon
Porcupine M.D.
Larder Lake M.D.
Outokumpu Claims
3011773
1198912
1203764
1218726
Matachewan 12km
0
2
4
kilometres
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROJECT
CLAIM MAP
MAP REF. NO.: 1953-002
SCALE: AS SHOWN
FIGURE: 2
DRAFTED BY: S.N.
DRAWN: MPH TORONTO
DATE: DEC 2004
MPH CONSULTING LIMITED
International Exploration & Mining Consultants

2% net smelter royalty, of which 1% can be purchased for $250,000 prior to commercial production.

Table 1 Bannockburn Nickel Project Claims

Claim #	Units	Township	Due Dates	Interest / Registered Owner
Outokumpu Optioned Claims, Bannockburn Property				
L 1198911	8	BANNOCKBURN	April 11, 2008	100% Outokumpu
L 1198912	4	BANNOCKBURN	April 7, 2008	100% Outokumpu
L 1198913	1	BANNOCKBURN	April 7, 2008	100% Outokumpu
L 1198916	4	BANNOCKBURN	April 11, 2008	100% Outokumpu
L 1198917	1	BANNOCKBURN	April 11, 2008	100% Outokumpu
L 1203764	1	BANNOCKBURN	April 11, 2008	100% Outokumpu
L 1206090	1	BANNOCKBURN	April 7, 2008	100% Outokumpu
L 1207453	1	BANNOCKBURN	May 1, 2008	100% Outokumpu
L 1218700	2	BANNOCKBURN	May 15, 2008	100% Outokumpu
L 1218720	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218721	11	BANNOCKBURN	March 24, 2007	100% Outokumpu
L 1218722	6	BANNOCKBURN	March 24, 2007	100% Outokumpu
L 1218723	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218724	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218725	7	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218727	7	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218728	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218729	2	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218730	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218731	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218732	11	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1218736	1	BANNOCKBURN	March 24, 2008	100% Outokumpu
L 1228144	8	BANNOCKBURN	October 15, 2007	100% Outokumpu
L 1228145	16	BANNOCKBURN	October 15, 2007	100% Outokumpu
L 1228146	16	BANNOCKBURN	October 15, 2007	100% Outokumpu
L 1228147	8	BANNOCKBURN	October 15, 2007	100% Outokumpu
L 1228148	6	BANNOCKBURN	October 15, 2007	100% Outokumpu
L 1228149	6	BANNOCKBURN	October 15, 2007	100% Outokumpu
L 1218726	1	MONTROSE	March 24, 2007	100% Outokumpu
L 1228150	8	MONTROSE	October 15, 2006	100% Outokumpu
Totals 30	**143**			
Mustang Staked Claims, Bannockburn Property				
L 3009881	15	ZAVITZ	June 25, 2005	100% Mustang
L 3009882	14	HINCKS	June 25, 2005	100% Mustang
L 3016327	16	HINCKS	June 25, 2005	100% Mustang
L 3016328	16	HINCKS	June 25, 2005	100% Mustang
L 3016329	16	HINCKS	June 26, 2005	100% Mustang
L 3016330	12	HINCKS	June 26, 2005	100% Mustang
L 3016331	16	HINCKS	June 26, 2005	100% Mustang

L 3016332	8	HINCKS	June 26, 2005	100% Mustang
L 3016333	16	HINCKS	June 26, 2005	100% Mustang
L 3016334	16	HINCKS	June 26, 2005	100% Mustang
L 3016335	16	HINCKS	June 26, 2005	100% Mustang
L 3012786	16	MONTROSE	June 26, 2005	100% Mustang
L 3000658	1	MONTROSE	June 26, 2005	100% Mustang
L 3012783	8	BANNOCKBURN	June 26, 2005	100% Mustang
L 3012784	12	BANNOCKBURN	June 26, 2005	100% Mustang
L 3012785	14	BANNOCKBURN	June 26, 2005	100% Mustang
L 3005407	6	MONTROSE	June 26, 2005	100% Mustang
L 3005408	2	MONTROSE	June 26, 2005	100% Mustang
L 3012782	12	MONTROSE	June 26, 2005	100% Mustang
L 3005402	12	BANNOCKBURN	June 26, 2005	100% Mustang
L 3005598	12	BANNOCKBURN	June 26, 2005	100% Mustang
L3011799	2	MONTROSE	November 10, 2005	100% Mustang
L3011800	6	MONTROSE	November 10, 2005	100% Mustang
L3011803	6	BANNOCKBURN	November 10, 2005	100% Mustang
L3011773	1	BANNOCKBURN	November 10, 2005	100% Mustang
L3011840	12	BANNOCKBURN	November 10, 2005	100% Mustang
L3011861	4	BANNOCKBURN	November 10, 2005	100% Mustang
L3011863	12	BANNOCKBURN	November 10, 2005	100% Mustang
L1167018	5	BANNOCKBURN	November 10, 2005	100% Mustang
L1199159	12	BANNOCKBURN	November 10, 2005	100% Mustang
L1199955	12	BANNOCKBURN	November 10, 2005	100% Mustang
L3011885	6	BANNOCKBURN	November 10, 2005	100% Mustang
Totals 39	**410**			

Patented Claims, Bannockburn Property

			Parcel	
MR 17999	1	MONTROSE	3998	100% Mustang
MR 18000	1	MONTROSE	3999	subject to a
MR 18001	1	MONTROSE	4000	2% NSR
Totals 3	**3**			

Argyle Property

L3005399	8	ARGYLE	June 26, 2005	100% Mustang
L3005400	10	BANNOCKBURN	June 26, 2005	100% Mustang
L3005401	4	BANNOCKBURN	June 26, 2005	100% Mustang
Totals 3	**22**			

Powell Property

L3005403	10	BANNOCKBURN	June 26, 2005	100% Mustang
L3005404	15	POWELL	June 26, 2005	100% Mustang
L3005405	13	POWELL	June 26, 2005	100% Mustang
L3005406	16	POWELL	June 26, 2005	100% Mustang
Totals 4	**54**			
Grand Total 76	**632**			

The locations of the key mineralized zones are shown on Figure 3 with respect to property boundaries, indicating sufficient surface area to construct infrastructure.

To the writer's knowledge there are no current or pending challenges to ownership of the lands, as revealed by examining claim abstracts maintained by the Ministry of Northern Development and Mines, and the Newman Group Agreement.

Mustang and the Newman Group both warrant that they have not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits.

Permits issued by Provincial and Federal Government ministries are not required in order to execute preliminary exploration activities on the property.

5.0 Accessibility, Climate, Local Resources, Infrastructure, Physiography

There is excellent road access to the project either from Matachewan heading north and west of the town to the end of Highway 566, a paved and gravel road maintained year round by the Ontario Government, thence southwest along good quality gravel forestry roads. The Bannockburn Property is 5 km by road from the end of Highway 566. The property may also be accessed in the summer months from Timmins via a network of good quality gravel forestry roads that lead south from the city.

Mean January temperatures for Sudbury/North Bay are –13 degrees celsius, versus –17.2 degrees celcius for Timmins, from Environment Canada's archives. For July, the mean temperatures are 19 degrees Celsius for Sudbury / North Bay, and 17.3 degrees Celsius for Timmins. Timmins receives on average 3.51 m of snow during the winter months of October to April, whereas Sudbury and North Bay receive 2.66 m and 2.68 m respectively. Annual rainfall averages 580.6 mm for Timmins, 735.8 mm for North Bay and 635.8 mm for Sudbury. Year-round exploration and mining operations are entirely feasible in this area.

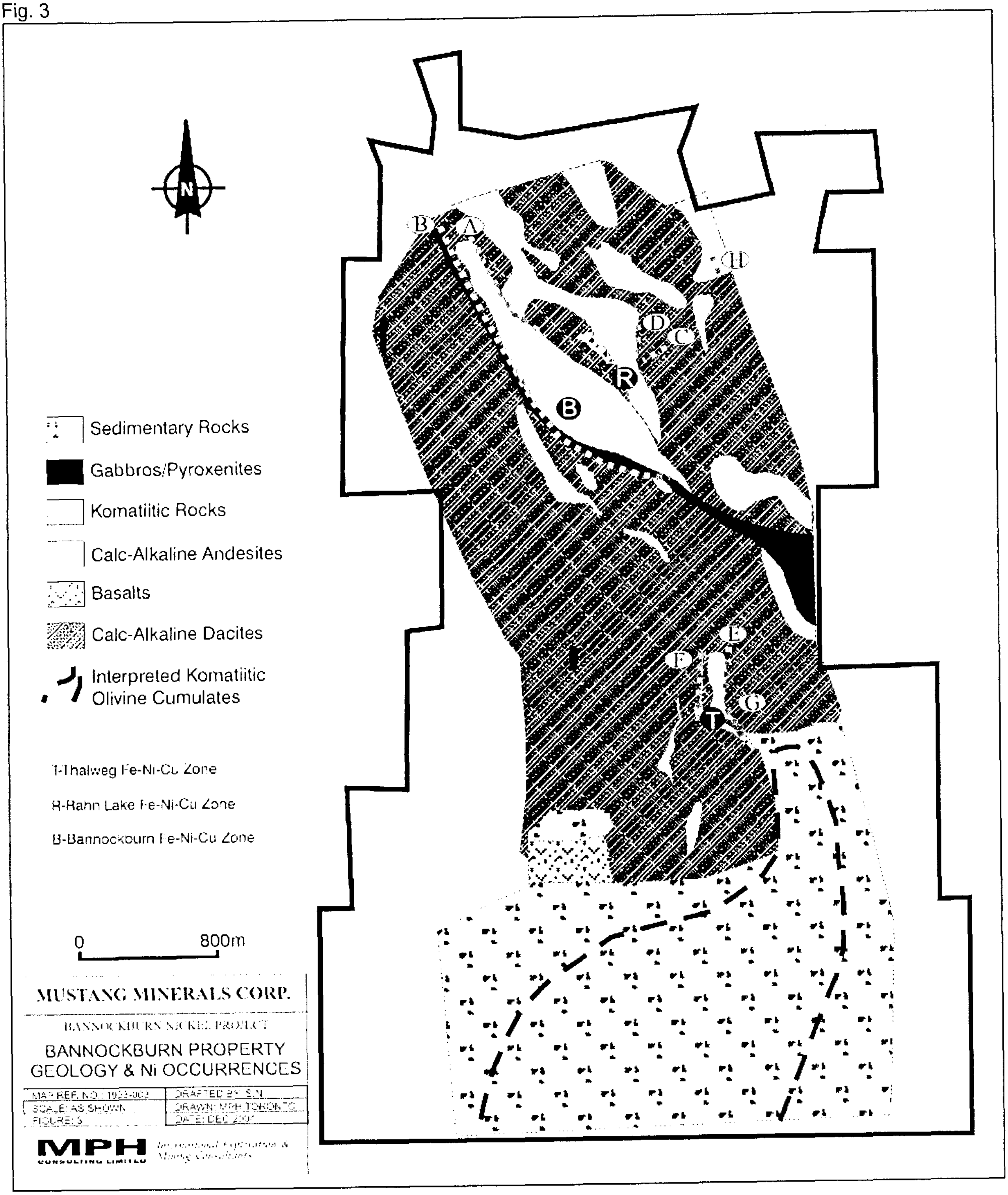
Power lines extend northwest of the village of Matachewan along Highway 566 for approximately 7 km to the Extender Minerals barite processing mill. This line could presumably be extended to the Bannockburn Property if required.

The full range of equipment, supplies and services required for any mining development is variably available in Timmins, Kirkland Lake or Sudbury, at distances of 100 km, 80 km and 350 km, respectively, from the Property by road. These areas also posses a skilled mining work force from which personnel could be sourced for any new mine development on the Property. Food and fuel, as well as lodging, are available at Matachewan.

The city of Sudbury is a major centre with a population of about 164,000 in the Regional Municipality of Sudbury. As home to both Inco Limited and Falconbridge Limited ("Falconbridge"), the Sudbury area is the western world's largest producer of nickel and the location of the largest fully integrated mining, milling, smelting and refining complex in the world. Over 300 companies involved in mining related activities offer expertise covering all areas of underground hardrock mining and environmental rehabilitation.

The author also note that a nickel processing capability is being established at the Falconbridge Metallurgical Site east of Timmins to handle ore from the Montcalm Ni deposit located west of Timmins and being brought into production by Falconbridge. This facility might be available on a custom-milling basis for material from the Property thereby obviating the need to build a mill.

Fig. 3


B
A
H
D
C
R
B
E
F
G
T
Sedimentary Rocks
Gabbros/Pyroxenites
Komatiitic Rocks
Calc-Alkaline Andesites
Basalts
Calc-Alkaline Dacites
Interpreted Komatiitic Olivine Cumulates
T-Thalweg Fe-Ni-Cu Zone
R-Rahn Lake Fe-Ni-Cu Zone
B-Bannockburn Fe-Ni-Cu Zone
0
800m
MUSTANG MINERALS CORP.
BANNOCKBURN PROPERTY
GEOLOGY & Ni OCCURRENCES
MPH

Abundant water resources are present in the lakes, rivers, creeks, and beaver ponds on the property. Water accessibility is excellent throughout the year. There would appear to be ample room on the property to build a mine and mill. A number of locations would appear to offer potential to construct environmentally sound waste and tailings disposal areas.

The area is well drained with moderate topographic relief. The area lies at an average of 350-400 m above sea level with local hills to in excess of 450m a.s.l.

Large sand ridges trend north-south across the property. Outcrop exposure is approximately 5% and is generally restricted to the calc-alkaline volcanic sequences. The softer, recessive weathering komatiitic rocks tend to lie in topographic lows, covered by swamps and lakes, and outcrop only along the edges of dacite/andesite outcrop areas. Several lakes are located on the property and represent approximately 10% of the area. There are a few beaver ponds and swampy areas associated with lakes and small streams. Forest cover is a combination of jack pine, aspen, birch, and alders with the occasional red pine and cedar trees. Much of the timber in this area has been designated for cutting or has already been cut by forestry companies. The area is dominated by a thick sequence of glacial outwash sands with lesser proportions of clay and gravel. Overburden thicknesses estimated from drilling range from nil to greater than 40m. The thicker overburden cover occurs over the komatiitic rocks, which appear to have been more susceptible to glacial erosion.

6.0 History

The Bannockburn Township area has undergone several periods of exploration activity. Exploration was carried out on the asbestos-bearing ultramafics around Rahn Lake in 1919, followed by a period of limited mining from 1937 to 1939 by the Empire Asbestos Company Limited. Exact production figures are unknown. Further exploration in the 1930's was directed towards gold after several gold showings were discovered in northwestern Bannockburn Township. The only producer in the immediate area was the Ashley Gold Mine in Bannockburn Township that produced 50,123 ounces of gold from 157,076 tons of ore in the period 1932-36.

A renewed interest in asbestos in the late 1960's and early 1970's attracted Canex Aerial Exploration Limited to complete geophysical and geological surveys over the property area. Several vertical diamond drill holes were completed on the highly magnetic ultramafic bodies. Sulphide mineralization associated with olivine cumulate rocks was noted in several drill holes. Assessment data suggests that these sulphide intercepts were not assayed for their nickel contents.

The Ontario Division of Mines (1975) completed a combined AEM and AMAG survey over the project area in November 1974. The Ontario Geological Survey also completed additional AEM and AMAG surveys in the area (1990, 2001). Collectively, the airborne surveys identified several highly magnetic bodies now known to represent the komatiitic sequences on the main property. The two smaller claim blocks to the east were staked to cover AMAG anomalies located by these surveys. Several AEM conductors, parallel to stratigraphy, were also identified by the survey in the northwestern portion of the main property.

6.1 Outokumpu Exploration Work

The original Bannockburn Property was staked by Outokumpu in March and April of 1995 after an assessment file search had revealed up to 30% pyrrhotite and trace chalcopyrite over a 3.65 m intersection at a peridotite / dacite contact in a Canex Aerial Exploration Limited drill hole. No assays were reported for this intersection and it appears that none were ever carried out.

Between 1995 and 1999, Outokumpu performed systematic exploration on the property in a search for economic Ni-Cu-Co-(PGE) deposits. Their work included MAG, HLEM, and PEM surveys, down-hole PEM surveys, mise a la masse surveys, surface geological mapping, various geochemical surveys and diamond drilling. In 1997, the property size was increased to the north and south as more land became available for staking. The exploration work that was conducted by Outokumpu is summarized in Table 2 and described below in more detail.

Table 2 Summary of Outokumpu Exploration Work

Description of Work	Quantity
Diamond Drilling (NQ and BQ)	30 holes – 9,215m
Line Cutting & Mapping	135 km
Ground Magnetic Surveys	125 km
Ground HLEM Surveys	75 km
Ground Pulse EM Surveys	37 km
Down Hole Pulse EM Surveys	9,660 m
Down Hole Mise a la Masse	4294 m
Whole Rock Geochemical	211 samples
Assay Analyses	620 samples
Soil Analyses – Mobile Metal Ion	76 samples
Soil Analyses – Enzyme Leach	76 samples

It is the author's opinion that the Outokumpu work is of a high standard and forms a very valuable database upon which Mustang can base further exploration activities.

6.1 1 Geological Mapping

Geological mapping at a scale of 1:5,000 was completed on all grided portions of the property Mapping indicated that the dacitic volcanic rocks comprise the majority of the outcrop (Figure 3) on the property while the komatiitic rocks are more easily eroded and are typically overburden covered.

6.1.2 Enzyme Leach Soil Survey

Seventy-six soil samples were collected over the Thalweg Ni-Cu-Co-(PGE) sulphide mineralization, subsequent to its discovery by the drill testing a HLEM anomaly. The purpose of this soil survey was to test the sensitivity of the enzyme leach partial digestion technique for detecting blind Fe-Ni-Cu sulphide mineralization.

Davis (1999) concluded that the results of the survey were inconclusive. It was noted that the metal cations (Ni, Co, Cu, Zn) displayed numerous peaks, none of which spatially coincided with known Ni-Cu-Co-(PGE) sulphide mineralization. The anions (Cl, Br, I) also produced numerous peaks with poor spatial association. Additionally, Haziza (1998) could not correlate the geochemical responses to the known sulphide mineralization or the interpreted geological stratigraphy.

6.1.3 Mobile Metal Ion Soil Survey

Seventy-six samples were collected over the Thalweg Ni-Cu-Co-(PGE) sulphide mineralization. The purpose of this soil survey was to test the sensitivity of the mobile metal ion (MMI) partial digestion technique for detecting blind Ni-Cu-Co-(PGE) sulphide mineralization.

Davis (1999) concluded that interpretation of the data was difficult due to the number of peaks recorded on each line. It was also noted that the presence of the Ni-Cu sulphide did not appear to be reflected in the mobile metal ion content of the soils. Haziza (1998) concluded that the data was too noisy to effectively interpret the geochemical results and identify potential targets.

6.1.4 Petrographic Reports

The Ontario Geological Survey and affiliated departments completed limited petrographic work on samples collected from the Bannockburn area. Outokumpu commissioned the Mineral Exploration Research Centre at Laurentian University in Sudbury, Ontario to complete a petrographic report on four drill core samples that contained varying proportions of sulphides associated with differing rock types (Gauld, 1999).

The four core samples were composed predominantly of pyrrhotite and pentlandite, with accessory chalcopyrite and titanomagnetite. Gauld also reported that the pentlandite in the massive sulphide sample occurs as granular, 1-2 mm aggregates or "eyes" with only minor pentlandite exsolution lamellae within the pyrrhotite.

6.1.5 Geophysical Surveys

Outokumpu completed MAG and HLEM geophysical surveys over the bulk of their property in 1997-98. Surface PEM and down-hole PEM surveying was restricted to the areas of interest over the known Ni-Cu-Co-(PGE) sulphide mineralization.

6.1.6 Ground Magnetic Surveys

A total of 125 km of MAG surveying was completed in 4 separate areas. The MAG surveys were completed using a BRGM, OMNI IV Base Station system and the Scintrex Envi Mag field system (Grant, 1996 & 1997). The surveys were concentrated over the komatiitic sequences in an attempt to identify areas that may represent channelized flows or thick olivine cumulate sequences. Several areas of interest were identified by the ground magnetic survey.

6.1.7 HLEM Surveys

A total of 75.1 km of HLEM surveying was completed in conjunction with the MAG surveys. The surveys were performed using a 120 m coil separation with a station interval of 20 m. The HLEM surveys were completed with the Apex Parametrics MaxMin II system. Three frequencies were utilized which include 3555 Hz, 1777 Hz, and 222 Hz and both the inphase and quadrature components of the secondary field were measured (Grant, 1996 & 1997).

Several weak to strong conductors have been identified within the property boundaries. Many of these conductors are coincident with the highly magnetic komatiitic rocks and may represent Ni-Cu sulphide mineralization.

6.1.8 Surface TEM Surveys

A total of 19 km of lines were surveyed using the Crone PEM system. The Crone PEM system is a time domain electromagnetic method that utilizes an alternating pulsed primary current with a controlled shut-off and measures the rate of decay of the induced secondary field across a series of time windows during the off-time (MacNeil, 1997a & 1997b).

Surveys were completed over the Thalweg Ni-Cu-Co-(PGE) sulphide zone. A strong conductor was identified at the komatiite/dacite contact associated with the Thalweg sulphide zone. The conductor can be traced approximately 150 m along strike. A weak conductor was also identified to the east of the Thalweg Ni-Cu-Co-(PGE) sulphide zone located wholly within the hanging wall andesites/dacites.

6.1.9 Down-Hole TEM Surveys

A total of 3359.5 m of Crone Down-Hole TEM was completed on 11 diamond drill holes on the Thalweg Ni-Cu-Co-(PGE) sulphide zone.

Numerous in-hole anomalies were identified within the diamond drill holes that are associated with massive, net-textured and disseminated sulphides. All in-hole anomalies were explained by sulphide zones identified within the diamond drill core.

Off-hole anomalies were identified in association with the Thalweg sulphide zone. These off-hole anomalies were interpreted as representing additional massive and/or net-textured Ni-rich sulphides and represented targets for future work.

6.1.10 Surface PROTEM Surveys

TEM profiling is conducted on lines either adjacent (Off-Loop mode) or surrounded by (In-Loop mode) a large fixed rectangular transmit loop. Current is passed through the loop which following the "Turn-Off" produces a primary magnetic field both inside and outside of the loop. This primary field induces a vortex current pattern, which energizes conductors, which in turn create their own secondary magnetic field. The rate of the decaying secondary magnetic flux is measured as the vertical, in-line horizontal, and/or cross line horizontal vector components on surface using an air-core sensor coil. These measurements of the TEM decay are taken during the "Off-Time".

Quantec Geophysics Limited completed a total of 18.05 km of surveying. The surveys were completed using a Digital Protem Ground Transient Electromagnetic System. Two surveys were completed over the komatiite volcanic stratigraphy in the northern portion of the property associated with the Bannockburn and Rahn Lake Ni-Cu-Co-(PGE) sulphide occurrences. A weak conductive body was identified to the north of the Rahn Lake zone associated with the Ni-Cu-Co-(PGE) sulphide mineralization intersected by diamond drilling. A very strong, one line anomaly was identified to the east of the Rahn Lake zone contained wholly within dacite/andesite; however, no surface conductor was identified during mapping even though the anomaly is located in an area of close to 100% outcrop exposure.

6.1.11 Down-Hole Surveys

Borehole TEM surveys were conducted in a 3-D mode. The borehole surveys are particularly useful in determining the geometrical relationship between a conductor or a complex swarm of conductors around a drill hole. Of particular importance is its application in cases where the drilling is believed to have missed the target of interest. A survey can effectively determine the direction and distance from the drill hole to the conductor by measuring two orthogonal secondary field components in addition to the axial component. Additionally, conductors located below the end of a drill hole, which either may be too deep and/or have gone previously undetected from surface, may be identified during the course of a borehole survey.

A total of 3,685 m of down-hole Protem logging was completed by Quantec Geophysics Limited (Tolley et al, 1997). Surveys were focused around the known mineralization and were completed using the BH-43 3-D Borehole Probe with a Tilt Sensors System. Several off-hole conductors were identified within the borehole surveys completed on the Thalweg zone. An in-hole and off-hole anomaly was also identified in association with the sulphide mineralization within the Rahn Lake zone. No anomalies were identified within the holes that intersect the Bannockburn (now B zone) zone.

6.1.12 Down-Hole Mise a la Masse Surveys

Outokumpu personnel completed a total of 4,294 m of down-hole mise a la masse surveying in the Thalweg (Charlewood Lake) area. Current electrodes were placed into known sulphide mineralization and measurements were taken down the drill hole at 20 m, 10 m, and 5 m intervals depending upon the strength of the result. Current electrodes were placed in the net-textured sulphides in BN-12-97 and the massive sulphides in BN-3-96.

Results from BN-3-96 identified a small bulls-eye target around the known massive sulphide mineralization. This indicates that the sulphide zone is restricted in size and does not appear to have much of a strike or dip extension.

Results from BN-12-97 identified an area of high potential for hosting additional sulphide mineralization. The area is located to the north of BN-12-97 and south of BN-16-97. The mise a la masse response was very strong and outlined an area that may host additional accumulations of Ni-Cu-Co-(PGE) sulphide mineralization.

6.1.13 Diamond Drilling

Outokumpu completed a total of 30 diamond drill holes representing 9,215 m of drill core on the Bannockburn Property from October 1996 to February 1999. Diamond drilling was focused in two main areas, namely Charlewood Lake (Thalweg deposits) area and the Rahn Lake area (Figure 3). Outokumpu identified drill targets mainly on the basis of ground geophysical data. Significant mineralized intercepts are presented in Table 3.

Table 3 Outokumpu Significant Drill Intercepts

DDH NO.	Zone	From (m)	To (m)	Intersection (m)	Ni (%)
BN 3-96	Thalweg	158.70	163.00	4.30	1.04
Incl.	Thalweg	161.80	163.00	1.20	3.22
BN 5-96	Thalweg	263.00	265.90	2.90	0.98
BN 8-97	Thalweg	288.10	291.10	3.00	0.94
Incl	Thalweg	290.90	291.15	0.25	4.54
BN 12-97	Thalweg	411.40	429.00	17.60	0.81
incl	Thalweg	414.60	424.20	9.60	1.09
BN 13-97	Thalweg	336.20	341.20	5.00	0.54
BN 13-97	Thalweg	339.10	339.92	0.82	1.06
BN 17-97	Thalweg	472.10	474.80	2.70	0.45

BN 19-98	Bannockburn	104.70	126.90	22.20	0.50
BN 22-98	Rahn Lake	86.83	91.10	4.27	0.85
BN 25-98	Bannockburn	180.30	198.50	18.20	0.38

6.1.14 Analytical Procedures

Representative samples of all rock types encountered on the property were submitted for whole rock, trace and minor element analysis. Data from samples was used to define rock types, geochemical trends and alteration patterns. A total of 211 whole rock samples were sent to Intertek Testing Services Chimitec Bondar-Clegg by Outokumpu.

Samples were analyzed for major oxides (Al_2O_3, SiO_2, Na_2O, MgO, Fe_2O_3, CaO, TiO_2, P_2O_5, MnO, K_2O, Cr_2O_5, and LOI plus Ba, Nb, Rb, Sr, Y, and Zr) utilizing an Induction Coupled Plasma-Atomic Emission Spectroscopy method (ICP-AES) and borate fusion extraction techniques. The samples were also analyzed for trace element composition (Ag, Al, As, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, Pb, Sb, Sc, Sn, Sr, Ta, Te, Ti, V, W, Y, Zr, and Zn) utilizing an ICP-AES method and $HF-HNO_3-HClO_4-HCl$ extraction techniques. The data was added to the whole rock geochemical database in Excel and plotted for interpretation.

A further 541 samples (mainly drill core) were sent by Outokumpu to Intertek Testing Services Chimitec Bondar Clegg for assay. All samples were analyzed for Co, Cu, Fe, Ni, S and Zn. A few samples were analyzed for Au, Ag, Pt, and Pd. The ICP-AES determination method and multi-acid digestion technique were used to determine the contents of Co, Cu, Fe, Ni, and Zn, and a Leco Analyzer for S. ICP-AES was also used to determine the Au, Pt and Pd contents. Atomic Absorption spectrometric (AAS) techniques were used where total Fe exceeded the maximum detection limit for ICP-AES and to determine the Ag content of the samples.

A total of 79 duplicate rejects and 1 assay sample was submitted to Lakefield Research Limited for comparison with the Bondar Clegg results. There is a close correlation (0.9965) between the analytical results reported by the two laboratories.

7.0 Geological Setting

7.1 Regional Geology

The Archean age Abitibi Greenstone Belt ("AGB") is one of the largest and best-preserved greenstone belts in the world. It occurs within the Superior Province of the Canadian Shield and contains nine supracrustal lithotectonic assemblages spanning the period from 2750 Ma to 2675 Ma (Ayer et al, 2002). A summary of the assemblages is presented in Table 4 and their spatial distribution is depicted in Figure 4.

Fig 4

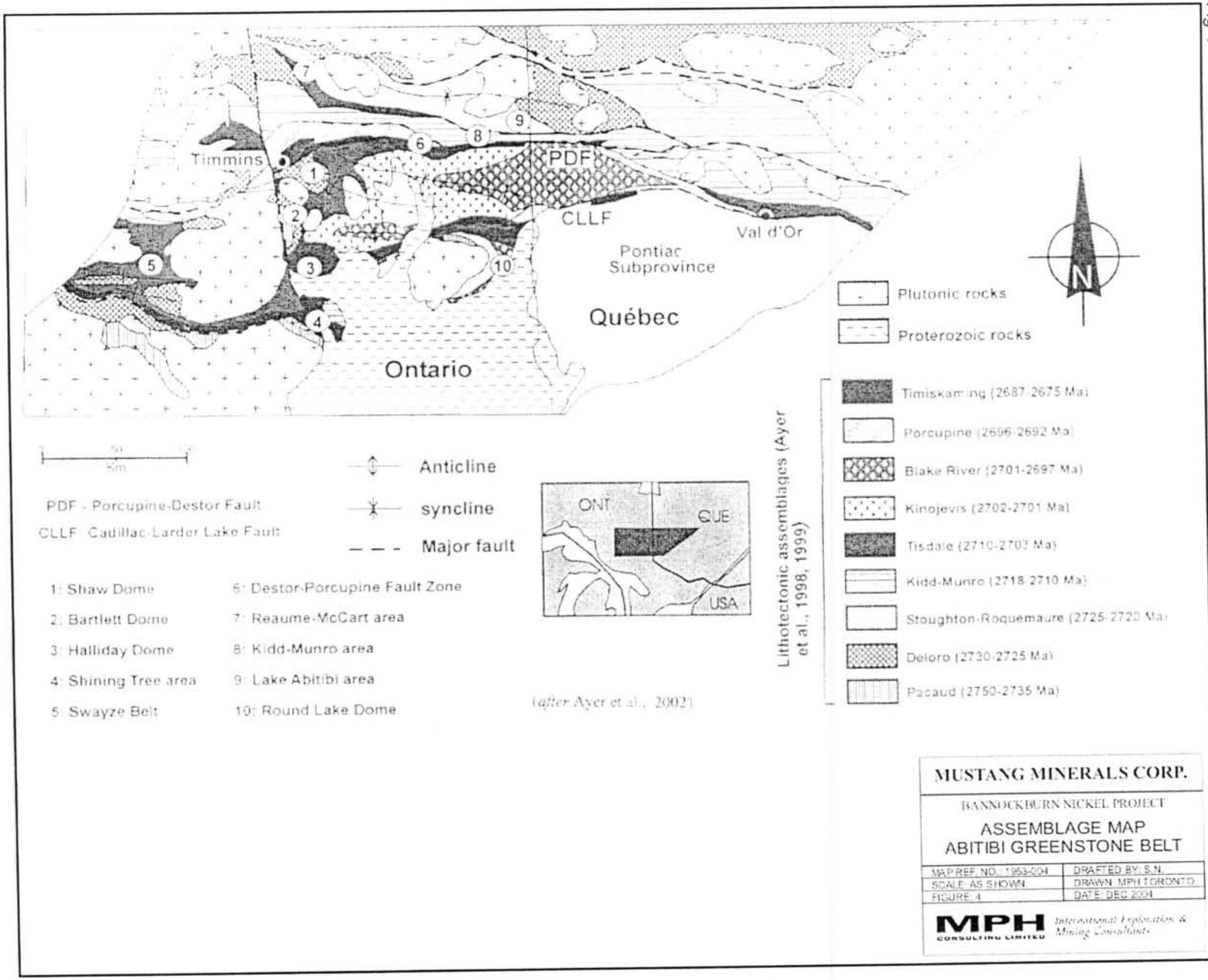

Timmins
PDF
CLLF
Val d'Or
Pontiac
Subprovince
Québec
Ontario
N
Plutonic rocks
Proterozoic rocks
Lithotectonic assemblages (Ayer et al., 1998, 1999)
Timiskaming (2687-2675 Ma)
Porcupine (2696-2692 Ma)
Blake River (2701-2697 Ma)
Kinojevis (2702-2701 Ma)
Tisdale (2710-2703 Ma)
Kidd-Munro (2718-2710 Ma)
Stoughton-Roquemaure (2725-2720 Ma)
Deloro (2730-2725 Ma)
Pacaud (2750-2735 Ma)
Km
Anticline
syncline
Major fault
PDF - Porcupine-Destor Fault
CLLF - Cadillac-Larder Lake Fault
ONT
QUE
USA
1: Shaw Dome
2: Bartlett Dome
3: Halliday Dome
4: Shining Tree area
5: Swayze Belt
6: Destor-Porcupine Fault Zone
7: Reaume-McCart area
8: Kidd-Munro area
9: Lake Abitibi area
10: Round Lake Dome
(after Ayer et al., 2002)
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROJECT
ASSEMBLAGE MAP
ABITIBI GREENSTONE BELT
MAP REF. NO.: 1953-004
SCALE: AS SHOWN
FIGURE: 4
DRAFTED BY: S.N.
DRAWN: MPH TORONTO
DATE: DEC 2004
MPH
CONSULTING LIMITED
International Exploration & Mining Consultants

Table 4 Summaries of Supracrustal Assemblages, Southern Abitibi Greenstone Belt

Assemblage (Age in Ma)	Basal Contact Relationship	Dominant Rock Type	Volcanic Chemical Affinity
Timiskaming (2680-2674)	Unconformable	Conglomerate, sandstone, mafic to intermediate volcanic and iron formation	Alkalic to shoshonitic
Porcupine (2690-2680)	Unconformable	Turbidite, felsic to intermediate volcanic, conglomerate and iron formation	Calc-alkalic to shoshonitic
Blake River (2701-2697)	Conformable to disconformable	Mafic to felsic volcanic	Tholeiitic and calc-alkalic
Kinojevis (2702-2701)	Conformable	Mafic and minor felsic volcanic	Tholeiitic
Tisdale (2710-2703)	Conformable to disconformable	Ultramafic, mafic, intermediate to felsic volcanic and iron formation	Komatiitic, tholeiitic and calc-alkaline
Kidd-Munro (2719-2711)	Conformable to disconformable	Ultramafic, mafic, intermediate to felsic volcanic and iron formation	Komatiitic, tholeiitic and calc-alkaline
Stoughton-Roquemaure (2723-2720)	Conformable to disconformable	Ultramafic, mafic, intermediate to felsic volcanic	Komatiitic, tholeiitic and calc-alkaline
Deloro (2730-2724)	Disconformable	Mafic, intermediate and felsic volcanic and iron formation	Tholeiitic and calc-alkaline
Pacaud (2750-2735)	removed by intrusions	Ultramafic, mafic and felsic volcanic	Komatiitic, tholeiitic and calc-alkalic

Current geological thinking suggests that the Abitibi greenstone belt formed via autochthonous processes with much of the current complexity being structurally superimposed by multiple regional deformation events. Mantle plume activity is considered as the source of the supracrustal volcanic rocks deposited in intra-cratonic basins, rifted arc and back arc tectonic settings. Along with the concept of autochthonous greenstone belt development is the concept that major metallogenic processes are related to distinct time intervals and therefore specific chronostratigraphic lithologies (Ayer et al, 2000).

The Halliday Dome (# 3 in Figure 4) is located south of the Destor Porcupine Fault Zone and possibly north of the Cadillac-Larder Lake Fault Zone. Significant komatiite associated nickel sulphide deposits elsewhere in the southern part of the Abitibi Greenstone Belt occur within the same fault bounded terrane (eg. Langmuir Township). The "L" shaped Halliday Dome extends approximately 55 km in a north-south direction and approximately 38 km in an east-west direction. The dome is bounded on the east by the Round Lake Batholith and on the west by the Kenogamissi Batholith. The Bannockburn Property is located on the eastern side of the dome.

The Halliday Dome consists mainly of calc-alkaline felsic and intermediate volcanic rocks with minor quantities of iron formation and basaltic rocks of the Tisdale assemblage, unconformably overlain by younger Kinojevis assemblage rocks, which are in turn unconformably overlain by sedimentary rocks characterized by Porcupine / Timiskaming assemblage radiometric ages (Ayer et al, 2002). The present erosional level coupled with regional folding results in a discontinuous belt of Tisdale assemblage ultramafic rocks trending to the northwest across Montrose into Hincks and Zavitz townships. North trending ridges of Huronian age Gowganda Formation sedimentary rocks obscure part of the Neoarchean stratigraphy in the area. Proterozoic age diabase dykes of the Matachewan swarm (2,454 Ma) and the Sudbury swarm (1,238 Ma) intrude all supracrustal assemblages. Mapping of Bannockburn, Powell and Montrose townships by Jensen (1996a, b, c) at a scale of 1:20,000 substantiates this interpretation.

Considerable research over the years indicates that komatiite hosted nickel deposits in the Abitibi Greenstone Belt area are similar to the Archean age nickel deposits of the Kambalda and Windarra areas in Western Australia (Green, 1978, Green and Naldrett, 1981, Coad, 1979).

In the AGB four of the assemblages (Table 4) contain komatiites. The Pacaud assemblage contains both non-cumulate and cumulate komatiites. The Stoughton-Roquemaure assemblage contains primarily non-cumulate komatiites. The Kidd-Munro and Tisdale assemblages contain a much greater abundance of cumulate komatiites than the other assemblages, which are interpreted to represent lava channels or lava channel facies of channelized sheet flows. Komatiite-associated Ni-Cu-Co-(PGE) deposits have only been identified within the Kidd-Munro assemblage (e.g., Marbridge, Amos, Que.) and Tisdale assemblage(e.g., Redstone, Langmuir, Alexo and Bannockburn).

7.2 Property Geology

The property is underlain by a complex sequence of calc-alkaline intermediate to felsic volcanic rocks, mafic volcanic rocks, komatiitic basalts to dunites, silicate to sulphide iron formations, gabbro intrusions, and a series of diamictites, arkoses, and conglomerates (Figure 3).

The intermediate to felsic volcanic rocks range in composition from rhyo-dacites to dacitic-andesites. The units display textures ranging from hyaloclastic-fragmental flows to pillowed flows, and massive flows. Chlorite- and quartz-filled amygdules are found throughout the units in varying proportions (1 - 10%). Weak chlorite alteration is pervasive with lesser amounts of epidote and hematite alteration. The pillow selvages and flow contacts tend to display stronger chlorite alteration. Pyrrhotite and pyrite mineralization occurs throughout the sequence, but tends to be concentrated, up to 10%, within the hyaloclastic and fragmental zones. Mafic volcanic rocks, with a calc-alkaline affinity, tend to be confined to localized areas within the felsic to intermediate sequence and do not appear to be laterally extensive.

The extrusive komatiitic rocks exhibit flow top rubble zones and spinifex-textured zones which indicate tops are to the east. The intrusive komatiitic rocks range in composition from pyroxenitic cumulates (chlorite-tremolite rocks) to olivine adcumulates (serpentinite rocks).

A preponderance of the komatiitic rocks are olivine orthocumulates to mesocumulates laterally away from olivine adcumulate cores. The komatiitic sequence is only exposed in a few areas and determinations of its composition and laterally continuity are difficult to interpret. The komatiitic rocks strike north-northwest for approximately 20 km as discrete lenses and/or horizons. Based on the ground magnetic surveys there appears to be at least three or possibly four stacked horizons of komatiitic rocks present on the Bannockburn Property.

A second suite of intrusive rocks exhibits a gabbroic composition. This low titanium and high alkaline element gabbro is associated with the margins of the komatiitic sequences, crosscutting olivine cumulates in some areas, and may be associated with the calc-alkaline mafic volcanic rocks.

Archean sedimentary rocks appear to have a similar strike and dip as the komatiitic rocks over the northern and central portion of the Bannockburn Property. The bed thickness appears to vary throughout the area and range from a few centimetres up to several metres. The conglomerates are dominated by granitic clasts and white quartz clasts with varying proportions of mafic to felsic volcanic clasts and plagioclase porphyry clasts. The conglomerates tend to be clast supported. The southern portion of the Property is covered by Huronian conglomerates and arkoses of the Gowganda Formation; however, a large highly magnetic body underlies the sediments, possibly representing a large komatiitic olivine cumulate sequence (Figure 3).

Two separate and distinct mafic dyke intrusions are contained within the property boundaries. The northwest trending Sudbury swarm dykes display a moderate to high titanium petrochemistry and can be traced across several tens of kilometres. The intrusions display diabasic textures to gabbroic textures and crosscuts the stratigraphy of the area. Matachewan swarm diabase dykes trend north throughout the area, display a tholeiitic petrochemistry and a diabasic texture.

The identification of major structures has been limited to geophysical interpretations due to a lack of outcrop exposure in critical areas. Based on surface mapping and diamond drilling, the volcanic assemblages generally strike north-northwest and dip steeply attesting to pervasive regional isoclinal folding.

Minor faulting occurs throughout the area and displacements of a few metres to tens of metres are commonly observed in outcrop. Minor offsets are also observable within the magnetic surveys. Major fault offsets are not observed although the diabase dikes probably occupy regional tensional fractures.

The area appears to have been exposed to an episode of uplift or transgression as indicated by the development of horst and graben structures. The grabens are now filled with Huronian sediments and occur as arms of sedimentary rocks that extend from the south and pinch out to the north. Sedimentary rocks also occur as isolated occurrences surrounded by Archean lithologies. The near vertical faults have not been observed on surface or in drill holes and are only interpreted based upon the relationships exhibited by the sedimentary units.

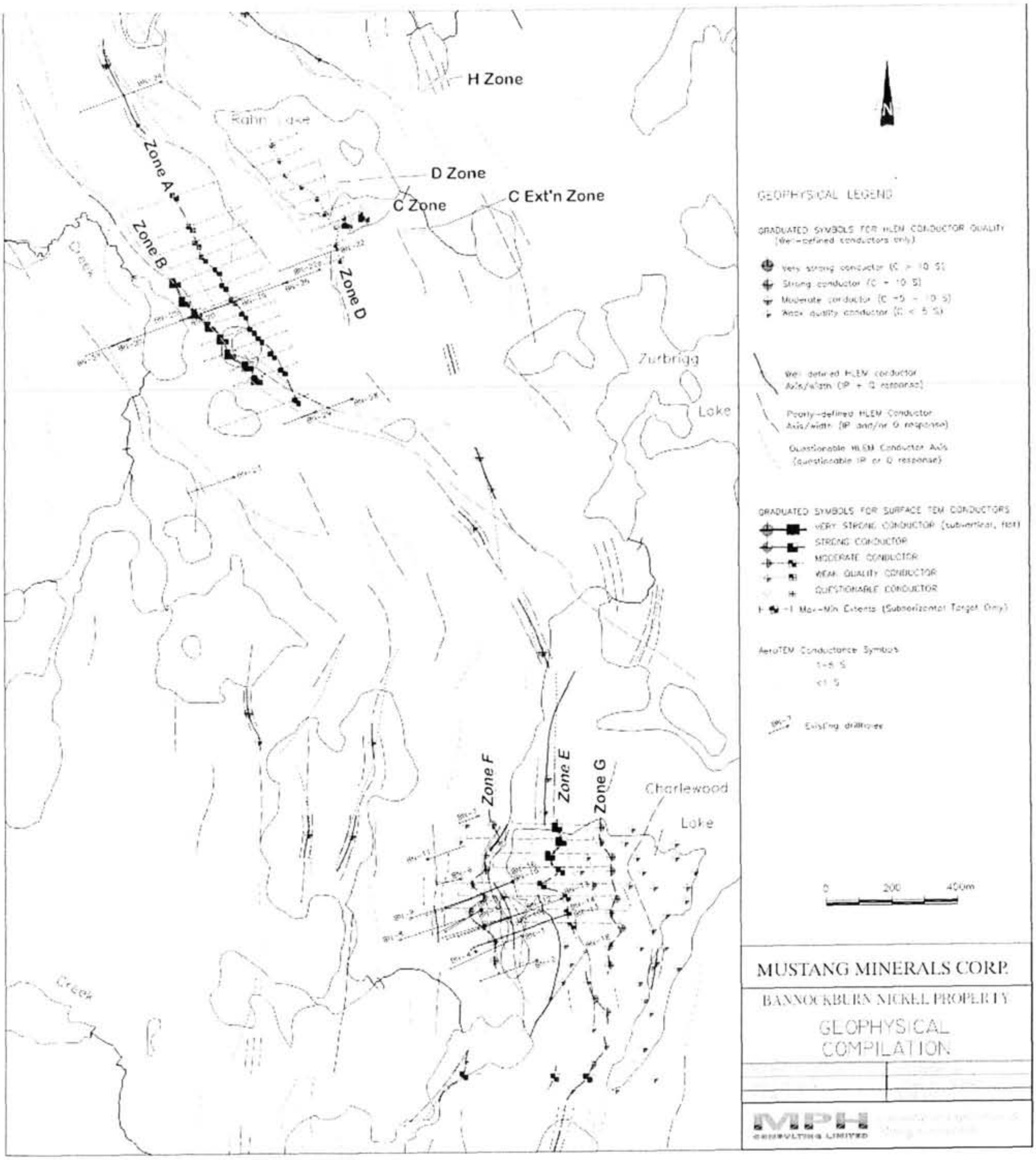
The geophysical surveys (AEM, HLEM, PEM) conducted on the Bannockburn Property have identified conductive horizons primarily located at the contacts of komatiitic and felsic rocks. A compilation of the geophysical data is presented in Figure 5. Conductors defining the A Zone and B Zone are both related to the same "conductive geological unit" and are collectively referred to as the B Zone. The "conductive geological unit" is interpreted to be sulphide mineralization in an altered dunite similar to Mont Keith style Ni-Cu-Co-(PGE) deposits.

8.0 Deposit Types

Work by Outokumpu and Mustang has identified eight Ni-Cu-Co-(PGE) sulphide occurrences on the Property. Seven of the sulphide zones (C, C Offset, D and H in the Rahn Lake area as well as the E, F, and G, in the Thalweg (Charlewood Lake) area are related to Kambalda-style, komatiite-hosted, Ni-Cu-Co-(PGE) sulphide deposits situated at or near the basal contact (Type I, Lesher and Keays, 2002). Kambalda-style Ni-Cu-Co-(PGE) sulphide deposits tend to occur in clusters and the discovery of one deposit could lead to several additional discoveries in the same area. The deposits are usually composed of net-textured to massive sulphide in small footwall embayments up to 200 m in strike length, 10's to 100's of m in down-dip length and metres to 10's of metres thick. The shape can be cylindrical, podiform, or in rare instances tabular, such as the Raglan, Quebec deposits.

The B (Bannockburn) Zone, has similarities to the Mt. Keith-style of Ni-Cu-Co-(PGE) sulphide deposits with disseminated and blebby sulphides hosted centrally within a thick olivine adcumulate unit (dunite) (Type II, Lesher and Keays, 2002). Mt. Keith-style Ni-Cu-Co-(PGE) sulphide deposits also tend to occur in clusters and the discovery of disseminated and blebby sulphides in one adcumulate unit increases the potential of the entire region. Mt. Keith style deposits are generally in the order of 10s to 100s of million tonnes with Ni grades less than 1 percent. The olivine adcumulate body, that hosts the native and sulphide nickel occurrence (B Zone), has been a defined on the property by diamond drilling along a strike length in excess of 1 km.

Fig. 5


H Zone
Rahn Lake
Zone A
D Zone
C Zone
C Ext'n Zone
Zone B
Zone D
Zurbrigg
Lake
Creek
Zone F
Zone E
Zone G
Charlewood
Lake
Creek
GEOPHYSICAL LEGEND
GRADUATED SYMBOLS FOR SURFACE TEM CONDUCTORS
0 200 400m
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
GEOPHYSICAL
COMPILATION
MPH
CONSULTING LIMITED

Geological models for komatiite-hosted Ni-Cu-Co-(PGE) sulphides were first developed in Western Australia after the discoveries of the Kambalda and Mt. Keith deposits. Two types of models have been applied to most komatiitic Ni-Cu-Co-(PGE) deposits throughout the world. These two models are the Kambalda, channelized flow theory, and the Mt. Keith, sheet flow theory.

Komatiitic rocks are derived from high degree partial melts of the earth's mantle. Due to the high degree of partial melting the komatiitic melt is enriched in elements such as nickel and magnesium. When erupted, the melts have a low viscosity and tend to flow turbulently over the substrate eroding the footwall lithologies through a combination of physical and chemical processes.

Due to the low viscosity of the komatiitic melts, the lavas tended to concentrate in topographic lows. Komatiitic eruptions have been envisaged to have a high effusion rate and large volumes of lava and/or magma. The Mt. Keith-style of deposits are associated with sheet flows several hundreds of metres thick by several kilometres to tens of kilometres long and are composed primarily of olivine adcumulate to mesocumulate.

Further down stream, more distal from the eruptive source, the komatiitic flows become channelized, similar to a river channel, and begin to thermally erode the substrate forming more defined channel feature. This channelization is also the mechanism whereby sulphur is acquired by the magma and is the cornerstone of the Kambalda model. Denser sulphides would tend to accumulate in the bottom of the channel-like features under the influence of gravity. As the eruption continued the channel would fill with olivine mesocumulate to adcumulate because of the constantly replenished MgO-rich komatiitic melt. As the eruption waned the channel would be capped by a sequence of regressive komatiitic flows composed of komatiitic pyroxenites and basalts.

In order to develop Ni-Cu-Co-(PGE) sulphides, the komatiitic melt must become sulphide saturated. A komatiitic melt will become sulphur saturated when an external source of sulphur is introduced to the melt by assimilation of a sulphide-rich lithology or by differentiation or contamination of a komatiitic melt until the sulphur content exceeds the saturation point. A strong relationship exists between the presence of footwall lithologies rich in sulphide and the development of Ni-Cu-Co-(PGE) sulphide deposits in the overlying komatiitic flows. This association is strongest in the Kambalda-style sulphide deposits. Differentiation or the assimilation of rocks rich in certain elements may result in the oversaturation of the komatiitic melt in sulphur. This is the mechanism related to the development of the Mt. Keith-style of deposits.

8.1 Comparison with Kambalda, Western Australia

Nickel deposits occur from Mt. Keith in the north to St. Ives in the south over 465 km of the Norseman-Wiluna Terrane of the eastern Yilgarn Craton. The Kambalda camp is 10 km long and 4 km wide. At Kambalda there are 36 coherent sulphide bodies which collectively form the camp reserve of 48 Mt at @ 3.6% Ni, 0.25% Cu. Komatiite flow channels are the host rocks to ore bodies which are mainly massive sulphide shoots with some interpillow ore in the footwall of the lowermost channel and interspinifex ore at base of hangingwall massive sulphide zones. Blebby ore occurs where pre-existing massive sulphide is thermally eroded by an overlying flow.

Komatiite channels are on the order of 150 m wide and bounded by sheet-flow facies komatiite. The channels are 100's of m down dip. Sulphide bodies are at the base of the channel facies. They may be 10's of metres wide, metres thick and 100's of metres down dip. Ore bodies may be stacked. Individual coherent sulphide bodies rarely exceed 1 Mt. Vectors to ore are sediment-free contacts where sheet facies pinch out against channel facies. Proximal ore bodies are 10's of metres thick and 100's of metres wide at the base of peridotite bodies such as Mt. Keith. Distal ores are thin ribbons of massive sulphide.

The sulphide bodies at Kambalda have relatively small footprints, and in folded terranes have a great vertical extent. Accordingly, closely spaced remote sensing geophysical methods such as gravity, magnetotellurics, etc. are difficult and expensive to apply. However most sulphide deposits can be detected with dense magnetic and ground HLEM surveys and, most of all, closely spaced diamond drill hole patterns. Observations concerning physical volcanology and stratigraphy are essential to make reasonable interpretations, and core loggers must be extremely familiar with the environment.

The Abitibi greenstone belt (300 x 700 km) is similar in size to the Norseman-Wiluna belt in the Yilgarn Craton. Although the Abitibi belt does not have a nickel sulphide resource as large as Kambalda, it has a mineral endowment of the Kambalda type in several known deposits in the Timmins area and several others in the belt as a whole, including such occurrences as the Dumont Deposit in Quebec which is similar to Mount Keith (Eckstrand 1996). The Abitibi greenstone belt is comparable to the Norseman-Wiluna belt in geology, age, and tectonic setting (Lesher 1989) and individual deposits in the Abitibi (eg. Alexo, Langmuir) have been compared in the literature to Kambalda-type deposits (Davis, 1998). Hence, the geologic environment of the Abitibi greenstone belt can be considered permissive for nickel sulphide deposits similar to Kambalda and Mt. Keith.

9.0 Mineralization

Three main areas, containing multiple zones of Ni-Cu-Co-(PGE) sulphide mineralization have been identified on the Bannockburn Property (Figure 3). Deposits at Thalweg (Charlewood Lake) and Rahn Lake, are associated with Kambalda-style massive and heavily disseminated sulphides that occur in footwall embayments at the base of komatiitic flows. The B Zone Ni-Cu-Co-(PGE) sulphide deposit has similarities to Mt. Keith-style disseminated sulphides and occurs centrally within a thick olivine adcumulate body. Nickel is the most valuable element in all of the zones with minor amounts of Cu-Co-PGE mineralization.

The E, F and G zones in the Charlewood Lake (Thalweg) area and the C / C Offset, D and H zones in the Rahn Lake area appear to be composed primarily of pyrrhotite and pentlandite with trace amounts of chalcopyrite and a grey alteration mineral. The nickel tenors of the zones range from between 4% to 43.3% Ni in 100% sulphide, but average approximately 5 to 6% Ni in 100% sulphides. The Rahn Lake sulphide zone displays a gradational nickel tenor that decreases, from >40% Ni to 10% Ni in 100% sulphide, as the basal contact is approached.

The B Zone Ni-Cu-Co-(PGE) sulphide deposit is composed of a few percent of pyrrhotite, pentlandite, healzewoodite, and native nickel. The nickel tenor of the B Zone is extremely high at >80% Ni in 100% sulphide and is related to the nickel-rich mineralogy.

10.0 Exploration

Since acquiring the Property in 2003, Mustang has completed a significant amount of diamond drilling and geophysical surveying, summarized in the following table.

Table 5 Summary of Mustang Exploration Work

Description of Work	Quantity
Diamond Drilling (NQ and BQ)	84 DDHs – 18,031 m
Airborne AMAG and AEM	2,368 line-km
Ground Pulse EM Surveys(1994)	15.9 km
Borehole Pulse EM Surveys (1994)	9 DDHs, 1,515 m
Stripping	2,000 m^2
Assay Analyses	3,613 samples
Rock Physical Properties Survey	1,094 m
Petrographic Study	9 samples
Preliminary Metallurgical Study	on B Zone material
Geophysical Compilation	whole property

10.1 Geophysical Compilation

Mustang commissioned Quantec Geoscience Inc. to carry out a comprehensive review and re-interpretation of all of the Outokumpu ground geophysical data (Coulson et al, 2003). The various Quantec-interpreted geophysical zones are shown on Figure 5.

Quantec highlighted 6 untested or only partially tested conductive features based on their review of the Outokumpu surface HLEM data that merited additional testing. In particular, their Conductor "C", located immediately south of Rahn Lake, was rated a high priority geophysical target "with the potential for nickeliferous massive sulphide mineralization". Quantec interpreted the causative source to "sub-crop, if not outcrop".

Quantec also highlighted a total of 31 off-hole PEM conductors, within the 18 drill holes that were subjected to down-hole TEM surveys by Outokumpu. These are located mainly in the Thalweg (Charlewood Lake) area and represented high priority drill targets for Mustang. The author knows that some of these targets were known to the Outokumpu exploration personnel, however. Outokumpu ceased exploration in Canada before these targets could be followed up.

10.2 Stripping Program

Mustang discovered the C Zone by backhoe stripping of the "C" conductor in late October of 2003 The C Zone Ni-Cu-Co-(PGE) massive to disseminated sulphide body occurs under shallow overburden. Ni values in massive/semi-massive material are generally in the 2-5% Ni range with values of less than 1% in more disseminated material. Elevated Cu-Co values correlate closely with elevated Ni values. Pt-Pd values are generally low.

Initial surface selective grab sampling yielded maximum values of 4.85 % Ni, 0.50% Cu, 0.11% Co, 0.29 g/t Pt, 0.84 g/t Pd and 0.07 g/t Au.

10.3 Analytical Procedures

Mustang's assaying was completed at Expert Laboratories in Rouyn-Noranda Quebec, ("Laboratoire Expert"). Elements Ag and Co were determined by aqua regia dissolution and atomic absorption spectrometric methods (AAS) on 0.50 g samples with a detection limit of 0.2

ppm for Ag and 2 ppm for Co. Values for Cu and Ni were determined by total digestion and determined by induction coupled plasma mass spectrometry techniques (ICP-MS) on 0.50 g samples. The detection limit is 0.01% for Cu and Ni. Fire assay-ICP-MS methods were used to determine Au, Pt and Pd concentrations. The detection limits are 2 ppb for Au, 5 ppb for Pt and 4 ppb for Pd.

10.4 Pulse EM Surveys

In January-March 2004 Quantec Geoscience Inc. carried out 15.9 km of surface TEM surveying on 12 claims, and 1,515 m of borehole TEM surveying in 9 DDHs. Six anomalous features were identified in the vicinity of the known mineralization. Three were attributed to conductive geological units, 2 new conductors were identified (C Zone Extension, H Zone) and one "off-hole" response was identified in the D Zone (Figure 5).

10.5 Airborne Geophysical Surveys

In April-May 2004 Aeroquest Limited completed a 2,368 line-km combined AEM and AMAG survey of the Bannockburn Project, from Zavitz Township eastward to Bannockburn Township (Fiset, 2004). This survey identified 20 zones of significant conductivity within the surveyed area. Geological mapping and sampling of these conductive responses indicates that 4 target areas require additional work.

10.6 Physical Properties Survey

In July and August 2004, a suite of physical properties was measured in three boreholes cutting the B, C and F zones (1,094 m). This survey demonstrated that B Zone, an altered dunite containing serpentine minerals and magnetite was capable of generating a broad conductive feature as noted in the airborne geophysical survey.

10.7 Petrographic Study

A petrographic study of 9 rock samples from the property was completed in 2004. This study confirmed the ultramafic rock nomenclature, defined various rock textures and confirmed the Mt. Keith geological model for serpentinized dunite associated with the B Zone. Electron microscope analysis of mineralized core samples from the B Zone identified a mineral suite containing nickel-bearing healzewoodite and rare native nickel, suggesting the potential for a large tonnage low-grade nickel deposit.

11.0 Drilling

Drilling statistics related to the Mustang exploration program in 2003-2004 on all zones is tabulated in the following table (Table 6). The diamond drill contractor recovered NQ size core for all of the drill holes. The locations of the drill holes are illustrated in Figures 6, 7, 8 for the B Zone, the C Zone area and the Charlewood Lake area respectively. A typical cross section of the B zone drilling is shown in Figure 9. A vertical and a longitudinal section of the C Zone are presented in Figure 10 and Figure 11, respectively.

Fig 6

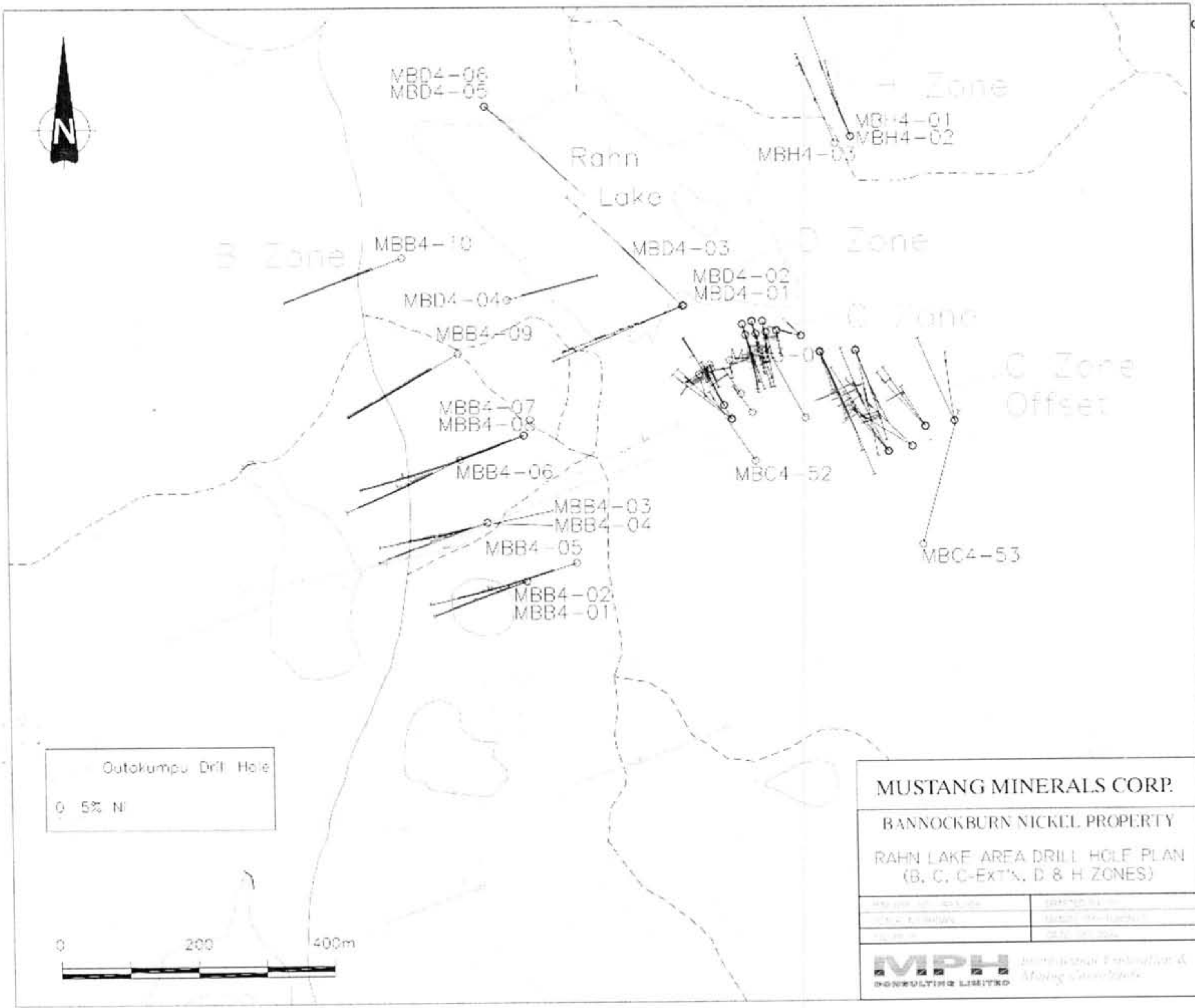
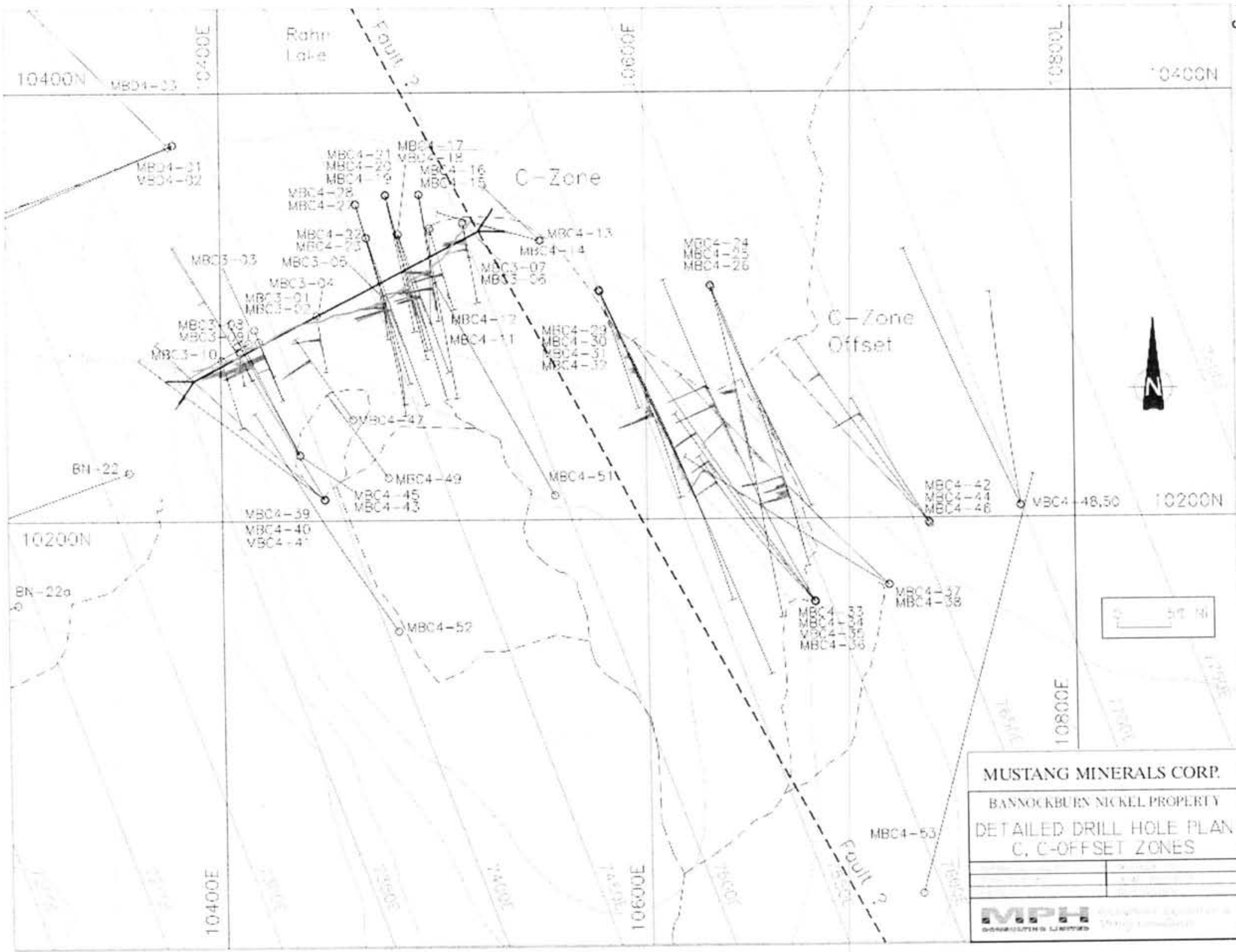

N
MBD4-06
MBD4-05
Rahn
Lake
H Zone
MBH4-01
MBH4-02
MBH4-03
B Zone
MBB4-10
MBD4-03
D Zone
MBD4-02
MBD4-01
MBD4-04
C Zone
MBB4-09
C Zone
Offset
MBB4-07
MBB4-08
MBB4-06
MBC4-52
MBB4-03
MBB4-04
MBB4-05
MBC4-53
MBB4-02
MBB4-01
Outokumpu Drill Hole
0.5% Ni
0
200
400m
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
RAHN LAKE AREA DRILL HOLE PLAN
(B, C, C-EXT'N, D & H ZONES)
MPH
CONSULTING LIMITED

Fig. 7



MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
DETAILED DRILL HOLE PLAN
C, C-OFFSET ZONES
Rahn Lake
Fault ?
C-Zone
C-Zone Offset
10400N
10200N
10400E
10600E
10800E
MBC4-17
MBC4-18
MBC4-16
MBC4-15
MBC4-13
MBC4-14
MBC4-24
MBC4-25
MBC4-26
MBC4-28
MBC4-27
MBC4-32
MBC3-03
MBC3-05
MBC3-04
MBC3-07
MBC3-06
MBC3-01
MBC3-02
MBC4-12
MBC4-11
MBC3-10
MBC4-47
MBC4-49
MBC4-45
MBC4-43
MBC4-51
MBC4-39
MBC4-40
MBC4-42
MBC4-44
MBC4-46
MBC4-37
MBC4-38
MBC4-33
MBC4-52
MBC4-53
BN-22
BN-22a

Fig. 8

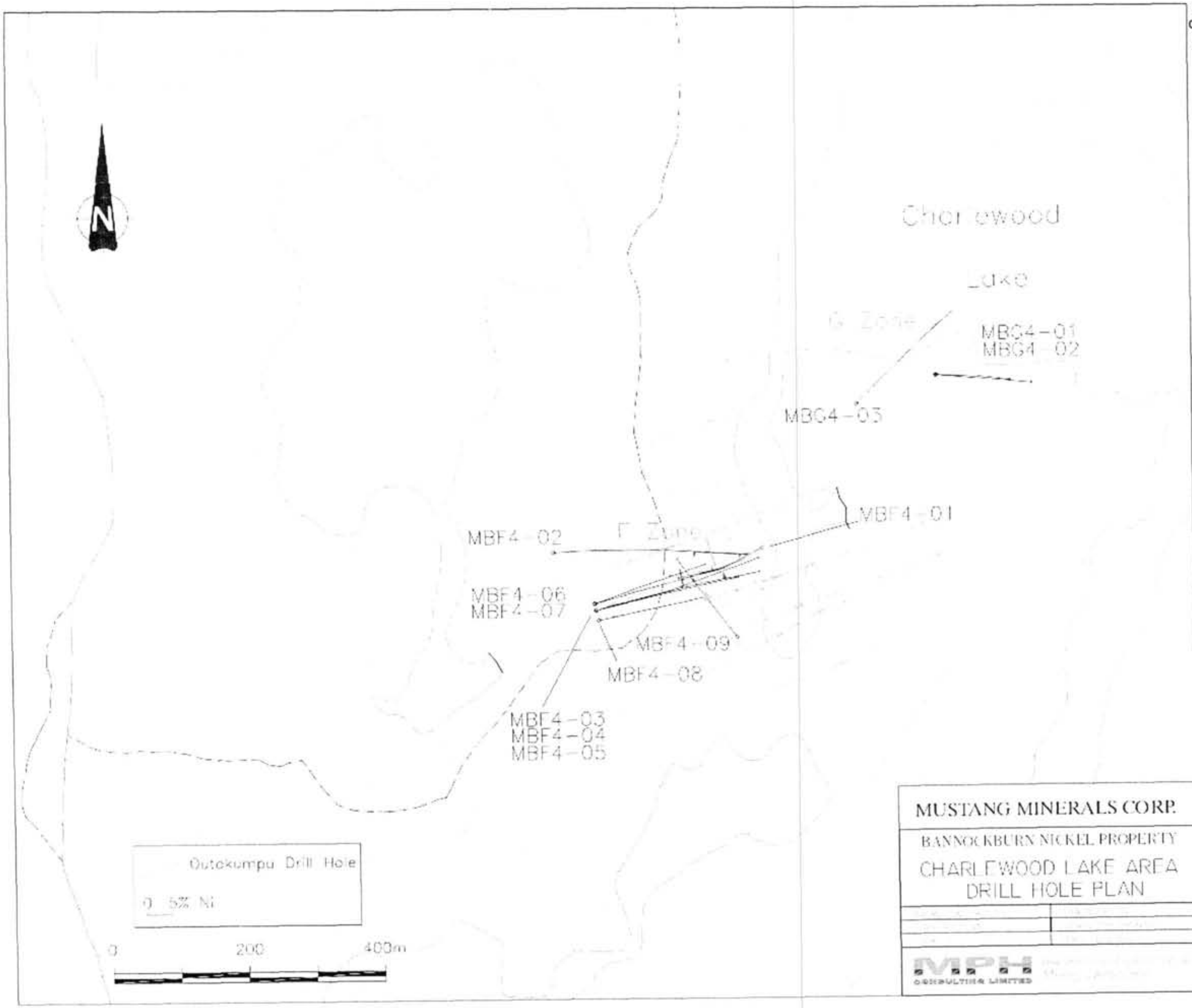

N
Charlewood
Lake
G Zone
MBG4-01
MBG4-02
MBG4-03
MBF4-01
F Zone
MBF4-02
MBF4-06
MBF4-07
MBF4-09
MBF4-08
MBF4-03
MBF4-04
MBF4-05
Outokumpu Drill Hole
0.5% Ni
0
200
400m
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
CHARLEWOOD LAKE AREA
DRILL HOLE PLAN
MPH
CONSULTING LIMITED

Fig. 9

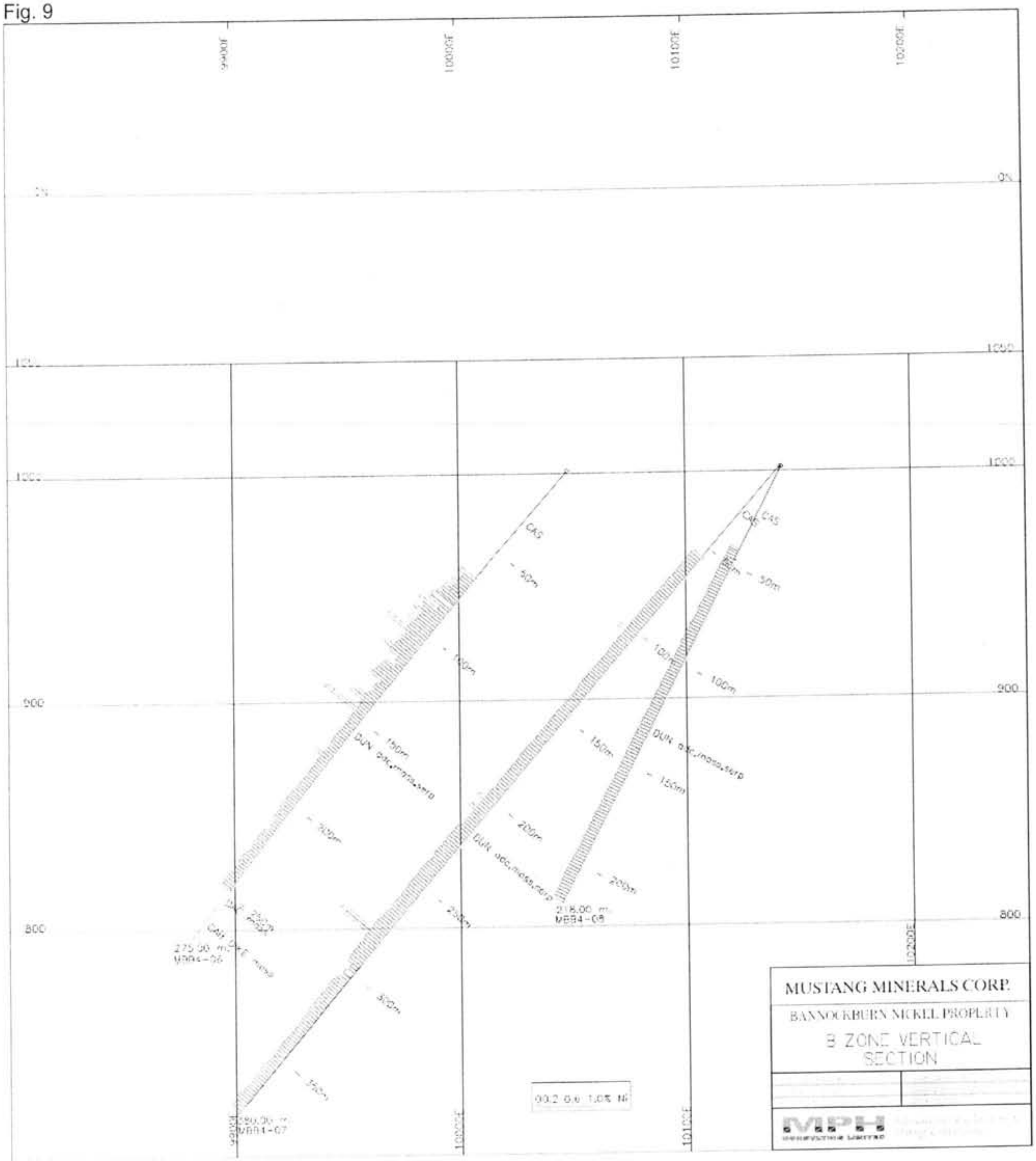

MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
B ZONE VERTICAL SECTION
275.00 m MB94-06
218.00 m MB94-08
280.00 m MB94-07
10000E
10100E
10200E
900
800

Fig. 10

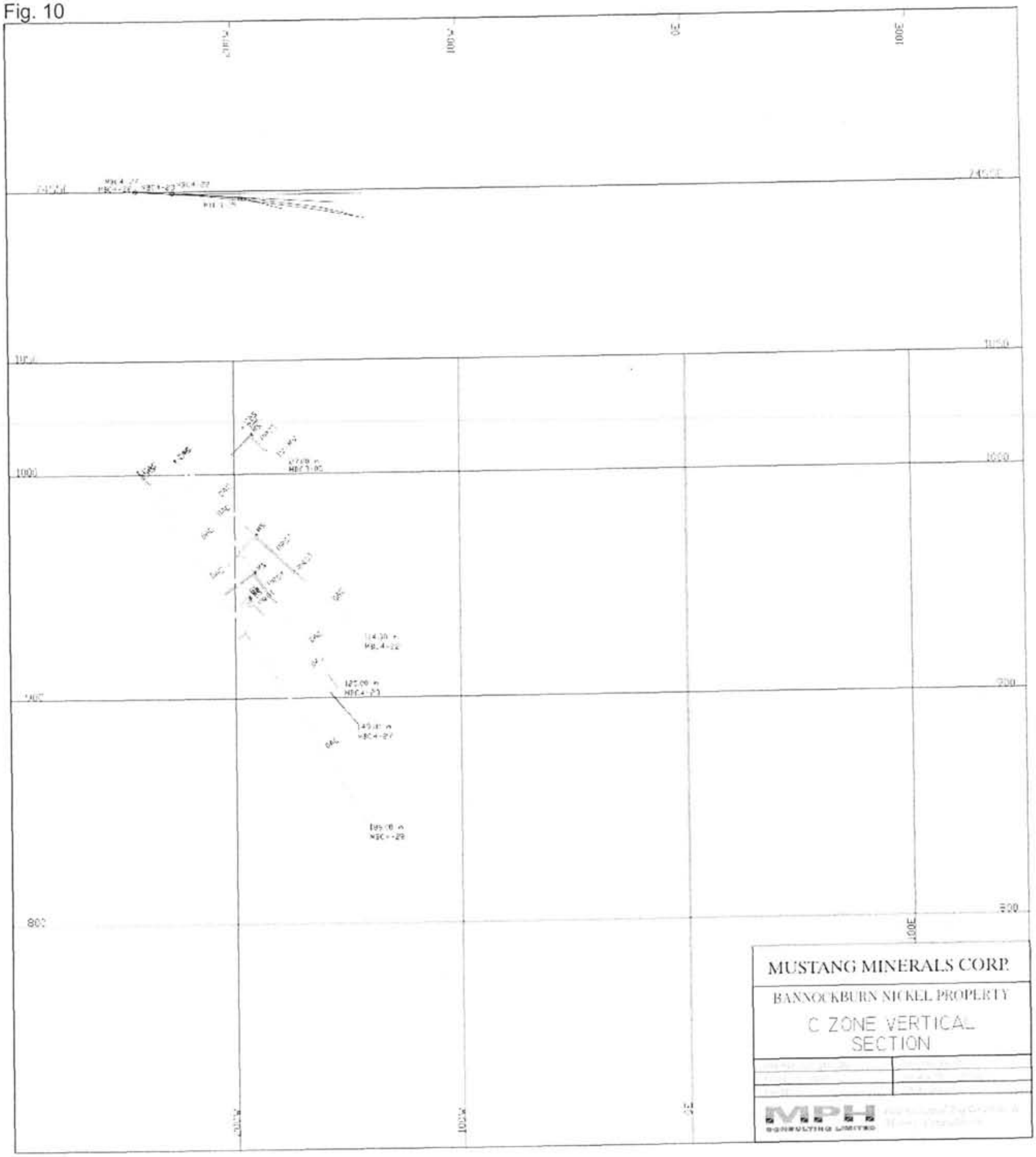
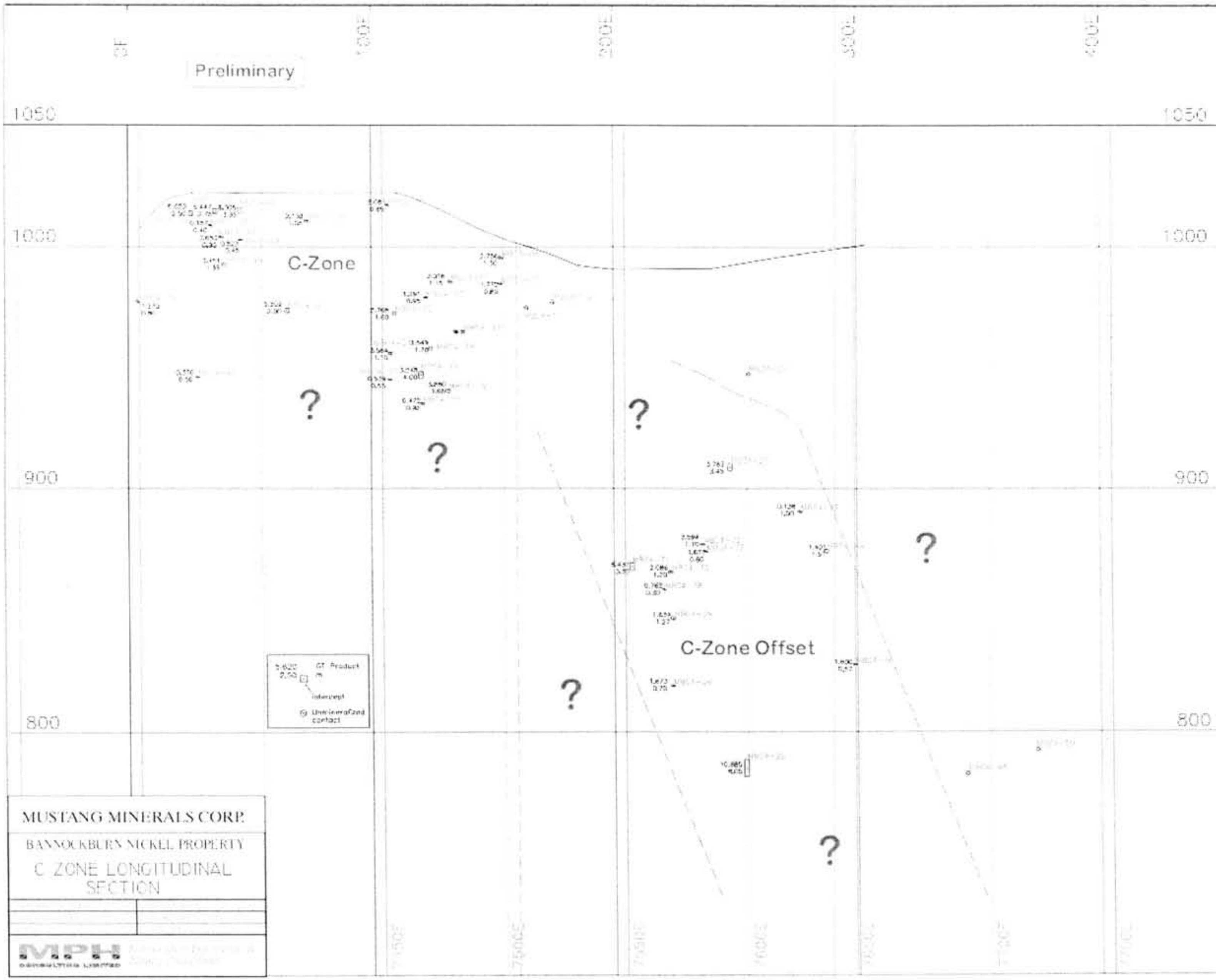

1050
1000
900
800
100E
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
C ZONE VERTICAL SECTION
MPH
CONSULTING LIMITED

Fig. 11



Preliminary
1050
1000
900
800
C-Zone
C-Zone Offset
GT Product
Intercept
Unmineralized contact
MUSTANG MINERALS CORP.
BANNOCKBURN NICKEL PROPERTY
C ZONE LONGITUDINAL SECTION

Table 6 Diamond Drill Hole Statistics

Area / Zone	No. of DDHs	Meterage
Rahn Lake		
B Zone	10	2,794.3
C Zone / C Zone Offset	53	12,094.5
D Zone	6	1,140.3
H Zone	3	1,015.5
Charlewood Lake		
F Zone	9	1,090.4
G Zone	3	232.9
Totals	**84**	**18,031.1**

Drill hole co-ordinates, elevations, azimuth, inclination and length of holes are included as Appendix 1.

The following table lists the significant assays and analytical results resulting from the drill program.

Table 7 Significant Assays 2003-2004 Diamond Drilling Program

Bannockburn Property - Significant Assays							
			Meterage	**Width**			
Drill Hole	**Location**	**Az./Dip**	**(m)***	**(m)**	**Ni-%**	**Co-%**	**Comments**
C-Zone/C-Zone Offset							
MBC03-01	7386E/12121N	170/-45	26.65-27.10	0.45	1.16	<0.01	Footwall Zone
MBC03-02	7387E/12115N	170/-45	8.40-11.90	3.5	2.39	0.05	C-Zone
MBC03-04	7417E/12114N	170/-45	15.10-16.70	1.6	1.51	0.04	C-Zone
includes			15.1-16.15	1.05	2.04	0.05	
includes			15.10-15.70	0.6	2.77	0.05	
MBC03-05	7448E/12109N	170/-45	4.85-6.20	1.35	1.84	0.04	C-Zone
includes			4.85-5.70	0.85	2.45	0.06	C-Zone
MBC03-06	7500E/12125N	170/-45	9.70-12.10	2.4	1.45	0.03	C-Zone
includes			9.70-11.00	1.3	2.15	0.04	
MBC03-07	7500E/12126N	170/-45	19.80-22.30	2.5	1.11	0.04	C-Zone
includes			19.80-20.80	1	1.95	0.07	
and			27.70-29.05	1.35	1.24	0.04	Hangingwall Zone?
includes			28.75-29.05	0.3	2.2	0.04	
MBC03-09	7376E/12115N	170/-45	7.50-10.25	2.75	2.35	0.07	C-Zone
includes			8.00-9.50	1.5	2.68	0.07	
MBC04-10	7366E/12115N	170/-45	6.3-10.3	4	1.88	0.08	C-Zone
includes			6.3-8.8	2.5	2.25	0.11	
MBC04-11	7486E/12130N	170/-45	27.1-29.1	2	1.85	0.08	C-Zone
includes			27.1-28.25	1.15	2.66	0.11	
MBC04-12	7486E/12131N	170/-63	45.5-47.3	1.8	1.9	0.09	C-Zone
includes			45.5-46.5	1	2.9	0.12	
MBC04-15	7438E/12150N	170/-57	73.56-75.60	2.04	2.02	0.07	C-Zone
includes			73.56-75.22	1.66	2.34	0.08	

MBC04-17	7460E/12133N	170/-45	39.85-48.8	0.95	1.36	0.03	C-Zone
MBC04-18	7460E/12133N	170/-57	56.3-58	1.7	2.09	0.05	C-Zone
MBC04-19	7470E/1215N	170/-51	69.0-73.0	4	0.81	0.03	C-Zone
includes			69.0-69.5	0.5	2.73	0.05	
MBC04- 20	7470E/1215N	170/-56	81.45-82.4	0.95	0.5	0.02	C-Zone
MBC04-22	7445E/12133N	170/-45	48.4-50.0	1.6	1.73	0.04	C-Zone
includes			48.4-49.1	0.7	3.46	0.07	
MBC04-23	7445E/121333N	170/-55	60.5-62.0	1.5	3.25	0.08	C-Zone
MBC04-25	7600E/1252N	170/-60	98.4-101.85	3.45	1.1	0.03	C-Zone Offset
includes			99.0-99.50	0.5	1.66	0.04	
MBC04-26	7600E/1253	170/-65	215.3-215.55	0.25	3.06	0.05	C-Zone Offset
and			223.6-227.25	3.65	1.26	0.03	
includes			226.4-227.25	0.85	2.18	0.05	
and			230.5-238.55	8.05	1.35	0.04	
includes			234.35-238.55	4.2	1.71	0.05	
includes			236.35-238.55	2.2	2.27	0.06	
includes			236.35-237.25	0.9	2.98	0.07	
MBC04-27	7445E/12150N	160/-50	74.0-74.55	0.55	0.97	0.03	C-Zone
MBC04-31	7540E/10207N	156/-65	147.0-151.0	4	2.21	0.05	C-Zone Offset
includes			148.9-151.0	2.1	3.13	0.07	
MBC04-33	7594E/11892N	335/-65	176.80-177.90	1.3	2.11	0.07	C-Zone Offset
includes			177.20-177.55	0.35	4.16	0.13	
			194.80-195.50	0.7	2.01	0.07	
MBC04-34	7594E/11892N	317/-70	214.00-215.90	1.9	1.19	0.06	C-Zone Offset
includes			215.20-215.90	0.7	2.39	0.13	
MBC04-35	7594E/11892N	335/-60	182.80-184.00	1.2	1.74	0.08	C-Zone Offset
MBC04-36	7549E/11892N	335/-65	193.20-194.47	1.27	1.29	0.04	C-Zone Offset
MBC04-37							
MBC04-38	7637E/11900N	320/-60	189.95-190.25	0.3	2.54	0.08	C-Zone Offset
MBC04-39	7394E/12022N	324/-45	109.09-109.89	0.8	1.59	0.06	C-Zone
MBC04-43	7390E/12045N	337/-42.5	63.97-64.95	0.98	2.86	0.1	C-Zone
MBC04-44	7656E/11912N	334/-56	153.15-154.66	1.51	0.92	0.04	C-Zone Offset
MBC04-45	7390E/12045N	337/-48	71.50-72.89	1.39	2.45	0.08	C-Zone
MBC04-46	7656E/11912N	334/-72	183.98-184.25	0.57	2.81	0.1	C-Zone Offset
MBC04-47	7420E/12052N	337/-64	78.24-81.17	2.93	2.06	0.07	C-Zone
includes			79.10-81.17	2.07	2.61	0.09	
B-Zone							

MBB04-03	12000N/7005E	250/-50	109.00-138.50	29.5	0.36	N/A	B-Zone
MBB04-04	12000N/7005E	250/-60	160.00-203.00	43	0.3	N/A	B-Zone
MBB04-05	11900N/7105E	250/-45	195.50-206.00	10.5	0.35	N/A	B-Zone
MBB04-06	12100N/7000E	243/-45	65.20-147.50	82.3	0.35	N/A	B-Zone
	includes		80.50-104.00	23.5	0.45	N/A	B-Zone
MBB04-07	12100N/7100E	250/-45	266.0-296.0	30	0.33	N/A	B-Zone
MBB04-09	12250N/7050E	250/-45	63.50-266.00	202.5	0.33	N/A	B-Zone
F-Zone							
MBF04-02	10120N/6790E	86/-62	441.25-445.0	3.75	1.16	0.05	F-Zone
MBF04-03	10000N/6802.5 E	70/-55	332.0-333.0	1	1.21	0.04	F-Zone
MBF04-04	10000N/6802.5 E	70/-51	221.8-224.3	2.5	3.2	0.14	F-Zone

11.1 Thalweg Ni-Cu Sulphide Zones

Three electromagnetic conductors in this area were identified by Outokumpu and confirmed by Mustang. These zones are called the E, F and G zones following the nomenclature assigned to the conductive horizons as shown in Figure 5.

E Zone

The E Zone is interpreted to be an overburden response and consequently was not drill tested.

F Zone

The F Zone was tested by 9 DDHs (3,474 m) that define a nickeliferous sulphide deposit 100 m long to a depth of 100 to 400 m. Down-hole geophysics has identified a strong conductor continuing below the zone to a vertical depth of at least 600 m. The F Zone remains open to depth.

Drilling encountered disseminated to net-textured to massive nickel-bearing sulphides at the komatiite/dacite contact in hole MBF04-02. Interestingly, the mineralization that was intersected in holes MBF04-03 and -04, occurs within a mesocumulate to adcumulate pyroxenite to peridotite flow and not at a dacite-komatiite contact. Significant drill results from the F Zone ranged from 1.16% to 3.2% nickel over widths ranging from 1.0 m to 3.75 m. The best mineralization to date was intersected in hole MBF04-04 which intersected a 2.32 m lens of massive pyrrhotite with up to 10% coarse pentlandite crystals and 1-2% chalcopyrite from 221.75 m to 224.07 m. This unit retuned an average grade of 3.2% nickel over 2.5 m with a best assay of 4.09% nickel over 0.4 m. The sulphide mineralization appears to be plunging vertically or steeply to the southeast. The sulphide zone also appears to undulate down-plunge. Geophysical modelling suggests that the mineralized zone has a relatively short strike length.

There are several deeper, untested, strong, off-hole conductors identified by down-hole PEM surveys in the Charlewood Lake area (e.g. MBF04-03).

G Zone

The G Zone was tested with 3 DDHs (812.5 m). Holes MBG04-01 and -02 were drilled at 095° and intersected interbedded flat-lying Huronian greywacke and conglomerate that unconformably cover the Archean rocks in the area. Hole MBG04-03 was also drilled in this area to test an offhole borehole PEM conductor that was defined in hole MBG04-02. The drill hole intersected Huronian greywacke followed by a sequence of brecciated to massive to amygdaloidal dacitic flows, 8.6 m of conductive, graphitic argillite with pyrite and then massive adcumulate to orthocumulate pyroxenite and adcumulate pyroxenite. No significant Ni assays were returned from the ultramafic rocks and the off-hole conductor was caused by the by the interflow graphitic argillite.

11.2 Rahn Lake Ni-Cu Sulphide Zones

The Rahn Lake Ni-Cu sulphide occurrences are located approximately 2 km north of the Thalweg zone and appear to be hosted in a komatiitic flow higher in the volcanic stratigraphy. The sulphide mineralization is associated with a komatiitic peridotite body that lies mainly beneath Rahn Lake with a strike length of approximately 600 m and a thickness of between 100 and 300 m. In the Rahn Lake area four conductive horizons (B, C/C Offset, D and H zones) have been geophysically defined, including the outcropping C Zone.

C /C Offset Zone

The C/C Offset Zone has been defined by 53 Mustang DDHs (12,094.5 m). Drilling to date has defined a nickeliferous sulphide deposit approximately 150 m along strike ranging between 0.5 to 8 m wide (estimated true thickness) with a down plunge length of 400 m. The sulphide deposit appears to have a vertical to steep south dip and an eastward plunge. The lower boundary of the zone has not been defined, suggesting that additional mineralization may be located by additional drilling.

The mineralization consist of disseminated to net-textured to massive/semi-massive pyrrhotite associated with a komatiite unit contained within andesitic volcanics. The best mineralization to date is at the west end of the exposure where the massive/semi-massive material is up to 2.5 m in apparent thickness. Pentlandite is visible as small grains and aggregates. Streaky chalcopyrite may also be present and is commonly remobilized into quartz-carbonate veins.

D Zone

The D Zone as currently known from 6 DDHs (1,832 m) is approximately 75 m wide and is open along strike to the northwest. The drilling indicates only low (0.1-0.8%) Ni values over intervals up to 7.9 m wide (estimated true thickness). Drill holes MBD4-05 and -06 suggest a northwest-trending fault, which offsets (to the west) or terminates the mineralization to the northwest.

The D-Zone was defined by both the ground TEM and AeroTEM surveys and predominantly occurs under Rahn Lake. Hole MBD04-03 intersected a narrow zone of net-textured to massive sulphides at a peridotite / dacite contact from 291.8 m to 292.3 m. The mineralization is dominantly pyrrhotite and contained up to 0.89% Ni. All drill holes intersected a interlayered sequence of dacite/dacite breccia with adcumulate to mesocumulate peridotite flows. Hole MBD04-04 also intersected a large serpentinized dunite body with 0.1 to 0.23% Ni, which is very similar to the B-Zone dunite.

H Zone

Mineralization in the H Zone is known from 3 DDHs (744 m). The best intersection is 0.2-.3% Ni over 50 m with low Co values. Three holes were drilled to test the H-Zone conductor, which was defined by the Quantec ground TEM survey. The drill holes intersected an interlayered sequence of mesocumulate to adcumulate peridotite with massive dacite to amygdaloidal dacite breccia. The best sulphides occur within a massive, amygdaloidal dacite flow with up to 20% patchy to blebby to fracture fill pyrrhotite, and a 0.23 m band of massive pyrite (MBH04-01). These sulphides are likely the cause of the surface TEM anomaly. No significant Ni mineralization was encountered in any of the three drill holes.

I Zone

The I Zone AeroTEM anomaly was tested with a single 194 m drill hole, which intersected, dacite/dacite breccia, conglomerate and graphitic argillite. The graphitic argillite contains 5% overall and up to 40% medium- to coarse-grained pyrite cubes, aggregates and concretions. This unit is responsible for the AeroTEM anomaly. The unit was assayed for gold but no significant values were reported.

B Zone (Bannockburn) Zone

The B Zone is located approximately 2 km north-northwest of the Thalweg (Charlewood Lake) zones and approximately 400 m stratigraphically below the Rahn Lake zones.
The A and B conductors are interpreted to represent differing parts of the same geological lithology, with the A conductive zone representing the base of the unit and the B conductivity representing the area of maximum response. For drilling purposes the B conductive horizon represents the target area that extends eastward as far as the A conductive horizon.

The B Zone was partially tested with 10 DDHs (3,174 m) intersecting a mineralized zone 350 m in strike length, 10 to 202 m wide, to a vertical depth of 350 m. The B Zone is open along strike and to depth. The zone is spatially coincident with a highly magnetic, bulk conductive electromagnetic feature that is approximately 4,000 m long and 200-600 m wide, suggesting that a potential to discover significant additional mineralization. The host rock for the heazlewoodite and native Ni is an olivine adcumulate to mesocumulate dunite, similar in many respects to "Mount Keith" type of Ni deposits.

12.0 Sampling Method and Approach

Drill core descriptions are entered onto a "diamond drill record" sheet of paper, and a geologist marks up sample intervals on the core. Sampling of the mineralization is based on visual observations of the style of sulphide mineralization, differentiating between massive/semi massive and disseminated sulphide mineralization. Individual sample lengths are chosen to accommodate the different mineralization. In general the sample length within the massive and semi-massive mineralization is 0.5 to 1.0 m and 1.0 to 1.5 m in disseminated mineralization. Samples of barren rock were taken for assay on either side of mineralized zones to 'close off' the mineralized intervals.

Half cores are sawn off from only one side of a sampling line and bagged with the first part of a three part assay tag bearing a unique identifier number. The other half of the core is archived with the second part of the three part assay tag bearing an identical unique identifier number fastened to the core box at the beginning of the sample interval.

Records of the sampled intervals and sample numbers are recorded in the logs, on a sampling sheet and on the third part of a three part assay tags bearing an identical identifier number as the other two parts of the assay tag. The sampler also completes an assay requisition sheet describing the sample numbers, and requested assay and preparation procedures for inclusion with each batch of 20 samples shipped to Laboratoire Expert Inc. ("Laboratoire Expert") located in Rouyn Noranda, Quebec. A recently introduced QA/QC program provides for the inclusion of 1 blank sample of drill core and 1 certified reference standard pulp in each batch.

From this sampling of drill core a total of 3,613 samples were assayed/analyzes for Ni. A considerable number of the samples were also analyzed for Cu, Co, Zn, Pb, Au, Pt and Pd.

13.0 Sample Preparation, Analyses and Security

Mustang completes the entire core logging and sampling procedures at a secure site in Matachewan. Currently, contract geologists and technicians provide core logging and sampling services under the guidance of a Mustang employee. Sample preparation is not undertaken at the core handling facility. The assay laboratory in their relatively secure work areas completes sample preparation.

Sample preparation consists of coarse crushing the drill core to 8 mesh, followed by riffle splitting of an approximate 400 gram representative sub sample. This aliquot is pulverized to +95% minus 150 mesh. Silica sand washes are used between samples to minimize cross sample contamination.

All samples were analyzed for Ni, and a few samples were analyzed for Co, Cu, Zn, Au, Pt, and Pd. The ICP-AES determination method and multi-acid digestion technique were used to determine the contents of Ni, Co, Cu, Zn, Au, Pt and Pd. Re-assay of the sample pulp was undertaken on every 12^{th} sample.

Security of samples prior to dispatch to the analytical laboratory is maintained by limiting access of un-authorized persons to the secure core handling facility. Detailed records of sample numbers and descriptions of the samples provide integrity of the samples. Labelled samples packed in sealed bags robust enough to survive the journey to the assay laboratory also provide sample integrity. The assay laboratory completes sample preparation operations at their relatively secure location, and employs bar coding and scanning technologies that provide complete chain of custody records for every sample.

The author is of the opinion that the security and integrity of the samples submitted for analyses is un-compromised, given the secure core handling location, adequate record keeping, prompt expediting of samples, and the analytical laboratories' chain of custody procedures.

Laboratoire Expert participates in the Proficiency Testing Program for Mineral Analysis Laboratories, a testing program conducted bi-annually by the Standards Council of Canada. This laboratory is the holder of a Certificate of Laboratory Proficiency. Sample preparation follows industry best practices and is assured by adherence to the ISO/IEC 17025 procedures. The analytical methods used are routine and provide robust data associated with a high degree of analytical precision.

14.0 Data Verification

The author collected one quarter split sample of C zone mineralization for due diligence purposes from DDH BMC04-23 between 60.90 and 61.50 m. A comparison of the assay results is as follows.

Table 8 Due Diligence Assay Result

Sample No.	DDH	Metrage	Ni (%)	Cu (%)
Mustang # 48428	MBC04-23	60.90-61.50	3.14	0.113
MPH # 698507	MBC04-23	60.90-61.50	3.24	0.106
Variance			**0.10 (3%)**	**0.007 (6%)**

Overall, the MPH assay results are in good agreement with the Mustang results and substantiate the presence of significant Ni values and minor Cu values. ALS Chemex Laboratories of

Vancouver analyzed the due diligence sample using techniques analogous to those used by Laboratoire Expert.

Approximately 8% of the samples submitted to Laboratoire Expert were subjected to a second Ni analysis of the sample pulp. A total of 327 pairs of analyses are compared in Figure 12, which illustrates a high degree of correlation consistent with high analytical precision over the range of values.

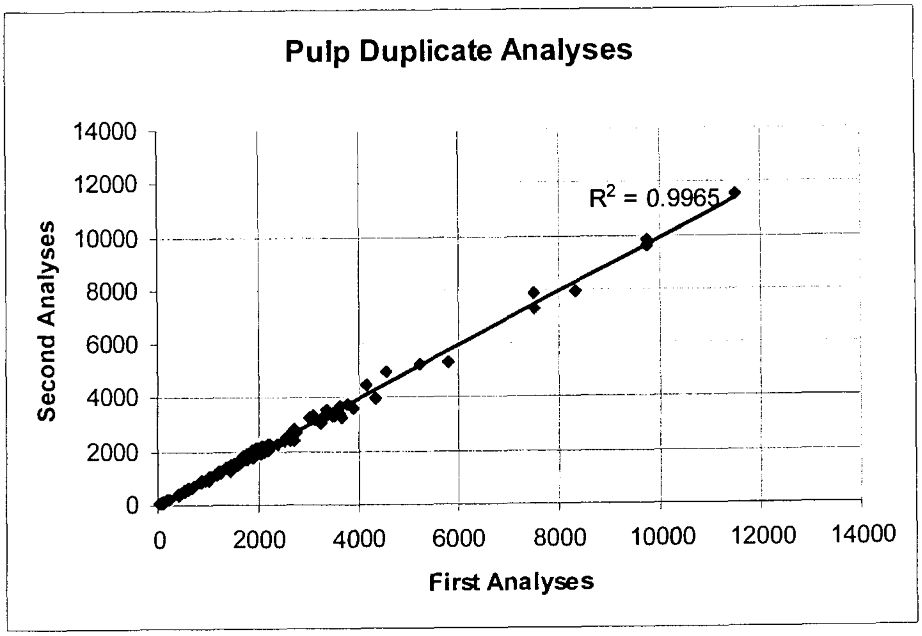


Figure 12 Duplicate Analyses of Pulp Samples (Laboratoire Expert)

Assaying of the surface and drill core samples was performed by Laboratoire Expert, with check assays completed by SGS Lakefield Research Limited, Lakefield, Ont. (ISO accredited). Approximately 5% of the samples are check assayed. The correlation between Laboratoire Expert and Lakefield Ni analyses is 0.925, indicating excellent inter-laboratory precision (Figure 13).

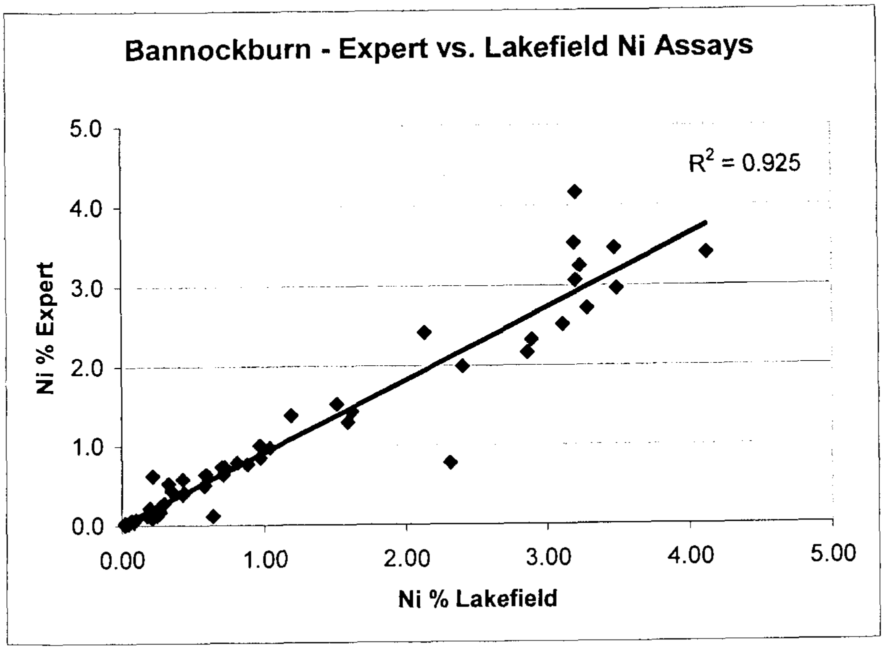


Figure 13 Inter-laboratory Analytical Precision

15.0 Adjacent Properties

The reader is cautioned that the information in this section is not necessarily indicative of the mineralization on the property that is the subject of this report.

The closest nickel deposit is located about 30 km southwest of this property. The Sothman Deposit in Sothman Township is also hosted by komatiitic flows and contains a small lense of massive sulphide mineralization and a larger envelope of disseminated nickeliferous sulphides. The deposit has a historic inferred resource of 350,000 tons grading 0.9% Ni, calculated in the 1950s (pre 43-101). A description of the deposit can be found in Coad (1979).

16.0 Mineral Processing and Metallurgical Testing

Metallurgical testing of a representative 35 kg sample of sulphide mineralization grading 0.33% Ni collected from B Zone drill core was undertaken (SGS Lakefield Research, 2005). The scope of the work included mineralogical investigations, flotation recovery and concentrate grade. Mineralogical studies estimated that approximately 71% of the nickel assay was attributable to healzewoodite (a Ni sulphide mineral) that occurs as liberated grains and is often associated with magnetite and serpentine minerals as attachments or inclusions. Preliminary flotation tests indicated a best recovery of 52% and a best concentrate grade of 35% nickel. Additional testing to explore healzewoodite liberation, the application of Mt Keith milling procedures and modified flotation and cleaner procedures are recommended to enhance recovery and concentrate grade.

By way of reference the Mt Keith deposit grades 0.56% Ni and flotation recovery is reported to be 65%, with a commercially acceptable concentrate grade (WMC, 2003).

17.0 Mineral Resources and Mineral Reserve Estimates

There are no historical mineral resource or mineral reserve estimates for the Bannockburn Property of which the author is aware.

18.0 Interpretation and Conclusions

With respect to Precambrian komatiite-hosted Ni-Cu-Co-(PGE) deposits, the general geological setting on and about the property would appear to be broadly analogous to that in the type area of western Australia and also to the Shaw Dome area located southeast of Timmins. The latter area contains two past-producing nickel mines and is currently the subject of a considerable amount of exploration work by INCO and others.

Diamond drilling of nickeliferous massive sulphide (Kambalda) type mineralization by Mustang has constrained the potential to discover a large deposit. However the potential to define several medium to small sized deposits is evident. The C/C offset Zone represents the largest zone of mineralization. Intercepts of 2.02% Ni / 2.04 m in DDH 15 and 2.21% Ni / 4.0 m in DDH 31 suggest that further drilling may encounter additional mineralization of economic interest at depth.

The drilling completed on the F Zone in the Charlewood Lake area intersected mineralization of further interest (Table 7). A nickeliferous zone measuring approximately 100 m long to a depth of 100 to 400 m has been outlined and remains open to depth. Down hole geophysics has identified a strong conductor continuing below the zone to a vertical depth of at least 600 m. Further drilling of this zone is warranted in order to define the dimensions and grade of this zone.

The geological observations and drill results from the 10 DDHs in the B Zone indicate that the deposit is of the Mount Keith type. Wide intercepts of low-grade nickel mineralization containing nickel-bearing healzewoodite and native nickel are hosted in a serpentinized dunite intrusion. Two drill holes 250 m apart intersected 25.3 m grading 0.52% Ni (BN-19) and 202.0 m grading 0.33% Ni (MBB4-09). It is noted that DDH MBB4-09 bottomed in mineralization. While the drilling defines a strike length of 350 m, the hosting lithologic unit is estimated to be 4,000 m long, between 200 and 600 m wide, and to an unknown depth. The potential to define a very large tonnage of low grade nickel mineralization within this lithologic unit is considered to be excellent.

19.0 Recommendations

The author is of the opinion that the assay results derived from drilling undertaken to date are of sufficient merit to justify additional exploration programs.

19.1 Proposed Phase I Program and Budget

The focus of the Phase I program is to further investigate the economic potential of the low-grade bulk tonnage B Zone. Additional survey grid is required to cover portions of the serpentinized dunite host lithology not previously explored. This additional 40 km of survey grid will be covered with an IP/RES survey in order to delineate areas of disseminated sulphides and serpentinite alteration. Drilling, guided by the IP/RES data, will focus on lateral extensions of the known zone of nickeliferous mineralization. It is estimated that 3,000 m of NQ size diamond drilling at 15 sites will be required to provide a representative test of the B Zone. Down-hole geophysical surveys of all drill holes is recommended in order to explore for other sulphide zones not apparent in the surface geophysical surveys.

A second component of the Phase I program is to drill the untested depth potential of the C/C Offset Zone and the F Zone. Both zones are open to depth. Approximately 700 m in two drill holes is recommended for portion of the Phase I program.

Table 9 Proposed Phase I Budget

Activity / Cost	Expenditure ($)
Survey Grid: 40 km @ $450/ km	18,000
IP / RES Survey: 10 km @ $2,000/ km	20,000
Diamond Drilling: 15 x 200 m x $100/ m (B zone)	300,000
Diamond Drilling: 2 x 350 m x $100/m (C/C Offset and F zones)	70,000
Down Hole Geophysics: 17 @ $ 3,000/ hole	51,000
Rentals, transportation:	20,000
Reporting:	10,000
Support	8,000
Contingency ~ 10%	3,000
Total	**500,000**

19.2 Proposed Phase II Program and Budget

If the B Zone drill results of the Phase I program are encouraging then a second drill campaign would be appropriate, to detail the tonnage and grade of the deposit. It is suggested that this program would entail about 10,000 m of drilling costing approximately $ 1,250,000.

Positive results from deep drilling of the C /C Offset Zone and / or the F Zone could be followed up by diverting approximately 600 m of drilling from the B Zone target.

Table 10 Proposed Phase II Program and Budget

Activity / Cost	Expenditure ($)
Diamond Drilling: 50 x 200 m x $100/ m (B zone)	1,000,000
Down Hole Geophysics: 25 @ $ 3,000/ hole	75,000
Rentals, transportation:	40,000
Reporting:	15,000
Support	20,000
Contingency ~ 8%	100,000
Total	**1,250,000**

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21.0 Certification

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Certificate of Author

I, Gerald A. Harron, M.Sc., P.Eng., do hereby certify that:

1. I graduated with a Bachelor of Science degree in Geology from Carleton University in 1969 and also graduated from the University of Western Ontario with a Master of Science degree in Economic Geology in 1972.
2. I am a member of the Association of Professional Engineers of Ontario, the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut.
3. I have worked as a geologist for a total of 34 years since my graduation from university and have been involved in minerals exploration for base, precious and noble metals and uranium throughout North America, South America and Africa, during which time I directed, managed and evaluated regional and local exploration programs.
4. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
5. I am responsible for the preparation of all sections of the technical report titled "Technical Report on Bannockburn Property, for Mustang Minerals Corp." and dated May 4, 2005 (the "Technical Report"). Most of the technical information in the Technical Report is based on examination of public and private documents pertaining to the Bannockburn Project. The sources of all information not based on personal examination or knowledge are referenced in the Technical Report. In the disclosure pertaining to land tenure I have relied on information provided by Mustang Minerals Corp. I disclaim responsibility for such information, as found in Item 4 of the Technical Report.
6. I have not had prior involvement with the property that is the subject of the Technical Report. I have visited the Bannockburn Property, and surrounding area, in the past and the most recent visit being a review of drill cores stored in Matachewan on December 6, 2004.
7. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
8. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
9. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 4th day of May, 2005

"Gerald A. Harron"
Signature of Qualified Person

"Professional Engineers Ontario"

Gerald A. Harron
Print name of Qualified Person

22.0 Appendix 1

Diamond Drill Hole Survey Data

Surveyed Drill Hole Coordinates						
Hole No.	Easting	Northing	Elevation	Dip °	Azimuth °	Length (m)
MBB4-01	10144.59	9971.81	999.3	-45.0	250.0	200.0
MBB4-02	10144.59	9971.81	999.3	-55.47	249.87	248.6
MBB4-03	10086.85	10057.94	1001.05	-50.58	250.0	266.0
MBB4-04	10087.19	10058.07	1001.12	-59.47	251.6	340.0
MBB4-05	10218.44	9998.23	999.93	-45.33	251.67	341.0
MBB4-06	10048.06	10151.3	1001.16	-44.43	243.77	275.0
MBB4-07	10141.77	10186.03	1001.96	-46.59	248.52	380.0
MBB4-08	10142.55	10186.32	1002.03	-61.41	249.51	218.0
MBB4-09	10045.97	10306.08	1001.65	-45.63	239.94	266.0
MBB4-10	9964.79	10446.96	1000.62	-45.82	249.22	259.7
MBC3-01	10416.08	10288.95	1021.69	-44.4	158.0	50.0
MBC3-02	10418.17	10283.37	1022.19	-45.16	157.12	25.0
MBC3-03	10413.41	10282.71	1022	-45.0	240.0	50.0
MBC3-04	10445.4	10295.62	1021.67	-45.0	170.0	38.0
MBC3-05	10477.22	10303.34	1020.83	-44.27	175.1	27.0
MBC3-06	10514.49	10338.4	1002.78	-45.0	170.0	53.0
MBC3-07	10514.18	10339.33	1002.89	-63.44	169.33	37.0
MBC3-08	10408.01	10281.4	1021.0	-55.0	170.0	32.5
MBC3-09	10409.25	10278.27	1021.0	-45.25	157.35	20.0
MBC4-10	10400.61	10274.83	1019.02	-44.51	163.7	47.0
MBC4-11	10499.02	10335.57	1005.19	-45.0	180.0	62.0
MBC4-12	10498.67	10336.78	1005.19	-61.17	163.92	83.0
MBC4-13	10550.83	10330.91	1001.68	-43.75	313.27	49.5
MBC4-14	10550.21	10330.87	1001.67	-45.0	285.59	70.0
MBC4-15	10493.87	10352.27	1000.53	-53.68	171.27	101.0
MBC4-16	10493.81	10352.66	1000.4	-65.58	169.74	218.0
MBC4-17	10484.02	10333.66	1006.3	-42.66	163.85	110.0
MBC4-18	10483.87	10334.3	1006.22	-56.93	160.31	127.5
MBC4-19	10478.32	10352.01	1001.13	-49.45	166.29	122.0
MBC4-20	10478.27	10352.2	1000.97	-53.45	165.24	127.0
MBC4-21	10478.19	10352.45	1001.11	-57.67	168.31	131.0
MBC4-22	10469.05	10332.13	1006.46	-44.21	160.66	114.3
MBC4-23	10468.92	10332.58	1006.41	-54.84	163.66	125.0
MBC4-24	10630.68	10308.38	995.02	-45.4	161.68	156.5
MBC4-25	10630.44	10309.15	995.0	-59.7	164.48	314.0
MBC4-26	10630.33	10309.48	995.14	-63.6	157.04	314.0
MBC4-27	10464.15	10347.81	1001.63	-49.59	163.14	149.0
MBC4-28	10464.08	10348.08	1001.57	-56.22	162.62	188.0
MBC4-29	10578.49	10306.59	1002.82	-45.0	156.41	281.0
MBC4-30	10578.34	10306.93	1002.6	-56.45	153.51	296.0
MBC4-31	10578.17	10307.3	1002.83	-64.05	155.46	242.0