

**Report on Additional
Stripping in the
Waldman North Area
Claims 1212226 & 3007689
Gillies Limit North Township**

Assessment Report for Cabo Mining Enterprises Corp

S. Sears
July, 2006

2.32685



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INTRODUCTION

A stripping program was completed on the area north of the Waldman Shaft in Gillies Limit North Township. The initial 100 metres of this stripping was reported upon in an earlier report (Sears, June, 2006). The work program is designed to expose Cobalt Type vein zones similar to the Waldman Ag/Co/BM Mine. This report presents the results of excavating completed between June 18th and June 27th, 2006 as well as the results of geological mapping of the stripped area. The mapping was carried out by Seymour Sears with assistance from Joan Barry and Alan Kon (Sears, Barry & Associates Ltd.). The work was completed on behalf of Cabo Mining Enterprises Corp. The Waldman area is located approximately two (2) km south of the town of Cobalt (Figures 1 & 2).

PROPERTY DESCRIPTION & ACCESS

One of the stripped areas lies along the claim boundary between claim # 1212226 and 3007689 and the other lies entirely within claim # 1212226 (approximately 80% on 1212226 and 20% on 3007689). These claims are located in the extreme north part of Gillies Limit North Township, Larder Lake Mining Division (Fig 2).

Access is via the Coleman Road that departs eastwards from Highway 11A at the south western end of the town of Cobalt for 1.5 km and for 1 km south along the Houndchutes Road (a Hydro Dam access road).

GEOGRAPHY

Maximum relief in the area is approximately 20 metres. Topography is generally rolling with local steep ledges and cliffs and occasional swamp. The eastern side of the property drains into Giroux Lake while the western side drains westwards into a small creek, both of which drain into Giroux Creek. This creek flows southward and westward through the area mapped and into the Montreal River.

Overburden is relatively shallow over much of the area except for local swamps. Vegetation consists mainly of mature mixed forest with abundant dense underbrush.

EXPLORATION HISTORY

The northern part of the Waldman area was first explored in 1909 by Waldman Silver Mines Ltd. who sunk a shaft (85') and commenced production in 1910. Additional production was attained in 1918, 1919 and 1930. Two other shafts (110' & 105') and a total of 4000 feet of underground drifting and x-cutting was completed on this prospect, including work in 1948 and 1955. In 1944 and 1949, Waldag Mining Co. Ltd. is reported to have completed 33 drill holes (in excess of 10,000 feet) although not all logs are available. No assay results were reported. In 1978, Teck Corp completed a ground Mag and VLF-EM survey over part of the claims.

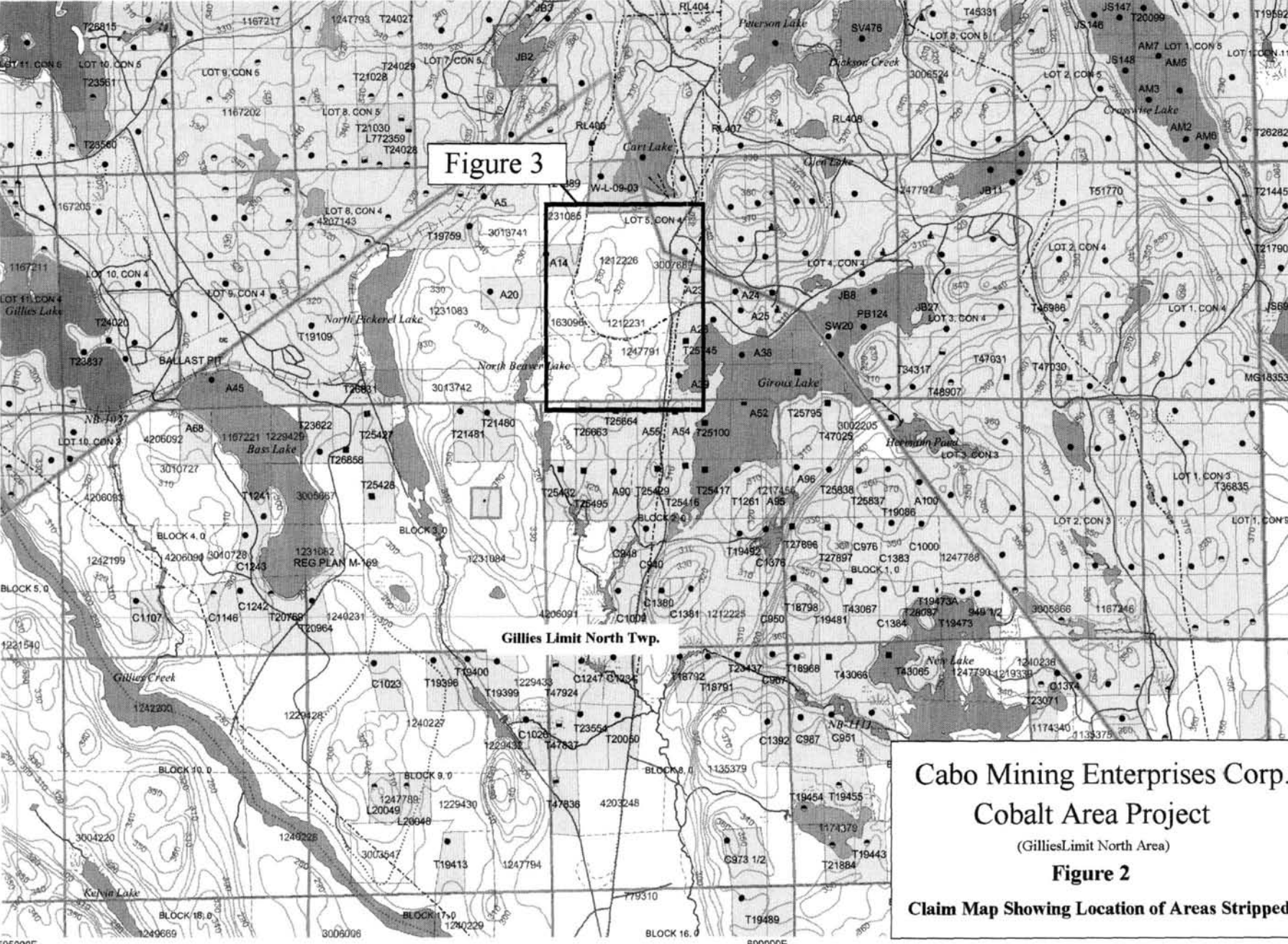


Figure 1: Regional Location Map of Ontario

595000E

600000E

Figure 3



Cabo Mining Enterprises Corp.
Cobalt Area Project
 (Gillies Limit North Area)
Figure 2
Claim Map Showing Location of Areas Stripped

5245000N

5245000N

UTM Zone 17
5000m grid

400 m

595000E

600000E

There are a number of old pits and trenches as well as part of a tailings impoundment area located on claim 3007689, but it is not clear who completed these nor when the work was carried out..

Cabo Mining Corp. (the predecessor of Cabo Mining Enterprises Corp.) completed two drill holes for 237.2 metres, beneath the Waldman shaft in 1999 (Sears, 2000), a stripping program south of the Waldman shaft in 2004 (Sears, 2004) and a fence of drill holes south of the Waldman Shaft in 2004 – 2005 (Sears, 2005). In June, 2006, Cabo Mining Enterprises Corp. commenced this stripping program. The results from the first part of the work (up to June 17, 2006) were reported in an earlier assessment report (Sears, June, 2006).

REGIONAL AND PROPERTY GEOLOGY

The area is located in the southern part of the main Cobalt mining camp. The stripped area exposes the contact between an inlier of Archean Mafic volcanic rocks, and Huronian aged Coleman Group conglomerate (Gowganda Formation). Previous geological mapping (Thompson, 1963) indicates that a Nipissing diabase sill is exposed approximately 200 metres to the east of the stripped area. This sill may have once overlain the stripped area, a geological setting that is similar to that in the immediate Cobalt Lake area two kilometres to the north.

The Waldman Mine is reported to have produced 33,525 oz of silver and 2066 lbs of Cobalt between 1918 and 1919 (Sergiades, 1968). The Mineralization was hosted by calcite and quartz breccia veins hosted within Archean volcanic rocks.

WORK PROGRAM AND RESULTS

An excavator and operator were contracted from Lathem Construction Limited of Haileybury, Ontario. The stripping originally commenced on June 13, 2006. This report, however, includes the results from stripping that was carried out between June 18th and 27th. The stripped rocks were cleaned manually and washed with a Honda Pump by a crew of three to ensure good exposure of the bedrock.

The stripped area reported upon earlier (Sears, June, 2006) starts at the # 3 post for Claim 3007689 (this post is approximately 50 metres northeast of the Waldman #1 shaft) and extends north along the claim boundary between claim 3007689 and claim 1212226 for approximately 100 metres. The area that is subject of this report includes the continuation of the work reported earlier from approximately 100 north to 250 north along the claim line. In addition, a second area was stripped approximately 100 metres west of the claim line totally within claim 1212226. The total area stripped is approximately 2353 square metres, including the 700 square metres completed prior to this report (1653 square metres in this report)..

The area was mapped on July 7th and 11th, 2006 by S. Sears and J. Barry. The following table presents rocks observed in the grid area.

Table of Lithologies

HURONIAN

Unit 6) Coleman Group Sediments

- 6a) Conglomerate; heterolithic clasts are fine to coarse, densely to very sparsely distributed, and rounded to angular; layering is very difficult to identify;
- 6b) Greywacke; relatively fine grained, distinct chlorite spotting; in some instances may be a regolith zone but generally occurs as interbeds and irregular patches within the conglomerate unit; relatively massive (unlayered) and gently dipping.

PRECAMBRIAN

Unit 1) Intermediate to Mafic Metavolcanic Rocks: Pale grey to dark green; fine to medium to coarse grained; massive to pillowed; placed in two subtypes:

1a) Massive Flows: generally dark grey green, medium to coarse grained; may in some instances be gabbroic intrusive rocks; rare pyrite as coarse patches.

1b) Pillowed Flows: typically light grey green to dark green; fine to rarely medium grained, pillows from 20 cm to several metres in size; margins locally contain chlorite, calcite, pyrite; These rocks occur in the west part of the lowermost outcrop on Figure 4. .

Figure 3 (Scale 1:5000) shows the claims and the Waldman Shaft area and the approximate locations of the stripping. Plans of the stripped areas showing preliminary geology are presented as figures 4 and 5 (Scale 1:200).

The most interesting structure exposed is a breccia vein (narrow, irregular quartz veining with associated chalcopyrite) located in the most westerly stripped area (Figure 5). The eastern end of this exposure displays intense chloritic alteration. The chlorite appears to form most of the matrix to silicified fragments that may be localized near the contact between the Coleman conglomerate and the underlying Archean mafic volcanic rocks. All of the rocks in this area display varying intensities of "chlorite spotting" (an alteration feature that is commonly associated with Cobalt Type Ag-Co mineralization)

CONCLUSIONS AND RECOMMENDATIONS

The stripped area is primarily underlain by Huronian conglomerate and minor greywacke (members of the Coleman Group). Archean pillowed mafic volcanic rocks and fine grained massive mafic flows occur in the extreme southern end of the area included in this report (south

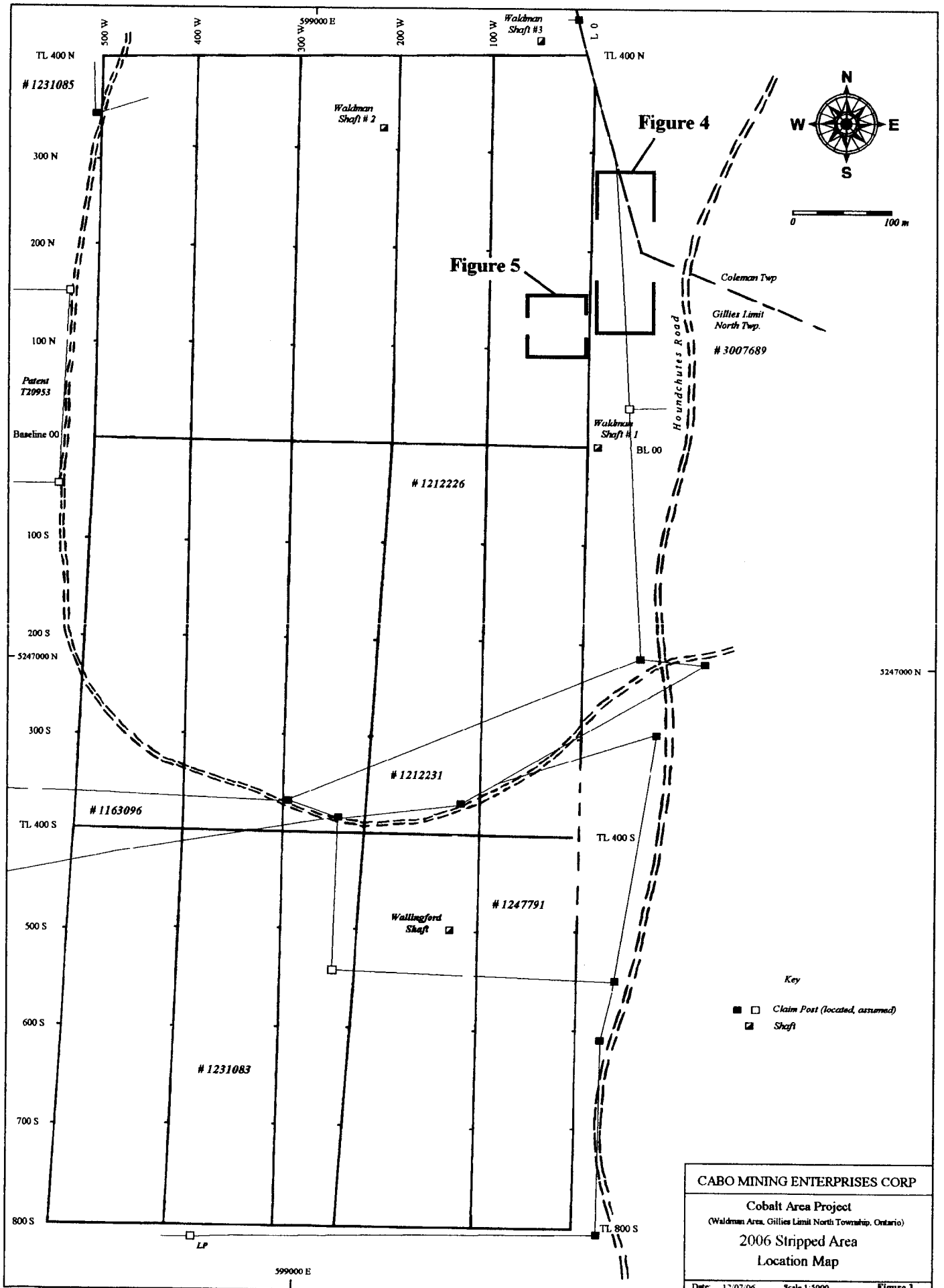
part of Figure 4). The Coleman group appears to be relatively thin in this area although narrow fractures may reflect faulted blocks that may have existed in the underlying Archean volcanic rocks.

The area would benefit from a very detailed geological mapping of the stripped areas and the surrounding area. There are extensive trenches and pits in this part of the property. Detailed channel sampling is currently being completed over any areas containing sulphides.

Respectfully submitted,



A handwritten signature in black ink, appearing to read 'S. Sears', with a long horizontal flourish extending to the right.

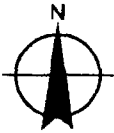
Seymour Sears, P. Geo.



599250 E

Key

-  Exposed Bedrock
-  Limit of Stripping



5247350 N

5247350 N

UTM Nad 83, Zone 18
599254 E; 5247347 N

intense chloritic alteration
& breccia matrix

chlorite matrix breccia,
siliceous blocks and
fragments

6,1a,c

quartz breccia veining
with chalcopyrite &
pyrite

6,1a,c

chlorite
spotting

to Waldman Shaft




Muck Pile

jointing




access road

Legend

Proterozoic

-  Coleman Formation
-  Conglomerate
-  Greywacke

Keweenaw

-  Mafic Metavolcanic Rocks
-  Massive Flows
-  Silicified Mafic Rocks

Claim # 1212226

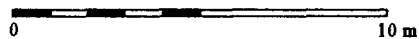
Cabo Mining Enterprises Corp.

Cobalt Area Project

(Gillies Limit North Twp)

Stripping - West Waldman Area

Figure 5



599250 E

REFERENCES

Douville, D., and Sears, S. M.

2004: Report on Geological Mapping in Gillies Limit North Area (Waldman Grid Area), for Cabo Mining Enterprises Corp.

Ontario Geological Survey

2000: Airborne magnetic and electromagnetic surveys, Temagami area; Ontario Geological Survey, Map 82 066, scale 1:20 000.

Sears, S.M.

2000: Report on a 1999 Drill Program in the Cobalt Area, for Cabo Mining Corp. (Includes 2 holes under the Waldman Prospect and 2 in the Cummings Pits area). 968: Silver

2004: Geological Mapping of a stripped area on the Waldman Property, Gillies Limit North Area, an assessment report for Cabo Mining Enterprises Corp.

2005: Report on Drilling of Three Holes on the Waldman Property, (Claim 1212226), Gillies Limit North Township, Ontario Assessment Report for Cabo Mining Enterprises Corp.

2005: Report on Drilling of Two Holes on the Waldman Property, (Claims 1247791 & 1212231), Gillies Limit North Township, Ontario Assessment Report for Cabo Mining Enterprises Corp.

2006, June: Report on a Stripping Program in the Waldman North Area, Claims 1212226 & 3007689 in Gillies Limit North Area; an Assessment Report for Cabo Mining Enterprises Corp.

Sergiades, A.O.

1968: Silver Cobalt Calcite Vein Deposits of Ontario; Ontario Department of Mines, Mineral Resources Circular No. 10.

Thompson, R.

1961: Preliminary Report on parts of Coleman Township, Concession IV, Lots 1 to 5 and Gillies Limit, the Eastern "A" Claims, District of Timiskaming; Ontario Department of Mines, P.R. 1961-6.

1963: Cobalt Silver Area, Southwestern Sheet; Ontario Department of Mines Map 2051, Scale 1:12,000.

Assessment Files of the Ontario Geological Survey, Larder Lake Office.

599300 E

Baseline

(Post # 1, 30076893 m north of this point)

250 N

6a,b

weak chlorite spotting locally

6a

225 N

6a

6a

200 N

Line Post (illegible)

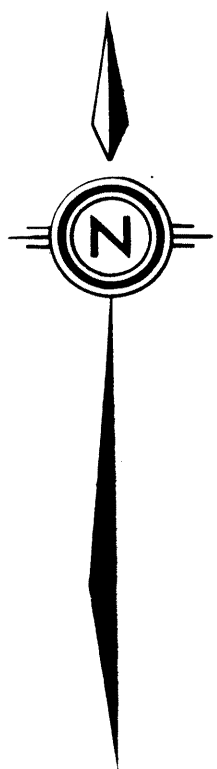
6a

shallow pit

Pit

1.5 m deep

5247500 N

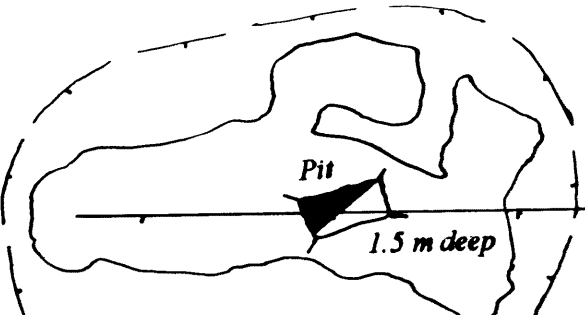


Key

- Exposed Bedrock
- Limit of Stripping
- Geological Contact
- Pit

Legend

- Huronian*
- 6 COLEMAN FORMATION (Sediments)**
- 6a) Conglomerate
 - 6b) Greywacke
- Keweenaw*
- 1 METAVOLCANIC ROCKS**
- 1a) Massive Flows
 - 1b) Pillowed Flows
 - 1c) Silicified Mafic Rocks



(access road)

5247450 N

1212226

3007689

claim line (approximate)

6a,b

weak chlorite spotting

rubble

6a

rubble

rubble

6a

150 N

Cabo Mining Enterprises Corp.
Cobalt Area Project
 (Gillie Limit North Twp.)
Stripping - North Waldman Area
Figure 4

5247400 N



125 N

1b

1b

1b 6

100 N

1a(6)

1a(6)

water

Baseline (continued from previous stripping)

(to West Waldman stripped area)

(to Waldman strip)

(Post # 3, 3007689 is at 00 on the baseline)