Assessment Report on mechanical overburden stripping and digging pits

COLEMAN TOWNSHIP
Larder Lake Mining District

2.32761

UTM Zone 17
NAD 83 Projection
596890 N 5248613E

Work Conducted on

Claims L 1167202, Coleman Twp

Work Conducted From August 05, 2004 to November 24, 2005

For:

Dean Earl Karn

15 July 2006

Prepared by:

Martin Ethier MSc. Geological Consultant

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Summary

Dean Karn. is conducting exploration on claims in Coleman Township (Figure 1) in Larder Lake Mining Division. This report includes work done (overburden stripping and digging pits) on claim 1167202 in Coleman Township. This claim is part of a larger claim group, which includes additional claims to the northeast.

These claims have the potential to host diamond-bearing rock, and are located within 15 km of the New Liskeard kimberlite cluster, which includes the diamondiferous Bucke and 95-2 pipes. This claims is located west southwest of the Town of Cobalt, in the Larder Lake Mining Division, Ontario (Figure 1). While trenching these claims, a coarse to medium grained Lamprophyre was uncovered. Much of the work conducted was identifying the extent of this rock type.

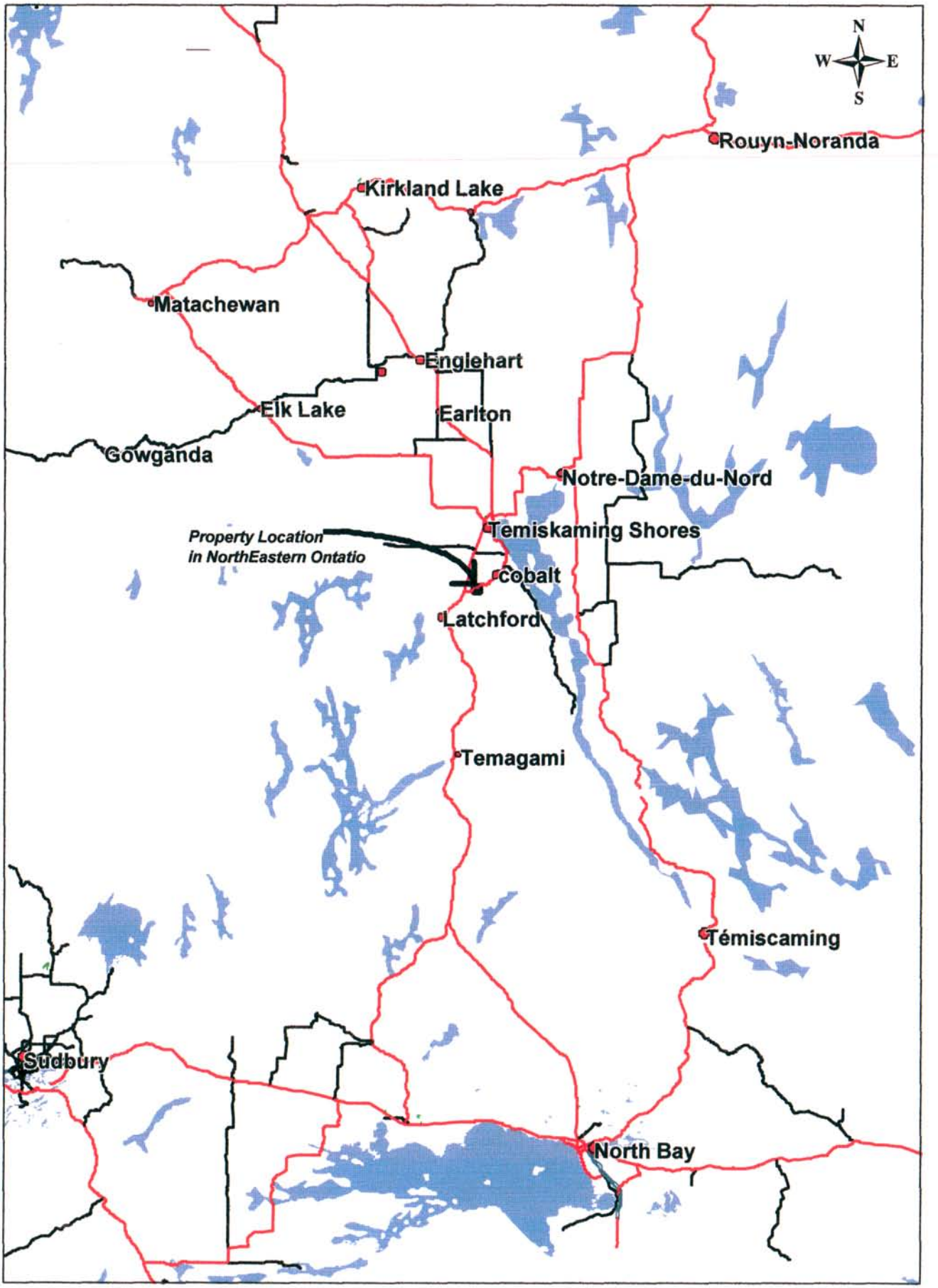

Figure 1 (map 1) Property location

Property Description

The claim 1167202 (8 units) described herein is located in Coleman Township and cover an area of 107 hectares. The claim has an anniversary date of July 30, 2006 and requires a total work commitment of $3200.

The majority of the property has moderate to low relief with gently undulating ridges and valleys to flat muskeg/swamp covered regions. Bedrock exposure is moderate (10% to 15%) over most the property. The vegetation consists mostly of mixed forest (poplar, birch, red, white and jack pine, spruces and maple). Low lying areas are covered by cedar, spruce and tag alders.

Property Location and Access

The property is located 2-3 km (Fig 1.) west of the town fo Cobalt straddling Highway 11B and overlying parts of Green lake and Coleman lake #23. Access is by Highway 11B. Several paths and trails also cross the property

Regional Geology

Geology in the Coleman Township area comprises rocks of Archean and Proterozoic age. Lorrain Formation arkoses and quartz arenites conformably overlay Firstbrook Member argillites which in turn conformably overlay Coleman Member conglomerates all of the Huronian Supergroup. This sedimentary package is shallow dipping and unconformably overlying relatively steeply

dipping Archean basement rocks of the Superior Craton. Intruding all these lithologies is the Middle Precambrian aged Nipissing diabase, which forms an undulating sill throughout the entire region from the Grenville Front 60km to the south as far as approximately 50 km to the north and another 60km to the west. This area forms part of the Southern Province due to the Huronian sedimentary package. The Southern Province rocks overlie the Superior Province rocks of Archean age.

The Superior Craton is the largest Archean continental block on earth. Such cratons host most of the world's bedrock diamond mines, and is therefore considered a valid exploration target for diamondiferous kimberlites (Brown et al, 2003). Recent exploration has confirmed this fact with De Beers' pre-feasibility study of the Victor Pipe located in the Attawapiskat kimberlite field in the James Bay lowlands, 600 km northwest of Coleman Township. Even closer is the large diameter drill program run by Contact Diamonds (formerly Sudbury Contact Mines) on their 95-2 Pipe located in Lundy Twp 20 km to the north of the Coleman claims. A mini bulk sample of over 800 wet tonnes was extracted from six holes across the 95-2 Pipe in November and December, 2003 (Sudbury Contact, Press Release, 9 December 2003).

Several kimberlite pipes have been discovered in the vicinity, the closest of which is the Seed and Triple B Pipes at 10 km to the north-northeast and the Peddie Pipe 12 km to the northeast. In the early 2000 , Prairie C made the first

discovery of Diamondiferous Lamprophyre and in the Cobalt area. 3 diamond fragments retrieved from a 22 kg sample of heterolithic lamprophyre dike in Lorrain Twp.

More recently, results from District Geologist Gary Grabowski's Discover Abitibi Initiative lamprophyre sampling project were released on October 11th, 2005. A total of 34 diamonds were recovered from six sample locations in the Kirkland Lake and Timiskaming areas, thus establishing lamprophyres as having significant potential to host diamonds. The samples collected, which were small by industry standards, and the lateral distribution of the locations indicate that further exploration of lamprophyres for diamonds is warranted and may yield more positive results. (Discover Abitibi Initiative press release, October 11, 2005)

Faults comprising the lake Temiskaming Structural Zone extend from the Ottawa River in a northwesterly trend towards the James Bay Lowlands. Some of these northwest trending faults are considered to be associated with the emplacement of kimberlite pipes in the New Liskeard field (Sage, 1996). The claim referred to in the report lie between two major faults of this system.

Work Program and Local Geology

This entire work program consisted of overburden stripping and digging pits in order to identify the extent of the coarse to medium grained lamprophyre rock in order to understand size and extent. The majority of the area consists of Archean mafic flows and felsic tuff, along with several interflow sedimentary

horizons representing time breaks in volcanism. Mafic intrusive sills, that may be contemporaneous to, or feeder to, the mafic vocanics, also occur.

Two separate excavation periods were carried out, one on Sept 06 to Sept 10, 2004 and October 17 to Oct 21, 2005. All the trenches were dug with a large (1-yard) Bantam Koehring Excavator operated by Dean Karn. (See map 2)

Conclusions and Recommendations

During the stripping and excavation, three new area uncovered coarse grained lamprophyre rock (see map2). These areas should be mapped in detail. A sample of the coarse grained facies should be sent for caustic fusion.

References

Born, P. and Hitch, M.W. 1990. Precambrian Geology, Bay Lake Area; Ontario Geological Survey, Report 276, 81p.

Born, P., Hitch, M.W., Avonlitis, A and assistants, 1988. Precambrian Geology, Bay Lake Area; Ontario Geological Survey, Map 2552, scale 1:20 000

Card, K.D., Lumbers, S.B., 1974-75. Map 2361: Sudbury-Cobalt, Ontario Geological Survey

Sage, R. P., 1996; Kimberlites of the Lake Timiskaming Structural Zone. Ontario Geological Survey, Open File Report 5937, 435 p.

ASSESSMENT REPORT ON MECHANICAL OVERBURDEN STRIPPING AND DIGGING PITS
JULY 15, 1006

1167209

596000E

4203309

1167209

597000E

1167217

1167217

1247793

1247793

T24027

5249000N

Green Lake

LOT 10, CON 5

LOT 9, CON 5

LOT 8, CON 5

T21028

T24029

CLAIM
1167202

1167202

T21030 L772359 T24028

5248000N

Moffat Lake

LOT 7, CON 4

Legend

Overburden Stripping

Exposed Lamprophyre Rock

Excavated Pits

Trail/bush roads

MAP 2

Scale - 1 : 3,000
UTM NAD83

0 100 200
metres

MAP BASE: @ ONTARIO MNDM CLAIM MAPS

2.32761