

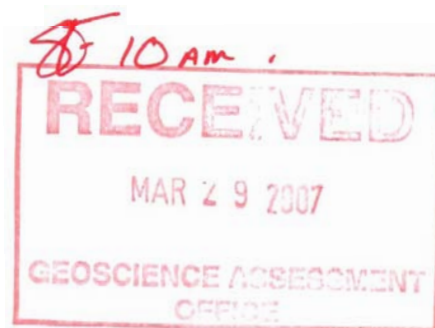
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REPORT OF PROSPECTING ACTIVITIES

2007 SEASON

CLAIM NO. 1185796

**GILLIES LIMIT (NORTH PART)
LARDER LAKE MINING DIVISION**



Prepared by:

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March 27, 2007

INTRODUCTION, LOCATION AND ACCESS

This property, which straddles the Montreal River, consists of one mining claim #1185796 comprising 6, 40 acre claim units and is situated in the northeast part of Gillies Limit (Claim map or Plan #M-484). A power line traverses the property which is located 5 miles south of the Town of Cobalt and is accessible by an excellent all weather road. Located at north latitude $47^{\circ} 18'$ and west longitude $79^{\circ} 49'$ and may be plotted on NTS map 31 MSW at these coordinates in the Larder Lake Mining Division.

HISTORY

The Cobalt camp came to prominence in the very early part of the century and since that time the search for silver and cobalt ores has varied in intensity. Surface prospecting on a portion of the property uncovered several veins on which rock pits were excavated to various depths. These veins exhibited cobalt, niccolite and silver.

Some work was done on the property during the years 1925 - 1928. This work consisted of a limited amount of trenching and test pitting and one shaft of about 15 feet was sunk on some narrow calcite veins carrying smalltite, niccolite and native

silver.

The Nipissing Mining Company attempted to drill a hole to the east of the shaft through heavy overburden to test the diabase conglomerate contact, or veins, but the hole was abandoned at a depth of 200 feet still in overburden.

In 1951, Mr. S.B. Bond was in charge of a limited diamond drilling program on a small sector of the property. While commercial values of cobalt and nickel with some native silver were encountered in the host rock of Nipissing diabase, the holes were not drilled deep enough. It is well to note that in the Cobalt camp, when cobalt silver mineralization is encountered in the sill that's below the contact, it is customary to encounter ore deposits.

The claim on which the work is being conducted encompasses all the aforementioned showings. At the present time cobalt is one of the few metals where fundamental "supply and demand" considerations are working in favour of high prices. For many years actual world consumption has exceeded production by a wide margin. It would seem, at least until the Voisey Bay deposits came on stream, that a world shortage would generate even higher prices. This bodes well for those properties that have potential cobalt deposits.

GEOLOGY

The known outcrops on the property are Nipissing diabase which is believed to lie on the Keewatin in the section where the small shaft was sunk. To the east under heavy overburden, it is believed the Nipissing diabase cuts through the conglomerate. Consequently, there will be a conglomerate contact both above and below the diabase sill.

A large portion of the ore in the Cobalt camp, probably 80% or 90%, was taken from the conglomerate around the lower contact of the diabase and almost all of the silver-cobalt ore was found within a distance of 300 - 400 feet from the contact. Some ore also was taken from the upper contact, some from the diabase itself, and some from the Keewatin.

The oldest rocks in the area are the Keewatin Volcanics which unconformably underlie the cobalt sediments (conglomerate and greywacke). The youngest rock is the Nipissing diabase sill itself, an intrusion several hundred feet thick which is found intruding at various dips both the sediments and Keewatin volcanics. Local rolls or faults that cause changes in the dip of the sill at the contact is usually the locus of silver-cobalt deposits.

Numerous strong faults on the property lend an ideal geological condition for ore deposition.

WORK PROGRAM

Work was conducted on Pit 96-3 located at Grid 3 + 35N @ 90W (as quoted from assessment report dated March 28, 2004).

All of the snow was removed from the trench, and it was found that the sides of the trench had caved in. Much time was spent picking and chipping the frozen dirt to remove it from the sides of the trench.

Once the dirt was removed, a Ponjar plugger was carried in and a series of holes were drilled to a depth of 3 feet and blasted out. The vein in this trench consists of pyrite, chalcopyrite with an average width of 2" as depicted in the photograph attached.

This blasted rock will be subsequently shovelled out and samples taken for assays for silver content.

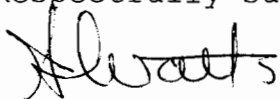
CONCLUSIONS AND RECOMMENDATIONS

The property lies in the Cobalt silver cobalt area of Ontario. The diabase sill which hosted the ores of the camp is in contact with the sediments. There appears to be at least two very strong faults, one following the river and one northwest. There are surface showings on the property of smalltite, niccolite and silver in strong fracturing.

Drilling done in the past was too shallow and therefore not conclusive.

1. The property has real merit and it is recommended that refurbishing and resampling the extensive showings and pits with the major outlook being Cobalt as opposed to silver, be done to be expanded with geophysics and further trenching and prospecting.
2. A back hoe should be brought in to attempt to expose and extend the veins discovered to date, especially near old trench #2. Trenches 96-2 and 96-3 should be followed-up by a comprehensive diamond drilling program.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "H. W. A. S.", is written below the typed name.

WORK LOG

Date	Work Area	Type of Work	No. Persons	Hours
2007				
March 24	Pit 96-3	shovelling snow,	2	6 hours
Mar 25	Pit 96-3	chopping, picking, digging out frozen cave-in (sides)	2	6 hours
Mar 26	Pit 96-3	chopping, picking, digging out frozen cave-in (sides)	2	6 hours
Mar 27	Pit 96-3	drilling & blasting	2	6 hours

Persons working:

H. Watts	Mar 24 to 27 inclusive	24 hours
C. Davis	Mar 24 to 27 inclusive	24 hours

Costs:

H. Watts	24 hours @ \$45.00 =	\$1,080.00
C. Davis	24 hours @ \$25.00 =	<u>\$ 600.00</u>
		\$1,680.00

Equipment Rental: 4 days @ \$30.00 =	\$ 120.00
Explosives and Fuel	<u>50.00</u>
	\$ 170.00

Mileage: 240 km @ \$0.40	=	\$ 96.00
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Magnetic Declination Used. 11° W

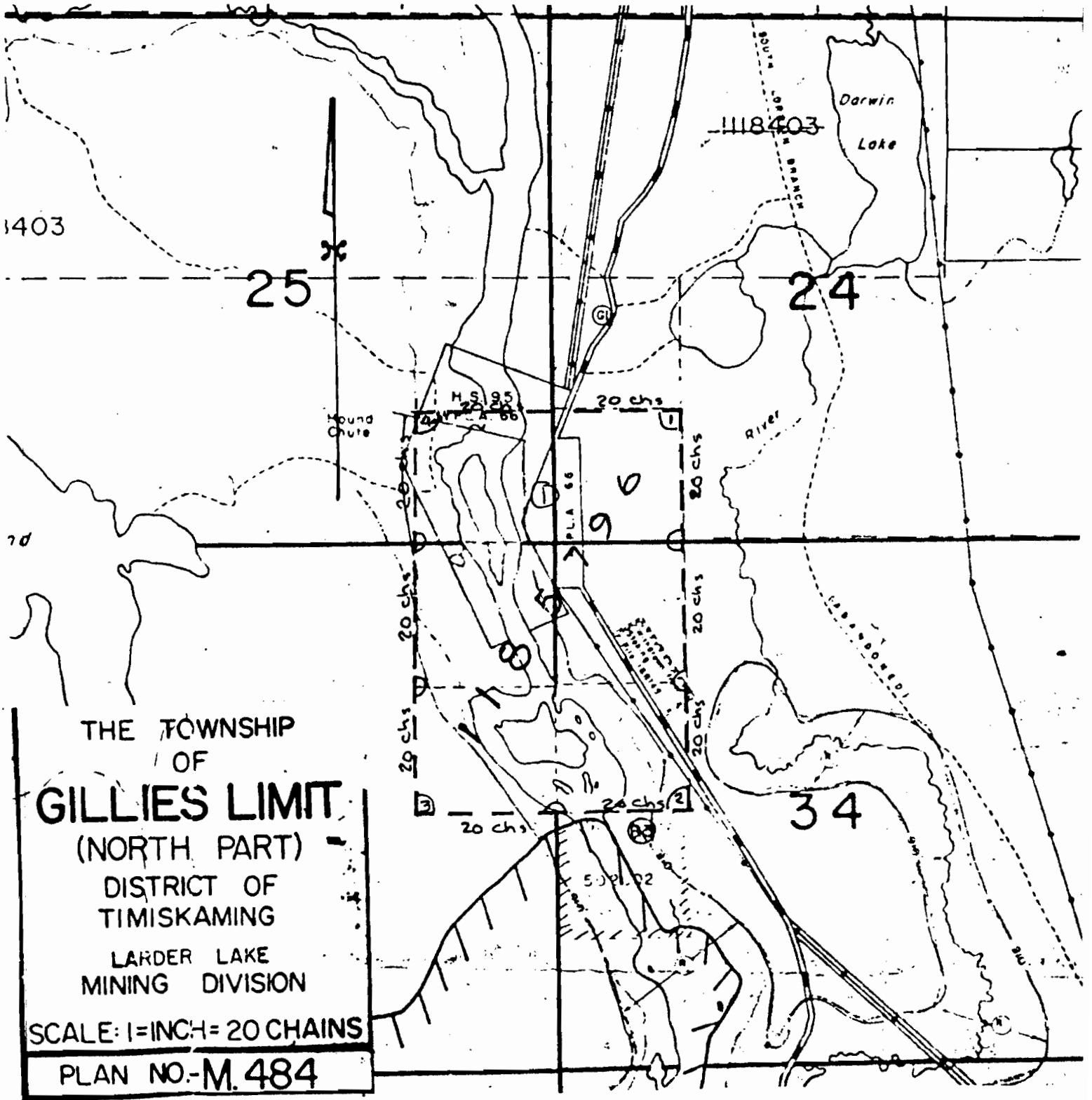
Scale: 1" = 20 chains

Group Sketch of claims listed on Part A.

Sketch or plan of the mining claim(s) must show the corner posts, witness posts, and line posts and the distances between the posts in metres.

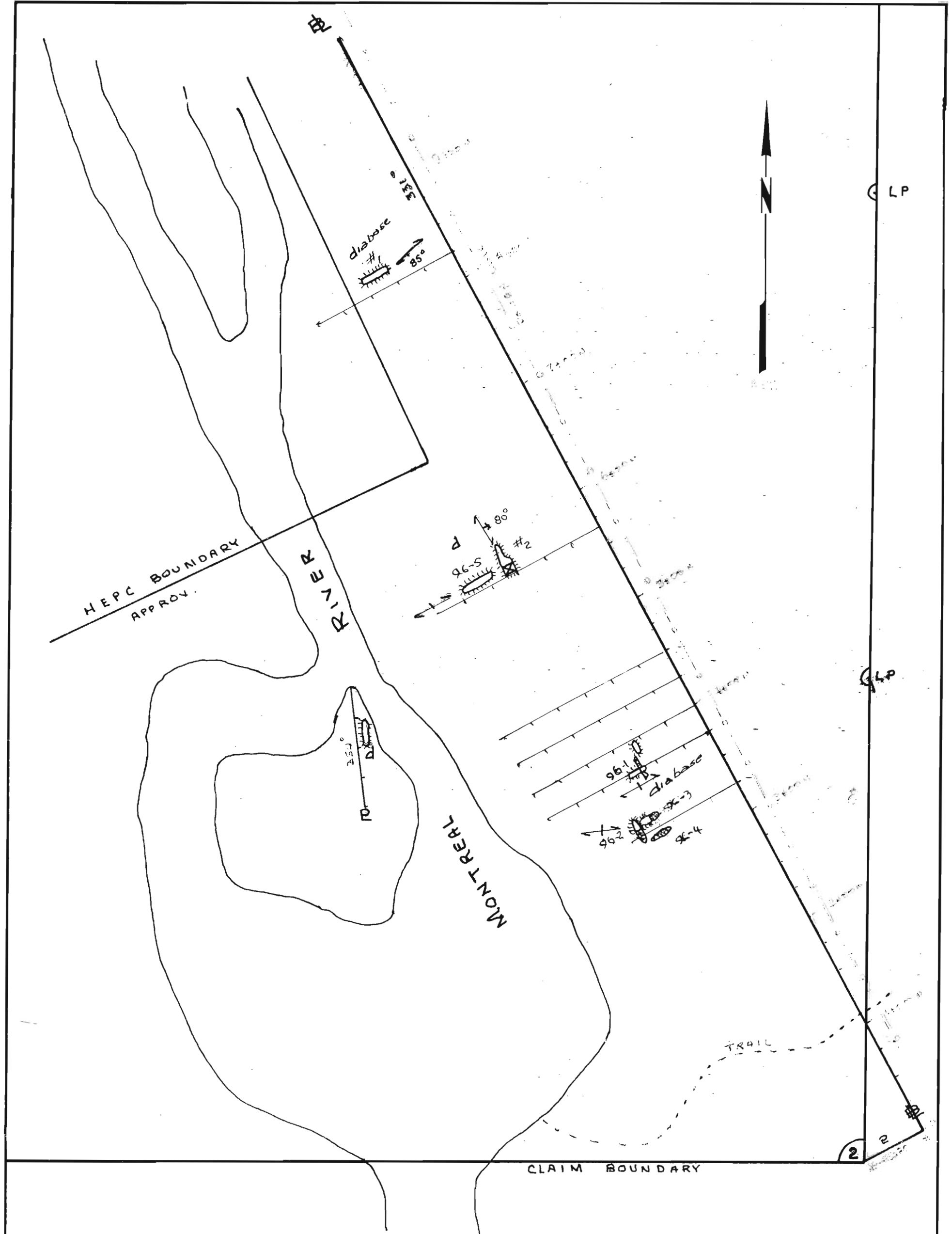
Include topographic features such as lakes, rivers, creeks, ponds, etc. and developments such as hydro lines, highways, railways, pipelines, buildings, etc.

Refer to sample sketch on Part C.





Pit 96-3 dug in 2004 - depicts 2" vein



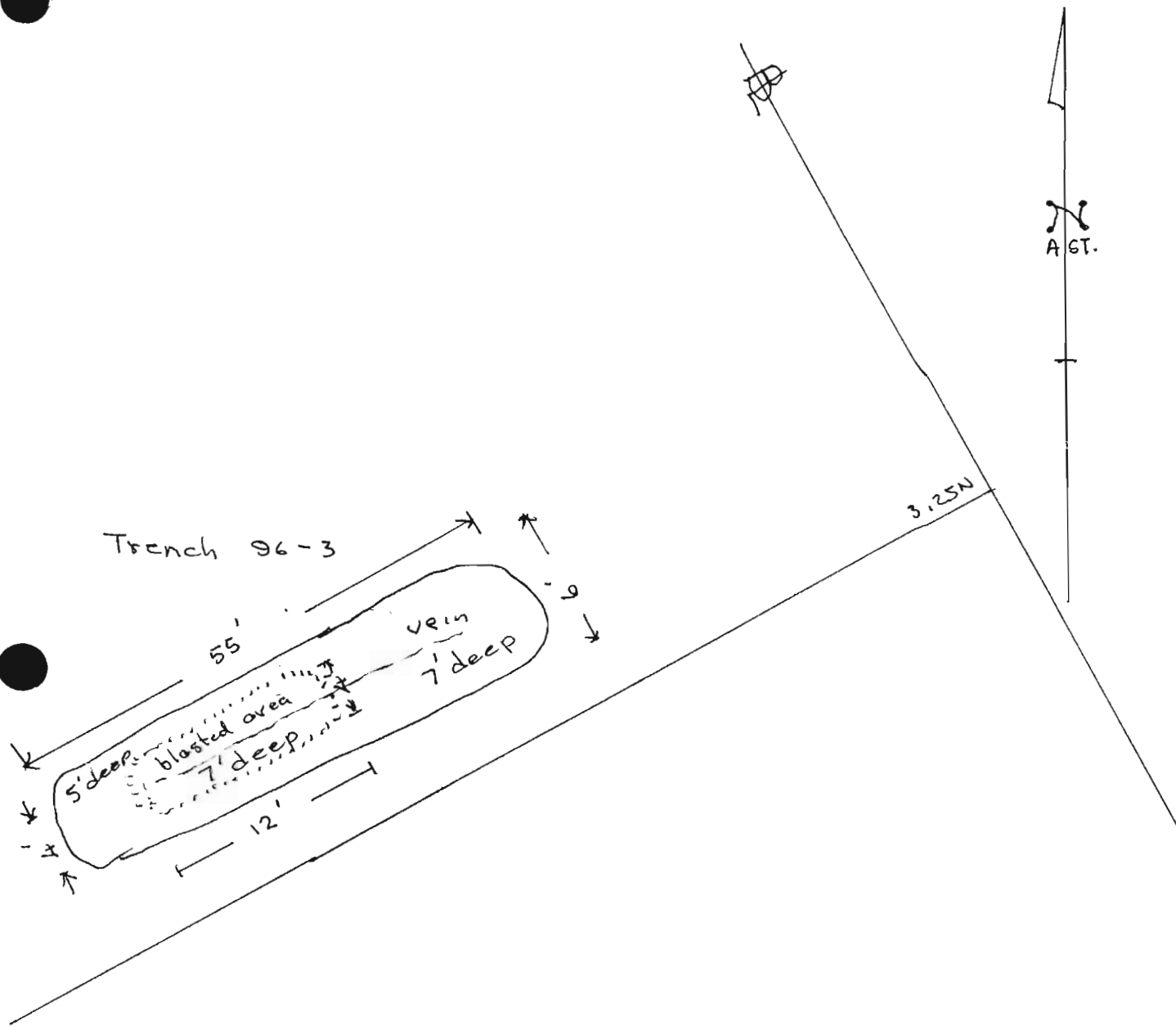
LEGEND

- POWER LINE
- TRENCH (BLASTED)
- PIT (OVERBURDEN)
- BASILINE
- PICKET LINE
- STRIKE & DIP (VEINS)

PLAN of
S.E. PART of CLAIM No 118596
 GILLIES TWP NORTH PART
 PLAN # M-484

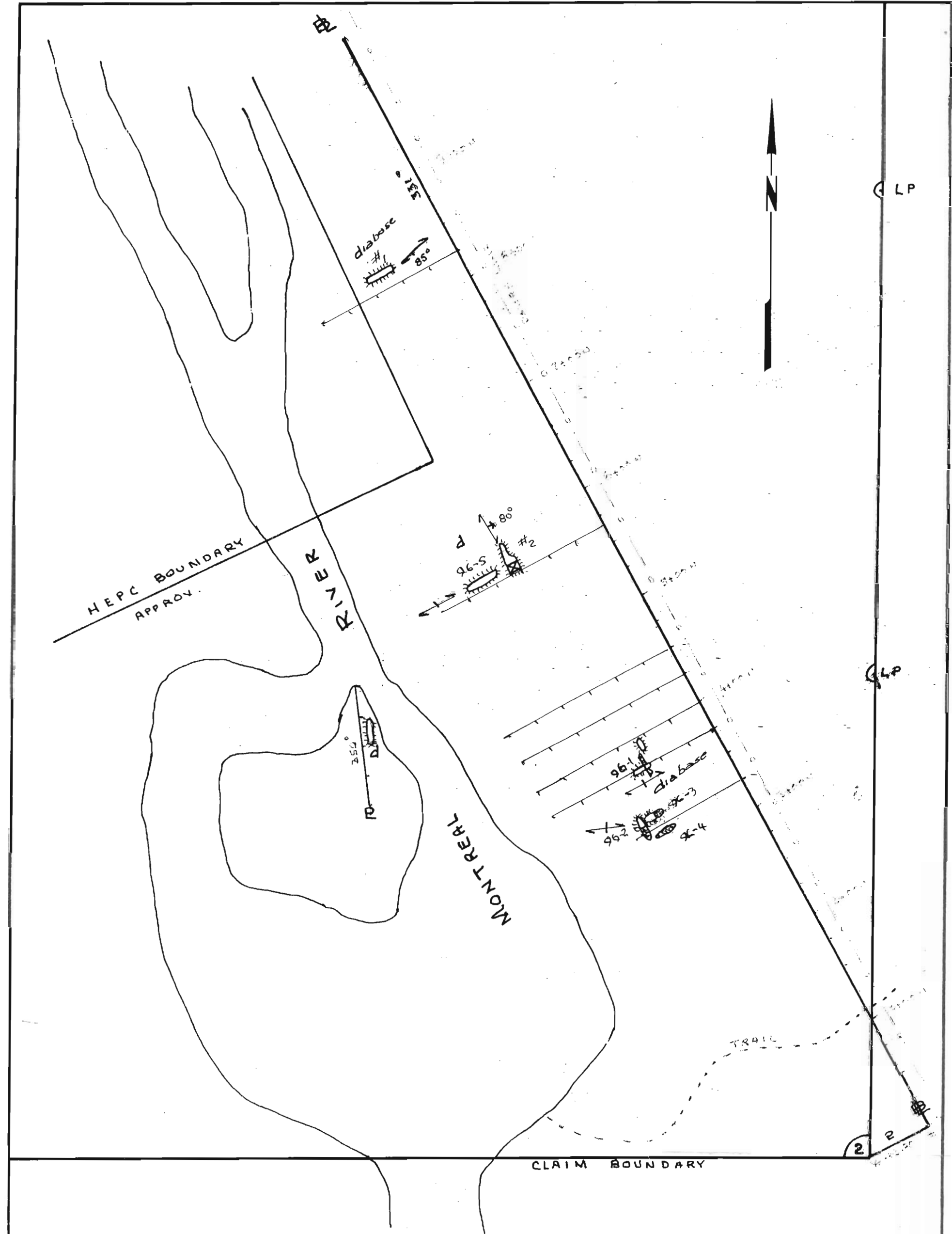
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DATE. - Dec 1996
 DRAWN - *Shaw*





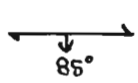


SKETCH PLAN TR. 96-3 (2007)

NOT TO SCALE
DIMENSIONS INDICATED
SEE ACCOMPANYING PLAN



LEGEND

- POWER LINE —○—○—
- TRENCH (BLASTED) 
- PIT (OVERBURDEN) 
- BASELINE 
- PICKET LINE 
- STRIKE & DIP (VEINS) 

PLAN of
S.E. PART of CLAIM No 118596
 GILLIES TWP NORTH PART
 PLAN # M-484

SCALE 1:3000

DATE. - Dec 1996
 DRAWN - *Shwartz*