

VERMILION TOWNSHIP GOLD PROJECT

LOCATION AND ACCESS

The property may be accessed by boat at Vermilion Lake at a bridge on Highway #116, about two miles east of the Hamlet of Hudson, and proceed south westerly to utm 553000e/554000, NAD83 or via gravel road to Bernier's camp on the north side of Vermilion Lake, and by boat from there due south to the claim. (See Location Map).

CLAIM STATUS

Claim 3016215-8 units and 4206937 -14 units covers the gold showings and is held by Ivar Joseph Riives and Alexander Glatz on a 50/50 basis.

EXPLORATION HISTORY

The property contains four patented claims staked in 1928, covering surface rights only at present time. K2228, K2230, K2234 and K2227.

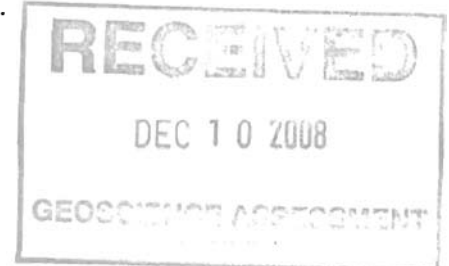
During 1930, 25 Tons of material were mined and 15.75 ounces of gold were produced (Rogers and Yonge 1931). In 1935, 7.07 ounces of gold and 2 ounces of silver were obtained from 18 tons of material (Yonge 1935). Over the years several companies have held the ground and carried out various types of work including diamond drilling with some encouragement. The following are the more recent exploration companies: Stuarton Resources 1998-1999, Nahanni Mines Ltd. 1983 -Diamond Drilling, Kenco Exploration Ltd, 1985 -line cutting, geological mapping, prospecting and sampling and geophysical surveys.

CURRENT EXPLORATION PROGRAM

In order to determine the rock types that contained elevated gold and silver values, the initial work program consisted of sampling the old workings at the North Zone and later at the South Zone; mainly along the quartz porphyry and Abram metasediment contact.

The best gold values were obtained at the North Zone around the old workings along the lake shore and extended workings into the lake at the east end. Sample #126 taken in the shallow water assayed 4.89 oz/ton gold, 14.3G/T silver in lightly carbonated and sheared metasediments with varying quartz content, arsenic pyrite, lead and minor copper pyrite.

The North Zone lies east/west along the south shore of Big Vermilion Lake and appears to be related to the quartz porphyry unit on the south and Patara metasediments on the north contact. At the old workings the alteration zone strikes easterly under a flat clay covered peninsula for a distance of about 280 meters and continues in the lake along shallow reefs and islands north/north easterly towards the north east corner of claim #3016215 .



At the old workings the alteration zone also continues in a westerly direction along the lake shore and along parallel long shallow reefs to the west end of the claim and beyond. The possibility of gold bearing alteration zones in the reef area needs to be checked out during periods of low lake levels.

4 north/south directional 90 cm continuous channel samples were taken at a rock-cut at the North Zone averaging 1.47 G/T gold over 3.6 meters including two connected 90 cm. samples yielding 2.74 G/T and 2.31 G/T gold over 1.80 meters. A 50 cm. Channel sample 3 meters easterly assayed .40 G/T gold and 11 meters westerly channel sample #610776 assayed 9.87 G/T and 2.7 G/T silver.

56 grab samples were taken in the north zone. 11 of these assayed over 1 gram of gold per ton:

- o Sample #124 assayed 35892 PPB Au/T
 - o Sample #510751 assayed 45600 PPB Au/T
 - o Chip samples #104 and #105, 1 meter each, assayed 1094 PPB Au/T and 6446 PPB Au/T respectively.
- 67 Humus samples were also taken at 25 m spacing over the flat clay covered peninsula on strike with the main showing. Although the values were relatively low, which may be due to the depth of the clay overburden, it is still recommended to plan an exploratory mechanical striping program across the areas with the anomalous gold values.

At the south zone several old pits were found along an east/west shear zone parallel with a wet swamp to the south.

- 4 samples were taken in Abram metasediments:
 - o Sample #125 yielding 137 PPB Au/T, 4.4 PPM Ag/T, 481 PPM Cu/T, and 3113 PPM Pb/T.
 - o Samples #130 and 131 taken in flat laying quartz set in quartz porphyry east of sample #125 assayed nil Au/T, 0.1 PPM Ag and 31 PPB Au and 0.1 PPM Ag respectively.
- 34 humus samples were taken at 50 meter spacing going easterly from the #3 witness post at what is believed to be the contact between the quartz porphyry and the Abram metasediments to the south along the swamp with poor results.

CONCLUSIONS AND RECOMMENDATIONS

Past exploration work has proven that there is high grade gold in the area and an attractive geological setting for an economically viable gold ore body. The recent humus samples taken along the easterly trend of the north zone warrant a thorough trenching program with a back hoe equipped with tracks. The alteration zone extending from the main showing towards the northeast corner of the claim forms narrow reefs in the lake and should be channel sampled during low water.

For further information please contact I.J. Riives: PH 807 223-5465 Fax: 807 223-5545

PROPERTY GEOLOGY

Outcrop exposure on the property is generally good, reaching up to 30-40%. The remaining areas are equally covered by swamp and glacial sand and clay.

The property is underlain by two sequences of meta-sediments where the older northern sequence is intruded by sills of quartz porphyry. The older sediments represent a small portion of the Patara metasediments. This portion comprises alternating chloritic tuff and agglomerate units. The tuff is generally fine grained and varies in colour from dark to light green. Sericite and carbonate are more common in the more sheared areas. The agglomerate contains light grey, stretched, felsic fragments in a dark green, chloritic matrix. The fragments range from a few centimetres up to 30 centimetres in the largest dimension. The best exposure for this agglomerate occurs where it outcrops along the south shore of Vermilion Lake.

The intrusive quartz porphyry extends the length of the property, where it intrudes the Patara metasediments in the north and is unconformably overlain by the Abram metasediments in the south. The quartz porphyry is light pinkish-white containing white equant to elongate anhedral quartz phenocrysts in a white to variably pink, fine-grained felsic matrix. The quartz phenocrysts can reach up to 1.5 centimetres in the largest dimension and occasionally are fractured. The variable pink colouration in the matrix reflects potassium feldspar content. The unit is moderately to highly sheared in most areas and the amount of sericite and carbonate generally increases with increased

shearing. At the northwest end of the property, the porphyry is a felsite phase which is virtually identical to the porphyry on the rest of the property except for the absence of quartz phenocrysts.

The unconformable contact between the quartz porphyry and the Abram metasediments is marked by thin units of felsic clast conglomerate and quartz-porphyry conglomerate at or near the contact with the quartz porphyry. The felsic clast conglomerate contains mainly stretched felsic clasts up to 5 centimetres in length in a light green-tan chloritic matrix. Lesser amounts of chert and quartz clasts also occur in this unit. The quartz porphyry conglomerate contains stretched clasts of quartz porphyry up to 4 centimetres in length in a light green chloritic matrix.

The remainder of the Abram metasediments on the property are represented by a monotonous sequence of massive arkose which is a fine to medium grained, light green to pinkish grey rock.

The attitudes of the units on the property follow those of the region.

Evidence for major faulting events on the property was not observed. However, a number of contact-related shear zones are outlined. The main zone of interest occurs at the south shore of Vermilion Lake where the old workings occur. This zone is related to the quartz porphyry contact with the northern metasediments.

Another zone of similar nature occurs at the southern margin of the quartz porphyry where it lies in unconformable

contact with the Abram metasediments.

A number of shears also occur within the lithological units. All of the shear zones are marked by sericitic and carbonate alteration to some degree. The shears generally trend parallel to lithologic units.

VERMILION GOLD

IV. DAILY REPORTS (Summarize work activity in Section I)

| Day | Name | Date | Work Performed |
|-----|-------------------------|--------------|---------------------------------|
| 1 | L.J. RIVES | MAY 15-2008 | PROSPECTING, SAMPLING, MAPPING. |
| 2 | L.J. RIVES | OCT. 14-2008 | PROSPECTING, SAMPLING, MAPPING |
| 3 | L.J. RIVES | OCT. 15-2008 | PROSPECTING, SAMPLING |
| 4 | L.J. RIVES | OCT. 30-2008 | PROSPECTING, SAMPLING |
| 5 | L.J. RIVES | NOV. 1-2008 | PROSPECTING, SAMPLING, MAPPING |
| 6 | L.J. RIVES | JULY 13-2006 | PROSPECTING, SAMPLING |
| 7 | L.J. RIVES/ARNOLD RIVES | AUG 27-2006 | PROSPECTING, SAMPLING |
| 8 | L.J. RIVES | AUG 21-2006 | PROSPECTING + SAMPLING |
| 9 | L.J. RIVES/C. ARUNAAS | OCT. 5-2006 | PROSPECTING + MAPPING |
| 10 | L.J. RIVES/PAUL RIVES | MAY 21-2008 | HUMUS SAMPLING - MAPPING. |
| 11 | L.J. RIVES | MAY 23-2008 | PROSPECTING, SAMPLING. |
| 12 | L.J. RIVES | MAY 28-2008 | HUMUS SAM. S. ZONE. |
| 13 | L.J. RIVES | JUNE 3-2008 | PROSPECTING, SAMPLING, MAPPING |
| 14 | L.J. RIVES | JUNE 9-2008 | REPORT WRITING |
| 15 | L.J. RIVES | JUNE 10-2008 | KEORA MNDM CONSULTATION. |
| 16 | L.J. RIVES | JUNE 11-2008 | PROSPECTING, MAPPING |
| 17 | L.J. RIVES | JUNE 24-2008 | REPORT WRITING. |
| 18 | L.J. RIVES | JUNE 25-2008 | REPORT WRITING. |
| 19 | L.J. RIVES | JULY 9-2008 | PROSPECTING, SAMPLING |
| 20 | L.J. RIVES/ROLAND RIVES | JULY 16-2008 | PROSPECTING, SAMPLING |
| 21 | L.J. RIVES/ARNOLD RIVES | NOV 3-2008 | CANAL SAMPLING |
| 22 | L.J. RIVES | DEC. 3-2008 | REPORT WRITING |
| 23 | L.J. RIVES | DEC. 4-2008 | REPORT + MAPS |
| 24 | | | |
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RECEIVED

DEC 10 2008

GEOSCIENCE ASSESSMENT
OFFICE

(Attach additional sheets as required)

VERMILION TWP. GOLD

III. DETAILED LIST OF EXPENDITURES (Summarize in Section II)

| Date | Recipient of Payment | Explanation | Amount | |
|------------|-----------------------|----------------------|--------|--------|
| July 10-08 | CANADA POST | Rock SAMPLE | 267.8 | |
| " 2-08 | " " | MAIL MNDM. | 8.42 | |
| " 27-08 | DRYDEN LIBRARY | PHOTO COPIES | 6.00 | |
| " 5-08 | MACK PRINT | PHOTOS | 16.95 | |
| JUNE 27-08 | DRYDEN LIBRARY | PHOTO COPIES | 42.50 | |
| SEP. 15-08 | CANADIAN TIRE | FLASHLIGHT BATTERIES | 14.09 | |
| JULY 7-08 | EXTRA FOODS | GASOLINE BOAT | 400.2 | |
| JULY 5-08 | KNORBYE-SLUX Lockport | GASOLINE | 46.92 | |
| NOV. 5-08 | CANADA POST | Rock SAMPLE | 29.31 | |
| JUNE 23-08 | ACT LABS | SAMPLE TAGS | 28.94 | |
| | | TOTAL | 259.93 | 259.93 |
| NOV. 19-08 | SWASTIKA LABORATORIES | ASSAYS | 105.00 | |
| NOV. 19-08 | SWASTIKA LABORATORIES | ASSAYS | 42.00 | |
| | | TOTAL | 147.00 | 147.00 |
| | | | 259.93 | ✓ |
| | | | 147.00 | ✓ |
| | | | 702.00 | ✓ |
| | | | 300.00 | ✓ |

Mileage 855 km at 40¢/km for use of own vehicle = 342.00

5 BUSH LUNCHES X \$15.00 = 75.00

16' BOAT, 20 HP HONDA 3 DAYS X 70.00 = 210.00 TOTAL

ROCK SAW WITH DIAMOND BLADE - 1 DAY 75.00

(Attach additional sheets as required)

702.00

HIRED WORK 2 DAYS X \$150.00 = 300.00

\$ 1408.93 ✓



Established 1928

Swastika Laboratories Ltd

Assaying - Consulting - Representation

Geochemical Analysis Certificate

8W-3236-RG1

Company: **I.J. RIVES**
Project: **U.C.**
Attn:

Date: NOV-18-08

We hereby certify the following Geochemical Analysis of 2 ROCKS samples submitted NOV-12-08 by .

| Sample Number | Au ppb | Au Check ppb | Ag ppb |
|---------------|-----------|-----------------|-----------|
| 610776 | 9189 | 9874 | 2.7 |
| 610777 | 1.3 | - | 0.4 |

Certified by 



Established 1928

Swastika Laboratories Ltd

Assaying - Consulting - Representation

Geochemical Analysis Certificate

8W-3224-RG1

Company: **L.J. RIIVES**

Date: NOV-13-08

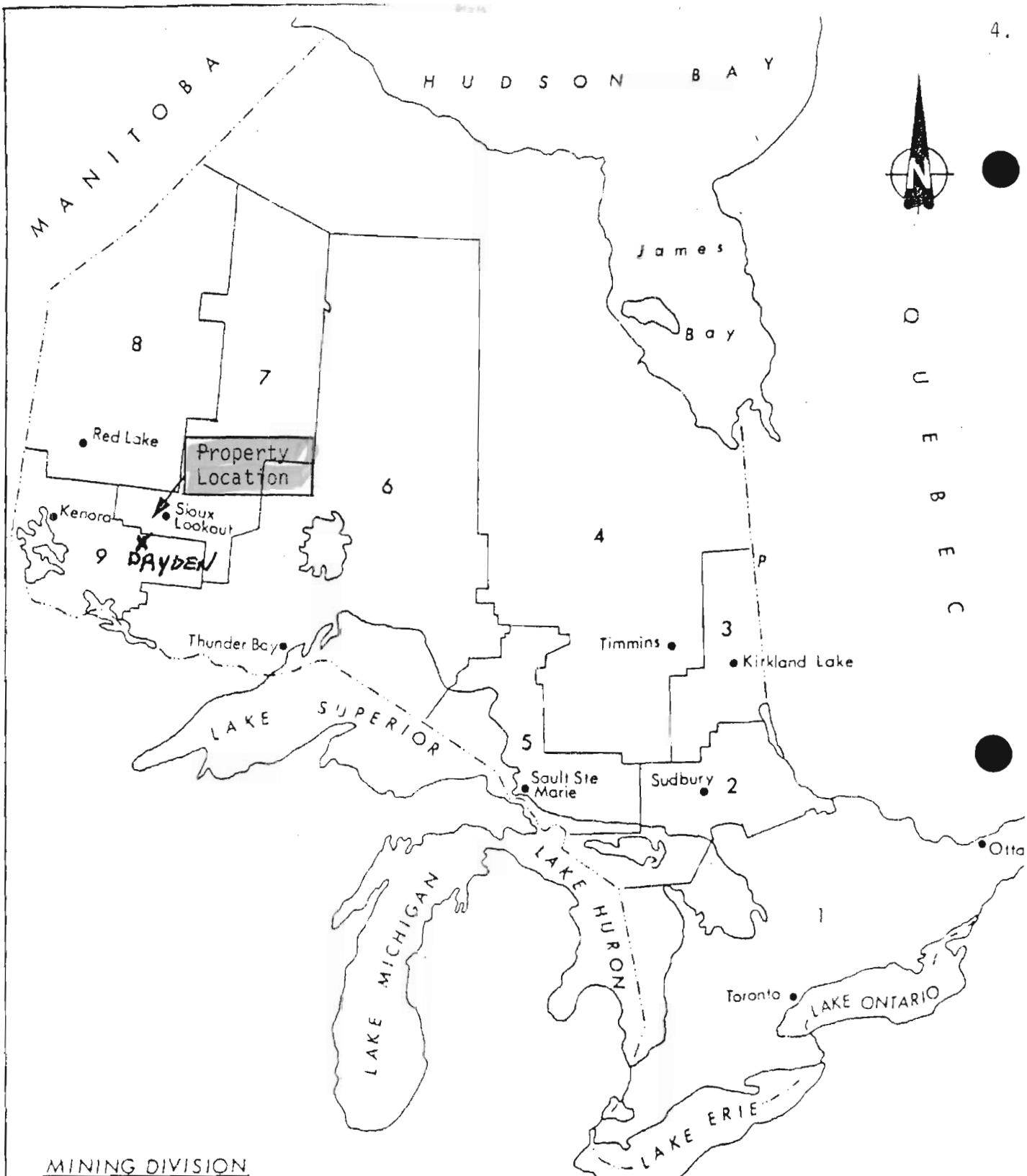
Project:

Attn:

We hereby certify the following Geochemical Analysis of 5 ROCK CHANEL samples submitted NOV-10-08 by .

| Sample Number | Au ppb | Au Check ppb | Ag ppm |
|---------------|-----------|-----------------|-----------|
| 610771 | 2331 | 2263 | 0.4 |
| 610772 | 2743 | 2297 | 0.3 |
| 610773 | 122 | - | 0.4 |
| 610774 | 694 | - | 1.2 |
| 610775 | 403 | - | 0.3 |

Certified by *Dennis Chudak*



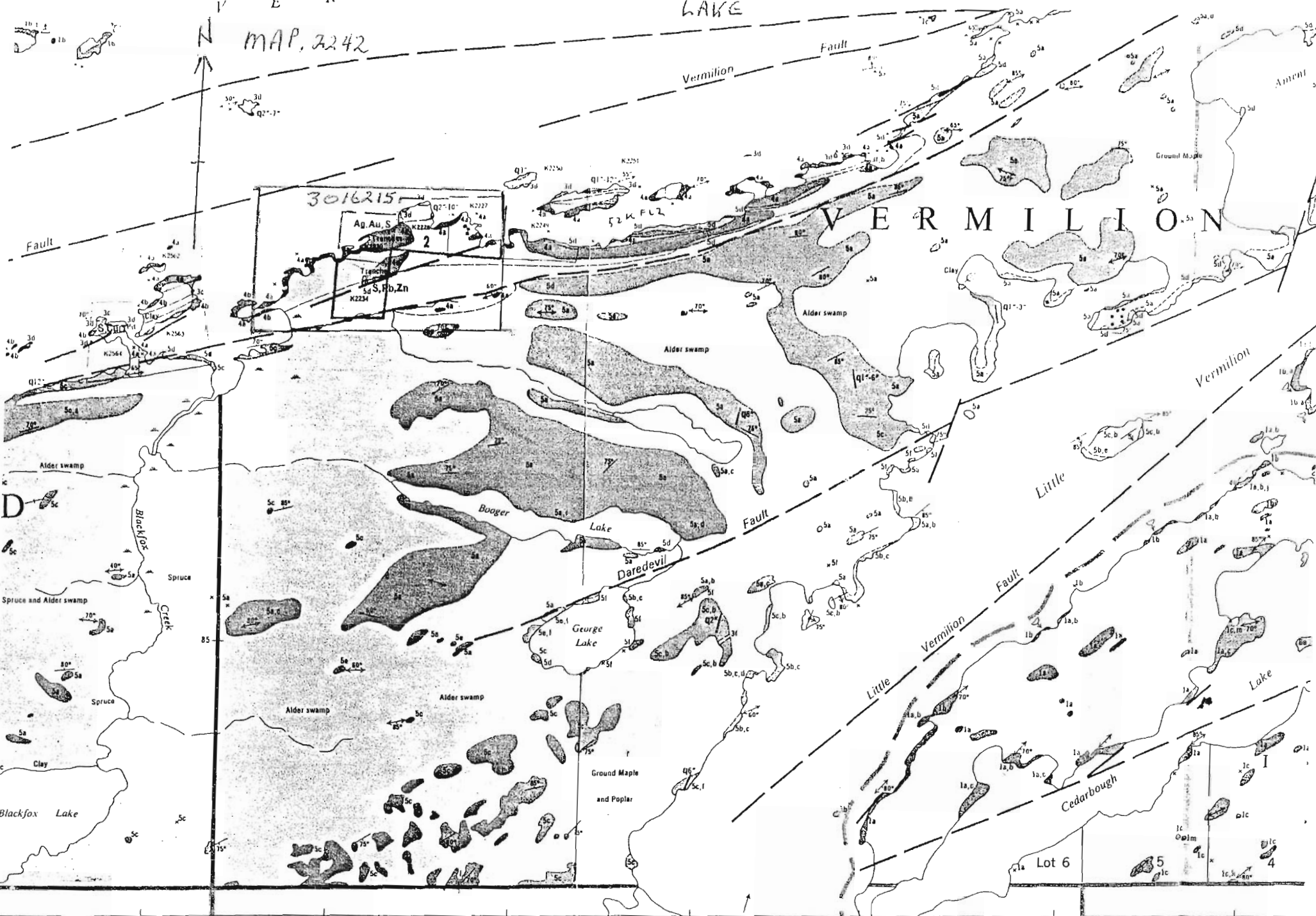
MINING DIVISION

- 1 Eastern Ontario
- 2 Sudbury
- 3 Larder Lake
- 4 Porcupine
- 5 Sault Ste Marie
- 6 Thunder Bay
- 7 Patricia
- 8 Red Lake
- 9 Kenora

VERMILION TWP. GOLD

MAP, 2242

LAKE



Adjoins Map 2155

LEGEND

CENOZOIC^a

RECENT

Lake, stream, and vegetal deposits.

PLEISTOCENE

Sand, gravel, clay and varved clay deposits.

UNCONFORMITY

PRECAMBRIAN^b

ARCHEAN

LATE INTRUSIVE ROCKS

GRANITIC ROCKS^c

- 7 Unsubdivided granitic rocks.
- 7a Hybrid granite and granite gneiss.
- 7b Porphyritic granite.
- 7c Quartz-eye granite, quartz porphyry.
- 7d Feldspar porphyry, granodiorite.
- 7e Trondhjemite and quartz diorite.

INTRUSIVE CONTACT

MAFIC INTRUSIVE ROCKS^c

- 6 Unsubdivided mafic intrusive rocks.
- 6a Diorite, syenodiorite.
- 6b Gabbro.

INTRUSIVE CONTACT

ABRAM METASEDIMENTS^c

- 5a Arkose.
- 5b Slate, varved slate, argillite.
- 5c Greywacke.
- 5d Granite and quartz porphyry conglomerate.
- 5e Chlorite schist, chloritic tuff.
- 5f Crystal tuff, tuffaceous metasediments.

IF Iron formation.^d

UNCONFORMITY

EARLY FELSIC INTRUSIVE ROCKS^c

- 4a Quartz porphyry.
- 4b Felsite.

INTRUSIVE CONTACT

PATARA METASEDIMENTS^c

- 3a Arkose.
- 3b Slate and argillite.
- 3c Greywacke.^d
- 3d Volcanic boulder and pebble conglomerate and breccia.
- 3e Chert and siliceous metasediments.
- 3f Tuffs and tuffaceous metasediments.

MINOR UNCONFORMITY

FELSIC METAVOLCANICS^c

- 2a Pillowed lava.^d
- 2b Agglomerate.
- 2c Rhyolite and porphyritic rhyolite.
- 2d Tuff.

INTERMEDIATE TO MAFIC METAVOLCANICS^c

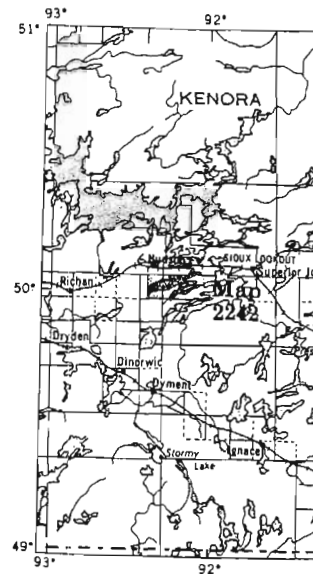
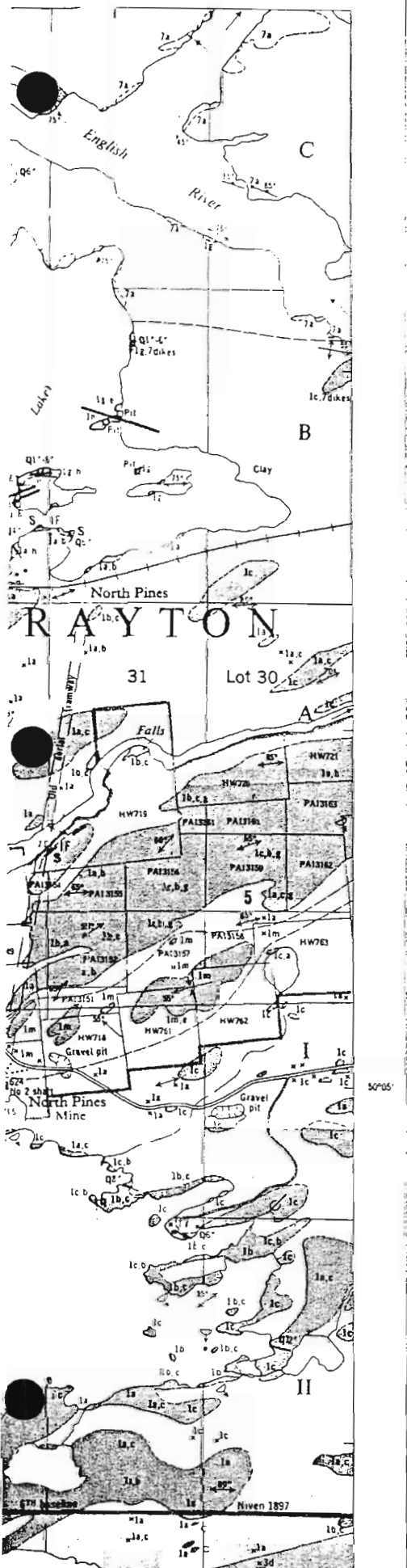
- 1a Intermediate to mafic lava, schistose greenstone.
- 1b Pillowed lava.
- 1c Massive, dioritic lava.
- 1d Crystal tuff and crystal-rich flows.
- 1e Agglomerate.
- 1g Layered greenstone, amphibolite, epidote-amphibolite of probable volcanic origin.
- 1h Biotite and hornblende schists and gneiss mainly of sedimentary or tuffaceous origin.
- 1j Porphyritic basalt (leopard rock).
- 1k Varriolitic lava.
- 1m Crystal-lithic tuff, tuff and tuffaceous metasediments.

IF Iron formation.

Carbonatized rock.

SYMBOLS

- Glacial striae.
- Small bedrock outcrop.
- Area of bedrock outcrop.
- Bedding, top unknown; (tical).
- Bedding, top (arrow) from ation; (inclined, vertical, o).
- Bedding, top (arrow) from ding; (inclined, vertical, o).
- Bedding, top (arrow) from



Scale, 1 inch to 50 miles
N.T.S. reference 52F/15, 52F/16, 52K/1

552000E

553000E

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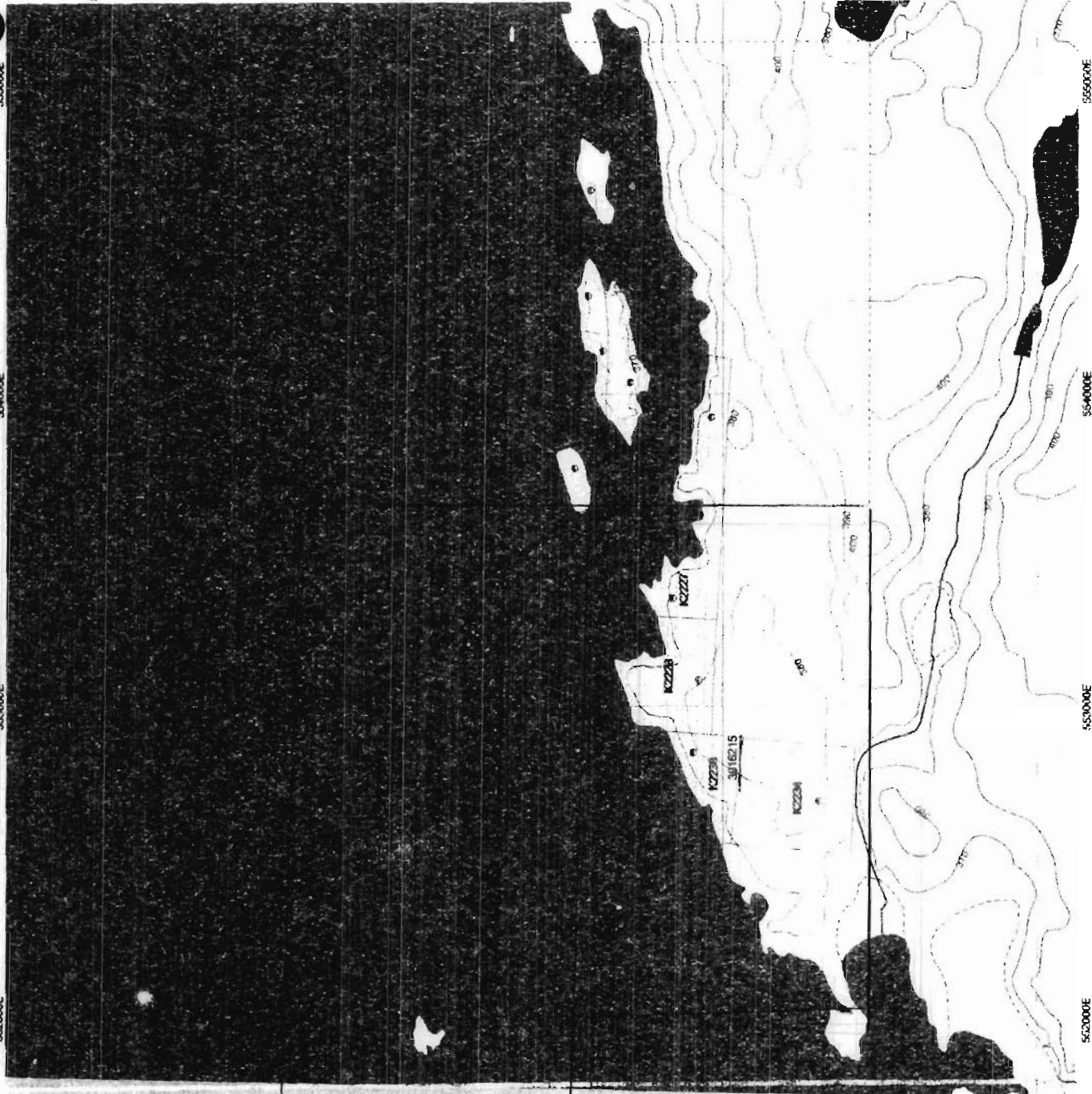
555000E

554200N

554100N

554000N

553800N



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553000E

554000E

555000E