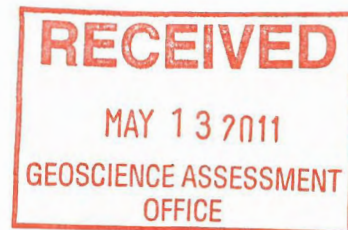



2-48404

**GEOPHYSICAL REPORT**  
FOR  
**6070205 CANADA INC.**  
ON THE  
**COULSON AND WALKER PROPERTY**  
COULSON AND WALKER TOWNSHIP  
LARDER LAKE MINING DIVISION  
NORTHEASTERN, ONTARIO



  
Prepared by: J. C. Grant,  
May 2011

## TABLE OF CONTENTS

	Page
INTRODUCTION	1
PROPERTY LOCATION AND ACCESS	1
CLAIM BLOCK	2
PERSONNEL	2
GROUND PROGRAM	2
MAGNETIC SURVEYS	3
MAGNETIC SURVEY RESULTS	3
CONCLUSIONS AND RECOMMENDATIONS.	4
CERTIFICATE	
LIST OF FIGURES:	FIGURE 1, LOCATION MAP FIGURE 2, PROPERTY LOCATION MAP FIGURE 3, CLAIM MAP/GRID SKETCH
APPENDICES:	A: SCINTREX ENVI MAG SYSTEM
POCKET MAPS:	CONTOURED MAGNETIC SURVEY, SCALE 1:5000 WALKER AND COULSON PROPERTIES.

**INTRODUCTION:**

The services of Exsics Exploration Limited were retained by Mr. Bonhomme, on behalf of the Company, 6070205 Canada Inc., to interpret 2 grids covered by a total field magnetic survey that was completed over two of their claim blocks located in Coulson and Walker Townships of the Larder Lake Mining Division in northeastern, Ontario.

The grid cutting was completed by an independent line cutting contractor. Once the cutting was completed the grids were then covered by the magnetic survey that was completed by J.V. Bonhomme. Exsics Exploration Limited was contracted to complete a detailed report on the magnetic survey results.

**PROPERTY LOCATION AND ACCESS:**

The Coulson Property is situated approximately 12 kilometers north to northeast of the Town of Matheson. The claim block covers the south ½ of Lot 8, Concession 1 of the township and generally lies about 800 meters to the northwest of Painkiller Lake. The southern boundary of the claim block represents the township line between Beatty and Coulson.


The Walker Property is situated about 13 kilometers northwest of the Town of Matheson. The claim block lies to the immediate north of the junction between the Black River and Shallow River in the southeast corner of Walker Township and the southwest section of Wilkie Township. Matheson lies approximately 65 kilometers east of the City of Timmins. Refer to Figures 1 and 2 of this report.

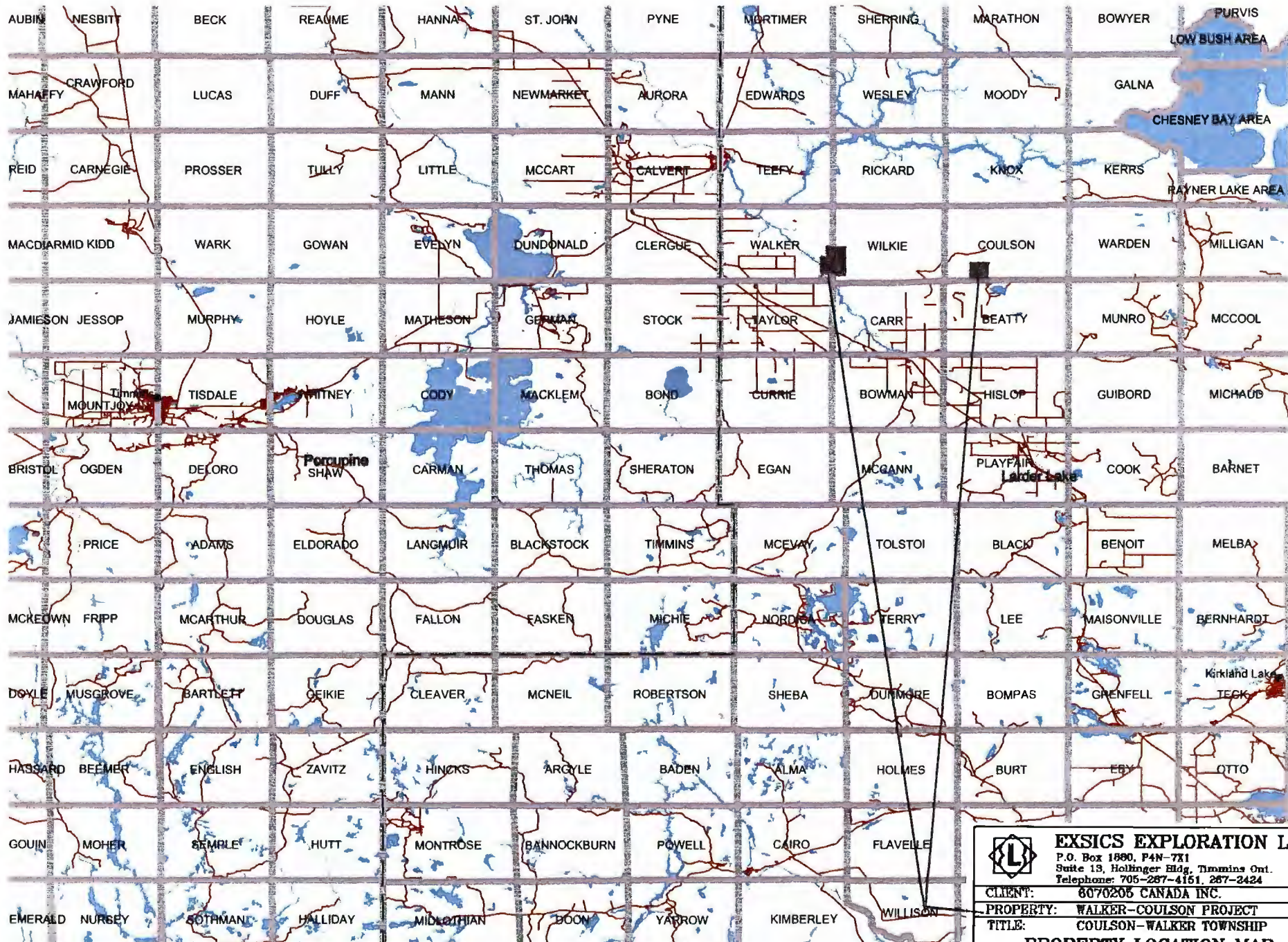
Access to the grid areas during the survey period was ideal. Highway 101 travels east from Timmins to Matheson. Once you travel through the Town and cross the Black River there is a good gravel road that run north along the lot line between lots 2 and 3 of Carr Township that provided good drivable access to the north boundary of Carr. A series of good ATV trails then lead north to northwest and then west from this gravel road that cross the Shallow River and provided Access to the grid area located in Walker Township.

This same north running gravel road also provided good access to the Coulson Property by way of a series of gravel roads, one that follows the concession line between 3 and 4 of the township to a good gravel road that runs north to and around the west shore of Painkiller Lake and over to the south boundary of the claim block.

Travelling time from Timmins tom the grids is about 2 hours.



 <b>EXSICS EXPLORATION LTD.</b> P.O. Box 1880, P4N-7Y1 Suite 13, Hollinger Bldg, Timmins Ont. Telephone: 705-267-4151, 267-2424		
<b>PROPERTY:</b> WALKER-COULSON PROJECT		
<b>TITLE:</b> COULSON-WALKER TOWNSHIP		
<b>LOCATION MAP</b>		
Fig. 1		
<b>Date:</b> MAY 2011	<b>Scale:</b>	<b>INTS:</b>
<b>Drawn:</b> J.C. Grant	<b>Interp:</b>	<b>Job No.:</b> E-761



	<b>EXSICS EXPLORATION LTD.</b>		
	P.O. Box 1880, P4N-7X1 Suite 13, Hollinger Bldg, Timmins Ont. Telephone: 705-287-4151 287-2424		
CLIENT:	8070205 CANADA INC.		
PROPERTY:	WALKER-COULSON PROJECT		
TITLE:	COULSON-WALKER TOWNSHIP		
<b>PROPERTY LOCATION MAP</b>			
Date: MAY 2011	Scale: 1:600,000	NTS:	Fig. 2
Drawn: J.C.Grant	Interp:	Job No.: E-761	

**CLAIM BLOCK:**

The claim numbers that were covered by a portion of present geophysical survey were as follows.

Coulson Claims:	4246730, 4 units
Walker Claims:	4259058, 12 units
	4259059, 4 units
	4259060, 8 units

Refer to Figure 3 copied from MNDM Plan Map G-3623 of Coulson Township and G-3584 of Walker Township for the positioning of the grid line and the claim numbers within the Townships.

**PERSONNEL:**

The field crew directly responsible for the collection of all the raw data was J.V. Bonhomme and the plotting, interpretation and report was completed by J. C. Grant of Exsics.

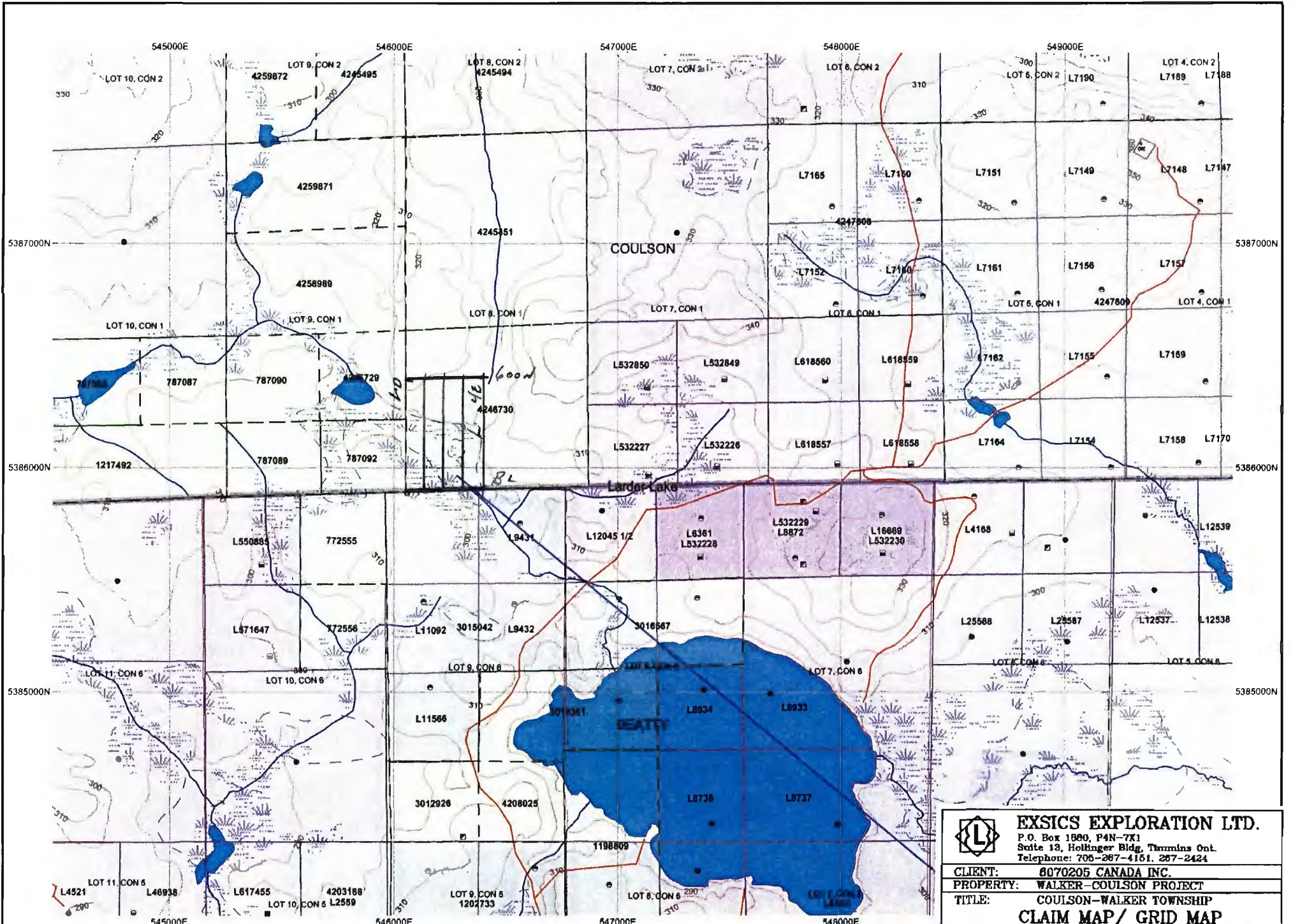
**GROUND PROGRAM:**

Each of the ground programs were completed in two phases. The first phase was to cut and chain a series of grid lines across each property using 100 meter spaced grid lines and 25 meter station intervals. Each of the grids was turned off from UTM points established by the client.

The Coulson grid consisted of 4 lines that were turned off at 100 meter intervals from a base line that was first cut along the township line between Beatty and Coulson. These lines were called line 0ME to 400ME and all of the cross lines were cut from the base line to a parallel tie line called 600MN. In all a total of 3.8 kilometers of grid lines were cut on this property.

The Walker grid consisted of 5 grid lines spaced 100 meters apart that were again turned off of a base line cut east from a UTM point established by the client. The base line was called 1000MN and the lines were called 9700ME to line 10100ME. All of these lines were cut to Tie line 11100MN that represents the northern limits of the grid. Lines 9700ME and 9800ME extended to 9500MN, lines 9900ME and 10000Me extended to 9700MN and line 10100ME extended to 9800MN. All of the cross lines were chained with 25 meter station intervals. In all a total of 8.1 kilometers of grid lines were cut and chained across this claim block.

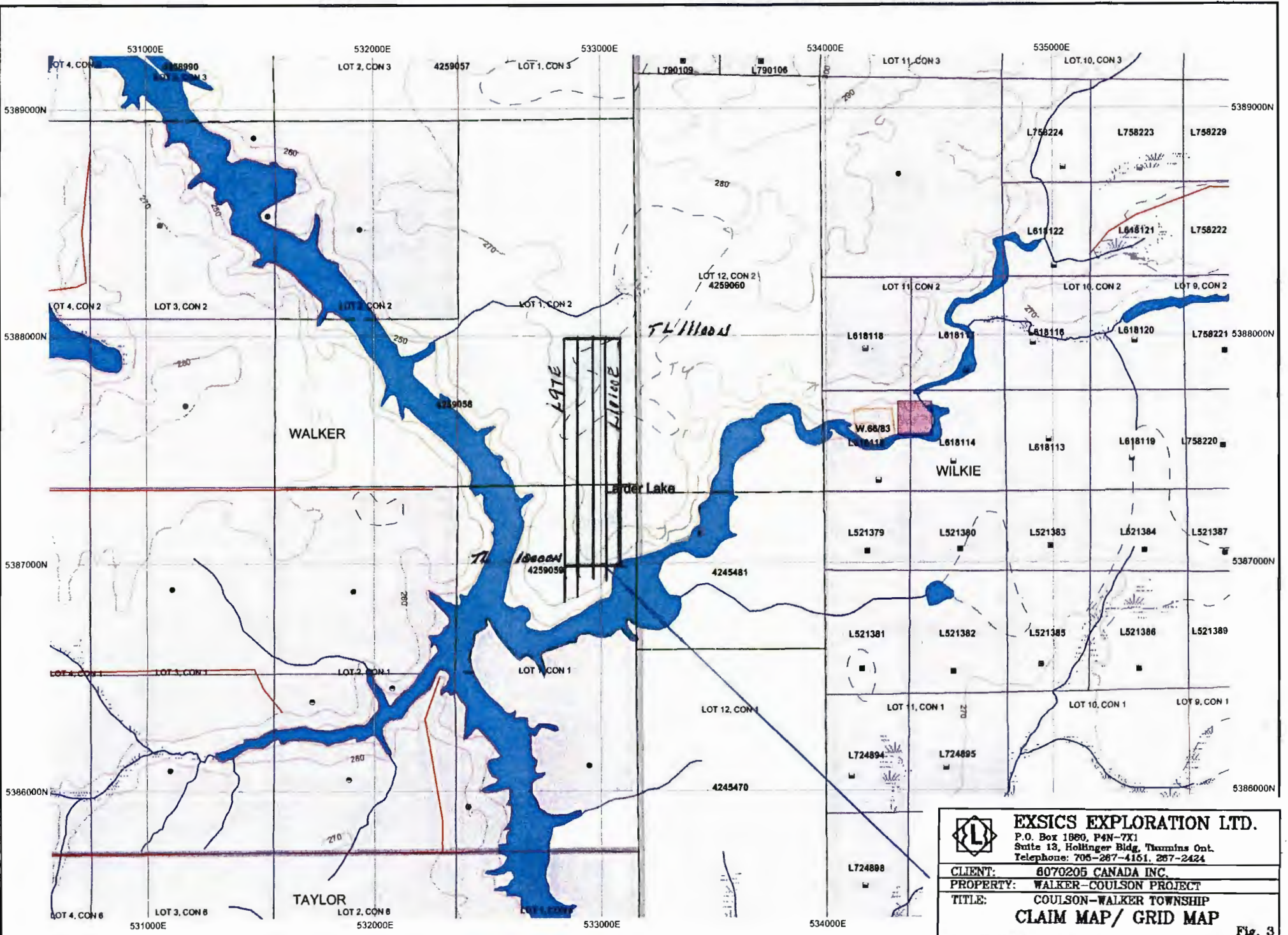
The survey portion of the program was completed using the Scintrex ENVI mag system. Specifications for this unit can be found as Appendix A of this report. The following parameters were kept constant throughout the survey.



UTM Zone 17  
1000m grid

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CLIENT:		8070205 CANADA INC.
PROPERTY:		WALKER-COULSON PROJECT
TITLE:		COULSON-WALKER TOWNSHIP CLAIM MAP/ GRID MAP
Date: MAY 2011	Scale: 1:60,000	NIS:
Drawn: J.C. Grant	Interp:	Job No.: E-761

Fig. 3



UTM Zone 17  
1000m grid


 <b>EXSICS EXPLORATION LTD.</b> P.O. Box 1860, P4N-7X1 Suite 13, Hollinger Bldg, Thurman Ont. Telephone: 706-287-4151, 287-2424		
CLIENT: 8070205 CANADA INC.		
PROPERTY: WALKER-COULSON PROJECT		
TITLE: COULSON-WALKER TOWNSHIP		
<b>CLAIM MAP/ GRID MAP</b>		
Date: MAY 2011	Scale: 1:60,000	NTS:
Drawn: J.C.Grant	Interp:	Job No.: E-761

Fig. 3



**MAGNETIC SURVEYS:**

Line spacing	100 meters
Station spacing	25 meters
Reading intervals	12.5 meters
Diurnal monitoring	base station recorder
Record interval	30 seconds
Reference field	56500 nT
Datum subtracted	56000 nT

Once the surveys were completed the collected magnetic data was merged with the base station data, corrected and then plotted onto a base map at a scale of 1:5000. A datum of 56000nT has been removed from all of the readings for ease in plotting only. The plotted results were then contoured at 10 gamma intervals for the Walker survey and 50 gamma intervals for the Coulson survey. A copy of these color contoured magnetic maps are included in the back pocket of this report.

**MAGNETIC SURVEY RESULTS:**

Generally the Walker grid area is underlain by intermediate and mafic volcanics with metasediments lying just to the south of the southern boundary of the claim block. The Pipestone fault zone cuts across the southern section of the claim block.

The magnetic survey outlined a dike like unit striking north across the grid that generally parallels line 9900ME. The dike is represented by a narrow magnetic high that continues off of the grid to the south but seems to run into an east-west structure on its northern tip. The dike is also cross cut by a narrow magnetic high at 10500MN that continues off of the grid to the east.

A second cross structure may also be evident cutting the dike at 1000MN that is represented by a bulging in the dike on the east and west edge.

The Coulson grid area is underlain by intermediate to mafic volcanics that has been cross-cut by north south striking diabase dikes and several short north-south striking faults. There is an ultramafic intrusive situated to the immediate east of the grid area that lies to the north and northeast of Painkiller Lake.

The magnetic survey outlined a good magnetic high between lines 300ME and 100ME between the base line and 200MN that appears to strike into the grid from the southeast. This high seems to lie along the southern edge of a geological contact represented by the low magnetic background to the north and the high to the south of 200MN of the grid. This contact appears to strike northwest from line 400ME at 125Mn to line 0 at 225MN. This contact continues off of the grid in both directions. The magnetic high building along the southern end of line 0+00 may be indicative of a north striking diabase dike like unit.

The spot high noted on line 400ME at 325MN would require more complete coverage to the east to better define its source.


**CONCLUSIONS AND RECOMMENDATIONS:**

The ground program was successful in outlining and defining the geological structures of the grid areas. The Walker grid has the Pipestone fault cutting across the southern section of the grid area and this structure would represent an ideal conduit for gold mineralization. The dike like unit has been cut by a narrow magnetic high across its central section and possibly by a second west striking unit on its northern extension. Both of these cross structures should be followed up further.

The Coulson grid outlined a good magnetic high unit that should be followed up further in the event the magnetic high is representing an ultramafic intrusive or flow material emanating from the geological contact to the immediate north of the high.

A follow up program of soil sampling and or Induced Polarization surveys should be considered to further test the claim blocks potential for a geological horizon that could be considered a favorable horizon for gold and or base metal deposition. The grid should be expanded along the suspected strike to better define any and all of the magnetic zones.

Respectfully submitted



J. C. Grant  
May 2011

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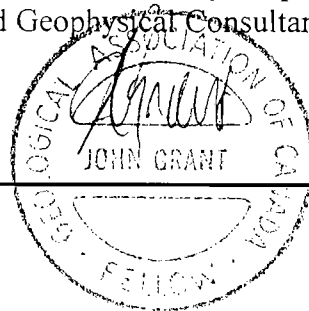
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CERTIFICATION

I, John Charles Grant, of 108 Kay Crescent, in the City of Timmins, Province of Ontario, hereby certify that:

- 1). I am a graduate of Cambrian College of Applied Arts and Technology, 1975, Sudbury Ontario Campus, with a 3 year Honors Diploma in Geological and Geophysical Technology.
- 2). I have worked subsequently as an Exploration Geophysicist for Teck Exploration Limited, (5 years, 1975 to 1980), and currently as Exploration Manager and Chief Geophysicist for Exsics Exploration Limited, since May, 1980.
- 3). I am a member in good standing of the Certified Engineering Technologist Association, (CET), since 1984.
- 4). I am in good standing as a Fellow of the Geological Association of Canada, (FGAC), since 1986.
- 5). I have been actively engaged in my profession since the 15<sup>th</sup> day of May, 1975, in all aspects of ground exploration programs including the planning and execution of field programs, project supervision, data compilation, interpretations and reports.
- 6). I have no specific or special interest nor do I expect to receive any such interest in the herein described property. I have been retained by the property holders and or their Agents as a Geological and Geophysical Consultant and Contract Manager.

John Charles Grant, CET., FGAC.



APPENDIX A

# SCINTREX

## ENVI-MAG Environmental Magnetometer/Gradiometer

### Locating Buried Drums and Tanks?

The ENVI-MAG is the solution to this environmental problem. ENVI-MAG is an inexpensive, lightweight, portable "WALKMAG" which enables you to survey large areas quickly and accurately.

ENVI-MAG is a portable, proton precession magnetometer and/or gradiometer, for geotechnical, archaeological and environmental applications where high production, fast count rate and high sensitivity are required. It may also be used for other applications, such as mineral exploration, and may be configured as a total-field magnetometer, a vertical gradiometer or as a base station.

#### The ENVI-MAG

- easily detects buried drums to depths of 10 feet or more
- more sensitive to the steel of a buried drum than EM or radar
- much less expensive than EM or radar
- survey productivity much higher than with EM or radar

### Features and Benefits

#### "WALKMAG"

##### Magnetometer/Gradiometer

The "WALKMAG" mode of operation (sometimes known as "Walking Mag") is user-selectable from the keyboard. In this mode, data is acquired and recorded at the rate of 2 readings per second as the operator walks at a steady pace along a line. At desired intervals, the operator "triggers" an event marker by a single key stroke, assigning coordinates to the recorded data.

#### True Simultaneous Gradiometer

An optional upgrade kit is available to configure ENVI-MAG as a gradiometer to make true, simultaneous gradiometer measurements. Gradiometry is useful for geotechnical and archaeological surveys where small near surface magnetic targets are the object of the survey.

#### Selectable Sampling Rates

0.5 second, 1 second and 2 second reading rates user selectable from the keyboard.

#### Main features Include:

- select sampling rates as fast as 2 times per second
- "WALKMAG" mode for rapid acquisition of data
- large internal, expandable memory
- easy to read, large LCD screen displays data both numerically and graphically
- ENVIMAP software for processing and mapping data

ENVI-MAG comprises several basic modules; a lightweight console with a large screen alphanumeric display and high capacity memory, a staff mounted sensor and sensor cable, rechargeable battery and battery charger, RS-232 cable and ENVIMAP processing and mapping software.

For gradiometry applications an upgrade kit is available, comprising an additional processor module for installation in the console, and a second sensor with a staff extender.

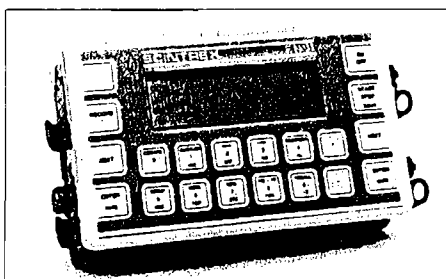


*ENVI-MAG Proton Magnetometer in operation*

For base station applications a Base Station Accessory Kit is available so that the sensor and staff may be converted into a base station sensor.

#### Large-Key Keypad

The large-key keypad allows easy access for gloved-hands in cold-weather operations. Each key has a multi-purpose function.



*Front panel of ENVI-MAG showing a graphic profile of data and large-key keypad*

#### Large Capacity Memory

ENVI-MAG with standard memory stores up to 28,000 readings of total field measurements, 21,000 readings of gradiometry data or 151,000 readings as a base station. An expanded memory option is available which increases this standard capacity by a factor of 5.

#### Easy Review of Data

For quality of data and for a rapid analysis of the magnetic characteristics of the survey line, several modes of review are possible. These include the measurements at the last four stations, the ability to scroll through any or all previous readings in memory, and a graphic display of the previous data as profiles, line by line. This feature is very useful for environmental and archaeological surveys.

#### Highly Productive

The "WALKMAG" mode of operation acquires data rapidly at close station intervals, ensuring high-definition results. This increases survey productivity by a factor of 5 when compared to a conventional magnetometer survey.

#### "Datacheck" Quality Control of Data

"Datacheck" provides a feature wherein at the end of each survey line, data may be reviewed as a profile on ENVI-MAG's screen. Datacheck confirms that the instrument is functioning correctly and

allows the user to note the magnetic relief (anomaly) on the line.

#### Large Screen Display

"Super-Twist" 64 x 240 dot (8 lines x 40 characters), LCD graphic screen provides good visibility in all light conditions. A display heater is optionally available for low-temperature operations below 0°C.



Close-up of the ENVI-MAG screen showing data presented after each reading

#### Interactive Menus

The set-up of ENVI-MAG is menu-driven, and minimizes the operator's learning time, and on-going tasks.



Close-up of display of ENVI-MAG showing interactive set-up menu

#### Rechargeable Battery and Battery Charger

An "off-the-shelf" lead-acid battery and charger are provided as standard. The low-cost "Camcorder" type battery is available from electronic parts distributors everywhere.

#### HELP-Line Available

Purchasers of ENVI-MAG are provided with a HELP-Line telephone number to call in the event assistance is needed with an application or instrumentation problem.

#### ENVIMAP Processing and Mapping Software

Supplied with ENVI-MAG, and custom designed for this purpose, is easy-to-use, very user-friendly, menu driven data processing and mapping software called ENVIMAP. This unique software appears to the user to be a single program, but is in fact a sequence of separate programs, each performing a specific task. Under the menu system, there are separate programs to do the following:

- read the ENVI-MAG data and reformat it into a standard compatible with the ENVIMAP software
- grid the data into a standard grid format
- create a vector file of posted values

with line and baseline identification that allows the user to add some title information and build a suitable surround

- contour the gridded data
- autoscale the combined results of the posting/surround step and the contouring step to fit on a standard 8.5 ins. wide dot-matrix printer
- rasterize and output the results of step e) to the printer

ENVIMAP is designed to be as simple as possible. The user is required to answer a few basic questions asked by ENVIMAP, and then simply toggles "GO" to let ENVIMAP provide default parameters for the making of the contour map. The user can modify certain characteristics of the output plot. ENVIMAP'S menu system is both keyboard and mouse operable. HELP screens are integrated with the menu system so that HELP is displayed whenever the user requests it.

#### Options Available

- True simultaneous gradiometer upgrade
- Base station upgrade
- Display heater for low temperature operations
- External battery pouch

## Specifications

#### Total Field Operating Range

20,000 to 100,000 nT (gammas)

#### Total Field Absolute Accuracy

+/- 1nT

#### Sensitivity

0.1 nT at 2 second sampling rate

#### Tuning

Fully solid state. Manual or automatic, keyboard selectable

#### Cycling (Reading) Rates

0.5, 1 or 2 seconds, up to 9999 seconds for base station applications, keyboard selectable

#### Gradiometer Option

Includes a second sensor, 20 inch (1/2m) staff extender and processor module

#### "WALKMAG" Mode

0.5 second for walking surveys, variable rates for hilly terrain

#### Digital Display

LCD "Super Twist", 240 x 64 dots graphics, 8 line x 40 characters alphanumeric

#### Display Heater

Thermostatically controlled, for cold weather operations

#### Keyboard Input

17 keys, dual function, membrane type

#### Notebook Function

32 characters, 5 user-defined MACRO's for quick entry

#### Standard Memory

Total Field Measurements: 28,000 readings

Gradiometer Measurements: 21,000 readings

Base Station Measurements: 151,000 readings

#### Expanded Memory

Total Field Measurements: 140,000 readings

Gradiometer Measurements: 109,000 readings

Base Station Measurements: 750,000 readings

#### Real-Time Clock

Records full date, hours, minutes and seconds with 1 second resolution, +/- 1 second stability over 12 hours

#### Digital Data Output

RS-232C interface, 600 to 57,600 Baud, 7 or 8 data bits, 1 start, 1 stop bit, no parity format.

Selectable carriage return delay (0-999 ms) to accommodate slow peripherals. Handshaking is done by X-on/X-off

#### Analog Output

0 - 999 mV full scale output voltage with keyboard selectable range of 1, 10, 100, 1,000 or 10,000 nT full scale

#### Power Supply

Rechargeable "Camcorder" type, 2.3 Ah, Lead-acid battery.

12 Volts at 0.65 Amp for magnetometer, 1.2 Amp for gradiometer,

External 12 Volt input for base station operations

Optional external battery pouch for cold weather operations

#### Battery Charger

110 Volt - 230 Volt, 50/60 Hz

#### Operating Temperature Range

Standard 0° to 60°C

Optional -40°C to 60°C

#### Dimensions

Console - 10 x 6 x 2.25 inches  
(250 mm x 152 mm x 55 mm)

T.F. sensor - 2.75 inches dia. x 7 inches  
(70 mm x 175 mm)

Grad. sensor and staff extender - 2.75 inches dia. x 26.5 inches (70 mm x 675 mm)

T.F. staff - 1 inch dia. x 76 inches (25 mm x 2 m)

#### Weight

Console - 5.4 lbs (2.45 kg)  
with rechargeable battery

T. F. sensor - 2.2 lbs (1.15 kg)

Grad. sensor - 2.5 lbs (1.15 kg)

Staff - 1.75 lbs (0.8 kg)

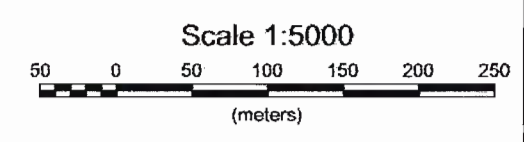
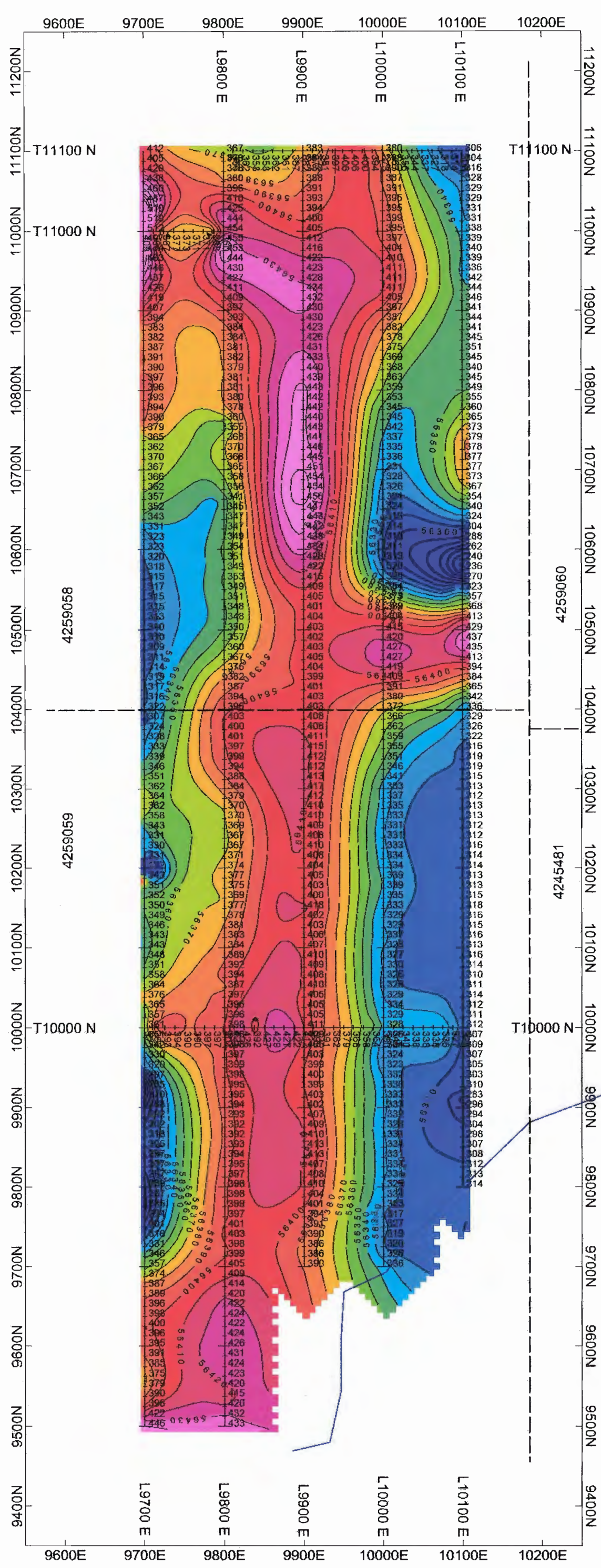
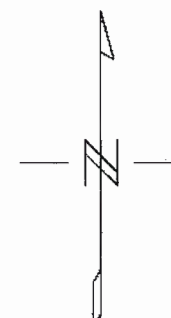


#### Head Office

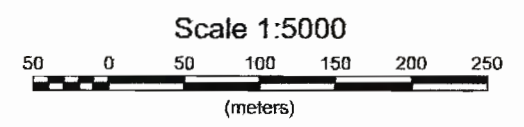
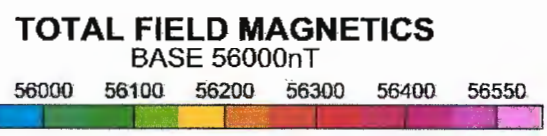
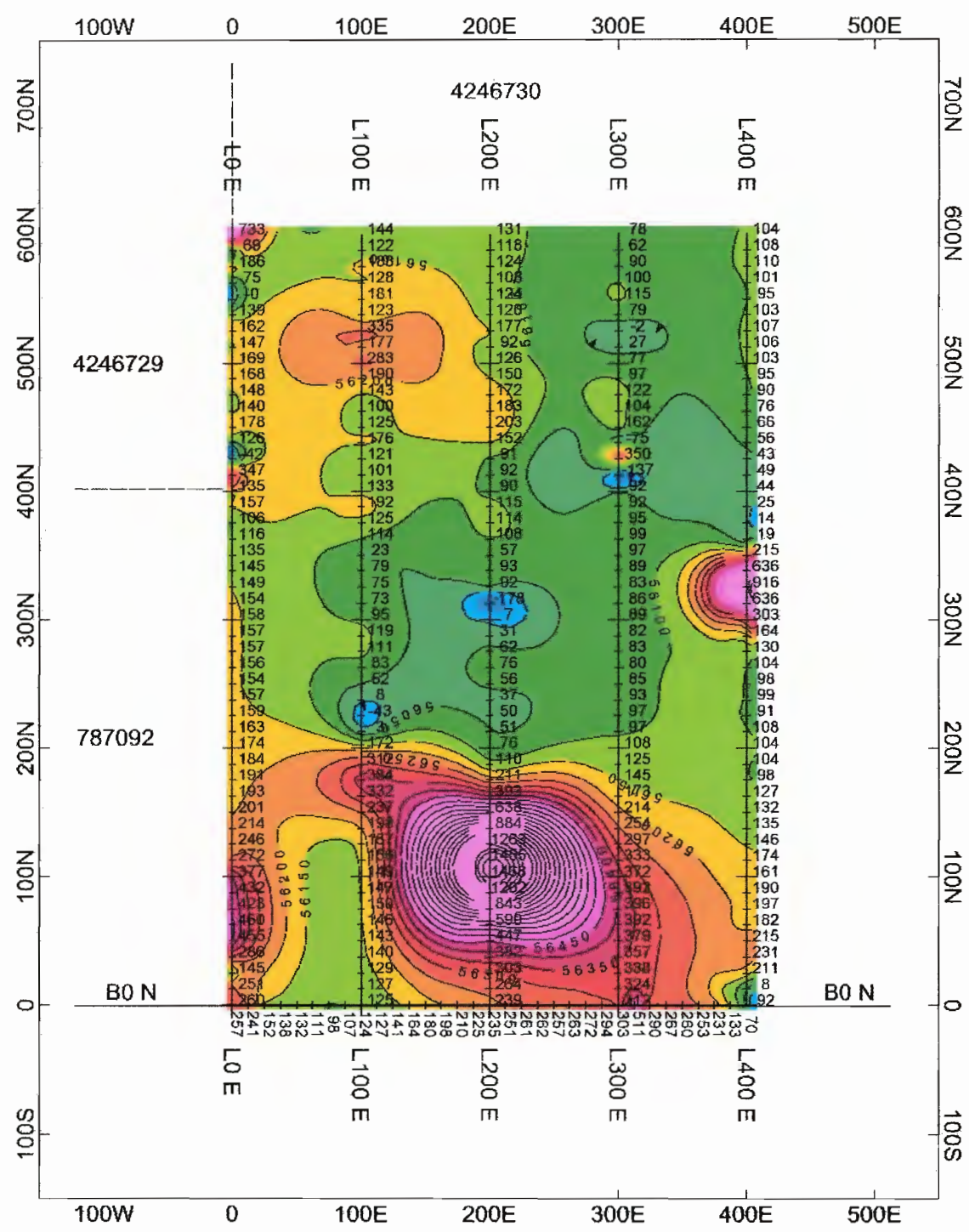
222 Snidercroft Road  
Concord, Ontario, Canada L4K 1B5  
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6070205 CANADA INC.  
WALKER PROPERTY-WALKER TOWNSHIP  
TOTAL FIELD MAGNETIC SURVEY  
SCINTRE ENVI MAG SYSTEM  
CONTOURED: 10nT  
MAY 2011 EXSICS EXPLORATION LIMITED E-761



<b>6070205 CANADA INC</b>
<b>COULSON GRID-COULSON TOWNSHIP</b>
TOTAL FIELD MAGNETIC SURVEY SCINTREX ENVI MAG SYSTEM CONTOURED: 50nT
<b>MAY 2011 EXSICS EXPLORATION LIMITED E-761</b>