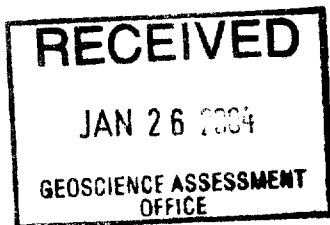


Report of Work on the 12 Mile Bay Property

Prepared for:
J. Melo and Allstone Quarry Products Inc.



December, 2003



PROJECT: 12 Mile Bay

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1. SUMMARY

The 12 Mile Bay property is located on 12 Mile Bay Road, south of Moon River in Freeman Township. It consists of 4 mining claims being 47 units or 752 hectares in area. It lies on the southern side of the Moon River Syncline being composed of a light to dark grey anorthosite. This anorthosite is the focus of the exploration though quartz monzonites and diorites were also of some interest. The claims were staked to explore for bedrock suitable for use in the landscaping business. Regional prospecting identified an anorthosite with a reasonably consistent light to dark grey colour. Sheared material was the object of exploration, for use as flagstone. Sites that could produce larger blocks of sufficient size for cutting were also of interest. Stripping, blasting and sampling of the site showed that the material was of a suitable texture and colour for use in the landscaping business. The site examined did not produce material that split as well as desired, but it does appear it will be suitable for use as larger pieces. Preliminary testing of the market suggests the product will be well received for commercial and other landscaping projects.

2. INTRODUCTION

In 2002 Allstone undertook to find new deposits of stone for its landscaping business. The search was for flagstone and block material up to the sizes usable for cutting. A search of the Hwy #400-69 was undertaken which identified three potential locations. This 12 Mile Bay Road is one of those locations.

The materials used by Allstone are wide and varied. The company regularly uses cut natural stone. Photo #1 shows part of the stock on hand for pre-cut pieces. Allstone however also makes use of many natural products in innovative and creative applications. They are responsible for the natural rock work in butterfly exhibit at Science North in Sudbury, a 35' high natural stone monument at Western University, engraved natural stone, see photo 2 as well a what may be Canada's largest inookshook. See photo 3. The material needs of the company are therefore not restricted to flagstone only.

Allstone endeavors to use as much of the natural quarry product as they can, thereby minimizing waste and creating new markets for their products.

3. LOCATION, ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY

The site is located in Freeman Township approximately 2 kilometres south of Moon River, on the north side of the 12 Mile Bay Road approximately 10 kilometres west of Hwy #69. It is a temperate climate subject to lake effect snow from Georgian Bay. Topography is rolling, overburden varies from absent to several meters in depth. There is almost no topsoil in the area of the stripping.

4. PROPERTY DESCRIPTION

The property consists of 4 unpatented mining claims in Freeman Township, Southern Ontario Mining Division.

<u>Claim Number</u>	<u>Units</u>	<u>Lot</u>	<u>Concession</u>	<u>Holder</u>
SO-1246128	11	36-37-38	5-6	J. Melo
SO-1249442	12	27-28-29	4-5	J. Melo
SO-1249943	12	30-31-32	4-5	J. Melo
SO-1249444	12	33-34-35	5-6	J. Melo
<u>Total</u>	<u>47 units or 752 hectares</u>			

5. HISTORY

There is no history of the area having been explored for landscaping stone. There is however historical exploration for metal deposits, particularly uranium, in the township. Unfortunately this is of little help for the building stone exploration.

6. GEOLOGICAL SETTING

The property lies on the Canadian Shield approximately 30 kilometres north of the contact with the Paleozoic sedimentary cover. Generally, the bedrock is mesoproterozoic in age, being composed of felsic granites and gneisses. The most prominent geologic feature in the area is the Moon River Synform". This synform contains monzonites, syenites, and anorthosites. The property lies on the south limb of the synform, on an anorthosite.

The area of most interest is a light to dark grey anorthositic situated on the south limb as previously stated. Locally the bedrock is sheared at an angle of 270° to 300°. As well some localities exhibit a parting parallel to the foliation. This can be seen in photo 4

6. WORK COMPLETED

The work performed consists of sampling across the claims, stripping blasting, cutting, testing the samples under processes used in landscaping preparation such as sawing, cutting and splitting, as well as market testing.

Initially, the claims were examined to select samples and identify area of bedrock with suitable shearing/parting as well as an attractive and consistent colour. There is a ready market for flagstone in the landscaping business. In order to be used as flagstone the rock must have favourable parting qualities. Also it must be reasonably consistent in colour, be visually attractive, be free of sulphides and other minerals that will cause rust or other discoloration, and perform well under frost conditions. Several locations exhibited good splitting. One sight was chosen for more detailed examination and is discussed below.

Six trips were made to the site in order to examine the bedrock for the above qualities and select sample sites. Bedrock of a suitable nature was located in various rock cuts along 12 Mile Bay. One example, photo 4 is, located approximately 1 kilometre east of the entrance to the stripping site, and marked on the map as photo 4. A subsequent trip was made with a boom truck, and other equipment in the fall of 2002, to load and transport samples to the plant in Schomberg. The samples were tested by cutting, splitting, and

examination by the staff for marketability. These preliminary examinations demonstrated that that some samples exhibited the qualities given above.

The area was broken into two general categories, a gneissic anorthosite and gneissic granite. The anorthosite is light to dark grey in colour, composed mainly of anorthosite (>85%) and minor amounts of mafic minerals inter-layered at intervals of sub-millimetre to 30 centimetres. The Allstone staff determined that this anorthosite had the best visual qualities for use in landscaping applications. That is, the colour was attractive, there was no evidence of rust or other staining, though layering was variable, it presented an overall consistent appearance. The material, where sheared, split reasonably well and it cut under the guillotine without abundant stray fracturing.

The gneissic granite covering the remainder of the area examined, is a red/pink - grey - black colour. Its appearance is common in the shield, and more importantly, is common in the market place. Even though some areas showed promise of good parting, it remains a secondary target due to the colour.

The results of this preliminary testing was encouraging enough to warrant further investment and investigation.

The next phase involved hiring a contractor to strip and blast a site selected for bulk sample. The site was chosen for its composition (anorthosite), foliation and accessibility. The sample site is shown on the attached map and on Inset "A". An existing timber trail was used to access the site. See photo 5 & 6, showing the approach on the timber road to the sample site.

Stripping revealed that the bedrock at this location is more massive than appeared from the original exposure. Thus limiting its potential as flagstone, but it does have good visual qualities for use in larger blocks and cut pieces. The minimal soil was stripped off in the area outlined on the attached map and on inset "A". Photo 7 shows the ramp to the top of the outcrop. Blasting was concentrated to the left side of the ramp as seen in photo 7. Photos 8 to 13 show a panorama of the sample site and taken from the access timber trail. The area stripped is approximately 40 metres by 21 metres and from 0 to 4 meters deep from the top of the hill stripped. Bedrock for the stripped area is 100% light to dark grey, gneissic anorthosite. There is no discernible,

magmatic layering and the foliation is undulating so the strike and dip of the foliation is obscure for this locality.

The material is a banded light to dark grey, gneissic anorthosite, with, approximately up to 85% anorthosite and other accessory minerals including biotite, pyroxene and garnet, in varying quantities. The foliation is undulating and the banding is of a variable thickness from millimetres to 30 centimetres. Grain size is medium to coarse, with some fine grained portions where the shearing is most intense. Overall it has an attractive, silvery appearance. The banding is reasonably consistent for some applications. See photo 14. On a centimetre scale, mafic content may be as high as 25% containing biotite, pyroxene, and occasionally garnet. Only minor contaminants were present, such as potassic feldspars, shown in photo 15. Within the outcrop there are section where the banding becomes obscured and the rock more massive, but this is unusual and is not expected to be pervasive. See photo 16.

The samples were processed at the Schomberg plant to determine the cutting and splitting qualities. Photos 17 through 19 show examples of the cut product. Parting is usually straight, which is a pre-requisite for many landscaping applications. It also behaved well in the guillotine, providing for straight cuts and minimal splitting in unpredictable directions. See sample in photo 18. Over all the material appears to be usable for several landscaping applications.

The product was presented to several clients for their consideration. It was well received, including one client from Boston who requested an order for a large commercial application. Unfortunately, the request could not be filled as the quarry was not yet into production.

Other rock types outside of the anorthosite unit were noted as being a reddish - black - grey material, sometimes exhibiting good parting. This is visible on the road cuts on the south and sometimes north side of 12 Mile Bay Road 2 kilometres of west of the entrance to the exploration site. This colour is much more common in the market place, and is of a secondary interest only at this time

8. STATEMENT OF COST

As per attached form accompanying this report of work.

9. DISCUSSION OF RESULTS AND INTERPRETATION

Exploration to date indicates that the material at this site is suitable for many landscaping applications. The prospect of this stripped area producing principally flagstone products is limited, but the prospects are good for finding such sites in the immediate area. Known locations such as that at the road cut in photo 4, 1 kilometre east of the entrance to the exploration site, exhibit better parting. This product will be new to the market and while some clients recognise immediately its merits, it may take several installations to give it a solid position in the mainstream market.

10. CONCLUSIONS AND RECOMMENDATIONS

Allstone has determined that this location does host material that can be marketed by their company in the Southern Ontario landscaping market and in other locations. They will therefore be proceeding with further evaluation/exploration of the site.

It is recommended that the remainder of the anorthosite be prospected for sites with better parting qualities, to fulfil the companies flagstone needs.



Mark Hall

Mining claim
1249443

12 Mile Bay Road

Inset "C"

0 20 40 60 80 100



Scale 1: 1,000

⊗ Sample location - granite gneiss



Sample Location Sites

Mining claim
1249443



12 Mile Bay Road



Inset "C"

0 20 40 60 80 100

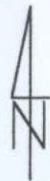


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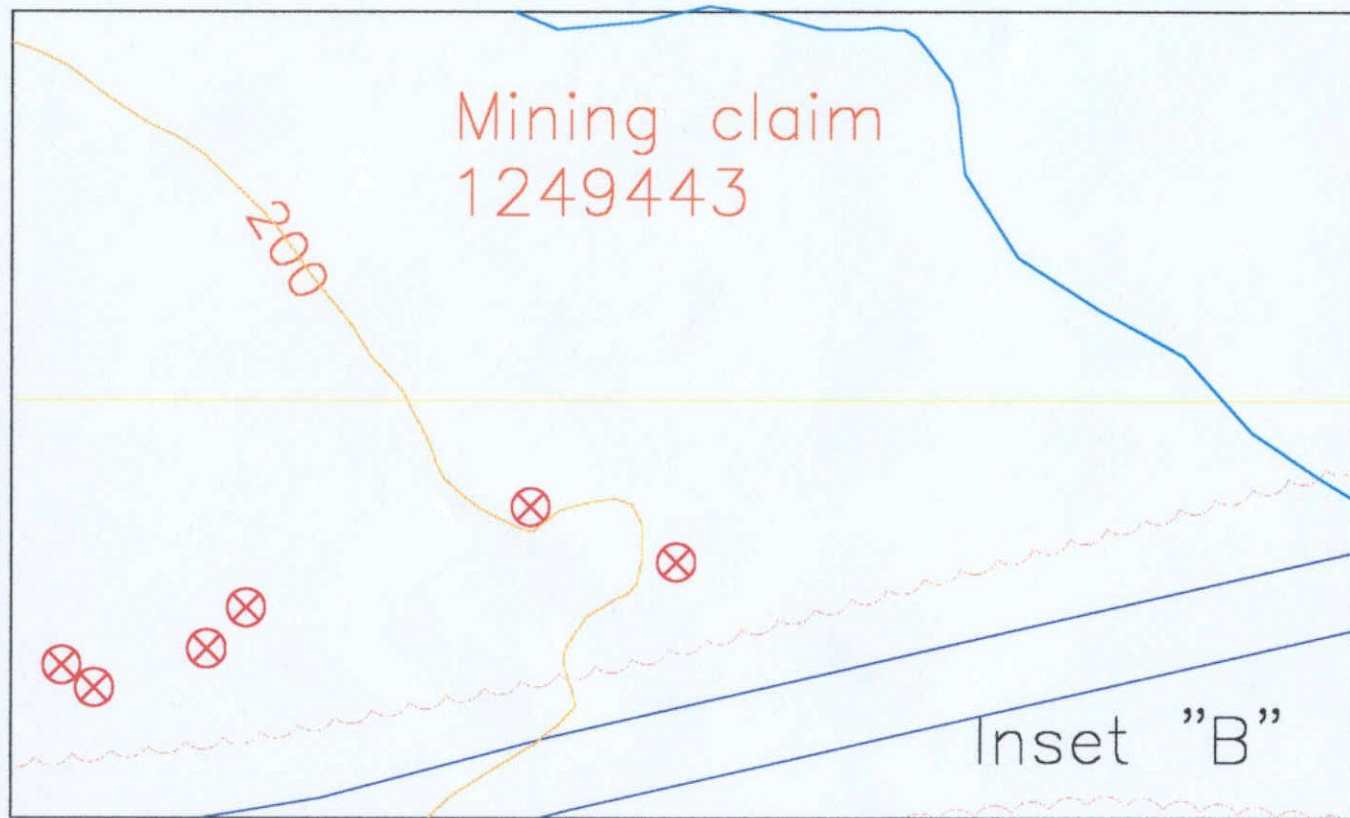
in meters



Sample location - granite gneiss



Sample Location Sites



0 20 40 60 80 100

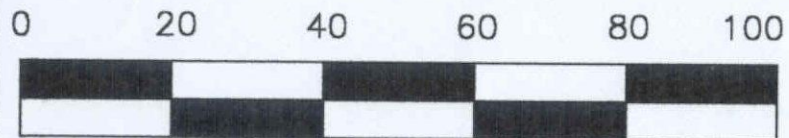
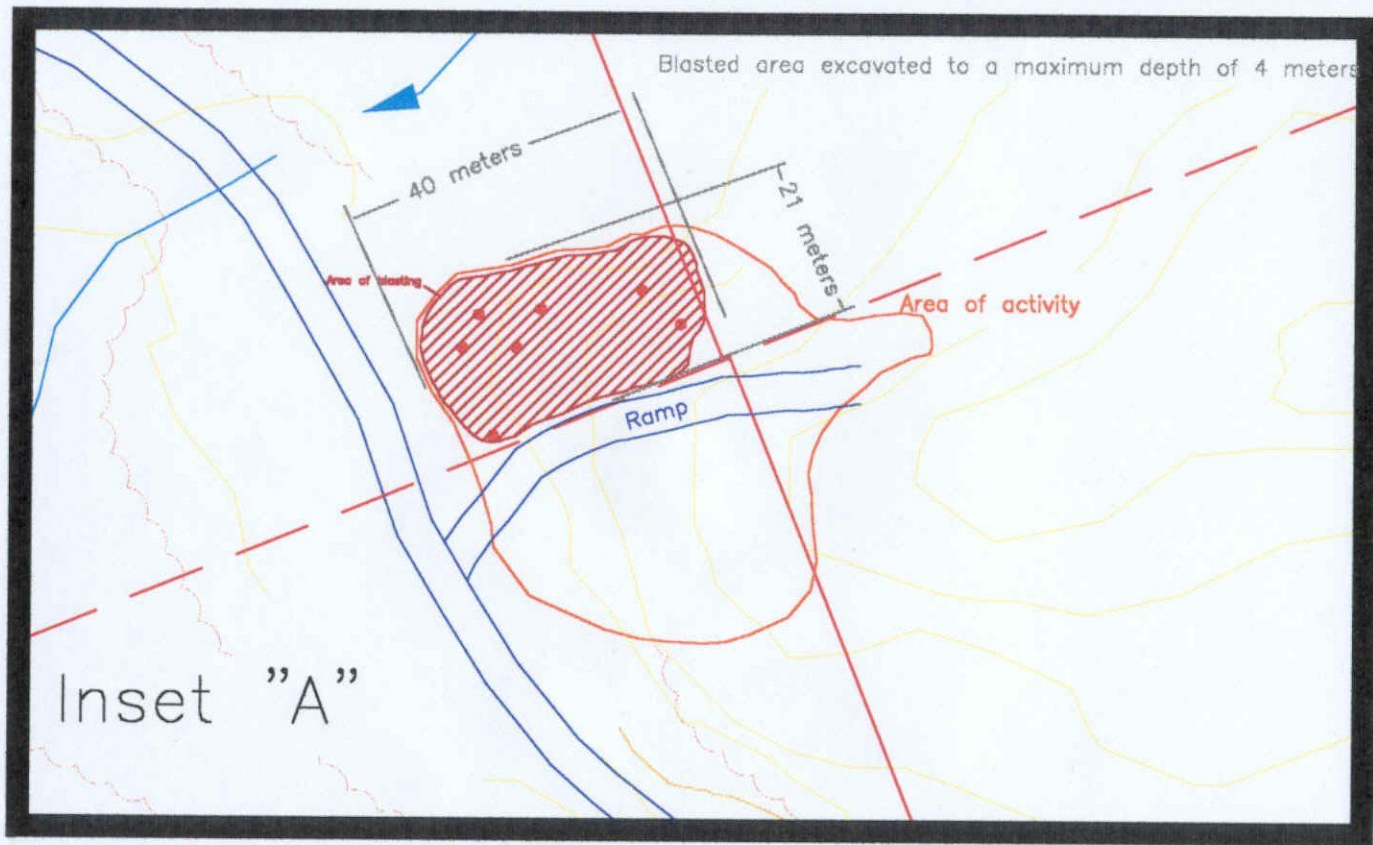


Scale 1: 1,000 in metres

⊗ Sample location granite gneiss



Sample Location Sites

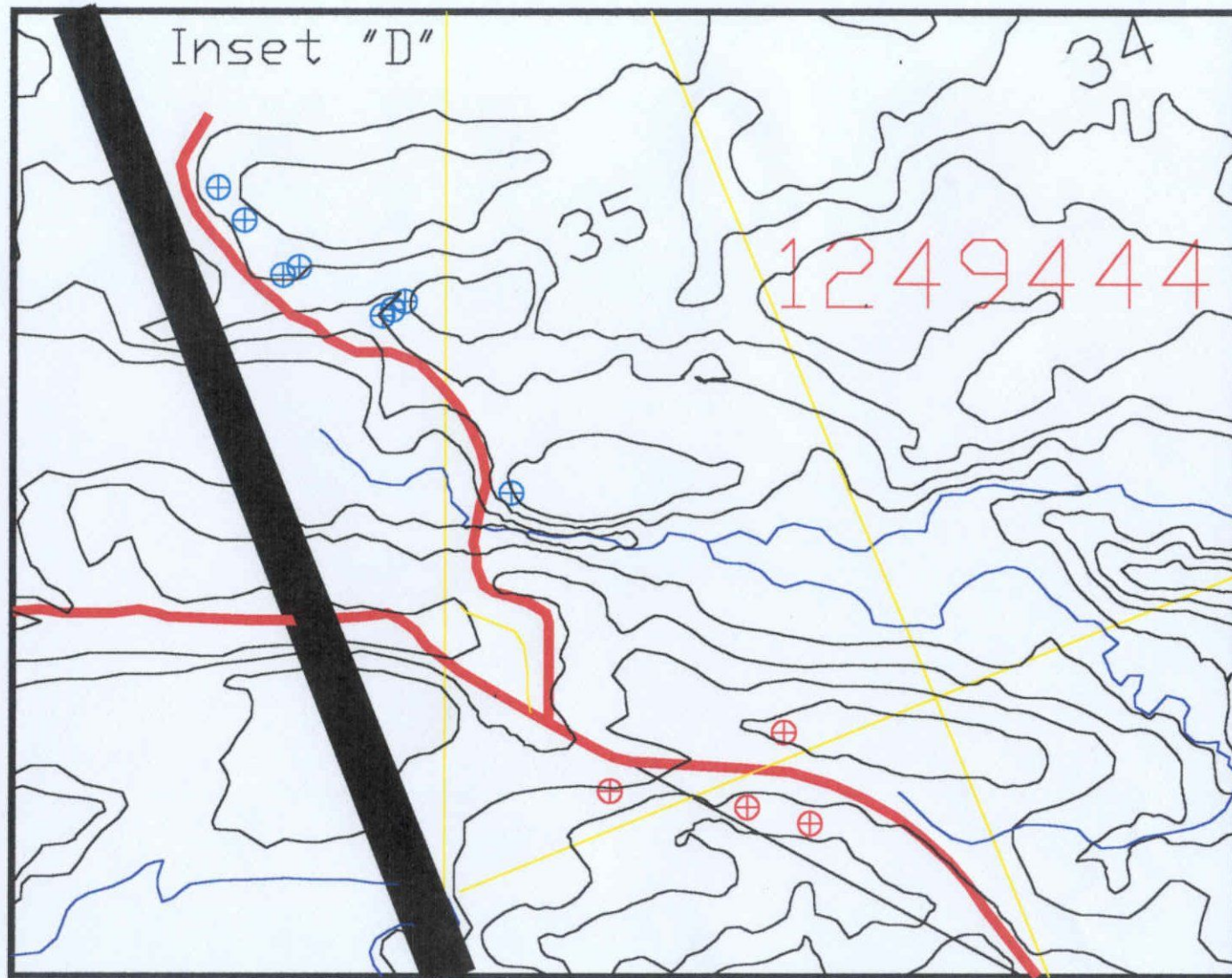


Scale 1: $\frac{1}{1000}$ in metres

- Sample location - anorthosite
- Sample location - granite gneisse



Sample Location Sites



0 50 100 200 300 400 500

Scale: 1:10,000 In metres

⊕ Sample location - anorthosite

⊕ Sample location granite gneiss

Allstone Quarry Products

West end sample locations











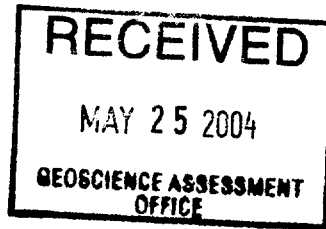












Mark Hall
129 Fielding Road
Lively, Ontario
P23Y 1L7

(705) 682-0207 ext 249

May 23 2004

Bruce Gates
933 Ramsey Lake Road
Sudbury Ontario
P3E 6B5

2. 27071

Subject: Your letter of April 08 2004, Melo – Freeman Township Property

In response to your notice please accept the following.

1. Mr. Melo is self employed, in the landscaping business. As you will see from the attached expenses, he has incurred tremendous personal cost in attempting to develop a new source for landscaping stone. The use of rock for landscaping purposes may be new to the MNDM and Mr. Melo undertakings are unique and innovative. Often Mr. Melo finds new uses and applications for natural stone products. It is difficult to test for applications not yet thought of. For instance, there are no standard tests to quantify rock properties for use as a butterfly exhibit as at Science North, for stone monoliths at Western University, bridges, sculptures, gates, or for North America's largest inukshuk. Testing used for dimension stone is not applicable to landscaping. Cutting and finishing testing covers only a part of potential landscaping applications. Much of the determination of the potential market stems from personal experience of Mr. Melo and persons in the landscaping business. A list of persons consulted on the material with their comments is attached hereto. Those contacts and his own experience must be relied on to decide if a further investment in site development will take place. The best test is of course is a buyer. In this case one of the parties consulted requested stock from this site for a multi million dollar commercial project in Boston. Unfortunately an aggregate permit could not be obtained in time for the job.
2. An itemized list of the costs incurred, with receipts/invoices where applicable are attached at appendix 1. You will note that the costs exceed the 98,100.00 submitted. In fact the costs are in excess of 134,800.00 Preliminary sample selection expenses by J. Melo and M. Hall are not included in this summary. It would be greatly appreciated if you would adjust the total expenses to reflect the revised costs. All work was performed on 1249443.
3. Your assumption that the photos were collected for the purposes of an aggregate permit is wrong. The photos were collected specifically for the work report. There is no aggregate permit yet in existence, and may not be. Yes, the map base submitted was also used for an application for a quarry permit. It makes little sense to redo the map base when one already covers the same area. The drafting costs are not included in the submission, but as it was used for the work report, please add a further cost of \$681.00 to the above revised amount.
4. The letter suggests that time spent selecting a site for testing will be considered prospecting. Mr. Melo is a leader in his field of landscaping. He has repeatedly won awards for his innovations in landscaping designs and constructions. He is recognized nationally and internationally for his work. There are no prospectors who can prospect for the material he uses. No prospector has background or training in what is required for Mr. Melo's designs. Often the material dictates the design. Mr. Melo is not a prospector, but an internationally recognized expert in his field, and should be credited accordingly. Excepting the time spent sampling with the boom truck; Mr. Melo has not included his own costs for preliminary sample selection in

his cost schedule. Accordingly time spent by Mr. Melo = 2 days or 16 hours @ \$128.0/hour or \$2,048.00 that should also be added to the total.

Regarding specifics in your letter:

Licenses

Mark Hall Lic # = 1001073

Jose Melo Lic # = 223735

Preliminary sample site selection

May 18 2002	M. Hall
July 20 2002	M. Hall
August 30 2002	J. Melo & M. Hall
September 27 2003	M. Hall
October 26 2003	J. Melo & M. Hall
November 15, 2003	J. Melo, N. Melo, Truck Driver, & M. Hall

May 18 2002 M. Hall

Rock cuts at the Moon River – The rock cut at Hwy. #400/Moon River bridge display good splitting properties. This splitting is apparently associated with sub-vertical shearing in a northwest-southeast direction. The topography in the area suggest that there are shear zones parallel south west of the Moon River shear. A traverse of the eastern claim boundary (claim 1249442) was performed in anticipation of locating parallel shear zones that cross the claim group. Particularly that shearing, therefore flagstone might be present in the anorthosite unit.

Though abundant samples of flat "flagstone" float were encountered, no vertical shear zones were located on this boundary, likely due to low topography. The float that was encountered is possibly from local bedrock parting in the horizontal plane rather than the vertical shear present at the Moon River Bridge. See figure 1. Note that all outcrops encountered were gneissic granite.

July 20 2002 M. Hall

Traverses were performed in the areas outlined on figure B, midway through the claim group off of 12 Mile Bay Road. A road cut near this traverse exhibits good parting. Traverses were performed at this location in anticipation of finding further shearing as is present in that road cut at location A, on figure B. Good parting was found in the bedrock at location B south of the road, but the bedrock is red-gray gneissic granite and not the main focus at this time. Anorthosite was located north of the road with only minor shearing.

August 30 2002 J. Melo & M. Hall

Traverses were done along 12 Mile Bay Road by J. Melo and M. Hall to examine local bedrock for color, parting/shearing, and extent of the anorthosite unit. Traverses were done at locations shown on insets B and C. Small (30 to 60 centimeters, maximum in length, were taken to the office in Schomberg, for test cuts. The test cuts showed that the color was consistent, and that surface weathered well. That is, the weathered rind did not, in these samples exhibit serious discoloration or deterioration.

September 27 2003 M. Hall

Traversed from the Moon River road in a southeasterly direction to follow a zone of shearing in the anorthosite. The shearing persists for a distance of at least 600 meters. The thickness varies from 5 to 50 centimeters. The color is consistent as a gray to dark gray anorthosite, as described elsewhere in this report. This zone is worth a more detailed investigation. Some of the higher ridges here appear to have been used as camping spots as is evidenced by a large amount of garbage left in the bush. Traverse is shown on figure D.

October 26 2003

J. Melo & M. Hall

Traverse of the northwestern side of the claims was done with J. Melo and M. Hall. The anorthosite was found to persist to at least his location. Some parting was located on the Moon River Road, but the remainder of the traverse located massive anorthosite. However, the color and textures appear to be consistent throughout the unit. Traverse is shown on figure C.

November 15, 2003

J. Melo, N. Melo, Truck Driver, & M. Hall

Four persons, two pickups and a boom truck were employed to take samples of the various rock types for examination at the Schomberg office. Samples were taken from those locations shown on insets B, C and D. Sampling focused on the anorthosite, but representative samples were taken from the adjoining gneissic granite for reference. Testing was done by J. Melo and staff. The material (anorthosite) was found to have consistent color and texture within a limited range of variability. Color varied from a gray to a dark gray, being inter-layered white and gray minerals, (mainly anorthosite) in bands ranging from less than a centimeter to 30 centimeters. The bands are well laminated, with varying degrees of contortion, on a hand sample to outcrop scale. The rock cut well without deterioration or pitting on the surface when cut. It took a flame finish well.

Bulk sample date table

Site clearing	Melo's	November 18, 2002 to Dec 06 2002
Site clearing supervision	J. Melo	November 18 to Dec 06 2002
Equipment Mob	Falcrosso Const	Nov 26 2002 to Dec 13 2002
Drill and blast	Consbec	November to December 06, 2002
Drill and blast Supervise	Melo	November to December 06, 2002
Cut and slab	Rideauview	December 12 2002
Shipping	Zammit Transport	December 02 2002
Loading	Melo	November – December 2002
Guillotine and cutting	Melo	November to July 2003
Polishing	Melo	January 2003 to July 2003
Marketing	Marscon Holdings	January 08 to July 07 2003
Travel /Accom	Air Canada	November 2002
Sample selection	Melo family members	November 2002 to December 2003.

Further to the sampling; no stations or lines were cut. These were not necessary as most sampling was done near existing roads and or timber trails, easily re-located. Samples were taken only from existing outcrops; therefore no vegetation was encountered, with the exception of the bulk sample location. This location had very little soil. Trees present were popular, balsam, spruce and minor white pine as well as minor under brush. The little soil present was glacial till and minor organics.

As sampling was restricted to outcrops, swamps muskeg were not encountered. The forest cover on or near outcrops consisted of white and black spruce, maple, as well as red and white pine. Forest cover differs in the low lying areas, but sampling was restricted to existing outcrops.

The amount of disturbed material is approximately 700 to 800 tonnes. OF that disturbed material, approximately 100 tonnes was transported south to the Schomberg office for testing and evaluation. The site consists of a lower - southwest bench and an upper – northeast bench.

Samples totaling 100 tonnes were removed and taken to Schomberg to determine if it would be useable in applications other than flagstone work.

1. All processing and testing was performed - off site, either at the Allstone plant in Schomberg or at contractors sites.
2. Total material disturbed was 700 to 800 tonnes.

3. Total material taken off site was approximately 100 tonnes.
4. Removal of the sample was completed by January 31 2003.
5. The intended use of the material is for landscaping applications, consequently no physical or engineering tests were performed.
6. There were no sales of the material, consequently there is no income to report.
7. The material was presented to some of the best architectural designers in and outside the country and many other potential purchasers, in order to determine the potential market. The overall response was very favorable. Details are attached.
8. Costs were in approximately \$135,000.00.

Samples of the anorthosite were cut and split at the Schomberg office and by Rideauview Contracts. The material is too massive at this location to be considered a good site for flagstone, however the material is very attractive and is massive enough for limited use in cut and polished applications, and for landscaping applications such as retaining walls, bridges, arches, waterfalls and other similar purposes. Results of the testing are attached hereto.

Testing results

The purpose of testing was to determine the sites potential for a source of landscaping stone. Specifically, the operator is seeking material for use as flagstone, and/or other landscaping applications. It is not specifically intended for building stone, or other large slab uses. Therefore it is not necessary to have the large sized raw blocks typically required for dimension stone applications. Consequently, tests for engineering strengths etc. are not applicable and were not performed. What is necessary is to determine the nature of parallel parting, if any, how it reacts to sawing, polishing, flame or sand blasted finishing, as well as how it weathers. There are also subjective tests, to determine how "attractive" or visually pleasing it is, in order to predict sales in the market.

With the exception of granite gneiss samples collected from the locations shown on insets C and D, all samples were anorthosites. The granite cut reasonably well but the color was determined to be too common and no further testing was done on these samples.

Parting/splitting

The anorthosite at the bulk sample location (inset A) does not split well and is not a candidate for use as flagstone. Flat surfaces can be obtained but parting thickness is too great for flagstone. The lower southwest bench is in fact reasonably massive. Cubic blocks up to 1.5 meters per side can be extracted from this level. This may allow for limited application as cut stock. The upper level is not quite so massive. Applications for this material would be restricted to retaining walls and other ornamental applications.

Oxidation/discoloration/weathering

Iron sulfides and other minerals can cause discoloration as the material is exposed to weather. No such minerals were found at this site. Surfaces were free of discoloration and remain close to their fresh cut color.

Cutting

The anorthosite from this site cut well without significant pitting or deterioration. When cut it remains firm and solid.

Polishing

Material from this site takes a polish well. Faces when polished are flat and mirror like, without pitting or surface distortions due to variability abrasion resistance of the minerals present.

Flame finish

Material from this site takes a flame finish well.

Sand blasted finish

The material also takes a sand blasted finish well

Attractiveness

Though a subjective analysis, this is critical to determine if there is to be market for the material. Overall this is a very attractive gray to dark gray laminated "binstriped" stone suitable for use in landscaping.

Technical description.

Gneissic and well laminated on a sub centimeter to 20 centimeter scale. The gneissosity is sometimes contorted. Color varies from a light gray to dark gray. Cursorv examinations shows the anorthosite unit extends the length of the property, as indicated on the OGS P-2954 for the Moon River area.

Its composition is anorthositic about 85 to 95 % plagioclase, the remaining 15 to 5% being composed of varying amounts of mafic minerals including pyroxene, mica, and garnet. It is non-magnetic, free of any notable sulfide minerals, therefore no discoloration due to rust, or other oxidation by-products.

Upon shipping, and blasting, it was shown that the material at the sample locations does not have the centimeter scale parting required for application as flagstone, despite good lamination. The sample area is broken down into two areas, being an upper level on the northeast side and a lower level on the southwest side.

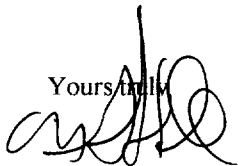
The anorthosite at the lower level on the southwest side produces blocks up to 1.5 meters to a side. The upper lever to the north east is not quite so massive, producing smaller blocks, nor is it sheared enough to be useful as flagstone. It may however have limited application in retaining walls, fountains and other decorative uses.

Though this anorthosite does not split, it does cut well without significant deterioration or pitting and takes a polish, flame or sandblasted finish well.

The remainder of the observations are subjective. Mr. Melo and family have specialized in landscaping with natural stone products for tens of years with great success. There are no scientific studies to determine what constitutes a marketable stone product. It is subjective, varying with the times and fashion. In this Mr. Melo is an expert in this field as evidenced by his successes in the landscaping business, including peer recognition in awards etc.

Mr. Melo believes this anorthosite is marketable for landscaping. He has consulted with several industry recognized professionals who agree with Mr. Melo that the material would be well received. A summary of those contacts is being included with this submission. The best support of this was an offer to purchase the material for use in a multi million-dollar job in Boston.

Yours truly,



Mark Hall

Moon River Quarry

TESTAMENT FROM MR MIKE PICCO of PICCO ENGINEERING

Mr. Picco is the biggest stone designer and engineer and well-known throughout North America. His comments are as follows;

The Moon River Quarry offers a higher quality granite than any other quarry known to me in southern Ontario. I particularly like the formation along the south east part of the quarry which has an unknown uncovered area of several hectares of rock. This material is unique in colour – grayish/whitish with small to medium size grain with one of the best grayish colours in the market. I particularly like the appearance of this cut on the fleury. It polishes very well. It is easy to work in the different ways such as flaming and sandblasting surfaces. I would have no hesitation in using this product on my design. I know this is one product that will sell in the US market where I do a lot of my work. I encourage you to carry on with the development of this quarry and all hope that all goes well and you allow me to be a part of it. I look forward to a new list of products available for my projects.

TESTING

You have asked me for testing results on these products. Here are my comments. Many of the projects you are doing with granite do not require testing nor have I used those test results for my purposes. Some of the projects you have done to date are the following;

1. Inukshuks
2. Bridges
3. Carving Signs
4. Sculptures
5. Gate posts

Please note the testing should and would be done especially when we use for hanging slabs or other common uses such as countertops and covering building surfaces.

I also like the rest of the products at the quarry. It seems to be a suitable product for landscaping and building stone and I hope that this product is available soon.

May 25, 2004

Moon River Quarry
Paul Marsala
Marscon Holding Inc.

General Comments:

This quarry offers three different types of granite with different colours and different texture.

1. The favorite is the grayish, blackish whitish colour with a touch of bluish sparkling. It has the potential for large blocks of up to 20 ton which is the legal size. This information shows very little fracture and perhaps one of the best granites ever found in Southern Ontario. I recommend that this granite be possessed for architectural purpose. I can see it being used on a variety of applications such as tiles, slabs, steps, coping, etc. The colour and texture combination make this material one of the most attractive granites in the market.

By Product:

The cuttings of block squaring and other leftover materials can be used for building stone, flagstone and cobbles. I have seen the samples of the slab building stone guillotine cut and the sparkling colour of the product are a combination of an ash colour with whitish sparkles that make it the most unique colours of grey that I have seen. The polished slabs are also of great interest; the slab cut on the grain gives a very consistent grey colour. It polishes very well and it gives the appearance of a very strong surface. The cutting on the flurry shows a completely different surface following the stripes of colour with great variance on surface appearance. Probably a great use for countertops and other furnisher purposes. My general comment is that this product is a "real winner".

2. My second favorite is a darker grayish material, which is more a slab form, and not good enough for blocks, but with great potential for landscape purposes and building stone. The material shows a lot of fracture and it's thin layers allow for an easier extraction and general splitting for the use of steps, flagstone and other products to be guillotine and processed into building stone, drywall and curbing.

3. Our third choice is a mix colour of grayish, pinkish with semi-layer appearance. This material offers some potential of:

- large slabs that can be used for signage
- carved on big sculptures
- large pieces for bridges
- this large pieces for gate posts
- the construction of Inuk Shuks
- pond edging
- driveway curbs
- coping, etc.

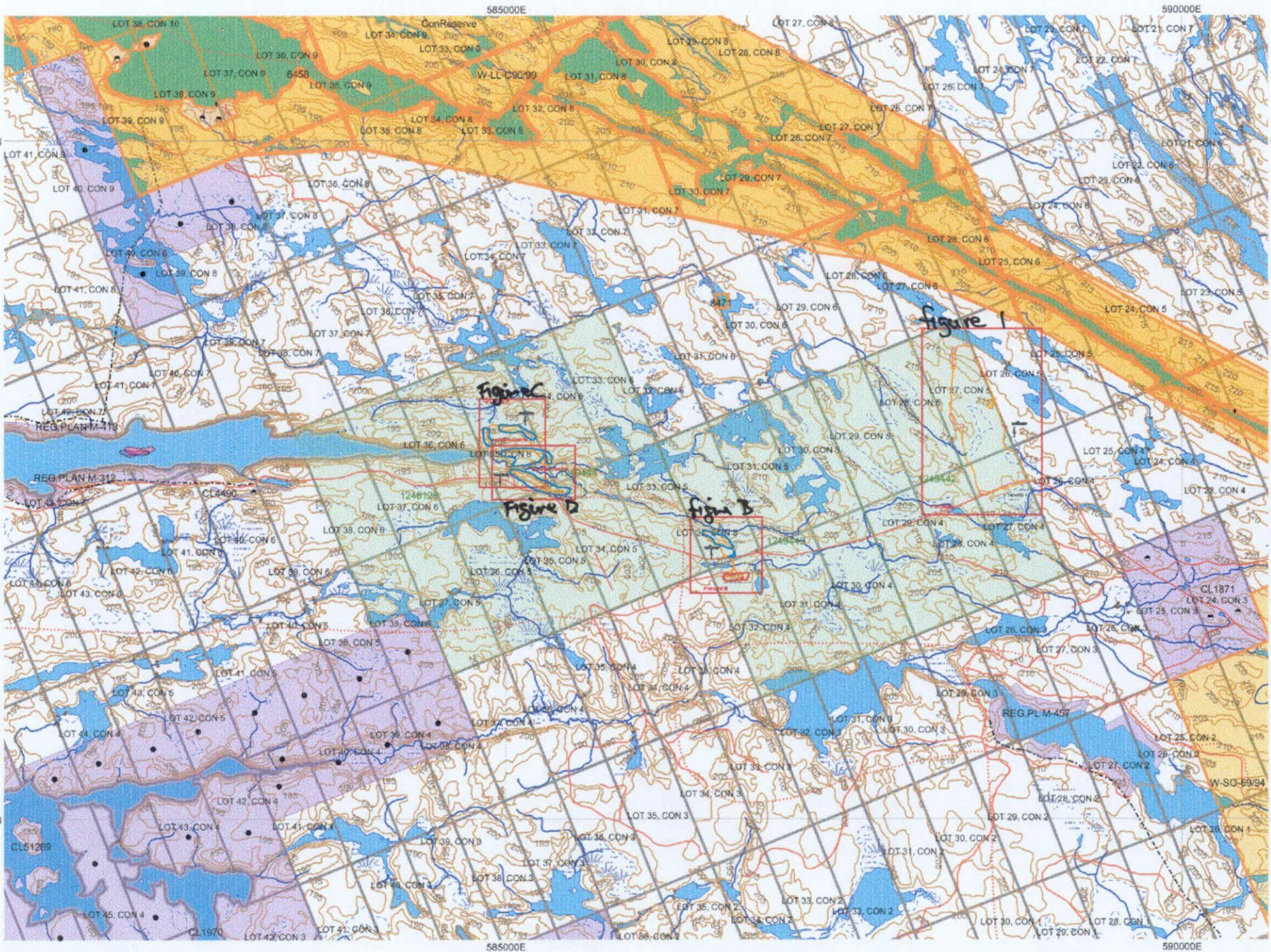
Best of all, it is important for a quarry to have all of these varieties within one stop. Architects normally design projects based on availability and since local products are first choice, we fully recommend that this quarry be developed to it's full potential. I recommend that Allstone Quarry Products Inc. continue with the building of granite displays in order to excel the marketing of products and to make the industry aware of it's potential of Canada products.

Yours truly,

Jose Melo
President
Allstone Quarry Products Inc.

JM/ds

A US Consortium visited our Moon River quarry in the fall of 2002. After they had seen samples of the grayish granite, in a sawn and split form, they approved this product for a million dollar project. The names of the architects were Nico Larco, Robert Kochansky and Ben Packard. They checked the product at the quarry, approved the product and verbally agreed to take over one million dollars of finished product. As they expressed, this is the best and only product that we have found which has the colours that we are looking for. At the time, we agreed to supply the entire project based on the time of the permit. Our commitment was left open providing that the permit was obtained no later than March 2003. Due to the delay on the permit, we declined. Based on the great response from this firm of architects from the US and other local professionals we are led to believe this is the best material we have encountered so far.



Granite Material Description

The quarry has three different types of granite as follows;

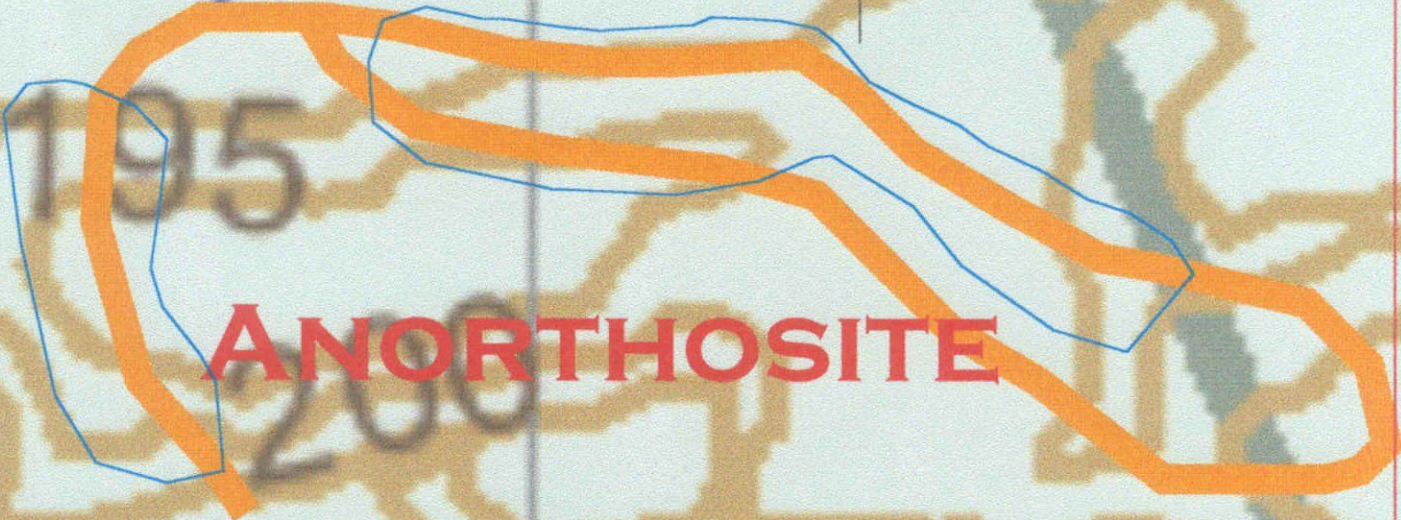
- A. Greyish/whitish in form of blocks
 - B. Greyish/pinkish layered material
 - C. Dark grayish layered material
-
- A. The most valuable of the three types is a. grayish/whitish with sparkling stripes. The material offers a great colour variety with a very unique appearance with its best appearance when sawn and split on the grain. This process will allow the material to be used as architectural stone. When cut on the fleury, it offers a more consistence grayish colour which polishes very well. This material has been shown to a variety of trades people and some architects and engineers. The response was extremely positive. Our best response came from architects in the US who approved the product for use in the construction of a college in excess of a million dollars. We failed to sell due to lack of time to obtain permits. Other positive comments came from mr. Mike Picco of Picco Engineering, one of the best known stone engineers in North America.
 - B. The second type of material is loose material in layers of 1"-12". This material is easy to split and guillotine. It can be used for coursing stone for the construction of houses, steps for landscaping or drywall for soil retaining.
 - C. The third material is a dark grey and is the weakest of the materials with the top layer crumbling like shale. The deeper layers offer a more consistent look and it could be used for guillotine in landscaping and construction.



Figure 1



FIGURE C



ANORTHOSITE

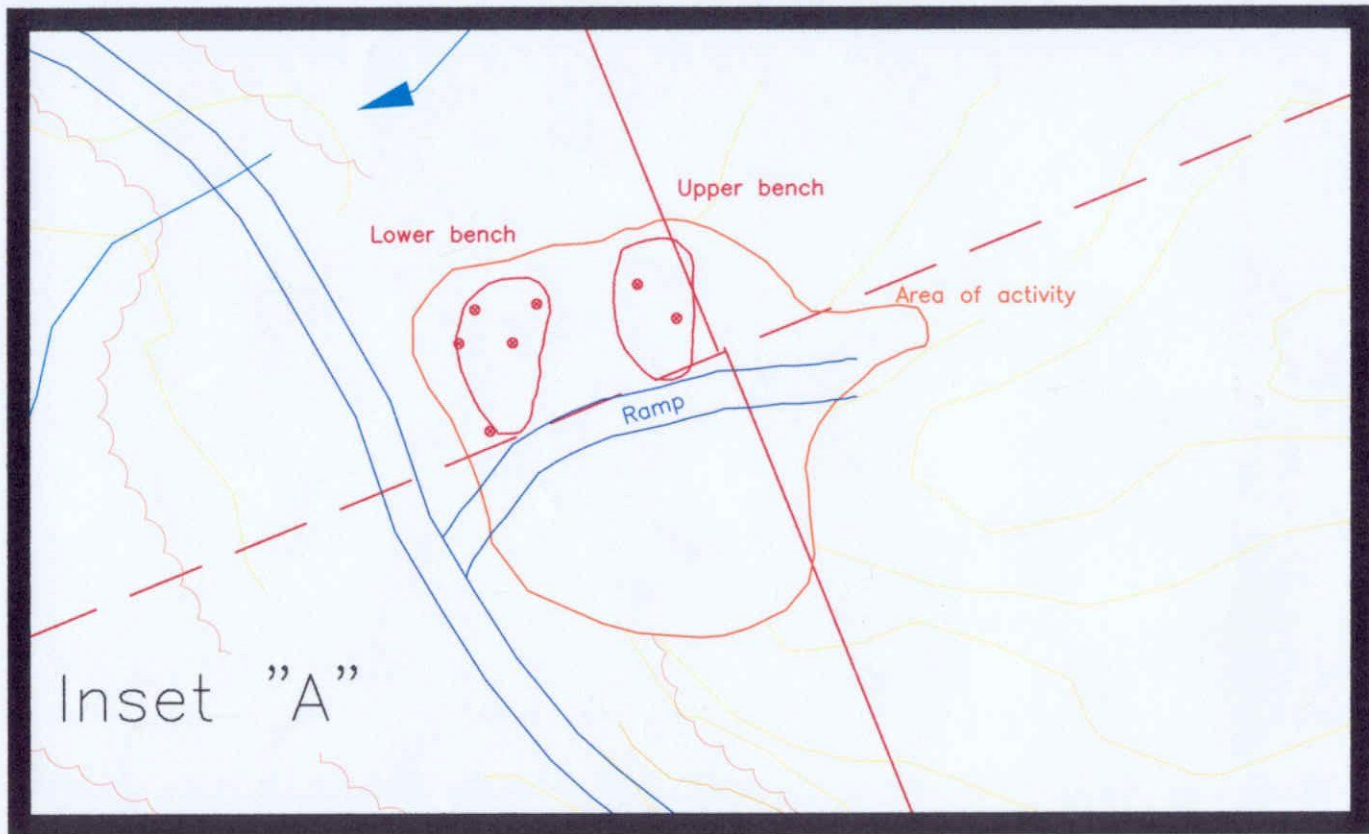
OT 35, CON 6

195

190

1



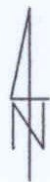


0 20 40 60 80 100

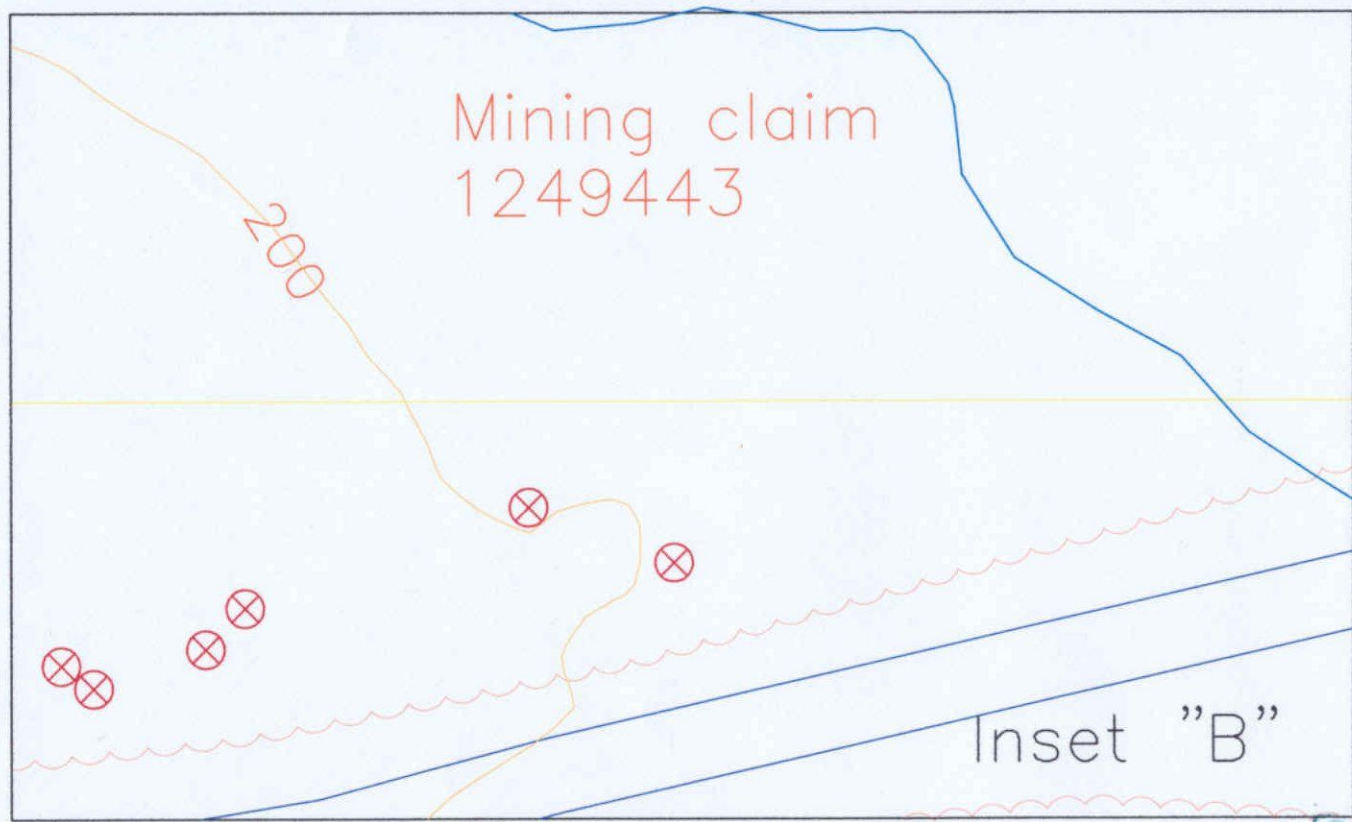


Scale 1: in metres

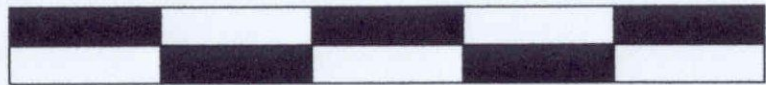
• Sample location - anorthosite



Sample Location Sites

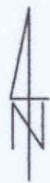


0 20 40 60 80 100



Scale 1: in metres

⊗ Sample location granite gneisse



Sample Location Sites

Mining claim
1249443



12 Mile Bay Road



Inset "C"

0 20 40 60 80 100

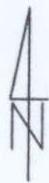


Scale 1:

in meters



Sample location - grannite gneisse



Sample Location Sites



27.27071

Date: 2004-JUN-21

GEOSCIENCE ASSESSMENT OFFICE
933 RAMSEY LAKE ROAD, 6th FLOOR
SUDBURY, ONTARIO
P3E 6B5

JOSE MELO
R.R.#1
SCHOMBERG, ONTARIO
L0G 1T0 CANADA

Tel: (888) 415-9845
Fax: (877) 670-1555

Submission Number: 2.27071
Transaction Number(s): W0490.00151

Dear Sir or Madam

Subject: Approval of Assessment Work

We have approved your Assessment Work Submission with the above noted Transaction Number(s). The attached Work Report Summary indicates the results of the approval.

At the discretion of the Ministry, the assessment work performed on the mining lands noted in this work report may be subject to inspection and/or investigation at any time.

Please note it was not our assumption that the photo's were collected for the purpose of an aggregate permit.

The revisions outlined in the Notice dated April 8, 2004 have been received. The costs reported as 'Marketing' (\$56,391) and architects flights from Boston (\$3,058) have been removed as not eligible from the \$134,808 total expenses reported. The TOTAL VALUE of assessment credit that will be allowed, based on the information provided in this submission, is \$75,359.

If you have any question regarding this correspondence, please contact BRUCE GATES by email at bruce.gates@ndm.gov.on.ca or by phone at (705) 670-5856.

Yours Sincerely,



Ron C. Gashinski
Senior Manager, Mining Lands Section

Cc: Resident Geologist

Jose Melo
(Claim Holder)

Mark Hall
(Agent)

Assessment File Library

Jose Melo
(Assessment Office)

Date / Time of Issue: Mon May 24 13:42:04 EDT 2004

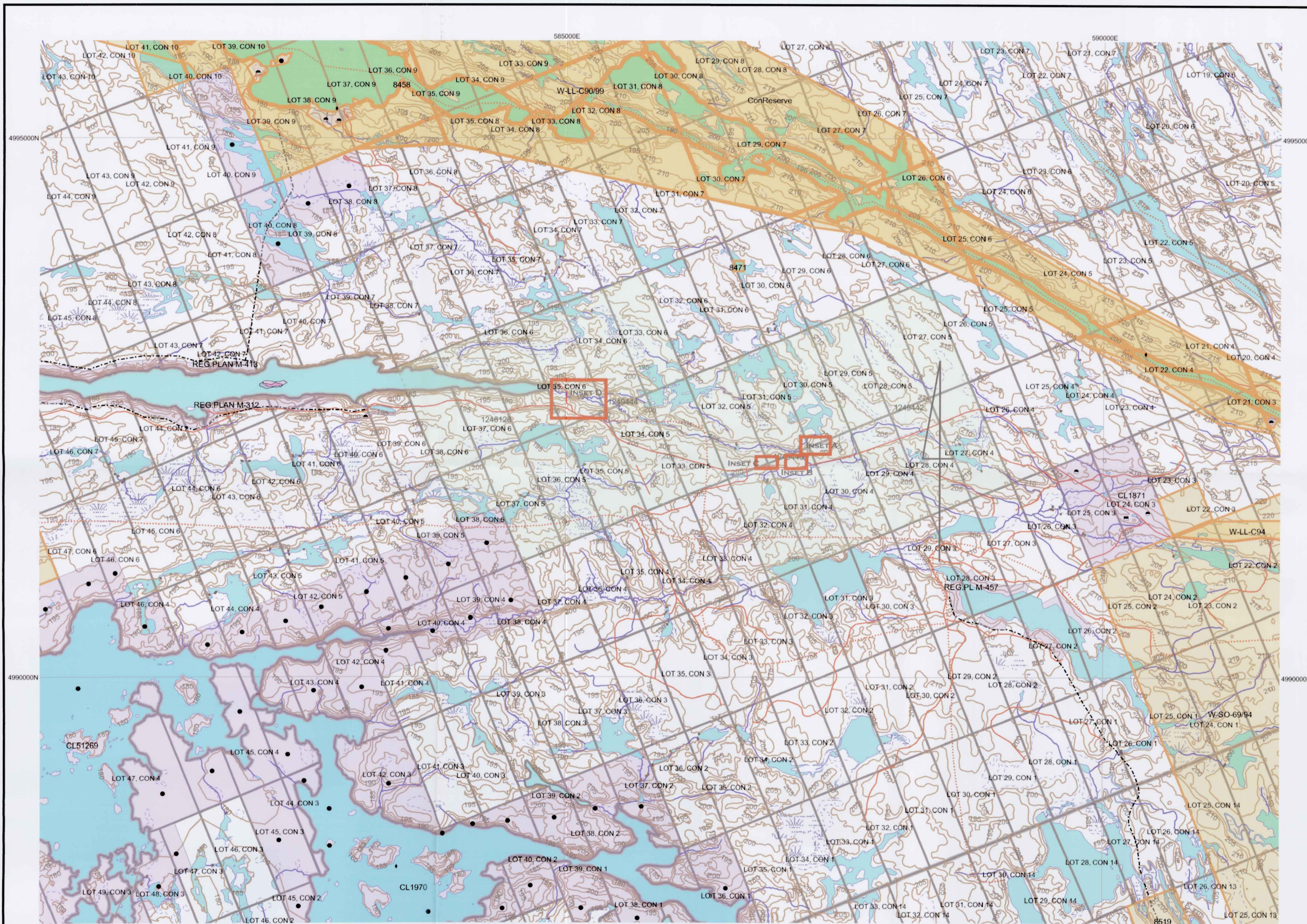
TOWNSHIP / AREA
FREEMAN

PLAN
M-1600

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division
Land Titles/Registry Division
Ministry of Natural Resources District

Southern Ontario
MUSKOKA
PARRY SOUND



TOPOGRAPHIC

- Administrative Boundaries
- Township
- Concession, Lot
- Provincial Park
- Indian Reserve
- Cliff, Pit & Pile
- Contour
- Mine Shafts
- Mine Headframe
- Railway
- Road
- Trail
- Natural Gas Pipeline
- Utilities
- Tower

Land Tenure

- Freehold Patent**
 - Surface And Mining Rights
 - Surface Rights Only
 - Mining Rights Only
- Leasehold Patent**
 - Surface And Mining Rights
 - Surface Rights Only
 - Mining Rights Only
- Licence of Occupation**
 - Uses Not Specified
 - Surface And Mining Rights
 - Surface Rights Only
 - Mining Rights Only
- Land Use Permit**
- Order In Council (Not open for staking)**
- Water Power Lease Agreement**
- Mining Claim**
- Filed Only Mining Claims**

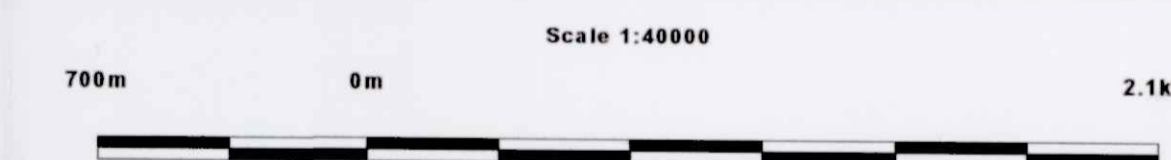


LAND TENURE WITHDRAWALS

- 1234 Areas Withdrawn from Disposition
- Wsm Mining Acts Withdrawal Types
- Ws Surface And Mining Rights Withdrawal
- Wm Surface Rights Only Withdrawal
- Wsm Mining Rights Only Withdrawal
- Order In Council Withdrawal Types
- Wsm Surface And Mining Rights Withdrawal
- Ws Surface Rights Only Withdrawal
- Wm Mining Rights Only Withdrawal

IMPORTANT NOTICES

- Ns



LAND TENURE WITHDRAWAL DESCRIPTIONS

Identifier	Type	Date	Description
8458	Ws	Mar 21, 1986	CROWN RESERVE 21/3/86 S.R.O.
8471	Wsm	Jan 1, 2001	400 FT SURFACE RIGHTS RESERVATION ALONG THE SHORES OF ALL LAKES & RIVERS
8519	Wsm	Jan 1, 2001	FLOODING RIGHTS AND THE RIGHT TO BUILD AND MAINTAIN DAMS GRANTED TO THE MUSKOKA MILL AND LUMBER CO.LTD., ON LOTS MARKED EASEMENT REF.51705
8526	Wsm	Jan 1, 2001	FLOODING RIGHTS AND THE RIGHT TO BUILD AND MAINTAIN DAMS GRANTED TO THE MUSKOKA MILL AND LUMBER CO.LTD., ON LOTS MARKED EASEMENT REF.51705
ConReserve	Wsm	Apr 6, 2001	Lower Moon River Conservation Reserve
ConReserve	Wsm	Apr 6, 2001	Moreau's Bay Conservation Reserve
Pending PLA	Wsm	Jul 3, 2001	Pending application under the Public Lands Act
W 79/83	Wsm	Jan 5, 1984	PARK RESERVE W 79/83 JAN 5/84 M&S 171517 DISPOSITION BY EXPLORATORY LICENCE OF OCCUPATION ONLY - APPLY TO MINING RECORDER
W-LL-C32/99	Wsm	May 8, 1999	Sec. 35 W-LL-C32/99 08/05/99 Ont M+S - Notice, this withdrawal area has now been regulated as a Conservation Reserve, consult the Mining Recorder's Office for the regulated boundary as it may go beyond this Withdrawal Order.
W-LL-C32/99	Wsm	May 8, 1999	Sec. 35 W-LL-C32/99 08/05/99 Ont M+S - Notice, this withdrawal area has now been regulated as a Conservation Reserve, consult the Mining Recorder's Office for the regulated boundary as it may go beyond this Withdrawal Order.
W-LL-C35	Wsm	Feb 12, 2002	http://www.mndm.gov.on.ca/MNDM/MINES/withdrawal/S.35MiningActRSO1999_12/02/02BoundaryGenerallyDepictsAreaWithdrawnClicktoViewActualAreaWithdrawn

Those wishing to stake mining claims should consult with the Provincial Mining Recorders' Office of the Ministry of Northern Development and Mines for additional information on the status of the lands shown hereon. This map is not intended for navigational, survey, or land title determination purposes as the information shown on this map is compiled from various sources. Completeness and accuracy are not guaranteed. Additional information may also be obtained through the local Land Titles or Registry Office, or the Ministry of Natural Resources.

General Information and Limitations

Contact Information:
Provincial Mining Recorders' Office
Wilket Green Miller Centre 933 Ramsey Lake Road
Sudbury ON P3E 6B5
Home Page: www.mndm.gov.on.ca/MNDM/MINES/LANDS/misnmpge.htm

Toll Free
Tel: 1 (888) 415-9845 ext 5783
Fax: 1 (877) 670-1444
Map Datum: NAD 83
Projection: UTM (6 degree)
Topographic Data Source: Land Information Ontario
Mining Land Tenure Source: Provincial Mining Recorders' Office

This map may not show unregistered land tenure and interests in land including certain patents, leases, easements, right of ways, flooding rights, licences, or other forms of disposition of rights and interest from the Crown. Also certain land tenure and land uses that restrict or prohibit free entry to stake mining claims may not be illustrated.



RECEIVED
 JAN 23 2004
 GEOSCIENCE ASSESSMENT
 OFFICE

2.27071



LEGEND

Boundary of Site	River or Stream
Excavation Setback	Seasonal drainage
Phases of Operations	Proposed drainage
237 Contour	Lake or Pond
+344 Spot elevation	Wetland
Parcel boundary	Beaver dam
Disturbed area	Bush
Slope of land (estimated)	Road
Building	-existing
Stockpile or Berm	-proposed
Gate	Trail
-existing	Hydro line
-proposed	Power line
+344 Proposed final elevation	Railroad
	Fence

This plan is representative of the existing features found at the time of field data collection and does not necessarily intend to represent a legal survey of the properties.

No.:	1.10 Revision/Amendment	Date:

Signature _____ Date _____

Signature/Title _____

Claim Holder
 Allstone Quarry Products Limited
 129 Fielding Road
 Lively, Ontario,
 Canada P3Y 1J7

Page Title:
 Site Location Plan

Location: Freeman Township Plot 1249442 Cen & West of Highway 88 Municipality of Grey County of Grey	Plot no.:
Date: Dec. 2003	Site name: 12 Mile Bay Quarry
Drawn: DY	Permit no.:
Scale: as shown	Checked: MH
Sheet no.: 1 of 1	Project no.:
	UTM: 587200m E 4992150m N
	Datum: Nad 83 Z

