

Claim No.1212226, Gillies Limit Township

Access to this claim is via a well-maintained gravel road southeast of Cobalt to Cart Lake tailings area. Ragged Chutes road heads south from here and is a moderately-maintained road. As seen on the sketch maps, this road provides direct access to both work sites.

Claim No. 1212226 is held currently by R.Gilson. The claim is locally known as the Waldman claim as the property was originally owned and operated by the Waldman Silver Mines Ltd from 1909 to 1920. There are three shafts on the property - maximum depth is 110 feet. A total of 2066 lbs cobalt and 33,525 oz silver were recovered from these workings. The veins are known to run east-west on this property.

Coleman sediments are known to form a paleotrough in the area trending NNE (extending through the Silverfields and Silver Summit properties). The sediments are underlain by Keewatin pillowed volcanic rocks and east-striking interflow sediments. These interflow sediments locally are commonly sulphide-rich and, where sulphide-rich, often underlie silver and cobalt-bearing carbonate veins in overlying Coleman glacial sediments.

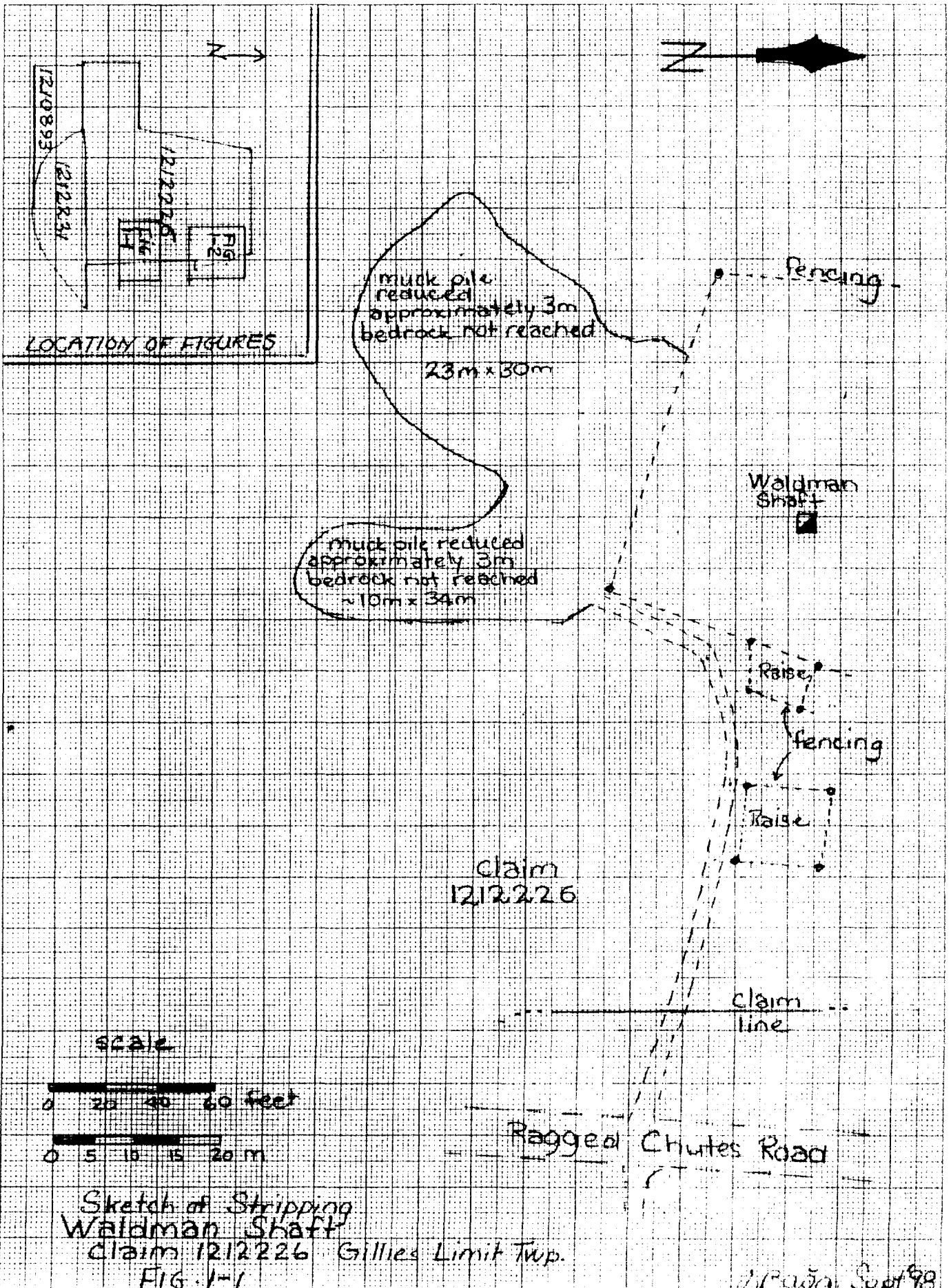
Work on this claim consisted of trenching and stripping. Two work areas (Location sketch on Figure 1-1) on Claim No.1212226 are seen here. The south area was stripped and the north area was trenched and subsequently stripped.

A trench to bedrock at the north end of the claim was approximately 15' x 3' x 6" - 2'. Unfortunately, this trench was filled in when the adjacent muck pile was removed to strip the area to bedrock adjacent to the shaft. The area was levelled but was not taken down to bedrock. When the sketch (Figure 1-2) was mapped, there was no outcrop exposed and the trench was filled in. Figure 1-2 shows the extent of stripping - an irregular-shaped area approximately 40' x 70'.

Work on the southern portion of the claim consisted of removing two muck piles adjacent to the shaft area with the aim of stripping to bedrock. Bedrock was not reached in this area (Figure 1-1). A sketch map shows the location of the shaft, fenced raises and stripped areas. No bedrock was exposed. Further trenching to the south is planned.

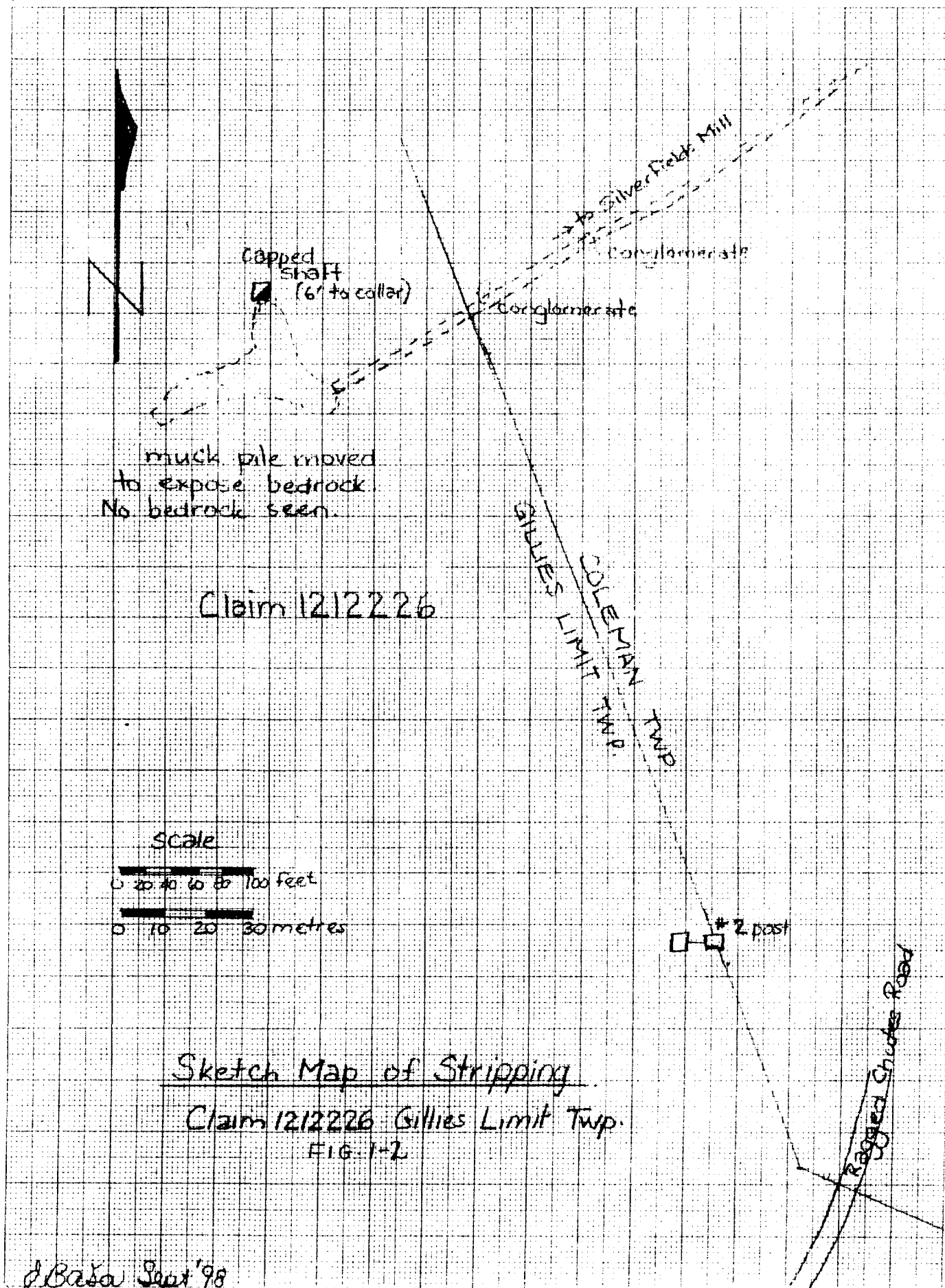


2.18.98



Sketch of Stripping
 Waldman Shaft
 claim 1212226 Gillies Limit Twp.
 FIG. 1-1

2/18/98



Sketch Map of Stripping

Claim 1212226 Gillies Limit Twp.

FIG. 1-2

J. Basa Sept '98



Declaration of Assessment Work Performed on Mining Land

Mining Act, Subsection 65(2) and 66(3), R.S.O. 1990

Transaction Number (office use) N9880.00646 Assessment Files Research Imaging



of subsections 65(2) and 66(3) of the Mining Act. Under section 8 of the review the assessment work and correspond with the mining land holder. Recorder, Ministry of Northern Development and Mines, 6th Floor.

31M05SE2004 2.18933 GILLIES LIMIT 900

Instructions: - For work performed on Crown Lands before recording a claim, use form 0240. - Please type or print in ink.

2.18933

1. Recorded holder(s) (Attach a list if necessary)

Form with fields for Name, Address, Client Number, Telephone Number, and Fax Number for OUTCROP EXPLORATIONS LIMITED.

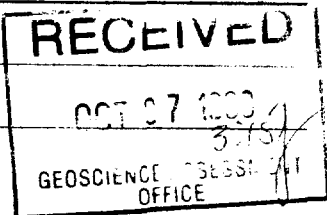
2. Type of work performed: Check (✓) and report on only ONE of the following groups for this declaration.

Form with checkboxes for Geotechnical, Physical, and Rehabilitation work, and fields for Work Type, Dates Work Performed, and Mining Division.

Please remember to: - obtain a work permit from the Ministry of Natural Resources as required; - provide proper notice to surface rights holders before starting work; - complete and attach a Statement of Costs, form 0212; - provide a map showing contiguous mining lands that are linked for assigning work; - include two copies of your technical report.

3. Person or companies who prepared the technical report (Attach a list if necessary)

Form with fields for Name, Address, Telephone Number, and Fax Number for Elaine Basa.



4. Certification by Recorded Holder or Agent

I, Ron Gilson, do hereby certify that I have personal knowledge of the facts set forth in this Declaration of Assessment Work having caused the work to be performed or witnessed the same during or after its completion and, to the best of my knowledge, the annexed report is true.

Form with fields for Signature of Recorded Holder or Agent, Date, Agent's Address, Telephone Number, and Fax Number.

Deemed Jan 3/99

5. Work to be recorded and distributed. Work can only be assigned to claims that are contiguous (adjoining) to the mining land where work was performed, at the time work was performed. A map showing the contiguous link must accompany this form.

Claim 1212226 W9880 00646.

Mining Claim Number. Or if work was done on other eligible mining land, show in this column the location number indicated on the claim map.	Number of Claim Units. For other mining land, list hectares.	Value of work performed on this claim or other mining land.	Value of work applied to this claim.	Value of work assigned to other mining claims.	Bank. Value of work to be distributed at a future date.
eg TB 7827	16 ha	\$26,825	N/A	\$24,000	\$2,825
eg 1234567	12	0	\$24,000	0	0
eg 1234568	2	\$8,892	\$4,000	0	\$4,892
1 <i>1212226</i>	<i>3</i>	<i>\$3,810</i>	<i>0</i>	<i>\$800</i>	<i>\$3010</i>
2 <i>1212231</i>	<i>1</i>	<i>0</i>	<i>\$400</i>		
3 <i>1210893</i>	<i>1</i>	<i>0</i>	<i>\$400</i>		
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
Column Totals		<i>\$3,810</i>	<i>\$800</i>	<i>\$800</i>	<i>\$3010</i>

RECEIVED

OCT 07 1998

GEOSCIENCE ASSESSMENT OFFICE

I, *Ron Gilson* (Print Full Name), do hereby certify that the above work credits are eligible under subsection 7 (1) of the Assessment Work Regulation 6/96 for assignment to contiguous claims or for application to the claim where the work was done.

Signature of Recorded Holder or Agent Authorized in Writing: *Rd Gilson* Date: *Oct 5/98*

6. Instructions for cutting back credits that are not approved.

Some of the credits claimed in this declaration may be cut back. Please check (✓) in the boxes below to show how you wish to prioritize the deletion of credits:

- 1. Credits are to be cut back from the Bank first, followed by option 2 or 3 or 4 as indicated.
- 2. Credits are to be cut back starting with the claims listed last, working backwards; or
- 3. Credits are to be cut back equally over all claims listed in this declaration; or
- 4. Credits are to be cut back as prioritized on the attached appendix or as follows (describe):

Note: If you have not indicated how your credits are to be deleted, credits will be cut back from the Bank first, followed by option number 2 if necessary.

For Office Use Only

Received Stamp	Deemed Approved Date	Date Notification Sent
	Date Approved	Total Value of Credit Approved
Approved for Recording by Mining Recorder (Signature)		

Personal information collected on this form is obtained under the authority of subsection 6(1) of the Assessment Work Regulation 6/98. Under section 8 of the Mining Act, the information is a public record. This information will be used to review the assessment work and correspond with the mining land holder. Questions about this collection should be directed to the Chief Mining Recorder, Ministry of Northern Development and Mines, 6th Floor, 933 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5.

CLAIM NO. 1212226

2.18933

Work Type	Units of Work <small>Depending on the type of work, list the number of hours/days worked, metres of drifting, kilometres of grid line, number of samples, etc.</small>	Cost Per Unit	Total Cost
BULLDOZER STRIPPING	40 HRS.	\$90 p.hr.	\$3600.00
Associated Costs (e.g. supplies, mobilization and demobilization).			
Float charges			\$210
Transportation Costs			
Food and Lodging Costs			
Total Value of Assessment Work			\$3810.00

RECEIVED
 OCT 07 1998
 GEOSCIENCE ASSESSMENT
 OFFICE

Calculations of Filing Discounts:

1. Work filed within two years of performance is claimed at 100% of the above Total Value of Assessment Work.
2. If work is filed after two years and up to five years after performance, it can only be claimed at 50% of the Total Value of Assessment Work. If this situation applies to your claims, use the calculation below:

TOTAL VALUE OF ASSESSMENT WORK x 0.50 = Total \$ value of worked claimed.

Note:

- Work older than 5 years is not eligible for credit.
- A recorded holder may be required to verify expenditures claimed in this statement of costs within 45 days of a request for verification and/or correction/clarification. If verification and/or correction/clarification is not made, the Minister may reject all or part of the assessment work submitted.

Certification verifying costs:

I, Ray Gilson (please print full name), do hereby certify, that the amounts shown are as accurate as may reasonably be determined and the costs were incurred while conducting assessment work on the lands indicated on the accompanying Declaration of Work form as President I am authorized (recorded holder, agent, or state company position with signing authority) to make this certification.

Signature: Ray Gilson Date: Oct. 5/98

November 18, 1998

Ronald Gilson
OUTCROP EXPLORATIONS LIMITED
12 MARTIN DRIVE
COBALT, ONTARIO
P0J-1C0

Geoscience Assessment Office
933 Ramsey Lake Road
6th Floor
Sudbury, Ontario
P3E 6B5

Telephone: (888) 415-9846
Fax: (877) 670-1555

Dear Sir or Madam:

Submission Number: 2.18933

Status

Subject: Transaction Number(s): W9880.00646 Deemed Approval

We have reviewed your Assessment Work submission with the above noted Transaction Number(s). The attached summary page(s) indicate the results of the review. **WE RECOMMEND YOU READ THIS SUMMARY FOR THE DETAILS PERTAINING TO YOUR ASSESSMENT WORK.**

If the status for a transaction is a 45 Day Notice, the summary will outline the reasons for the notice, and any steps you can take to remedy deficiencies. The 90-day deemed approval provision, subsection 6(7) of the Assessment Work Regulation, will no longer be in effect for assessment work which has received a 45 Day Notice. Allowable changes to your credit distribution can be made by contacting the Geoscience Assessment Office within this 45 Day period, otherwise assessment credit will be cut back and distributed as outlined in Section #6 of the Declaration of Assessment work form.

Please note any revisions must be submitted in **DUPLICATE** to the Geoscience Assessment Office, by the response date on the summary.

If you have any questions regarding this correspondence, please contact Bruce Gates by e-mail at gatesb2@epo.gov.on.ca or by telephone at (705) 670-5856.

Yours sincerely,



ORIGINAL SIGNED BY
Blair Kite
Supervisor, Geoscience Assessment Office
Mining Lands Section

Work Report Assessment Results

Submission Number: 2.18933

Date Correspondence Sent: November 18, 1998

Assessor: Bruce Gates

Transaction Number	First Claim Number	Township(s) / Area(s)	Status	Approval Date
W9880.00646	1212226	GILLIES LIMIT (N.)	Deemed Approval	November 18, 1998

Section:
10 Physical PSTRIIP

Correspondence to:

Resident Geologist
Kirkland Lake, ON

Assessment Files Library
Sudbury, ON

Recorded Holder(s) and/or Agent(s):

Ronald Gilson
OUTCROP EXPLORATIONS LIMITED
COBALT, ONTARIO

INDEX TO LAND DISPOSITION

PLAN
 G - 3429

TOWNSHIP
**GILLIES LIMIT
 (NORTH PART)**

M.N.R. ADMINISTRATIVE DISTRICT
TEMAGAMI
 MINING DIVISION
LARDER LAKE
 LAND TITLES/REGISTRY DIVISION
TIMISKAMING

DISPOSITION OF CROWN LANDS

- Patent
 Surface & Mining Rights
 Surface Rights Only
 Mining Rights Only
- Lease
 Surface & Mining Rights
 Surface Rights Only
 Mining Rights Only
- License of Occupation
- Open-Access
- Concessions
- Reservations
- Stake & Lease
- Land Use Claim

THIS IS A SUBDIVIDED TOWNSHIP CLAIMS MUST BE STAKED IN SPECIFIC QUARTERS OF THE "BLOCKS" WHERE POSSIBLE. ALSO CLAIMS MUST BE STAKED CONFORMING TO THE SURVEY OF LOCATIONS A1-A100.

REGULAR "BLOCKS" ARE APPROXIMATELY 1600 METERS SQUARE. "A" LOCATIONS ARE APPROXIMATELY 8 HECTARES.

WHERE POSSIBLE STAKE TWO "A" LOCATIONS FOR MINIMUM SIZE CLAIMS.

AREAS WITHDRAWN FROM DISPOSITION
 MRO - Mining Rights Only
 SRO - Surface Rights Only
 M&S - Mining and Surface Rights

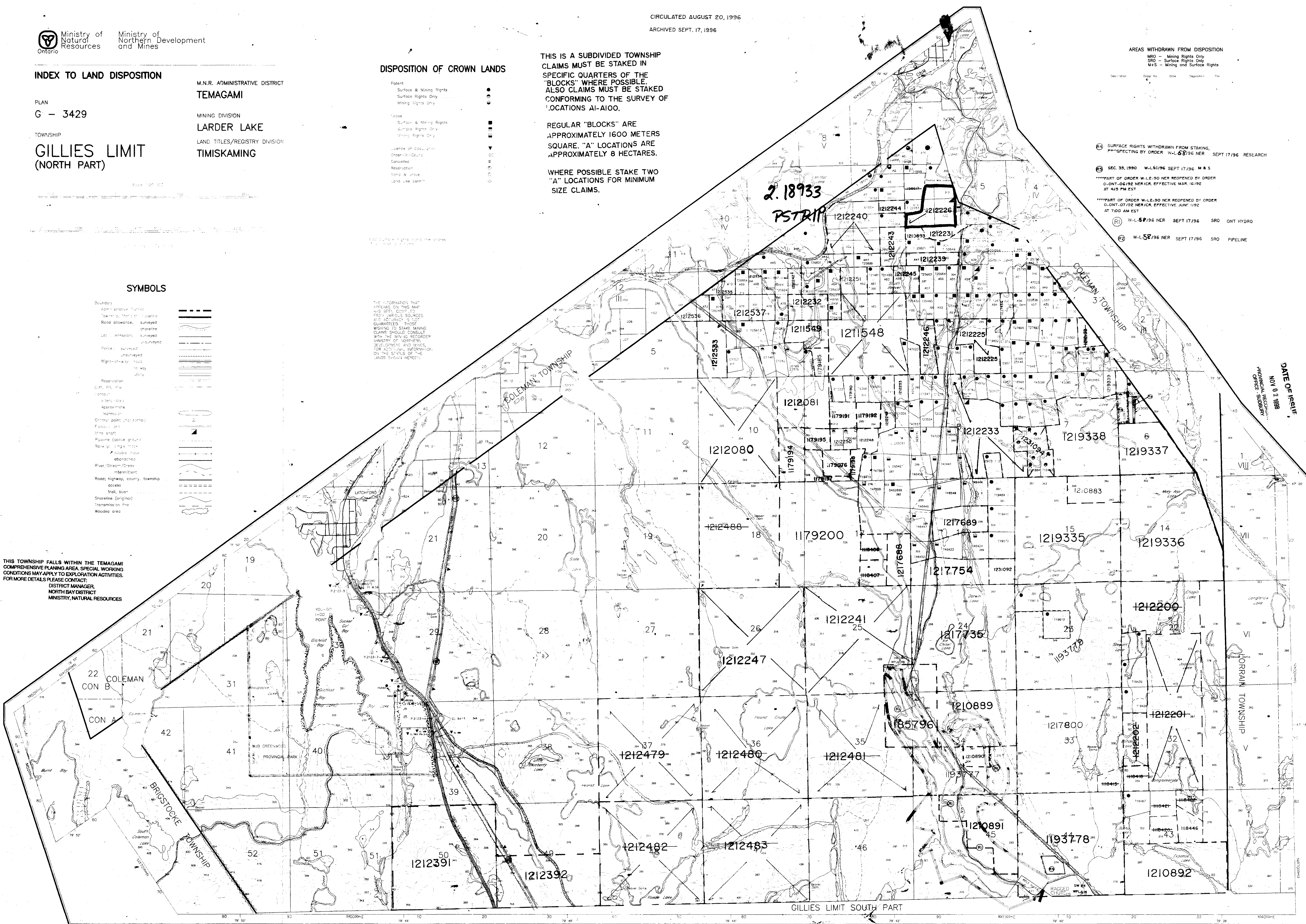
- ① SURFACE RIGHTS WITHDRAWN FROM STAKING, PROSPECTING BY ORDER W-LS/96 NER SEPT 17/96 RESEARCH
- ② SEC. 35, 1990 W-LS/96 SEPT 17/96 M & S
- ③ PART OF ORDER W-LS/96 NER REOPENED BY ORDER O.DNT-06/92 NERICA, EFFECTIVE MAR. 16/92 AT 4:5 PM EST
- ④ PART OF ORDER W-LS/96 NER REOPENED BY ORDER O.DNT-07/92 NERICA, EFFECTIVE JAN 1/92 AT 7:00 AM EST
- ⑤ W-LS/96 NER SEPT 17/96 SRO ONT HYDRO
- ⑥ W-LS/96 NER SEPT 17/96 SRO PIPELINE

SYMBOLS

- Boundary
- Administrative
- Township
- Road allowance, surveyed
- shoreline
- Lot indicators, surveyed
- unsurveyed
- Block, surveyed
- unsurveyed
- Right-of-way, road
- utility
- Reservation
- City, P.O. office
- school
- camp
- assembly
- aggregation
- Control point (triangulation)
- Flotation
- line mark
- Pipeline (above ground)
- Relay, single tower
- double tower
- Power/Steam/Chimney
- Intermittent
- Road, highway, county, township
- access
- trail, burn
- Shoreline (original)
- Transmission line
- Wooded area

THE INFORMATION THAT APPEARS ON THIS MAP HAS BEEN OBTAINED FROM THE RECORDS OF THE QUARTERS, THE MINISTRY OF NORTHERN DEVELOPMENT AND MINES. THE MINISTRY DOES NOT GUARANTEE THE ACCURACY OF THIS INFORMATION.

THIS TOWNSHIP FALLS WITHIN THE TEMAGAMI COMPREHENSIVE PLANNING AREA. SPECIAL WORKING CONDITIONS MAY APPLY TO EXPLORATION ACTIVITIES. FOR MORE DETAILS PLEASE CONTACT: DISTRICT MANAGER, NORTH BAY DISTRICT, MINISTRY, NATURAL RESOURCES



DATE OF ISSUE
 JUN 02 1998
 PROVINCIAL RECORDS
 OFFICIAL SURVEY

GILLIES LIMIT SOUTH PART