REPORT ON THE PROPERTY
OF
R. J. KASNER CO. LTD. - CANICO

****

HOLLOWAY TOWNSHIP
LARDER LAKE MINING DIVISION
ONTARIO
NTS 32 D/12

Downsview, Ontario,
June 22, 1984

Andrew Storoniak,
P. Eng.

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INTRODUCTION

The Board of Directors of Argentex Resource Exploration Corp., requested the writer to provide an assessment and recommendations for appropriate action on a property held by R. J. Kasner Co. Ltd. under option from Canico (the Canadian Nickel Company Limited). The property consists of fifty contiguous claims in north-central Holloway Township, located some 57 kilometers east of the Town of Matheson and 50 air-kilometers north-northeast of Kirkland Lake, all in Ontario.

From a geological perspective, the general area is known primarily for its gold prospects. Discovered in 1917, the presence of anomalous but seemingly unrelated gold values have since been reported within a diversity of structural and, or stratigraphic environments. Though several of these showings matured to the stage of underground exploration and development, none attained production.

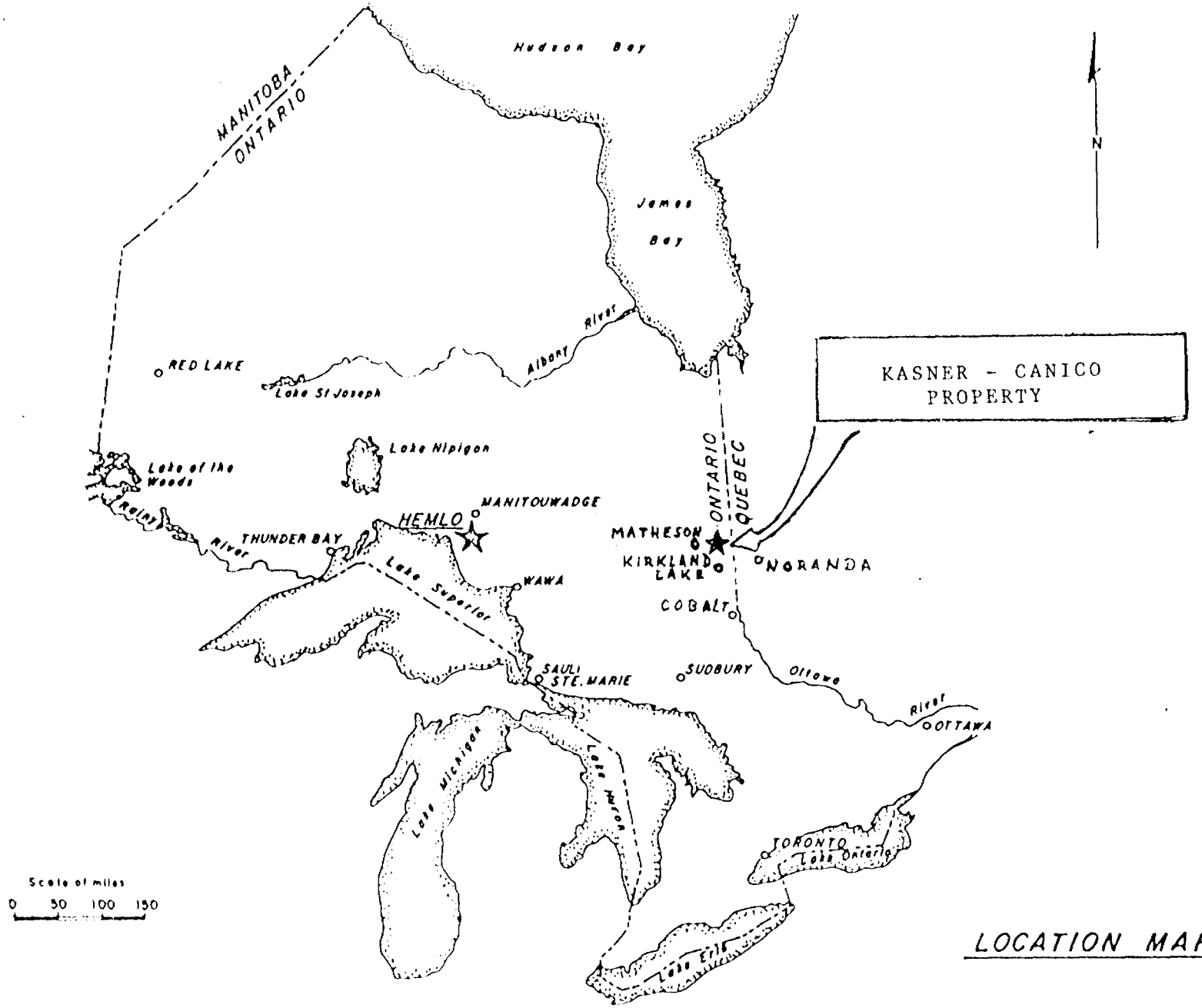
More recent work - the combination of ground follow-up surveys consisting of geophysics and diamond drilling coupled with airborne geophysics, particularly magnetics - has produced some potentially dramatic revelations. A number of the gold occurrences, among them, the old Golden Harker Mine, the former Teddy Bear Valley Mines showing, and the more recent results of Camflo Mines Limited on the former McDermott property, not to exclude the former Ghostmount claims, which are being explored by Canamex, all appear to be situated within or flanking zones of low magnetic response. The latter are generally related to

meta-sedimentary-volcanic conditions. Some of these occurrences appear comparable or consistent with the now famous Hemlo, Golden Giant, essentially a syngenetic, stratabound gold deposition.

Within the northern boundary of the Kasner (Canico) claim group is a distinctive zone of low magnetic response. This feature lies relatively close to, and probably is part of, both the Camflo - McDermott and the Canamex - Ghostmount structures now being tested. Further to the north-east, lying within Kasner (Canico) ground, there appear to be a number of similarly related gold showings encountered by diamond drilling in 1961 by a previous group.

Notwithstanding the potentially steep-dipping configerations of the Camflo and Canamex structures, their comparative proximities combined with the implications of the airborne magnetics underscore the geologically strategic location of the Kasner (Canico) property.

It is, therefore, recommended to the Board of Directors that Argentex acquire the Kasner option on the Canico claims, subject naturally to mutually acceptable terms. Toward partially meeting assessment work requirements, the writer further recommends an initial phase of exploratory work, comprised of detailed geological mapping, ground magnetometer and electromagnetic surveys, overburden trenching, followed by some diamond drilling. The objective of the latter will probably be to complement the existing data base. In all, this phase of exploration is estimated to cost approximately $90,000. More diamond drilling can be contemplated, but its objectives and scope should await the results of the initial phase of work.



LOCATION MAP

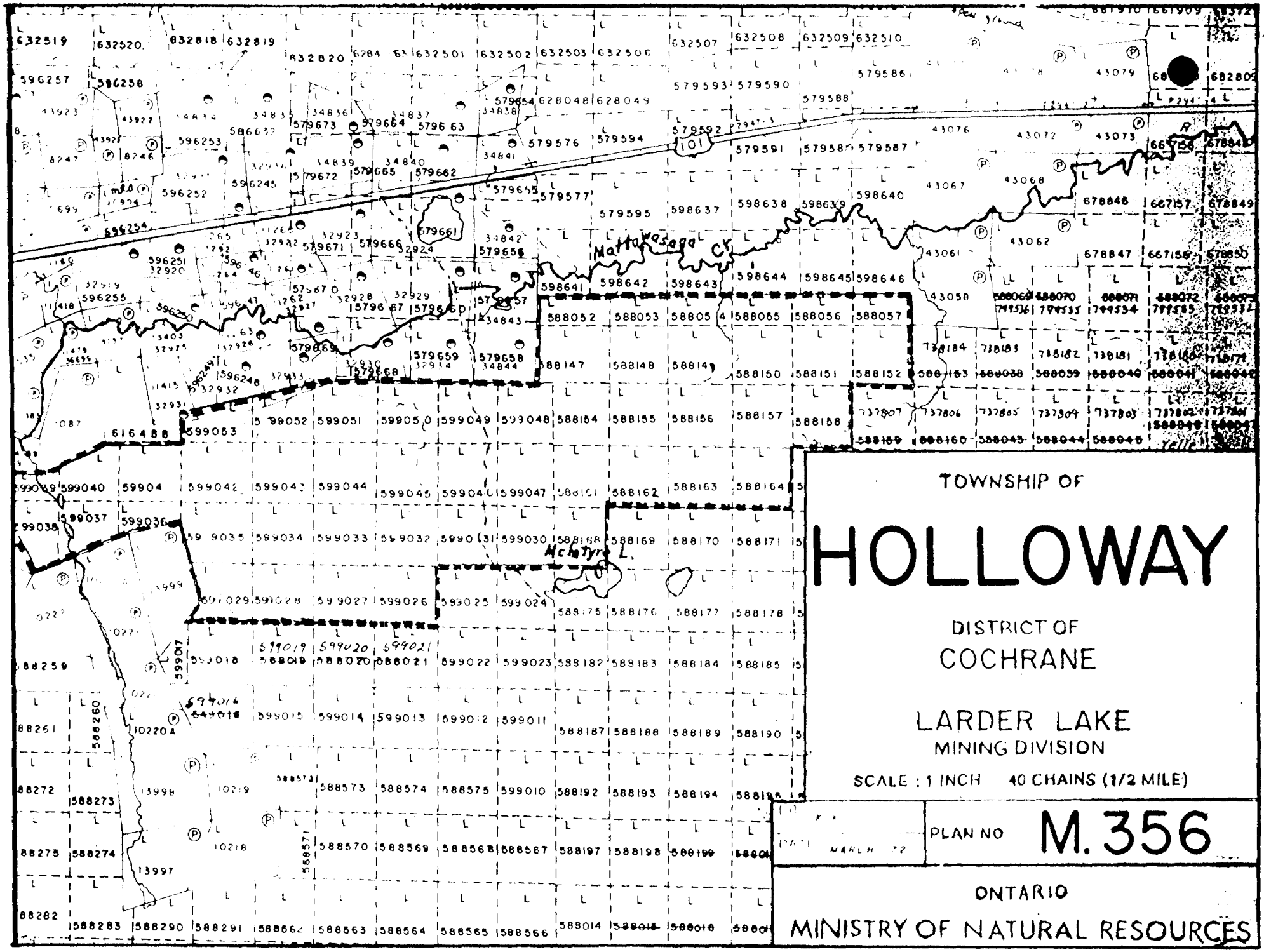
PROPERTY DESCRIPTION

The Kasner (Canico) property consists of fifty (50) contiguous, unpatented mineral claims, which cover an area of approximately 1800 acres. Located in the north-central portion of Holloway Township, between three-quarters and a mile south of Highway 101, the claim group is roughly 35 miles (57 km.) east of the town of Matheson and 30 airmiles (50 km.) north - northeast of the town of Kirkland Lake. The National Topographic System reference is 32D/12.

A more specific location of the claim group, in relation to natural and cultural features as well as the claim holdings of other parties, is depicted on Ministry claim plan G356, available at the offices of the Mining Recorder in Kirkland Lake and Toronto. Only the immediate area of the township is reproduced herein, showing the outer boundaries of the Kasner (Canico) claim group by heavier dashed lines (Claim Location Map).

Following are the numerical identities of the individual claims, all prefaced by the letter "L" signifying the Larder Lake Mining Division, with respective dates of recording:

Claim Number:	L588052 - 57 inclusive	6
	L588147 -152 inclusive	6
	L588154 - 58 inclusive	5
	L588161 - 64 inclusive	4
	L588168	1
	L599026 -053 inclusive	28
Total		50 claims



TOWNSHIP OF

HOLLOWAY

DISTRICT OF

COCHRANE

LARDER LAKE

MINING DIVISION

SCALE : 1 INCH 40 CHAINS (1/2 MILE)

DATE MARCH 72

PLAN NO M.356

ONTARIO

MINISTRY OF NATURAL RESOURCES

To maintain tenure of unpatented claims in Ontario, the recorded holder (The Canadian Nickel Company Limited) must perform and record assessment work totalling 200 days per claim within five years following the date of recording at the rate of 20 - 40 - 40 - 40 - 60 days, respectively.

The claims were staked in early 1981 and recorded February 16, 1981. To date 61.2 days of work have been performed. A further 38.8 days were required on the third anniversary, February 16, 1984. This work, however, is under extension from the Mining Recorder for completion December 14, 1984. An additional 40 days will be required February 16, 1985.

There is at present no infrastructure or mining facility on the property.

PHYSICAL CONDITIONS - ACCESS

Situated at an elevation of approximately 950 feet above sea level, the topography of the immediate area is gentle with the mean relief ranging between 25 and 50 feet. The Kasner (Canico) property is roughly bounded along its northern perimeter by the Mattawasaga (Teddy Bear) River. This meandering heavily overgrown water course, though not laterally wide and only several feet deep in spots, might more appropriately be called a creek or stream. Designation and semantics notwithstanding, it does, however, require log trestles or corduroy bridges for traversing.

Running parallel to this stream valley in an east - west, more north of east direction, are broad rolling knolls or ribs of dry terrain, which undoubtedly reflect subcrop conditions or the more resistant ridges of bedrock. In the intervening depressions are extensive patches of wetland and swamp. Depth of

overburden, consisting of assorted glacial debris, clay and sand, can, therefore, be expected to be significant both in the lower ground and along the so-called ridges. The area is further mantled by fairly dense overgrowth, comprised of tag alders and cedar in the valleys and swamps with scrub birch, poplar and spruce in the more elevated reaches.

Bedrock exposure within the central portion of the claim group appears to be limited. Extensive outcropping prevails, however, in the extreme northeast corner and in the southwestern sectors of the property - the latter being west and northwest of McIntyre Lake.

Access to the property is facilitated by Highway 101, an all-weather paved road, extending from Matheson in the west to the Quebec border, some 12 miles east. Further east, 25 miles along Highway 388 and south 22 miles on Highway 46, is the Noranda - Rouyn area. As mentioned previously, the northern boundary of the property is three-quarters to a mile south of Highway 101. A bush trail, bisecting the property, now largely overgrown, extends south from Highway 101, immediately west of Holloway Lake to McIntyre Lake. (The Kasner organization plans to rehabilitate the trail, suitable to four-wheel drive, fording the Mattawaga River with a corduroy crossing, to McIntyre Lake, then west to join the network of trails and dirt tracks on the Golden Harker property.)

GENERAL GEOLOGY

The area covered by Holloway Township, encompassing to the east Marriott and to the west Harker Townships, is underlain by Early Precambrian (Archean) rocks, called the Kinojevis Group.

This band of the "greenstone belt" consists of tholeiitic iron to magnesium enriched metavolcanic lavas, with interflow metasediments. Striking from east - west to N 70° E, the suite dips, with some exceptions, steeply to the south. Formational tops, perceived from surface exposures and drill core, face predominantly south.

The course of Highway 101 roughly traces the axis of the southern zone of the Destor - Porcupine "break" or fault complex, which traverses the northerly most portions of these three townships. Within, and immediately north and south of this fault complex are prominent bands of metasediments, consisting of conglomerates, wacke, arkose, sandstone and argillites. Further to the north of the Highway and the Holloway - Harker township boundaries, lies the topographically prominent Ghost Range of hills, comprised of peridotites and serpentinites.

Faulting and folding, based on surface manifestations, south of the "break" would appear to be minimal. Geophysical work and diamond-drilling is, however, revealing not only ancilliary faults running parallel and obliquely to the formations, but cross faulting with some potentially significant lateral displacements.

Because of the relatively heavy glacial outwash deposition in the Mattawasaga (Teddy Bear) Valley and in the central portion of Holloway Township, the limited exposures of bedrock led earlier workers to infer a predominant environment of relatively undisturbed mafic metavolcanics - a geological setting, which would hardly incite let alone sustain exploratory interest.

More recent work - the combination of ground follow-up surveys consisting of geophysics and diamond drilling coupled with airborne geophysics, particularly magnetics - has produced some potentially dramatic revelations. A number of the gold occurrences, among them, the old Golden Harker, the former Teddy Bear Valley Mines showing, and the more recent results of Camflo Mines Limited on the former McDermott property, not to exclude the former Ghostmount claims, which are being explored by Canamex, all appear to be situated within or flanking zones of low magnetic response. The latter are generally related to meta-sedimentary- volcanic conditions. Some of these occurrences appear comparable or consistent with the now famous Hemlo, Golden Giant, essentially syngentic, stratabound gold depositions.

The iron-rich mafic flows consist of black to green, massive, pillowed, brecciated, variolitic, porphyritic feldspar, amgdaloidal basalts, and andesites. With similar textures, the magnesium-rich metavolcanics, essentially basalts, are more grey to green coloured. From diamond-drill core, where significant gold has been encountered, the metasediments range from argillites, cherty chemical sediments to wackes. Limited instances of tuffs, carbonaceous sediments and iron formation have also been noted.

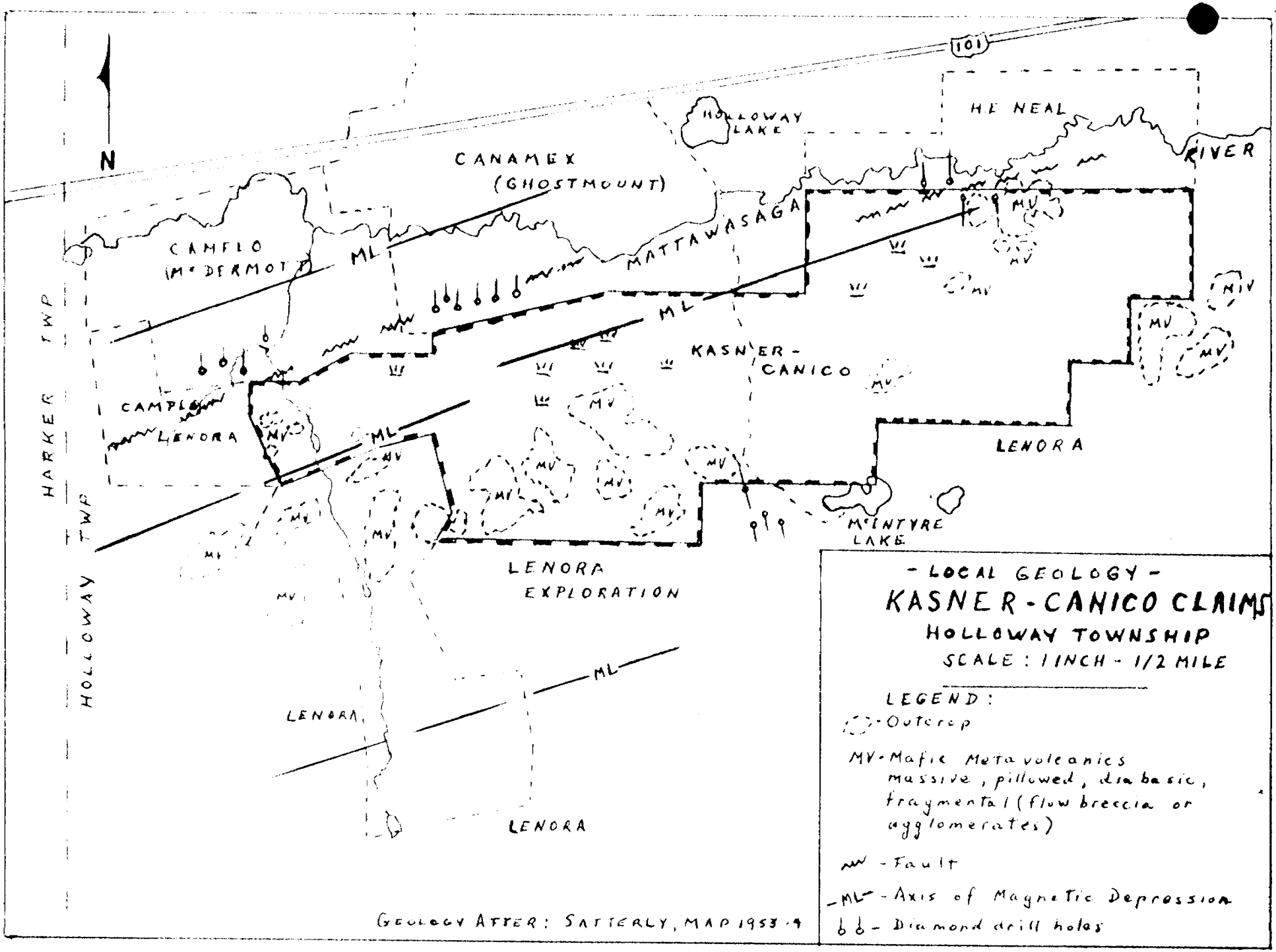
At this relatively early stage, still another guide to ore grade associated conditions within the metasedimentary-volcanic assemblage would appear to be the pattern or pervading phases of alterations. These are chloritization, carbonatization, silicification and sericitization. On the McDermott - Camflo property, the higher values of gold mineralization have been found in the more intensely seriticized sediments accompanied by elevated percentages of sulphides, particularly pyrite. In contrast, however, higher gold values, encountered by Camflo in

preliminary drilling on the Lenora property immediately to the west, were not accompanied by a comparable degree of pyritization. Whether this difference is a structural condition or a zonal phenomenon remains to be established with further exploration laterally and to depth. The stratabound nature of the gold mineralization certainly carries connotations of substantial dimensions both in terms of areal extent and tonnage possibilities.

PROPERTY GEOLOGY - ECONOMIC POTENTIAL

There are at present no known gold or basemetal occurrences on the Kasner (Canico) property. The presence of gold has, however, been reported associated with a variety of structural conditions and in a number of different rock types nearby. That the claim group is largely obscured by overburden and, where exposed, the immediate area appears to lack structural disturbances, such as shearing, faulting or quartz-carbonate networks, for example, would explain the minimal interest received in past waves of prospecting and exploration.

In the summer of 1981, the Canadian Nickel Company Limited conducted airborne magnetic and electromagnetic surveys centred on Holloway Township including the margins of Marriott and Harker Townships. This work was complemented by ODM - GSC aeromagnetic surveys 45G and 46G. The electromagnetic survey was singularly devoid of conductive responses, except for several relatively isolated anomolous conditions, well removed south and southwest of McIntyre Lake - outside the perimeter of the Kasner (Canico) claim block. The airborne magnetic results, however, relate and conform closely to known bedrock conditions, reflecting their east - northeasterly trends. In cross section, the airborne magnetics depict relatively narrow "lows" separated by



- LOCAL GEOLOGY -

KASNER - CANICO CLAIMS

HOLLOWAY TOWNSHIP

SCALE : 1 INCH - 1/2 MILE

LEGEND :

- Outcrop
- MV - Mafic Metavolcanics massive, pillowed, diabasic, fragmental (flow breccia or agglomerates)
- Fault
- ML - Axis of Magnetic Depression
- Diamond drill holes

GEOLOGY AFTER : SATTERLY, MAP 1953-9

broad rolling "highs" - with the latter being related to higher MgO mafic volcanics, generally basalts. The "lows" seem to correlate with little recognized metasediments intercalated with vesicular mafic volcanics. Several of these sedimentary horizons, rich in quartz and, or chert, albite, carbonates and carrying anomalous gold concentrations, can be traced in a continuous fashion across Holloway and Harker Townships.

One of these sedimentary bands hosting the Camflo - McDermott deposit(s) is traceable east onto the Canamex - Ghostmount property south of the Mattawasaga River, and then southwest just short of the west boundary of Harker Township. On the Camflo - McDermott property, the sedimentary-gold bearing structure pinches and swells along strike and appears to thicken in width with depth. Ranging locally between ten and forty feet in thickness, the gold bearing horizon has produced grades generally averaging between 0.10 and 0.20 ounces per ton. While possibly premature to be universal, because of the limited amount of drilling, grade (below a vertical depth of roughly 500 to 800 feet) could be increasing in tenor with depth as well. Though apparently working on a fault-displaced extension of the Camflo horizon, and getting encouraging results if the amount of drilling and systematic eastward stepouts of drill collars are any indications, Canamex has not allowed itself any public disclosures as to assay results or objectives.

Another definitive north-easterly trending band of "sediments", which crosses the extreme southeastern corner of Harker Township, encompassing the Golden Harker and the Coin Lake (Meridian) gold zones, is the magnetically suppressed linear transgressing the long axis of the Lenora (Canico) property in the adjoining west-central portion of Holloway Township.

Between the two foregoing bands of magnetically depressed linear structures there are at least two other potential metasedimentary structures. However, the one of immediate significance to the Kasner (Canico) property is the magnetic low, which trends along its northern boundary (Local Geology Map). This feature lies close to, and probably is part of, both the Camflo - McDermott and the Canamex - Ghostmount structures now being tested. A coterie of at least seven to eight Canamex drill sites, extending east - west along a lateral distance of approximately 700 to 800 feet, are located roughly 400 to 750 feet north of the mutual boundary with the Kasner (Canico) property, immediately north of the latter's claims L599053 and L599052.

Further to the north-east and flanking this same magnetic trough, approximately two miles distant from the current Canamex drilling site, the Revere Mining Corporation drilled some eleven holes in 1961, on the former Lobanor Gold Mines property immediately north of Kasner (Canico) claims L588054 - 55. Averaging just over 200 feet in length, with several reaching depths of 800 - 900 feet, a number of holes encountered geologically anomalous gold values ranging up to 0.15 ounces per ton over 5 feet in mineralized quartz - carbonate veins. No less importantly, in studying the recorded lithologies in several of the Revere drillholes, one can infer similarities to the sedimentary-volcaniclastic gold bearing horizon(s) on the Camflo - McDermott property.

Notwithstanding the steep-dipping configurations of the foregoing gold-bearing structures, their comparative proximities combined with the implications of the airborne magnetics underscore the geologically strategic location of the Kasner (Canico) property.

RECOMMENDATIONS

The Kasner (Canico) property in Holloway Township lies relatively close to three variously indicated areas of anomalous gold deposition. While these particular showings are spatially divorced from each other, they nonetheless appear, based on geophysical interpretations, to be integral part(s) of the same structural-stratigraphic assemblage, which traverses extensive portions of the northern perimeter of the Kasner (Canico) claim group.

There is mounting evidence that at least one of those gold bearing features - the present Camflo - McDermott project including the property immediately to the west under option to Camflo from Lenora Explorations Ltd., - is a meta-sedimentary volcaniclastic environment comparable to the now classical "Hemlo" gold discovery.

To envision or project, however, analogous tonnages, grades or continuity of gold values at this early stage of exploration is, of course, geologically presumptuous. The "Hemlo" model is cited here only to exemplify the laterally extensive potential of this type of geological setting - extending significant distances along strike and possibly to considerable depth. By the same token, economic concentrations of gold within the paleobasinal margins are defined, more often than not, largely through sustained effort and recognition of sometimes subtle facies changes.

Having cited the potential rewards and caveats, which are to be considered by the board of directors of Argentex, the writer strongly recommends the acquisition and the execution of work commitments in connection with the R. J. Kasner Company option on the described Canico claims in Holloway Township. From available data and perceptions, the property is an outstanding prospect.

The agreement with Canico, whereby a fifty percent interest in the property can be earned, entails fullfilling assessment work requirements for the year ending February 16, 1984 (under extension to December 14, 1984) as well as for the year ending February 16, 1985. At the time of the writer's visit to the area, the Kasner organization was nearing completion of installation of a control grid, totalling some fifty kilometers of baseline(s) and tielines at one hundred meter intervals - a prerequisite for ensuing stages of the property's evaluation.

Endorsing the Kasner proposal to expedite ground magnetometer and VLF electromagnetic surveys, the writer recommends that the initial phase of exploratory work include detailed geological mapping and overburden stripping where feasible.

The ground magnetic survey should be particularly useful in more precisely defining contacts as well as possibly identifying still other metasedimentary horizons, which have otherwise been obliterated or masked in the airborne work by more magnetic and enveloping lavas. The electromagnetic survey might be helpful in identifying some of the structural aspects of the geology.

To contemplate diamond drilling within this preliminary phase of exploration may not be as premature as conventional judgment might suggest. There is not only the proximity of the sustained Canamex drilling programme currently underway, but the former Revere gold showings, to consider in terms of down-dip and lateral possibilities. One can also expect in the light of the pervasive soil cover that diamond drilling will be mandatory to gain some knowledge of bedrock conditions. In effect, the Company should, sooner than later, prepare itself for this eventually. The writer suggests that provision for a minimum of 500 meters of diamond drilling be made. Alternatively, these funds could

be allocated to a reverse circulation type of overburden drilling, were it found more appropriate as exploration progresses.

ESTIMATE OF COSTS

Control grid (baseline with tielines at 100 m. intervals) Total approximately 50 km. @ $200/km.	$ 10,000
Magnetometer and electromagnetic surveys 50 km. @ $180/km.	9,000
Geological mapping, prospecting and selected trenching (bulldozer - backhoe)	9,000
Diamond drilling, 500 meters @ $80/m.	40,000
Sampling, assays (petrographic work)	3,500
Supervision, consulting, compilation work	10,000
	81,500
Contingencies at 10%	8,200
Total	$ 89,700

Respectfully submitted,

REGISTERED PROFESSIONAL ENGINEER
M. A. STORONIAK
PROVINCE OF ONTARIO

Andrew M. Storoniak,
Eng.

Downsview, Ontario,
June 22, 1984.

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1971: Circular No. 13; Ontario Department of Mines: Gold Deposits of Ontario.

Ploeger, F., Campbell, A., and Grabowski, G.
1979: Preliminary Geology Map 797; Ontario Geological Survey. Holloway Township.

Jensen, L. S.
1982: Precambrian Geology of the Magusi River Area, Cochrane and Timiskaming Districts; Ontario Geological Survey, Map P2434. Scale 1 inch to 1 mile

Maps: 45G, Lightning River; 46G, Magusi River Aeromagnetic Surveys, Scale 1 inch to 1 mile. Geological Survey of Canada.

Assessment Work Files at Kirkland Lake and Toronto.
- Report on Electrical Resistivity and Magnetic surveys, on part of Holloway Township properties held by Revere Mining Corporation, in July, 1960 by S. S. Szetu, including drill logs from hole 1 through 11
- Report on Reconnaissance Mapping of Canico claims in Holloway and Harker Townships, by M. Thomson, June, 1982.
- Reports on the results of ground magnetometer and electromagnetic surveys, on claims of H. E. Neal, in Holloway Township, by P. Atherton, March, 1982.

CERTIFICATE OF QUALIFICATION

I, Andrew M. Storoniak, hereby certify:

1. That I am a consulting geologist with offices and residence at 82 Bidewell Avenue, Downsview, Ontario.

2. That I am a registered Professional Engineer in the Province of Ontario, a Fellow of the Geological Association of Canada, and a Fellow of the Toronto Society of Financial Analysts.

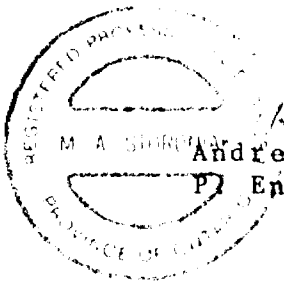
3. That I am a graduate of Queen's University, 1958, with a Bachelor of Arts degree, having majored in the geological sciences.

4. That I have been practising as an independent geologist continuously over the past fourteen years.

5. That I do not have, nor do I expect to receive, directly or indirectly, any interest in the property reviewed herein, or, in the securities of Argentex Resource Exploration Corp., or, in R. J. Kasner Co. Ltd.

6. That this report is based on personnal experience within the Kirkland - Timmins mining districts and an examination of the area, within which the Holloway Township property is located, June 12, 1984. This report includes the study of pertinent technical reports published by the Ontario Ministry of Natural Resources as well as the search of assessment work files at Kirkland Lake and Toronto, Ontario.

7. That I consent to the use of the foregoing report by Argentex Resource Exploration Corp., in a prospectus or a statement of material fact as the basis for acquiring tenure of the property or for the purpose of acquiring the funds to undertake the exploratory work recommended herein.



Downsview, Ontario,
June 22, 1984

Andrew M. Storoniak,
P. Eng.

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THIS SUBMITTAL CONSISTED OF VARIOUS REPORTS, SOME OF WHICH HAVE BEEN CULLED FROM THIS FILE. THE CULLED MATERIAL HAD BEEN PREVIOUSLY SUBMITTED UNDER THE FOLLOWING RECORD SERIES (THE DOCUMENTS CAN BE VIEWED IN THESE SERIES):

COMPARISONS:

① "PROGRESS REPORT ON THE HOLLOWAY TWP. GOLD PROPERTY." ⟶ 2.7793

ARGENTEX RES. EXPLORATION CORP. 28/01/85