



41H09NW0001 63.6046 BURTON

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A S S E S S M E N T W O R K R E P O R T

1886 HOLDINGS LTD.

Ardbeg Property, Burton Township, Ontario

A handwritten signature in black ink, appearing to read 'D.G. Innes', with a long horizontal flourish extending to the left.

**D.G. Innes
July 7, 1992**

Introduction

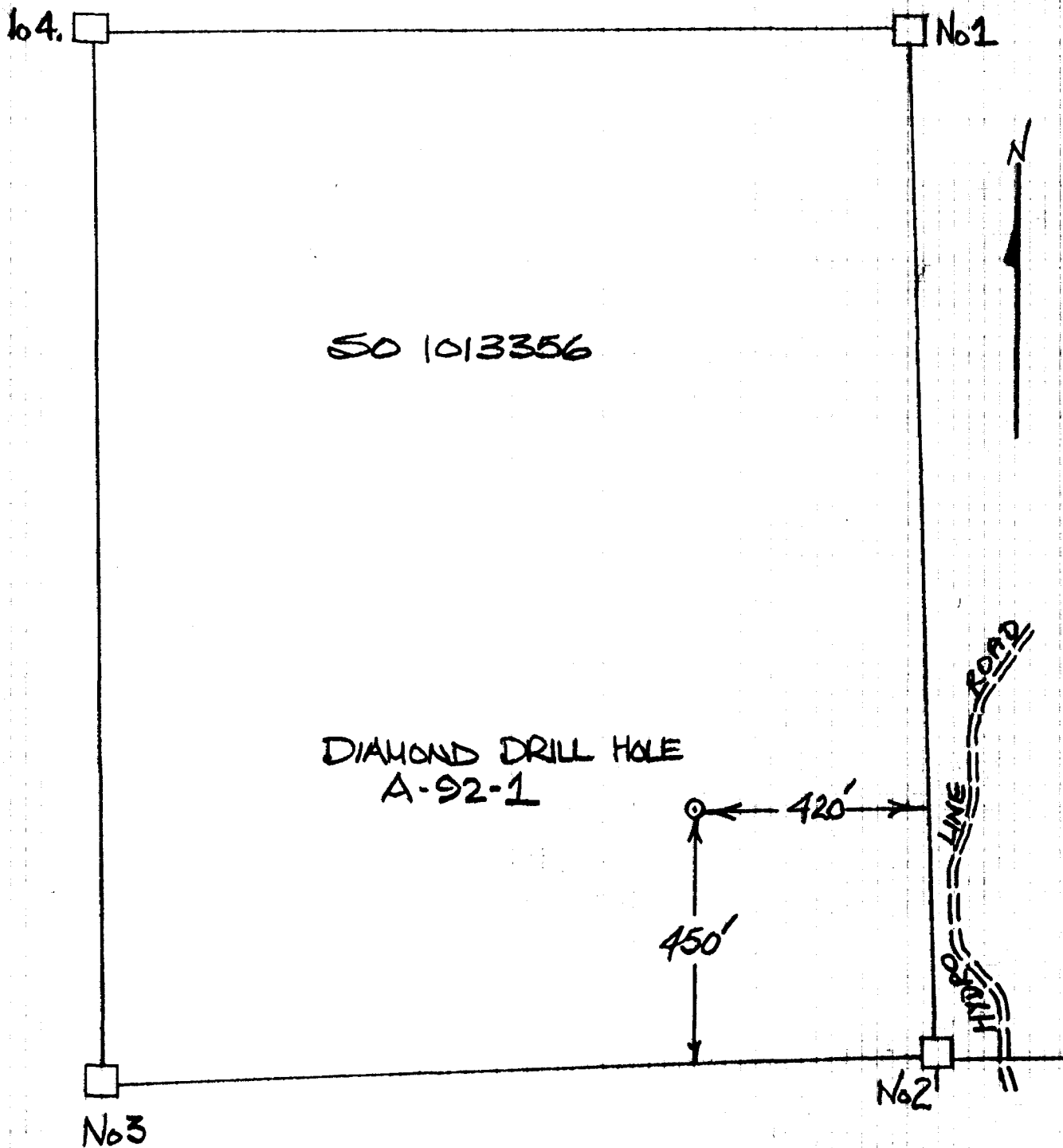
The Ardbeg Property located in Burton Township, Ontario, was acquired by 1886 Holdings Ltd. by staking in 1990. During the summer of 1990, the property was gridded and mapped geologically and structurally. In 1991, prospecting over specific areas, as part of a selection process for defining areas with quarry potential, was carried out by the author. One of these areas was defined in some detail and application to test block quarrying was made and approved. Approvals did not come until late 1991, and, as a consequence, test samples were not taken.

In the spring of 1992, the writer and Mr. P.A.R. Brown, geological/mining consultant, carried out additional structural studies on the target area and reviewed other priority sites on the property. In June of 1992, one diamond drill hole was put down on the primary test site in an attempt to define horizontal structural characteristics of the test sit. In addition, Mr. S. Winter of Norwin Geological completed an independent geological and engineering report for 1886 Holdings on the test site. At the time of writing this report, test block extraction has been initiated.

Location

The Ardbeg Property is located in Lots 25, 26 and 27, Concessions Land 2, Burton Township, approximately 35 kms north of Parry Sound in west central Ontario. Access is gained via Highway 124 and Highway 520, between the Towns of Sundridge and Parry Sound. The Town of Ardbeg is located at the end of Highway 520, some 27 kms from Dunchurch on Highway 124. From Ardbeg, a gravel road leads west for 8 kms to Black Lake, where it intersects a major hydro transmission line access road. The claim group lies along this road approximately 1.5 kms south of Black Lake. The claim group is defined by four contiguous unpatented mining claims as follows:

S01013356
S01013357
S01013358
S01013359

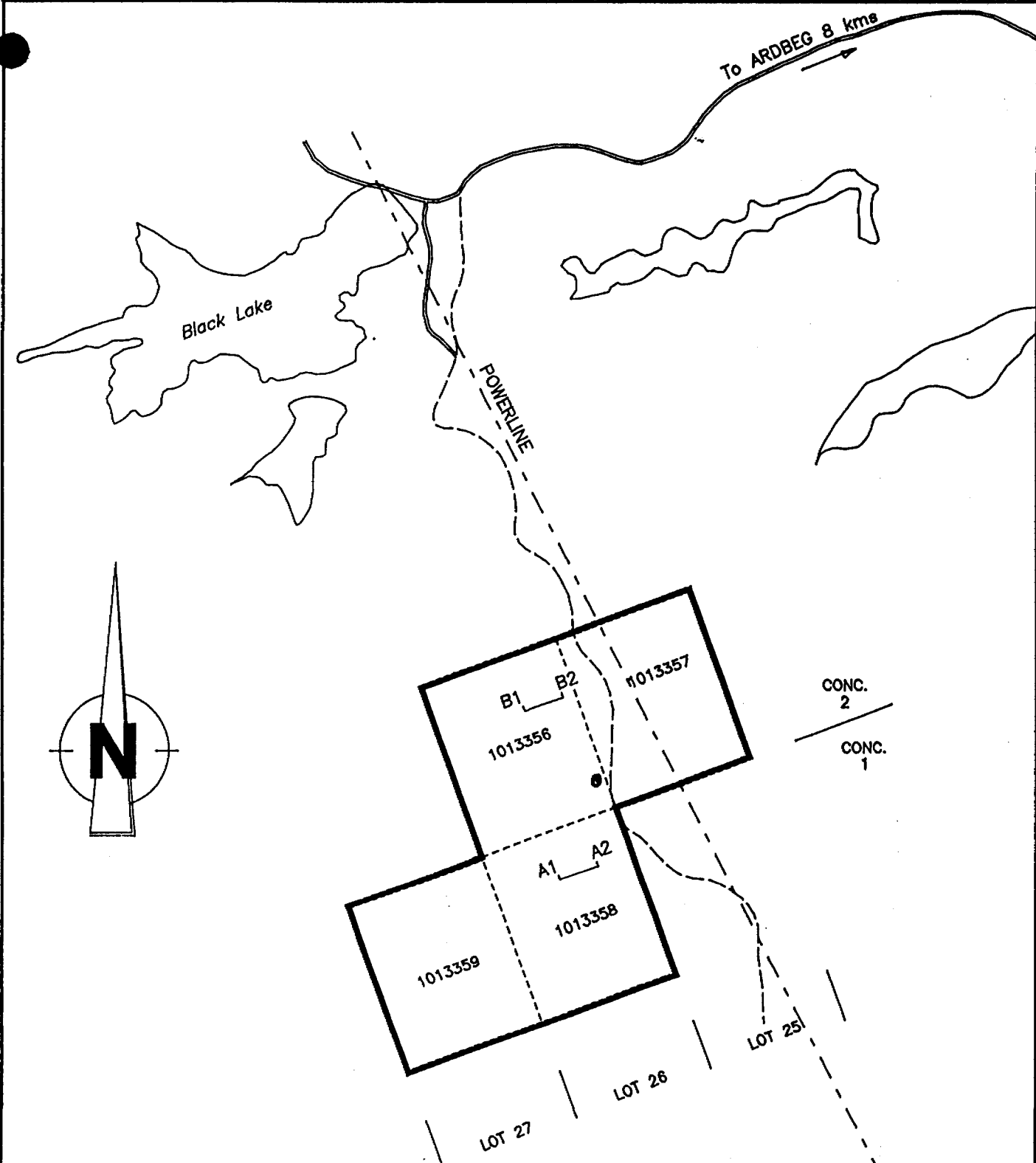


SKETCH MAP SHOWING LOCATION OF
 DIAMOND DRILL HOLE COLLAR A-92-1
 ARDBEG PROPERTY - 1886 HOLDINGS
 CLAIM SO 1013356

○ COLLAR LOCATION



JULY 7/92
 D.G. INNES



PACIFIC GRANISTONE CORP.	
ARDBEG PROPERTY	
ONTARIO BURTON TOWNSHIP	
LOCATION MAP	
DATE: JAN., 1992	DRAWN D.G.I./rwr
SCALE: 1"=1/4 mile	DRAWING No.

Exploration Program


During 1991 and 1992, the writer, together with Mr. P.A.R. Brown prospected the Ardbeg Property to define target areas with the potential to support quarry operations. Various areas were identified and each of these areas were examined in some detail, defining their structural and geological characteristics. Additional sampling of the "granite" from each of the sites was completed and 1 cu.ft. sized samples were sent to Vancouver for test sample preparation. In 1991, application to remove test quarry blocks was made, however, approvals came so late in the year that weather conditions would not permit the test block extraction. The permit to remove test blocks was extended until the fall of 1992.

In the spring of 1992, the writer and Mr. P.A.R. Brown reviewed other priority sites for quarry development on the property. A drill site was chosen on Site 1 and preparations made to put down at least one drill hole to test for horizontal fracturing at the test site.

In June, 1992, a small Winke Diamond Drill was mobilized to the quarry site on Claim S01013356 and Hole A-92-1 was drilled vertically for 37 feet. The hole was collared in fresh bedrock and cut a complexly folded mass of mauve to pink coloured migmatite. The rock consists of approximately 35% pink feldspar, 20% white feldspar, 15 to 20% quartz and 15 to 20% fine grained red garnet, with 10% accessory hornblende and lesser biotite. At 17 feet in the hole, a biotite rich seam is believed to mark a flat joint or fracture in the mass. This horizon will be targeted in the logistics of drilling off the primary test blocks.

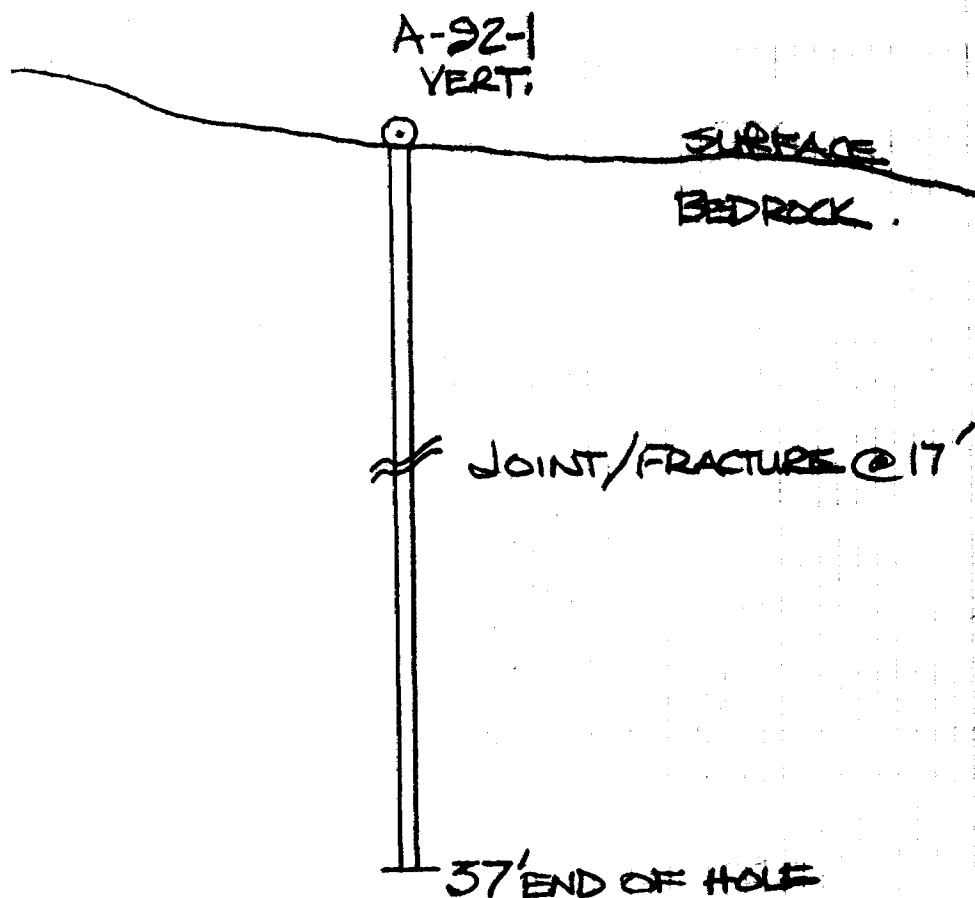
Mr. S. Winter, Norwin Geological, was contracted to review the test site in the field and prepare an independent assessment of the volume of favourable "granite" available for quarry development. This evolution has been completed and is appended to this report.

Total expenditures applied to the above exploration amount to \$3,224.80, and have been detailed on the attached "Report of Work Conducted After Recording Claim".



Daniel G. Innes,
July 17, 1992

SKETCH SECTION: DIAMOND DRILL HOLE A-92-1
ARDBEG PROPERTY - CL. 501013356
1886 HOLDINGS LTD.



DRILL LOG: 0': EX CORE - ON BEDROCK
0'-37': Mauve-Aink migmatite with approximately
20% fg. red garnet.
@17': Biotite rich joint or fracture over 6".
37': END OF HOLE.

Size of Core - EX

Drill Contractor - P.A.R. BROWN CONSULTING
Core Stored - R.R. #1
CORBEIL, ONTARIO
POH 1K0

NTS 41 H/9



41H09NW0001 63.6046 BURTON

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GEOLOGICAL REPORT
ON THE
SANTA ROSA PROPERTY
BURTON TOWNSHIP
DISTRICT OF PARRY SOUND
ONTARIO
FOR
1886 HOLDINGS LTD.

L.D.S. Winter
July 9, 1992



41H09NW0001 63.6046 BURTON

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1. INTRODUCTION

The Santa Rosa Property is located approximately 35 km north of the town of Parry Sound and 8 km west of Ardberg, in Burton Township, Ontario. The property was acquired for its potential for dimension stone from the massive gneisses present in the area.

The writer was requested by 1886 Holdings Ltd. to visit the property and to evaluate its potential for the production of dimension stone blocks. The property was visited on July 6, 1992 and the following report is based on a review of the geological literature for the area and the writer's observations.

2. SUMMARY

The Santa Rosa Property is comprised of seven mining claims (11 units) covering approximately 245 hectares, within the Britt domain of the Central Gneiss Belt.

The property is readily accessible by road from the hamlet of Ardberg 8 km to the east. The property has a gently rolling topography with thin overburden and sparse tree cover.

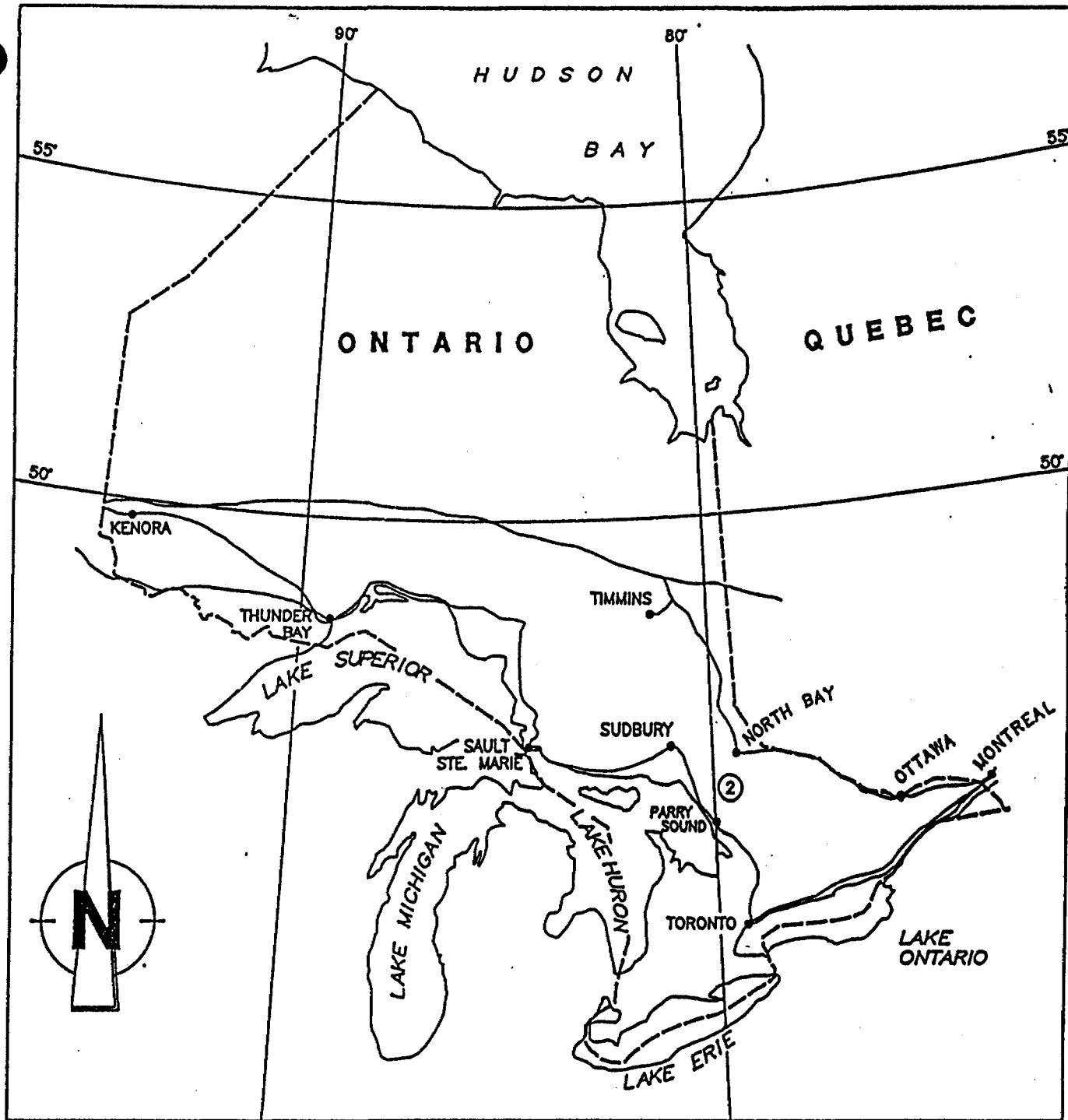
The gneisses which underlie the property are well layered, and complexly folded and locally contain small pegmatite bodies of quartz and feldspar. The dominant minerals of the gneisses are potassium feldspar, plagioclase feldspar, quartz, and dark minerals. The presence of almandine garnet gives the rock a distinctive mauve colour in many areas. This feature is best developed west of the transmission line, claims 1013356 and 1013358. The property holders have identified two potential quarrying sites containing mauve coloured massive gneisses within these two claims with widely spaced vertical joints and no apparent horizontal parting.

Within the two identified sites there is the potential for approximately 16,000 m³ of material from which 3750 blocks could be removed. In addition to these two sites there are a number of other locations within the claim group that potentially could support quarry sites. Visual inspection indicates that the massive gneisses are competent and should meet the required technical specifications.

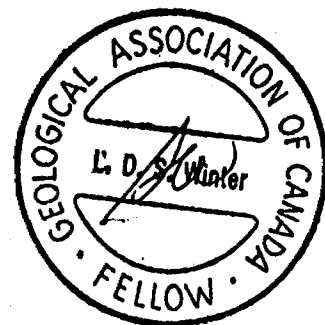
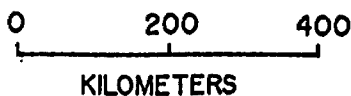
Respectfully submitted,

L.D.S. Winter
B.A.Sc., M.Sc., P.Geo (B.C.)
July 8, 1992





1886 HOLDINGS LTD.
 SANTA ROSA PROPERTY
 ONTARIO
 LOCATION MAP



JULY, 1992

3. PROPERTY

3.1 PROPERTY DESCRIPTION

The Santa Rosa Property was acquired by staking in 1989 and 1992 and consists of 7 contiguous unpatented mining claims (11 units) located in lots 25, 26 and 27, concessions 1 and 2, Burton Township, District of Parry Sound, Ontario. The claims are numbered as follows,

<u>Claims Numbers</u>	<u>Number of Claims</u>
1013356-1013359	4 (1 unit each)
1179276	1 (4 units)
1179278	1 (2 units)
1179279	1 (1 unit)

Total	7

The claims are illustrated in Figure 2 and cover an area of approximate 245 hectares.

3.2 LOCATION AND ACCESS

The Santa Rosa property is located at 45°-38.6' N. latitude, 80°-05.8' W. longitude, 35 km north of the Town of Parry Sound, in Burton Township, Ontario. The hamlet of Ardberg is 8 km east of the property at the end of highway 520. From Parry Sound highway 124 leads to Dunchurch and from there highway 520 extends 27 km to Ardberg. A gravel road from Ardberg leads to the property and the main Ontario Hydro transmission line road. The property extends south 1.6 km along the transmission line from Black Lake.

3.3 PHYSIOGRAPHY AND CLIMATE

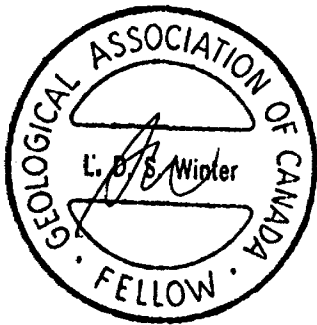
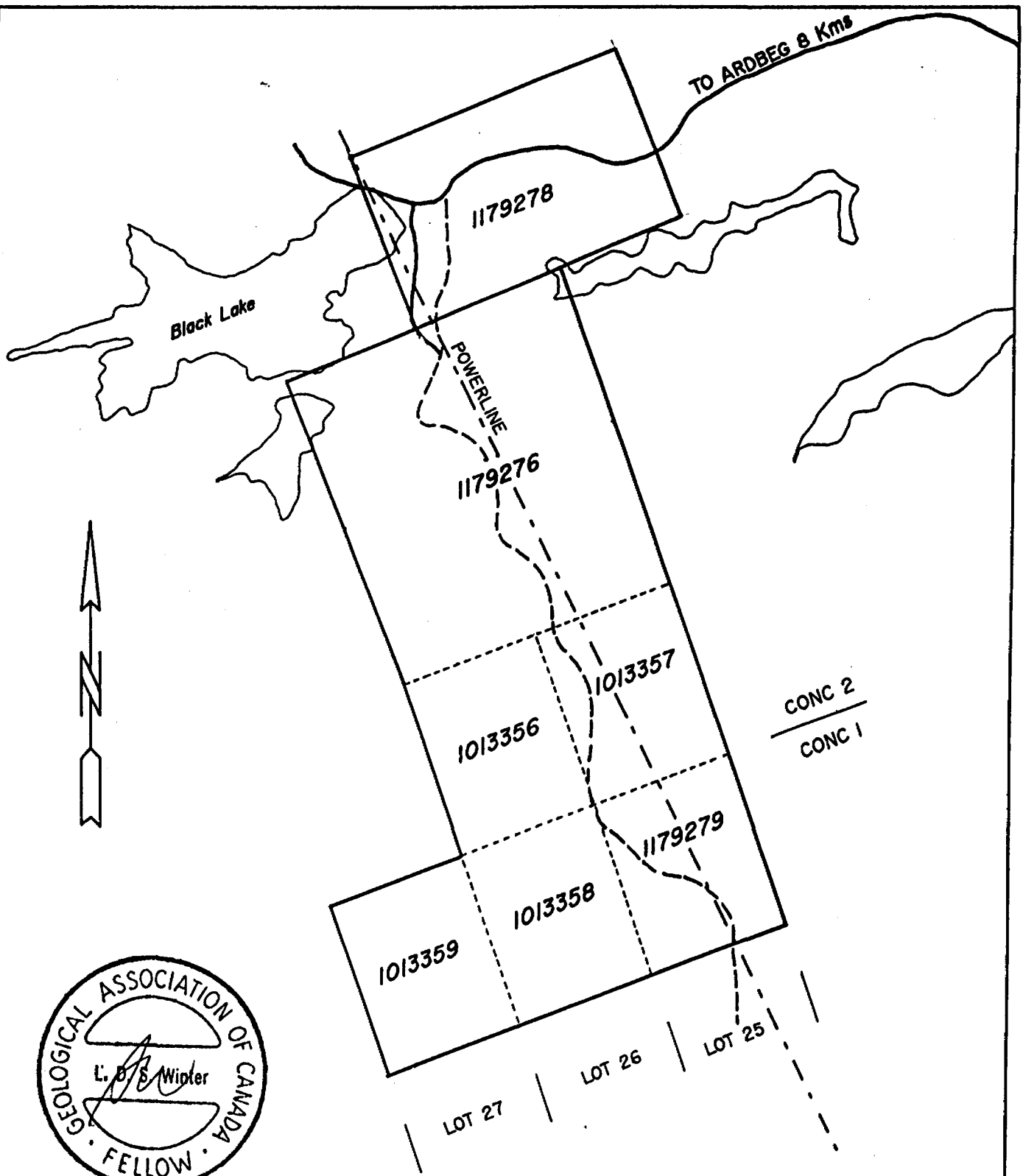
The property topography is controlled by the regular jointing pattern in the area which produces an irregular rolling surface consisting of outcrop ridges separated by lower, overburden covered areas. Local relief is up to 20 m.

Overburden cover is thin to non-existent and vegetation consists of scattered patches of conifers and deciduous trees.

The area has a moderate climate with seven months being frost free. Snowfall accumulations in the winter months can be significant and could possibly affect access to the property and quarry operations during the months of December through March.

3.4 SERVICES

Parry Sound approximately 35 km to the south can provide a full range of services for any operation in the area. The CNR



1886 HOLDINGS LTD.
 SANTA ROSA PROPERTY
 BURTON TOWNSHIP, ONTARIO
 CLAIM MAP

JULY, 1992

rail line lies 8 km to the east of the claim group at the hamlet of Ardberg.

4. GEOLOGY

The Santa Rosa property is located within the Central Gneiss Belt of the Grenville Province of the Canadian Shield (Davidson, 1986, Marmont et al, 1988). The Central Gneiss Belt is composed of a number of lithotectonic regions, domains and sub-domains, with the subject property located in the Britt domain. Country rocks are both para- and orthogneisses mainly quartzofeldspathic in composition that were migmatitic before introduction of the younger plutonic rocks which now occur as folded, sheet-like bodies. The metamorphic grade is middle to upper amphibolite facies and very locally attains granulite facies.

The claim group which occurs in the southern part of the Britt domain is underlain mainly by a well layered and complexly folded mauve to pink to black migmatite. The dominant minerals are potassium feldspar (35%), plagioclase feldspar (30%), quartz (15%) and dark minerals (20%). The dark minerals are hornblende, biotite and almandine garnet. There are locally small pegmatite bodies composed of quartz and feldspar.

The outcrops generally are pink in colour with darker bands due to an increase in dark minerals. Areas containing fine grained garnets have a distinctive mauve shade. This feature is widespread however it is best developed west of the transmission line in claims 1013356 and 1013358 (Figure 2).

Parts of the property are well jointed however, locally massive areas with few joints are present. The best areas appear to be in claims 1013356 and 1013358 west of the transmission line where massive gneisses with no horizontal parting and vertical joint sets spaced at 3 to 7 meters were observed. This is also the area containing the preponderance of garnet-bearing mauve gneisses.

5. RESERVES AND POTENTIAL

The property is a large one covering approximately 245 hectares of favourable ground. Initially the property holders have identified two (2) sites to be evaluated by the removal of test blocks. These are both within claim 1013356 with the two areas showing widely spaced jointing and massive gneisses with the attractive mauve colouration. A preliminary estimate (below) indicates the property has a sufficient volume of material to meet anticipated demand for many years in the future.

Volume Estimate - Site 1, Santa Rosa Property
Claim 1013356

Horizontal dimensions: 60 m x 60 m = 3600 m²

Depth: 6 m

Total Volume: 3600 x 6 = 21,600 m³

Consider a block 1.2m x 1.5m x 2.4m = 4.32 m³

Consider 50% utilization i.e., 21,600/2 = 10,800 m³

Block potential: 10,800/4.32 = 2500 blocks

Volume available for secondary products (50%) is 10,800 m³

Volume Estimate - Site 2, Santa Rosa Property
Claim 1013356

Horizontal dimensions: 45m x 40m = 1800 m²

Depth: 6 m

Total Volume: 1800 x 6 = 10,800 m³

Consider a block 1.2m x 1.5m x 2.4m = 4.32 m³

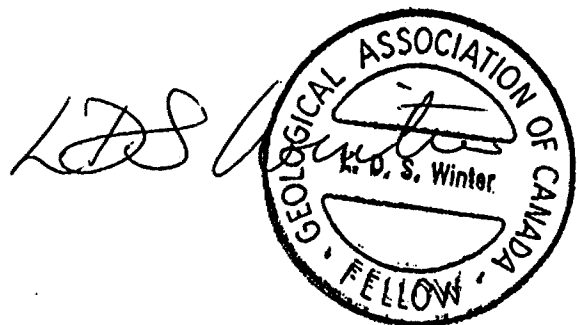
Consider 50% utilization i.e., 10,800/2 = 5,400 m³

Block potential: 5,400/4.32 = 1250 blocks

Volume available for secondary products (50%) is 5,400 m³

These two sites potentially could produce 3,750 blocks with dimensions of 1.2m x 1.5m x 2.4m. It is also considered that additional work could identify other sites within the present claim group. Visual observation suggests that the blocks would be composed of massive gneisses that are competent and capable of meeting the required specifications.

L.D.S. Winter
B.A.Sc., M.Sc., P.Geo (B.C.)
July 8, 1992



REFERENCES

1. Davidson, A., 1986
New Interpretations in the Southwestern Grenville Province, in The Grenville Province, edited by J.M. Moore, A. Davidson and A.J. Baer, Geological Association of Canada Special Paper 31, p. 61 - 74.
2. Marmont, C., Zuberec, P.M., Conrod, W.D., 1988
Industrial Minerals, Rare Earth Elements and Building Stone in the Districts of Muskoka, Parry Sound, and Nipissing, and the County of Haliburton in Summary of Field Work and other Activities 1988, Ontario Geological Survey Miscellaneous Paper 141, Article 46, p. 319 - 325.

CERTIFICATE OF QUALIFICATION

I, Lionel Donald Stewart Winter do hereby certify:

1. that I am a geologist and reside at 1849 Oriole Drive, Sudbury, Ontario, P3E 2W5,
2. that I am a registered geoscientist in the Association of Professional Engineers and Geoscientists of British Columbia,
3. that I am a Fellow of the Geological Association of Canada,
4. that I graduated from University of Toronto in Mining Engineering in 1957 with a Bachelor of Applied Science and from McGill University, Montreal in 1961 with a Master of Science (Applied) in Geology,
5. that I have practised my profession continuously since 1957,
6. that my report on the Santa Rosa Property, Burton Township, Ontario is based on my personal knowledge of the geology of the area, and on a review of information on the property and surrounding area, and a property visit on July 6, 1992 and,
7. that I have no personal, direct or indirect interest in the Santa Rosa Property, Burton Township, Parry Sound District, Ontario or any adjacent properties, nor do I hold or intend to hold any interest in 1886 Holdings Ltd. and I have written this report as a totally independent consultant.

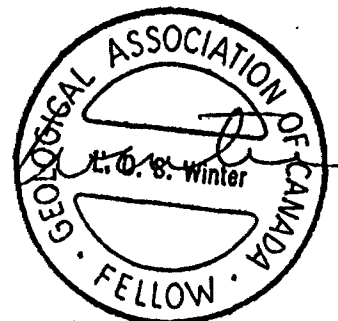
L.D.S. Winter
B.A.Sc., M.Sc., P.Geo. (B.C.)
July 9, 1992



LETTER OF CONSENT

I, L.D.S. Winter, consulting geologist, 1849 Oriole Drive, Sudbury, Ontario, do hereby consent to 1886 Holdings ltd. using in whole or in part my report on the Santa Rosa Property, Burton Township, Parry Sound District, Ontario in a prospectus or statement of material facts or for filing with government regulatory bodies as is deemed necessary.

LDS



Dated at Sudbury, Ontario
July 9, 1992

L.D.S. Winter
B.A.Sc., M.Sc., P. Geo. (B.C.)

Report of Work Done After Recording Claims



W9290-00050 Mining Act

900

Personal information collected on this form is obtained under the authority of the Mining Act. This information will be used for correspondence. Questions about this collection should be directed to the Provincial Manager, Mining Lands, Ministry of Northern Development and Mines, Fourth Floor, 159 Cedar Street, Sudbury, Ontario, P3E 6A5, telephone (705) 670-7264.

- Instructions:**
- Please type or print and submit in duplicate.
 - Refer to the Mining Act and Regulations for requirements of filing assessment work or consult the Mining Recorder.
 - A separate copy of this form must be completed for each Work Group.
 - Technical reports and maps must accompany this form in duplicate.
 - A sketch, showing the claims the work is assigned to, must accompany this form.

Recorded Holder(s) 1886 Holdings Ltd.	ONTARIO GEOLOGICAL SURVEY GIS - ASSESSMENT FILES RECEIVED AUG 17 1992 V7Y 1C6 Vancouver, B.C.	Client No. 100078	✓	
Address P.O. Box 10102, #1650 - 701 W. Georgia St.		Telephone No. (604) 688-4850	✓	
Mining Division Southern Ontario		Township/Area Burton Township	Map & Plan No. G3884	✓
Dates Work Performed From: May 12, 1992		To: July 6, 1992	✓	

Work Performed (Check One Work Group Only)

Work Group	Type
<input type="checkbox"/> Geotechnical Survey	
<input checked="" type="checkbox"/> Physical Work, Including Drilling	Site preparation, MOB and DEMOB: 1 Diamond Drill Hole for 37 feet - structural test site.
<input type="checkbox"/> Rehabilitation	
<input type="checkbox"/> Other Authorized Work	
<input type="checkbox"/> Assays	Test samples taken for cutting and polishing.
<input type="checkbox"/> Assignment from Reserve	

Total Assessment Work Claimed on the Attached Statement of Costs \$ 3,224.80

Note: The Minister may reject for assessment work credit all or part of the assessment work submitted if the recorded holder cannot verify expenditures claimed in the statement of costs within 30 days of a request for verification.

Persons and Survey Company Who Performed the Work (Give Name and Address of Author of Report)

Name	Address
D.G. Innes, 1886 Holdings Ltd.	P.O. Box 10102 #1650 - 701 W. Georgia St., Vancouver, B.C. V7Y 1C6
P.A.R. Brown Consulting	R.R. #1, Corbeil, Ontario, P0H 1K0
G. MacDonnel	General Delivery, Tilpen Lake, Ontario
D. S. Winter (Norwin Geological)	560 Notre Dame Ave. Sudbury, Ontario, P3C 5L2

(attach a schedule if necessary)

Certification of Beneficial Interest * See Note No. 1 on reverse side

I certify that at the time the work was performed, the claims covered in this work report were recorded in the current holder's name or held under a beneficial interest by the current recorded holder.	Date July 7/92	Recorded Holder or Agent (Signature)
--	-------------------	--

Certification of Work Report

I certify that I have a personal knowledge of the facts set forth in this Work report, having performed the work or witnessed same during and/or after its completion and annexed report is true.		
Name and Address of Person Certifying Daniel G. Innes, P.O. Box 10102, #1650 - 701 W. Georgia St., Vancouver, B.C.		V7Y 1C6
Telephone No. (604) 688-4850	Date July 7, 1992	Certified By (Signature)

For Office Use Only

Total Value Cr. Recorded \$3,225	Date Recorded July 28/92	Mining Recorder 	SOUTHERN ONTARIO MINING DIVISION RECEIVED JUL 28 1992 AM PM 7,8,9,10,11,12,1,2,3,4,5,6
	Deemed Approval Date	Date Approved July 28/92	
	Date Notice for Amendments Sent		



Ministry of Northern Development and Mines

Ministère du Développement du Nord et des mines

Statement of Costs for Assessment Credit

État des coûts aux fins du crédit d'évaluation

Mining Act/Loi sur les mines

Transaction No./N° de transaction
W9290.00050

Personal information collected on this form is obtained under the authority of the Mining Act. This information will be used to maintain a record and ongoing status of the mining claim(s). Questions about this collection should be directed to the Provincial Manager, Mining Lands, Ministry of Northern Development and Mines, 4th Floor, 159 Cedar Street, Sudbury, Ontario P3E 6A5, telephone (705) 670-7264.

Les renseignements personnels contenus dans la présente formule sont recueillis en vertu de la Loi sur les mines et serviront à tenir à jour un registre des concessions minières. Adresser toute question sur la collecte de ces renseignements au chef provincial des terrains miniers, ministère du Développement du Nord et des Mines, 159, rue Cedar, 4^e étage, Sudbury (Ontario) P3E 6A5, téléphone (705) 670-7264.

1. Direct Costs/Coûts directs

Type	Description	Amount Montant	Totals Total global
Wages Salaires	Labour Main-d'oeuvre		
	Field Supervision Supervision sur le terrain	\$800.00	\$800.00
Contractor's and Consultant's Fees Droits de l'entrepreneur et de l'expert-conseil	Type ENG. REPORT.	\$669.07	
	GEOLOGICAL	\$700.00	
	DRILLING	\$375.00	\$1744.07
Supplies Used Fournitures utilisées	Type DRILLING	\$116.80	
	FLAGGING/STAKES	\$27.00	
			\$143.80
Equipment Rental Location de matériel	Type	/	
		/	
		/	0
Total Direct Costs Total des coûts directs		\$2687.87	

2. Indirect Costs/Coûts indirects

Note: When claiming Rehabilitation work Indirect costs are not allowable as assessment work. Pour le remboursement des travaux de réhabilitation, les coûts indirects ne sont pas admissibles en tant que travaux d'évaluation.

Type	Description	Amount Montant	Totals Total global
Transportation Transport	Type AIR FARE	\$1534.38	
	AIR FARE	\$1534.38	
	VEH RENTAL	\$382.00	
	GAS	\$140.00	
			\$3590.76
Food and Lodging Nourriture et hébergement	HOTELS/CONSULTANTS EXP.	\$600.00	\$600.00
Mobilization and Demobilization Mobilisation et démobiliation	DRILL MOB/DEMOb SAMPLE SHIPPING	\$372.00	\$372.00
Sub Total of Indirect Costs Total partiel des coûts indirects			\$4562.76
Amount Allowable (not greater than 20% of Direct Costs) Montant admissible (n'exoédant pas 20 % des coûts directs)			\$587.57
Total Value of Assessment Credit (Total of Direct and Allowable indirect costs) Valeur totale du crédit d'évaluation (Total des coûts directs et indirects admissibles)			\$3,225.44

Note: The recorded holder will be required to verify expenditures claimed in this statement of costs within 30 days of a request for verification. If verification is not made, the Minister may reject for assessment work all or part of the assessment work submitted.

Note: Le titulaire enregistré sera tenu de vérifier les dépenses demandées dans le présent état des coûts dans les 30 jours suivant une demande à cet effet. Si la vérification n'est pas effectuée, le ministre peut rejeter tout ou une partie des travaux d'évaluation présentés.

Billing Discounts

Work filed within two years of completion is claimed at 100% of the above Total Value of Assessment Credit.

Work filed three, four or five years after completion is claimed at 50% of the above Total Value of Assessment Credit. See calculations below:

Total Value of Assessment Credit	Total Assessment Claimed
x 0.50 =	

Remises pour dépôt

1. Les travaux déposés dans les deux ans suivant leur achèvement sont remboursés à 100 % de la valeur totale susmentionnée du crédit d'évaluation.

2. Les travaux déposés trois, quatre ou cinq ans après leur achèvement sont remboursés à 50 % de la valeur totale du crédit d'évaluation susmentionné. Voir les calculs ci-dessous.

Valeur totale du crédit d'évaluation	Evaluation totale demandée
x 0.50 =	

Certification Verifying Statement of Costs

I hereby certify: that the amounts shown are as accurate as possible and these costs were incurred while conducting assessment work on the lands shown in the accompanying Report of Work form.

at as [Signature] Vice President, I am authorized (Recorded Holder, Agent, Position in Company)

make this certification

Attestation de l'état des coûts

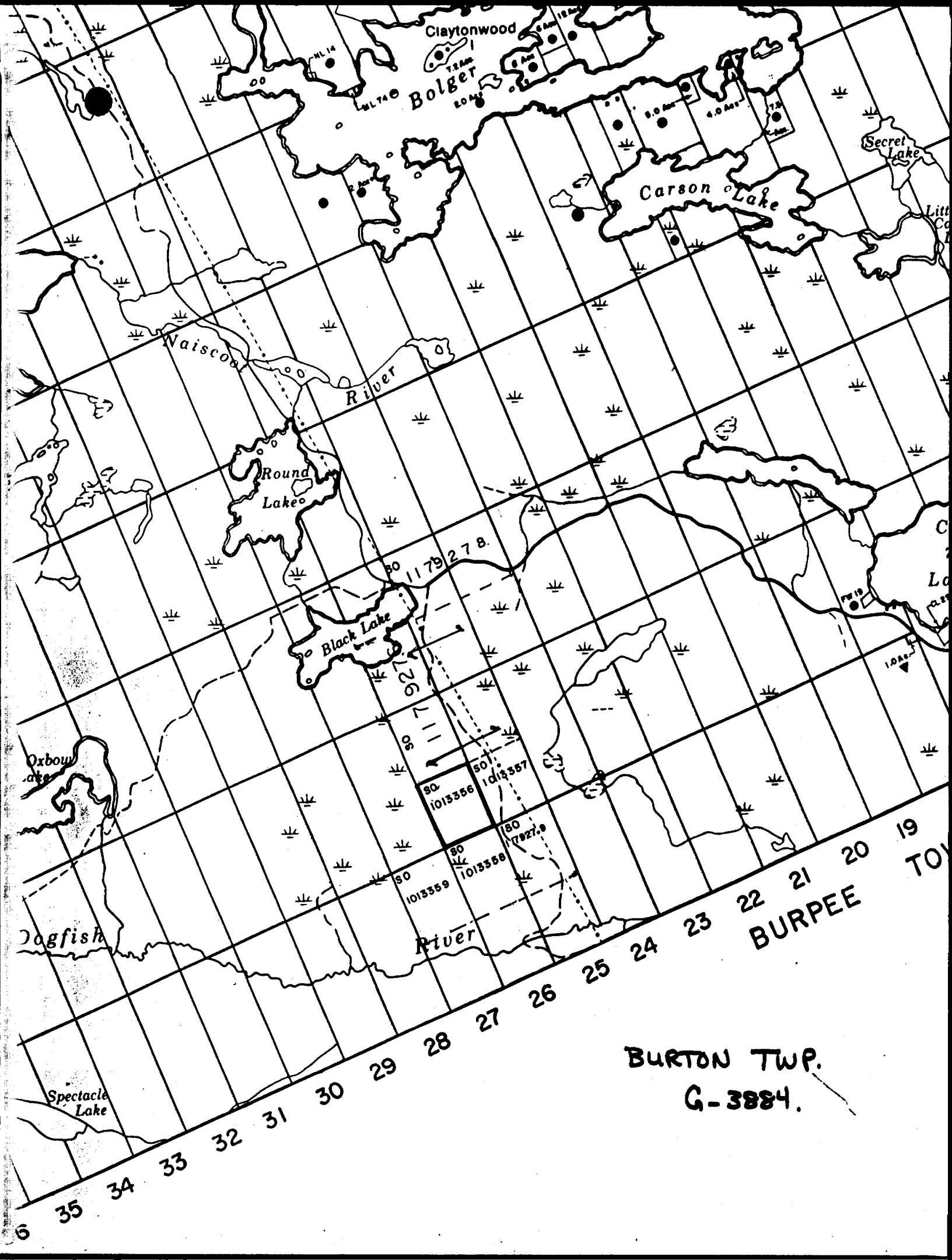
J'atteste par la présente: que les montants indiqués sont le plus exact possible et que ces dépenses ont été engagées pour effectuer les travaux d'évaluation sur les terrains indiqués dans la formule de rapport de travail ci-joint.

Et qu'à titre de [Signature] je suis autorisé (titulaire enregistré, représentant, poste occupé dans la compagnie)

à faire cette attestation.

Signature [Signature] Date July 20/92

Note: Dans cette formule, lorsqu'il désigne des personnes, le masculin est utilisé au sens neutre.



BURTON TWP.
G-3884.