PROSPECTING REPORT

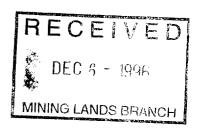
ON THE

PELANGIO LARDER MINES LTD.

FORTUNE LAKE GOLD PROPERTY

DAVIS TWP.

NORTHERN ONTARIO



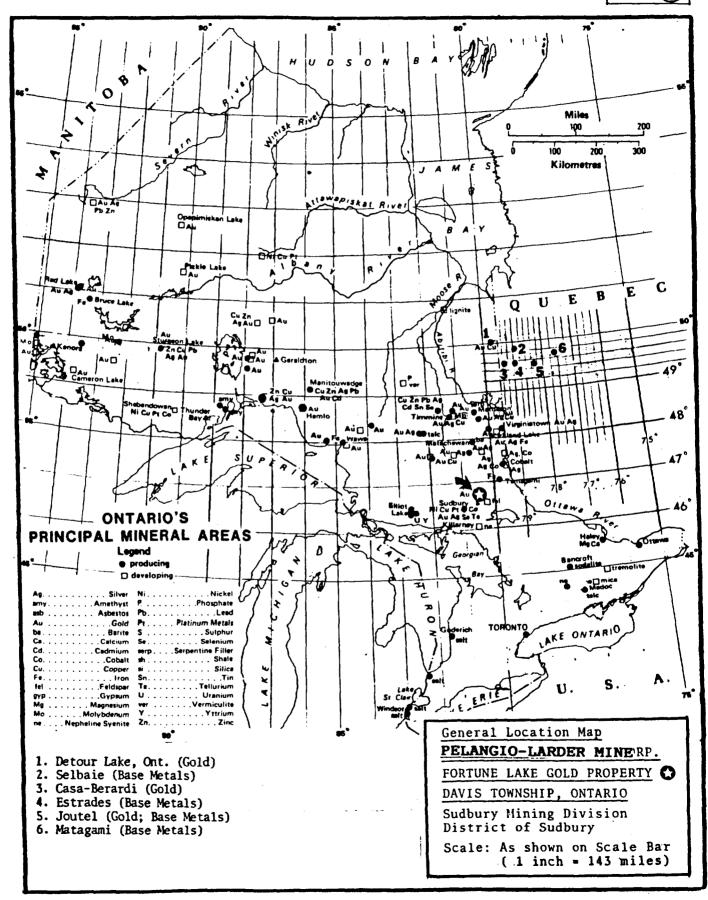
2.16926

By: Kevin Filo HBSc. Geo.

Oct. 12/96



41I10NE0128 2.16926 DAVIS



INTRODUCTION

In early Oct. of 1996 the Fortune Lake Gold Prospect was reexamined by Pelangio Larder Mine's consulting geologist. The principal purpose of this reexamination was to evaluate the main showing on the property, carry out some sampling, and maintain the prospect in good standing for the near term. This visit also allowed the author to become a little more familiar with the property as corporate files show that the last time a Pelangio geologist was on this property was 1985, just over ten years ago.

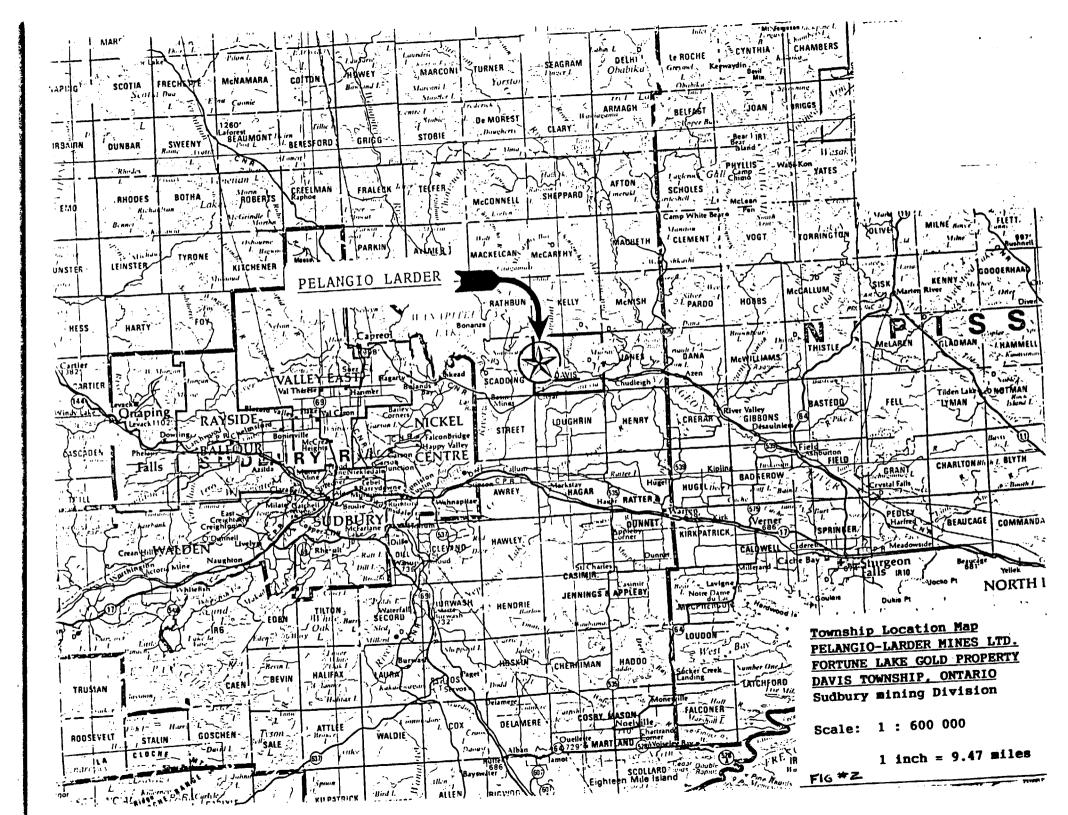
A number of samples were taken from the main showing during the course of the evaluation. All of these were assayed for gold and a series of other elements. A description of these samples is presented in Appendix 1. The locations of these samples along with old workings, limited geology, and vein orientations at the main showing area are all presented in the accompanying figures. Assays were not available at the time this brief report was being written, but they will accompany this report at a later date when assays are made available. This report was put together prior to receiving assays so that assessment commitments could be complied with to maintain the project in good standing.

PROPERTY, LOCATION AND ACCESS

The property currently consists of two claims numbered 830718 and 717190 (fig.3). In total the two claims cover approximately 40 acres of area as the second claim is a small claim covering a lake. The claims are located in NW Davis Twp. near the Scadding/Davis boundary, approximately 26 air miles NE of the City of Sudbury. Access to the property may be attained by float plane or by a secondary road and trail network north of Highway 17.

PROPERTY HISTORY

The historical data on this prospect was taken from a private corporate report written by K. Darke, P. Eng. in Oct. of 1995. This history is documented in point form as follows:



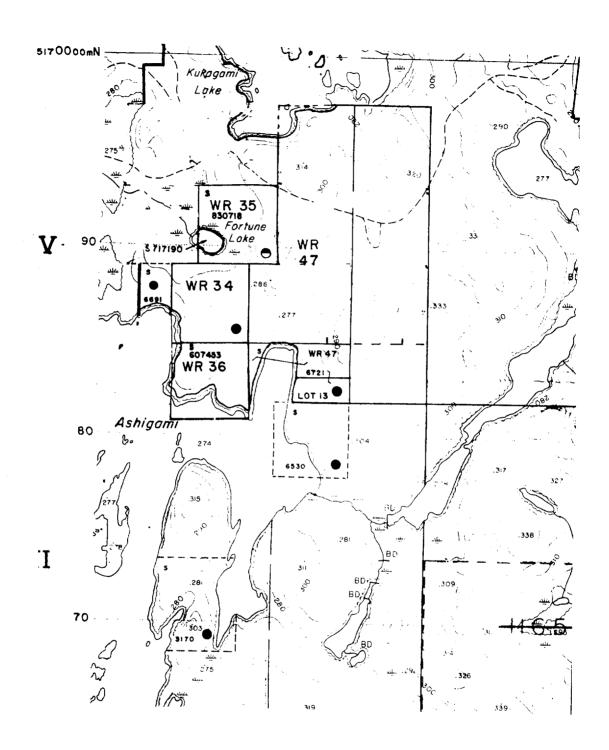


Figure 3: Claim Location Map for Fortune Gold Prospect, Davis Twp.

Mackenzie Mine (1897)

-Two shallow inclined shafts sunk 170 feet apart to test gold bearing quartz structure.

Mac-Auer Gold Mines Limited (1934-1935)

- -In 1934 Mac-Auer Gold Mines Limited acquires option on Mackenzie Mine.
- -From 1934-35 dewatering and some development work carried out.
- -Indicated reserves of 7692 tons @ 0.87 oz./ton Au reported to exist between the two shafts.

Pelangio Larder Mines Limited (1985)

-Pelangio carried out reconnaissance geology, prospecting, sampling, linecutting and a VLF-EM survey. Old pits and trenches also resampled.

Golden Hemlock Resources (1985-1988)

-A geological survey, limited induced polarization surveying, trenching, sampling and limited diamond drilling were initiated.

DISCUSSION OF RECENT OBSERVATIONS

At the main showing area adjacent to what is believed to be the most easterly shaft on the property, the author observed a very narrow quartz vein (50cm. max.) The strike extension of this vein ran into the shaft, and thus this vein was thought to represent the main vein explored in the past, the vein with the documented reserve.

This vein had a strike of 315-320 degrees az. and a fairly steep dip, almost vertical. The wall rock adjacent to the vein was brecciated in places and contained fragments of greywacke and quartz. This breccia was very weathered and significant sulphide had been weathered out of it, thus a gossan zone is present locally along portions of the vein contact.

The vein appears to contain some marcasite and minor chalcopyrite. In some portions of the vein there are very heavy sections of sulphide rich quartz. Two types of quartz were also observed, a milky white quartz and a grey translucent quartz.

The vein is hosted in a bedded greywacke (Gowganda Fm.?) that strikes at 015 degrees az and dips 35 degrees south. There does not appear to be any major structure or alteration package associated with the vein.

The author observed some drill core from an unknown location, none of this core appeared to be split or assayed. No vein material was observed but some fine pyrite (1-2%) was noted in a greywacke host. Two samples of this core were sent for assay.

CONCLUSIONS AND RECOMMENDATIONS

Data by Darke, P. Eng. (1995) suggests that this property obviously has a fairly interesting gold resource. Darke, also states that the property should have more detailed induced polarization surveying and further drilling to further explore the known zone of interest and any other potential zones.

This author concurs with this evaluation providing the assays taken verify that there is reasonable gold content in the known vein. Further, it is very interesting that some mineralization is present in the greywacke outside of known vein systems. If low grade gold is present in the surrounding wall rock with sulphides this prospect may be of significant interest as a low grade bulk tonnage target. However, the reader is cautioned it is premature to speculate about this at present. If the drill core samples contain any anomalous gold further sampling of wall rock outside of the main vein will have to be initiated to determine if this prospect does indeed have some potential for this type of deposit.

Respectfully Submitted,

Kevin Filo P. Geo.

APPENDIX 1 ROCK SAMPLE DESCRIPTIONS

DESCRIPTION OF SAMPLES FROM DAVIS TWP.

Samples taken in place from outcrop:

- **D-1:** Wall rock adjacent main vein. This rock is a totally oxidized gossan with fragments of wall rock and quartz. There was probably significant sulphide in this sample at on time, prior to extreme oxidation.
- **D-1A:** Quartz vein material from the main vein, sample comprised of both milky white quartz and smoky grey translucent quartz. Some very minor pyrite noted in this sample, less than 1%.
- **D-2:** Quartz vein material from main vein. Once again sample contains both milky white quartz and smoky grey translucent quartz. There appears to be a black massive to needle shaped mineral in this sample that is likely tourmaline. Some pyrite, and marcasite?, perhaps 1% maximum sulphide content and some oxidized sulphide.
- **D-3:** Quartz vein material from main vein. Mainly white milky quartz with some iron staining and some nodular marcasite?, less than 0.5%. Minor iron staining of pyrite.
- **D-4:** Wall rock material between main vein and a small mineralized splay off of main vein. This rock appears to be a grey coloured fine grained greywacke. This particular sample has minor iron staining and appears barren of any sulphide.
- **D-5:** Greywacke that is grey in colour on fresh surface and has a sugary texture. Some iron staining evident on this sample, but no significant sulphide evident.

Samples taken from muck pile outside shaft:

D6: Grey black smoky quartz with minor marcasite, less than 0.5%.

D7: Milky white quartz and some grey smoky quartz with some marcasite, perhaps 1% overall found in a series of blebs and stringers.

D8: This sample is a sample of wall rock material from the muck pile, it appears to be an altered silicified greywacke, that is sugary textured and fine grained. No significant pyrite was noted.

D9: Milky white quartz with no significant sulphide.

D10: As per description for D-8.

D-11: Grey smoky quartz and some milky white quartz with 2-3% marcasite.

Diamond drill core found on site:

D-12: Grey unaltered fine grained greywacke with minor fine pyrite, 1-2%.

D-13: Grey unaltered banded fine grained greywacke with minor fine pyrite, 1-2%.

To: Mining Recorder's Office

Sudbury Ontario

From: Kevin Filo

Subject: Pelangio Larder Mines

Davis Twp. Assay Sheets

Date: Nov.11/95

Please, find attatched assay sheets to accompany a report for Pelangio Larder Mines Ltd.'s Fortune Lake Property in Davis Twp. near Sudbury Ontario, filed previously in Oct. 1996. Two copies of original sheets to follow this via mail today. If any problems please contact Kevin Filo at 7052680371 via phone or fax.

EUSBURY
MAILES BIV.

RECE! VED

NOV 13 1996

A.M.

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Thank You

Kevin Filo

DEC 6 - 1996
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OCT 23 '96 09:00

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Certificate **Analysis**

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D-12		0.11	103	11	105	<0.1									
b-13		0.06	546	6	47	0.3						:			
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Certificate of Analysis

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Bondar-Clogg & Company Ltd. 5420 Cazotek Road, Ozawa, Oztavio, KII 9G2, Canada Tel: (619) 749-2220, Fax. (613) 749-7170

Northern Development and Mines Ontario

After Recording Claim

Mining Act

Figure 2 sonal 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 Stree Sudbury, Ontario, P3E 6A5, telephone (705) 670-7264. 2

- Instructions: Please type or print and submit in duplicate.
 - Refer to the Mining Act and Regulations for Recorder.
 - A separate copy of this form must be comple
 - Technical reports and maps must accompan



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, 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 (recorded Holder, agent, or state company position with signing authority) to make this certification.

Ministry of Northern Development and Mines

Ministère du Développement du Nord et des Mines

December 23, 1996

Roy Denomme Mining Recorder 933 Ramsey Lake Road, 3rd Floor Sudbury, ON P6E 6B5



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

Telephone:

(705)670-5853

Fax:

(705)670-5863

Dear Sir or Madam:

Submission Number: 2.16926

Subject: Transaction Number(s): W9670.00159

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.

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

NOTE: This correspondence may affect the status of your mining lands. Please contact the Mining Recorder to determine the available options and the status of your claims.

If you have any questions regarding this correspondence, please contact Steve Beneteau at (705)670-5855.

Yours sincerely,

ORIGINAL SIGNED BY Ron C. Gashinski

Senior Manager, Mining Lands Section

ncodel.

Mines and Minerals Division

Correspondence ID: 10434

Copy for: Assessment Library

Work Report Assessment Results

Submission Number: 2.16926

Date Correspondence Sent: December 23, 1996 Assessor: Steve Beneteau

Transaction First Claim

Number Number Township(s) / Area(s) Status Approval Date

W9670.00159 830718 DAVIS Approval December 20, 1996

Section:

9 Prospecting PROSP

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

Mining Recorder Kevin Filo

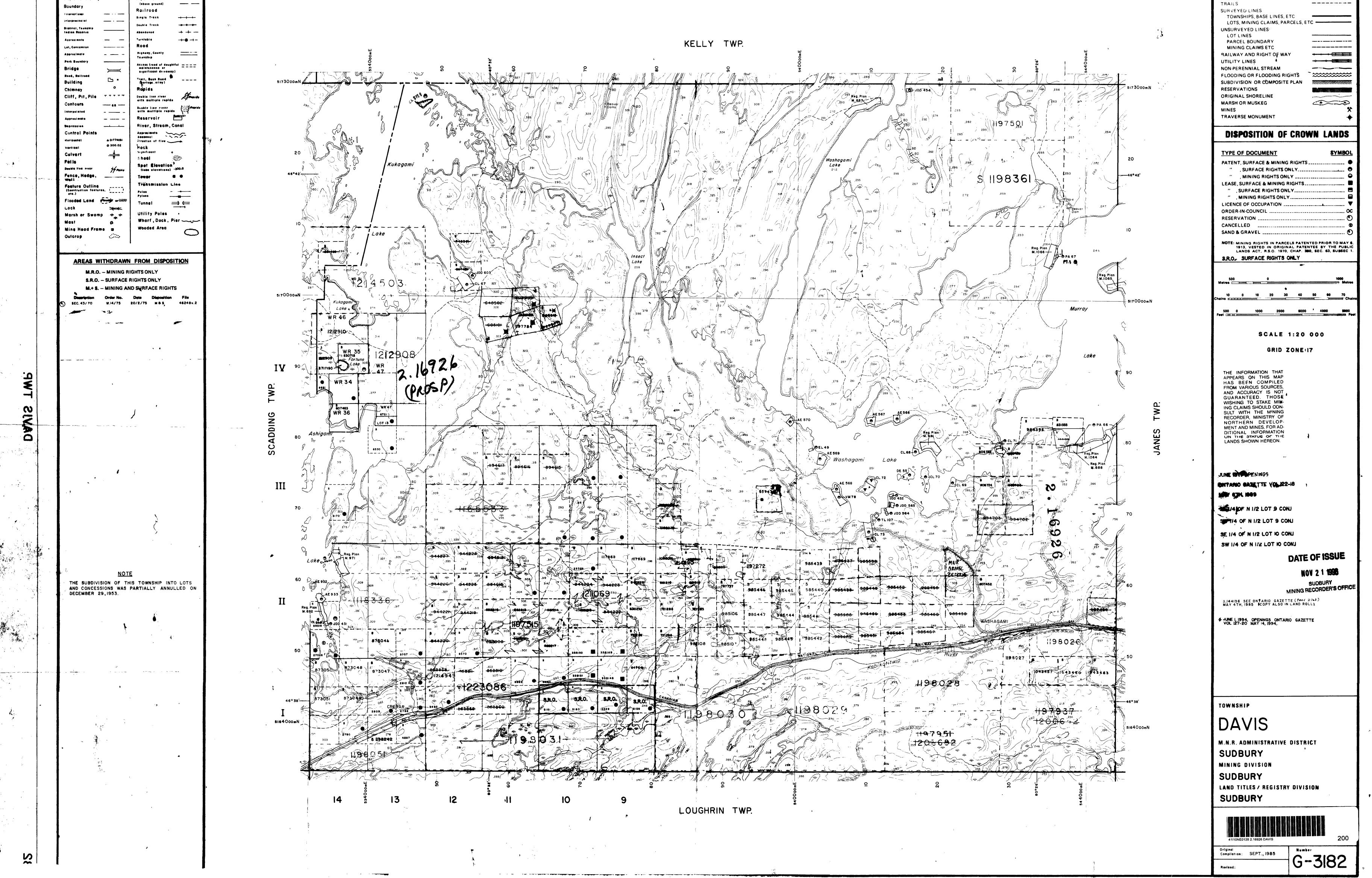
Sudbury, ON TIMMINS, ONTARIO, CANADA

Resident Geologist PELANGIO - LARDER MINES, LIMITED

Sudbury, ON CONNAUGHT, Ontario

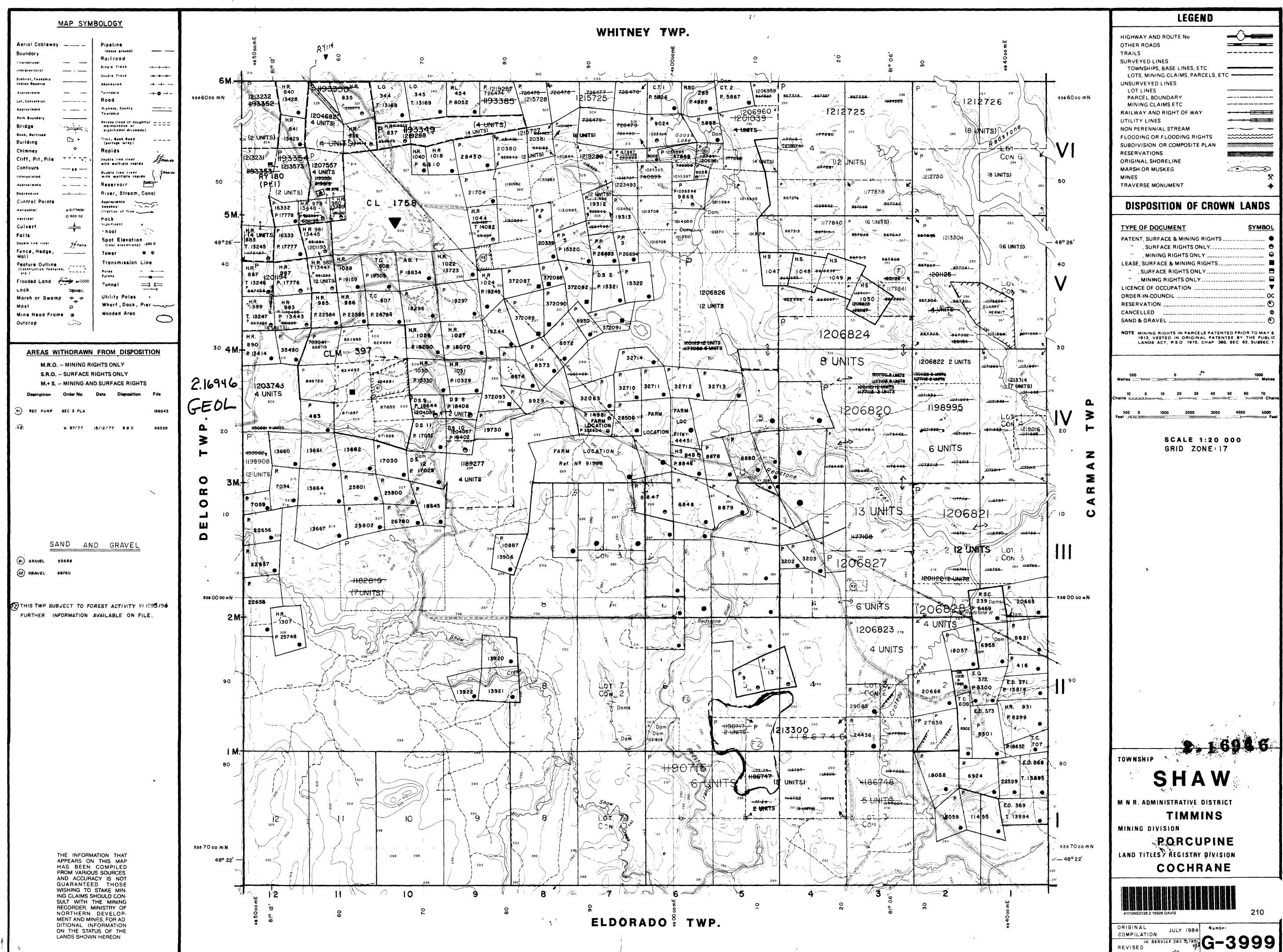
Assessment Files Library

Sudbury, ON

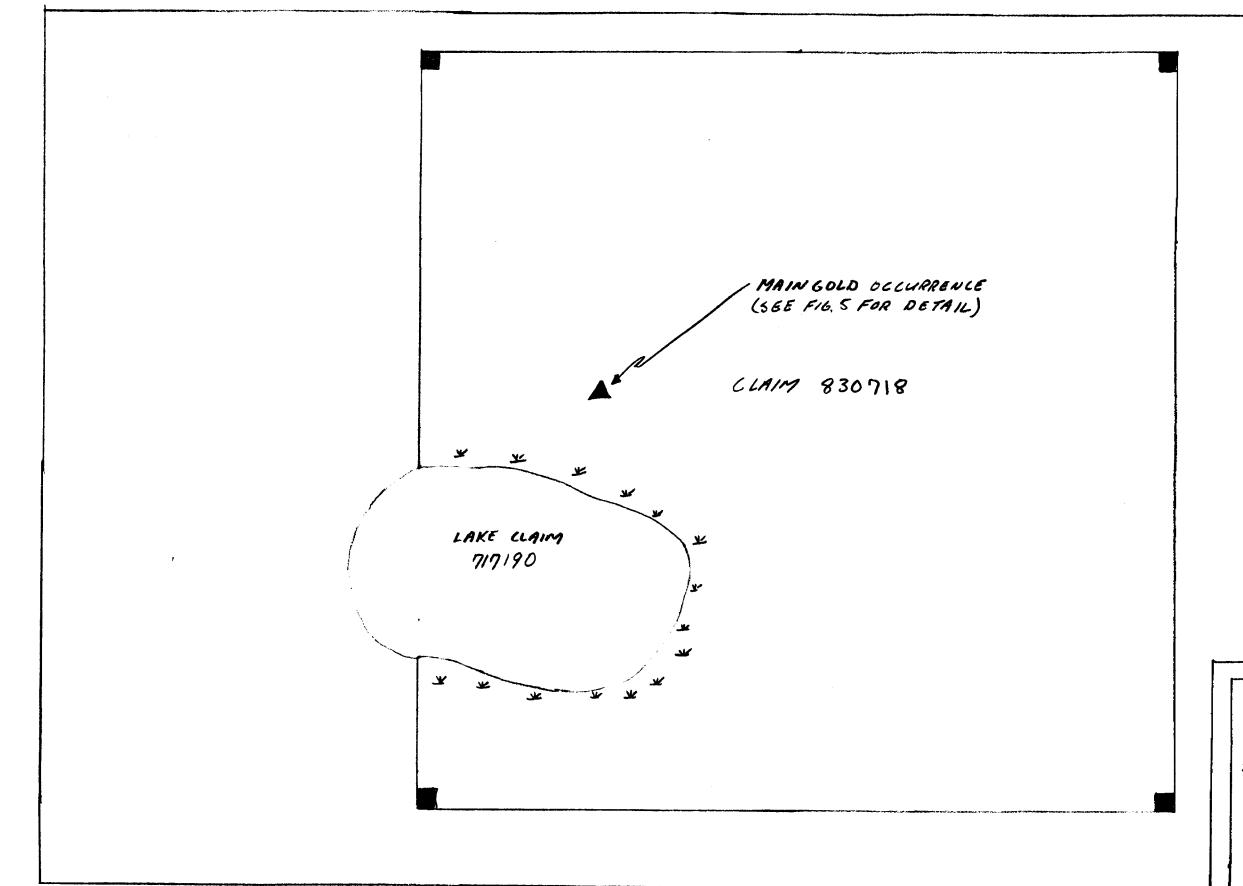


Aerial Cableway -----

Pipeline



CHECKED BY



2.16926

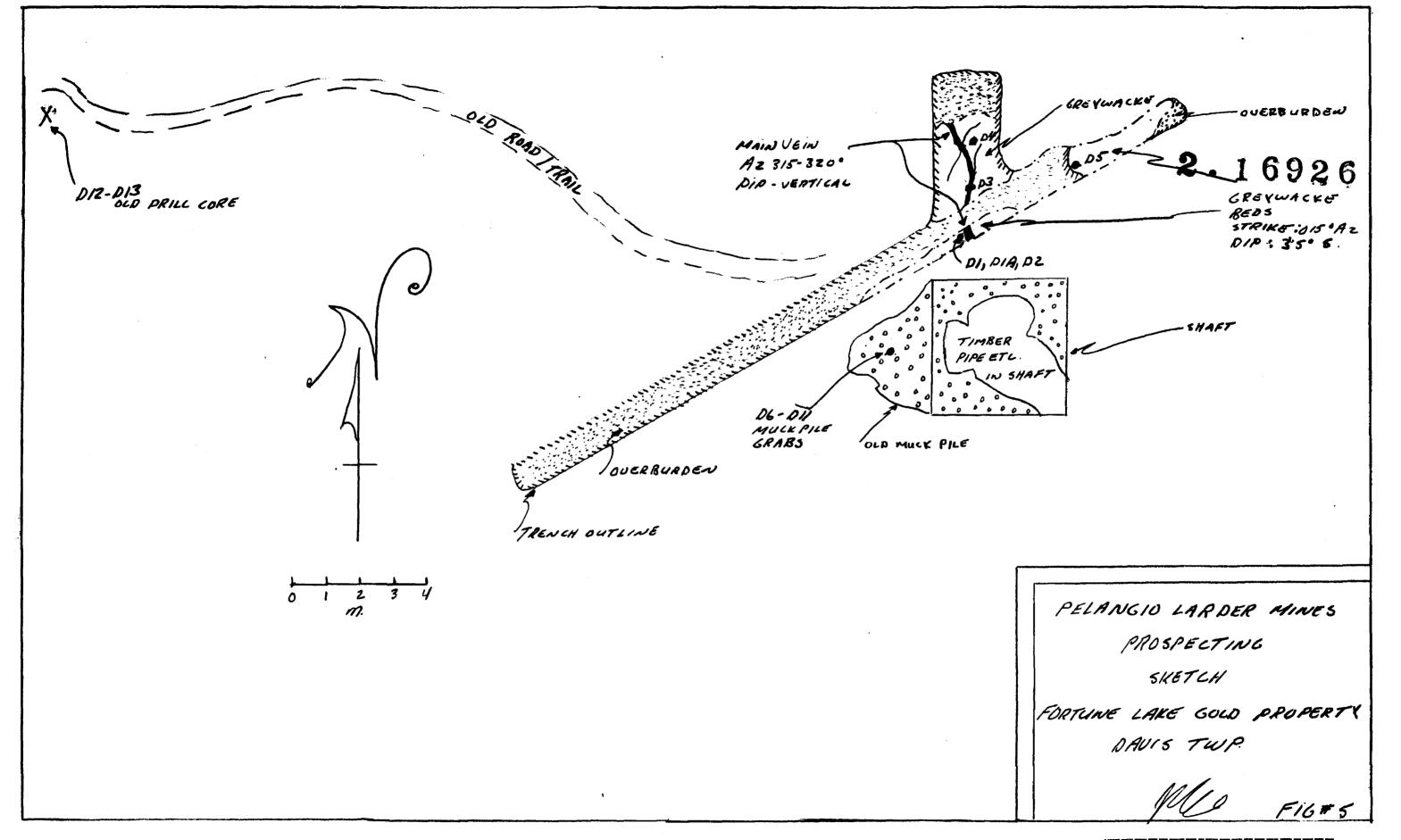
PELANGIO LARDER MINES

SHOWING LUCATION MAP



F16#4







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