Gravity, Elevation, Rock Density and Magnetometer

Survey Reports

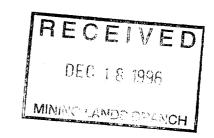
McNish Township (Plan G-2909)- MacBeth Township Plan (G-2908)

North Bay M.N.R. Administrative District

Sudbury Mining Division

NTS 41-I-9,16

November 8,1996





41I16SW0023 2.16951 MACBETH

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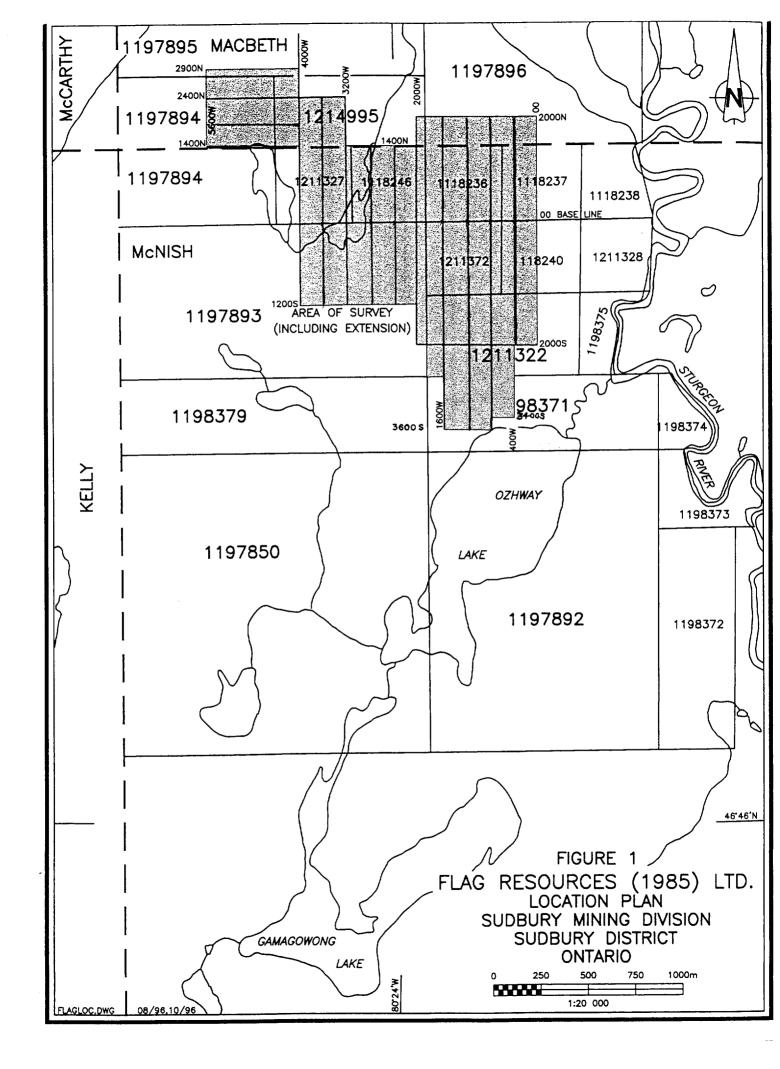
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GERALD J GEREGHTY NOVEMBER 8,1996



41116SW0023 2.16951 MACBETH



Gravity, Elevation, Rock Density and Magnetometer Survey Reports McNish and MacBeth Townships Plans G-2909 & G-2908 North Bay M.N.R. administrative District Sudbury Mining Division N.T.S. 41-I-9.16

Introduction

First discussion on the feasibility of carrying out a gravity survey in northwest McNish Township was November 16,1994.

Murdo McLeod, President of Flag Resources (1985) Ltd. explained the many widespread mineral occurrences in the claim area and the possibility of a deep seated feeder source which might be detected by gravity.

Because of my involvement on another gravity survey at the time and the adversities of poor, dangerous winter access to McNish, rolling terrain, slow costly, winter gravity surveying, I declined doing the proposed survey.

Further discussions in the early spring of 1996 led to the gravity survey which commenced June 7th. and finished October 11,1996.

Property Ownership

In 1994 Flag Resources optioned a group of 12 claims from Reg Charron of Hanmer, Ontario and partner Philip Brown of Corbeil, Ontario. Ten of these claims, or claim blocks, are located in northwest McNish Twp. and two contiguous claim blocks are in southwest MacBeth Twp. Flag now has large property holdings in the above named townships and in several adjoining townships.

Location and Access

From the village of Hagar travel north on Hwy. 535 for a distance of 13.5 miles crossing the abandoned C.N.R. track and following the gravel road westward towards Washagami. The road swings abruptly northward and from here on there are many branching roads to small lakes and cottages. Road signs are few and usually indicate only the cottage owner's name not the lake name.

Having travelled a distance of 9 miles one reaches the turn-off to "Ford's Camp". A boat launching ramp is available here north of the concrete dam in the southwest bay of Maskinonge Lake. Travel distance by boat is 5 miles north into the most easterly bay of the lake where a road leads east through the subject grid area to the Sturgeon River, 2 miles distant. Ozhway Lake abuts the southeastern end of the grid and it is accessible via fixed wing aircraft.

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Terrain

The area surveyed would be classified as gently rolling, encompassing some fairly high hills generally striking NNE - SSW. The total change in elevation measured from the low point at Ozhway Lake, to the high point north of the 00 base line on section 8+00W, is 215.9 feet.

Numerous bedrock exposures occur on and near hilltops, and on many slopes. Where covered with till the bedrock surface is probably within 20 feet of surface. Several small "catch basin" type swamps are outlined on the grid plan and these occur within relatively high ground and appear to have little depth to bedrock. The most obvious drainage system occurs in the northwest part of the grid where a small creek flows northward from the south end of "Beaverhouse Lake" in the east part of claim 1197894. Beaver are very active along the 00 base line near 36+00W and have created a new pond.

Claims or Parts of Claim Units Surveyed

MaNial Tares	1 1 1 1 0 2 2 6
McNish Twp.cl	1.1118236
	1118237
	1118240
	1118246
	1197893
	1198371
	1211322
	1211327
	1211372
MacBeth Twp. cl	1197894
	1197895
	1197896
	1214995

Previous Work

Much of the previous exploration work done within the above claim area was focused on copper, lead and zinc mineralization, however, in the assessment work report submitted by R.H. Pemberton for Palston Mining and Development Company, June 19,1956, Pemberton stated that the first work done by George Waltenbury in the early 1930's was on a nickel-cobalt-copper showing within quartzite at the northeast end of Beaver Pond Lake.

....3

.....3 (Previous work) continued:

Beginning in the mid 1950's some exploration work was done on uranium bearing pyritiferous conglomerates located in northeastern McNish and adjoining Pardo Twp.

- 1933-39: George Waltenbury did prospecting, camp construction, trenching, shaft sinking, bulk sampling, road building.
- Palston Mining and Development Company cut grid lines and conducted vertical loop electromagnetic, gravity and elevation surveys.

Fifteen previously worked mineral showings were re-examined and sampled and several new pits and trenches were dug on newly found mineralized zones. Although there is no filed report of drilling by Palston the writer found two piles of "AX" size core shown north of Ozhway Lake on Grid Plan No.2 South. This core is of larger diameter than that produced by packsack drilling done by Jerome in the late 1970's.

- A.E.Jerome did considerable prospecting and trenching on 3 mineral showings near the west bank of the Sturgeon River. Grid work was done and more trenching and sampling followed in conjunction with geological mapping and magnetic and electromagnetic surveying. Twenty-four short packsack diamond drill holes totalling 646 meters tested many of the Waltenbury and Jerome mineral showings for depth continuity.
- P.A.R.Brown and R.Charron did prospecting rock sampling, grid cutting, magnetic and VLF electromagnetic and self potential surveys also geochemical soil sampling.
- Flag Resources drilled a total of 18 diamond drill holes in McNish Twp. for a total length of 6,301.5 feet. All of these holes occur within the newly gridded area primarily around a basic igneous intrusive near grid co-ordinates 00-00.

A single drill hole was cored to a depth of 500 feet within the grid in the southwest corner of MacBeth Twp. All drill hole collars are plotted on Grid Plan #2 North and South parts.

General Geology (grid area)

Geological map 2425, McNish and Janes Twps. and map 2386, MacBeth and Clement Twps. both plotted on a scale of 1" to 1/2 mile, show a broad window of exposed Early Precambrian metasediments and metavolcanics striking NW-SE. Diabase dikes intrude the Early Precambrian rocks primarily in a northwesterly direction however, other dikes, or basic igneous intrusives favour a north-south direction.

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General geology (grid area) continued

On page 6 of the Afton, Scholes, MacBeth and Clement Townships Report 170, H.D.Meyn states:" The Early Precambrian rocks that occur - - - - - in the southwestern corner of MacBeth Township, and their equivalents hidden under the cover of younger rocks, hold the greatest mineral potential in the area".

Fig. 1 A shows the grid plotted over the geology in McNish and MacBeth Townships.

Geology and Geophysical Report and Map References

Geology of McNish and Janes Townships by Burhard O.Dressler - 1979 O.G.S. Report 191 Contains Map: McNish and Janes Twps. No. 2425

Geology of Afton, Scholes, MacBeth, and Clement Twps. By H.D. Meyn - 1977 O.G.S. Report 170 Contains Map: MacBeth and Clement Twps. No. 2386

Forty-First Annual Report of the Ontario Department of Mines 1932
Part IV, V, VI and VII
Ref: pages 1-28: Geology of the Townships of Janes, McNish, Pardo and Dana by E.L.Bruce contains Map No. 41F: Janes, McNish, Pardo & Dana.

Gravity Measurements in the Sudbury Area with Map 138-Sudbury by J.Popelar Department of Energy, Mines and Resources Contains Map No. 138 Sudbury 1971

Aeromagnetic Compilation l"-4mile scale Geophysics Paper 7067 Sudbury, Ontario. 41-I

Aeromagnetic Map 1"=1mile scale Geophysics Paper 1502 Lake Timagami, Ontario 41-I-16

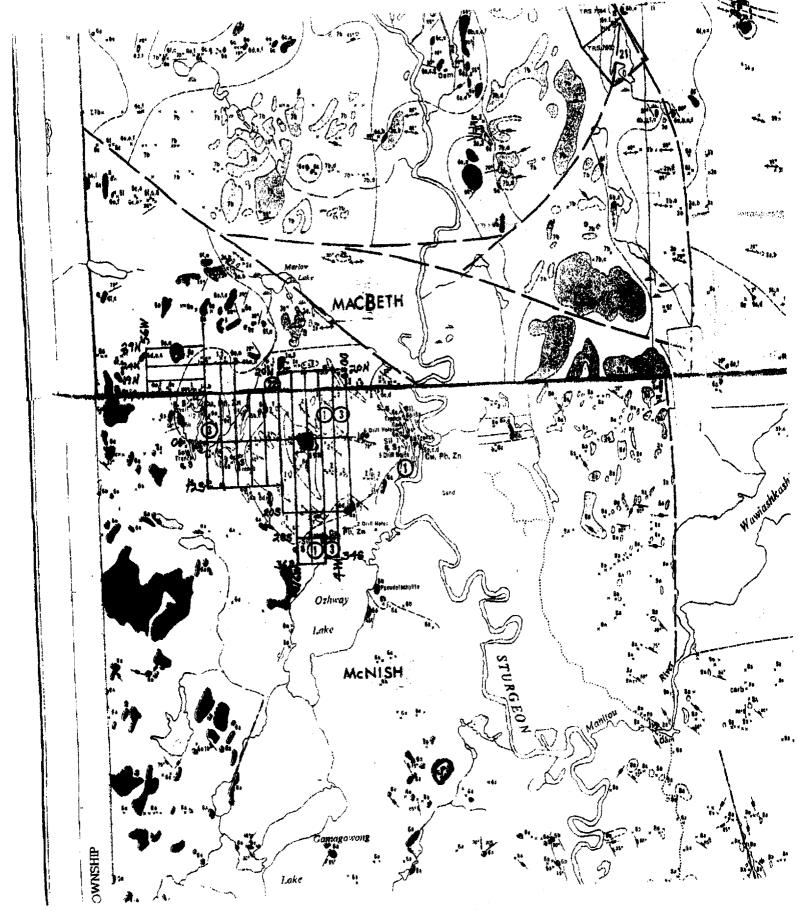


Fig. 1A McNish and MacBeth Geology 1" = 1/2 mile. Showing Flag Resources grid.

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McNish Township GDIF 416 Work Compilation with maps.

MacBeth Township GDIF 415 Work compilation with maps.

Grid Cutting

Reginal Charron of Hanmer, Ontario cut and chained an initial 9.85 miles of base line and cross lines during the last half of May and all of June 1996, Charron extended grid lines 3.37 miles in the southeast and northwest parts of the grid area in the second half of September and the second week of October 1996. The entire 13.21 miles of grid and control line was thoroughly cut out using chain saws which helped to expedite the elevation and gravity surveys.

Figure 1 is a 1:20,000 scale plan showing grid lines superimposed on mining claims.

Figure 2 North & South Grid Plan shows the lines cut, claim coverage, topography, old workings, diamond drill hole collars and access roads, plotted on a scale of 1:2,400.

Elevation Survey

Instrument used on this survey is a laser level manufactured by:
"Spectra - Physics Levelling Systems

Laser Plane Model 130"

The field operating procedure is much the same as when using a conventional spirit or automatic level, however, a modification to the standard level rod is needed to enable a direct readout.

As with most elevation surveys required for gravity purpose a convenient starting point is assigned an arbitrary elevation of 1000 feet or 1000 meters.

The laser transmitter is setup on the grid line in the direction of travel, power switched on and levelled (single bulls eye). The receiver is switched on and clamped to the top section of the level rod, assuming the height of instrument will exceed 6.5 feet, other wise the receiver is kept free while the level rod is held vertical on top of the reference peg, then the receiver is slowly moved up or down the rod until a continuous audio signal is received and at that point the receiver is clamped in position and a readout from the rod recorded. With practice one person can survey alone but a lot of walking is involved in flat terrain where there is rapid lateral advancement.

This elevation survey was done in imperial measurements. Base line 00 and several tie-lines, which join the ends of grid lines, were used for running level closures. Closure errors were in the 0.10 to 0.40 foot range.

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.....6 Elevation Survey (continued)

The maximum amount of elevation change took place in the eastern half of the grid area amounting to 215.9 feet from a high point at 4N-8W to the low point on the north shore of Ozhway Lakle at 36S-8W.

Contour lines on Figure 4 North & South outline two distinct areas of high relief generally striking NNE - SSW. A drainage area divides the two areas of high ground.

Elevations are plotted at the 100 foot stations on both parts of Figure 4.

Rock Sampling Procedure for S.G.Determinations

While conducting the elevation survey a small representative rock sample was collected from most of the bedrock outcroppings on, or in close proximity to grid and control lines. These samples were carefully selected avoiding sulphide blebs (when possible) or unusual crystal growth, quartz veining, localized alteration and weathered surfaces.

A total of 154 samples were weighed in air, and weighed again in water then specific gravities were calculated. An "Ohaus-Model 311 Cent-O-Gram" balance was used for these measurements.

Rock densities range from a low of 2.62 to a high of 3.03. Mean average rock density for the grid area was 2.78 used for gravity data reductions.

Specifric gravity values are plotted on Plan 3, North & South parts at the sampling point indicated by a tiny open circle. Contour lines are at intervals of .025, .05 and .10. The number with the tiny asterisk beside it represents the computer calculated value of that particular search area.

Objectives of the Gravity Survey

Principal purpose was to outline a positive gravity anomaly with sizeable dimension that might be the source of widespread mineralization in northwest McNish and southwest MacBeth Twps.

To delineate any small near surface concentrations of sulphides, also to define mafic igneous intrusive rock and diabase dikes.

Gravity Survey Instrument and Procedure

A "Sodin" temperature controlled gravity meter s/n 292T, Model 100T, with scale constant of .10020 milligal per scale division was used on this survey.

...7 Gravity Survey Instrument and Procedure (continued)

A master base station was setup on a flat bedrock exposure on the hilltop at the junction of the Maskinonge Lake to Sturgeon River road and the branching road striking north to Beaverhouse Lake. This base station accommodated all work to the NW, NE, or ESE sections of the grid area.

To begin the survey the gravity meter was setup and adjusted to read in the center of it's range at 500 scale divisions.

Secondary gravity base stations were read at 800 foot intervals, at grid line intersections along all control lines, returning to the master station for check-in at intervals of roughly 1 1/2 hours, thereby monitoring minor drift which was then applied to readings taken during that time slot making all readings relative to the master station.

The levels in the Sodin gravity meter are very exact and when properly adjusted repeat gravity readings are usually within 0.1 dial divisions. Repeated gravity readings that differ by two dial divisions are averaged. At each gravity station the height of instrument is measured by retractable steel measuring tape from the top of the elevation peg to the instrument's hand grips. Gravity base stations were reread within a two hour period, whenever practical, to establish the linear drift correction due to ocean tides and movement of solar bodies. In theory, there is no mechanical drift in the instrument since the meter was kept at a constant temperature.

Correcting Gravity Readings

The first correction is for drift, as determined by plotting base station gravity readings in milligals versus time in graph form, then simply reading from the graph the amount of drift that took place each time a gravity reading was recorded.

A "Free Air" correction is applied to all elevations above or below the arbitrary datum of 1000 feet, including the height of instrument. This correction amounts to 0.09406 milligals per foot and is added to station readings above 1000 feet and subtracted from stations below 1000 feet. The "Bouger" correction is also applied to elevation differences to account for the attraction of the material between the gravity station and the datum plane. Bouger corrections are always opposite in sign to the "Free Air" correction. The constant used for this combined correction is 0.05960 milligals per foot.

A latitude correction of 0.025 milligals per 100 feet distance was added to each reading in the southerly direction commencing at 20+00N on all lines.

No terrain corrections were applied to the gravity readings.

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Gravity Survey Plotting:

Figure 5 is drawn on a scale of 1:2400 illustrating in contour form the residual gravity values on line intervals of 0.2, 0.4, 0.8 milligals. Numerical values in milligals are written opposite the respective station read.

Gravity Survey Results

The McNish Twp. grid area lies on the eastern flank of a relatively positive regional gravity anomaly with maximum intensity north of Hagar just south of the Grenville Front. This very large and strong anomalous zone continues northward along the west side of Maskinonge Lake, swinging northeast through Emerald Lake, continuing eastward to Lake Timagami. The presence of this strong regional gravity force was expected to impact on any local gravity survey work in the McNish area, however, it was postulated that a large mass of dense rock/sulphide at relatively shallow depth would be noticeably superimposed on the regional anomaly.

Results from the early gravity work done in June and July indicated a broad anomalous gravity feature strenghtening diagonally across the grid area in a NW - SE direction, the high point being in the NW part.

In compliance with Murdo McLeod's instructions the accumulated gravity data was forwarded to: "Allan Spector and Associates Ltd", specialists in gravity interpretation for a professional assessment of the survey results.

Mr. Spector's letter dated August 2,1996 stated that he saw only a north trending 0.2 to 0.5 mlg. anomaly, possibly due to a "Nippissing" dyke overlain by about 200 feet of sedimentary rock. The substantial 2 mlg. build-up diagonally across the grid he attributes solely to the regional gravity gradient.

I found this explanation questionable in view of the pronounced curvature in the contoured gravity values across the grid. Surely, a very distant strong gravity anomaly would produce a gravitational field which would create virtually straight contour lines. It appeared to me that our survey covered roughly 30% of a very broad anomaly which correlates perfectly with a broad 120 gamma aeromagnetic anomaly. Furthermore, the numerous sulphide mineral occurrences within the grid area, and the ever widening zone of dense weakly mineralized metavolcanic rock which lies dead center under the gravity high, cannot be denied. In my opinon the project justified modest additional expenditures to continue several grid lines westward to prove that the gravity contour lines would close, defining the area of maximum gravity value. The extended lines were just barely adequate to prove that the peak intensity was reached and gravity values began to diminish in strength at the extreme west end of the lines. The overal change in gravity values from the southeast corner to the northwest section is 3 mlgs.

....9 Gravity Survey Results continued

During the time lapse between the two periods of survey work a search was made of the "Erlis" M.N.R. files and copies of the gravity survey results from Palston Minings 1956 "Radar Exploration Company" assessment work file were purchased and studied. A strong (2mlg.) gravity anomaly had been outlined mostly southeast of lead-zinc showing no 8.

On pages 4 and 5 of R.H. Pemberton's report he describes the 2mlg. anomaly and assumes it's explanation to be a basic mass at 650 feet depth intruding the Cobalt sediments. "The lead-zinc showing appears to be located along the north-west contact between this plug and the Cobalt sediments".

From page 77 of the McNish and Janes Townships Report it is stated that packsack drilling was unsuccessfull in drilling showing No.8 and that Palston Mining became inactive through lack of funds and claims subsequently lapsed.

Murdo McLeod directed us to extend grid lines southward to cover No.8 showing and carry out gravity survey work.

Grid lines 4W, 8W, and 12W were the first lines cut and surveyed but gravity results failed to indicate the presence of a significant anomaly.

Line 16W was then cut and surveyed and it too was discouraging. My interpretation of our gravity survey surrounding showing No.8 shows a southerly bulge in the overall broad anomalous picture. Two small gravity closures (.10 to .15 mlg), one is just east of showing No.8 on the 28S tie-line and the second occurs on lines 4W and 8W at 32S. There is an apparent rapid drop-off in the gravity values from 20S to 34S but this is attributed to 75 feet of elevation change and areas of mostly light overburden cover and rock exposures vs. swampy ground believed to have deep till cover.

Other small localized positive gravity anomalies are superimposed on the major anomalous feature within the overall grid coverage and these are in close proximity to known sulphide mineral occurrences or dense mafic igneous rock exposures. The most prominent of these anomalies are in the McNish Twp. section of grid at:

4+00W - 3+00S - 1.0 mlg 20+00W - 9+00N - 0.6 mlg. (north-south dyke?.) 28+00W - 5+00S - 0.4 mlg.10

Interpretation of Gravity

As mentioned above the small localized positive gravity anomalies are believed caused by sulphide mineralization, mostly within metamorphased sediments or volcanic rocks, or by dense mafic intrusive rock and diabase dykes.

The broad, positive, partially outlined gravity anomaly centered around 47+00W - 26+50N occurs at the crest of a dome shaped structure, believed to be an anticline plunging gently southwest. The flanks of this structure are overlain with low density sedimentary rocks while the crest has many exposures of greater density meta sediments and weakly mineralized meta volcanic rocks. Higher density basic metal volcanics have been intersected in drill holes proximal to the strongest gravity values.

- 1) Volcanic rocks underlying the main gravity high seem to become more basic and denser with depth, if the sulphide content also increases with depth, somewhere between 10-15%, the anomaly could be explained.
- 2) If in explanation (1) the sulphide content does not reach 10% but mineralized diabase dikes are intersected, then this combination might explain the anomaly.
- (3) If in explanation (2) there were no diabase dykes but a deep seated plug, or thick sill of gabbro underlying the anomalous area, the gravity anomaly could be accounted for.

Regional Airborne Magnetometer Survey

The central portion of the huge Timagami magnetic anomaly occurs nine miles north of the McNish grid shown on "Geophysics Paper 1502, Lake Temagami, Ontario, Scale 1"=1mile".

The MacBeth - McNish grid overlies a weak, 150 gamma, southeast striking appendage off the south flank of the main aeromagnetic anomaly.

Objectives of the Ground Magnetic Survey

To outline mafic magnetic intrusive rocks and diabase dykes. To delineate the many known weakly magnetic mineral occurrences in the area and to define new anomalous zones containing either pyrrhotite or magnetite in areas covered with overburden.

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The Magnetometer Survey Procedure

The instrument used is a "Geometrics Model G-816" proton magnetometer which measures the earth's total field intensity to an accuracy of 1 gamma when used with the sensor staff in a weak to moderate gradient magnetic field. This hand held magnetometer has a world wide range of from 20,000 to 90,000 gammas. When taking a reading no levelling or special orientation are required: the operator simply presses a switch on the top of the instrument and obtains a 5 digit numeric display readout directly in gammas.

Magnetic base reference stations were established at 400 foot grid line intersections along the 12+00S and 20+00S base lines. All base stations were read twice in a short time span. Maximum difference in the repeat magnetic readings was 14 gammas, therefore, each set of readings was averaged and the averaged reading is that referenced to when tie-ins are made.

When beginning to survey grid lines a base reference station was first read and recorded with the time of reading. Tie-ins to other base stations were generally within a two hour time interval and the time read is also recorded. Drift variations are corrected based on the time interval between base station tie-ins. Using this drift correction method all magnetics readings are made relative to the first reading taken at 20+00S - 20+00W.

Magnetometer readings were taken at 50 foot station intervals along all control and grid lines.

Magnetic Survey Results

Magnetic survey readings are contoured at intervals of 20,100, and 500 nt. on Plan 6, North and South, drawn on a scale of 1:2400. Corrected magnetic readings are plotted numerically at each station location. A legend at the right corner of these plans explains the plotting of the magnetics.

Both the North and South parts of Plan 6 contain a confusing mix of numerous, narrow linear magnetic high and low anomalies contoured in an east-west direction. Upon closer examination there is a general WNW - ESE alignment of the magnetic high values except along the east side of the grid on line 00 where the strongest magnetic readings are indicating a strong magnetic dyke-like anomaly striking almost north-south.

Three sets of linear anomalies strike west of north by 500 to 700 and are generally 50 to 100 feet in width and +200 to +500 gammas above magnetic background. These anomalies have shallow depth to source and at several locations they pass through pits and trenches containing minor magnetic sulphides.

There is strong evidence of a NNE - SSW cross-cutting magnetic structure in the center of the grid area crossing lines 32W and 36W.

The strong magnetic zone on grid line "00" and extending eastward beyond the grid overlies several mineralized pits and trenches. A cluster of 16 diamond drill holes were cored near grid co-ordinates 00-00 where magnetic values range from +100 to 1500 gammas above background. A mineralized mafic intrusive has been partially outlined and more drilling is planned for this area.

The southeast grid extension area is quite subtle magnetically with fairly constant background magnetic values throughout.

Because of the change in grid line direction in the northwest grid extension area the magnetic computer plot is very unusual in appearance. This area too is weakly magnetic with weak linear anomalies of +100 to +200 gammas. One small 1200 gamma anomaly occurs on line 19N at 47+50W.

Interpretation of Magnetics

The confused mix of narrow magnetic high and low anomalies is believed caused by the thin undulating veneer of non magnetic sedimentary rocks underlain, and sometimes "cut", by weakly mineralized meta volcanic rocks, intruded by narrow, magnetic diabase dikes and larger masses of gabbroic rock which is generally weakly magnetic.

Ten or more diabase dykes and gabbroic igneous rock exposures have been partially mapped in the grid area by previous property owners and O.G.S. geologists.

The cumulative effect of the wide spread intrusive magnetic rock types and weakly magnetic meta sedimentary and meta volcanic rocks, adequately explains the weak aeromagnetic anomaly in this area.

Survey Data

The initial elevation survey and rock sampling was done by G.J. Gereghty, with an assistant, during the period June 8 - July 9,1996. Grid extension elevation survey work was done at irregular intervals from September 11 to October 11,1996.

Gravity survey readings were taken by G.Gereghty and I.MacAskill from July 3 to July 12,1996 and from October 1-11,1996.

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....13 Survey data (continued)

Personnel involved in the survey work camped at the Maskinonge Lake landing at the portage leading to the Sturgeon River.

Total Number of rock specimens collected	154
Total number of elevation stations	178
Total number of gravity stations	178
Total number of magnetic stations	356
Total line miles of survey coverage	13.21

The gravity meter was rented from W.Sodin (Gravity) Ltd. in Richmond Hill, Ontario.

The laser level and proton magnetometer are owned by Gereghty.

Gravity calculations covered several lenghty periods of time and were finally finished along with the magnetic survey corrections on October 14,1996.

Final drafting of all survey data was completed during the period October 15-24th.

Conclusion

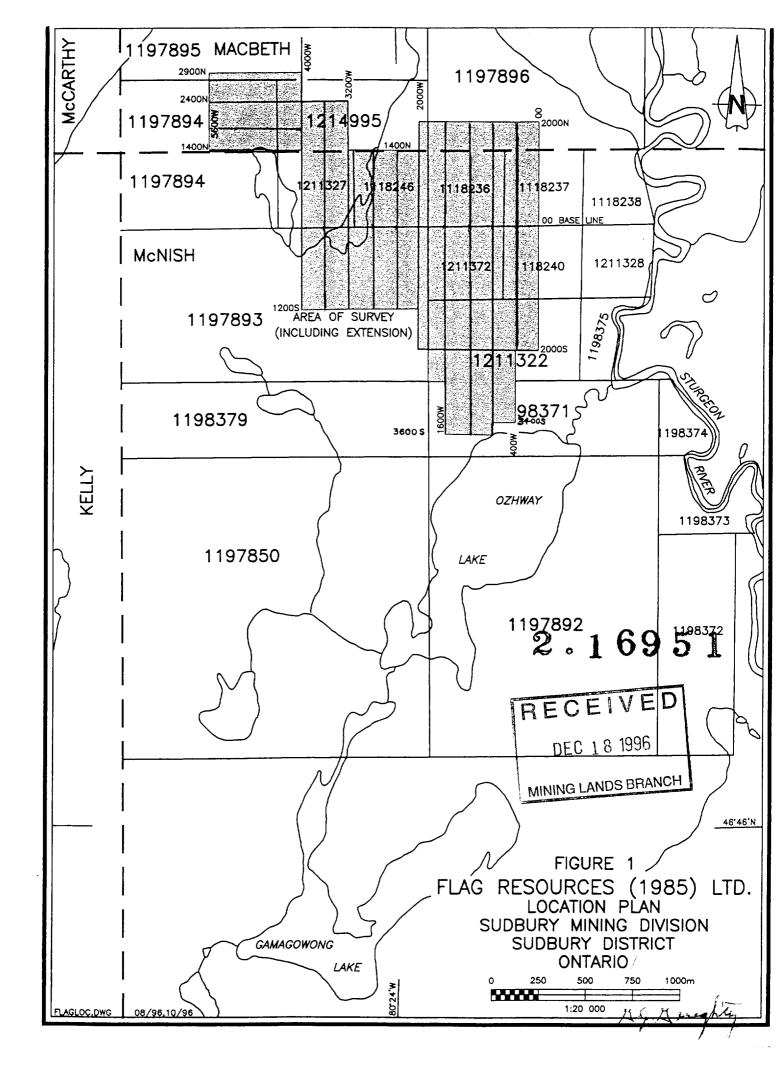
Gravity survey coverage in McNish - MacBeth Townships has outlined roughly 30% of a large broad gravity anomaly with overall value of 3 milligals. The center of this anomaly is in the northwest part of the extended grid in MacBeth Twp.

Recommendation

Sisnce there is a vertical drill hole (MacBeth #95-01) within the strongest part of the gravity anomaly at 23+25N - 52+50W, the drill casing is still in place, hole depth is 500 feet and the last acid test at 490 feet indicated an angle of 880, it would be practical to continue this drill hole to a depth of approximately 2000 feet to test the source of the gravity anomaly.

As drilling progresses a representative core sample should be selected at 50 feet intervals for density determination. This specimen should be 1" - 1 1/2" in length and marked as to depth, and made available to the writer so that rock density increase can be monitored with depth.

G.J. Gereghty
November 8,1996



P.01



Report of Work Conducted **After Recording Claim**

Transaction Number W9670.00164

Mining Act

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, PSE 6A5, telephone (705) 670-7264. 2.1695

- Instructions: Please type or print and
 - Refer to the Mining Act Recorder.
 - A separate copy of this
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of Chairms						S1118246	S1118240	\$1118237	\$1118236	\$1211372	S1211327	81271322	S1198371	81197893	\$1214995	S1197896	S1197895	S1197894	Claim Number (see Note 2)
						-		-		_	-		ω	œ	2	16	16	*	e S
Total Value Work Done	\$42,000		Sh Unite	13 Claims		\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$2250	\$6000	\$1500	\$12,000	\$12,000	s3000	Value of Assessment Work Daine on this Claim
Total Value Work Applied	\$22,000				4200	***	\$400	\$400	\$400	\$400	\$400	\$400	\$1200	\$3200	\$800	\$6400	\$6400	\$1200	Value Applied to this Claim
Total Assigned From	e.													R	DE	E 18	V E 1996 bra		Value Analysis from the Chain
Total Reserve	\$20,000				\$350		\$350	\$350	\$350	\$350	\$350	\$350	\$1050	\$2800	\$700	\$5600	\$5600	\$1800	Reserve: Work to be Claimed at a Funire Date
		u are claimi ms you wis edits are to		. 444	. Aren m	ואד עבוו	W 1 W 170	CHARITY	112(50)	o minin mark (nize the	e adve e of th	sè effe e follow mds.	ots of a	uch del	rtions, ;	ezżek	indicat	• from

FROM FLAG RESOURCES 262 8886

NOV-20-1996 09:35

Cradits you are claiming in this report may be cut back. In order to minimize the adverse effects of such deletions, please indicate from which claims you wish to priorize the deletion of credits. Please mark () one of the following: 1. Credits are to be cut back starting with the claim listed last weekless because the property of the control of the following:
 Credits are to be cut back starting with the claim listed last, working backwards. Credits are to be cut back equally over all claims contained in this report of work. Credits are to be cut back as priorized on the attached appendix.
in the event that you have not specified your choice of priority; option one will be implemented.

Note 1: Examples of beneficial interest are unrecorded transfers, option agreements, memorandum of agreements, etc., with respect to the mining claims.

Note 2: if work has been performed on patented or leased land, please complete the following:

	I certify that the recorded holder had a beneficial interest in the patented or leased land at the time the work was performed.	Signature	Date
•			

P.03



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 W9670, 00/64

2-16951

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, Minings Lands, Ministry of Northern Development and Mines, 4th Ploor, 159 Oedar Street, Sudbury, Ontario P3E 6A5, telephone (705) 670-7284.

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 queston sur la collece de ces renseignements au chef provincial des terrains miniers, ministère du Développement du Nord et des Mines, 159, rue Cedar, 4º étage, Sudbury (Ontario) PSE 6AS, téléphone (705) 670-7264.

1. Direct Costs/Coûts directs

Туре	Description	Amount Montant	Totals Total global
Wages Salaires	Labour Main-d'oeuvre		
	Field Supervision Supervision sur le terrain		
Contractor's end Consultant's Fees	Type Gravity Survey	\$30,500	
Droits de l'entrepreneur	Line Cutting	\$11,500	
et de l'expert- conseil			
Supplies Used Fournitures utilisées	Туре		
			100
Equipment Rental	Туре		
Location de matérie!			
	Total Dir	ect Costs	

Note: The recorded holder will be required to verify expenditures claimed in this statement of coats 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.

Total des coûts directs \$42.600

2. Indirect Costs/Coûts indirects

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

Туре	Description	Amount Montant	Totals Total global
Transportation Transport	Туре		
	RECEL	VED	
	DEC 18	906	
Food and Lodging Nourriture et hébergement	MINING LANDS		
Mobilization and Demobilization Mobilisation et démobilisation			
	Sub Total of Indirection Total partiel des coûts	indirects	:
Amount Allowable (Montant admissible	not greater than 20% of Dire (n'excédent pas 20 % des o	ot Costs) nûts directs)	
Fotal Value of Asse Total of Direct and A indirect costs)	sement Credit Valeur total	e du crédit its directs	\$42,000

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.

Filing 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 tive 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
× 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 on the accompanying Report of Work form.

that as	(Recorded Holder, Agent, Position in Company)	_ i am	authorized
---------	---	--------	------------

to make this certification

Remises pour dépôt

- Les travaux déposés dans les deux ans suivant leur achévement sont remboursés à 100 % de la valeur totale susmentionnée du crédit d'évaluation.
- Les travaux déposés trois, quatre ou cinq ans après leur achévement 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
×	0,50	=	
L			

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 (titulain	de	présentent.	poste dopupé	dans la	e suis	autoris
	farthin.	. aafianat in	des a mar som set	house contibé	-	- COLUMNIA NO	7

à faire cette attestation.

Signature	Date
	Mr. Caller
Life Cos	TUN 9/8
Nota : Dans cette formuls lorsqu'il désigne des personnes, le mascuti	n est utilisé au sons neutre.

Ministry of **Northern Development** and Mines

January 27, 1997

Roy Denomme Mining Recorder

Sudbury, ON P6E 6B5

Ministère du Développement du Nord et des Mines

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

Telephone:

(705)

670-5853

Submission Number: 2.16951

670-5863

Fax:

(705)

Dear Sir or Madam:

933 Ramsey Lake Road, 3rd Floor

Status

Subject: Transaction Number(s): W9670.00164 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.

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 Bruce Gates by e-mail at gates b@torv05.ndm.gov.on.ca or by telephone at (705) 670-5856.

Yours sincerely,

ORIGINAL SIGNED BY Ron C. Gashinski

Senior Manager, Mining Lands Section

ncods.

Mines and Minerals Division

Correspondence ID: 10507 Copy for: Assessment Library

Work Report Assessment Results

Submission Number: 2.16951

Date Correspondence Sent: January 27, 1997

Assessor: Bruce Gates

General Comment:

An excellent report accompanies this submission.

Transaction Number First Claim Number

Township(s) / Area(s)

Status

Approval Date

W9670.00164

1197894

MCNISH, MACBETH

Approval

January 22, 1997

Section:

14 Geophysical GRAV

14 Geophysical MAG

Assessment work credit has been approved as outlined on the attached Distribution of Assessment Work Credit sheet.

Correspondence to:

Mining Recorder

Sudbury, ON

Resident Geologist Sudbury, ON

Assessment Files Library Sudbury, ON

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

Murdo C. McLeod

FLAG RESOURCES (1985) LIMITED

CALGARY, ALBERTA

Distribution of Assessment Work Credit

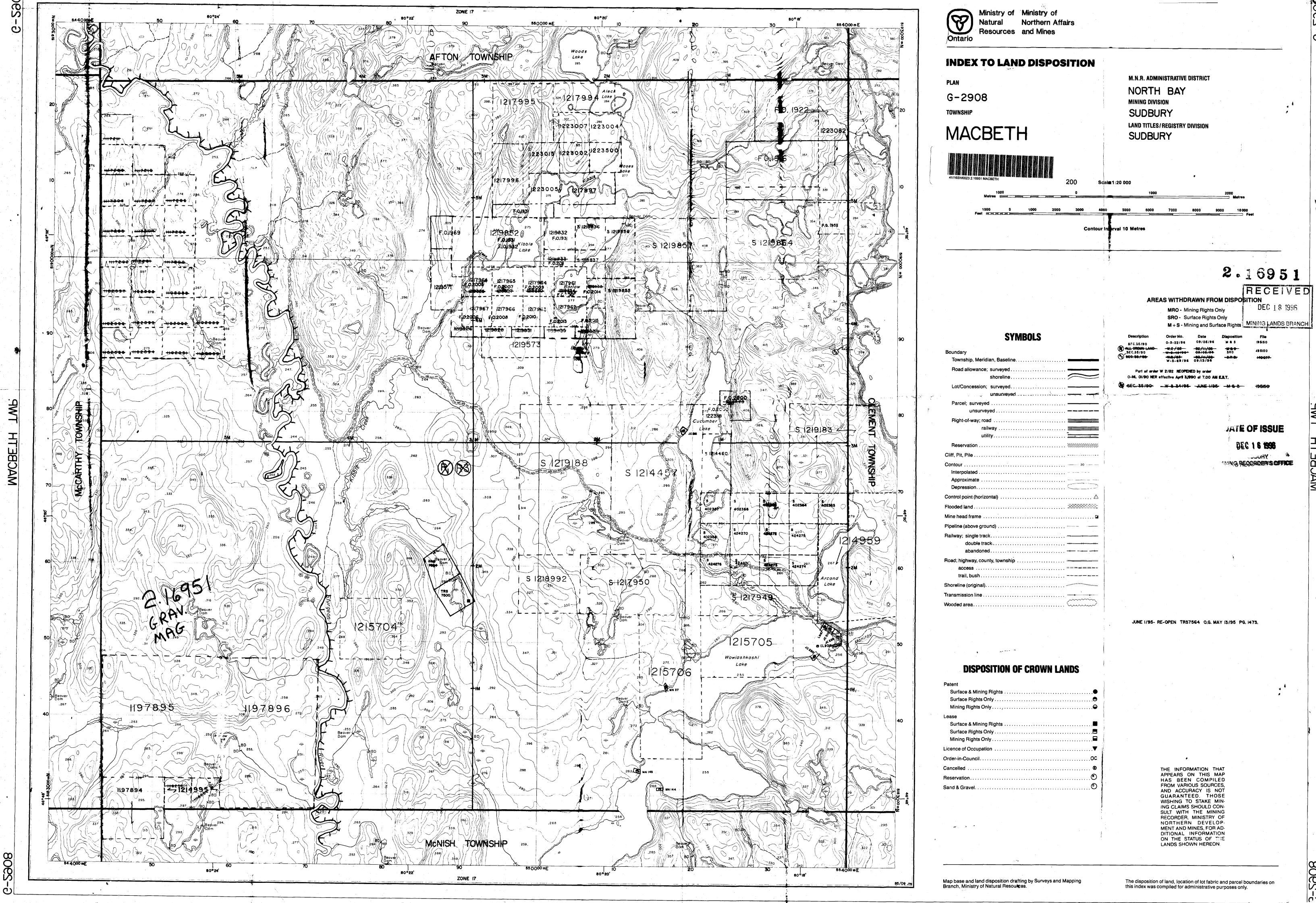
The following credit distribution reflects the value of assessment work performed on the mining land(s). Please contact the Mining Recorder to determine if this affects the status of your claims.

Date: January 27, 1997

Submission Number: 2.16951

Transaction	Number:	W9670.00164
--------------------	---------	-------------

Claim Number	Value Of	f Work	Performed
1197894		· · · · · ·	3,533.00
1197895			1,735.00
1197896			3,199.00
1214995			4,474.00
1197893			6,711.00
1198371			4,056.00
1211322			5,059.00
1211327			1,798.00
1211372			2,592.00
1118236			2,697.00
1118237			1,777.00
1118240			1,693.00
1118246			2,676.00
Tota	: \$	4	2,000.00



0 Ministry of Ministry of
Natural Northern Affairs
Resources and Mines Ŋ 55000omE S MACBETH TOWNSHIP **INDEX TO LAND DISPOSITION** M.N.R. ADMINISTRATIVE DISTRICT PLAN NORTH BAY 1197894 G-2909 MINING DIVISION SUDBURY TOWNSHIP LAND TITLES/REGISTRY DIVISION Wawiashka**sh**i McNISH Lake SUDBURY 1197893 ;; . 1695l 1198379 ----ر بور ، بور ا 12230331 AREAS WITHDRAWN FROM DISPOSITION MRO - Mining Rights Only SRO - Surface Rights Only M + S - Mining and Surface Rights
 Order No.
 Date
 Disposition

 0-8-22/9c
 39/05/96
 M & S

 -W 2/82
 -5/11/82
 - M & S
 Township, Meridian, Baseline. R2. 0-ONT-07/92 NER/CR JUNE 1/92 M & S 195150 Part of order W 2/82 REOPENED by order Road allowance; surveyed. O-ML 01/90 NER effective April 3J990 at 7.00 AM E.S.T. Lot/Concession; surveyed. Gamagowong Parcel; surveyed ... _____ Subdivision of this township into lots and concessions was annulled on December 11th,1953 ·LOCK OF 4) Cliff, Pit, Pile. Gawasi Lake Flooded land.. Mine head frame Pipeline (above ground) Railway; single track. double track. abandoned.. Road; highway, county, township trail, bush Shoreline (original). DATE OF ISSUE Namasang Transmission line Wooded area... DEC 1 6 1996 SUDBURY MINING RECORDER'S OFFICE Maskinonge **DISPOSITION OF CROWN LANDS** Surface & Mining Rights Surface Rights Only . Mining Rights Only. THE INFORMATION THAT APPEARS ON THIS MAD HAS BEEN COMPILED Surface & Mining Rights Surface Rights Only FROM VARIOUS SOURCES Mining Rights Only. AND ACCURACY IS NOT GUARANTEED THOSE WISHING TO STAKE MILE Licence of Occupation ING CLAIMS SHOULD CON Order-in-Council. SULT WITH THE MINING RECORDER MINISTRY OF Cancelled ... NORTHERN DEVELOP MENT AND MINES FOR AU DITIONAL INFORMATION ON THE STATUS OF THE Lake Reservation... Sand & Gravel LANDS SHOWN HEREON _AND USE PERMIT 0 544000mE Map base and land disposition drafting by Surveys and Mapping The disposition of land, location of lot fabric and parcel boundaries on ZONE 17 Branch, Ministry of Natural Resources this index was compiled for administrative purposes only. , O

