Report of Work

On the

Chester Property

Chester Township, Ontario

Porcupine Mining Division

Claims 720647, 734211, 734213, 734214

For

1478837 Ontario Inc.

December 2004
Timmins, Ontario

Matthew Johnston
Consulting Geophysicist
1226 Gatineau Blvd.
Timmins, Ont. P4R 1E3

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List of Maps

1.0 Introduction

The Chester property of 147887 Ontario Inc. consists of 4 unpatented mining claims numbered 720647, 734213, and 734214 located in Chester Township. During December 2004, a program of line-cutting and geophysical surveys was conducted over this claim group. The geophysical program consisted of total field magnetic and VLF-EM electromagnetic surveying. Hussey Geophysics Inc., of Timmins, Ontario, carried out the line-cutting and geophysical surveys.

2.0 Location and Access

The Chester property is located approximately 150 kilometers south of the city of Timmins, Ontario; near Gogama Ontario. The claim group can be accessed from Gogama by driving south along highway 144 for 17.5 kilometers from the intersection of highway 144 and highway 661. At this point, turn east on Mesomikenda Lake road and drive 10.5 kilometers which arrives at the baseline of the current grid at approximately 3+75E (see figures 1 and 2).

3.0 Summary of 2004 Geophysical and Line Cutting Program

The line cutting on the Chester grid totaled 9.4 kilometers, which consisted of a 1.1 kilometer long baseline striking at approximately 090 degrees. The grid lines were cut every 100 meters along this baseline and ranged in length between 600 and 1000 meters. The grid lines were cut every 100 meters with pickets chained at 25-meter intervals along all lines.

The geophysical program consisted of total field magnetic surveying and VLF-EM electromagnetic surveying. The total magnetic field survey, using a GEM GSM-19 magnetometer, totaled 9.4 kilometers with readings collected every 12.5 meters along all lines. The VLF-EM survey was conducted utilizing the Geonics EM-16; with the transmitting station located in Cutler, Maine; which transmits at a frequency of 24.0 kHz. A total of 8.2 kilometers of VLF data was collected at 12.5-meter station intervals.

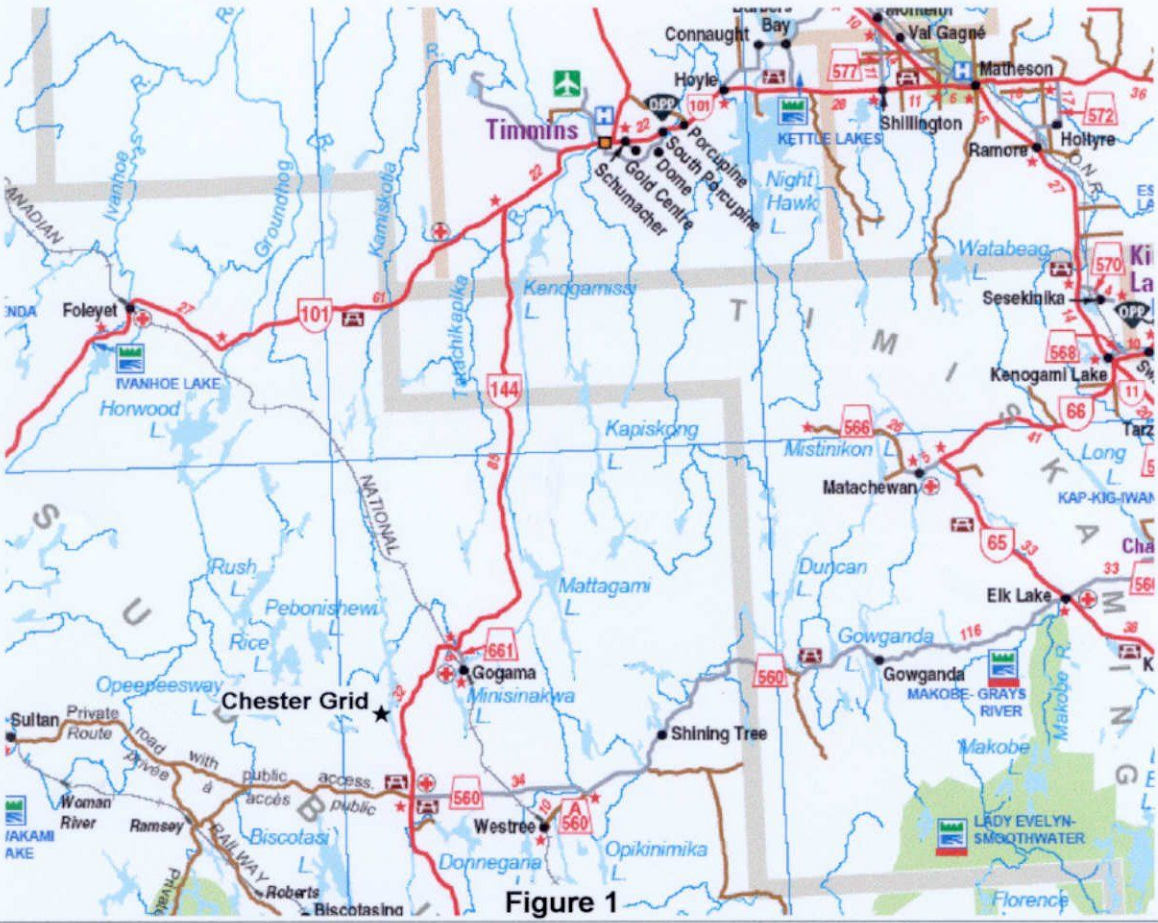

Connaught Bay
Val Gagné
Matheson
Hoyle
Timmins
Porcupine
South Porcupine
Dome
Gold Centre
Schumacher
KETTLE LAKES
Shillington
Ramore
Holtyre
Night Hawk L.
Watabeag L.
Sesekinika
Kenogami Lake
Foleyet
IVANHOE LAKE
Horwood L.
Kenogamissi L.
Kapiskong L.
Mistinikon L.
Matachewan
Long L.
KAP-KIG-IWAN
Rush L.
Pebonishewi L.
Rice L.
Mattagami L.
Duncan L.
Elk Lake
Gowganda L.
Gowganda
MAKOBE- GRAYS RIVER
Makobe L.
Makobe R.
Opeepeesway L.
Chester Grid
Gogama
Minisinakwa L.
Shining Tree
Sultan
Private Route
Woman River
Ramsey
Biscotasi L.
Westree
Donnegana
Opikinimika L.
LADY EVELYN-SMOOTHWATER
Roberts
Biscotasing
Florence
Ivanhoe R.
Groundhog R.
Kamiskotia R.
Tatachikapika R.
NATIONAL
CANADIAN
RAILWAY

Figure 1

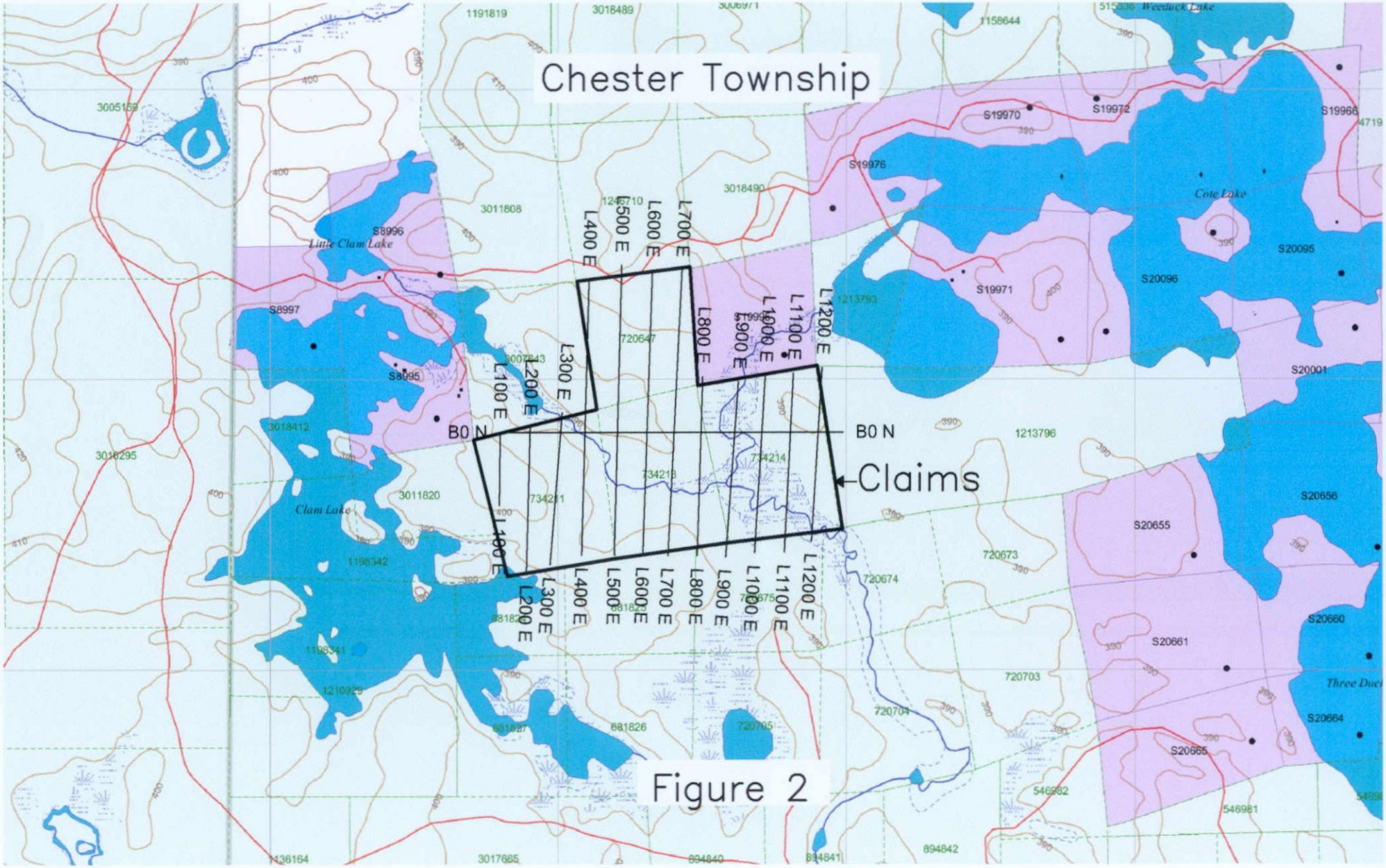

Chester Township
L100 E
L200 E
L300 E
L400 E
L500 E
L600 E
L700 E
L800 E
L900 E
L1000 E
L1100 E
L1200 E
B0 N
B0 N
Claims
Little Clam Lake
Clam Lake
Cote Lake
Three Duc
S8996
S8997
S8995
S19970
S19972
S19966
S19976
S19971
S20095
S20096
S20001
S20656
S20655
S20660
S20661
S20664
S20665
3018489
3018490
3011808
3018412
3018295
3011820
1191819
1158644
3005159
1213793
1213796
720647
734213
734214
734211
720673
720674
720703
720704
546962
546961
894842
894841
3017685
1136164
1210929

Figure 2

The geophysical data has been presented on plan maps at a scale of 1:5000, showing the profiles and postings of the VLF-EM survey, VLF Fraser filter contours, and contours and postings of the magnetic data (see maps in pocket).

A description of both instruments and survey methods can be found in appendix A.

4.0 Discussion of Results

The magnetic survey on the Chester grid indicates a relatively quiescent magnetic background with magnetic values ranging between 56512 and 60332 nT. The background magnetic field strength is 57070 nT. The overall magnetic pattern is disrupted by several anomalous magnetic highs. The isomagnetic contour pattern suggests an underlying lithology striking in an east-west direction. The most significant magnetic anomalies on the Chester grid are 2 linear magnetic highs; labeled M2 and M3 striking north-northwest, and one linear magnetic high striking easterly within the grid labeled M1. All of the anomalies are easily identified on the contour map. Anomalies M2 and M3 are interpreted to reflect diabase dykes that are common in this area. No other significant magnetic anomalies were mapped over the Bristol grid.

The VLF-EM survey over the Chester grid was successful in mapping several electromagnetic conductive trends. In order to facilitate interpretation, the tilt angles recorded were Fraser filtered in order to produce a peak value above the mapped conductors over the grid area. These values were then contoured and the conductive trends were then identified and labeled. Three significant conductive trends were mapped and are labeled as EM-1 to EM-3. The strongest and most well defined conductor present is EM-3 trending through the grid from L200E/450S to L1200E/390S. Conductive trends EM-2 and EM-3 are weaker less well defined conductors located north of the baseline between 4+00E and 10+00E.

Of significance is the correlation between conductor EM-1 and the weak linear magnetic anomaly M-1. There is a close correlation of the 2 anomalies between lines 2+00E and 8+00E.

5.0 Conclusions and Recommendations

The VLF and magnetic surveys over the Chester grid were successful in mapping several anomalies that may be prospective for further mineral exploration. The most significant anomalies appear to be the magnetic anomaly M1 and VLF-EM anomaly EM-1 which display a close correlation between lines 2+00E and 8+00E. Anomaly EM-1 is interpreted to reflect a steeply dipping, weakly mineralized bedrock conductive horizon. The area between lines 2+00E and 8+00E where positive correlation exits between anomalous magnetic sources and conductive bedrock sources should be considered as the priority follow-up area for this property.

It would be possible to test this horizon with a minimum of 2 drill holes that may optimally test this horizon on lines 4+00E and 5+00E.

It is possible that a program of induced polarization surveying would aid in better defining any mineralized zones, which may have disseminated accumulations of sulphide or graphitic minerals. These zones are often prospective for gold deposits. A limited program of either dipole-dipole or pole-dipole IP surveying with an 'a' spacing of 25 meters and reading levels of n=1 to 6 is recommended in order to further evaluate the Chester property.

Any existing geological or geochemical information for the surveyed grid will aid in further assessing any geophysical anomalies and should be incorporated into an overall assessment of the property prior to further exploration.

Respectively Submitted,

Matthew Johnston
Consulting Geophysicist

Statement of Qualifications

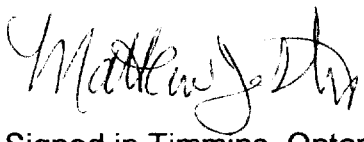
This is to certify that: MATTHEW JOHNSTON

I am a resident of Timmins; province of Ontario since June 1, 1995.

I am self-employed as a Consulting Geophysicist, based in Timmins, Ontario.

I have received a B.Sc. in geophysics from the University of Saskatchewan; Saskatoon, Saskatchewan in 1986.

I have been employed as a professional geophysicist in mining exploration, environmental and other consulting geophysical techniques since 1986.



Signed in Timmins, Ontario, this December 14, 2004

Appendix A

Survey Theory - Total Field Magnetics

Magnetic Survey

Theory:

The magnetic method is based on measuring alteration in the shape and magnitude of the earth's naturally occurring magnetic field caused by changes in the magnetization of the rocks in the earth. These changes in magnetization are due mainly to the presence of the magnetic minerals, of which the most common is magnetite, and to a lesser extent illuminate, pyrrhotite, and some less common minerals. Magnetic anomalies in the earth's filed are caused by changes in two types of magnetization: (1) Induced, caused by the magnetic field being altered and enhanced by increases in the magnetic susceptibility of the rocks, which is a function of the concentration of the magnetic minerals. (2) Remanent magnetism is independent of the earth's magnetic field, and is the permanent magnetization of the magnetic particles (magnetite, etc.) in the rocks. This is created when these particles orient themselves parallel to the ambient field when cooling. This magnetization may not be in the same direction as the present earth's field, due to changes in the orientation of the rock or the field. The **unit** of measurement (variations in intensity) is commonly known as the Gamma which is equivalent to the nanotesla (nT).

Method:

The magnetometer, **GSM-19** with an Overhauser sensor measures the **Total Magnetic Field** (TFM) perpendicular to the earth's field (horizontal position in the polar region). The unit has no moving parts, produces an absolute and relatively high resolution measurement of the field and displays the measurement on a digital lighted display and is recorded (to memory). Initially, the tuning of the instrument should agree with the nominal value of the magnetic field for each particular area. The Overhauser procession magnetometer collected the data with a **0.2 nanoTesla accuracy.** The operator read each and every line at a **12.5 m** interval with the sensor attached to the top of four (56cm), aluminum tubing sections. The readings were corrected for changes in the earth's magnetic field (diurnal drift) with a similar GSM-19 magnetometer, acting as a stationary base station which automatically read and stored the readings at every 15 seconds. The data from both units was then downloaded to PC and base corrected values were computed.

Geonics Em-16 VLF Receiver

Features

Measures the local tilt and ellipticity of VLF broadcasts and resolves values into inphase and quadrature components of VLF response.

Maps resistive alteration for gold exploration.

General

The EM16 is a widely used EM instrument. The unit measures the local tilt and ellipticity of VLF broadcasts, and resolves values into inphase and quadrature components of VLF response. EM16 units have discovered several base and precious-metal ore bodies, and many water-bearing faults.

Specifications

EM16 Measured Quantities:

EM16: Inphase and quadrature components of the secondary VLF field, as percentages of the primary field

Sensors:

EM16: Ferrite-core coil, tuned by plug-in crystal.

Measurement Ranges:

EM16: Inphase: ±150%, Quadrature: ±40%

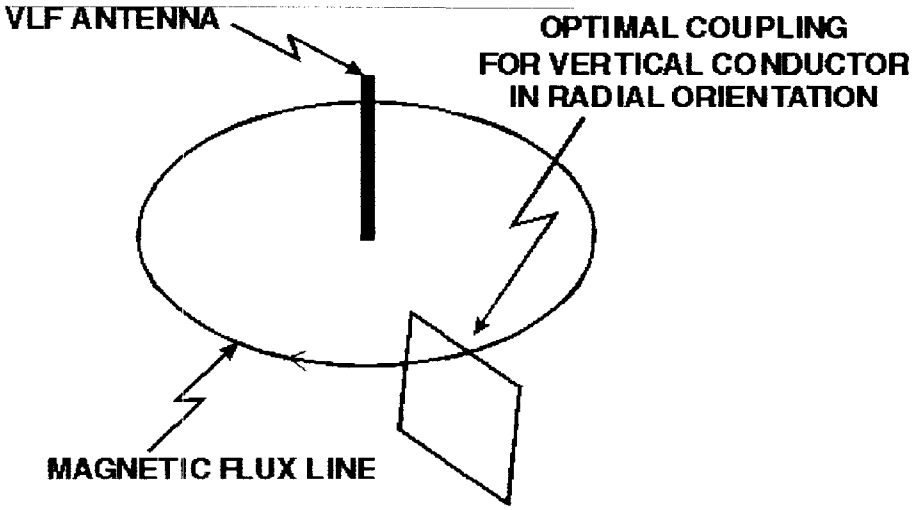
Weights:

EM16: Operational: 1.8kg, Shipping: 6.2kg

Primary Field Source: VLF broadcast stations
Operating Frequency: 15 to 30kHz, depending on VLF broadcasting station
Power Supply: EM16/16R - 6 alkaline 'AA' cells
Dimensions: EM 16and/or EM16R: 53 x30 x 22cm

The VLF Method

- The very low frequency (VLF) method is a reconnaissance electromagnetic technique used mainly in mineral exploration
- The method makes use of powerful VLF transmitters (3-30 kHz) that are used for military communications
- The U.S. Navy operates 11 transmitters that serve as standard VLF sources for geophysical work



- The VLF method is essentially a tilt-angle technique. In the absence of any conductive body, the secondary field is zero, and the resultant (primary) magnetic field is thus horizontal. If a conductor is present, the associated secondary field will cause the resultant to be tilted.

- Flux linkage analysis can be used to show that vertically above the conductor, the tile angle passes through zero (see Reynolds, 1997, p. 656).

- VLF signal strength diminishes rapidly with depth (i.e., the skin depth is small). Consequently, VLF methods are primarily used to detect near-surface features, and not for depth-sounding.

Data acquisition:

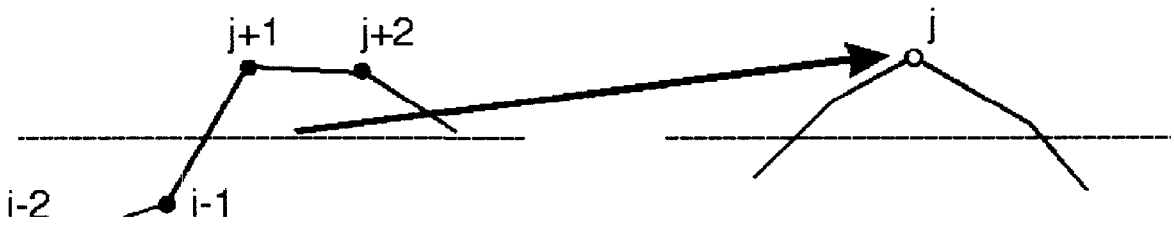
- The most common field technique (VLF-EM) uses a hand-held antenna. In older systems, an audio signal is nulled to determine the tilt angle. In newer systems, data acquisition is entirely digital (push one button, the electronics do the rest). The measured parameters are tilt angle (in degrees) and quadrature component (in %).

- Another field technique, known as VLF-R, uses an electrical dipole. Measured parameters are apparent resistivity (Ohm-m) and quadrature component (%).

Data Processing:

- The most common data processing technique is called **Fraser Filtering**. This filter operator smooths the data, and applies a phase shift such that a peak is situated above the conductive target, rather than a zero crossing. The formula for the Fraser filter operator is:

$$F_j = (M_{j+2} + M_{j+1}) - (M_{j-2} + M_{j-1})$$



Work Report Summary

Transaction No: W0460.01963 **Status:** APPROVED
Recording Date: 2004-DEC-20 **Work Done from:** 2004-NOV-29
Approval Date: 2004-DEC-22 **to:** 2004-DEC-15

Client(s):

400123 1478837 ONTARIO INC.

Survey Type(s):

LC MAG VLF

Work Report Details:

Claim#	Perform	Perform Approve	Applied	Applied Approve	Assign	Assign Approve	Reserve	Reserve Approve	Due Date
P 720647	$2,282	$2,282	$2,000	$2,000	$0	0	$282	$282	2009-DEC-21
P 734211	$2,281	$2,281	$2,000	$2,000	$0	0	$281	$281	2009-DEC-21
P 734213	$2,281	$2,281	$2,000	$2,000	$0	0	$281	$281	2009-DEC-21
P 734214	$2,281	$2,281	$2,000	$2,000	$0	0	$281	$281	2009-DEC-21
	$9,125	$9,125	$8,000	$8,000	$0	$0	$1,125	$1,125	

External Credits: $0

Reserve:

$1,125 Reserve of Work Report#: W0460.01963

$1,125 Total Remaining

Status of claim is based on information currently on record.

41P12SW2017 2.28956 CHESTER 900

Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des Mines

Ontario

GEOSCIENCE ASSESSMENT OFFICE
933 RAMSEY LAKE ROAD, 6th FLOOR
SUDBURY, ONTARIO
P3E 6B5

Tel: (888) 415-9845
Fax:(877) 670-1555

Date: 2004-DEC-23

1478837 ONTARIO INC.
390 BAY STREET, SUITE 2020
TORONTO, ONTARIO
M5H 2Y2 CANADA

Submission Number: 2.28956
Transaction Number(s): W0460.01963

Dear Sir or Madam

Subject: Approval of Assessment Work

We have approved your Assessment Work Submission with the above noted Transaction Number(s). The attached Work Report Summary indicates the results of the approval.

At the discretion of the Ministry, the assessment work performed on the mining lands noted in this work report may be subject to inspection and/or investigation at any time.

Yours Sincerely,

Ron C. Gashinski
Senior Manager, Mining Lands Section

Cc: Resident Geologist

James Gordon Burns
(Agent)

1478837 Ontario Inc.
(Assessment Office)

Assessment File Library

1478837 Ontario Inc.
(Claim Holder)

41P12SW2017 2.28956 CHESTER 200

2.28956

MAG

VLF

ONTARIO CANADA — MINISTRY OF NORTHERN DEVELOPMENT AND MINES — PROVINCIAL MINING RECORDER'S OFFICE

Mining Land Tenure Map

Date / Time of Issue: Fri Nov 26 09:16:11 EST 2004

TOWNSHIP / AREA	**PLAN**
CHESTER	**G-3223**

ADMINISTRATIVE DISTRICTS / DIVISIONS

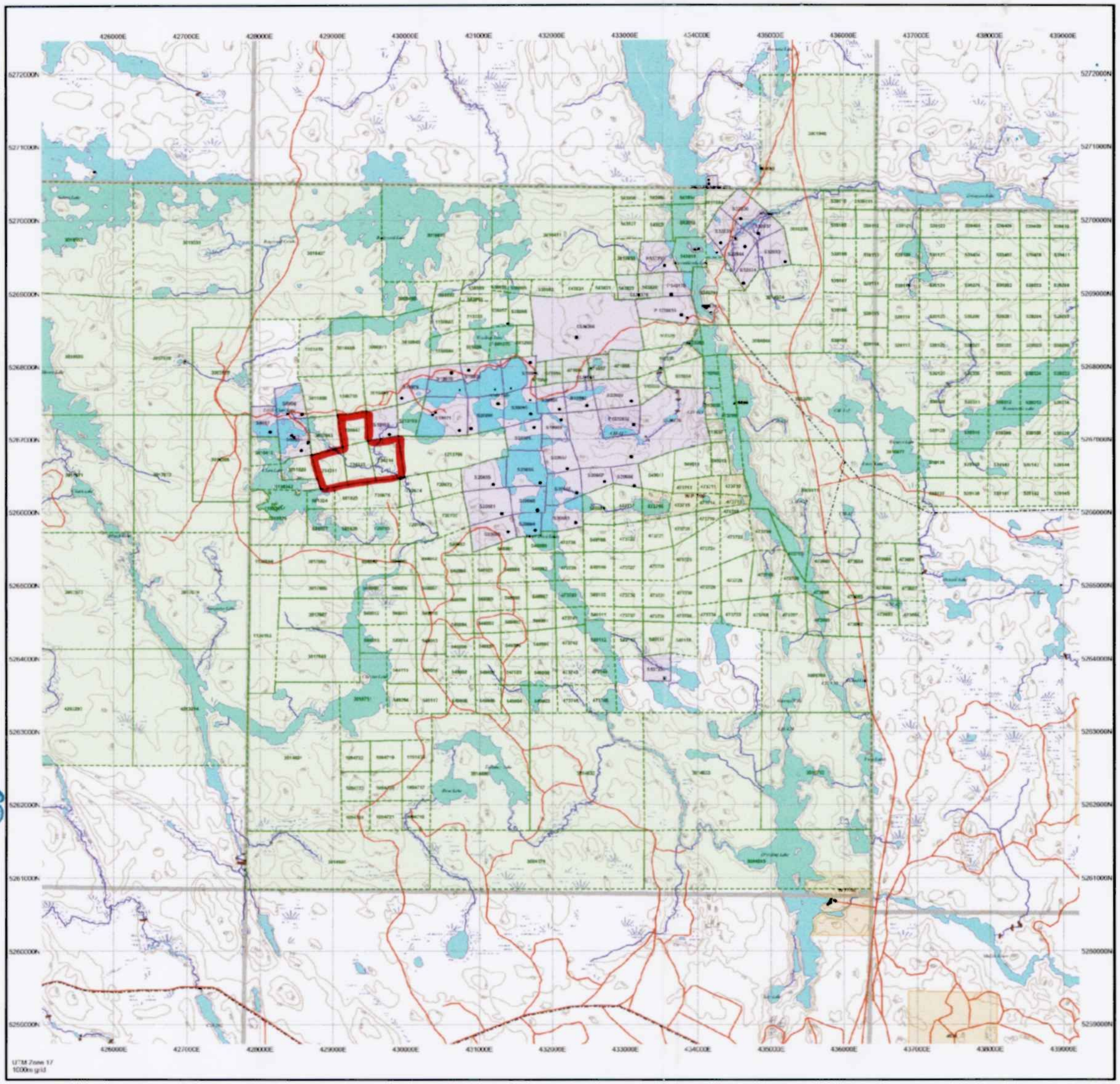
Mining Division	Porcupine
Land Titles/Registry Division	SUDBURY
Ministry of Natural Resources District	TIMMINS

TOPOGRAPHIC

Land Tenure

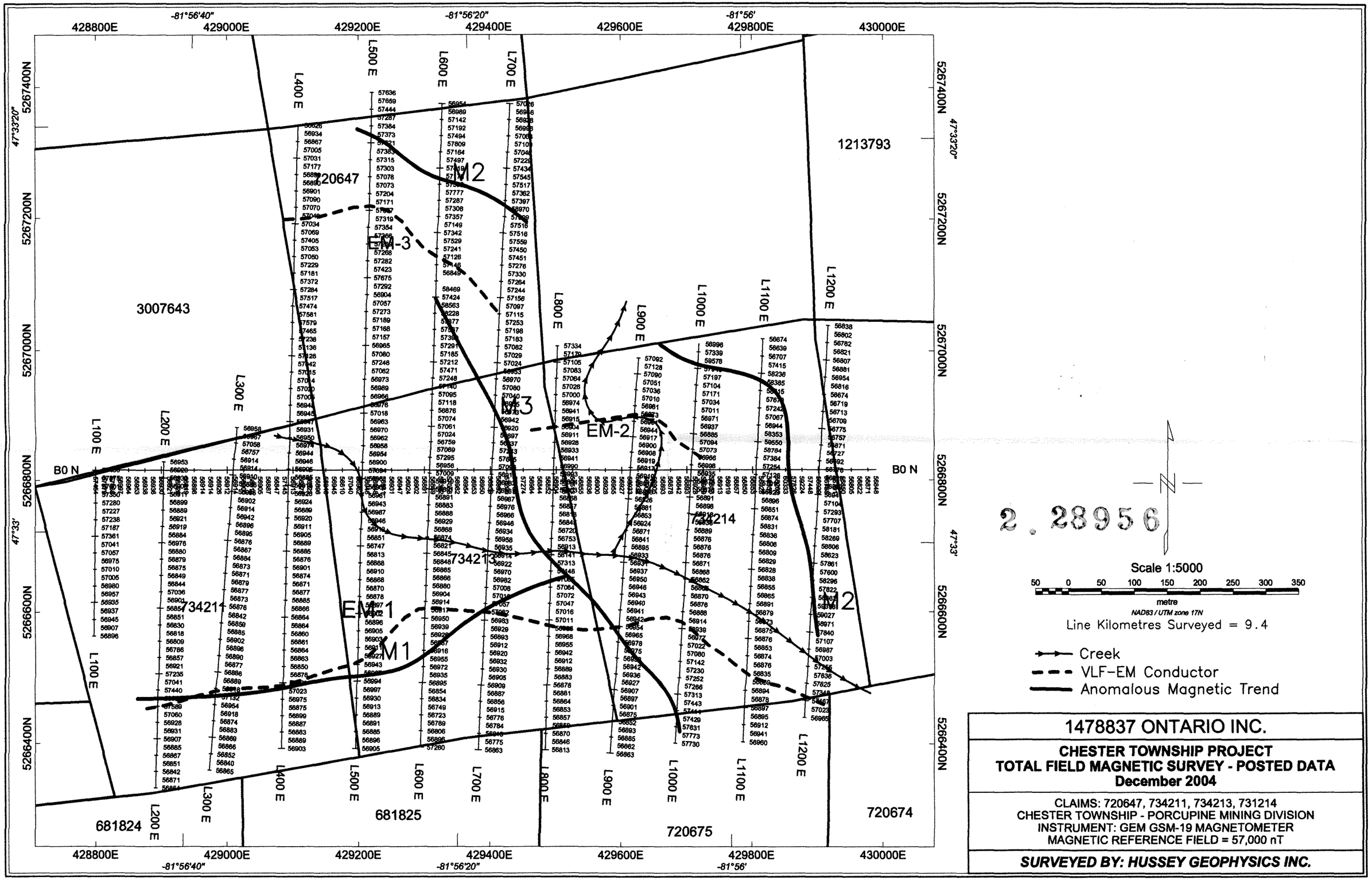
LAND TENURE WITHDRAWALS

IMPORTANT NOTICES



LAND TENURE WITHDRAWAL DESCRIPTIONS

General Information and Limitations



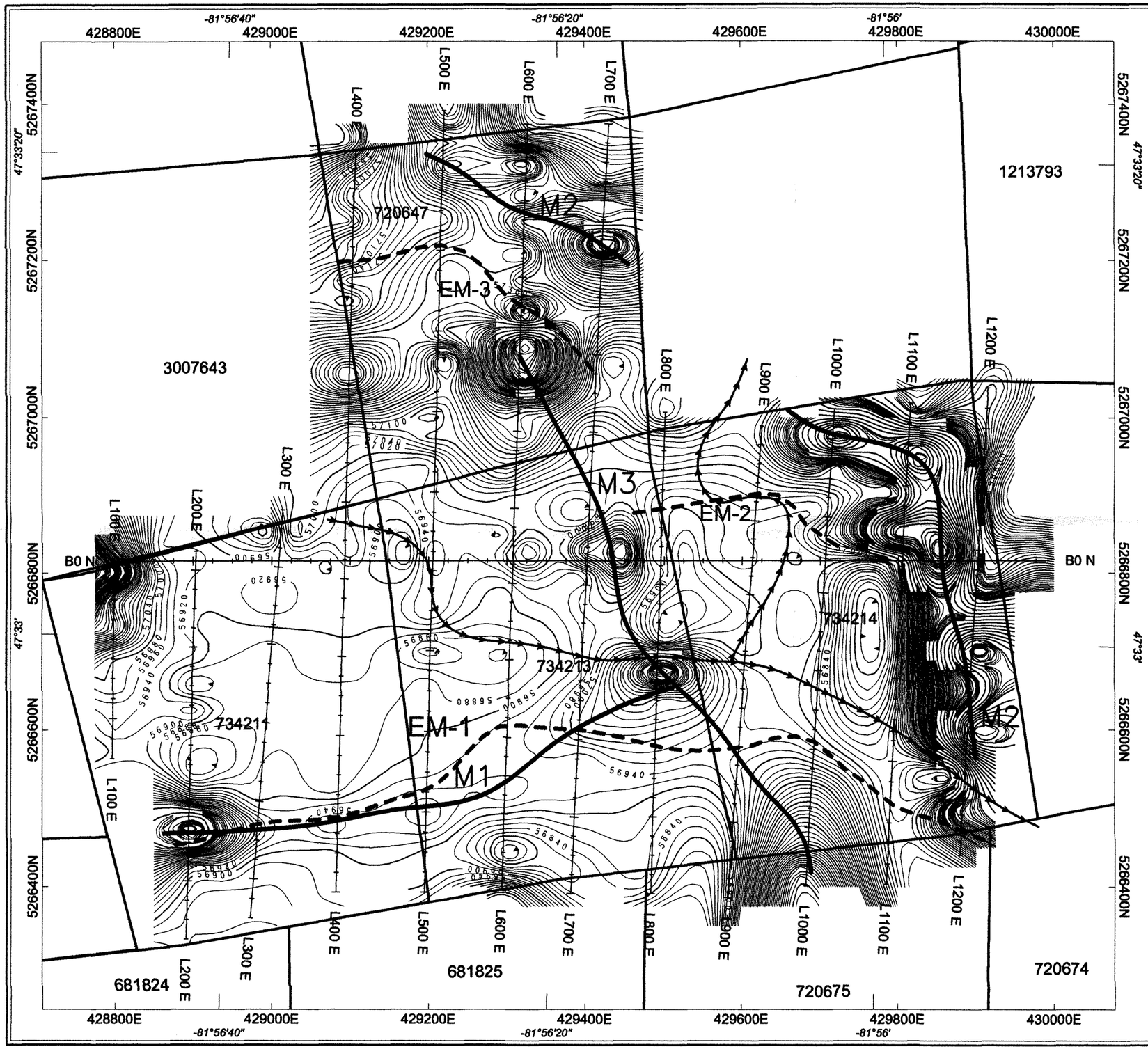
2.28956

1478837 ONTARIO INC.

CHESTER TOWNSHIP PROJECT
TOTAL FIELD MAGNETIC SURVEY - POSTED DATA
December 2004

CLAIMS: 720647, 734211, 734213, 731214
CHESTER TOWNSHIP - PORCUPINE MINING DIVISION
INSTRUMENT: GEM GSM-19 MAGNETOMETER
MAGNETIC REFERENCE FIELD = 57,000 nT

SURVEYED BY: HUSSEY GEOPHYSICS INC.



2.28956

Scale 1:5000

50 0 50 100 150 200 250 300 350

metre

NAD83 / UTM zone 17N

Line Kilometres Surveyed = 9.4

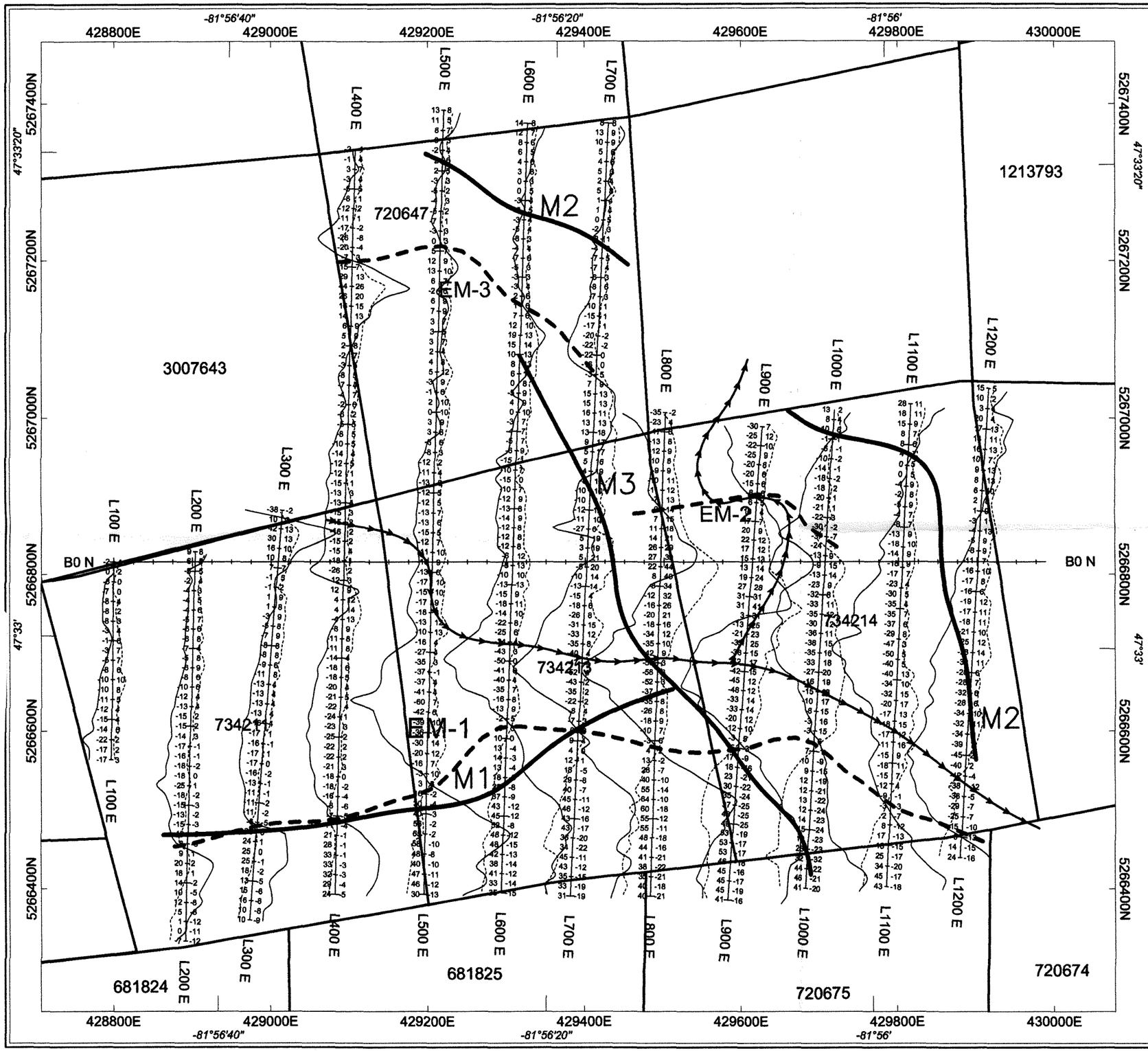
- Creek
- VLF-EM Conductor
- Anomalous Magnetic Trend

1478837 ONTARIO INC.

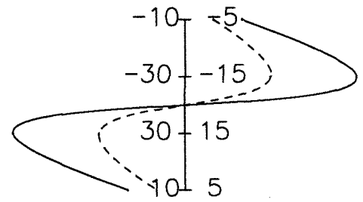
CHESTER TOWNSHIP PROJECT
TOTAL FIELD MAGNETIC SURVEY - CONTOURS
December 2004

CLAIMS: 720647, 734211, 734213, 731214
CHESTER TOWNSHIP - PORCUPINE MINING DIVISION
INSTRUMENT: GEM GSM-19 MAGNETOMETER
CONTOUR INTERVAL = 20, 100 nT

SURVEYED BY: HUSSEY GEOPHYSICS INC.



VLF PROFILES
1 cm. = 30 %
- PROFILE +
---- IP POSTING Q---



NAA CUTLER, ME. 24 kHz.
INSTRUMENT : EM 16
Read Facing NORTH

2.28956

Scale 1:5000

50 0 50 100 150 200 250 300 350
metre
NAD83 / UTM zone 17N

Line Kilometres Surveyed = 8.2

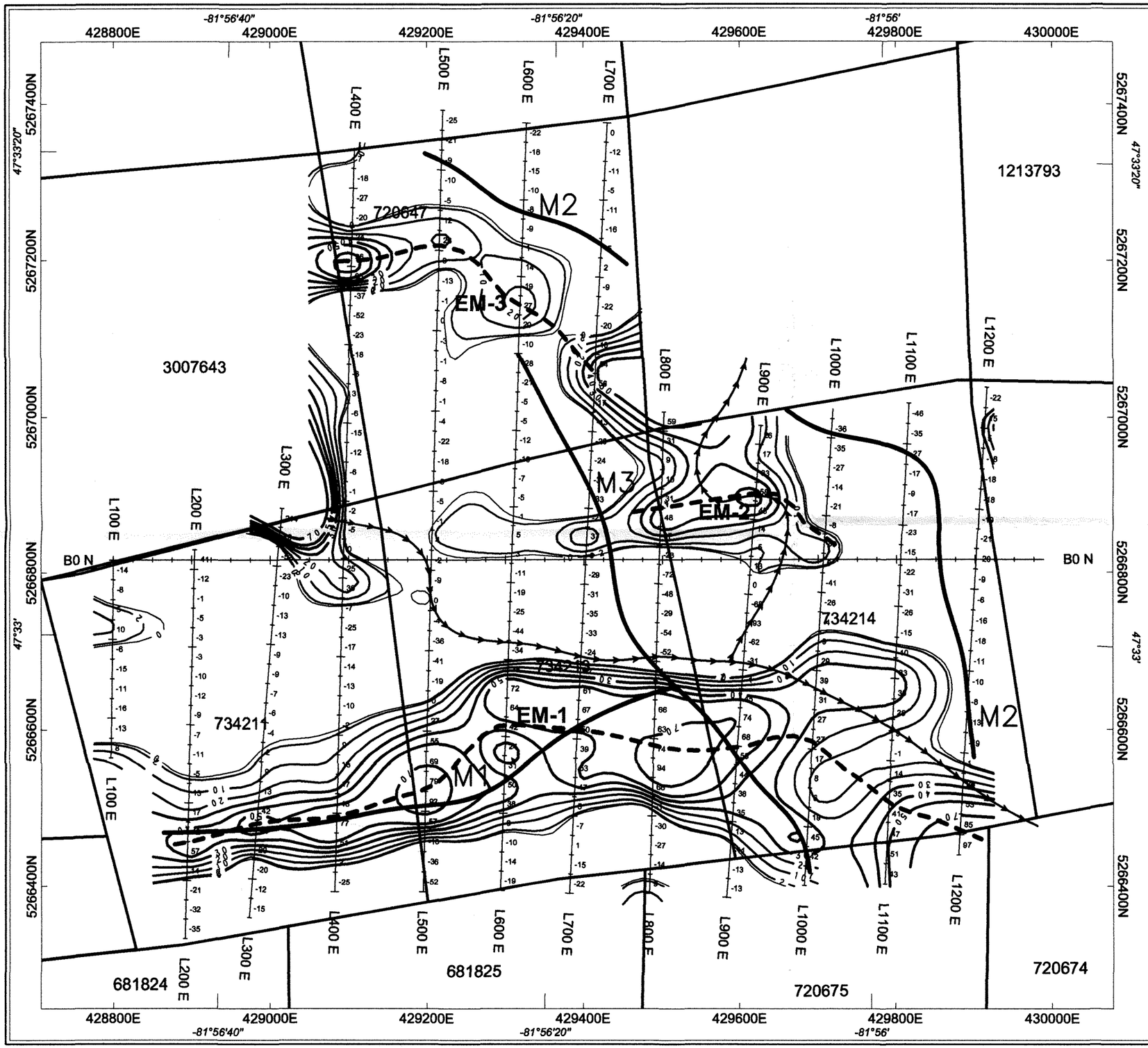
- Creek
- VLF-EM Conductor
- Anomalous Magnetic Trend

1478837 ONTARIO INC.

CHESTER TOWNSHIP PROJECT
VLF-EM SURVEY - PROFILES 24.0 kHz.
December 2004

CLAIMS: 720647, 734211, 734213, 731214
CHESTER TOWNSHIP - PORCUPINE MINING DIVISION
INSTRUMENT: GEONICS EM-16
READ FACING NORTH

SURVEYED BY: HUSSEY GEOPHYSICS INC.



2.28956

Scale 1:5000

50 0 50 100 150 200 250 300 350

metre

NAD83 / UTM zone 17N

Line Kilometres Surveyed = 8.2

- Creek
- VLF-EM Conductor
- Anomalous Magnetic Trend

1478837 ONTARIO INC.

CHESTER TOWNSHIP PROJECT
VLF-EM SURVEY - FRASER FILTERED CONTOURS
December 2004

CLAIMS: 720647, 734211, 734213, 731214
CHESTER TOWNSHIP - PORCUPINE MINING DIVISION
INSTRUMENT: GEONICS EM-16
CONTOUR INTERVAL = 0, 2, 5, 10, 20, 30, 40, 50, 60

SURVEYED BY: HUSSEY GEOPHYSICS INC.