

2. 218 69

**DIAMOND DRILL REPORT
CLAIMS SSM 1229071, 1229072, 1229073
HAWKINS GOLD PROJECT**

**HAWKINS TOWNSHIP
SAULT STE. MARIE MINING DIVISION
ONTARIO**

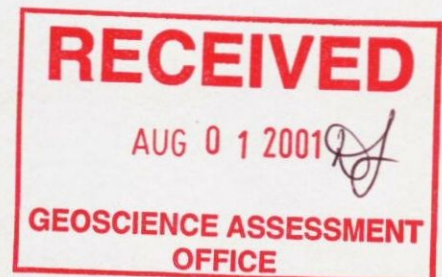


DON MCKINNON

prepared by

Randall W. Salo, HBSc.

July 15, 2001



42C16NE2006 2.21869 HAWKINS

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Statement of Qualifications

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Introduction

The current project lies within a narrow east-west trending portion of the so-called "Schist Complex" known as the Kabinakagami Lake Belt (J.E. Maynard, 1929). The "Schist Complex" consists dominantly of a series of complexly folded Archean sediments and volcanic flows. To the north and south of the "Schist Complex" are older batholithic intrusives composed of well banded, granulated, quartz, biotite and hornblende gneiss' (J.E. Maynard, 1929). Several diabase dikes up to 65 metres in width cut all lithologies.

The property covers a 2.5 kilometre strike length of the Shenango Gold trend; a sericitized pyritic felsic tuff. Gold grades from ½ to 3 grams across widths of 20 to 30 metres were realized with individual assays ranging from 100 ppb to 23 g/t. Gold mineralization has similarities to Hemlo in that gold values appear stratabound and the adjacent volcanics are intruded by numerous feldspar porphyry sills.

The present report describes a diamond-drilling program consisting of two drill holes carried out to test a geophysical anomaly. Company files as well as those housed at the Sault Ste. Marie Resident Geologists Office were examined prior to spotting the drill holes (GO0161, GO0162). This report provides a detailed log of the drill holes as well as a plan map and cross-section of the drilling. Geochemical analysis of the drill core is suggested where warranted with further recommendations regarding drill holes GO0161 and GO0162 pending results therefrom.

Property Description, Location and Access

The Hawkins Gold Project property is comprised of 3 contiguous claim blocks covering 640 hectares (40 units) in Hawkins township (G-2316), Sault Ste. Marie Mining District. It is located approximately 120 kilometres south of Hearst and 12 kilometres south of the village of Oba, Ontario. Access to the property is realized via Hwy 583 from Hearst to Mead and then along a Newago Lumber gravel surface road to Oba where several secondary lumber roads provide access to different parts of the claim group.

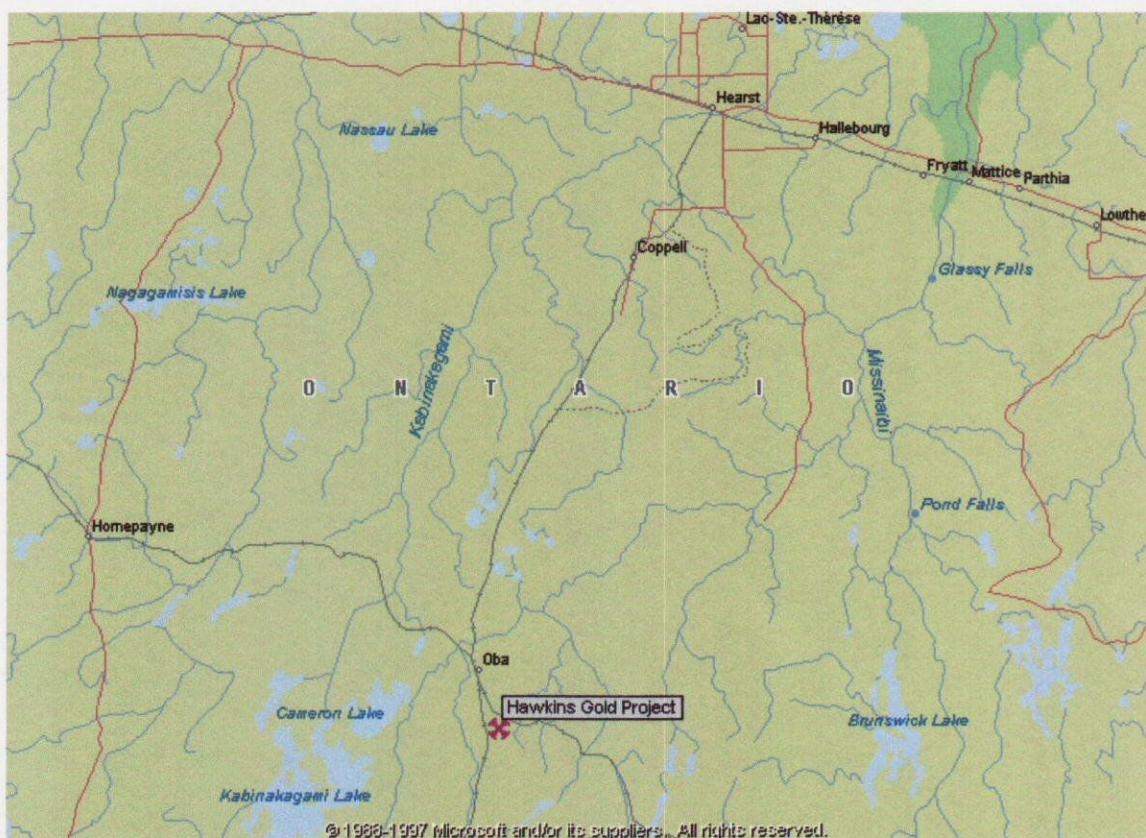


Fig.1 – Location Map

Claims

The claims are recorded under the name of Donald McKinnon and claim numbers are as follows:

Claim #	Hectares	Recording Date	Due Date	Required Work
1229071	128	June 6, 1997	June 6, 2001	\$ 3200.00
1229072	256	June 6, 1997	June 6, 2001	\$ 6400.00
1229073	256	June 6, 1997	June 6, 2001	\$ 6400.00

[note: an extension of time for performing and filing of assessment work was applied for and granted, extending the due dates to August 6, 2001]

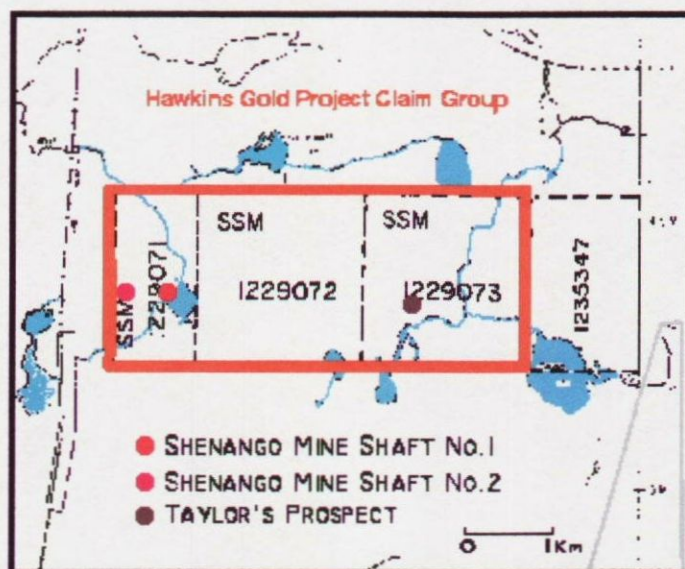


Fig. 2 – Hawkins Gold Project Claim Group

Previous Exploration Work

Previous exploration on the property concentrated on three main areas; Taylor's Prospect, Shenango Shaft No.1 and Shenango Shaft No.2. The following tables outline work history on these three areas of interest.

TABLE 1 (Taylor's Prospect)

Date	Work Performed	Significant Results	Worker
1923	prospecting	first gold discovery	G. Taylor
1925-1929	stripping, trenching, test pit rock sampling	uncovered 3 qz. veins where gold could be panned	G. Taylor
1929 –1935	stripping, trenching, rock sampling test pit	uncovered 7 qz. veins; "A" vein assayed 30.5 g/t over 0.3 m, "E" vein assayed 5.1 g/t from 4' test pit	G. Taylor
1935	prospecting and extensive diamond drilling program	assays reportedly ran 23.31 g/t over 6.1 m	Hollinger Gold Mines
1960'S	diamond drilling: winkle drill	questionable results	INCO
1972 –1974	reconnaissance dipole-dipole IP ground magnetometer, 907' of diamond drilling in three holes	minor finely disseminated Py, Po,Tr. Cp	Magi Gold Mines Ltd.
1979	ground magnetometer, VLF-EM HLEM, geological mapping (1:2000, 1:1000 scale), rock sampling	outlined several anomalies	St. Josephs Explorations Ltd.
1985	diamond drilling	defined anomalous horizons	Falconbridge Ltd.

TABLE 2 (Shenango Mines Ltd.)

Date	Work Performed	Significant Results	Worker
May 1935	surface sampling, 25' shaft sunk	vein #1 at surface returned 11.3 g/t over 0.91 m., 27.8 g/t over 2.44 m at bottom of shaft	Shenango Mines Co.
April 1936	50 tons amalgamation on mill was completed, small scale open-cut mining began	1,572 tons ore was treated	
1937	90 ft. adit from bottom of open-cut, + 40 ft. cross-cut, shaft no. 1 was sunk to 52 ft., 2,500 ft. surface diamond drilling	828 tons ore milled	
October 1938	1,500 ft. trenching, 1,400 ft. surface diamond drilling	northern section (drill indicated), 41,000 tons grading 0.14 oz/t – 5 ft. width to depth 250 ft. With strike length of 400 ft.	
1939 (appx.)	shaft no. 2 sunk to 135 ft. (2-compartment shaft), 6 ft. of cross-cut and 20 ft. of drifting	southern section- 2 parallel structures 0.14 oz/t over 30 ft., 0.18 oz/t over 20 ft., 0.22 oz/t over 15 ft., 0.17 over 8 ft.	
1980	geological mapping (1:500 scale) over shaft no. 2 area (12 claims) channel sampling, grab sampling	muck pile sampling returned 7.54, 6.69, 52.11 g/t	Sulpetro Minerals Ltd.
1985	diamond drilling	defined anomalous horizons	Falconbridge Ltd.
1999	diamond drilling	further defined anomalous zone	Don McKinnon
2000	magnetometer survey		Don McKinnon

Drill Program

Drilling on the property began June 2, 2001. Both drill holes (GO0161 & GO0162) were located in the north-central part of claim SSM 122907. A total of 214.25 metres was drilled in two holes collared at line 0 east and 320 metres north on the year 2000 magnetometer survey grid. Vision Exploration of Timmins, Ontario was the diamond drill contractor. The "A" size core is stored at the McKinnon Prospecting office on Airport Road in Timmins. A plan (Fig. 3) and sections (Figures 4 and 5) are presented for the holes. In addition, a summary and descriptive log for both holes are displayed in the Appendix.

Lithologies encountered in the drill hole are almost exclusively layered amphibolite units with the exception of a few small dikes and numerous quartz veins, one of which hosted a visible gold grain approximately 1 mm in diameter.

Recommendations

The visible gold grain suggests the potential for anomalous gold values throughout both drill holes. Geochemical analysis of this zone and other sulfide-bearing sections should be carried out to determine gold concentrations. It is further suggested that an inspection of the areas proximal to any anomalous zones be carried out in the interest of rock stripping and other less costly methods of determination.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'R Salo', is positioned below the text 'Respectfully Submitted,'.

Randall W. Salo

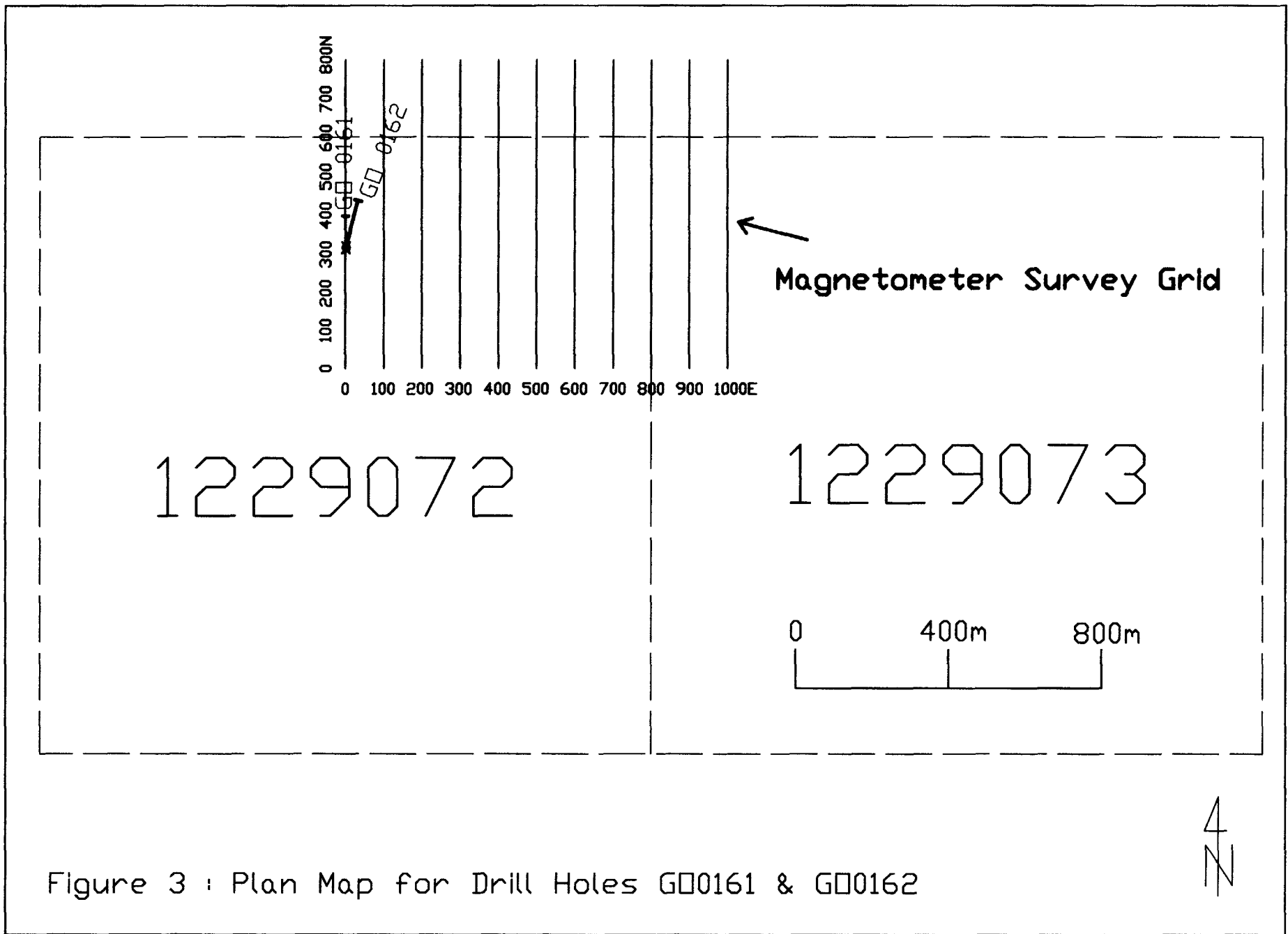


Figure 3 : Plan Map for Drill Holes G00161 & G00162

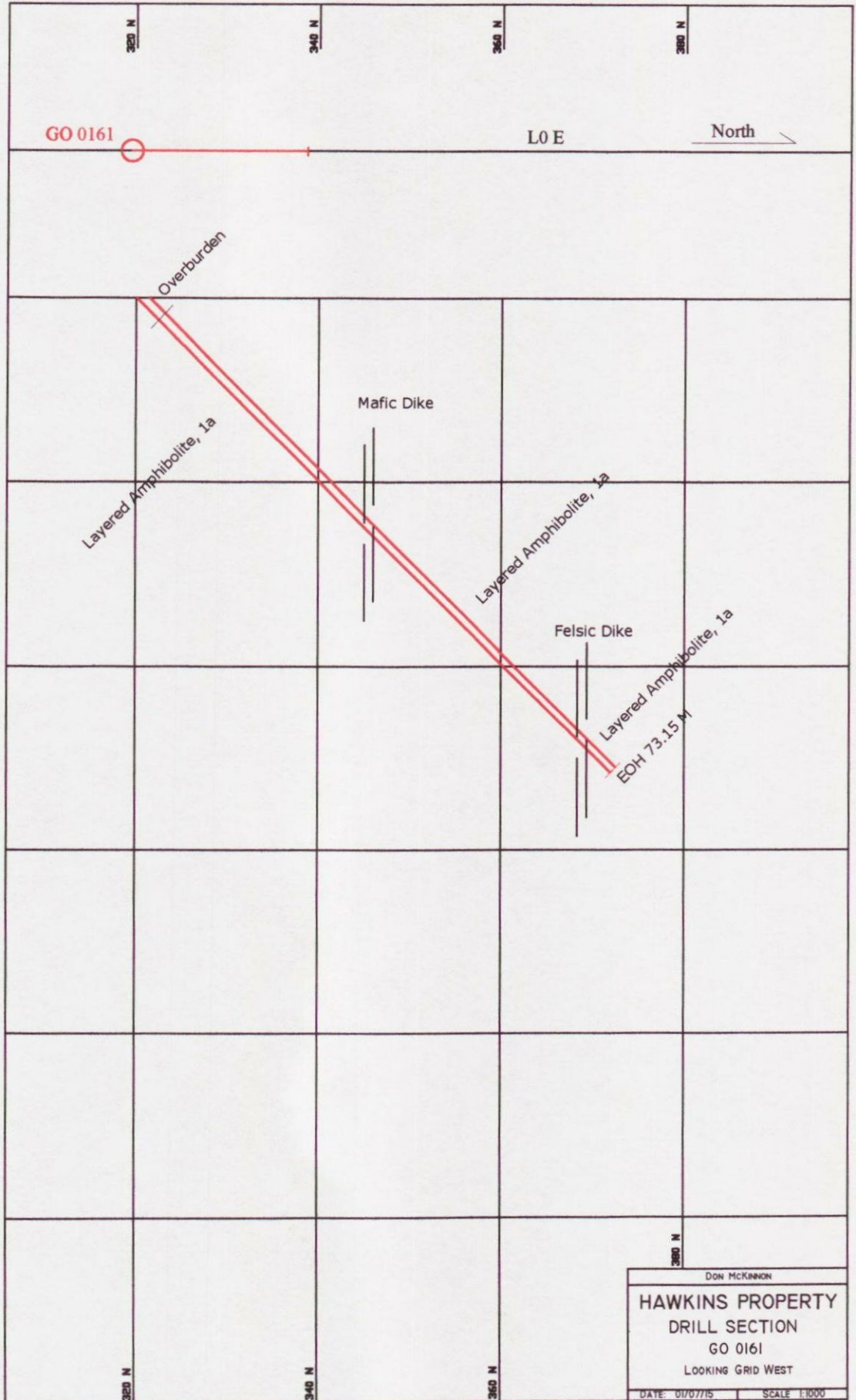


Fig. 4 - Section GO 0161



Fig. 5 - Section GO 0162

Appendix

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Summary Lithological Log

Property: Hawkins Gold Project
Hole No.: GO0161

<u>From</u>	<u>To (metres)</u>	<u>Lithological Unit</u>
0	6.40	Overburden
5.00	73.15	Layered Amphobilite – 1a

Geological Legend

1a – layered amphibolite

2a – felsic tuffs

b – volcanogenic sediments

4a – quartz-feldspar-biotite gneiss

b – foliated granitoid rocks

5c – pegmatite intrusive

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Diamond Drill Log

Page 1

Property: Hawkins Gold Project
Hole No. : GO0161
Collar Easting: 00.00
Collar Northing: 320.00
Collar Elevation:

Date: June 8 , 2001
Logged by: Randall Salo
Collar Inclination: -45°
Grid Bearing: 0°
Final Depth: 73.15

<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
0	6.40	<u>Overburden</u> Sand and cobbless
6.40	73.15	<u>Layered Amphibolite - (1a)</u> Rocks encountered in the hole were dominantly a series of fine-grained, intermediate to mafic amphibolite units with occasional finer- and coarse-grained sections. Most lithologies are highly foliated and have experienced varying degrees of carbonate, chlorite and alkali alteration. Sericite alteration is evident in the felsic units and some quartz-rich areas have been observed. Units seem to become more intermediate as the hole progresses Up to 10% pyrite as well as minor chalcopyrite, pyrrhotite, and possibly sphalerite occur as fine-grained disseminations, irregular and concordant veins, and as blebs and rarely cubes. There is no apparent sulfide association except that the minor sulfides seem to be of secondary origin. One felsic dike was encountered along with one mafic dike. Some quartz veins contained brecciated mafic fragments along with sulfide blebs including pyrite, pyrrhotite, and galena as well as a visible gold grain approximately 1 mm in diameter.

Don McKinnon

Diamond Drill Log

Property: Hawkins Gold Project
Hole No.: GO0161

Page 2

<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
	0-6.40	overburden; sand and granitic cobbles
	6.40-9.73	dominantly mafic amphibolite; minor concordant and discordant quartz veins; highly foliated; 2-3% pyrite as disseminations and concordant veinlets; thin irregular post deformational quartz veins hosting brecciated mafic fragments and occasional sulfide blebs
	9.73-10.0	discordant quartz vein hosting numerous pyrite blebs and at least one visible gold grain approximately 1 mm in diameter; sulfides and gold grain(s) are situated along both contacts and occasionally poikilitically enclose grains of mafic origin
	10.00- 10.36	same as 6.40-9.73; some mica-rich sections; foliation 45° to core axis
	10.36-11.58	mica-rich mafic unit; 4-5% sulfide as blebs up to 3 mm in diameter; slightly magnetic (pyrrhotite) and highly carbonated
	11.58-33.41	intermediate protolith dominates in this amphibolite section; some minor brecciated areas; post deformational irregular epidote veinlets present; nonuniform distribution of sulfides from trace amounts in places to 2-3% in others
	33.41-33.60	late stage quartz vein similar to 9.73-10.00; brecciated mafic fragments; alkali altered at contacts; anhedral galena grain
	33.60-33.87	altered mafic dike;

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Diamond Drill Log

Property: Hawkins Gold Project
Hole No.: GO0161

Page 3

<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
	33.87-41.76	typical amphibolite; same as 6.40-9.73
	41.76-42.98	typical amphibolite; thin concordant pyrite bands and pyrite-rich sections up to 10%; reddish band up to 2 cm in width (possibly Fe-sphalerite); occasional chalcopyrite blebs
	42.98-43.89	quartz veins hosting brecciated chlorite-altered mafic fragments; 2-3% pyrite as patches, blebs and irregular veinlets spacially related to the mafic fragments
	43.89-69.80	same as 41.76-42.98; some silicious areas; highly carbonated and chlorite altered strongly magnetic in places (pyrrhotite)
	69.80-70.10	highly altered felsic dike; stressed gneiss
	70.10-73.15	same as 43.89-69.80
	73.15	EOH

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Summary Lithological Log

Property: Hawkins Gold Project
Hole No.: GO0162

<u>From</u>	<u>To (metres)</u>	<u>Lithological Unit</u>
0	5.00	Overburden
5.00	141.10	Layered Amphobilite – 1a

Geological Legend

1a – layered amphibolite

2a – felsic tuffs

b – volcanogenic sediments

4a – quartz-feldspar-biotite gneiss

b – foliated granitoid rocks

5c – pegmatite intrusive

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Diamond Drill Log

Property: Hawkins Gold Project
Hole No. : GO0162
Collar Easting: 00.00
Collar Northing: 320.00
Collar Elevation:

Date: June 5 , 2001
Logged by: Randall Salo
Collar Inclination: -45°
Grid Bearing: 20°
Final Depth: 141.12

<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
0	5.00	<u>Overburden</u> Sand and cobbles
5.00	141.12	<u>Layered Amphibolite - (1a)</u> Rocks encountered in the hole were dominantly a series of fine-grained, intermediate to mafic amphibolite units with occasional finer- and coarse-grained sections. Most lithologies are highly foliated and have experienced varying degrees of carbonate, chlorite and alkali alteration. Sericite alteration is evident in the felsic units and some quartz-rich areas have been observed. Up to 10% pyrite as well as minor chalcopyrite, pyrrhotite, and possibly sphalerite occur as fine-grained disseminations, irregular and concordant veins, and as blebs and rarely cubes. There is no apparent sulfide association except that the minor sulfides seem to be of secondary origin. Two felsic dikes were encountered along with several insignificant quartz veins.

Diamond Drill Log

Property: Hawkins Gold Project
 Hole No.: GO0162

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<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
	0-5.00	overburden; sand and granitic cobbles
	5.00-75.60	dominantly intermediate to mafic amphibolite units with some localized coarser-grained sections; highly foliated overall; foliation at 35° to core axis; some concordant alkali-altered bands and silicious sections as well as traces of disseminated pyrite; slightly carbonated and magnetic.
	75.60-75.70	highly foliated amphibolite containing thin pyrite-rich sections (up to 10%) and concordant pyrite bands up to 1 cm in width as well as other thin bands of possibly Fe-sphalerite; highly carbonated and chlorite-altered; occasional chalcopyrite and pyrrhotite blebs.
	75.70-78.94	same as 5.00-75.60
	78.94-80.16	same as 5.00-75.60; 5-10% pyrite in thin concordant veinlets and as infilling of post deformational cracks; moderately magnetic
	80.16-88.70	felsic dike (gneissic); sericite altered
	88.70-89.50	same as 5.00-75.60
	89.50-89.56	milky quartz vein; coarse-grained micas situated along both contacts
	89.56-90.92	same as 5.00-75.60
	90.92-91.0	same as 89.50-89.56
	91.00-94.27	same as 5.00-75.60

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Diamond Drill Log

Property: Hawkins Gold Project
Hole No.: GO0162

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<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
	94.27-94.40	same as 89.50-89.56; some chlorite altered mafic fragments
	94.40-95.07	same as 5.00-75.60
	95.07-95.16	same as 94.27-94.40
	95.16-95.56	same as 5.00-75.60
	95.56-105.46	same as 5.00-75.60; locally up to 5% disseminated sulfide; moderately- strongly magnetic; sulfides also found in thin concordant and post deformational veining
	105.46-107.44	alkali-altered fine-grained amphibolite; ~ 2% disseminated sulfide (pyrite); thin post deformational chalcopyrite veinlets at 106.80
	107.44-110.52	same as 5.00-75.60
	110.52-111.65	foliated felsic dike; barren quartz vein at 111.40-111.60
	111.65- 126.80	same as 5.00-75.60; ~ 1% disseminated pyrite; occasional pyrrhotite and chalcopyrite blebs up to 1.5 cm
	126.80-130.15	highly foliated and sericite altered felsic volcanic unit; 3-4% sulfide in erratic bands and veins
	130.15-130.48	highly foliated intermediate amphibolite layer

Don McKinnon

Diamond Drill Log

Property: Hawkins Gold Project
Hole No.: GO0162

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<u>From</u>	<u>To (metres)</u>	<u>Lithological Description</u>
	130.15-130.30	barren quartz vein
	130.30-131.70	intermediate amphibolite with some cubic pyrite rich sections (mm) and crosscutting qz-calcite veinlets up to 2mm
	131.70-133.23	same as 5.00-75.60; 2-3% disseminated sulfide
	133.23-141.12	same as 5.00-75.60; some small quartz veins hosting pyrrhotite and pyrite blebs up to 3 mm in diameter
	141.12	EOH

Statement of Qualifications

I, Randall W. Salo of 427 Victoria Ave., Timmins, Ontario, do hereby certify that:

- 1) I have a BSc. (honors) in Geology/Physics from Lakehead University of Ontario (1998).
- 2) I have been involved in mineral exploration in and out of Canada for the last 18 years.
- 3) This report is based on information available in assessment files and published literature as well as that received from Don McKinnon.
- 4) I have disclosed in this report all relevant data.

Dated this 15th day of July, 2001.

A handwritten signature in black ink, appearing to read 'R. Salo', written in a cursive style.

Randall W. Salo, HBSc.

Mining Lands - Mining Claims Summary**Sault Ste. Marie - Division 50**

CLAIM NUMBER:	<u>SSM 1229071</u> (Click Claim Number for Details)
Unit Size:	8
Township/Area:	HAWKINS (G-2316)
Lot Description:	
Staker:	KORBA, EDWARD JOSEPH (M20807)
Recorded Holder:	<u>MCKINNON, DONALD</u> (100.00 %)
Recording Date:	1997-Jun-06
Due Date:	2001-AUG-06
Work Required:	2594
Total Applied:	7006
Work Performed:	0
Total Reserve:	<u>0</u> (Click Reserve for Details)
Present Work Assignment:	0
Claim Bank:	0
Claim Status:	ACTIVE

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Mining Lands - Mining Claims Summary**Sault Ste. Marie - Division 50**

CLAIM NUMBER:	<u>SSM 1229072</u> (Click Claim Number for Details)
Unit Size:	16
Township/Area:	HAWKINS (G-2316)
Lot Description:	
Staker:	MCKINNON, DONNY LAUGHLIN (M21873)
Recorded Holder:	<u>MCKINNON, DONALD</u> (100.00 %)
Recording Date:	1997-Jun-06
Due Date:	2001-AUG-06
Work Required:	6400
Total Applied:	12800
Work Performed:	29650
Total Reserve:	<u>350</u> (Click Reserve for Details)
Present Work Assignment:	16500
Claim Bank:	0
Claim Status:	ACTIVE

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Mining Lands - Mining Claims Summary**Sault Ste. Marie - Division 50****2. 218 69**

CLAIM NUMBER:	SSM 1229073 (Click Claim Number for Details)
Unit Size:	16
Township/Area:	HAWKINS (G-2316)
Lot Description:	
Staker:	HURTUBISE, PATRICK HENRY (M25353)
Recorded Holder:	MCKINNON, DONALD (100.00 %)
Recording Date:	1997-Jun-06
Due Date:	2001-AUG-06
Work Required:	6400
Total Applied:	12800
Work Performed:	3306
Total Reserve:	0 (Click Reserve for Details)
Present Work Assignment:	0
Claim Bank:	0
Claim Status:	ACTIVE

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Work Report Summary

Transaction No: W0150.30534 Status: APPROVED
 Recording Date: 2001-AUG-01 Work Done from: 2001-MAY-23
 Approval Date: 2001-SEP-19 to: 2001-JUN-02

Client(s):
 168276 MCKINNON, DONALD

Survey Type(s):
 PDRILL

Work Report Details:

Claim#	Perform	Perform Approve	Applied	Applied Approve	Assign	Assign Approve	Reserve	Reserve Approve	Due Date
SSM 1229071	\$0	\$0	\$2,594	\$2,594	\$0	0	\$0	\$0	2002-JUN-06
SSM 1229072	\$17,168	\$17,168	\$8,174	\$8,174	\$8,994	8,994	\$0	\$0	2002-JUN-06
SSM 1229073	\$0	\$0	\$6,400	\$6,400	\$0	0	\$0	\$0	2002-JUN-06
	\$17,168	\$17,168	\$17,168	\$17,168	\$8,994	\$8,994	\$0	\$0	

Status of claim is based on information currently on record.



42C16NE2006 2.21869 HAWKINS

Date: 2001-SEP-19

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

DONALD MCKINNON
BOX 1130
TIMMINS, ONTARIO
P4N 7M5 CANADA

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

Submission Number: 2.21869
Transaction Number(s): W0150.30534

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.

If you have any question regarding this correspondence, please contact LUCILLE JEROME by email at lucille.jerome@ndm.gov.on.ca or by phone at (705) 670-5858.

Yours Sincerely,



Ron Gashinski
Supervisor, Geoscience Assessment Office

Cc: Resident Geologist

Steven Dean Anderson
(Agent)

Donald Mckinnon
(Assessment Office)

Assessment File Library

Donald Mckinnon
(Claim Holder)

Date / Time of Issue Jul 31 2001 11:37h Eastern
TOWNSHIP / AREA PLAN
HAWKINS G-2316

ADMINISTRATIVE DISTRICTS / DIVISIONS
Mining Division Sault Ste. Marie
Land Titles/Registry Division ALGOMA
Ministry of Natural Resources District WAWA

TOPOGRAPHIC

- Administrative Boundaries
- Township
- Concession Lot
- Provincial Road
- Other Roads
- City/Town and Falls
- Contour
- Spot Elevation
- Spot
- Water Features
- Water
- Flow
- Flow
- Water Outfall
- Water Line
- Concession Line
- Wooded Area
- Map of the Province of Ontario

LAND TENURE

Freehold Patent

- Surface and Mining Rights
- Surface Rights Only
- Mining Rights Only

Leasehold Patent

- Surface and Mining Rights
- Surface Rights Only
- Mining Rights Only

License of Occupation

- Surface and Mining Rights
- Surface and Mining Rights
- Surface Rights Only
- Mining Rights Only

Land Use Plans

- Water Power Lease Approval

LAND TENURE WITHDRAWALS

1250 Areas Withdrawn from Disposition
Mining and Withdrawal Types

- Wm Surface and Mining Rights Withdrawn
- Wm Mining Rights Only Withdrawn
- Wm Mining Rights Only Withdrawn
- Wm Order in Council Withdrawal Types
- Wm Surface and Mining Rights Withdrawn
- Wm Surface Rights Only Withdrawn
- Wm Mining Rights Only Withdrawn

IMPORTANT NOTICES

1251

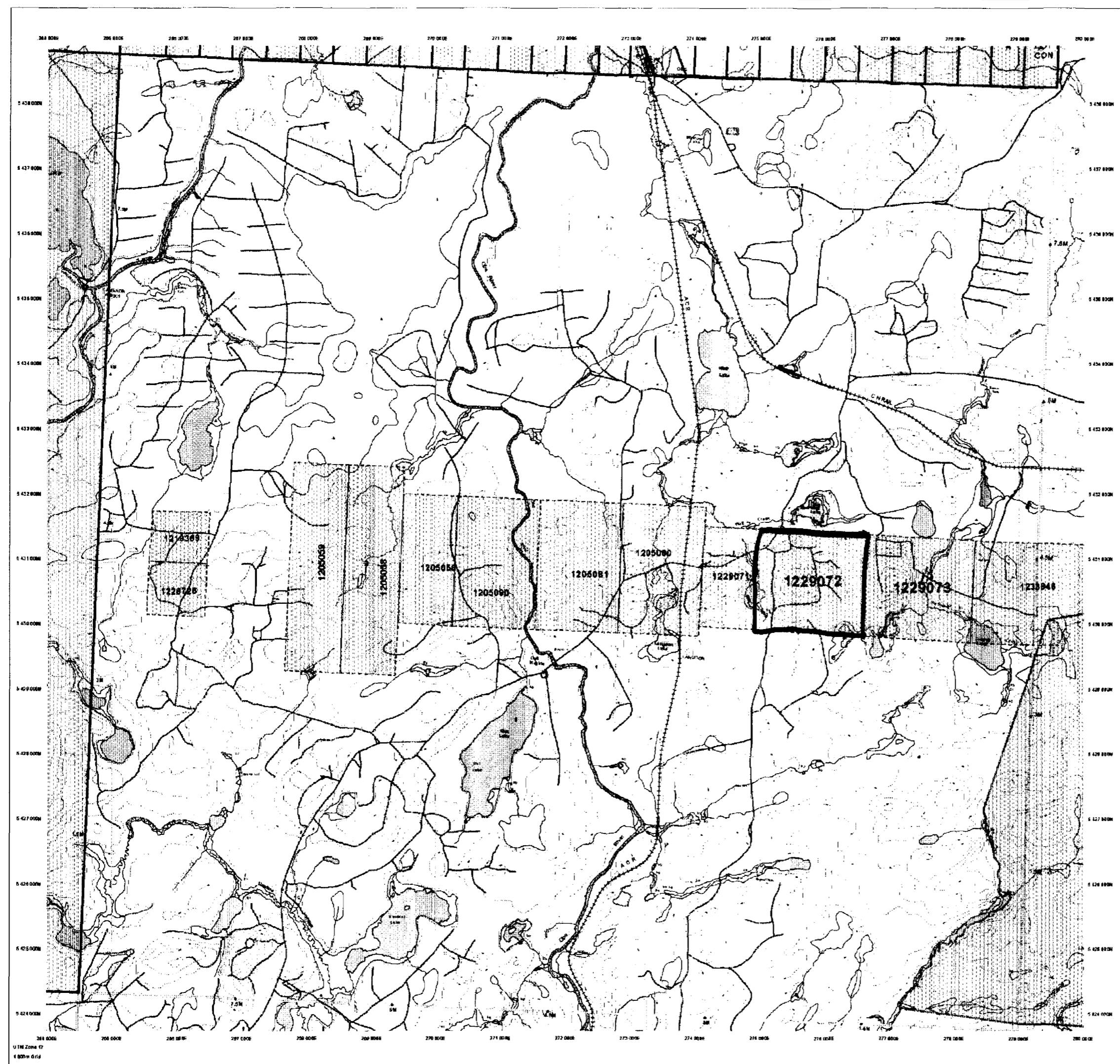


LAND TENURE WITHDRAWAL DESCRIPTIONS

Number	Type	Date	Description
2471	Wm	JUN 1 2001	43 518/2 0490 VOL 2
WLL-1103	Wm	MAY 14 1995	SEC 55 WLL P 153099 ONT MAY 14 1995

IMPORTANT NOTICES
Please refer to the general regulations, conditions of sale and other notices, including the mining and mineral development acts.

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42C16N22006 2.21869 HAWKINS 200