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ANGLE LAKE EXPLORATIONS INC.
HEMATITE HILL GOLD PROPERTY
McComber Township
THUNDER BAY DISTRICT, ONTARIO

REPORT ON 1998 EXPLORATION PROGRAM:
GEOLOGICAL, GEOPHYSICAL
AND GEOCHEMICAL SURVEYS

- by -

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2.19459

December 1998



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INTRODUCTION

This report describes the results of a program of exploration carried out on the Hematite Hill gold property between March 15th and November 15th, 1998. The work consisted of line cutting, magnetic and VLF-electromagnetic surveys, geological mapping and a soil geochemical survey.

In addition, the history of the property is reviewed, its potential for gold mineralization is discussed, and recommendations are made for further exploration.

PROPERTY DESCRIPTION

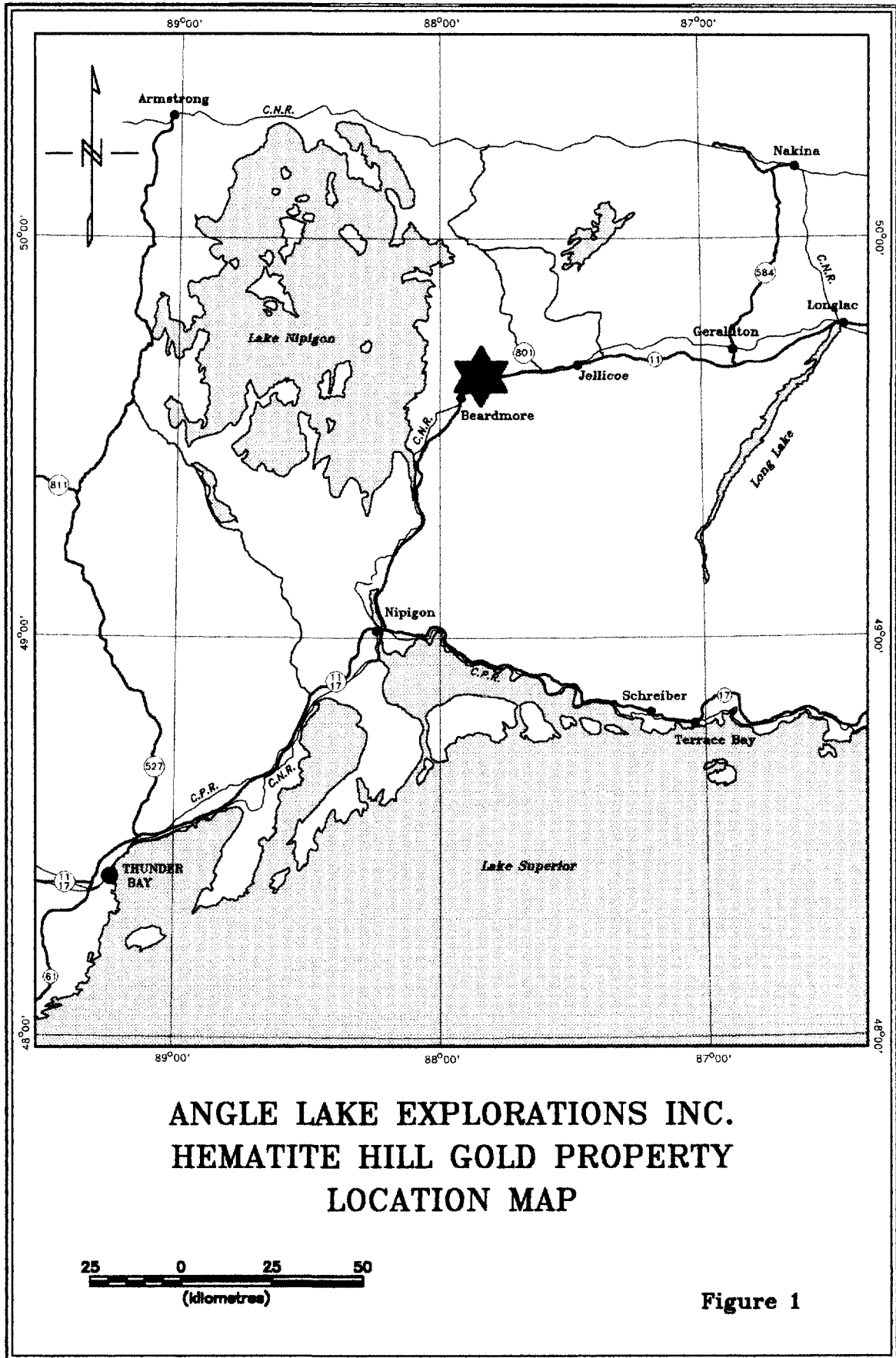
The Hematite Hill property lies on Angle Lake in the northwest corner of McComber Township, Thunder Bay Mining Division, Ontario. It consists of six mining claims comprising 38 units in total, for an aggregate area of approximately 608 hectares. Claim details are given in Table I

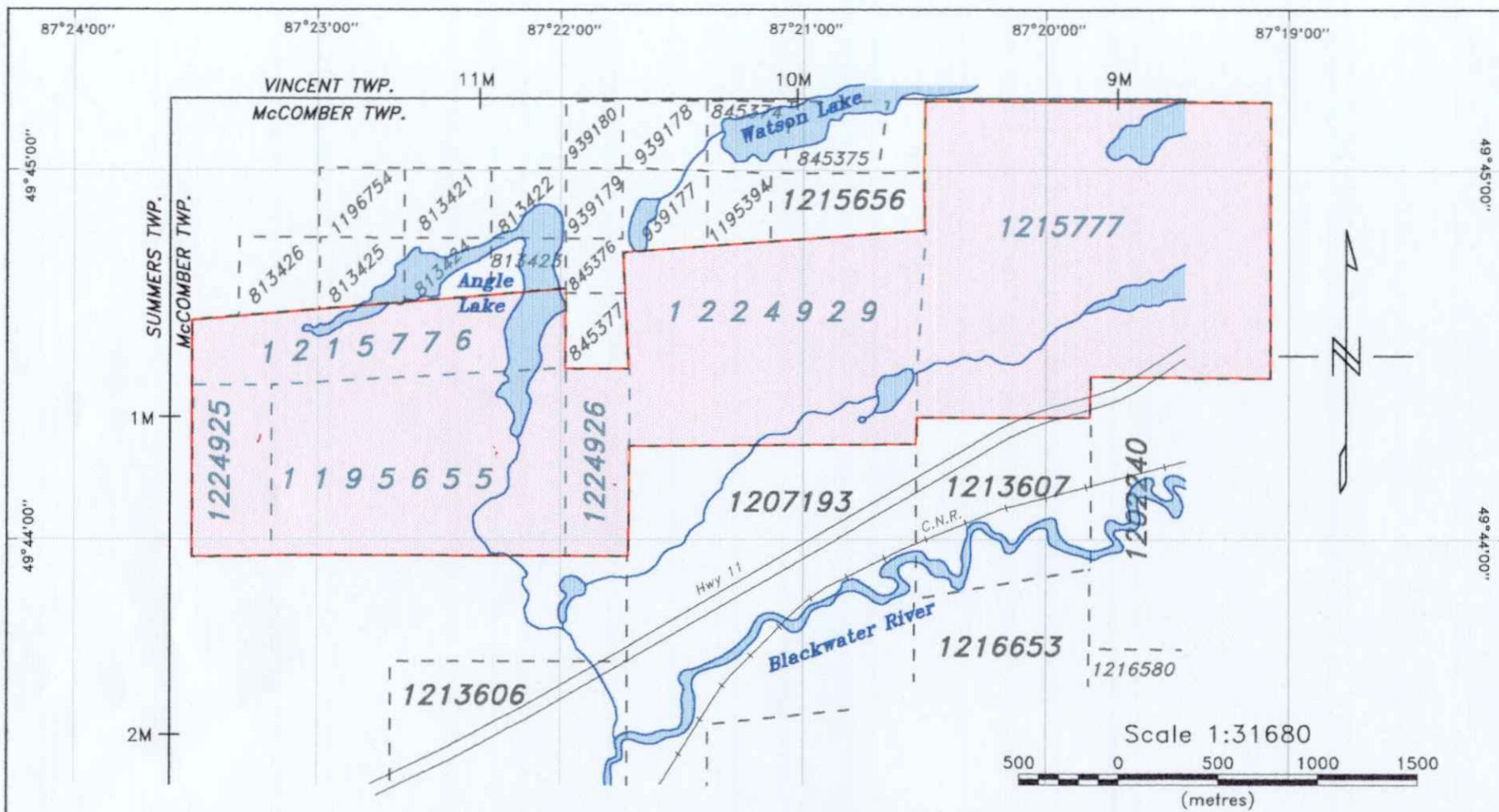
Claim Number	No. of Units	Recording Date	Assessment Work Done	Work Applied	Work in Reserve	Expiry Date	Work Required
TB 1195655	6	1994.11.21	18705	12171	0	2001.11.21	2229
TB 1215776	4	1997.04.17	0	4000	0	2001.04.17	800
TB 1224925	2	1996.09.26	3534	3034	0	2001.09.26	166
TB 1224926	2	1996.10.30	0	3034	0	2001.10.30	166
TB 1224929	12	1997.02.03	0	0	0	1999.02.03	4800
TB 1215777	12	1998.02.04	0	0	0	2000.02.04	4800

The claims are held by Robert Côté of Beardmore, and are under option to Angle Lake Explorations Inc. Figure 1 shows the property location, and figure 2 shows the claims.

LOCATION, ACCESS, TOPOGRAPHY

The property lies in the northwest corner of McComber Township, approximately 7 kilometres east of the town of Beardmore. Highway 11 (the northern branch of the Trans-Canada Highway), the CN Rail Thunder Bay to Longlac line, the Trans-Canada gas pipeline, and the Ontario Hydro power line which serves Geraldton and Longlac, all run in an east-west corridor less than 1 kilometre south of the property.





**ANGLE LAKE EXPLORATIONS INC.
HEMATITE HILL GOLD PROPERTY
CLAIM LOCATION MAP**

Figure 2

Digitized from MNDM Claim Map G-166 (McComber Twp.)
(claim locations modified slightly where precise locations are known)

The property can be reached by a bush road which runs north from Highway 11 at a point 8.0 km east of the town of Beardmore. This road is identified by the TCPL sign "76.50 0.20". It can be negotiated by truck in dry weather but four-wheel drive is required when the ground is wet. The road enters the property about 600 metres from the road, and then proceeds a further 2.4 kilometres to the trenches and stripped areas around "Hematite Hill".

The topography of the property is typical of the Beardmore-Geraldton greenstone belt. A series of ENE-WSW trending bedrock ridges up to 25 metres high are separated by swamps and muskeg-filled depressions. In the northwest corner of the property is a 75 metre high hill formed by a Proterozoic diabase sill. Forest cover is dominated by spruce, cedar and tamarack in the low ground, while the ridges are covered in mixed forest.

Food, fuel, accommodation and supplies, as well as a variety of exploration services, are readily available in Beardmore.

HISTORY AND PREVIOUS WORK

History of the Beardmore-Geraldton Gold Belt

Gold was first discovered at Geraldton in the area of what was then called Little Long Lac (now Kenogamisis Lake) in 1917. A gold-bearing boulder was found by Tony Oklend during his trapping activities, but its source was never located. The area lay more or less dormant until the early 1930's, when gold discoveries were made somewhat further to the west, on what became the MacLeod-Cockshutt and Little Long Lac properties. The Little Long Lac mine was the first to be brought to commercial production, in 1934, followed by the Bankfield Consolidated mine in 1937, the Magnet, Hard Rock, Tombill and MacLeod-Cockshutt mines in 1938, and the Jellicoe mine in 1939.

At the same time that gold mines were being developed in the Geraldton area, discoveries were being made and brought to production at Beardmore. The Northern Empire mine was discovered in 1926 and mining started in 1934. Gold was found at the Sand River site in 1934, and on the adjacent Leitch property the next year. The Leitch discovery was of unusually high

grade, and production commenced in 1936, followed the next year by the Sand River mine. The Leitch mine went on to be one of the richest gold mines in Canada, producing almost 1 million tons with a recovered grade of 0.92 ounces per ton.

The gold discoveries at Beardmore and Geraldton sparked a staking and prospecting rush that lasted through most of the 1930's and covered an area from west of Beardmore to east of Longlac, a distance of 120 km. Numerous discoveries were made during this period. Mason & White (1986) list 177 known gold occurrences, and there are many more that are poorly documented or not documented at all in the literature.

The Beardmore-Geraldton gold belt produced a total of over 4 million ounces of gold between 1934 and 1970, making it the fifth most productive gold mining area in Ontario, and the eighth most productive in the Canadian Shield. Table II summarizes the historical gold production from the area (from Mason & White, 1986).

Deposit	Years of Operation	Oz. Gold Produced	Oz. silver Produced	Tons Milled	Grade Au oz/ton
MacLeod-Cockshutt	1938-1970	1,366,404	90,864	9,403,145	0.147
Leitch	1936-1968	861,981	31,802	1,022,360	0.915
Little Long Lac	1934-1956	605,449	52,750	1,728,516	0.329
Cons. Mosher	1962-1970	510,618	51,907	4,367,070	0.122
Hard Rock	1938-1951	269,081	9,009	1,458,375	0.190
Magnet Cons.	1938-1952	152,089	16,879	359,912	0.432
Northern Empire	1934-1949	149,492	19,803	425,866	0.347
Tombill	1938-1942	68,739	8,595	190,624	0.336
Bankfield	1937-1947	66,416	7,590	229,009	0.276
Sand River	1937-1942	50,065	3,628	157,870	0.284
Tashota Nipigon	1935-1938	12,355	14,527	51,250	0.240
Jellicoe	1939-1941	5,260	515	14,722	0.366
Theresa	1935-1955	4,727	198	26,120	0.182
Talmora-Longlac	1942-1949	1,415	66	9,570	0.165
Total		4,124,451	308,133	19,498,409	

The Brookbank gold deposit, 10 km northeast of Angle Lake, was discovered in 1982 by Metalore Resources Ltd. It has drill-indicated reserves of 1,300,000 tons grading 0.26 oz/ton Au. It is a "blind" deposit, which was discovered by deep drilling beneath surface showings that had been found in the 1930's but had yielded erratic and discontinuous results when drilled in the 1940's. Its discovery indicates two important facts: (a) that economic gold deposits are not restricted to the historical Geraldton and Beardmore camps; and (b) there are discoveries still to be made in the region.

History of the Hematite Hill Property

There is no documentary record of exploration at Angle Lake property during the 1930's, but the presence of old trenches is clear evidence that prospecting took place during that era. There are three groups of old trenches: those at about 150S between lines 150W and 100E; those at about 250S between 800W and 850W; and those on the road at 1240W and 1345W. All were excavated on quartz vein systems.

In 1962-63, Westfield Minerals Ltd. carried out magnetic and IP surveys over the Don McLeod property, a group of claims which covered approximately the north half of the present Angle Lake property, as well as an additional area to the north and northeast. The target was gold mineralization in pyritic bands in a weakly magnetic iron formation, exposed in trenches between the west end of Watson Lake and the "angle" of Angle Lake. The geophysical surveys covered a narrow swath along the strike of this iron formation and only covered the extreme north end of the western part of the present property. Three holes were drilled to test the best IP anomalies; they intersected sulphide-bearing iron formation, but without significant gold values. None of the trenches or the drill holes of the Westfield Minerals program lie on the present property (MNDM Assessment Files 42E12NE0477, 42E12NW0481 and 42E12NW0487).

In 1988, the former Westfield Minerals property was mapped and geochemically surveyed by Moss Resources Ltd. Again, this work covered only the northern fringe of the present property (MNDM Assessment File 42E12NW0032).

In 1991, Richard MacAdam carried out a program of prospecting, stripping and trenching south of Angle Lake, funded by OPAP grant OP91-456. His work was concentrated on the extensive group of trenches at about 150S between lines 150W and 100E (outside the 1998 grid). The old trenches exposed extensive quartz veins in greywacke, but gold values were uniformly low. MacAdam also discovered a new occurrence of multiple quartz veining associated with a zone of intense ankerite alteration at 100S between 200W and 150W. Sericite, fuchsite and tourmaline were also reported. Again, only very low gold values were reported.

Robert Côté staked claims covering the Angle Lake area in 1995, and carried out two programs of prospecting, stripping and trenching (OPAP grants OP96-097 and OPG97-041). This work resulted in the discovery of gold mineralization in Trenches 1, 3 and 4 and the re-location of old trenches at 800W/250S, 1350W/100S and 1235W/040S. The access road was also constructed by Côté, and Trenches 1 to 12 were excavated.

REGIONAL GEOLOGY

The property lies in the Beardmore-Geraldton greenstone belt, a lithologically and structurally distinct domain of the Wabigoon sub-province, within the Superior province of the Canadian Shield. The Beardmore-Geraldton belt is characterized by an alternation of east-west striking metasediments and mafic metavolcanics. The metasediments are dominantly greywackes and associated argillites, with occasional interbedded magnetite iron formations, conglomerates and arkoses. Apart from possible gabbroic sills within the mafic metavolcanic sequences, intrusive rocks are rare, being restricted to small bodies of porphyry in the Geraldton area. Metamorphism in the belt is generally of greenschist facies, with local pockets transitional to amphibolite facies.

The structural characteristics of the Beardmore-Geraldton belt are as follows: the strike is generally east-west and the dip is sub-vertical. Large-scale folding is essentially absent, but small- and medium-scale folds are fairly common, usually in areas where there is a strong competency contrast, such as iron formation interbedded with greywacke. There are a number of major strike-parallel faults or regional shears that cause either a repetition or a truncation of

stratigraphic units; these faults seldom outcrop and therefore their locations, displacements and extents (and sometimes even their existence) is uncertain. The Watson Lake fault passes just north of the northwest corner of the Hematite Hill property, and separates the greywacke sequence that underlies the property from mafic volcanics to the north.

The Beardmore-Geraldton belt is bounded to the south by the Quetico subprovince, an area characterized by monotonous clastic metasediments. It is bounded to the north by the Onaman-Tashota terrane (also known as the "Elmhirst-Castlewood-Klotz greenstone belt"), which is characterized by a much wider variety of volcanic lithologies, a relative lack of metasediments, an abundance of intrusive rocks, and a more complex and irregular structural pattern.

The geology of McComber Township, including the Angle Lake area, is described by Carter (1987).

1998 EXPLORATION PROGRAM

Line cutting was carried out during the spring of 1998. An east-west base line 2000 metres long was laid out, with a second east-west base line 1600 metres long in the east part of the property, offset 600 metres north of the first. North-south lines 600 metres long were cut at 50 metre intervals. These cross lines were offset progressively to the north so as to follow the iron formation horizons that cross the property. Line cutting was carried out by Côté Enterprises of Beardmore. Personnel were Robert, Richard and Marc Côté.

The magnetic and VLF-electromagnetic surveys were also carried out during the spring of 1998. The survey grid was covered, for a total of 43.8 km of survey. The work was performed by Dusan Dmitrovic.

Geological mapping was carried out during September and October 1998. The grid was covered from the west end up to line 1750E. The mapping was done by C.R. Bowdidge.

Geochemical surveying was done by Dusan Dmitrovic during October 1998. A total of 258 soil samples were collected and sent for analysis.

PROPERTY GEOLOGY

The geology of the mapped area is presented on a map at a scale of 1:2500 (in rear pocket). In broad terms, the mapped area covers a homogeneous sequence of greywackes and interbedded argillites and arkoses which face north, strike between 080° and 070° and dip south between 75° and 85°. Running across the central part of the grid are a series of beds of iron formation. In the western part of the grid, a number of discontinuous layers of conglomerate also occur interbedded with the greywacke-argillite sequence.

ROCK TYPES

Greywacke, Arkose and Argillite

These rocks comprise a turbidite sequence typical of the area. The greywackes form beds between 10 cm and 2 m in thickness. Typically, the thicker beds tend to be coarser-grained and may contain clasts up to 3-5 mm in diameter. The argillites form beds from 5 cm to (rarely) 3m thick between the greywackes. Graded bedding is not well developed in the greywacke units (or it has been obscured by deformation, metamorphism and alteration). Where graded bedding was observed, the top direction is uniformly to the north. At 890W/010N a very clear top indication is provided by a 1 metre thick turbidite unit with coarse-grained base containing pebbles up to 1 cm in diameter, grading upwards through coarse greywacke to fine-grained greywacke to argillite. Scouring at the base of this unit has eroded channels in the underlying argillitic iron formation.

The greywackes are fairly massive, grey rocks composed of subrounded quartz and feldspar grains in a finer-grained matrix. They tend to be weakly schistose, with a bedding-parallel schistosity. Their colour on a weathered surface varies according to the degree of ankerite alteration.

Some of the thicker and coarser clastic beds in the sequence do not show well developed graded bedding and would more properly be described as arkoses. They are, however, interbedded with more "normal" greywackes and argillites and do not form mappable units. They also lack the distinctive colour and texture of the arkoses which occur around Kenogamisis Lake at Geraldton.

The argillites are grey, fine-grained schistose rocks that are composed of quartz, feldspar, chlorite and sericite. The specific mineralogy of individual samples is hard to determine in the field because of the fine grain size. In many cases, argillite beds will have a slightly gritty appearance due to the presence of a proportion of silt-size clastic material. As with the greywackes, the colour of weathered surfaces is largely a function of the degree of ankerite alteration.

Iron Formation

The majority of the iron formation in the mapped area is typical of the iron formations of the Beardmore-Geraldton greenstone belt. It consists of thin (± 1 mm) laminae of magnetite separated by equally thin laminae of dark grey-green chloritic argillite. In rare instances, hematite bands may occur, and these tend to be thicker than the magnetite laminae, of the order of 5-10 mm. The magnetite-argillite material is usually interbedded on all scales from a few centimetres to a few metres with the same greywacke-argillite assemblage that both overlies and underlies it. The overall thickness of iron formation "beds" varies from less than 3 metres to a maximum of 20 metres.

In the western part of the property, around Hematite Hill, a variety of different iron formation lithologies appear. The most obvious is hematite-magnetite iron formation with only minor interbedded argillite. This may occur, as in trench 10, as bands within or beside the more common magnetite-argillite iron formation. It may also form, as in Trenches 1B and 7, beds up to 4 metres thick. Hematitic iron formation is almost always more thickly bedded than magnetite iron formation, with hematite bands typically 1-2 cm thick.

Also in the area of Hematite Hill, as on the road at 1300W/060S, chert appears as another component of the iron formation, interbedded with the magnetite and argillite and hematite (if present).

Conglomerate

Conglomerate occurs interbedded with the greywacke-argillite sequence in the western part of the mapped area. It forms beds which vary from lenses 10 cm thick and a few metres long, to

more continuous layers up to 5 metres thick which can be traced with reasonable assurance of continuity for up to 150 metres along strike. As with the greywackes, the thicker conglomerate beds tend to contain the larger clasts.

The conglomerate contains subrounded to rounded clasts of quartz, granite, gneissic granitoids and, more rarely feldspar porphyry, up to 10 cm in diameter. There are also a variety of clasts of sedimentary (and possibly volcanic) rocks, which tend to be somewhat smaller and are much flatter than the more massive siliceous rocks. It is not clear whether these "softer" clasts have been flattened tectonically, or had an original slab-like shape, or (the most probable explanation) a combination of both. They probably represent semi-consolidated material ripped up by the currents that brought the larger and more exotic clasts.

The matrix of the conglomerates is an arkosic sandstone very similar to the surrounding greywackes. The thinner conglomerate beds tend to have a smaller proportion of clasts, and are matrix-supported. The thicker beds tend to have a higher proportion of clasts, which are sometimes densely enough packed to constitute a clast-supported conglomerate. When the proportion of clasts is below 10%, the rock was mapped as "pebbly" arkose/greywacke.

STRUCTURE

The structure of the mapped area is very simple on a gross scale. That the bedding (S0) has a uniform strike direction of 070° to 080° and a uniform dip of 75° to 85° to the south has been stated above. The consistent north facing direction of the rocks noted by the writer is confirmed by Carter (1987). The broad structure of the property therefore is a very simple NNW-facing, SSE-dipping overturned homocline.

Most of the rocks exhibit a modest amount of schistosity (S1). Typically, in the greywacke-argillite-arkose sequence the schistosity diverges only a few degrees from the bedding, with a strike of about 065° and a dip to the south that is slightly steeper than that of the bedding. In the vicinity of and especially between iron formation layers, the greywackes and argillites often have a schistosity that strikes between 045° and 060° and dips sub-vertically.

In the western part of the mapped area, west of about 700W, and particularly around Hematite Hill, the structure becomes conspicuously more complex. Although this is partly a reflection of the better exposures made available by stripping, it is apparent even in natural outcrops that structural elements are present in this area that were not observed in the eastern part of the property:

F1 Z-Shaped Folds

Small scale folding is present in the majority of outcrops of iron formation in the west part of the property. The amplitude of the folds varies from less than 1 cm to about 25 cm; they vary from open to tight, and are always Z-shaped. Because the schistosity in argillitic layers in the iron formation appears to be axial planar to these folds, they are referred to as F1 folds.

F1 S-Shaped Folds

In Trench 4, the magnetite-argillite iron formation is affected by small-scale S-shaped folds similar in style of the F1 folding seen in other iron formations further to the west. This observation, combined with the fact that the two iron formations observed in the vicinity of Trench 4 have disappeared on line 300W, has been used to interpret an isoclinal fold in the vicinity of Trench 5.

Dextral Shear on S1 Planes

In some of the more intensely folded iron formations, there has been detachment along axial planes and axial-planar schistosity surfaces. The movement along these planes has been dextral, and is in the same sense as the shear movement implied by the sense of the Z-shaped F1 folds. This type of shear movement is particularly well developed at Trench 7, and repeated folds and related shear displacements have thickened a 1.2 metre band of hematitic iron formation to almost 10 metres.

Sinistral Shear on S1 Planes

In the iron formation outcrop at 670W/150N there have been sinistral displacements of up to 3 metres on S1 schistosity planes. These have resulted in individual iron formation layers being broken into segments separated by the intervening greywacke/argillite.

Open Folds (F2)

The best outcrop-scale F2 folds are exposed at 1310W/095N, where the roots of a fallen tree have created a clean outcrop of iron formation. A well-developed Z-shaped fold occurs in the western part of this outcrop. Its axial plane trends at about 030°. The synformal part of this fold is at least partly a concentric fold, which results in a progression from an open warp to a complex crumpled fold from north to south.

The only large-scale F2 fold appears to be the antiformal open warp that is mapped in the vicinity of Trench 8. The angle of flexure between the two limbs is about 40°.

Faults

Two orientations of faults have been observed, and they appear to be a conjugate set. Northwest-southeast faults have a dextral displacement, and NNE-SSW faults have a sinistral displacement. There appears to be a greater number of the sinistral faults than the dextral. If the two sets of faults represent a conjugate set, they must have developed in response to a maximum compressive stress in the direction 340°↔160°.

Small-scale faults have been observed in outcrop in four locations, in Trench 8, in Trench 1, at 970W/015S and 1310W/095N, the same outcrop where small-scale F2 folds were noted. At the last outcrop, the faults give the impression that they developed more or less simultaneously with the F2 folds. At 735W/045N, there appear to be two dextral faults about 15 cm apart, and the rocks between these two faults planes have been rotated.

Several small faults have been noted in the stripped areas along the road between 800W and 1100W, as well as in Trenches 1 and 7. Although none of these actually outcrop, the locations, orientations and displacements of these faults can be fixed with a fair degree of certainty. Other faults shown on the map are interpreted from displacement of iron formations, based on outcrop and/or magnetic data. The largest displacement is about 50 metres on the dextral fault running just west of Trench 8.

Two faults have been interpreted from topographic information alone. The south side of Hematite Hill is delimited by a sharp, linear scarp trending 120° . This scarp may reflect an extension, in a slightly different orientation, of the dextral fault to the northwest. A similar scarp, trending 030° , occurs at the west side of the hill east of Hematite Hill. It lines up well with a sinistral fault interpreted from offsets of iron formations.

Overall Structural Pattern

The structures shown on the geological map are in many cases interpreted, but only using structural elements of the same type that were observed in outcrop.

The early (D1) deformation appears to have been produced in response to a maximum compressive stress approximately in the direction $330^\circ \leftrightarrow 150^\circ$. It has resulted in the F1 folds, the S1 axial-plane schistosity and probably the dextral shearing on S1 planes.

The later (D2) deformation appears to have been produced during a more brittle regime, and resulted in occasional F2 folds and numerous faults. The faults, as noted above, appear to have been produced in response to a maximum compressive stress in the direction $340^\circ \leftrightarrow 160^\circ$. The sinistral shears on S1 planes may also have developed during the same period, using the pre-existing schistosity planes.

ALTERATION

Ankerite Alteration

Almost every outcrop in the mapped area shows some degree of ankerite alteration. This became apparent during the first day of mapping, and an attempt was made to map the intensity of alteration. Outcrops have been coded on the geological map with symbols (a0 to a4), which correspond roughly to percentages of ankerite as follows:

a0: ankerite essentially absent.

a1: weak (5-15%) ankerite; moss-covered (but not bare outcrops or humus-covered outcrops) have a pale brown colour, but show white or grey when scratched with a hammer.

- a2: moderate (10-30%) ankerite; moss-covered outcrops have a distinct brown colour, which persists as pale brown in hammer scratches.
- a3: strong (20-40%) ankerite; moss-covered outcrops have a distinct brown colour which persists as a deeper brown in hammer scratches; broken surfaces show a 2-10 mm thick brown rind on the weathered edges.
- a4: extreme (>35%) ankerite; bare outcrops have a distinct brown colour; broken surfaces show a brown rind over 1 cm thick on the weathered edges.

Of necessity, there is some degree of overlap between the categories of alteration.

Calcite Alteration

In some of the outcrops where ankerite alteration is absent, there is a considerable development of calcite as both impregnations and hairline veinlets.

Sericite Alteration

Minor to locally large amounts of sericite are present in some of the more ankeritized rocks on the property.

SURFICIAL GEOLOGY

The only type of glacial overburden observed on the property is till, which forms an irregular sheet that does not appear to exceed a few metres in thickness. The ice movement direction, as indicated by striae, is from 070° to 250°, almost parallel to the strike of the sediments.

Many of the low-lying parts of the property are covered with swamp and muskeg.

MINERALIZATION

GOLD MINERALIZATION IN THE BEARDMORE-GERALDTON BELT

Several different types of gold mineralization have been described in the Beardmore-Geraldton area. They can be summarized as follows {simplified from Mason & White (1986)}:

(1) **Simple Quartz Veins:** These are, as the title implies, more or less planar quartz veins carrying free gold, pyrite and sometimes arsenopyrite. They may occur in greywacke near iron formations, as at the Leitch mine, or in volcanics as at the Northern Empire mine, but most commonly, especially in the Geraldton area, they are found in and near iron formation, especially where the iron formation is folded. This is probably a consequence of the brittle nature of the iron formation, which fractured while the rocks around it were being sheared and folded, and thus allowed the development of sustained open channels for mineralizing solutions. At the Little Long Lac mine in Geraldton, the gold-bearing quartz veins were largely restricted to a thick bed of massive arkose. There is typically a narrow zone of wallrock alteration, if any, associated with these vein-type deposits.

(2) **Sulphide Replacement Zones:** These have been important sources of gold in several of the Geraldton-area mines. They consist of zones of disseminated to semi-massive pyrite, arsenopyrite and pyrrhotite, usually in iron formation. Quartz veining and/or silicification is usually present in and around the sulphide zones. Like the quartz veins, the gold-bearing sulphide zones are typically found in or close to folded sections of iron formation, and the largest deposits are often in axial zones of folds.

(3) **Quartz Stringer Zones:** The most productive ore zones in the Geraldton area have been zones of relatively low-grade mineralization, typically 0.08 to 0.15 ounces of gold per ton, but with widths of up to 100 feet, consisting of multiple quartz stringers. These zones, at the Hard Rock, MacLeod-Cockshutt, and Consolidated Mosher mines, occurred in greywackes and siliceous iron formations adjacent to folded bodies of albite porphyry. The quartz stringers were often planar and remarkably continuous, but were sometimes affected by small-scale folding, with a second generation of veinlets parallel to the axial planes. Sericite-carbonate alteration, either pervasive or as fringes along each stringer, accompanies the mineralization. Stringer-type gold mineralization has not been found in the Beardmore area, possibly because albite porphyry intrusives are not present there.

(4) **Brookbank Deposit:** The Brookbank deposit in Irwin Township, 10 km northeast of the Hematite Hill property, was discovered in 1982. It consists of a silicified, pyritic zone in

sheared and mylonitized rocks of the Paint Lake fault zone. The Paint Lake fault is one of the numerous strike-parallel faults of the area, and is prominent at the Brookbank deposit because of a change in strike direction. The change in attitude of the fault plane may have caused a dilatant zone to exist during fault movement, and thus been responsible for localizing the mineralization. There is widespread alteration around the deposit, with calcite, iron-carbonate, sericite, chlorite, haematite and potash feldspar developed. The Brookbank deposit appears to be unique in the area (to date).

GOLD MINERALIZATION ON THE HEMATITE HILL PROPERTY

Gold mineralization discovered to date on the Hematite Hill property is mostly of the "Simple Quartz Vein" type.

White Quartz (-Ankerite) Veins

White quartz (and, more rarely, quartz-ankerite) veins without sulphides or gold are common on the property. They are typically less than 15 cm thick, but on occasion reach 1.5 metres in thickness, as at 730W/175N. The veins are most commonly more or less conformable to the bedding, but are often cross-cutting. A north-northeasterly trend is the most common; in trench 11, in the outcrop at 795W/265S, and in the conglomerate outcrop at 1320W on the base line, conformable veins and NNE-SSW veins form stockworks (at the last-mentioned outcrop a black mineral believed to be tourmaline is present in the veins).

In the iron formation in trench 1B there are innumerable tiny white quartz stringers without associated sulphides. Four orientations were noted: (a) conformable to the bedding; (b) along the axial planes of small-scale Z-shaped folds; (c) NNE-SSW trending and planar; (d) NNE-SSW trending but folded with their axial planes defined by bedding planes in the iron formation.

In two locations, at 740W/040N and 1315W/095N, white quartz veins occupy NNW-SSE to NW-SE dextral fault planes. To date, no veins have been found in NNE-SSW sinistral faults.

On occasion, the white quartz veins contain sections of grey to blue glassy quartz. This is the case in the old trenches at 250S between 800W and 850W, and in the old pit at 1300W/100S.

Despite this promising change in appearance, samples from these old trenches have not given any gold values.

Only one of the simple veins has given a significant gold value to date. It is a 2-3 cm north-easterly stringer in argillitic iron formation in **trench 9**, with a 5 cm border of disseminated pyrite cubes. Sample 98-AL-20 contained 1.03 g/t Au.

Quartz Ladder Veins

There are two occurrences of quartz ladder veins. Both are composed of a very bright white quartz, as opposed to the more common milky white veins. The first is in **trench 10**, where straight ladder veins occur only in hematite iron formation bands at the edge of a magnetite-argillite iron formation. No gold values were returned from samples taken by Robert Côté.

A more extensive set of ladder veins is exposed in **trench 1**. They occur in a band of intensely ankeritized greywacke up to 5 metres wide between to iron formations. The ladder veins vary from straight to sigmoidal, with an S-shaped profile suggesting sinistral shear. The widest vein is 50 cm wide, and its central part, which dips west at 40°, contains patches of coarse arsenopyrite. Grab samples taken by Mr. Côté yielded assays up to 9.3 g/t Au. Several other veins in this area also returned assays.

The ankeritized band in trench 1 extends for a length of approximately 60 metres. To the west it narrows and is bordered by less altered greywacke which is not cut by the ladder veins. To the east it narrows as the iron formations to the north and south converge. It is truncated by a NW-SE fault at the east end.

Arsenopyrite in Iron Formation

Trench 3 exposed two bands of iron formation, of which the southern band is now covered by water. This contained a narrow zone of finely disseminated arsenopyrite. A sample of this material taken by Mr. Côté (TR3-1) contained 556 ppb Au.

In **trench 4** there is a similar band of fine arsenopyrite in iron formation. A lens of quartz with coarse arsenopyrite in this arsenopyrite-bearing band was sampled by Mr. Côté in 1996 (sample #4-5). It contained 3.5 g/t Au.

GEOPHYSICAL SURVEYS

Geophysical surveys were carried out by D. Dmitrovic using an EDA Omni Plus magnetometer/VLF system. This instrument combines two magnetometer sensors on a single staff, and records both total field and vertical gradient. It also includes a VLF receiver which consists of three mutually orthogonal coils and a tilt-meter. Signal strength is measured in the three coils and synthesized into readings of in-phase tilt (in percent gradient), quadrature, total field strength and horizontal field direction. The instrument stores the readings taken in a day's survey together with line and station numbers, and allows the operator to dump the data to a computer each evening. A recording magnetic base station is also connected during the magnetometer dump, at which time diurnal corrections are performed automatically. VLF transmitter NLK (Seattle, 24.8 KHz) was used for the survey. Readings were taken at intervals of 12.5 metres throughout the survey area.

The geophysical survey data were processed by the writer using the geophysical software package of Geosoft Inc. which allows maps to be generated directly from the digital data. The following maps are appended to this report at a scale of 1:2500 - (1) Total field magnetic postings [corrected field readings], (2) total field magnetic contours, (3) vertical magnetic gradient postings, (4) vertical magnetic gradient profiles, (5) VLF in-phase and quadrature postings, and (6) VLF in-phase and quadrature profiles.

Magnetic Survey Results

The only magnetic anomalies located by the magnetic survey are caused by iron formations. The total field amplitude of anomalies attributable to individual iron formations varies from negligible to 25,000 nT, demonstrating the widely varying magnetite content of the ferruginous beds. Some of the more weakly magnetic iron formations are only apparent as gradient anomalies and do not show on the total field data.

The iron formations shown on the geological map have been carefully interpreted by using a combination of outcrop data, total field magnetics and vertical magnetic gradient. Naturally, the outcrop data take precedence, and the map is much more detailed in the stripped areas.

The presence of a negative magnetic anomaly along the north side of the iron formation bands confirms the southerly dip of these units.

VLF Survey Results

Fifty-six conductive responses have been interpreted from the VLF profiles. Table IV lists the characteristics of each conductor and gives a possible interpretation for each. The interpretations are based on a combination of in-phase amplitude, quadrature to in-phase ratio and profile width combined with available geological and topographic information.

Fifteen of the VLF conductors have been selected as being possibly caused by sulphide mineralization in or close to iron formations. They are highlighted in Table III by showing the interpreted sources in capital text. It is recommended that these conductors be further tested by stripping where possible.

SOIL GEOCHEMICAL SURVEY

A soil geochemical survey was carried out over the grid to explore for possible unidentified sources of gold. A total of 258 samples of "B" horizon soil were collected at 50 metre intervals on alternate lines (at 100 metre intervals). Where "B" horizon was not available, no sample was collected.

Analytical results are given in Appendix 1. The soil geochemistry map shows the gold contents numerically and symbolically. The contrast between the background (mostly less than 10 ppb) and anomalous samples (greater than 100 ppb) is so great that no statistical analysis is necessary to determine the anomalous threshold. Three anomalous samples are apparent:

Anomaly "A" (228 ppb Au) is at 1000W/050S. It is almost certainly related to the gold mineralization in trench 1.

**TABLE IV
DESCRIPTIVE PARAMETERS AND INTERPRETATION OF VLF ANOMALIES**

Anomaly No.	Length (m)	Amplitude	Apparent Conductiv.	Width (approx)	Geological context, comments	Possible Interpretation
1	> 200	H	W-M	N	Follows iron formation	SULPHIDES IN IRON FORMATION
2	50	L	VW	-		overburden
3	50	L	G	N	follows swamp	weak shear/overburden
4	400	H	M	W	follows swamp	overburden
5	short	L	G-VG	N	near IF and intense qv's in conglom.	SULPHIDE ZONE
6	short	VL	VW	-	at contact of iron formation	contact
7	> 400	L-M	W-M	N	follows swamp & creek	narrow overburden-filled gully
8	350	L-H	W-G	N	crosses IF (exposed in tr. 6?)	shear enhanced by overburden
9	250	VL-M	VW-W	W	under swamp	overburden
10	short	VL	G	N	at contact of IF in outcrop	contact
11	200	VL-M	VW-W	N		shear
12	100	VL-L	W-G	N	conformable with IF	contact
13	250	L-H	W-M	N-W	crosses IF	SHEAR OR OVERBURDEN
14	200	L-H	VW-W	N	near IF ctct, only strong under swamp	CONTACT OR WEAK SULPHIDES
15	50	M	W	N	under swamp	overburden
16	> 250	VL-L	VW	-	under swamp & low ground	overburden
17	200	L-M	W-M	N-W	under swamp & low ground	overburden
18	50	VL-L	VW	N	under swamp & low ground	overburden
19	short	L	W	N	beside swamp	overburden
20	200	L-H	W	W	under lake	overburden
21	200	VL-M	W	N	under lake	overburden or topography
22	100	L	W-M	W	under lake	overburden or topography
23	> 300	VL-M	W-M	W	under swamp	overburden
24	200	VL-L	W-M	N	follows iron formation	SHEAR OR CONTACT
25	> 200	VL-M	W	W	follows swamp	overburden
26	550	VL-H	W	N-W	appears to cut IF at low angle	SHEAR OR SULPHIDES
26A	short	VL	VW	W		overburden
27	short	VL	W	-	under swamp	overburden
28	short	VL	W	-		overburden or weak shear
29	> 650	VL-M	W-M	N-W	under swamp	overburden
30	100	M-H	W	W	under swamp	overburden
31	100	VL-L	VW	-		weak shear or topography

Anomaly No.	Length (m)	Amplitude	Apparent Conductiv.	Width (approx)	Geological context, comments	Possible Interpretation
32	200	VL-H	W	W	strong where under swamp	overburden and shear
33	350	L-H	W	N-W	follows swamp - strong on L750E	overburden
33A	short	L	W	N	under swamp	overburden
34	short	VL	G	N	at iron formation contact	CONTACT OR SULPHIDE ZONE
35	100	VL	VW	N		topography or weak shear
36	100	VL-L	W	N		topography or weak shear
37	150	VL-L	G	N	at iron formation contact	WEAK SULPHIDE ZONE
38	short	L	M	N	at IF contact, under swamp	weak sulphide zone
39	short	L	M	W	under swamp	overburden
40	100	VL-L	W-M	N	follows iron formation	WEAK SULPHIDE ZONE
41	100	VL	M	N	edge of swamp	overburden
42	150	VL-L	W-M	W	under swamp	overburden
43	short	VL	M	N	follows iron formation	WEAK SULPHIDE ZONE
44	250	VL-L	W	N-W	follows strike of sediments	schistose zone
45	150	VL	M	W	edge of swamp	overburden
46	>150	L-M	W	N		SHEAR WITH SULPHIDES
47	>50	M	VW	W	under swamp	overburden
48	150	VL-L	M-G	N	follows iron formation	WEAK SULPHIDE ZONE
49	300	L-M	VW-M	N	parallels iron formation	SULPHIDES
50	150	VL-M	VW	N	no topographic information	overburden?
51	>150	L	W-VW	W	no topographic information	overburden?
52	100	L	VW	N	no topographic information	overburden?
53	300	L-H	VW-W	N	strong only on L1750E	MINERALIZED SHEAR?
54	>350	VL-H	W-M	N	parallels iron formation	SULPHIDE ZONE?
55	>250	VL-L	VW	-	no topographic information	overburden?
56	>200	VL-L	VW	-	no topographic information	overburden?

EXPLANATORY NOTES:

Amplitude (In-phase peak-to-peak): VW = <5%, W = 5-10%, M = 10-30%, H = >50%

Apparent Conductivity: Based on quadrature/in-phase ratio: VW - Q/IP = +1±, W - Q/IP = +0.5±, M - Q/IP = +0.25±
G - Q/IP = 0±, VG - Q/IP < 0

Width: N = narrow, W = wide, - = too weak to assess width

Interpretation: Interpretation in capitals indicates a recommended exploration target, interpretation with question mark indicates that the interpretation is subject to revision based on geological mapping.

Anomaly "B" (240 ppb Au) is at 800W/250S. It is close to a group of old trenches. Although these trenches were examined and a number of samples of quartz vein material with minor pyrite were sent for assay, no gold values were returned. However, the trenches are badly caved and the veins are poorly exposed. It is recommended that the area around these trenches be stripped to search for gold mineralization.

Anomaly "C" (148 ppb Au) is at 1400E/650N, at the eastern end of the mapped area. There is a second, sub-anomalous, sample at 1400E/750N with 27 ppb Au. No mineralization is known in the area, and there is no evidence of old prospecting. However, there is indirect evidence that this area may be favourable for gold mineralization. A NW-SE fault has been interpreted from offsets of the iron formation, and there is a NE-SW trending swamp with steep scarps on each side that strongly resembles a fault-related gully. Also, the iron formation to the east of this anomaly gives magnetic anomalies of over 15,000 nT. The only other magnetic anomalies of this intensity are in the vicinity of Trench 1. The area east of line 1400E is on a hill and will be easy to prospect and strip.

DISCUSSION

Potential For Gold Mineralization

The following factors lead to the conclusion that the property has significant potential for gold mineralization:

- (a) The property lies more or less on strike with, and 10 km east of the Leitch mine, one of the richest gold deposits known in the Canadian Shield. Mineralization at the Leitch mine is contained in transgressive quartz veins in greywacke within a few hundred metres of iron formation.
- (b) The property contains very extensive and locally intensive ankerite alteration. Broad haloes of carbonate alteration often surround major vein-type gold deposits.

Factors Controlling Gold Mineralization

The known gold occurrences on the property are united in that they are all located either in iron formation or in *proximity to iron formation*. In the trench 1 occurrence, an additional controlling factor is also *extreme ankerite alteration*. It is clear that the ladder vein system at this location is only developed in the most ankeritized greywackes, and disappears at the margins of the ankeritized band as it narrows to the west. In the trench 9 occurrence, a controlling factor is the development of a *cross-cutting fracture system*, probably related to the *conjugate fault set* described above under "structure".

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the property has the potential for economic gold mineralization, and that further exploration is warranted.

The following targets are recommended for testing (shown on the geological map by a symbol).

They are listed from west to east:

- (1) VLF conductor 1 and the associated iron formations should be stripped in the vicinity of line 1450W.
- (2) VLF conductor 5 should be stripped on line 1300W, with the trench extending from the iron formation at 060S to the iron formation at 025N.
- (3) VLF conductor 6 and the associated iron formation should be stripped on line 1300W.
- (4) Stripping should be carried out around trench 9, to explore for additional gold-bearing sulphide zones and/or associated quartz veins.
- (5) At least two swaths should be stripped across the series of iron formations exposed around trenches 1 and 7, to fully expose the width of this mineralized system.

- (6) VLF conductor 18 should be exposed by stripping near trench 1B.
- (7) Geochemical anomaly and the area around the old trenches near 800W/250S should be tested by extensive stripping.
- (8) The most southerly iron formation should be stripped in the vicinity of the interpreted northeast-trending fault near 640W.
- (9) The two southerly iron formations east of trench 4, which are interpreted to make up an isoclinal fold, should be exposed by stripping.
- (10) The two interpreted northeast-trending faults between 250E and 300E should be tested by stripping, along with the iron formations and VLF conductor 24.
- (11) VLF conductor 26 and the associated iron formations should be stripped on lines 450E and 500E.
- (12) VLF conductor 32 should be stripped.
- (13) VLF conductor 34 and the associated iron formations should be stripped.
- (14) VLF conductor 40 and the associated iron formations should be stripped.
- (15) VLF conductor 46 should be stripped.
- (16) Geochemical anomaly C and the surrounding area should be stripped.
- (17) The area east of 1400E should be mapped and prospected, and areas of interest should be stripped, especially VLF conductors 48, 49, 53 and 54 and the iron formations.

Following the above stripping, and mapping and sampling of stripped areas, the most promising targets should be tested by diamond drilling. A budget should allow for a minimum of five drill holes of 80 metres each.

The following budget is proposed for the recommended exploration program.

Power stripping:

Backhoe, 200 hours @ \$85/hour	\$ 17,000
Mobilization & demob of backhoe	1,000
Prospector, 25 days @ \$150	3,750
Geologist, 25 days @ \$400	10,000
Travel & accommodation	1,500
Assays, 100 @ \$13	1,300

Washing & channel sampling:

2 prospector/technicians, 20 days @ \$150/day each	6,000
Pump & saw rental, 20 days @ \$100/day	2,000
Geologist, 12 days @ \$400	4,800
Consumables, supplies	1,500
Travel & expenses	1,200
Assays, 100 @ \$13	1,300

Report, maps

5,000

Total Phase 1

\$ 56,350

Phase 2

Diamond drilling, 400 metres @ \$120/metre all-inclusive 48,000

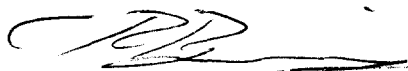
Total Phases 1 and 2 104,350

Contingencies 10% 10,345

GST 7,305

GRAND TOTAL \$ 122,000

Respectfully submitted,



C. R. Bowdidge

REFERENCES

CARTER, M.W., 1987. Geology of McComber and Vincent Townships, District of Thunder Bay, Ontario. *Ont. Geol. Surv. Open File Rept. 5648, incl maps P2853, P2854.*

MASON, J., & WHITE, G., 1986. Gold Occurrences, Prospects and Deposits of the Beardmore-Geraldton Area, Districts of Thunder Bay and Cochrane. *Ont. Geol. Surv. Open File Rept. 5630.*

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APPENDIX I

ANALYTICAL CERTIFICATES



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Page 1 of 3

Geochemical Analysis Certificate

8W-4315-SG1

Company: **FOX MOUNTAIN EXPLORATION LTD**

Date: NOV-16-98

Project:

Attn: C. Bowdidge

We hereby certify the following Geochemical Analysis of 62 Soil samples submitted NOV-03-98 by .

Sample Number	Au PPB	Au Check PPB
L2E-0.0	Nil	-
L2E-100N	3	-
L2E-150N	Nil	-
L2E-250N	2	Nil
L2E-300N	2	-
L2E-350N	3	-
L2E-400N	2	-
L2E-450N	3	-
L2E-550N	2	-
L2E-600N	3	-
L3E-0.0	2	3
L3E-50N	2	-
L3E-150N	2	-
L3E-200N	2	-
L3E-250N	Nil	-
L3E-460N	2	-
L3E-500N	5	-
L3E-600N	5	-
L4E-50N	2	-
L4E-100N	5	3
L4E-200N	5	-
L4E-350N	3	-
L4E-450N	2	-
L4E-550N	5	-
L5E-0.0	Nil	-
L5E-300N	2	-
L5E-450N	2	-
L5E-550N	3	-
L5E-600N	3	-
L5E-650N	3	-

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8W-4315-SG1

Company: **FOX MOUNTAIN EXPLORATION LTD**

Date: NOV-16-98

Project:

Attn: C. Bowdidge

We hereby certify the following Geochemical Analysis of 62 Soil samples submitted NOV-03-98 by .

Sample Number	Au PPB	Au Check PPB
L5E-700N	Nil	-
L5E-750N	3	-
L6E-300N	5	-
L6E-350N	3	-
L6E-650N	10	5
L7E-400N	3	-
L7E-650N	2	-
L7E-700N	2	-
L7E-750N	3	-
L7E-800N	3	-
L8E-400N	3	-
L8E-500N	5	-
L8E-600N	3	3
L8E-700N	5	-
L8E-750N	2	-
L8E-800N	2	-
L8E-850N	3	-
L8E-900N	3	-
L9E-650N	2	3
L9E-850N	10	-
L9E-900N	3	-
L13E-400N	2	-
L13E-450N	Nil	-
L13E-500N	5	-
L13E-550N	2	-
L13E-700N	3	-
L13E-750N	2	-
L13E-800N	3	-
L13E-850N	3	-
L13E-900N	2	-

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Company: **FOX MOUNTAIN EXPLORATION LTD**

Date: NOV-16-98

Project:

Attn: C. Bowdidge

We hereby certify the following Geochemical Analysis of 62 Soil samples submitted NOV-03-98 by .

Sample Number	Au PPB	Au Check PPB
L13E-950N	3	-
L13E-1000N	3	-

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Geochemical Analysis Certificate

8W-4236-SG1

Company: **ANGLE LAKE EXPLORATIONS INC**
Project: Hematite Hill
Attn: C. Bowdidge

Date: NOV-06-98

We hereby certify the following Geochemical Analysis of 77 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
L12E-550N	5	-
L12E-600N	3	2
L12E-650N	3	-
L12E-950N	2	-
L12E-1000N	2	-
L12W-050S	3	-
L12W-100S	2	-
L12W-150S	7	3
L12W-200S	3	-
L12W-350S	3	-
L12W-400S	2	-
L13W-0.0	2	-
L13W-50N	5	-
L13W-50S	3	-
L13W-100N	5	-
L13W-100S	Nil	-
L13W-150S	3	-
L13W-200S	Nil	-
L13W-350S	3	-
L13W-400S	2	-
L14E-600N	3	-
L14E-650N	158	138
L14E-700N	Nil	-
L14E-750N	21	33
L14E-800N	3	-
L14E-850N	5	-
L14E-900N	Nil	-
L14E-950N	5	-
L14W-50N	3	-
L14W-100N	3	-

Certified by Denis Chantre



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Geochemical Analysis Certificate

8W-4236-SG1

Company: **ANGLE LAKE EXPLORATIONS INC**
Project: **Hematite Hill**
Attn: **C. Bowdidge**

Date: NOV-06-98

We hereby certify the following Geochemical Analysis of 77 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
L14W-150N	7	-
L14W-150S	2	-
L14W-200S	3	3
L14W-300S	2	-
L14W-350S	5	-
L14W-400S	5	-
L15E-500N	3	-
L15E-550N	2	-
L15E-700N	5	-
L15E-750N	3	-
L15E-800N	5	7
L15E-850N	3	-
L15E-900N	2	-
L15E-1000N	Ni 1	-
L15E-1050N	2	-
L15E-1100N	3	-
L15W-0.0	5	-
L15W-50N	5	-
L15W-100N	9	12
L15W-100S	2	-
L15W-150N	3	-
L15W-150S	3	-
L15W-250S	3	-
L15W-300S	5	-
L15W-400S	3	-
L16E-500N	2	-
L16E-550N	2	3
L16E-750N	5	-
L16E-800N	3	-
L16E-900N	3	-

Certified by *Dennis Chantre*



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Geochemical Analysis Certificate

8W-4236-SG1

Company: **ANGLE LAKE EXPLORATIONS INC**
Project: Hematite Hill
Attn: C. Bowdidge

Date: NOV-06-98

We hereby certify the following Geochemical Analysis of 77 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
L16E-950N	5	-
L16E-1050N	2	-
L16E-1100N	3	-
L16W-50N	7	-
L16W-50S	3	-
L16W-100N	17	17
L16W-150N	2	-
L16W-150S	2	-
L16W-200N	2	-
L16W-200S	3	-
L16W-300S	9	-
L16W-350S	2	-
L17W-650N	5	-
L17W-750N	3	2
L17W-850N	3	-
L17W-950N	7	-
L17W-1050N	5	-

Certified by Dennis Chantre



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Geochemical Analysis Certificate

8W-4235-SG1

Company: **ANGLE LAKE EXPLORATIONS INC**
Project: Hematite Hill
Attn: C. Bowdidge

Date: NOV-05-98

We hereby certify the following Geochemical Analysis of 61 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
L6W-0.0	5	-
L6W-50N	Nil	-
L6W-50S	3	2
L6W-100N	Nil	-
L6W-100S	Nil	-
L6W-150N	5	-
L6W-150S	3	-
L6W-200N	3	-
L6W-200S	Nil	-
L6W-300N	Nil	-
L6W-350N	2	-
L6W-400N	2	-
L7W-100S	Nil	-
L7W-150N	Nil	-
L7W-150S	Nil	2
L7W-200N	3	-
L7W-200S	2	-
L8W-50N	Nil	-
L8W-100S	2	-
L8W-250S	254	225
L9E-400N	5	-
L9E-550N	2	-
L9E-600N	7	-
L9W-50S	3	-
L9W-150N	14	-
L9W-150S	Nil	-
L9W-200N	Nil	-
L9W-200S	Nil	Nil
L9W-250N	9	-
L9W-250S	7	-

Certified by Denis Chantre



Swastika Laboratories

A Division of TSL/Assayers Inc.

Established 1928

Assaying - Consulting - Representation

Page 2 of 2

Geochemical Analysis Certificate

8W-4235-SG1

Company: **ANGLE LAKE EXPLORATIONS INC**
Project: Hematite Hill
Attn: C. Bowdidge

Date: NOV-05-98

We hereby certify the following Geochemical Analysis of 61 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
L9W-300N	3	-
L10E-350N	Nil	-
L10E-450N	3	-
L10E-500N	5	-
L10E-550N	5	7
L10E-600N	2	-
L10E-700N	Nil	-
L10E-800N	2	-
L10E-850N	Nil	-
L10W-50S	225	231
L10W-100N	3	-
L10W-100S	3	-
L10W-150S	Nil	-
L10W-200S	3	-
L10W-300N	2	-
L11E-300N	2	-
L11E-400N	3	-
L11E-600N	Nil	-
L11E-650N	3	5
L11E-700N	5	-
L11E-750N	3	-
L11E-900N	3	-
L11E-900N	5	-
L11W-0.0	3	-
L11W-50S	Nil	-
L11W-100S	3	-
L11W-150N	3	-
L11W-200S	5	-
L11W-250N	2	-
L11W-250S	3	-
L11W-300N	5	5

Certified by Denis Chankh



Swastika Laboratories

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Assaying - Consulting - Representation

Page 1 of 2

Geochemical Analysis Certificate

8W-4234-SG1

Company: **ANGLE LAKE EXPLORATIONS LTD**
Project: Hematite Hill
Attn: C. Bowdidge

Date: NOV-05-98

We hereby certify the following Geochemical Analysis of 58 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
LO-100N	3	-
LO-150N	3	-
LO-200N	2	-
LO-250N	2	-
LO-300N	3	-
LO-350N	3	7
LO-400N	2	-
LO-450N	5	-
LO-500S	2	-
LO-550N	3	-
LO-600N	3	-
L1E-50N	3	-
L1E-100N	2	-
L1E-150N	7	-
L1E-200N	5	-
L1E-300N	5	-
L1E-350N	5	5
L1E-400N	2	-
L1E-450N	3	7
L1E-500N	3	-
L1E-550N	5	-
LIW-0.0	9	-
LIW-50N	2	-
LIW-150N	5	5
LIW-200N	7	-
LIW-250N	10	9
LIW-350N	3	-
LIW-400N	2	-
LIW-450N	3	-
LIW-500N	3	-

Certified by Denis Charbe



Swastika Laboratories

A Division of TSL/Assayers Inc.

Established 1928

Assaying - Consulting - Representation

Page 2 of 2

Geochemical Analysis Certificate

8W-4234-SG1

Company: **ANGLE LAKE EXPLORATIONS LTD**
Project: Hematite Hill
Attn: C. Bowdidge

Date: NOV-05-98

We hereby certify the following Geochemical Analysis of 58 Soil samples submitted OCT-25-98 by .

Sample Number	Au PPB	Au Check PPB
L2W-0.0	2	-
L2W-50N	5	-
L2W-50S	5	-
L2W-100N	3	-
L2W-100S	7	5
L2W-150N	5	-
L3W-0.0	3	-
L3W-50N	2	-
L3W-150N	3	-
L4W-0.0	3	-
L4W-50N	3	-
L4W-50S	5	-
L4W-100S	5	-
L4W-150N	3	-
L4W-250N	3	-
L4W-350N	7	-
L4W-400N	5	7
L4W-450N	Nil	-
L5W-0.0	5	-
L5W-50N	2	-
L5W-50S	5	-
L5W-100S	5	-
L5W-150N	7	-
L5W-200N	5	-
L5W-200S	3	-
L5W-300N	5	5
L5W-350N	2	-
L5W-400N	5	-

Certified by Denis Chantre



Ministry of
Northern Development
and Mines

Declaration of Assessment Work Performed on Mining Land

Mining Act Subsection 65(2) and 66(3), R.S.O. 1990

Transaction Number (office use)

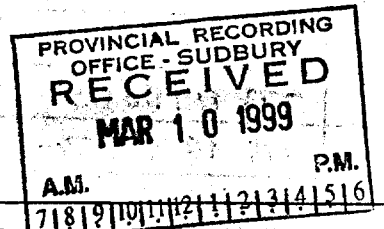
W.9940.00081
Assessment Files Research Imaging



42E12NW2007 2.19459 McCOMBER 900

Subsections 65(2) and 66(3) of the Mining Act. Under section 8 of the Mining Act, this
work and correspond with the mining land holder. Questions about this collection
ment and Mines, 3rd Floor, 933 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5.

Instructions: - For work performed on Crown Lands before recording a claim, use form 0240.
- Please type or print in ink.



1. Recorded holder(s) (Attach a list if necessary)

Name ROBERT L. COTÉ	Client Number 121365
Address 169 MAIN ST., P.O. Box 137 BEARDMORE, ON POT 160	Telephone Number 807 875 2077 Fax Number 807 875 2077
Name RICHARD R. COTÉ	Client Number 121347
Address 361 GARNET DR. BEARDMORE, ON POT 160	Telephone Number 807 875 2762 Fax Number

2. Type of work performed: Check (✓) and report on only ONE of the following groups for this declaration.

Geotechnical: prospecting, surveys, assays and work under section 18 (regs) Physical: drilling stripping, trenching and associated assays Rehabilitation

Work Type LINE CUTTING MAGNETIC & VLF-EM SURVEYS GEOLOGICAL MAPPING SOIL GEOCHEMICAL SURVEY	Office Use Commodity Total \$ Value of Work Claimed 52,974 NTS Reference Mining Division Thunder Bay Resident Geologist District
Dates Work Performed From 01 12 1997 To 15 11 1998 Day Month Year Day Month Year	
Global Positioning System Data (if available)	Township/Area McCOMBER M or G-Plan Number G-166

Please remember to: - obtain a work permit from the Ministry of Natural Resources as required;
- provide proper notice to surface rights holders before starting work;
- complete and attach a Statement of Costs, form 0212;
- provide a map showing contiguous mining lands that are linked for assigning work;
- include two copies of your technical report.

3. Person or companies who prepared the technical report (Attach a list if necessary)

Name COLIN BOWDIDGE	Telephone Number 416 363 6028
Address 118 AMELIA ST, TORONTO ON M4X 1E4	Fax Number 416 363 5994
Name	Telephone Number
Address	Fax Number
Name	Telephone Number
Address	Fax Number

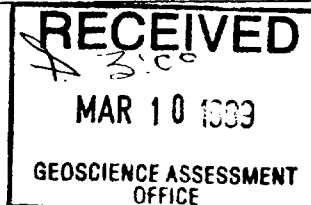
4. Certification by Recorded Holder or Agent

I, COLIN BOWDIDGE (Print Name), do hereby certify that I have personal knowledge of the facts set forth in this Declaration of Assessment Work having caused the work to be performed or witnessed the same during or after its completion and, to the best of my knowledge, the annexed report is true.

Signature of Recorded Holder or Agent <i>CB</i>	Date 1999.FEB.28
Agent's Address 118 AMELIA ST, TORONTO ON M4X 1E4	Telephone Number 416 363 6028 Fax Number 416 363 5994

0241 (03/97)

2.19459



5. Work to be recorded and distributed. Work can only be assigned to claims that are contiguous (adjoining) to the mining land where work was performed, at the time work was performed. A map showing the contiguous link must accompany this form.

W-9940.00081

Mining Claim Number. Or if work was done on other eligible mining land, show in this column the location number indicated on the claim map.	Number of Claim Units. For other mining land, list hectares.	Value of work performed on this claim or other mining land.	Value of work applied to this claim.	Value of work assigned to other mining claims.	Bank. Value of work to be distributed at a future date
eg TB 7827	16 ha	\$26,825	N/A	\$24,000	\$2,825
eg 1234567	12	0	\$24,000	0	0
eg 1234568	2	\$ 8,892	\$ 4,000	0	\$4,892
1 TB 1195655	6	22,638	7,029	8,005	7,604
2 TB 1215776	4	1,128	4,000	0	0
3 TB 1215777	12	1,839	9,600	0	0
4 TB 1224925	2	2,569	1,766	803	0
5 TB 1224926	2	3,591	1,766	1,825	0
6 TB 1224929	12	21,209	14,400	0	6,809
7					
8					
9					
10					
11					
12					
13					
14					
15					
Column Totals	38	52,974	38,561	10,633	14,413

I, COLIN BOWDIDGE, do hereby certify that the above work credits are eligible under subsection 7 (1) of the Assessment Work Regulation 6/96 for assignment to contiguous claims or for application to the claim where the work was done.

Signature of Recorded Holder or Agent Authorized in Writing

Date

CRB

1999 FEB 28

6. Instructions for cutting back credits that are not approved.

Some of the credits claimed in this declaration may be cut back. Please check (✓) in the boxes below to show how you wish to prioritize the deletion of credits:

- 1. Credits are to be cut back from the Bank first, followed by option 2 or 3 or 4 as indicated.
- 2. Credits are to be cut back starting with the claims listed last, working backwards; or
- 3. Credits are to be cut back equally over all claims listed in this declaration; or
- 4. Credits are to be cut back as prioritized on the attached appendix or as follows (describe):

Note: If you have not indicated how your credits are to be deleted, credits will be cut back from the Bank first, followed by option number 2 if necessary.

For Office Use Only

Received Stamp

Deemed Approved Date

Date Notification Sent

Date Approved

Total Value of Credit Approved

Approved for Recording by Mining Recorder (Signature)



Statement of Costs for Assessment Credit

Transaction Number (office use) W.9940.00081

Personal information collected on this form is obtained under the authority of subsection 6 (1) of the Assessment Work Regulation 6/96. Under section 8 of the Mining Act, this information is a public record. This information will be used to review the assessment work and correspond with the mining land holder. Questions about this collection should be directed to a Provincial Mining Recorder, Ministry of Northern Development and Mines, 3rd Floor, 933 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5.

Table with 4 columns: Work Type, Units of work, Cost Per Unit of work, Total Cost. Rows include LINE CUTTING, MAG & VLF SURVEYS, GEOLOGICAL MAPPING, GEOCHEMICAL SURVEY, Associated Costs (MISC. FIELD SUPPLIES, PLOTTING MAPS ON HP PLOTTER), Transportation Costs (7517 km, 5550 km), Food and Lodging Costs (MOTEL ROOMS & HOUSE RENTAL, MEALS & GROCERIES), and Total Value of Assessment Work (52,974).

Calculations of Filing Discounts:

- 1. Work filed within two years of performance is claimed at 100% of the above Total Value of Assessment Work.
2. If work is filed after two years and up to five years after performance, it can only be claimed at 50% of the Total Value of Assessment Work. If this situation applies to your claims, use the calculation below:

TOTAL VALUE OF ASSESSMENT WORK x 0.50 = Total \$ value of worked claimed.

Note:
- Work older than 5 years is not eligible for credit.
- A recorded holder may be required to verify expenditures claimed in this statement of costs within 45 days of a request for verification and/or correction/clarification. If verification and/or correction/clarification is not made, the Minister may reject all or part of the assessment work submitted.

Certification verifying costs:

I, COLIN R. BOWDIDGE, 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 AGENT I am authorized to make this certification. (recorded holder, agent, or state company position with signing authority)

Signature [Signature] Date 1999 FEB 28

PROVINCIAL MINING RECORDER RECEIVED MAR 10 1999

2-19459

RECEIVED MAR 10 1999 GEOSCIENCE ASSESSMENT OFFICE

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

Telephone: (888) 415-9846
Fax: (877) 670-1555

June 1, 1999

ROBERT LUCIEN COTE
P.O. Box 137
169 MAIN STREET
Beardmore, Ontario
P0T-1G0

Visit our website at:
www.gov.on.ca/MNDM/MINES/LANDS/mlsmnpge.htm

Dear Sir or Madam:

Submission Number: 2.19459

Status

Subject: Transaction Number(s): W9940.00081 Deemed 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. Allowable changes to your credit distribution can be made by contacting the Geoscience Assessment Office within this 45 Day period, otherwise assessment credit will be cut back and distributed as outlined in Section #6 of the Declaration of Assessment work form.

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

If you have any questions regarding this correspondence, please contact Steve Beneteau by e-mail at steve.beneteau@ndm.gov.on.ca or by telephone at (705) 670-5855.

Yours sincerely,



ORIGINAL SIGNED BY
Blair Kite
Supervisor, Geoscience Assessment Office
Mining Lands Section

Work Report Assessment Results

Submission Number: 2.19459

Date Correspondence Sent: June 01, 1999

Assessor: Steve Beneteau

General Comment:

Transaction Number	First Claim Number	Township(s) / Area(s)	Status	Approval Date
W9940.00081	1195655	MCCOMBER	Deemed Approval	June 01, 1999

Section:

14 Geophysical VLF
12 Geological GEOL
13 Geochemical GCHEM
14 Geophysical MAG

Correspondence to:

Resident Geologist
Thunder Bay, ON

Assessment Files Library
Sudbury, ON

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

Colin Bowdidge
TORONTO, ONTARIO, CANADA

ROBERT LUCIEN COTE
Beardmore, Ontario

RICHARD ROBERT COTE
Beardmore, ONTARIO

IRWIN TWP G-164

TOWNSHIP

MCCOMBER

M.N.R. ADMINISTRATIVE DISTRICT

NIPIGON

MINING DIVISION

THUNDER BAY

LAND TITLES / REGISTRY DIVISION

THUNDER BAY

SUMMER RESORT LOCATIONS NOT OPEN FOR STAKING SEE 3(C)

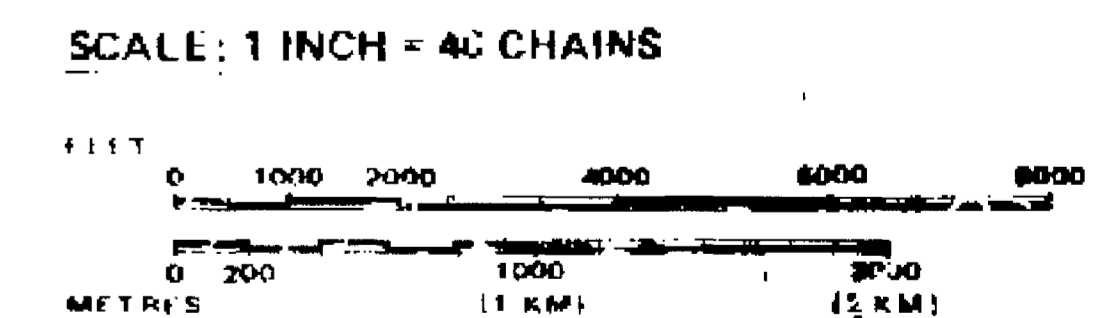
RI SEC.36/80 W.29/83 20/10/83 S.R.O. FILE 180528
See Gathering Lake Landroll

THE INFORMATION THAT APPEARS ON THIS MAP HAS BEEN COMPILED FROM VARIOUS SOURCES, AND ACCURACY IS NOT GUARANTEED. THOSE WISHING TO STAKE MINING CLAIMS SHOULD CONSULT WITH THE MINING RECORDER, MINISTRY OF NORTHERN DEVELOPMENT AND MINES, FOR ADDITIONAL INFORMATION ON THE STATUS OF THE LANDS SHOWN HEREON.
MTO SERVICE NOV. 22/88

LEGEND

- FATENTED LAND
- FATENTED FOR SURFACE RIGHTS ONLY
- LEASE M.R.O. S.R.O./M.R.O. OR
- LICENSE OF OCCUPATION L.O.
- CROWN LAND SALES C.S.
- LOCATED LAND Loc.
- CANCELLED OR C.
- MINING RIGHTS ONLY M.R.O.
- SURFACE RIGHTS ONLY S.R.O.
- HIGHWAY & ROUTE NO.
- ROADS
- TRAILS
- RAILWAYS
- POWER LINES
- MARSH OR MUCKER
- MINES
- LAND USE PERMITS FOR COMMERCIAL TOURISM/OUTPOST CAMPS
- *used only with summer resort locations or when space is limited

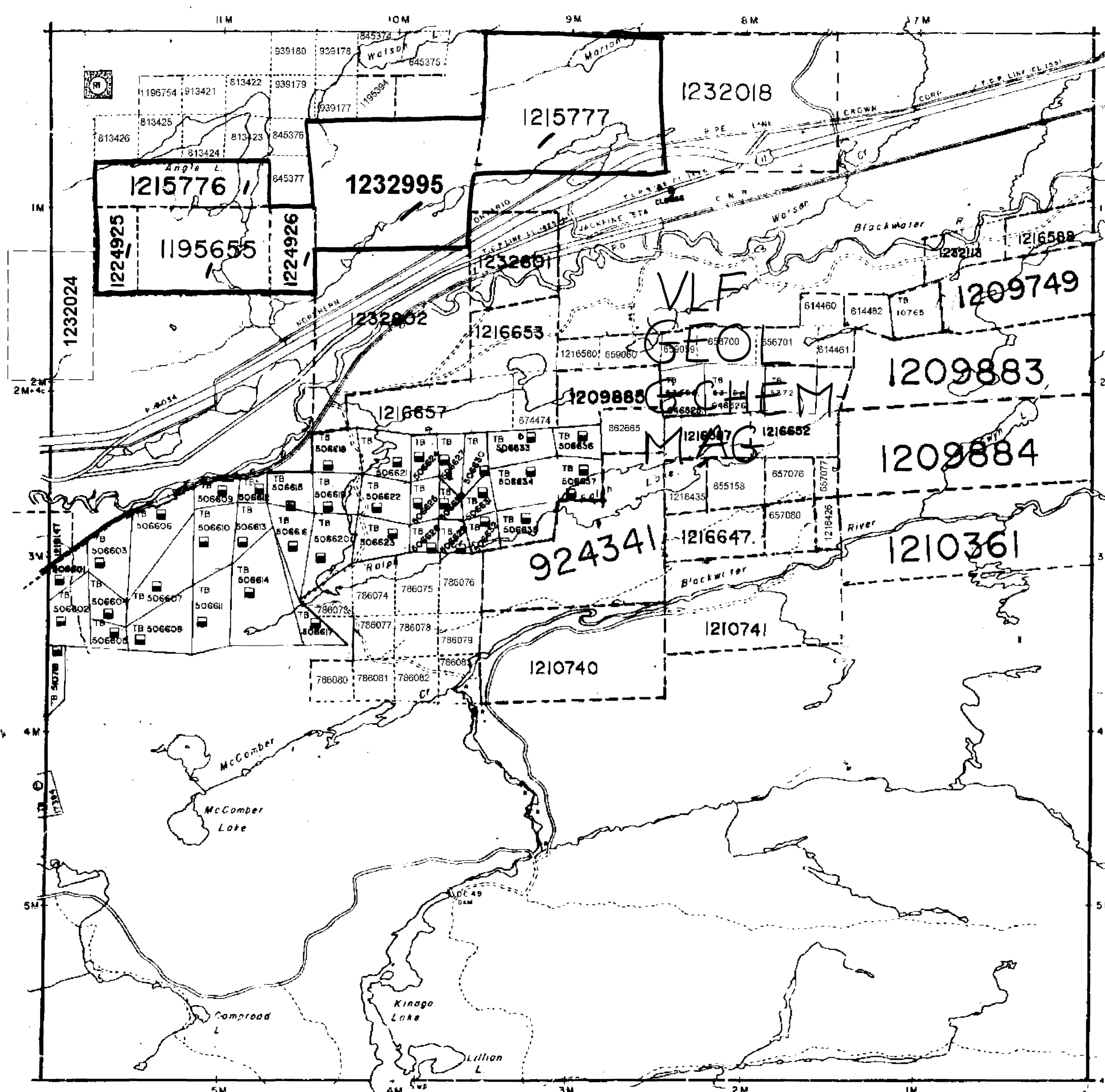
SURFACE RIGHTS LYING WITHIN 40 CHAINS OF THE CENTER LINE OF THE TRANS CANAL ARE SUBJECT TO THE TRANS CANAL ACT AND THE CANAL ACT OF 1970. THE CANAL ACT OF 1970 PROVIDES THAT THE CANAL ACT OF 1970 DOES NOT APPLY TO THE CANAL ACT OF 1970. THE CANAL ACT OF 1970 DOES NOT APPLY TO THE CANAL ACT OF 1970. THE CANAL ACT OF 1970 DOES NOT APPLY TO THE CANAL ACT OF 1970.



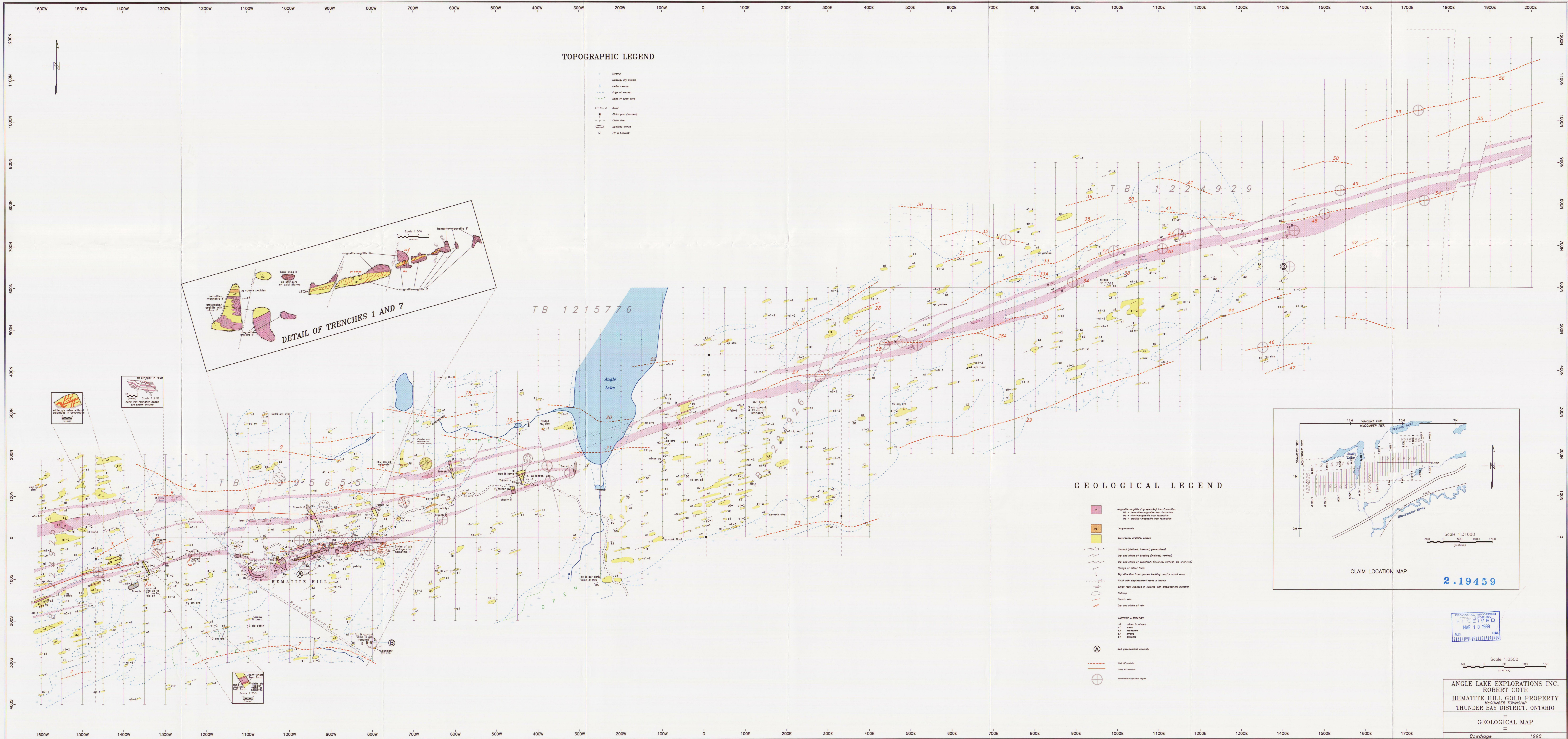
Date FEBRUARY 10th, 1981 Number

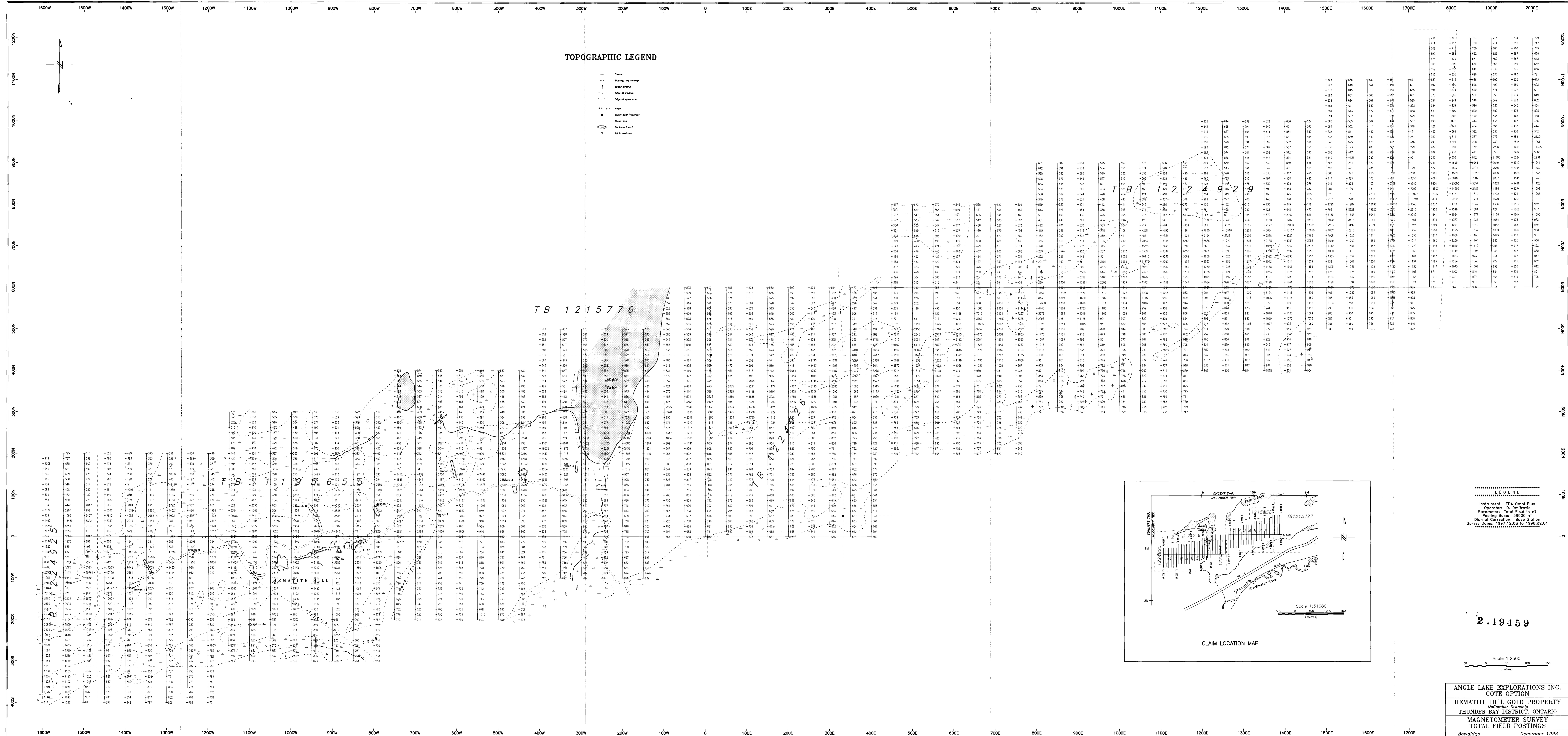
SUMMERS TWP G-165

VINCENT TWP G-163



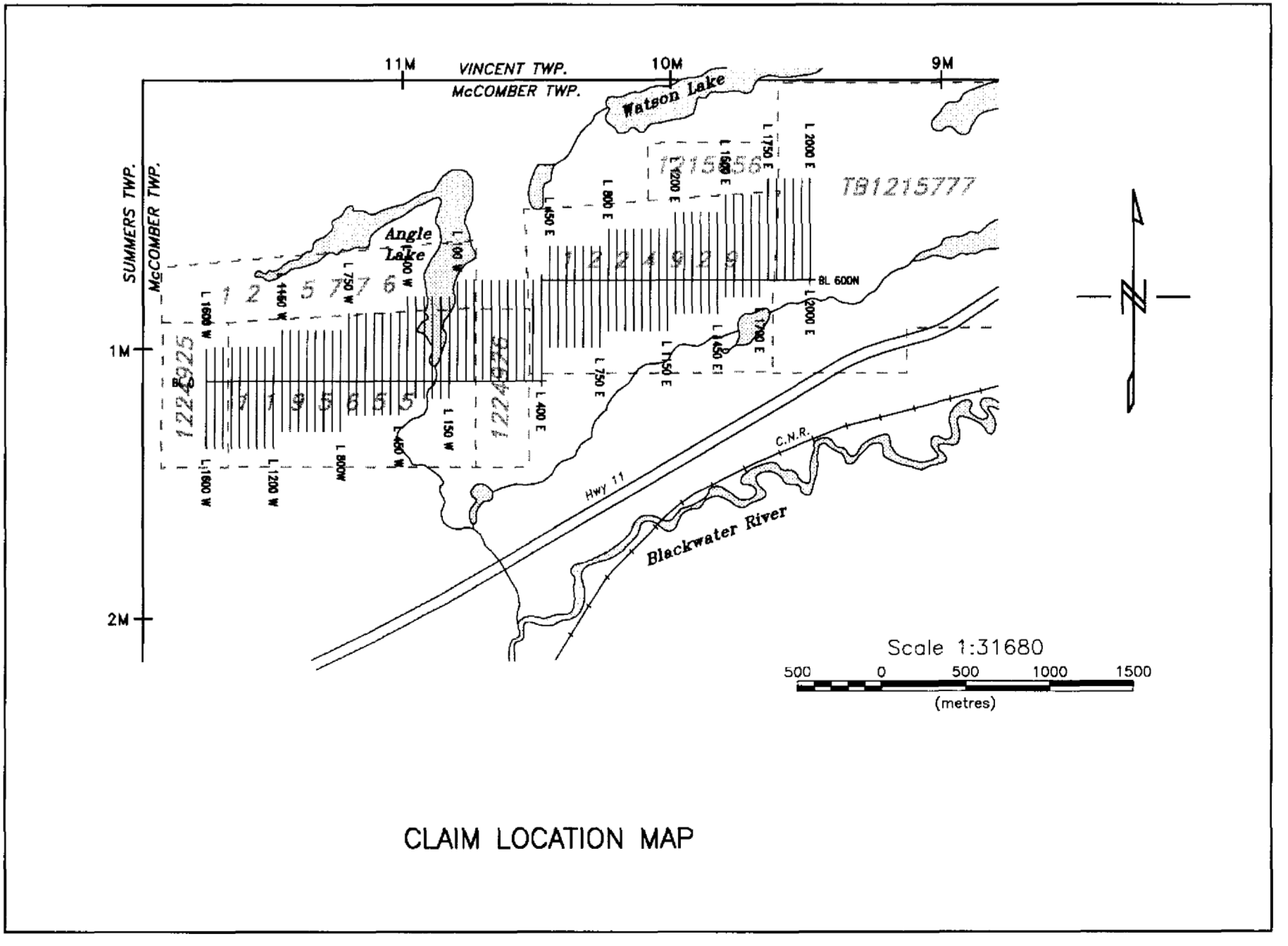
BEARDMORE AREA G-7





TOPOGRAPHIC LEGEND

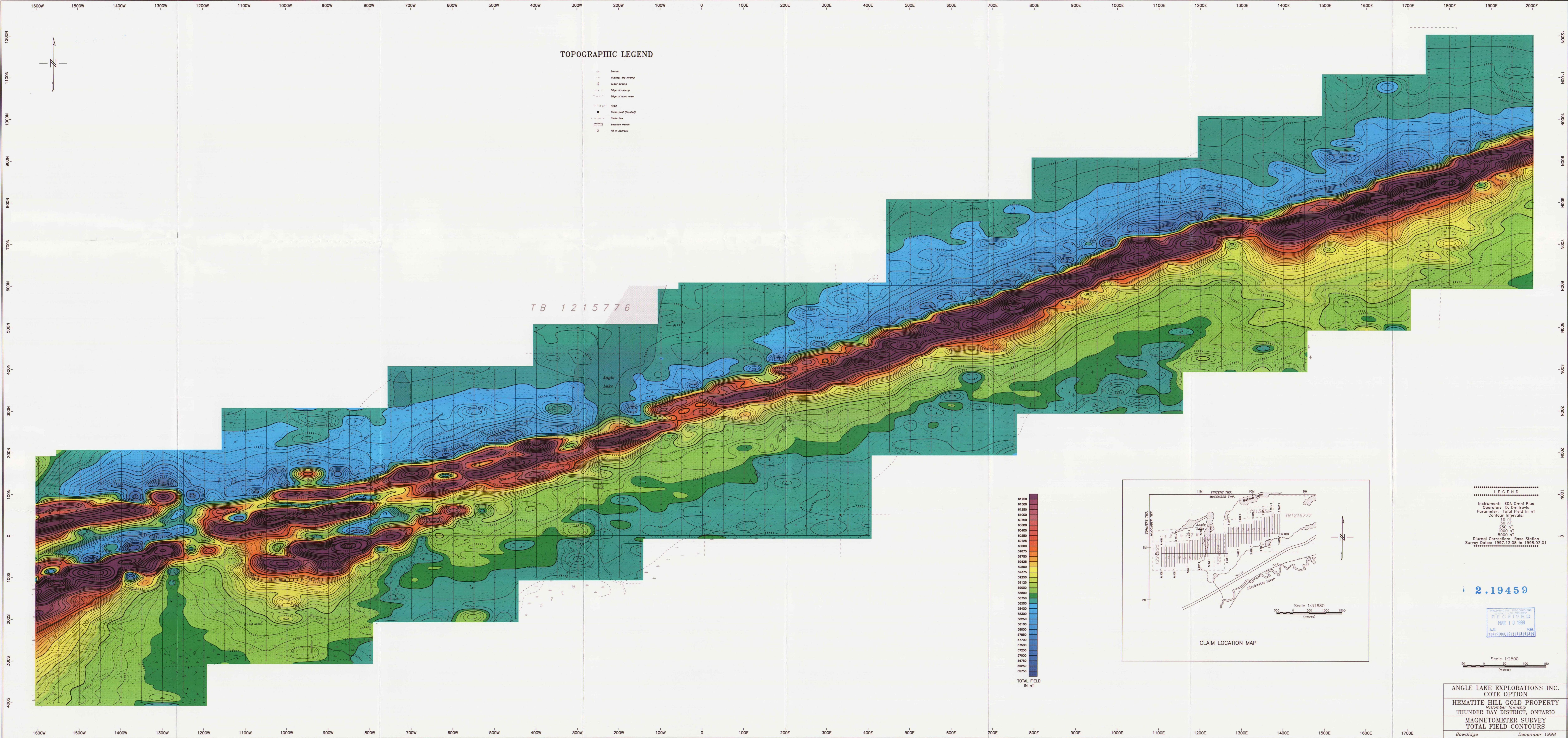
- Contour
- Marsh, dry swamp
- water course
- Edge of swamp
- Edge of open area
- Roof
- Claim post (Assumed)
- Claim line
- Boundary fence
- PP in distance



LEGEND
 Instrument: EDI Omni Plus
 Operator: D. Dimitroff
 Parameters: Total Field in RT
 Posting Base: 58000 nT
 Survey Dates: 1997.12.08 to 1998.02.01

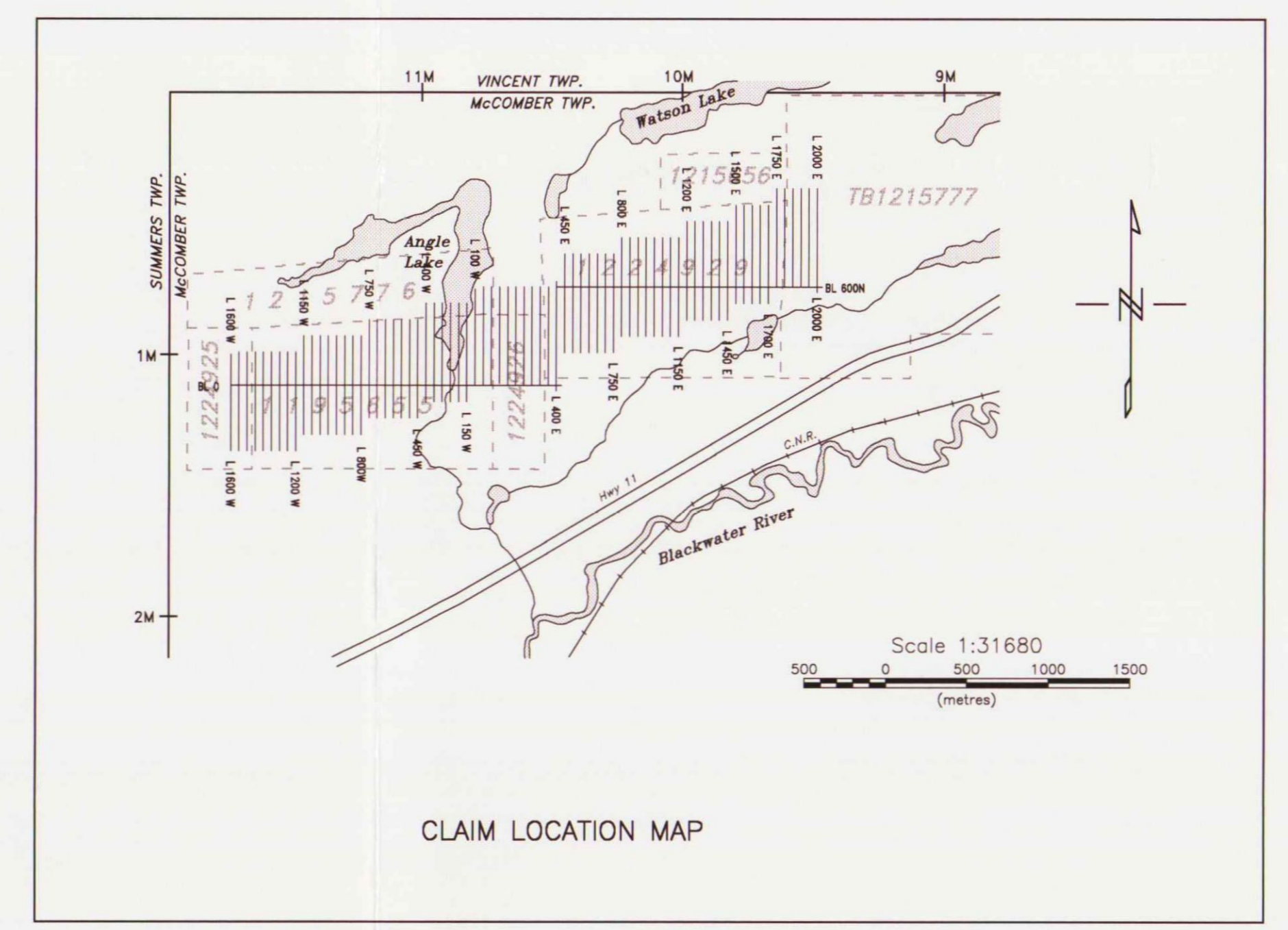
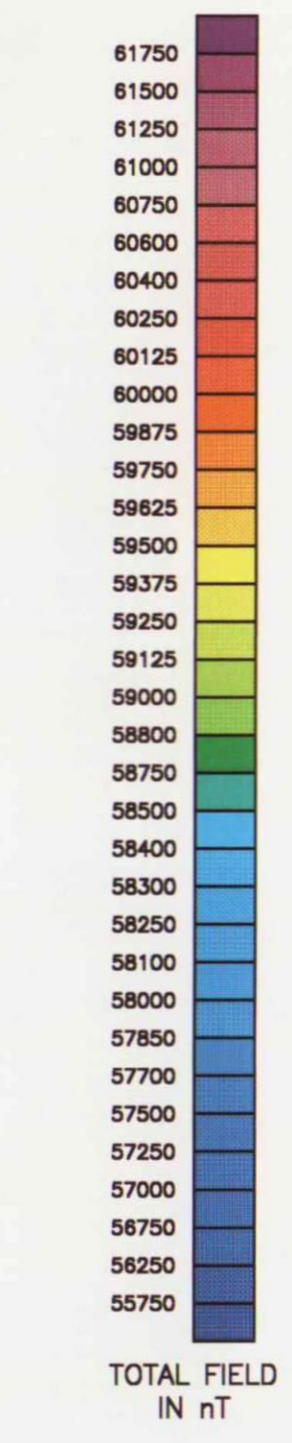
2.19459

ANGLE LAKE EXPLORATIONS INC.
 COTE OPTION
HEMATITE HILL GOLD PROPERTY
 THUNDER BAY DISTRICT, ONTARIO
MAGNETOMETER SURVEY
 TOTAL FIELD POSTINGS
Bowlidge December 1998



TOPOGRAPHIC LEGEND

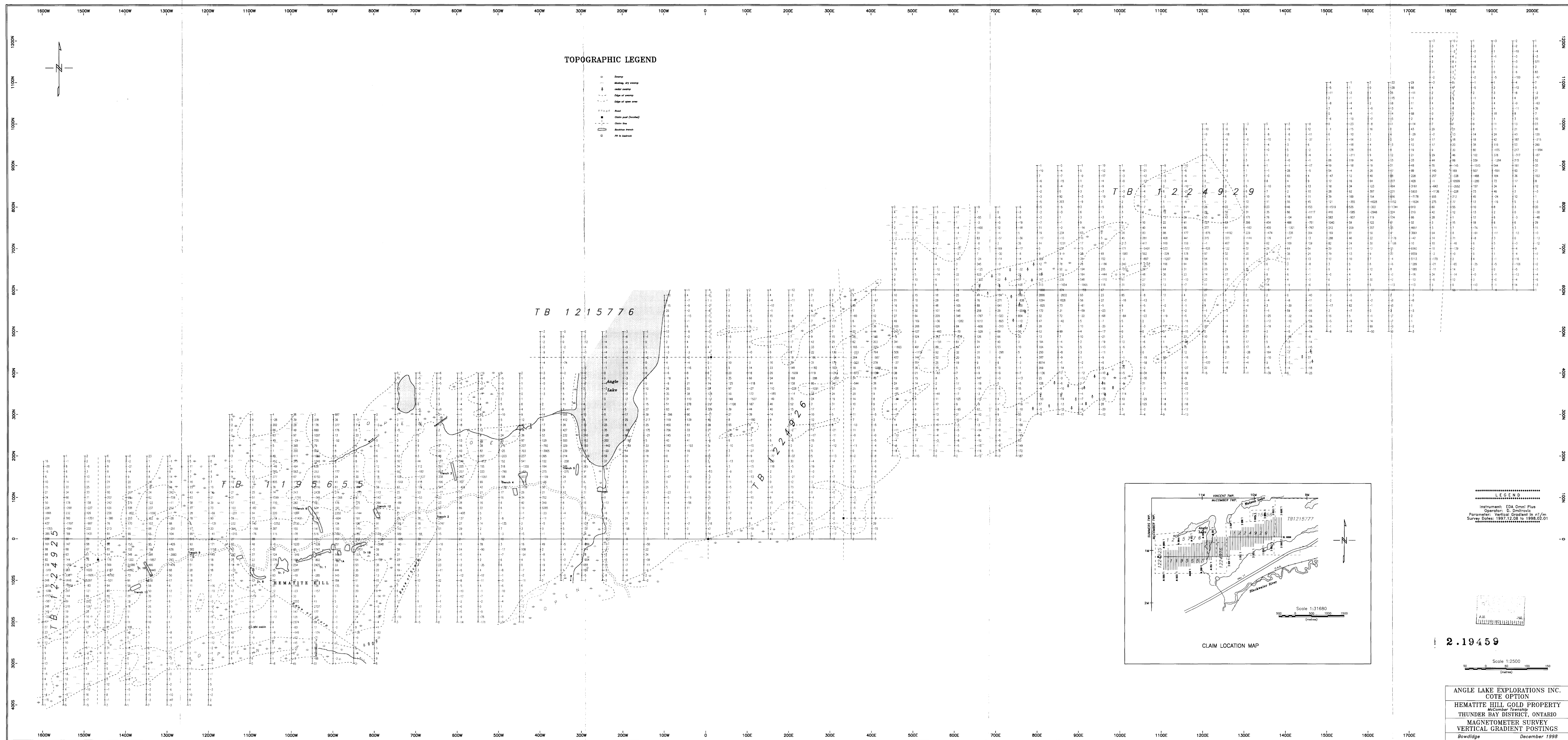
- Swamp
- Marsh, dry swamp
- Water swamp
- Edge of swamp
- Edge of open area
- Road
- Clear path (overcut)
- Clear way
- Rocky beach
- PI in setback



Instrument: EDA Omni Plus
 Operator: D. Dimitrova
 Parameter: Total Field in nT
 Contour intervals:
 10 nT
 50 nT
 250 nT
 1000 nT
 5000 nT
 Diurnal Correction: Base Station
 Survey Dates: 1997.12.08 to 1998.02.01

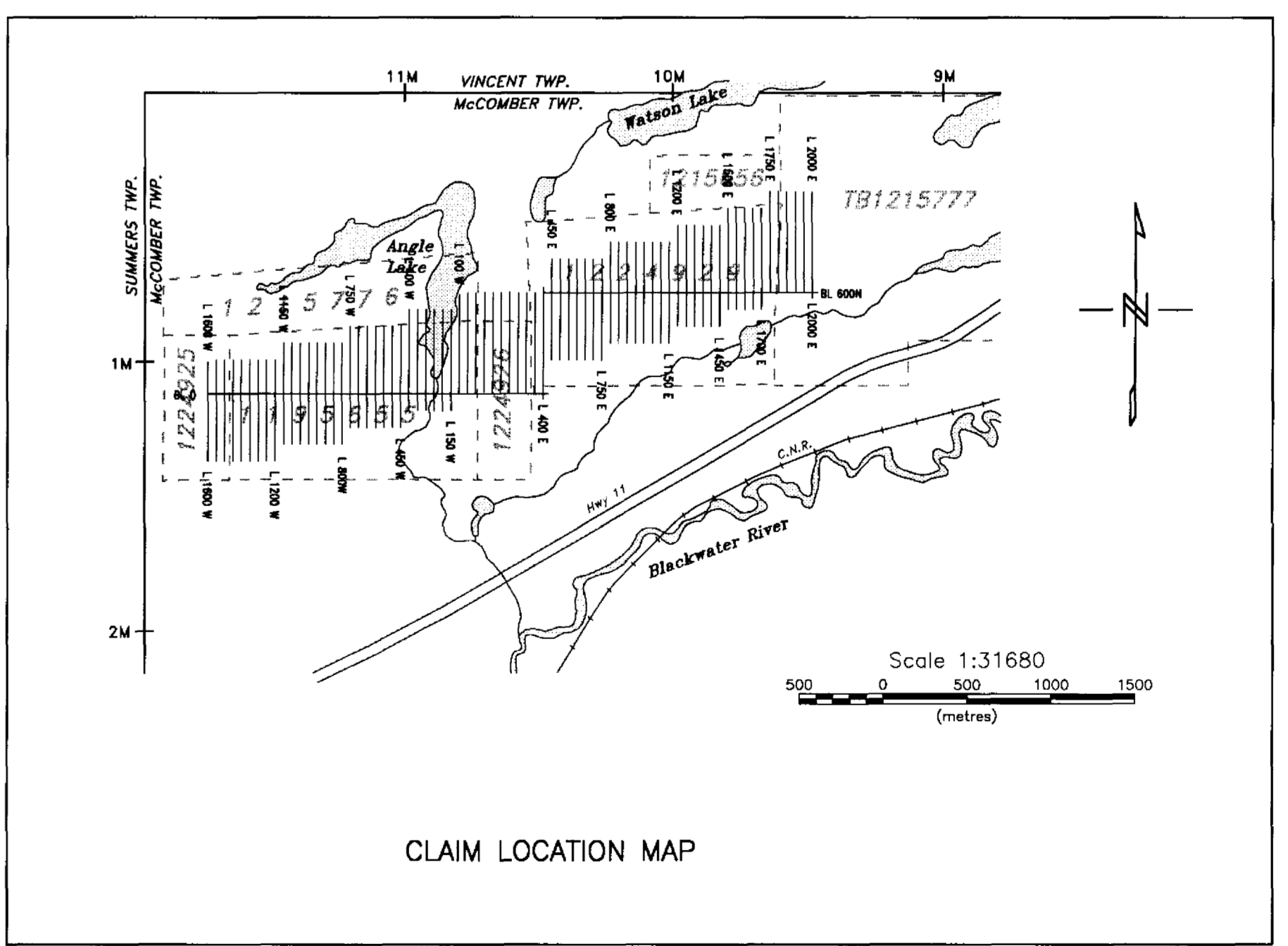
2.19459
 RECEIVED
 MAR 10 1999
 Scale 1:2500
 (metres)

ANGLE LAKE EXPLORATIONS INC.
 COTE OPTION
 HEMATITE HILL GOLD PROPERTY
 McComber Township
 THUNDER BAY DISTRICT, ONTARIO
 MAGNETOMETER SURVEY
 TOTAL FIELD CONTOURS
 Bowdidge December 1998



TOPOGRAPHIC LEGEND

- Drainage
- Contour, 10' interval
- Contour, 20' interval
- Edge of stream
- Edge of open area
- Road
- Chain post (Survey)
- Chain line
- Boundary fence
- Pit in surface

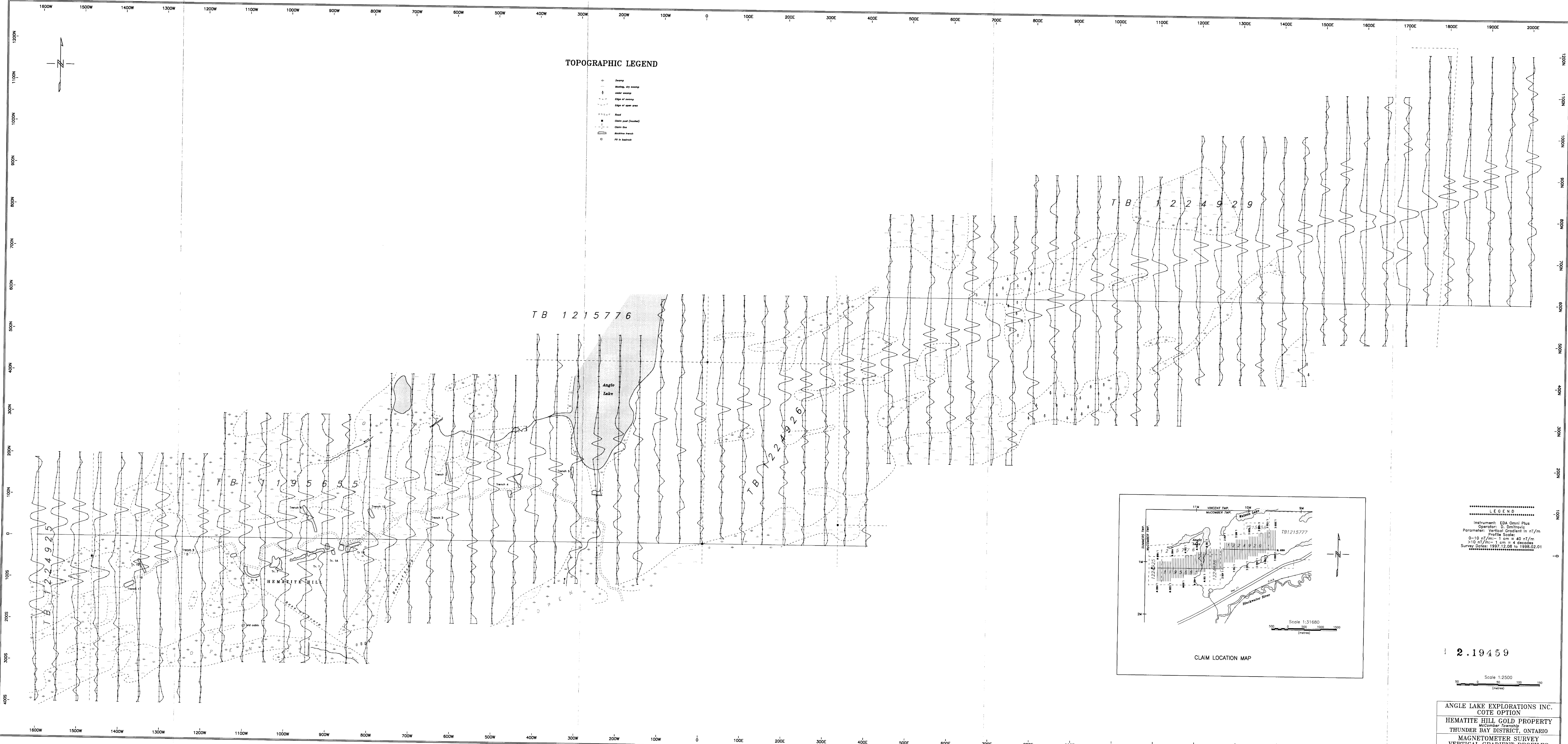


Instrument: EDA Omni Plus
 Operator: D. Dimitrova
 Parameter: Vertical Gradient in n/m
 Survey Dates: 1997.12.08 to 1998.02.01

Scale 1:2500
 (metres)

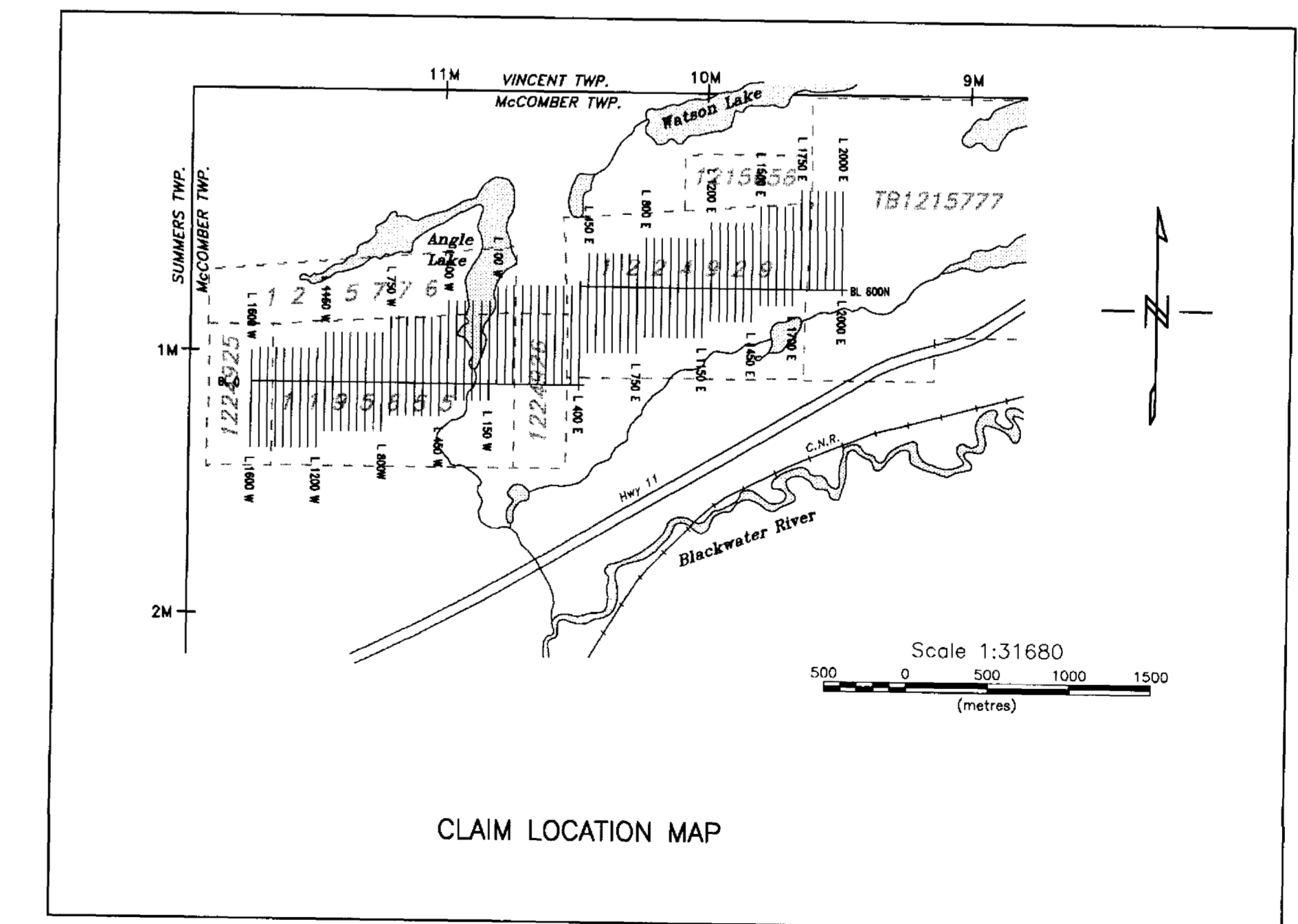
Scale 1:31680
 (metres)

2.19459
 ANGLE LAKE EXPLORATIONS INC.
 COTE OPTION
 HEMATITE HILL GOLD PROPERTY
 McComber Township
 THUNDER BAY DISTRICT, ONTARIO
 MAGNETOMETER SURVEY
 VERTICAL GRADIENT POSTINGS
 Bowditch December 1998



TOPOGRAPHIC LEGEND

- Swamp
- Marsh, dry swamp
- Water swamp
- Edge of swamp
- Edge of open area
- Road
- Clear yard (house)
- Clear area
- Electric fence
- PI in basement

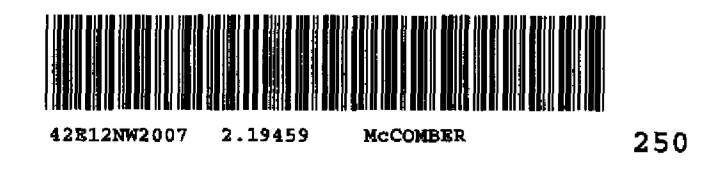


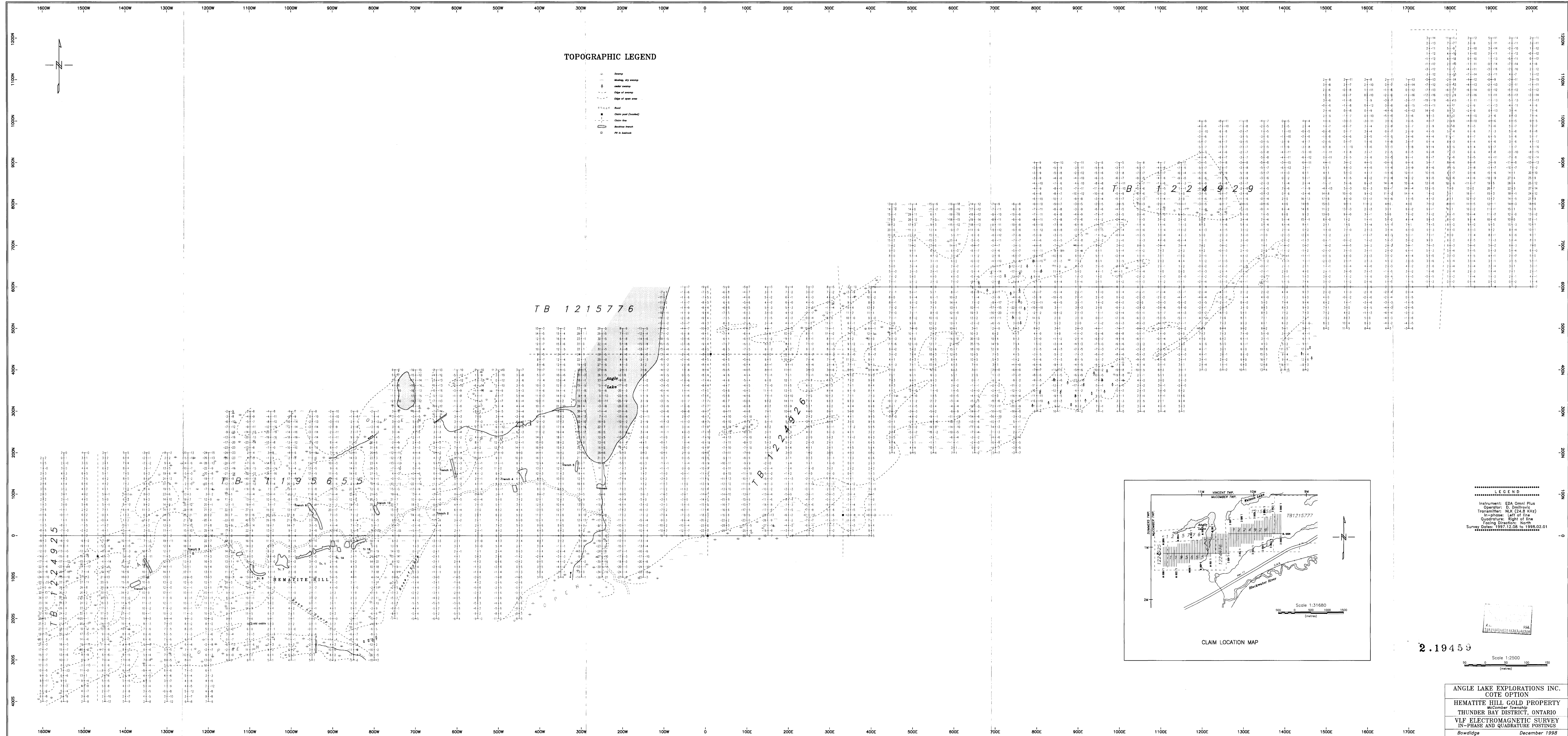
Instrument: EDA Omni Plus
 Operator: D. Smirnov
 Parameter: Vertical Gradient in nT/m
 Profile Scale: 1 cm = 40 nT/m
 0-10 nT/m: 1 cm = 4 decades
 >10 nT/m: 1 cm = 4 decades
 Survey Dates: 1997.12.08 to 1998.02.01

2.19459

Scale 1:2500
 0 50 100 150
 (metres)

ANGLE LAKE EXPLORATIONS INC.
 COTE OPTION
 HEMATITE HILL GOLD PROPERTY
 McComber Township
 THUNDER BAY DISTRICT, ONTARIO
 MAGNETOMETER SURVEY
 VERTICAL GRADIENT PROFILES
 Bowditch December 1998

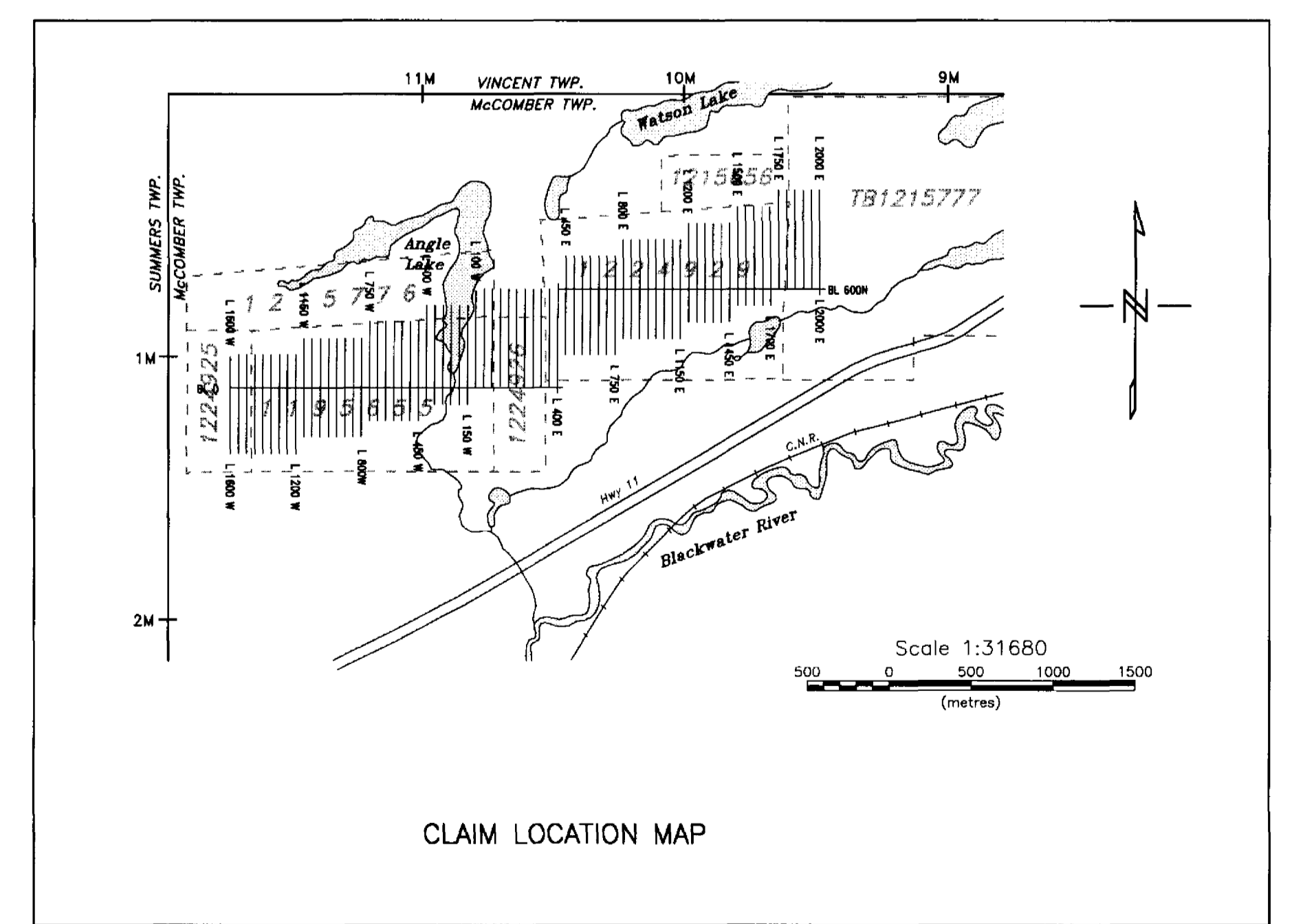




TOPOGRAPHIC LEGEND

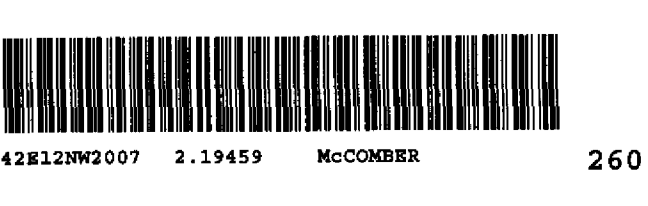
- Contour
- Road, dry wash
- Road, paved
- Edge of road
- Edge of road area
- Road
- Chain line (contour)
- Chain line
- Boundary fence
- Pit in back

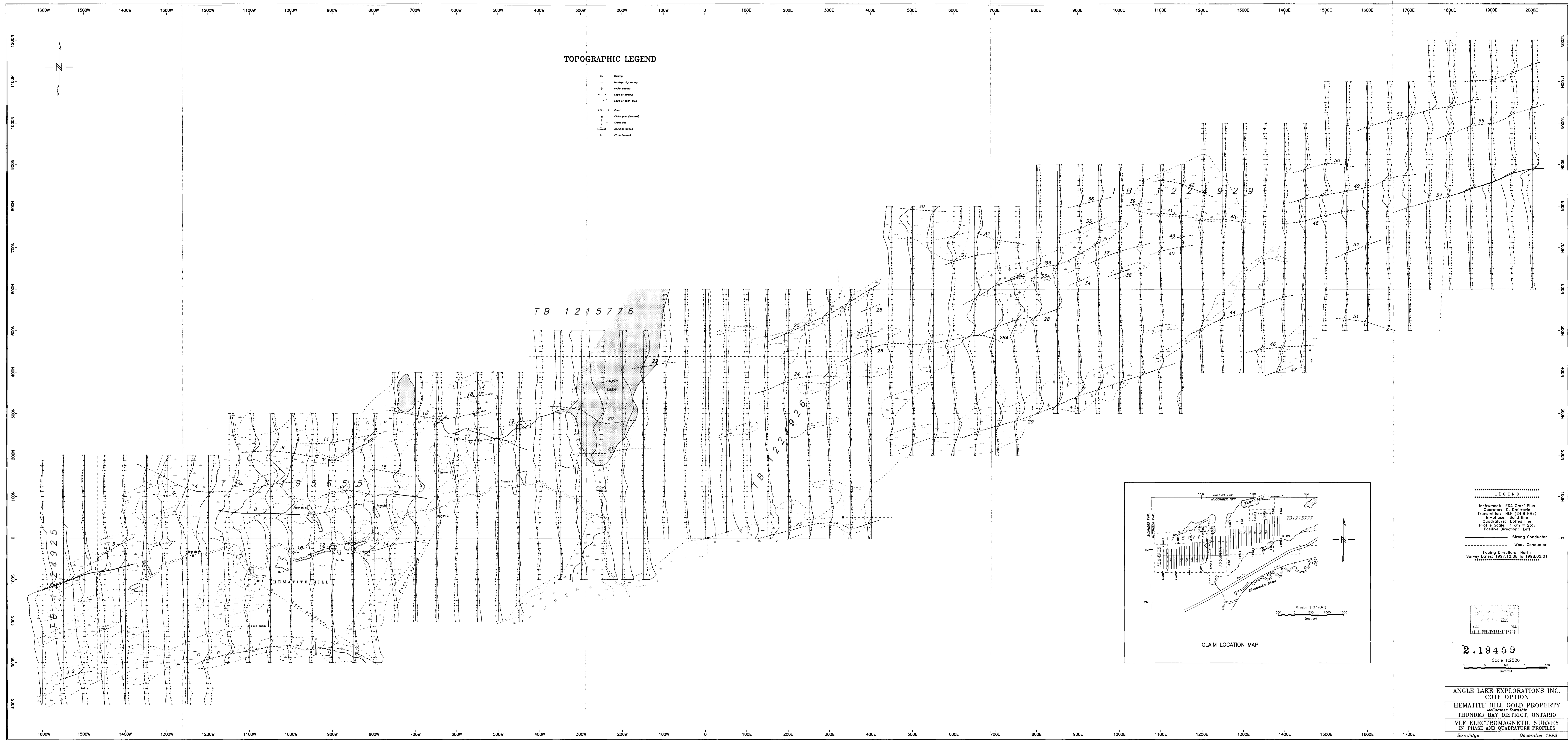
T B 1215776



2.19459

ANGLE LAKE EXPLORATIONS INC.
COTE OPTION
HEMATITE HILL GOLD PROPERTY
McComber Township
THUNDER BAY DISTRICT, ONTARIO
VLF ELECTROMAGNETIC SURVEY
IN-PHASE AND QUADRATURE POSTINGS
Bowditch December 1998

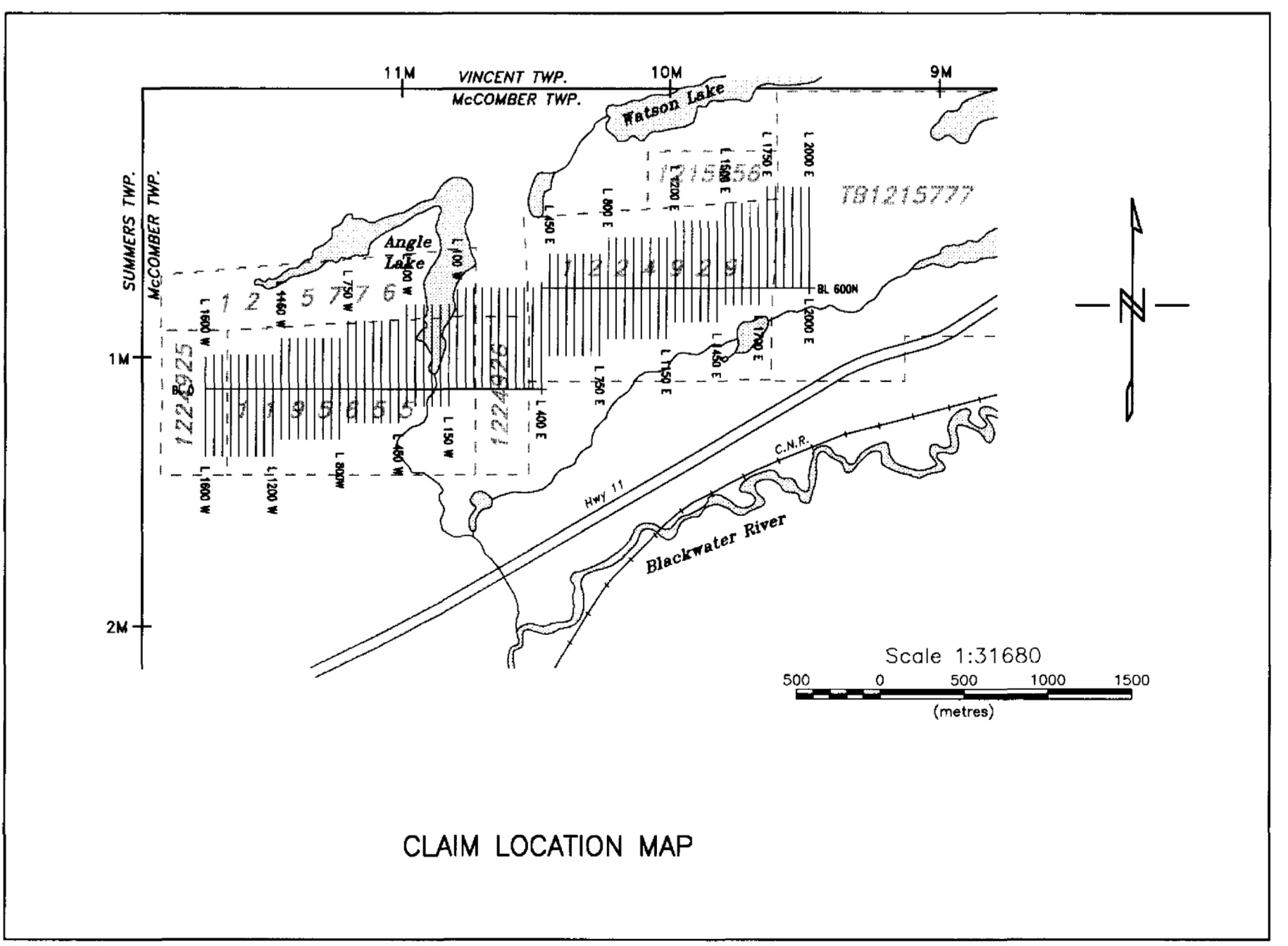




TOPOGRAPHIC LEGEND

- Swamp
- Shaded, dry swamp
- Water course
- Edge of swamp
- Edge of open area
- Road
- Claim post (marked)
- Claim site
- Section bench
- Pit in track

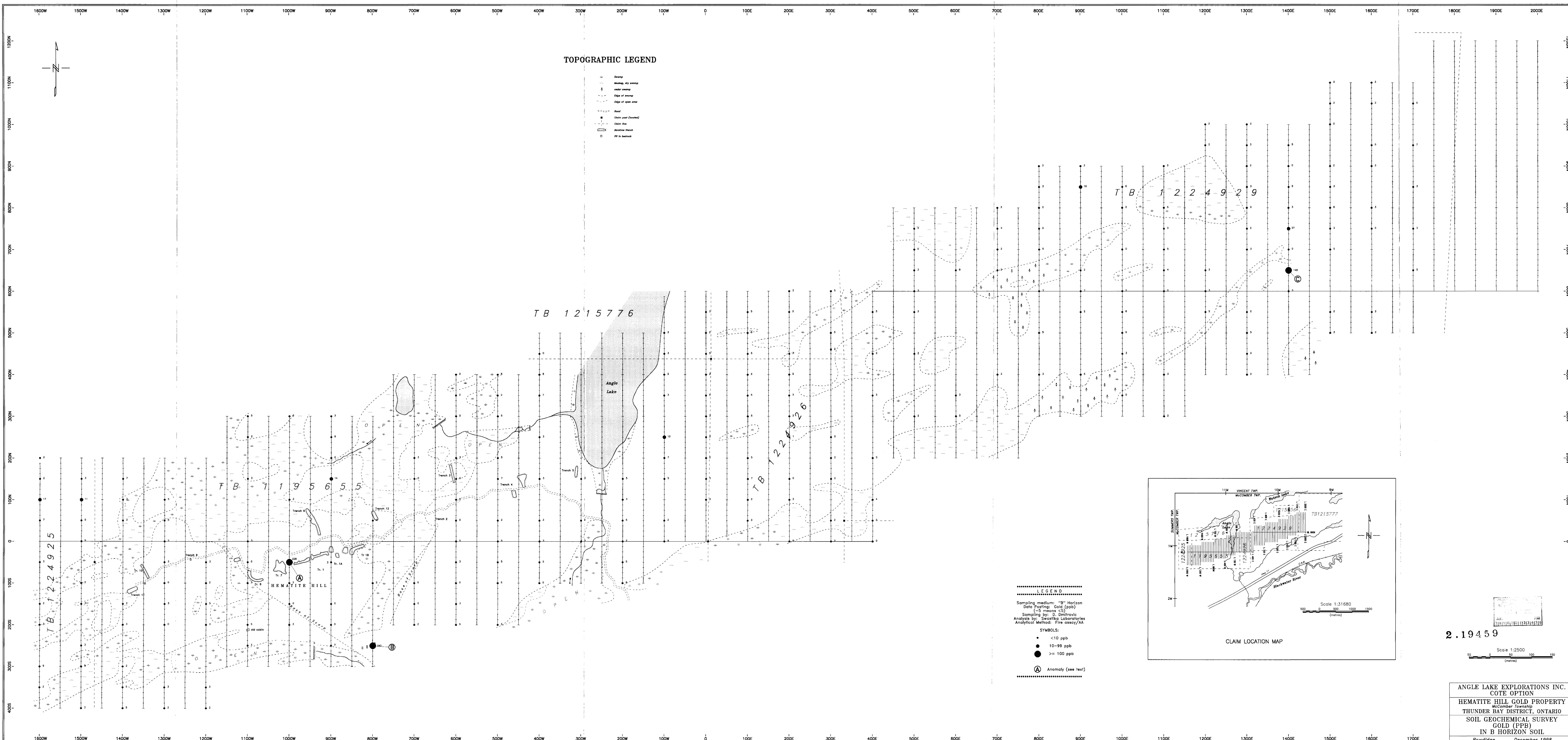
- LEGEND**
- Strong Conductor
 - Weak Conductor
 - Feeling Direction: North
 - Survey Dates: 1997, 12.08 to 1998.02.01



2.19459

Scale 1:2500

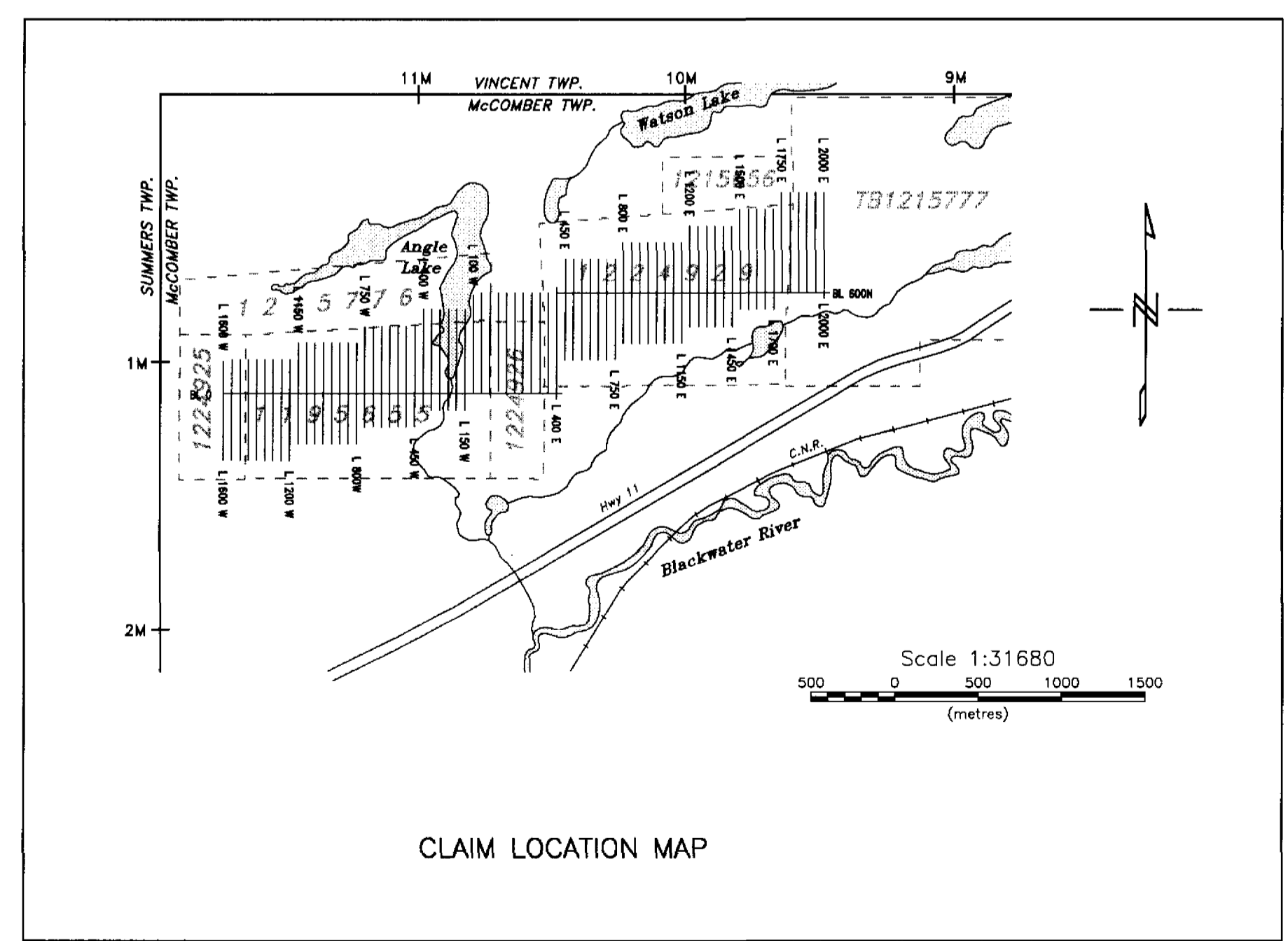
ANGLE LAKE EXPLORATIONS INC.
 COTE OPTION
 HEMATITE HILL GOLD PROPERTY
 McComber Township
 THUNDER BAY DISTRICT, ONTARIO
 VLF ELECTROMAGNETIC SURVEY
 IN-PHASE AND QUADRATURE PROFILES
 Bowdidge December 1998



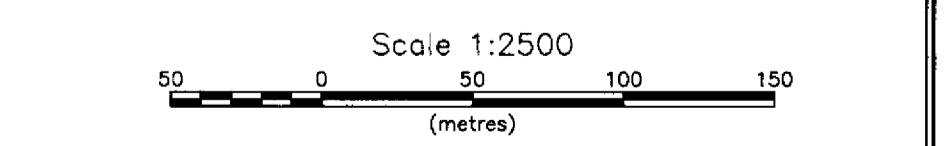
TOPOGRAPHIC LEGEND

- Swamp
- - - - - Muddy, dry stream
- - - - - water course
- - - - - Edge of swamp
- - - - - Edge of open area
- Road
- Chain post (located)
- Chain pole
- Section fence
- Off to bedrock

-
LEGEND
 Sampling medium: "B" Horizon
 Date Pasting: Gold (ppb)
 1-5 means <3
 Sampling by: D. Dmitrovic
 Analysis by: Seravita Laboratories
 Analytical Method: Fire assay/AA
- SYMBOLS:**
- <10 ppb
 - 10-99 ppb
 - ≥ 100 ppb
 - Ⓐ Anomaly (see text)
-



2.19459



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 SOIL GEOCHEMICAL SURVEY
 GOLD (PPB)
 IN B HORIZON SOIL
 Bowdidge December 1998