

2.17594

REPORT ON DETAILED CHANNEL
SAMPLING OF THE OLIVER-SEVERN
NO. 1 ZONE, ELMHIRST TOWNSHIP,
THUNDER BAY MINING DIVISION

FOR

EDDA RESOURCES INC.

ABRAHAM P. DROST, M.Sc., FGAC
CONSULTING GEOLOGIST
215 Van Norman Street
Thunder Bay, Ontario
P7A-4B6
(807) 345-3330

MAY 31, 1997



42E13SED162 2.17594 ELMHIRST

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SUMMARY

A comprehensive program of rock channel and grab sampling was undertaken on unpatented mining claims in the area of the historical Oliver-Severn property, Elmhirst Township, Beardmore area, Ontario. All work was conducted on claims held by Edda Resources Inc.

A historical gold showing called the "Oliver-Severn No.1 Zone" was fully exposed by power stripping and washing in October, 1996 (Drost, 1996). The showing was mapped in preparation for detailed grab and channel sampling carried out during the present program and reported herein. Spectacular multi-ounce gold values over narrow widths carrying weighted average widths up to 0.735 oz Au/t over 1.5m have been identified on the Oliver-Severn No. 1 Zone.

The occurrence of the newly expanded area of gold mineralization affords a strong impetus for further exploration work on the Edda Resources Inc. Oliver-Severn property. Such work should include detailed geophysics including ground magnetics, VLF-EM and induced polarization to trace the favourable structure and gold-bearing elevated sulphide concentrations which typify the Oliver-Severn No. 1 Zone, as a precursor to diamond drilling.

INTRODUCTION

A program of mechanical stripping by MS-120 Mitsubishi backhoe followed by outcrop washing and preliminary grab sampling was undertaken on the Elmhirst Township property of Edda Resources Inc., between October 19 - 28, 1996. A further program of rock channel sampling and additional outcrop washing was undertaken between the period of May 24-29, 1997.

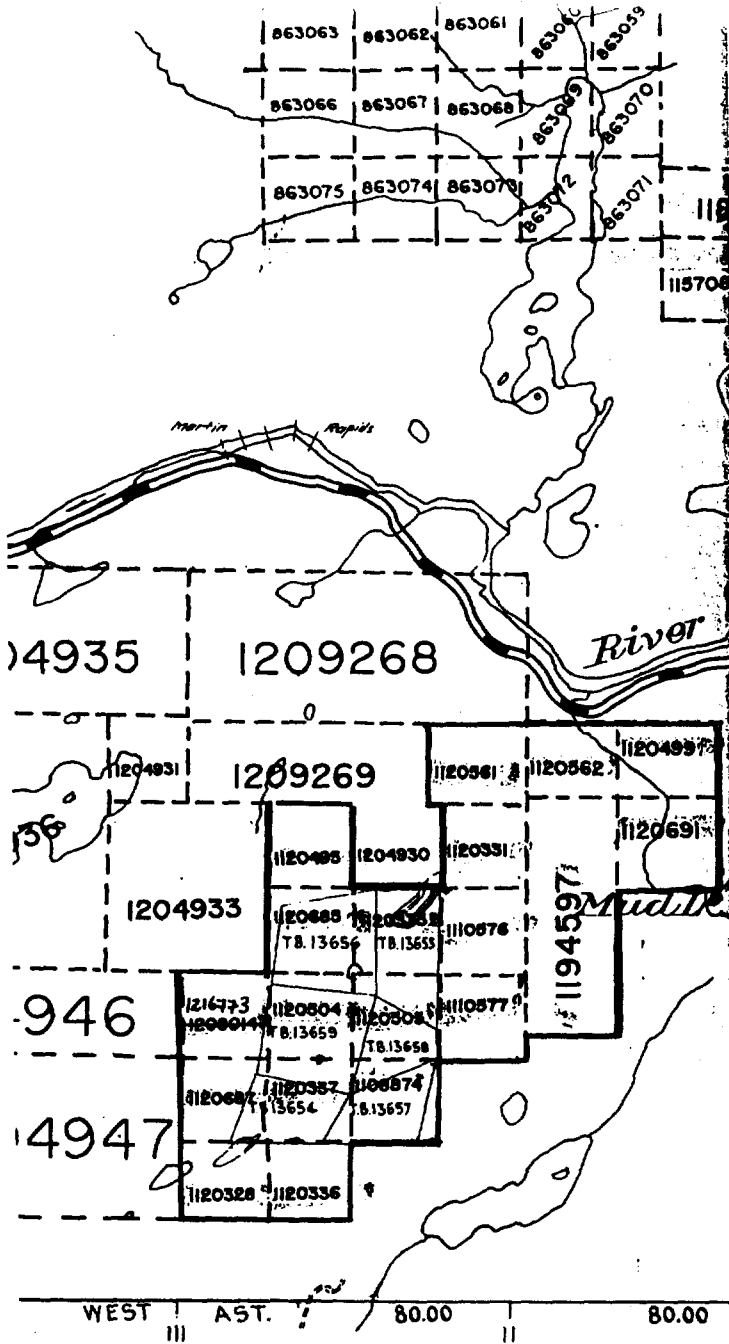
The program objective was to expose and test the continuity and intensity of gold mineralization on a known gold showing, the Oliver-Severn No. 1 Zone, contained on Claim 1120504 held by Edda Resources Inc. Previous sampling on the Oliver-Severn No.1 Zone returned gold values up to 33.08g Au/tonne (Walmsley, 1990).

Detailed geological mapping had been carried out in an initial phase of exploration, the particulars of which are reported herein. Detailed chip/channel sampling followup was planned during the 1997 field season, the results of which are the subject of the present report.

LOCATION / ACCESS / CLAIM STATUS

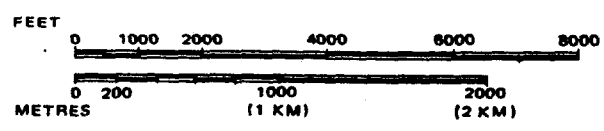
The property is located in Elmhirst Township of the Thunder Bay Mining Division (Figure 1). Access is via Highway 801, 20 km. east of Beardmore, Ontario, which is followed north 12 km. to the Sturgeon (Namewaminikan) River. The Sturgeon River Road, south of the Sturgeon River, is then followed 8 km east to a narrow bush road access, located just west of the Mud Creek stream culvert crossing. Alternative access is via a new log haul road located exactly 7.2 kilometres along the Sturgeon River Road and then south exactly 4.0 km to a left turn. This road is followed for 1.2 km from the main log haul road to a parking area from which the showing can be accessed by foot or by quad vehicle (approx. 2000') (Figures 1,2).

The property consists of nineteen contiguous, unpatented mining claims registered in the name of Edda Resources Inc., being (TB) 1108874, 1110576, 1110577, 1120328, 1120331, 1120335, 1120336, 1120337, 1120495, 1120499, 1120504, 1120505, 1120561, 1120562, 1120685, 1120687, 1120691, 1194597 and 1216773 for a total of 21 claim units.



- LOT LINES
- PARCEL BOUNDARY
- MINING CLAIMS ETC.
- RAILWAY AND RIGHT OF WAY
- UTILITY LINES
- NON-PERENNIAL STREAM
- FLOODING OR FLOODING RIGHTS
- SUBDIVISION OR COMPOSITE PLAN
- RESERVATIONS
- ORIGINAL SHORELINE
- MARSH OR MUSKEG
- MINES
- TRAVERSE MONUMENT

SCALE: 1 INCH = 40 CHAINS



TOWNSHIP
ELMHIRST
 M.N.R. ADMINISTRATIVE DISTRICT
NIPIGON
 MINING DIVISION
THUNDER BAY
 LAND TITLES / REGISTRY DIVISION
THUNDER BAY

WEST 80.00 EAST 80.00

FIGURE 1
CLAIM MAP

ALTERS TP. G-171



Date JANUARY 29th, 1981

Number
G-162

In Service Nov. 20/95. (LA)

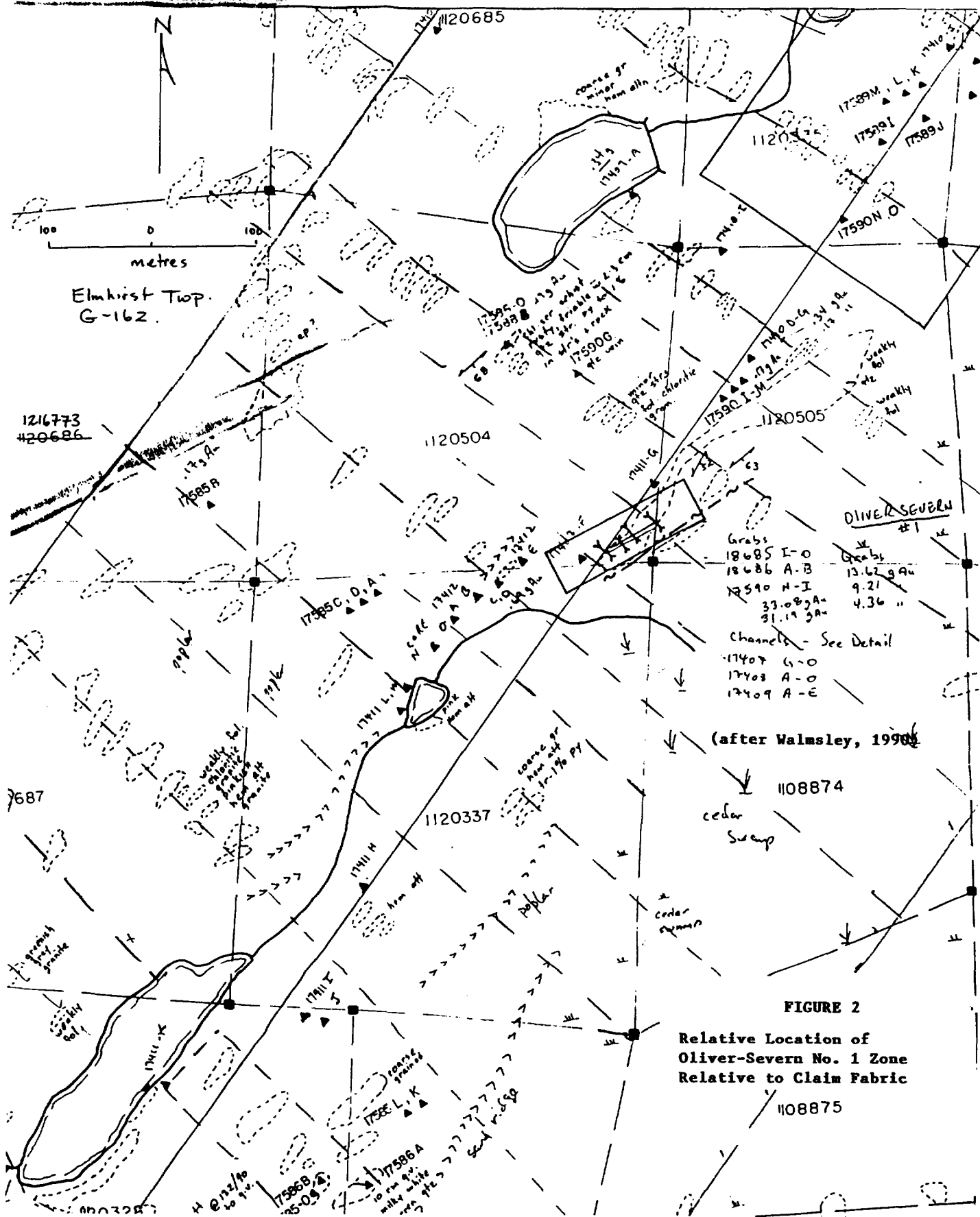


FIGURE 2
Relative Location of
Oliver-Severn No. 1 Zone
Relative to Claim Fabric

PERSONNEL

The work program was carried out variously during October 19 - 28, 1996 and May 24 - 29, 1997 by F & M Contracting of Beardmore, Ontario and Frank Houghton, Leroy Smith and Philip Houghton, all of Beardmore, Ontario. The program was supervised and assisted by Abraham Drost, Consulting Geologist.

Equipment used include an MS120 Mitsubishi backhoe for mechanical stripping, Wajax fire pumps for outcrop washing prior to detailed geological mapping previously reported (Drost, 1996) as a precursor to detailed grab and rock channel sampling for gold.

Gold assays were completed by Accurassay Laboratories, Thunder Bay utilizing a fire assay procedure with atomic absorption finish.

GEOLOGICAL SETTING

The Edda Resources Inc. claims are wholly contained within the Coyle Lake Intrusion in Southeast Elmhirst Township (Mackasey & Wallace, 1978). The intrusive rocks consist of medium grained granodiorite rocks, which are locally sheared and altered to chloritic or sericitic schists (Walmsley, 1990).

The Oliver-Severn No. 1 Zone occurrence is contained in a chloritic fault/shear zone trending nominally 083 degrees azimuth, with steeply dipping discontinuous quartz veining and quartz-pyrite boudins occurring locally in the central portions of the Zone. The No. 1 Zone appears to be related to or contained within an arcuate northeast trending fault structure transecting

the Coyle Lake Intrusion (Mackasey, 1972).

Previous grab samples of the quartz-pyrite +/-chalcopyrite vein material on the Oliver-Severn No. 1 Zone showing returned a reported high value of 33.08 grams per tonne (gpt) Au, with lower, geochemically anomalous gold values in the sheared wallrocks (Walmsley, 1990).

RESULTS

Geology

The Oliver-Severn No.1 Zone was previously exposed by a series of four bedrock trenches over a strikelength of approximately 75m. The geology of the showing was not well exposed and had not been mapped in detail.

The present program completely exposes the Oliver-Severn No. 2 Zone on high ground for 85m. The zone drops off under swampy overburden at each end of the exposed area. Detailed geological mapping at a scale of 1:200 (1cm = 2m) was conducted on the newly stripped area (Drost, 1996).

A zone of patchy quartz (+/- carbonate/ferroan dolomite) veining and disseminated to locally massive pyrite and chalcopyrite mineralization was identified. Quartz-carbonate and sulphide mineralization is hosted largely within a chlorite-schist shear zone and occasionally within dykes/apophyses of silicified granodiorite.

Sulphide mineralization was observed as disseminations, stringers and massive accumulations of pyrite, large dissemination blebs and stringers of chalcopyrite and rosettes of specular hematite noted sporadically.

The host chlorite schist is derived from pillowed mafic volcanic flows which are vesicular and although well foliated, remnant pillow selvages and vesicles are evident in the wallrocks. The overall trend of mineralization is east west at approximately 084 degrees azimuth with a pronounced south dip of 65-80 degrees. Schistosity is very pronounced locally and undulates and flexes around lithons of quartz veins, and granodiorite dykelets.

Quartz veining is of a white patchy, blowout variety occurring predominantly as "lithons" at contacts between granodiorite and chlorite schist and occasionally as stockworks in the granodiorite and en-echelon vein continuations in the chlorite schist. White to grey opaque stringer quartz and crack-seal textures are also observed locally.

Remnant inclusions of mafic volcanic/chlorite schist with ragged edges were observed locally within the granodiorite intrusive and show characteristics of resorption.

The Oliver-Severn No.1 Zone demonstrates strong continuity of quartz mineralization at the Western end of its occurrence where it drops under the overburden. At its east end, the chlorite schist tapers into a narrow, but strongly defined shear zone which may be traced under the overburden. A poorly exposed large knob of quartz vein material is located at the immediate edge of the outcrop at the east edge of the zone. It is not known if this is a boulder or subparallel zone exposed at this location.

Gold Mineralization

Spectacular multi-ounce gold values were obtained in initial grab sampling of obvious quartz-carbonate and sulphide mineralization (Appendix 1,3). High values of 1.7 oz Au/t, 1.1 oz Au/t, 0.72 oz Au/t, 0.253 oz Au/t and 0.202 oz Au/t were derived largely from elevated concentrations (3-10%, locally massive) of blebby and disseminated pyrite in quartz-carbonate vein material. A total of 15 samples were taken and sent to Accurassay Laboratories, Thunder Bay for gold analysis by fire assay – atomic absorption finish.

A comprehensive program of rock channel sampling was carried in the area of the grab sample locations to test for continuity of gold mineralization within the sulphide – mineralized quartz-carbonate “blowouts”. A total of 102 channel samples were collected and are reported herein (Appendix 2,4). Sporadic spectacular gold values up to 2.1 oz Au/t/0.5m were obtained locally over narrow widths in a section containing semi-massive pyrite mineralization in quartz-carbonate host. One continuous section (Samples 32855-32857) assayed a weighted average 0.735 oz Au/t over 1.5 m, but was contained by negligible gold values of 7 and 25 ppb Au.

Some limited continuity of gold mineralization is noted between assayed channel sections (Appendix 4). It is clear however that a substantial nugget effect exists in the Oliver-Severn No. 1 occurrence. Ore grade gold mineralization is also confined to elevated pyrite mineralization within quartz-carbonate veining. The two main areas of quartz-carbonate blowout mineralization tested reported a direct relationship between pyrite concentration and gold concentration.

Minor visible chalcopyrite and malachite staining is observed locally in the Oliver-Severn No. 1 occurrence. Although clearly an indicator for Oliver-Severn No. 1 type mineralization, the relationship between copper and gold mineralization was not determined during this study.

The host chloritic shear zone where devoid of quartz-carbonate mineralization returned low (<30 ppb Au) gold values. The structure is considered an important marker however and exploration guide to determine the presence of additional possible blowouts of quartz-carbonate and sulphide-related gold mineralization on the Oliver-Severn Property.

INTERPRETATION

Observations of various quartz vein types and occurrence of sulphide mineralization indicates that quartz veining and sulphide mineralization are remobilized or the product of at least two main episodes of mineralization.

It is clear that quartz veining predates chlorite schist development and that the schist is preferentially developed along a preexisting zone of weakness. If one accepts that schist development may have accompanied intrusion of the granodiorite, one might conclude that the Oliver-Severn No.1 Zone is contained within remnant mafic volcanic terrane contained within the Coyle Lake granodiorite intrusion. Elements of resorption are evident at an outcrop scale within the granodiorite on the Oliver-Severn No. 1 zone and may explain some of the remobilization features noted in both quartz and sulphide mineralization.

In any event, the presence of structure has been a key to exploration for other mineralized zones on the Edda Resources Property historically. Both Oliver-Severn No. 2 and Oliver-Severn No.3 are structurally controlled vein systems previously sampled at other locations on the Edda Resources Inc. property (Drost, 1995).

CONCLUSIONS & RECOMMENDATIONS

Additional exposure has been uncovered along the Oliver-Severn No. 1 Zone trend on the Edda Resources Inc. property in Elmhirst Township. The new zone is partially contained in a topographical low and not fully uncovered. A known strike length of 85 m. has been defined on surface.

Structure, quartz-carbonate veining, sulphide and related occasionally spectacular gold mineralization are strongly developed at the Oliver-Severn No. 1 Zone. Due to the prominent structural control on Oliver-Severn No. 1 mineralization, the potential for defining additional strikelength on the Property is considered to be high.

Future Work

The topographical control on No. 1 Zone mineralization dictates that further definition work be conducted by ground geophysics (magnetics, VLF-EM, IP) on a cut survey grid, with followup additional power stripping or diamond drilling of anomalous geophysical data. It is important that the Oliver-Severn No. 1 zone itself be defined geophysically on an orientation basis for comparison purposes.

In addition to testing the strike extension of the No. 1 Zone, a comprehensive work program may also focus on the strike extension of the Oliver-Severn No. 2 and Oliver-Severn No. 3 Zones which are interpreted to transect the Edda Resources Inc. property along topographical lows to the northeast of the main Oliver-Severn No. 1 Zone showing. Significant gold values up to 15.9 grams/T Au (grab) were obtained in previous work on the No. 3 Zone (Walmsley, 1990).

REFERENCES

DROST, A.P., 1995

REPORT ON A MECHANICAL STRIPPING
AND ROCK SAMPLING PROGRAM, OLIVER-SEVERN NO.2
ZONE, ELMHIRST TOWNSHIP THUNDER BAY MINING DIVISION,
FOR EDDA RESOURCES INC.
MNDM ASSESSMENT FILES, THUNDER BAY

DROST, A.P. 1996

REPORT ON DETAILED GEOLOGICAL MAPPING OF THE
OLIVER-SEVERN NO. 1 ZONE, ELMHIRST TOWNSHIP,
THUNDER BAY MINING DIVISION
MNDM ASSESSMENT FILES, THUNDER BAY

MACKASEY, W. and WALLACE, H., 1978

GEOLOGY OF ELMHIRST & RICKABY TOWNSHIPS,
NORTHWESTERN ONTARIO
OGS GEOLOGICAL REPORT NO. 168.

WALMSLEY, T., 1990

NORANDA EXPLORATION COMPANY, LIMITED,
REPORT ON GEOPHYSICAL SURVEY, OLIVER-
SEVERN PROPERTY, N.T.S. 42 E/12,13,
NORTHWESTERN ONTARIO DIVISION
MNDM ASSESSMENT FILES 2.13156 THUNDER BAY

**STATEMENT OF QUALIFICATIONS
ELMHIRST TOWNSHIP PROPERTY
EDDA RESOURCES INC.**

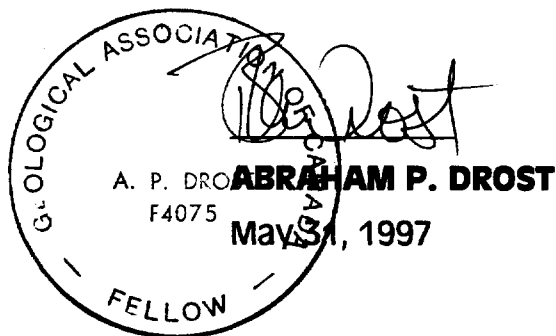
I, ABRAHAM PETER DROST, of 304 Otto Street, Thunder Bay, Ontario P7A 2T9, do certify that:

- 1) I am a graduate of the University of Waterloo (B.Sc., 1984) and Queen's University (M.Sc., (MINEX) 1987)

- 2) I have practised my profession for twelve years since my graduation from the University of Waterloo.

- 3) I am a member of the Canadian Institute of Mining, Metallurgy and Petroleum, and a Fellow of the Geological Association of Canada (F4075)

- 4) I have no beneficial interest in the property discussed in this report nor do I expect to receive any in the future.



APPENDIX 1

ASSAY RESULTS , GRAB SAMPLING OLIVER-SEVERN NO. 1 ZONE



ACCURASSAY LABORATORIES

A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
FAX (807) 623-6820

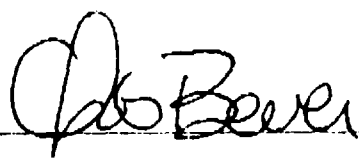
Page 1

SDA GEOLOGICAL
215 VAN NORMAN ST.
THUNDER BAY, ONTARIO
P7A 4B6
FAX (807)345-1177

Feb. 21, 1997

Job# 9740109

Accurassay	SAMPLE # Customer	Gold ppb	Gold Oz/t
1	26651	18	<0.001
2	26652	59118	1.724
3	26653	38451	1.122
4	26654	524	0.015
5	26655	561	0.016
6	26656	8669	0.253
7	26657	24629	0.718
8	26658	292	0.009
9	26659	1675	0.049
10	26660	6914	0.202
11	Check 26660	8684	0.253
12	26661	255	0.007
13	26662	2096	0.061
14	26663	109	0.003
15	26664	1314	0.038
16	26665	171	0.005

Certified By: 

APPENDIX 2

ASSAY RESULTS, CHANNEL SAMPLING OLIVER-SEVERN NO. 2 ZONE



ACCURASSAY LABORATORIES

A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
FAX (807) 623-6820

Page 1

DA GEOLOGICAL
15 VAN NORMAN ST.
HUNDER BAY, ONTARIO
7A 4B6

May 28, 1997

Job# 9740351

Accurassay	SAMPLE # Customer	Gold ppb	Gold Oz/t	
	1	32851	120	0.003
	2	32852	529	0.015
	3	32853	9	<0.001
	4	32854	25	<0.001
	5	32855	39667	1.157
	6	32856	34235	0.999
	7	32857	1679	0.049
	8	32858	7	<0.001
	9	32859	589	0.017
	10	32860	490	0.014
	11 Check	32860	533	0.016
	12	32861	8	<0.001
	13	32862	292	0.009
	14	32863	71970	2.099
	15	32864	3411	0.099
	16	32865	42	0.001
	17	32866	28	<0.001
	18	32867	13	<0.001
	19	32868	102	0.003
	20	32869	141	0.004
	21 Check	32869	167	0.005
	22	32870	43	0.001
	23	32871	24	<0.001
	24	32872	456	0.013
	25	32873	62	0.002
	26	32874	109	0.003
	27	32875	825	0.024
	28	32876	616	0.018
	29	32877	54	0.002

Certified By: 



ACCURASSAY LABORATORIES

A DIVISION OF ASSAY LABORATORY SERVICES INC.

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FAX (807) 623-6820

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3DA GEOLOGICAL
215 VAN NORMAN ST.
THUNDER BAY, ONTARIO
P7A 4B6

May 28, 1997

Job# 9740351

Accurassay	SAMPLE # Customer	Gold ppb	Gold Oz/t	
	30	32878	66	0.002
	31 Check	32878	84	0.002
	32	32879	14	<0.001
	33	32880	22	<0.001
	34	32881	844	0.025
	35	32882	93	0.003
	36	32883	186	0.005
	37	32884	864	0.025
	38	32885	7325	0.214
	39	32886	77	0.002
	40	32887	1877	0.055
	41 Check	32887	1844	0.054
	42	32888	232	0.007
	43	32889	566	0.017
	44	32890	70	0.002
	45	32891	2119	0.062
	46	32892	311	0.009
	47	32893	2689	0.078
	48	32894	1940	0.057
	49	32895	146	0.004
	50	32896	272	0.008
	51 Check	32896	183	0.005
	52	32897	194	0.006
	53	32898	78	0.002
	54	32899	154	0.005
	55	32900	87	0.003
	56	32901	25	<0.001
	57	32902	97	0.003
	58	32903	844	0.025
	59	32904	11	<0.001

Certified By:



ACCURASSAY LABORATORIES

A DIVISION OF ASSAY LABORATORY SERVICES INC.

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THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
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Page 3

3DA GEOLOGICAL
215 VAN NORMAN ST.
THUNDER BAY, ONTARIO
P7A 4B6

May 28, 1997

Job# 9740351

Accurassay	SAMPLE # Customer	Gold ppb	Gold Oz/t	
	60	32905	287	0.008
	61 Check	32905	306	0.009
	62	32906	255	0.007
	63	32907	25	<0.001
	64	32908	20	<0.001
	65	32909	25	<0.001
	66	32910	34	<0.001
	67	32911	117	0.003
	68	32912	335	0.010
	69	32913	1321	0.039
	70	32914	6	<0.001
	71 Check	32914	<5	<0.001
	72	32915	<5	<0.001
	73	32916	26	<0.001
	74	32917	14	<0.001
	75	32918	7	<0.001
	76	32919	9	<0.001
	77	32920	9	<0.001
	78	32921	11	<0.001
	79	32922	16	<0.001
	80	32923	266	0.008
	81 Check	32923	276	0.008
	82	32924	441	0.013
	83	32925		REASSAY
	84	32926	5689	0.166
	85	32927	364	0.011
	86	32928	21	<0.001
	87	32929	31	<0.001
	88	32930	921	0.027
	89	32931	240	0.007

Certified By:



ACCURASSAY LABORATORIES

A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
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Page 4

IDA GEOLOGICAL
215 VAN NORMAN ST.
THUNDER BAY, ONTARIO
P7A 4B6

May 28, 1997

Job# 9740351

Accurassay	SAMPLE # Customer	Gold ppb	Gold Oz/t	
	90	32932	1646	0.048
	91 Check	32932	1586	0.046
	92	32933	180	0.005
	93	32934	19	<0.001
	94	32935	<5	<0.001
	95	32936	<5	<0.001
	96	32937	13	<0.001
	97	32938	404	0.012
	98	32939	76	0.002
	99	32940	6	<0.001
	100	32941	<5	<0.001
	101 Check	32941	6	<0.001
	102	32942	12	<0.001
	103	32943	158	0.005
	104	32944	33	0.001
	105	32945	11	<0.001
	106	32946	114	0.003
	107	32947	10	<0.001
	108	32948	7	<0.001
	109	32949	7	<0.001
	110	32950	103	0.003
	111 Check	32950	71	0.002
	112	32951	<5	<0.001
	113	32952	9	<0.001

Certified By:

APPENDIX 3

GEOLOGY AND SAMPLE LOCATIONS, OLIVER-SEVERN NO. 1 ZONE

APPENDIX 4

GEOLOGY AND GOLD ASSAYS, OLIVER-SEVERN NO. 1 ZONE



Declaration of Assessment Work Performed on Mining Land

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

Transaction Number (office use)
29740.620
Assessment Files Research Imaging

Personal information Mining Act, the infor Questions about thi 933 Ramsey Lake R



42E13SE0162 2.17594 ELMHIRST

900

PAGE 1/2

d 66(3) of the Mining Act. Under section 8 of the work and correspond with the mining land holder. Northern Development and Mines, 6th Floor,

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

2.17594

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

Name EDDA RESOURCES INC.	Client Number 128737
Address 1515-390 BAY ST., TORONTO ONT. M5H-2Y2	Telephone Number (416) 860-7150
	Fax Number
Name	Client Number
Address	Telephone Number
	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 Power stripping, washing, grab channel sampling, assays	Office Use
	Commodity
	Total \$ Value of Work Claimed
Dates Work Performed From 25 10 96 To 06 04 97 Day Month Year Day Month Year	NTS Reference
Global Positioning System Data (if available)	Mining Division
Township/Area ELMHIRST	Resident Geologist District
M or G-Plan Number G-162	

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 SDA Geological Services per. Abraham Drost	Telephone Number (807) 345-3330
Address 215 Van Norman Street Thunder Bay, Ontario P7A-4B6	Fax Number (807) 345-1177
Name	Telephone Number
Address	Fax Number
Name	Telephone Number
Address	Fax Number

4. Certification by Recorded Holder or Agent

I, Abraham Drost, 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 	Date 13/05/97
Agent's Address 215 Van Norman St. Thunder Bay	Telephone Number (807) 345-3330
	Fax Number (807) 345-1177

the mining land where work was performed, at the time work was performed. A map showing the contiguous link must accompany this form.

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 1108874	1	∅	799.00	∅	∅
2 1110576	1		800.00		
3 1110577	1		800.00		
4 1120328	1		800.00		
5 1120331	1		400.00		
6 1120335	1		800.00		
7 1120336	1		800.00		
8 1120337	1		800.00		
9 1120495	1		800.00		
10 1120499	1	∅	800.00		
11 1120504	1	12,750.00	78.00		
12 1120505	1	∅	800.00		
13 1120561	1		800.00		
14 1120562	1		800.00		
15 1120685	1	∅	800.00		
Column Totals		12,750.00	10,877.00	∅	∅

I, Abraham Drost (Print Full Name), 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: Abraham Drost Date: 31/05/97

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):

~~1120562~~, 1120499, 1120691

2.17504

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 Thunder Bay Mining Division JUN - 2 1997 RECEIVED	Deemed Approved Date	Date Notification Sent
	Date Approved	Total Value of Credit Approved
Approved for Recording by Mining Recorder (Signature)		

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.

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 1120687	1	∅	800	∅	∅
2 1120691	1	∅	800	∅	∅
3 1194597	3	∅	273	∅	∅
4			∅		
5					
6					
7					
8	2.17594				
9					
10					
11					
12					
13					
14					
15					
Column Totals		∅	1873.00	∅	∅

I, Abraham Drost, 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: [Signature] Date: 31/05/97

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):

1120691, 1120691

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 Thunder Bay Mining Division JUN - 2 1997 RECEIVED	Deemed Approved Date	Date Notification Sent
	Date Approved	Total Value of Credit Approved
Approved for Recording by Mining Recorder (Signature)		

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, the 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 the Chief Mining Recorder, Ministry of Northern Development and Mines, 6th Floor, 933 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5.

2.17594

Work Type	Units of Work <small>Depending on the type of work, list the number of hours/days worked, metres of drilling, kilometres of grid line, number of samples, etc.</small>	Cost Per Unit	Total Cost
Outcrop washing	1 man day	150.00/day	150.00
Channel sampling	12 man days	175.00/day	2100.00
Power stripping (Mitsubishi MS-120)	20 hrs. plus float (Beardmore - jobsite - return)	95.75/hr (all inclusive)	1915.00
Digitizing geology/assays	15 hrs.	35.00/hr.	525.00
Geological supervision (Sample layout, sample logging, geology, reporting)	4 days	350.00/day	1400.00
Associated Costs (e.g. supplies, mobilization and demobilization).			
Equipment rental (4x4 truck, ATV(2), 2 pumps, 1000' hose, 2 rock saws)	10 days	225.00/day	2250.00
Mobilization/Demob.	5 man days	175.00/day	875.00
An Assay (15 grab, 102 channel samples)		12.60 ea.	1475.00
Diamond saw blades (3)		525.00(ea)	1575.00
Transportation Costs			
Quad rental (Geologist)	2 days	75.00/day	150.00
4x4 truck	Thunder Bay - jobsite - return	700km @ 0.35/km	245.00
Food and Lodging Costs			
Food and lodging	Beardmore		90.00

Thunder Bay Mining Division
Total Value of Assessment Work

\$ 12,750.00

JUN - 2 1997

Calculations of Filing Discounts:

RECEIVED

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 $\times 0.50 =$ 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, Abraham Drost (please print full name), 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 _____ I am authorized (recorded holder, agent, or state company position with signing authority)

to make this certification.

Signature: Abraham Drost Date: 31/05/97

August 21, 1997

EDDA RESOURCES INC.
1515 - 390 BAY ST.
TORONTO, Ontario
M5H-2Y2

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

Telephone: (888) 415-9846
Fax: (705) 670-5863

Dear Sir or Madam:

Submission Number: 2.17594

Status

Subject: Transaction Number(s): W9740.00620 Approval

We have reviewed your Assessment Work submission with the above noted Transaction Number(s). The attached summary page(s) indicate the results of the review. **WE RECOMMEND YOU READ THIS SUMMARY FOR THE DETAILS PERTAINING TO YOUR ASSESSMENT WORK.**

If the status for a transaction is a 45 Day Notice, the summary will outline the reasons for the notice, and any steps you can take to remedy deficiencies. The 90-day deemed approval provision, subsection 6(7) of the Assessment Work Regulation, will no longer be in effect for assessment work which has received a 45 Day Notice.

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

If you have any questions regarding this correspondence, please contact Lucille Jerome by e-mail at jerome_l@torv05.ndm.gov.on.ca or by telephone at (705) 670-5858.

Yours sincerely,



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

Work Report Assessment Results

Submission Number: 2.17594

Date Correspondence Sent: August 21, 1997

Assessor: Lucille Jerome

Transaction Number	First Claim Number	Township(s) / Area(s)	Status	Approval Date
W9740.00620	1120504	ELMHIRST	Approval	August 21, 1997

Section:

10 Physical PSTRIIP

Although this work was approved, in future physical work submissions, please add the hours and dates and the hourly rates for the equipment used and the number of people working in the field in the report and not only on the statement of costs. A more legible location map for the location of trenches and stripped areas in relation to land disposition boundaries and topographic features as well as the dimension of workings on a map should be submitted for physical work.

Correspondence to:

Resident Geologist
Thunder Bay, ON

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

Abraham Peter Drost
THUNDER BAY, ONTARIO

Assessment Files Library
Sudbury, ON

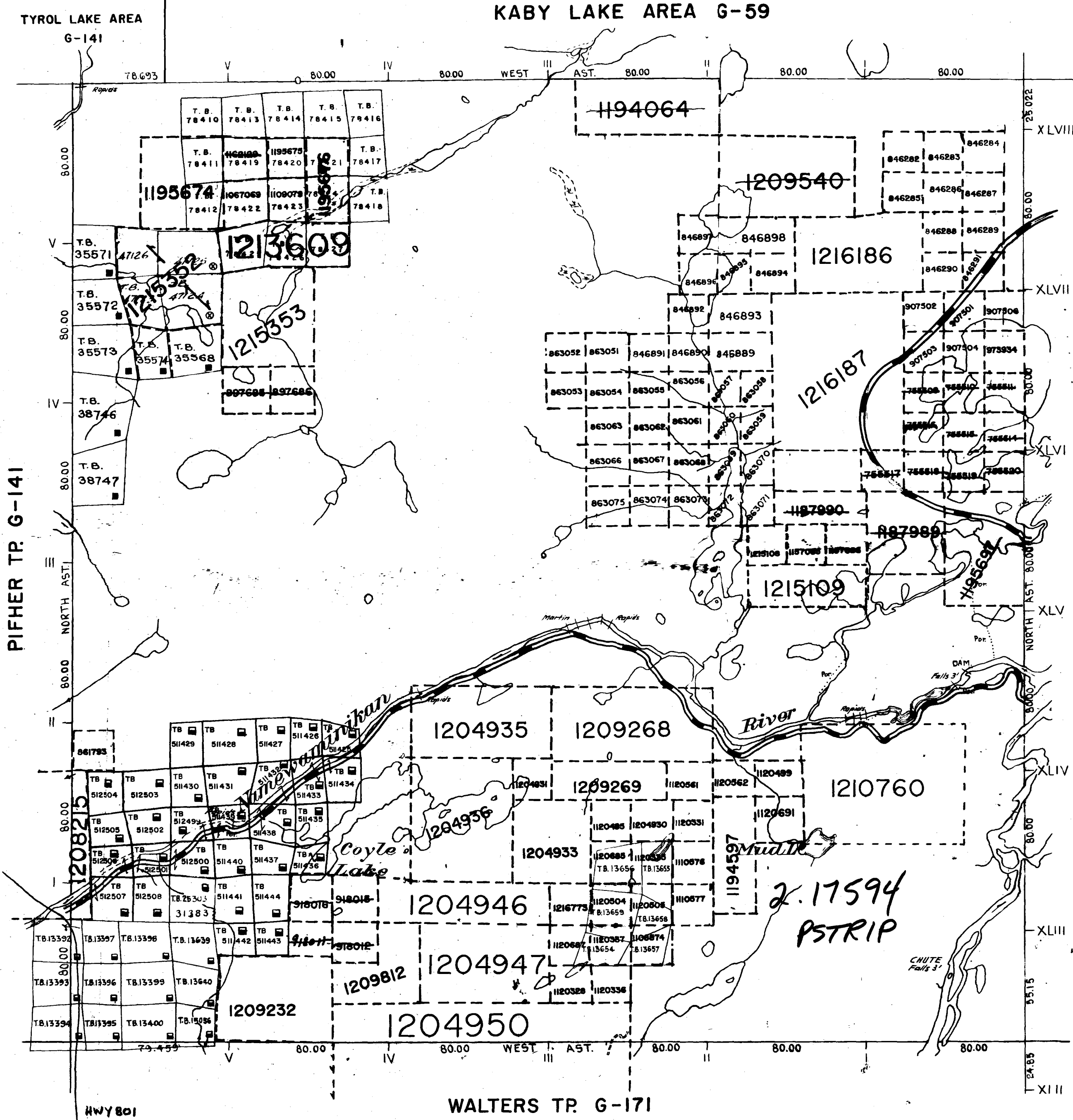
EDDA RESOURCES INC.
TORONTO, Ontario

Notes

AREAS WITHDRAWN FROM DISPOSITION

M.R.O. - MINING RIGHTS ONLY
 S.R.O. - SURFACE RIGHTS ONLY
 M+S. - MINING AND SURFACE RIGHTS

NOTICE-
 The information that appears on this map has been compiled from various sources and accuracy is not guaranteed. Those wishing to obtain 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.



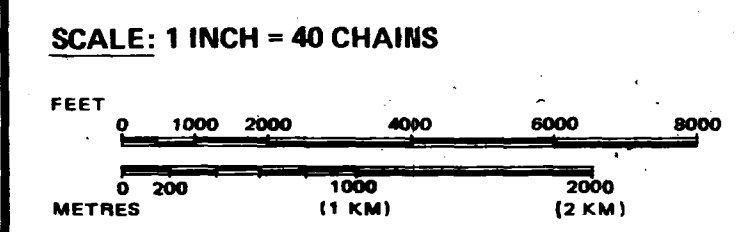
DISPOSITION OF CROWN LANDS

TYPE OF DOCUMENT	SYMBOL
PATENT, SURFACE & MINING RIGHTS	●
" SURFACE RIGHTS ONLY	○
" MINING RIGHTS ONLY	○
LEASE, SURFACE & MINING RIGHTS	■
" SURFACE RIGHTS ONLY	□
" MINING RIGHTS ONLY	□
LICENCE OF OCCUPATION	▼
ORDER-IN-COUNCIL	OC
RESERVATION	⊙
CANCELLED	⊙
SAND & GRAVEL	⊙
LAND USE PERMITS FOR COMMERCIAL TOURISM, OUTPOST CAMPS	⊙

NOTE: MINING RIGHTS IN PARCELS PATENTED PRIOR TO MAY 6, 1913, VESTED IN ORIGINAL PATENTEE BY THE PUBLIC LANDS ACT, R.S.O. 1970, CHAP. 300, SEC. 63, SUBSEC. 1.

LEGEND

HIGHWAY AND ROUTE No.	
OTHER ROADS	
TRAILS	
SURVEYED LINES:	
TOWNSHIPS, BASE LINES, ETC.	
LOTS, MINING CLAIMS, PARCELS, ETC.	
UNSURVEYED LINES:	
LOT LINES	
PARCEL BOUNDARY	
MINING CLAIMS ETC.	
RAILWAY AND RIGHT OF WAY	
UTILITY LINES	
NON-PERENNIAL STREAM	
FLOODING OR FLOODING RIGHTS	
SUBDIVISION OR COMPOSITE PLAN	
RESERVATIONS	
ORIGINAL SHORELINE	
MARSH OR MUSKEG	
MINES	
TRAVERSE MONUMENT	



TOWNSHIP
ELMHIRST
 M.N.R. ADMINISTRATIVE DISTRICT
NIPIGON
 MINING DIVISION
THUNDER BAY
 LAND TITLES / REGISTRY DIVISION
THUNDER BAY

Ministry of Natural Resources
 Land Management Branch
 Ontario

Date JANUARY 29th, 1981
 Number
G-162
 In Service Nov. 20/95. LA

DATE OF ISSUE
 AUG 22 1987
 PROVINCIAL RECORDING
 OFFICE - SUDBURY

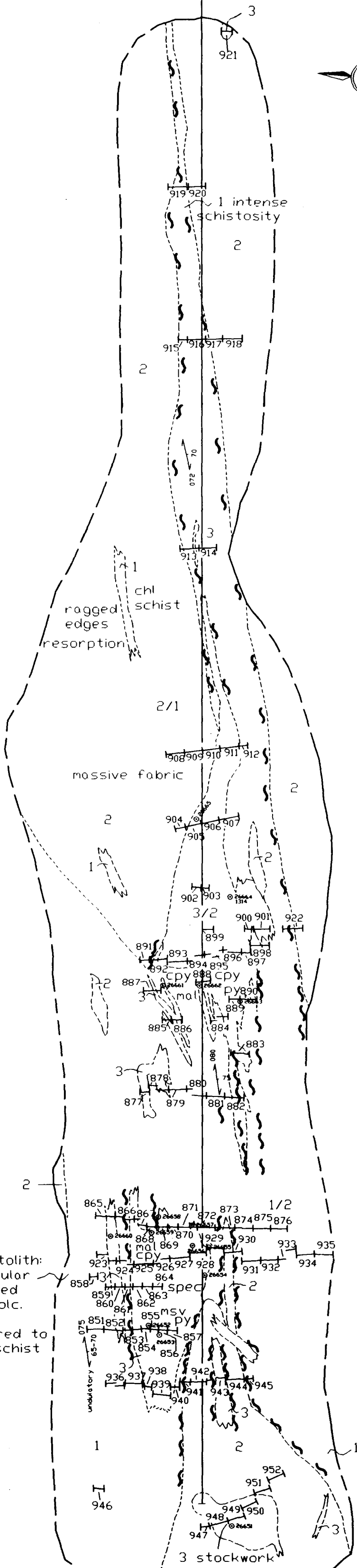




42E13SE0162 2.17594 ELMHIRST

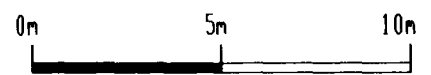
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 5+00E
 0+00
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BL 085°



EXPLANATION

- 1. Mafic Volcanic/Chlorite Schist
 - 2. Granodiorite ; variously silicified
 - 3. Quartz (+/- carbonate Fe-dolomite) veining/stockwork (inclusions of chlorite schist and derived chlorite locally)
- py pyrite
 cpy chalcopyrite
 mal malachite staining
 spec specular hematite
 ~~~~~ shearing  
 - - - - - contact ; observed  
 - - - - - Edge of stripped area  
 ○ 26650 Rock Sample, grab Sample No.  
 ↗ 952 Rock Sample, channels Sample No.  
 Sample Series 26651-26665 (grabs)  
 32851-32952 (channels)

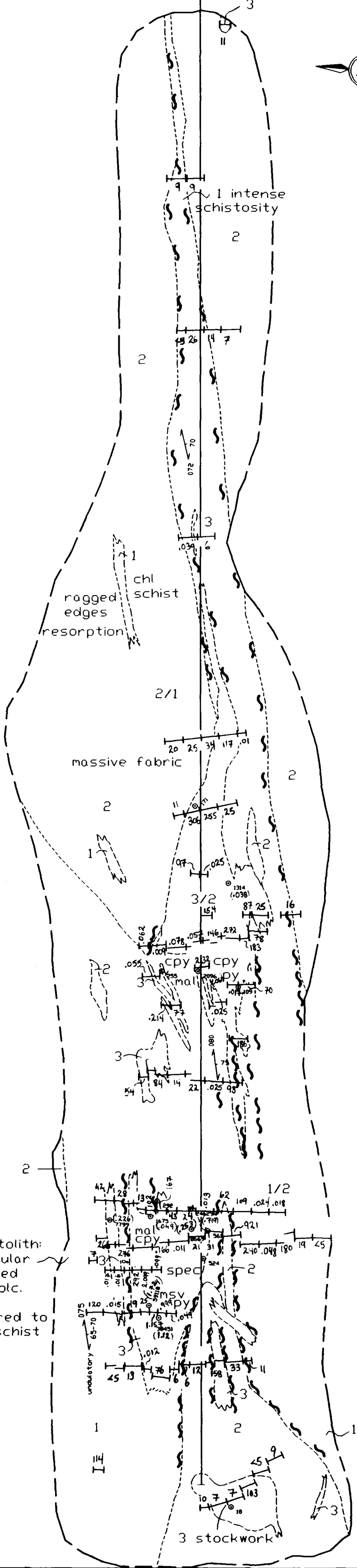
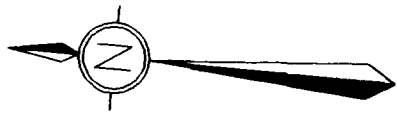


**EDDA RESOURCES INC.**  
 GEOLOGY AND SAMPLE LOCATIONS  
 OLIVER-SEVERN NO. 1 ZONE  
 ELMHIRST TOWNSHIP  
 THUNDER BAY MINING DIVISION  
 sda geological services, ltd.



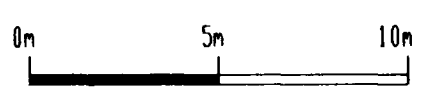
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 10+00E  
 5+00E  
 0+00  
 5+00W  
 10+00W

BL 085°



EXPLANATION

- 1. Mafic Volcanic/Chlorite Schist
  - 2. Granodiorite ; variously silicified
  - 3. Quartz (+/- carbonate Fe-dolomite) veining/stockwork (inclusions of chlorite schist and derived chlorite locally)
  - py pyrite
  - cpy chalcopyrite
  - mal malachite staining
  - spec specular hematite
  - ~ shearing
  - - - contact ; observed
  - Edge of stripped area
  - ⊙<sub>221</sub> Rock Sample, grab Au (ppb) oz<sub>4</sub>, t)
  - ┌ Rock Sample, channels Au (oz/ton) / ppb (<300 ppb)
- Sample Series 26651-26665 (grabs)  
 32851-32952 (channels)



**EDDA RESOURCES INC.**

GEOLOGY AND GOLD ASSAYS  
 OLIVER-SEVERN NO. 1 ZONE  
 ELMHIRST TOWNSHIP  
 THUNDER BAY MINING DIVISION

sda geological services, ltd.