

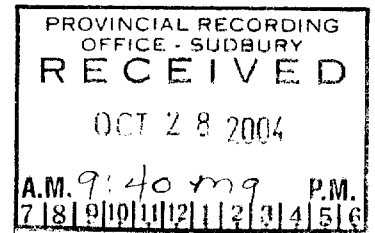
2.28658

REPORT OF GEOLOGICAL AND GEOPHYSICAL WORK,

CLAIM No. 3003617

KENORA MINING DISTRICT

N.T.S. 52F/5



JOHN L. BICZOK, H.B.Sc.

OCTOBER, 2004

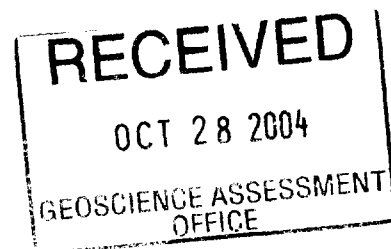


TABLE OF CONTENTS

	Page
Introduction	1
Location and Access.....	1
Property Holdings	1
Regional Geology.....	1
Local Geology.....	3
Past Work.....	3
Current Work.....	4
Digitization of Past Ground Magnetic Survey Data.....	5
2004 Geology.....	5
Conclusions and Recommendations.....	9
Statement of Qualifications.....	11
List of References.....	12

LIST OF FIGURES

Fig. 1: Location Map	2
Fig. 2: Traverse Map.....	7
Fig. 3: Geology Map.....	8

LIST OF MAPS

Map 1: Digitized BP Selco ground magnetic survey data.....	6
--	---

INTRODUCTION

The Lobstick Bay Gold-Fluorite occurrence in Northwestern Ontario hosts an unusual type of gold mineralization that has some similarities to the giant Hemlo deposit in northern Ontario. At the main Lobstick prospect, gold occurs in fluorite-quartz veins hosted by a pyritic shear zone in felsic volcanic rocks. The prospect was originally held by prospector Bob Fairservice, who optioned it to BP Selco in 1984. This company drilled 5 short holes across the property, one of which (LB-01-03), intersected a 42m wide zone of anomalous gold mineralization including values of 0.12 oz/t over 1m and 0.06 oz/t Au/4.8m. They also conducted shallow penetrating IP surveys (n=1?) and B horizon soil sampling, a medium not particularly suited for glaciated areas such as this that are covered in a thin veneer of glacial outwash sand and clay.

The author believes that the Lobstick Bay shear zone has potential to host a significant gold deposit and that previous exploration surveys did not test this broad zone of mineralization to any appreciable depth. Consequently the prospect was staked by the author on October 26, 2002 and detailed records of past work acquired. The available ground magnetic survey data was digitized in an effort to define the shear zone relative to past drillholes and topographic features. The resultant map outlined the shear zone quite well and revealed that it is virtually untested by all holes subsequent to LB-01-03. Field mapping and prospecting was then undertaken on two occasions to delineate the shear zone in the ground (under a swamp) and to prospect for mineralization along its margins. This report presents the results of this work and a proposal for further exploration to properly test this zone.

LOCATION AND ACCESS

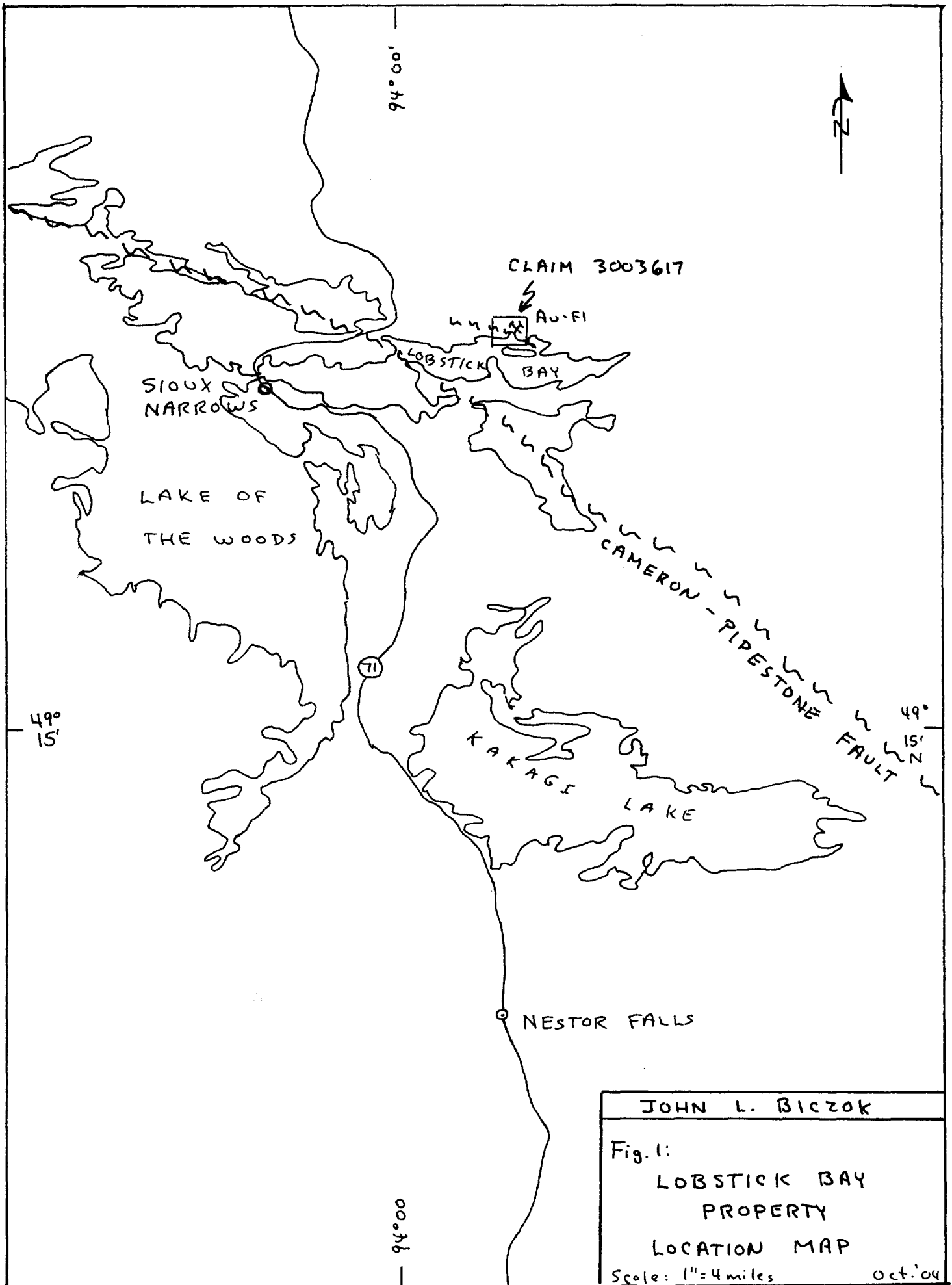
The Lobstick Bay property is located 7.5km east of Sioux Narrows, Ontario and 55km southeast of Kenora (Fig. 1). It is easily accessible via the Maybrun Mine road from Highway 71, 9km north of Sioux Narrows. It lies within the Kenora Mining District on NTS mapsheet 52F and on the Rowan Lake sheet of the Ontario Ministry of Natural Resources (52F/SW).

PROPERTY HOLDINGS

The Lobstick Bay gold prospects are covered by the author's mining claim No. 3003617, staked on October 26, 2002. The claim is an 800x1200 m rectangular block of 6 units (see Fig. 2) and is currently open on all sides.

REGIONAL GEOLOGY

The Lobstick Bay prospect lies within a 90-120° trending shear zone cutting felsic ash tuffs of the Berry River Formation, a 1.5km wide belt of east-trending felsic metavolcanics. These are flanked to the north and south by clastic meta-sedimentary rocks of the Warclub Group. (Numerous gold prospects have been



discovered within the Warclub 60-90km northeast in the Dryden area). The property lies just 3.5km north of the northwest-trending Pipestone-Cameron Fault (Fig. 1), a major regional fault that hosts a number of significant gold occurrences including the Cameron Lake deposit.

The metamorphic grade in the region varies from upper greenschist to lower amphibolite, presumably depending on the proximity of the major granitoid batholiths.

LOCAL GEOLOGY

According to Desnoyers (1984, 1985), the gold prospects are associated with fluorite and disseminated pyrite within sericite-quartz alteration zones hosted by the felsic metavolcanics. Associated minerals include tourmaline, garnet, biotite, and locally a light green mica. The host lithologies are predominantly "quartz-feldspar (porphyry) tuff" and lapilli tuffs with minor intercalated argillaceous metasediments. The altered shear zones mapped by BP-Selco vary from 10m to 125m in width in outcrop and trend 90-100°. They have been traced for a strike length of 1200m and were found to be >100m wide in drilling (DDH # LB-01-03) under a small bay immediately west of the original showings.

The author's work in the immediate area of the aforementioned prospect is in general agreement with previous workers but has added some detail to the description of the main shear zone. The majority of the felsic volcanics exposed on the current claim are felsic ash tuffs with 2-3% blue "quartz eyes". This unit becomes increasingly cleaved and then schistose as the shear zone is approached over a distance of 3-400m.

PAST WORK

The Lobstick Bay Au-Fluorite showing was initially tested in 1964 by D.V. Reade with 6 short X-Ray drillholes. These holes intersected abundant fluorite over widths up to 39m but no samples were assayed for gold.

The property was staked by Mr. Bob Fairservice of Kenora in the early 1980's and optioned to Esso Minerals Canada in 1983. Esso conducted a program of gridding, trenching and channel sampling in the area of the main prospect before dropping the option. Their work did not cover the westward extension of the shear zone across the adjacent small bay and under a swamp.

In July 1984, BP Selco the Lobstick Bay prospect from Mr. Fairservice. BP Selco then extended a flagged grid and collected 681 "B" horizon soil samples at 25 m spacings along the grid lines. Although the "B" horizon is not the recommended medium for gold exploration in glaciated shield areas (humus sampling is typically far more effective), the results did produce 28 anomalous values clustered west of the known prospects, generally on the higher ground immediately south (and down-ice) of the shear zone. BP Selco also stripped

several outcrops and cut 100 channel samples during this program. Samples over the original showing returned values up to 3.2 g/t Au and 2.1 g/t Au/2.5m (this showing is in the bed of a small creek and extends under cover within a few metres to the north and south).

In 1985, BP Selco undertook a program of VLF-EM, magnetometer, and Induced Polarization surveys. The VLF-EM survey proved to be of little use due to overburden responses. The magnetic survey outlined several broad magnetic highs correlating with magnetite bearing tuffs in the southern part of the grid and a magnetic low that coincides with the altered shear zone. This magnetic low is about 200m wide and extends west of the main showing at least 600m. The IP survey was confined to areas of known pyrite mineralization and did not extend over water-covered areas. The data is not available as yet to the author but reportedly the survey detected a Frequency Effect anomaly extending 600m at least from Line 100W to Line 500E (the showing is near Line 50W). In March 1985, BP Selco began a 6-hole diamond drilling program which produced some encouragement from a hole (LB-01-03) located 150m west of the main showing under a small bay. Elevated gold values were returned from a 100m section including a 42m wide core zone of anomalous gold mineralization such as 0.12 oz/t over 1m and 0.06 oz/t Au/4.8m. Two holes were drilled west of this site near the shear zone but it would appear that hole LB-01-04 was collared near the northern margin of the shear zone and drilled north away from the core. Hole LB-01-05 was collared 200m west of #4 in a broad, swampy area where the shear zone is more difficult to define and it is unlikely that the hole passed through the entire shear zone. Both holes Nos. 4 and 5 intersected minor fluorite, tourmaline and pyrite mineralization but no appreciable gold mineralization. The property was later returned to Mr. Fairservice.

In 1990, Phelps Dodge optioned the property from Mr. Fairservice and undertook a program of line-cutting, mapping, geophysics (MAG, VLF and IP) and diamond drilling (5 holes totalling 700m). From the available reports it would appear that Phelps Dodge's IP survey detected a number of chargeability highs away from the main shear zone that were subsequently drill tested and found to be caused by overburden clay. There is no indication that they drill-tested the Main Shear Zone itself.

CURRENT WORK

After staking claim No. 3003617 in October 2002, the author acquired the available assessment reports and maps and talked to a number of the geologists who had worked on the property in the past. The BP Selco ground magnetic survey maps were digitized into an Excel spreadsheet and then colour contoured in Interdex, a geological computer program. The magnetic low overlying the known mineralized shear zone on the property was clearly evident in this colour image and it would seem that most of the past diamond drilling did not actually intersect

the centre of this shear zone. Consequently the author visited the property twice to conduct detailed mapping and prospecting along the shear zone, initially on August 30th, 2003 and later from September 22-24th 2004 inclusive. Work during the latter period was hampered greatly by almost continual rains and the thick underbrush found along the shear zone where it underlies a linear swamp. Results of this program are discussed below. Thirteen rock samples were collected during the course of this work but have not been assayed as yet.

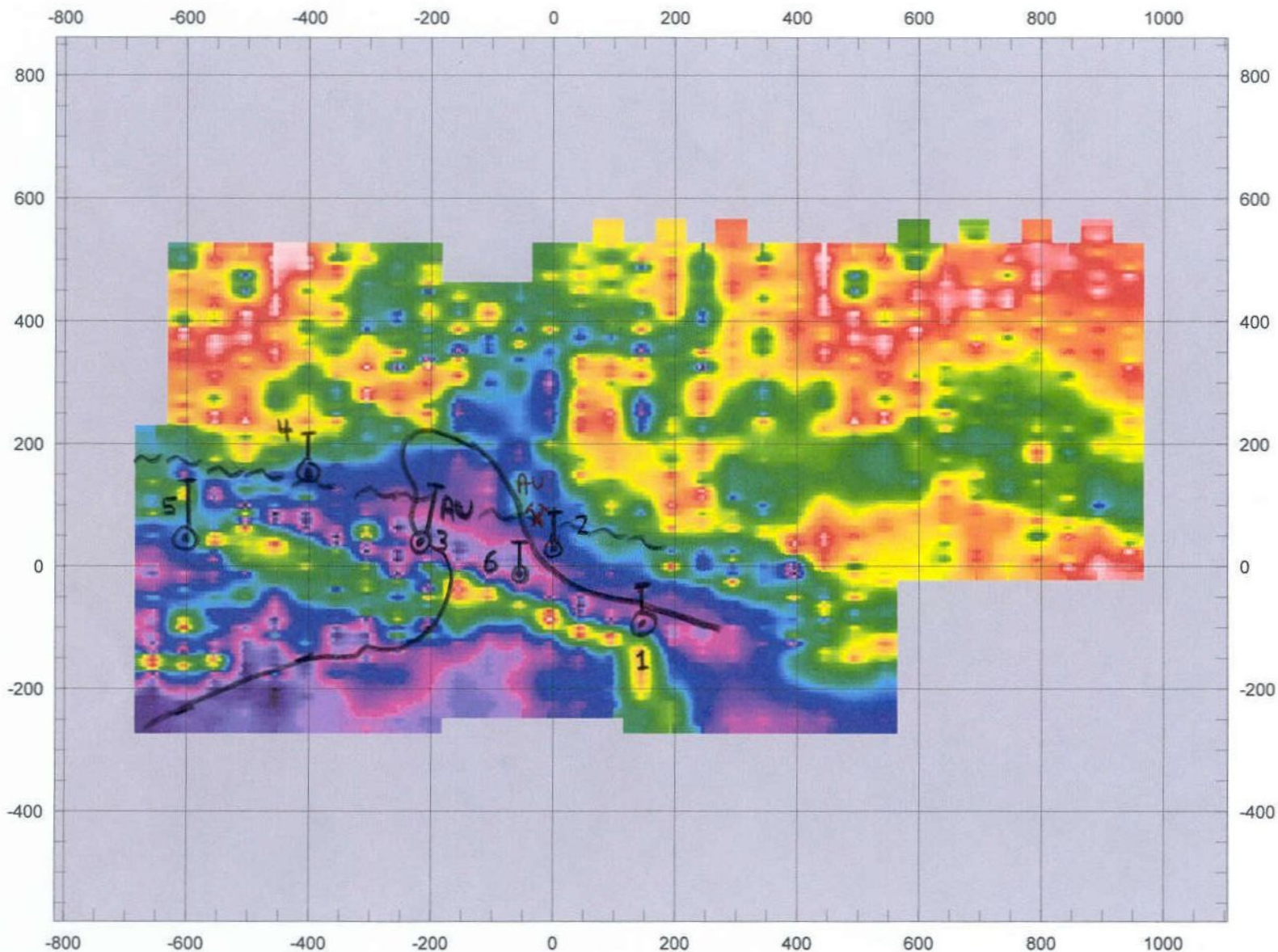
DIGITIZING OF PAST GROUND MAGNETIC SURVEY DATA


A considerable amount of time was spent digitizing the BP Selco ground magnetic survey data from about 2000 point values plotted on their maps filed for assessment purposes. The original maps are black and white contour maps and it is somewhat difficult to clearly see the overall pattern in the vicinity of the shear zone. It was anticipated that producing a colour, digital map that could be shaded to bring out the east-west structures would help to delineate the shear zone under covered areas. The point data was first entered into an Excel spreadsheet and then imported into a geological contouring program known as Interdex. The resultant map (Map 1) revealed a magnetic low over the shear zone that hosts the Au-FI showing. This magnetic low extends westward across a small bay and along a linear swamp. This information was then used to plan the subsequent geological mapping and prospecting program to delineate the shear zone on the ground.

2004 GEOLOGY

The majority of the author's work was directed at mapping out the westward extension of the known pyritic, sericitic shear zone that hosts the Lobstick Bay Au-FI occurrence (Fig. 2 and 3). The shear zone can be seen in the field to trend ~290° from the area of the showing across a small bay and beneath a linear swamp that is about 130m wide at its eastern end (on the shore of the bay). The most encouraging gold values of any past drilling were encountered in a BP Selco hole drilled from the winter ice over this bay (hole No. LB-01-03)

Virtually all exposures on the current claim were found to be felsic tuffs with rare mafic dykes <1m wide (Fig. 3). At the northern edge of the claim, approximately 400m north of the main shear zone, the tuffs are ash tuffs with 2-3% blue quartz eyes 2-3mm wide. As the shear zone is approached from the north, the tuffs develop a pronounced cleavage oriented at ~106-116°, 80°S for about 100m. (It is uncertain whether this cleavage is related to the shear zone or the local fold pattern; more extensive mapping would be required to answer this question). The tuff then becomes increasingly sheared for the next 100-150m up to the edge of the swamp that overlies the presumed core of the main shear zone. Rocks along the northern margin of the swamp form a small escarpment and are strongly sheared enough to be termed phyllonites. The sheared tuffs are moderately sericitic and generally contain 1-3% fine-grained, disseminated pyrite. Quartz veins in the form of tension gashes (extensional veins) are found throughout the cleaved and sheared volcanics north of the shear zone axis and trend 38-62° and



3  BP SELCO
DRILLHOLE
~~~~ Shear Zone  
Axis

LOBSTICK BAY CLAIM  
DIGITIZED MAGNETICS

MAP 1



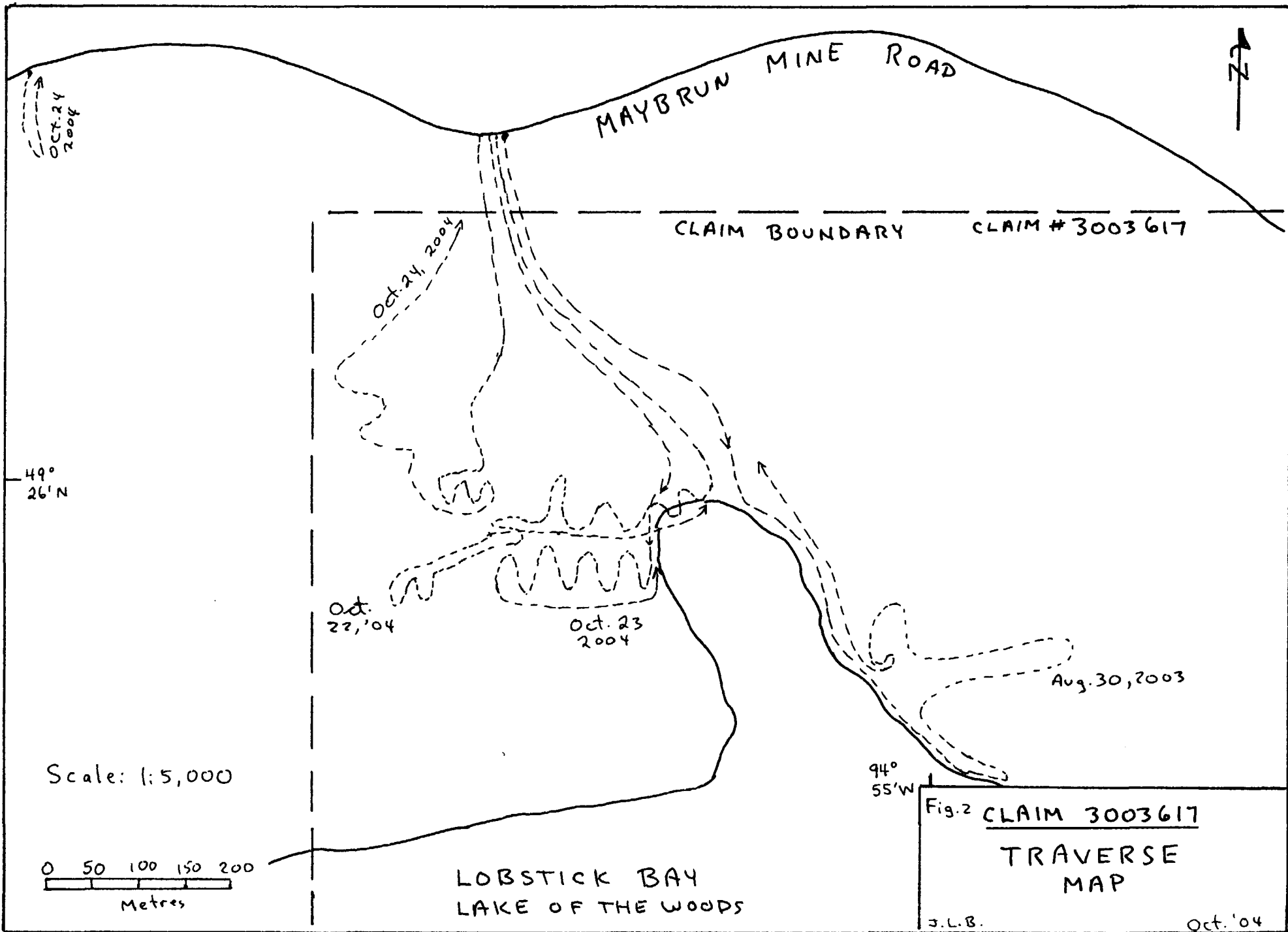
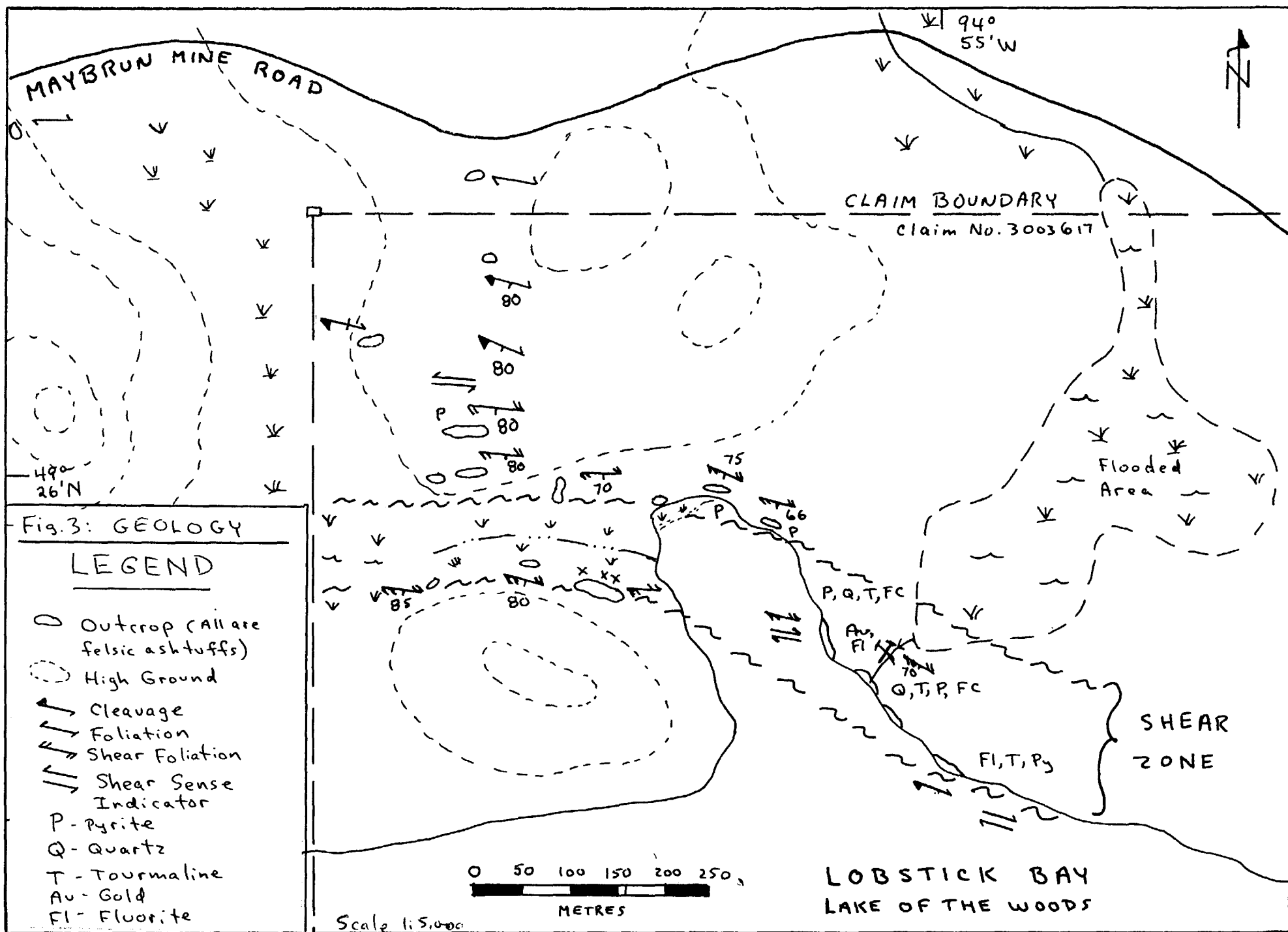


Fig. 2 CLAIM 3003617

TRAVERSE  
MAP

J.L.B.

Oct. '04



dip 30-50° southeast. The orientation of these veins indicates that the last phase of movement on the shear zone was sinistral and plunging moderately to the west. This might suggest that any mineralization found within the shear zone would also plunge moderately to the west. However, mapping by the author along the shoreline exposures near the Main Showing identified a well developed set of shear veins trending 104° and related extensional veins trending 135° indicating that shearing was dextral in this area. The reason for the different sense of movement on these two, relatively nearby areas is unknown and will require further mapping to clarify.

Exposures along the southern margin of the swamp are rare but several were found under thick moss and root cover after considerable searching and false leads. Like the outcrops on the north side of the swamp, these rocks are primarily highly sheared felsic volcanics. They are often highly sericitized and studded with 1-5% fine-grained pyrite. Locally they are quartz flooded and veined. One interesting float boulder of a fine to medium-grained basalt was found among the felsic rubble. The basalt is cut by a 5cm wide quartz vein with 10% pyrite and locally abundant tourmaline. Assays are pending.

Based on the location of the most sheared outcrops relative to the margins of the linear swamp, it is estimated that the core of the shear zone beneath the swamp is 100-130m wide. The shear zone appears to undergo a 20 degree change in strike over the bay immediately west of the Main Showing. The shear foliation west of the bay is generally 95-105° whereas on the east side the foliation changes to 110-120°. This flexure may have been an important factor in creating an extensional regime favourable for mineralizing fluids.

## **CONCLUSIONS AND RECOMMENDATIONS**

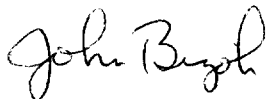
Mapping during the course of the program described herein has confirmed that the pyritic shear zone which hosts the Lobstick Bay Au-FI showing continues west of the showing across a small bay and beneath a linear swamp (Fig. 3). The core of the shear zone beneath the swamp is up to 130m wide but the rocks on either side are weakly to strongly sheared for at least another 100m. The shear zone extends for about 300m beneath the swamp to the western edge of the current claim. It would appear that past drilling west of the showing has largely missed the core of the shear zone as the holes were collared too far north or stopped short of the axis. Only BP Selco's hole LB-01-03 penetrated almost the entirety of the shear zone and this core returned elevated gold values over a width of up to 100m with maximum values of 0.12 oz/t Au over 1m and 0.06 oz/t (2 g/t) over 4.8m. Given that the host shear zone undergoes a significant change in strike in this area, the rest of the shear zone must be considered a promising target as well.

Further work on the property should consist of:

1. IP surveys on 50m spaced lines across the shear zone.

2. Diamond drill testing of any resistivity and/or chargeability highs located over the shear zone. As the best gold mineralization in this area is found within quartz-fluorite veins that lack appreciable pyrite, any future drilling should primarily target resistivity highs within the generally chargeable shear zone.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Biczok". The signature is written in a cursive, flowing style.

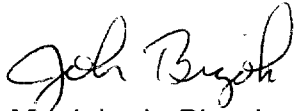
Mr. John Biczok, H.B.Sc., P.Geol (MB).

## STATEMENT OF QUALIFICATIONS

I, John L. Biczok, of 584 Chalfont Road, Winnipeg, MB, do hereby certify that:

1. I am a graduate geologist with an Honours B.Sc. in Geology from Lakehead University (1976).
2. I have been employed as a professional geologist since 1979 by a number of major companies throughout western and northern Canada as well as India.
3. I am a registered Professional Geologist in the Province of Manitoba and a Fellow of the Geological Association of Canada.
4. I personally undertook the work described in this report.

Respectfully submitted,



Mr. John L. Biczok  
H.B.Sc., P. Geol.

LIST OF REFERENCES

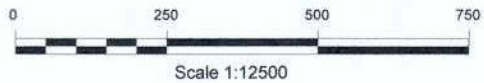
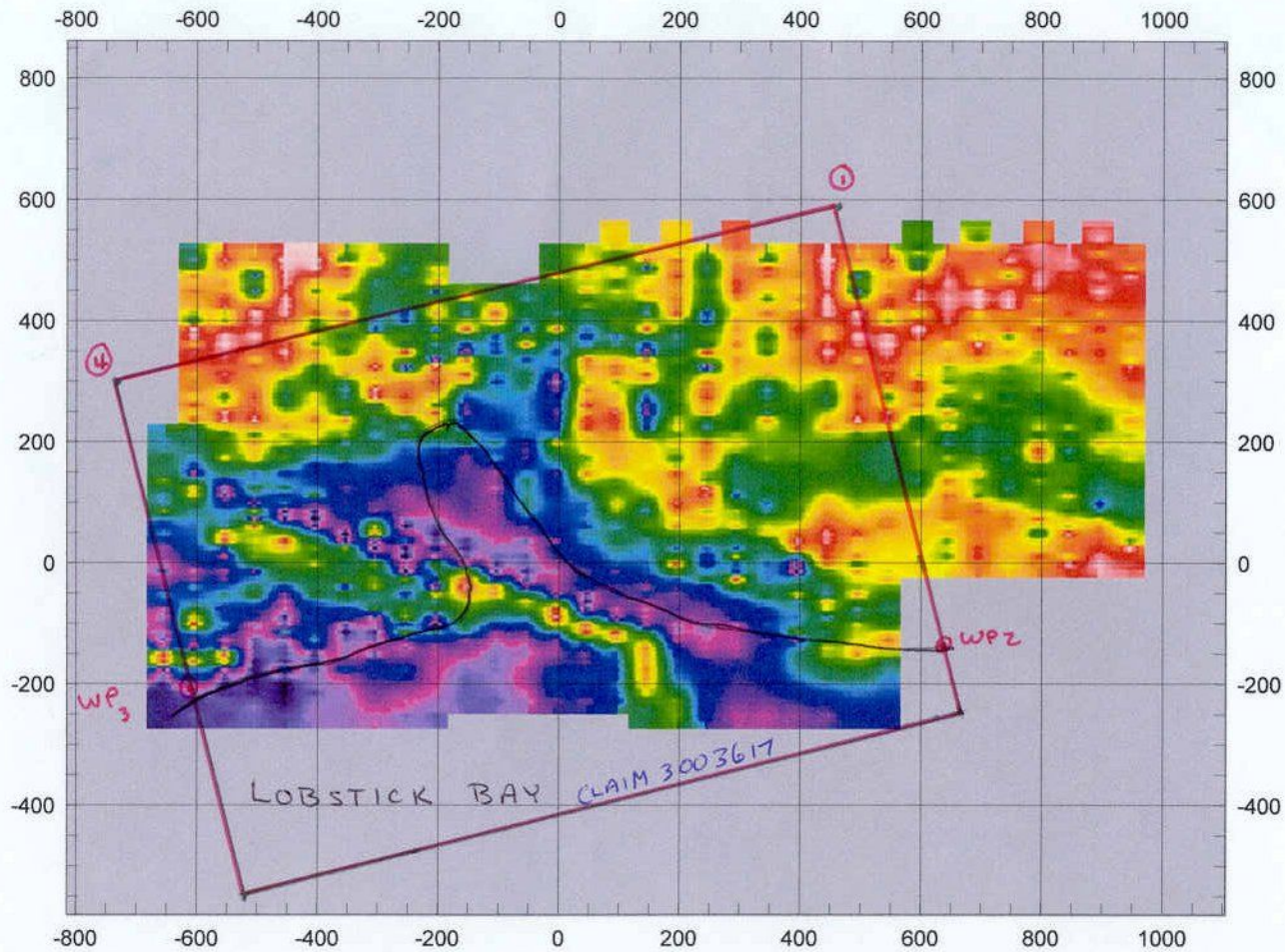
2 . 286 58

Desnoyers, D., 1984. Lobstick Bay Property, Ontario, Geological and Geochemical Report. Assessment Report submitted on behalf of BP Selco.

Desnoyers, D., 1985. Report on Magnetometer, VLF-EM and Induced Polarization Surveys, Lobstick Bay Project. Assessment Report submitted on behalf of BP Selco.

Hall, R.S., 1983. Redpine Prospect, Lobstick Bay Area, Lake of the Woods, Ontario. Assessment Report submitted on behalf of Esso Minerals Canada.

Johnson, M., 1992. Diamond Drill Report, Lobstick Property, Project #169. Assessment Report submitted on behalf of Phelps Dodge Corporation of Canada.



**JOHN L. BICZOK**  
**LOBSTICK BAY CLAIM**  
**DIGITIZED GROUND MAGNETICS**

|        |                  |         |
|--------|------------------|---------|
| GEO:   | SCALE 1:12500    | REPORT: |
| DRAWN: | DATE: 22-10-2004 | PLAN:   |





Date: 2005-FEB-21

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

JOHN LAWRENCE BICZOK  
584 CHALFONT ROAD  
WINNIPEG, MANITOBA  
R3R 3H6 CANADA

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

**Submission Number:** 2.28658  
**Transaction Number(s):** W0410.01671

Dear Sir or Madam

**Subject: Approval of Assessment Work**

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

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

The revisions outlined in the Notice dated January 11, 2005 have been corrected. Accordingly, assessment work credit has been approved as outlined on the Declaration of Assessment Work Form that accompanied this submission.

If you have any question regarding this correspondence, please contact BRUCE GATES by email at [bruce.gates@ndm.gov.on.ca](mailto:bruce.gates@ndm.gov.on.ca) or by phone at (705) 670-5856.

Yours Sincerely,



Ron Gashinski  
Senior Manager, Mining Lands Section

**Cc:** Resident Geologist

John Lawrence Biczok  
(Claim Holder)

Assessment File Library

John Lawrence Biczok  
(Assessment Office)

Date / Time of Issue: Mon Feb 21 09:20:50 EST 2005

TOWNSHIP / AREA PLAN LOBSTICK BAY AR G-2627

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division Kenora  
Land Titles/Registry Division KENORA  
Ministry of Natural Resources District KENORA

**TOPOGRAPHIC**

- Administrative Boundaries
- Township
- Decession Lot
- Provincial Park
- Indian Reserve
- Oil, Gas & Pipe
- Center
- Mini Shaft
- Mini Headframe
- Railway
- Road
- Trail
- Natural Gas Pipeline
- Utility
- Tower

**Land Tenure**

- Freehold Patent
- Surface And Mining Rights
- Surface Rights Only
- Mining Rights Only
- Leasehold Patent
- Surface And Mining Rights
- Surface Rights Only
- Mining Rights Only
- License of Occupation
- Uses Not Specified
- Surface And Mining Rights
- Surface Rights Only
- Mining Rights Only
- Land Use Permit
- Order In Council (not open for auction)
- Water Power Lease Agreement
- Mining Claim
- Prior Only Mining Claims

**LAND TENURE WITHDRAWALS**

1234 Areas Withdrawn from Disposition

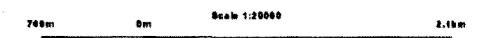
Mining Act Withdrawal Types

- Wm Surface And Mining Rights Withdrawal
- Wn Surface Rights Only Withdrawal
- Wt Mining Rights Only Withdrawal

Order In Council Withdrawal Types

- W1 Surface And Mining Rights Withdrawal
- W2 Surface Rights Only Withdrawal
- W3 Mining Rights Only Withdrawal

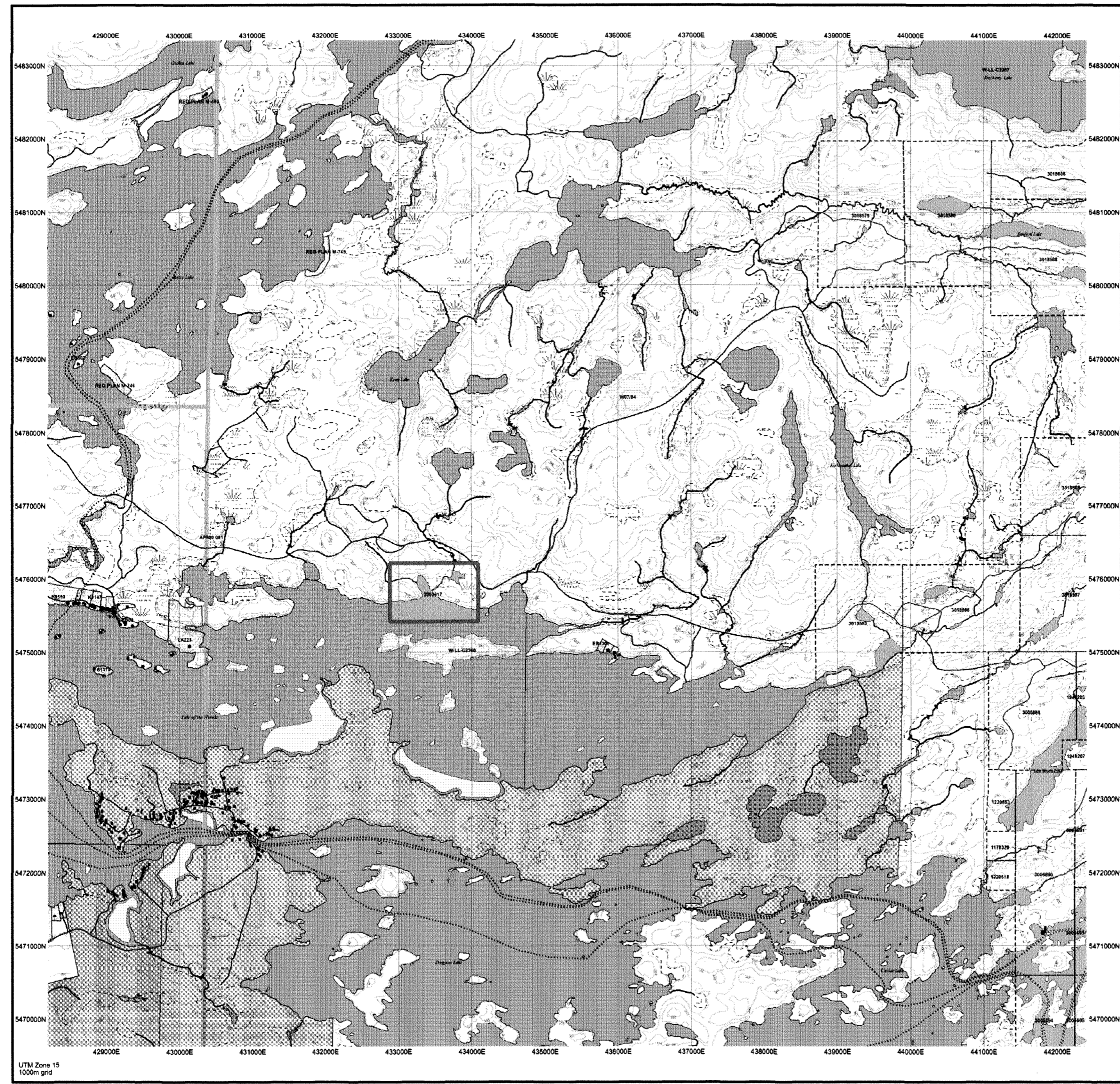
**IMPORTANT NOTICES**



LAND TENURE WITHDRAWAL DESCRIPTIONS

| Identifier | Type | Date         | Description                                                                                                                                                                                                              |
|------------|------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1770       | Wm   | Jan 1, 2001  | MNR RESERVE                                                                                                                                                                                                              |
| 1892       | Wm   | Jan 1, 2001  | RESERVED FOR PUBLIC USE, 33 NOV 98 FILE 11427*                                                                                                                                                                           |
| AP 800 051 | Wm   | Jan 1, 2001  | ARBOOD Aggregate Ponds Category 11 loc. MPD                                                                                                                                                                              |
| W-LL-G2361 | Wm   | Aug 29, 2002 | ON MINE/IN MINE LANDS/GIVING BENEFIT TO 2008/09/01/2366-02, MIN 14 W-LL-G2361-02<br>CMT 1888 withdrawn 1.33 Mining Act 1963, 12/02/02 Boundary generally depicts area withdrawn. Click to view actual area withdrawn <1> |
| W-2671     | Wm   | Jan 1, 1980  | CROWN RES. W-2671 (647) M&S 15247A VOL 2.4                                                                                                                                                                               |
| W-2674     | Wm   | Oct 22, 1984 | WITHDRAWAL, WITHDRAWN BY 10,22/84 S. BAILEY                                                                                                                                                                              |
| W-LL-G2367 | Wm   | Feb 14, 2003 | ON MINE/IN MINE LANDS/GIVING BENEFIT TO 2008/09/01/2367-03, MIN 14 W-LL-G2367-03<br>CMT 1888 withdrawn 1.33 Mining Act 1963, 14/02/03 Boundary generally depicts area withdrawn. Click to view actual area <1>           |

2.28658  
GEOL



General Information and Limitations  
 Those wishing to stake mining claims should consult with the Provincial Mining Recorder's Office of the Ministry of Northern Development and Mines for additional information on the status of the lands shown herein.  
 This map is not intended for navigational, survey, or land title determination purposes as the information shown on this map is compiled from various sources. Completeness and accuracy are not guaranteed. Additional information may also be obtained through the local Land Titles or Registry Office, or the Ministry of Natural Resources.  
 Contact Information: Provincial Mining Recorder's Office, 1000 Highway 104, Kenora, ON P7A 1A6  
 Telephone: (800) 415-0645 and 5492 (outside Ontario) or (807) 343-1444  
 Fax: (807) 343-1444  
 This map may not show unregistered land tenure and interests in land including certain patents, leases, easements, rights of way, floating charges, licences, or other forms of disposition of rights and interests in the Crown. Also certain land tenure and interests that restrict or prohibit free entry to stake mining claims may not be reflected.

52F05NW2002 2.28658  
 LOBSTICK BAY (LAKE OF THE WOODS) 200