010

PRELIMINARY REPORT ON THE MILE LAKE / TRAP LAKE PROPERTY KENORA MINING DIVISION ONTARIO, CANADA

FOR

EAGLE LAKE RESOURCES LIMITED

Prepared By:

J.W. Redden, B.Sc.
Box 117
Wabigoon, ON
P0V 2W0

Nov. 28, 1987

2 wal 2.1942

J. W. Redden - Geologist

Table of Contents

List of Figures
(at back of report)

Appendix

CERTIFICATE

I, James William Redden certify that;

1. I am a consulting geologist, resident in Wabigoon, Ontario since 1982.

2. I am a 1969 graduate in Geology from Lakehead University.

3. I have been involved in the mining industry since 1958.

4. Since 1969 I have held a variety of responsible positions in the industry related to exploration, development, mining and processing.

5. Presently I am a consultant for several exploration companies involved principally with gold.

6. This report is based on a personal physical examination of the property, review of published data concerning the area and discussions with interested parties.

7. I have not received, nor do I expect to receive any interest in the property described or in the securities of Eagle Lake Resources.

Respectfully submitted,

J. W. Redden, B. Sc.

Introduction:

The Dryden area has been the scene of mining exploration for a hundred years. Numerous gold prospects have been discovered as have occurrences of platinum, nickel, copper, lead, zinc, palladium, molybdenum, talc, soapstone, lithium, tantalum, tungsten, granite building stones, etc.

Presently, properties in the area are being vigorously explored for gold and platinum.

Eagle Lake Resources Ltd. optioned a 17-claim property and a separate 4-claim group from J. Harrison, a local prospector. The 17-claim block contains several Cu-Ni showings and a gold showing. The 4-claim block contains a gold showing. Base on the results of a government - sponsored airborne survey of the region, the known occurrence of similar showings and the favourable geology, an additional 60 claims were staked for Eagle Lake Resources Ltd.

This report is based on the results of field examination, review of the literature and discussions with individuals familiar with the area.

Location, Access and Physiography:

The Mile Lake / Trap Lake property is located in Northwestern Ontario, 11 km south of Dryden.

Dryden is a town on the Trans-Canada Highway mid-way between Winnipeg, Manitoba and Thunder Bay, Ontario (fig.1). Dryden has a population of 6500 and is the commercial centre for a regional population of 35,000. The main local industry is pulp and paper. Great Lakes Forest Products Ltd. in Dryden has a payroll of 1600. Other major local industries include commercial printing and tourism. The area contains a pool of skilled and semi-skilled labour.

Transportation facilities include twice-daily Canadian Airlines International flights to and from Toronto and Winnipeg, daily transcontinental Via Rail service and Greyhound bus service four times daily. Major trucking firms are represented in Dryden, as is Canadian Pacific Railways, whose main line passes through Dryden.

The property is most conveniently reached by outboard motor boat from Dryden or any of the numerous tourist camps on Wabigoon Lake. Due to drowning of the streams from Mile and Trap Lakes by the dam at Dryden, the entire distance to Trap

Lake is navigable by boat. A boat launching site is also available at the southwest end of Trap Lake. This launch site is less than 0.5 km from Paved Highway 502 which connects to Dryden (fig.2).

Development access would likely involve construction of a road from Highway 502 to the property - a distance of 5 km. A modest bridge would be required to provide access to the eastern part of the claim block. Electric power would be supplied from the regional power grid system from Dryden. Except for mine buildings and possibly a bunkhouse, no other facilities would be built. Sufficient housing and associated infrastructure is already available in the area.

The property has a maximum relief of 55 m (average 20-30 m above lake level. The area is rocky with sparse overburden on the higher ground. Lower ground is covered by a variable thickness of till overlain by a mantle of clay. The entire area is tree-covered. No significant commercial timber is present.

Mile Lake is 5-10 m deep with up to 30 m of overburden overlying bedrock. Trap Lake is deeper, but insufficient data is available to provide average figures.

The Property:

The property consists of 81 claims as follows:

K 203509	leased claim, under option from J. Harrison and M. Woitowitz
K 706070 K 706072 & -073 K 706125 to -134 K 706136 & -137 K 706140	copper - nickel showings, staked claims under option from J. Harrison
K 882550 & -551 K 972460 K 1007460	gold showing, staked claims under optioned from J. Harrison
K 1019724 to -783	claims staked for Eagle Lake Resources Ltd.
Exploratory Licence of Exploration	for explanation see below under 'Status'

The claims and the Exploratory Licence of Occupation area are shown on fig.3.

Status of Claims:

All claims are in 9ood standin9. Sufficient work credits are Presently available to cover the re9uirements until March, 1988. Additional work will be re9uired on the Harrison Cu-Ni claims Prior to March 31, 1988 to retain these claims. A more detailed summary of the status of the claims is Presented in APPendix I.

The area to the northeast of the claim block has been ProPosed as the Butler Lake Nature Reserve. This, alon9 with other areas in the Province, were desi9nated as Possible future Park areas in which minin9 exPloration could be carried out. The Provincial 9overnment has since Put on hold any decision to allow exPloration in these desi9nated areas. ExPloration, if Permitted, would be carried out under what is called an 'ExPloratory Licence of OccuPation'. This is a form of contract which would sPecify the conditions and re9ulations aPPlicable to the exPloration . Essentially there is no difference between this and the Present re9ulations 9overnin9 minin9 exPloration in the Province.

The author, on behalf of Ea9le Lake Resources Ltd. has aPPlied for an ExPloratory Licence of OccuPation (ELO) coverin9 the area shown on Fi9.4. If exPloration is Permitted in the desi9nated area, Ea9le Lake Resources Ltd. has first ri9ht of refusal. Until an ELO is 9ranted, no exPloration is to be done, conse9uently no work is ProPosed for this ELO area at the Present time. The ELO area is considered favourable for the occurrence of 9old dePosits.

Previous Work in Area:

Several Partially documented exPloration Pro9rammes and numerous undocumented ones have been conducted in the vicinity of the ProPerty.

The claim block is situated 25 km north of the Gold Rock camP, 8 km southeast of the Van Horne camP, 45 km west of the New Klondyke camP and 40 km east of the Ea9le Lake camP. All these areas have been actively ProsPected for 9old since the 1890's. ProsPectin9 would also have been carried out on and around the Present claim block, however no records exist.

The earliest documented exPloration was carried out by Falconbrid9e Nickel Mines Ltd. in the mid 1950's. The work was Part of a re9ional Pro9ramme for coPPer and nickel. The only records available indicate electroma9netic surveys and a few diamond drill holes were Part of the Pro9ramme. Only

2 of the drill holes were on the Present claims. These will be discussed later in the section on Economic Geology.

During 1970, Steep Rock Iron Mines Ltd. carried out exploration on the Harrison Cu-Ni option and adjacent area. Work consisted of a magnetic survey and rock trenching. A copy of the magnetic survey is available however the trench and test Pitting locations were not recorded.

Nichro Mines Ltd. carried out magnetic surveys and extensive diamond drilling from the ice of Mile Lake in the early 1970's. Diamond drill logs and some assays are available. Significant Platinum assays were reported. Additional details are given in the Economic Geology section of this report. At this time Nichro also drilled several holes on the Present Harrison Cu-Ni option.

Beth-Canada Mining Co. carried out geoPhysical and geological surveys on the Harrison Cu-Ni option in the early 1980's. This work was the only serious, systematic attempt to explore the property. The work was terminated Prematurely when Beth-Canada was disbanded by the Parent corporation.

American Volcano Minerals Corp. and McConnell-Peel Resources Ltd. in a joint venture drilled 4 holes in the area during the mid-1980's. Two of these holes were located on the Harrison Cu-Ni option. The Precise locations of the other holes is unclear.

Regional Geology:

The property is located within the Wabigoon sub-Province of the Canadian Shield. All consolidated rock types are Pre-Cambrian in age. The Predominant rock types are mafic volcanics with lesser amounts of felsic volcanics and sediments. Granitoid stocks and batholiths are common. Mafic to ultramafic intrusives are Present but are not common.

The general trend of the rocks is east to east-northeast. Near the contacts of the intrusives trends vary widely, reflecting the tectonics and differential movements of the various rock types.

Property Geology:

The only systematic geological mapping of the area was carried out by Satterly in 1939 and 1940 for the Ont. Dept. Mines. The following description is based on that work, review of other data on the area and several days in the field by the author.

The oldest rocks exposed on the property are a series of mafic and felsic metavolcanics. These occupy the northeast, west central and east central parts of the property. They strike northwesterly and dip vertically to steeply northeast. Most outcrops expose massive to slightly schistose rocks with only minor shearing. In most locations the outcrop pattern consists of a series of subparallel low ridges separated by drift. Along the edges of these ridges schistosity is more pronounced suggesting that the bulk of the shearing is covered with overburden. Since sheared rock is comparatively soft, it is more easily eroded and thus would be represented as topographic lows.

A mafic to ultramafic intrusive is considered to be the next oldest unit on the property. This intrusive underlies most of the property. The composition ranges from gabbro (occasionally melanocratic) over most of the area to harzburgite in the southwest portion of the claims. No structural model has been proposed for this intrusive mass. A faint layering is noticeable due to the alignment of the feldspars. This, together with the presence of harzburgite (ultramafic, gabbro is mafic), suggests the intrusive is differentiated. The greater the differentiation, the more likely that sulphide minerals (with platinoids) have been concentrated.

Alteration of this unit is evident by the presence of soapstone (talc) and serpentine. Three areas of soapstone are shown on fig.4. Serpentine has been reported from a number of drill holes on the claim block. Shearing is also present in several parts of the intrusive notably around Mile Lake and on the Harrison Cu-Ni option. Sulphides are present in most of the sheared zones.

A granodiorite to diorite occupies the south central part of the property. This is the northeast corner of a batholith which outcrops over a large area to the south and west of the claims. A small area of apparently similar rock outcrops on the Harrison Cu-Ni option. The granodiorite is cut by a number of dykes of similar composition to the host rock.

Alteration of the granodiorite is evidenced by shearing accompanied by carbonatization and silicification. This is evident in both outcrop areas of this rock on the claims.

The Harrison 9old showin9 is in 9ranodiorite.

The youn9est consolidated rock in the area is re9resented by a sin9le diabase dyke. This dyke strikes west northwesterly across the southern 9art of the 9ro9erty. Geo9hysics (fi9. 5) indicates a stee9 di9 towards the south. The diabase 9ost-dates mineralization.

The General Geolo9y is shown on Fi9. 4.

Structural Geolo9y:

Little structural data is available on the 9eometry of the major rock ty9es underlyin9 the 9ro9erty. Geo9hysics su99ests the mafic/ultramafic intrusive to have the sha9e of a com9ressed funnel with the dee9est 9art under Mile Lake. A narrow lobe towards the southwest to the west 9art of Tra9 Lake could re9resent the feeder channel or an offshoot of the main mass.

Shearin9 is the most 9revalent structural data visible. Three shear directions have been identified: NW-SE, NNW-SSE and E-W.

The northwest - southeast (NW-SE) shearin9 is most 9ronounced in the metavolcanics but has also been observed in the 9ranodiorite and the 9abbro. The foliation and the strati9ra9hy both have this trend. Carbonatization, silicification and sul9hide mineralization are associated with this shear direction.

The north northwest - south southeast (NNW-SSE) shearin9 has been observed in the 9ranodiorite and to a lesser extent in the metavolcanics. Silicification, carbonatization and sul9hide mineralization may be associated with the shearin9. A lineament with this trend crosses the entire 9ro9erty from the southeast corner of the 9rou9 to the northwest corner of Mile Lake. No si9nificant horizontal movement is a99arent from the 9eo9hysics (fi9. 5).

The east - west (E-W) shearin9 is most evident in the northern 9art of the 9abbro where it a99ears to control the distribution of the co99er - nickel occurrences. This shear direction is also re9orted from the 9ranodiorite area in the southern 9art of the claims where it is associated with silicification. Geo9hysics indicates the same shear direction cuts the metavolcanics.

Economic Geology:

Several occurrences of copper - nickel and gold are known to exist on the property. Most of these were examined, sampled and assayed to determine gold, Platinum and Palladium contents. In addition traverses were made to evaluate the overall potential of the property. Each location is described, followed by general observations. The occurrences are shown on Fig.4.

Harrison Gold Showing:

This gold showing is located in the southeast part of the property on claim K 972460. The location was first explored in the early 1950's by L. Pidgeon, a local Prospector. Work at that time consisted of trenching and five drill holes. Since that time the showing has been staked many times but no assessment work has ever been reported. MDC 12 mentions the showing and reports "the vein is 9 feet wide and exposed for a length of 170 feet. An average of three channel samples ran 2.31% Cu, 0.11 oz./ton Au and 1.02 oz./ton Ag over an average width of 4.1 feet. Assays of up to 0.08% Ni and 0.05% Co were reported." The diamond drill holes indicate a zone of quartz mixed with sheared greenstone and altered quartz diorite from 70.5' to 155' in the most northerly hole (#3). The hole was drilled at -45 degrees. Assuming a vertical dip to the structure and drilling at about right angles to the strike, would give a true width of 60 feet.

Examination of the showing this fall located one trench across a series of quartz veins. No other trenches or other signs of excavations were present in the vicinity. The trench exposed a sheared zone 30 feet wide striking northwest with a vertical dip. The zone was carbonatized, silicified and pyritized. Quartz veins within the zone ranged in width from a few mm to 2 m. Most of the veins were vertical but veins up to 0.3m were observed to locally flatten to a horizontal attitude over widths of several metres. The shear zone is hosted in a massive granodiorite.

Sulphides are locally abundant, consisting of chalcopyrite, pyrite and minor pyrrhotite. The centre 1 - 1.5m of the largest vein contains up to 10% chalcopyrite. A branching vein contains massive coarse pyrite across 10cm. Though not so concentrated, sulphides are present across the entire 30' width of the zone.

A single drill collar was found. It does not correspond with the orientation of the holes for which logs are available. It is assumed to be one of the two original holes drilled by Pidgeon in 1952.

The discrepancy between the reported information and the personal observations cannot be explained. It is likely that the early records used as the source are confused and misleading. This has been known to happen with other old showings in the region.

A series of samples were collected and assayed. The samples were taken to verify the presence of gold and the range of values. The condition of the trench was not suitable for accurate representative sampling. Gold values up to 0.5 oz./ton were obtained and up to 2 oz./ton Ag. Copper values >20,000 ppm. Co up to 1500 ppm and Ni up to 577 ppm were also returned. These values confirm the previous surface samples.

Harrison Beaver Pond Showing:

The Harrison Beaver Pond Showing is located near the centre of K 203509. The showing consists of a pit 3x3x2m deep blasted into gabbro on the side of a low hill. Overburden covers the area to the south and west. The east and north are under the waters of a beaver pond.

Disseminated pyrrhotite, chalcopyrite and minor pyrite occur across the entire 3m width of the pit. The gabbro is medium-grained with occasional pegmatitic phase. The pegmatite is characterized by amphibole crystals up to 2cm in length. Three samples taken across the width of the exposed zone assayed the following;

1. north side	83ppb Au,	14ppb Pt, 10ppb Pd
2. centre	52ppb Au,	71ppb Pt, 70ppb Pd
3. south side	45ppb Au,	17ppb Pt, 10ppb Pd

This mineralized zone has been covered by geophysics during several surveys with conflicting results (fig.6&7). A magnetic survey carried out by the author using a McPhar M-700 Fluxgate magnetometer showed the zone as a 500 gamma positive anomaly (fig.8). It is concluded from fig.8 that previous magnetic surveys failed to locate the zone due to too widely spaced readings. The use of a vertical magnetometer would also appear to be more definitive than a total field unit.

The zone also responds to VLF as demonstrated by fig.6. This survey seems to indicate the zone to extend easterly under the pond. East of the pond the conductor is covered by overburden. The survey also indicates other conductors which may represent additional Cu-Ni zones.

One diamond drill hole on this zone assayed 0.185% Cu and 0.082% Ni over a continuous length of 24 feet. The hole (#2) was drilled vertically. The core was not assayed for Platinum Group metals.

In one hole on this zone, a 5-foot intersection of quartz was obtained. Three assays of this core were carried out for Gold. The results were; 0.31 oz./ton, 0.27 oz./ton and 0.30 oz./ton. This vein is not exposed on surface and therefore the orientation is not known. The anomalous Gold values in the samples from the pit indicate this zone has both Gold and Platinum Potential.

Harrison East Pond Showing:

This occurrence is located on claim K 706070 about 400m southeasterly of the showing just described. It consists of a sulphide-bearing zone 10-15m wide exposed in outcrop and a trench overlooking the east side of the same beaver pond.

The outcrop and trench contain a mixture of gabbro and mafic metavolcanic agglomerate. The appearance is that of a gabbro dyke which has intruded and altered the volcanics and has been subsequently sheared and altered. Sulphides, consisting of Pyrite, Pyrrhotite and Chalcopyrite are Present as disseminations and streaks, constituting up to 3% of the rock. Pyrrhotite is the Predominant sulphide in the gabbro and Pyrite in the volcanic.

Five composite chip samples were collected from the south half (gabbroic) of the exposure and assayed. Results were as follows;

1.	73PPb Au,	<2PPb Pd,	<10PPb Pt
2.	62PPb Au,	<2PPb Pd,	10PPb Pt
3.	7PPb Au,	<2PPb Pd,	<10PPb Pt
4.	27PPb Au,	<2PPb Pd,	<10PPb Pt
5.	87PPb Au,	<2PPb Pd,	<10PPb Pt

Comparison of these results with those from the last-described showing suggests a different source for the mineralization. The anomalous Gold and low Pt and Pd indicate a metavolcanic source, not a gabbroic source for the mineralization. This would indicate more than one mineralizing event - with different origins, chemistry, and Probably age. The anomalous Gold values deserve follow-up.

Nichro Mines Showings:

Several Pits and trenches were examined and sampled on leased claims K 2440571 and K 240578 (fig.3). Some of these were blasted into gabbro and some into felsic (silicified)

metavolcanics. Pyrrhotite, chalcopyrite and pyrite are present as disseminations, streaks and blebs, both within the gabbro and along minor shears. In one trench an irregular quartz vein is exposed containing up to 20-25% pyrite. Samples of gabbro from 2 trenches and the quartz vein were assayed with results as follows;

1. Gabbro	22ppb Au,	<2ppb Pd, 20ppb Pt
2. Gabbro	46ppb Au,	<2ppb Pd, 20ppb Pt
3. Quartz vein	3ppb Au,	<2ppb Pd, <10ppb Pt

The results indicate slightly anomalous Au and Pt in the gabbro. The values in the quartz vein shows the quartz to be a late stage event not associated with the economic mineralization. The presence of numerous inclusions of metavolcanics, many containing disseminated pyrite, pyrrhotite and chalcopyrite, indicate this area is the contact zone between the intrusive gabbro and the enclosing metavolcanics.

Nichro Mines Ltd. Drilling:

During 1971 to 1973, Nichro Mines Ltd. drilled a total of 27 holes from the ice of Mile Lake on leased claims K 203705, K 240571, K 240572 and K 240573 and present Eagle Lake Resources Ltd. claims K 1019755, -756, -757, -758, -759, -760, -766, and -767 (fig.3). Hole locations were selected on the basis of a magnetic survey. The survey results are not available but the holes were apparently drilled on magnetic highs. The holes were drilled vertically, therefore no widths are available.

Only a few of these assays are available in the public record. The assays that are available are "Punch-spot assays". The term "Punch-spot" has been explained (A. McTavish, Pers.comm.,1987) as selective removal of the sulphide grains from the core by drilling or grinding. This results in an enriched sample. Such a sample will tend to be concentrated in the metallic elements of economic importance. The results are not representative, however they can be used as a method to highlight the potential of the material sampled.

Assays for holes 1A, 4, 5 and 7B are given below. Hole 1A was located on present claim K 1019759. The other three holes are on the leased claims of Nichro Mines Ltd.

Nichro Mines Ltd. - "Punch-Shot Assays"

Element	Hole 1A	Hole 4	Hole 5	Hole 7B
Cu (%)	0.78	0.40	0.55	0.77
Ni (%)	0.77	0.45	0.45	0.71
Co (%)	0.034	--	--	0.69
Bi (%)	0.035	0.22	0.18	0.041
Zn (%)	0.30	0.332	0.30	0.43
Pb (%)	--	0.12	0.18	--
Cr (%)	--	0.04	0.02	--
Pt (oz/ton)	--	0.17	0.122	--
Pd (oz/ton)	--	0.18	0.12	--
Rh (oz/ton)	--	0.02	0.004	--
Ir (oz/ton)	--	0.02	0.001	--
Ru (oz/ton)	--	--	0.001	--
Os (oz/ton)	--	--	0.001	--
PGM (oz/ton)	0.278	--	--	0.202
Au (oz/ton)	0.279	0.05	0.06	0.17
Ag (oz/ton)	--	2.42	3.68	7.01

-- denotes no assay

The assays indicate significant contents of platinum group metals, gold and silver in addition to copper, nickel, zinc, bismuth and cobalt. The weights of the samples assayed compared to the total weight of the core is unknown, thus the true representative values are unknown. The core was removed from the area and is not available for examination.

Falconbridge Nickel Mines Ltd.

During 1957, Falconbridge drilled two holes from the ice of Trap Lake on present claim K 1019740. One of the holes was entirely in granite. The other intersected anorthosite and serpentine, bottoming in granite. Sulphides, mainly pyrite, were noted but no assays are available. From the brief descriptions in the drill logs it is likely that assays were not done. The holes were drilled to follow up an electromagnetic survey carried out some time previous to the drilling.

Falconbridge also drilled several holes through the ice of Contact Bay approximately 500m north of claim K 1019757. One hole intersected gabbro containing up to 7% sulphides. Adjacent drill holes intersected volcanics. The conclusion is the gabbro forms a dyke with a more or less north-south strike. As with the other holes, no assays are available.

Mile Lake Showing:

The Mile Lake Showing is a sulphide-bearing, weakly sheared zone in gabbro on the north shore of Mile Lake near the common boundary of claims K 1019756 and -757. It is bounded on the north and south by soapstone and talc-chlorite schist. The zone strikes about 10 degrees south of east and dips vertically, paralleling the schistosity of the talcose rocks.

Pyrite, pyrrhotite and minor chalcopyrite are present, locally up to 5%, as disseminations, blebs and streaks. The zone has a width of 10 - 20'. Most of the sulphide is spatially related to the shearing which is developed over a width of 5 - 8'. Minor sulphide is disseminated in the adjacent gabbro.

A sample collected from this zone returned the following result:

25ppb Au, 77ppb Pd, 30ppb Pt

The results show a slightly anomalous Pt content. Two holes were drilled by Nichro Mines Ltd. from the ice near this showing. The drill logs indicate sulphides were intersected in both holes. No assays are available.

Soapstone Occurrences:

Three soapstone areas are shown on Fig.4. Each of these consist of several occurrences. Insufficient work has been done to determine the economic significance of the soapstone.

General Discussion - Economic Geology:

A. Platinum:

There are two general types of Platinum deposits

1. Primary: magmatic segregations
2. secondary: residual sulphide accumulations

Primary magmatic segregations are characterized by a primary layering of the host rock, disseminated sulphides deposited at the same time as the host rock and only a minor quantity of sulphide (1-2%). In this type of deposit, significant Platinum values may be present over a width of only a few

centimeters to a few tenths of a meter within a 1000-meter or more sequence of host rock. The South African and Stillwater deposits are of this type. Successful exploration requires thorough and systematic coverage of a property.

Residual sulphide accumulations are the result of the deposition of the rock-forming minerals with the sulphides being retained in the liquid phase until late in the cycle. This results in a sulphide-rich fraction accompanied by the volatile components of the original magma. During the latter stages of cooling, this material is deposited in faults, fractures, shears and other structures either within or adjacent to the original source magma. This type of deposit may be characterized by a coarse-grained to pegmatitic nature. Sulphide content is highly variable, depending on the original composition of the magma and its history. Due to the variety of structure / host rock combinations possible with this type of deposit, only one definitive characteristic can be stated: sulphides are present. The sulphide content can be very low (a few percent or less), but sulphide will be present. Exploration for this type of deposit also requires a thorough and systematic approach. The variety of deposits possible must also be considered during exploration.

The platinum occurrences known to date are all of secondary origin. They all appear to be shear zone-hosted, and where examined, appear to be associated with at least minor quantities of mafic pegmatite. The Nichro Mines Ltd. drilling indicated disseminated to massive sulphides and the Harrison Showings only a few percent. The sulphide content, and therefore the conductance of a zone, are highly variable. VLF and/or mag surveys can define the zones discovered to date. The possibility does exist that other platinum-bearing zones do occur which will require detailed geological mapping, stripping and sampling.

B. Gold:

Gold deposits in the area are characterized by faulting or shearing. This is accompanied by carbonatization and silicification. Pyrite is usually present and chalcopyrite is often present.

Shearing, carbonatization, silicification and pyritization have been found at several places on the claim block. Occurrences have been seen in the metavolcanics and the diorites (units 1 and 4, fig.4).

Many of the shears in the area are readily identified using VLF. A VLF survey, followed by geological mapping and stripping, is the typical exploration procedure used to evaluate these structures.

Conclusions:

1. Previous work in the area now owned by Eagle Lake Resources Ltd. has been sporatic, poorly documented and non-systematic. A thorough, methodical, systematic exploration programme is required to adequately assess the potential of the claim block.

2. Significant Platinum assays have been reported from the Nichro Mines Ltd. property on Mile Lake.

3. The Platinum is associated with copper - nickel sulphides in a comparatively magnetic rock. (gabbro and altered gabbro)

4. Fig.5, (AEM Survey), indicates several strong conductors associated with a magnetic high in and near Mile Lake.

5. Mile Lake and vicinity warrants additional exploration for Platinum and associated metals.

6. The Harrison Beaver Pond Showing contains anomalous Platinum values in a sheared gabbro. Several other similar zones are indicated from geophysical surveys.

7. The Harrison Cu-Ni option warrants additional exploration for Platinum and associated metals.

8. Several AEM conductors associated with weak magnetic anomalies occur beneath Trap Lake.

9. These conductors warrant investigation for Platinum and associated metals.

10. The occurrence of Platinum group metals is spatially associated with the mafic/ultramafic intrusion. The entire intrusion and adjacent enclosing rocks warrant additional exploration.

11. The Harrison Au option contains significant gold values over mineable widths. Additional exploration for gold is warranted in this area.

12. The metavolcanics in the region host gold deposits. Carbonatization, silicification and pyritization are present in the metavolcanics on the claim block. The metavolcanic areas on the claim block warrant exploration for gold.

13. The claim block is advantageously located near existing infrastructure, power and labour supplies. This reduces the cost of exploration and will favourably affect the costs of production should an economic deposit be discovered.

Recommendations:

1. A thorough, methodical, systematic exploration programme should be carried out to evaluate the mineral potential of the claim block.

2. The first Phase of the programme should consist of linecutting ground VLF and total field magnetic surveys over the Harrison Cu-Ni option. The areas underlain by metavolcanics and diorites require NE-SW Picket lines. The areas underlain by the mafic/ultramafic intrusion require N-S Picket lines. Picket line spacing of 100m on land, 50m over the channel between Contact Bay and Mile Lake and 25m over the beaver Pond is suggested for this winter's programme. VLF readings should be taken every 25m on all Picket lines. Magnetic readings every 25m will be adequate over the metavolcanic and dioritic areas. Magnetic readings every 5m are required on the lines overlying the mafic/ultramafic intrusion. Results of the magnetic survey at 5m intervals should be carefully monitored to determine their ability to define the magnetic zones of interest. A vertical magnetometer should be used to check the resolution of the total field magnetometer.

3. The second Phase would be undertaken next summer. This would consist of geological mapping of the Harrison Cu-Ni option, reconnaissance mapping and geophysics on the remainder of the Property, stripping, rock trenching, sampling and assaying. The results of this programme will guide the scope and conduct of Phase three.

4. The third Phase would consist of linecutting and geophysics followed by Preliminary diamond drilling to follow up results of Phases one and two. This Phase would start in the fall of 1988 and be continued into the winter of 1988/89. The land portion of the linecutting and geophysics could be done in the fall of 1988 and completed over the water covered portions in the winter. Drilling would be limited to the Harrison Cu-Ni and Gold showings.

5. The fourth Phase would be a summer (1989) programme of geological mapping, stripping, trenching, sampling and assaying of the targets outlined in the third Phase.

6. The fifth Phase would be a drilling programme to test targets outlined in the Previous work.

Proposed Exploration Programme:

Phase I

linecutting, VLF and mag - 25 miles		$25,000

Phase II

geological mapping - 25 miles recon geology and geophysics stripping and trenching, rock trenching, sampling and assaying		
	total	$35,000

Phase III:

linecutting, VLF and mag - 90 miles diamond drilling - 1500'		
	total	$120,000

Phase IV

geological mapping - 45 miles linecutting, VLF and mag - 5 miles stripping and trenching, rock trenching sampling and assaying		
	total	$82,000

Phase V

diamond drilling - 10,000'	total	$400,000
	TOTAL	$662,000

APPENDIX I

CLAIM STATUS - HARRISON OPTIONS AND ADJACENT CLAIMS - MILE/TRAP LAKES AREA

KENORA MINING DIVISION - ONTARIO

claim no.	recording date	assessment days recorded exp geo Phy	geo log	man lab	mech	Power strip	ddh	tot	good to	days on hand	notes
K 203509									leased		
K 706070	Apr 19 83	21					41	62	Mar 31 88		
K 706072	Apr 19 83	19					41	60	Mar 31 88		
K 706073	Apr 19 83	19					41	60	Mar 31 88		
K 706125	Apr 19 83	19					41	60	Mar 31 88		
K 706126	Apr 19 83	19					41	60	Mar 31 88		
K 706127	Apr 19 83	19					41	60	Mar 31 88		
K 706128	Apr 19 83	19					41	60	Mar 19 88		
K 706129	Apr 19 83	19					41	60	Mar 19 88		
K 706130	Apr 19 83	19					41	60	Mar 31 88		
K 706131	Apr 19 83	19					41	60	Mar 31 88		
K 706132	Apr 19 83	20					40	60	Mar 31 88		
K 706133	Apr 19 83	20					40	60	Mar 31 88		
K 706134	Apr 19 83	20					40	60	Mar 31 88		
K 706136	Apr 19 83	20					40	60	Mar 31 88		
K 706137	Apr 19 83	20					40	60	Mar 31 88		
K 706140	Apr 19 83	25					40	65	Mar 31 88		
K 882550	Oct 2 86	20							Oct 2 88		
K 882551	Oct 2 86	20							Oct 2 88		
K 972460	July 13 87								July 13 88		
K 1007460	Sept 8 87								Sept 8 88		

K	1019724	Oct	5	87				Oct	5 88
K	1019725	Oct	5	87				Oct	5 88
K	1019726	Oct	5	87				Oct	5 88
K	1019727	Oct	5	87				Oct	5 88
K	1019728	Oct	5	87				Oct	5 88
K	1019729	Oct	5	87				Oct	5 88
K	1019730	Oct	5	87				Oct	5 88
K	1019731	Oct	5	87				Oct	5 88
K	1019732	Oct	5	87				Oct	5 88
K	1019733	Oct	5	87				Oct	5 88
K	1019734	Oct	5	87				Oct	5 88
K	1019735	Oct	5	87				Oct	5 88
K	1019736	Oct	5	87				Oct	5 88
K	1019737	Oct	5	87				Oct	5 88
K	1019738	Oct	5	87				Oct	5 88
K	1019739	Oct	5	87				Oct	5 88
K	1019740	Oct	5	87				Oct	5 88
K	1019741	Oct	5	87				Oct	5 88
K	1019742	Oct	5	87				Oct	5 88
K	1019743	Oct	5	87				Oct	5 88
K	1019744	Oct	5	87				Oct	5 88
K	1019745	Oct	5	87				Oct	5 88
K	1019746	Oct	5	87				Oct	5 88
K	1019747	Oct	5	87				Oct	5 88
K	1019748	Oct	5	87				Oct	5 88
K	1019749	Oct	5	87				Oct	5 88
K	1019750	Oct	5	87				Oct	5 88

K	1019751	Oct	5	87		Oct	5 88
K	1019752	Oct	5	87		Oct	5 88
K	1019753	Oct	5	87		Oct	5 88
K	1019754	Oct	5	87		Oct	5 88
K	1019755	Oct	5	87		Oct	5 88
K	1019756	Oct	5	87		Oct	5 88
K	1019757	Oct	5	87		Oct	5 88
K	1019758	Oct	5	87		Oct	5 88
K	1019759	Oct	5	87		Oct	5 88
K	1019760	Oct	5	87		Oct	5 88
K	1019761	Oct	5	87		Oct	5 88
K	1019762	Oct	5	87		Oct	5 88
K	1019763	Oct	5	87		Oct	5 88
K	1019764	Oct	5	87		Oct	5 88
K	1019765	Oct	5	87		Oct	5 88
K	1019766	Oct	5	87		Oct	5 88
K	1019767	Oct	5	87		Oct	5 88
K	1019768	Oct	5	87		Oct	5 88
K	1019769	Oct	5	87		Oct	5 88
K	1019770	Oct	5	87		Oct	5 88
K	1019771	Oct	5	87		Oct	5 88
K	1019772	Oct	5	87		Oct	5 88
K	1019773	Oct	5	87		Oct	5 88
K	1019774	Oct	5	87		Oct	5 88
K	1019775	Oct	5	87		Oct	5 88

K 1019776	Oct 5 87	Oct 5 88
K 1019777	Oct 5 87	Oct 5 88
K 1019778	Oct 5 87	Oct 5 88
K 1019779	Oct 5 87	Oct 5 88
K 1019780	Oct 5 87	Oct 5 88
K 1019781	Oct 5 87	Oct 5 88
K 1019782	Oct 5 87	Oct 5 88
K 1019783	Oct 5 87	Oct 5 88

REVISED TO: Nov. 9, 1987

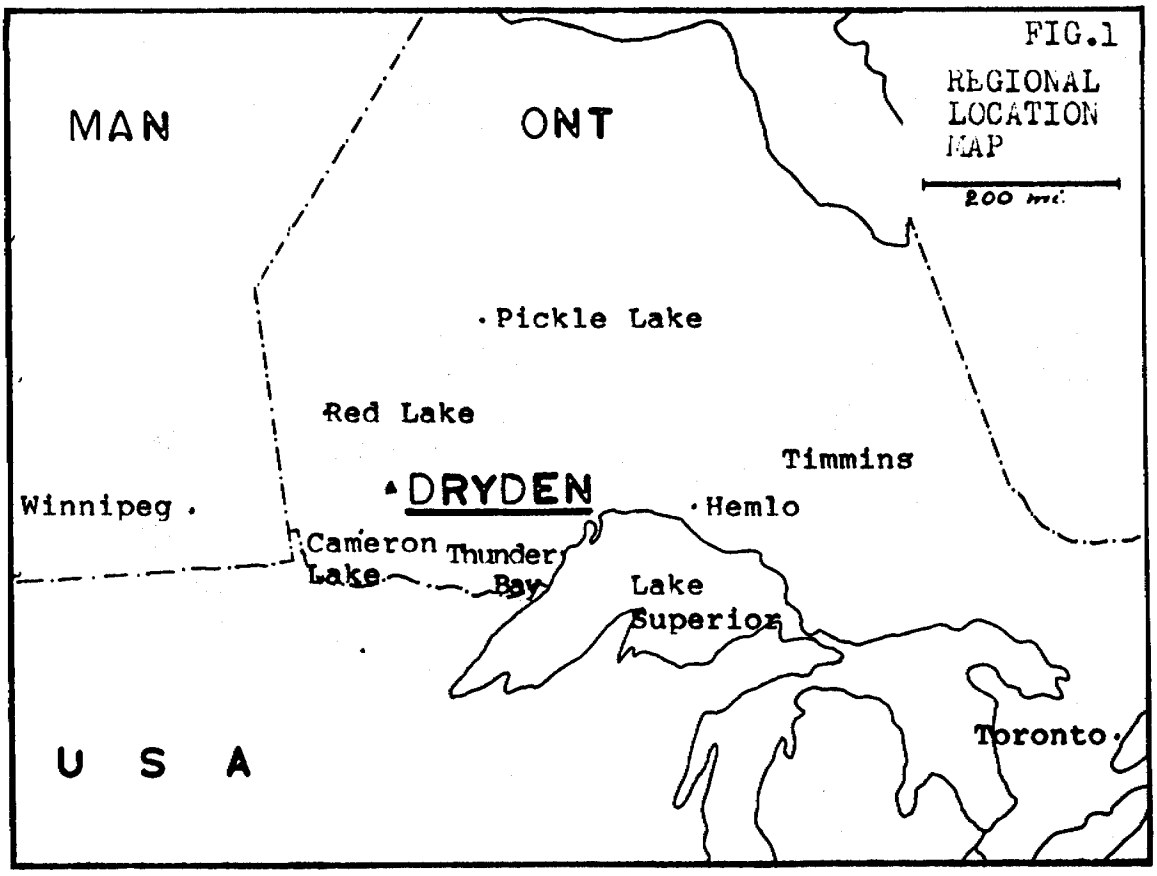


FIG.1
REGIONAL LOCATION MAP
200 mi.
MAN
ONT
Pickle Lake
Red Lake
Timmins
DRYDEN
Winnipeg
Hemlo
Cameron Lake
Thunder Bay
Lake Superior
Toronto
U S A

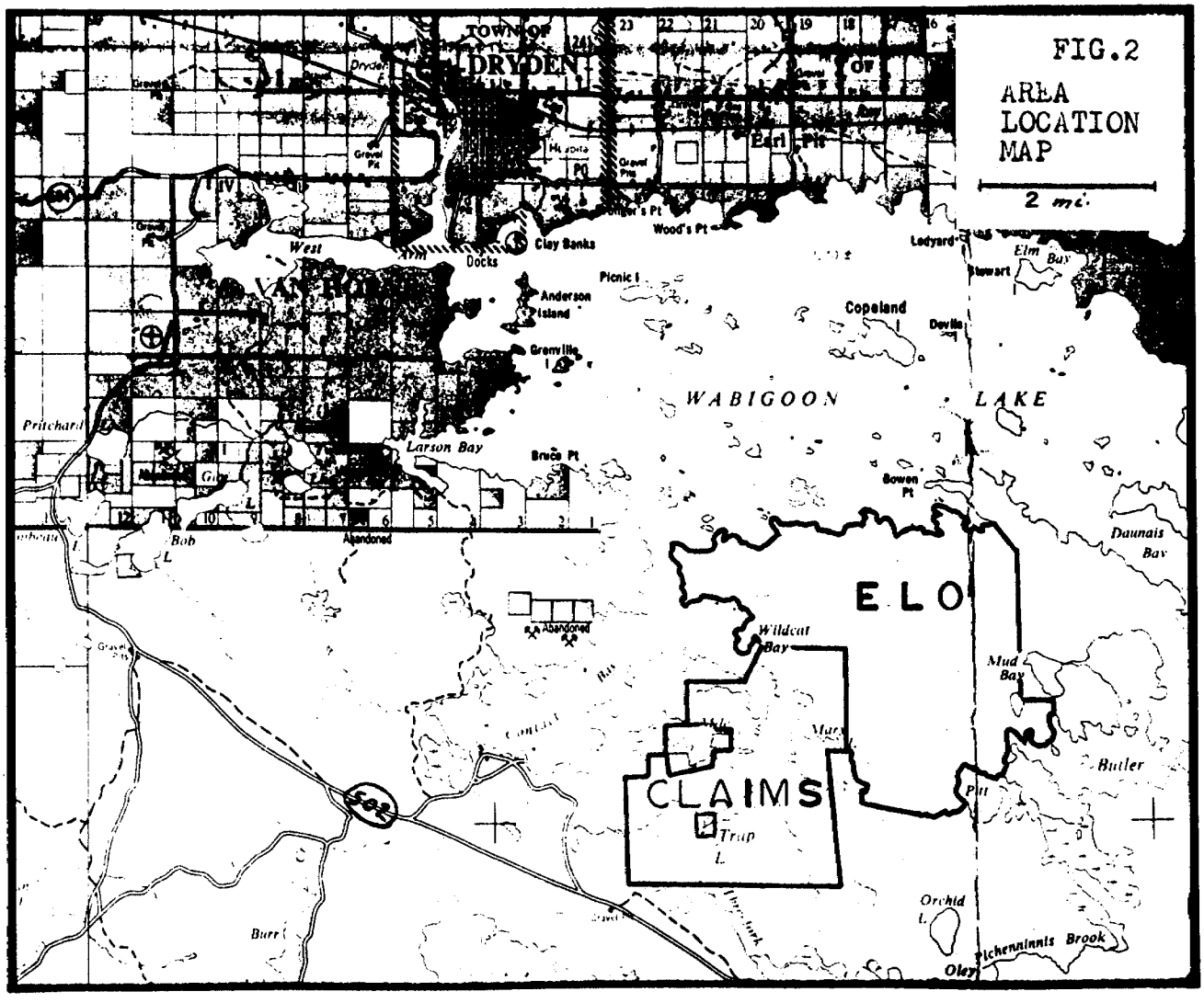


FIG.2
AREA LOCATION MAP
2 mi.
TOWN OF DRYDEN
Earl Pit
Clay Banks
Docks
Anderson Island
Granville I.
Copeland
WABIGOON LAKE
Larson Bay
Bruce Pt
Bowen Pt
Abandoned
ELO
Wildcat Bay
Mud Bay
Butler
CLAIMS
Trap L.
Orchid L.
Pichenninnis Brook
Daunais Bay
Elm Bay
Ledyard
Pritchard
Bob L.
Burr
Oley

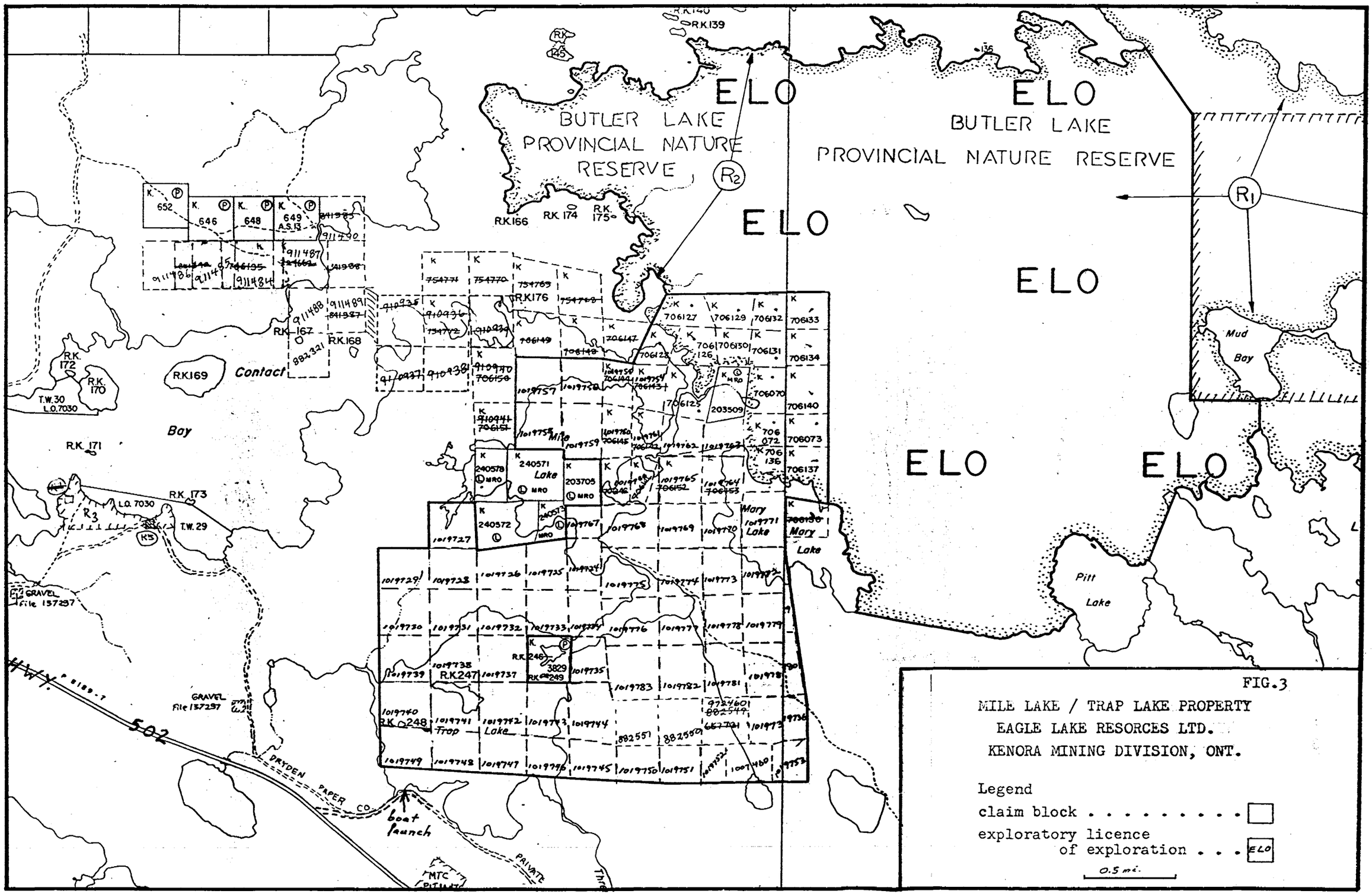


FIG.3

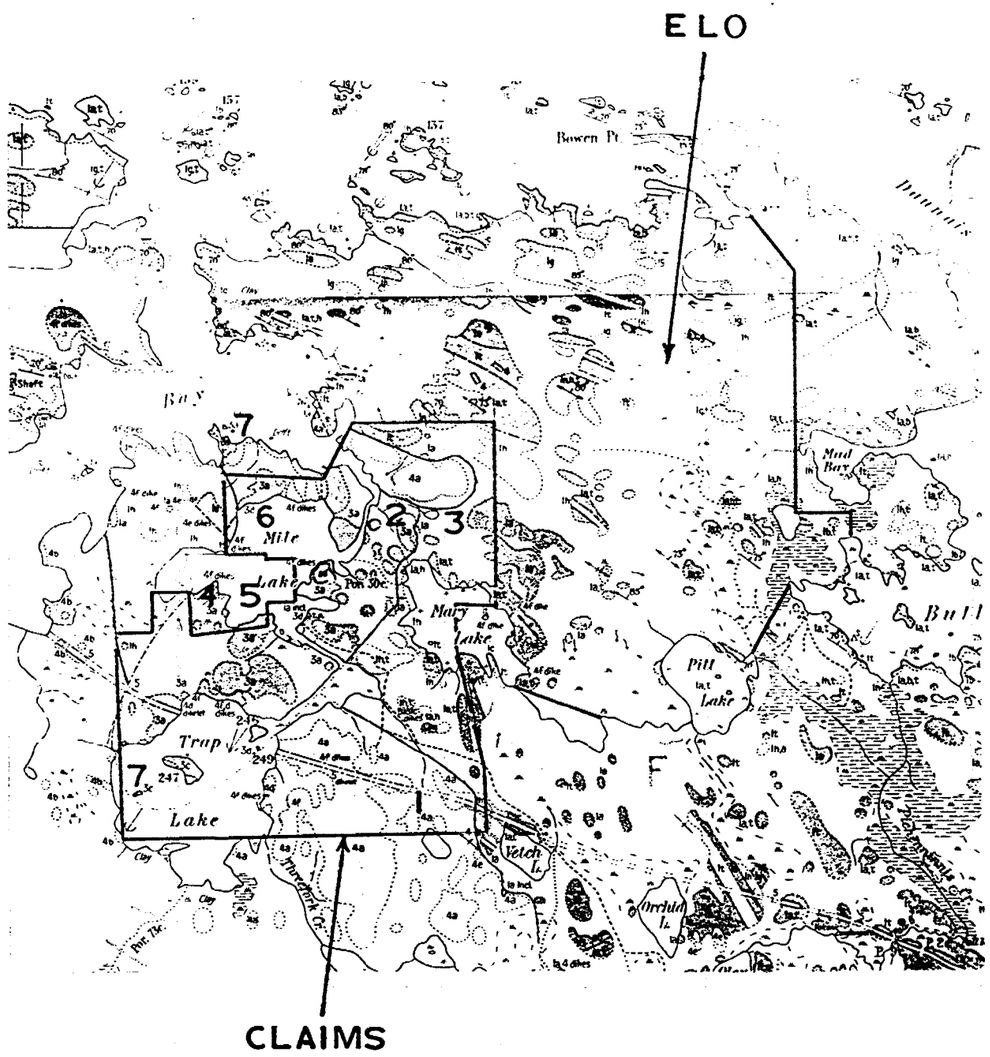
MILE LAKE / TRAP LAKE PROPERTY
EAGLE LAKE RESORCES LTD.
KENORA MINING DIVISION, ONT.

Legend

claim block . . . . . □

exploratory licence of exploration . . . ELO

0.5 mi.



GENERAL GEOLOGY fig 4

LOCATIONS of MINERAL OCCURRENCES

MILE LAKE / TRAP LAKE AREA

1 mi

Mineral Occurrences

1. Harrison Gold Showing
2. Harrison Beaver Pond Showing
3. Harrison East Pond Showing
4. Nichro Mines Ltd. Showings
5. Nichro Mines Ltd. Drilling
6. Mile Lake Showing
7. Falconbridge NML Drilling

3d Soapstone

Rock Types

1a intermediate to mafic volcanics
1b pillow lava
1c coarse grained volcanics
1g carbonated chlorite/sericite schist
1h felsic volcanics
1t felsic agglomerate and tuff

3a gabbro
3c harzburgite
3d soapstone

4a diorite, quartz hornblende diorite
4b quartz biotite diorite
4d pegmatite, aplite, graphic granite
4f felsite dykes

5 quartz diabase

(after Satterly, 1941)

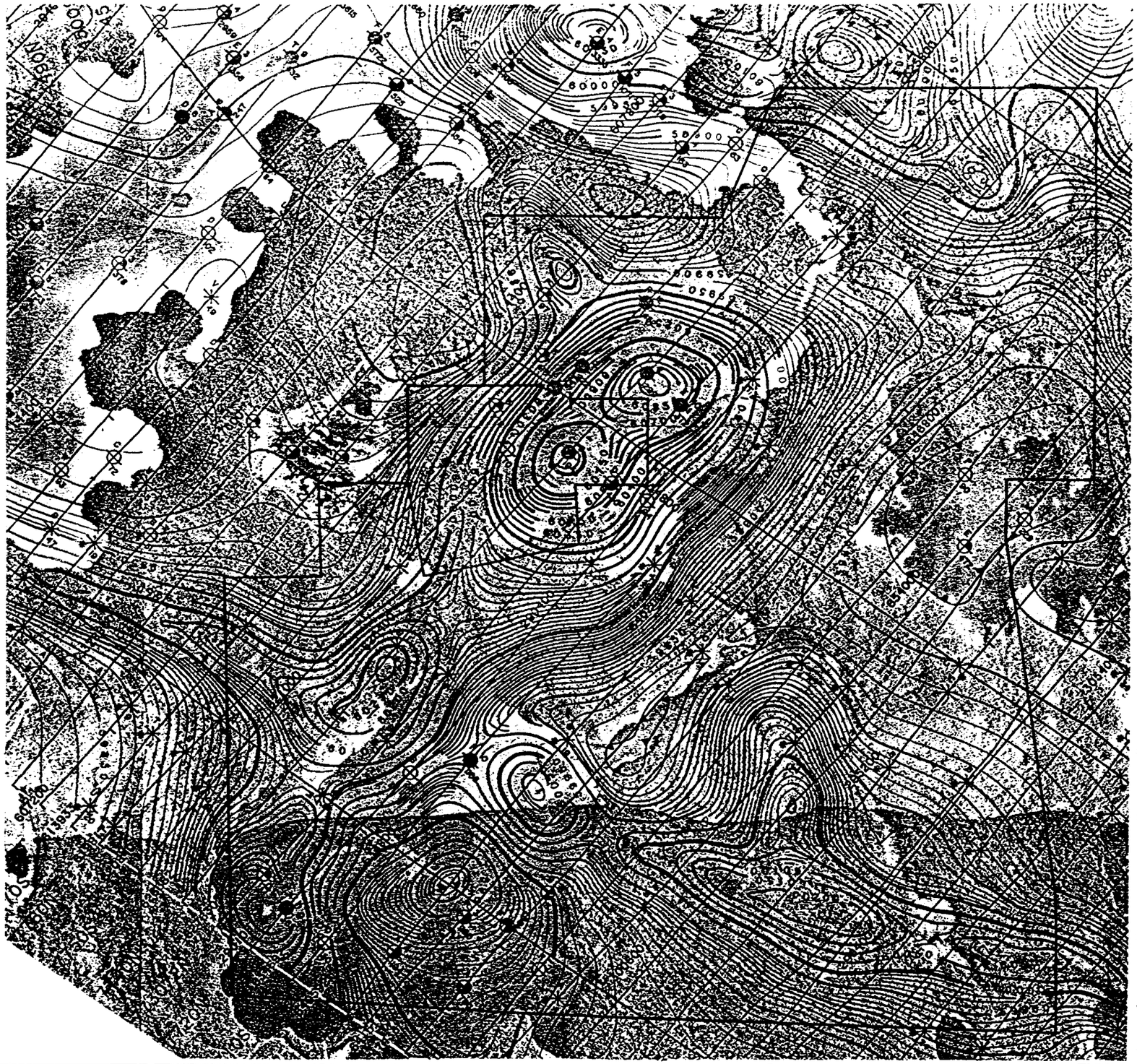
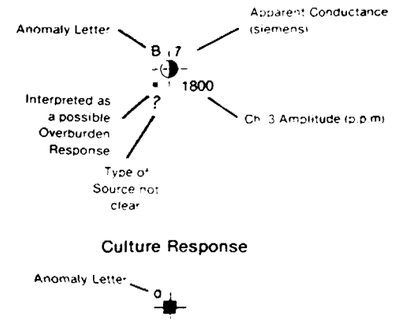


FIG.5

MILE LAKE / TRAP LAKE AREA
Airborne Electromagnetic Survey
Total Intensity Magnetic Survey
scale 1:20,000

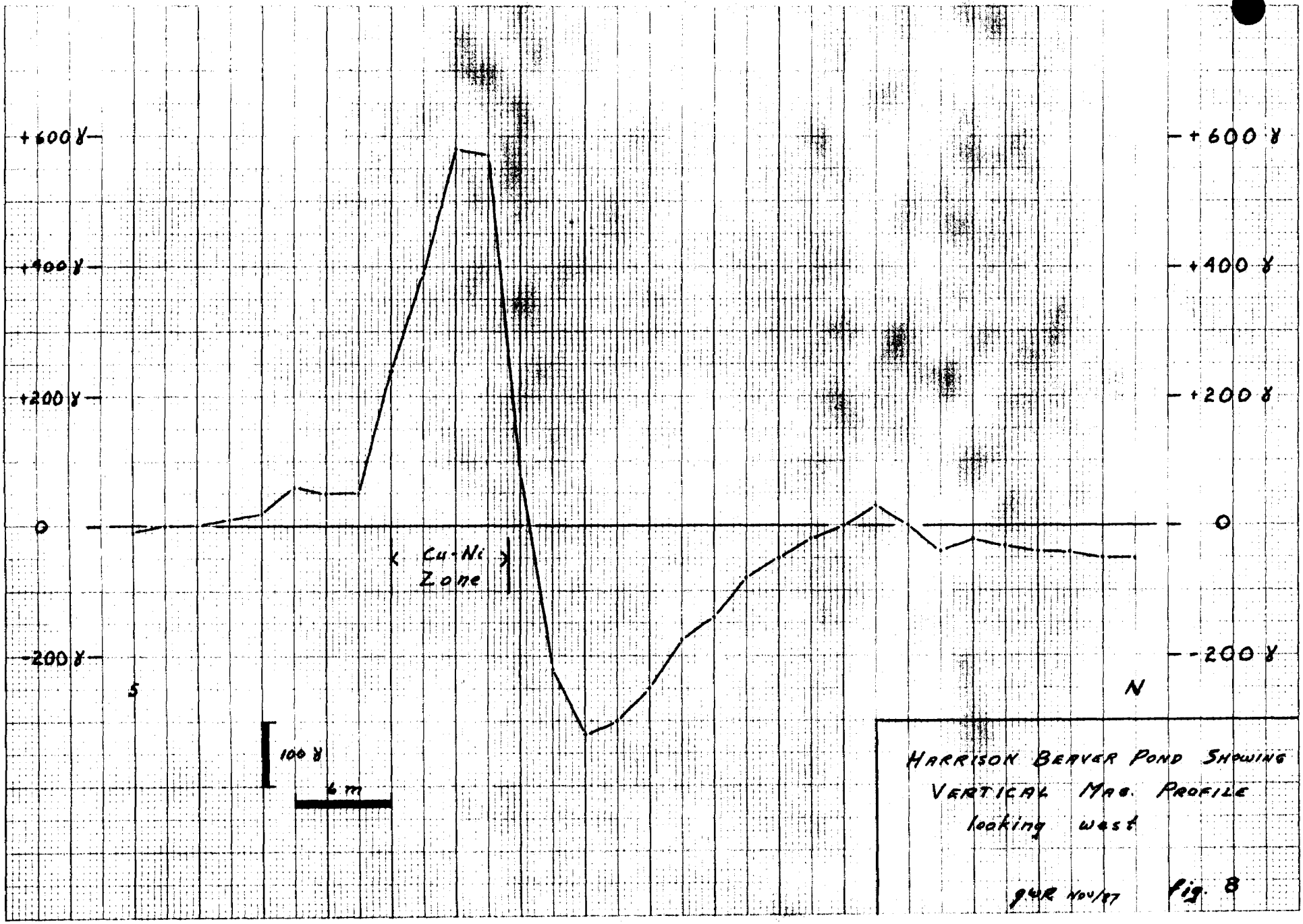
GEOTEM® Peak Response Symbols

ANOMALY	DECAY INTERVAL CLASSIFICATION
✳	1-2 Channel (350, 450 microseconds)
⊕	3-4 Channel (550, 670 microseconds)
◐	5-6 Channel (790, 910 microseconds)
◑	7-8 Channel (1050, 1190 microseconds)
◕	9-10 Channel (1350, 1510 microseconds)
●	11-12 Channel (1680, 1870 microseconds)



Culture Response

Source: O.G.S. Map 80972, 1987.



HARRISON BEAVER POND SHOWING
VERTICAL MAG. PROFILE
looking west

GAR NOV/87 fig. 8

W8801.055

Ministry of Northern Development and Mines
Ontario

Report of Work
(Geophysical, Geological, Geochemical and Expenditures)

DC
W

52F10NW0066 2.11203 CONTACT BAY (WABIGOO

900

T.5

2.11203

Type of Survey(s): EXPENDITURE

Township or Area: CONTACT BAY AREA 6.2577

Claim Holder(s): EAGLE LAKE RESOURCES LTD

Prospector's Licence No.: BUTLER LA T.5049 6.2576

Address: STE 301, 634 - 6 AVENUE S.W. CALGARY ALTA. T2P 0S4

Survey Company: J.W. REDDEN

Date of Survey (from & to): 15 Day | 09 Mo. | 87 Yr. | 10 Day | 12 Mo. | 87 Yr.

Total Miles of line Cut: —

Name and Address of Author (of Geo Technical report): J.W. Redden Box 117 Wabigoon Ont P0V2W0

Credits Requested per Each Claim in Columns at right

Special Provisions		Days per Claim
For first survey: Enter 40 days. (This includes line cutting)	Geophysical	
	- Electromagnetic	
	- Magnetometer	
For each additional survey: using the same grid: Enter 20 days (for each)	- Radiometric	
	- Other	
	Geological	
	Geochemical	

Man Days		Days per Claim
Complete reverse side and enter total(s) here	Geophysical	
	- Electromagnetic	
	- Magnetometer	
	- Radiometric	
	- Other	
	Geological	
	Geochemical	

Airborne Credits		Days per Claim
Note: Special provisions credits do not apply to Airborne Surveys.	Electromagnetic	
	Magnetometer	
	Radiometric	

Mining Claims Traversed (List in numerical sequence)

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
K	706070 ✓	30
	706072	30
	706073	30
	706125	30
	706126	30
	706127	30
	706128	30
	706129	30
	706130	30
	706131	30
	706132	30
	706133	30
	706134	30
	706136	30
	706137	30
	706140	30

RECEIVED
MAR 24 1988
MINING LANDS SECTION

KENORA MINING DIV.
RECEIVED
MAR 15 1988
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

706070

Total number of mining claims covered by this report of work: 16

Expenditures (excludes power stripping)

Type of Work Performed: Consultant's Study

Performed on Claim(s): all

Calculation of Expenditure Days Credits

Total Expenditures			=	Total Days Credits
$ 7200	÷	15	=	480

Instructions: Total Days Credits may be apportioned at the claim holder's choice. Enter number of days credits per claim selected in columns at right.

Date: MAR 13/88

Recorded Holder or Agent (Signature): J.W. Redden

For Office Use Only

Total Days Cr. Recorded	Date Recorded	Mining Recorder
480	MARCH 15/88	Scott Rivett
	Date Approved as Recorded: See Statement	Branch Director

AB

Certification Verifying Report of Work

I hereby certify that I have a personal and intimate knowledge of the facts set forth in the Report of Work annexed hereto, having performed the work or witnessed same during and/or after its completion and the annexed report is true.

Name and Postal Address of Person Certifying: J.W. REDDEN Box 117 Wabigoon Ont P0V2W0

Date Certified: MAR 13/88

Certified by (Signature): J.W. Redden

Ontario

Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des Mines

June 17, 1988

Your file: W8801-055
Our file: 2.11203

Mining Recorder
Ministry of Northern Development and Mines
808 Robertson Street
P.O. Box 5200
Kenora, Ontario
P8N 3X9

Dear Sir:

Re: Consultant's Study and Data for Assaying submitted under Section 77(19) of the Mining Act R.S.O. 1980 on Mining Claim K 706070 in Contact Bay and Butler Lake Area

The enclosed statement of assessment work credits for Assaying has been approved as of the above date.

Please inform the recorded holder of these mining claims and so indicate on your records.

Yours sincerely,

W.R. Cowan, Manager
Mining Lands Section
Mines & Minerals Division

Whitney Block, Room 6610
Queen's Park
Toronto, Ontario
M7A 1W3

AB:pl
Enclosure (2)

cc: Resident Geologist
Kenora, Ontario

Eagle Lake Resources Ltd.
Suite 301
634 - 6th Avenue S.W.
Calgary, Alberta
T2P 0S4

Ministry of Northern Development and Mines

Ontario

Technical Assessment Work Credits

File 2.11203

Date June 20, 1988

Mining Recorder's Report of Work No. W8801-055

Recorded Holder: Eagle Lake Resources Ltd.

~~Township~~ or Area: Contact Bay and Butler Lake

Type of survey and number of Assessment days credit per claim	Mining Claims Assessed
Geophysical	$7,200.00 SPENT ON CONSULTANT'S STUDY AND ASSAYING SAMPLES TAKEN FROM MINING CLAIM: K 706070
Electromagnetic _____ days	
Magnetometer _____ days	
Radiometric _____ days	
Induced polarization _____ days	
Other _____ days	
Section 77 (19) See "Mining Claims Assessed" column	
Geological _____ days	
Geochemical _____ days	
Man days ☐ Airborne ☐	
Special provision ☐ Ground ☐	
☐ Credits have been reduced because of partial coverage of claims.	480 DAYS CREDIT ALLOWED WHICH MAY BE GROUPED IN ACCORDANCE WITH SECTION 76(6) OF THE MINING ACT R.S.O. 1980.
☐ Credits have been reduced because of corrections to work dates and figures of applicant.	

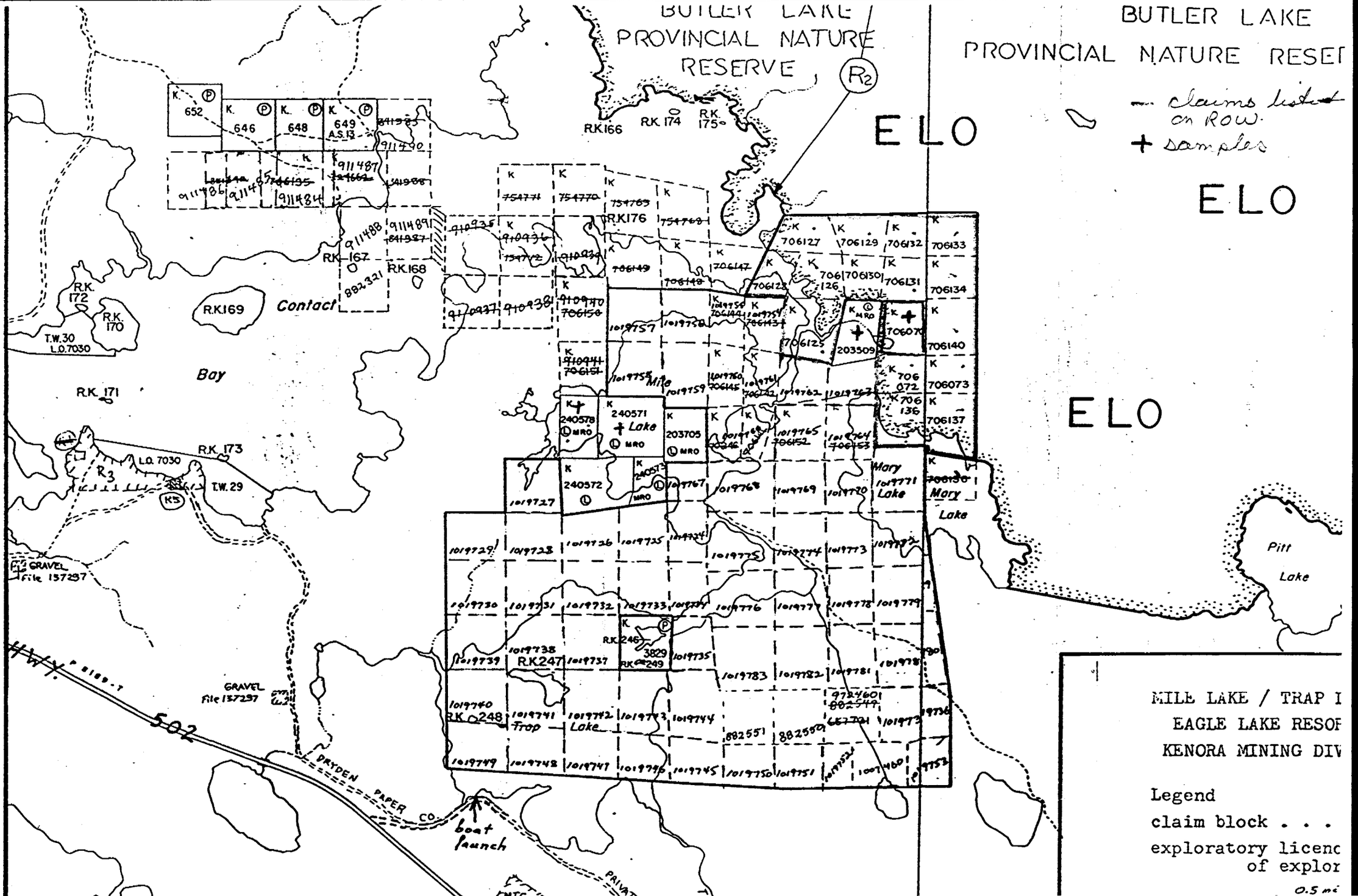
Special credits under section 77 (16) for the following mining claims

No credits have been allowed for the following mining claims

☐ not sufficiently covered by the survey ☐ insufficient technical data filed

The Mining Recorder may reduce the above credits if necessary in order that the total number of approved assessment days recorded on each claim does not exceed the maximum allowed as follows: Geophysical - 80; Geologocal - 40; Geochemical - 40; Section 77(19) - 60.

828 (85/12)



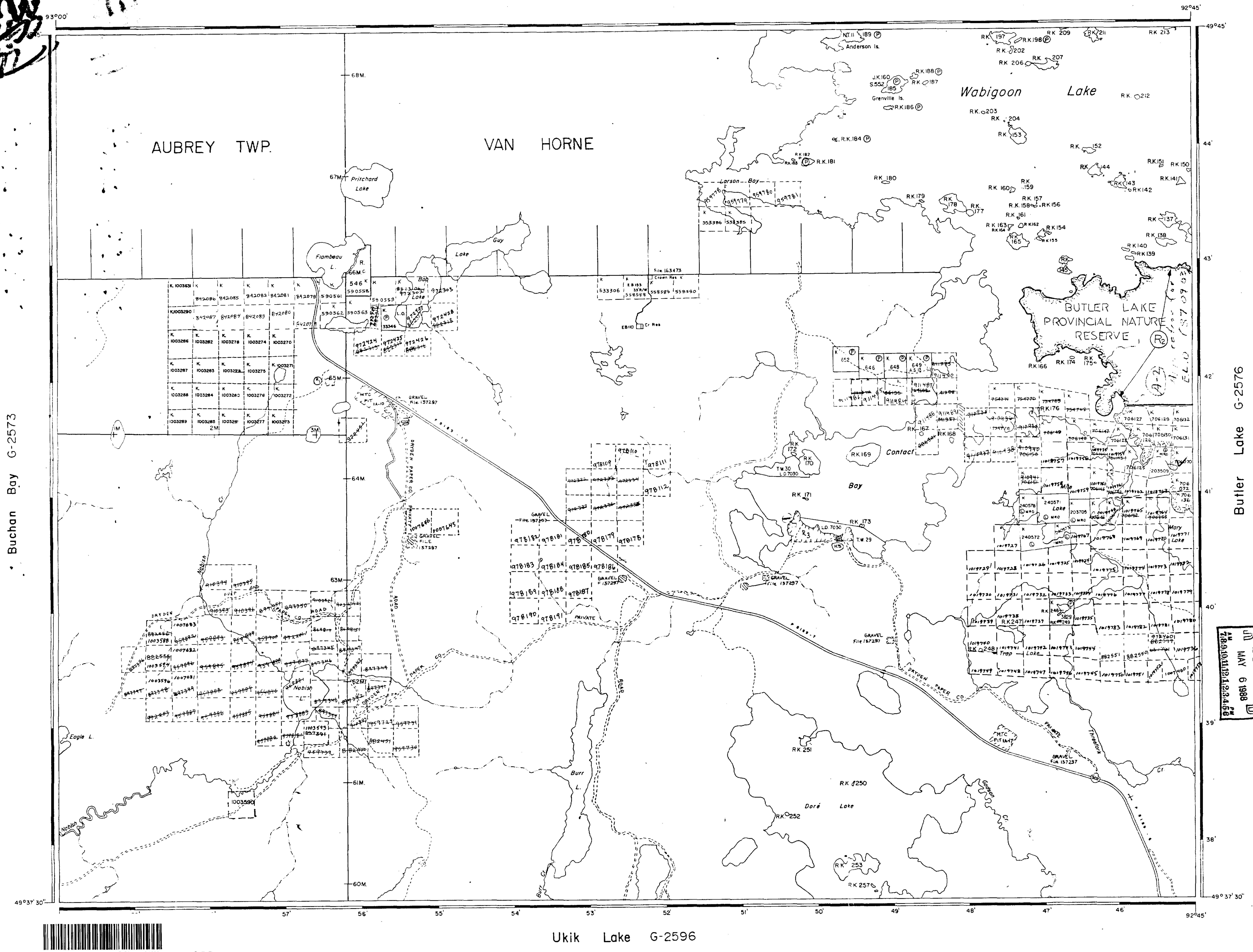
MILE LAKE / TRAP I
EAGLE LAKE RESOF
KENORA MINING DIV

Legend

claim block . . .

exploratory licenc
of explor

0.5 mi



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

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	Ⓢ

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. 380, SEC. 63, SUBSEC. 1.

REFERENCES

AREAS WITHDRAWN FROM DISPOSITION

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

All Islands in Wabigoon Lake withdrawn from staking under Sec. 39 Subsec. of Mining Act.

Roads indicated Dryden Paper Co. Private Road may be used by Prospectors only after permission is obtained from Dryden Paper Co. Dryden, Ont.

SCALE: 1 INCH = 40 CHAINS

AREA
CONTACT BAY
WABIGOON LAKE

M.N.R. ADMINISTRATIVE DISTRICT
DRYDEN
MINING DIVISION
KENORA
LAND TITLES / REGISTRY DIVISION
KENORA

Ontario — Ministry of Natural Resources — Land Management Branch

Date JANUARY, 1984

Number G-2579

496924

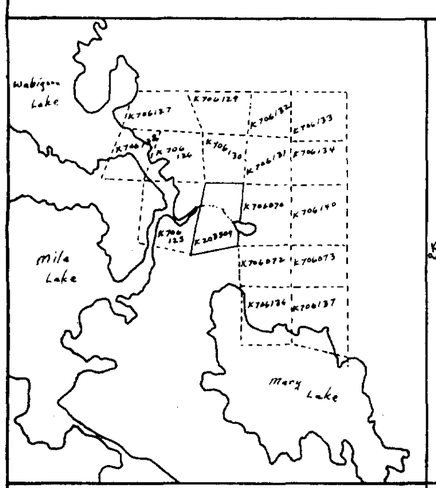
WABIGOON LAKE

MILE LAKE

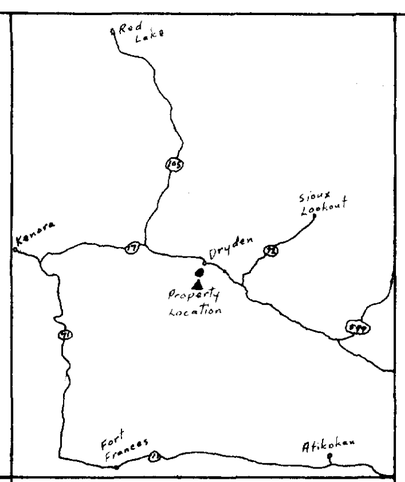
Pond

MARY LAKE

N



Claim Block 1" = ½ mi.



Location Map 1" = 50 mi.

LEGEND

surveyed claim (K203509) — —

claim block (approx.) ——·——

Vertical Mag. (S.R.J.M.)

> 1000 γ

400 - 1000 γ

200 - 400 γ

0 - 200 γ

< 0 γ

Bath Canada Mining Co.

mag high —M—

HEM conductor —●—

VLF conductor —○—

HARRISON PROPERTY 2.11203

Kenora Mining Division - Ontario

Scale 1" = 300'

210

fig 7

MAP 85-02-A

to accompany report by:

J.W. Reddon, B.Sc., June '85

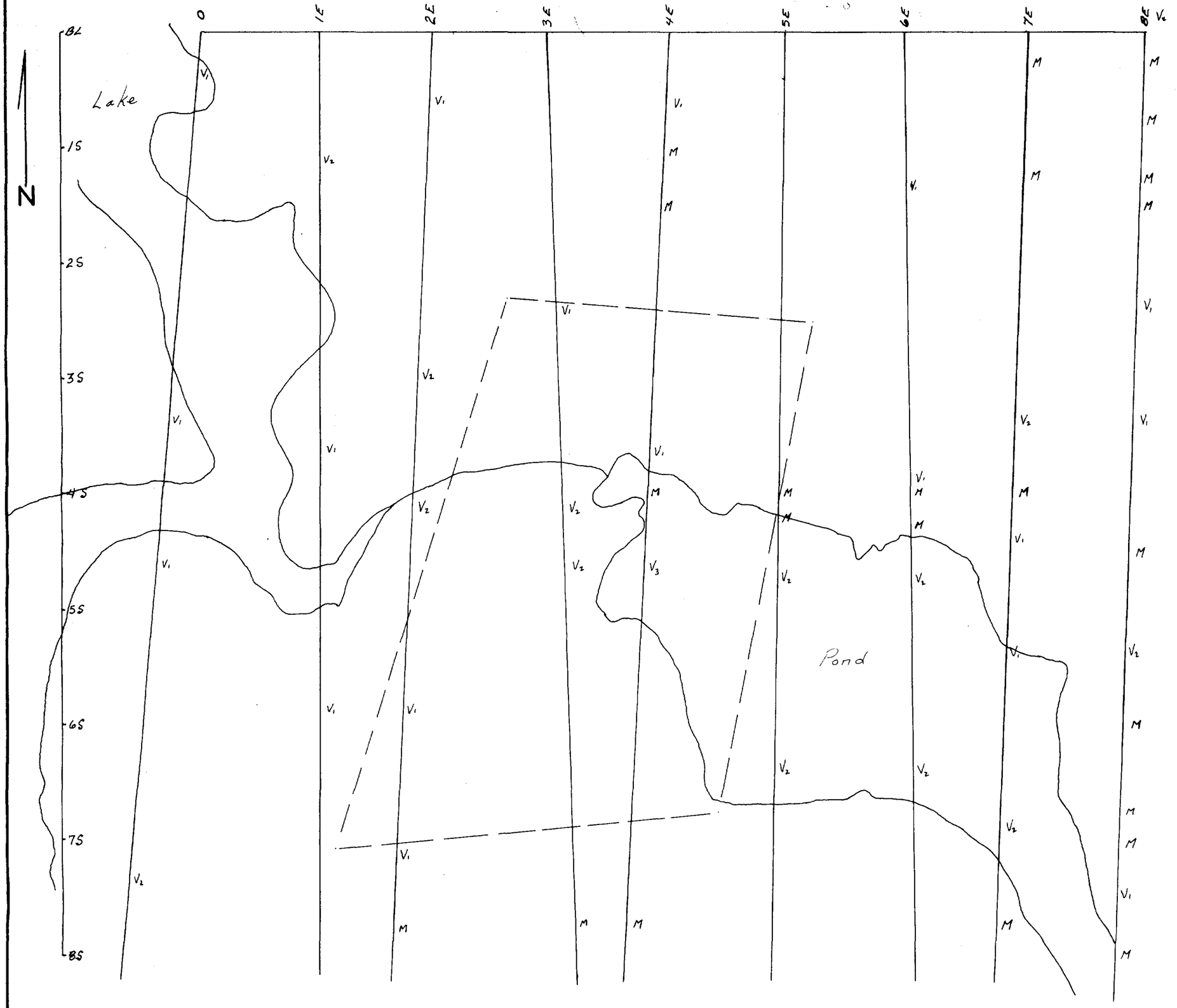
Fig 6

HARRISON PROPERTY

2.11203

Kenora Mining Division - Ontario

scale 1:2500



Legend

surveyed claim K203509 ___ ___ ___

picket line _____

magnetic high M

VLF - Fraser Filter Anomaly

V_1 : F.F. value 1-30

V_2 : F.F. value 31-60

V_3 : F.F. value 61-116

MAP 85-02B
* accompany report by:
J.W. Radden, B.Sc. June '85