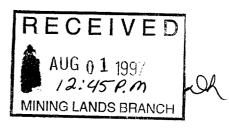


REPORT ON GEOPHYSICAL SURVEYS ON THE VAN HORNE CLAIMS VAN HORNE AND AUBREY TOWNSHIPS, ONTARIO for CHAMPION BEAR RESOURCES LTD.

July, 1997 Seymour M. Sears

2.17558





SUMMARY

Ground magnetometer and VLF-EM surveys were carried out over a nineteen claim unit property in Van Horne and Aubrey Township, northwestern Ontario. The claims are referred to as the Van Horne Property. The claims are wholly owned by Champion Bear Resources Ltd. They are situated 12 kms east of the Plomp Farm Gold property in a similar lithological setting. The work was designed as part of a preliminary evaluation of the property.

According to published geological maps (Moorhouse, 1939; Satterly, 1941) the rocks exposed on the property include clastic metasediments, iron formation, minor pegmatitic granitic dykes and possibly mafic volcanic or intrusive rocks (projected from adjacent exposures). The ground geophysical surveys have outlined a number of conductive features that should be followed up by prospecting and geological mapping.

Respectfully submitted,

Wawa, Ontario July, 1997

Seymour M. Sears, B.A., B.Sc. Geologist

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52F15SW0003 2.17568 VAN HORNE

INTRODUCTION

This report presents a summary of the results from a work program carried out from March to July, 1997 on the Van Horne Property of Champion Bear Resources Ltd. The work was carried out by personnel of Sears, Barry and Associates Ltd. Accommodation was provided at the Champion Bear Resources Ltd. base camp at Minitaki South.

PROPERTY, LOCATION AND ACCESS

The Van Horne Claim Group is located 6 kms west of Dryden, Ontario (Fig 1). It is situated in Aubrey and Van Horne townships (Fig 2). The group consists of nineteen (19) claim units in five (5) individual claims. The claims are numbered as follows:

K 1178285 (8 units)

K 1178286 (4 units)

K 1178375 (1 unit)

K 1178376 (4 units)

K 1178377 (2 units)

Highway 597 passes through the south part of the claim group. Several farm and logging access roads provide off road vehicle access to most of the property. The CPR Railway, Trans Canada Highway and Trans Canada Pipeline all pass within 5 kilometres of the north boundary of the property. A meandering, east-west trending, swampy creek divides the claim group through the middle and effectively conceals what is projected to be the most favourable area of bedrock.

REGIONAL AND PROPERTY GEOLOGY

The Van Horne Property is underlain by Archean Aged rocks of the Superior Province of the Canadian Shield. From regional mapping (Moorhouse, 1939; Satterly, 1943) the claims are underlain by an east-west trending sequence of metasedimentary rocks with interlayered iron formation and possible narrow bands of mafic volcanic or intrusive rocks. The metasediments are considered to be part of the Warclub Group (Parker, 1993). This group of metasedimentary rocks hosts the Thunder Lake gold prospect of Teck /Corona (25 kms east) as well as Champion Bear's Plomp Farm gold/silver prospect (12 kms west).

Gold mineralization in the area occurs in various lithological and structural settings (Chorlton, 1988). These include 1) quartz and quartz-carbonate veins; 2) silicified zones and quartz veins associated with shear zones; and 3) sulphide ironstone. Most of the known deposits and prospects in the general area appear to be spatially related to faults and shears that branch out from or parallel a major northeast trending structure known as the Wabigoon Fault System. This structure passes immediately to the south of the property. There also appears to be a strong association between gold mineralization and felsic intrusive rocks.



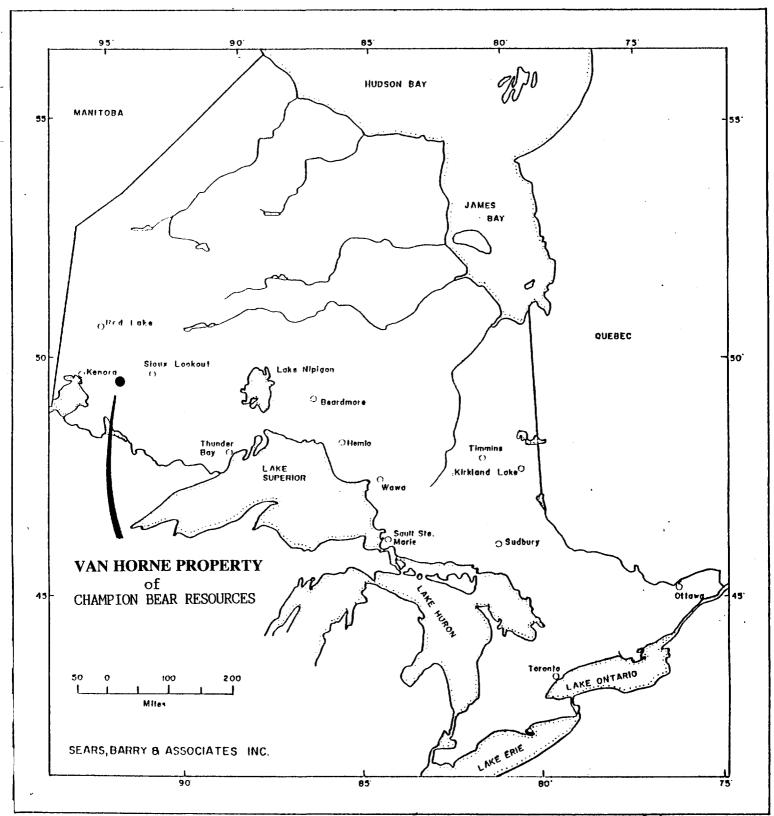


Fig. 1: Regional Location Map of Ontario.

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1	160 ac.			IM SKETCH - Van	REF 125496		

There are no known gold occurrences on the claim group.

WORK HISTORY

There has been no assessment work previously reported on the property. The eastern part of the property that lies in Van Horne Township was included in a geological mapping project carried out by J. Satterly for the Ontario Department of Mines (1939). The western part of the property - that lying in Aubrey Township was included in a geological survey by W.W. Moorhouse for the Ontario Department of Mines (1943).

WORK PROGRAM AND RESULTS

Overview

The 1997 work program on the VanHorne Property involved ground magnetometer and VLF-EM surveys. A flagged control grid was established using an east-west baseline and tieline (3.1 kms) and north-south crosslines at 100 metre spacing (26.3 kms). The work is summarized as follows:

Magnetometer Survey

The ground magnetometer survey was completed using a Geometrics G-816 Portable Proton Magnetometer. This instrument measures the total intensity of the earths magnetic field in gammas. A Geometrics G-856A recording Base Station magnetometer was used during the survey to monitor the diurnal variations of the magnetic field. This data was then utilized for correcting the field data. The Base Station was located at Grid location 00 along the Baseline. It had a value of 58,733 gammas.

Magnetic intensities were observed at 12.5 metre intervals along the 100 metre spaced grid lines. The diurnally corrected data was plotted at a scale of 1:2500 and contoured (Map 1).

The survey shows three distinct patterns of magnetic intensity. These include a zone of high values in the extreme northern part of the property containing values ranging from 58900 to 60593 gammas. This area is assumed to be underlain by oxide facies iron formation. To the south of this area and occupying the center of the claim group lies a relatively uniform zone having a background from 58800 to 58900 gammas with scattered higher and lower zones of limited lateral extent. This area probably represents the most favourable part of the property, probably underlain by mixed metasedimentary rocks with volcanic and intrusive lenses and layers. The southern part of the property contains a background ranging from 58700 to 58800 gammas and includes scattered linear zones of higher and lower intensity. This is probably underlain by metasedimentary rocks with local iron formation and possible mafic volcanics.

VLF-EM Survey

The VLF-EM survey utilized a Geonics EM-16 VLF-EM instrument. As with any VLF-EM method,

the instrument measures certain components of the electromagnetic fields set up by communication stations operating in the 15 to 30 kHz frequency range. For this survey, the Cutler, Maine (NAA) transmitting station (24.0 Khz) was utilized. When the radio waves from this station encounter conductive bodies in the ground, eddy currents are induced creating secondary fields in the area of these conductors. The EM-16 measures in-phase and quadrature-phase portions of the vertical components of these secondary electromagnetic fields, as a percentage of the primary field of the original signal.

Data was collected at 25 metre spacing along the crosslines. The VLF-EM dip angle data is plotted in Profile form at a scale of 1:2500 on Map 2. Fraser Filtered VLF-EM data is presented in Map 3. The Fraser Filtered features are labeled for reference purposes.

The survey shows numerous linear to arcuate features having a general east west trend. Some of these appear to be legitimate bedrock related features. Others are probably due to overburden and topographical effects. Following are brief discussions of the stronger conductive features outlined by the Fraser filtered data Map 3).

Conductor "A" extends from 1550 N, L 700 E to 1550 N, L 300 W. It is a narrow linear anomaly extending across the property; moderate to strong; coincident with a magnetic high; probable cause - chert-magnetite Iron Formation

Conductor "B" extends from 1400 N, L 700 W to 1375 N, L 300 W. It is also narrow and linear, moderate to strong and crosses through the property. It is located adjacent to the magnetic high in the north part of the claim group but has no particular magnetic association; probable cause - geological contact with sulphides.

Conductor "C" is a north bending arc shaped feature extending from 1100 N, L 1000 W to 1075 N, L 100 W. It is irregularly shaped from narrow linear and strong to broad and weak; relatively weak overall; no magnetic association; probable cause - swamp.

Conductor "D" crosses the property from 950 N, L 1100 W to 800 N, L 400 E and has an irregular shaped branch extending from 800 N, L 1100 W to 950 N, L 300 W; generally weak with scattered stronger local sections; parallel to and on the south flank of a weak magnetic high on the east end; probable cause - swamp.

Conductor "E" extends from 425 N, L 1100 W to 750 N, L 100 W. Relatively broad anomaly with strong narrow linear core; irregular shape; possibly associated with a contact zone defined by a subtle change in magnetic data; also correlates with the bottom of a cliff and the edge of a swamp; probable cause - swamp edge.

Conductor "F" arcs northward from 550 N, L 400 W to 575 N, L 200 W and then tails off eastward into a small pond; it may possibly continue north of the property boundary and reappear from 525 N, L 1000 E to 500 N, L 1200 E. It is narrow and linear; strong; associated with a sporadic weak magnetic high trend; probable cause - Iron Formation enhanced by topography.

Conductor "G" arcs southward from 375 N, L 300 W to 400 N, L 700 W and possibly continuing from 275 N, L 900 E to 225 N, L 1200 E. Moderate to strong, weaker in eastern extension; narrow, linear with disruption in strike from L 400 E to L 800 E; no particular magnetic association; probable cause conductive overburden.

Conductor "H" extends from 150 S, L 300 W to 150 S, L 00 and then strikes into an area of no coverage due to houses and other cultural features; relatively broad with strong, narrow. linear core; associated with a sporadic magnetic high trend on the south flank of a narrow linear magnetic low; probable cause - ironstone, bedrock.

Conductor "I" extends from 50 N, L 1100 W to 25 S, L 1000 W. It is generally broad, moderate to strong. No magnetic association; probable cause - swamp at bottom of cliff.

Conductor "J" extends from 250 S, L 1100 W to 200 S, L 1000 W. Relatively broad anomaly with a strong, narrow linear core; likely to be the continuation of feature "H"; probable cause - ironstone, bedrock.

CONCLUSIONS AND RECOMMENDATIONS

An exploration program consisting of ground magnetometer and VLF-EM surveys was carried out on the Van Horne property of Champion Bear Resources Limited, 6 kilometers west of Dryden, Ontario. The property consists of 19 contiguous, unpatented mining claims located in Aubrey and Van Horne Townships, northwestern Ontario.

The claim group is underlain by east-west trending metasedimentary rocks with interpreted local felsic to mafic intrusive and volcanic rocks and iron formation. The surveys indicate that the property is underlain by rocks that may be favourable for hosting structurally and stratigraphically controlled gold mineralization. A number of linear features were defined by ground magnetic and VLF-EM surveys. The property should be covered by routine prospecting and recce geological mapping.

Wawa, Ontario July, 1997

Respectfully Submitted,

Seymour M. Sears, B.A., B.Sc. Geologist

STATEMENT OF QUALIFICATIONS

- I, Seymour M. Sears, of Wawa, Ontario do certify that:
- 1. I am a consulting geologist for Sears, Barry and Associates Ltd., P.O. Box 2058, Wawa, Ontario.
- 2. I am a B. Sc. Graduate in Geology and a B. A. Graduate in Psychology from Mount Allison University, Sackville, New Brunswick.
- 3. I have been practicing my profession continuously since 1972.
- 4. I am a Fellow of the Geological Association of Canada.
- 5. I have not received nor do I expect to receive any interest or securities, direct or indirect in the Van Horne Property or other properties of Champion Bear Resources Limited nor any properties of affiliated companies.

July, 1997

Respectfully submitted,

22 Caverhill Street
P.O. Box 2058
Wawa, Ontario
POS 1K0

Seymour M. Sears, B.A., B.Sc. Geologist

REFERENCES

Moorhouse, W.W.

1939 Geology of the Eagle Lake Area; Ontario Department of Mines, Forty Eighth Annual Report, Vol XLVIII, Part IV. 1939.

Satterly, J.

1943 Geology of the Dryden-Wabigoon Area; Ontario Department of Mines, Annual Report, 1941, vol 50, Part 2, pp1-67.

Ontario Division of Mines

1979: Kenora-Fort Francis Area, Geological Compilation Series, Kenora and Sioux Lookout Districts. Map 2443. Scale 1" = 4 mi.



Ministry of Northern Development and Mines

Declaration of Assessment Work Performed on Mining Land

Mining Act, Subsection 65(2) and 66(3), R.S.O. 1990 . 35

Transaction Number (office use)

Personal information Mining Act, the infor Questions about th 933 Ramsey Lake F



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nd 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,

AUG 0 1 1997

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12:45 P.M.

Instructions:

Please type or print in ink

Certification by Recorded Holder or Agent

Sears

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1. Recorded holder(s) (Attach a list if necessary)	₩. T. C. O. O. O.
Name	Client Number
Champion Bear Resources Ltd.	116945
Address	Telephone Number
2005 - 9th St. S.W. Calgary	(403) 229-9522
	Fax Number
Alberta, T2T 3C4	(403) 229-9518
Name	Client Number
	Telephone Number
Address	relephone 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: drillir trenching and	ng, stripping, Englishment Rehabilitation
	-
Work Type	Office Use
Geophysical Surveys (ground Mag and VLF-EM)	Commodity
0 21-2 1113.	Total \$ Value of \$ 0
	Work Claimed # 8334
Dates Work Performed From (5 03 97 To 20 07 97	NTO Determine
Day Month Year Day Month Year	NTS Reference
Global Positioning System Data (if available) Township/Area	Mining Division KENORA
Aubney Two Van Home Two	
6-810 / 5-839	Resident Geologist, District KENDRA
G-8/0 G-8/3	District NEWOR, P
Please remember to: - obtain a work permit from the Ministry of Natural	Resources as required;
- provide proper notice to surface rights holders be	
 complete and attach a Statement of Costs, form provide a map showing contiguous mining lands 	
- include two copies of your technical report.	that are minor for assigning work,
\widetilde{V}	
3. Person or companies who prepared the technical report (Attack	
Name	Telephone Number
Dears Barry & Associates Lt.	(705) 856-2018
Address D	Fax Number
Box 2058, Wawa, Ontario, POS 1KO	(705) 856-1141
Seymour M. Sears	Telephone Number
Address	Fax Number
Banel /	rad top ed a salada a de la la
Name	Telephone Number
AUG.	The second secon
Address AUG 1	Flax Number

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 July 30/97			
Agent's Address Rcy 2058 Wawa	On tario	POS IKO	Telephone Number (705) 856 - 2018	Fax Number (705) 856-1147
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			Approved for Recording by Mining Recorder (Signature)						

0241 (02/95)



Ministry of Northern Development and Mines

Statement of Costs for Assessment Credit

Transaction Number (office use)
W. 97/8. 00263

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 685.

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Work Type	Units of Work Depending on the type of work, list the number of hours/days worked, metres of drilling, kilometres of grid line, number of samples, etc.	Cost Per Unit	Total Cost				
Flagging Grid Lines	29.4 Kms	100 50	\$ 294000				
Geophysial Surveys (Me	(VLFEN) 26.3 km	5/500	# 3945				
Report Writing, Duflinge	te 5 Man Days	7200"	4/00000				
		2.175	<u>ि</u>				
Associated Costs (e.g. supplies,	mobilization and demobilization).						
Mylan + Prin	ting Maps (I invoice)	85,20	\$ 85.20				
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the accompanying Declaration of \	Nork form as a ge (recorded holder, agent, or state	nt	l am authorized				
to make this certification.	(recorded holder, agent, or state	company position with signing at	лноту)				

Ministry of Northern Development and Mines Ministère du Développement du Nord et des Mines



October 15, 1997

CHAMPION BEAR RESOURCES LTD. 2005-9TH STREET, S.,W., CALGARY, ALBERTA T2T-3C4 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: 2.17568

Status

Subject: Transaction Number(s):

W9710.00263 Deemed Approval

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

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

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

If you have any questions regarding this correspondence, please contact Steve Beneteau by e-mail at beneteau_s@torv05.ndm.gov.on.ca or by telephone at (705) 670-5855.

Yours sincerely,

ORIGINAL SIGNED BY

Blair Kite

Supervisor, Geoscience Assessment Office

Mining Lands Section

Work Report Assessment Results

Submission Number:

2.17568

Date Correspondence Sent: October 15, 1997

Assessor:Steve Beneteau

Transaction Number

First Claim

Number Township(s) / Area(s)

Status

Approval Date

W9710.00263

1178285

AUBREY, VAN HORNE

Deemed Approval

October 15, 1997

Section:

14 Geophysical MAG

14 Geophysical VLF

Correspondence to:

Resident Geologist

Kenora, ON

Assessment Files Library

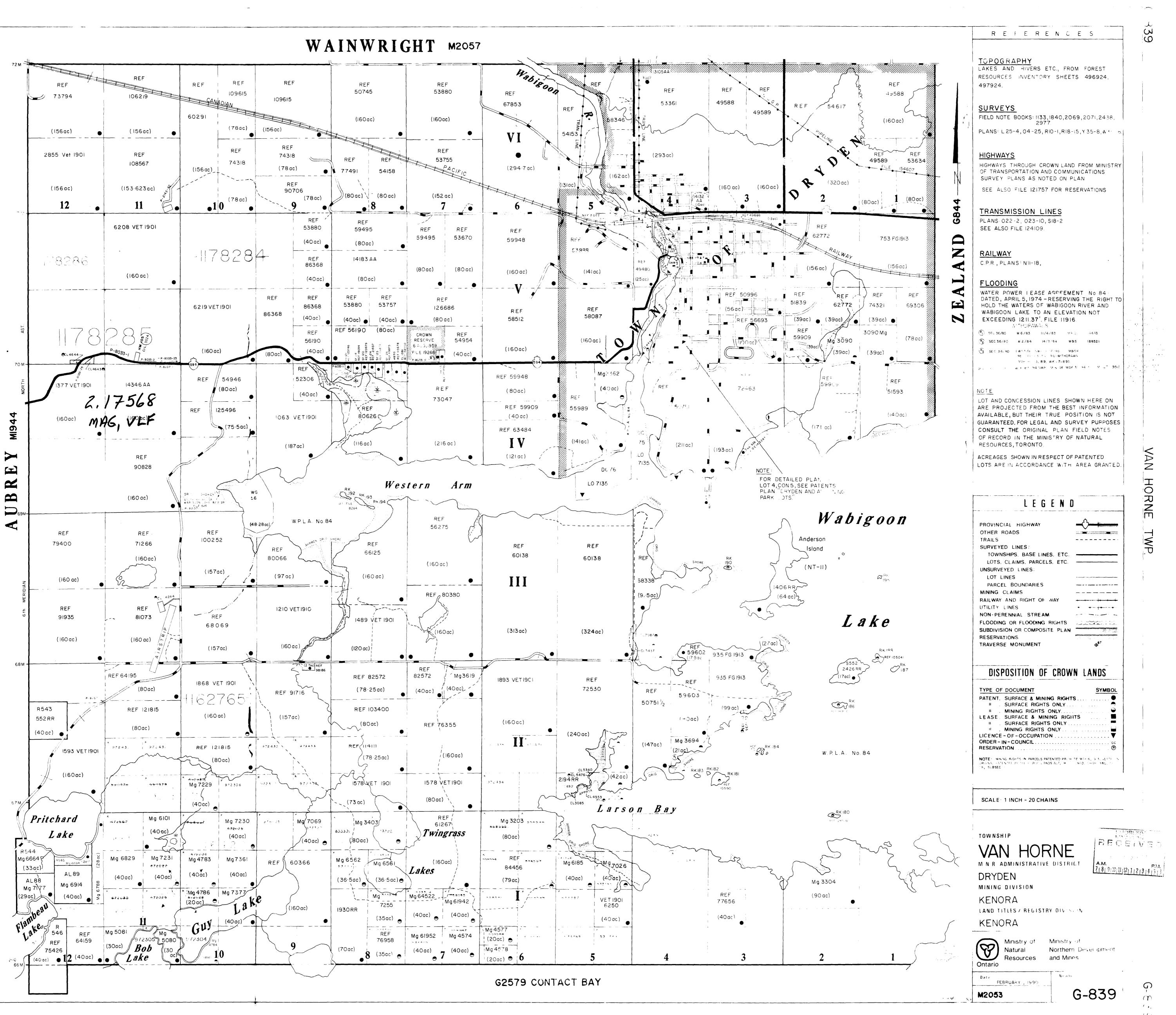
Sudbury, ON

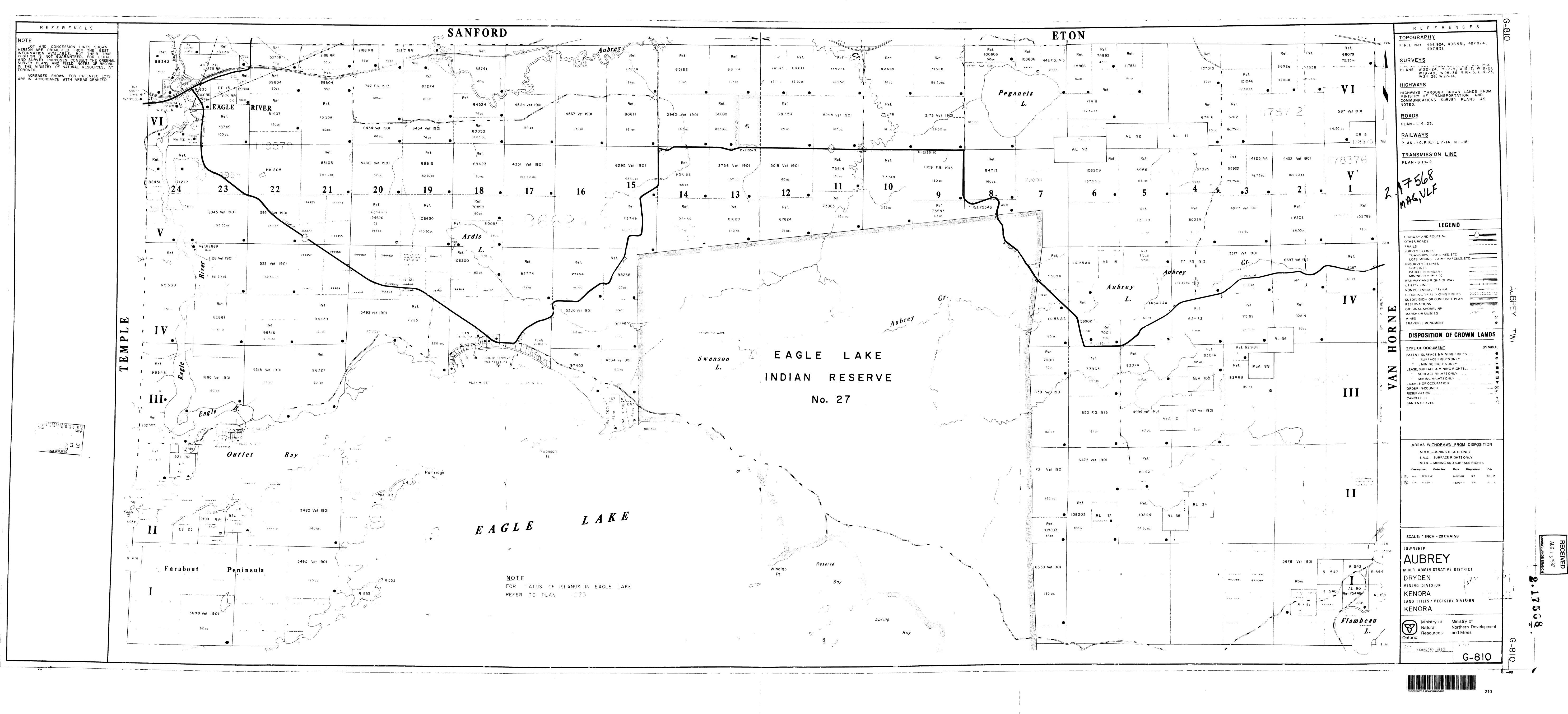
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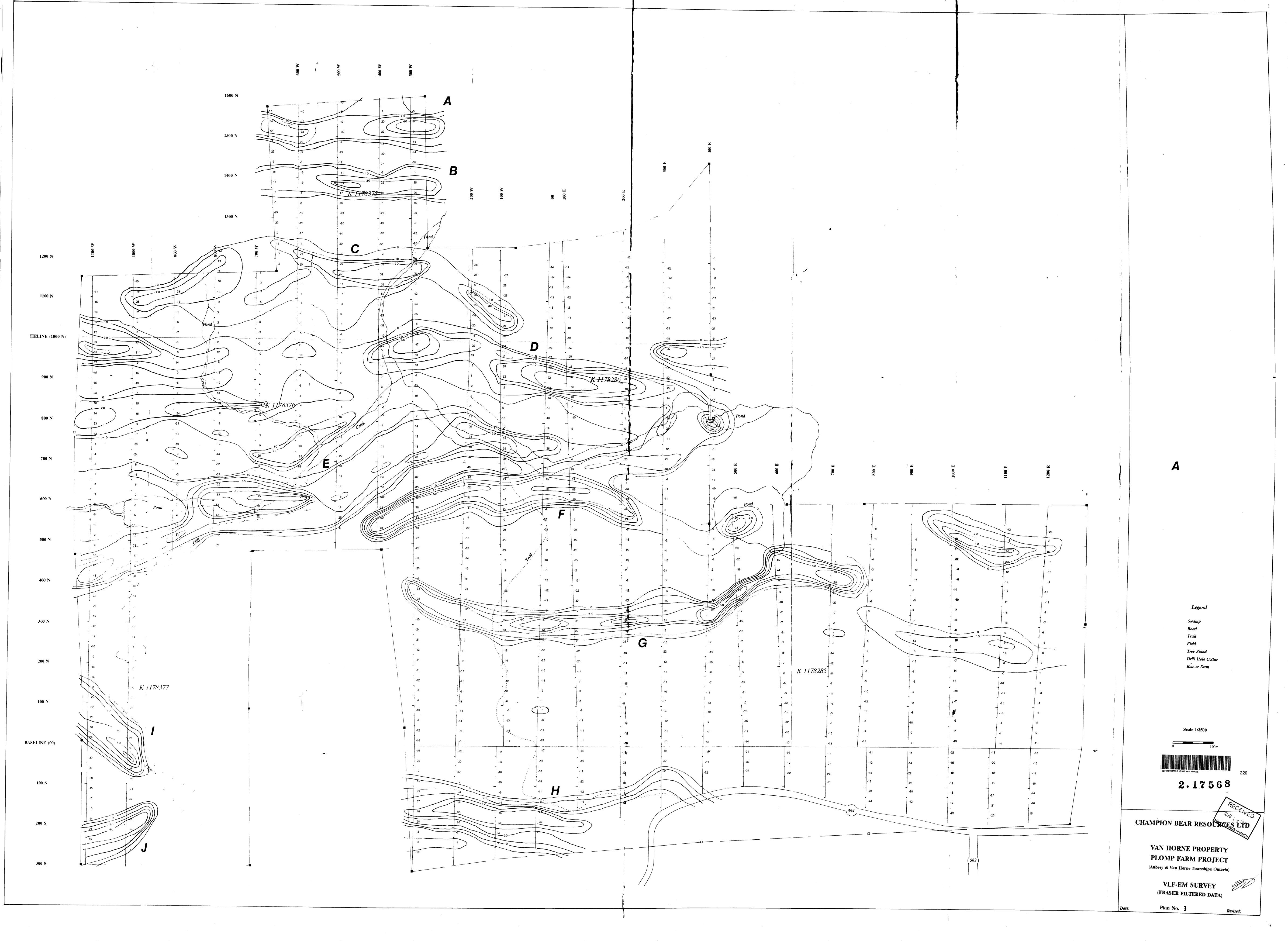
Seymour Sears WAWA, ON

CHAMPION BEAR RESOURCES LTD.

CALGARY, ALBERTA









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INSTRUMENT: Geometrics G-816 Portable Proton Magnetometer Geometrics G-856 Recording Base Station OPERATOR: Jack Partington

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2.17568

CHAMPION BEAR RESOURCES LTD

VAN HORNE PROPERTY PLOMP FARM PROJECT (Aubrey & Van Horne Townships, Ontario)

MAGNETOMETER SURVEY

Date: July /97 Plan No. 1