ASSESSMENT REPORT ON THE NEW MILLENNIUM PROPERTY ZARN LAKE AREA, PATRICIA MINING DIVISION ONTARIO

CLAIMS PA 1166848, PA 1199270, PA.1166839, PA 3004267

2.28392





ZARN LAKE

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1.0 INTRODUCTION

The New Millennium property consists of four mining claims located in northwestern Ontario east-southeast of the town of Sioux Lookout. These contiguous claims were explored between mid-June and mid-July 2004 by a two-person field party that carried out trench geologic mapping and sampling as follow-up to previous work carried out in 2003. The primary target is gold. This report summarizes the work.

2.0 PROPERTY LOCATION AND ACCESS

The New Millennium Property is located in the Zarn Lake Area (G-2277), Patricia Mining Division, Ontario some 18 kms east-southeast of the town of Sioux Lookout (Figure 1).

Access to the property is very good. The area is reached from the town of Sioux Lookout, by proceeding easterly on paved Highway 642 to the old Alcona Mine/logging road that leads eastward to the property. The total road distance to the property is approximately 22 kilometres. The various showings on the property may be easily accessed by a combination of light truck, small boat and/or light ATV.

The New Millennium Property has low to moderate relief and undulating terrain with elevations to approximately 1,200 feet above sea level. The main drainage features in the area are the Kirk-Michaud-Walton Lakes and the Forty Mile-Split Lakes systems that drain northward to the Sturgeon River and Abram Lake which is part of the major English River drainage system. The property contains scattered outcrop areas with a generally thin veneer of glacial material, areas of moderate overburden including clay, varved clay, sand and gravel, and low lying swampy areas. Most of the property contains stands of over mature predominantly coniferous timber that is being slowly lost to useful purpose through spruce bud worm infestation.

3.0 PROPERTY AND AGREEMENTS

The area over which the Company has optioned mineral rights includes four mining claims, comprising 35 units, covering an unsurveyed area of some 567 hectares (Figure 2). All claims are recorded in the name of 1179785 Ontario Limited and are currently in good standing. The property is subject to option agreements between 1179785 Ontario Limited and Mr. I. J. Riives. A summary of mineral rights is provided in Table 1.

NTS Reference: 52J, Claim Map: G-2277										
TOWNSHIP	CLAIM #	UNITS	SIZE (ha.)	DATE RECORDED	DUE DATE					
Zarn Lake Area	PA 1166848	9	146	2000-Mar-02	2004-Sep-01					
Zarn Lake Area	PA 1199270	4	65	2002-Mar-18	2004-Sep-16					
Zarn Lake Area	PA 1166839	16	259	1998-Nov-13	2004-Nov-13					
Zarn Lake Area	PA 3004267	6	97	2002-Nov-27	2004-Nov-27					
	TOTAL	35 units	567 ha.							

Table 1: New Millennium Property, List of Mining Rights



Figure 1: Location Map



Figure 2: Property Map

4.0 PREVIOUS EXPLORATION ACTIVITIES

The Sioux Lookout district has been intermittently explored for gold and other mineral deposits since it was made reasonably accessible by the Canadian National Railway ("CNR") in the latter part of the 19th Century. The earliest known mineral production in the area was from the North Pines Mines Limited underground pyrite mine located in Drayton Township some 12 kilometres west of Sioux Lookout. This operation produced approximately 500,000 tonnes of pyrite between 1909 and 1921 (Johnston, 1972).

In the late 1920's to late 1930's several companies, prospecting syndicates and individuals were actively searching for gold in the greenstone terrain southwest, south and east of Sioux Lookout. The companies included Alcona Mines Limited (part of current property), Alkenore-Buffalo Gold Mines Limited, Golden Sceptre Mines Limited and Split Lake Gold Mines Limited (ODM, 1937). Although several gold occurrences were discovered and evaluated there are no known records of gold production or resource estimates.

The only gold significant production in the region came from the Goldlund Deposit located about 42 kilometres southwest of Sioux Lookout in Echo and McAree Townships. Discovered in 1941 the deposit was tested by extensive surface stripping, trenching and diamond drilling by Lunward Gold Mines Limited between 1941 and 1948. Newlund Mines Limited continued this work between 1949 and 1952 by sinking a 825 foot vertical shaft with extensive lateral development and underground diamond drilling (Ferguson, *et. al.*, 1971). In July 1982, after a long dormant period, Goldlund Mines Limited began processing stockpiled and underground auriferous material in a 200 ton per day pilot mill. An open pit commenced production in January 1983. The test mining operation ceased in March 1985 after the company declared bankruptcy. Approximately 100,000 tons of material averaging about 0.15 ounces per ton was processed by Goldlund. The property was acquired by Camreco Inc. in December 1986. Resources described as "drill indicated and probable reserves 442,600 tons averaging 0.18 oz gold per ton plus 400,000 tons averaging 0.16 oz gold per ton in several areas" are reported (Canadian Mines Handbook, 1988-1989).

The earliest known work on the current property began in the area known as the Alcona Mine. An area containing quartz veins with various sulphide minerals and gold was first staked in October 1929 by George and Stanley Michaud of the nearby hamlet of Alcona on the former CNR branch line leading southward to Thunder Bay from Superior Junction just east of Sioux Lookout. A group of companies including firstly, Consolidated Mining and Smelting Company of Canada Limited, then Atlas Exploration Company Limited, followed by Alcona Gold Mines and Alcona Mines Limited conducted work on the prospect between 1929 and 1937 (ODM, 1937). The early work, from 1930 to 1933, consisted of extensive trenching, test pitting and 5 diamond drill holes totaling 1,960 feet on three vein systems (Veins 1, 2 and 3). From September 1936 to May 1937 Alcona Mines Limited sunk a 3-compartment vertical shaft to a depth of 325 feet with levels at 180 and 305 feet. A crosscut was driven southward from the shaft on the 180 foot level to Vein # 3 and drifting followed the vein a total distance of 213 feet. A crosscut driven northward on the 305 foot level failed to reach the # 1 and #2 veins. The work was reportedly "stopped in May 1937).

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The Alcona Mine area was included in the Alcona-Split Lake property of Cream Silver Mines Limited, comprising 31 staked mining claims acquired in 1988. The property was subsequently optioned to Valerie Gold Resources Limited. Between 1988 and 1991 the two companies completed exploration work in Alcona Mine area including geological mapping, ground geophysics including magnetic and VLF electromagnetic surveys, trenching/washing/channel sampling activities and six diamond drill holes totalling 1075 feet (328m). It is known that at least two reports have been prepared including one for Cream Silver in 1990 describing the geology, geophysics and mineralization in detail (Hood, 1990) and another for Valerie in 1991 describing the drilling program (Hood, 1991).

In 1999 and 2000 prospector Mr. Joe Riives, the current property vendor, conducted extensive trenching programs on claim P-1166839 in what is known as the "99" Trench area (9 trenches) and on claims P-1199270 and P-1166882 in the Trench Lake area (5 trenches) (Riives, 2000). The prospector, the Ontario Ministry of Northern Development and Mines, Resident Geologist-Sioux Lookout, and other interested parties have taken and analysed approximately 200 grab samples from the property.

In August 2003, the Company excavated four mechanized trenches, and collected grab and channel samples in Alcona Mine area.

5.0 PROPERTY GEOLOGY AND MINERALIZATION

The New Millennium Property lies within the Superior Province of the Canadian Shield, the world's largest Archean craton and host to a variety of mineral deposits. The western Superior Province is well endowed with mineral riches including: the major gold mining districts of Rice Lake, Red Lake, Pickle Crow, Long Lac and Hemlo; base metal massive sulphide ("VMS") deposits including Geco, Sturgeon Lake and Winston Lake; magmatic Ni-Cu and PGE deposits including Shebandowan and Lac des Iles; and other miscellaneous commodities such as iron ore, rare metal pegmatites and dimension stone (Franklin and Schneiders, 1990).

The western Superior Province is divided into subprovinces each with distinctive lithological and structural/metamorphic characteristics (Card and Ciesielski, 1986). These are broadly classified as volcano-plutonic (greenstone belts), metasedimentary, and plutonic/high grade gneiss terranes. From north to south the western Superior Province is divided into the Sachigo (greenstone), Berens River (plutonic/gneissic), Uchi (greenstone), English River (metasedimentary), Winnipeg River (plutonic/gneissic), Wabigoon (greenstone) and Quetico (metasedimentary) Subprovinces. The supracrustal rocks of the various subprovinces are of Archean age within a temporal range from approximately 3,000 Ma to 2,700 Ma.

The subprovince assemblages of the western Superior are usually juxtaposed along major structural breaks or deformation zones. Similar major breaks occur inside subprovinces such as the Cochenor-Gullrock Lake, East Bay and Post Narrows and other deformation zones at Red Lake in the Uchi Subprovince (Andrews, *et. al.*, 1986) and the Cameron Lake and Monte Cristo shear zones in the Wabigoon Subprovince (Melling, *et. al.*, 1986). These breaks and their offshoots are high strain zones characterized by widespread alteration features of various types, and the emplacement of quartz veins that are often auriferous. All of the major gold producing areas of the western Superior Province are associated with such tectonic zones.

The Sioux Lookout Lake area is located within the western Wabigoon Subprovince, the greenstone belt terrane over 300 kilometres in length that stretches from Savant Lake in the east to beyond Lake of the Woods in the west (Figure 3). The supracrustal rocks in the Sioux Lookout area include mafic and felsic metavolcanic rocks, metasediments and related intrusive rocks that have been intruded by Archean granitoid stocks (Figure 4). The lithological assemblages have been subdivided into five zones from north to south including the Northern Volcanic Belt, the Northern Sedimentary Belt (Abram Group), the Central Volcanic Belt (Neepawa Group), the Southern Sedimentary Belt (Minnitaki Group) and the Southern Volcanic Group (Turner and Walker, 1973). The New Millennium Property lies entirely within the Neepawa Group so the remainder of this section will deal exclusively with this sequence.

The Neepawa Group southeast of Sioux Lookout is juxtaposed with the Abram Group to the north along the Abram Lake/Little Vermillion Fault system and with the Minitaki Group to the south along the Ruby Island and related faults (Johnston, 1972). The volcanic belt comprises two volcanic/volcaniclastic sequences with the first including basaltic to andesitic lavas, pillow lavas and variolitic lavas together with basaltic to dacitic volcaniclastic and epiclastic units ranging from tuffs to agglomerate and breccia. Minor iron formation and quartzite is also present in this sequence. The second sequence is rhyolitic to dacitic in composition including rhyolite, porphyritic rhyolite and dacite flows plus felsic tuffs and agglomerate. The volcanic units are locally intruded by early quartz porphyry, felsite and trachyte dykes and late granitic, syenodiorite, diorite and gabbro plutons.

Most younging determinations in the Central Volcanic Belt indicate a sub-vertical northeasttrending southerly-facing succession, although local deviations may occur adjacent to intrusive rocks. As noted above the belt is bounded on both sides by prominent northeasterly-trending sub-vertical strike fault systems. Widespread lesser faults and shear zones with a variety of orientations are present throughout the belt. A number of gold occurrences are associated with some of these structural features.

Gold occurrences in the Sioux Lookout area are of two styles including lode type deposits associated with quartz +/- carbonate veins and stockwork in or near tectonic zones and a high sulphidation feldspar porphyry related copper-gold-molybdenum type.

• Auriferous Quartz Veins and Stockworks: The most common and widespread style of gold mineralization in the area, auriferous quartz veins occur in a variety of orientations and lithologic units including the various volcanic and volcaniclastic units as well as epizonal plutons including quartz and quartz-feldspar porphyry dykes, and metadiorite and metadiabase intrusions. Examples of this type of mineralization can be found at the Goldlund Mine 42 kilometres southwest of Sioux Lookout, the Alcona Mine on the current property, and the Neepawa Island and Burnthut Island occurrences at Minnitaki Lake. Typical auriferous quartz +/- iron carbonate veins may contain disseminated or blotchy sulphides, chiefly pyrite with minor chalcopyrite, sphalerite and galena together with calcite, +/- ilmenite, +/- tourmaline and fuchite, with local native gold and telluride minerals. The various host rocks adjacent to the veins may be sheared, carbonatized, silicified and sulphide mineralized.

• **Porphyry Related Cu-Au-Mo Mineralization:** This type of mineralization occurs on Island FP61 in Northeast Bay of Minnitaki Lakewhere where a northeast trending hybrid contact zone between feldspar porphyry and diorite intrusive rocks contains disseminations, blotches and stringers of chalcopyrite, pyrrhotite and pyrite with rare specks of molybdenite. The mineralization is frequently associated with randomly oriented quartz-carbonate veinlets and stringers and with nests of tourmaline needles. The contact zone consists of brecciated mafic volcanics, dioritic rocks and granitoid material (Johnston, 1972). The host rocks of the mineralization are variably altered by silicification, sericitization and chloritization. The best results to date from 13 diamond drill holes (5 by Rio Tinto Canadian Exploration in 1961 and 8 by Norlode Resources Inc, in 1988) is from DDH 88-3 which assayed 0.47% Cu and 0.018 oz Au/T over a core length of 70 feet (Dowhaluk, 1988).

The entire New Millennium Property is underlain by basaltic to andesitic to dacitic volcanic and volcaniclastic rocks of the Neepawa Group that include andesite and basalt lavas, pillow lavas and variolitic pillow lavas and volcaniclastic rocks that are cut by both pre and postmineralization intrusions including early diorite porphyry and hornblende diorite dykes and younger quartz diorite dykes. Outcrop is generally sparse, but widespread throughout the property. The lithologic units strike northeasterly, dip steeply and are southerly facing.

A series of west-northeasterly trending steep to moderate southerly dipping shear zones and a north-south oriented shear zone have been mapped on the property. Both structures are known to contain the lode style gold mineralization located in three areas on the property including the Alcona Mine.

Alcona Mine and NW Extension

The mineralization in this area consists of quartz veins containing sulphides and variable amounts of gold that have been intermittently traced by historic surface trenching and diamond drilling over an approximately 600 metre strike length. The moderately southerly dipping veins pinch, swell and bifurcate, ranging from a few millimetres to a little over a metre in thickness. The veins are often cut by post-mineralization dykes that can cause relatively minor displacement (both right and left lateral displacements were noted).

"99" Trench Area

This area, located over one kilometre west of the Alcona has similar mineralization to that described above. Two orientations of veins were noted including a relatively narrow pinching and swelling east-west set similar in appearance to the Alcona veins and a thicker massive poorly mineralized 'bull quartz' set in a northeast-southwest orientation.

Trench Lake Area

This area has similar quartz veins that have reportedly yielded values up to 0.032 oz Au/T in grab samples.



New Millennium Gold Property HAWK PRECIOUS MINERALS INC.

Figure 3: Regional Geology





6.0 SUMMER 2004 TRENCH GEOLOGICAL MAPPING AND SAMPLING

In the summer of 2004, the Company conducted a work program including base and tied-in linecutting, detail trench geologic mapping, and systematic chip and channeling sampling over claims PA 1166484, PA 1199270, PA 1166839 and PA3004267.

The Company contracted Micheal Archer of Edmonton, Alberta to conduct linecutting. This work was done to establish control and to tie in three separate trench areas; Alcona Mine area, "99" Trench area and Trench Lake area. A total of 1.6 kms of baseline and 1.2 kms of tied line were cut during the program.

The Company also conducted and completed detail trench geologic mapping, and systematic chip and channel sampling of trenches from above three trench areas located within the property during the program.

Personnel and contractors involved in the field activities were:	
Aung Myint Thein, Senior Geologist (field geology & report)	12.08 days
I. J. Riivees, Prospector (field work & sampling)	3.75 days
Micheal Archer (Contract Linecutting)	2.80 kms

Alcona Mine Area

The current program completed detail geologic mapping, and chip and channel sampling on four trenches, namely Trench A, Trench B, Trench C and Trench D (Map 1, in pocket). The assay results are shown in Table 2.

Trench A: This trench is underlain by mafic metavolcanic rock and contains one east west trending and steeply south dipping shear zone. The shear zone hosted 80cm thick quartz-sulphide vein. No previous sample is recorded from this trench.

Chip sample (#25725) covering both sheared hanging and footwall wallrock, and enclosed 80cm quartz-sulphide vein, was collected during this program. This mineralized structure is open along strike. The western strike extension trends towards Trench B. However, the possible projected location is coincidental with water covered deep depression area in Trench B.

Trench B: This is the largest of four trenches excavated in 2003. Pillow mafic flows containing multiple shear zones are exposed through out the length of the trench. Some shear zones hosted quartz-sulphide vein and others are devoid of vein. The maximum thickness of quartz-sulphide veins exposed in this trench is 40cm. Shear zones in this trench are less than 0.7m. Five grab and 6 channel samples had been collected from quartz veins and shear zones during the summer 2003 program.

During the current program, three chip samples (#25707/#25708/#25709) were collected across three most pronounced shear zones for verification.

Trench C: This trench is located north of old Alcona Shaft. Trenching exposed pillowed mafic flows containing several shear zones with enclosed quartz vein. Three diorite dykes trending northeasterly direction intruded and dilated mineralized structures in this trench. Seven channel samples were collected from shear zone hosting quartz-sulphide veins during the summer 2003 program. The maximum thicknesses of shear zone and quartz-sulphide vein recorded from this trench are 1.1m and 30cm respectively.

During current program a total of 3 chip samples (#25722/#25723/#25724) were collected for verification.

Trench D: This trench is almost covered by water during the present study and exposures are limited to the eastern and southern bank of the trench. The trench is underlain by mafic flows and contains three shear zone hosted quartz-sulphide veins.

The easternmost vein, 70-80cm in thickness occurs in 1.8m wide shear zone. It strikes 280° and dips 80° towards southwest. The second vein hosted in 0.9m shear zone is located 5m west. The westernmost vein is 33cm thick and is enclosed in 0.7m shear zone. Three grab samples were collected from quartz veins during the summer 2003 program.

During current program two chip channel samples (#25720/#25721) were collected across the eastern and the western shear zone with enclosing quartz vein.

Trench Number	Sample Type	Sample Number	Sample Length (m)	Au (ppb)	Au Check (ppb)	Au Duplicate (ppb)	Au-Dup. Check (ppb)
Trench-A	Chip	25725	1.80	4953			
Trench-B	Chip	25707	0.40	35			
Trench-B	Chip	25708	0.40	40			
Trench-B	Chip	25709	0.70	17			
Trench-C	Chip	25722	2.40	89			
Trench-C	Chip	25723	1.10	1920			
Trench-C	Chip	25724	1.10	3437			
Trench-D	Chip	25720	0.71	2175			
Trench-D	Chip	25721	1.80	7185			

 Table 2: Alcona Mine Area - 2004 Trench Sample Analytical Results

Discussion: Six mineralized structures, roughly trending east-west are recorded in the four trenches. They are

Trench A... one structure with 4.953 gpt Au over 1.8m

Trench B...one structure with 1.687 gpt Au over 1.0m

Trench C...two structures (2.719 gpt Au over 1.0m and 1.920 gpt Au over 1.1m)

Trench D...two structures (7.185 gpt Au over 1.8m and 2.175 gpt Au over 0.71m)

However, geology and geographic location of the trenches suggests these mineralized structures are individual and could not be correlated. The thickness of shear zones hosting quartz veins are less than 1.8m in width. The maximum thickness of quartz vein recorded in Trench A is 80cm, although the most common size is 30-40cm. These mineralized structures are also spaced with

intervening lean to barren bedrock. During Alcona Mine operation, it was also well-known that these mineralized structures were not persistent both in length and width.

"99" Trench Area

During 1999, mechanized trenching program comprising 9 trenches of varying dimension was conducted in this area with an objective to explore for mineralization discovered in historical trenches. The current program completed detail geologic mapping, and chip and channel sampling on six trenches (Map 2, in pocket). The assay results are shown in Table 3.

Trench 99-1: This trench runs north-south and had been mapped in detail by government geologist. Mafic flows with varying degree of alteration and quartz-sulphide veining are exposed in the trench. Quartz feldspar porphyry intruded mafic flows in the central portion. A quartz stockwork zone is recorded within QFP. A total of 27 samples including 20 grab and 6 channel samples from quartz-sulphide veins and stockwork zones were collected during the 99 trenching program.

Three sawn channel samples were collected during the current program adjacent to previous sample site #7792, #7795 and # 21065.

Trench 99-2: This trench is totally covered and no work has been recorded.

Trench 99-3: Trench 99-3 together with Trench 99-4/Trench 99-5 and Trench 99-7 were excavated and aligned to form a larger east-west trending composite trench system. Trench 99-3 is located in the westernmost part of the system and is underlain by mafic flows. The trench followed an en-echelon series of east-west trending elongated lense-shaped quartz-sulphide vein hosted by shear zones. The maximum thickness of quartz-sulphide vein observed is about 50cm. A total of 12 grab samples from quartz-sulphide veins and stockwork zones were collected during the 99 trenching program.

One chip channel sample (#25714) was collected near previous sample site #7721 for check assaying.

Trench 4: It is located about 40m east of Trench 99-3. It occurs as small rectangular pit and is underlain by mafic flow. Five grab samples were collected during previous programs and the result are not encouraging. No sample has been collected during the current program.

Trench 5: This trench lies east of Trench 99-4. One shear zone hosted quartz-sulphide vein is well exposed in the host mafic flow. The shear zone is about 1.0m wide and enclosed 80cm quartz-sulphide vein. Nine grab samples with encouraging results were obtained during previous program.

One chip channel sample (#25713) across shear wallrock and enclosing quartz sulphide vein was collected adjacent to previous sample site #5842.

Trench 99-7: It forms the easternmost trench of the Trench 99-3-Trench 99-7 trench system. It occurs in low swampy ground east of Trench 99-5. No significant mineralzation is observed in

mafic volcanic rock exposing in this trench and one grab sample collected (#7733) during previous program returns 135 ppb Au. No sample has been collected during the program.

Trench 99-6: It is located 80m east from the northern tip of Trench 99-1 and is underlain by mafic metavolcanic rock with varying degree of shearing and alteration. One grab sample (#7798) collected from previous program returns 38 ppb Au. No significant mineralization is observed in this trench and no sample is collected from this trench during current program.

Trench 99-8: It is located 20m north of Trench 99-5 and follows the 20cm wide quartz-sulphide vein trending 070°. Three grab samples were collected from this trench during 1999 program. No sample is collected from this trench during current program.

Trench 99-9: It is the largest 400m long trench and runs approximately 080° azimuth. An enechelon series of shear zone hosted quartz-sulphide veins of varying thicknesses are hosted by mafic volcanic flows in this trench. The mineralized structure strikes 080° azimuth with steep dips. The maximum thickness shear zone and quartz-sulphide vein in their widest portion recorded are 1.5m and about 40-45cm respectively. A total of 16 grab samples were collected along the course of this quartz-sulphide vein system during 1999 program.

Three chip samples (#25730/#25731/#25732) were collected during the current program adjacent to previous sample site #7767, #7751 and #7748.

Trench Number	Sample Type	Sample Number	Sample Length (m)	Au (ppb)	Au Check (ppb)	Au Duplicate (ppb)	Au-Dup. Check (ppb)
Trench-1	Channel	25710	1.00	240	238		
Trench-1	Channel	25711	1.00	25			
Trench-1	Channel	25712	1.00	144			
Trench-3	Chip	25714	0.80	954			
Trench-5	Chip	25713	1.00	19240			
Trench-9	Chip	25730	1.30	8627			
Trench-9	Chip	25731	1.50	5664			
Trench-9	Chip	25732	1.20	16781			

 Table 3: "99" Trench Area - 2004 Trench Sample Analytical Results

Discussion: Three mineralized structures characterized by shear zone hosted en-echelon auriferous quartz-sulphide veins are located within this area. The northern mineralized structure occurs in Trench 99-9. Three channel samples collected during current program returns 8.627 gpt Au over 1.3m, 5.664 gpt Au over 1.5m and 16.781 gpt Au over 1.2m.

The two southern structures occur in Trench 99-3 and Trench 99-5. They are separated by barren mafic meta volcanics as evident in Trench 4. Previous grab samples collected from mineralized structure from Trench 99-3 and Trench 99-5 return encouraging results. Check channel samples during the current program assay 954 ppb Au over 0.8m for Trench 99-3 and 19.240 gpt Au over 1.0m for Trench 99-5.

Trench Lake Area

Trench Lake West: Five trenches and two pits are located in the west of Trench Lake (Map 3, in pocket). These trenches and pits are geologically examined during the current program. They are underlain by mafic flows and contain shear zone hosted quartz-sulphide vein. QFP intruding mafic flow is observed in Trench No.3. The results obtained from grab samples collected from previous programs from this area are not encouraging. No sample has been collected during current program.

Trench Lake North: This trench is underlain by mafic flow and contains one east-west trending 30cm wide and roughly 6m long quartz-sulphide vein. No pronounce shearing and alteration is observed associated with this vein. One grab sample collected previously returns 1.1 gpt Au. No sample is collected during current program

Discussion: No encouraging assays were obtained for Trench Lake West Area. In Trench Lake North Area, one previous grab sample from exposing quartz vein returns 1.1 gpt. However, the vein is narrow and has limited strike length.

A total of 17 samples were collected during the program. The locations of the samples are shown in Map 1 and Map 2. Sample locations were determined by GPS equipment, and marked with flagging tapes. Samples collected during the current program were shipped by bus from Dryden to Thunder Bay, to Accurassay Laboratories. Reference samples from each sample site have been kept for posterity.

Sample preparation at the Swastika Laboratory was done according to standard industry practice by crushing, splitting and pulverizing the core or rock samples to obtain pulps for assay and/or geochemical analyses. Gold determinations were made for the most part using one assay ton portion fire assays with atomic absorption finish ("FA+AA"). A rigorous series of in-laboratory duplicate, reference and blank sample analyses are routinely carried out.

7.0 CONCLUSIONS AND RECCOMMENDATIONS

Alcona Mine Area

Geologic mapping and channel sampling were completed on four trenches excavated previously during the summer of 2003. The area is underlain by mafic metavolcanic rocks and contain six individual roughly east-west trending shear zone hosted quartz-sulphide veins. The thickness of mineralized shear zones and enclosed quartz-sulphide veins range between 0.70-1.80m and 30-80cm respectively. These mineralized shear zones are also spaced with intervening lean to barren bedrock. During Alcona Mine operation, it was also well-known that these mineralized structures were not persistent both in length and width. Thus, it is recommended to define definite continuity of these mineralized shear zones in following phases.

"99" Trench Area

Trenches in this area are underlain by mafic metavolcanic rocks and contain three widely spaced shear zones hosting auriferous quartz-sulphide vein mineralization. The mineralized shear zones although containing encouraging assay results are 1.30-1.50m in width, elongated, lensoid shaped, discontinuous and form en-echelon patterns. Exposures in the "99" Trench area occur on ridges and in trenches. The remaining area is heavily covered. Closely spaced mineralized shear zones that would support mining operation should be explored under covered area.

Trench Lake Area

Trench Lake West Area: The assay results obtained from Trench Lake West area is not encouraging and no further work is recommended.

Trench Lake North Area: The vein in Trench Lake North area although returns 1.1 gpt Au, is limited in size. No further work is recommended.

Respectfully Submitted,

Anomein

Aung Myint Thein, M. Sc (A), P. Eng. Exploration Manager September 07, 2004

SUMMARY OF EXPENDITURES

1179785 Ontario Limited Summary of Expenditures New Millennium Property May, 2004 to September, 2004

Expenses	Year to Date
Geology	\$ 4,830.00
Prospecting/field labour	\$ 750.00
Drafting/digitizing	\$ 350.00
Contract linecutting	\$ 3,637.50
Food and accommodation	\$ 863.74
Transportation (airfares, vehicle, ATV, boat rental)	\$ 1,797.04
Equipment rental (rock saw, pump, etc)	\$ 451.54
Field supplies	\$ 388.97
Printing/copies	\$ 73.59
Assays/analyses	\$ 218.55
Total of Exploration Expenses	\$ 13,360.93

CERTIFICATE OF QUALIFICATION

- I, Aung Myint Thein, residing at 46 Deanvar Avenue, Toronto, Ontario, hereby certify that:
 - 1. I have been employed continuously from 1970 to 1988 as a geologist with various major mining organizations, UN projects and governmental organizations; from 1988 to 1998 as a senior geologist with MPH Consulting Limited and to the present as Associate Senior Geological Consultant.
 - 2. I am a graduate of Rangoon Arts and Science University, Rangoon, Burma with a B.Sc (1970) degree specializing in Mining/Engineering Geology, and with a M.Sc. (Applied) (1976) degree in Mineral Exploration from McGill University.
 - 3. I am a Professional Engineer registered with Corporation of Professional Engineers of Ontario.
 - 4. I am a member in good standing of the Association of Professional Engineers of Ontario, as a Professional Engineer, Membership No. 90356635.
 - 5. I have practiced my profession continuously for a period of 33 years including substantial work on base and precious metals projects in the Superior Province, other parts of Canada and several overseas countries.
 - 6. All data presented in this report is factual and true to the best of my knowledge, and all interpretations are based on sound geological principles.

M) Main

Toronto, Ontario September 04, 2004

Aung Myint Thein, M.Sc. (A), P.Eng.

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APPENDIX 1

Assay Certificates



A DIVISION OF ASSAY LABORATORY SERVICES INC. MINERAL ASSAY DIVISION



1070 LITHIUM DRIVE, UNIT 2 THUNDER BAY, ONTARIO P7B 6G3 PHONE (807) 626-1630 FAX (807) 623 6820 EMAIL accuracy@tbaytel.net WEB www.accurassay.com

Certificate of Analysis

Wednesday, June 23, 2004

Atikwa Minerals	Date Received : 17-Jun-04					
347 Bay St., Suite 404	Date Completed : 22-Jun-04					
Toronto, ON, CA	Job # 200440606					
M5H2R7	Reference : I.J. Riives					
Ph#: (416) 214-4884 Fax#: (416) 214-5599	Sample #: 33	Rock				
CIIIda Kallwaalkwa.caal						

Acouraçoov #	ClientId	Au	Pt	Pd	Rh	Ag	Co	Cu	Fe	Ni	Pb	Zn
Accurassay #	Clientia	ppb	ppb	ppb	ppb	ppm						
31173	25722	89				<1						
31174	25723	1920				6						
31175	25724	343				< 1						
31176	25725	4953				13						
31177	25726	64				1						
31178	25727	2079				< I						
31179	25728	4896				< 1						
31180 Check	25728	4829				< 1						
31181	25729	46				< 1						
31182	25730	8627				75						
31183	25731	5664				67						
31184	25732	16781				108						
31185	25733	146				< 1						

PROCEDURE CODES: AL4Au3, AL4Ag

The results included on this report relate only to the items tested

Derek Demianiuk H.Bsc., Laboratory Manager

The Certificate of Analysis should not be reproduced except in full, without the written approval of the laboratory

AL917-0339-06/23/2004 08:51 AM



A DIVISION OF ASSAY LABORATORY SERVICES INC MINERAL ASSAY DIVISION



1070 LITHIUM DRIVE, UNIT 2 PHONE (807) 626-1630 FAX (807) 623 6820

THUNDER BAY, ONTARIO P7B 6G3 EMAIL accuracy@tbaytel.net WEB www

t WEB www.accurassay.com

Certificate of Analysis

Wednesday, June 23, 2004

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 Atikwa Minerals
 Date Received : 17-Jun-04

 347 Bay St., Suite 404
 Date Completed : 22-Jun-04

 Toronto, ON, CA
 Job # 200440606

 M5H2R7
 Reference : I.J. Riives

 Ph#:
 (416) 214-4884

 Fax#:
 (416) 214-5599

 Email johnw@atikwa.com
 Sample #: 33

Accurassay #	Client Id	Au	Pt	Pd	Rh	Ag	Co	Cu	Fe	Ni	Pb	Zn
31150	25701	9	γρυ	ppo	ppo	1	ppm	ppin	ppm	ppin	ppm	ppm
31151	25702	<5				< 1						
31152	25703	114				< 1						
31153	25704	131				<1						
31154	25705	7				<1						
31155	25706	678				< 1						
31156	25707	35				< 1						
31157	25708	40				1						
31158	25709	17				1						
31159	25710	240				<1						
31160 Check	25710	238				< 1						
31161	25711	25				< 1						
31162	25712	144				< 1						
31163	25713	19240				76						
31164	25714	954				4						
31165	25715	657				< 1						
31166	25716	124				< 1						
31167	25717	15				< 1						
31168	25718	806				< 1						
31169	25719	912				<1						
31170 Check	25719	877				< 1						
31171	25720	2175				15						
31172	25721	7185				25						
PROCEDURE CODES: AL	HAU3, ALAAg					>					Page	1 of 2
Certified By)	רד רד	ve result ve Certifi	s include ic ate of A	d on this	perfort re ihould not	late only: t be repro	to the iter duced ex	ns tested cept in fu	ili, withou	it the writ	ten
Derek Demianiuk	H.Bsc., Laboratory Man	ager ap	proval c	of the lab	oratory		•		- AL	917-0339-0	5/23/2004 08	.51 AM



Work Report Summary

Transaction No: Recording Date: Approval Date:		W0430.	W0430.01401 2004-SEP-08			Status: Work Done from:		ROVED			
		2004-SE						2004-MAY-15			
		2004-SE	EP-24			to:	2004-JUN-15				
Clie	nt(s):										
	4007	'05 1 <i>'</i>	179785 ONTA	RIO LIMITE	D						
Sur	vey Type(s):										
			ASSAY		GEOL			LC			
Wo	rk Report De	tails:									
Claim#		Perform	Perform Approve	Applied	Applied Approve	Ass	sign	Assign Approve	Reserve	Reserve Approve	Due Date
PA	1166839	\$5,108	\$5,108	\$5,108	\$5,108		\$0	0	\$0	\$0	2005-NOV-13
PA	1166848	\$3,436	\$3,436	\$3,436	\$3,436		\$0	0	\$0	\$0	2005-MAR-02
PA	1199270	\$2,027	\$2,027	\$2,027	\$2,027		\$0	0	\$0	\$0	2005-MAR-18
PA	3004267	\$2,790	\$2,790	\$2,790	\$2,790		\$0	0	\$0	\$0	2005-NOV-27
	-	\$13,361	\$13,361	\$13,361	\$13,361		\$0	\$0	\$0	\$0	-
External Credits:		:	\$0								
Res	erve:		\$0 Res	erve of Worl	k Report#: W0	9430.0 ⁻	1401				
	\$0 Total Remaining										
			Statu	s of claim is	based on info	matior	n curre	ently on record	d.		



ZARN LAKE

52J04SE2004 2.28392

Ministry of Northern Development and Mines

Date: 2004-SEP-24

Ministère du Développement du Nord et des Mines



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

DAVE JONES 1179785 ONTARIO LIMITED SUITE 404, 347 BAY STREET TORONTO, ONTARIO M5H 2R7 CANADA

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

Submission Number: 2.28392 Transaction Number(s): W0430.01401

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.

If you have any question regarding this correspondence, please contact STEVEN BENETEAU by email at steve.beneteau@ndm.gov.on.ca or by phone at (705) 670-5855.

Yours Sincerely,

Rom c Gashingh.

Ron C. Gashinski Senior Manager, Mining Lands Section

Cc: Resident Geologist

1179785 Ontario Limited (Claim Holder) Assessment File Library

1179785 Ontario Limited (Assessment Office)









