

JAN 1 8 1999

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A.M.

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EMERALD FIELDS RESOURCE CORPORATION LAKE 010 R E C E I V E D

2.19147

Rare-metal class pegmatites of the complex-type and petalite sub-type are the most desirable targets with respect to ceramic grade petalite, Rb, Ta, Cs. Subsequent to the discovery of the significantly large "Big Whopper" Pegmatite (Breaks and Tindle 1996 b,c) and Emerald Fields Rare-Metal pegmatite dyke No. 6099 (1997), the Separation Lake area has experienced a significant increase in exploration interest for ceramic grade petalite, tantalum and cesium. The principals include exploration firms Avalon Ventures Limited, Tanco Exploration, Champion Bear Resources and Emerald Fields Resource Corporation.

The rare-metal pegmatites of Avalon Ventures and Emerald Fields is comparable to the world's premiere petalite deposit at the Bikita Pegmatite of southern Zimbabwe. The tantalum potential is also significant, which is not only widespread in the Separation Lake area, but also exhibits compositional variation unlike any other pegmatite group on a global scale. Cesium, a metal of growing economic importance, also has high exploration potential as pollucite, the only ore mineral for the metal, has recently been verified in the area.

PROPERTY NAME:

INTRODUCTION:

Emerald Fields Resource Corporation - Separation Rapids - Rare - Metal Prospect.

LOCATION:

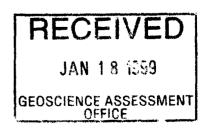
Kenora Mining Division, Paterson Lake Area claim sheet - G. 2634, NTS 52 L/7

PROPERTY DESCRIPTION:

65 CLAIM UNITS (+/- 1,040 Hectares or 2,600 acres). Access by road - a distance of 116 km, or 60 km by air north of Kenora.

OWNERSHIP:

Emerald Fields Resource Corporation @ 100%



GEOLOGICAL SETTING

The Separation Rapids pegmatite group lies almost entirely within the Separation Lake metavolcanic belt (SLB), which in this part of the Superior Province, constitutes the boundary zone between the high grade, metasedimentary-dominant English River Subprovince (ERS) to the north (Breaks 1991; Breaks and Bond 1993) and the granite-tonalite-dominant Winnipeg River Subprovince (WRS) to the south (Beakhouse 1991); see Figure 1. The SLB conceivably represents a highly attenuated, easterly extension of the Bird River

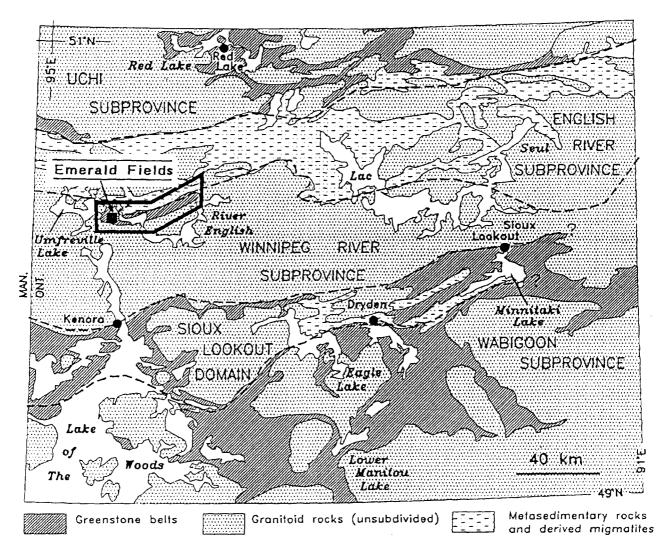


Figure 1. Location of Separation Lake area.

metavolcanic-metasedimentary belt of Manitoba (Cerny et al. 1981) which has an age span of 2740 to more than 2844 Ma (Timmins et al. 1985; Turek et al. 1996). The Bird River-Separation Lake belt system is noteworthy in being the locus for one of the highest concentration of rare-metal pegmatite mineralization in the Superior Province coupled with probably the greatest number of complex-type, petalite-subtype pegmatite occurrences in Canada (Cerny et al. 1981).

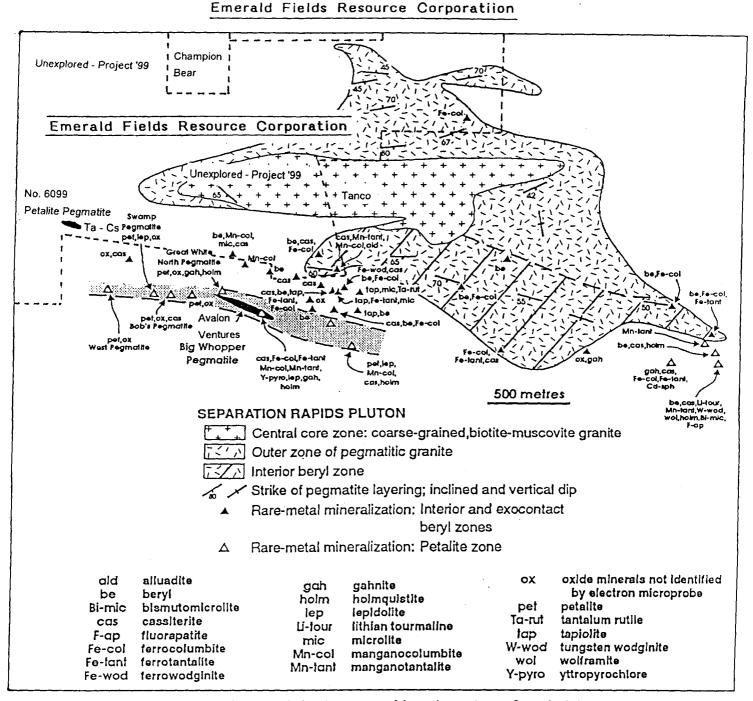


Figure. Rare-metal pegmatite zones and mineral occurrences of the southwest subgroup, Separation Lake area.

ECONOMIC GEOLOGII:

Commodities of economic importance are petalite (Li), rubidium (Rb), cesium (Cs), tantalum (Ta). Current economic interest is focussed on the petalite potential with petalite retailing at US\$270 per ton of concentrate. Cesium and Tantalum are metals of growing economic importance. Recently Emerald Fields has found the presence of these two metals in the area. Cesium is valued up to US\$40/g and Tantalum contract price of US\$37/lb Tantalum Oxide.

HISTORY AND WORK PERFORMED:

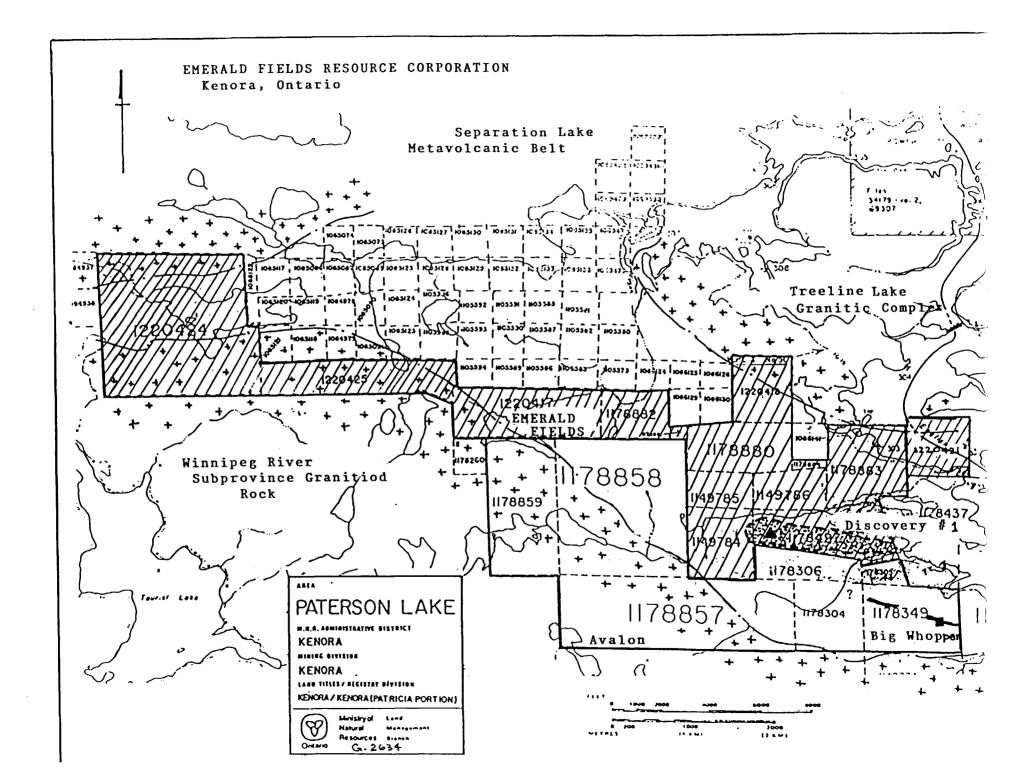
In 1997, the principals of the company, Emerald Fields Resource Corporation of Kenora, Ontario, discovered a petalite bearing pegmatite dyke No. 6099 and other dykes during their course of prospecting. In 1998, about 40 kilometers of lines were cut, soil samples taken and additional rock samples removed for analytical evaluation. Due to the size of the property, about 10% of the property is being explored, concentrating on dyke No. 6099. Mechanical overburden stripping, washing, level surveying and diamond drilling were conducted to test the rare-metal pegmatite. To date, the first completed profile hole, averaged 1.35% LiO2 and 0.23% Rb2O over 31 meters. The dimensions of the dyke average 23 meters by 105 meters – open to depth. Visual inspection of this exposed petalite bearing dyke by government, academic and industry geological representatives has been met with astonishment and respect. Based on plotting of 50% of the soil samples a defined Tantalum and Cesium anomalies lies north, trending SE of the discovery dyke.

RECOMMENDATIONS:

At this time, the remaining drill core from the other test holes and soil samples are being submitted for analytical evaluation. This data, combined with past work will be compiled towards final 1998 geological and engineering reports and maps. Emerald Fields will continue exploring their 1998 discoveries and expand exploration on additional promising areas of their property in 1999.

REPORT PREPARED BY:

A. J. M. Mowat, CET On behalf of the Board of Directors Kenora, Ontario November, 1998



STRIPPING

As mentioned earlier, 1998 prospecting consisted of line cutting; soil and rock sampling (geology and geophysics); level surveying; diamond drilling, and overburden stripping. Emerald Fields is now reporting on their overburden stripping activities for this period '98.

INTRODUCTION:

This stripping activity was conducted on Emerald Fields Resource Corporation's Separation Rapids property located in the Peterson Lake Area (G.2634,NTS 52L/T) - Kenora Mining Division of Ontario. Work was carried out on two of their mining claims No. k.1178427 and k.1149784 (refer to the accompanying supportive documents, maps and plan.).

DISCUSSION:

Stripping consisted of mechanical and manual labour methods in the removal of the overburden. Three (3) areas were explored to the north-east to west - of the no. 3 corner post of mining claim k.1178427 into k.1149784 (refer to Stripping Plan, scale 1:3,000 metric). The purpose of this survey was to expose the rare-metal pegmatite dyke No.6099- now called the "Big Mack" by Dr. Fred Breaks, OGS - and several interesting rare-metal units discovered in 1997 during prospecting.

Overburden is made up of the following materials:

Organics	 Low scrub vegetation (blueberry bushes; vines; young popular, spruce and pine, and white birch) Decaying cut stumps and trees remain after the timbering of this area in the early '90's Ground matting consisted of a carpeting of mosses and grasses.
	The breakdown of these organics produced a thin bottom unit know as the "A" soil humus horizon +10mm thick.
Inorganics	- Below the "A" horizon are layers/beds of clay and/or sand and/or gravel of Recent and Pleistocene events. These units vary in thickness depending upon the topograph of the underlying rock.
	TT1 1

This unit is known as the "B" soil horizon.

The three areas stripped lay within the above domain. The two dominate rock types are metamorphosed, foliated and sheared mafic volcanics consisting of pillows, massive flows and tuffs intruded by rare-metal pegmatite dykes. The former unit predominates The stripping process consisted of the manual removal of downed dead logs/trees and mechanical removal of the vegetation matting and top soil. The "B" horizon was mechanically excavated to bed rock followed by manual (pick, shovel, wheel barrow and washing) cleanup. Stockpiled materials being used for back-filling and road/trail repairs. In the areas stripped, the thickness of the overburden was \pm 400mm.

This survey was carried out from May 8 to November 15, 1998. Six people were involved (refer to the enclosed work summary report). Forty-six days (460 hrs) on manual clearing; 252 days (2,520 hrs) on mechanical using a backhoe, bulldozer and excavator, tanks. A total of 350 days (3,500 hrs) was employed in conducting this operation. Following is a breakdown of the statement of cost for assessment work credit:

Labour - 350 days (3,500 hrs) @ \$100/day\$35,000Associated costs - Equipment rentals, fuels, oils,
flowing, pumps, hoses, etc.97,239Transportation costs - vehicle support of employees,
camp and equipment26,162Food and Lodgings - camp and crew22,815Total value of assessment work\$181,216

Of the \$181,216 spent of stripping, \$135,912 was spent on mining claim No.

k.1178427 and \$45,304 on No. k.1149784.

Further, this stripping expenditure of \$181,216 for the 1998 period has been distributed over the contiguous claim group, consisting of 14 claim blocks, as noted on the enclosed form "Declaration of Assessment Work Performed on Mining Land."

RESULTS:

Following is the information relating to the 3 stripped areas

<u>AREA "A"</u>	Location:	 Referenced from no.3 post claim no. k.1178427 is Nort Gridline coordinates are 	•
		from: L21+50W - 8+50N	to: L21+50W - 8+75N
		ar	ıd
		from: L24+00W - 8+75N	to: L24+00W - 9+25N

Total Area Cleared equals \pm 4,000 sq.m

This cleared area is the location of dyke no.6099 (Big Mack). This dyke, on detail measurement, averaged 23 metres by 105 metres in east-west direction.

<u>AREA "B"</u>	Location:	 Referenced from no.3 post North 160m and West 40m. Gridline coordinates are 	claim no. k.1178427 is
10+00N		from:L24+00W - 9+50N	to:L24+00W -
		an	ıd
		from:L25+00W - 9+75N	to:L25+00W -
10+25N			

Total Area Cleared equals $\pm 2,500$ sq.m

At this site, another rare-metal pegmatite dyke was discovered. This dyke may be related to the "Big Mack".

<u>AREA "C"</u>	Location:	- Referenced from no.3 post 40m and West 140m.	of k.1178427 is North
		- Grid coordinates are from:L25+00W - 8+25N from:L26+00W - 8+75N	to:L25+00W - 8+75N to:L26+00W - 9+00N

Total Area Cleared equals $\pm 1,500$ sq.m

This site was stripped to further evaluate a course grained pegmatite dyke.

The combined or cumulated area total for Area A + B + C (4,000 + 2,500 + 1,500 sq.m) is $\pm 8,000$ sq.m.

CONCLUSION:

Property evaluation is still continuing.

REPORT BY: \mathbf{A} 1. MO Geoscientist

DATED AT: Kenora, Ontario

DATED: January 11, 1999

EMERALD FIELDS RESOURCE CORPORATION

STRIPPING

WORK REPORT

MONTH MAY 8 To Nov. 15/98

SEPAR	ATION	RAPIDS	PROJ	ECT, A	ENORA	MINING	DIVISI	on					<u> </u>				
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T. K.									-							27	1,755
J.R.																23	1,495
M.A.																58	3,770
P.T.												L				86	5,590
P.H.																26	1,690
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		<u> </u>	 												+		
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EMERALD FIELDS RESOURCE CORPORATION

STIPPING WORK REPORT

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MONTH MAY & TO NOV. 15 198

SEPARA	TION F	RAPIDS	PROJECT	KENOR	A MININ	G DIVIS	ION										
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Sontario Ministry of Northern Devel and Mines	opment Declaration of Assess Performed on Mining I	
2L07SE2005 2.19147 PATERSON	of subsections (review the asse Recorder, Min	8(3), R.S.O. 1990 85(2) and 66(3) of the Mining Act. Under section 8 of the sement work and correspond with the mining land holder. histor of Northern Development - and Mining ED Rowing PROVINCIAL RED RUNC OFFICE - SUBBURY RECEIVED
Instructions: - For work perform - Please type or pr	ed on Crown Lands before recording int in ink.	
1. Recorded holder(s) (Attach		Client Number
Address	ESOURCE CORPORATION	303602. Telephone Number (807) 468-40510R
438 THIRD STREET KENORA, ONTARIO Name	POR 2MI	(807) 468 - 7374 Fax Number (807) 468 - 5302 0R (807) 468 - 9792 Client Number
Address	RECEIVED	Telephone Number
	JAN 18 1999 230	Fax Number
L.	GEOSCIENCE ASSESSMENT OFFICE	
 Type of work performed: Ch Geotechnical: prospecting, su assays and work under section 	Irveys. Physical: drilling	ssociated assays
fork Type	MECHANICAL & WASHING)	Office Use Commodity
	,,,,_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Total \$ Value of Work Claimed 8/. 2/6.
ates Work From 08 05 erformed From 08 05	1998 To 15 11 1998	NTS Reference
Day Month Nobal Positioning System Data (if available) N - 5563628 87 E - 386405	Year Day Month Year Township/Area PATER SON LAKE AREA M or G-Plan Number M. 2531 / G. 2634	Mining Division Kenara Resident Geologist District
- provide pro - complete au - provide a m	ork permit from the Ministry of Natural per notice to surface rights holders beind attach a Statement of Costs, form of hap showing contiguous mining lands t copies of your technical report.	Resources as required; fore starting work;)212;
. Person or companies who pr	epared the technical report (Attach	a list if necessary) Telephone Number
ALASDAIR J. M. MOW	AT , PRESIDENT	(807) 468 - 73 74 Fax Number
ISTG PINE PORTAGE	ROAD, KENORA, ONT. PON 2K2	(807) 468 -9792 Telephone Number
HILLIPE. THORGRIMS	SON, VICE - PRESIDENT	(807) 468 - 7374 Fax Number
ISTE PINE PORTAGE	ROAD, KENORA, ONT. PON 2K2	(807) 468 - 9792 Telephone Number
ddress	RECORDED	fax Number
. Certification by Recorded Ho	JAN 1 8 1999 Ider or Agent	
, ALASDAIR J.M. (Print Name)	Mowar , do hereby certify tha	It I have personal knowledge of the facts set
	nent Work having caused the work to best of my knowledge, the annexed re	•
ignature of Recorded Holder or Agent		Date

Signature of Alcoroed Holder or Agent		Date
Downt, PRESIDENT		JAN.07,1999
Agent's Address	Telephone Number	Fax Number
35 PATERSON ST. W., KENORA ONT. PON 251	(807) 468 - 4682	(807) 468-9792
0241 (02/98) Doomed - Apri	l 18/99	

rik vasi ining la ikaran li	teles Number. Cr if done en other elgible ing, show in this he landlon number an the chink map.	Number of Claim Unlin. For other mining land, list hactures.	Value of work performed on this claim or other mining land.	value of work applied to this calim. Reut	Video of work and no other mining claims. Sed C	Bank: Value of wo to be detributed at a future date. o Py
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	1234588	2	\$ 8, 882	\$ 4,000	D	\$4,892
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15					\$ 119,200.	

JAN. 07. (22) PRESIDE

instructions for outling back credits th et are not approved.

Some of the credits claimed in this declaration may be cut back. Please check (-) in the boxes below to show how you wish to prioritize the deletion of credits:

- 1. Credits are to be out back from the Bank first, followed by option 2 or 3 or 4 as indicated.
- 2. Credits are to be cut back starting with the claims listed last, working backwards; or
- 3. Credite are to be out back equally over all claims listed in this declaration; or
- 4. Credits are to be cut back as prioritized on the attached appendix or as follows (desoriba):

JAN 25 '99 11:54

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E. Z

PAGE.02

Note: If you have not indicated how your credits are to be deleted, credits will be cut back from the Bank first, followed by option number 2 if necessary.

For Office Use	e Only		
Received Stamp		Deemed Approved Date	Date Notification Sent
	RECEIVED		
	CCC1 8 1 MAL	Date Approved	Total Value of Credit Approved
0241 (02/96)	GEOSCIENCE ASSESSMENT	Approved for Recording by Mining Recorder	(Signature)



Ministry of Northern Development and Mines

Statement of Costs for Assessment Credit

Transaction Number (office use) 9910.0003

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.

SEPARATION RAPIDS PROJE	CT, KENORA MINING	DIVISION			
Work Type	Units of Work Depending on the type of work, of hours/days worked, metres of metres of grid line, number of s	list the number drilling, kilo-		Per Unit work	Total Cost
MANUAL LABOUR ROCK CLEARING (PICK & SHOURT	3 MEN = 45 DAYS 460 HOURS	OR	0 \$ 100 P	ER DAY	\$ 4,600
	4 OPERATORS E 2		a #		25,200
MECHANICAL STRIPPING (BACKHOE , BULLDOZER & Excayator)	OR 2,520 HOURS				43,200
. OUTCROP WASHING (CLEANING) 4 <u>MEN = 52 DA</u> 520 Hours	YS DR	@ \$ 100	PER DAY	5,200
Associated Costs (e.g. supplies,	mobilization and demob	oilization).			91,239
	PROVINCIAL RECOR OFFICE - SUDBUI RECEIVE		REC	ORDE	D
2.19147	IAN 1 8 199	9	JAN	1 8 1999	
	A.M. 10:16 7	ひ P.M. <u>4 5 6</u>			
Transpo	rtation Costs			•	26,162
·		REC	EIVED		
Food an	d Lodging Costs	JAN	8 1999	02:30	22,815
			ASSESSMEN	I	
	Тс	otal Value o	f Assessm	ent Work	\$ 181,216
Calculations of Filing Discounts:					
 Work filed within two years of personance If work is filed after two years are Value of Assessment Work. If the two years are two	nd up to five years after p	performance	, it can only	y be claime	d at 50% of the Tota
TOTAL VALUE OF ASSESSMEN	NT WORK	× 0.50 =		Total \$ va	lue of worked claime
 If work is filed after two years ar Value of Assessment Work. If th TOTAL VALUE OF ASSESSMEN Note: Work older than 5 years is not elig A recorded holder may be require request for verification and/or corrected and/or corrected holder holder and/or corrected holder h	nd up to five years after p is situation applies to you NT WORK gible for credit. d to verify expenditures o	berformance ur claims, us × 0.50 = claimed in th cation and/o	, it can only se the calcu nis stateme	y be claimed lation below Total \$ va	d at 50% of the To v: lue of worked clair within 45 days of a

Certification verifying costs:

I, <u>ALASDAIR J.M. MOWAT</u>, do hereby certify, that the amounts shown are as accurate as may (please print full name) reasonably be determined and the costs were incurred while conducting assessment work on the lands indicated on the accompanying Declaration of Work form as <u>PRESIDENT</u> I am authorized to make this certification.

	\cdot	
Signature	MADVI	Date
	Monat	1
L	-fM-1	

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

April 20, 1999

EMERALD FIELDS RESOURCE CORPORATION 438 Third Street North KENORA, ONTARIO P9N-2M1



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

Telephone: (888) 415-9846 Fax: (877) 670-1555

Visit our website at: www.gov.on.ca/MNDM/MINES/LANDS/mlsmnpge.htm

Dear Sir or Madam:

Submission Number: 2.19147

 Subject: Transaction Number(s):
 W9910.00031
 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. Allowable changes to your credit distribution can be made by contacting the Geoscience Assessment Office within this 45 Day period, otherwise assessment credit will be cut back and distributed as outlined in Section #6 of the Declaration of Assessment work form.

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

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

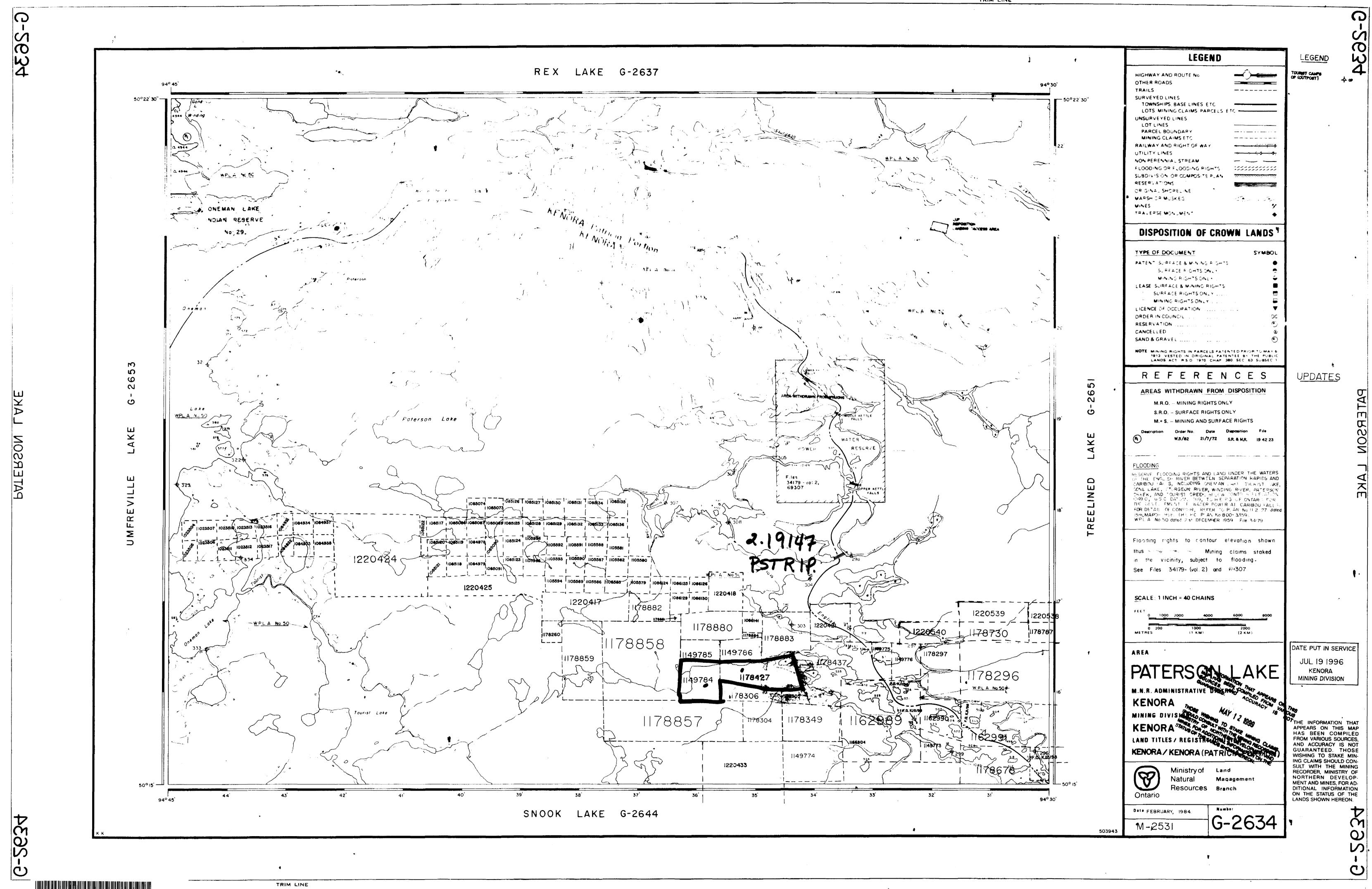
Yours sincerely,

_ 120

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

Work Report Assessment Results

Date Correspondence Sent: April 20, 1999			Assessor:Lucille Jerome	
Transaction Number	First Claim Number	Township(s) / Area(s)	Status	Approval Date
W9910.00031	1178427	PATERSON LAKE	Deemed Approval	April 20, 1999
Section: 10 Physical PSTR	(IP			
Correspondence to:			Recorded Holder(s) and/or Agent(s):	
Resident Geologist			Alasdair J. M. Mowat	
Kenora, ON			KEEWATIN, ONTARIO, CANADA	
Assessment Files Library			EMERALD FIELDS RESOURCE CORPORATION	
Sudbury, ON			KENORA, ONTARIO	



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