Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

REPORT ON AN AIRBORNE MAGNETIC AND VLF-EM SURVEY SANDYBEACH LAKE PROPERTY MCAREE & MACFIE TOWNSHIPS PATRICIA MINING DIVISION, ONTARIO

for

GML MINERALS CONSULTING LTD.

by

TERRAQUEST LTD.
Toronto, Canada

July 15, 1987

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF MAPS IN JACKET

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

1. INTRODUCTION

This report describes the specifications and results of a geophysical survey carried out for GML Minerals Consulting Ltd. of Suite A17, 6120-2nd Street S.E., Calgary, Alberta, T2H 2L8 by Terraquest Ltd., 905 - 121 Richmond Street West, Toronto, Canada. The field work was performed on January 20, 1987 and the data processing, interpretation and reporting from January 21 to July 15, 1987.

The purpose of a survey of this type is two-fold. One is to prospect directly for anomalously conductive and magnetic areas in the earth's crust which may be caused by, or at least related to, mineral deposits. A second is to use the magnetic and conductivity patterns derived from the survey results to assist in mapping geology, and to indicate the presence of faults, shear zones, folding, alteration zones and other structures potentially favourable to the presence of gold and base-metal concentration. To achieve this purpose the survey area was systematically traversed by an aircraft carrying geophysical instruments along parallel flight lines spaced at even intervals, 100 meters above the terrain surface, and aligned so as to intersect the regional geology in a way to provide the optimum contour patterns of geophysical data.

2. THE PROPERTY

The property is located in McAree and MacFie townships, in the Patricia Mining Division of Ontario about 40 kilometres east of the town of Dryden. The property lies along the east side of Sandybeach Lake and can be reached by bush roads.

The latitude and longitude are 49 degrees 48 minutes, and 92 degrees 18 minutes respectively, and the N.T.S. reference is 52F/16.

The claim numbers are shown in figure 2 and listed below:

Pa	823870-823873	(4)	
	823963-823964	(2)	
	850954-851003	(50)	
	851144-851193	(50)	
	861359-861362	(4)	
	861438-861441	(4)	
	861444-861445	(2)	.....total 116 claims

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1. Telephone (416) 869-0010

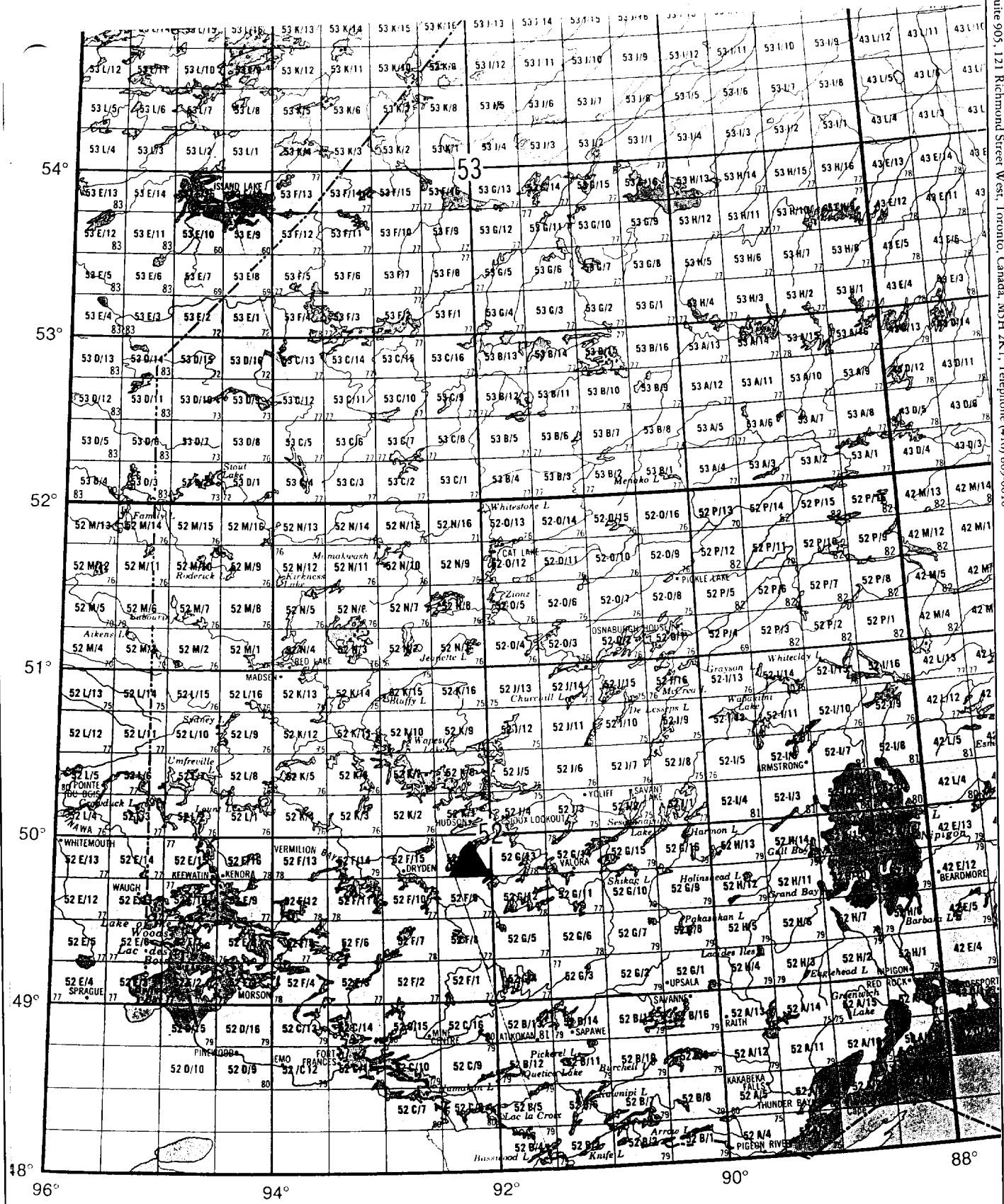


FIGURE 1. General Location

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

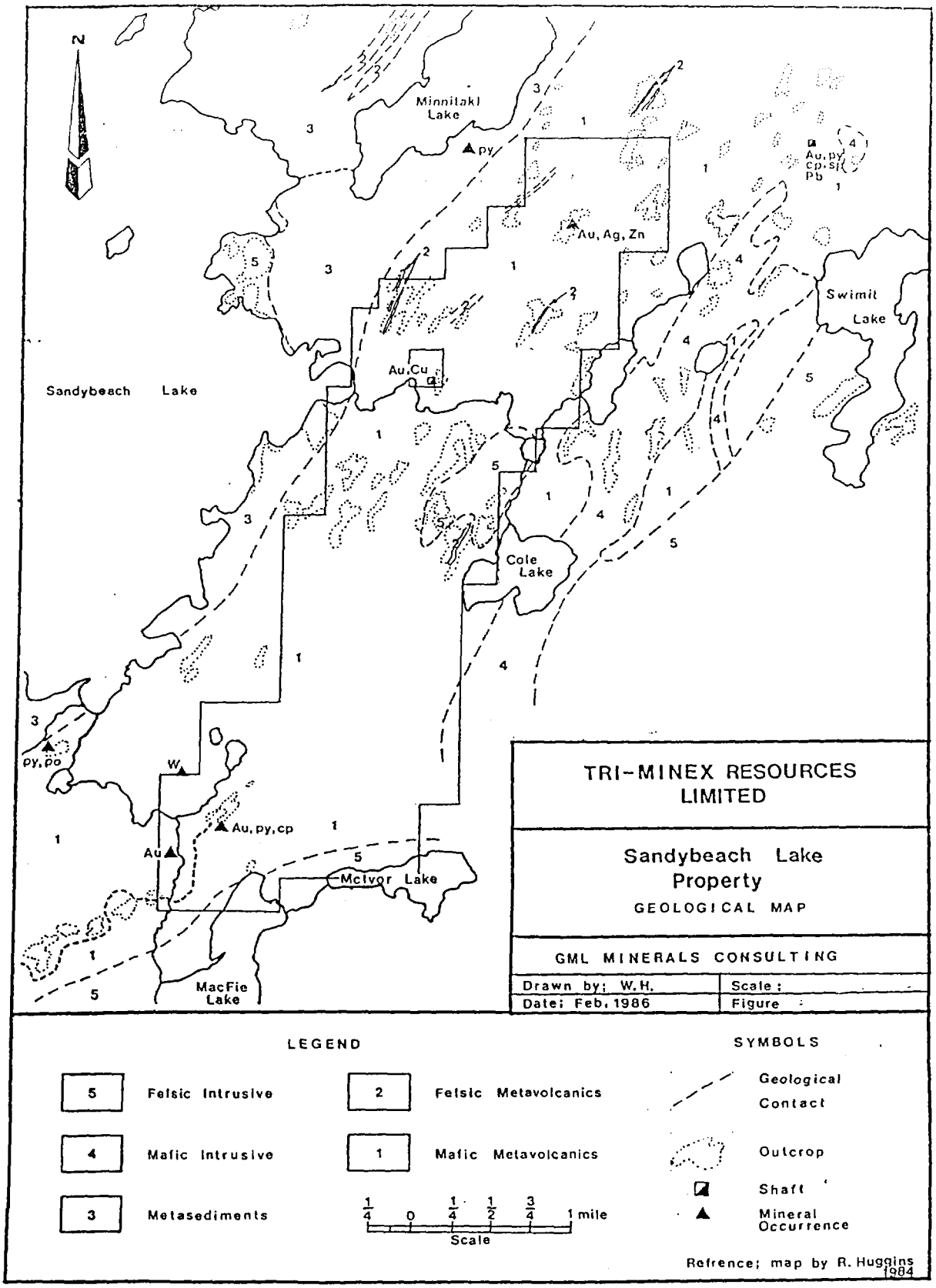


FIGURE 2. Survey Area Location

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

3. GEOLOGY

Map References

1. Map 41h: Sioux Lookout. scale 1:95,040. O.D.M. 1932
2. Map 2443: Kenora - Fort Francis Geological Compilation. scale 1:253,440. O.G.S. 1981
3. Map P.1204: Sandybeach-Route Lakes Sheet. scale 1:63,360. O.D.M. 1976
4. Map P.3068: Melgund Lake Area, McAree Township. scale 1:15,840. O.G.S. 1987
5. Map P.3069: Melgund Lake Area, MacFie Township. scale 1:15,840. O.G.S. 1987

The survey area is underlain by a northeast trending belt of Archean mafic to intermediate metavolcanics with minor felsic metavolcanics. Medium to fine grained metasediments flank the metavolcanics along the western side. Conformable lenses of gabbro occur along the western and eastern boundaries. Felsic rocks of the Basket Lake Batholith occur to the south and east, and as small pods within the metavolcanics.

The contact between the metasediments and the metavolcanics is shown as a fault (Wabigoon Fault) with some subsiduary faults. One northwest trending fault just north of the property is indicated on the detailed geological map.

Numerous gold showings and one shaft are shown on the geological maps. Gold occurs in three geological settings: a) in large quartz veins within sheared and altered mafic metavolcanics, in a subsiduary structure related to the Wabigoon Fault (locally 025 degrees), b) in silicified and carbonate altered zones at the apparent intersection of northeast- and east-northeast-trending lineaments, and c) in sulphide mineral stringers within iron-rich metasediments.

4. SURVEY SPECIFICATIONS

4.1 Instruments

The survey was carried out using a Cessna 206 aircraft, registration C-GGLS, which carries a magnetometer and a VLF electromagnetic detector.

The magnetometer is a high sensitivity airborne proton (Overhauser) type with the sensor element mounted in a towed bird at a distance of 14 metres below and 24 metres behind the aircraft. It's specifications are as follows:

Resolution: 0.01 gamma

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

Accuracy:	0.03 gamma for 2 readings per second
Cycle time:	0.5 second
Range:	20000-100000 gammas
Gradient tolerance:	Up to 5000 gammas per meter
Model:	GSM-11
Manufacturer:	GEM Systems Inc., 105 Scarsdale Rd., Don Mills, Ontario, M3B 2R5

The VLF-EM unit uses three orthoganol detector coils to measure (a) the total field strength of the time-varying EM field and (b) the phase relationship between the vertical coil and both the "along line" coil (LINE) and the "cross-line" coil (ORTHO). The LINE coil is tuned to a transmitter station that is ideally positioned at right angles to the flight lines, while the ORTHO coil transmitter should be in line with the flight lines. It's specifications are:

Accuracy:	1%
Reading interval:	1/2 second
Model:	TOTEM 2A
Manufacturer:	Herz Industries, Toronto

The VLF sensor is mounted in the left wing tip extension.

Other instruments are:

- King KRA-10A Radar altimeter
- UDAS-100 data processor with Digidata nine track tape recorder, manufactured by Urtec Ltd., Markham, Ontario.
- Geocam video camera and recorder for flight path recovery, manufactured by Geotech Ltd., Markham, Ontario.

4.2 Lines and Data

a) Line spacing:	100 metres	
b) Line direction:	300 degrees	
c) Terrain clearance:	100 metres	
d) Average ground speed:	190 km/hr.	
e) Data point interval:	Magnetic:	11 metres
	VLF-EM:	11 metres
f) Tie Line interval:	2 kilometres	
g) Channel 1 (LINE):	NAA Cutler,	24.0 kHz
h) Channel 2 (ORTHO):	NLK Seattle,	24.8 kHz

i) Line km over total survey area: 185
j) Line km over claim groups: 200

4.3 Tolerances

a) Line spacing: Any gaps wider than twice the line spacing and longer than 10 times the line spacing were filled in by a new line.

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

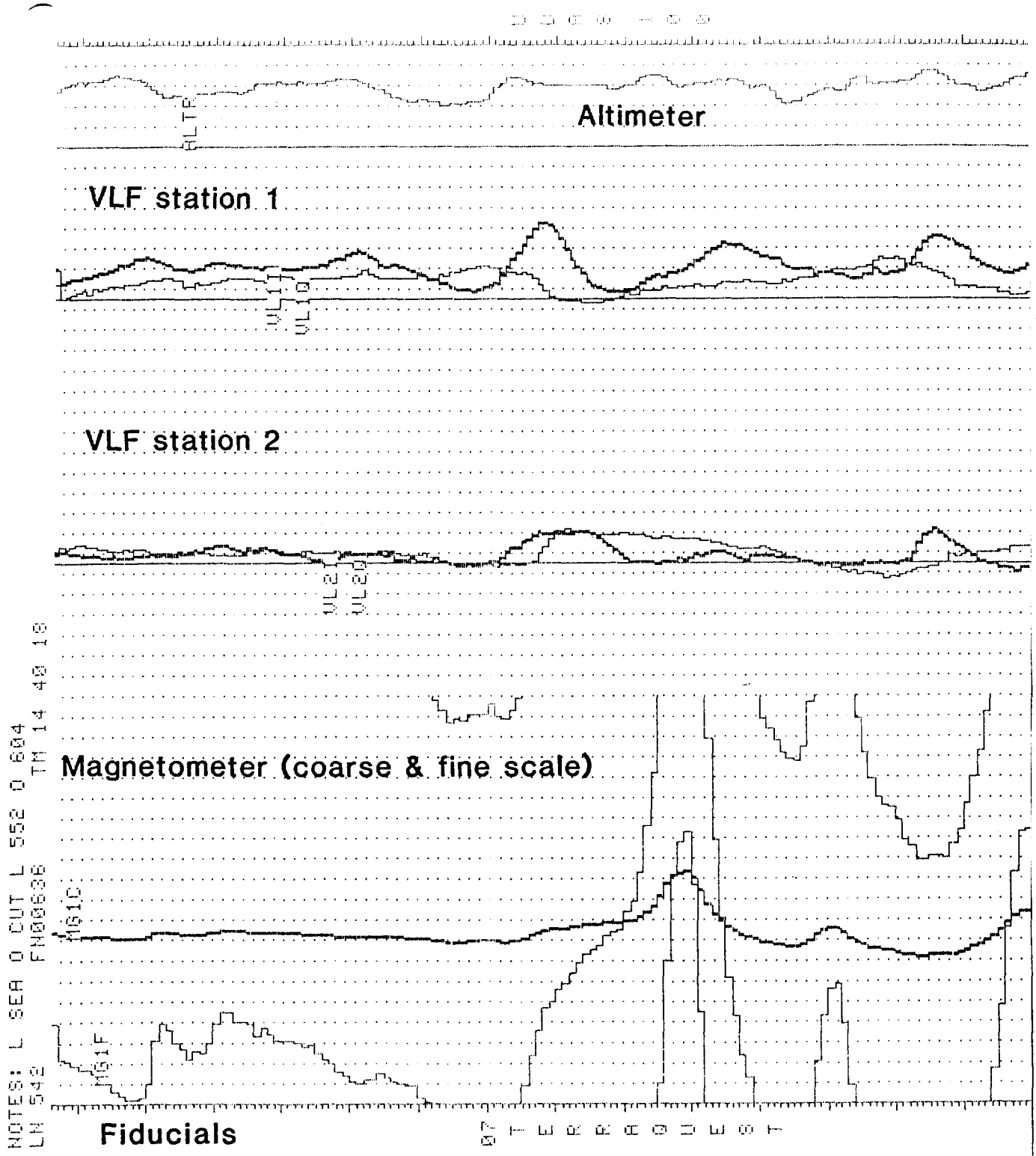


FIGURE 3. Sample of analogue data

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

b) Terrain clearance: Portions of line which were flown above 125 metres for more than one km were reflown if safety considerations were acceptable.
c) Diurnal magnetic variation: Less than ten gammas deviation from a smooth background over a period of two minutes or less as seen on the base station analogue record.
d) Manoeuvre noise: nil

4.4 Photomosaics

For navigating the aircraft and recovering the flight path, mosaics of aerial photographs were made from existing air photos.

5. DATA PROCESSING

Flight path recovery was carried out in the field using a video tape viewer to observe the flight path as recorded by the Geocam video camera system. The flight path recovery was completed daily to enable reflights to be selected where needed for the following day.

The magnetic data was levelled in the standard manner by tying survey lines to the tie lines. The IGRF has not been removed. The total field was contoured by computer using a program provided by Dataplotting Services Inc. To do this the final levelled data set is gridded at a grid cell spacing of 1/10th of an inch at map scale.

The vertical magnetic gradient is computed from the total field data using a method of transforming the data set into the frequency domain, applying a transfer function to calculate the gradient, and then transforming back into the spatial domain. The method is described by a number of authors including Grant, 1972 and Spector, 1968. The computer program for this purpose is provided by Paterson, Grant and Watson Ltd. of Toronto.

The VLF data was treated automatically so as to normalize the non conductive background areas to 100 (total field strength) and zero (quadrature). The algorithms to do this were developed by Terraquest and will be provided to anyone interested by application to the company. All of these dataprocessing calculations and map contouring were carried out by Dataplotting Services Inc. of Toronto.

Grant, F.S. and Spector A., 1970: Statistical Models for Interpreting Aeromagnetic Data; Geophysics, Vol 35
Grant, F.S., 1972: Review of Data Processing and Interpretation Methods in Gravity and Magnetics; Geophysics 37-4
Spector, A., 1968: Spectral Analysis of Aeromagnetic maps; unpublished thesis; University of Toronto, 1968.

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1. Telephone (416) 869-0010

INTERPRETATION

6.1 General Approach

To satisfy the purpose of the survey as stated in the introduction, the interpretation procedure was carried out on both the magnetic and VLF data. On a local scale the magnetic gradient contour patterns were used to outline geological units which have different magnetic intensity and patterns or "signatures". Where possible these are related to existing geology to provide a geological identity to the units. On a regional scale the total field contour patterns were used in the same way.

Faults and shear zones are interpreted mainly from lateral displacements of otherwise linear magnetic anomalies but also from long narrow "lows". The direction of regional faulting in the general area is taken into account when selecting faults. Folding is usually seen as curved regional patterns. Alteration zones can show up as anomalously quiet areas, often adjacent to strong, circular anomalies that represent intrusives. Magnetic anomalies that are caused by iron deposits of ore quality are usually obvious owing to their high amplitude, often in tens of thousands of gammas.

VLF anomalies are categorized according to whether the phase response is normal, reverse, or no phase at all. The significance of the differing phase responses is not completely understood although in general reverse phase indicates either overburden as the source or a conductor with considerable depth extent, or both. Normal phase response is theoretically caused by surface conductors with limited depth extent.

Areas showing a smooth response somewhat above background (ie. 110 or so) are likely caused by overburden which is thick enough and conductive enough to saturate at these frequencies. In this case no response from bedrock is seen.

The VLF-EM conductor axes have been identified and evaluated according to the Terraquest classification system (Figure 4). This system correlates the nature and orientation of the conductor axes with stratigraphic, structural and topographic features to obtain an association from which one or more origins may be selected. Alternate associations are indicated in parentheses.

6.2 Interpretation

The magnetic and VLF-EM data are shown in contoured format on maps at a scale of 1:10,000 in the back pocket. An interpretation is also provided. The following notes are intended to supplement these maps.

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

TERRAQUEST LTD.

FIGURE 4

TERRAQUEST CLASSIFICATION OF VLF-EM CONDUCTOR AXES

SYMBOL	CORRELATION	ASSOCIATION: Possible Origins
a , A	Coincident with magnetic stratigraphy	Bedrock magnetic horizons: stratabound mineralogic origin or shear zone
b , B	Parallel to magnetic stratigraphy	Bedrock non-magnetic horizons: stratabound mineralogic origin or shear zone
c , C	No correlation with magnetic stratigraphy	Association not known: possible small scale stratabound mineralogic origin, fault or shear zone, overburden
d , D	Coincident with magnetic dyke	Dyke or possible fault: mineralogic or electrolytic
f , F	Coincident with topographic lineament or parallel to fault system	Fault zone: mineralogic or electrolytic
ob , OB	Contours of total field response conform to topographic depression	Most likely overburden: clayey sediments, swampy mud
cul , CUL	Coincident with cultural sources	Electrical, pipe or railway lines

NOTES

1 - Upper case symbols denote a relatively strong total field strength

2 - Underlined symbols denote a relatively strong quadrature response

3 - Mineralogic origins include sulphides, graphite, and in fault zones, gouge

4 - Electrolytic origins imply conductivity related to porosity or high moisture content

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

The total magnetic field has a relief of approximately 465 gammas and shows the general northeast trend of the lithologies. The vertical magnetic gradient data shows improved resolution and has been used to delineate the stratigraphy and structure.

The mafic metavolcanics (Unit 1) correlate with low to moderate magnetic responses along the central part of the property. Areas within this unit that are characterized by higher magnetic responses are shown as Unit 1m on the interpretation map. These may be related to increased concentrations of magnetic minerals such as magnetite or pyrrhotite, or possibly to more mafic compositions including mafic intrusives.

The conformable lenses of gabbro along the western boundry correlate well with strong magnetic responses. Similar responses occur along eastern boundries south of Cole Lake and therefore have been interpreted to be gabbro. This is not totally consistent with the geological mapping as some metavolcanics occur along the west side of Cole Lake, therefore it is suggested that this magnetic body is derived from a combination of gabbroic intrusives and magnetic metavolcanics.

The metasediments and derived migmatites (Unit 3) along the western side of the survey area correlate with low magnetic responses. Small anomalies toward the north within the metasediments are interpreted to be intercalated mafic metavolcanics. Alternatively, these could represent iron-rich sediments.

The felsic to intermediate intrusives of the Basket Lake Batholith correlate with moderate to moderately strong magnetic reponses. The stronger responses indicated as Unit 9m on the interpretation map are probably related to the more mafic phases within the intrusive. The intrusive pod west of Cole Lake has a similar magnetic response as the mafic metavolcanics and cannot be discriminated from them at this scale.

Numerous northeast, north-northwest and northwest trending faults have been interpreted from magnetic displacements, most of them correlating well with airphoto lineaments. Unfortunatley the Wabigoon fault and its subsidiaries parallel the gabbroic lenses and their corresponding magnetic responses. Structure parallel to magnetic trends are difficult to detect by magnetic mapping.

The VLF-EM responses are strong to very strong and show good resolution despite the fact that most of them have poor coupling with the transmitter azimuth. Several condutor axes correlate with the shorelines of larger lakes and these have been interpreted to possess overburden type origins. However the smaller lakes and swampy areas in general do not correlate with similar conductive zones and

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1. Telephone (416) 869-0010

therefore the contribution provided by conductive overburden is considered not to mask bedrock sources.

Most of the VLF-EM conductor axes are interpreted to be associated with faults or shear zones. This type of of conductivity may be related to:

a) minerals such as sulfides, graphite or gouge along the structure or;
b) ionic sources such as porosity along the structure, or clay in an overlining topographic depresion.

Most of the VLF-EM interpreted structures appear to be related to either the northwest trends or to the subsidiaries of the northeast trending Wabigoon fault. Faults identified by VLF-EM or magnetic methods may provide primary structural control for the epithermal mineralization.

Several conductor axes are associated with stratigraphy. These coincide with or parallel magnetic units, particularly the gabbroic lenses. These responses may be derived from sulfides and should be followed up on the ground by EM or IP methods.

7. SUMMARY

An airborne combined magnetic and VLF-EM mapping survey has been carried out at 100 metre line intervals with data reading stations at 11 metres along the flight lines. All data is produced on maps at a scale of 1:10,000.

The magnetic data has been used to modify and update the existing geology and has shown a number of new contacts and faults. A number of VLF-EM conductor axes were found of which some are associated with structural sources and others are believed to have potential sulphide origins and have been recommended for additional investigation.

TERRAQUEST LTD.

Charles Q. Barrie, M.Sc.
Geologist

Suite 905, 121 Richmond Street West, Toronto, Canada, M5H 2K1, Telephone (416) 869-0010

Ministry of Natural Resources
Ontario

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

#87-145

T. Ontario Mining Lands

Mining Act

2.10224

Instructions: – Please type or print.
– If number of mining claims traversed exceeds space on this form, attach a list.
Note: – Only days credits calculated in the "Expenditures" section may be entered in the "Expend. Days Cr." columns.
– Do not use shaded areas below.

Type of Survey(s)
Geophysical (Fixed Wing Airborne Mag-VLF)

Township or Area
McAree Twp. G 3369 Keikewabik Lake
See Schedule 1 attached G 2087

Claim Holder(s)
Loydex Resources Inc.

Address
24 Kenton Court, Whitby, Ontario L1

Survey Company
Terraquest Ltd.

52F16SE0008 2.10224 MCAREE

900

Name and Address of Author (of Geo-Technical report)
Charles Barrie, Terraquest Ltd.

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 (VLF)	40
	Magnetometer	40
	Radiometric	

Mining Claims Traversed (List in numerical sequence)

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
Pa	See Schedule 1 attached.	

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.

RECEIVED
AUG - 6 1987
MINING LANDS SECTION

PATRICIA MINING DIV.
RECEIVED
JUL 21 1987
A.M. P.M.
7 8 9 10 11 12 1 2 3 4 5 6

Expenditures (excludes power stripping)

Type of Work Performed

Performed on Claim(s)

Calculation of Expenditure Days Credits

Total Expenditures: $ ÷ 15 = Total Days Credits

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.

Pa. 823963

Total number of mining claims covered by this report of work: 56

For Office Use Only

Total Days Cr. Recorded	Date Recorded	Mining Recorder
4480	July 21, 1987	
	Date Approved as Recorded: 1987.09.30	Branch Director

Date: July 17, 1987

Recorded Holder or Agent (Signature)

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
George M. Leary, Suite A17, Block A, 6120-2nd Street SE, Calgary, Alberta T2H 2L8

Date Certified: July 17, 1987

Certified by (Signature)

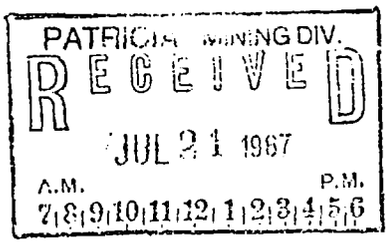
SCHEDULE 1

SANDYBEACH LAKE PROPERTY (56 claims)
PATRICIA MINING DIVISION

CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
Pa 823963	McAree	Sep 23/1985
823964	McAree	Sep 23/1985
850954	McAree	Feb 13/1986
850955	Keikewabik Lake	Feb 13/1986
850956	Keikewabik Lake	Feb 13/1986
850957	McAree	Feb 13/1986
850958	Keikewabik Lake	Feb 13/1986
850959	Keikewabik Lake	Feb 13/1986
850960	McAree	Feb 13/1986
850961	Keikewabik Lake	Feb 13/1986
850962	Keikewabik Lake	Feb 13/1986
850963	McAree	Feb 13/1986
850964	McAree	Feb 13/1986
850965	Keikewabik Lake	Feb 13/1986
850966	McAree	Feb 13/1986
850967	McAree	Feb 13/1986
850968	McAree	Feb 13/1986
850969	McAree	Feb 13/1986
850970	McAree	Feb 13/1986
850971	Keikewabik Lake	Feb 13/1986
850972	Keikewabik Lake	Feb 13/1986
850973	McAree	Feb 13/1986
850974	McAree	Feb 13/1986
850975	McAree	Feb 13/1986
850976	McAree	Feb 13/1986
850977	McAree	Feb 13/1986
850978	McAree	Feb 13/1986
850979	McAree	Feb 13/1986
850980	McAree	Feb 13/1986
850981	McAree	Feb 13/1986
850982	McAree	Feb 13/1986
850983	McAree	Feb 13/1986
850984	McAree	Feb 13/1986
850985	McAree	Feb 13/1986
850986	McAree	Feb 13/1986
850987	McAree	Feb 13/1986

Schedule 1
Page 2

CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
850988	McAree	Feb 13/1986
850989	McAree	Feb 13/1986
850990	McAree	Feb 13/1986
850991	McAree	Feb 13/1986
850992	McAree	Feb 13/1986
850993	McAree	Feb 13/1986
850994	McAree	Feb 13/1986
850995	McAree	Feb 13/1986
850996	McAree	Feb 13/1986
850997	McAree	Feb 13/1986
850998	McAree	Feb 13/1986
850999	McAree	Feb 13/1986
851000	McAree	Feb 13/1986
851001	McAree	Feb 13/1986
851002	McAree	Feb 13/1986
851003	McAree	Feb 13/1986
861359	McAree	Feb 13/1986
861360	McAree	Feb 13/1986
861361	McAree	Feb 13/1986
861362	McAree	Feb 13/1986



TERRAQUEST LTD.

A-658

July 21, 1987

Ministry of Northern Development and Mines
Room 6610
Whitney Block, Queen's Park
Toronto, Ontario
M7A 1W3

Dear Sirs,

Please find enclosed two copies of our airborne Mag and VLF-EM survey . over the Sandybeach Lake property in McAree & MacFie Twps, Ontario in the Patricia Mining Division, claims Pa 823870 et al. to be used for assessment purposes.

RECEIVED
JUL 29 1987
MINING LANDS SECTION

Yours Truly,

TERRAQUEST LIMITED

Charles Q. Barrie
Vice President

2.8305

Encl.

2.10224

#145-87

Ministry of Natural Resources
Ontario

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

Mining Act

Instructions: – Please type or print
– If number of mining claims traversed exceeds space on this form, attach a list.
Note: – Only days credits calculated in the "Expenditures" section may be entered in the "Expend. Days Cr." columns.
– Do not use shaded areas below.

Type of Survey(s)	Township or Area
Geophysical (Fixed Wing Airborne Mag-VLF)	MACFIE TWP See Schedule 1 attached M-1945

Claim Holder(s)	Prospector's Licence No.
Loydex Resources Inc.	T 1293

Address: 24 Kenton Court, Whitby, Ontario L1N 5X7

Survey Company	Date of Survey (from & to)	Total Miles of line Cut
Terraquest Ltd.	20 01 87 (Day | Mo. | Yr.) — Day | Mo. | Yr.	

Name and Address of Author (of Geo-Technical report): Charles Barrie, Terraquest Ltd.

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 (VLF)	40
	Magnetometer	40
	Radiometric	

Mining Claims Traversed (List in numerical sequence)

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
K	See Schedule 1 attached.	

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.

RECEIVED
JUL 29 1987
MINING LANDS SECTION

RECORDER
JUL 24 1987
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

Expenditures (excludes power stripping)

Type of Work Performed

Performed on Claim(s)

Calculation of Expenditure Days Credits

Total Expenditures: $ ÷ 15 = Total Days Credits

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.

823870

Total number of mining claims covered by this report of work: 60

For Office Use Only		
Total Days Cr. Recorded: 4800	Date Recorded: July 24/87	Mining Recorder: M.E. Lemay
	Date Approved as Recorded: 1987.09.30	Branch Director: per J.M. Carmichael

Date	Recorded Holder or Agent (Signature)
July 17, 1987	George M. Leary

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: George M. Leary, Suite A17, Block A, 6120-2nd Street SE, Calgary, Alberta T2H 2L8

Date Certified	Certified by (Signature)
July 17, 1987	George M. Leary

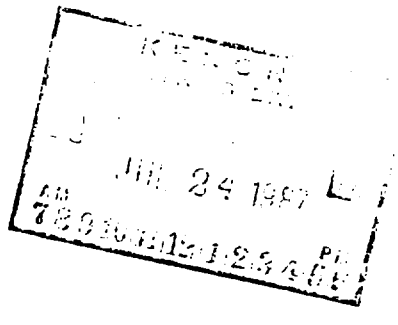
1262 (81/9)

#145-87

SCHEDULE 1

SANDYBEACH LAKE PROPERTY (60 claims)
KENORA MINING DIVISION

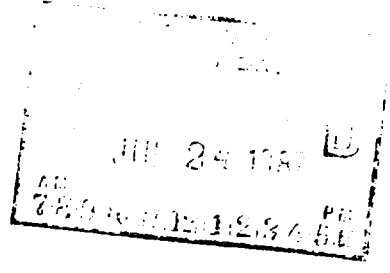
CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
K 823870	MacFie	May 8/1985
823871	MacFie	May 8/1985
823872	MacFie	May 8/1985
823873	MacFie	May 8/1985
851144	MacFie	Feb 13/1986
851145	MacFie	Feb 13/1986
851146	MacFie	Feb 13/1986
851147	MacFie	Feb 13/1986
851148	MacFie	Feb 13/1986
851149	MacFie	Feb 13/1986
851150	MacFie	Feb 13/1986
851151	MacFie	Feb 13/1986
851152	MacFie	Feb 13/1986
851153	MacFie	Feb 13/1986
851154	MacFie	Feb 13/1986
851155	MacFie	Feb 13/1986
851156	MacFie	Feb 13/1986
851157	MacFie	Feb 13/1986
851158	MacFie	Feb 13/1986
851159	MacFie	Feb 13/1986
851160	MacFie	Feb 13/1986
851161	MacFie	Feb 13/1986
851162	MacFie	Feb 13/1986
851163	MacFie	Feb 13/1986
851164	MacFie	Feb 13/1986
851165	MacFie	Feb 13/1986
851166	MacFie	Feb 13/1986
851167	MacFie	Feb 13/1986



#145-87

Schedule 1
Page 2

CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
851168	MacFie	Feb 13/1986
851169	MacFie	Feb 13/1986
851170	MacFie	Feb 13/1986
851171	MacFie	Feb 13/1986
851172	MacFie	Feb 13/1986
851173	MacFie	Feb 13/1986
851174	MacFie	Feb 13/1986
851175	MacFie	Feb 13/1986
851176	MacFie	Feb 13/1986
851177	MacFie	Feb 13/1986
851178	MacFie	Feb 13/1986
851179	MacFie	Feb 13/1986
851180	MacFie	Feb 13/1986
851181	MacFie	Feb 13/1986
851182	MacFie	Feb 13/1986
851183	MacFie	Feb 13/1986
851184	MacFie	Feb 13/1986
851185	MacFie	Feb 13/1986
851186	MacFie	Feb 13/1986
851187	MacFie	Feb 13/1986
851188	MacFie	Feb 13/1986
851189	MacFie	Feb 13/1986
851190	MacFie	Feb 13/1986
851191	MacFie	Feb 13/1986
851192	MacFie	Feb 13/1986
851193	MacFie	Feb 13/1986
861438	MacFie	Feb 13/1986
861439	MacFie	Feb 13/1986
861440	MacFie	Feb 13/1986
861441	MacFie	Feb 13/1986
861444	MacFie	Feb 13/1986
861445	MacFie	Feb 13/1986

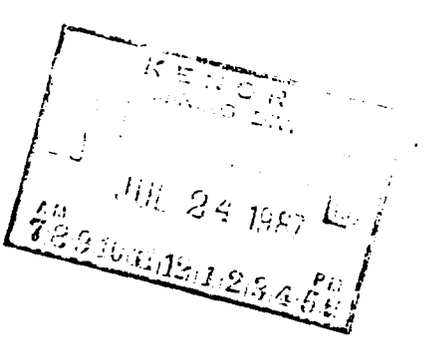


#145-87

SCHEDULE 1

SANDYBEACH LAKE PROPERTY (60 claims)
KENORA MINING DIVISION

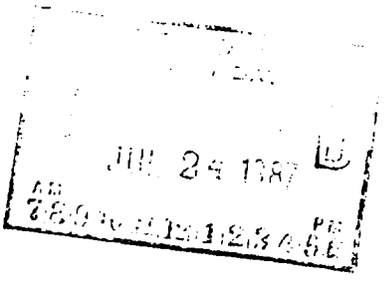
CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
K 823870	MacFie	May 8/1985
823871	MacFie	May 8/1985
823872	MacFie	May 8/1985
823873	MacFie	May 8/1985
851144	MacFie	Feb 13/1986
851145	MacFie	Feb 13/1986
851146	MacFie	Feb 13/1986
851147	MacFie	Feb 13/1986
851148	MacFie	Feb 13/1986
851149	MacFie	Feb 13/1986
851150	MacFie	Feb 13/1986
851151	MacFie	Feb 13/1986
851152	MacFie	Feb 13/1986
851153	MacFie	Feb 13/1986
851154	MacFie	Feb 13/1986
851155	MacFie	Feb 13/1986
851156	MacFie	Feb 13/1986
851157	MacFie	Feb 13/1986
851158	MacFie	Feb 13/1986
851159	MacFie	Feb 13/1986
851160	MacFie	Feb 13/1986
851161	MacFie	Feb 13/1986
851162	MacFie	Feb 13/1986
851163	MacFie	Feb 13/1986
851164	MacFie	Feb 13/1986
851165	MacFie	Feb 13/1986
851166	MacFie	Feb 13/1986
851167	MacFie	Feb 13/1986



#145-87

Schedule 1
Page 2

CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
851168	MacFie	Feb 13/1986
851169	MacFie	Feb 13/1986
851170	MacFie	Feb 13/1986
851171	MacFie	Feb 13/1986
851172	MacFie	Feb 13/1986
851173	MacFie	Feb 13/1986
851174	MacFie	Feb 13/1986
851175	MacFie	Feb 13/1986
851176	MacFie	Feb 13/1986
851177	MacFie	Feb 13/1986
851178	MacFie	Feb 13/1986
851179	MacFie	Feb 13/1986
851180	MacFie	Feb 13/1986
851181	MacFie	Feb 13/1986
851182	MacFie	Feb 13/1986
851183	MacFie	Feb 13/1986
851184	MacFie	Feb 13/1986
851185	MacFie	Feb 13/1986
851186	MacFie	Feb 13/1986
851187	MacFie	Feb 13/1986
851188	MacFie	Feb 13/1986
851189	MacFie	Feb 13/1986
851190	MacFie	Feb 13/1986
851191	MacFie	Feb 13/1986
851192	MacFie	Feb 13/1986
851193	MacFie	Feb 13/1986
861438	MacFie	Feb 13/1986
861439	MacFie	Feb 13/1986
861440	MacFie	Feb 13/1986
861441	MacFie	Feb 13/1986
861444	MacFie	Feb 13/1986
861445	MacFie	Feb 13/1986



SCHEDULE 1

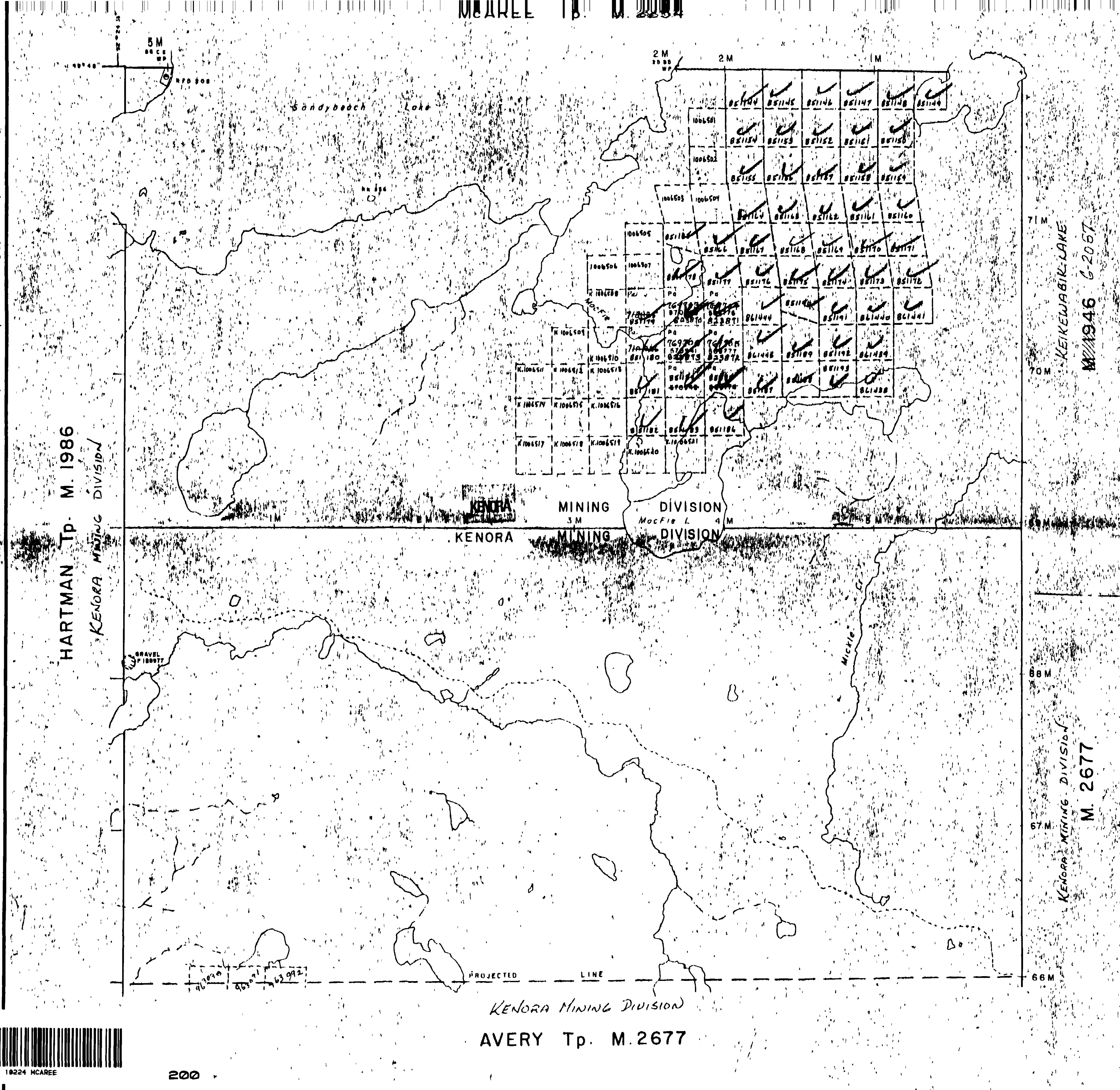
SANDYBEACH LAKE PROPERTY (56 claims)
PATRICIA MINING DIVISION

CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
Pa 823963	McAree	Sep 23/1985
823964	McAree	Sep 23/1985
850954	McAree	Feb 13/1986
850955	Keikewabik Lake	Feb 13/1986
850956	Keikewabik Lake	Feb 13/1986
850957	McAree	Feb 13/1986
850958	Keikewabik Lake	Feb 13/1986
850959	Keikewabik Lake	Feb 13/1986
850960	McAree	Feb 13/1986
850961	Keikewabik Lake	Feb 13/1986
850962	Keikewabik Lake	Feb 13/1986
850963	McAree	Feb 13/1986
850964	McAree	Feb 13/1986
850965	Keikewabik Lake	Feb 13/1986
850966	McAree	Feb 13/1986
850967	McAree	Feb 13/1986
850968	McAree	Feb 13/1986
850969	McAree	Feb 13/1986
850970	McAree	Feb 13/1986
850971	Keikewabik Lake	Feb 13/1986
850972	Keikewabik Lake	Feb 13/1986
850973	McAree	Feb 13/1986
850974	McAree	Feb 13/1986
850975	McAree	Feb 13/1986
850976	McAree	Feb 13/1986
850977	McAree	Feb 13/1986
850978	McAree	Feb 13/1986
850979	McAree	Feb 13/1986
850980	McAree	Feb 13/1986
850981	McAree	Feb 13/1986
850982	McAree	Feb 13/1986
850983	McAree	Feb 13/1986
850984	McAree	Feb 13/1986
850985	McAree	Feb 13/1986
850986	McAree	Feb 13/1986
850987	McAree	Feb 13/1986

CLAIM NUMBER	TOWNSHIP OR AREA	DATE RECORDED
850988	McAree	Feb 13/1986
850989	McAree	Feb 13/1986
850990	McAree	Feb 13/1986
850991	McAree	Feb 13/1986
850992	McAree	Feb 13/1986
850993	McAree	Feb 13/1986
850994	McAree	Feb 13/1986
850995	McAree	Feb 13/1986
850996	McAree	Feb 13/1986
850997	McAree	Feb 13/1986
850998	McAree	Feb 13/1986
850999	McAree	Feb 13/1986
851000	McAree	Feb 13/1986
851001	McAree	Feb 13/1986
851002	McAree	Feb 13/1986
851003	McAree	Feb 13/1986
861359	McAree	Feb 13/1986
861360	McAree	Feb 13/1986
861361	McAree	Feb 13/1986
861362	McAree	Feb 13/1986

400' surface rights reservation along the shores of all lakes and rivers.

Oct 28, 1983
Apr 26, 1984
May 6/84
May 8, 1985
780 15106



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
ORIGINAL SHORELINE
MARSH OR MUSKEG
MINES

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	▼
CROWN LAND SALE	CS
ORDER-IN-COUNCIL	OC
RESERVATION	⊙
CANCELLED	⊗
SAND & GRAVEL	⊙

KENORA MINING DIV. RECEIVED AUG 18 1987 AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

SCALE: 1 INCH = 40 CHAINS

FEET 0 500 1000 2000 4000 6000 8000
METRES 0 200 400 600 800 1 KM 2 KM

ACRES 40 HECTARES 16

TOWNSHIP

MacFIE

DISTRICT KENORA

MINING DIVISION KENORA

Ministry of Natural Resources
Ontario Surveys and Mapping Branch

Date 5 74
Whitney Block Queen's Park, Toronto

Plan No. M.1945

KENORA MINING DIV. RECEIVED FEB 16 1987

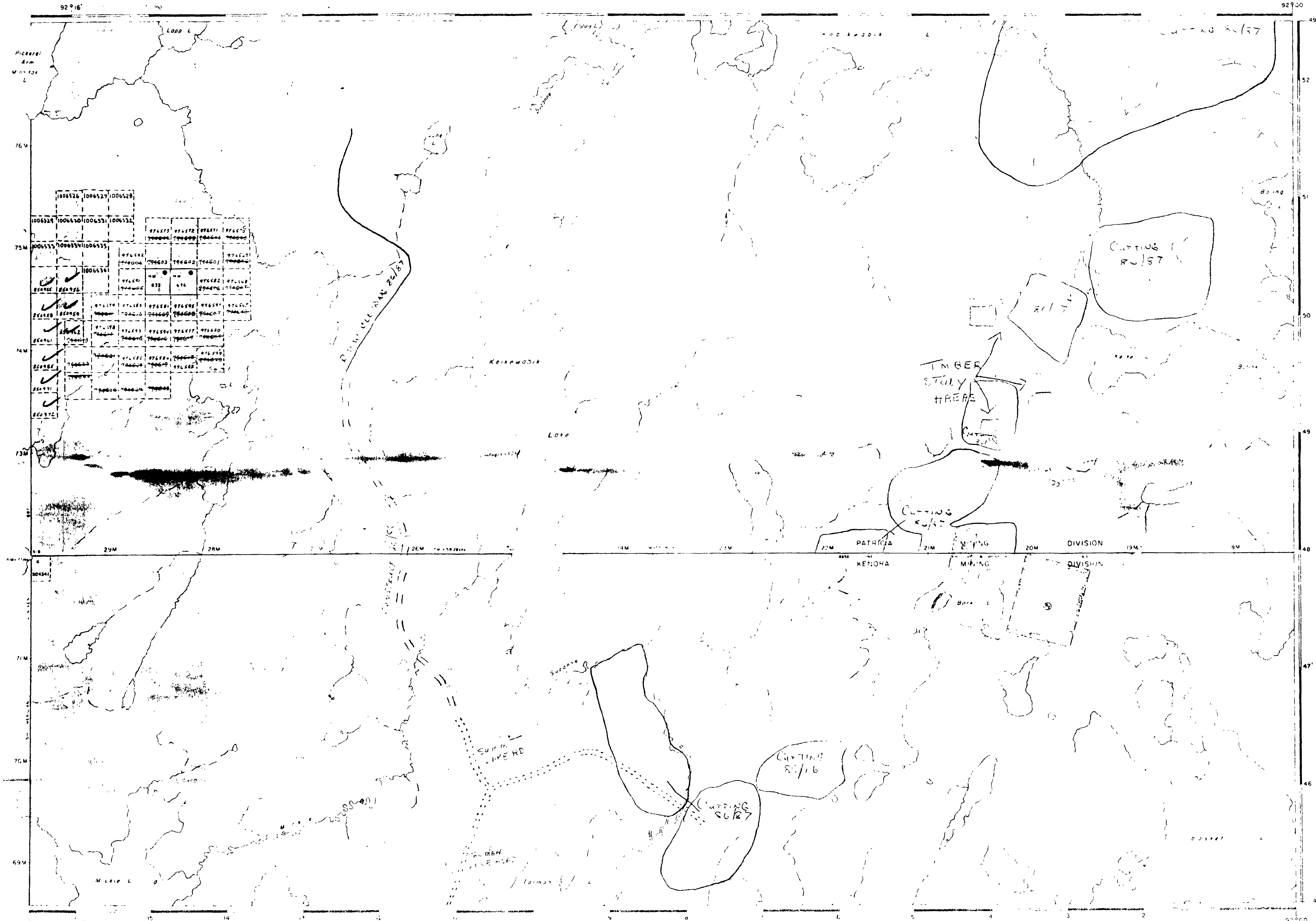
52F16SE0008 2.10224 MCAREE

200

KABIK LAKE & PICKEREL TWP. G-2079

McAREE TWP.

MacFIE TWP.



LARD LAKE G-2099

MELGUND LAKE M 2677

SUZANNE LAKE G-2562

Kenora Mining Division

210

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 LAND

TYPE OF DOCUMENT — SYMB

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
RESERVATION
CANCELLED
SAND & GRAVEL

NOTE: MINING RIGHTS IN PARCELS PATENTED PRIOR TO ... 1913 VESTED IN ORIGINAL PATENTEE BY THE ... LANDS ACT, R.S.O. 1970, CHAP. 380, SEC. 63 ...

REFERENCES

AREAS WITHDRAWN FROM DISPOSITION

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

Description	Order No.	Date	Disposition	File

June 12, 1984

Feb 18, 1986

Aug 18/87

PATRICIA MINING DIV.
RECEIVED
1967
A.M. 7 8 9 10 11 12 1 2 3 4 5 6 P.M.

SCALE: 1 INCH = 40 CHAINS

FEET 0 1000 2000 4000 6000

METRES 0 200 1000 2000

AREA KEIKEWABIK LAKE

M.N.R. ADMINISTRATIVE DISTRICT
SIOUX LOOKOUT/IGNACE

MINING DIVISION
KENORA - PATRICIA

LAND TITLES / REGISTRY DIVISION
KENORA

Ministry of Natural Resources — Land Management Branch
Ontario

Date FEBRUARY, 1984

Number G-208

400 surface rights reservation along the shores
of lakes and rivers

SAND & GRAVEL

(6) QUARRY PERMIT

(9) M T C Pit Nº 1200

(62) M T C Pit Nº 1112

RESERVES

AREAS WITHDRAWN FROM STAKING

SR SURFACE RIGHTS MR MINING RIGHTS

Section	Date	Disposition	File	Order Nº
(62) 43(RSC 70)	16 Jan, 74	SR	125106	W1 / 74

Feb 13, 1986
July 15/86
Dec 4/86
Dec 16/86
Dec 31 86
Jan 20/87
Mar 6/87
JUNE 16/87
JULY 9/87

52F15SE0008 2.10224 MCAREE

220

ECHO Tp. M. 2236

LAVAL Tp. M. 3371

MacFIE Tp. G-3367

M. 2258

G-208

KEIKEWABIK LAKE

HIGHWAY AND ROAD
OTHER ROADS
TRAIL
PARCEL BOUNDARY
MINING CLAIM
RAILWAY AND RAILWAY STATION
MARSH OR MUSKEG
MINES

DISPOSITION OF CROWN LANDS

PATENT
LEASE
SURFACE RIGHTS ONLY
CANCELLED
SAND & GRAVEL

SCALE
FEET
METRES
ACRES
40

TOWNSHIP

DISTRICT

KENORA

PATRICIA

Ministry of Natural Resources
Ontario Surveys and Mapping
Date

LEGEND

Terrain Clearance	100 meters
Line Spacing	100 meters

TOTAL MAGNETIC FIELD

500 gammas	———
100 gammas	———
25 gammas	———
5 gammas	———

GML MINERALS CONSULTING LTD.

AIRBORNE MAGNETIC SURVEY
TOTAL MAGNETIC FIELD

SANDYBEACH LAKE PROPERTY

N.T.S. NO. 52F/16	DRAWING NO. A-658-1
SCALE: 1:10,000	DATE: July 1987

TERRAQUEST LTD.
TORONTO, CANADA

2.10224

LEGEND

Terrain Clearance	100 meters
Line Spacing	100 meters

VERTICAL MAGNETIC GRADIENT

2.500 gammas/meter	———
.500 gammas/meter	———
.100 gammas/meter	———
.025 gammas/meter	———

GML MINERALS CONSULTING LTD.

AIRBORNE MAGNETIC SURVEY

VERTICAL MAGNETIC GRADIENT
Calculated From Total Field

SANDYBEACH LAKE PROPERTY

N.T.S. NO. 52F/16	DRAWING NO. A-658-2
SCALE: 1:10,000	DATE: July 1987

TERRAQUEST LTD.
TORONTO, CANADA

210224

LEGEND

Terrain Clearance	100 meters
Line Spacing	100 meters

TOTAL FIELD STRENGTH (Contours)

50%	———
10%	———
2%	———

QUADRATURE (Profiles)

Normal Slope: +10% −10%

Reverse Slope: +10% −10%

VLF Transmitter
NAA Cutler, 24.0 kHz
Azimuth 097

GML MINERALS CONSULTING LTD.

AIRBORNE VLF-EM SURVEY

CONTOURS OF TOTAL FIELD STRENGTH
PROFILES OF QUADRATURE

SANDYBEACH LAKE PROPERTY

N.T.S. NO. 52F/16	DRAWING NO. A-658-3
SCALE: 1:10,000	DATE: July 1987

TERRAQUEST LTD.
TORONTO, CANADA

210224

SANDYBEACH LAKE

COLE LAKE

py,gf

Au

Au,Cu

Au,Ag,Zn

Au,py,cpy

LITHOLOGY

9m	Magnetic unit within 9.
9	Felsic to Intermediate Intrusives
5	Mafic Intrusives
3m	Magnetic unit within 3.
3	Metasediments and derived Migmatites
1m	Magnetic unit within 1.
1	Mafic to Intermediate Metamorphic Rocks

LEGEND

Terrain Clearance ..... 100 meters
Line Spacing ..... 100 meters

INTERPRETATION

- Contact
- Fault
- Property Boundary

VLF-EM Conductor Axes

- normal quadrature
- reverse quadrature
- total field only

See text for classification of VLF-EM conductor axes

VLF Transmitter
NAA Cutler, 24.0 kHz
Azimuth 097

GML MINERALS CONSULTING LTD.

INTERPRETATION

SANDYBEACH LAKE PROPERTY

N.T.S. NO. 52F/16	DRAWING NO. A-658-4
SCALE: 1:10,000	DATE: July 1987

TERRAQUEST LTD.
TORONTO, CANADA

210224