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19990002

ASSESSMENT REPORT
FOR
METALLIC AND INDUSTRIAL PERMITS

9394100017

9394100021

HELD BY
ELLS RIVER RESOURCES INC.

Submitted January 25, 1999

on behalf of

Ells River Resources Inc.

by

Mr. Henry Cieszynski, C.E.O.
Mr. Maurice Keylor, President
Mr. Raymond Caron, Director

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I. SUMMARY

A. General

This report is being submitted by Ells River Resources Inc. for assessment work performed during the period October 18, 1996 to October 18, 1998 on the two (2) Metallic and Industrial Mineral permits as described in Section III - Permit Tabulation. These permits involve lands which we have defined as the "South Block".

Our exploration program for the period consisted of the following:

- a) reconnaissance exploration
 - mapping
 - terrain analysis
- b) sample collection
 - small gridding samples
 - large bulk samples
- c) sample processing and analysis
 - panning
 - sluicing
 - centrifugal concentrating
 - microscopic analysis
 - assaying
- d) material handling process
 - developing separating and screening equipment for raw material
 - developing "Processor" for recovering fine gold grains
- e) permit acquisition
 - exploration permits application and approvals
 - site rehabilitation

B. Properties Surrendered and Retained

As a result of our exploration activity, Ells River Resources Inc. will be surrendering the following property back to the Crown:

- a) Sections 13, 22, 23, 24, 25, 26, 27, 28, 35; Township 69; Range 15; West of the 4th Meridian. This area is included in our Metallic and Industrial Mineral Permit # 9394100017,
- b) Section 2; Township 70; Range 15; West of the 4th Meridian. This area is included in our Metallic and Industrial Mineral Permit # 9394100021.

Ells River Resources Inc. will retain the following twelve (12) Sections in the "South Block" area, in order to continue its exploration and analytical program:

- a) Sections 31, 32, 33, and 34, Township 69; Range 15; West of the 4th Meridian. This area is included in our Metallic and Industrial Minerals Permit # 9394100017,

b) Sections 3, 4, 5, 6, 7, 8, 9, and 10; Township 70; Range 15; West of the 4th Meridian. This area is included in our Metallic and Industrial Minerals Permit # 9394100021.

These twelve (12) Sections contain a total area of three thousand seventy-two (3,072) hectares more or less. In order to maintain this property we are required to have spent thirty thousand seven hundred twenty dollars (\$ 30,720.00) based on a rate of ten dollars (\$ 10.00) per hectare. As per Appendix C - Statement of Expenditures and Declaration of Expenses this has been achieved.

II. INTRODUCTION

Ells River Resources Inc. (formerly 635216 Alberta Ltd.) was founded by Mr. Henry Cieszynski, a financial analyst and prospector from Toronto, Mr. Maurice Keylor, a businessman from Edmonton, and Mr. Anthony Cowen, a geologist from Edmonton, to explore and develop mineral opportunities in Alberta.

The occurrences of fine gold in Alberta river sediments is common and indeed, there was an industry which systematically sluiced the North Saskatchewan River, in the Edmonton area, early in the last half of the 19th century. Today, the economic recovery of placer gold in Alberta appears to be limited to gravel pits where gold recovery is aided by the washing of aggregate for the concrete industry.

In response to the mineral exploration activity in the Fort McMurray area, which has begun in earnest over the past several years, the property in question was secured to expand our interests which already included property north of Fort McMurray.

Exploration of the Southern Block began in July, 1994 over an area of two hundred twenty-five thousand two hundred sixteen (225, 216) hectares. In December, 1996 this area was reduced to five thousand six hundred thirty-two (5,632) hectares. Today we are reducing our holdings to three thousand seventy-two (3,072) hectares based on the most recent results of our exploration program. Thus concentrating our efforts on the defined grid area where our exploration continues today.

III. PERMIT TABULATION

This report is being submitted by Ells River Resources Inc. for the assessment work related to two (2) Metallic and Industrial Mineral Permits listed below. For assessment purposes, the work completed is for the following period:

- Permits # 9394100017 and # 9394100021: October 18, 1996 to October 18, 1998

These permits are for the following properties:

- a) Permit # 9394100017: Sections 13, 22, 23, 24, 25, 26, 27, 28, 31, 32, 33, 34, and 35; Township 69; Range 15; West of the 4th Meridian,
- b) Permit # 9394100021: Sections 2, 3, 4, 5, 6, 7, 8, 9, and 10; Township 70; Range 15, West of the 4th Meridian.

IV. SOUTH BLOCK

A. Location

The South Block is located in east central Alberta just north of Lac La Biche. It consists of a small block of land which contains thirteen (13) Sections in Township 69 and nine (9) Sections in Township 70. Both Townships are in Range 15, West of the fourth Meridian. The permits cover a total area of approximately five thousand six hundred thirty-two (5,632) hectares.

B. Physiography

The land in this area is relatively flat, with elevations ranging from a high, to the south-east of Avenir, of approximately one thousand nine hundred (1,900) feet to a low of slightly under one thousand eight hundred (1,800) feet, just over one (1) mile south-east of the point where Highway 858 crosses the Gold River. Other than some minor streams and small ponds, the only water on the property is the Gold River which flows primarily north to south, draining into the La Biche River just out of the permit area.

C. Surficial Geology

The area consists of sand hills, scattered muskeg, and till covered plains. Small areas of gravel are evident in the vicinity at surface. The only confirmed gravel deposit in the area, is just south of Avenir in Section 32, Township 69, Range 15, West of the 4th Meridian. According to Scafe (et al, 1989), a dirty, sandy, glacial gravel overlies the fine grained Tertiary sand at this location. The gravel consists of approximately seventy-two (72) per cent coarse and twenty-eight (28) per cent fine materials. The overburden in this area ranges up to four (4) meters thick.

D. Bedrock Geology

The entire area is underlain by the shales of the Lea Park Formation. The Lea Park Formation is typically a medium to dark grey shale with minor salt (Glass, 1990). From our previous assessment, when observed in a pit, dug beyond the base of the gravels at 32-69-15-W4, the Lea Park shales were weathered to a dark grey soft clay.

E. Access

The area is cross cut by Highway 858, Alpac's "K" road, the Avenir road, county cross-roads, and several oilfield roads. These provide adequate access for road vehicles. Access is extended by the use of all terrain vehicles which can readily navigate the many truck trails and seismic lines which criss-cross the entire area.

F. Work Completed

The work completed during the assessment period was divided into three (3) categories:

- a) Field Work
- b) Research and Development of Material Processing Equipment
- c) Laboratory Analysis of raw material samples and high grade sample concentrate.

a) Field Work

The field work consisted of:

- i) extensive sampling of the property to identify potential high grade zones,
- ii) gridding of the potential high grade zones and sampling to define the boundaries,
- iii) bulk sampling of the high grade zones within the defined boundaries,
- iv) field processing of the sample material during each of the aforementioned phases of collection. The sample material was processed into a high grade concentrate,
- v) determining the accessibility over the property
- vi) determining the status and availability of the labour and equipment pools,
- vii) determining the availability of temporary office and storage space.

Based in the sampling carried out in 1995 and 1996 it was determined that a more detailed testing program would be required in 1997 that involved larger sample sizes - in the magnitude of one hundred (100) cubic yards or more.

As a result our 1997 "Exploration Program" was developed which involved revisiting several sites and processing several six hundred (600) pound samples through our 5" Hy-G Concentrator. Encouraged by the results, we decided, in the fall of 1997, to launch a one hundred (100) cubic yard or approximately two hundred seventy thousand (270,000) pound sampling program over a defined target area (see Trips # 6 - 10 following).

Over a period of twenty-four months, several trips were made to the South Block in order to gather the sample material and data outlined above. Some of these trips were short in duration (as little as a day) while others were for extended periods (over a week). Raw samples range from a few pounds to forty-five (45) gallon barrels to gravel truck loads. These samples, after processing, provided us with sample concentrates ranging in size from just a few ounces to over six hundred (600) pounds.

The following is a review of the trips made to the property. Locations of the samples referred to can be found in the Figures in Appendix A.

Details of each sample can be found in Appendix D - Sample Descriptions.

Trip # 1. December 7, 1996

Traveled to the Avenir area and collected four hundred twelve (412) pounds of raw material from two sites. Two Hundred thirty-six (236) pounds was screened off being greater than ¼" in size.

Trip # 2. May 29, 1997

Toured the Avenir pit area to determine what limitations, if any, we would encounter in exploration and subsequent production. Reviewed the protected area boundaries. Collected two hundred sixty-two (262) pounds of sample material from three (3) holes in the area north of the Alpac pit sites which were dug in 1996. Of this, sixty-five pounds was screened off as it was too coarse.

Trip # 3. June 24 - 28, 1997

Set up the 5" Hy-G concentrator in the field at the Alpac pit. Processed seven (7), six hundred (600) pound samples using the Hy-G concentrator (which can be equipped with either a 3 lbs or a ¾ lbs bowl). In addition panned eight (8) pails of reject material and collected an additional two hundred two (202) pounds of raw material from two (2) samples. Of this amount, ninety-five (95) pounds was screened off as being too large.

Trip # 4. July 8 - 15, 1997

Processed the remaining samples on the grid with the Hy-G, as well as some other samples in the north-east of Section 32, and ran some smaller samples from new sites. A total of twelve thousand seven hundred thirty (12,730) pounds of material was processed from thirty-four (34) samples.

Trip # 5. July 20 - 22, 1997

Additional sampling, panning, and operation of the Hy-G concentrator in the Avenir area. Concentrated one thousand nine hundred seventy (1,970) pounds of material from seven (7) samples and panned fifteen (15) samples.

Trip # 6. September 3 - 15, 1997

For the balance of the year our program focused on collecting one hundred (100) cubic yards or approximately two hundred seventy thousand (270,000) pounds of material from a gridded area. Our program was designed around stockpiling approximately six (6) cubic yards of raw material from seventeen (17) sites. This material, combined as a composite, was then processed using the Hy-G concentrator. During this trip only nine (9) sites were dug. We processed seventy-eight thousand one hundred forty-one (78,141) pounds or approximately twenty-nine (29) cubic yards.

Trip # 7. September 22 - 25, 1997

Processed an additional twenty-six thousand eight hundred twenty-two (26,822) pounds or nine point nine (9.9) cubic yards of material from the stockpile. Also, collected three (3) pounds of concentrate from one twelve (12) pail run of seven hundred fifty (750) pounds.

Trip # 8. October 1 - 4, 1997

The purpose of this trip was to complete the digging and stockpiling of the grid material from the eight (8) remaining target sites and to continue processing the composite material through the Hy-G. We succeeded in completing the holes and in processing twenty-one thousand six hundred ninety-four (21,694) pounds or approximately eight (8) cubic yards of material.

Trip # 9. October 7 - 11, 1997

Processed nine thousand nine hundred forty-two pounds (9,942) or approximately three point seven (3.7) cubic yards of material through the concentrator. In addition, the disturbed areas were re-seeded.

Trip # 10. October 14 - 22, 1997

Another forty-four thousand nine hundred fifty-eight (44,958) pounds or sixteen point seven (16.7) cubic yards of material was processed to complete our grid program, though we didn't reach our target of one hundred (100) cubic yards. In fact, we processed only sixty-eight point six (68.6) yards of raw material as some material was unsuitable (such as till) and material from three sites (# 97041, #97045, and #97055) was not used. A further three thousand five hundred four (3,504) pounds or one point three (1.3) yards of material was processed from one site.

Detailed information for the seventeen (17) site sampling program on the gridded area is as follows:

Description	Weight (lbs)	Cubic Yards
Estimated Total Sampling Project	- 270,000	100.0
Material Not used	- 84,939	31.4
Gross sample material used	- 185,061	68.6
Gravel picked out of sample	- 35,560	13.2
Net material concentrated	- 149,501	55.4
Net concentrate from Project	- 615	

Trip # 11. July 25 - 29, 1998

The two (2) main goals during this trip were:

- i) to rehabilitate areas which had been disturbed where grass seed had not taken by planting trees,
- ii) to test the ERR Processor collection trays in the field.

Trip # 12 September 24 - 29, 1998

The goal of the final tripe in 1998 was to conduct a significant field trial of the proto-type ERR Processor. During this test a considerable amount of material was processed, approximately forty-five (45) cubic yards,

resulting in the collection of three (3) fifty (50) pound pails of sample material.

Trip # 13. October 7 - 9, 1998

Again using ERR Processor collected three (3) fifty (50) pound pails of sample material after processing roughly forty-five (45) cubic yards of material (219 loads using ¼ cubic yard bucket).

b) Research and Development of Material Processing Techniques

During the very early stages of raw material analysis, significant values of small, flat, gold particles were clearly evident. However, during the detailed microscopic analysis of the original concentrated sample (# 96265) collected in October, 1996; the amount of fine gold present was much smaller than expected. Further analysis of our recovery procedures and processes led us to the conclusion that the gold particles in the Avenir area, which range size from twenty-five (25) to two hundred (200) microns, cannot be recovered using conventional methods or procedures such as sluice boxes, spirals, pans, concentrators, et cetera. As a result, a method and process had to be found or developed which addressed the short-comings of the conventional devices yet allowed the material to be handled in an efficient and cost effective manner, in the field.

Early in 1997 we conducted an extensive research of the market for an "off-the-shelf" solution to handling these small, flat gold particles, but it soon became apparent that one did not exist. As a result the only solution was to develop our own unique processing method and equipment which would recover the maximum amount of available gold (down to 25 microns) from any raw or concentrate material placed into the unit.

The first step in developing a method and the equipment to go with it was to understand the behavior of the gold particles in the Avenir system. By analyzing several hundreds of samples under a microscope, Mr. Henry Cieszynski, our Chief Executive Officer, gained a thorough understanding of the gold and how the particles reacted when handled using various methods.

Armed with this information he proceeded to test different types of recovery materials (such as screens, grids, cloths, etc.) in various configurations with the goal of designing a processing unit (which we refer to as the ERR Processor) which would capture the gold grains. In the beginning, the materials were assembled in a "hit and miss" fashion with the effective ones being retained and all others discarded. Throughout this development process the effectiveness of each device was critically tested.

During the initial testing during the middle of 1997, concentrate material was fed into a small laboratory-type unit, one tablespoon at a time. At the conclusion of each "run" both the recovered material and the reject

material were subjected to a gold grain count to determine the effectiveness of the system in capturing the gold particles. This process was repeated over and over many times with adjustments made to the system to study the effects.

Once, we felt confident with the "concept" and the basic method of recovery, the amount of material fed into the Processor, at one time, was increased to four (4) liters. As with the initial testing, both the recovered material and reject material were subjected to a gold grain count. As before, modifications and improvements were made during these tests.

As the variety of tests proceeded, we gained confidence in the basic process, design, and systems used to successfully process the sample material. In January, 1998, a larger replica-Processor of sufficient size to handle larger sample sizes in a controlled laboratory environment was built.

Further modifications were made and tested throughout 1998. At the end of August an ERR Processor field proto-type was built and tested in the field at the Avenir site on several occasions. The results of these field trials will enable us to design an improved Processor for our exploration program for 1999.

c) Laboratory Analysis

Since the autumn of 1996 Ells River Resources Inc. has been involved in the analysis of the samples collected over the past two (2) years. Though some samples have been sent to independent laboratories for assay, this has not proven to be effective since normal collection and assay procedures are not suited to this type of gold as the grains seem to be lost in the assay procedures. Consequently most of our analysis has been conducted by Mr. Cieszynski, "in house."

When original panned material was analyzed significant amounts of gold were present suggesting that further study was needed. Larger bulk samples were processed through our Hy-G Concentrator but significantly less gold was seen than expected. This led us to the belief that much of the gold was being lost through the concentration process. A theory that was possible, in that, the gold grains found to that point were very small and flat so it was felt that these grains could easily flow off during the concentration process.

Using microscopic analysis of panned, concentrated, and processed samples and examination of reject material Mr. Cieszynski found that his theory was correct. This has allowed Ells River to process samples in a much more efficient manner thus reducing our losses significantly.

Since July, 1997, Ells River Resources has been processing high grade concentrate and reject material of the six hundred (600) pound samples.

In addition, the one hundred (100) yard bulk sample collected in the autumn of 1997 which resulted in six hundred fifteen (615) pounds of concentrate was brought into our offices and run through the first prototype ERR Processor in January, 1998. This test of the processing unit yielded ten (10) pounds of "super concentrate." Since that time Mr. Cieszynski has spent hundreds of hours using microscopic analysis to examine this material. He has meticulously picked through only a portion (approximately 15%) of the super-concentrate and has discovered the sample is laden with many tens of thousands of gold grains averaging twenty-five (25) to two hundred (200) microns though there are grains up to seven hundred (700) microns in smaller quantities. In addition, we are seeing grains of platinum in minor amounts.

V. CONCLUSION

We feel that Ells River Resources Inc. has had a very productive two years exploring and evaluating this property. Through our analysis we have concluded the following:

- a) the sands and gravels in the Avenir area contain significant amounts of fine gold particles ranging from twenty-five (25) to two hundred (200) microns, in addition to smaller amounts of platinum and silver,
- b) the fine gold particles in the Avenir area cannot be recovered using conventional methods,
- c) the ERR Processor has been proven to be effective in recovering the fine gold particles in the twenty-five (25) to two hundred (200) micron range.

It is based on these conclusions that the decision has been made to return to the Crown a portion of lands (see Section I - Summary) and concentrate our efforts in the north-west section of the property. Testing in the Avenir area is ongoing though some of our efforts have now shifted to determine potential economic viability of the material in this area. In addition, as conventional techniques, such as gravity separation, panning, cyanide leaching et cetera seem to result in high losses; further development of the ERR Processor is necessary to improve its operation.

VI. REFERENCES

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- Green, R. 1970. Geological Map of Alberta. Alberta Geological Survey, Alberta Research Council map.
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- Edwards, D. and Scafe, D. 1995. Mapping and resource exploration of the Tertiary and Preglacial Formations of Alberta; Alberta Research Council, Open File Report 1994-06
- Scafe, D.W., Edwards, W.A.D and Boivert, D.R. 1989. Sand and gravel resources of the Wandering River area; Alberta Research Council, Open File Report 1991-01.

APPENDIX A

FIGURES

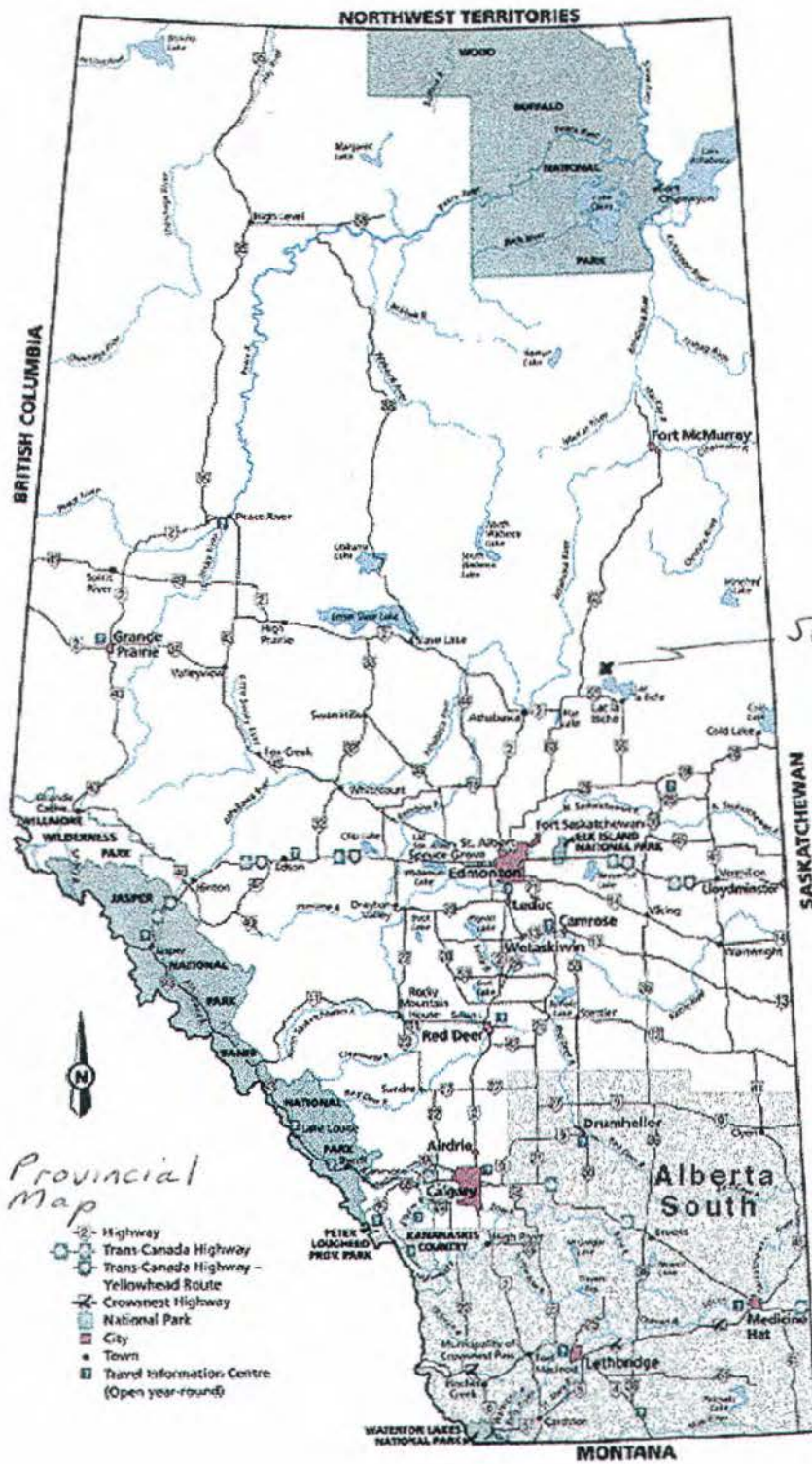
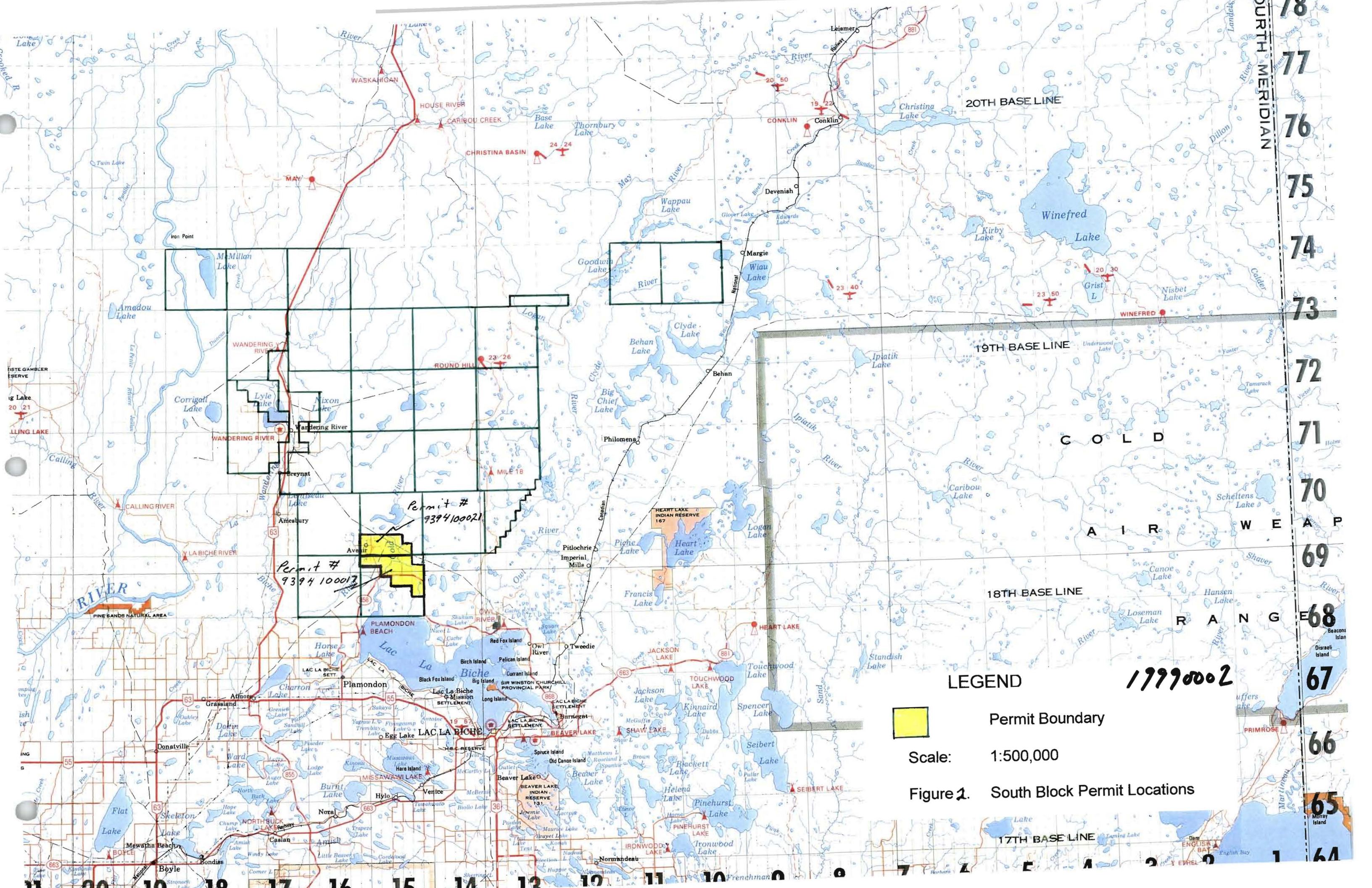


Figure 1. Provincial Map

SUBJECT



LEGEND



Permit Boundary

Scale: 1:500,000

Figure 1. South Block Permit Locations

17990002

All "96" prefix

LEGEND

* Sample Site with #

Scale: Approx

1cm = 125 ft

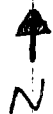
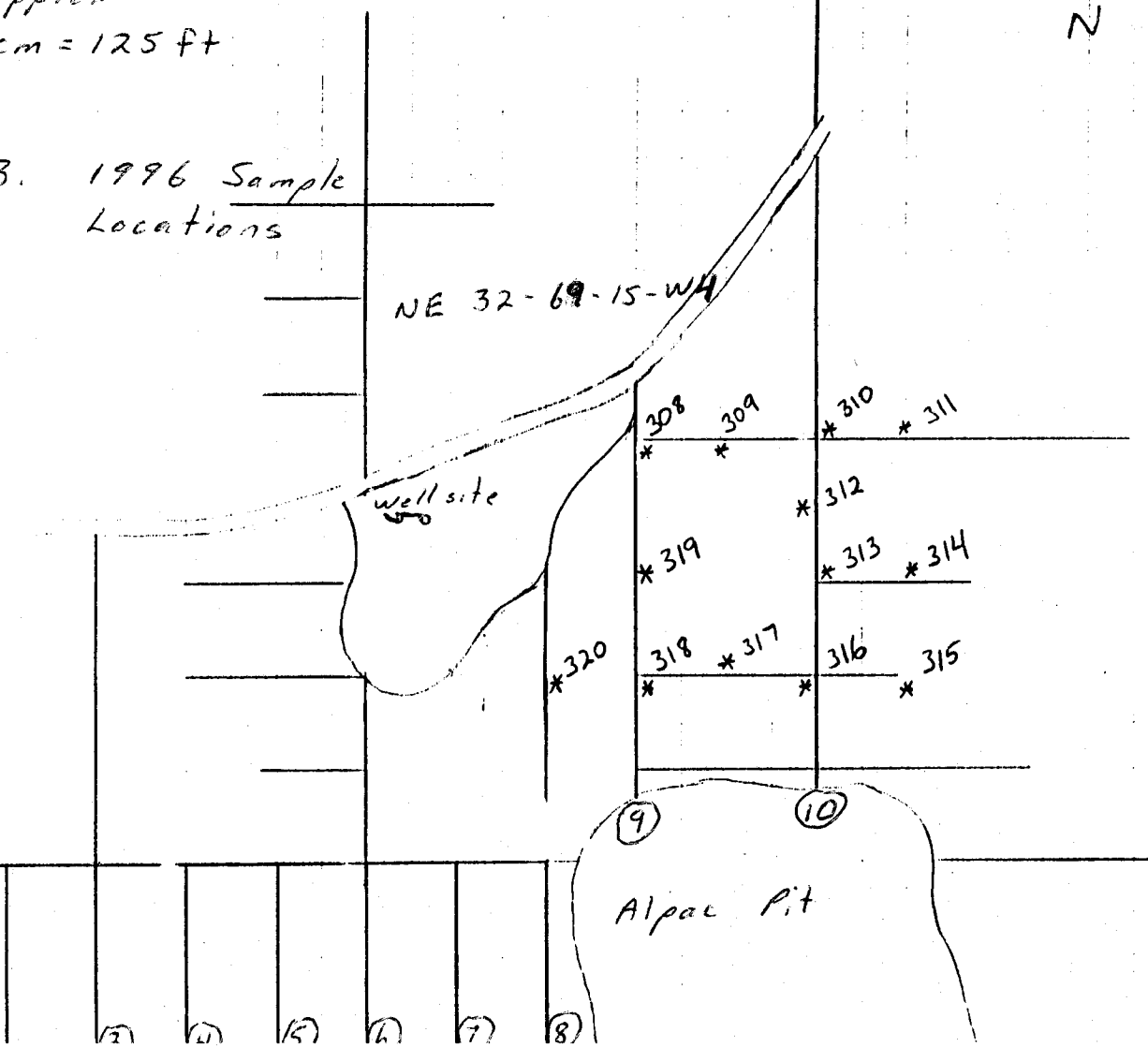


Figure 3. 1996 Sample Locations



19990502

All "970" prefixes

LEGEND

* Sample site with #

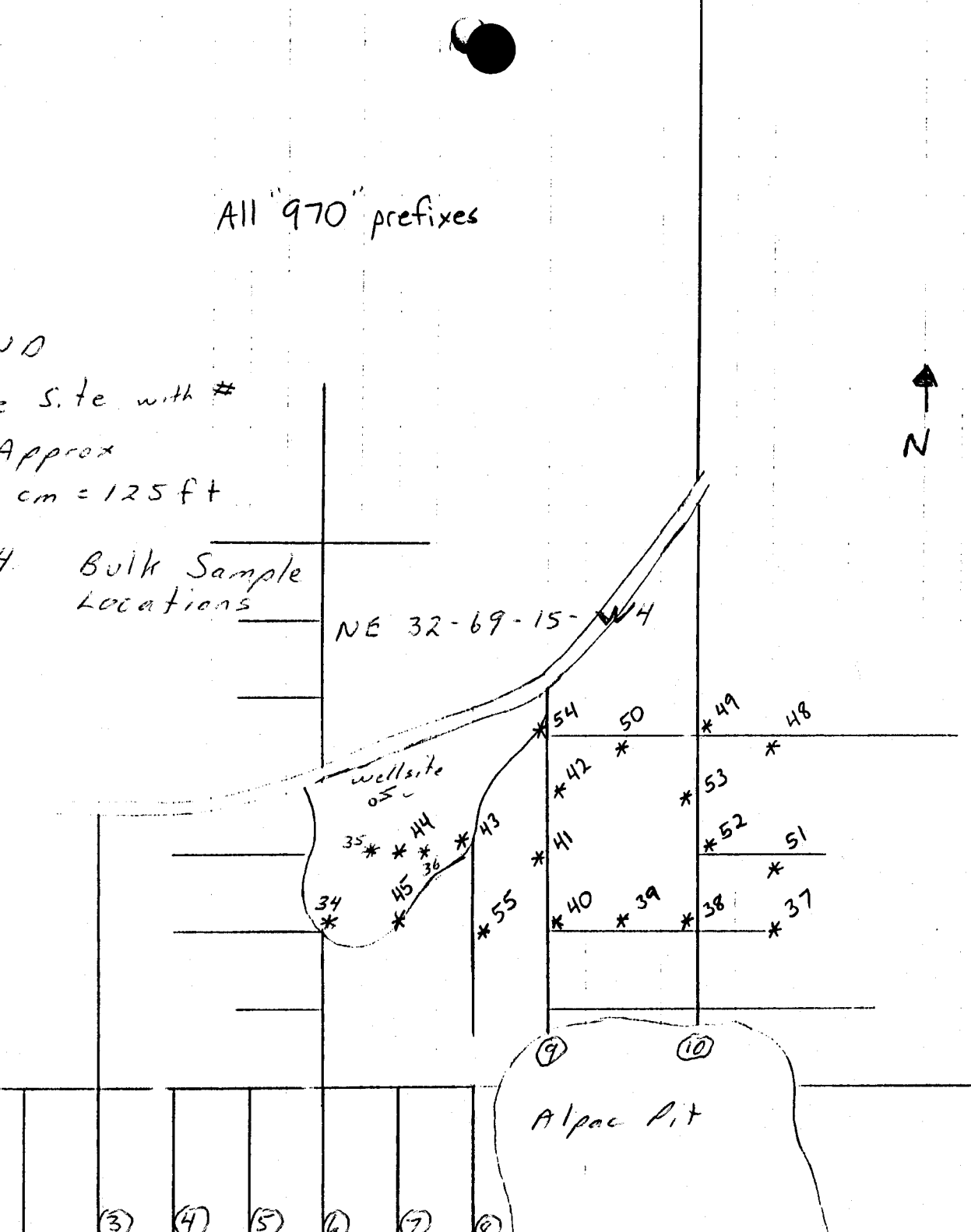
Scale: Approx

1 cm = 125 ft

Figure 4 Bulk Sample Locations



19790502



(C)
(D)
(E)
(F)
(G)

LEGEND

* Sample Site with *

Scale: Approx

1 cm = 180 ft

Figure 5. 1996/7 Sample Locations

* 96271'

017 *

* 016

015 *

* 014

013 *

NE 32-69-15 W4

SE 32-69-15 W4

* * *
96265 96267
96266

006 009 011 96269
* * * * *
007 010 012

All "97" Prefix
unless stated

018 * 020 *
019 * 021 *

98001 * 96274 *
* 96275 *

CLEARING

WATER HOLE

96273

96272

96268

Alpac P.t

Alpac K Road

⚡
Air Road

1999002

(11)

(10)

(A)

(B)

(C)

(D)

(E)

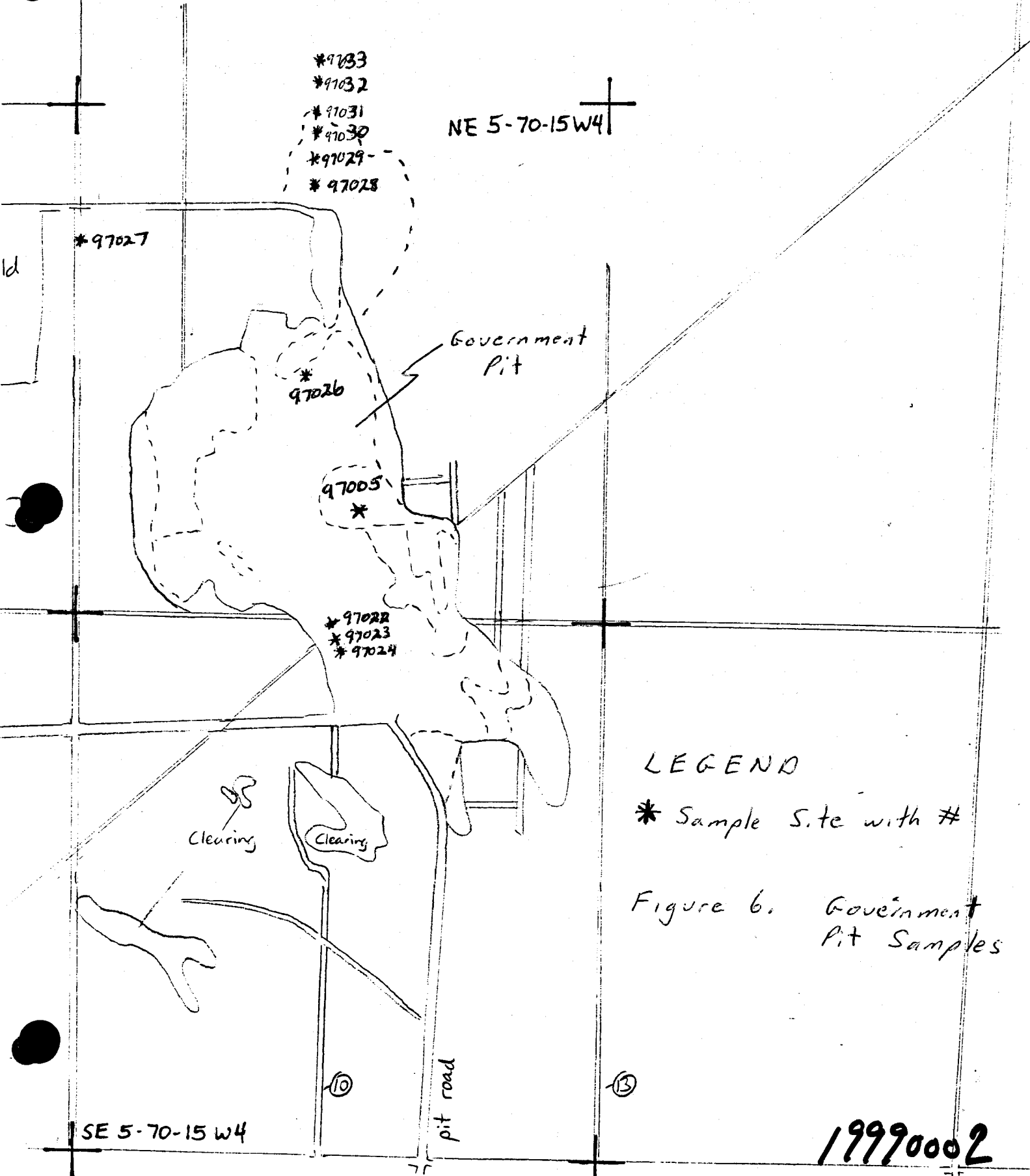
(F)

(G)

From 1993 1:30,000
air photos

Scale: approx. 1:7,500
1cm = 200'

Field



NE 5-70-15W4

Government Pit

Clearing

Clearing

pit road

SE 5-70-15W4

LEGEND

* Sample Site with #

Figure 6. Government Pit Samples

19990002

APPENDIX B
AUTHORS' QUALIFICATIONS

I, HENRY CIESZYNSKI, of the City of Toronto, in the Province of Ontario;
state the following to be true:

I have received a Bachelor of Commerce degree from the
University of Alberta, Edmonton, in 1965.

I have been engaged in mineral exploration for over thirty
(30) years.

I hold a prospector's license, Number A 51688, in the
Province of Ontario.

I am Chief Executive Office of Ellis River Resources Inc.,

I am co-author of this Assessment Report.

Dated this the 25th day of January, 1989; in the City of
Toronto, in the Province of Ontario.



Witnessed by:



Henry Cieszynski

I, MAURICE KEYLOR, of the City of Edmonton, in the Province of Alberta; state the following to be true:

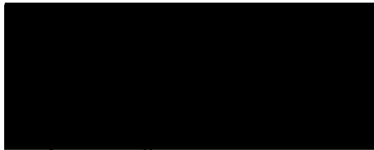
I have received a Telecommunications Electrician diploma from the Northern Alberta Institute of Technology in 1969,

I have been interested in mineral exploration for over thirty (30) years,

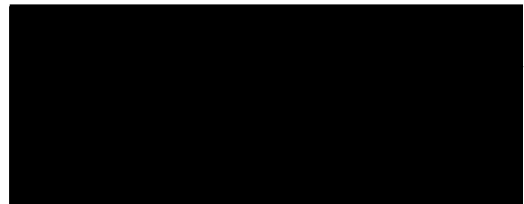
I am President of Ells River Resources Inc.,

I am co-author of this Assessment Report.

Dated this the 20 th day of January, 1999; in the City of Edmonton, in the Province of Alberta.



Witnessed by:



Maurice Keylor

I, RAYMOND CARON, of the City of Edmonton, in the Province of Alberta; state the following to be true:

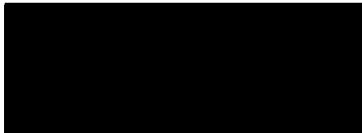
I have received a Bachelor of Commerce degree from The University of Alberta, Edmonton, in 1978,

I have held the position of President of Caron Services Ltd. for slightly over one (1) year after holding the position of Vice-President, Finance for Caron Services Ltd. for over fifteen (15) years,

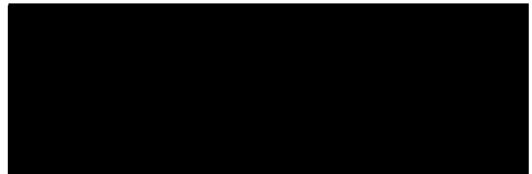
I am Secretary/Treasurer of Ells River Resources Inc.,

I am co-author of this Assessment Report.

Dated this the 20 th day of January, 1999; in the City of Edmonton, in the Province of Alberta.



Witnessed by:



Raymond Caron

The co-authors of this Assessment Report, Mr. Henry Cieszynski, Mr. Maurice Keylor, and Mr. Raymond Caron would like to thank Mr. Anthony Cowen for his contributions.

Much of the material contained in this report was obtained from field notes, observations, and/or research conducted by Mr. Cowen. His kind assistance has been of great benefit to Ells River Resources Inc., for which we are grateful.

APPENDIX C
STATEMENT OF EXPENDITURES
and
DECLARATION OF EXPENDITURES

STATEMENT OF EXPENDITURES

FOR THE PERIOD OCTOBER 18, 1996 to OCTOBER 18, 1998

Equipment (includes Fixed Asset and Rentals)	\$ 4,960.00
Exploration Costs (includes Assays, Maps, Supplies, License & Permits)	36,146.61
Travel & Accommodation (includes Hotel, Fuel, and Food)	9,758.13
Office (includes Professional Fees)	213.71
Salaries & Wages	4,069.71
Directors' Soft Costs (see Note 1)	<u>50,250.00</u>
TOTAL CLAIM FOR ASSESSMENT PURPOSES FOR THE PERIOD OCTOBER 18, 1996 to OCTOBER 18, 1998	\$ 105,398.16 === === ===

Notes

1. Directors' Soft Costs

A considerable amount of time has been expended by the founders and other directors in this project. They have received a total of zero remuneration from the corporation. However to accurately reflect the time they have expended in assessment work, the following charges have been levied as "soft costs":

Henry Cieszynski: 227 days

Maurice Keylor : 81 days

Total Directors' Soft Costs \$ 50,250.00

=== === ===

SPENDING TO DATE

When Ells River Resources Inc. filed its Assessment Report for the South Block on December 14, 1996 we requested that surplus funds, which had been expended to that date, be applied as follows:

- a) Applied to the Reporting Period of
October 18, 1996 - October 18, 1998 \$ 56,320.00

These funds were allocated as follows:

Permit # 9394100017 - \$ 33,280.00

Permit # 9394100021 - \$ 23,040.00

- b) Applied to the reporting period of
October 18, 1998 - October 18, 2000 \$ 18,014.78

These funds were allocated as follows:

Permit # 9394100017 - \$ 3,275.40

Permit # 9394100021 - \$ 14,739.38

- c) Applied to the reporting period of
November 29, 1995 - November 29, 1997 \$ 38,062.74

These funds were allocated as follows:

Permit # 9393110071 - \$ 38,062.74

As has been noted in Section I - Summary, Ells River Resources has returned two thousand five hundred sixty (2,560) hectares to the Crown, thus leaving our total holdings at three thousand seventy-two (3,072) hectares. This land comes under the following permits:

9394100017 - 1,024 hectares (4 Sections @ 256 hectares/Section)

9394100021 - 2,048 hectares (8 Sections @ 256 hectares/Section)

We are required to have spent ten dollars (\$ 10.00) per hectare over an area of three thousand seventy-two (3,072) hectares. Thus we are required to have spent a total of thirty thousand seven hundred twenty dollars (\$ 30,720.00) over the two (2) permits as follows:

9394100017 - \$ 10,240.00

9394100021 - \$ 20,480.00

As you will note from subsection "a)" above we applied in excess of the funds required when we filed our Assessment Report on December 14, 1996. The total excess is twenty-five thousand six hundred dollars (\$ 25,600) as detailed below:

9394100017 - \$ 23,040.00 [33280 - 10240]

9394100021 - \$ 2,560.00 [23040 - 20480]

We would ask that these funds be transferred to the next reporting period (October 18, 1998 - October 18, 2000) so that when added to the funds already on file the balance applied will be as follows:

9394100017 - \$ 26,315.40 [3275.40 + 23040]

9394100021 - \$ 17,299.38 [14739.38 + 2560]

As Permit # 9394100017 presently requires only one-half the funds of permit # 9394100021, we would respectfully request the ability, in the future, to transfer funds expended from one permit to the other. If this is not possible we would like to discuss the possibility of reallocating these funds now.

In addition, we have not yet discussed the allocation of funds expended in this Assessment Report. Ells River Resources Inc. has been exploring several areas within Alberta for the past few years, though the company has centered its attention on two primary areas. This report has dealt with, what we call, the South Block. In addition, Ells River maintains three (3) permits north-west of Fort McKay in an area we call, the Western Block.

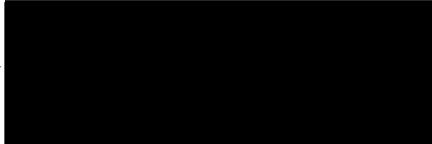
As we have amassed such a large credit balance on Permit # 9394100017 and Permit # 9394100021 which cover the South Block, an area that we will continue to expend resources in over the next few years; and due to the high cost of exploration on the Western Block (Permits # 9393110069, # 9393110070, and # 9393110071); we would request that the entire claim for assessment purposes in this report (\$ 105,398.16) be applied to Metallic and Industrial Permit number 9393110071 as was done with a portion of our Assessment Report December 14, 1996 as per subsection "c)" above.

DECLARATION OF EXPENDITURES

I, RAYMOND CARON, of the City of Edmonton, in the Province of Alberta; hereby certify and declare that the financial information contained in the "STATEMENT OF EXPENDITURES" found in Appendix D of this Assessment Report pertaining to the Metallic and Industrial Permits (# 9394100017 and # 9394100021) held by Ells River Resources Inc., are true and correct to the best of my knowledge. The receipts substantiating these expenses have been duly logged and are available for inspection upon request.

Dated this the 21st day of January, 1999, in the City of Edmonton, in the Province of Alberta.


Witnessed by:


Raymond Caron
Director
Ells River Resources Inc.

SAMPLE D
SAMPLE DESCRIPTIONS

ELLS RIVER RESOURCES 1996-1998 SAMPLES

Sample #	Location	Depth	Description	Trip #	Sample Size (lbs)	Method	Result Size (lbs)
The sample # refers to a specific location as indicated in the Figures in Appendix A							
The subscripts "b", "c", "d", etc indicate the 2nd, 3rd, 4th, etc samples from the same hole							
The subscript "r" refers to reject material from the Hy-G Concentrator							
The subscript "s" refers to superconcentrate, that is, a re-concentration of concentrated material							
96265	Alpac pit	Comp	Appears sandy but lots of clay				
d				3	600	Concentrated	
dr1				3		Panned	
dr2				3		Panned	
e				5	50	Panned	1.1875
← 96266	Alpac pit						
c				1	135	Raw	29.0000 < 1/4"
← 96267	Alpac pit	Comp		5	50	Panned	0.7500
b				5	180	Concentrated	
← 96268	F east of 10	Comp					
c				4	600	Concentrated	2.8750
cr			Very light black sand	4	1		
← 96269	C east of 10	Comp					
c				4	600	Concentrated	3.0000
cr			Medium black sand	4	1		
← 96271	11 north of C	Comp	Glacial sand and till clay				
c				4	600	Concentrated	3.6250
cr			Medium black sand	4	1		
← 96272	A and 10	Comp					
c				4	600	Concentrated	2.7500
cr			Light black sand	4	1		
← 96273	A east of 10	Comp					
c				4	600	Concentrated	3.0625
cr			Very light black sand	4	1		
← 96274	S of water hole	Comp					
c				4	600	Concentrated	3.0000
cr			Light to medium black sand	4	1		
← 96275	S of water hole	Comp					
e				4	600	Concentrated	2.8750
er			Light black sand	4	1		
96305		Comp	Composite sample of 96265 and 96266				
c				3	135	Raw	61.0000 < 1/8"
96308	C and 9	Comp					
b					600	Concentrated	
br1				3		Panned	1.5000
br2				3		Panned	1.5000
96309	C west of 10			3			
96310	C and 10	Comp					
b				3	600	Concentrated	
br				3		Panned	1.5000

c			4	2400 Concentrated	12.0000
cs		Concentrated the 12 pounds of concentrate	4	12 Concentrated	0.7500
csr		Reject from the reconcentration	4	0.6875	
96311	C east of 10	Comp			
b			3	600 Concentrated	
br			3	Panned	1.5000
96312	10 south of C	Comp			
b			3	600 Concentrated	
96313	D and 10	Comp			
b			3	600 Concentrated	
br			3	Panned	1.5000
96314	D east of 10	Comp			
b			4	600 Concentrated	2.7500
br		Very light black sand	4	1	
96315	E east of 10	Comp			
b			4	600 Concentrated	2.7500
br		Very light black sand	4	1	
96316	E and 10	Comp			
b			4	600 Concentrated	2.8750
br		Very light black sand	4	1	
96317	E west of 10	Comp			
b			1	277 Raw	147.0000 < 1/4"
c			3	600 Concentrated	
cr		Medium black sand	3	Panned	1.5000
d			4	300 Concentrated	2.7500
96318	E and 9	Comp			
b			2	72 Raw	39.0000 fine
c			4	600 Concentrated	3.0000
cr		Light black sand	4	1	
d			4	300 Concentrated	2.9375
96319	D and 9	Comp			
b			2	95 Raw	75.0000 fine
c			4	600 Concentrated	3.0000
cr		Medium to dark black sand	4	1	
d			4	300 Concentrated	1.7500
dr		Light to medium black sand	4	1	
96320	E and 9	Comp			
b			2	95 Raw	83.0000 fine
c			3	67 Raw	46.0000 < 1/4"
d			4	600 Concentrated	3.0625
dr		Medium to dark black sand	4	1	
e			4	300 Concentrated	2.6250
er		Medium black sand	4	1	
f			5	50 Panned	2.1250
97001	NOT ON PROPERTY				
97002	NOT ON PROPERTY				
97003	NOT ON PROPERTY				

97004	NOT ON PROPERTY					
97005	Govt Pit N of mid-section	Comp	Layered dark and medium, grey sandy silt	3		
97006	C east of 10	Surface	Very fine grained sandy, clayey silt	4	55 Concentrated	0.1875
97007	C east of 10	Surface	Sandy silty clay	4	32 Concentrated	0.3750
97008	Ant hill west of Alpac Pit	Surface	Glacial sand	4	600 Concentrated	2.9375
r				4	1	
97009	C east of 10	Surface	Sandy silty clay	4	58 Concentrated	0.3750
97010	C east of 10	Surface		4	57 Concentrated	0.3750
r				4	0.5	
97011	C east of 10	Surface		4	56 Concentrated	0.5625
r				4	0.5	
97012	C east of 10	Surface		4	31 Concentrated	0.3750
r				4	0.25	
97013	11 north of C	Surface		4	44 Concentrated	0.3125
r				4	0.5	
97014	11 north of C	Surface		4	41 Concentrated	0.3125
r				4	0.5	
97015	11 north of C	Surface		4	49 Concentrated	0.2500
r				4	0.5	
97016	11 north of C	Surface		4	48 Concentrated	0.3125
r				4	0.5	
97017	11 north of C	Surface		4	60 Concentrated	0.3125
r				4	0.5	
97018	B and road	Surface		4	44 Concentrated	0.5625
97019	B east of road	Surface		4	46 Concentrated	0.3750
97020	B east of road	Surface		4	53 Concentrated	0.3750
97021	B east of road	Surface		4	56 Concentrated	0.5000
97022	Govt pit, mid-section	Surface	Gravel	5	50 Panned	0.3125
97023	Govt pit, mid-section	Surface	Gravel	5	50 Panned	0.3125
97024	Govt pit, mid-section	Surface	Gravel	5	50 Panned	0.5000
97025			Composite sample of # 97022 and 97024	5	600 Concentrated	2.7500
97026	Govt pit mid of NE section	Pile	Gravel	5	50 Panned	0.8125
b				5	600 Concentrated	2.6875
c				5	50 Concentrated	0.6250
97027	NW of Govt pit	Surface		5	Panned	0.0625
97028	N of Govt pit	Surface		5	Panned	1.6875
97029	N of Govt pit	Surface	Gravel	5	Panned	0.5000
97030	N of Govt pit	1.5'	Gravel	5	Panned	0.1250
97031	N of Govt pit	1.0'	Quartzile Gravel	5	Panned	0.3750
97032	N of Govt pit	Surface	Quartzile Gravel	5	Panned	0.3125
97033	N of Govt pit	To 1.0'	Sandy with lots of clay, large cobbles @ 1'	5	Panned	0.6250
97034	E and 6	Comp		5	50 Panned	1.1875
b				5	180 Concentrated	3.4375
br				5	3.5625	
97035	D and 7	Comp	Sandy, clayey gravel	5	180 Concentrated	3.1250
r				5	1.3125	
97036	D and 7	Comp	1' gravel, 1' sand, then gravel	5	180 Concentrated	3.0000

r				5	1.5	
97037	E east of 10	Comp	0- 6: sandy gravel with large glacial boulder 6-12: light brown very fine to medium grained sand 12-18: sandy gravel, coarser than top layer	6	16200 Concentrated	
97038	E and 10	Comp	0- 2: light brown sandy silt (NOT USED) 2- 4: light grey-brown silty clayey gravel 4-12: red-brown fine to coarse grained sand 12-16: as above but no cobbles 16-18:light brown gravel (10% sand)	6	<16200 Concentrated	
97039	E west of 10	Comp	0- 2: grey sandy clayey gravel 2- 8: light brown gravel (30% sand) 8-18: light orangy brown fine to medium sand	6	16200 Concentrated	
97040	E and 9	Comp	0- 3: light grey silt (NOT USED) 3- 7: medium brown sandy gravel 7-12: light to medium brown sandy clayey gravel 12-18: light brown fine to medium grained gravel	6	<16200 Concentrated	
97041	D and 9	Comp	0- 2: light grey silt (NOT USED) 2-18: dark grey clay till (NOT USED)	6		
97042	9 south of C	Comp	0- 2: light grey-brown silt (NOT USED) 2- 6: light brown fine to medium grained sand 6-18: as above with gravel	6	<16200 Concentrated	
97043	D and 8	Comp	0- 3: medium grey clayey gravel DISTURBED? 3-18: light brown fine to coarse grained, gravelly, clayey, silty sand	6	16200 Concentrated	
97044	D and 7		0- 7: light to medium brown fine to coarse grained sand with pockets of cobbles and dark clay 7-11: dark grey clay till with sand pockets (NOT USED) 11-18: medium brown fine to coarse grained gravelly sand	6	16200 Concentrated	
97045	E and 7	Comp	0- 7: dark grey till (NOT USED) 7-18: light brown sandy gravel (NOT USED)	6		
97046			Composite sample of 97037 - 97045	7	750 Concentrated	3.0000
r				7	2.25	
97047	NOT ON PROPERTY					
97048	C east of 10	Comp	0- 5: grey silty gravel 5-10: light brown fine to medium grained sand 10-18: as above with 20% gravel	8	16200 Concentrated	
97049	C and 10	Comp	0- 2: grey silt (NOT USED) 2- 4: grey silty gravel 4- 7: dark grey clay till 7- 9: light brown gravelly (40%) fine to medium grained sand 9-18: light brown fine to medium grained sand	8	<16200 Concentrated	
97050	C west of 10	Comp	0- 2: light brown fine to very coarse grained sandy, clayey gravel 2-17: medium brown sandy clay till with minor	8	<16200 Concentrated	

97051	D east of 10	Comp	boulders (NOT USED) 0- 3: light brown silt (NOT USED) 3- 4: medium brown sandy clayey gravel 4- 7: yellow brown fine to coarse grained sand 7- 9: as above with 10% cobbles 9-15: as above with no gravel 15-18: light grey fine gravely (40%) sand	8	<16200 Concentrated		
97052	D and 10		0- 2: light grey silt (NOT USED) 2- 6: medium brown clayey sandy gravel 6-14: light brown fine to coarse grained sand 14-18: as above with minor (5%) gravel	8	<16200 Concentrated		
97053	10 south of C		0- 3: light grey silt (NOT USED) 3-11: light brown fine to coarse grained sandy clayey gravel 11-14: light brown gravely (30%) fine to coarse grained sand 14-16: as in the 3-11 layer 16-18: dark grey brown till with thin sandy laminations	8	<16200 Concentrated		
97054	C and 9		0- 2: medium brown fine to medium grained sand 2- 4: medium brown sandy gravel 4-10: very light brown medium grained feldspathic clean sand 10-13: as above but fine grained and granular 13-18: medium grey sandy till with fine gravel and large boulders	8	16200 Concentrated		
				10	3504 Concentrated		
				10	2.5		
97055	E and 8		0- 3: light grey silt (NOT USED) 3- 4: light grey silty clayey gravel 4-12: medium yellow brown fine graveley (40%) sand 12-14: light grey graveley (20%) sand 14-18: as in the 4-12 layer	8			
97056		Net from	Composite sample of 97037 - 97045, 97048 - 97055		615 Processor	10.0000	
98001		Comp		12	121500 Processor	150.0000	
		Comp		13	121500 Processor	150.0000	

SAMPLE E

ASSAYS

1. Activation Laboratories Limited

ELLS RIVER RESOURCES INC.

17424 - 106A Avenue, Edmonton, Alberta, Canada T5S 1E6

Telephone: 780-484-3842 Facsimile: 780-486-0039

October 18, 1999

Alberta Resource Development
Mineral Operations Division
Minerals Tenure & Freehold Tax Branch
2nd Floor, North Tower, Petroleum Plaza
9945 - 108 St.,
Edmonton, Alberta
T5K 2G6

Attention: Ms. Hazel Henson
Administrative Officer
Mineral Agreements

Dear Ms. Henson:

RE: Metallic & Industrial Permit Nos. 9394100017 and
9394100021 (Assessment Report No. 19990002 South
Block)

In response to your letter of September 21st we would like to provide you with the following information concerning the samples sent to various agencies for assay from Appendix E of our Assessment Report dated January 25, 1999:

- 1) Activation Laboratories Limited - This was a 200 gm composite sample of concentrated material (using our Hy-G concentrator) from sites 96265, 96266, and 96267. The location of these samples is along the northern edge of the Alpac Pit which is north of the Alpac K road. See Figure 5 of our January 25th Assessment Report.
- 2) Lakefield Research Limited - Nov 29/96 and Feb 2/97: A one hundred (100) pound sample labeled as 40496-SB-R-1/006 was sent to Lakefield on May 13/96. It was a composite pit run material consisting of sands, gravel, and clay which was collected in the Alpac Pit.
- Mar 29/97: This represented a forty-eight (48) pound composite sample of concentrated material recovered from our Hy-G in June, 1996. The samples originated throughout the Avenir area in the NE and SE sections of 32-69-15-W4 (see Figures 3 and 4 and Appendix E "Sample Descriptions" of our December 18, 1996 Assessment Report).
- 3) Ledoux & Company - This report represents a gold umpire analysis for eleven (11) samples identified as 5NF0001, 5NF0014, 5NF0031, 5DB0311, 5DBP325, 5NFP001, 5NFP003, 5NFP008, 5MDP003, 5MDP004, and 5MDP007. All these sites are identified on Figure 2 of the

Oct 20 12 45 PM '99

ENERGY / ENV. PROT.
MAIL


Apex Geoscience Ltd. report dated March, 1996 contained in our February 14, 1996 Assessment Report. As you will note this report is for permits held on what we call the "Western Block" comprising three townships to the north-west of Fort McMurray Unfortunately the Ledoux report was filed incorrectly thus was included in the South Block report in error. We would be pleased if you reduce our expenditure on permit number 9394100021 in our Assessment Report dated January 25, 1999 by Two Thousand Eight Hundred Ninety-seven Dollars and Thirty-nine Cents (\$ 2,897.39) [See Invoice 38944 enclosed]. We will properly include these costs when we file our next report for the Western Block. We thank you for drawing this error to our attention and apologize for any inconvenience.

- 4) Minerals Engineering Centre, Technical Institute of Nova Scotia - All the results reported by TUNS have a sample number on the report, such as 265b, 265c, 266b, etc. All of these samples should begin with "96" so they should actually read as 96265b, 96265c, 96266b, etc. As noted in Appendix D - Sample Descriptions of our January 25, 1999 Assessment Report the subscripts "b", "c", and "d" refer to the 2nd, 3rd, and 4th samples taken from the same site while subscript "r" refers to reject material from the Hy-G concentrator. Sample numbers 96265, 66, 67, 68, 69, 71, 72, 73, 74, and 75 can be found on Figure 5 in our January 25, 1999 Assessment Report. Referring to our December 18, 1996 Assessment Report, site number 96270 can be found on Figure 3 while numbers 96276, 77, 78, 79, 80, 81, 82, 83, 84, 85, and 86 can be found on Figure 4 which centers on the Government Pit area.

We did not plot the sites, which are only found on Figures 3 and 4 from the December 18, 1996 Assessment Report, on a Figure in the January 25, 1999 Assessment Report as we did not sample those areas again during the period October 18, 1996 to October 18, 1998. We have enclosed photocopies of the various maps (Figures 3, 4, and 5) highlighting the samples in question which we trust will be of assistance.

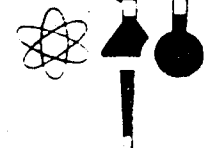
We trust the information we have provided is satisfactory.

Yours truly,
ELLS RIVER RESOURCES INC.


R. Caron
Secretary / Treasurer

Encl.

LEDoux Company
 EST. 1880
 359 Alfred Avenue
 Teaneck, NJ 07666
 Telephone: 201 837-7160
 FAX: 201 837-1235



INVOICE

CABLE ADDRESS "LEDOUX TEANECK"
 TELEX 134340

Ells River Resource Inc.
 ATTN: MICHAEL B. DUFRESNE
 17424 - 106A Ave.
 Edmonton, Alberta
 Canada T5S 1E6

S
O
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D
T
O

07/15/96

TERMS
 NET ON RECEIPT

BUYER
 M. B. DUFRESNE 07/15/96 PMM Pm's Metals (ash, pulp, swps)

DESCRIPTION	QUANTITY	UNIT PRICE	EXTENSION	TAX
Material identified as:				
SOIL	11			
Environmental charge	1	25.00	25.00	
GOLD UMPIRE (ADJUSTED) ANALYSIS	11	175.00	1925.00	
SAMPLE PREPARATION, per hour	1	157.50	157.50	
SAMPLES ID: 5NF0001, 5NF0014, 5NF0031, 5DB0311, 5DBP325, 5NFP001, 5NFP003, 5NFP008, 5MDP003, 5MDP004, & 5MDP007 INCLUDES ANALYSIS #1138944 THRU 1138954				
US Money order ↓ US 2107.50		\$ 2897.39 Cdn		

SUB 2107.50
 We Appreciate
 your Business

NO WARRANTY IS EXTENDED IN RESPECT TO
 SERVICES PROVIDED BY LEDOUX & COMPANY
 (PLEASE SEE REVERSE SIDE)

38944
 INVOICE NO.

2107.50

PLEASE REMIT
 THIS AMOUNT

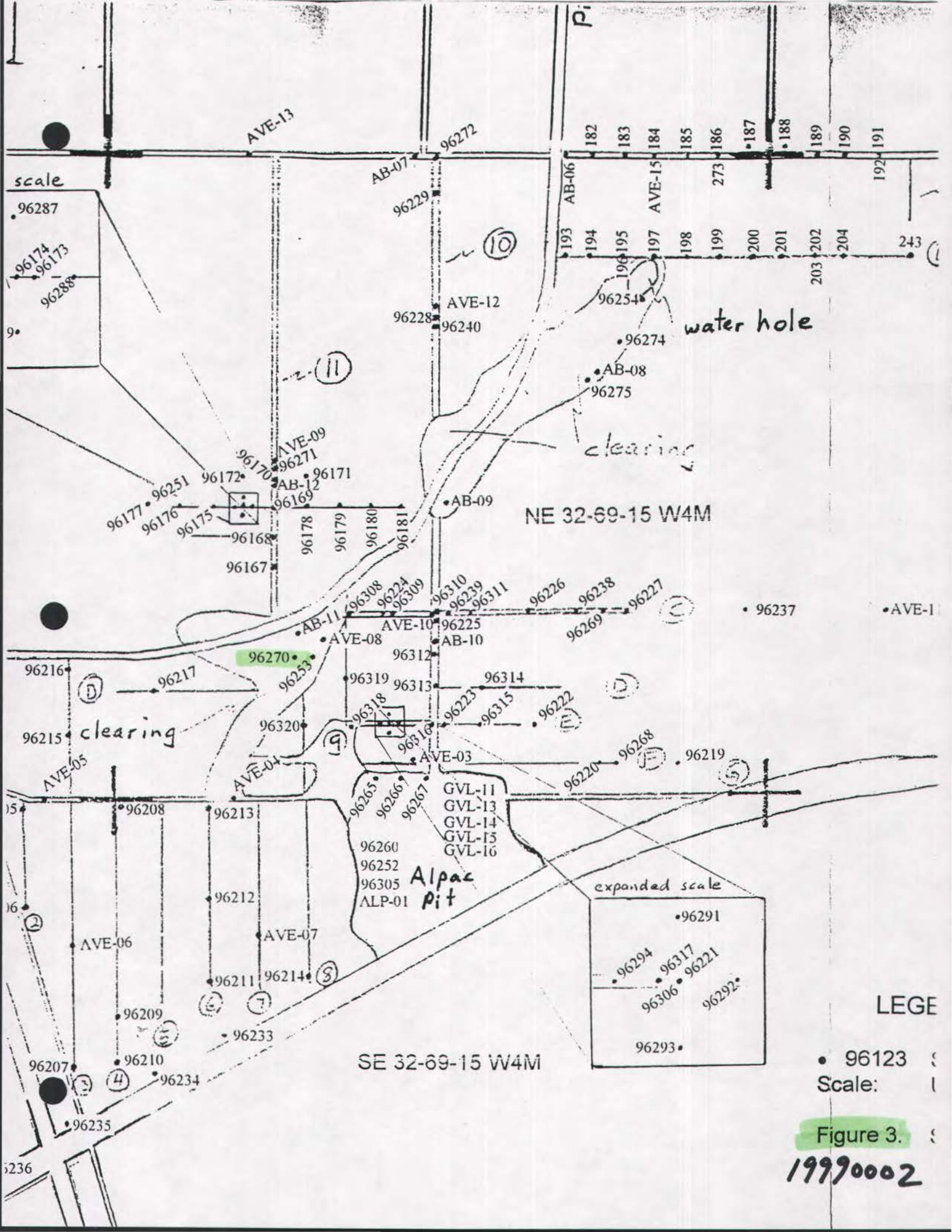


Figure 3.

19990002

Field

LEGEND

- 96123 Sample Site
- Scale: Unknown

Figure 4. South Block Sample Locations

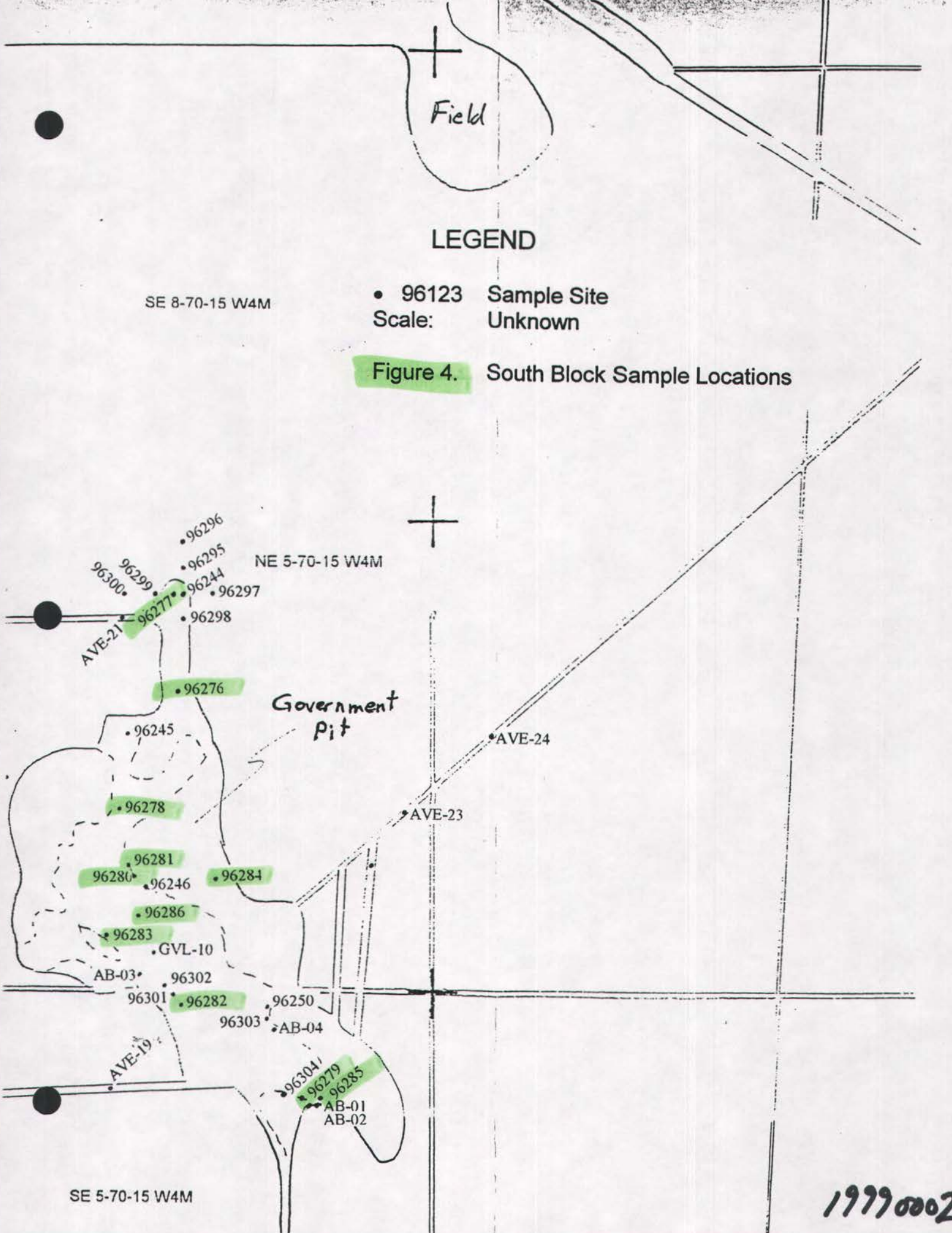
SE 8-70-15 W4M

NE 5-70-15 W4M

Government Pit

SE 5-70-15 W4M

19790002

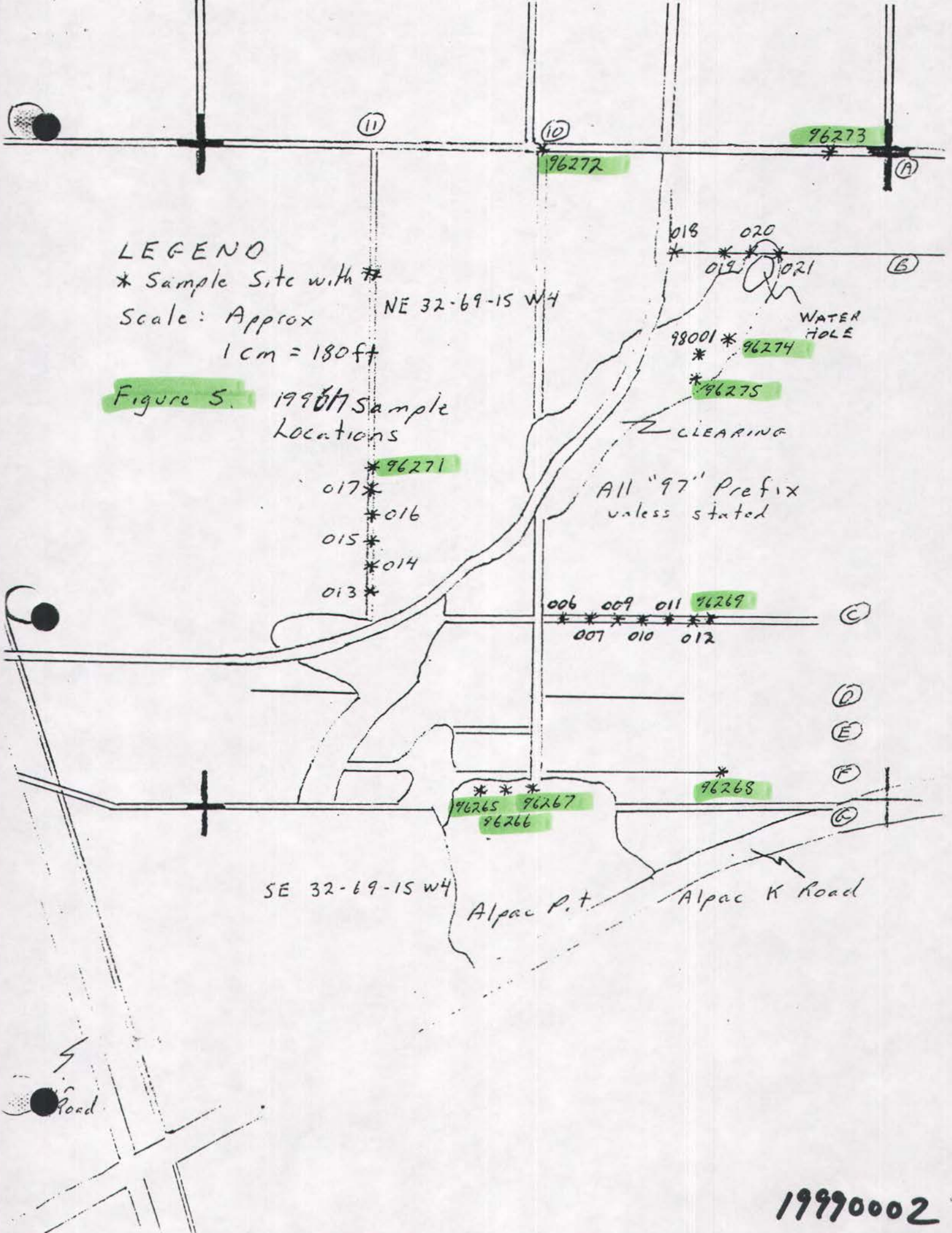


LEGENO

* Sample Site with *

Scale: Approx
1 cm = 180ft

Figure 5. 1996/7 Sample Locations



- * 96271
- 017 *
- * 016
- 015 *
- * 014
- 013 *

All "97" Prefix unless stated

- 006 009 011 96269
- * * * * *
- 007 010 012

- * * *
- 96265 96267
- 96266

* 96268

SE 32-69-15 W4

Alpac P.t.

Alpac K Road

ACTLABS

**ACTIVATION
LABORATORIES LTD**

Invoice No.: 13146
Work Order: 13012
Invoice Date: 13-JUN-97
Date Submitted: 18-APR-97
Your Reference: NONE
Account Number: 1352

ELLS RIVER RESOURCES INC.
17424-106A AVENUE
EDMONTON, ALBERTA
T5S 1E6
ATTN: MAURICE KEYLOR

CERTIFICATE OF ANALYSIS

1 ALLUVIAL MATERIAL SAMPLE(S) were submitted for analysis.

The following analytical packages were requested. Please see our current fee schedule for elements and detection limits.

REPORT 13146 PKG 1B-NICKEL SULPHIDE INAA

Notes:
DETECTION LIMIT ELEVATED DUE TO HIGH AU.

This report may only be reproduced in its entirety without the express consent of ACTIVATION LABS. If no instructions were received or will be received within 90 days from the date of this report, excess material will be discarded. Our liability is limited solely to the analytical cost of these analyses.

CERTIFIED BY :


DR. E. L. HOFFMAN

ACTLABS

**ACTIVATION
LABORATORIES LTD**

Invoice No.: 13146
Work Order: 13012
Invoice Date: 13-JUN-97
Date Submitted: 18-APR-97
Your Reference: NONE
Account Number: 1352

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CERTIFIED BY :


DR. E. L. HOFFMAN

Sample description	OS PPB	IR PPB	RU PPB	RH PPB	PT PPB	PD PPB	AU PPB	RE PPB	Mass g
1	<40	56	<200	9.8	<5000	<600	13700	<100	50.00

2. Lakefield Research Limited

LAKEFIELD RESEARCH LIMITED

P.O. Box 4300, 185 Concession St., Lakefield, Ontario, K0L 2H0

Phone : 705-652-2038

FAX : 705-652-6441

Ells River Resources
17424-106A Avenue,
Edmonton, Alberta, T5S 1E6 - Canada


Attn : Henry Cieszynski
Fax : (416)869-7356

Lakefield, November 29, 1996

Date Rec. : October 15, 1996
LR. Ref. : OCT3805.R96
Reference : LR9606229
Project : 8900-974

CERTIFICATE OF ANALYSIS

Element	+20m	-20+60m	-60m	-60m
Ag [g/t]	< 5.0	< 5.0	< 5.0	< 5.0
* Al [g/t]	13000	12000	14000	15000
As [g/t]	120	160	150	130
Ba [g/t]	130	170	150	150
* Be [g/t]	< 1.0	< 1.0	< 1.0	< 1.0
* Ca [g/t]	14000	10000	9300	9600
Cd [g/t]	< 20	< 20	< 20	< 20
* Co [g/t]	82	59	57	59
* Cr [g/t]	150	150	190	200
Cu [g/t]	100	82	99	100
* Fe [g/t]	110000	140000	130000	130000
K [g/t]	560	670	840	850
* La [g/t]	< 50	< 50	< 50	< 50
* Mg [g/t]	14000	11000	11000	12000
* Mn [g/t]	6600	8100	8800	8900
Mo [g/t]	< 10	< 10	< 10	< 10
Na [g/t]	130	130	200	210
* Ni [g/t]	140	120	140	140
* P [g/t]	360	320	420	420
Pb [g/t]	< 10	14	18	20
* Sb [g/t]	< 10	< 10	< 10	< 10
* Se [g/t]	< 50	< 50	< 50	< 50
* Sn [g/t]	< 20	< 20	< 20	< 20
* Te [g/t]	< 10	< 10	< 10	< 10
* Y [g/t]	6.1	8.2	8.8	9.3
Zn [g/t]	79	69	76	79


for Bob Johnston

A MEMBER OF IAETL CANADA

Accredited by the Standards Council of Canada and CAEAL for specific registered tests.

The analytical results reported herein refer to the samples as received. Reproduction of this analytical report in full or in part is prohibited without prior written approval.

LAKEFIELD RESEARCH LIMITED

Box 4300, 185 Concession St., Lakefield, Ontario, K0L 2H0

Phone : 705-652-2038

FAX : 705-652-6441

Ells River Resources
17424-106A Avenue,
Edmonton, Alberta, T5S 1E6 - Canada

Attn : Henry Cieszynski
Fax : (416)869-7356

Lakefield, November 29, 1996

Date Rec. : October 15, 1996
LR. Ref. : OCT3804.R96
Reference : LR9606229
Project : 8900-974

CERTIFICATE OF ANALYSIS

Element	+20m	-20+60m	-60m
SiO ₂ [%]	56.7	52.4	50.6
Al ₂ O ₃ [%]	8.33	7.93	9.84
Fe ₂ O ₃ [%]	20.7	26.6	25.7
MgO [%]	2.42	1.92	2.26
CaO [%]	2.34	1.92	2.05
Na ₂ O [%]	0.98	0.93	0.94
K ₂ O [%]	0.97	0.91	1.04
TiO ₂ [%]	0.44	0.60	0.89
P ₂ O ₅ [%]	0.07	0.09	0.12
MnO [%]	0.88	1.10	1.20
Cr ₂ O ₃ [%]	0.04	0.05	0.06
LOI [%]	6.10	5.86	6.09
SUM [%]	100.0	100.3	100.8



for Greg Davison

A MEMBER OF IAETL CANADA

Accredited by the Standards Council of Canada and CAEAL for specific registered tests.

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RESEARCH LIMITED

35 Concession St., Lakefield, Ontario, K0L 2H0

2038

FAX : 705-652-6441



Research Resources

106A Avenue.

Edmonton, Alberta, T5S 1E6 - Canada

Attn : Henry Cieszynski

Fax : (416)869-7356

To: Dr. H. Cieszynski

FAXED

Lakefield, February 2, 1997

Date Rec. : September 18, 1996

LR. Ref. : SEP3214.R96

Reference : addition work for Jun30

Project : 8900-974

CERTIFICATE OF ANALYSIS

No.	Sample ID	combined		-10m(dry) wt/g	Wilfley conc.wt/g	Wilfley tail.wt/g	Au g/t
		+10m(dry) wt/kg	wt/g				
1	Recombined Head sample	18.62	8140.0	10479.0	--	--	--
2	+20mesh	--	--	--	17.0	--	< 0.02
3	-20+60m	--	--	--	20.0	--	< 0.02
4	-60m	--	--	--	131.0	--	4.48



Greg Davison

A MEMBER OF IAETL CANADA

Accredited by the Standards Council of Canada and CAEAL for specific registered tests.

The analytical results reported herein refer to the samples as received. Reproduction of this analytical report in full or in part is prohibited without prior written approval.

ELD RESEARCH LIMITED

4300, 185 Concession St., Lakefield, Ontario, K0L 2H0

705-652-2038

FAX : 705-652-6441

Ells River Resources
17424-106A Avenue,
Edmonton, Alberta, T5S 1E6 - Canada

Lakefield, May 29, 1997

Attn : Henry Cieszynski
Fax : (416)869-7356

Date Rec. : February 17, 1997
LR. Ref. : FEB3408.R97
Reference : ---
Project : 8900-974

SUMMARY INFORMATION

No.	Sample ID	Sample wt grams	Au g/t -150m	Au g/t +150m	Au g/t	Binoc Au Scan	Pd g/t	Pt g/t
1	Gemini Tails(1)	5500.0	--	--	0.14	--	--	--
2	Gemini Tails(2)	--	--	--	0.27	--	--	--
3	Gemini Midds #1	408.5	1.14	1.71	--	--	--	--
4	Gemini Midds #2	605.7	0.13	0.22	--	--	--	--
Gemini Concentrate								
5	G.C. +20mesh	18.0	--	--	0.20	--	--	--
6	G.C. -20+60m	21.6	--	--	21.62	--	nss	nss
7	G.C. -60m	160.4	--	--	151.92	--	0.04	6.81
8	G.C. +20mesh B	54.2	--	--	0.33	--	--	--
9	Check --	--	--	--	--	--	--	--
9	G.C. -20+60 mesh B	64.1	--	--	53.83	--	--	--


Greg Davison

3. Ledoux & Company

Ledoux & Company

EST. 1880



Tel: 201 837-7160

Fax: 201 837-1235

359 Alfred Avenue, Teaneck, New Jersey 07666-5755

INDEPENDENT CONTROL AND RESEARCH CHEMISTRY, INSTRUMENTAL AND CHEMICAL ANALYSIS • SAMPLING, WEIGHING, INTERNATIONAL SHIPPERS' REPRESENTATION

December 11, 1996

Mr. Michael B. Dufresne
Ells River Resource Inc.
c/o Apex Geoscience Ltd
#18, 10509 - 81st Avenue
Edmonton, Alberta
Canada T6E 1X7

Dear Mr. Dufresne:

I apologize for the delay in getting this information to you. The blanks for the Ells River samples were 0.001, .001, .002 mg, which is equal to 1000 to 2000 nanograms. For 1/2 assay ton sample this equates to 68 to 137 ppb, and for 1 assay ton samples this is equivalent to 34 to 68 ppb.

The gold ore, run along with these samples, was Canadian Standard MA-2 with a recommended value of 1.86 micrograms per gram. The assay value for such was 1.78 µg/g.

Hopefully, this completes the information that you needed, so that our invoice #38944 (a copy is attached) dated July 15, 1996 can be paid.

Thank you again for your patience in this regard, and if I can be of any further assistance, please do not hesitate to contact me

Sincerely,



Paul J. Blumberg
Technical Director

PJB:dmi

**4. Minerals Engineering Centre
Technical Institute of Nova Scotia**



MINERALS ENGINEERING CENTRE

P.O. Box 1000
Halifax, Nova Scotia
B3J 2X4

Technical University
Nova Scotia

Tel: (902) 420-7675
Fax: (902) 425-1037

22 November, 1995

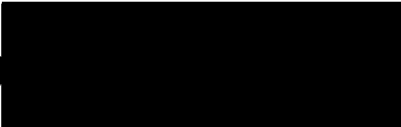
Ells River Resources Inc.,
17424-106A Avenue
Edmonton, Alberta.
T5S 1E6

Attention: Henry Cieszynski

Re: Results of test work on submitted samples.

Samples labelled b or c were concentrated with a shaker table. The plus 2.0 mm material was removed from the table concentrate before assay for gold by bottle roll cyanidation. The table tails were also assayed by bottle roll cyanidation.

Sample	kg. Table Conc.			Table Tails		Au, ppm	% Au
	Total dry Weight	% wt	Au, ppm	% wt	Au, ppm	Calculated Head	in Table Concentrate
265b	3.0082	9.31	56.68	90.69	0.36	5.60	94.17
265c	3.4982	12.19	55.58	87.81	0.12	6.88	98.47
266b	3.3916	12.57	125.53	87.43	1.07	16.71	94.40
268b	3.0359	8.67	4.21	91.33	0.15	0.50	73.11
269b	3.2744	6.03	109.40	93.97	0.16	6.75	97.77
270b	2.9812	7.78	10.66	92.22	0.25	1.06	78.04
271b	3.2256	6.04	42.43	93.96	0.59	3.11	82.29
272b	3.1274	4.73	4.61	95.27	0.21	0.42	51.80
273b	3.6259	4.38	12.45	95.62	0.17	0.71	76.73
274b	3.3525	8.01	2.29	91.99	0.09	0.27	68.19
275b	3.1435	5.94	3.66	94.06	0.08	0.29	74.29
276b	2.8116	8.37	4.88	91.63	0.15	0.54	75.20
277b	2.8986	6.51	5.54	93.49	0.12	0.47	76.27
278b	3.1980	8.81	29.69	91.19	0.16	2.76	94.72
279b	2.9463	3.89	4.53	96.11	0.11	0.28	63.15
280b	3.2358	5.64	28.62	94.36	0.24	1.84	87.70
281b	3.2345	2.16	16.87	97.84	0.28	0.64	57.08
282b	3.1582	2.28	12.10	97.72	0.28	0.55	50.21
283b	3.2556	3.52	45.24	96.48	1.19	2.74	58.17
284b	3.2485	6.27	8.93	93.73	0.08	0.63	88.19
285c	3.2861	7.20	12.90	92.80	0.35	1.25	74.09
286b	3.0904	5.15	43.25	94.85	0.36	2.57	86.71
286c	3.3332	6.40	18.29	93.60	0.25	1.40	83.34



Cyril Coie



MINERALS ENGINEERING CENTRE

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Halifax, Nova Scotia
B3J 2X4

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29 November, 1996

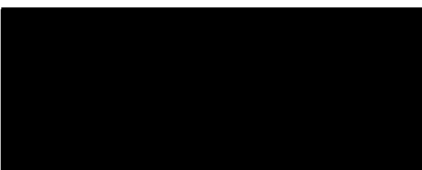
Ells River Resources Inc.,
17424-106A Avenue
Edmonton, Alberta.
T5S 1E6

Attention: Henry Cieszynski

Re: Results of test work and analysis on submitted samples.

Samples labelled br or cr were dried and 1.5 kg samples were assayed for gold by bottle roll cyanidation.

Sample	Au, ppm
	Extracted
265br	0.027
265cr	0.027
266br1&2	0.027
268br	0.040
269br	0.027
270br	0.040
272br	0.027
273br	0.040
274br	0.013
277br	0.013
278br	0.013
281br	0.013
282br	0.027
284br	0.013
285cr	0.067
286br	0.027
286cr	0.013



Cyril Cote



Technical University
of Nova Scotia

MINERALS ENGINEERING CENTRE

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Tel: (902) 420-7675
Fax: (902) 425 1037

20 December, 1996

Ells River Resources Inc.,
17424-108A Avenue
Edmonton, Alberta,
T6S 1E8

Attention: Henry Cieszynski

Re: Results of sample preparation and analysis on submitted samples.

Two samples were submitted for sample preparation and analysis. A representative sample was split out and the plus 2 mm was removed. The minus 2 mm material was magnetic separated with the Eriez Hi-Intensity magnetic separator. The non-magnetic fraction was analyzed for major oxides and trace elements.

The elements marked with an asterisk are only approximate.

Results of sample preparation:

Sample:	268b	271b
+ 2 mm	10.28	5.27
Non-mags	81.83	76.65
Magnetics	27.89	18.08

The plus 2 mm, the non-magnetics and the magnetic fractions were reconstituted and analyzed for gold using bottle foil cyanidation.

Sample	Au, ppm Cyanide Extracted
268b	12.99
271b	2.93

Results of analysis:

	266b	271b		266b	271b
SiO ₂ (%)	91.15	89.8	Cr (ppm)	60	30
Al ₂ O ₃ (%)	4.40	3.49	Cu (ppm)	8	6
TiO ₂ (%)	0.33	0.53	F (ppm)	260	250
Total Fe as			Ga (ppm)		
Fe ₂ O ₃ (%)	1.43	0.94	Ge (ppm)		
CaO (%)	0.36	1.87	Hg (ppm)	0.030	0.036
MgO (%)	0.24	0.38	In (ppm)		
K ₂ O (%)	0.90	0.84	La (ppm)		
Na ₂ O (%)	0.72	0.65	Li (ppm)	9	7
MnO (%)	0.0059	0.0081	Mo (ppm)		
P ₂ O ₅ (%)	0.085	0.111	Nd (ppm)		
S (Total) (%)	0.015	0.010	Ni (ppm)	9	7
CO ₂ (%)			Pb (ppm)	6	6
Zr (%)			Rb (ppm)	17	14
			Sb (ppm)	3	2
Ag (ppm)	2.5	0.35	Sc (ppm)		
As (ppm)	9	29	Sn (ppm)		
Au (ppm)	24.75	2.19	Sr (ppm)	96	94
B (ppm)			Te (ppm)	<3	<3
Ba (ppm)	450	260	Th (ppm)		
Be (ppm)			V (ppm)	13	24
Bi (ppm)			W (ppm)	2	2
Cd (ppm)	0.075	0.09	Y (ppm)		
Ce (ppm)			Yb (ppm)		
Co (ppm)	3	1	Zn (ppm)	14	6

Cyril Cole