

MAR 20000022: MOONEY

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20000022

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756736 Alberta Ltd.

**1998 – 2000 EXPLORATION OF
THE MOONEY BLOCK PROPERTY**

NORTH-CENTRAL, ALBERTA

**Metallic and Industrial Minerals Permits
9398070531 & 9398070354**

**Geographic Co-ordinates
55°12'00" to 55°22'30"N
114°55'00" to 115°07'30"W**

NTS Sheet 83 O/2 & O/7

2000.10.25

Prepared by

A. Hangartner, Prospector

**756736 Alberta Ltd.
4011 – 37 Avenue
Leduc, Alberta
T9E 6E1**

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1. SUMMARY

Alberta Metallic and Industrial Minerals Permit Nos. 9398070351 and 9398070354, herein referred to as the Mooney Block Property, located southwest of the town of Slave Lake, Alberta in the northern part of the Swan Hills, were explored for primary diamond deposits. A number of anomalous areas depicted from high resolution aeromagnetic (HRAM) surveys acquired from Spectra Exploration Geoscience Corp. and Terraquest Ltd. along with areas recommended by Halferdahl & Associates Ltd. were investigated.

756736 Alberta Ltd. explored the area to determine the source or possible sources, of some of the aeromagnetic anomalies. Several topographic circular/oval-shaped physiographic features were also investigated.

2. INTRODUCTION

During 1998 and 2000, 756736 Alberta Ltd. conducted exploration for primary diamond deposits within the Mooney Block Property. Exploration activities included the use of high-resolution aeromagnetic data from Terraquest Ltd., and a brief review of aerial photographs, digital elevation data, and other publicly available information by 756736 Alberta Ltd..

The assessment report herein, describes the exploration conducted at the Mooney Block Property during 1998 through 2000. It has been prepared by 756736 Alberta Ltd, who is the owner of the Metallic and Industrial Minerals Permit Nos. 9398070351 and 9398070354.

3. LOCATION AND ACCESS

Property Location

The property is located in north-central Alberta, about ¹⁵⁰~~325~~ km north-northwest of the City of Edmonton and 15 km southwest of the town of Slave Lake Alberta. The property extends from 55°12'00" to 55°22'30" north latitude and 114°55'00" to 115°07'30" west longitude, within NTS map sheets 83 O/2 and O/7 (Fig. 3.1).

Property Access

The property is accessible from several gravelled oil service roads leading south from Highway 2, 15 km west of the town of Slave Lake. The oilfield service roads allow access to the southern and western sides of the exploration area (Fig. 6.1). Seismic line, pipeline, and power-line lines provide all-terrain vehicle or snow-machine access to remote areas of the property.

The closest infrastructure to the area that includes accommodations, food, and vehicles is at the hamlet of Canyon Creek in the southwest corner of the property or at Slave Lake, 15 km away.

The terrain of the southern area makes access difficult. Roads and cutlines become very soft and slippery when it rains.

Property Geology

The property contains substantial amounts of oilfield culture and several communications towers. Economic activities in the area are dominated by logging and timber operations and oil and gas exploration. The property is in the northern part of Swan Hills within the hydrographic basin of the Mooney Creek. ^B

4. EXPLORATION

Work Description

Between July 31, 1998 and July 31, 2000, 756736 Alberta Ltd. carried out preliminary ground follow-ups of the Spectra Exploration Geoscience Corp. and Terraquest HRAM fly-by map anomalies and other features that were identified as meriting investigation by criteria suggested in consultations with Halferdahl and Associates. Lower intensity HRAM anomalies and some of the circular physiographical features were investigated, flagged and ground magnetic survey follow-ups were done on several of these.

Site Selection

The property contained considerable amounts of cultural interference. Raw data processing using Geosoft Software showed that there were numerous small anomalies that did not have verified cultural sources. Time was taken for ground de-culturing and locating geographically significant anomalous not shown on the aeromagnetic maps but that perhaps could be confirmed by ground measurements. (Not all kimberlite pipes are magnetic.)

Several sites were chosen to conduct magnetic surveys. Grids were established by flagging north-south and east-west lines. Stations were measured and positioned using hip chain, compass, and GPS. The size of the grid and the line spacing chosen depended on the terrain and the data available. Magnetic surveys were performed on grids.

Data collected for each grid was processed at a later date (For data collection methods, processing methods and equipment used see Appendix 2 – Method of Ground Magnetic Surveying Employed).

Concentrated streambed mineral samples were collected from two streams near possible source areas. The samples were meshed, then quick panned down to concentrates. This process was slow going and a fair amount of time was required to collect reasonable sized samples. These samples along with others will be sent in for processing at a later date.

Table 4.1 Exploration, Grid Flagging, Soil Sampling and Magnetic Ground Survey Locations, Mooney Block Property, July 1998 - 2000.

Locations of field work preformed by 756736 Alberta Ltd.

Report Identifier	UTM		Work Description	Dates	Shown in Figure
	Easting	Northing			
9398070351	630000	6130000	Exploration & Deculturing	Mar 29 & 30, May 10,11/00	4.1
G2428 M2428	624850	6128750	Exploration & Gridding Magnetic Survey	Mar 31/00 Apr 1/00	4.1
9398070354	630000	6120000	Exploration & Deculturing	Apr 2,5,6/00	4.2
G2424 M2424	624150	6124700	Exploration & Gridding Magnetic Survey	Apr 3/00 Apr 4/00	4.2
G2129 M2129	621800	6129050	Exploration & Gridding Magnetic Survey	Apr 7/00 Apr 8/00	4.1
S622132	622000	6132000	Exploration & Soil Sampling	May 12-14/00	4.1
P2224 M2224	622700	6124550	Exploration & Gridding Magnetic Survey	May 15/00 May 15/00	4.2
S626125	626540	6125430	Exploration & Soil Sampling	May 16-18/00	4.2
G2822	628500	6122500	Exploration & Gridding	May 19 & 20/00	4.2

Findings

M2224: This site was chosen mainly for its physiological features, a group of several circular hills. The magnetic survey started at the bottom of the southern most hill, and passed over the eastern slopes of two hills. At the northern end of the survey, the readings climbed 15 nT to just below the top of the northwestern most hill. The readings remained high along the west side of the hills. Near the end of the survey the readings climbed rapidly over a short distance. (Fig 4.3)

M2424: The location was a large round hill. The Terraquest HRAM map showed evidence of an anomaly and no cultural interference was noted in the area that could contribute to it. Based on the criteria that round physiographical features merit investigation, a magnetic ground survey was conducted to cover the main part of the hill. The result displayed a 12 nT difference from the south to the north side of the hill. (Fig 4.4)

M2428: The Terraquest HRAM map showed evidence of a weak anomaly in an area where there was no obvious attributable culture. The grid was located on a small hill. This was slightly northeast of the indicated low intensity anomalous area but it was decided that the physiological feature should be the survey location. There was a notable change of 20 nT. from the eastern to the western side of the grid. The higher readings toward the northwest was where we originally intended to perform the survey (Fig 4.5)

M2129: Flagged a grid to cover a small round hill but the magnetic survey on this grid could not be completed. The data storage device that kept track of the station arrival times reset and lost its stored data several times due to excessive moisture problems.

G2822: The Terraquest HRAM map showed evidence of an anomaly at a location where no attributable culture was obvious. This site was flagged but we were unable to return with the equipment the next day due to excessive rain.

Mineral samples at S622132 and S626125 locations were collected but have not been processed yet.

5. CONCLUSIONS

The northwest hill of the M2224 ground magnetic survey warrants further exploration. The high readings in the small area at the southern end of the survey are likely due to some very near surface magnetic rocks in the soil. Follow-up should include relocation of the magnetic survey grid to the northwest hill and soil sampling. Extension of the grid at M2424 to cover the area to the north side of the hill is required to determine boundaries of the anomaly if there are any. The notable change of 20 nT at M2428 merits additional investigation. Extension of the grid to the west followed up by mineral sampling at the vicinity should determine if more investigation is necessary.

6. PERMIT TABULATION

The areas retained were selected using selection criteria suggested by Halferdahl & Associates Ltd., topographic circular/oval-shaped physiographic features; anomalies depicted on 1997 Spectra Exploration Geoscience Corp. and Terraquest Ltd. HRAM survey maps; ground magnetometer surveys; and an extensive review of aerial photographs, digital elevation data, topographic maps and other publicly available information, by 756736 Alberta Ltd..

Table 6.1 lists the areas of the permits that 756736 Alberta Ltd. wants retained. Figures 6.1 and 6.2 should also depict this same information. If there is a discrepancy between the Table and the Figures, please use the information depicted on the Figures. Cancel all shaded areas of the original permits as depicted in Figures 6.1 and 6.2.

TABLE 6.1 Permit Property and Location Descriptions, Mooney Block.

Permit #	Legal Land Description of retained area. *	Area (ha)	See Figure
9398070351	Tp.73r7w5 - (Sec. 1L4-8,L11,L12,L14;2L1-4,L13;3L1-4,L6-9,L16;4L1-4;5L1-4,L6,L7, L10,L11;6L1,L2,L6,L7,L11,L12;9L9;10L1-3,L7,L10-12,L15,L16;11L3,L4,L13,L14; 12L3,L6,L11,L14-16;13L1,L8;15SE,L9,L10;19L5,L10-12;L14,L15) Tp.73r8w5 - (Sec. 1L7-13;2NW,L9,L10;12L4,L5,L12,L13;13L4,L5,L12,L13;24L4-8)	1600	6.1
9398070354	Tp.72r7w5 - (Sec. 1NW,L1-3,L6,L7,L9,L10;2NE,L5,L7,L8,L12-14;3SE,L5,L6,L9, L10,L12,L13;4L16;6L9,L16;7L1,L8,L9,L16;9L1,L5-8;10L5,L6,L11,L14;12NE, L2-L4,L6-8,L14;13L1-3,L6,L7,L10,L11,L15;14L4,L5,L12-15;15L1-3,L8,L9,L16; 16L16;17L6,L7,L11,L13,L14;18L1,L8,L9,L14-16;19NW,L1,L8,L15;20L2,L3,L6-8, L11,L14;21L1,L5-8,L10,L15,L16;22L1,L4-8,L11,L13,L14;23NE,L2,L4,L5,L7, L12-14;24L2,L13-16;25L1,L8,L9,L16;29L2-4,L7,L10,L14-16;30SW,L1,L2,L7, L9-12;32L1,L3,L8,L9,L16;33L3,L4;35L15,L16;36L1,L2,L7,L10-13)	2816	6.2

Distances Gridded and Surveyed

Total grid line/km = 11.25

Total ground magnetic survey line/km = 6.45

Exploration Expenditures

Total exploration expenditures, July 1998 – July 2000: \$25,085.28

For a summary of expenditures see Appendix 1 – Statement of Reasonable Expenditures. (A detailed breakdown of dates, activities and equipment used has been retained and is available upon request.)

Please allocate any additional expenditures to the retained area of MAIM permit #9398070354.

Metallic and Industrial Minerals Permit Nos. 9398070351 and 9398070354 are privately owned and exploration expenditures are not financed by share holders.

MAIM Permits # 9398070351 and 9398070354 are held by 756736 Alberta Ltd., 4011-37 Ave., Leduc, Alberta. This report is being submitted for 756736 Alberta Ltd. by August Hangartner of 756736 Alberta Ltd., 4011-37 Ave., Leduc, Alberta.

7. QUALIFICATIONS

Qualifications and work experience of the author of this report:

Education:

Graduate of NAIT, - Electronics Engineering Technology (1970).

Work experience:

Many years experience as a Technical Systems Analyst working with complex computer systems, programming, troubleshooting, interfacing devices, etc.

I have no formal training in Geology. Prospecting is a hobby.



August Hangartner
Part time prospector,
Leduc, Alberta
Oct 25, 2000.

Distribution:

Minister of Energy: 2 copies
756736 Alberta Ltd.: 2 copies

8. REFERENCES

Terraquest Ltd. (1998) High resolution aeromagnetic survey.

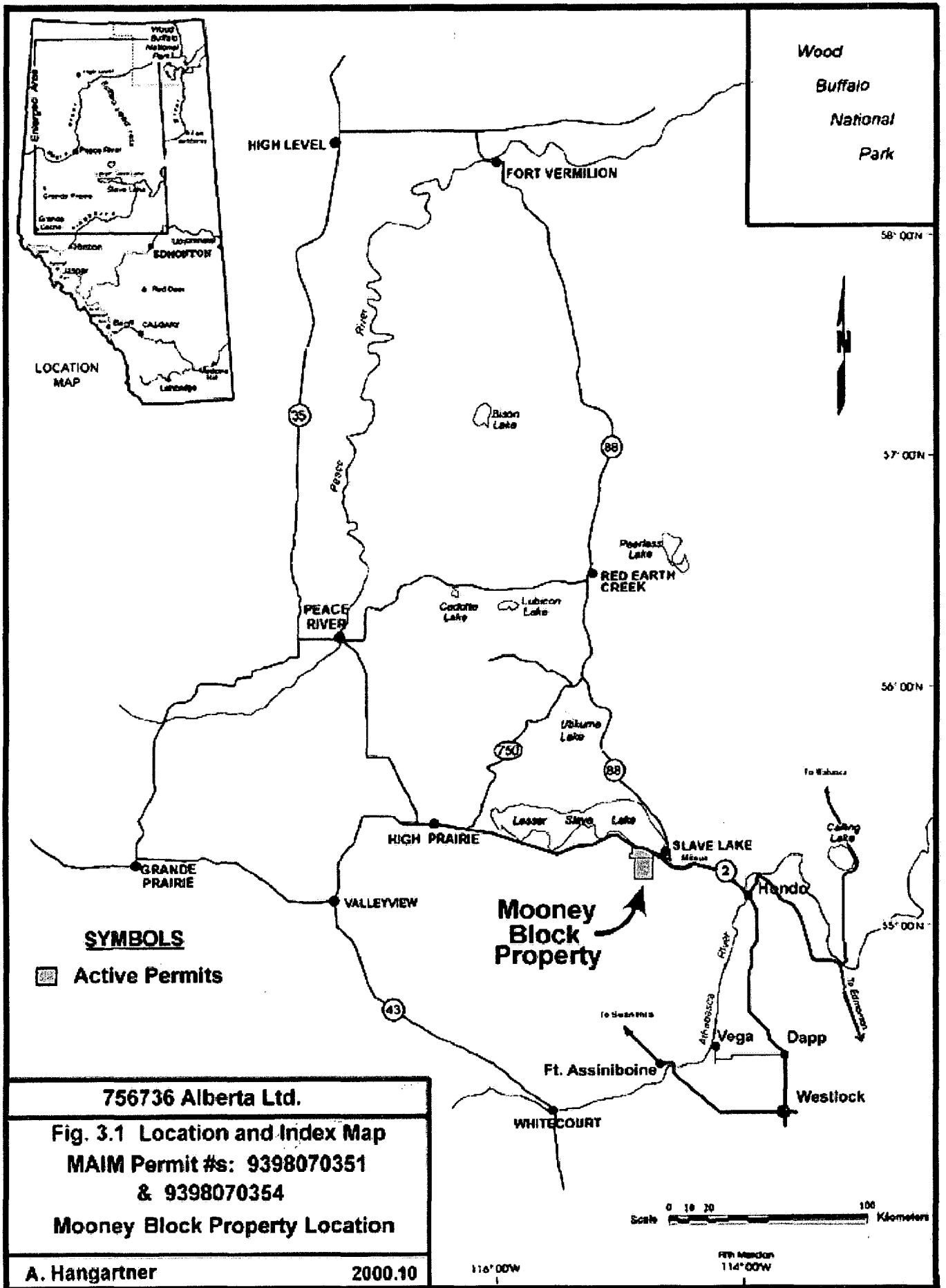
Lesser Slave Lake project - Blocks B & C; unpublished report dated 1998/04/28 to Halferdahl and Associates Ltd., Edmonton, by Terraquest Ltd., Toronto, 22 pgs., 5 figs., 6 maps.

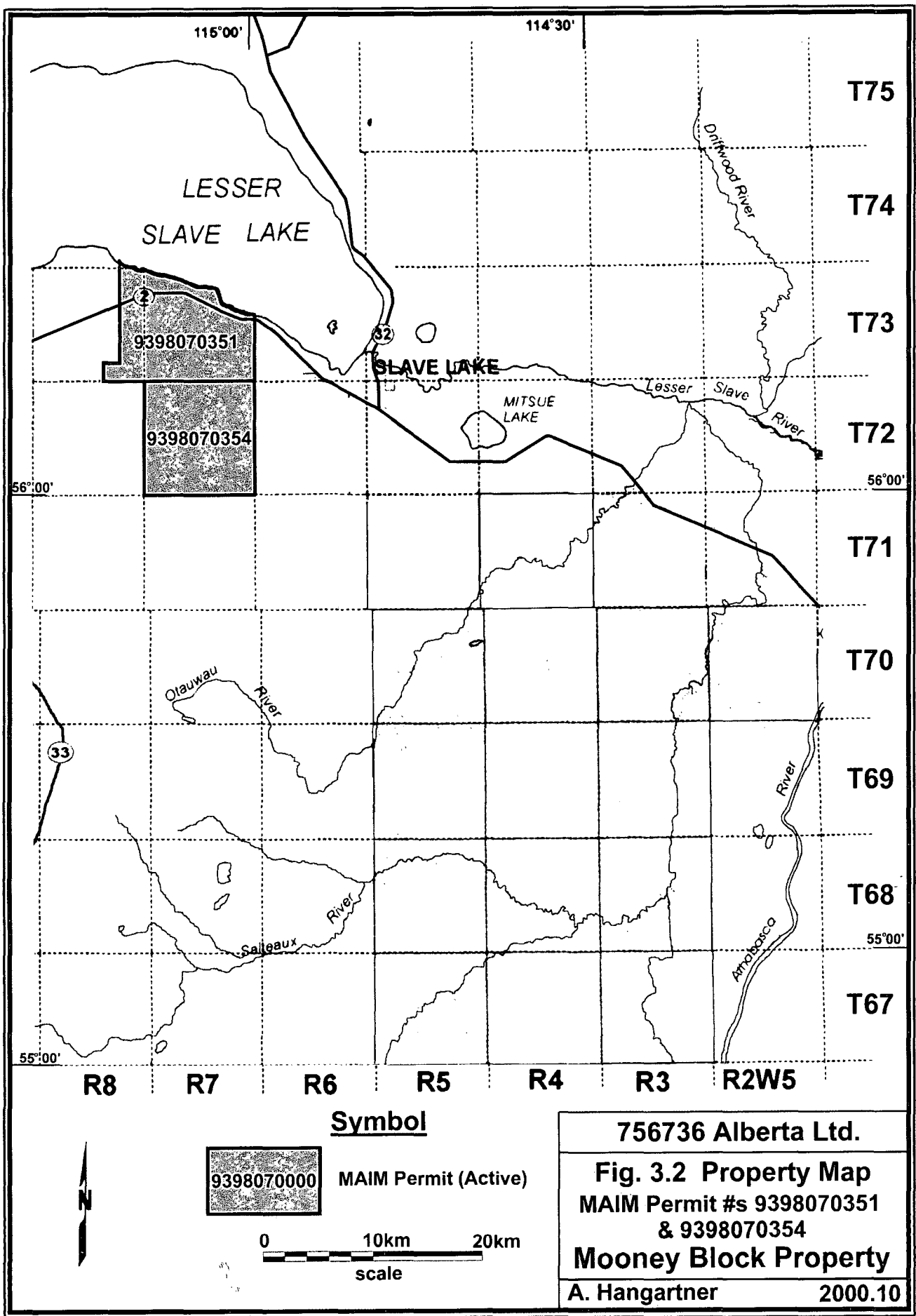
- 1. 5.0 Data Processing - Processing steps and some important concepts that should be highlighted with regard to cultural editing.**
- 2. 6.0 Interpretation -Techniques and comments offered to assist in the interpretation of the horizontal gradient vectors.**
- 3. Contoured Vertical Gradient of RTF and Horizontal Gradient Vectors, Block B, high resolution magnetic survey map.**

Halferdahl & Associates Ltd. (1998) Assessment report. 1997 and Early 1998

Exploration of the Lesser Slave Lake Property, North -Central, Alberta dated 1998/05/26, 23 pgs. 11 figs., 6 apps.

- 1. 10. Conclusions – Anomalies warrant additional exploration.**
- 2. Appendix 2 – Location of Anomalies.**
- 3. Appendix 2 - Selected Physiographic Features.**
- 4. Appendix 2 – Coincident Anomalies and Physiographic Features.**



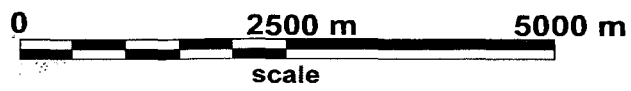
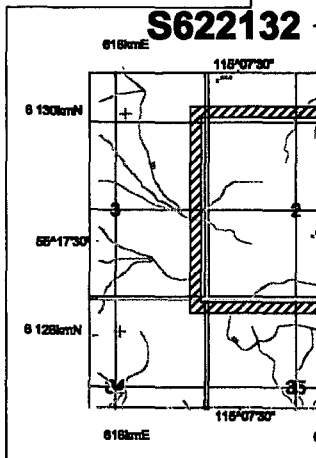
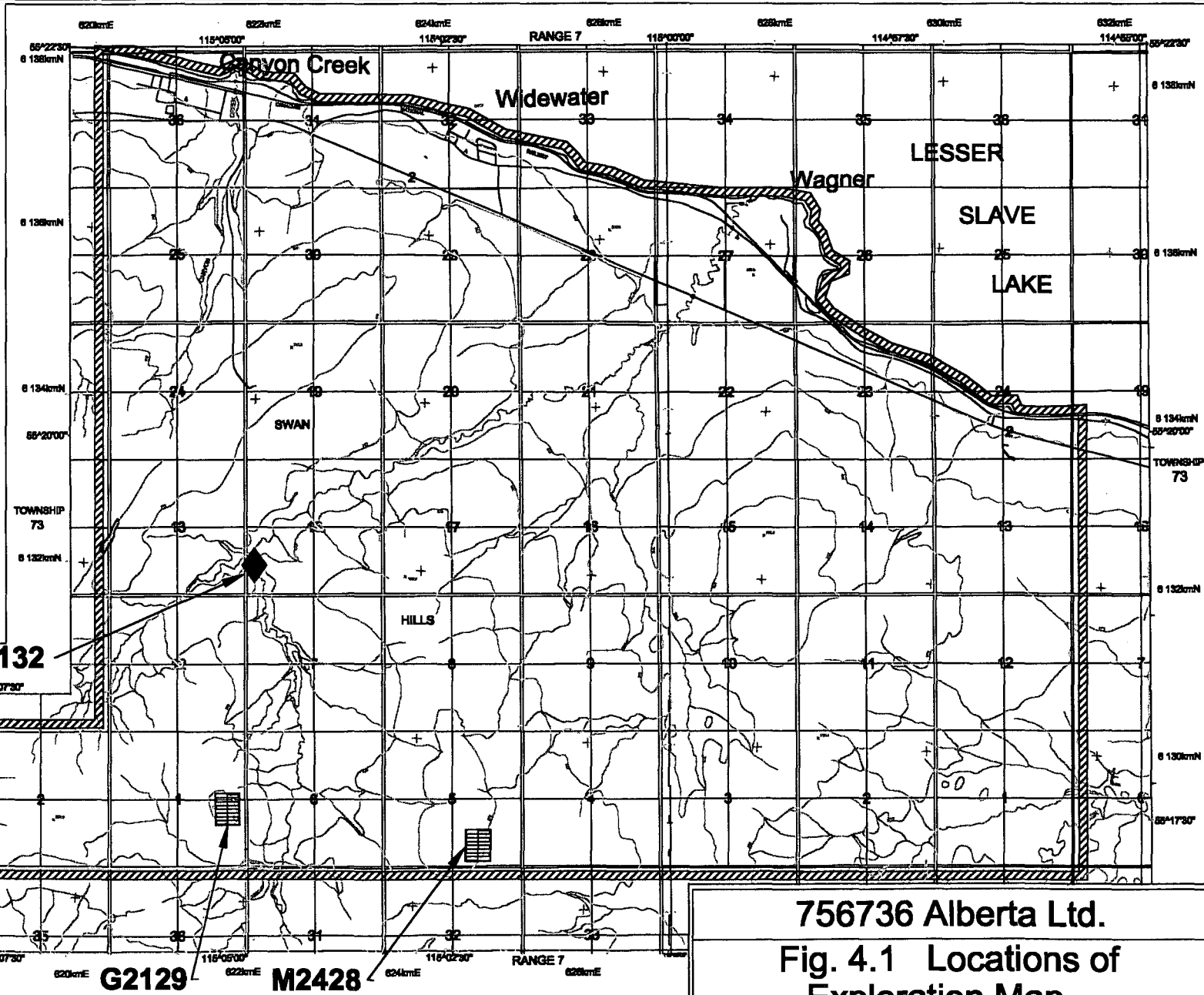




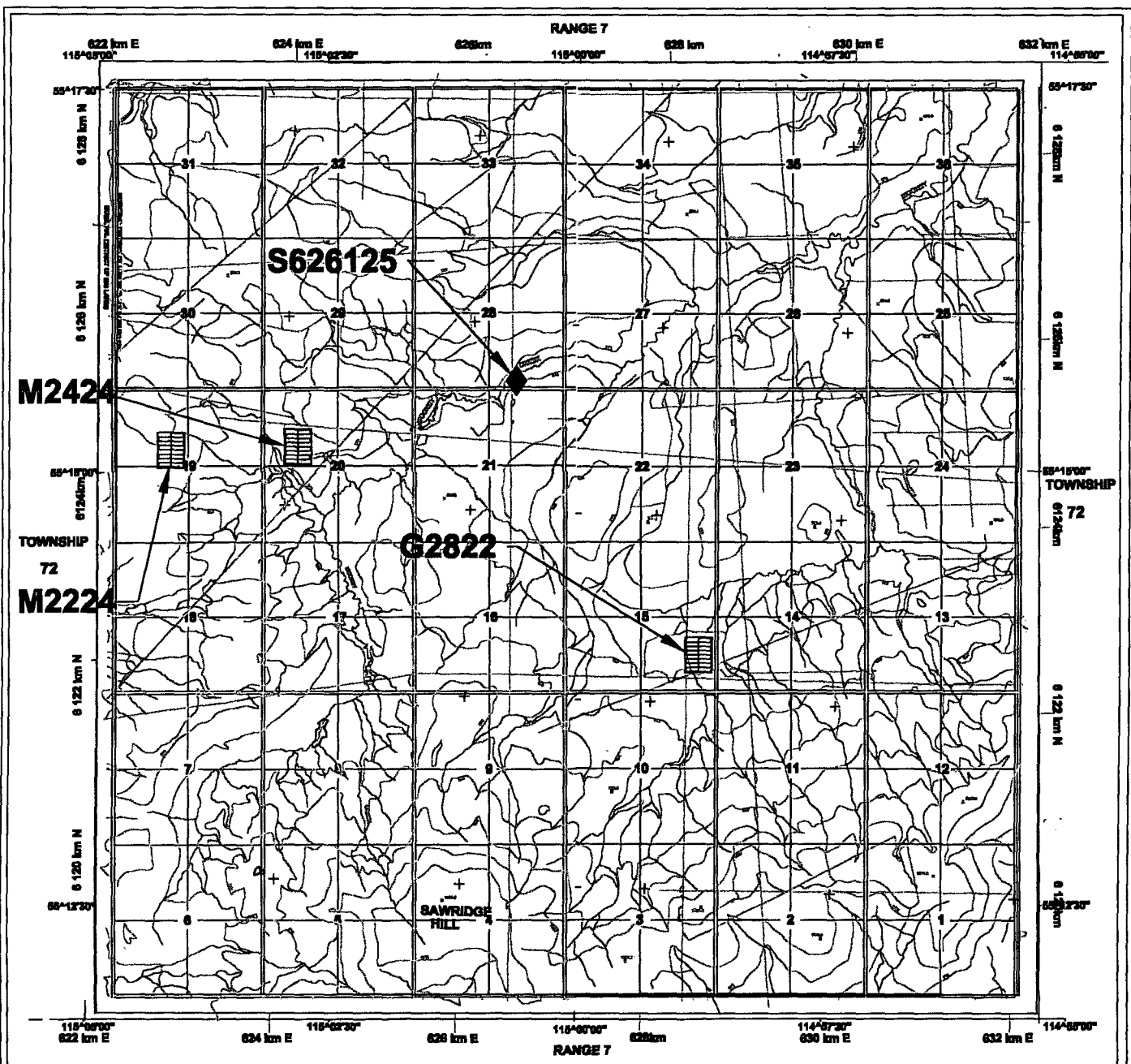
Symbols

- ◆ Mineral sample location.
- ▨ Survey grid location.

F3



756736 Alberta Ltd.
Fig. 4.1 Locations of
Exploration Map
MAIM Permit #9398070351
A. Hangartner 2000.10



Symbols

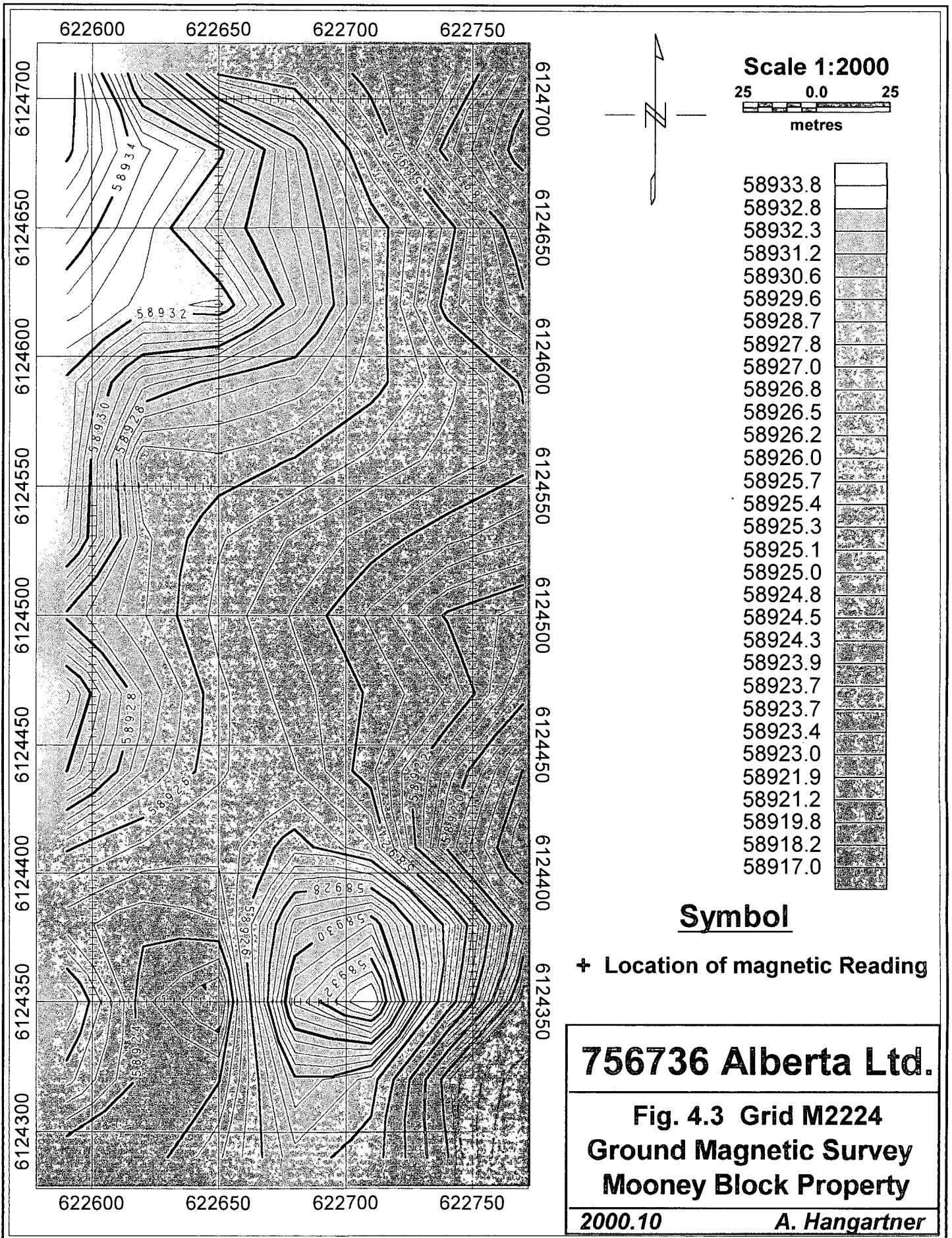
- ◆ Location of mineral sample
- ▤ Location of survey grid

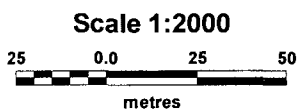
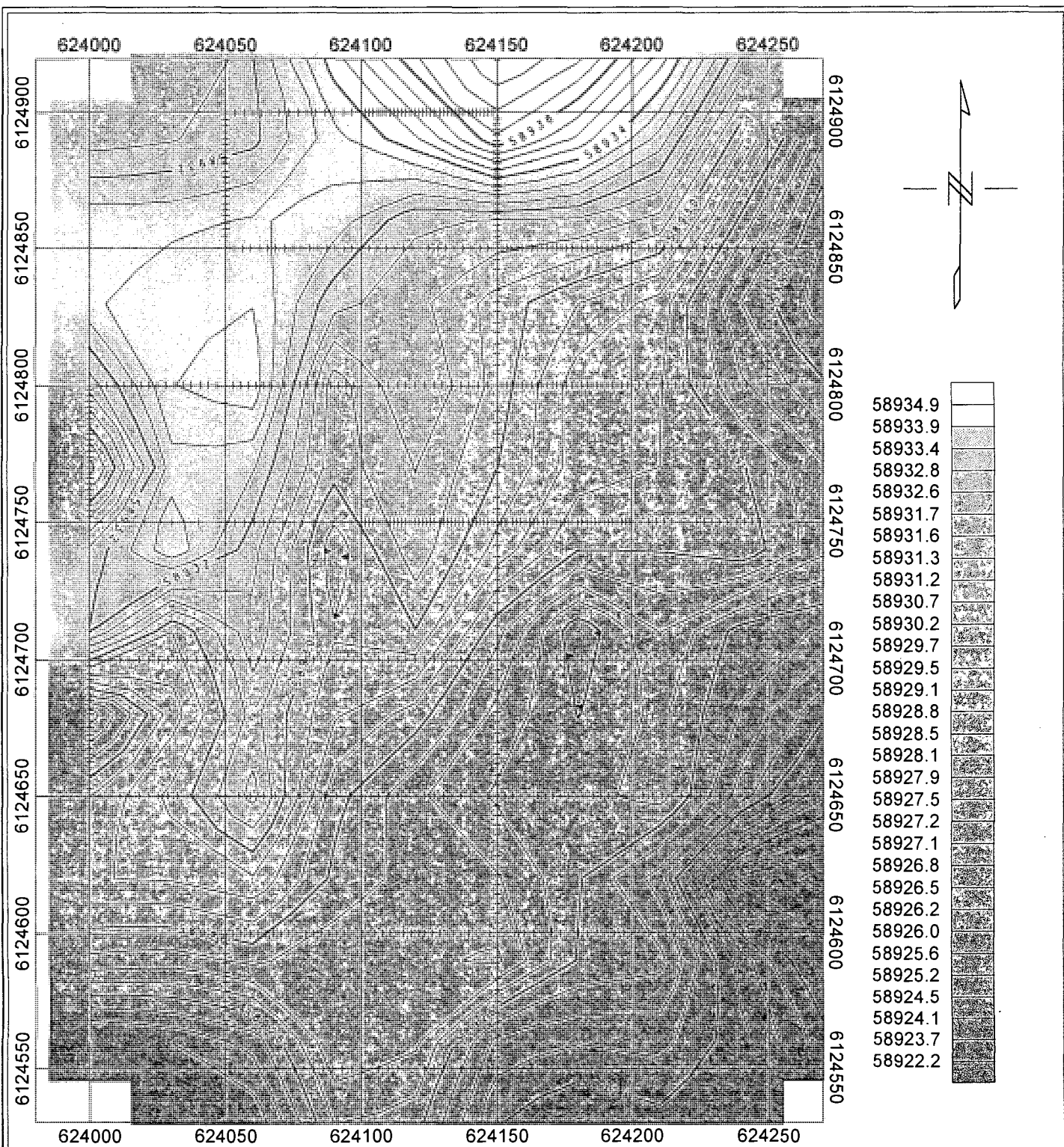
756736 Alberta Ltd.

**Fig. 4.2 Locations of
Exploration Work Map
MAIM Permit #9398070354**

A. Hangartner

2000.10

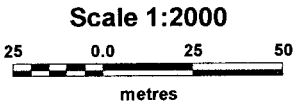
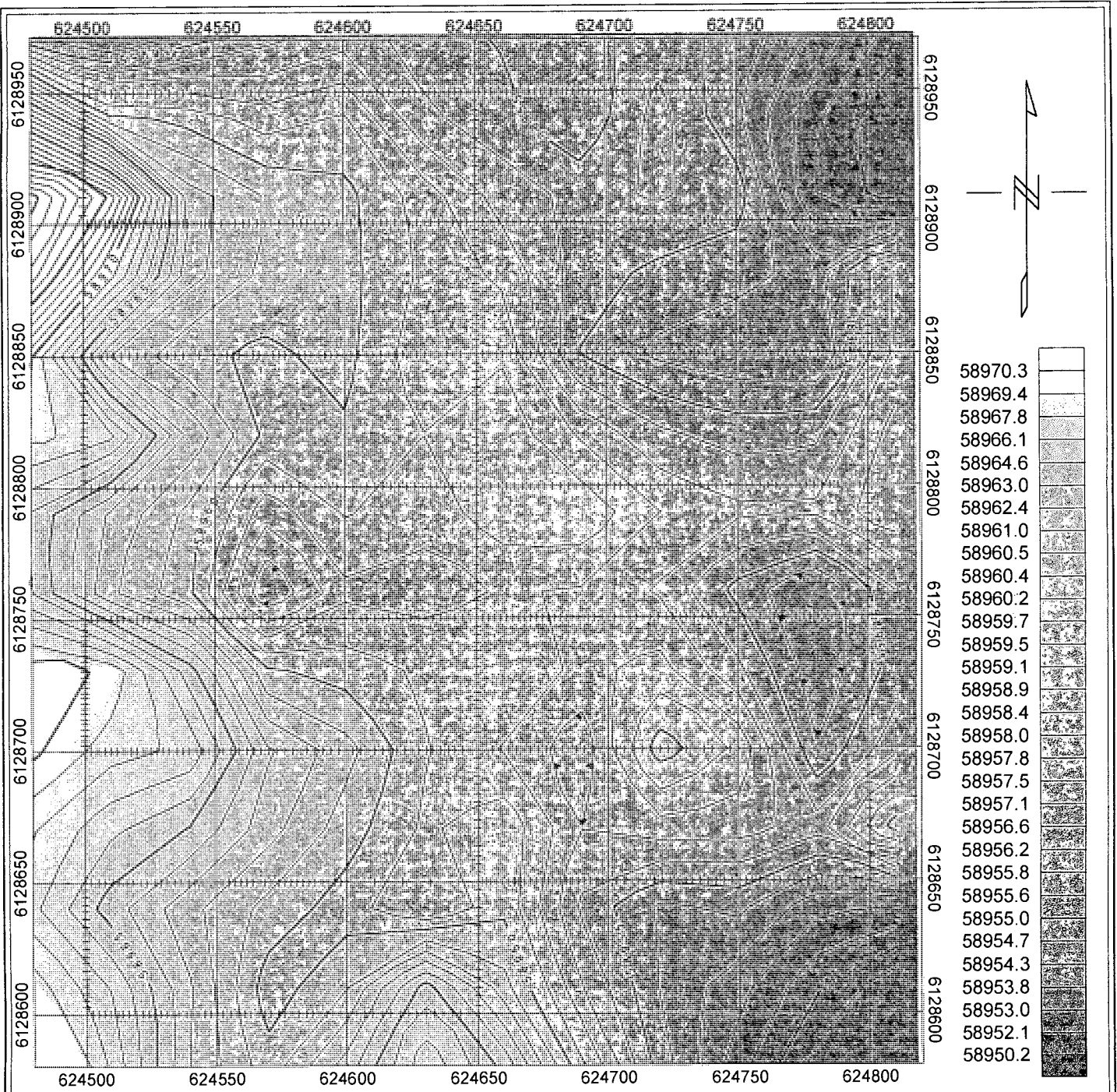




Symbol

+ Location of Magnetic Reading

756736 Alberta Ltd.	
Fig. 4.4 Grid M2424	
Ground Magnetic Survey	
Mooney Block Property	
2000.10	A. Hangartner



Symbol

+ Locations of Magnetic Readings

756736 Alberta Ltd.

Fig. 4.5 Grid M2428



Ground Magnetic Survey

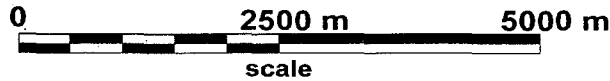
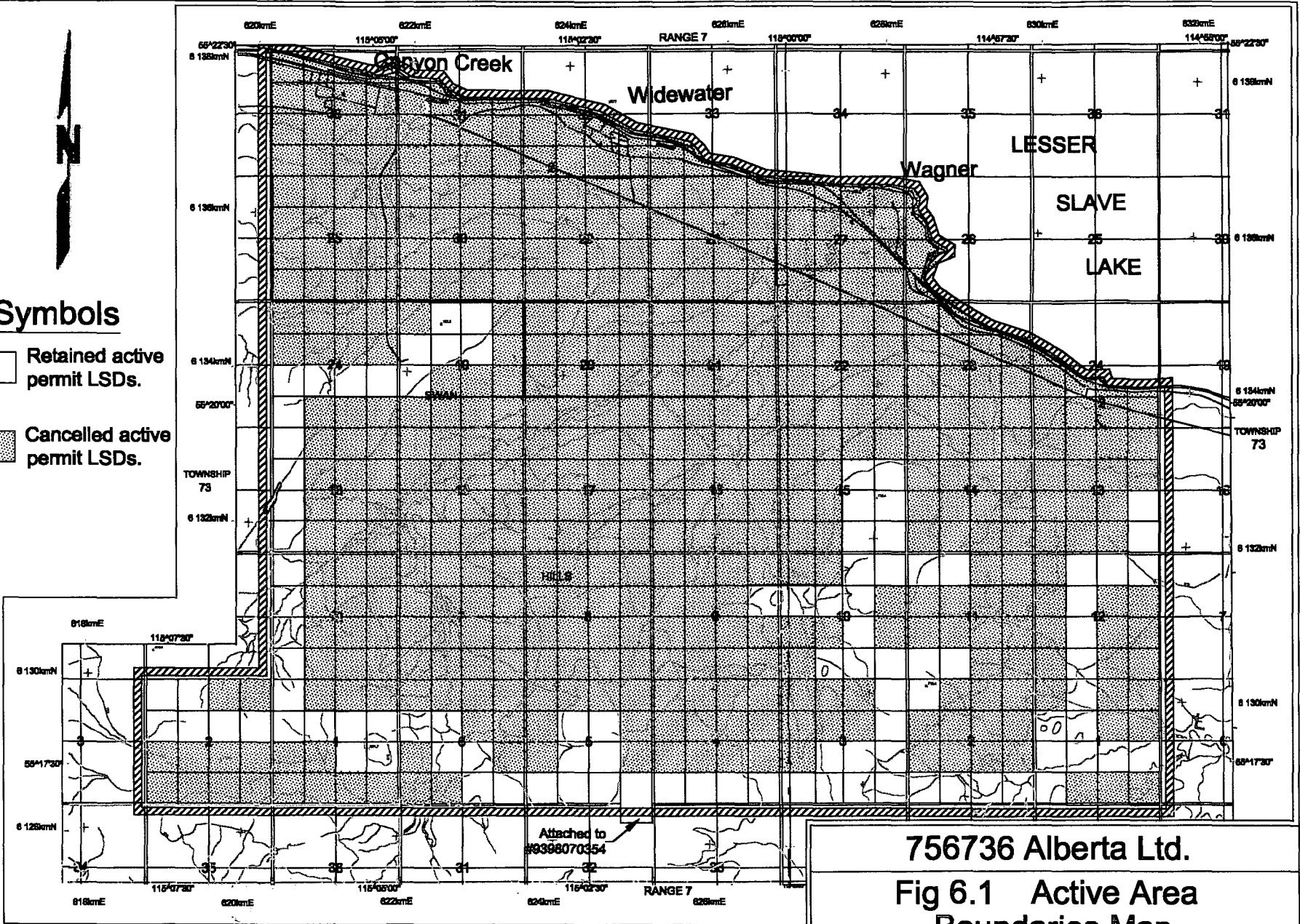
Mooney Block Property

2000.10 A. Hangartner



Symbols

-  Retained active permit LSDs.
-  Cancelled active permit LSDs.



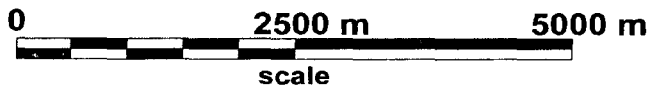
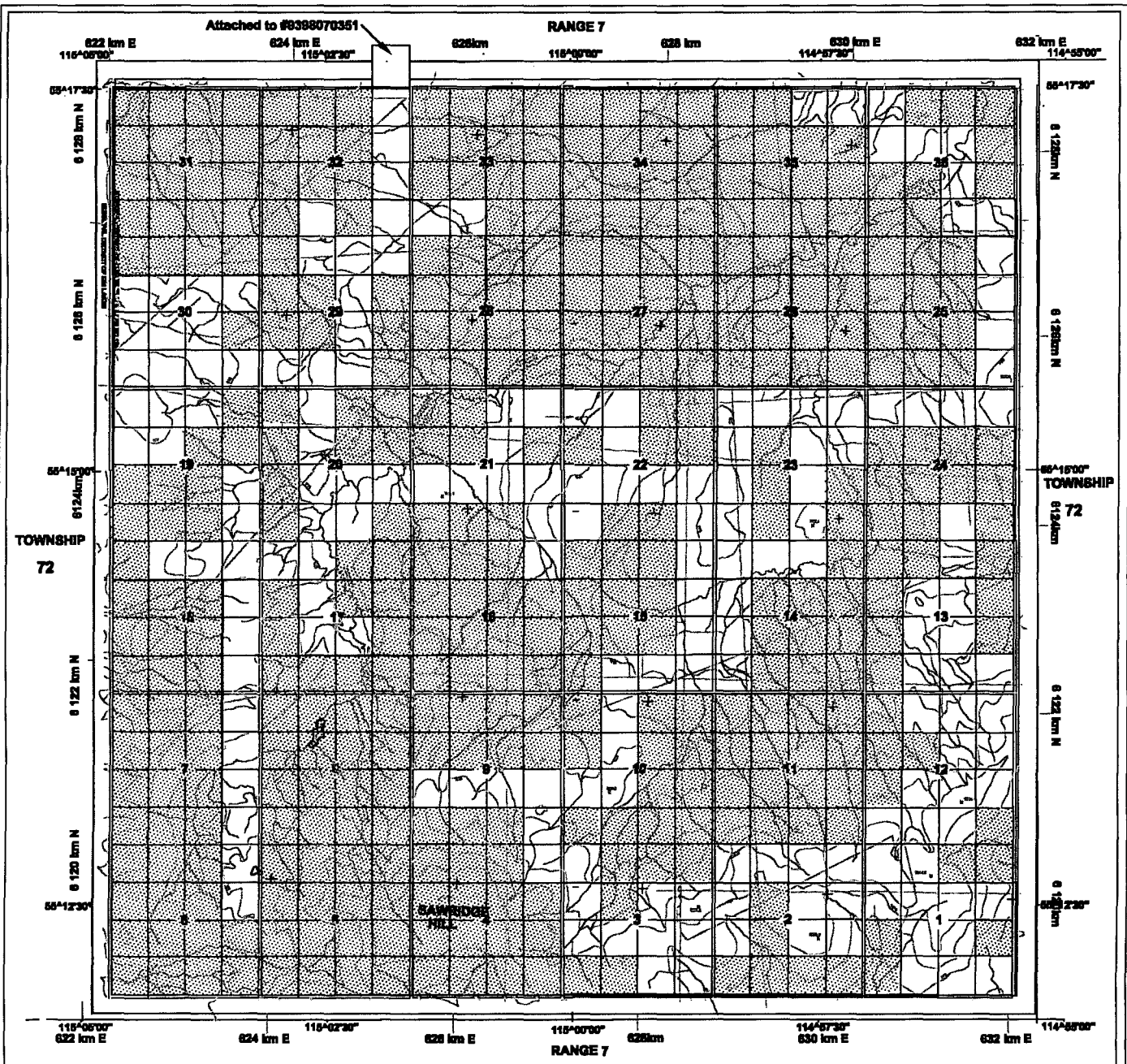
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**Fig 6.1 Active Area
Boundaries Map**

MAIM Permit #9398070351

A. Hangartner

2000.10



Symbols

 Cancelled active permit LSDs.

 Retained active permit LSDs.

756736 Alberta Ltd.

**Fig 6.2 Active Area
Boundaries Map**

MAIM Permit #9398070354

A. Hangartner

2000.10

APPENDIX 1: STATEMENT OF REASONABLE EXPENDITURES


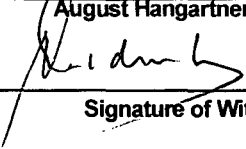
METALLIC AND INDUSTRIAL MINERALS PERMITS 9398070351 & 9398070354, MOONEY BLOCK PROPERTY.

EXPLORATION SERVICES - 756736 ALBERTA LTD.	Rates	Cost	Total Cost
Description	Per	Charge	(\$)
Salary and Wages			
A. Hangartner - consultations, data processing, drafting, exploration, ground magnetometer surveys, gridding, mineral sampling, reporting	254	hr	
Helper " "	160	hr	
-travel - trip preparation	26	hr	
(2 per.) - total travel time for services	36	hr	
		Total Cost:	\$15,190.00
Field Costs			
-meals & lodging - total meal expenses for services	44	dy	\$20.00
(2 per.) - total accomodations expenses for serv	44	nt	\$30.00
Field Supplies - cords, batteries, ribbon, hip chain, etc.			\$81.50
		Total Cost:	\$2,281.50
Rental Equipment			
- truck rental, 3/4 ton	26	dy	\$70.00
- GSM-19 Magnetometer rental	4	dy	\$54.00
- GSM-19 Magnetometer Base Station rent	4	dy	\$54.00
- pentium computer system rental	10	dy	\$25.00
- data logging device rental	4	dy	\$25.00
- global positioning system rental	20	dy	\$25.00
- gridding equipment rental	6	dy	\$20.00
- lap top CPU pentium	11	dy	\$25.00
- quad 6x6 rental	24	dy	\$100.00
- base global positioning system rental	4	dy	\$10.00
- utility trailer rental	24	dy	\$25.00
- office space rental	24	mo	\$20.00
		Total Cost:	\$7,017.00
Office Charges, Administrative, General			
- phone, internet, Fax, etc.			\$350.00
- office supplies, paper, ink carts., lamintation			\$228.28
- Maps	2	map	\$9.25
		Total Cost:	\$596.78
			Grand Total \$25,085.28

Above is a summary of reasonable expenditures ascribed from quoted commercial equipment rental rates less 10 or 20%. Many, many more man hours than the summary above indicates were spent on this project, and one could reasonably ascribe some \$50.00 per man hour to work of this nature in professional fees, however, this would be an unreasonable amount to justify considering the qualifications of the exploration teams, therefore, \$30.00 - \$35.00 per man hour and the shortened claimed duration should be more appropriate.

I, August Hangartner, hereby certify that the costs as outlined above for the assessment of metallic and industrial permits 9398070351 & 9398070354 were expended as indicated.

SWORN BEFORE ME AT Edmonton)
 in the Province of Alberta, this 28)
 day of November, A.D. 2000)


 August Hangartner

 Eugene Saldanha
 A Commissioner for Oaths
 in and for the Province
 of Alberta. My commission
 expires on the 20th day of
 March, 2002

Signature of Witness

Appendix 2: Method of Ground Magnetic Surveying Employed.

Collection Method

The magnetic surveys were performed using an Overhauser Model GMS-19 Memory Magnetometer carried by the operator devoid of any magnetic materials and other ferrous metals. The operator walked each survey line, recording continuous time and magnetic intensity readings at 3 second intervals. At fixed stations along each survey line, the exact time of arrival and the location of the station were logged for post processing. After the survey lines were finished, a tie-line traversing the grid intersecting the lines at known locations was usually completed for additional reference.

The base magnetometer, an Overhauser Model GSM- 19 located at a fixed position operating in base mode, recorded continuous time and magnetometer readings at 3 second intervals for post processing diurnal correction. Both units are proton magnetometers with omnidirectional sensors.

Processing Method

The collected data, base (time and reading), mobile (time, reading and location) and the GPS readings- were downloaded in the field to a Pentium II/2 66 based laptop processor. The data was then uploaded, via the Internet, for post processing and plotting.

Using a program, written in Microsoft Access on a Pentium II/300 PC processor, variations of the base station were subtracted from the field (or mobile) instrument data to give a data set which varies only with position. The GPS information was used to map the grid and the grid description was used to scale the location of each station. The logged time, location and grid location information were used to correlate measurements with location. The data collected at each station is therefore attributable to local variations in magnetic materials in the underlying rocks. Another Microsoft Access program module was used to process the data collected at 3 second intervals by spacing the readings evenly between the station locations at which they occurred. The addition of the latter process gives a more accurate presentation of what data might be present between stations.

The data was then contoured using Geosoft Oasis Software. The maps produced represent a set of contours joining points of equal magnetic field intensity measurements (i.e. an isomagnetic contour map), which in turn are determined from a grid of equally spaced points between nodes that have been interpolated from the original data.