

# MAR 20000023: SOUTH SLAVE LAKE

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20000023

NOV 28 2000

**756736 ALBERTA LTD**

**1998 – 2000 EXPLORATION OF THE  
SOUTH SLAVE BLOCK PROPERTY**

**NORTH-CENTRAL, ALBERTA**

**Metallic and Industrial Minerals Permits  
9398070349, 9398070350, 9398070352,  
9398070353, & 9398070342 - 9398070346 inc.**

**Geographic Co-ordinates  
54°45'00" to 55°18'00" N  
114°07'00" to 114°45'00" W**

**NTS Sheets 83 J/15 O/1 and O/2**

**2000.10.25**

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## **1. SUMMARY**

Alberta Metallic and Industrial Minerals Permit Nos. 9398070352, 9398070353, 9398070349, 9398070350 & 9398070342 - 9398070346 inc. herein referred to as the South Slave Block Property, located southeast of Lesser Slave Lake, Alberta in the central part of the Swan Hills, was explored for primary diamond deposits by 756736 Alberta Ltd. A number of anomalous areas depicted from several high resolution aeromagnetic (HRAM) surveys acquired from Spectra Exploration Geoscience Corporation and Terraquest Ltd. along with areas recommended by Halferdahl & Associates Ltd. were investigated.

Ground magnetic surveys were conducted to more precisely localize the source or possible sources of some of the aeromagnetic anomalies. Several topographic circular/oval-shaped physiographic features were also investigated. Concentrated streambed mineral samples were collected from several streams near possible source areas and sent in for diamond indicator mineral analysis.

Saskatchewan Research Council processed and identified the presence of various diamond indicator minerals.

## **2. INTRODUCTION**

During 1998 through 2000, 756736 Alberta Ltd. conducted exploration for primary diamond deposits within the South Slave Block Property. Exploration activities included the use of high-resolution aeromagnetic data (HRAM) from Spectra Exploration Geoscience Corp. and Terraquest Ltd.; ground magnetometer surveys; streambed mineral sample collection and concentration; and an extensive review of aerial photographs, digital elevation data, topographic maps and other publicly available information, by 756736 Alberta Ltd..

The assessment report herein, describes the exploration conducted at the South Slave Block Property, Metallic and Industrial Minerals Permits 9398070342, 9398070343, 9398070344, 9398070345, 9398070346, 9398070349, 9398070350, 9398070352, & 9398070353 during 1998 through to July 2000. This assessment report has been prepared by 756736 Alberta Ltd., who is the owner of the permits.

### **3. LOCATION AND ACCESS**

#### **Property Location**

The property is located in north-central Alberta, about 150 km northwest of the City of Edmonton. It borders on the southeast corner of the town of Slave Lake and extends from 54°45'00" to 55°18'00" north latitude and 114°07'00" to 114°45'00" west longitude, within NTS map sheets 83 J/15, O/1, and O/2 (Fig. 3.1 and Fig. 3.2).

#### **Property Access**

The properties are accessible from several graveled oilfield roads leading south from Highway 2, east of the town of Slave Lake and from graveled oilfield roads about 50 km northeast of the town of Ft. Assiniboine. There are also several logging roads that allow access during the winter months. Seismic lines, pipelines and old logging roads provide all-terrain vehicle or snow-machine access to most remote areas of the property (Fig. 4.1 – Fig. 4.9).

Infrastructures near the area include accommodation, food and vehicles at Slave Lake or Ft. Assiniboine.

#### **Property Geology**

The area contains major amounts of oilfield culture. Economic activities in the area are dominated by logging and timber operations and oil and gas exploration. The property is in the north and eastern part of the Swan Hills within the hydrographic basins drained by the Florida Creek, Parker Creek, Coutts Creek, Florence Creek, Otawau River and Sauteaux River .

## **4. EXPLORATION**

### **Work Description**

Between July 31, 1998 and July 31, 2000, 756736 Alberta Ltd. explored access, de-cultured and carried out preliminary ground follow-ups of anomalies depicted on 1997 Spectra Exploration Geoscience Corp. and Terraquest Ltd. HRAM survey maps. Ground magnetic survey checks were also conducted on several topographic circular/oval-shaped physiographic features using selection criteria suggested by Halferdahl & Associates Ltd.

Soil samples were collected, concentrated and sent in for diamond indicator mineral analysis.

### **Site Selection**

The properties contained considerable amounts of cultural interference complicating selection. HRAM data processing and editing may have eliminated geographically significant anomalous not shown on the aeromagnetic maps but that perhaps could be confirmed by ground measurements. Raw data processing using Geosoft Software showed that there were several small anomalies that do not have verified cultural sources.

Several sites were chosen to conduct magnetic surveys using down-sizing considerations. 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 eight grids and on four partial grids. Several quick profiles were also done along cutlines to determine if more intensive survey was required. (Table 4.2 – Exploration, Grid Flagging, Soil Sampling and Magnetic Ground Survey Locations, July 1998 - 2000).

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 several streams near possible source areas. All stream bed samples were meshed, then quick panned down to concentrates. The process was slow going and a fair amount of time was required to collect reasonable sized samples. The samples were sent to Saskatchewan Research Council Geoanalytical Services for diamond indicator mineral analysis. The results of the last three samples are not in yet. Table 4.1, Soil Sample Indicator Mineral Grain Description, displays the results of the processed samples. (For a description of the analytical methods used see Appendix 3 – Methods of Diamond Indicator Minerals Recovery).

We plan to investigate all small anomalies depicted on the aeromagnetic maps and all circular physiographic surface features present on the properties.

**Table 4.1 Soil Sample Indicator Mineral Grain Description**

Report Identifier:	S648121			S657122			S660084		
Saskatchewan Research Council Reference:	OT99:81M720			OT99:81M720			OT99:81M720		
Sample Weight in Kilograms:	28.5			26.45			32.75		
Mid Fraction -1.00+0.18MM Dry Weitht in Grams:	17485			14041			16509		
Frantz Lowers @ 0.34 Amps in Grams:	13.08			10.66			11.87		
Frantz Uppers @ 0.19 Amps in Grams:	92.48			82.44			80.81		
Location of soil sample shown in figure:	4.1			4.1			4.8		
Definite(Def.) Possible(Poss.) % Picked(%)	Def.	Poss.	%	Def.	Poss.	%	Def.	Poss.	%
Pyropic Garnet Grain Count:	1	0	100	1	0	100	1	0	100
Cr - Diopside Grain Count:	0	1	100	0	0	100	0	0	100
Pirocroilmenite Grain Count:	0	25	4	0	28	4	0	6	6
Chromite Grain Count:	0	4	4	0	5	4	0	4	6
Eclog:	0	2	100	0	0	100	0	3	100
Olivine:	0	0	100	0	1	100	0	0	100
Unprocessed Samples:	S662116			S656102			S663118		
Location of soil sample shown in figure:	4.3			4.7			4.4		

**Table 4.2 Exploration, Grid Flagging, Soil Sampling, and  
Magnetic Ground Survey Locations, July, 1998 - 2000.**

Locations of field work performed by 756736 Alberta Ltd.

Report Identifier	UTM		Work Description	Dates	Shown in Figure
	Easting	Northing			
9398070350	642000	6122000	Exploration & Deculturing Exploration & Deculturing	Apr 28-May 4, June 8,9,14,19 & 20/99 Sept 1 & 4/99	4.1
S648121	648992	6121035	Exploration & Soil Sampling	June 10-13/99	4.1
S657121	657985	6122640	Exploration & Soil Sampling	June 15-18/99	4.1
9398070343	660000	6085000	Exploration & Deculturing	July 26,27 & 30/99, June 27 & 29/00	4.8
S660084	660345	6084205	Exploration & Soil Sampling	July 23-25/99	4.8
P6074	660250	6074950	Exploration & Gridding Magnetic Survey	July 28/99	4.9
P6172	661200	6072100	Exploration & Gridding Magnetic Survey	July 29/99	4.9
G5020 M5020	650150	6120500	Exploration & Gridding Magnetic Survey	Sept 2/99 Sept 3/99	4.1
G4820 M4820	648950	6120800	Exploration & Gridding Magnetic Survey	Sept 5/99 Sept 6/99	4.1
G5923 M5923	659800	6123300	Exploration & Gridding Magnetic Survey	Sept 8/99 Sept 9/99	4.4
9398070353	665000	6120000	Exploration & Deculturing Exploration & Deculturing	Sept 10 & 11/99, Oct 2 & 3/99, Nov 24,25 & 25/99, Jan 5/00	4.4
S662116	662150	6116850	Exploration & Soil Sampling	Oct 4-6/99	4.4
G6116 M6116	661750	6116450	Exploration & Gridding Magnetic Survey	Oct 6/99 Oct 7/99	4.4
G6217-1 M6217-1	662850	6117300	Exploration & Gridding Magnetic Survey	Nov 26/99 Nov 27/99	4.4
G6217-2 M6217-2	662650	6117200	Exploration & Gridding Magnetic Survey	Nov 29/99 Nov 30/99	4.4
G6316 M6316	663450	6116250	Exploration & Gridding Magnetic Survey	Dec 2/99 Dec 3/99	4.4
9398070345	672000	6112000	Exploration & Deculturing	Dec 4/99	4.5
G5722 M5722	657900	6122350	Exploration & Gridding Magnetic Survey	Jan 6/00 Jan 7/00	4.1
9398070349	655000	6105000	Exploration & Deculturing	Jan 8/00, June 5/00	4.3
G6317 M6317	663250	6117000	Exploration & Gridding Magnetic Survey	Jan 9/00 Jan 10/00	4.4
S656102	656830	6102200	Exploration & Soil Sampling	June 6-8/00	4.3
S657096	657930	6096640	Exploration & Soil Sampling	June 9-11/00	4.7
S663118	663820	6118610	Exploration & Soil Sampling	June 12-15/00	4.4
9398070342	660000	6075000	Exploration & Deculturing	June 21/00	4.9
G6176 M6176	661250	6076500	Exploration & Gridding Magnetic Survey	June 22/00 June 23/00	4.9
G6280-1 M6280-1	662750	6080550	Exploration & Gridding Magnetic Survey	June 24/00	4.9
P6181	661250	6081350	Exploration & Gridding Magnetic Survey	June 25/00	4.8
G6279 M6279	662450	6079900	Exploration & Gridding Magnetic Survey	June 26/00	4.9
P6182	661950	6082500	Exploration & Gridding Magnetic Survey	June 26/00	4.8
G6280-2 M6280-2	662350	6980850	Exploration & Gridding Magnetic Survey	June 28/00	4.9
G6371 M6371	663200	6071800	Exploration & Gridding Magnetic Survey	June 30/00	4.9

## **Findings**

**M6279:** The survey did not reflect the weak anomaly depicted on HRMS map. The higher readings approaching the eastern side may be from a power line 100 m east of the grid. (Fig. 4.10)

**M6371:** This survey, a ground follow-up on a strong HRMS map anomaly without the presence of any man made culture, had to be abandoned. The central area contained a small round lake surrounded by a swampy area. The readings climbed over 10 nT/ 100 m in the direction of the epicenter. (Fig. 4.11)

**M5020:** This grid located on a hillside shows an increase in readings toward the southeast. The HRMS map showed the anomaly was stronger in that general area but the terrain sloped down quite rapidly so the grid was re-positioned northwest to cover a hump. There is no man made culture in that direction. (Fig. 4.12)

**M6116:** The HRMS map indicated the presence of a fairly strong anomaly without presence of any man made culture. The data collected appears to define a northwestern perimeter of what could be a large anomaly. The reading taken in the southeast corner of the grid were 20 nT higher than those taken in the northwestern areas. The grid should be extended to see if the anomaly has a southeastern boundary. (Fig. 4.13) A mineral sample was taken from the riverbank where a dry creek entered the Otauwau immediately below the anomaly. (Table 4.1)

**M5923:** The HRMS map indicated the presence of a weak anomaly here. There is no man made culture within the grid but there might be a buried north/south pipeline 50 m from the western side of the grid and a power line 50 m beyond that which probably accounts for the higher readings on the right side of the grid. Areas of high and lower readings make it difficult to define any specific area to target for additional investigation. (Fig. 4.14)

**M4820:** The HRMS map indicated the presence of a weak anomaly in an area where there was no man made culture. The survey area contained several small circular hills and the Florida creek. The low readings are coincidental with the creek. The high areas are coincidental with hills. A change of 15 nT was noted from the creek to the top of one of these small hills. The readings got progressively higher farther away from the creek. (Fig. 4.15) Mineral samples were taken the previous summer from the creek just below the low indicated area. (Table 4.1)

**M6217:** The HRMS map indicated the presence of a weak anomaly in an area where there appeared to be no man made culture. The survey is comprised of two grids. The readings noted while doing the right grid indicated the presence of strong 20 nT reading on the west center. The left grid was a survey designed to determine western boundaries of the high readings. During the survey it became evident that we had discovered a buried pipeline that started at the center of the survey and ran eastward. (Fig. 4.16)

**M6176:** The HRMS map indicated the presence of a weak anomaly here where no man made culture existed. Readings on the west side of the grid increased gradually and crested at a small creek then dropped gradually. High readings were also noted along the northern line of the grid. (Fig. 4.17)

**M6316:** The HRMS map indicated the presence of a weak anomaly where no obvious man made culture existed. Readings in the southwestern quadrant of the grid indicate the presence of a 15 nT oval shaped anomaly, 150m x 100 m. (Fig. 4.18)

**M5722:** The HRMS map indicated the presence of a fairly strong anomaly where there appeared to be no man made culture. The survey readings changed rapidly when crossing an overgrown cutline. On farther investigation we concluded that the fluctuation in readings were due to buried pipe. The cutline led to a well site 1/2 km west. (Fig. 4.19) Mineral samples were taken the previous year from a small creek in the area. (Table 4.1)

**M6280-2:** The HRMS map indicated the presence of an anomaly where no man made culture existed. A large u-shaped magnetic grid to transverse the area was completed. The area included a small hill. The processed data showed increases in the southeast and northeast quadrants. (Fig. 4.20)

**M6280-1:** The HRMS map indicated the presence of a weak anomaly where no man made culture existed. A large u-shaped magnetic grid to transverse the area was completed. The processed data showed an increase of 15 nT from the west side to the mid point along the northern grid line. (Fig. 4.21)

**P6074:** The HRMS map indicated the presence of an anomaly where no man made culture was evident. A magnetic profile was completed along a cutline within the anomalous area. The processed data readings showed fluctuations ranged 65 nT. No recollection of any man made culture was noted. (Fig. 4.22)

**P6172:** The HRMS map indicated the presence of a weak anomaly where no man made culture was evident. A magnetic profile was conducted along a cutline within the anomalous areas. The collected processed data showed very rapid small fluctuations along the survey line with an increasing trend of less than 10 nT in the eastward direction. (Fig. 4.23)

**P6182:** The HRMS map indicated the presence of a weak anomaly where no man made culture was evident. A magnetic profile was conducted along a cutline within the anomalous areas. The collected processed data showed very rapid small fluctuations along the survey line with an increasing trend of less than 10 nT in the westward direction. (Fig. 4.24)

**P6181:** The HRMS map indicated the presence of a weak anomaly where no man made culture was evident. A magnetic profile was conducted along a cutline within the anomalous areas. The collected processed data showed very rapid small fluctuations along the survey line with an increasing trend of less than 10 nT in the eastward direction. (Fig. 4.25)

## **5. CONCLUSIONS**

The presence of a 15 nT oval shaped anomaly, 150m x 100m in M6316 warrants more investigation. The trend of M6371 readings climbing over 10 nT/ 100 m is promising and the completion of the grid should be done after freeze up. Grids that require re-positioning to define anomaly boundaries are M5020 northwestward, M6116 southeastward, M6176 northward of the northern grid line, M6280-2 eastward, and M6280-1 along the northern grid line. The westward end of P6182 and the eastward end of P6181 may indicate boundaries of anomalies. The areas of higher readings that were coincidental with the hills in M4820 should be investigated. Mineral sampling in the vicinity of M6176 and M6316 might confirm the nature of the anomalies.

The strange fluctuations along P6074 have to be investigated for man made culture. Anomalies that are likely due to cultural interference are M5722 and M6217 which contain buried pipelines and M6279 which has a power line on its eastern boundary. The rapid small fluctuations along survey lines of profiles P6172, P6182 and P6181 may have arisen from very near surface magnetic rocks in the soil.

## **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 - 6.9 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 - 6.9.

**TABLE 6.1 Retained Property Location Descriptions, South Slave Block.**

Permit #	Legal Land Description	Area (ha)	Figure
9398070350	<p>Tp.72r4w5 (Sec. 2L1,L8-13;3L3,L5-7,L11,L12,L14-16;4L4,L5;L9-12;5L1,L7-12,L16;6L2,L5-9,L12,L13;7L2-4,L7;8L1,L14-16;9SW,L2,L12,L13)</p> <p>Tp.72r5w5 (Sec. 1L4-8,L10-13;2L1-4,L6,L11,L12,L14;3L9-13;4L1,L7-10;5NW,L15;6L4,L5,L12,L13;7L4,L5,L12,L13,L15;8L2,L7-9,L15,L16;9L14-16;10L4,L5,L12-15;11L3,L6;16L2,L3,L6,L9-13,L15;17NE,L1,L8,L13,L14;18L2-4,L6,L8,L9,L12-16;19L1,L4,L7,L8,L10,L11,L13,L14,L16;20S,L11;21L3-5;30SW,L1,L2,L7)</p> <p>Tp.72r6w5 (12L1-3,L12,L13;13SE,L3,L4,L9,L13-16;24W,L1;25S)</p>	3200	Fig. 6.1
9398070352	<p>Tp.70r3w5 (Sec. 3L5,L6,L12-14;4L5,L6,L11,L12,L14;5L1,L3,L6-9,L16;7L4,L5,L7,L10,L12-15;8L1,L6-10,L16;9L5-8,L11;10L1-5,L12,L13;11NW,L2,L4-7;12NE,L8;13L1,L8-12,L16;14NE,L2,L3,L7;15L4,L5,L11,L12,L14;16L8;17L1,L5-8,L11,L14,L15;18L2,L7,L8;20L1-4;21SW;22L3,L6;23L1,L8-10,L15;25L3-5,L12,L13;26SW,L2,L7,L10-12;27L8,L9,L15,L16;33L16;34L1,L8,L9,L13-16;35L1-4,L13,L14;36SW,L7-9,L16)</p>	2304	Fig. 6.2
9398070349	<p>Tp.70r4w5 (Sec. 11L8,L9,L16;12L1-5,L12;13L5,L13,L14;14L1,L8-13,L16;16L13;17L15,L16;19L15;20SE,L10,L15;21SW,L12;23L1,L2,L6,L7,L16;24L3,L4,L6,L10,L11,L13-15;25L1,L2,L4,L7,L10-12;26L1-4;27L1-5,L13,L14;28L8,L9,L16;29SW,L2,L9-12,L16;30L2,L7,L9,L10,L15;31L2,L3;32L1,L8;33L1,L5-9;34L12-14)</p>	1552	Fig. 6.3
9398070353	<p>Tp.71r3w5 (Sec. 4L1,L2,L7;6L9-11,L16;7L1,L5-8,L12;8L5,L12-14,L16;16L5,L12-14;17L1,L3,L5-8;18L8-10;19NW,L4,L5,L9,L19;20L9,L12,L13,L16;21L3,L5-7,L10,L12;28L4,L12,L13;29NW,L1,L4,L5,L8-10;30L13-16;31L1,L3-5,L8,L12,L13;32L2,L3,L6,L7,L10,L15,L16)</p> <p>Tp.72r3w5 (Sec. 6L4,L5,L11,L12)</p> <p>Tp.72r4w5 (Sec. 1NE,L2-5,L7;11L4)</p>	1504	Fig. 6.4
9398070345	<p>Tp.71r2w5 (Sec. 6L3,L4,L6;17L16;18L5,L6,L11,L12,L14;19L1-3,L5,L6,L11-13;20L1,L3,L4,L6-8,L10P*,L11P*) * PORTION(S) LYING TO THE SOUTH AND WEST OF THE SOUTHWESTERLY LIMIT OF HIGHWAY NO. 2.</p> <p>Tp.71r3w5 (Sec. 1L1,L12-14;2NE,L5-8,L11,L14;3L1,L8,L11,L13-15;10SE;11L1-5,L11,L12;12L3,L4,L6,L10,L11,L15,L16;13L1,L8;24L7,L8,L15,L16)</p>	1088	Fig. 6.5
9398070346	<p>Tp.71r5w5 (Sec. 1L5;2L1,L8,L9,L16;4L12-14;5L13-16;6L3,L4,L6,L11,L14;7L3,L6,L9-11,L14;8L2,L6,L7,L11,L12,L14-16;9L2,L3;10L14-16;11L1-3,L6,L11,L13,L14;12L2-4,L7,L10,L15;15L3-5,L12;16L5-9,L16;17L1,L8,L9,L13-16;18L3,L9,L16;19L9,L10,L14,L15;20L1,L8-12,L14;21L1,L2,L12,L13;30L3,L4,L6,L10,L11,L14;31SW,L12,L13;36NE,L11-13)</p>	1648	Fig. 6.6
9398070344	<p>Tp.69r4w5 (Sec. 1L1,L7-9,L16;2L5,L6;3L5-8,L10,L15;4L1,L2,L8;5SW,L11-13;6L8-10,L16;7L1;8L4,L5,L12,L13;9L10,L15,L16;10L2,L13;11L7,L8,L10,L15;12L1;14L2,L3,L6,L11,L12;15L4,L9,L13-16;16L1,L8-12,L14,L16;17L4,L5,L9-13,L15,L16;18L8,L9;19L5-10,L15;20L4,L5,L12,L16;21L1,L8,L13-16;22L1,L4,L5,L8,L9,L12,L13;23L10-13;26L3-5,L9-12,L14,L15;27L8-10;28L2,L3,L5,L6,L10,L12-14;29L10,L15,L16;30NE,L2-4,L7,L14;31L1-5;32L4,L5,L8,L9;33L1-5,L8,L9;34L11,L12,L14,L15)</p>	2432	Fig. 6.7
9398070343	<p>Tp.68r4w5 (Sec. 1L2,L7,L9,L10,L14,L16;2SW,L1,L7,L8,L11,L13,L14;3SE,L3,L4,L6,L11,L15,L16;4L4,L5,L12,L13,L16;5L3,L4,L6,L9-11,L14,L15;6L1-4,L8;7L1,L8,L9,L15,L16;8SE,L3,L4,L10,L11,L15;9N,L1,L5,L8;10L1,L5,L9-12;11SE,L3,L4,L6,L9,L11,L12,L14,L16;12NE,L1,L3,L4,L6-8,L11,L14;13SE,L3,L6,L9,L11,L13,L14;14L3,L10,L14-16;15L5,L12,L13;16L1-3,L8,L9,L16;17L11,L12;18NE,L2,L7,L14;19SE,L3,L6,L9;20L12-15;21L6,L7,L11-13;24L3-5,L12-14;25L1-4,L10-13,L15,L16;26SE,L3,L9-11,L14;28L2-5,L7;29L1,L2,L8-12,L14-16;30L6,L7,L9-11,L14;31L3,L4,L6,L11,L13,L14;32L2-4,L6,L7,L9-11,L14,L16;33L7-9,L12,L13,L16;34L3,L5,L6,L12;35L3,L6;36L4-6,L10,L11,L15,L16)</p>	3664	Fig. 6.8
9398070342	<p>Tp.67r4w5 (Sec. 1L5-9,L12,L13;2L5,L9,L10,L12-16;3L10,L15;4L3,L4,L6,L7,L10;5SW,L1,L2,L12-14;6L1-5,L16;7L1,L3,L6-8,L10-12,L15,L16;8L2,L5,L8;9L11,L12;10L1,L2;11L4,L5,L12-14;14L4;15L1,L7-9,L16;18L2,L7,L10,L13-15;19SE,L5,L6,L11-13,L15,L16;20L4-8,L12-14;21L4,L5,L12,L13;22L1-5,L12,L13;23S,L9-11;24L1,L2,L5-7,L9,10,L12,L16;26L11,L12,L14;27L3,L4,L6-9,L13;28L1-4,L12-16;29L1,L8,L9,L10;30L1,L2,L7,L10,L14,L15;31L3,L13-16;32L11,L13,L14;33SE,L6,L11-13;34L15;36L9,L10,L15)</p>	2720	Fig. 6.9

## Distances Gridded and Surveyed

Total grid line/km = 44.5

Total ground magnetic survey line/km = 32.55

## Exploration Expenditures

Total exploration expenditures, July 1998 – July 2000: **\$102,627.37**

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 excess expenditures to the retained area of active permit #9398070350.

MAIM Permit #s 9398070342, 9398070343, 9398070344, 9398070345, 9398070346, 9398070349, 9398070350, 9398070352, & 9398070353 are privately owned by 756736 Alberta Ltd., 4011-37 Ave., Leduc, Alberta and exploration expenditures are not financed by share holders. This report is being submitted for 756736 Alberta Ltd. by August Hangartner, chief prospector and president of 756736 Alberta Ltd.

## 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 just 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**

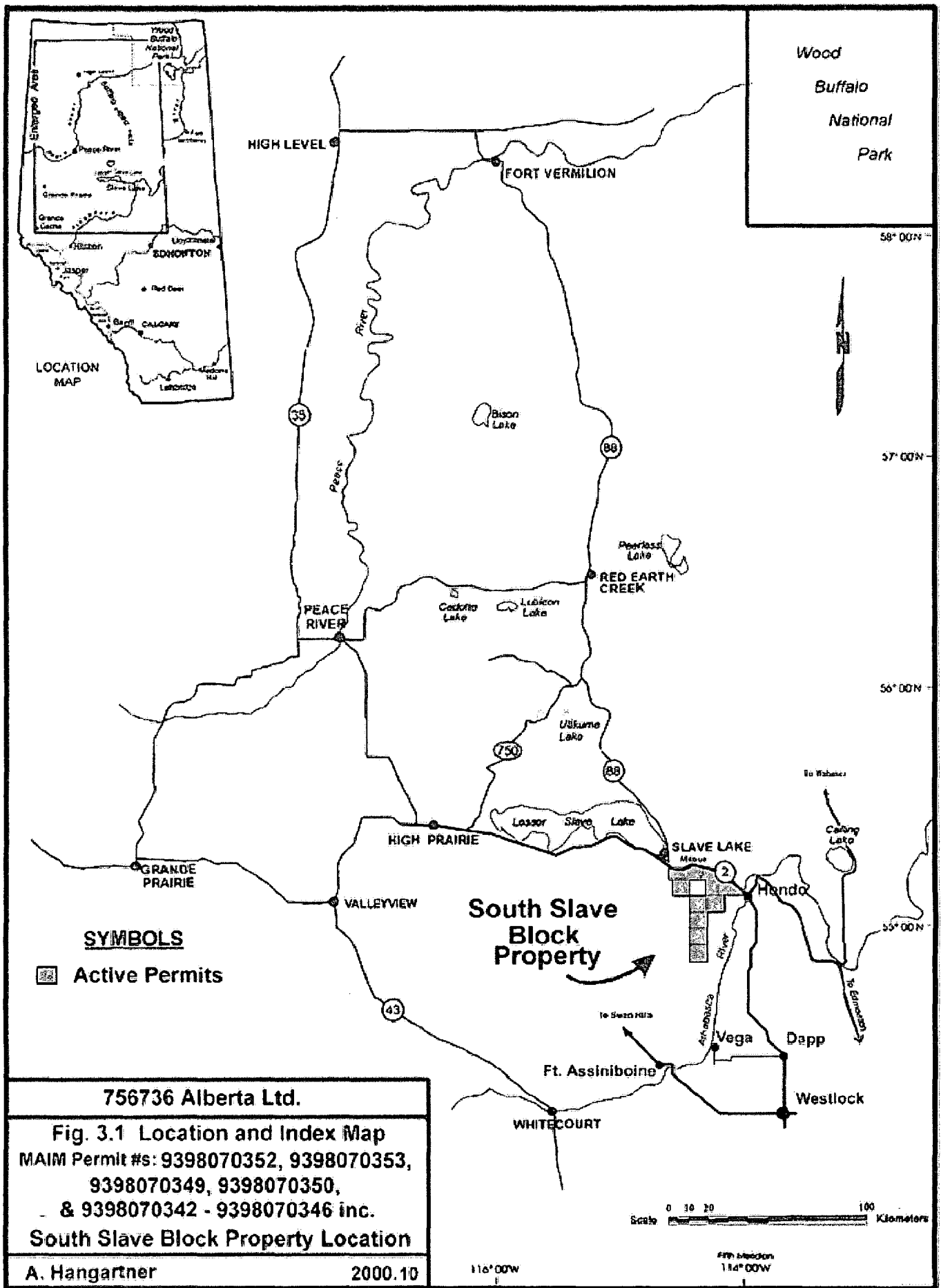
**Terraquest Ltd. (1998) High resolution aeromagnetic survey.**

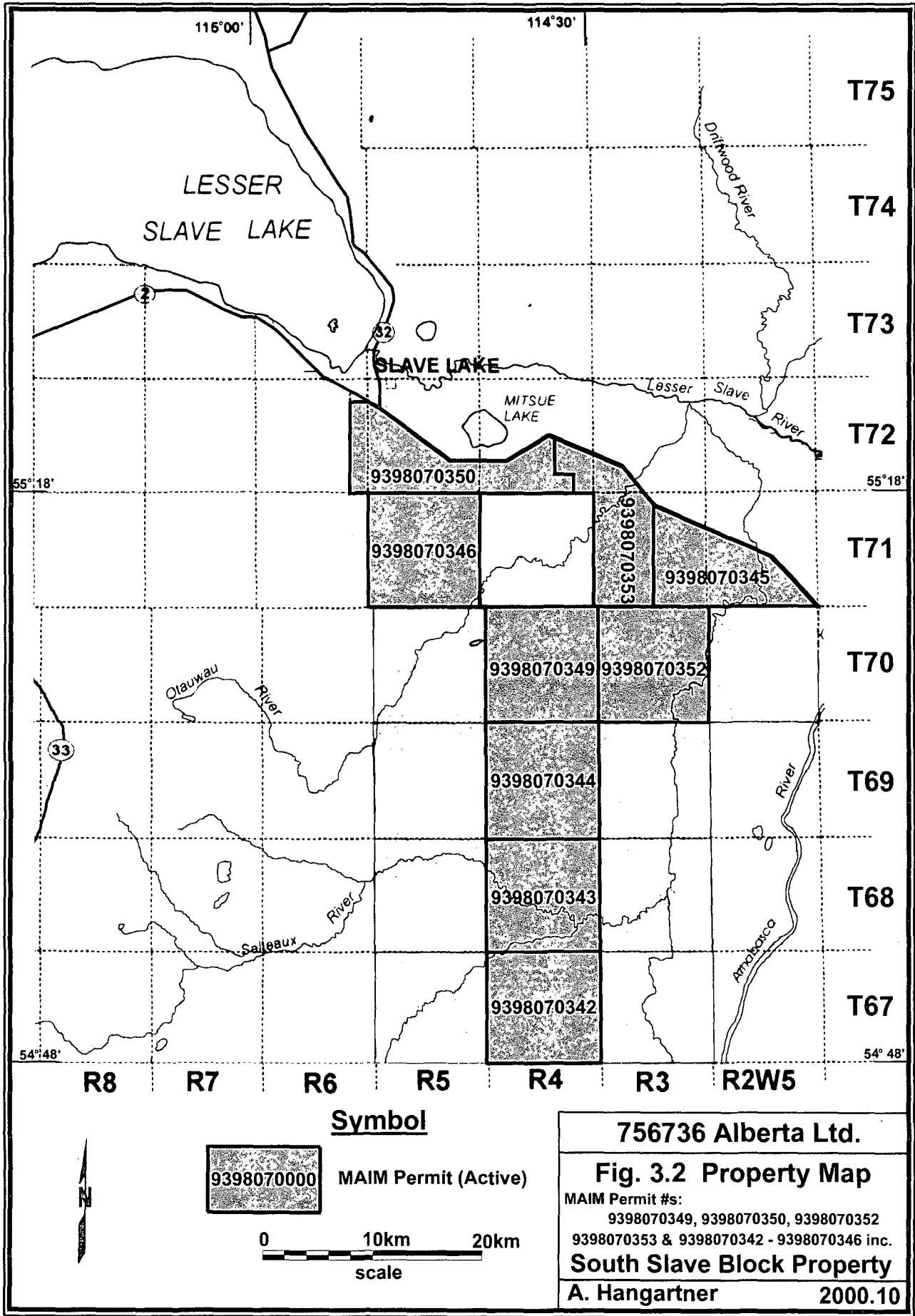
**Lesser Slave Lake project - Blocks B & C; unpublished report dated 1998/04/28 to Halferdahl and Associates Ltd., Edmonton, by Terraquest Ltd., Toronto, 22 pgs., 5 figs., 6 maps.**

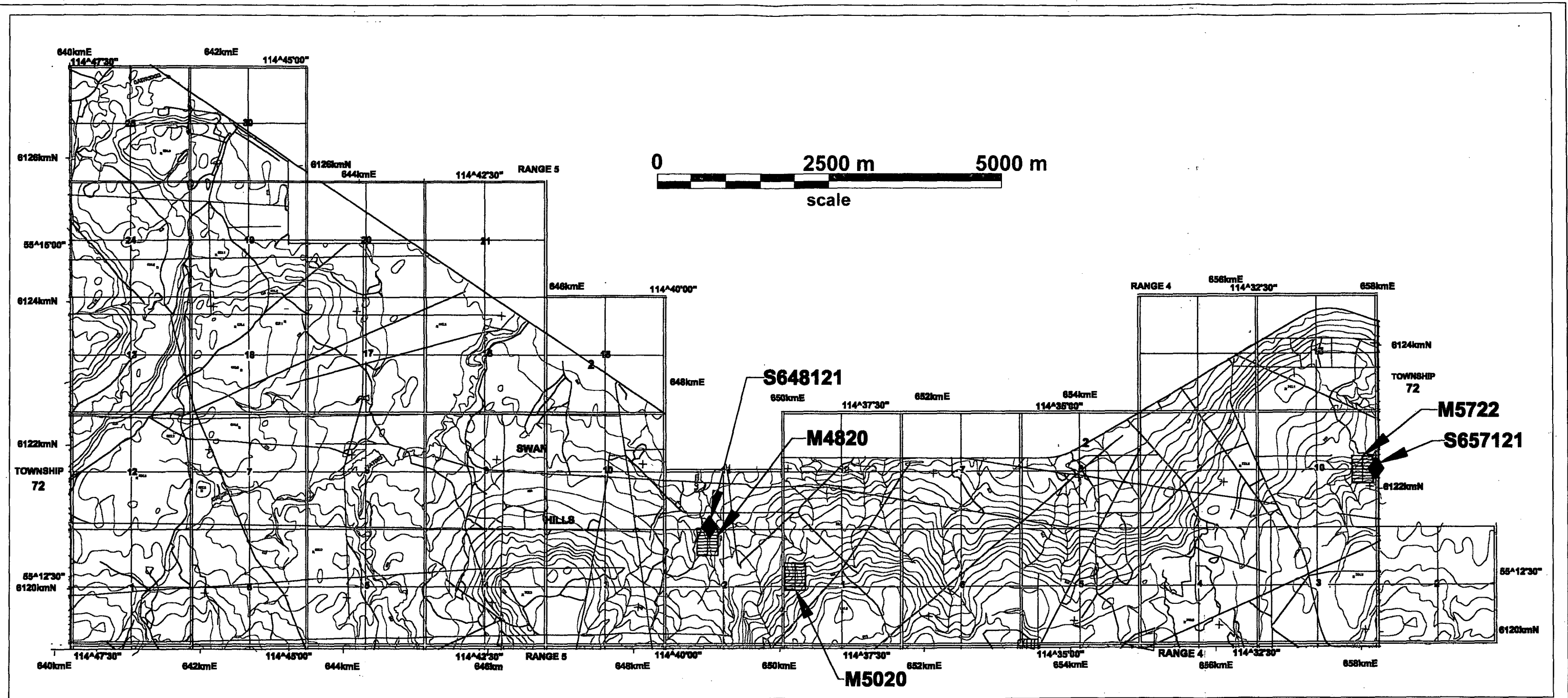
- 1. 5.0 Data Processing - Processing steps and some important concepts that should be highlighted with regard to cultural editing.**
- 2. 6.0 Interpretation -Techniques and comments offered to assist in the interpretation of the horizontal gradient vectors.**
- 3. Contoured Vertical Gradient of RTF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

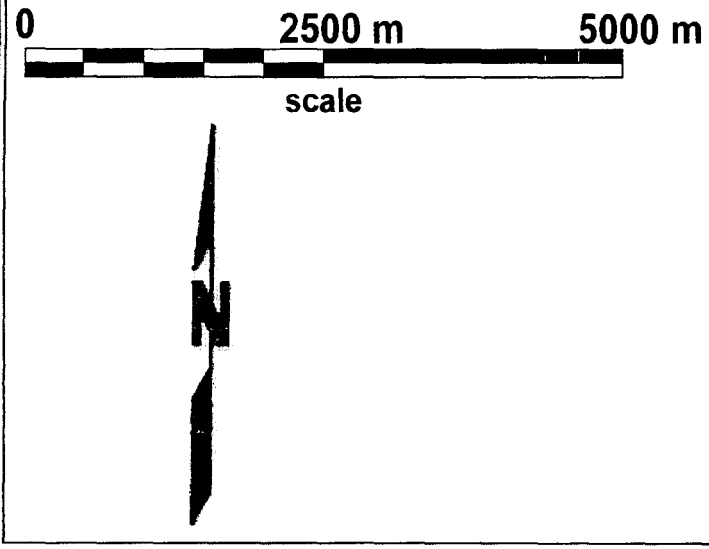
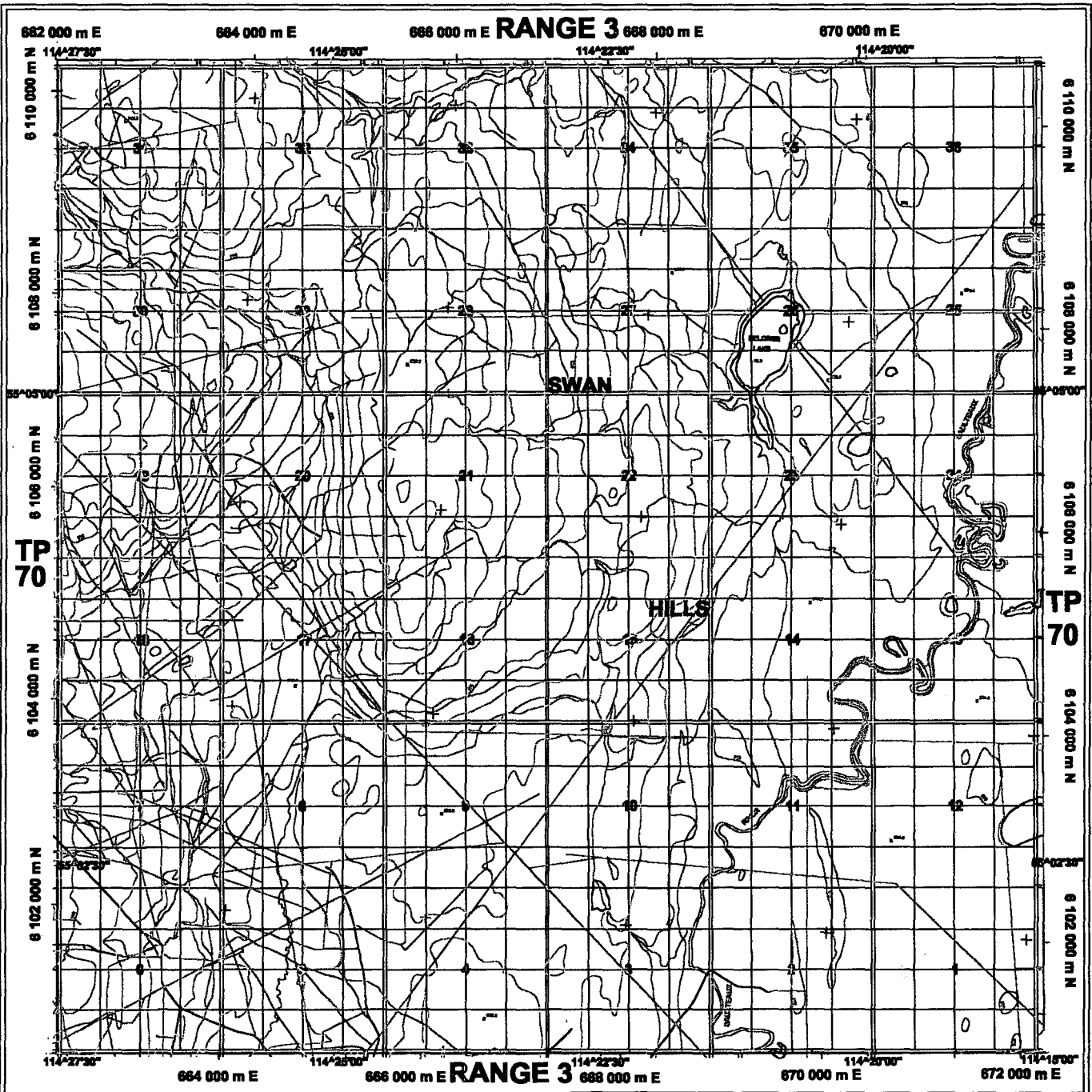
- ◆ Location of mineral sample
- ▤ Location of magnetic survey

**756736 Alberta Ltd.**

**Fig. 4.1 Locations of  
Exploration Work Map  
MAIM Permit #9398070350**

**A. Hangartner**

**2000.10**

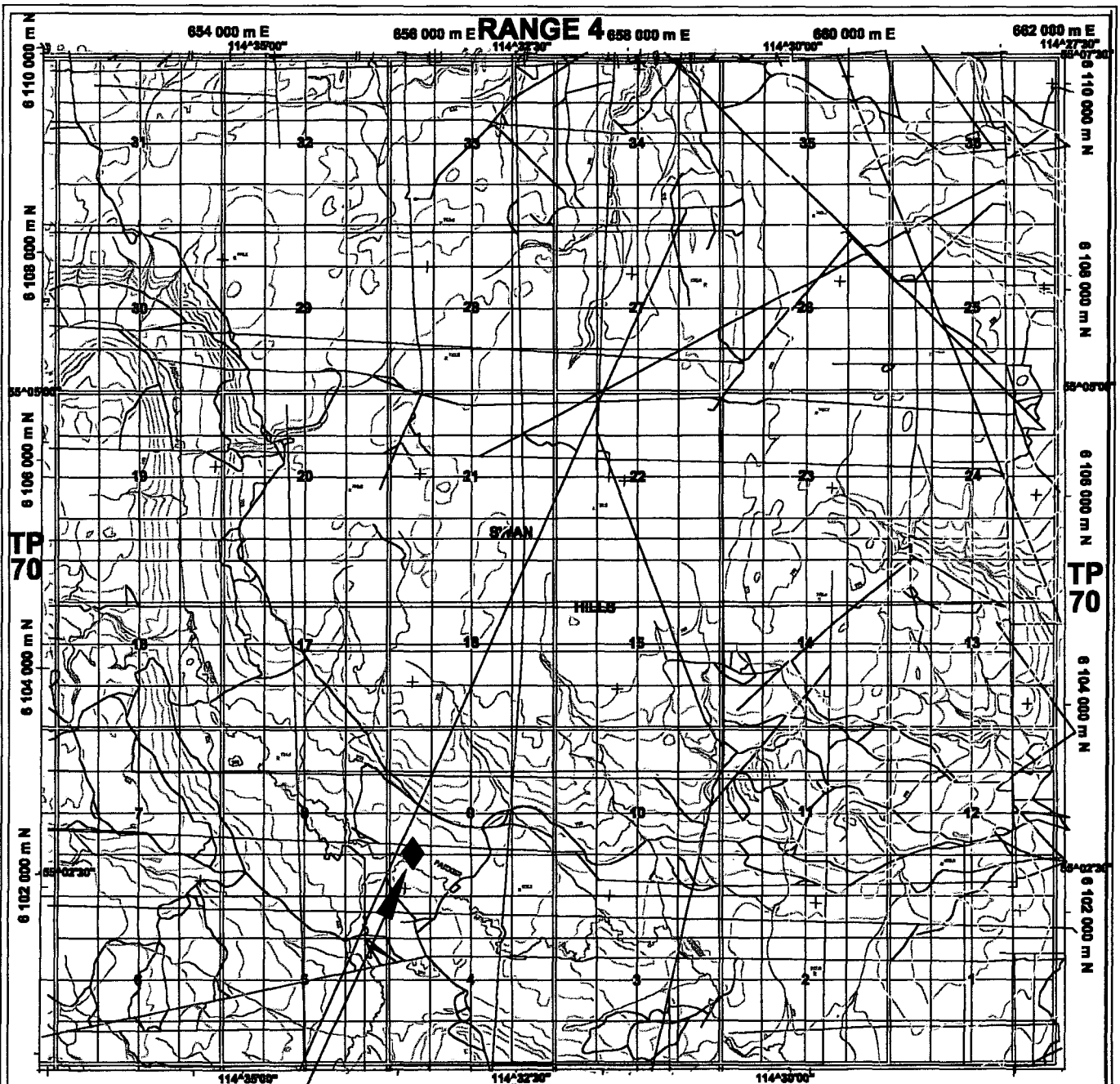


**756736 Alberta Ltd.**

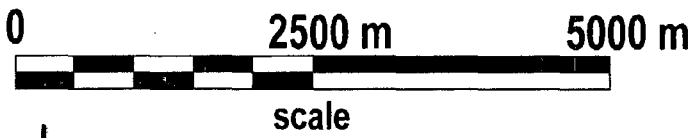
**Fig 4.2 Locations of  
Exploration Work Map**

**MAIM Permit #9398070352**

**A. Hangartner** **2000.10**



**S656102**



**Symbols**

◆ Mineral sample location

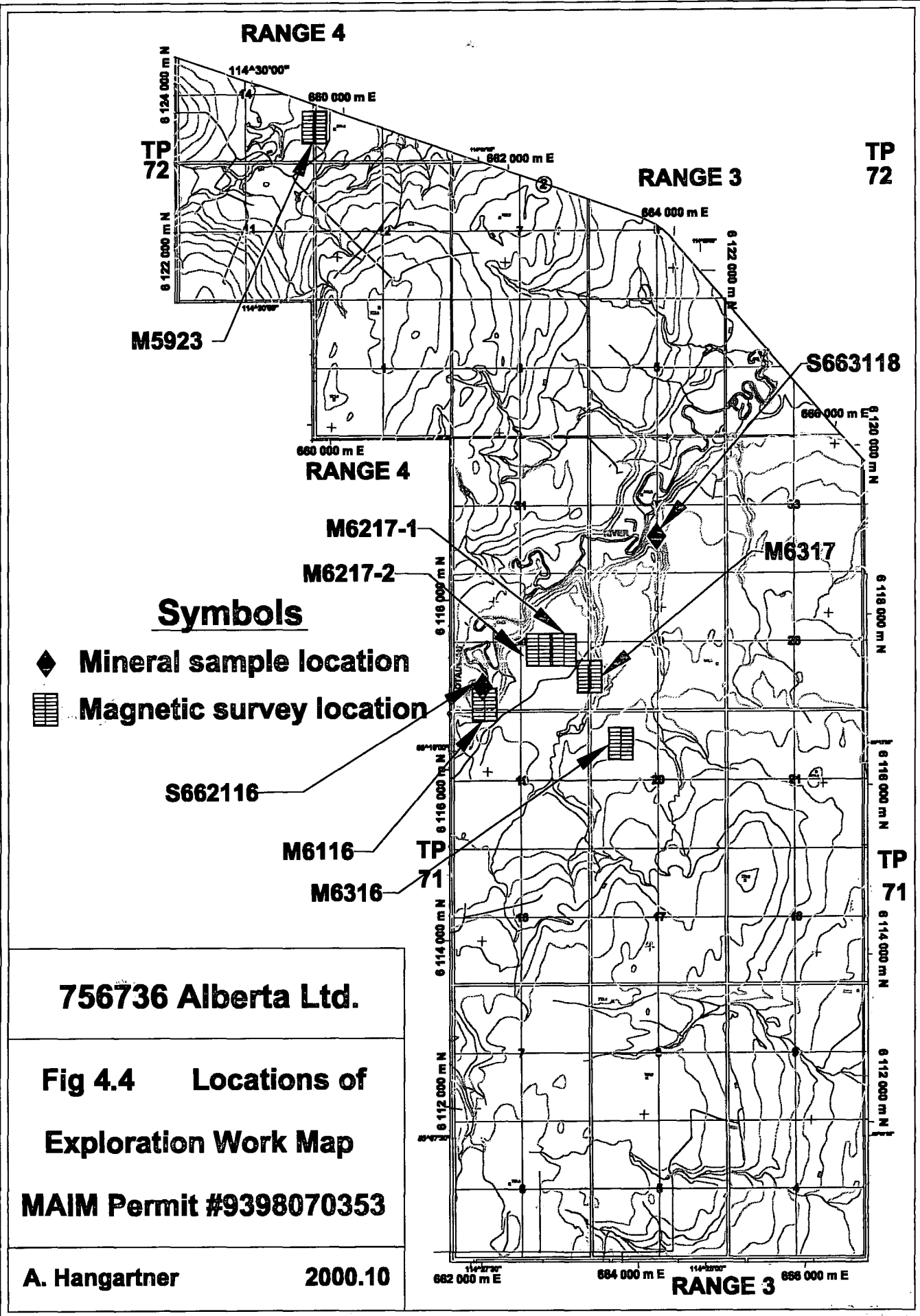
**756736 Alberta Ltd.**

**Fig 4.3 Locations of  
Exploration Work Map**

**MAIM Permit #9398070349**

**A. Hangartner**

**2000.10**



**756736 Alberta Ltd.**

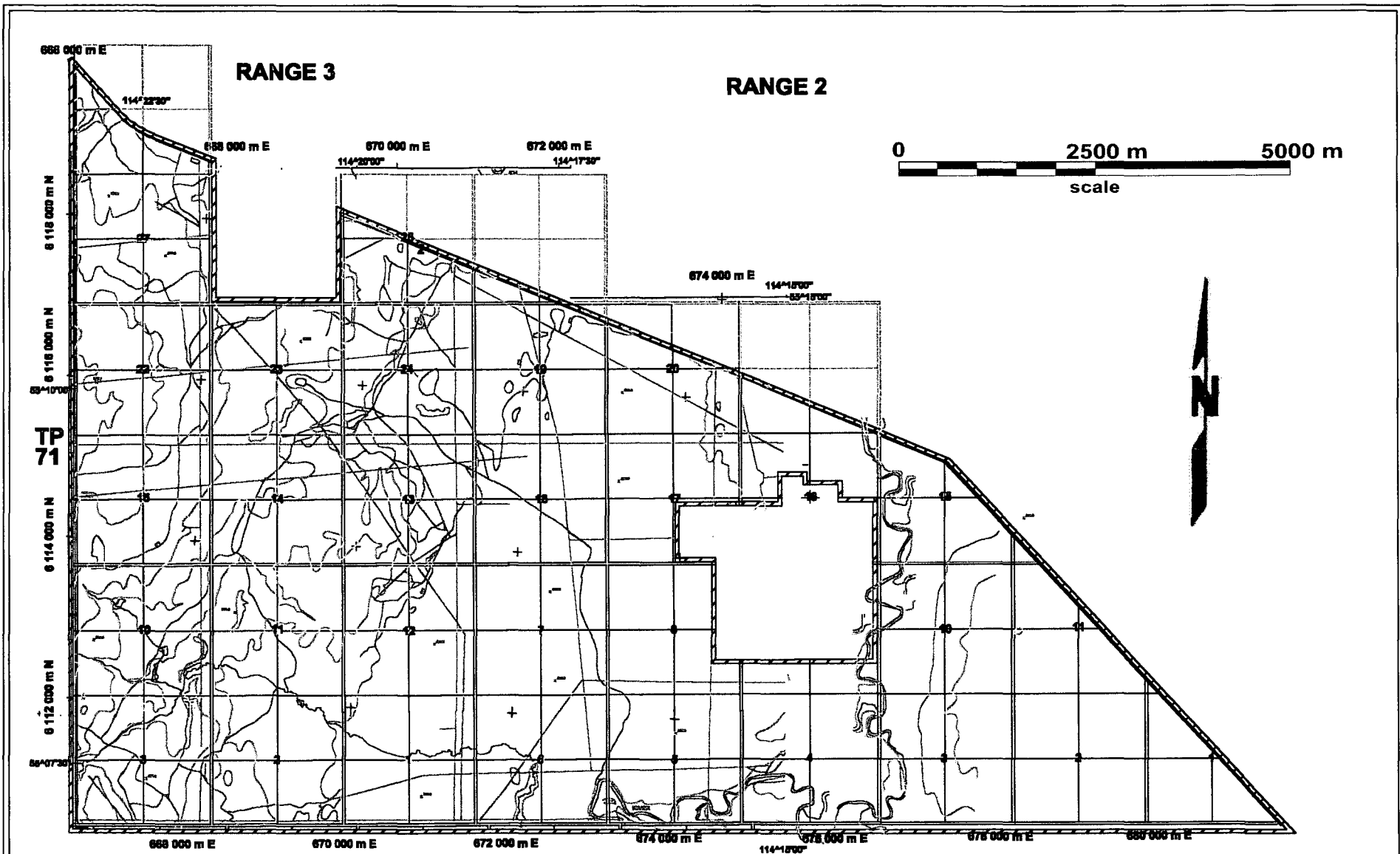
**Fig 4.4 Locations of  
Exploration Work Map**

**MAIM Permit #9398070353**

**A. Hangartner**

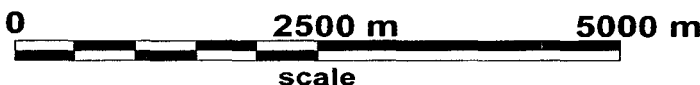
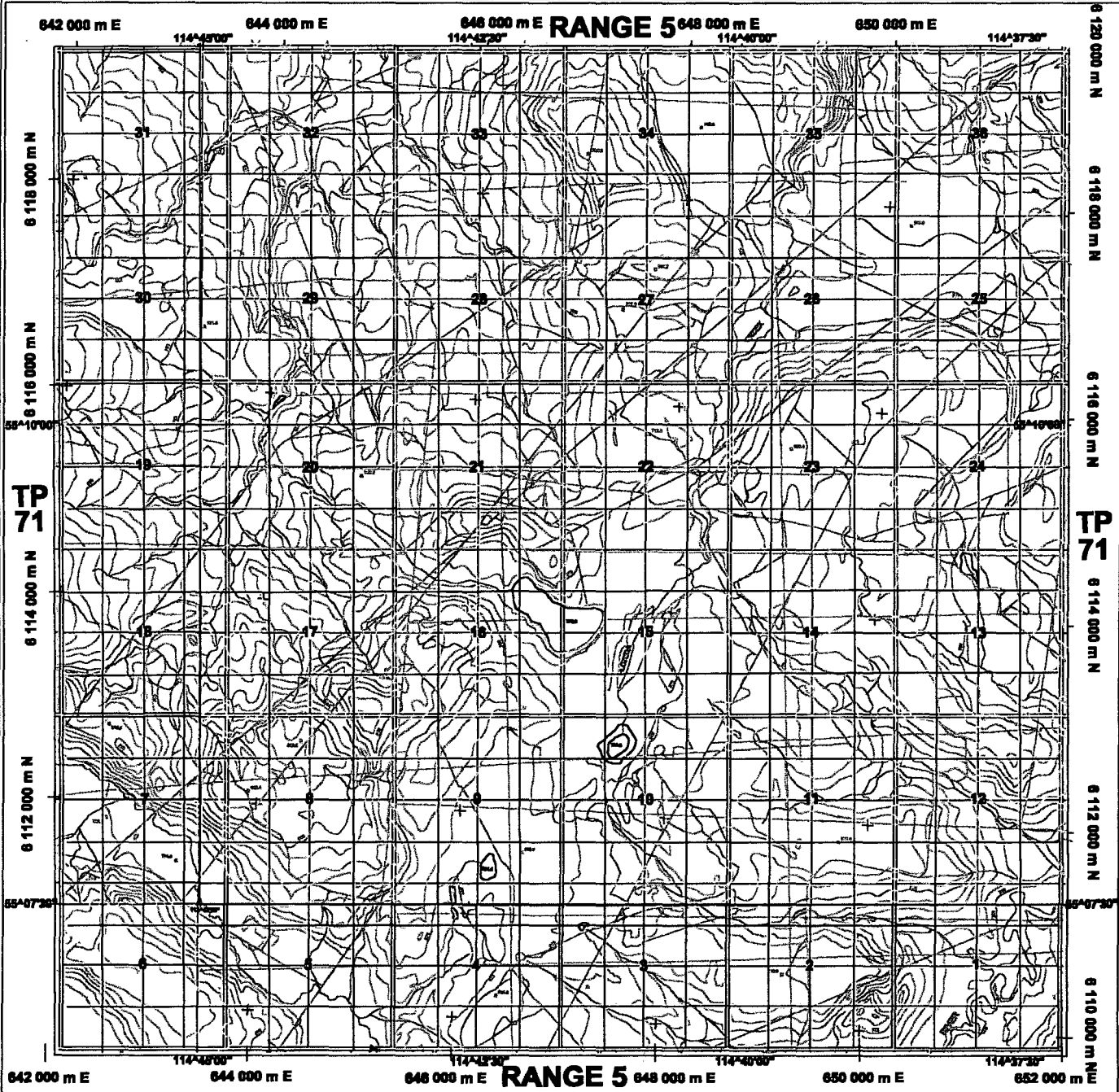
**2000.10**

F7



<b>756736 Alberta Ltd.</b>	
<b>Fig 4.5 Location of Exploration Work Map</b>	
<b>MAIM Permit #9398070345</b>	
<b>A. Hangartner</b>	<b>2000.10</b>

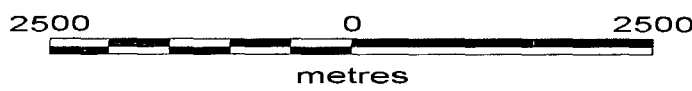
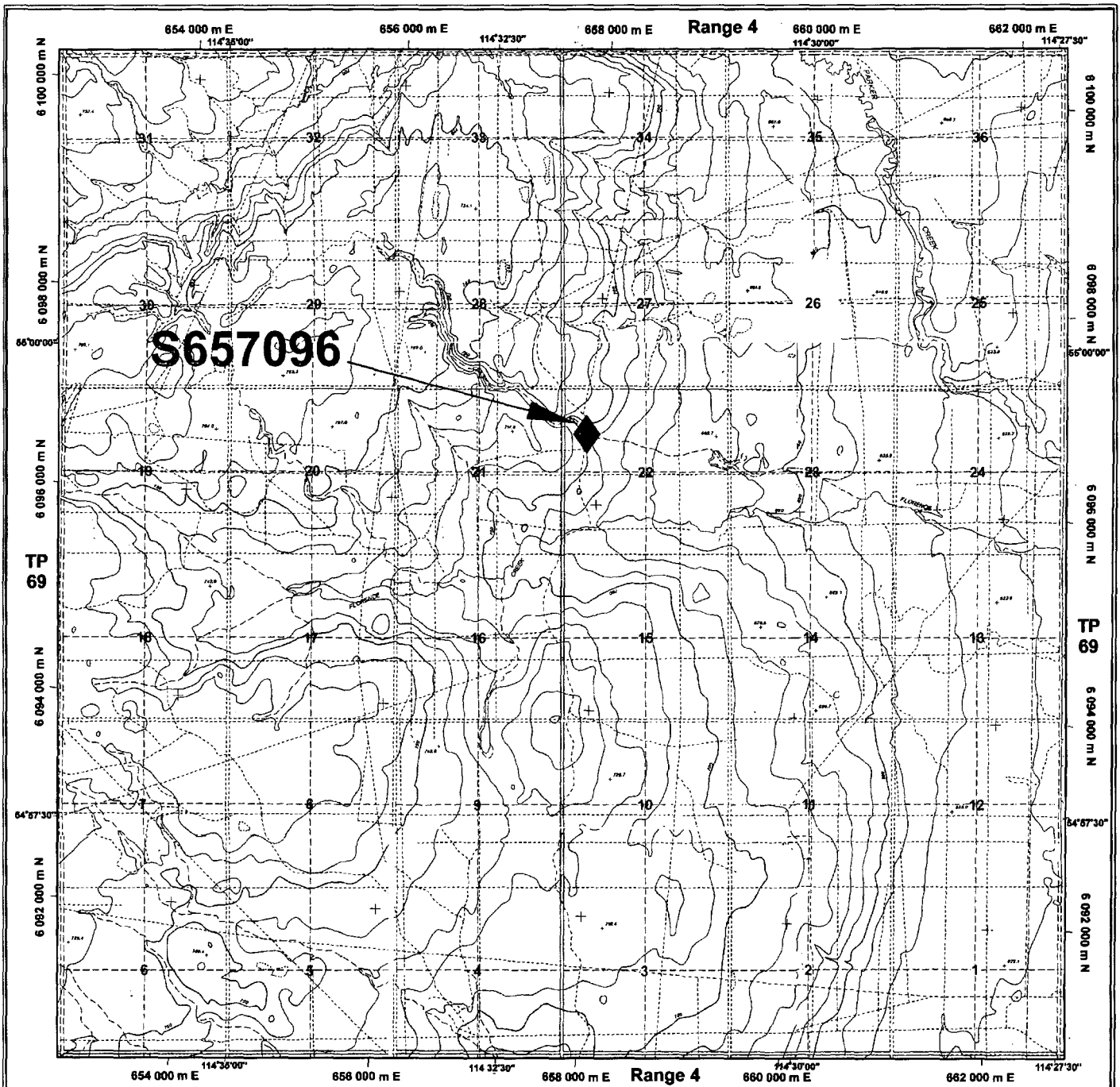




**756736 Alberta Ltd.**

**Fig 4.6 Location of  
Exploration Work Map  
MAIM Permit #9398070346**

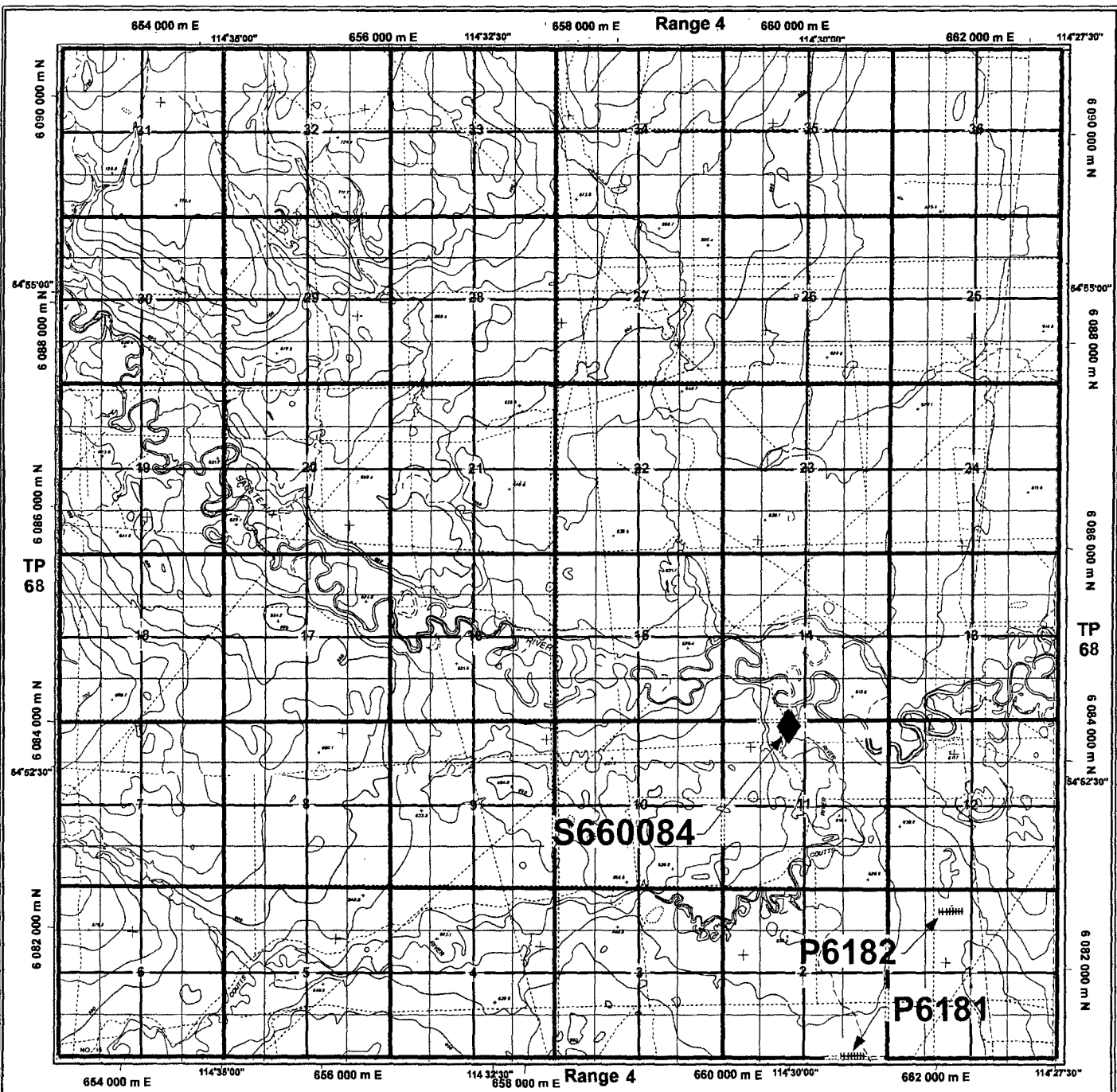
**A. Hangartner** **2000.10**



**Symbols**

◆ Location of Mineral Sample

<b>756736 Alberta Ltd.</b>	
<b>Fig 4.7 Locations of Exploration Work Map MAIM Permit #9398070344</b>	
<b>A. Hangartner</b>	<b>2000.10</b>



**Symbols**

- ◆ Location of mineral sample.
- ||||| Location of magnetic profile.

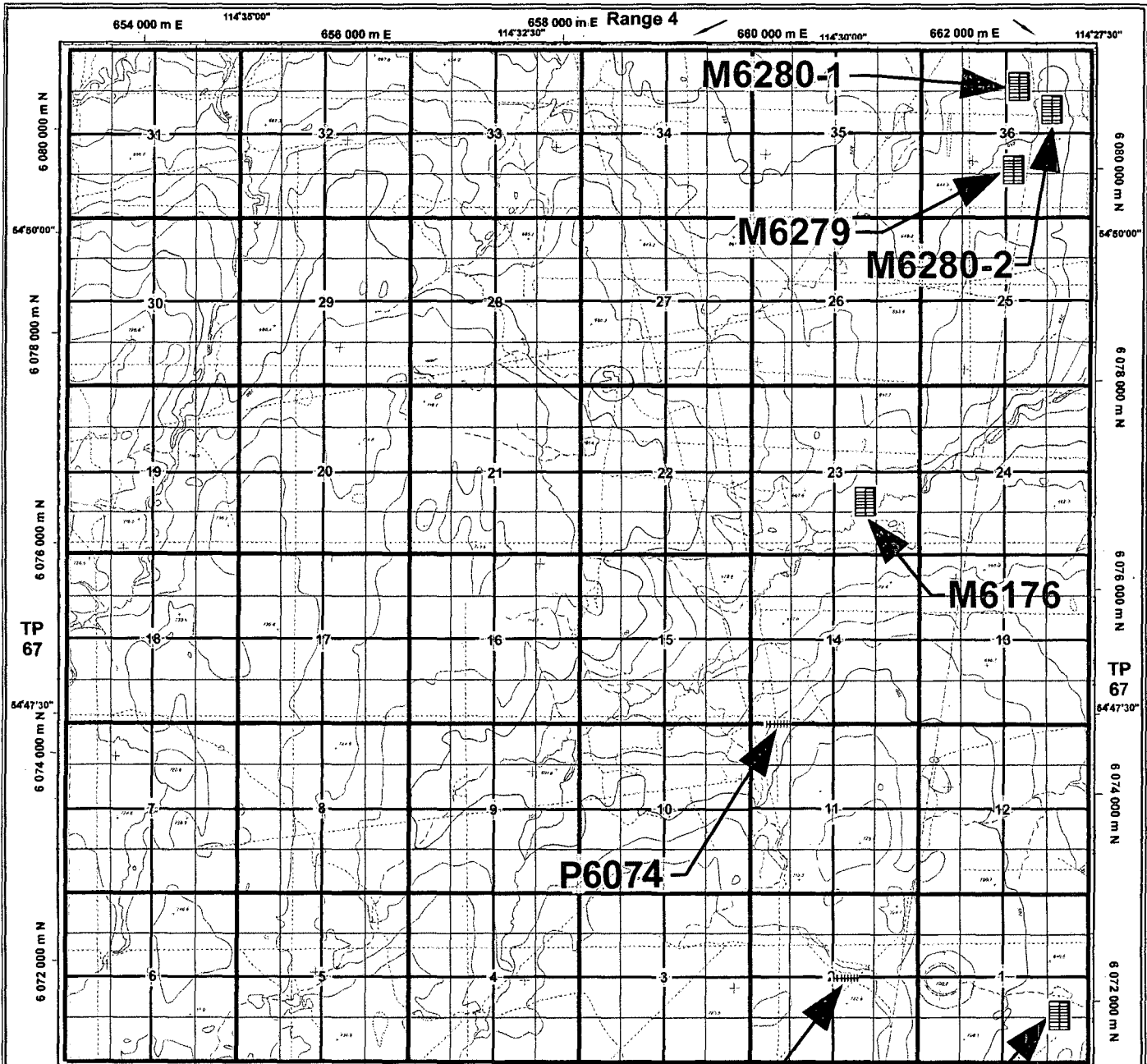
**756736 Alberta Ltd.**

**Fig 4.8 Locations of  
Exploration Work Map**

**MAIM Permit #9398070343**

**A. Hangartner**

**2000.10**

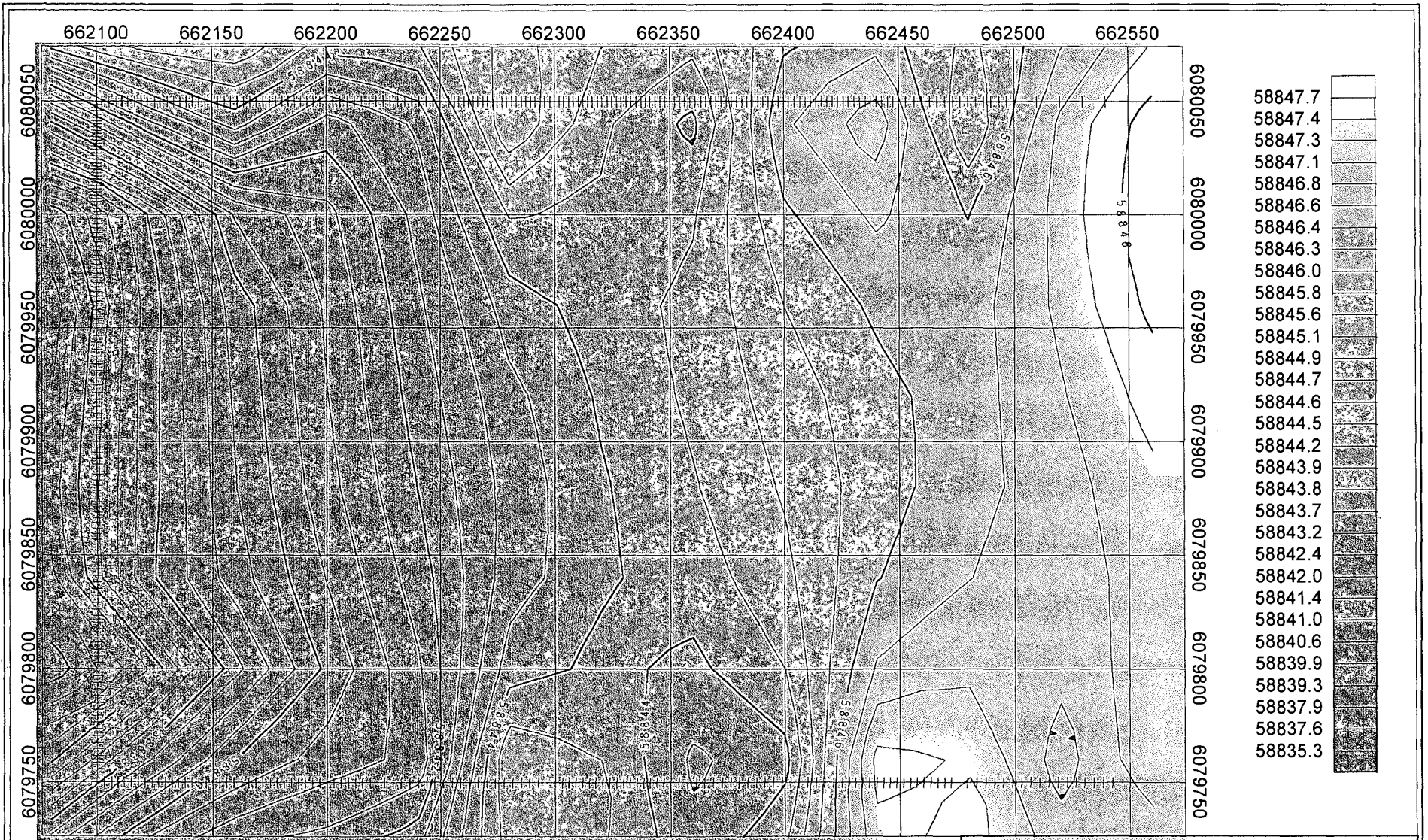


**Symbols**

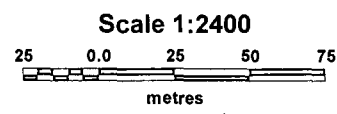
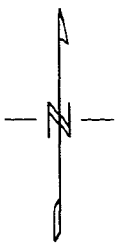
- ◆ Location of mineral sample.
- ▭ Location of magnetic survey.
- ▨▨▨▨ Location of magnetic profile.

<b>756736 Alberta Ltd.</b>	
<b>Fig 4.9 Locations of Exploration Work Map</b>	
<b>MAIM Permit #9398070342</b>	
<b>A. Hangartner</b>	<b>2000.10</b>

F12



58847.7
58847.4
58847.3
58847.1
58846.8
58846.6
58846.4
58846.3
58846.0
58845.8
58845.6
58845.1
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58844.5
58844.2
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58841.4
58841.0
58840.6
58839.9
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58837.9
58837.6
58835.3



**Symbol**

+ Location of Magnetic Reading

**756736 Alberta Ltd.**

**Fig. 4.10 Grid M6279**

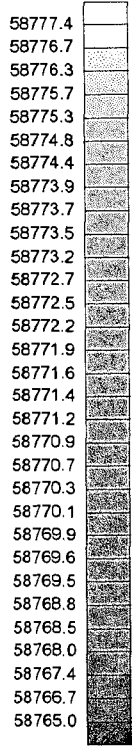
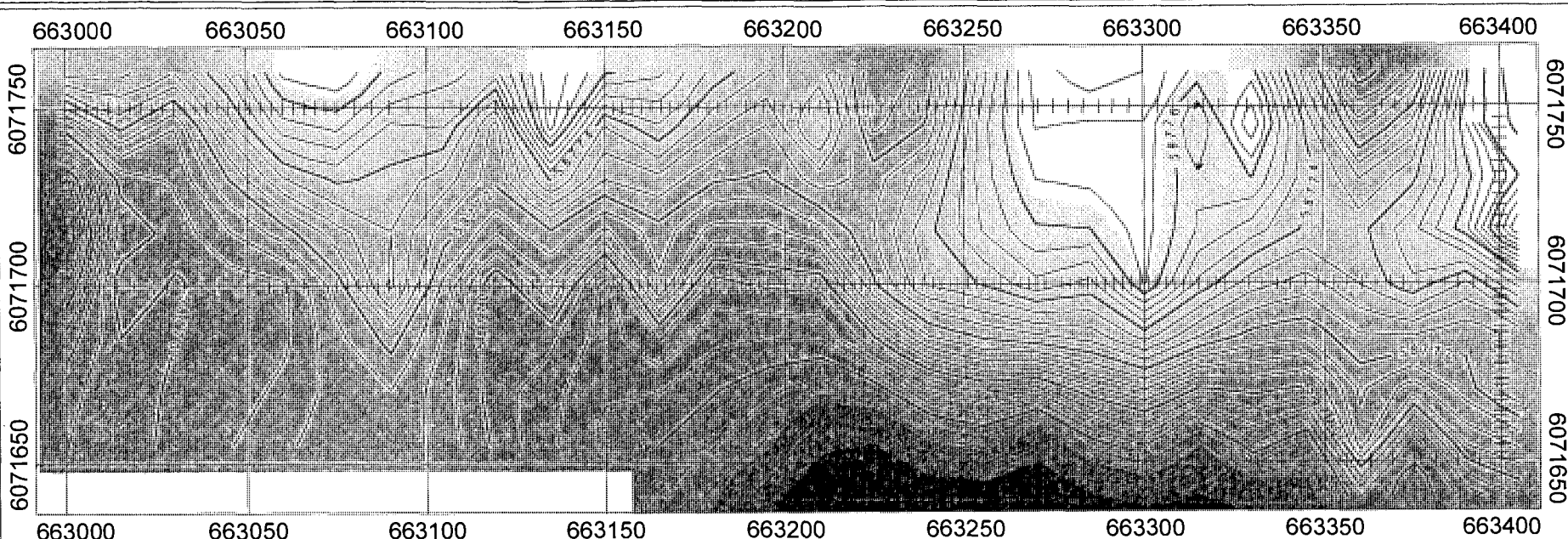
**Ground Magnetic Survey  
South Slave Block Property**

2000.10

A. Hangartner

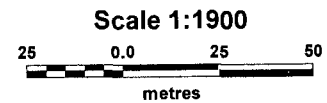
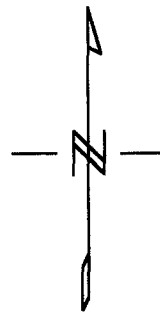


F13



**Symbol**

+ Location of Magnetic Reading



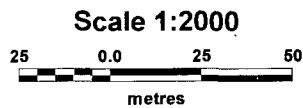
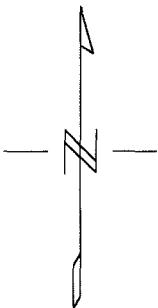
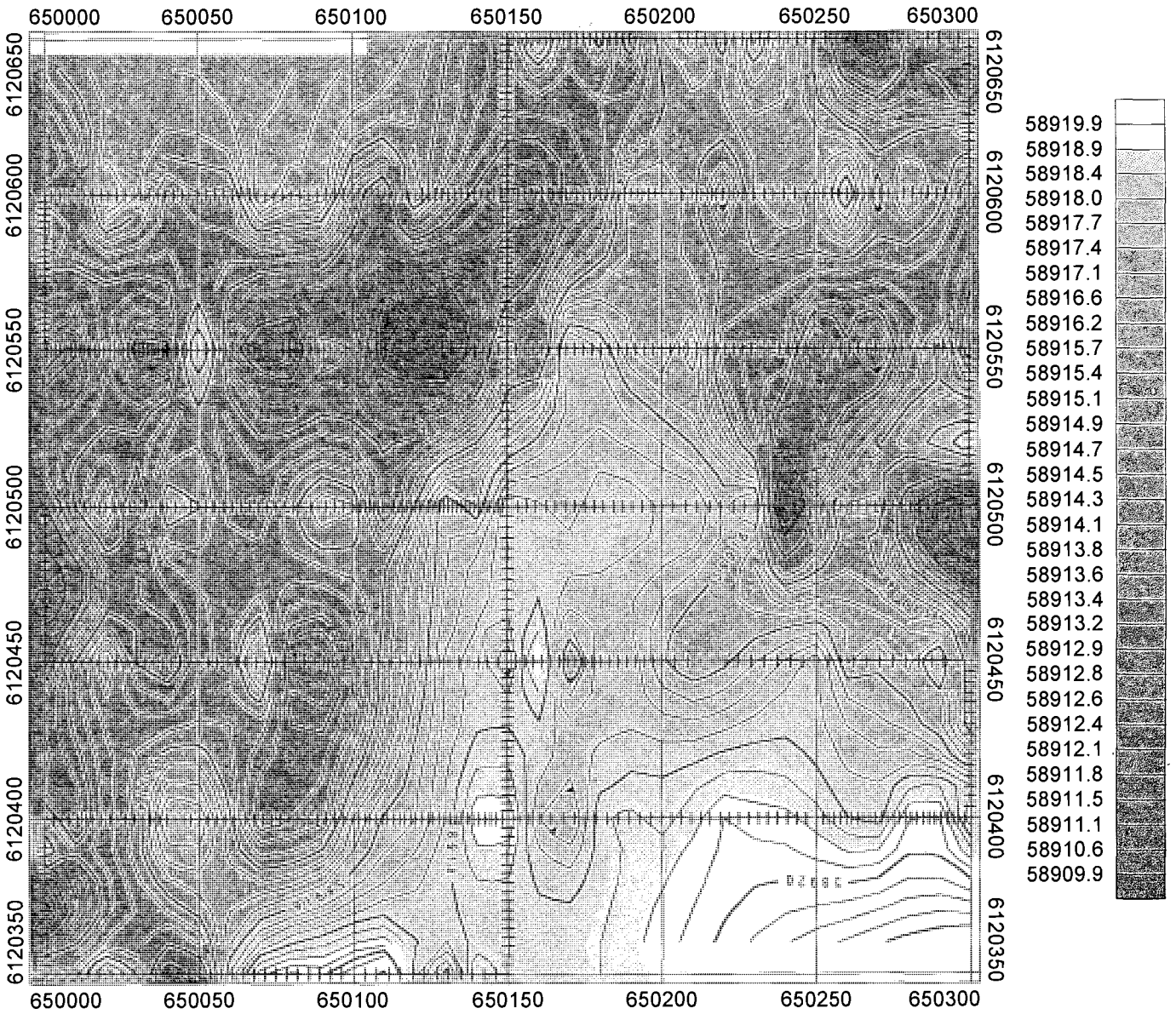
**756736 Alberta Ltd.**

**Fig. 4.11 Grid M6371**

**Ground Magnetic Survey**

**South Slave Block Property**

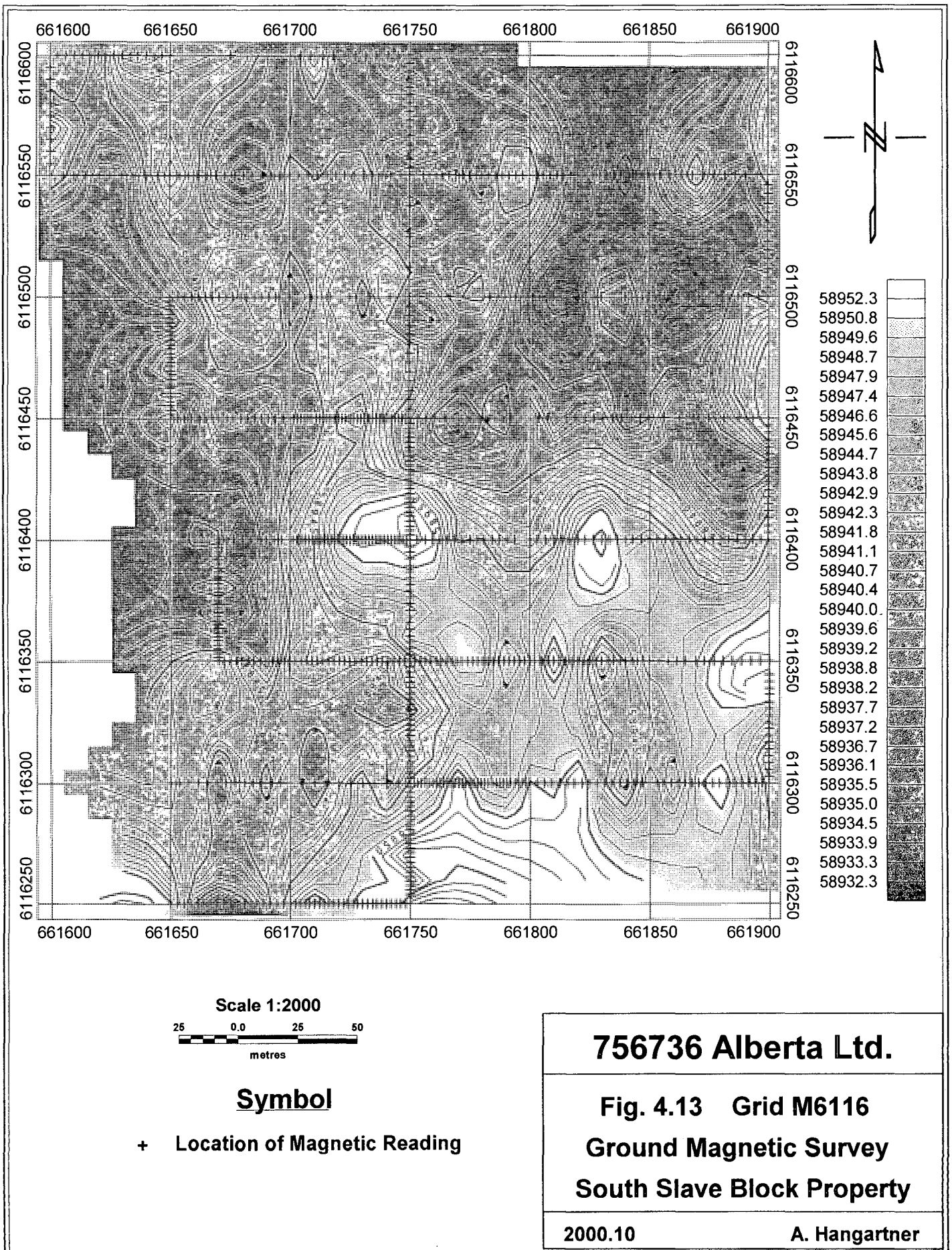
2000.10 A. Hangartner



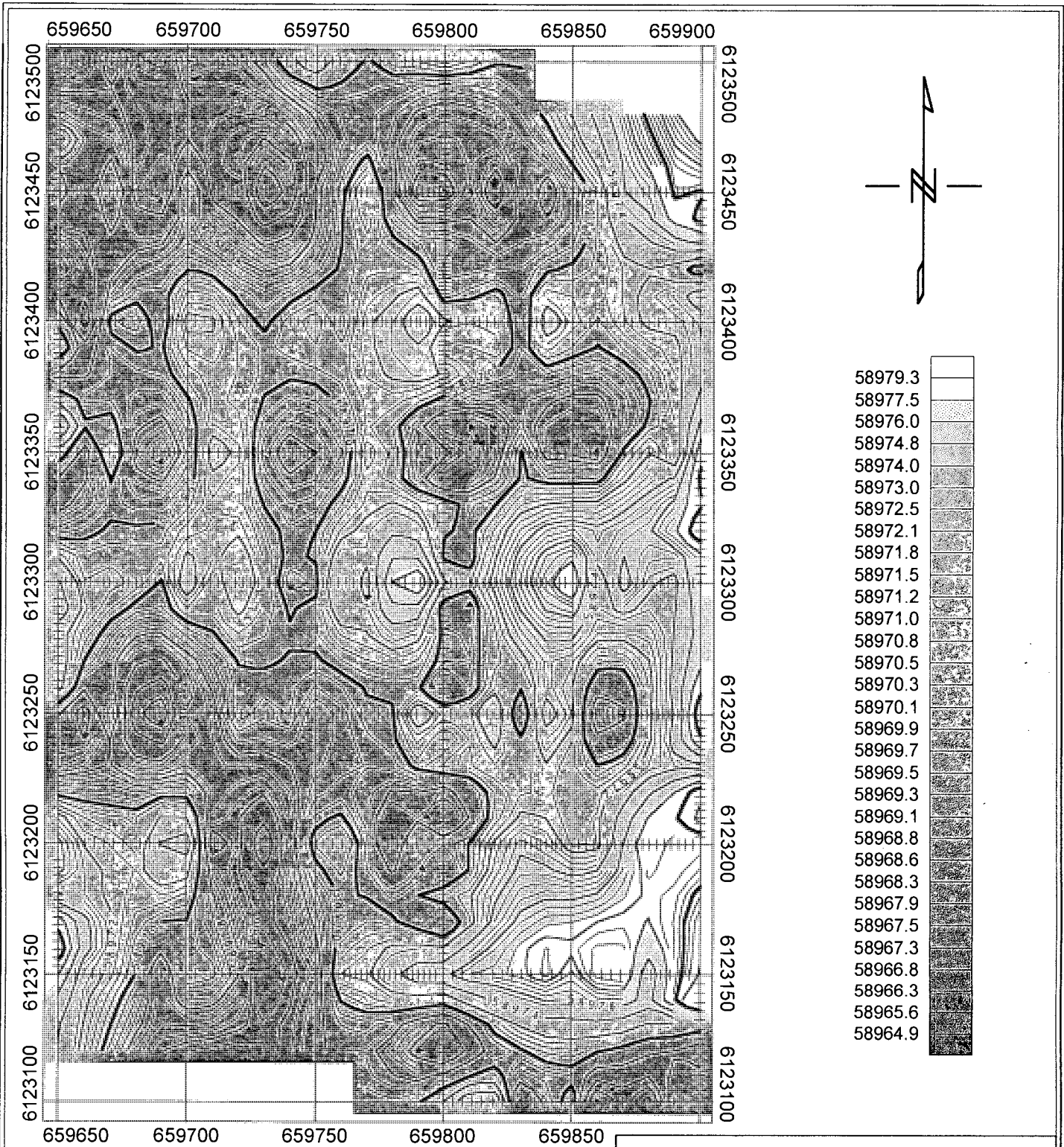
**Symbols**

+ Location of Magnetic Reading

<b>756736 Alberta Ltd.</b>	
<b>Fig. 4.12 Grid M5020</b>	
<b>Ground Magnetic Survey</b>	
<b>South Slave Block Property</b>	
2000.10	A. Hangartner







Scale 1:2200

25 0.0 25 50  
metres

**Symbol**

+ Location of Magnetic Reading

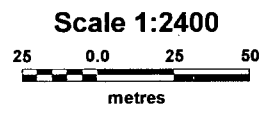
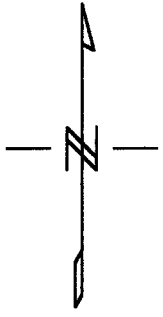
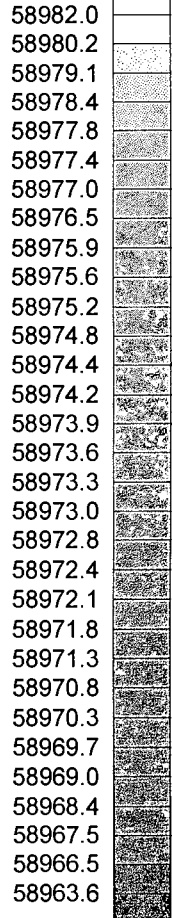
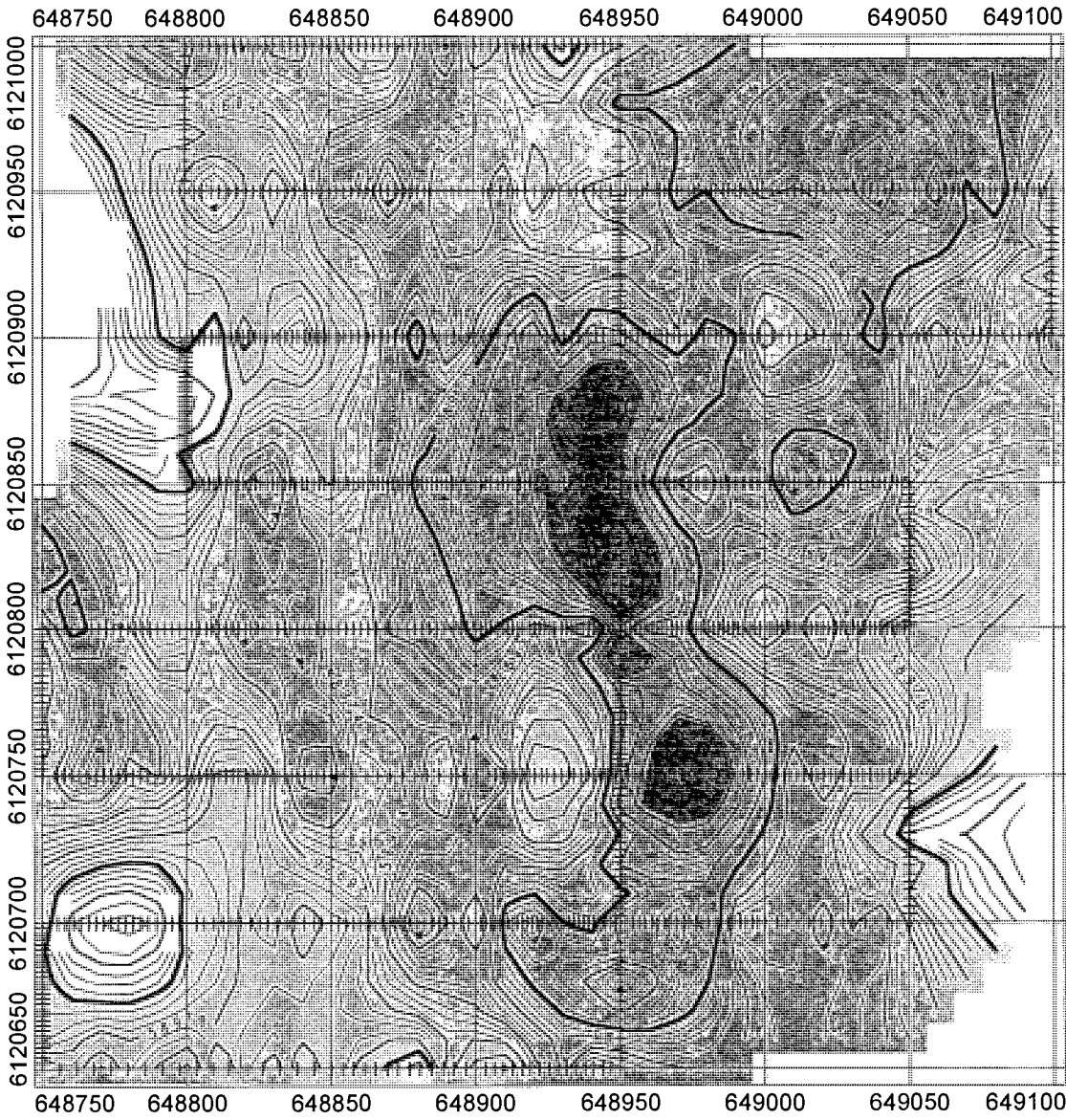
**756736 Alberta Ltd.**

**Fig. 4.14 Grid M5923**

**Ground Magnetic Survey**

**South Slave Block Property**

2000.10 A. Hangartner



**Symbol**

+ Location of Magnetic Reading

**756736 Alberta Ltd.**

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**Fig. 4.15 Grid M4820**

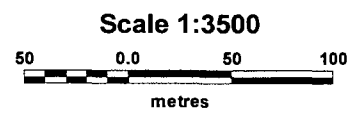
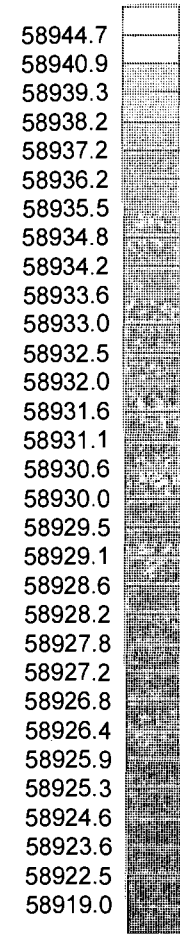
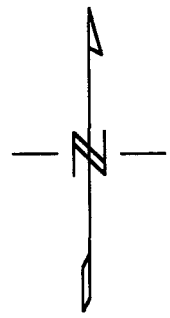
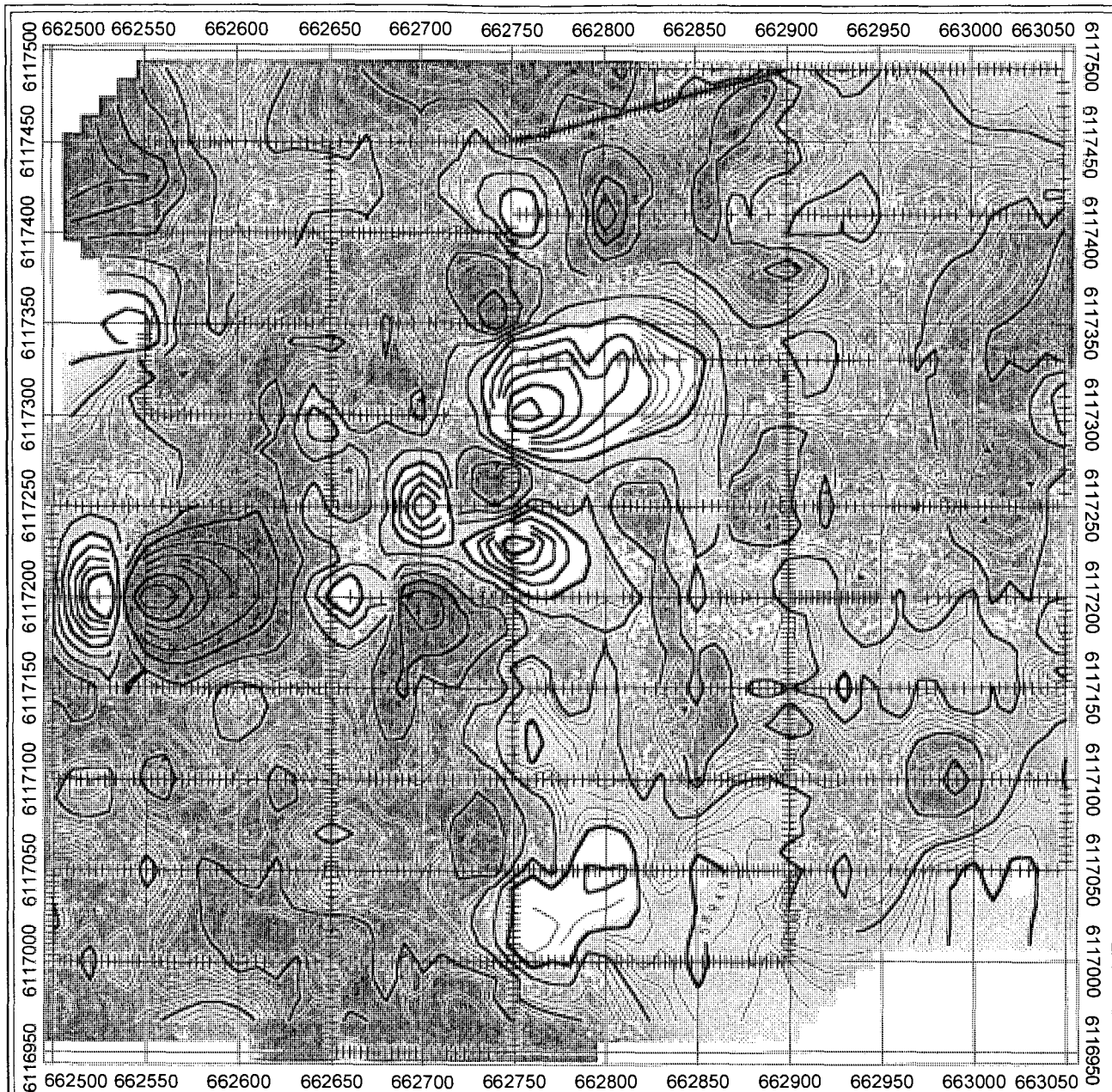
**Ground Magnetic Survey**

**South Slave Block Property**

2000.10

A. Hangartner

F18

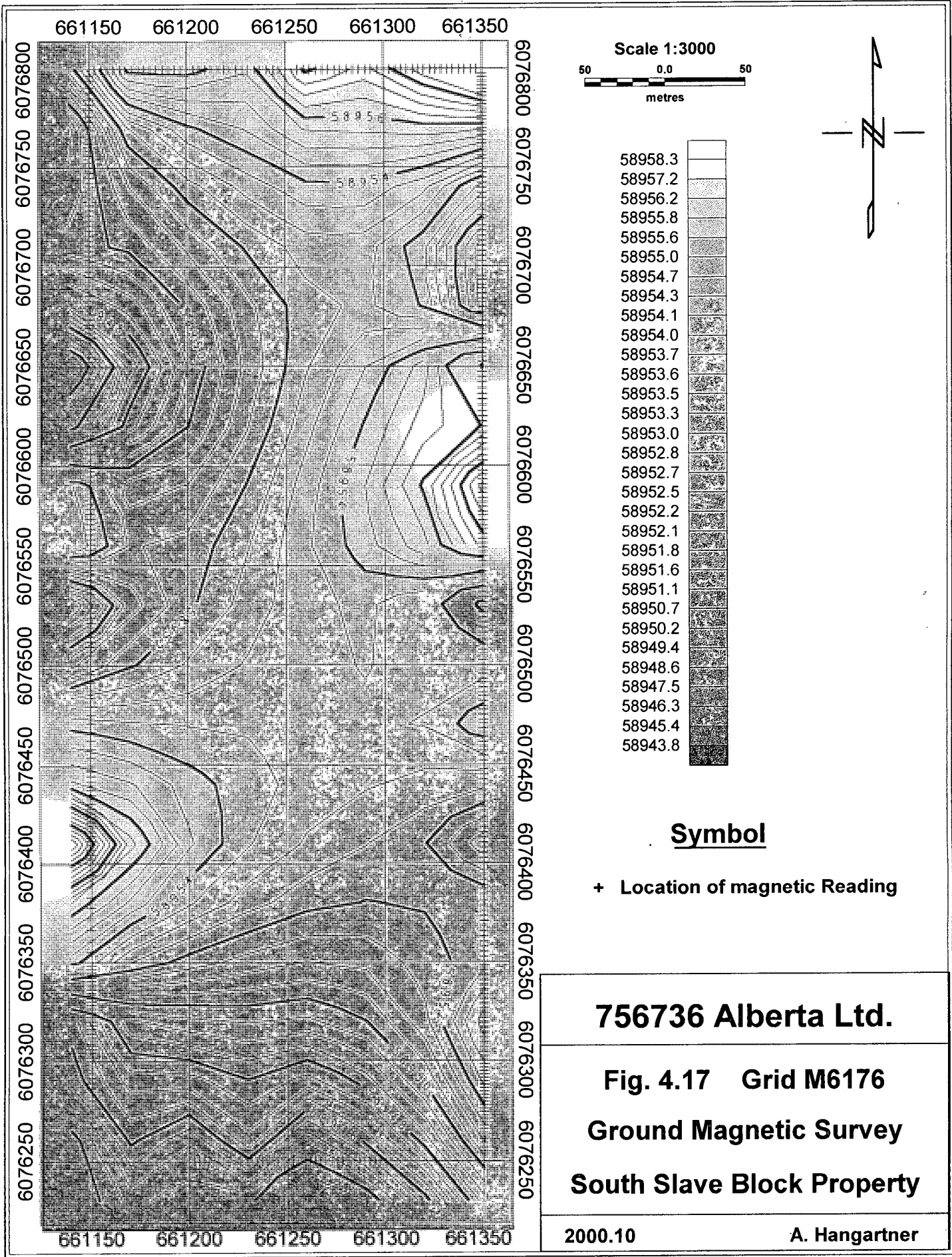


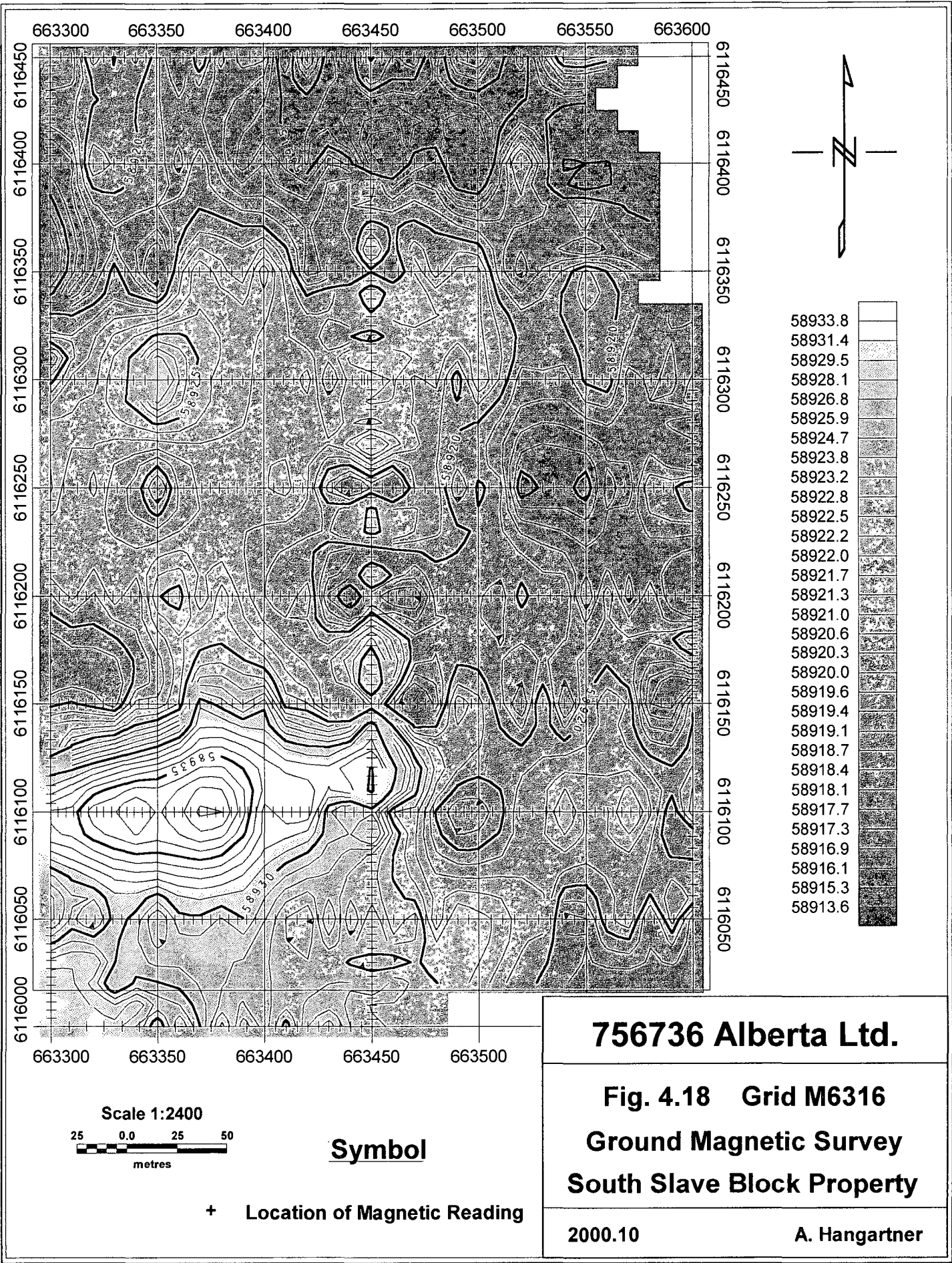
**Symbol**

+ Location of Manetic Reading

<b>756736 Alberta Ltd.</b>	
<b>Fig. 4.16 Grid M6217</b>	
<b>Ground Magnetic Survey</b>	
<b>South Slave Block Property</b>	
2000.10	A. Hangartner





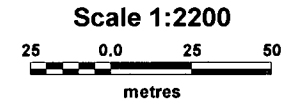
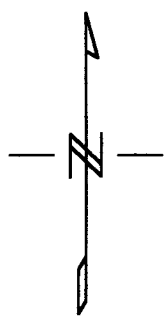
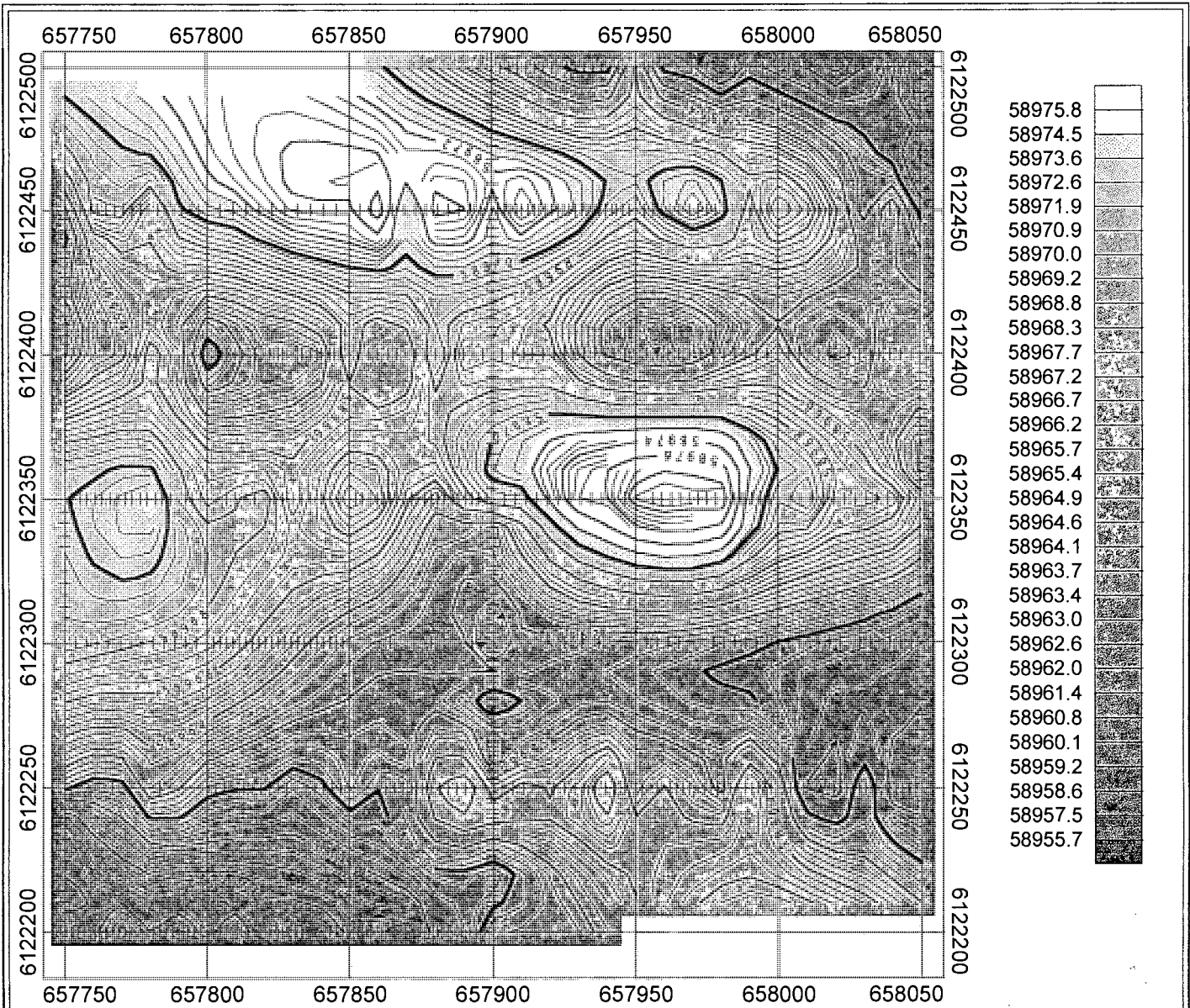


**756736 Alberta Ltd.**

**Fig. 4.18 Grid M6316  
Ground Magnetic Survey  
South Slave Block Property**

2000.10

A. Hangartner

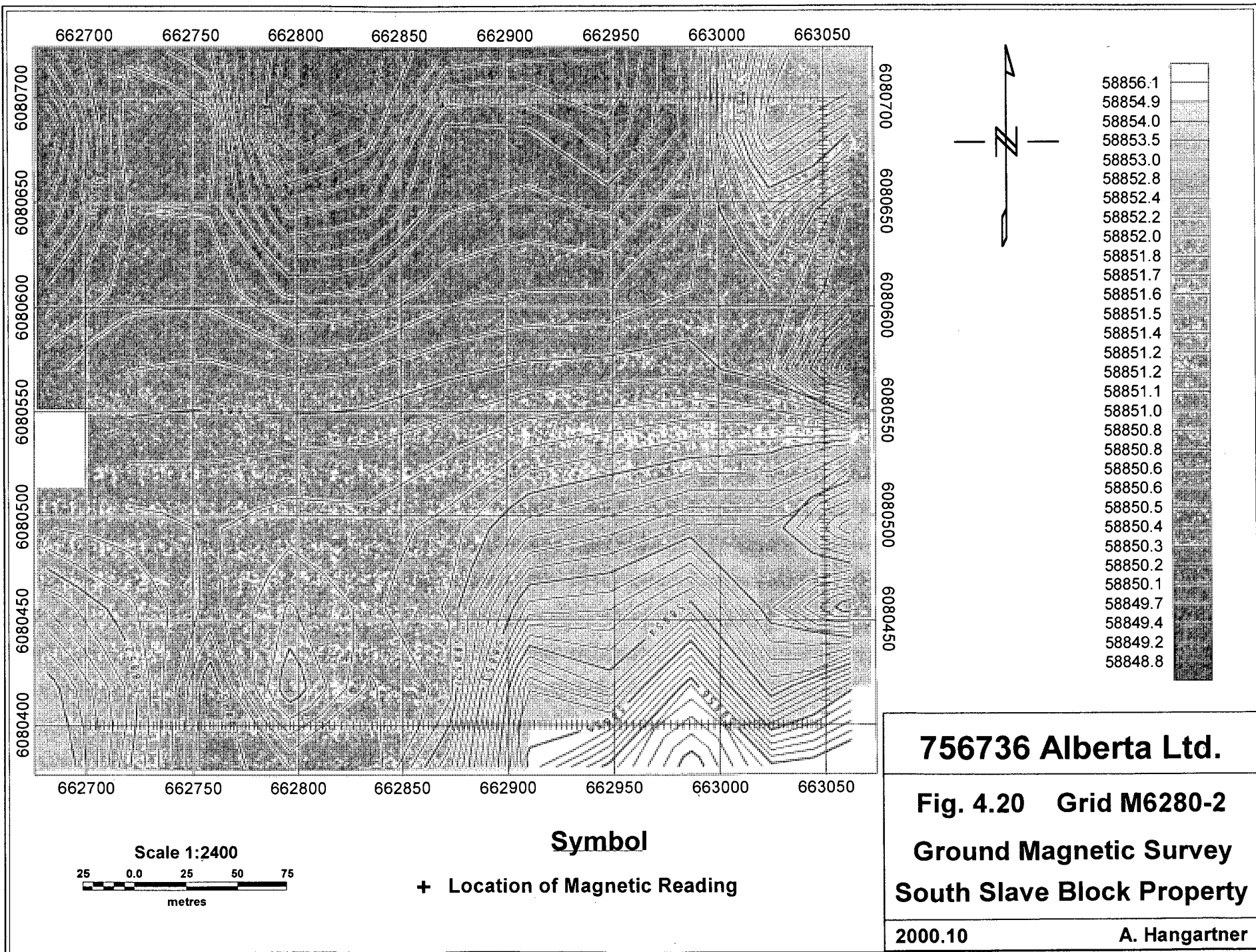


Symbol

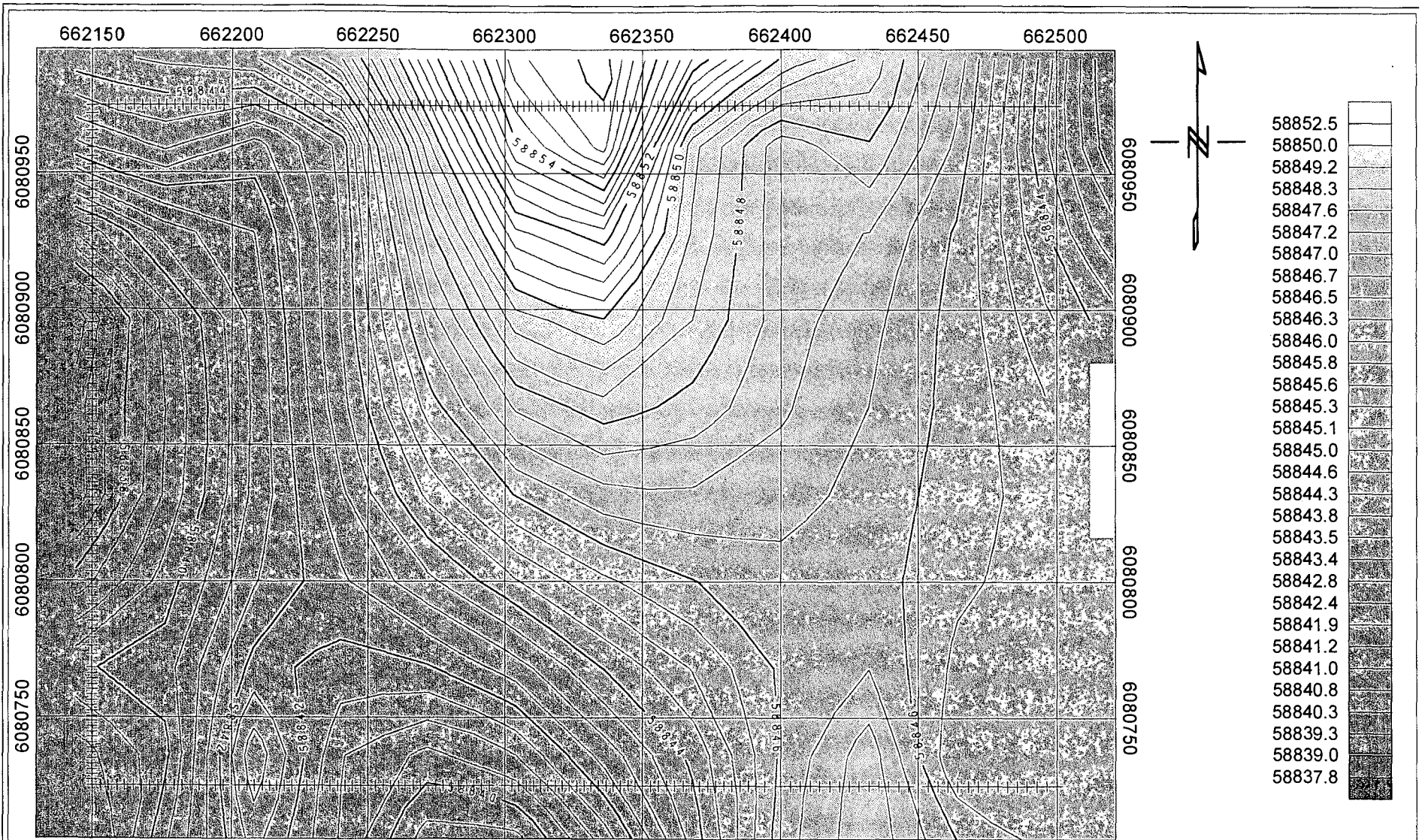
+ Location of Magnetic Reading

<b>756736 Alberta Ltd.</b>	
<b>Fig. 4.19 Grid M5722</b>	
<b>Ground Magnetic Survey</b>	
<b>South Slave Block Property</b>	
<b>2000.10</b>	<b>A. Hangartner</b>

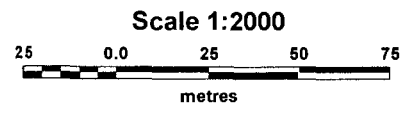




F23



58852.5
58850.0
58849.2
58848.3
58847.6
58847.2
58847.0
58846.7
58846.5
58846.3
58846.0
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58845.6
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58844.6
58844.3
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58843.5
58843.4
58842.8
58842.4
58841.9
58841.2
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58839.3
58839.0
58837.8



**Symbol**

+ Location of Magnetic Reading

**756736 Alberta Ltd.**

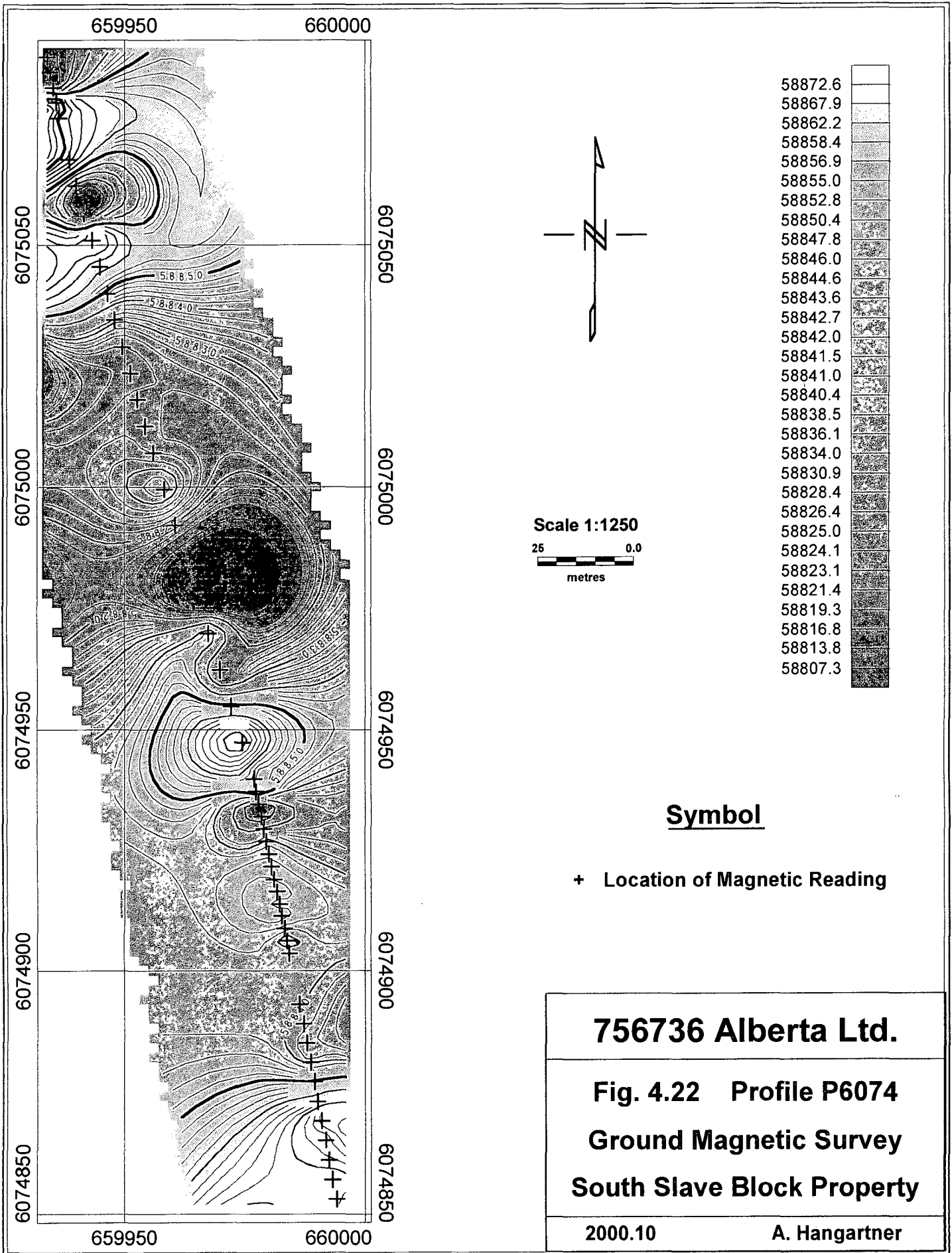
**Fig. 4.21 Grid M6280-1**

**Ground Magnetic Survey**

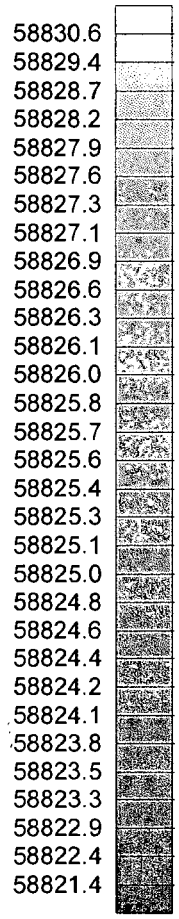
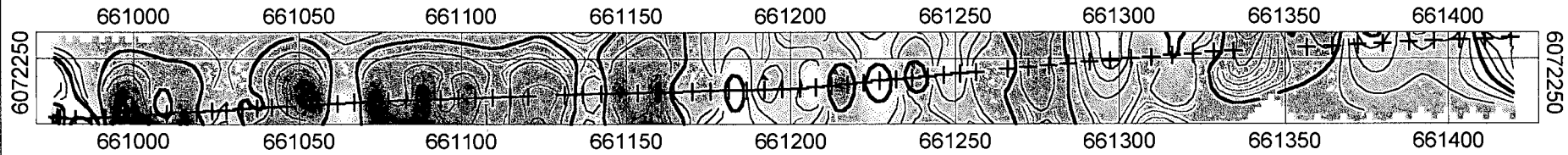
**South Slave Block Property**

2000.10 A. Hangartner



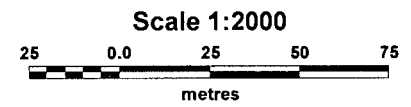
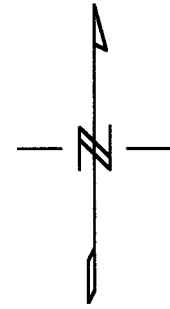


F25



**Symbol**

+ Location of Magnetic Reading



**756736 Alberta Ltd.**

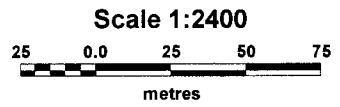
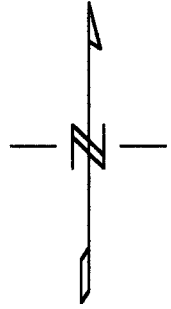
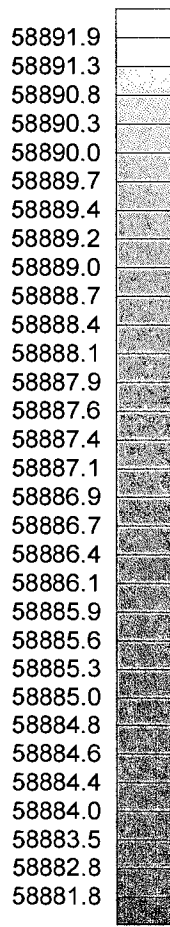
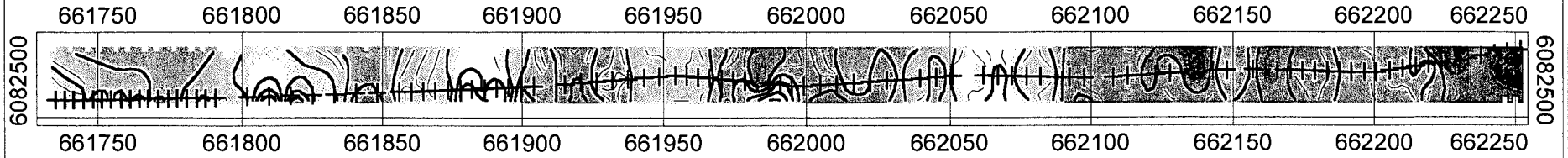
**Fig. 4.23 Profile P6172**

**Ground Magnetic Survey**

**South Slave Block Property**

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2000.10 A. Hangartner

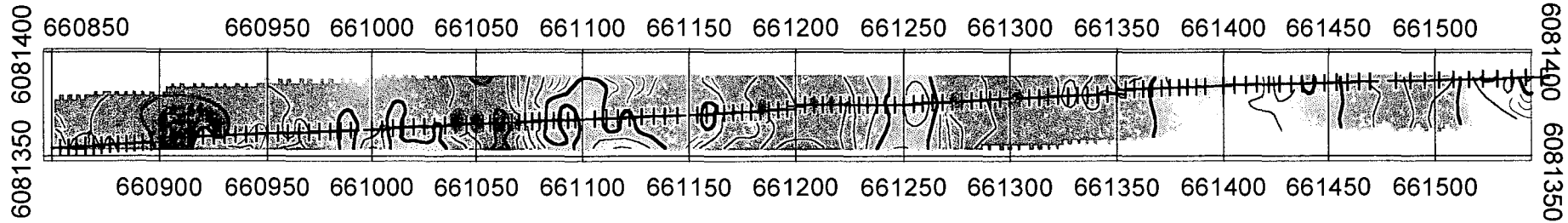


**Symbol**

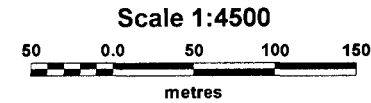
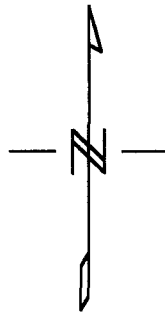
+ Location of Magnetic Reading

<b>756736 Alberta Ltd.</b>	
<b>Fig. 4.24 Profile P6182</b>	
<b>Ground Magnetic Survey</b>	
<b>South Slave Block Property</b>	
2000.10	A. Hangartner

F27



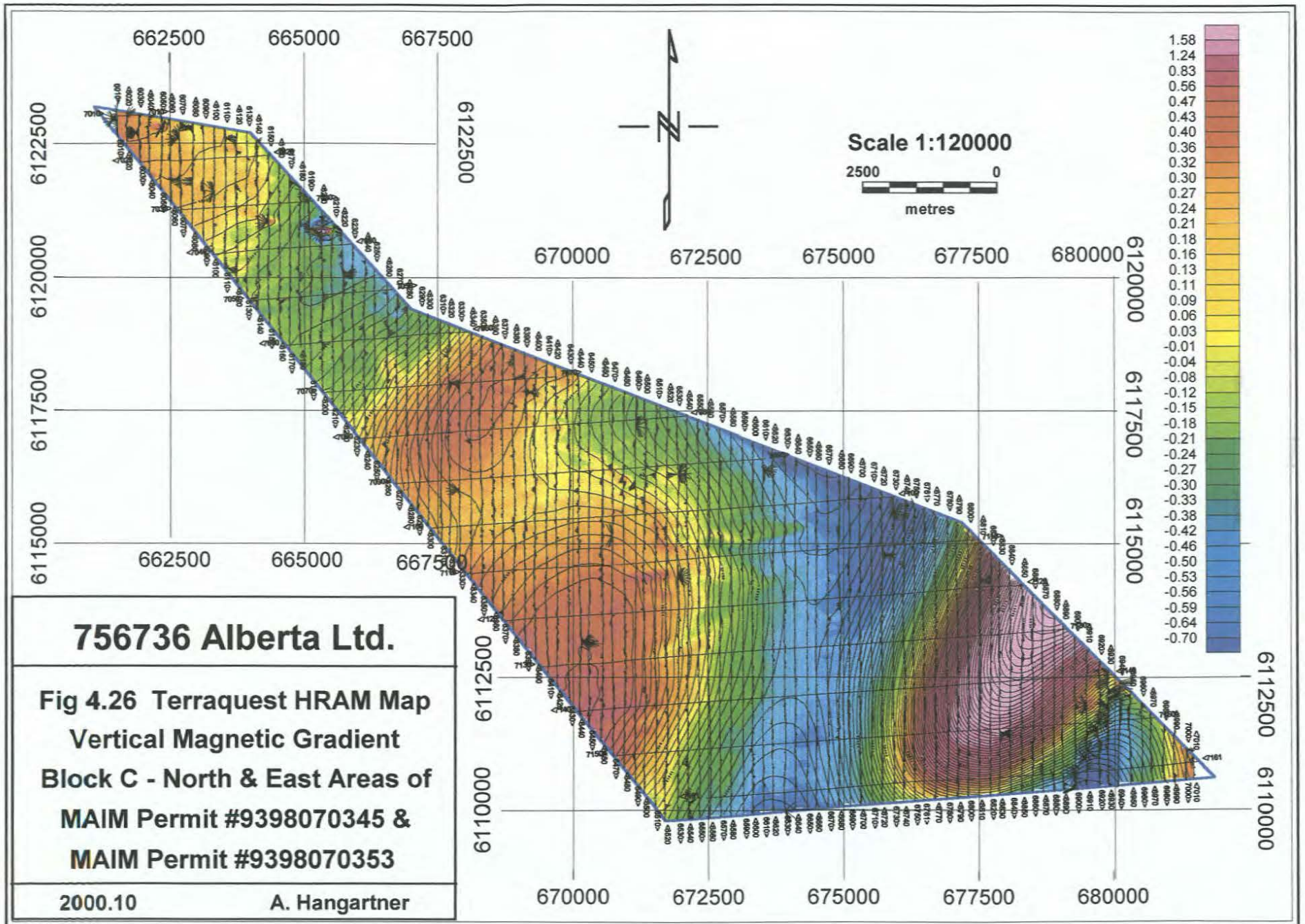
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- 58874.7
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- 58874.3
- 58874.1
- 58873.9
- 58873.7
- 58873.5
- 58873.2
- 58873.1
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- 58870.1
- 58869.6



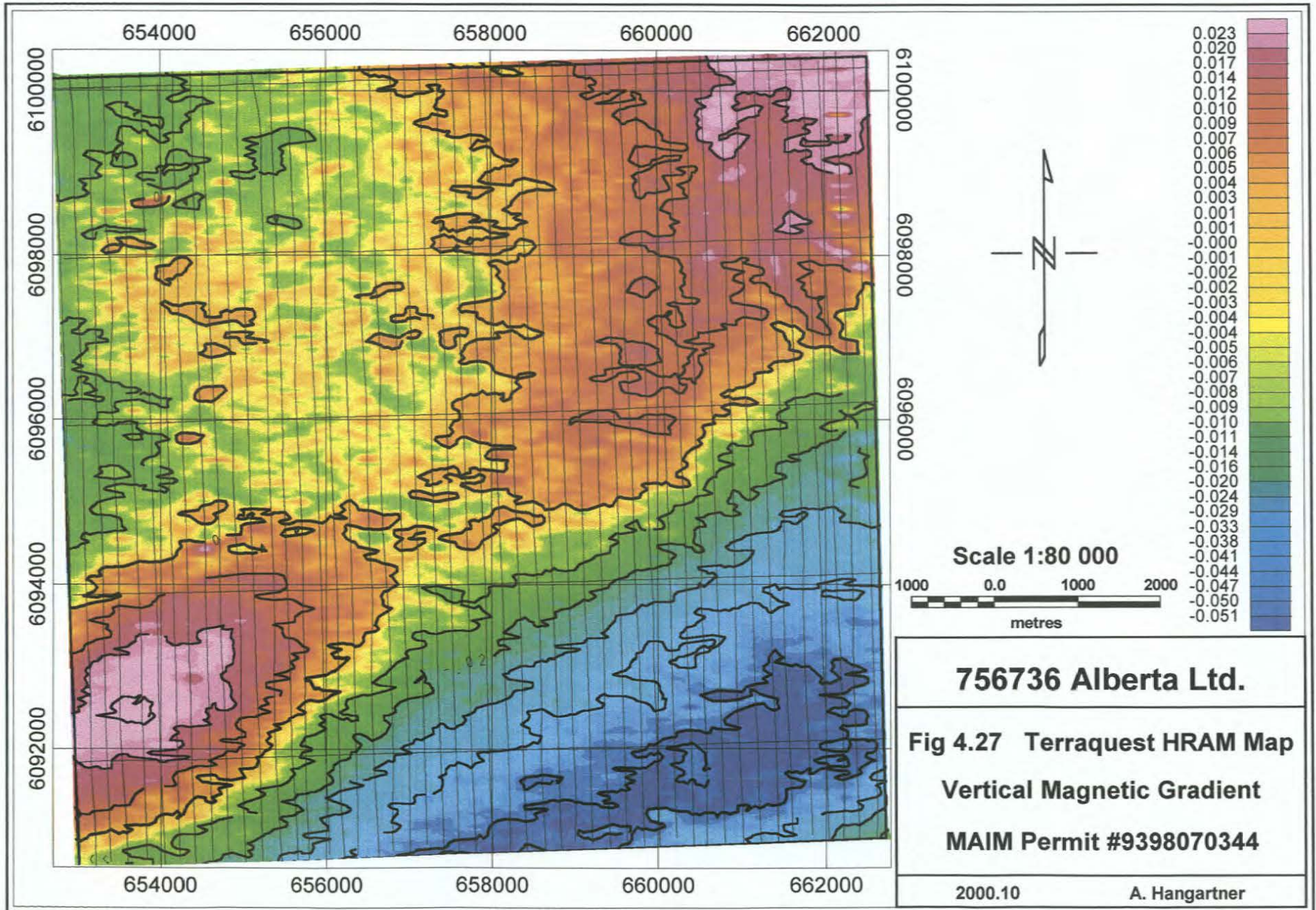
**Symbol**

+ Location of Magnetic Reading

<b>756736 Alberta Ltd.</b>	
<b>Fig. 4.25 Profile P6181</b>	
<b>Ground Magnetic Survey</b>	
<b>South Slave Block Property</b>	
2000.10	A. Hangartner







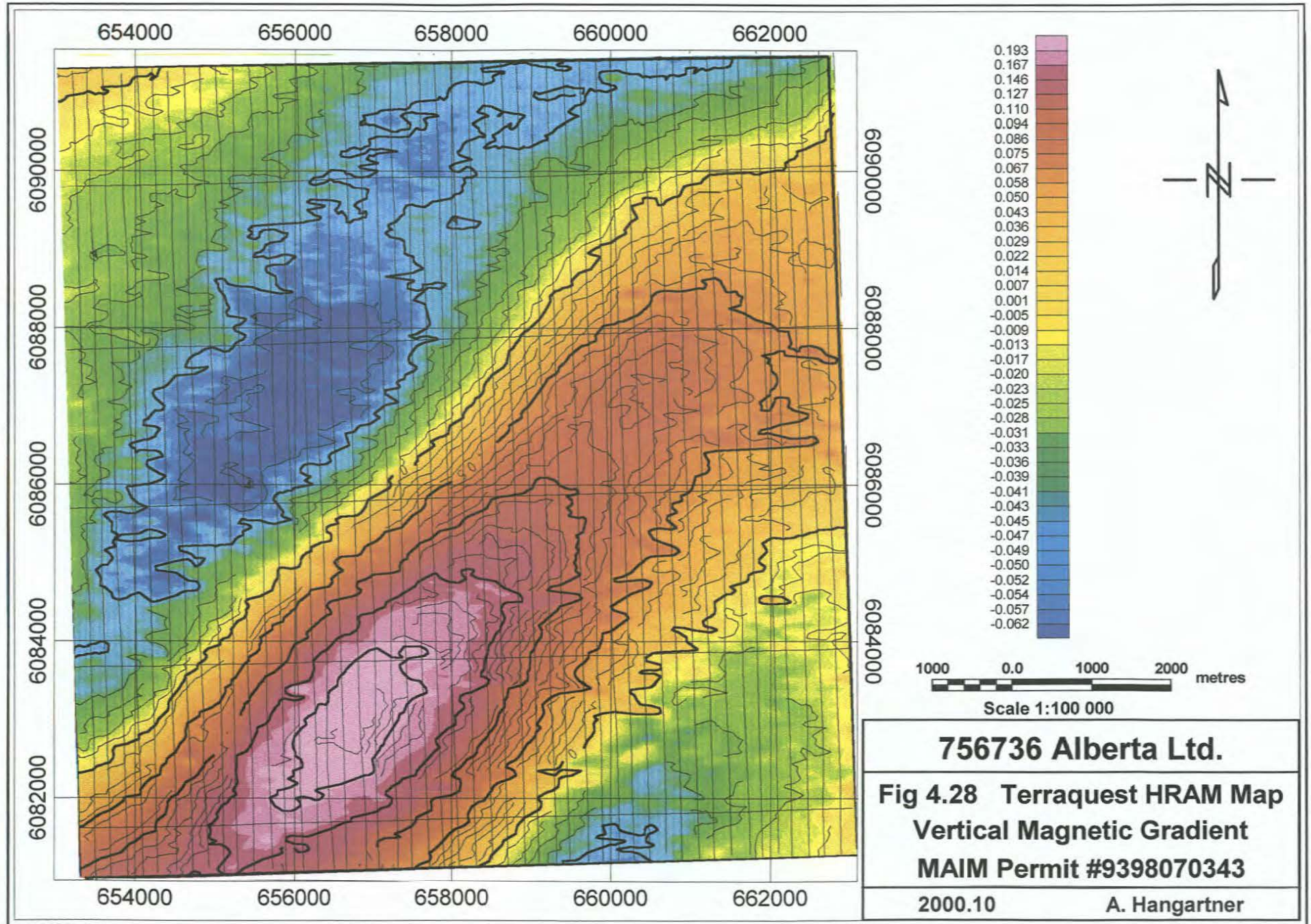
**756736 Alberta Ltd.**

**Fig 4.27 Terraquest HRAM Map**  
**Vertical Magnetic Gradient**  
**MAIM Permit #9398070344**

2000.10      A. Hangartner

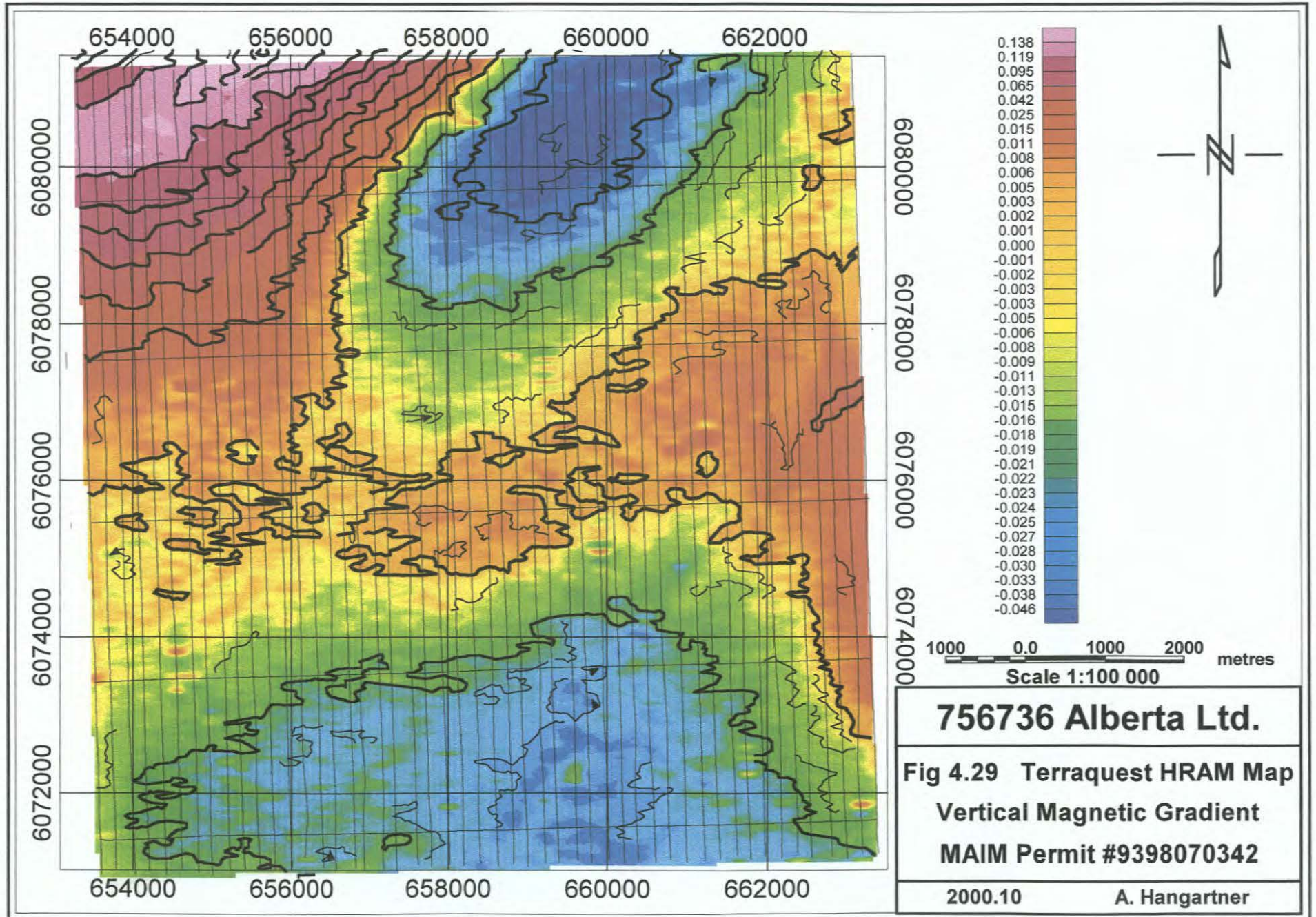


F30

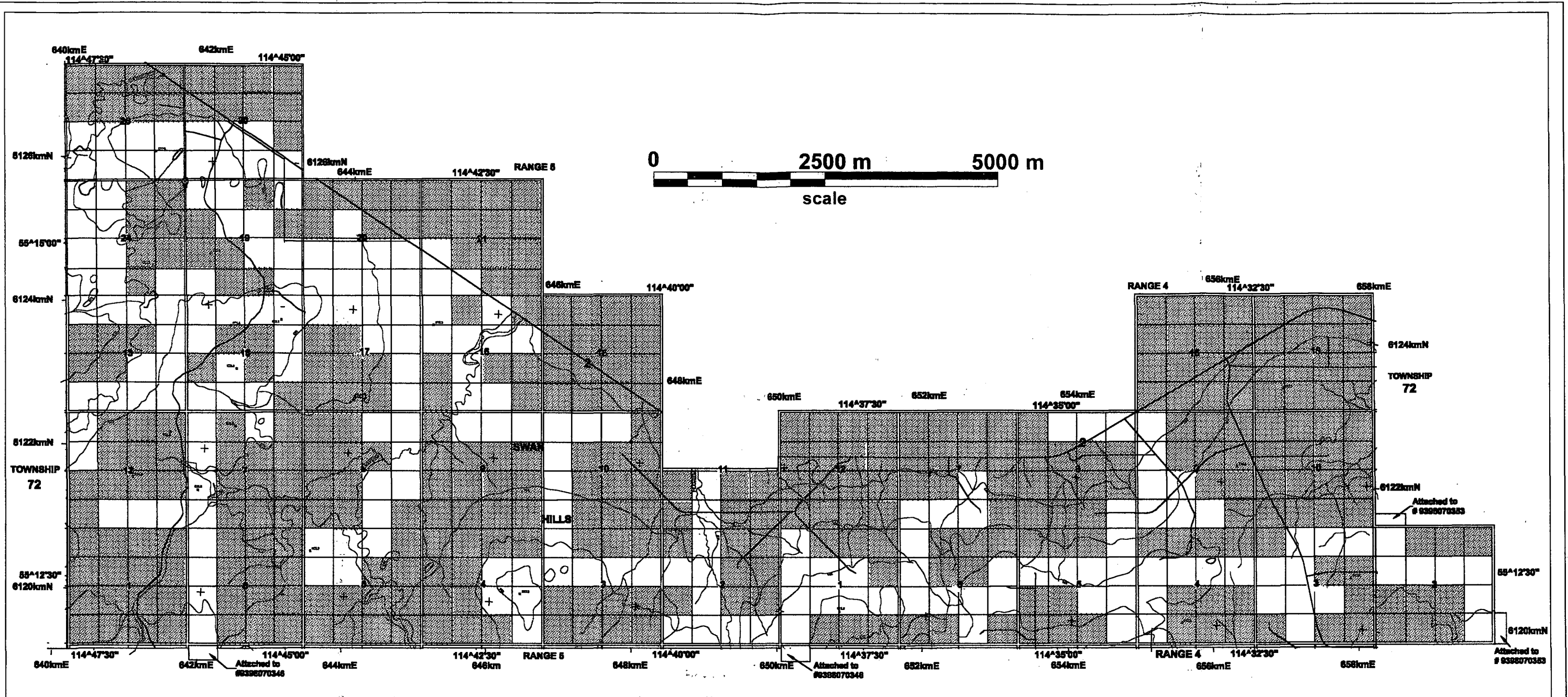




F31



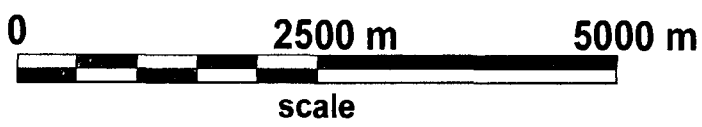
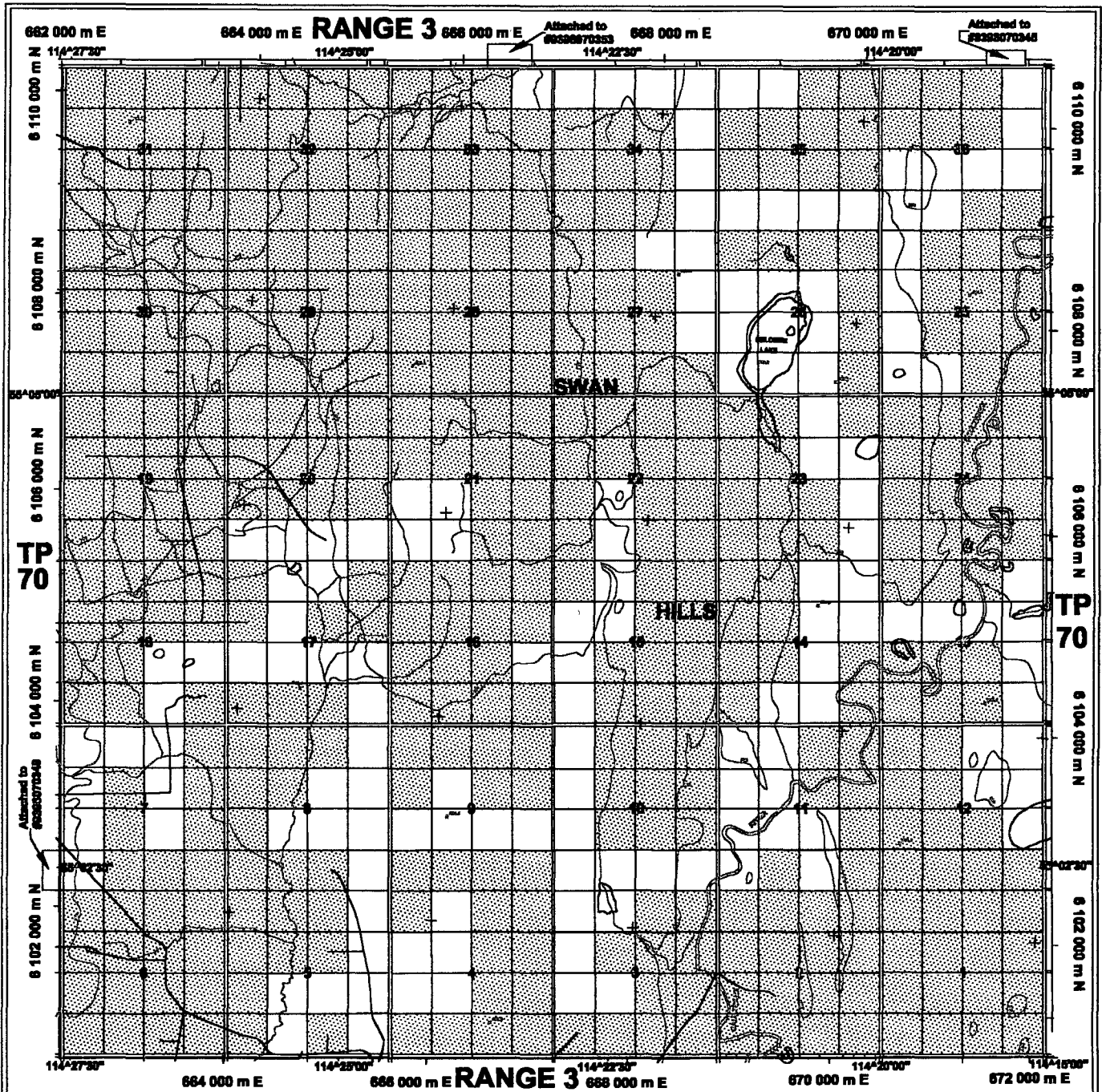






**Symbols**

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

**756736 Alberta Ltd.**  
**Fig 6.1 Active Area Boundaries Map**  
**MAIM Permit #9398070350**  
**A. Hangartner** **2000.10**



**Symbols**

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

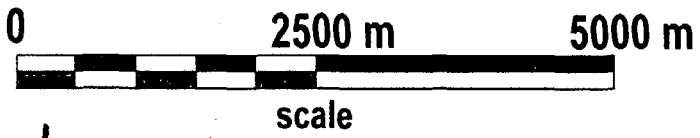
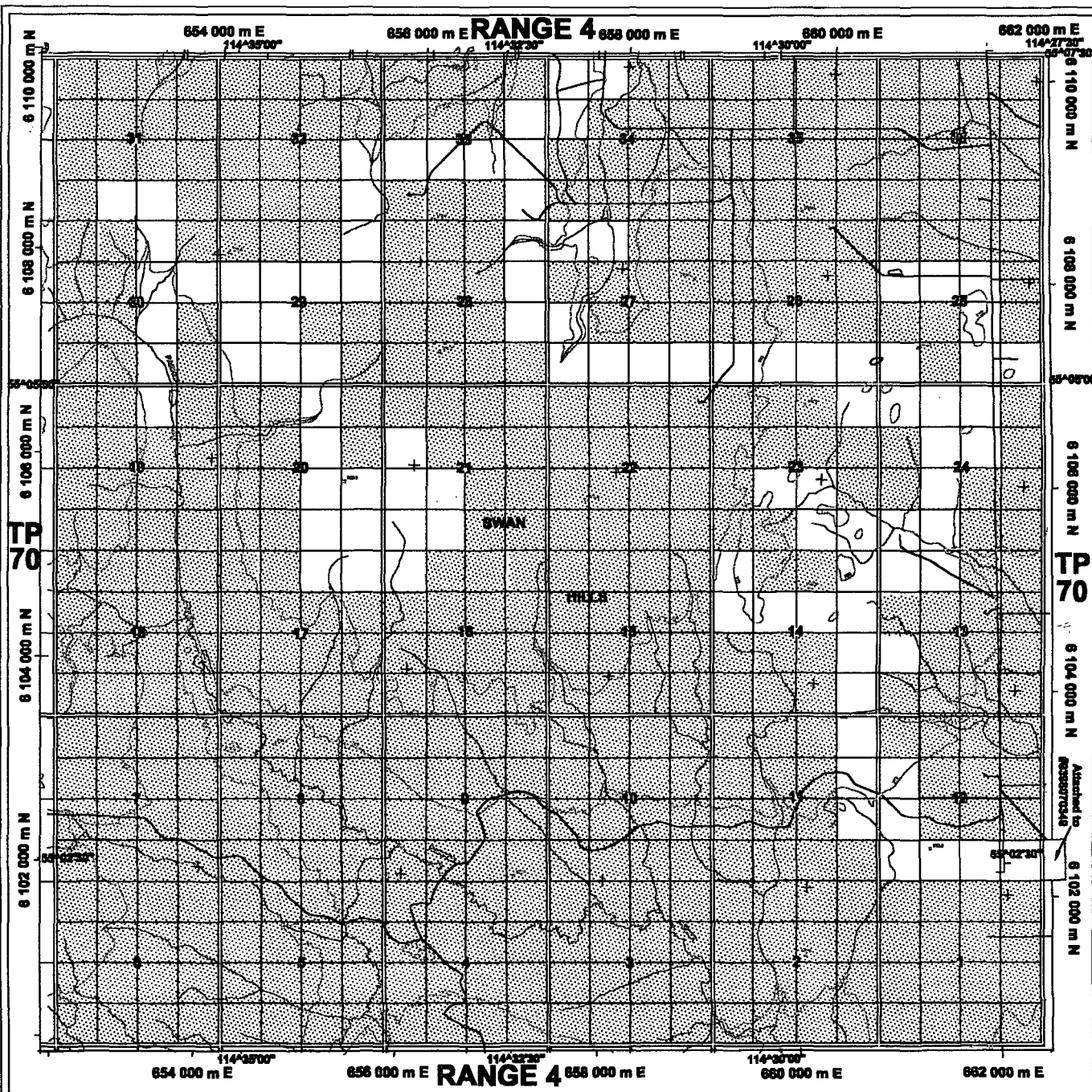
**756736 Alberta Ltd.**

**Fig 6.2 Active Area  
Boundaries Map**



**MAIM Permit #9398070352**

**A. Hangartner**

**2000.10**



**Symbols**

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

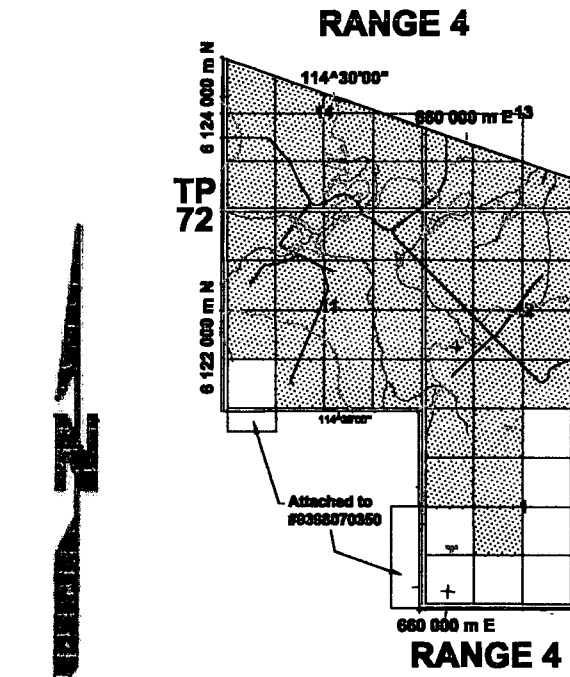
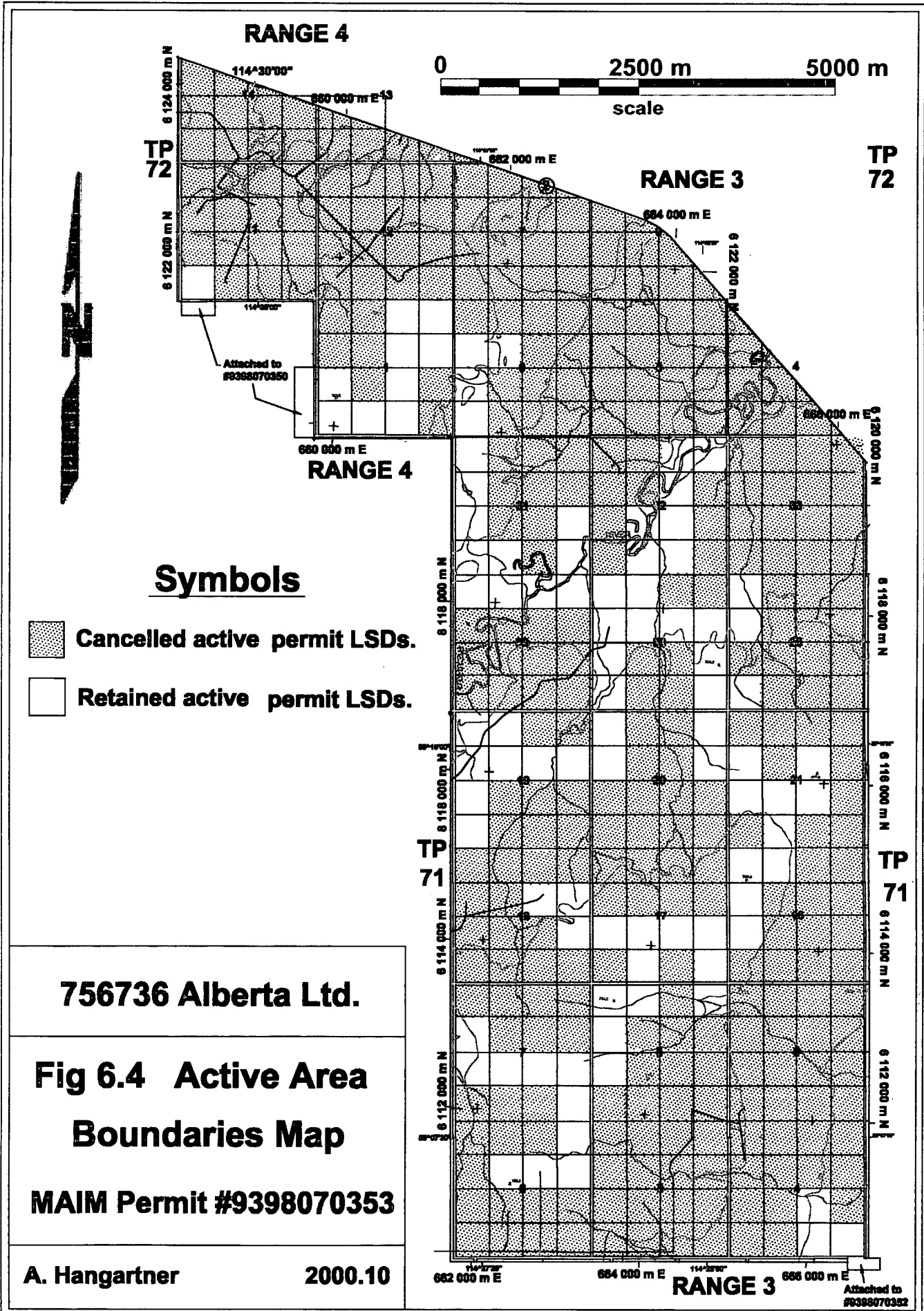
**756736 Alberta Ltd.**

**Fig 6.3 Active Area  
Boundaries Map**



**MAIM Permit #9398070349**

**A. Hangartner**

**2000.10**



**Symbols**

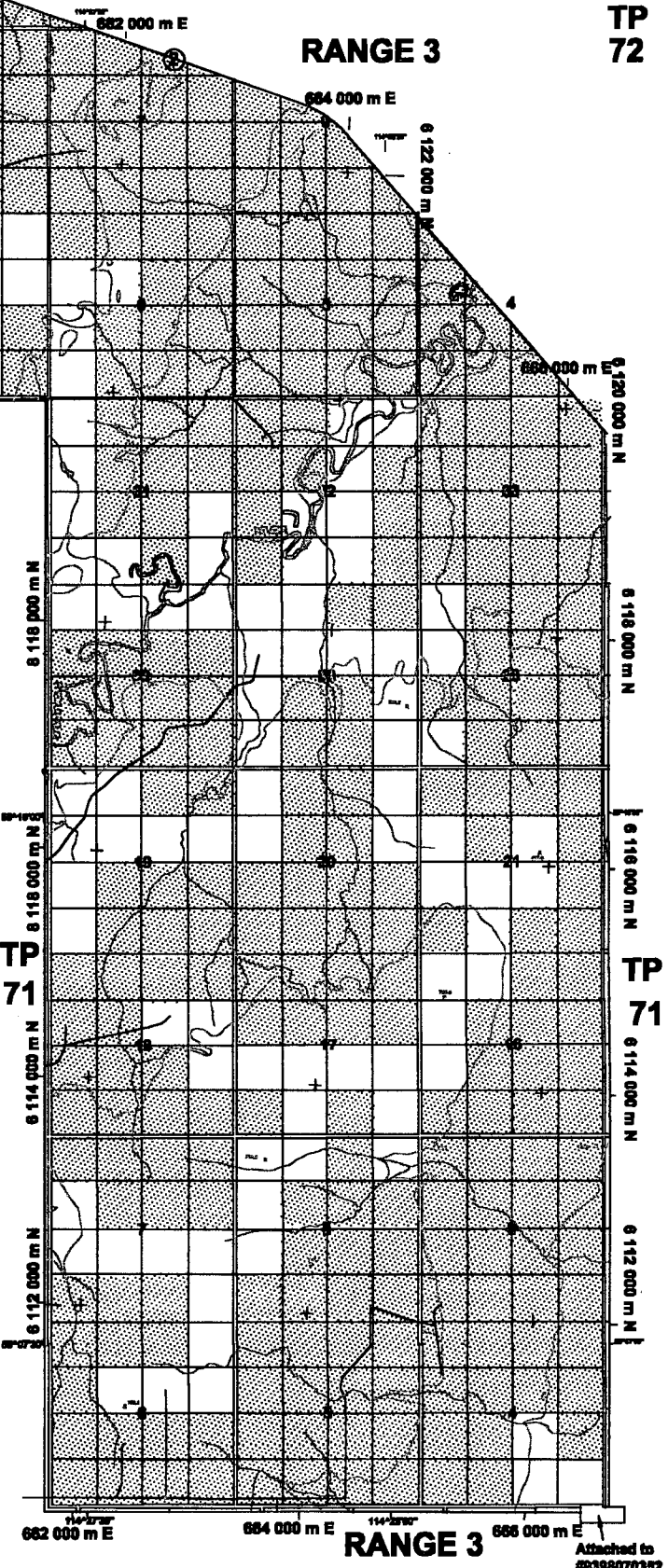
-  Cancelled active permit LSDs.
-  Retained active permit LSDs.

**756736 Alberta Ltd.**

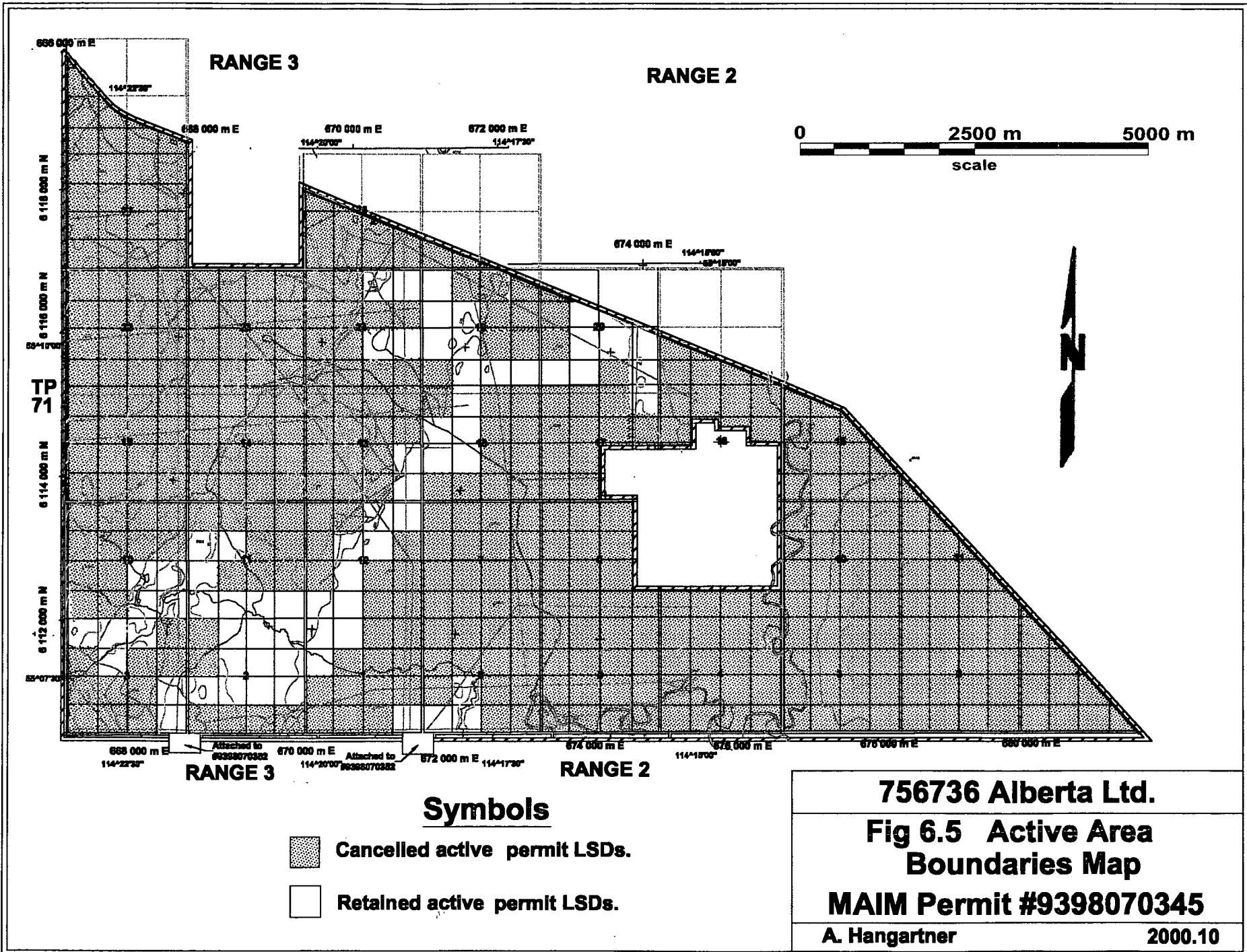
**Fig 6.4 Active Area Boundaries Map**

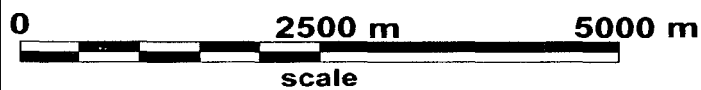
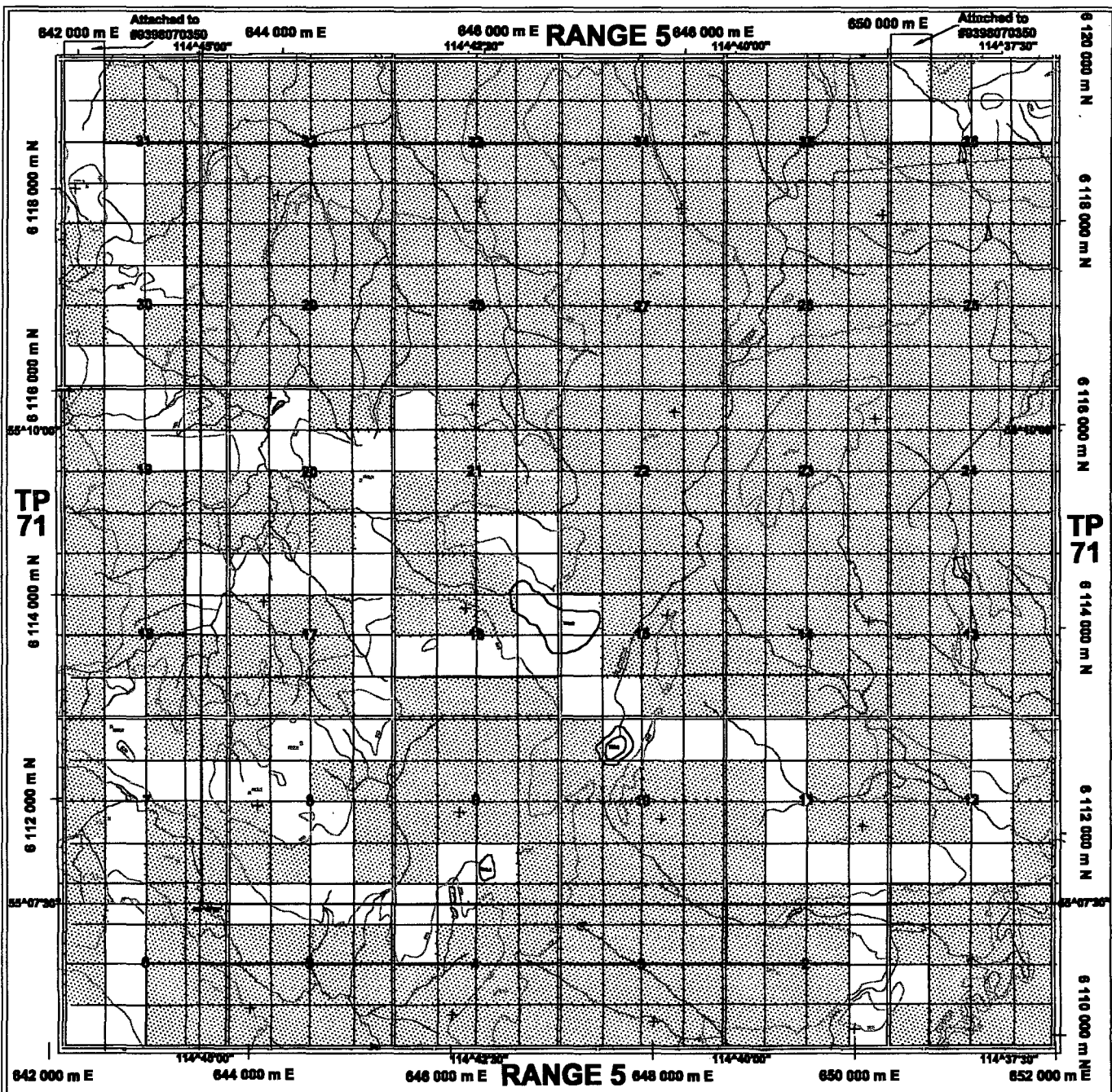
**MAIM Permit #9398070353**

**A. Hangartner 2000.10**











**Symbols**

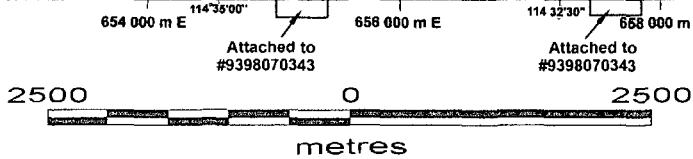
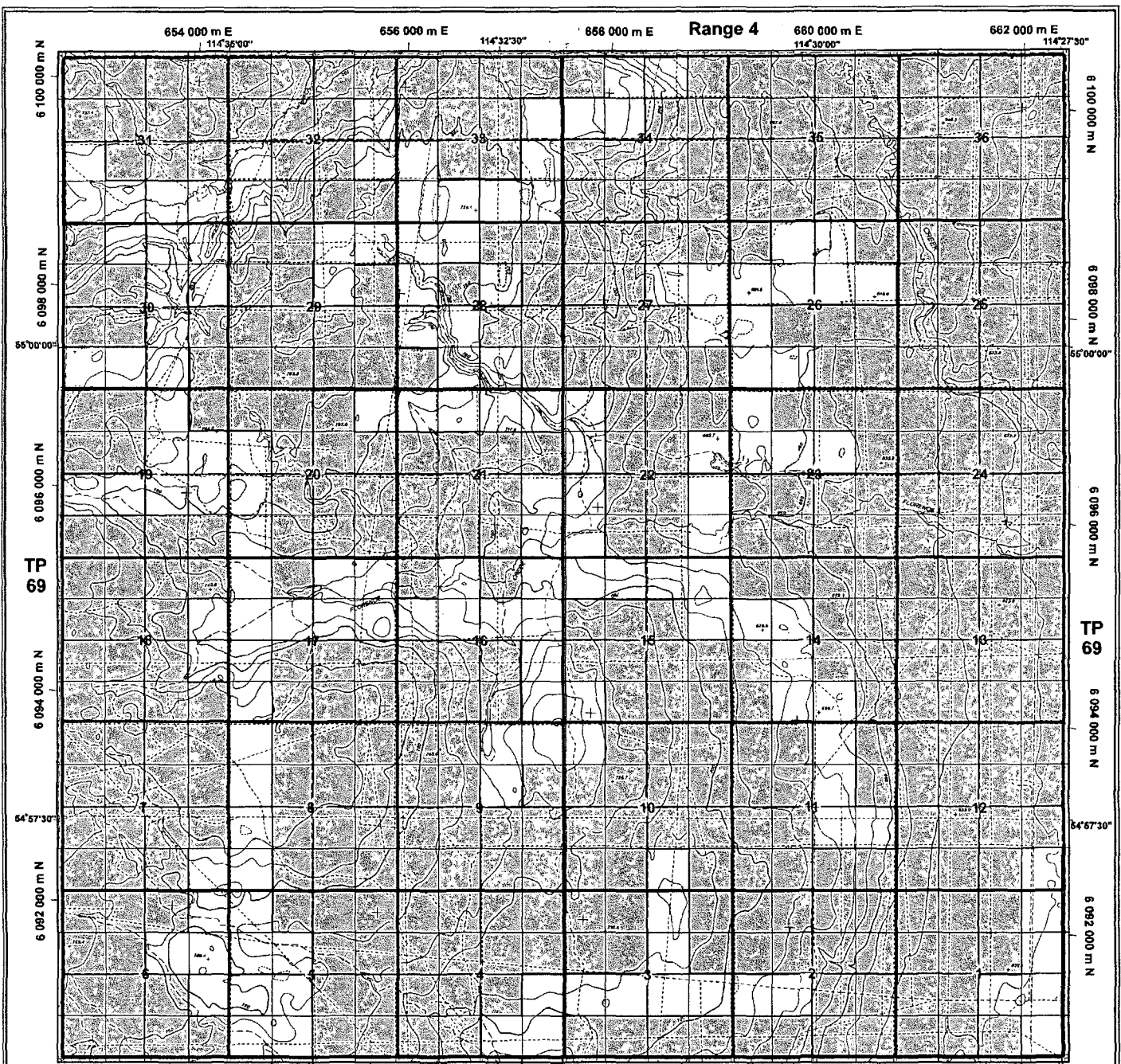
-  Cancelled active permit LSDs.
-  Retained active permit LSDs.

**756736 Alberta Ltd.**



**Fig 6.6 Active Area Boundaries Map**

**MAIM Permit #9398070346**

**A. Hangartner 2000.10**



**Symbols**

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

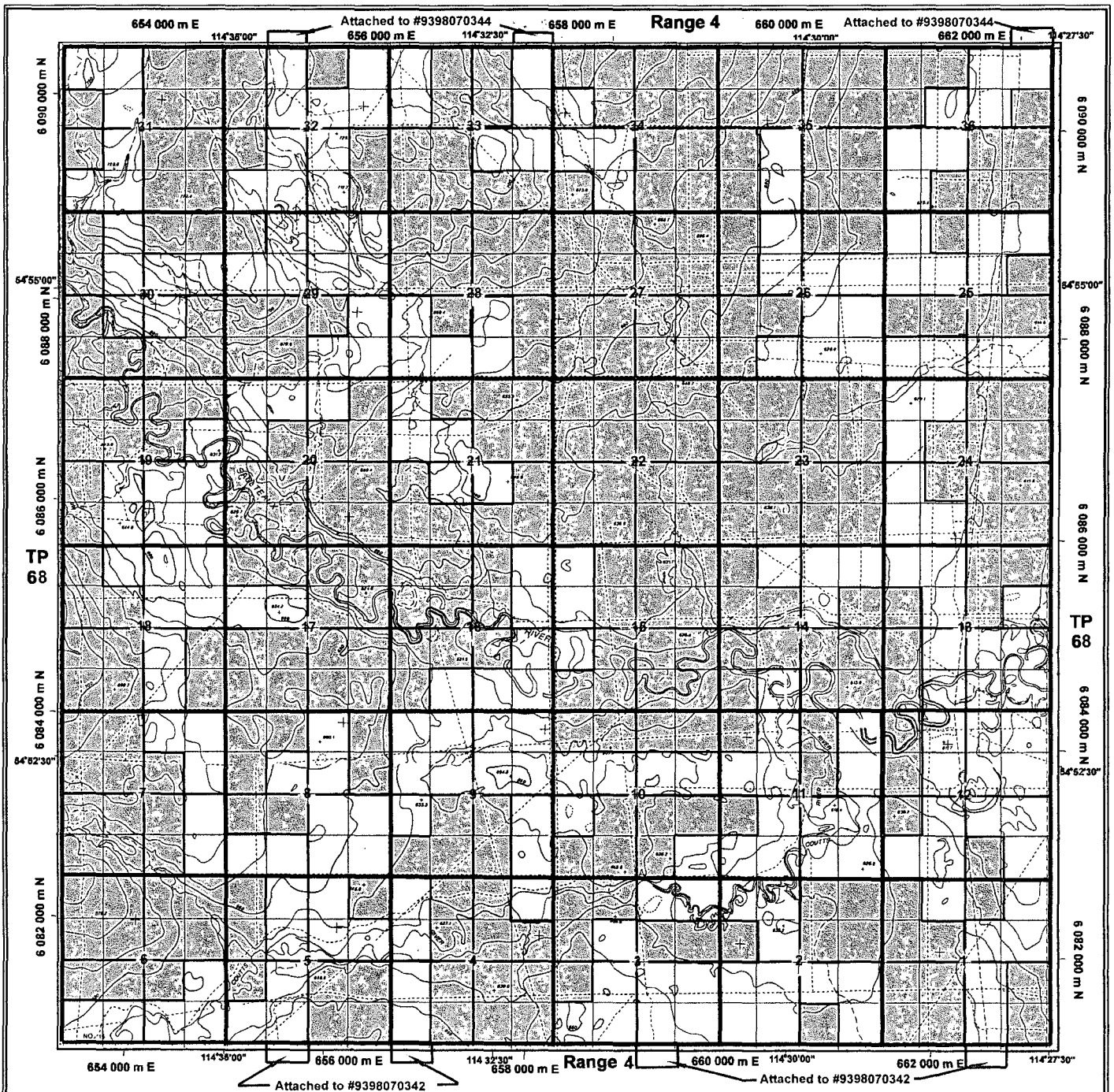
**756736 Alberta Ltd.**

**Fig 6.7 Active Area  
Boundaries Map**

**MAIM Permit #9398070344**

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**A. Hangartner** **2000.10**



**Symbols**



- Cancelled active permit LSDs.



- Retained active permit LSDs.



**756736 Alberta Ltd.**

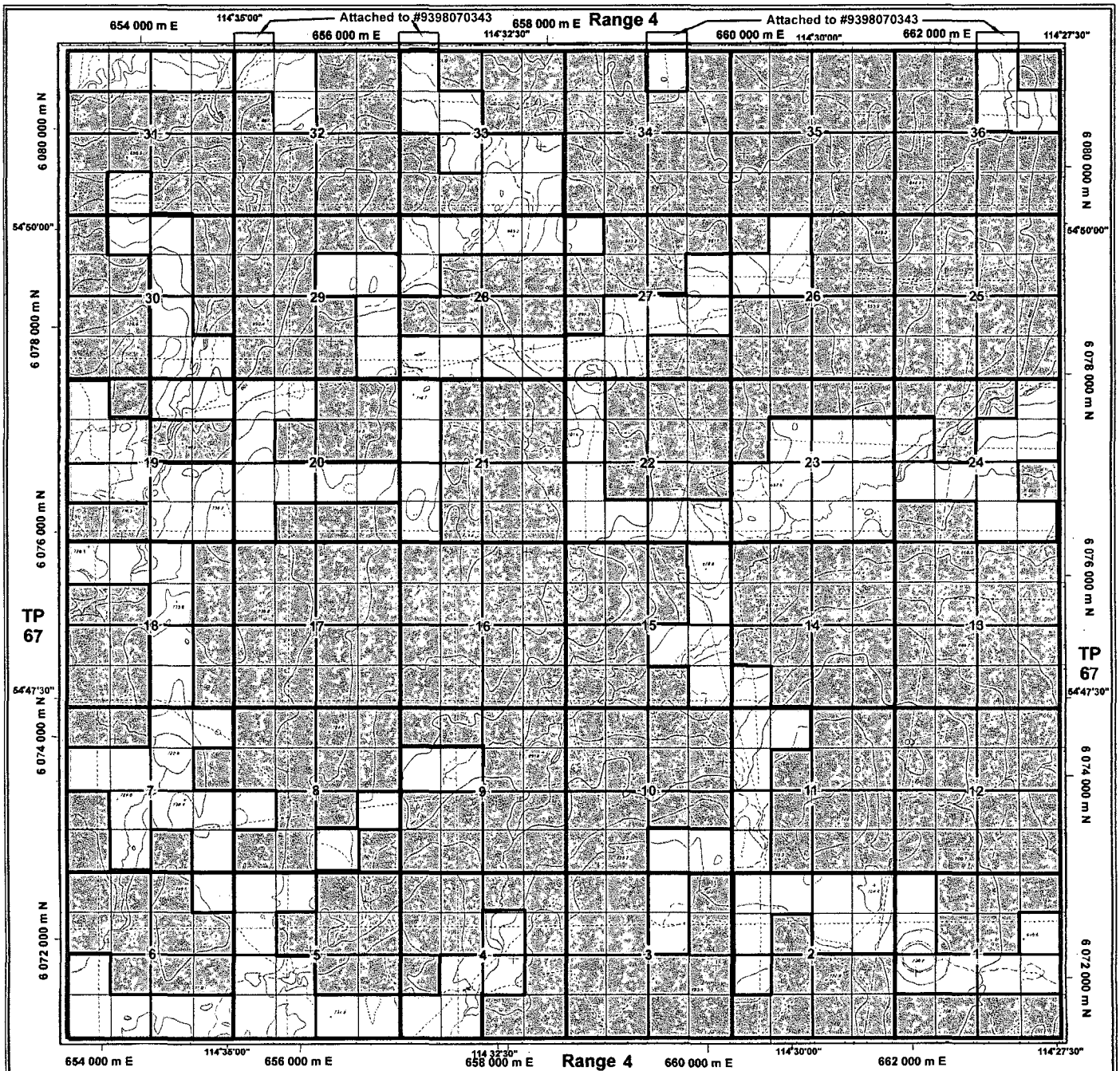
**Fig 6.8 Active Area  
Boundaries Map**

**MAIM Permit #9398070343**



**A. Hangartner**

**2000.10**





**Symbols**

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

**756736 Alberta Ltd.**

**Fig 6.9 Active Area  
Boundaries Map**

**MAIM Permit #9398070342**

**A. Hangartner**

**2000.10**

# APPENDIX 1: STATEMENT OF REASONABLE EXPENDITURES

METALLIC AND INDUSTRIAL MINERALS PERMITS 9398070342, 9398070343, 9398070344, 9398070345,  
9398070346, 9398070349, 9398070350, 9398070352, 9398070353, SOUTH SLAVE BLOCK PROPERTY.

EXPLORATION SERVICES - 756736 ALBERTA LTD.

Description	Per	Rates Charge	Cost (\$)	Total Cost (\$)
<b>Salary and Wages</b>				
A. Hangartner - consultations, data processing, drafting, exploration, ground magnetometer surveys, gridding, mineral sampling, reporting	753	hr	[REDACTED]	
Helper(s) " "	542	hr	[REDACTED]	
-travel	108	hr	[REDACTED]	
(2 per.) - total travel time for services	144	hr	[REDACTED]	
			<b>Total Cost:</b>	<b>\$48,735.00</b>
<b>Field Costs</b>				
-meals & lodg - total meal expenses for services	156	dy	\$20.00	\$3,120.00
(2 per.) - total accomodations expenses for service	156	nt	\$30.00	\$4,680.00
Field Supplies - cords, batteries, ribbon, hip chain, etc.			<b>\$81.50</b>	<b>\$81.50</b>
			<b>Total Cost:</b>	<b>\$7,881.50</b>
<b>Rental Equipment</b>				
- truck rental, 1/2 or 3/4 ton	95	dy	\$70.00	\$6,650.00
- GSM-19 Magnetometer rental	18	dy	\$54.00	\$972.00
- GSM-19 Magnetometer Base Station renta	18	dy	\$54.00	\$972.00
- pentium computer system rental	26	dy	\$25.00	\$650.00
- data logging device rental	18	dy	\$25.00	\$450.00
- global positioning system rental	61	dy	\$25.00	\$1,525.00
- gridding equipment rental	16	dy	\$20.00	\$320.00
- lap top CPU pentium	44	dy	\$25.00	\$1,100.00
- quad 6x6 rental	86	dy	\$100.00	\$8,600.00
- base global positioning system rental	18	dy	\$10.00	\$180.00
- utility trailer rental	86	dy	\$25.00	\$2,150.00
- mineral sampling equipment rental	24	dy	\$10.00	\$240.00
- office space rental	24	mo	\$20.00	\$480.00
			<b>Total Cost:</b>	<b>\$24,289.00</b>
<b>Subcontracting Services</b>				
- Terraquest Magnetic Flyby (Parker)	1614.4	km@	\$9.00	\$14,529.60
			(GST)	\$1,017.07
- Terraquest Magnetic Flyby (Block C)	513.1	km@	\$9.00	\$4,617.90
			(GST)	\$323.25
- Saskatchewan Research Council Mineral sample processing	3.0	@	\$187.00	\$561.00
			(GST)	\$39.27
			<b>Total Cost:</b>	<b>\$21,088.09</b>
<b>Office Charges, Administrative, General</b>				
- phone, internet, Fax, etc.				\$350.00
- office supplies, paper, ink carts., lamintation				\$228.28
- Maps	6	map	\$9.25	\$55.50
			<b>Total Cost:</b>	<b>\$633.78</b>
<b>Grand Total</b>				<b>\$102,627.37</b>

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 appropriate.

I, August Hangartner, hereby certify that the costs as outlined above for the assessment of metallic and industrial permits 9398070342, 9398070343, 9398070344, 9398070345, 9398070346, 9398070349, 9398070350, 9398070352 and 9398070353 were expended as indicated.

SWORN BEFORE ME AT Edmonton )

in the Province of Alberta, this 28 )

day of November, A.D. 2000 )

[REDACTED]

August Hangartner

*Siddanthy*  
Signature of Witness

*Del demby*  
A Commissioner for Oaths  
in and for the Province  
of Alberta. My commission  
expires on the 20th day of

## **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.

## **Appendix 3: Methods of Diamond Indicator Minerals Recovery**

**Sediment samples were subjected to various procedures that included:**

- dispersion and screening at  $\pm 1.7$  mm
- shaker table gravity separation of  $-1.7$  mm fraction
- permroll paramagnetic separation
- magstream heavy liquid separation
- ferromagnetic separation
- frantz paramagnetic separation
- binocular microscopic identification of diamond indicators

**Saskatchewan Research Council Geoanalytical Services Laboratory Sediment Sample processing package used**

### **Re: Picking of diamond indicator mineral grains**

- color and morphology were the main determining factors
- officially reported as 'Definite' are picked mineral grains that have a high probability of being indicators
- borderline indicators labeled as 'Possible' have a lower probability of being indicators

**From: Al Holsten**

**Manager, Geoanalytical Services  
Saskatchewan Research Council  
15 Innovation Blvd.  
Saskatoon, SK Canada S7N 2X8  
Ph: (306)933-5426**