

MAR 20020013: MOONEY

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756736 Alberta Ltd.

**2000 – 2002 EXPLORATION OF
THE MOONEY BLOCK PROPERTY**

NORTH-CENTRAL, ALBERTA

**Metallic and Industrial Minerals Permits
9398070351 & 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

2002.10.25

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, was further 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 2000 and 2002, 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 2000 through 2002. 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 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 graveled 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 lines, pipelines, 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.

4. EXPLORATION

Work Description

Between July 31, 2000 and July 31, 2002, 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 profile 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. A consideration in site choice was downsizing strategy. Profiles were established by flagging lines that crossed through the anomalous sources nearer to the property extremities. Stations were measured and positioned using hip chain, compass, and GPS. The length of the profile chosen depended on the terrain and the data available.

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

Table 4.1 Exploration, Grid Flagging, Soil Sampling and Magnetic Ground Survey Locations, Mooney Block Property, July 2000 - 2002.

Locations of field work performed by 756736 Alberta Ltd.

Report Identifier	Dist m	UTM		Work Description	Dates	Shown in Figure
		Easting	Northing			
9398070351		630000	6130000	Exploration & Deculturing	July 20,21,24,27/01	4.1
P3029	1084	630394	6129607	Exploration & Gridding Magnetic Profile	July 22/01	4.1
P2829	752	628596	6129895	Exploration & Gridding Magnetic Profile	July 23/01	4.1
P2832	1749	628025	6132305	Exploration & Gridding Magnetic Profile	July 24/01	4.1
9398070354		630000	6120000	Exploration & Deculturing	July 25,26,31/01	4.2
P3125	1280	631821	6125821	Exploration & Gridding Magnetic Profile	July 28/01	4.2
P3119	819	631442	6119687	Exploration & Gridding Magnetic Profile	July 29/01	4.2
P2819	1730	628361	6119310	Exploration & Gridding Magnetic Profile	July 30/01	4.2

Findings

Many of the anomalous areas planned for survey were found to contain obvious man-made culture and therefore alternate areas were chosen. Other profiles were abandoned during flagging or when we were able to confirm that anomalies were underground oilfield culture. None of the profiles conducted displayed any data that could be considered significant.

5. CONCLUSIONS

The anomalous areas investigated at the perimeters of the claim contained man-made culture or no significant indications of geophysical interest. Downsizing of the investigated areas is recommended. Some areas, although they contain man-made culture, were retained to keep the claim contiguous. All small anomalies depicted on the aeromagnetic map should be investigated.

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. 4L2-4;5L2-4,L6,L7;6L1,L2,L6,L12;) Tp.73r8w5 - (Sec. 1L8-12;2L9-11;)	320	6.1
9398070354	Tp.72r7w5 - (Sec. 14L4,L5,L12,L14;15L1,L8;19L13,L14;20L7,L8;L11,L14; 21L1,L5-7;22L4-8;23L2,L4;29L3,L4,L7,L10;30L1,L2;32L1,L8,L9,L16;)	424	6.2

Distances Gridded and Surveyed

Total ground magnetic survey line/km = 7.414

Exploration Expenditures

Total exploration expenditures, July 2000 – July 2002: \$15,785.00

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, 2002.**

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

8. REFERENCES

Terraquest Ltd. (1998) High resolution aeromagnetic survey.

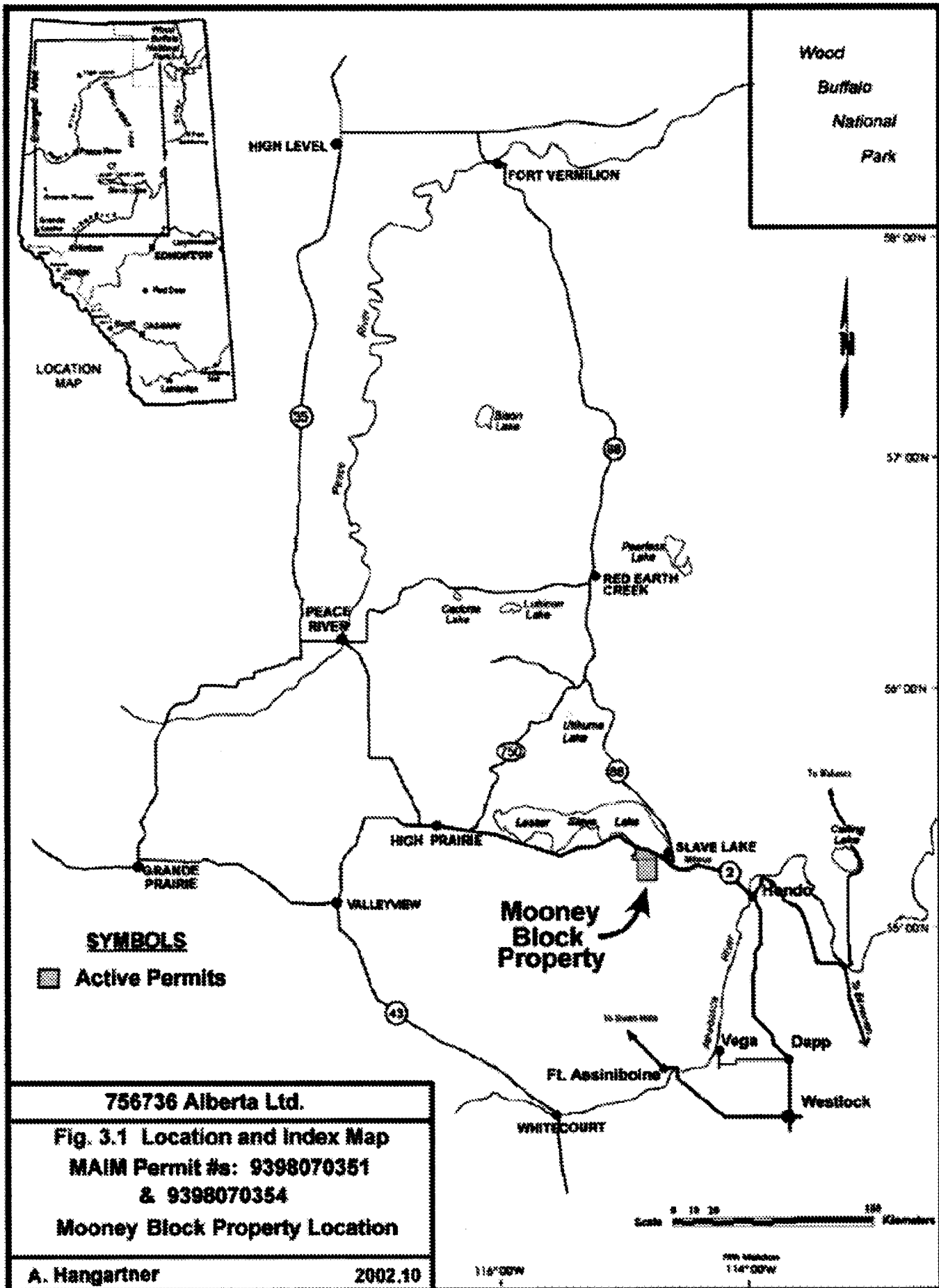
Lesser Slave Lake project - Blocks B & C; unpublished report dated 1998/04/28 to Halferdahl and Associates Ltd., Edmonton, by Terraquest Ltd., Toronto, 22 pgs., 5 figs., 6 maps.

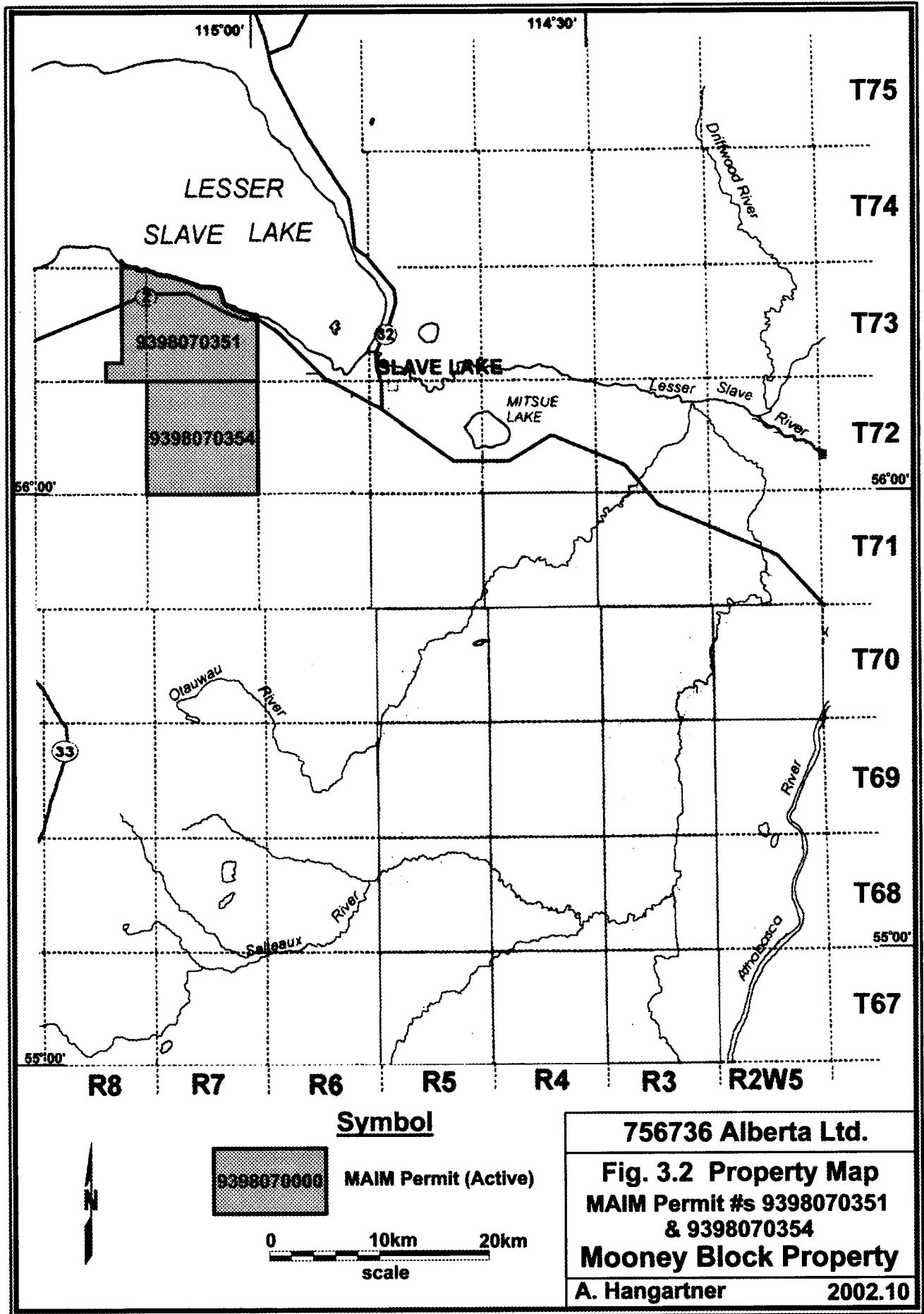
- 1. 5.0 Data Processing - Processing steps and some important concepts that should be highlighted with regard to cultural editing.**
- 2. 6.0 Interpretation -Techniques and comments offered to assist in the interpretation of the horizontal gradient vectors.**
- 3. Contoured Vertical Gradient of RTF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

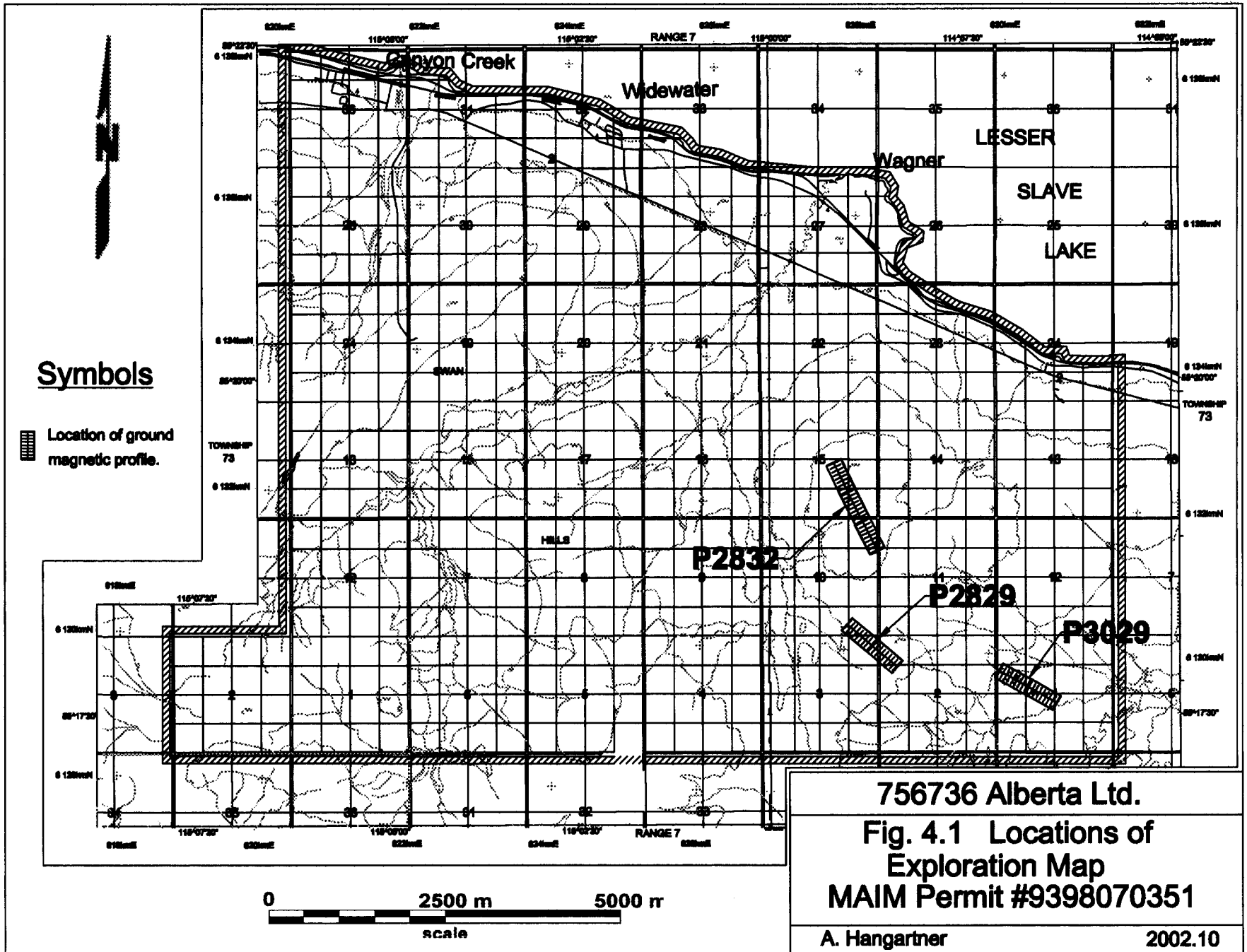
Halferdahl & Associates Ltd. (1998) Assessment report. 1997 and Early 1998

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.**



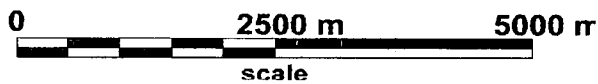
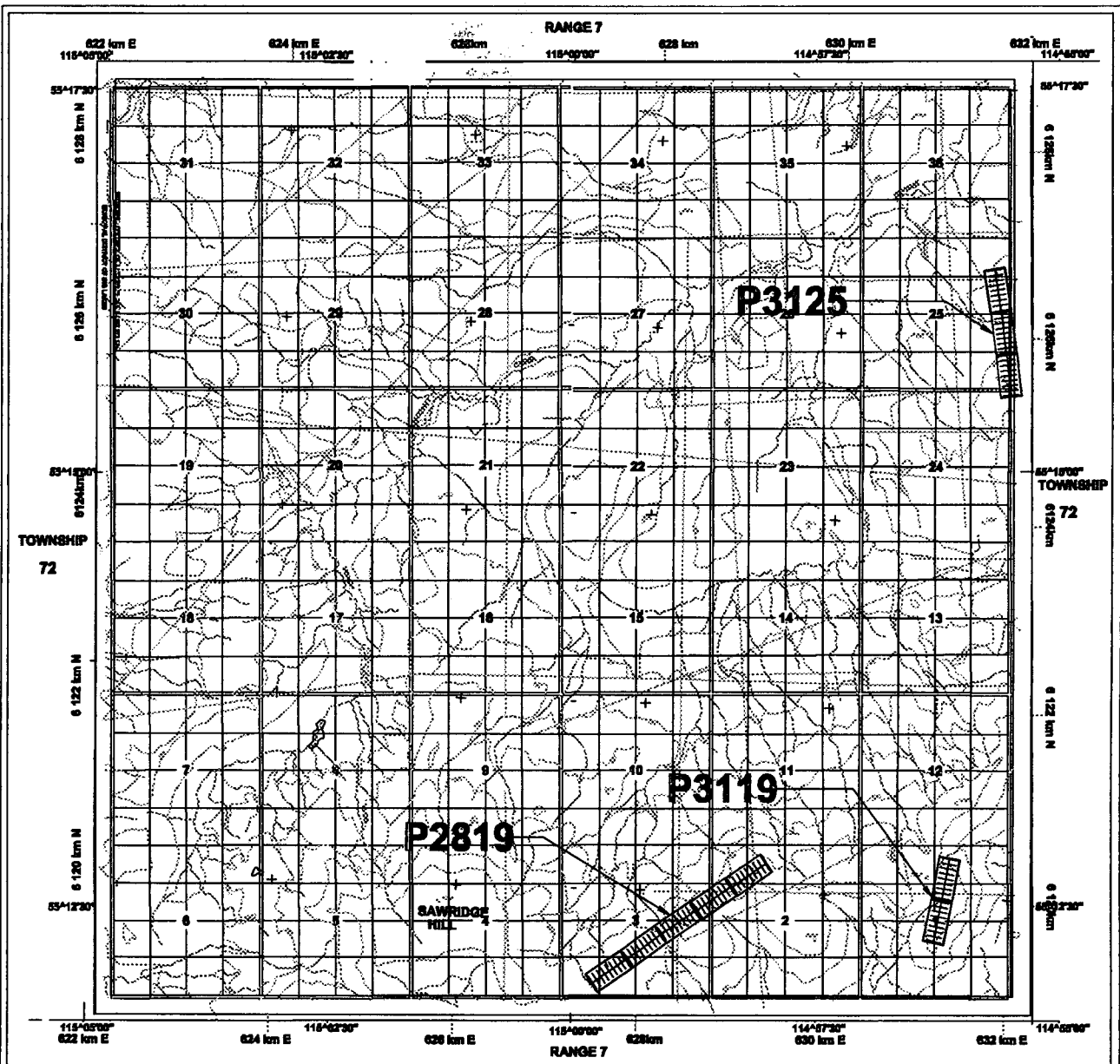




Symbols

Location of ground magnetic profile.

756736 Alberta Ltd.
 Fig. 4.1 Locations of
 Exploration Map
 MAIM Permit #9398070351
 A. Hangartner 2002.10



Symbols

 Location of survey grid

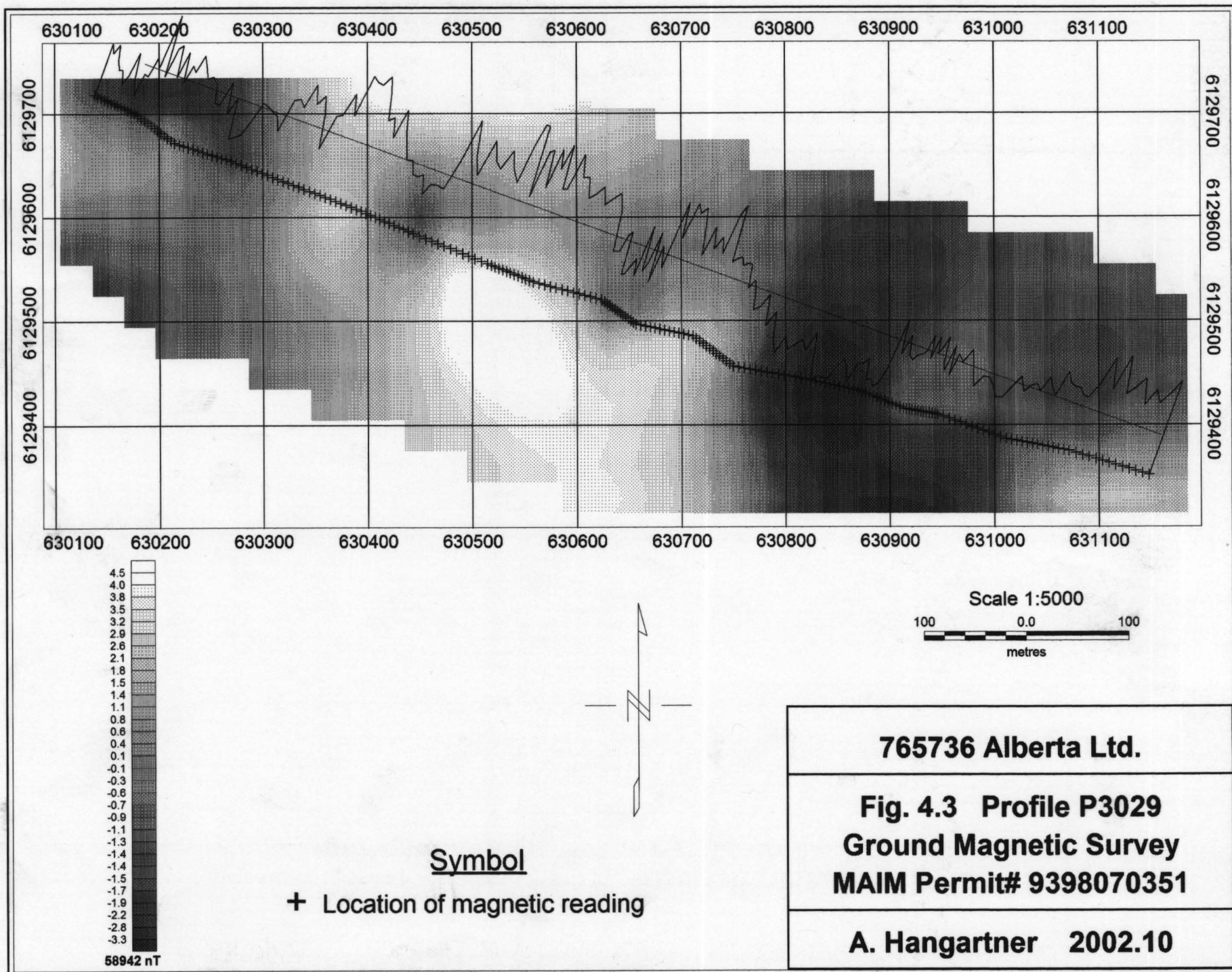
756736 Alberta Ltd.

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

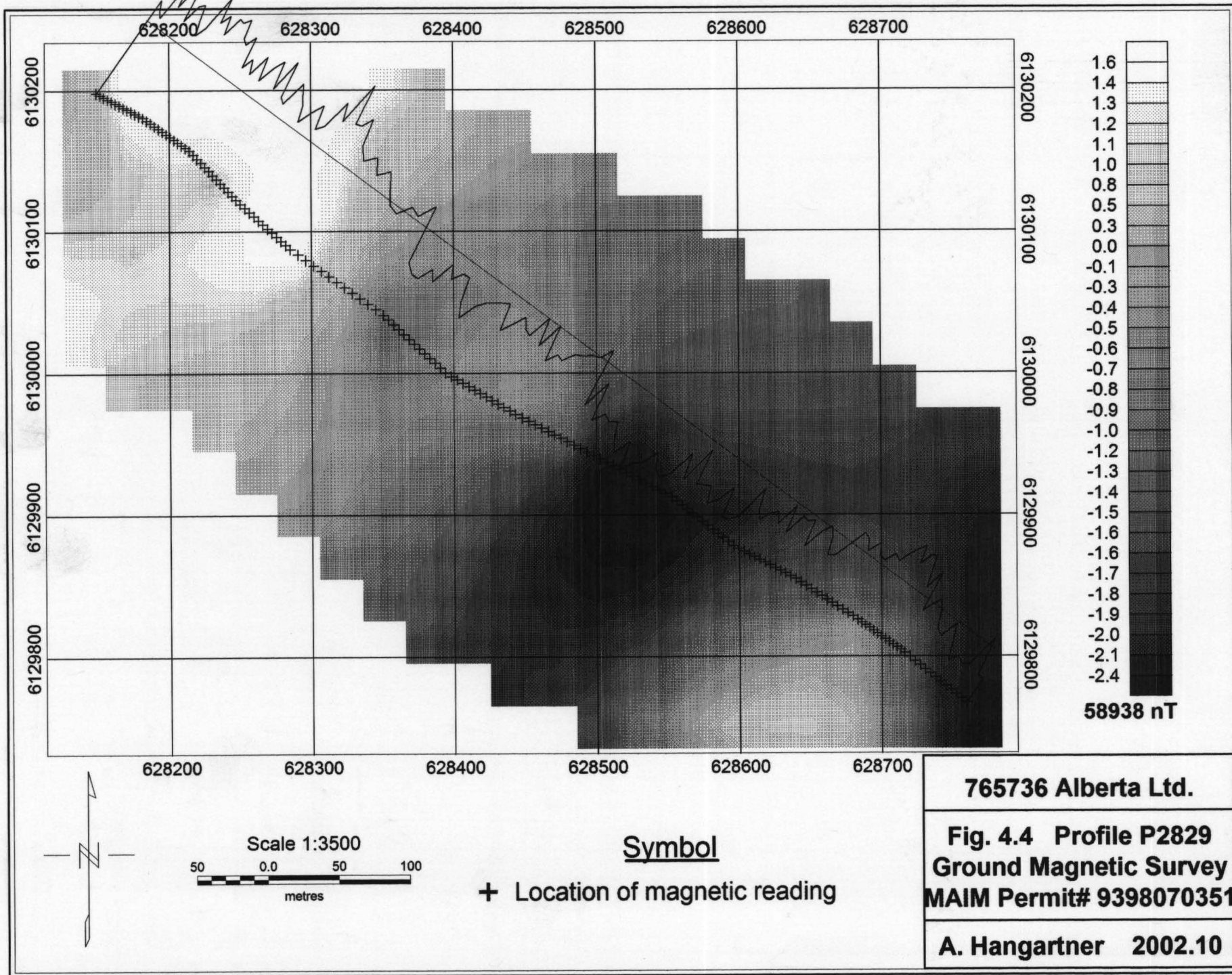
A. Hangartner

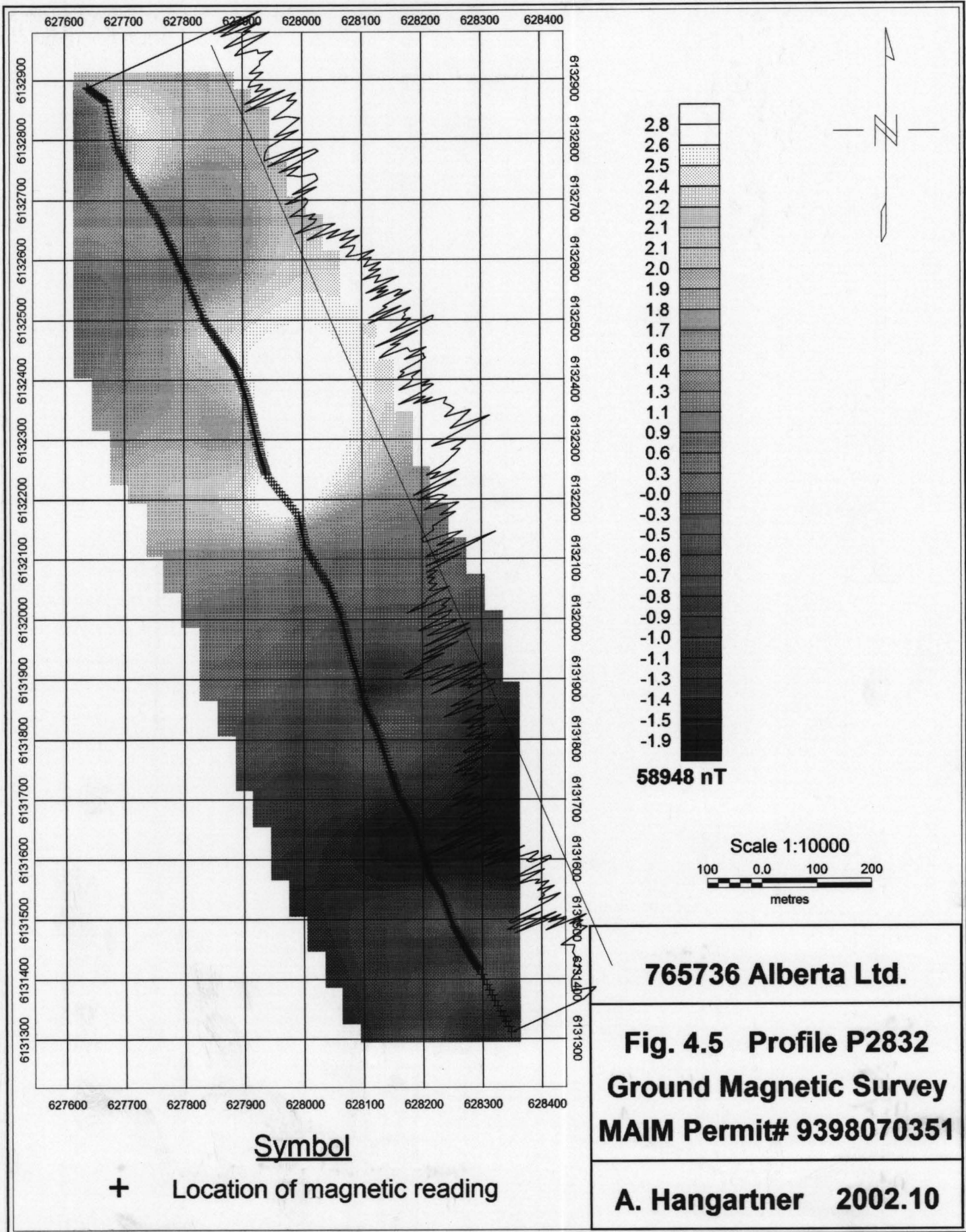
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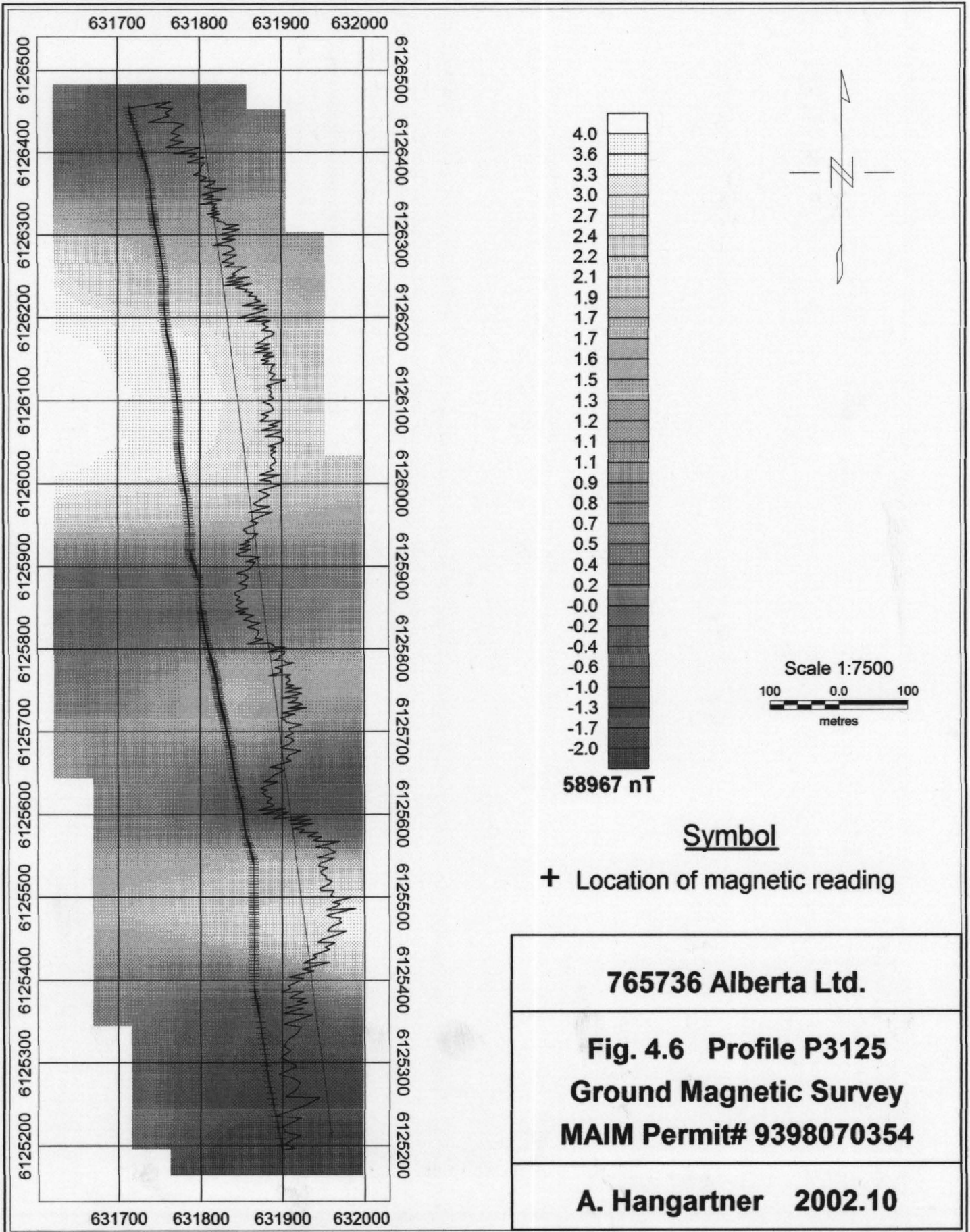
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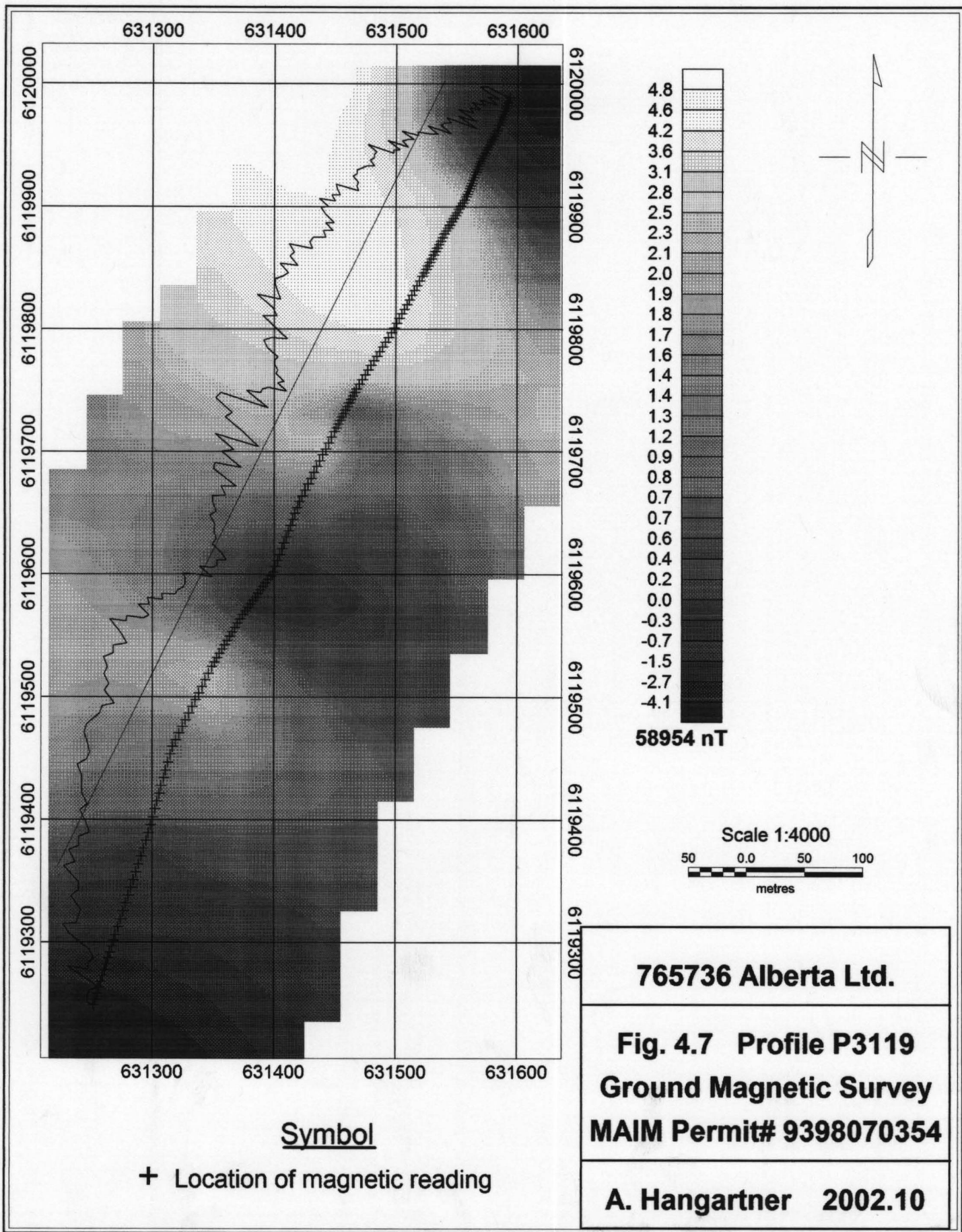


F6

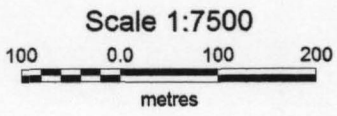
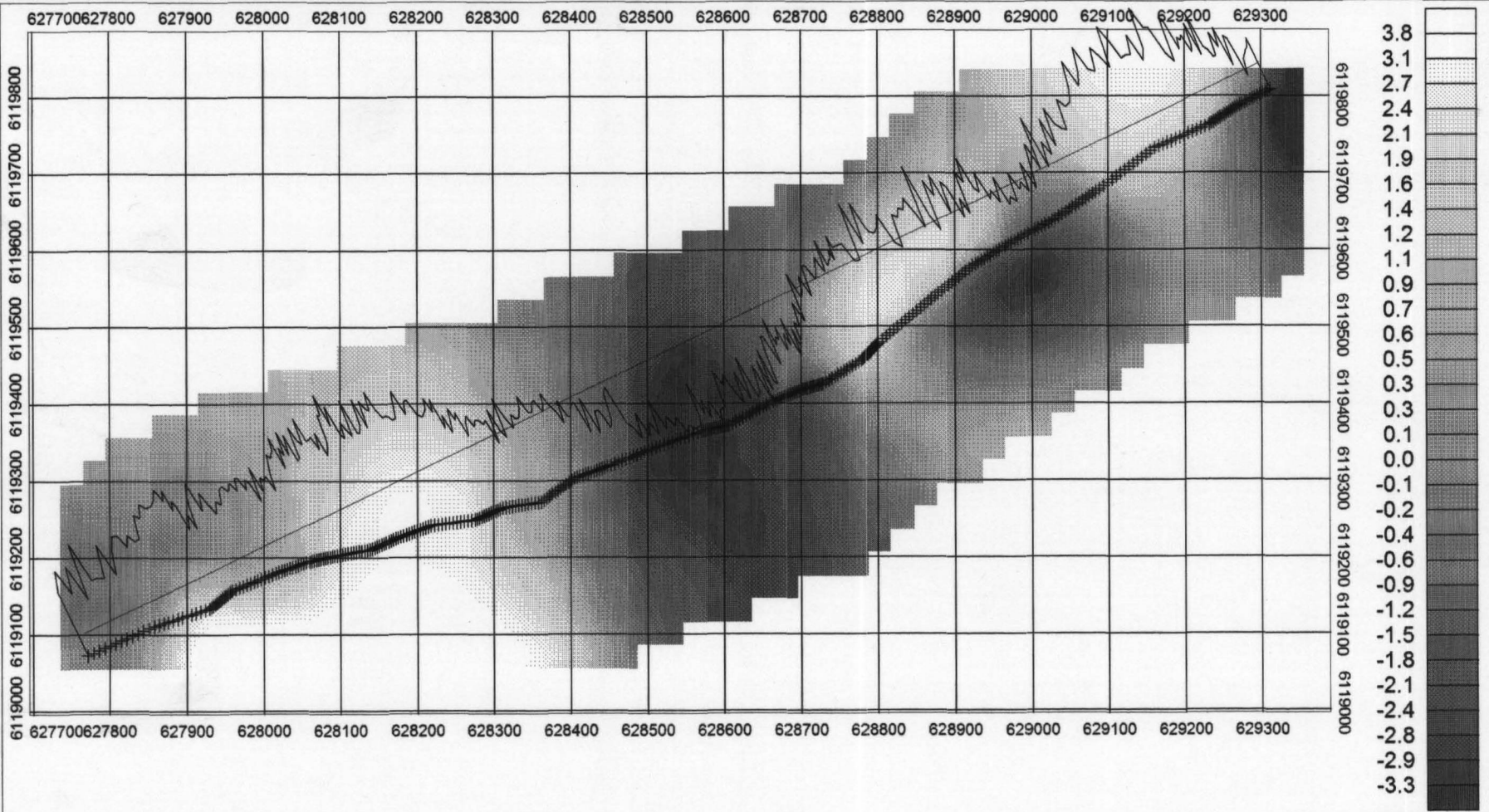








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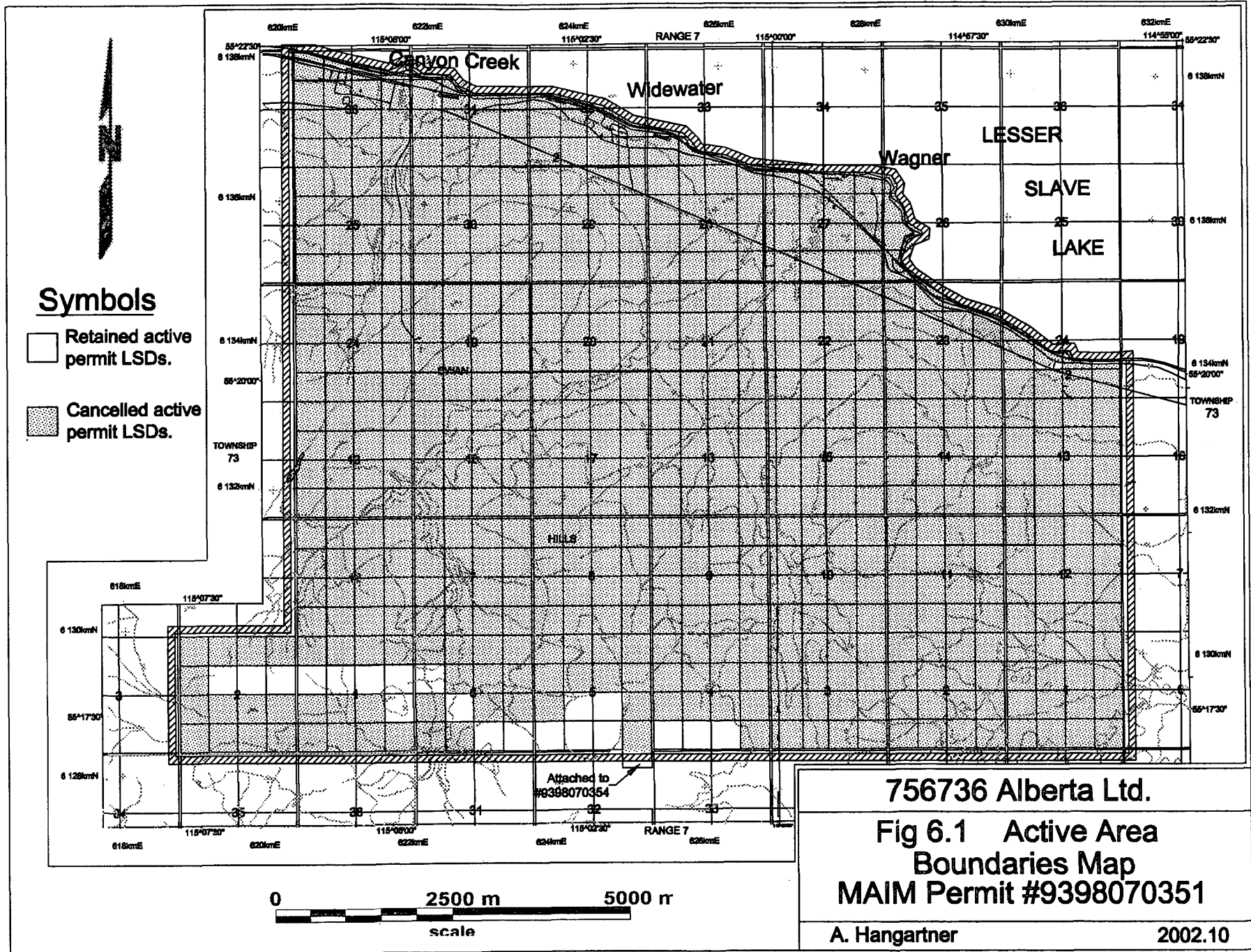
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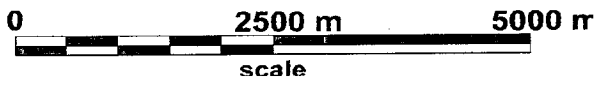
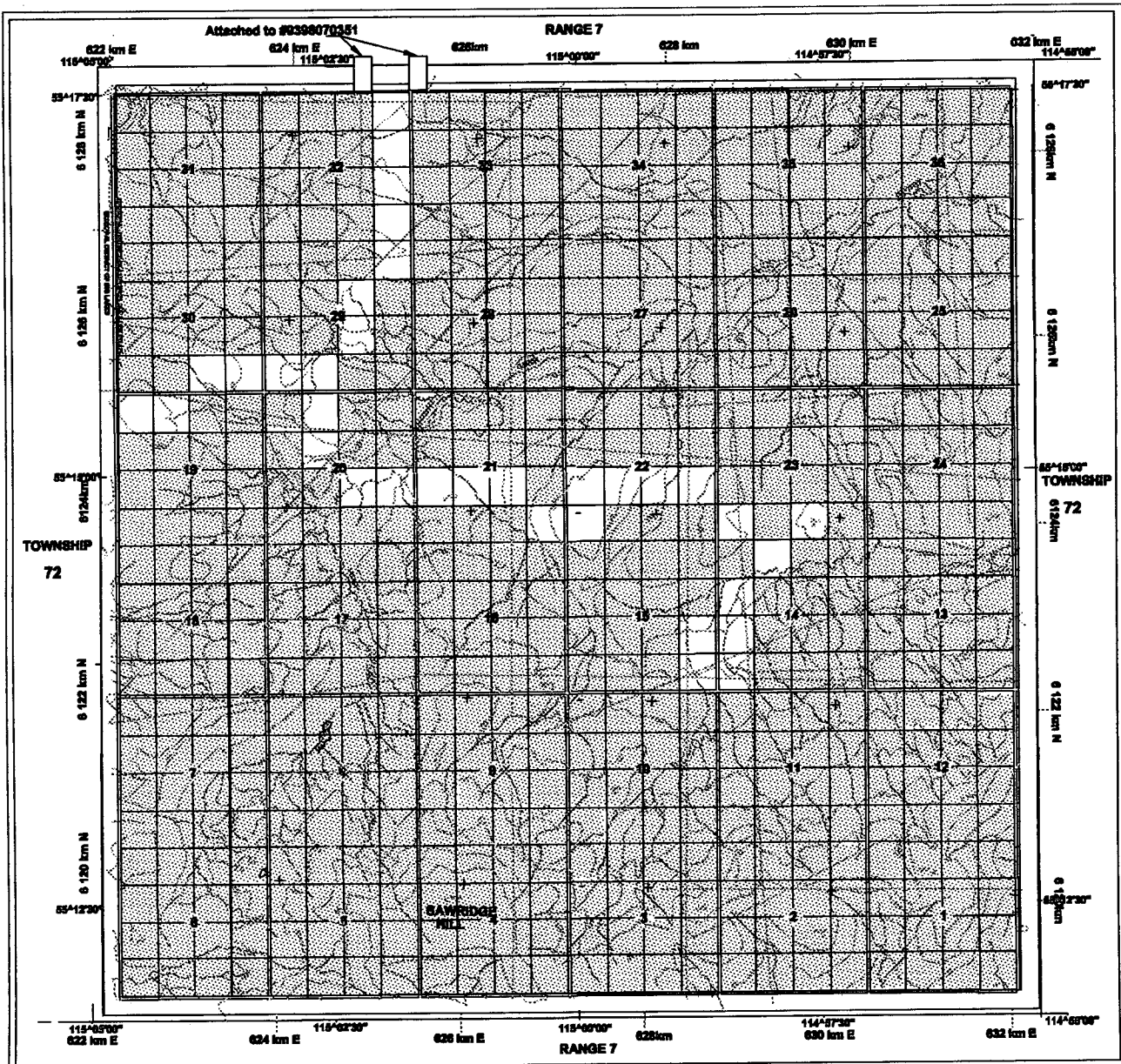
+ Location of magnetic reading

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

**Fig. 4.8 Profile P2819
Ground Magnetic Survey
MAIM Permit# 9398070354**

A. Hangartner 2002.10





Symbols

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

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Fig 6.2 Active Area Boundaries Map

MAIM Permit #9398070354

A. Hangartner

2002.10

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					
[REDACTED]	- consultations, data processing, drafting, exploration, ground magnetometer surveys, gridding, mineral sampling, reporting	108	hr	[REDACTED]	
Helper	"	102	hr	[REDACTED]	
-travel	- trip preparation	14	hr	[REDACTED]	
(2 per.)	- total travel time for services	20	hr	[REDACTED]	
Total Cost:				\$8,880.00	\$8,880.00
Field Costs					
-meals & lodging	- total meal expenses for services	26	dy	\$25.00	\$650.00
(2 per.)	- total accomodations expenses for servic	26	nt	\$35.00	\$910.00
Field Supplies	- cords, batteries, ribbon, hip chain, etc.			\$25.00	\$25.00
Total Cost:				\$1,585.00	\$1,585.00
Rental Equipment					
	- truck rental, 3/4 ton	16	dy	\$80.00	\$1,280.00
	- GSM-19 Magnetometer rental	6	dy	\$60.00	\$360.00
	- GSM-19 Magnetometer Base Station rent	6	dy	\$60.00	\$360.00
	- pentium computer system rental	9	dy	\$30.00	\$270.00
	- data logging device rental	6	dy	\$25.00	\$150.00
	- global positioning system rental	12	dy	\$25.00	\$300.00
	- gridding equipment rental	6	dy	\$20.00	\$120.00
	- lap top CPU pentium	6	dy	\$25.00	\$150.00
	- quad 6x6 rental	13	dy	\$100.00	\$1,300.00
	- base global positioning system rental	6	dy	\$10.00	\$60.00
	- utility trailer rental	15	dy	\$25.00	\$375.00
	- office space rental	24	mo	\$20.00	\$480.00
Total Cost:				\$5,205.00	\$5,205.00
Office Charges, Administrative, General					
	- phone, internet, Fax, etc.			\$55.00	
	- office supplies, paper, ink carts.,lamintation			\$60.00	
Total Cost:				\$115.00	\$115.00
Grand Total					\$15,785.00

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 \$100.00 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, \$35.00 - \$40.00 per man hour and the shortened claimed duration should be more appropriate.

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.

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.

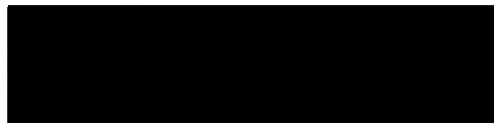
CANADA
PROVINCE OF ALBERTA
TO WIT:


IN THE MATER OF Metalic and Industrial
Minerals Permit Nos. 9398070351 & 9398070354.

I, August Hangartner of [REDACTED] Leduc
Alberta, [REDACTED], do solemnly declare: That costs as outlined in the '2000 - 2002
Exploration of the Mooney Block Property' Metallic & Industrial Minerals Permit Nos.
9398070351 & 9398070354 described in the report were expended as indicated in the
Summary of Reasonable Expenditures.

And I make this solemn declaration conscientiously believing it to be true, and knowing
that it is of the same force as if made under oath and by virtue of The Canada Evidence
Act.

Declared before me at the City
of Edmonton in the Province of
Alberta, this 2 day of December, A. D. 2002.




A Commissioner for Oaths in and for the Province of Alberta

*My commission
expires July 17, 2003*

Printed or Stamped name of Commissioner for Oaths
and date on which appointment expires