

MAR 20050003: SLAVE LAKE SAWRIDGE

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756736 ALBERTA LTD.

**2001 - 2005 EXPLORATION OF THE LESSER
SLAVE LAKE SAWRIDGE BLOCK PROPERTY**

NORTH-CENTRAL, ALBERTA

**Metallic and Industrial Minerals Permit
9395020019**

**Geographic Co-ordinates
55°12'00" to 55°20'00" N
114°47'00" to 114°55'30" W**

NTS Sheets 83 O/2 and O/7

2005.02.25

Prepared by

A. Hangartner, Prospector

**756736 Alberta Ltd.
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T9E 6E1**

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1. SUMMARY

Alberta metallic and industrial minerals permit 9395020019 located southwest of the town of Lesser Slave Lake, Alberta in the northeastern part of the Swan Hills was further explored for primary diamond deposits. The anomalous areas investigated were chosen from recommendations by Halferdahl & Associates Ltd.

756736 Alberta Ltd. conducted ground magnetic surveys to more precisely localize the source or possible sources, of some of the aeromagnetic anomalies. Several topographic circular oval-shaped physiographic features described as warranting additional exploration were also investigated. Concentrated streambed soil samples were collected from several streams near possible source areas and are awaiting diamond indicator mineral analysis.

2. INTRODUCTION

During 1997 through to early 1998 Blanket Earth Resources Ltd. in conjunction with 756736 Alberta Ltd. conducted exploration for primary diamond deposits within the Sawridge property. Exploration activities included the acquisition of high-resolution aeromagnetic data (HRAM) from Spectra Exploration Geoscience Corp. and Terraquest Ltd.; ground magnetometer surveys by Blanket Earth Resources Ltd. in conjunction with 756736 Alberta Ltd.; and a brief review of aerial photographs, digital elevation data, and other publicly available information by Halferdahl & Associates Ltd.. Assessment reports, titled "1997 and Early 1998 Exploration of the Lesser Slave Lake Property prepared and submitted by Halferdahl & Associates Ltd.." and "1998 - 1999 Exploration of the Lesser Slave Lake Sawridge Block Property" prepared and submitted by 756736 Alberta Ltd.; describe the exploration conducted at the Sawridge property.

During 1999 through to early 2001, 756736 Alberta Ltd. continued exploration for primary diamond deposits within the Sawridge property. "1999 - 2001 Exploration of the Lesser Slave Lake Sawridge Block Property" prepared and submitted by 756736 Alberta Ltd.; described the exploration conducted at the Sawridge property.

The assessment report herein describes the exploration conducted at the Lesser Slave Lake Sawridge Block property during 2001 through early 2005, prepared by 756736 Alberta Ltd., the owner of the metallic and industrial minerals permit #9395020019.

3. LOCATION AND ACCESS

Property Location

The property is located in north-central Alberta, about 200 km northwest of the City of Edmonton and immediately southwest of the town of Slave Lake (Fig. 3.1). The property extends from 55°12'00" to 55°20'00" north latitude and 114°47'00" to 114°55'30" west longitude, within NTS map sheets 83 O/2 and O7.

Property Access

The property edge is accessible by several graveled service roads leading from Highway 2, west of the town of Slave Lake. Seismic lines provide all-terrain vehicle or snow-machine access to most remote areas of the property (Fig. 3.2).

Infrastructure near the area includes accommodation, food and vehicles at Slave Lake.

Property Geology

The property encompasses areas of development along Highway 2 consisting of several farms and housing developments. There is also a minor amount of oilfield culture in the northeastern and southeastern sections. The property is in the northeastern part of Swan Hills within the hydrographic basins of the Mooney and Sawridge Creeks.

4. EXPLORATION

Work Description

Between Feb 27, 2001 and Feb 27, 2005, 756736 Alberta Ltd. carried out more preliminary ground follow-ups of the HRAM anomalies and other features as recommended by Halferdahl & Associates Ltd.¹ Profiles were established by flagging a line across an anomalous area. Stations were measured and positioned using hip chain, compass, and GPS. The data collected was uploaded via Internet and processed at a later

¹ See assessment report: 1997 and Early 1998 Exploration of the Lesser Slave Lake Property by Halferdahl & Associates Ltd.

date (For data collection methods, processing methods and equipment used see Appendix 2 – Methods of Ground Magnetic Surveying Employed).

Site Selection

Several different sites were chosen to conduct magnetic profile surveys and soil sampling (Table 4.1 – Exploration, Grid Flagging, Soil Sampling, and Magnetic Ground Survey Locations, Feb. 2001 - 2005). The length of the profile and the site chosen depended on the terrain and the data available. The strategy chosen was to profile areas of the property that were indicated as weak magnetic anomalies on the HRMS flyby then using this information to discard unlikely prospects, downsizing being the key objective. Magnetic surveys were performed on six of these such areas. One parameter of the data on a profile some how got overwritten and although it was performed in this time frame its not available until I can find the original data which might not be possible.

Table 4.1 Exploration, Grid Flagging, Soil Sampling, and Magnetic Ground Survey Locations, February 2001 - 2005.
Locations of field work performed by 756736 Alberta Ltd.

Report Identifier	UTM		Work Description	Distance in meters	Dates	Shown in Figure
	Easting	Northing				
P3221	632573	6121303	Exploration & Deculturing Magnetic Profiling	1824	Apr. 23 & 24/01	4.3
P3223	632430	6122800	Exploration & Deculturing Magnetic Profiling	1289	Apr. 24/01	4.4
P3225	632080	6125152	Exploration & Deculturing Magnetic Profiling	1597	Apr. 25/01	4.5
P3822	638479	6124004	Exploration & Deculturing Magnetic Profiling	1164	Apr. 27/01	4.6
P3824	638887	6124815	Exploration & Deculturing Magnetic Profiling	1259	Apr. 28 & 29/01	4.7

Findings

Profiles P3221, P3223, P3225, P3822, and P3824 varied by less than 6 nT.

The readings collected crossing small streams varied slightly more due to magnetic particles concentrated by nature. Readings going up steep slopes did not show any definite correlation with the surrounding terrain.

5. CONCLUSIONS

The ground magnetic profiles conducted do not confirm the presence of any of the weak anomalies depicted on the aeromagnetic survey maps and no areas were identified that warrant further exploration. The results were not unexpected. The strategy taken was to investigate the weaker anomalies and use this information to downsize the exploration area. The small soil sample taken at S635119 has not been processed for the presence of diamond indicator minerals. All anomalies depicted on the aeromagnetic map should be investigated.

6. PERMIT TABULATION

TABLE 6.1 Property Descriptions and Location Permit

Claim:	February 2001 - 2005, active area retained, MAIM permit # 9395020019.
Legal Land Description:	Tp.72 – 6W5 (Sec. 16L13; 17L11, L14; 18L14, L15; 19L2, L5, L6; 20L12; 21L3, L4; 23L15, L16; 26E, L11, L14)
Area:	307.430 ha
See Figure:	Fig. 3.2 Property Map - Retained Active Area.

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. Figure 3.2 should also depict this same information. If there is a discrepancy between the table and the figure, please use the information depicted in the figure. Cancel all shaded areas of the original permits as depicted in figure 3.2.

Distances Gridded and Surveyed

Total ground magnetic survey line/km: 7.133

Exploration Expenditures

Total expenditures, February 2001 – February 2005: \$11,118.20

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

Metallic and industrial minerals permit 9395020019 is currently held by August Hangartner of 756736 Alberta Ltd., 4011 – 37th Ave., Leduc, Alberta, the author of this report. Exploration expenditures are not publicly financed.

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 only a hobby.


August Hangartner
Part time prospector,
Leduc, Alberta
February 27, 2005.

Distribution:

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

8. REFERENCES

Terraquest Ltd. (1998) High resolution aeromagnetic survey.

Lesser Slave Lake project; unpublished report dated 98/02/16 to Halferdahl & Associates Ltd., Edmonton, by Terraquest Ltd., Toronto, 15 p., 5 fig., 9 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, Sawridge Block, 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 p. 11 fig., 6 app.

- 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.**

756736 Alberta Ltd. (2000) Assessment Report. 1998 - 1999 Exploration of the Lesser Slave Lake Sawridge Block Property, North - Central, Alberta date 1999/05/25, 9 p. 7 fig., 3 app. Finding and Conclusions.

756736 Alberta Ltd. (2000) Assessment Report. 1999 - 2001 Exploration of the Lesser Slave Lake Sawridge Block Property, North - Central, Alberta date 2001/05/25, 7 p. 23 fig., 2 app. Finding and Conclusions.

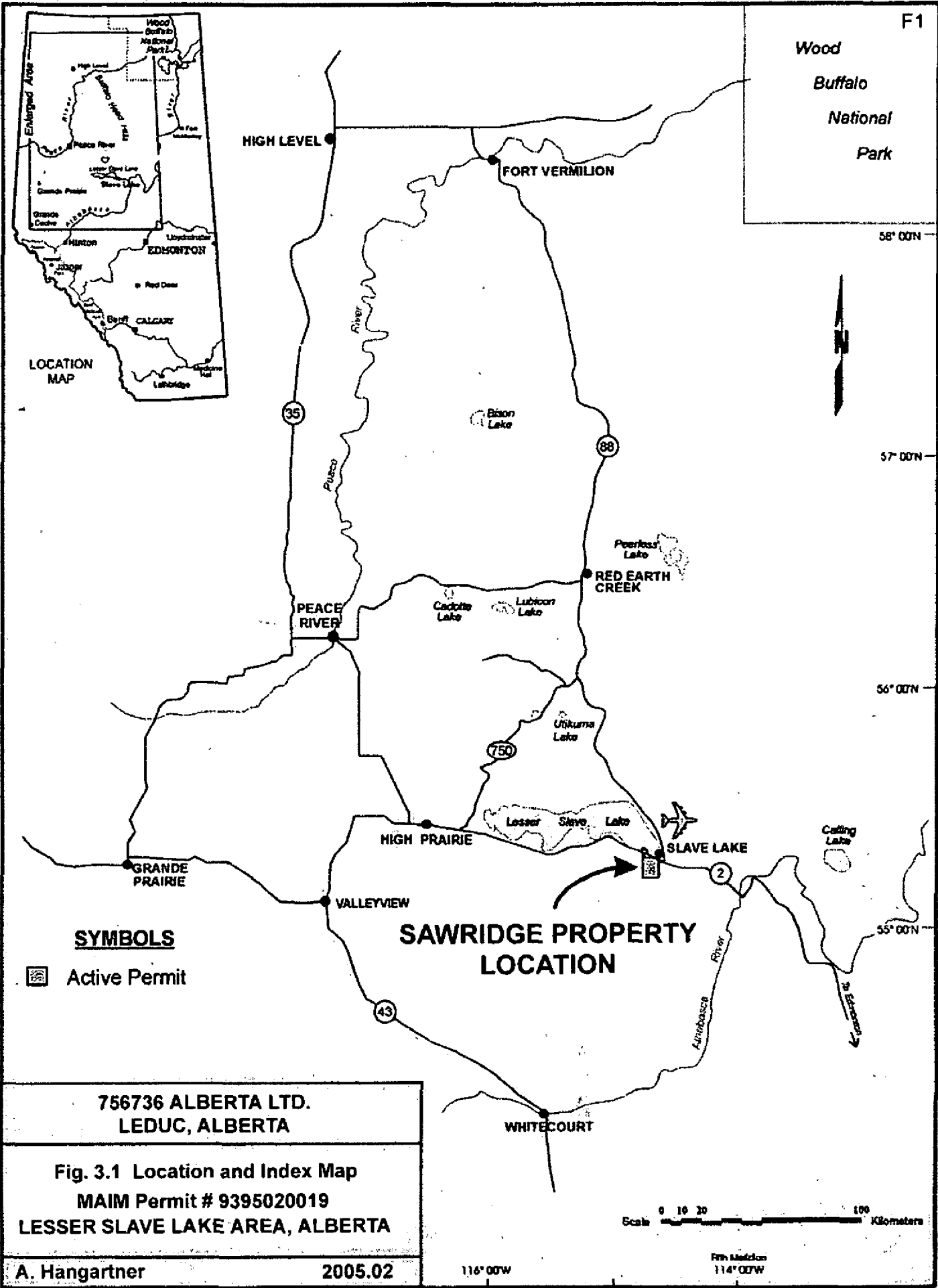
Wood
Buffalo
National
Park

58° 00'N

57° 00'N

56° 00'N

55° 00'N



LOCATION
MAP

SYMBOLS

 Active Permit

**SAWRIDGE PROPERTY
LOCATION**

756736 ALBERTA LTD.
LEDUC, ALBERTA

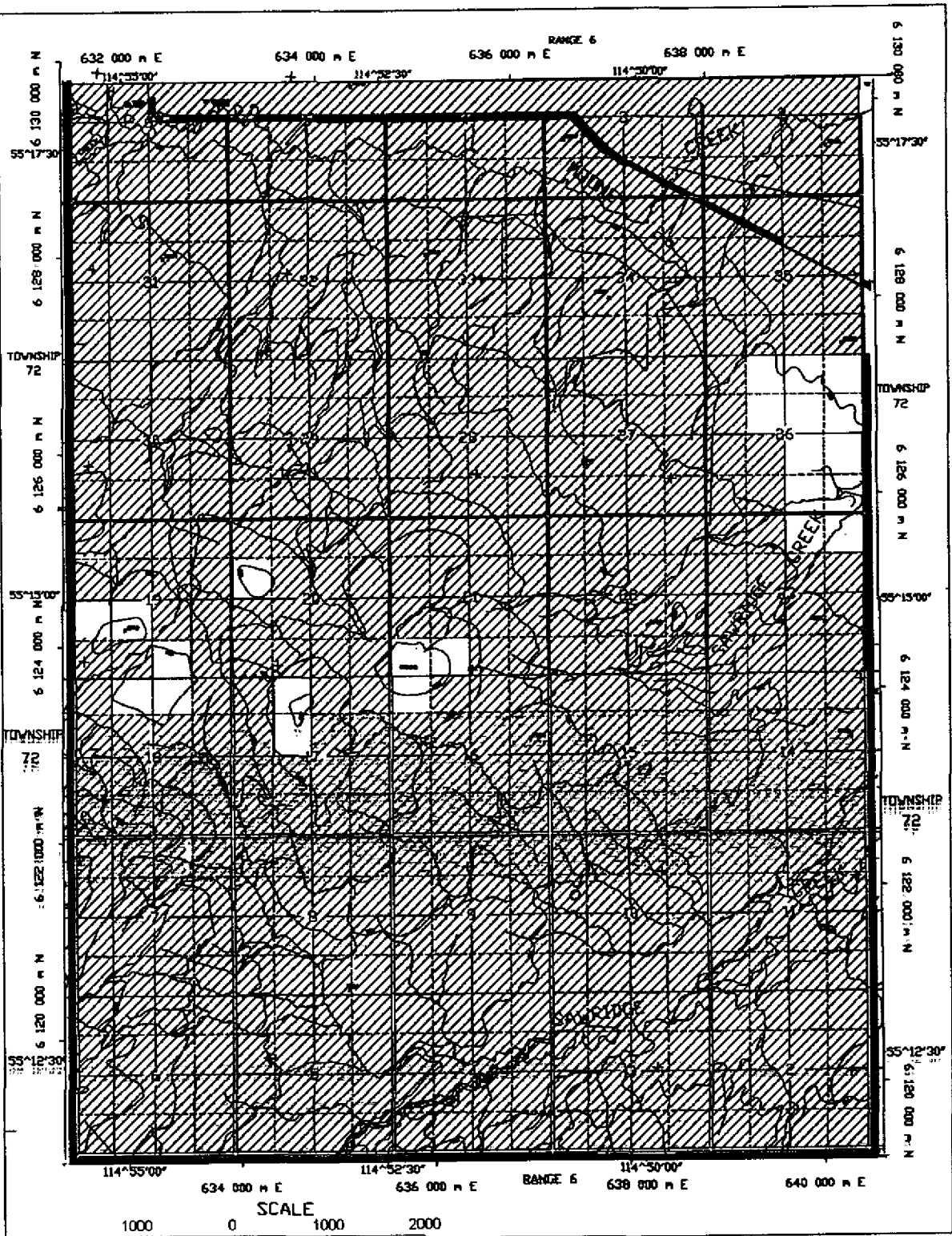
Fig. 3.1 Location and Index Map
MAIM Permit # 9395020019
LESSER SLAVE LAKE AREA, ALBERTA

A. Hangartner 2005.02


Scale 0 10 20 100 Kilometers

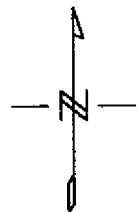
5th Meridian
114° 00'W

116° 00'W



SYMBOLS

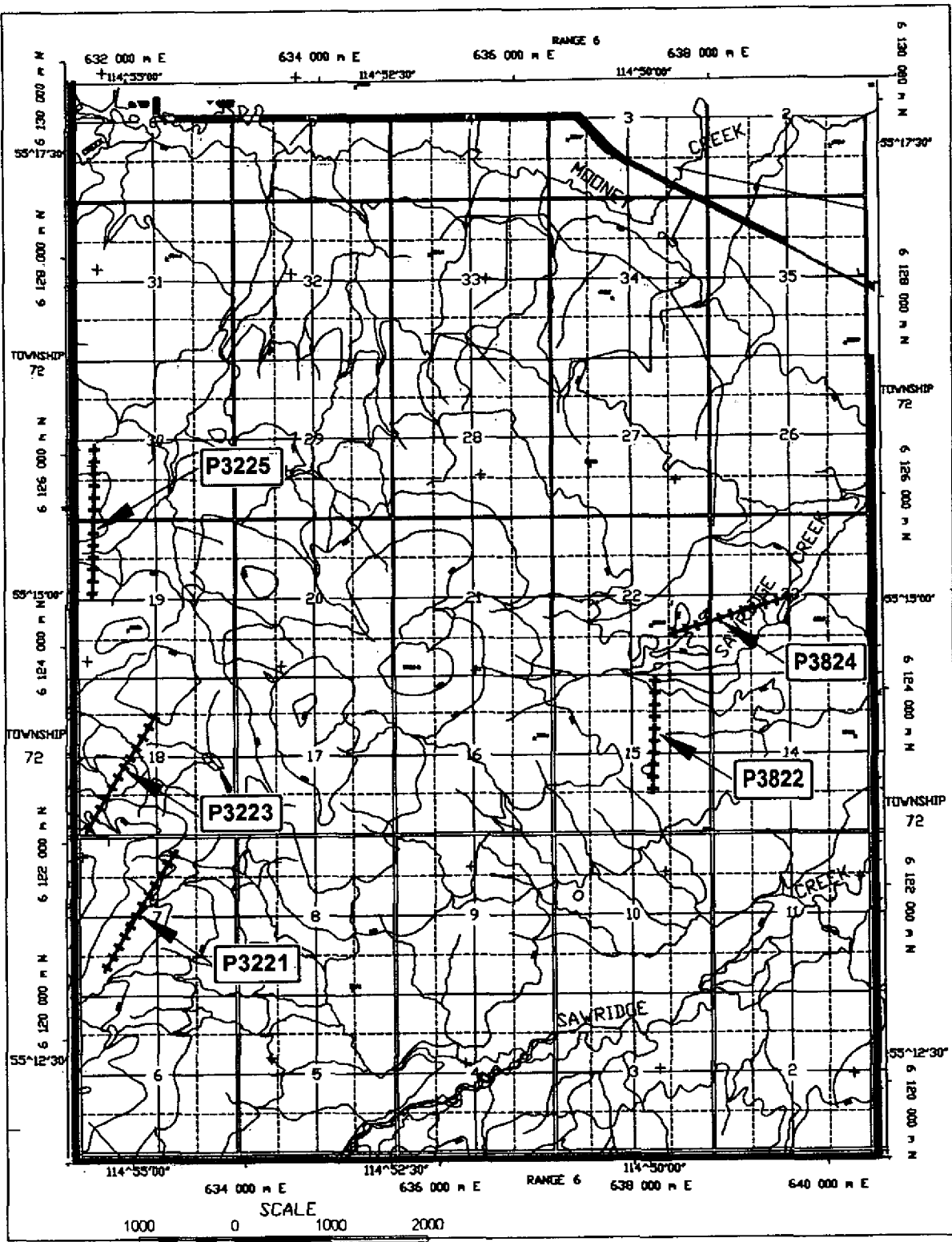

 Retained Active Area
 (Feb. 2001 - 2003)



756736 Alberta Ltd.

Fig. 3.2 Property Map
MAIM Permit # 9395020019
Sawridge Block Area

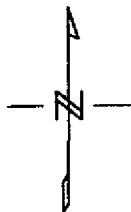
A. Hangartner **2005.02**



SYMBOLS

Location of Soil Sample

Location of Magnetic Profile

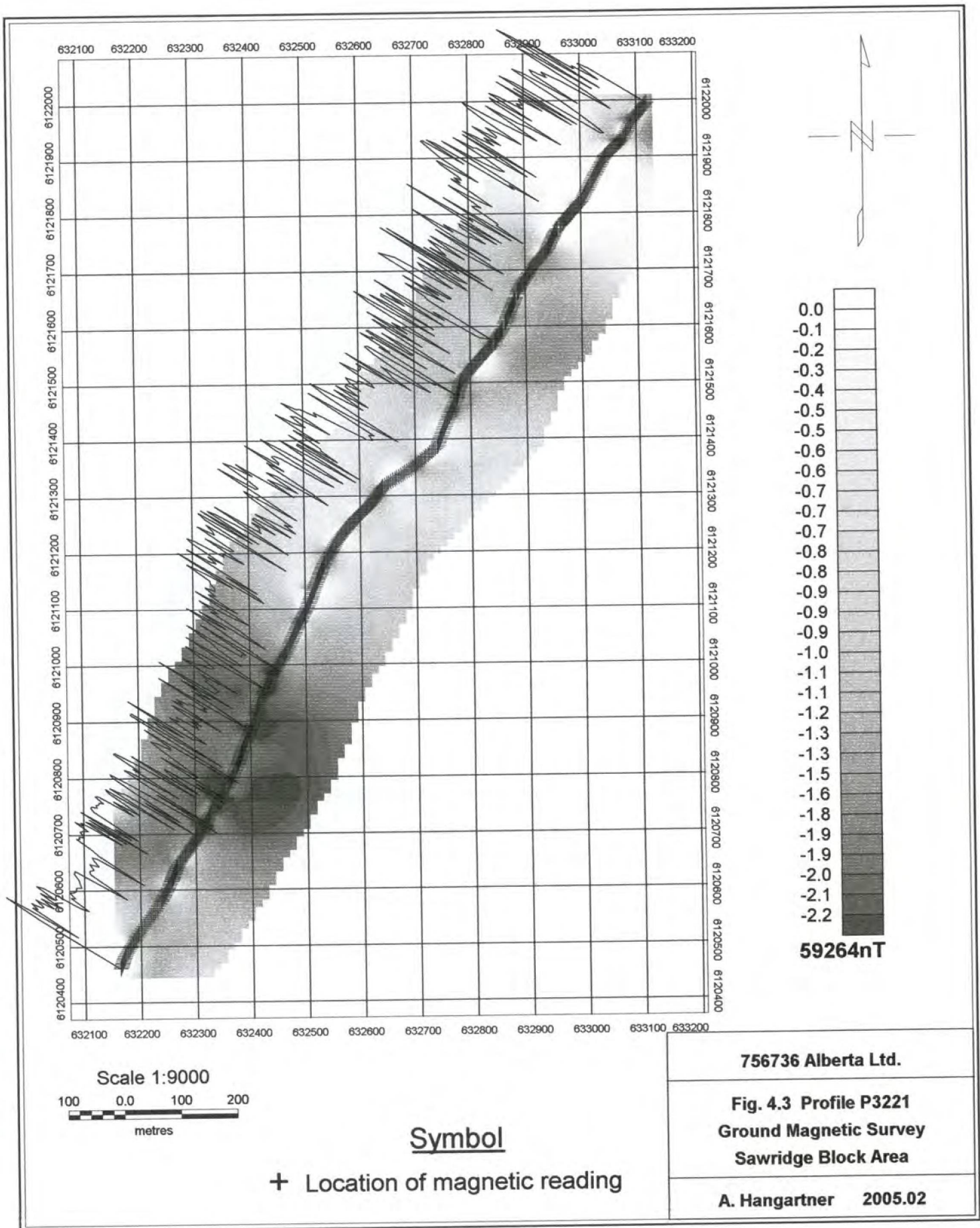


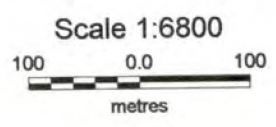
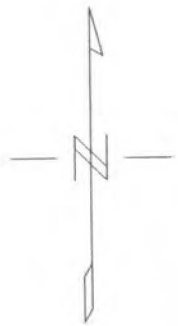
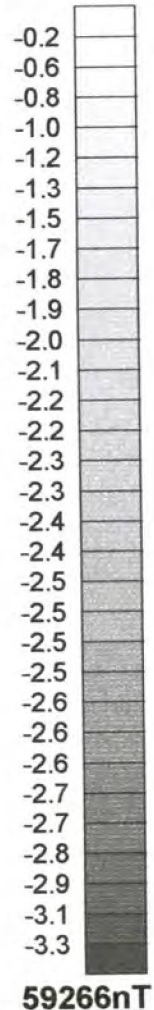
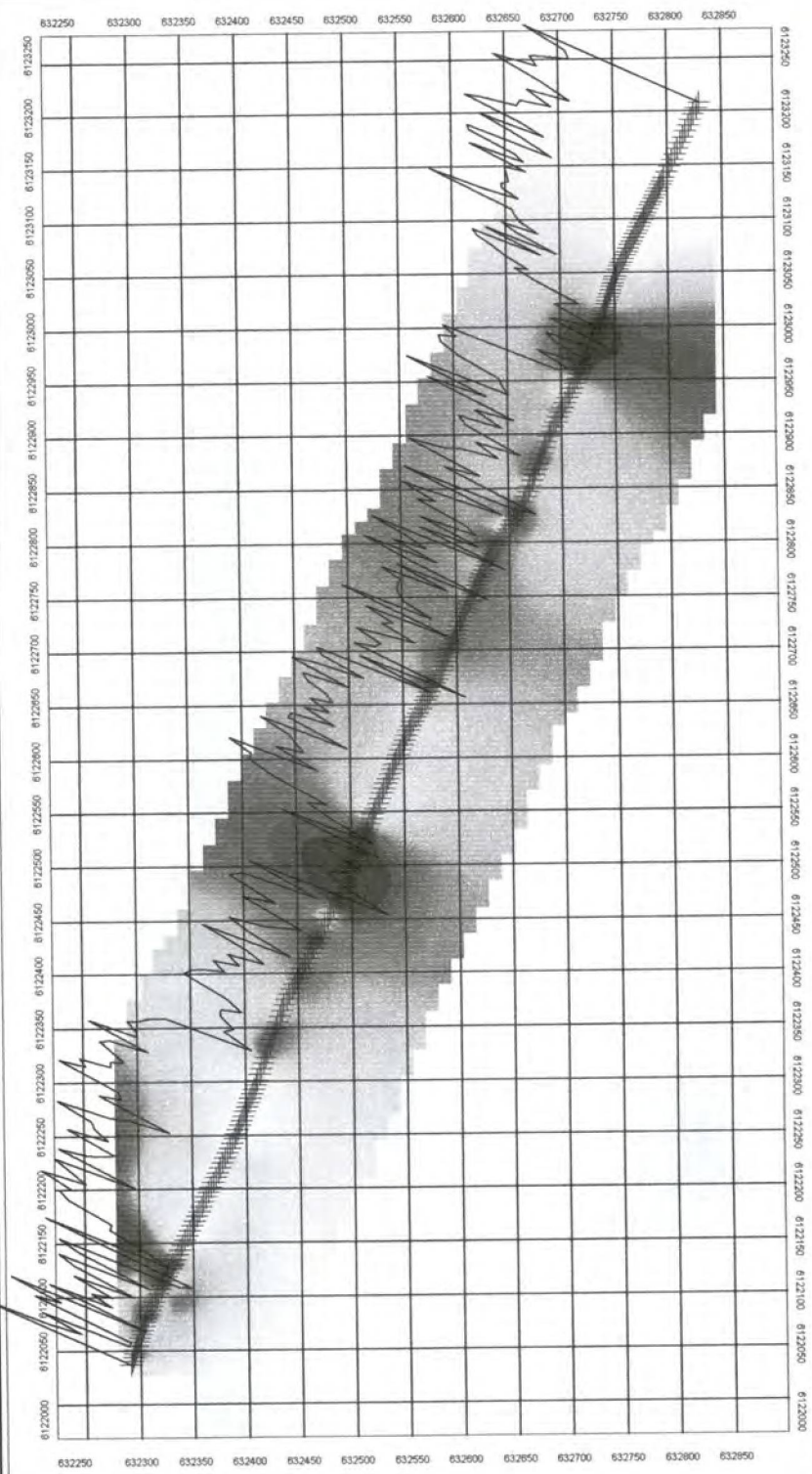
756736 Alberta Ltd.

**Fig. 4.1 Locations
of Work Performed
Sawridge Block Area**

A. Hangartner

2005.02



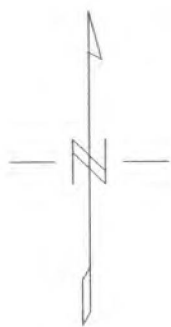
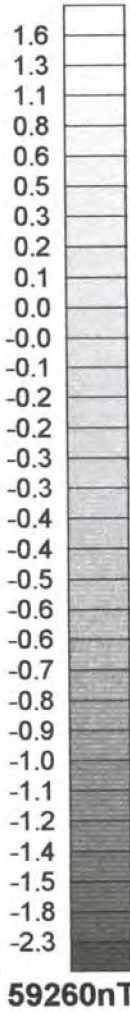
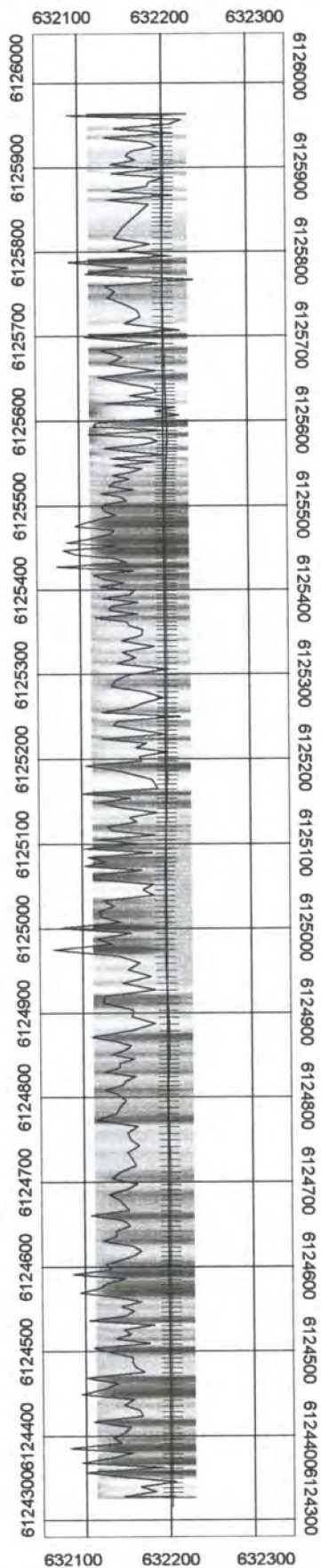


Symbol
 + Location of magnetic reading

756736 Alberta Ltd.

**Fig. 4.4 Profile P3223
 Ground Magnetic Survey
 Sawridge Block Area**

A. Hangartner 2005.02



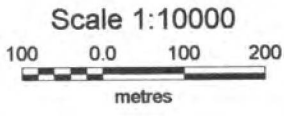
Symbol

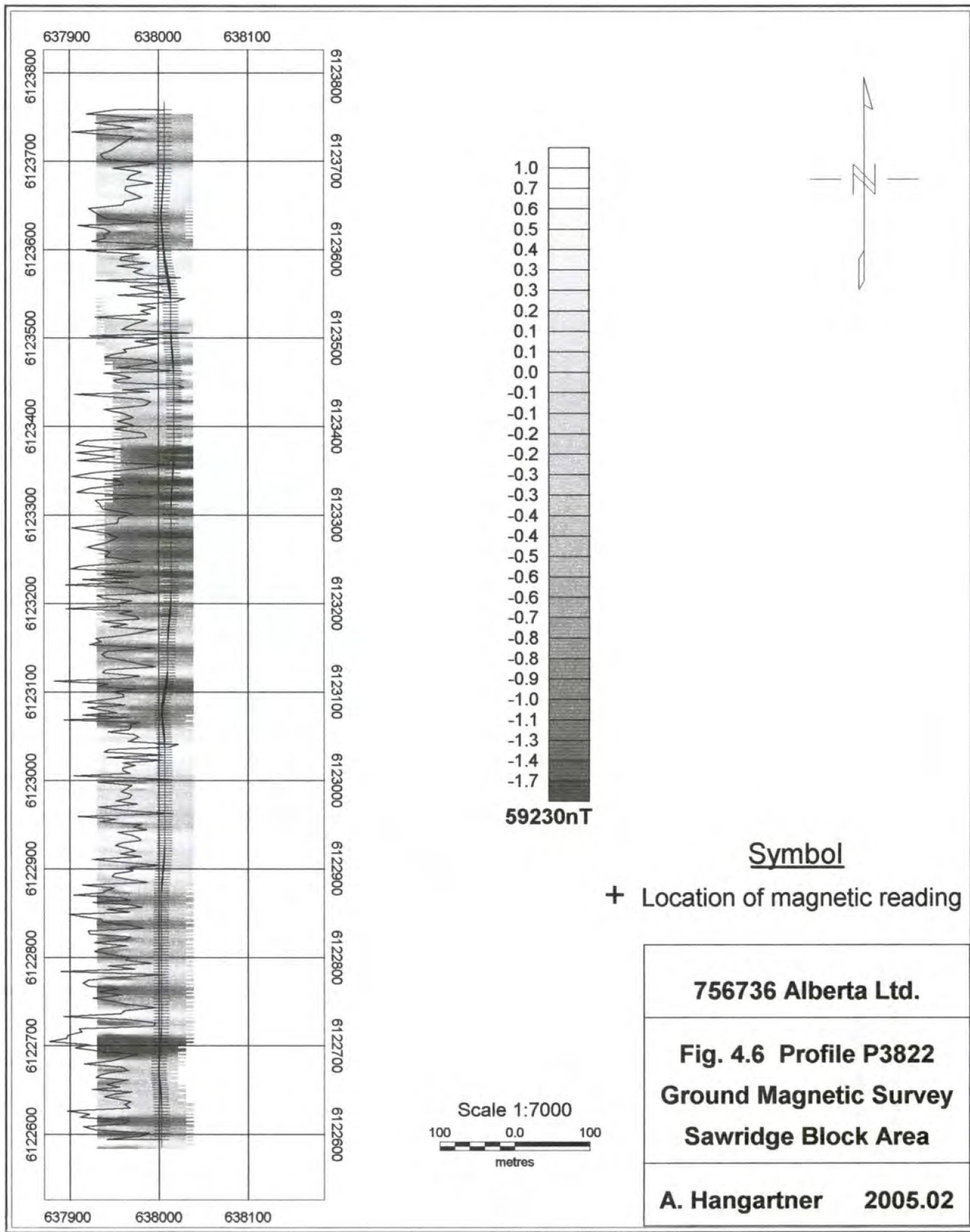
+ Location of magnetic reading

756736 Alberta Ltd.

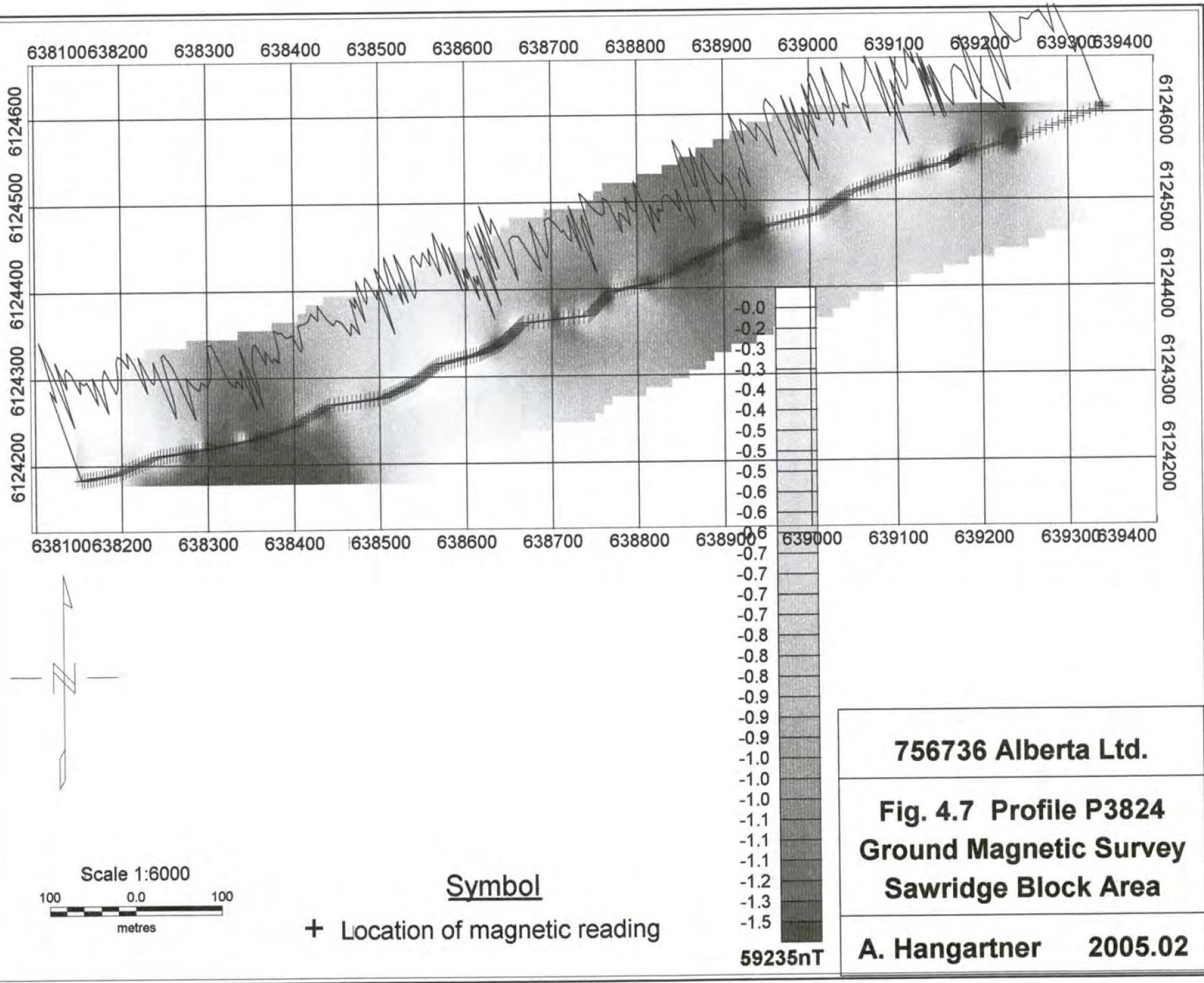
**Fig. 4.5 Profile P3225
Ground Magnetic Survey
Sawridge Block Area**

A. Hangartner 2005.02





F8



**Appendix 1: Statement of Reasonable Expenditures
Metallic and Industrial Minerals Permit 9395020019, Sawridge Block.**

EXPLORATION SERVICES - 756736 ALBERTA LTD.

Description	Rates		Cost	Total Cost
	Per	Charge	(\$)	(\$)
Salary and Wages				
A. Hangartner - consultations, data processing, drafting, exploration, ground magnetometer surveys, gridding, mineral sampling, reporting				
Helper				
-travel (2 per.) - trip preparation				
- total travel time for services				
	Total Cost:		\$5,985.00	\$5,985.00
Field Costs				
-meals & lodging (2 per.) - total meal expenses for services	15 dy	\$30.00	\$450.00	
- total accomodations expenses for services	14 nt	\$40.00	\$560.00	
-field supplies - cords, batteries, ribbon, hip chain, etc.		\$55.20	\$55.20	
	Total Cost:		\$1,065.20	\$1,065.20
Rental Equipment				
- truck rental, 3/4 ton	10 dy	\$90.00	\$900.00	
- GSM-19 Magnetometer rental	5 dy	\$64.00	\$320.00	
- GSM-19 Magnetometer Base Station rental	5 dy	\$64.00	\$320.00	
- pentium computer system rental	6 dy	\$30.00	\$180.00	
- data logging device rental	5 dy	\$30.00	\$150.00	
- global positioning system rental	7 dy	\$30.00	\$210.00	
- gridding equipment rental	5 dy	\$25.00	\$125.00	
- lap top CPU pentium rental	7 dy	\$30.00	\$210.00	
- quad 6x6 rental	7 dy	\$110.00	\$770.00	
- utility trailer rental	10 dy	\$30.00	\$300.00	
- office space rental	24 mc	\$20.00	\$480.00	
	Total Cost:		\$3,965.00	\$3,965.00
Office Charges, Administrative, General				
- phone, internet, Fax, etc.			\$45.00	
- office supplies, paper, ink carts., lamination			\$58.00	
	Total Cost:		\$103.00	\$103.00
Grand Total			\$11,118.20	

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, [REDACTED] per man hour and the shortened claimed duration should be more appropriate.

Appendix 2: Methods of Ground Magnetic Surveying Employed.

Collection Method

The magnetic surveys were performed using an Overhauser Model GSM-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/266 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 mobile instrument data to give a data set which varies only with position. The GPS information was used to map the survey and the survey description was used to scale the location of each station. The logged location time and survey reading time 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 processed using Geosoft Oasis Software. The maps produced represent profile of magnetic field intensity measurements, which in turn are determined from a survey of equally spaced points between nodes that have been interpolated from the original data.