

MAR 20070014: ELLS RIVER

Received date: May 16, 2007

Public release date: Jun 25, 2008

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GRAYMONT WESTERN CANADA INC.
2006 EXPLORATION AT THE ELLS RIVER
METALLIC AND INDUSTRIAL MINERALS PERMITS,
NORTHERN ALBERTA

PART B

Metallic and Industrial Minerals Permits:
9305031124 and 9305031125

Geographic Coordinates

57°17' N to 57°23' N
111°38' W to 111°42' W

NTS Sheet 74 E/5

Owner of MAIM Permits 9305031124 and 9305031125
Graymont Western Canada Inc.
190, 3025 - 12 Street N.E.
Calgary, AB, T2E 7J2

Operator: Graymont Western Canada Inc.
190, 3025 - 12 Street N.E.
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Consultant: Dahrouge Geological Consulting Ltd.
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Date Submitted: May 15, 2007

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1. SUMMARY

Metallic and Industrial Minerals (MAIM) Permits 9305031124 and 9305031125 of Graymont Western Canada Inc. are located along Athabasca River, north of Fort MacKay. The 2006 exploration consisted of several days of ground exploration and access scouting, and a day of jet boat exploration along the banks of the river. Although these permits are not contiguous, they have been grouped for convenience after obtaining permission from Hazel Henson in April, 2007.

The permits appear to be underlain by significant thicknesses of Cretaceous sands and tar sands. No carbonate lithotypes were discovered during the 2006 exploration.

The 2006 exploration expenditures for MAIM Permits 9305031124 and 9305031125 totaled \$9,913.71 (Part C, Appendix 1). The entirety of these permits will be retained and the excess expenditures applied to following assessment periods (Table 1.2).

TABLE 1.2 ALLOCATION OF EXPENDITURES

Permit	Assessment Period	Expected Expiry Date	Permit Area (ha)	Required Expenditures	Assigned Expenditures
9305031124	Years 1 & 2	Mar 17, 2009	576	\$ 2,880.00	\$ 2,880.00
				Permit 9305031124 Expenditures Carried Over:	\$ 2,842.52
9305031125	Years 1 & 2	Mar 17, 2009	576	\$ 2,880.00	\$ 2,880.00
				Permit 9305031125 Expenditures Carried Over:	\$ 1,311.19
				Total:	\$ 9,913.71

2. INTRODUCTION

The objectives of the 2006 exploration were to evaluate access to the property, and to explore for carbonate outcrops below the sub-Cretaceous unconformity and evaluate their quality. To achieve the objectives, all roads/trails in the area were explored with the use of a 4x4 vehicle and/or ATV's; riverbanks were explored primarily on foot, or by jet boat where necessary. Mr. Bob Robison, exploration manager for Graymont Western U.S. Inc., authorized this work.

3. LOCATION AND ACCESS

MAIM Permits 9305031124 and 9305031125 (Fig's. 3.1 and 3.2) are located within National Topographic System Map Sheet 74 E/5, and extend from approximately 57°17' N to 57°23' N latitude and 111°38' W to 111°42' W longitude.

The MAIM permits encompass an area about 15 km north of Fort MacKay, within northeastern Alberta. Fort MacKay is about 55 km west of the Alberta-Saskatchewan border and 60 km north of Fort McMurray, which is accessible by a 437 km paved highway from Edmonton. The southern permit, 9305031124, is accessible by a public all-weather gravel road running north from Fort MacKay. The northern permit, 9305021125, can potentially be accessed by a few roads/trails; however, all access to the area is restricted by Canadian Natural Resources Limited (CNRL) due to the ongoing development of their Horizon Oil Sands Project. This access could not be utilized at the time of exploration; the permit was primarily explored utilizing a jet boat on Athabasca River.

4. WORK PERFORMED

The geological work on the Firebag River permits was conducted by Dahrouge Geological Consulting Ltd. (Dahrouge) on behalf of Graymont Western Canada Inc. (Graymont).

From September 25th to October 5th, 2006, trails and riverbanks within and around MAIM permits 9305031124 and 9305031125 were explored utilizing a 4x4 truck and ATV's where possible, and by foot or jet boat where necessary (Fig. 4.1). Time was spent evaluating access to the property as well as attempting to locate any carbonate outcrops.

5. RESULTS

Access to the southern permit (MAIM Permit 9305031124) is abundant and of high-quality, as the gravel road running north of Fort MacKay intersects the permit. There are also several smaller trails and cut-lines that can be utilized with ATV's to access different parts of the permit. No carbonate outcrops were discovered within the permit during ground or jet boat exploration. Only Cretaceous sands and tar sands were encountered.

The northern permit (MAIM Permit 9305031125) is not easily accessed by land. Any roads/trails in the area are restricted by CNRL, as the area is within their Horizon Oil Sands Project. It is possible to reach the claims on foot from the most northerly road access, but this involves several hours of hiking through thick brush. A jet boat was used to scour the banks of Athabasca River for carbonate outcrops; however, none were discovered. Similarly, only sands and tar sands were encountered in the northern permit.

6.**CONCLUSIONS**

The absence of carbonate outcrops on the property suggests that it is underlain by significant thicknesses of Cretaceous sands and tar sands. Unless the permit area is stripped of Cretaceous overburden by future oil sands operations, the economic viability of a quarry is very low.

Access to the southern property is abundant; access to the northern property was severely restricted at the time of exploration, but could be useful in the future. Development of the area by CNRL may benefit future exploration for limestone.

7.

REFERENCES

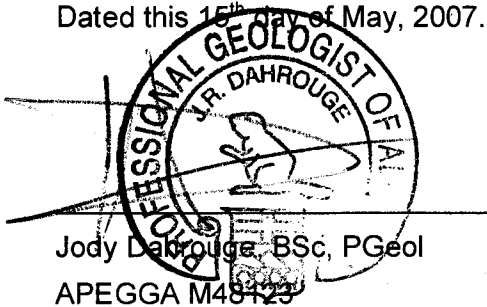
- Dahrouge, J.R. and Wolbaum, R. (2004) 2004 Exploration and Fieldwork for High-Quality Carbonates at the Pierre River Permit, near Fort McKay, Northeast Alberta; ass. rept. for Graymont Western Canada Inc., Dahrouge Geological Consulting Ltd., Edmonton, 15 p.
- Norris, A.W. (1963) Devonian Stratigraphy of Northeastern Alberta and Northwestern Saskatchewan; Geol. Surv. Can., Mem 313.

STATEMENT OF AUTHOR

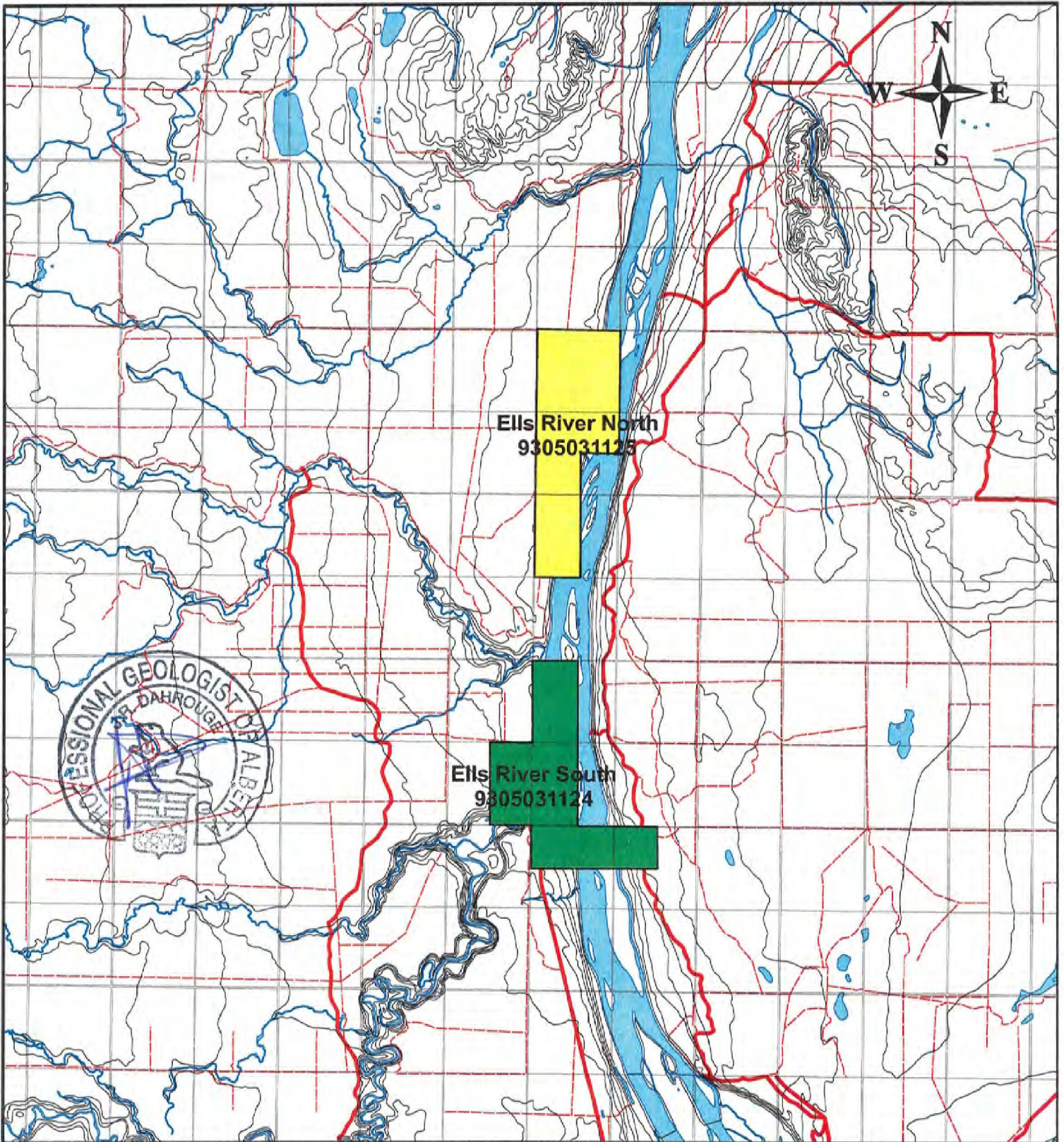
I, Jody Dahrouge, residing at 11 Country Lane, Stony Plain, Alberta, do hereby certify that:

- § I am a geologist of Dahrouge Geological Consulting Ltd., Suite 18, 10509 - 81 Ave, Edmonton, Alberta, T6E-1X7.
- § I am a graduate of the University of Alberta, Edmonton, Alberta with a B.Sc. in Geology, 1988 and a Special Certificate (Sp.C.) in Computing Science in 1994.
- § I have practiced my profession as a geologist intermittently from 1988 to 1994, and continuously since 1994.
- § I am a registered professional geologist with the Association of Professional Engineers, Geologists and Geophysicists of Alberta, member M48123.
- § I hereby consent to the copying or reproduction of this Technical Report following the one-year confidentiality period.
- § I am the author of the report entitled "2006 Exploration at the Ells River Metallic and Industrial Minerals Permits, Northeastern Alberta" and accept responsibility for the veracity of technical data and results.

Dated this 15th day of May, 2007.



Jody Dahrouge, BSc, PGeol
APEGGA M48123



Legend

Graymont MAIM Permit

- Ells River North
- Ells River South



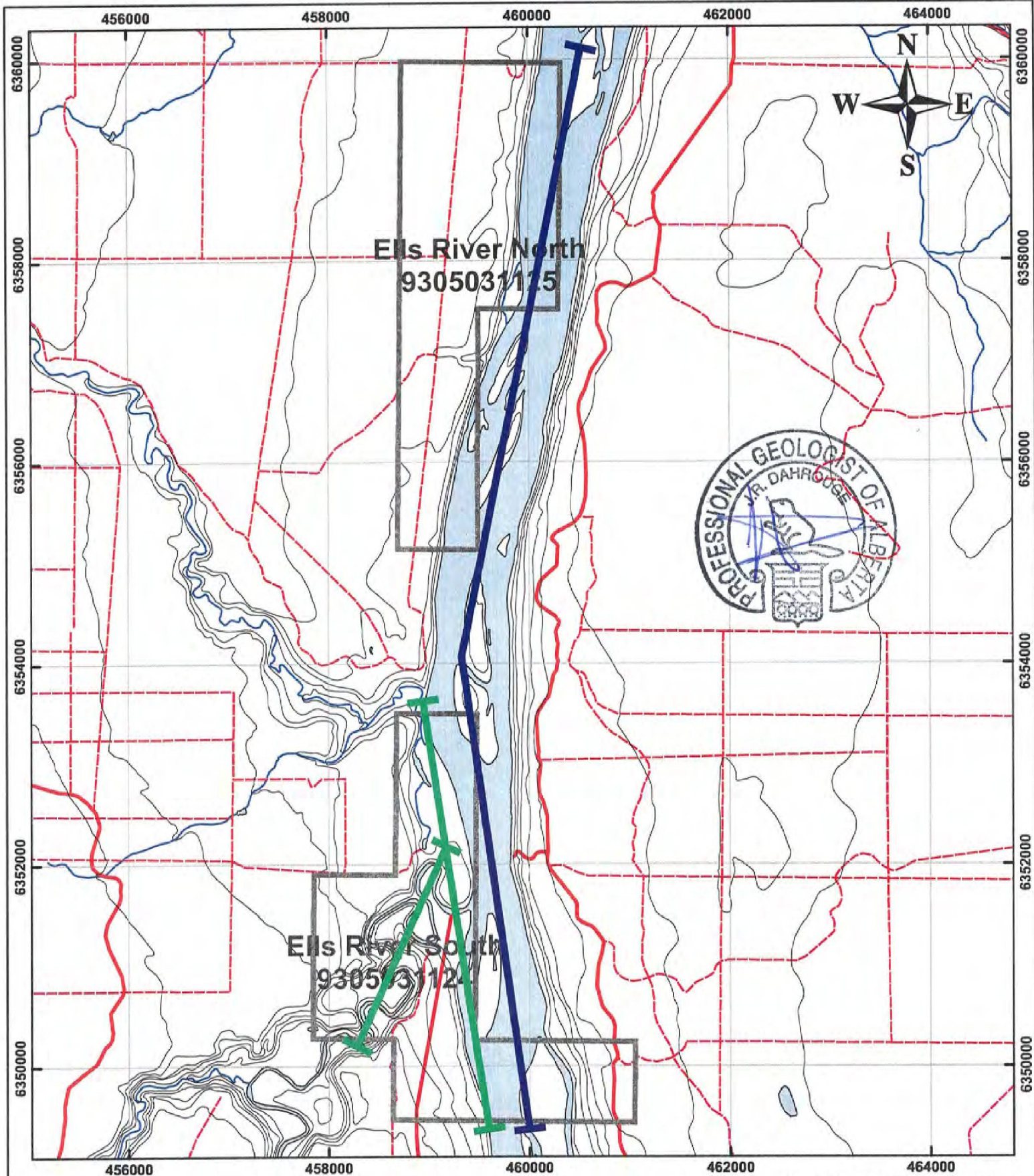
1:100,000

Coordinate System: UTM NAD83

GRAYMONT WESTERN CANADA

Dahrouge Geological Consulting Ltd.
EDMONTON, ALBERTA
NORTHEAST ALBERTA

Fig. 3.2 Claim Map



- Ground Survey
- Jet Boat Survey



1:50,000

Coordinate System: UTM NAD83

GRAYMONT WESTERN CANADA

Dahrouge Geological Consulting Ltd.
EDMONTON, ALBERTA
NORTHEAST ALBERTA

Fig. 4.1 Location of Work

**APPENDIX 1: COST STATEMENT FOR THE 2006 EXPLORATION
CONDUCTED ON THE ELLS RIVER PERMITS**

a) <u>Personnel</u>	\$	5,405.64
b) <u>Food and Accommodation</u>	\$	1,574.10
c) <u>Transportation</u>	\$	1,875.46
d) <u>Drilling</u>	\$	-
e) <u>SubContractors (Diamond Exploration)</u>	\$	-
f) <u>Other</u>	\$	157.27
<u>Total</u>	<u>\$</u>	<u>9,012.46</u>
<u>Administration</u>	<u>\$</u>	<u>901.25</u>
<u>Total plus Administration</u>	<u>\$</u>	<u>9,913.71</u>