

MAR 20090008: K11 P.I.A.

Received date: Apr 22, 2009

Public release date: Dec 30, 2010

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PART B

ASSESSMENT REPORT
For
K11 P.I.A. PROPERTY

And

PART C

APPENDICES
For
K11 P.I.A. PROPERTY

ASSESSMENT REPORT
Metallic and Industrial Mineral Permit Number
9307010941

K11 P.I.A. PROPERTY
NTS: 84B / 84G
(Section 23, Township 92, Range 7 west of the 5th Meridian)

For

SandSwamp Exploration Ltd.

Submitted by:
Lester B. Vanhill

March, 2009

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Map of Current Permit and Boundaries

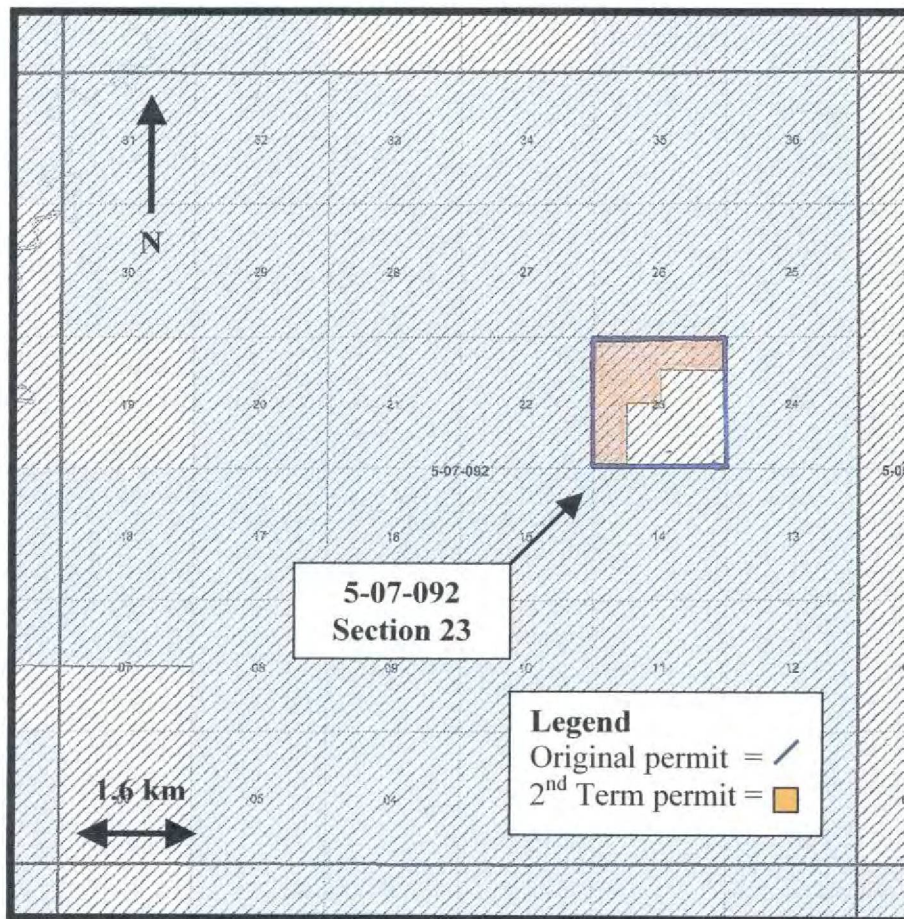


Figure # 1: Map showing 1st & 2nd Term Boundaries.

Permit # 9307010941
Term Date: 2007-01-25

Designated Representative:
Client ID: 8076256
Client Name: SANDSWAMP EXPLORATION LTD.
Address: PO Box 10, Comp 8 Dapp, Alberta T0G 0S0

Original 1st term permit lands: 5-07-092: Section 23 (256 ha)
2nd term permit lands: 5-07-092: Section 23NW, L4, L5, L15 & L16

Summary

The K11 P.I.A. Property (“the property”) was studied by air photograph. This air photograph study confirmed the property’s inaccessibility due to extensive muskeg cover. The air photograph study selected three possible kimberlite targets on the property.

Only one of the possible kimberlite targets selected was near surface on the property. This low-priority target is located on the property’s northern boundary with the majority of its potential mass off property. Future investigation of this target is warranted.

The property may have one or two buried kimberlitic sill or “blows” located within its bounds. The first and most obvious source of such a sill or blow would be a buried extension of the main K11 kimberlite which is located ~500 metre northwest of the property. Public magnetic data of K11 reveals a northwest, southeast orientation to the pipe. The south eastern portion of the K11 kimberlite appears to be the main pipe body. This oval shaped pipe’s emplacement appears to be fault controlled. This possible fault would run through the K11 P.I.A. Property.

The second possibility of a buried kimberlite on the property would be an extension of a possible kimberlite target referred to as the “K11 south target”. The K11 south target is located 1 km south of K11 and less than 200m off the property boundary. Although it has not been confirmed to be a kimberlite, the mere shape and features of this target, warrant further investigation. If the K11 south target is a kimberlite, there is a very high probability that a portion of it may extend onto the K11 P.I.A. Property.

Introduction

This report is a summary of the exploration activities undertaken by SandSwamp Exploration Ltd. on the Alberta Industrial and Metallic Mineral Permit # 9307010941, referred to as the K11 P.I.A. (proximity intrusive area) Property. Exploration activities included an air photograph study of the property and surrounding area. All exploration activities were completed between January 25, 2007 and January 24, 2009. Exploration was focused on locating prospective kimberlite anomalies within the project area.

**MINERAL ASSESSEMENT
EXPENDITURE BREAKDOWN BY TYPE OF WORK**

Actual Expenditure

Project Name: K11 P.I.A. Property

	<u>Amount</u>
1. Prospecting	\$ <u>945.96</u>
2. Geological Mapping & Petrography	\$ _____
3. Geophysical Surveys	
a. Airborne	\$ _____
b. Ground	\$ _____
4. Geochemical Surveys	\$ _____
5. Trenching and Stripping	\$ _____
6. Drilling	\$ _____
7. Assaying & whole rock analysis	\$ _____
8. Other Work: <u>Assessment Report Writing</u>	\$ <u>390.00</u>
SUBTOTAL	\$ _____
9. Administration (up to 10% of subtotal)	\$ <u>133.59</u>
TOTAL	\$ <u>1,469.55</u>

Lester Vanhill
SUBMITTED BY (Print Name)

March, 2009
Date

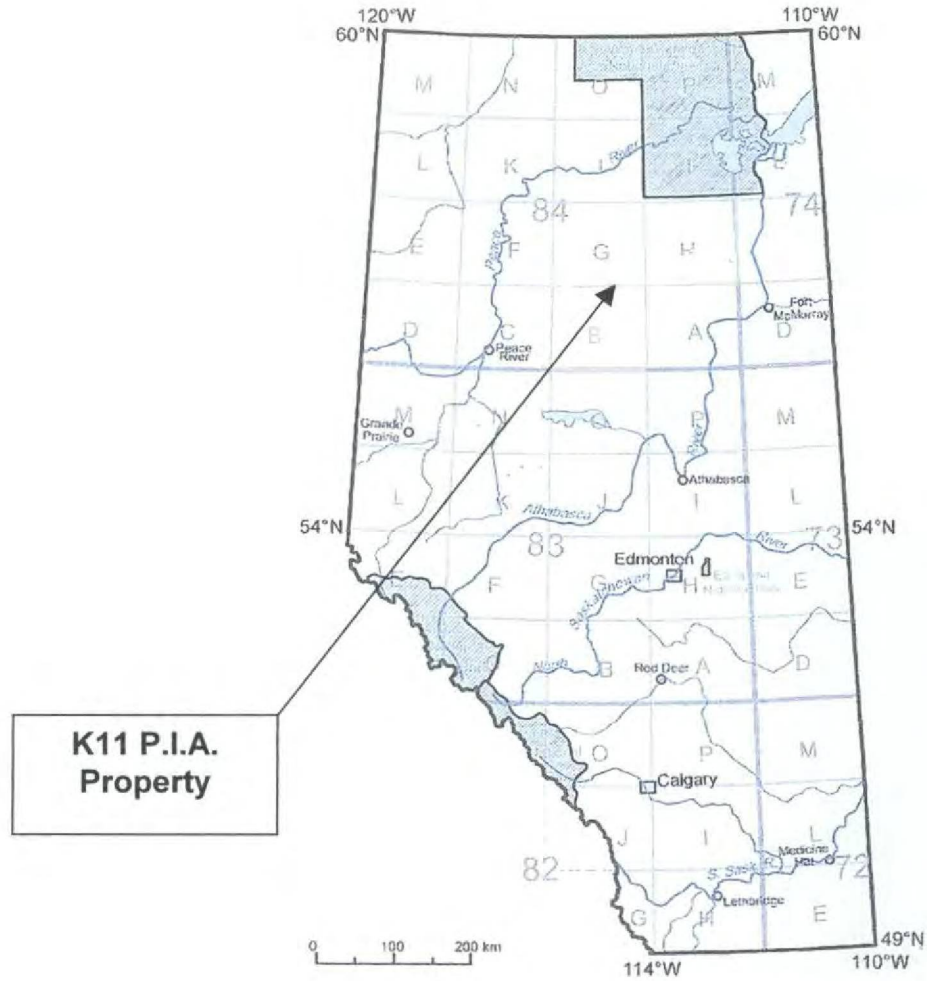


Figure # 2: Location of property in Alberta

Location and Access

The K11 P.I.A. Property is located in north central Alberta. The permit is located within NTS map sheets 84B & 84G. The legal location of the permit is Section 23, Township 92, Range 7 West of the 5th Meridian. The coordinates that encompass the permits are 56° 59' 18.30" to 57° 0' 10.35" N latitude and 114° 59' 42.15" to 115° 1' 18.77" W longitude (Figures 1 & 2).

The project is accessible by ATV using old seismic lines. The property has been flown numerous times since 1949 for the Alberta Government air photograph database.

Regional Geology

The K11 area (Twp 92, Range 7 west of the 5th), is underlain by marine shale bedrock. This shale is lower to mid-Cretaceous marine shale of the Albian Shaftsbury Formation. The Shaftsbury Formation has been subdivided into the Westgate, Fish Scales, and Belle Fourche subformations, and consists of dark grey marine shale in the base of the section, bone beds and abundant fish scales in the Fish Scales subformation, and Shale with an increasing percentage of laminated siltstone interbeds toward the top of the section.

Surficial Geology

The K11 P.I.A. property is covered by a fen peat deposit. This deposit occurs in a peatland (muskeg) with the water table at surface. It has a slow internal drainage. The peatland surface is dominated by sedges, with grasses and reeds near local pools. The majority of these fen peat areas tend to be sparsely treed. Conventional till sampling and prospecting methods are not feasible in areas with this type surficial geology.

Exploration

Exploration for the first term of the K11 P.I.A. property consisted of an air photograph study. The results of this study are documented within appendix 1 of this report.

Conclusion

The original K11 P.I.A. Property was very small, being 1 square mile (256 ha). It was acquired, due to its close proximity to the large near-surface, diamond bearing K11 kimberlite. The K11 kimberlite appears to be orientated in a northwest, southeast direction. This orientation appears to be fault controlled. The K11 P.I.A. property lies directly on trend with this perceived placement-controlling fault. Exploration of the property consisted of an air photograph study.

This study revealed the location of K11 in relation to the property as well as 2 other new possible kimberlites. The first new possible kimberlite target is a small shallow resistive hill, which acts like an island within a large wet muskeg area. 75% of this target lies off the property. The other possible new kimberlite target is located directly west of the property. It is represented as a large oval hill, which deflected and resisted the moving outwash waters that created the large muskeg deposit of the area. It is very similar in

shape and deflecting ability to K11. If this second target is a new kimberlite, it may possibly extend onto the property.

50% of the property was returned to the Crown as it is located in a deep muskeg that would make future exploration difficult. No future work is planned for this property at this point in time.

Author Qualifications

I, Lester B. Vanhill, of Dapp, Alberta, Canada do hereby certify that:

1. I am a prospector with; and sole owner of; Sandswamp Exploration Ltd.
2. I am a graduate of the Northern Alberta Institute of Technology (N.A.I.T.) with an honours diploma in Geological Technology (2003) and a diploma in Business Administration (1997).
3. I have been an active prospector within the Yukon, NWT, Nunavut and Alberta at various times since 1994.
4. I do not belong to any professional association(s).
5. I currently hold 100% beneficial interest in this Property.
6. Since 1994, I have worked as an employee and as a freelance prospector for several mineral exploration companies including Ashton Mining of Canada and Diamondex Resources Ltd. (both have had the role of operator of the BHH JV)
6. I am currently aware of several geological facts and information that have been omitted from this report. These omissions may cause this report to be not as truthful as I could have created it. Every intentional fact of knowledge or material information omitted from this report is done under effective and binding legal contract, confidentiality agreements and moral & professional work ethics. The binding legal contracts state that I am not allowed to publicly disclose certain information that I have become aware of through my contractual work. Even if these confidentiality obligations were not legally binding, I would not disclose that information for moral & professional ethical reasons until it was made public by the rightful owner of the information. Where information within this report must reflect confidential information, that information is completely omitted or deferred to current and accepted Alberta Geological Survey data, even if I personally know the accepted data to be false or misleading. All other data disclosed within this report, which does not fall under active confidentiality obligations, is truthful and accurate to the best of my knowledge.


Lester B. Vanhill

Sign at: Edmonton, Alberta, Canada

References

Almeida-Filho, R. and Castelo-Branco, R.M.G. (1992): Location of kimberlites using Landsat Thematic Mapper images and aerial photographs: the Redondao diatreme, Brazil; International Journal of Remote Sensing, Vol. 13, No 8 & 9

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Personal Conversations: anonymous

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Seneshen, D.M., Grunsky, E.C., Renez, A., Hall, G.E.M. and Dunn, C.E. (2005): Geochemical orientation surveys (fiscal year 2000-2001) for kimberlites in northern Alberta; Alberta Energy and Utilities Board, EUB/AGS, Earth Sciences Report 2005-01.

Appendix 1 – Air Photograph Study

Air Photograph Study

An air photograph study was conducted for the K11 P.I.A. property and its immediate, surrounding area in an effort to achieve the following goals related to kimberlite exploration:

Mapping

- Map the property boundaries.
- Cross-reference the property boundaries to known features that could be identified on the ground.
- Locate useable trails and clearing for access to different areas of the property.

Surficial Landform Determination

- Map surficial landforms to determine ice direction and material composition.
- Map forest cover vegetation to determine local soil types.
- Locate prospective surface or near surface kimberlite targets.
- Cross-reference known hill-type and buried kimberlite surface expressions to similar features selected on the property.
- Determine areas of the property with thick ablation till or peat that would hamper future exploration efforts.
- Locate local geological trends that may be surface expressions of buried faults.
- Locate surface expressions of geological boundary changes (ie: sandstone caps).

Environmental Consideration Mapping

- Map areas that would be too environmentally sensitive to conduct further exploration or mineral production (ie: lakes or streams).
- Determine areas of the property to avoid during certain wildlife timing considerations (ei: caribou winter habitat and fish spawning streams).
- Determine areas of the property that have a deep muskeg cover, which would deter future exploration efforts.

Anomalous Exploration Activity

- Locate seismic lines that show seismic data confusion (similar to the K296 wagon wheel confusion).

Air Photograph Summary
of
"K11 P.I.A. Property"

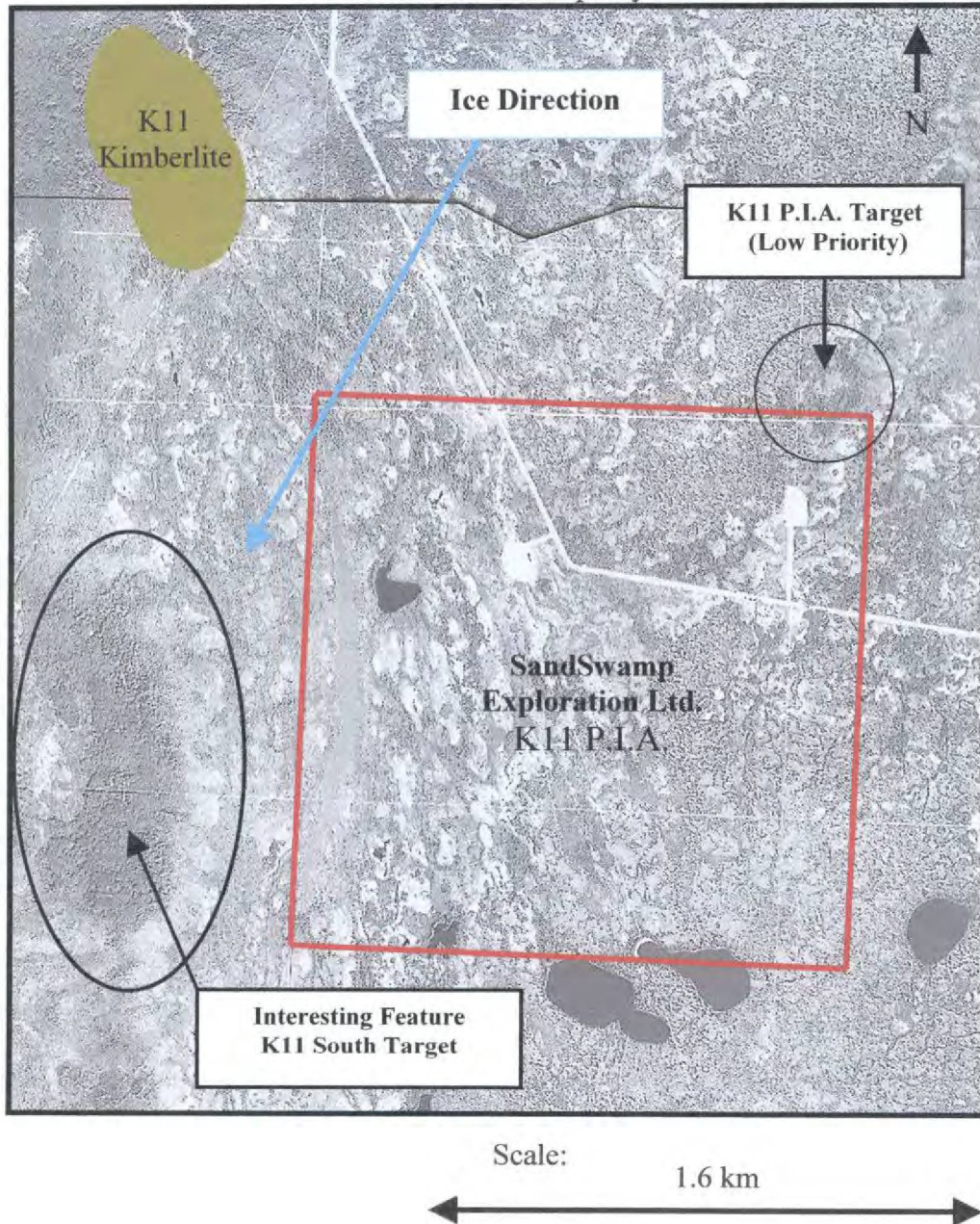


Figure 1 of Appendix 1: Summary of Air Photograph Study

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Air Photograph Study Results

This air photograph study was advantageous to the exploration effort of the property. The study confirmed that most of the property is covered by an extensive muskeg (fen peat) deposit. This type of muskeg has been deemed a vital habitat for Woodland Caribou. As such, extreme caution is needed for all future exploration of the property and area as Woodland Caribou are protected within Alberta.

Only one possible near surface kimberlite target was selected on the property. This target is a low priority domed shape hill surfacing above the perched water table. As this target is on the northern boundary of the property, the majority of its mass is located on lands held by the BHH JV. Future exploration of this target is warranted.

The property may have a buried kimberlitic sill or “blow” located within its bounds, (commonly referred to as a daughter kimberlite). The first and most obvious source of such a sill or blow would be a buried extension of the main K11 kimberlite. Public magnetic data of K11 shows a northwest, southeast orientation to the pipe. The south-eastern portion of the K11 pipe appears to be the main pipe body. This oval shaped pipe’s emplacement appears to be fault controlled. The responsible fault appears to run through the K11 P.I.A. Property. Some other Alberta kimberlites have a fault controlled daughter kimberlite next to or within 700 m of the main pipe body. Interestingly, the daughter kimberlites tend to have a higher diamond grade compared to the parent kimberlite.

The second possibility of a buried kimberlite on the property may be an extension of the “K11 south target”. The K11 south target is located 1 km south of K11 and less than 200m from the property boundary. Although it has not been confirmed to be a kimberlite, the mere shape and channel deflecting features of this target warrants future exploration. If the K11 south target is a kimberlite, there is a very high probability that a portion of it may extent onto the K11 P.I.A. Property.

Air Photograph Study Summary

The K11 P.I.A. Property is covered by a thick wet muskeg deposit, which would make exploration difficult. The property has three possibilities of hosting a kimberlite.

- An extension or daughter intrusion of the K11 Kimberlite pipe
- An extension or daughter intrusion of a possible new kimberlite (K11 South)
- A portion of a small near surface kimberlite pipe on the northern boundary of the property.

Other than these three possibilities, the K11 P.I.A. property appears to have no other kimberlite exploration targets.