MAR 20020007: SAULTEAUX

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756736 ALBERTA LTD


NORTH-CENTRAL, ALBERTA

Metallic and Industrial Minerals Permits
9398030087, 9398030088 & 9398030089

Geographic Co-ordinates
54°51'00" to 55°07'00" N
114°36'30" to 114°46'00" W

NTS Sheets 83 J/15 and 83 O/2

2002.05.25

Prepared by

A. Hangartner, Prospector

756736 Alberta Ltd.
4011 – 37 Avenue
Leduc, Alberta
T9E 6E1
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Appendix 1: Statement of Reasonable Expenditures ................................ A1
Appendix 2: Methods of Ground Magnetic Surveying Employed .................... A2
1. SUMMARY

Alberta Metallic and Industrial Minerals Permit Nos. 9398030087, 9398030088 & 9398030089, herein referred to as the Saulteaux Block Property, located southeast of Lesser Slave Lake, Alberta in the central part of the Swan Hills, was explored for primary diamond deposits. 756736 Alberta Ltd. explored the area and conducted ground magnetic surveys on several topographic circular oval-shaped physiographic features. The anomalous areas investigated were chosen using criteria suggested by Halferdahl & Associates Ltd.

2. INTRODUCTION

During 1998 and early 2000, 756736 Alberta Ltd. conducted exploration for primary diamond deposits within the Saulteau Block Property. Exploration activities included the use of high-resolution aeromagnetic data (HRAM) from Spectra Exploration Geoscience Corp.; ground magnetometer surveys; and a brief 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 Saulteaux Block Property, Metallic and Industrial Minerals Permits 9398030087, 9398030088 & 9398030089 during 2000 through early 2002. It 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 and about 50 km southeast of the town of Slave Lake (Fig. 3.1). The property extends from 54°51'00" to 55°07'00" north latitude and 114°36'30" to 114°46'00" west longitude, within NTS map sheets 83 O/2 and 83 J/15.

Property Access

Several winter logging roads can be used to access the property. These are accessible from a graveled oilfield road leading south from Highway 2 at the Mitsue Lake Industrial turn-off 15 km east of the town of Slave Lake or from a winter logging road accessible about 2 km from the end of a graveled oilfield road that follows the power-lines about 50 km northeast of the town of Ft. Assiniboine (Fig. 3.1). Seismic lines, pipelines and old logging roads provide all-terrain vehicle or snow-machine access to most remote areas of the property (Fig. 6.1 – Fig. 6.3).

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

Property Geology

The area contains minor 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 eastern part of Swan Hills within the hydrographic basins drained by the Coutts Creek, the Florence Creek, the Otauwau River and the Saulteaux River.
4. EXPLORATION

Work Description

Between Mar 10, 2000 and Mar 10, 2002, 756736 Alberta Ltd. explored access to anomalies depicted on a 1997 Spectra Exploration Geoscience Corp. HRAM survey and conducted ground magnetic checks on several topographic circular oval-shaped physiographic features using selection criteria suggested by Halferdahl & Associates Ltd.

Site Selection

Several oval-shaped depressions and hills in selected areas were chosen to determine if downsizing the property area was possible. Aerial photographs, digital elevation data, and other publicly available information was used to decide the location to conduct the magnetic profiles (Table 5.1 – Exploration, Flagging, and Magnetic Ground Survey Locations, Mar. 2000 - 2002). Profile locations and directions were established at chosen sites by flagging lines that intersected the targets. Stations were measured and positioned using hip chain, compass, and GPS. The length of the profile depended on the terrain and the data.

Magnetic profiles were performed on seventeen sites. Data collected for each site was uploaded via Internet and processed at a later date (For data collection methods, processing methods and equipment used see Appendix 2 – Methods of Ground Magnetic Surveying Employed).

We plan to investigate all small anomalies depicted on the aeromagnetic maps and all circular physiographic surface features present on the property.
Table 4.1  Exploration, Grid Flagging, and Magnetic Ground Survey Locations, Mar. 2000 - 2002

Locations of field work performed by 756736 Alberta Ltd. at the Saulteaux Block Property.

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<tr>
<th>Report Identifier</th>
<th>UTM Easting</th>
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756736 Alberta Ltd. - Identified physiographical features from aerial photographs, topographical maps, and exploring for access.

Findings
None of the profiles conducted displayed any data that could be considered significant.
5. CONCLUSIONS

The geophysical features investigated at the perimeters of the claims contained no significant indications. Downsizing of the investigated areas is recommended. Some areas were retained to keep the claim contiguous. There are still many physical features such as hills and depressions in the remaining area that should be investigated.

6. PERMIT TABULATION

Table 6.1  Cancellations and Amendments

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<td>See Figure:</td>
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Distances Gridded and Surveyed

Total grid line/km = 18 km
Total ground magnetic survey line/km = 18 km
**Exploration Expenditures**

Total exploration expenditures, Mar. 2000 – Mar. 2002: $42,024.20  
(See Appendix 1, pg. A1)

Please allocate this expenditure to the retained area.  (See Table 6.1, pg. 5)  
These permits are contiguous and therefore any excess expenditures can be divided equally.

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 can be compiled upon request.)

Metallic and Industrial Minerals Permit Nos. 9398030087, 9398030088 & 9398030089 are privately owned and exploration expenditures are not financed by shareholders.

MAIM Permit #s 9398030087, 9398030088 & 9398030089 are held by 756736 Alberta Ltd., 4011-37 Ave., Leduc, Alberta. 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:**  

**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  

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

  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.

  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.
Fig. 3.1 Location and Index Map
MAIM Permit #s 9398030087 9398030088 & 9398030089
Saulteaux Block Property Location
A. Hangartner 2000.05
Table 4.1  Exploration, Grid Flagging, and Magnetic Ground Survey Locations, Mar. 2000 - 2002

Locations of field work preformed by 756736 Alberta Ltd. at the Saulteaux Block Property.

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<th>UTM Easting  Northing</th>
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Total distance = 18.01

756736 Alberta Ltd. - Identified physiographical features from aerial photographs, topographical maps, and exploring for access.

Findings

None of the profiles conducted displayed any data that could be considered significant.
Fig. 4.4 Profile P5381
Ground Magnetic Survey
Saulteaux Block Property

Symbols
+ Location of Magnetic Reading

756736 Alberta Ltd.

2002.05 A. Hangartner
Symbols
+ Location of Magnetic Reading

756736 Alberta Ltd.

Fig. 4.5 Profile P5383
Ground Magnetic Survey
Saulteaux Block Property

2002.05   A. Hangartner
Symbols

+ Location of Magnetic Reading

756736 Alberta Ltd.
Fig. 4.6 Profile P4983
Ground Magnetic Survey
Saulteaux Block Property
2002.05 A. Hangartner
Fig. 4.7 Profile P4505

Ground Magnetic Survey
Saulteaux Block Property

756736 Alberta Ltd.

2002.05 A. Hangartner
Fig. 4.8 Profile P5005
Ground Magnetic Survey
Saulteaux Block Property

756736 Alberta Ltd.

Symbols
+ Location of Magnetic Reading

58955 nT
Fig. 4.9 Profile P4604
Ground Magnetic Survey
Saulteaux Block Property

Symbols
+ Location of Magnetic Reading

756736 Alberta Ltd.

2002.05 A. Hangartner
Symbols

+ Location of Magnetic Reading

756736 Alberta Ltd.

Fig. 4.10 Profile P4805
Ground Magnetic Survey
Saulteaux Block Property

2002.05 A. Hangartner
Ground Magnetic Survey
Saulteaux Block Property

Symbols

+ Location of Magnetic Reading

756736 Alberta Ltd.

Fig. 4.11 Profile P4707

2002.05 A. Hangartner
58946 nT

Symbols
+ Location of Magnetic Reading

Scale 1:5000

756736 Alberta Ltd.
Fig. 4.12 Profile P4890
Ground Magnetic Survey
Saulteaux Block Property
2002.05 A. Hangartner
Symbols

+ Location of Magnetic Reading

756736 Alberta Ltd.

Fig. 4.13 Profile P4392
Ground Magnetic Survey
Saulteaux Block Property

2002.05  A. Hangartner
Fig. 4.14 Profile P4491-1
Ground Magnetic Survey
Saulteaux Block Property

SYMBOLS

+ Location of Magnetic Reading

756736 Alberta Ltd.

2002.05 A. Hangartner
Fig. 4.15 Profile P4491-2
Ground Magnetic Survey
Saulteaux Block Property

756736 Alberta Ltd.

2002.05 A. Hangartner
Symbols

+ Location of Magnetic Reading

756736 Alberta Ltd.

Fig. 4.16 Profile P4690
Ground Magnetic Survey
Saulteaux Block Property

2002.05 A. Hangartner
Symbols

+ Location of Magnetic Reading
Fig. 4.19 Profile P4697
Ground Magnetic Survey
Saulteaux Block Property

2002.05 A. Hangartner
Symbols
+ Location of Magnetic Reading

756736 Alberta Ltd.

Fig. 4.20 Profile P4797
Ground Magnetic Survey
Saulteaux Block Property

2002.05 A. Hangartner
Symbols

Ground Magnetic Survey Location

756736 Alberta Ltd.

Fig. 4.2 Locations of Exploration Map

MAIM Permit #9398030088

A. Hangartner 05.2002
Cancelled active permit LSDs.

Retained active permit LSDs.
- Cancelled active permit LSDs.
- Retained active permit LSDs.
# APPENDIX 1: STATEMENT OF REASONABLE EXPENDITURES

## METALLIC AND INDUSTRIAL MINERALS PERMIT 9398030087 TO 9398030089, SAULTEAUX PROPERTY.

<table>
<thead>
<tr>
<th>Description</th>
<th>Rates</th>
<th>Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary and Wages</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helper - travel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2 per.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- total travel time for services</td>
<td>232 hr</td>
<td></td>
<td>$22,320.00</td>
</tr>
<tr>
<td>- trip preparation</td>
<td>184 hr</td>
<td></td>
<td>$18,400.00</td>
</tr>
<tr>
<td>- total travel time for services</td>
<td>120 hr</td>
<td></td>
<td>$12,000.00</td>
</tr>
<tr>
<td>- total travel time for services</td>
<td>96 hr</td>
<td></td>
<td>$9,600.00</td>
</tr>
<tr>
<td><strong>Field Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- meals &amp; lodging - total meal expenses for services</td>
<td>72 dy</td>
<td>$30.00</td>
<td>$2,160.00</td>
</tr>
<tr>
<td>(2 per.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- total accommodations expenses for services</td>
<td>64 nt</td>
<td>$30.00</td>
<td>$1,920.00</td>
</tr>
<tr>
<td>- field supplies - cords, batteries, ribbon, hip chain, etc.</td>
<td></td>
<td>$93.50</td>
<td>$93.50</td>
</tr>
<tr>
<td><strong>Rental Equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- truck rental, 3/4 ton</td>
<td>44 dy</td>
<td>$90.00</td>
<td>$3,960.00</td>
</tr>
<tr>
<td>- GSM-19 Magnetometer rental</td>
<td>15 dy</td>
<td>$60.00</td>
<td>$900.00</td>
</tr>
<tr>
<td>- GSM-19 Magnetometer Base Station rental</td>
<td>15 dy</td>
<td>$60.00</td>
<td>$900.00</td>
</tr>
<tr>
<td>- penium computer system rental</td>
<td>2 dy</td>
<td>$30.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>- data logging device rental</td>
<td>15 dy</td>
<td>$30.00</td>
<td>$450.00</td>
</tr>
<tr>
<td>- global positioning system rental</td>
<td>29 dy</td>
<td>$30.00</td>
<td>$870.00</td>
</tr>
<tr>
<td>- gridding equipment rental</td>
<td>16 dy</td>
<td>$30.00</td>
<td>$480.00</td>
</tr>
<tr>
<td>- lap top CPU penium</td>
<td>15 dy</td>
<td>$30.00</td>
<td>$450.00</td>
</tr>
<tr>
<td>- quad 6x6 rental</td>
<td>36 dy</td>
<td>$100.00</td>
<td>$3,600.00</td>
</tr>
<tr>
<td>- base global positioning system rental</td>
<td>15 dy</td>
<td>$30.00</td>
<td>$450.00</td>
</tr>
<tr>
<td>- utility trailer rental</td>
<td>36 dy</td>
<td>$30.00</td>
<td>$1,080.00</td>
</tr>
<tr>
<td>- x-country ski equipment rental</td>
<td>31 dy</td>
<td>$25.00</td>
<td>$775.00</td>
</tr>
<tr>
<td>- chain saw</td>
<td>9 dy</td>
<td>$10.00</td>
<td>$90.00</td>
</tr>
<tr>
<td>- portable A/C generator</td>
<td>14 dy</td>
<td>$10.00</td>
<td>$140.00</td>
</tr>
<tr>
<td>- office space rental</td>
<td>24 mo</td>
<td>$30.00</td>
<td>$720.00</td>
</tr>
<tr>
<td><strong>Office Charges, Administrative, General</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- phone, internet, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2-yr.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- office supplies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td>$42,024.20</td>
</tr>
</tbody>
</table>

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 - 60.00 per man hour to work of this nature inprofessional 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.

I, August Hangartner, hereby certify that the costs as outlined above for the assessment of metallic and industrial permits 9398030087 to 9398030089 were expended as indicated.

August Hangartner
Appendix 2: Methods 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 completed as a quality check 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/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 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. Grid information at tie line intersections were checked for any intensity discrepancies and where necessary, line levelling corrections were applied.

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.