MAR 20040012: PINCHER CREEK

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Hazel,

Please review the attached report as per conditions of our Permit # 93020300112

Thank You

Brian Lambert
July 27 2004

Mineral agreements and Sales
Alberta Resource Development
9915 108 St.
Edmonton, AB T5J 2G6

Please see attached two (2) copies of the assessment work report for Metallic & Industrial Minerals for Permit #9302030112. Filed on Behalf of Brian D. Lambert & Lambert & Co. et al.

We wish to retain Permit # 9302030112 for further exploration and testing for possible other viable sites within the township covered by this permit.

Authorization is attached to reproduce or copy any or all of this report.

If you require any further information please contact me at...
Res: 403 278 7951, Cell: 403-710 7217 or at the above fax or Email address.

Sincerely,

Brian D. Lambert
Lambert & Co.
Authorization to Reproduce or Copy

I, Brian D. Lambert hereby authorize the Government of Alberta to reproduce or copy the attached Assessment Report at the end of the 1 year confidentiality period.

Brian D. Lambert
Lambert & Co.
ASSESSMENT REPORT

PINCHER CREEK PROJECT

Brian D. Lambert
Operating as
LAMBERT & Co.

Metallic and Industrial Minerals Permit no. 9302030112

Submitted by: Brian D. Lambert

July 27, 2004
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PERMIT #9302030112
MAP OF AREA OF PERMIT BOUNDARY

-113.7959233 49.5277961
-113.9199761 49.5897091

WEST OF 4TH MERIDIAN
TOWNSHIP 7
RANGE 29
## STATEMENT OF EXPENDITURES

Metallic and Industrial Minerals Permit No. 9302030112

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<thead>
<tr>
<th>Description of Expense</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Wages</td>
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<tr>
<td>Field Costs</td>
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<tr>
<td>Accommodations &amp; Meals</td>
<td>$ 1,022.36</td>
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<td>Fuel</td>
<td>$ 750.00</td>
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<td>Travel expenses</td>
<td>$ 386.00</td>
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<tr>
<td>Rental Equipment</td>
<td>$ 483.54</td>
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<tr>
<td>Vehicle repairs</td>
<td>$ 610.19</td>
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<td>Office Charges, Administrative, General Overhead</td>
<td>$ 300.00</td>
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<tr>
<td>Total Expenditure</td>
<td>$ 3,552.09</td>
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</table>

I certify that these expenditures are valid and were incurred in conducting assessment work on the above permit.

Signed: [Signature]

Signature /Stamp
Commissioner of Oaths

Brian D. Lambert

JACQUELINE THOMPSON
A COMMISSIONER OF OATHS
IN AND FOR THE PROVINCE OF ALBERTA
MY COMMISSION EXPIRES FEB. 06/07
APPOINTEE #772556

ORIGINAL
### Allocation of Expenditures

<table>
<thead>
<tr>
<th>Permit No.</th>
<th>Ha.</th>
<th>Expenditure Required</th>
<th>Expenditure Assigned</th>
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<td>9,216</td>
<td>$4,467.21</td>
<td>$4,467.21</td>
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</table>

### Summary

As this is a single permit and covers a single township all applicable expenditures are applied to 9302030112 alone.
Amendments and Cancellations

<table>
<thead>
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<th>PERMIT No.</th>
<th>Lands retained</th>
<th>Ha.</th>
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<tbody>
<tr>
<td>9302030112</td>
<td>All</td>
<td>3,896</td>
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</table>
Introduction

This report will cover the intended types and sizes of deposits of Sandstone sought as well as some historical data regarding several sites which show promise for further development.

As a result of our research we have 're-discovered' a resource which, a century ago was considered a major potential for export development and we are convinced it could well be again.

Regional Geology

The formation we seek to develop in particular is called the Porcupine Hills Formation and is comprised of a series of layers of Tertiary era deposits of metamorphic sandstone. This formation is characterized by siliceous sandstone with limestone as the primary binder. The region is underlain by successive layers of Cretaceous and then Jurassic sandstones to a depth of approximately 3,600 ft. The region is stable geologically.

Exploration

We have conducted a thorough survey of the existing sites which were in production in the past as well as surveys of potential sites never before in production or development.

Site # 1
Twp 7, Range 29, W4M: NE 1/4 Section 1

This site was in production as the Crowsnest Stone Co. Ltd. of Lethbridge Alberta until 1914. It was then out of production until 1920 and finally ceased production permanently in 1929. The stone available at this site is of very high quality and consistency. Testing reveals it to be among the very best available, not only in this location but in Alberta as a whole. Unfortunately the Mineral rights to this section are free hold by The Mobil-EXXON Corporation and they have refused outright to grant a lease on these lands.
Site #2
Twp 7, Range 29, W4M, SE 1/4 Section 2

This site has never been in production however much research exists on the stone in this location. Virtually identical to the stone deposit in site #1, this site has many advantages to it. Good road access, Landowner approval, and viable quantities of stone all purport to make this a highly desirable site for development. There are some potential obstacles however. The site is situated immediately south of the Pincher Creek river and thus water contamination could be a concern in obtaining a development permit from the municipality. It has also been identified as a First Nations pre-historic buffalo jump kill site. This may also become an insurmountable obstacle to obtaining a development permit.

Site #3
Twp 7, Range 29, W4M

This site has not been developed in the past. However it has been excavated to some extent by the local MD as a source for rubble to be used as fill and in erosion control. Extensive development may be possible since it has excellent road access and Water/power is available nearby.

CONCLUSIONS

Although the area of the permit is large, a substantial portion of it is inaccessible for a variety of reasons.
- Two substantial roads and one Major highway and a Transcontinental Railroad right of way pass through the permit area.
- The northern portion of the Permit area is restricted due to the proximity of the Oldman River and associated recreational areas. Only the extreme south of the permit area has any development potential, however the potential of these areas are significant and worthy of further exploration.
REFERENCES

CALGARY in Sandstone - Cunlife, 1964. Calgary Public Library, Calgary AB

Building and ornamental Stones of Canada - Parks, 1918, Parliamentary Library, Ottawa, ON

EUB Alberta Geological Survey - Energy and Utilities Board 2001, Calgary, AB