REPORT of PROSPECTING

on the

OMEGA NORTH PROPERTY

McVittie Township
Larder Lake Mining Division

November 24th, 1998
INTRODUCTION

Property / Location The Omega North Property is a single, staked Mining Claim (L-1206110) located in south-central McVittie Township. This three-unit Claim, comprising 41 hectares, is a restaking of 3 older patents of which the mineral rights have reverted to the Crown.

Ownership The Claim is recorded in the name of Joseph D. Horne of Kirkland Lake, Ontario.

SRO A review of Land Titles in Haileybury by Temiskaming Title Search (on November 3rd, 1998) revealed Surface Right Ownership as follows:

<table>
<thead>
<tr>
<th>SRO OF ORIGINAL MINING CLAIM</th>
<th>PARCEL</th>
<th>OWNER (S)</th>
<th>REGISTERED ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>L-11094</td>
<td>10054 C.S.T.</td>
<td>Eros, Robert Paul, Eros, Sharon Mary Anne</td>
<td>545 Sunnidale Rd., RR#2, Barrie, Ontario L4M 4S4</td>
</tr>
<tr>
<td>L-12475</td>
<td>9941 C.S.T.</td>
<td>Green, Marjorie</td>
<td>77 Howard St - Apt 1615, Toronto, Ontario</td>
</tr>
</tbody>
</table>

1997 PROSPECTING PROGRAM

SRO Notices As per the Mining Act, ‘Notice of Intention to Perform Assessment Work’ Forms were completed and sent to the aforementioned Surface Rights Holders on November 03rd, 1998. Both the Spielman and Green Notices were received “Returned to Sender” on November 19th and 23rd, 1998, respectively.

Field Control Because the Claim is circumscribed by private, leased & patented lands within this unsurveyed Township, it was deemed prudent to conduct a search & obtain copies of Land Survey Plans for the original Patents (all dated 1923). These Surveys provided the requisite field positioning necessary for this and future field work (as several perimeter survey references had been field-located).
Surface Right Owners of Omega North Property
(Claim L-1206110, McVittie Township, Ontario)
**Access**  Vehicle access was readily afforded via 2 kilometers of well-maintain, graveled, timber-haul road which departs Provincial Highway 66 at a point one kilometer north of the Town of Larder Lake. This secondary road traverses the extreme northwest corner of the Claim.

Alternatively, foot-access may be gained along the Ontario Northland Railway right-of-way which crudely bounds the west and north limits of the Claim.

With appropriate permissions, access might also be gained by way of the old Omega Mine which is situated immediately south of the Claim and just north of Highway 66.

**Prospecting**  Two, consecutive days of prospecting was conducted on the Claim on November 04\(^{th}\) & 05\(^{th}\), 1998 by both Joe Horne and Doug Robinson, P. Eng / Geologist (Ontario Prospectors License K22558 and K22457, respectively). Weather was seasonal (hovering around 0\(^{\circ}\)C) and a light blanket of fresh snow covered both morning’s ground... mostly melting by mid-day. Traverses were conducted/controlled both “freely” along natural/manmade corridors as well as by hipchain-&-compass lines (both with GPS support) and are illustrated on the accompanying Plan. Field observations were plotted either directly on enlarged working copies (1:5,000) of ODM Map #50b or on working traverse strips of 1:2,000.

**Sampling**  A total of 27 rock samples were collected during the four mandays of which 23 were submitted (November 10\(^{th}\), 1998) to Swastika Laboratories for geochemical analysis for gold (ppb). Field locations were marked by orange flagging tape and representative samples chips were retained for all samples submitted and are currently stored at Cardinal Exploration Services’ office in Kirkland Lake.

The sample locations, with tag numbers (last two digits only), are illustrated on the accompanying Plan and the supporting Assay Certificate (8W-4408-RG1) is attached hereto.

**OBSERVATIONS**

**Physiography**  Topography and forest cover is typical of this region. Trees are mixed-growth with bedrock-dominated terrain being predominantly balsam and spruce (with minor birch) and with the deeper overburden areas generally covered with poplar and moose maple. Alders line/fill the gentle drainages and swales.

Relief in the north half is moderately rolling with occasional bluffs to 3 meters however a prominence covering the southeast quadrant of the Claim rises 30 meters (with minor, attendant scarps/bluffs around its perimeter).
A slow, meandering creek, with several beaver floods, flows southward along the west boundary.

Lithology / Alteration Rock types of observed outcrops correlated well with ODM Map 50b and, as such, was used as a base for the accompanying Plan.

The rock cuts along the railway provide good cross-sectional exposure of the Timiskaming metasediments in the north.

Trachyte The southern two-thirds of the Claim is typically well exposed and underlain by a series of trachytes which vary in color from medium-green to red. They are fine to medium grained and often massive but, as along the southern Claim Boundary, they also form pyroclastic horizons (which sometimes contain disseminated, fine to medium grained, euhedral pyrite and sericite wisps). Observed iron carbonate alteration varied from speckled to pervasive/ubiquitous, at a local scale (as near the adit).

Greywacke A one hundred meter wide, east-west striking, horizon of greywackes conformably overlies the trachytes. It is typically green-grey on a fresh surface but can deeply weather to light brown from the iron carbonate alteration. Localized shearing (typically parallel to bedding) is also often accompanied by increased sericite mottling and hairlines, increased FeCa, and may contain minor, fine-grained pyrite.

Conglomerate The conglomerates observed are classical Timiskaming, with well-rounded, polymictic, weakly elongated, pebbles including jasper, common blue-grey quartz/chert clasts and some emerald green, altered ultramafic clasts (typically <5cm). Fine-grained, disseminated pyrite was observed locally in the matrix, within clasts and sometimes rimming clasts. As the other units, it sometimes exhibited a brown, iron carbonate weathering rind. Sericite and the occasional flake of emerald green chromium mica (mariposite?/fuchsite?) was observed. This unit also contains interbanded greywackes as described above.

Mafic Volcanics These are only observed along the northern boundary. They are fine-grained, well-chloritized and green in color but can weather white, pale green or FeCa brown (to 1cm rind). Fine-grained, disseminated pyrite and calcite (as irregular stringers and fracture-filling) is common. Some pillow selvages were observed along tracks.
A short, 5m adit (060° Az) was found in the central portion of the Claim driven into the carbonated trachyte (half way up a steep, west-facing slope). While a cursory review of the Kirkland Lake Assessment Files provides no record of this work, it is presumably quite old as indicated by the overgrowth on the spoil pile and the suggestion that it was driven with hand-steel. It contains minor, irregular quartz/calcite stringers which was sampled.

Remnants of the old, abandoned power line were located at several locations as were old cut lines (remnants of Edomar’s field grid?).

Joseph D Horne (Report Author)
Cardinal Exploration Services
Kirkland Lake, Ontario
November 24th, 1998

AND,

Doug Robinson, P. Eng.
Doug Robinson Consulting
Swastika, Ontario
November 24th, 1998
Geochemical Analysis Certificate

Company: CARDINAL EXPLORATION SERVICES
Project: P98042
Attn: J. Horne

Date: NOV-13-98

We hereby certify the following Geochemical Analysis of 23 Rock/Grab samples submitted NOV-10-98 by.

<table>
<thead>
<tr>
<th>Sample Number</th>
<th>Au PPB</th>
<th>Au Check PPB</th>
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<tbody>
<tr>
<td>20951</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>20952</td>
<td>3</td>
<td>-</td>
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<td>261</td>
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<td>20957</td>
<td>9</td>
<td>-</td>
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<td>20958</td>
<td>14</td>
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</tr>
<tr>
<td>20973</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>

One assay ton portion used.

Certified by

1 Cameron Ave., P.O. Box 10, Swastika, Ontario P0K 1T0
Telephone (705)642-3244    Fax (705)642-3300
Compilation Plan of Omega North Property  
(Claim L-1206110, McVittie Township, Ontario)

LEGEND / SYMBOLS
- T: Trachyte
- G: Greywacke
- C: Conglomerate (with interbanded greywacke)
- V: Mafic Volcanics
- FeCo: Iron Carbonate Alteration (moderate - intense)
- : Fault (assumed)
- - Geological Contact (assumed)
- D: Claim / Line Post & #
- O: SIB (located)
- •: Sample Location & Tag # (last 2 digits)
- Outcrop
- Creek, Beaver Flood
- Prospecting Traverse

NOTES
- Base Geology after ODM Map 50b
- Claim Perimeter after Original Patent Surveys
- Grid Coordinates are UTM (NAD 27)
- Cardinal Exploration Services - Nov '98

Original Scale at 1 : 5,000
Declaration of Assessment Work
Performed on Mining Land

Ministry of Northern Development and Mines

Instructions:
- For work performed on Crown Lands before recording a claim, use form 0240.
- Please type or print in ink.

1. Recorded holder(s) (Attach a list if necessary)

<table>
<thead>
<tr>
<th>Name</th>
<th>Client Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOSEPH D. HORNE</td>
<td>145866</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>APT 302 - 1 LAKESHORE ROAD</td>
<td>705 567 4511</td>
</tr>
<tr>
<td>KIRKLAND LAKE, ONTARIO P2N 3G3</td>
<td>705 567 4522</td>
</tr>
</tbody>
</table>

2. Type of work performed: Check (✓) and report on only ONE of the following groups for this declaration.

Geotechnical: prospecting, surveys, assays and work under section 18 (regs)

Physical: drilling, stripping, trenching and associated assays

Rehabilitation

<table>
<thead>
<tr>
<th>Work Type</th>
<th>Office Use</th>
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</thead>
<tbody>
<tr>
<td>PROSPECTING</td>
<td>1510</td>
</tr>
</tbody>
</table>

Global Positioning System Data (if available)

<table>
<thead>
<tr>
<th>Township/Area</th>
<th>M or G Plan Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>McDYTTIE TWP</td>
<td>G - 3163</td>
</tr>
</tbody>
</table>

Please remember to:
- obtain a work permit from the Ministry of Natural Resources as required;
- provide proper notice to surface rights holders before starting work;
- complete and attach a Statement of Costs, form 0212;
- provide a map showing contiguous mining lands that are linked for assigning work;
- include two copies of your technical report.

3. Person or companies who prepared the technical report (Attach a list if necessary)

Name | Telephone Number
-----|-------------------

Address | Fax Number
--------|----------

Name | Telephone Number
-----|-------------------

Address | Fax Number
--------|----------

Name | Telephone Number
-----|-------------------

Address | Fax Number
--------|----------

4. Certification by Recorded Holder or Agent

JOSEPH D. HORNE, do hereby certify that I have personal knowledge of the facts set forth in this Declaration of Assessment Work having caused the work to be performed or witnessed the same during or after its completion and, to the best of my knowledge, the annexed report is true.

Signature of Recorded Holder or Agent | Date
-----------------------------------|-----
JOSEPH D. HORNE                     | Nov 24/98

Agent's Address | Telephone Number | Fax Number
---------------|------------------|---------
N/A            | 705 567 4511     | 705 567 4522 |
5. Work to be recorded and distributed. Work can only be assigned to claims that are contiguous (adjoining) to the mining land where work was performed, at the time work was performed. A map showing the contiguous link must accompany the form.

<table>
<thead>
<tr>
<th>Mining Claim Number</th>
<th>Number of Claim Units</th>
<th>Value of work performed on the claim or other mining land</th>
<th>Value of work applied to this claim</th>
<th>Value of work assigned to other mining claims</th>
<th>Bank. Value of uc. to be distributed at a future date</th>
</tr>
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<tbody>
<tr>
<td>eg TB 7827</td>
<td>16 ha</td>
<td>$26,825</td>
<td>N/A</td>
<td>$24,000</td>
<td>$24,000</td>
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<td>$8,892</td>
<td>$4,000</td>
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<td>$4,892</td>
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<tr>
<td>1 1206/10</td>
<td>3</td>
<td>1,510</td>
<td>1,200</td>
<td>0</td>
<td>310</td>
</tr>
</tbody>
</table>

Column Totals

3 1,510 1,200 0 310

I, JOSEPH D. HORNE, do hereby certify that the above work credits are eligible under subsection 7 (1) of the Assessment Work Regulation 6/96 for assignment to contiguous claims or for application to the claim where the work was done.

Signature of Recorded Holder

Authorized in Writing

Date

NOVEMBER 24, 1998

6. Instruction for cutting back credits that are not approved.

Some of the credits claimed in this declaration may be cut back. Please check (√) in the boxes below to show how you wish to prioritize the deletion of credits:

- ☐ 1. Credits are to be cut back from the Bank first, followed by option 2 or 3 or 4 as indicated.
- ☐ 2. Credits are to be cut back starting with the claims listed last, working backwards; or
- ☐ 3. Credits are to be cut back equally over all claims listed in this declaration; or
- ☐ 4. Credits are to be cut back as prioritized on the attached appendix or as follows (describe):

Note: If you have not indicated how your credits are to be deleted, credits will be cut back from the Bank first, followed by option number 2 if necessary.
<table>
<thead>
<tr>
<th>Work Type</th>
<th>Units of work</th>
<th>Cost Per Unit of work</th>
<th>Total Cost</th>
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<td>4 days</td>
<td>$150/diem</td>
<td>$600.00</td>
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<tr>
<td>Rehab/Met Precaration</td>
<td>2 days</td>
<td>$250/diem</td>
<td>$500.00</td>
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<tr>
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<tr>
<td>Associated Costs (e.g. supplies, mobilization and demobilization)</td>
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<tr>
<td>Assays (23)</td>
<td></td>
<td>283.00</td>
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<tr>
<td>Patent Survey Investigation</td>
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<td>63.00</td>
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<tr>
<td>Field Consumables</td>
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<tr>
<td>Transportation Costs</td>
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<tr>
<td>Truck - 195 kms</td>
<td>0.30/km</td>
<td>58.50</td>
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<tr>
<td>Food and Lodging Costs</td>
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</tr>
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</table>

**Total Value of Assessment Work:**

**Calculations of Filing Discounts:**

Work filed within two years of performance is claimed at 100% of the above Total Value of Assessment Work. If work is filed after two years and up to five years after performance, it can only be claimed at 50% of the Total Value of Assessment Work. If this situation applies to your claims, use the calculation below:

\[ \text{Total Value of Assessment Work} \times 0.50 = \text{Total$ value of worked claimed} \]

Note: Work older than 5 years is not eligible for credit.

A recorded holder may be required to verify expenditures claimed in this statement of costs within 45 days of a request for verification and/or correction/clarification. If verification and/or correction/clarification is not made, the Minister may reject all part of the assessment work submitted.

**Certification verifying costs:**

I, **Joseph D. Horne**, do hereby certify, that the amounts shown are as accurate as may reasonably determined and the costs were incurred while conducting assessment work on the lands indicated on the accompanying declaration of Work form as **RECORDED HOLDER**. I am authorized to make this certification.

**Signature:** [Signature]

**Date:** Nov 24/98
January 7, 1999

JOSEPH DANIEL HORNE
1 LAKESHORE ROAD, APT.#302
KIRKLAND LAKE, ONTARIO
P2N-3G3

Dear Sir or Madam:

Subject: Transaction Number(s): W9880.00729 Deemed Approval

We have reviewed your Assessment Work submission with the above noted Transaction Number(s). The attached summary page(s) indicate the results of the review. WE RECOMMEND YOU READ THIS SUMMARY FOR THE DETAILS PERTAINING TO YOUR ASSESSMENT WORK.

If the status for a transaction is a 45 Day Notice, the summary will outline the reasons for the notice, and any steps you can take to remedy deficiencies. The 90-day deemed approval provision, subsection 6(7) of the Assessment Work Regulation, will no longer be in effect for assessment work which has received a 45 Day Notice. Allowable changes to your credit distribution can be made by contacting the Geoscience Assessment Office within this 45 Day period, otherwise assessment credit will be cut back and distributed as outlined in Section #6 of the Declaration of Assessment work form.

Please note any revisions must be submitted in DUPLICATE to the Geoscience Assessment Office, by the response date on the summary.

If you have any questions regarding this correspondence, please contact Lucille Jerome by e-mail at lucille.jerome@ndm.gov.on.ca or by telephone at (705) 670-5858.

Yours sincerely,

Blair Kite
Supervisor, Geoscience Assessment Office
Mining Lands Section

Correspondence ID: 13253
Copy for: Assessment Library
Submission Number: 2.18989

Date Correspondence Sent: January 07, 1999

Assessor: Lucille Jerome

<table>
<thead>
<tr>
<th>Transaction Number</th>
<th>First Claim Number</th>
<th>Township(s) / Area(s)</th>
<th>Status</th>
<th>Approval Date</th>
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<tbody>
<tr>
<td>W9880.00729</td>
<td>1206110</td>
<td>MCVITTIE</td>
<td>Deemed Approval</td>
<td>January 07, 1999</td>
</tr>
</tbody>
</table>

Section:
9 Prospecting PROSP

Under Section 3-1 of the Regulation, only eligible expenses are to be credited for assessment work. Patent Survey Investigations are not eligible for assessment work credit.

The assessment credit is being reduced by $63.00. The TOTAL VALUE of assessment credit that will be allowed, based on the information provided in this submission, is $1447.00.

Assessment work credit has been approved as outlined on the attached Distribution of Assessment Work Credit sheet.

Correspondence to:
Resident Geologist
Kirkland Lake, ON

Assessment Files Library
Sudbury, ON

Recorded Holder(s) and/or Agent(s):
JOSEPH DANIEL HORNE
KIRKLAND LAKE, ONTARIO
Distribution of Assessment Work Credit

The following credit distribution reflects the value of assessment work performed on the mining land(s).

**Date:** January 07, 1999

**Submission Number:** 2.18989

**Transaction Number:** W9880.00729

<table>
<thead>
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<th>Value Of Work Performed</th>
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<tbody>
<tr>
<td>1206110</td>
<td>1,447.00</td>
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**Total:** 1,447.00