ASSESSMENT REPORT

PROSPECTING AND SCINTILLOMETER SURVEYS

MATTLESS LAKE PROPERTY

Setting Net Lake and Setting Net Creek Areas
Red Lake Mining District
Ontario, Canada

- Prepared For -

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AND

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- AND -

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RED LAKE, ONTARIO

September 7, 2008

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SUMMARY

The work documented in this report was completed and will be applied for assessment credit to 19 Ontario Mineral Claims, a cumulative total of 184 claim units, covering approximately 2,944 hectares. These claims are currently being explored by Shoreham Resources Ltd.; subject to an option agreement with the registered claim owner Confederation Minerals Ltd. The property is situated south and West of Setting Net Lake and East of Bearhead Lake within the Setting Net Lake and Setting Net Creek townships, Red Lake Mining Division, northwestern Ontario, Canada. It is accessible by air from the town of Red Lake which is located approximately 201 km (125 miles) south of the property and is traversed by MNDM winter roads which provide vehicular access during the winter each year.

The host rocks in this property are the Archean-age Favourable Lake–Setting Net Lake greenstone belt, the Bear Head Deformation zone, and the structurally juxtaposed plutonic rocks of the Berens River Subprovince. Precious metal (silver and locally gold) bearing sulphide mineral occurrences are localized within the greenstone sequence, and uranium is localized in the Bear Head Deformation zone in metaclastic rocks, altered granitoids, and pegmatites. Molybdenite occurs in coarse rosettes in granitic pegmatite bands but the erratic nature of the occurrences prompted our team to de-emphasize systematic work on the Mo targets.

The host rocks in this property are deformed metasediments and contact zone batholithic rocks in the Archean-age Favourable Lake–Setting Net Lake greenstone belt, the Bear Head Deformation zone, and the structurally juxtaposed plutonic rocks of the Berens River Subprovince. Uranium and Precious metal (silver and locally gold) bearing sulphide mineral occurrences are localized within the greenstone sequence, and uranium is localized in the Bear Head Deformation zone in metaclastic rocks, altered granitoids, and pegmatites. Molybdenite occurs in biotite rich bands associated with some of the uranium occurrences but has not been observed in sufficient quantities to represent an economic component of the project.

The Mattless Lake Project, covers a cluster of uranium and molybdenite occurrences which are the eastern extension of the Bearhead Lake Uranium target area (this lies outside of the claims of interest in this report but is important as part of defining target objectives for this study). Bearhead Lake U, as documented by OGS Mineral Deposits Circular 25 (1983) was subject to 1423 feet (433.7 meters) of drilling in 7 holes in 1955 and 29,871 feet (9104.7 meters) of drilling in 66 holes in 1977. The 1977 drilling formed the basis for an historic 'indicated reserve' estimate by Kerr Addison Mines Ltd. and Dolores Branch Resources Ltd. of 978,810 tons (889,827 tonnes) averaging 0.06% uranium trioxide to a depth of 500 feet (152.4 meters).

Numerous uranium and molybdenum prospects and occurrences, are reported along two trends within the 12 km of strike length controlled in the Mattless Property.

This study was primarily dedicated to prospecting, reconnaissance geological examination and selected radiometric (scintillometer) profiles known mineral prospects, definition of geologically favourable trends for future work, reconnaissance level geological mapping of rock types and alteration.

INTRODUCTION and TERMS OF REFERENCE

The Mattless Lake property consists of 19 Ontario Mineral Claims, a cumulative total of 184 claim units, in the Red Lake Mining Division of Northwestern Ontario in the map area referred to as Setting net Lake and Setting Net Creek. The work documented in this report was performed for Shoreham Resources pursuant to an option agreement with registered property owner Confederation Minerals Ltd., with most of the activity and expediting undertaken by Ackewance Exploration of Red Lake, Ontario.

Terms of Reference

This is a technical report prepared to document assessment work programs in the subject claims. Ackewance Exploration Ltd. (including prospectors Michael Desmuelles and Glenn Fenell), was contracted to complete line cutting, prospecting provide logistical services and support the author in completion of a reconnaissance geological evaluation of the area. This report is authored by David Bending, P.Geo, M.Sc., supervising Geologist with field support from Michael Desmuelles Prospector and his field assistants..

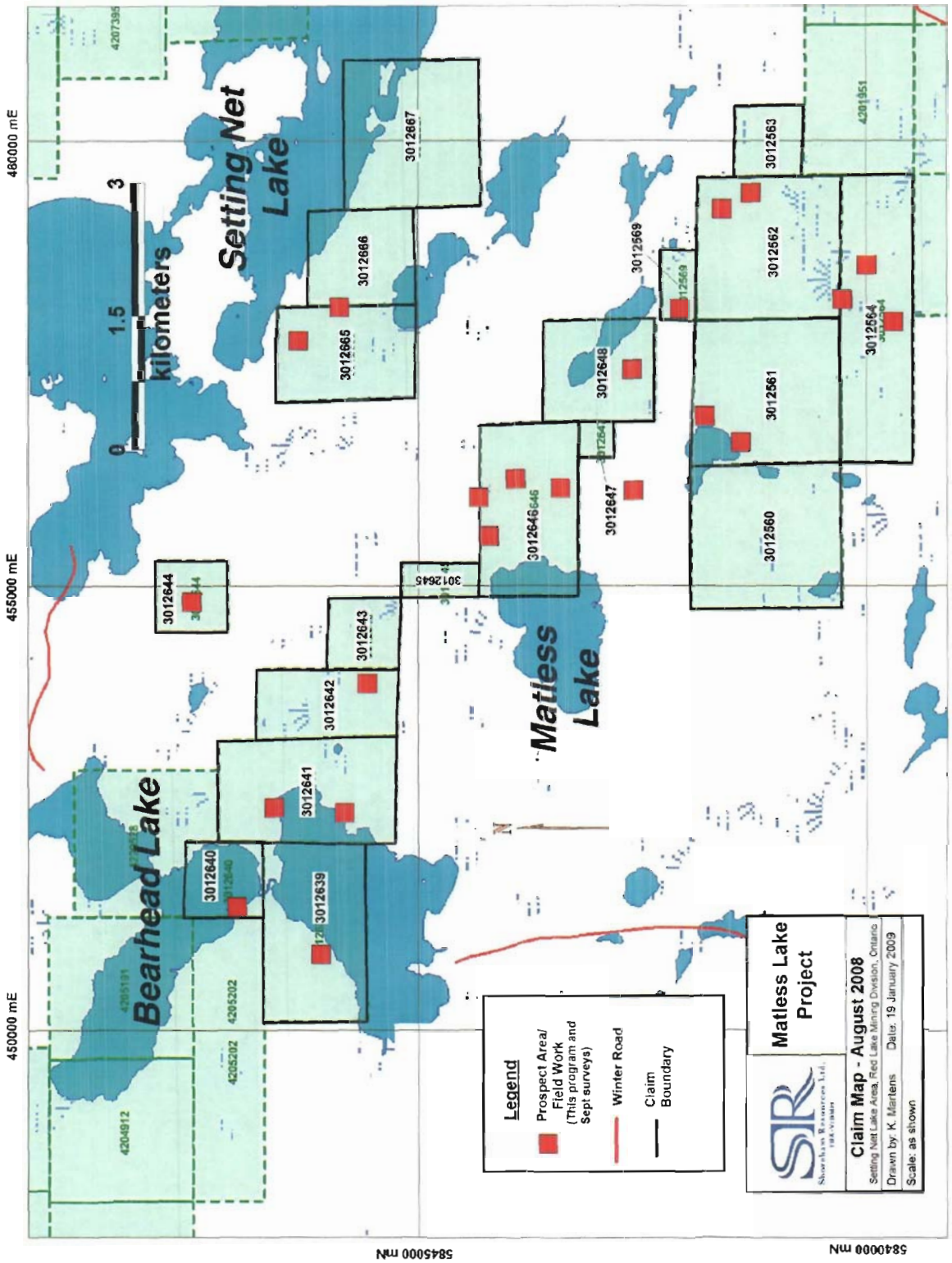
With the exception of field time and one Ontario Airfare, the reporting time, travel expenses and other costs associated with Mr. Bending's role in these surveys are *not* included in the filing for assessment credit. It is probable that some of these costs will be considered in a later filing which will include the geophysical surveys, geochemical studies and assays from work initiated in this early stage of the program.

Sources of Information

Previous exploration work consisted of airborne and ground geophysical surveys, prospecting, geological mapping, soil and rock geochemical sampling, trenching and diamond drilling. Assessment reports documenting much of this work are readily available from both the Red Mining District office and the Ontario Ministry of Northern Development and Mines' Assessment File Research Imaging ("AFRI") internet website. The regional geology has been mapped in several stages by the Ontario Department of Mines (more recently referred to as the Ontario Geological Survey).

The senior author commenced work in the area August 23 and departed August 27. The prospecting crew and geophysical technicians continue their field work at this time, September 6, 2008.

These costs will be applied to the claims listed below



MATTLESS LAKE PROPERTY CLAIM MAP with locations of field activity and pending investigation plotted. (Modified after Natural Resources Canada topographic map, 2002)

Figure No. 1 Drawn By: D. BENDING

Confederation Minerals U Prospect Setting Net Lake Area	Units	Area	Grouping	Needed	Filed This work	Applied This Report	Moved	To Bank2
Claim	Units	Area						
3012639	15	240	sw	277.13	11736.41	277.13		10056.06
3012640	4	64	sw	73.90		73.90	73.9	
3012641	15	240	sw	277.14		277.14	277.14	
3012642	8	128	sw	147.00		147.00	147	
3012643	4	64	sw	147.81		147.81	147.81	
3012644	4	64	NW Block	73.90	4738.65	73.90		4664.75
3012645	2	32	sw	36.95		36.95	36.95	
3012646	15	240	sw	277.00		277.00	277	
3012647	1	16	sw	277.14		277.14	277.14	
3012648	9	144	sw	166.28		166.28	166.28	
3012560	16	256	se	295.61		295.61	295.61	
3012561	16	256	se	295.61		295.61	295.61	
3012562	16	256	se	295.61		295.61	295.61	
3012563	4	64	se	73.90		73.90	73.9	
3012564	16	256	se	296.62		296.62	296.62	
3012665	12	192	ne	221.71	3038.19	221.71		2520.87
3012666	9	144	ne	166.28	2025.46	166.28		1859.18
3012667	16	256	ne	295.61		295.61	295.61	
3012569	2	32	se	36.96	11736.41	36.96		10146.49
	184	2,944.00		3,732.16	33,275.12	3732.16	2956.18	29247.35

	Per Unit	Units	Total	
Air Support: Fixed Wing Mobilization from Red Lake	15000	1	15000	total mob and support 14 days
Fuel	1000	1	1000	
Food Supplies	3000	1	3000	
Camp costs	3500	1	3500	Camp set up and rental (allocated)
Boats Rentals	500	2	1000	
Mike Desmuelles	250	10	2500	
William Demuelles	325	10	3250	
Garry Strichuk	500	8	4000	
Blake Kesick and Peter McKeown prospecting team	400	3	1200	
Blake Kesick and Peter McKeown (line cutting team)	700	15.3	0	15.3 km
David Bending, M.Sc., P.Geo, collected geology and scintillometer da	400	5	2000	
Transportation: David Bending Toronto to Thunder Bay	1386.5	1	1386.5	
		TOTAL	37826.5	Expenditure

Allocation Per Block	Time	Support Costs	
NW Block: 1 day, 5 persons incl line cutting	2250	2488.65	4738.65
NE Block: 1.0 day, 5 persons	2575	2488.65	5063.65
SW Block: 1 Day, DB, 4 days 4 persons	3275	8461.41	11736.41
SE Block: 1 Day DB, 4 days, 4 persons	3275	8461.41	11736.41

TABLE I Mining Claim Data and Summary of Expenditures for Assessment Filing

PROPERTY DESCRIPTION and LOCATION

Property Description and Location

The Mattless Lake Property is located in the NTS map areas known as Setting Net Lake and Setting Net Creek, approximately 200 – 205 km north of Red Lake in Northwestern Ontario in the Red Lake Mining Division. The claims which constitute the property are documented in Figure 1 and Table 1.

ACCESSIBILITY, INFRASTRUCTURE AND LOCAL RESOURCES

The property is readily accessible by float- or ski-equipped fixed wing aircraft which can be chartered at the towns of Red Lake of Pickle Lake.. The Mattless Lake area is traversed by a MNDM winter road which provides vehicular access during the cold winter months each year. Lodging is available in local camps including the camp site prepared for this project work and fishing lodges on sorne nearby lakes. Scheduled air flights service First Nations Communities at Deer Lake (30 km southwest) and Sandy Lake (40 km north). Local transportation is most convenient by boat during the summer months and snowmobile during the winter.

Fresh water and timber are the most evident local resources.

PHYSIOGRAPHY, CLIMATE AND VEGETATION

The physiography of the region is characterized by low rolling hills alternating with lakes and swamps. The elevation is reported to be approximately 290 meters above mean sea level.

The local climate is typical of a mid-continent northern environment with cold winters and mild to warm summers. Spruce, popular, birch and jack pine cover the majority of the property. Distribution of vegetation types is documented in the grid prospecting and geological maps herein.

MATTLESS PROPERTY AND THE BEARHEAD TREND

The Mattless Property overlies deformed metasedimentary units and contact zone batholithic rocks in the Archean-age Favourable Lake–Setting Net Lake greenstone belt, the Bear Head Deformation zone, and the structurally juxtaposed plutonic rocks of the Berens River Subprovince. Uranium and Precious metal (silver and locally gold) bearing sulphide mineral occurrences are localized within the greenstone sequence, and uranium is localized in the Bear Head Deformation zone in metaclastic rocks, altered granitoids, and pegmatites. Molybdenite occurs in biotite rich bands associated with some of the uranium occurrences but has not been observed in sufficient quantities to represent an economic component of the project.

The property has been subject to systematic airborne and ground exploration programs during the 1950's and again in the period 1975 to 1977, primarily by Keevil Mining and Associated Company CAM Resources. The work defined a 15 km long trend of uranium and molybdenite prospects including the flagship targets at Bearhead Lake (noted herein) and Mattless Lake (indicated by ground geophysical anomalies but not documented in other published accounts).

The Bearhead Lake Project, as documented by OGS Mineral Deposits Circular 25 (1983) was subject to 1423 feet (433.7 meters) of drilling in 7 holes in 1955 and 29,871 feet (9104.7 meters) of drilling in 66 holes in 1977. The 1977 drilling formed the basis for an historic 'indicated reserve' estimate by Kerr Addison Mines Ltd. and Dolores Branch Resources Ltd. of 978,810 tons (889,827 tonnes) averaging 0.06% uranium trioxide to a depth of 500 feet (152.4 meters). Most of the details of the drilling which supported this historic resource estimate are not available, and the currently active field program includes relocation of the trenches and drill sites, systematic sampling, and preparation for diamond drilling. Numerous uranium prospects and occurrences, with reported values in the range of traces to 0.98% uranium trioxide but undocumented widths, are reported along two trends within the 14 km of strike length controlled in the Mattless Property.

GEOLOGICAL SETTING

The Mattless property is situated along the Bear Head Lake Fault Zone, which is the regional contact between the dominantly felsic plutonic and gneissic rocks of the northern Berens River Subprovince, to the southwest, and the volcano-plutonic suite of the Sachigo Subprovince, to the northeast.

According to Stone and Good (1990), "The earliest geological surveys in the area (Douglas, 1926; Hurst 1929; Derry and MacKenzie, 1931) defined boundaries of the supracrustal belts and documented economic mineral occurrences within the belts." Subsequent compilation maps by Ayres et al, (1973) defined the general geologic setting but did not provide lithologic subdivision of felsic plutonic domains. Most recent 1:50,000-scale geological mapping by Stone and Good (1990), on the Borland Lake map-sheet, and Stone, Fogal and Fitzsimon (1993), on the Favourable Lake map-sheet, have distinguished the main suites of plutonic, gneissic and supracrustal rocks in the northern Berens River and adjacent Sachigo Subprovinces.

REGIONAL GEOLOGY

Uranium and molybdenum bearing disseminated and vein mineralized zones are spatially associated with pegmatites and specialized (felsic marginal and segregated phases) of intrusive apophyses of batholithic rock masses – most clearly associated with the Berens River Subprovince. The dominant rock types (outside of the supracrustal sequence of the nearby Favourable Lake – Setting Net Lake Greenstone Belt) are deformed metagraywackes and mylonitized quartzofelspathic gneisses, transposed against and intruded by monzonitic to granitic dikes, stocks and pegmatitic lenses This tectonite zone is documented across a width of 1.5 to 2 km. and along a minimum of 50 km of strike, from the area of North Spirit lake to beyond the Favourable Lake Greenstone belt

According to Stone and Good (1990),

" Supracrustal rocks occur mainly in the Favourable Lake belt in the northeast corner of the Borland Lake area (and northwestern corner of the Favourable Lake map-area, Stone et al, 1993). Rare inclusions of metasedimentary migmatites and amphibolites of possible volcanic origin are found at scattered localities in granitic areas.

Mafic metavolcanic rocks occur along both sides of the Favourable Lake belt and in irregular folded units central in the belt and south of the main belt at Borland Lake. The high grade of metamorphism and high levels of strain in the belt has transformed mafic metavolcanic rocks into a fine-grained, black amphibole gneiss. Pillowed mafic metavolcanic rocks are observed east of Borland Lake.

Curved units of intermediate to felsic metavolcanic rocks distinguish the central Favourable Lake belt. The fine-grained, greenish, laminated and siliceous rocks within the unit are possibly of tuffaceous or pyroclastic flow origin. Monolithic and heterolithic breccias occur at scattered localities.

Brown weathered, poorly-bedded metawacke is interspaced with metavolcanic rocks northwest of Borland Lake. A metaconglomerate unit composed of highly stretched mafic and intermediate metavolcanic clasts and rare tonalitic cobbles extends through the belt. An outcrop of coarse marble and interbedded clastic metasedimentary rocks is exposed at the west end of Borland Lake. Sulphide bearing gossan zones, possibly derived by weathering of metamorphosed iron formations, occur at some contacts of volcanic units."

The northern Berens River Subprovince extends south and southwesterly from Favourable Lake. It is comprised mostly of gneissic and plutonic rocks (Stone and Good (1990))

Within the Favourable Lake-Setting Net Lake greenstone belt supracrustal rocks are highly deformed and

metamorphosed, at least, to lower amphibolite facies (Stone and Good, 1990). Mafic metavolcanic rocks are composed mainly of black hornblende and plagioclase, and the metamorphic assemblage of garnetbiotite-cordierite-andalusite-sillimanite-plagioclase-quartz was noted at Borland Lake (Stone and Good, 1990). Supracrustal rocks of the Favourable Lake-Setting Net Lake greenstone belt strike southeasterly and then southerly through the Borland Lake and Favourable Lake North map-areas respectively. According to Stone and Good (1990), the Favourable Lake belt is synformal in structure with younger sedimentary rocks in its central portions. A splayed zone of mylonite, which comprises the west end of the Bear Head Fault zone (Corfu and Ayers, 1984), transects two-mica granite at the south margin of the Favourable Lake belt.

Property Geology

The Mattless Claims surveyed are dominantly underlain by the 1.0 to 1.5 km Bear Head deformation zone along and parallel to the south margin of the Favourable Lake – Setting Net Lake Greenstone Belt. Clastic metasediments comprised predominantly of greywacke with intercalated lenses and discontinuous beds of tuffaceous sediments, intermediate fine-grained tuffs and argillaceous sediments, extend throughout the length of the property

Intrusive Rocks

Semiconcordant intrusions of white pegmatite and aplitic granite occur at scattered localities and interfoliated with the mylonitized metasedimentary rocks (meta wacke) along the Bear Head Mylonite Zone. Some of the aplitic granite bodies contain both biotite and muscovite and have been mapped as a specific unit as 'two mica granite'.

Structural Geology

The structural geology of the main corridor (SE and SW Blocks) is dominated by mylonites along the Bear Head Lake Deformation Zone along with tight drag folding of entrained metawackes and transposition of associated felsic dikes. The Northwest trending Bearhead Trend Faults in the property are crosscut by later (probably post mineral) northeast-trending; northwest-trending; and north-south trending faults.

Economic Geology

The Favourable Lake – Setting Net greenstone belt hosts a wide range of mineralized deposits, including: precious metal-bearing base metal vein and stockwork occurrences (e.g. Borland Lake and Murray-Stewart), intrusive-related porphyry molybdenum occurrences (e.g. Setting Net Lake), polymetallic sulphide vein occurrences (e.g. Zahavy/ Berens River Mine), pegmatite hosted Mo and U prospects (some of the Bearhead Trend prospects) and low grade metasediment hosted U – Mo prospects along the south flank of the Bear Head Fault Zone (associated with flattened late stage two mica granite bodies)..

Past exploration attention in the area of the Mattless Claims has been directed at the nearby Bearhead Lake Uranium prospect, a multitude of pegmatite hosted and mylonite hosted U-Mo prospects along the Bearhead Trend, and the Setting Net Lake porphyry style Mo prospect (5 to 6 km northeast of the Mattless claims).

Molybdenite occurs as coarse rosettes in and peripheral to orthoclase – quartz – muscovite pegmatite and lesser aplitic dykes in the northwest and northeast claims of the Mattless property.. These occurrences were not considered a priority target for the prospecting program documented in this report, but the company will reserve judgement, pending receipt of analyses for rare earths, rare metals such as lithium and tantalum, and rhenium. The molybdenum occurrences in the NE and NW blocks are not radioactive.

Fine granied molybdenite is observed in biotite schists and mylonites along the Bearhead trend, generally associated with Scintillometer readings of 230 to 957 counts per second. Higher but erratic readings are noted in pegmatitic lenses in the Bearhead Trend, locally associated with disseminated and rosette molybdenite. These associations suggest potential for a discrete Uranium – Molybdenum target in this extensive structural zone – this is the primary incentive for further investigation of the project areas.

EXPLORATION

August 23 2008 Shoreham initiated a an exploration program comprised of reconnaissance geological mapping, prospecting, geological mapping and completion of cut grids localized in around previously reported uranium and molybdenum prospects. This was guided by Stone and Good (1990) and the results of the the airborne mag/radiometric/ vlf survey completed for Shoreham in October and November 2007 (Terraquest, 2008). This work is in progress at this time, and this report documents only the first phases of data collection as a prelude to a more comprehensive report to follow.

Base and grid lines were to be cut and cleared suitable for any future ground geophysical surveying, picketed and labeled stations were to be established every 50 metres, and critical start- and end-points of grid lines were to be surveyed using G.P.S. instrumentation with apparent accuracies of +/- 3 to 6 metres. For the purpose of the orientation surveys disclosed in this report, scintillometer readings were collected at twenty meter intervals (taped in the field) along the initially cut lines.

Prospecting, Preliminary Geology and Scintillometer Profiles

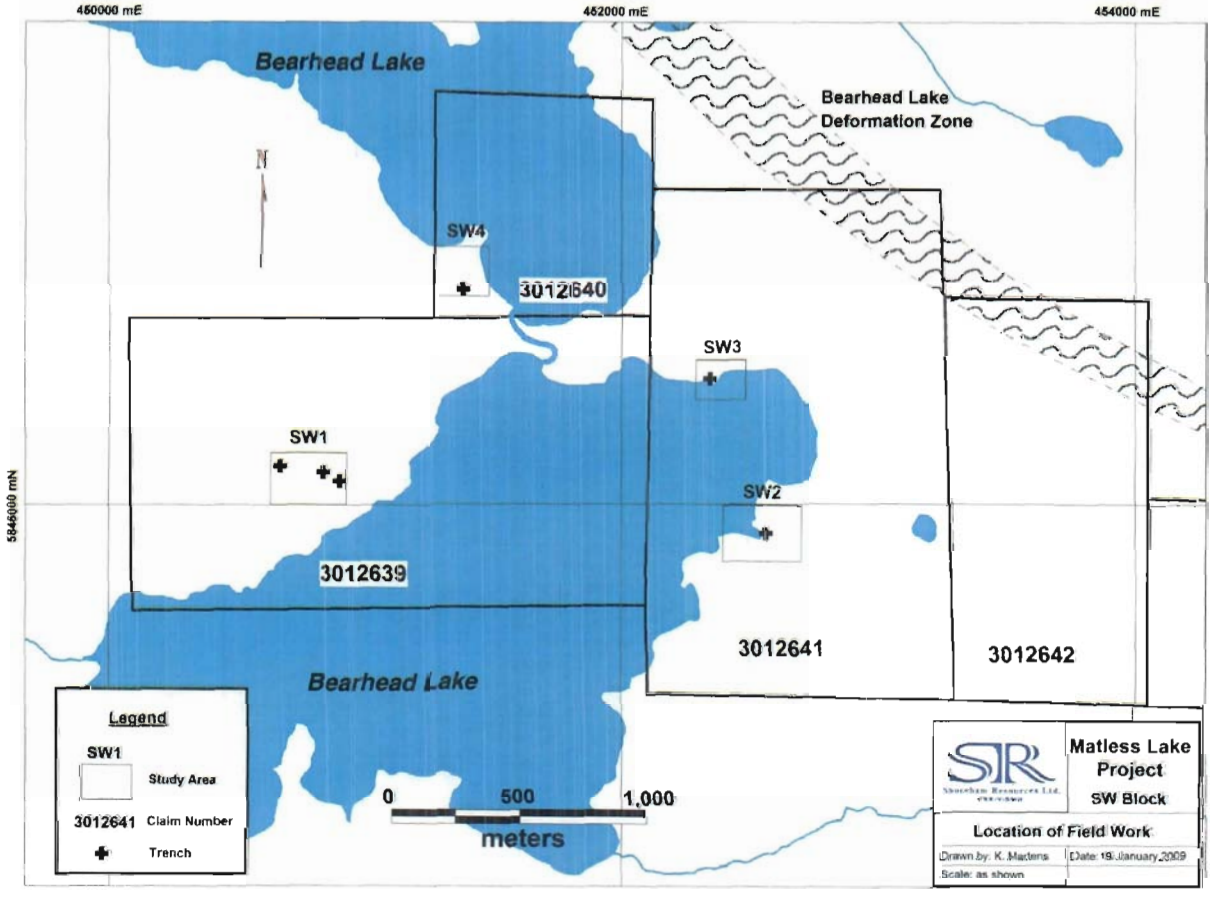


Figure 2: Location of Field Work SW block, Mattless Property.

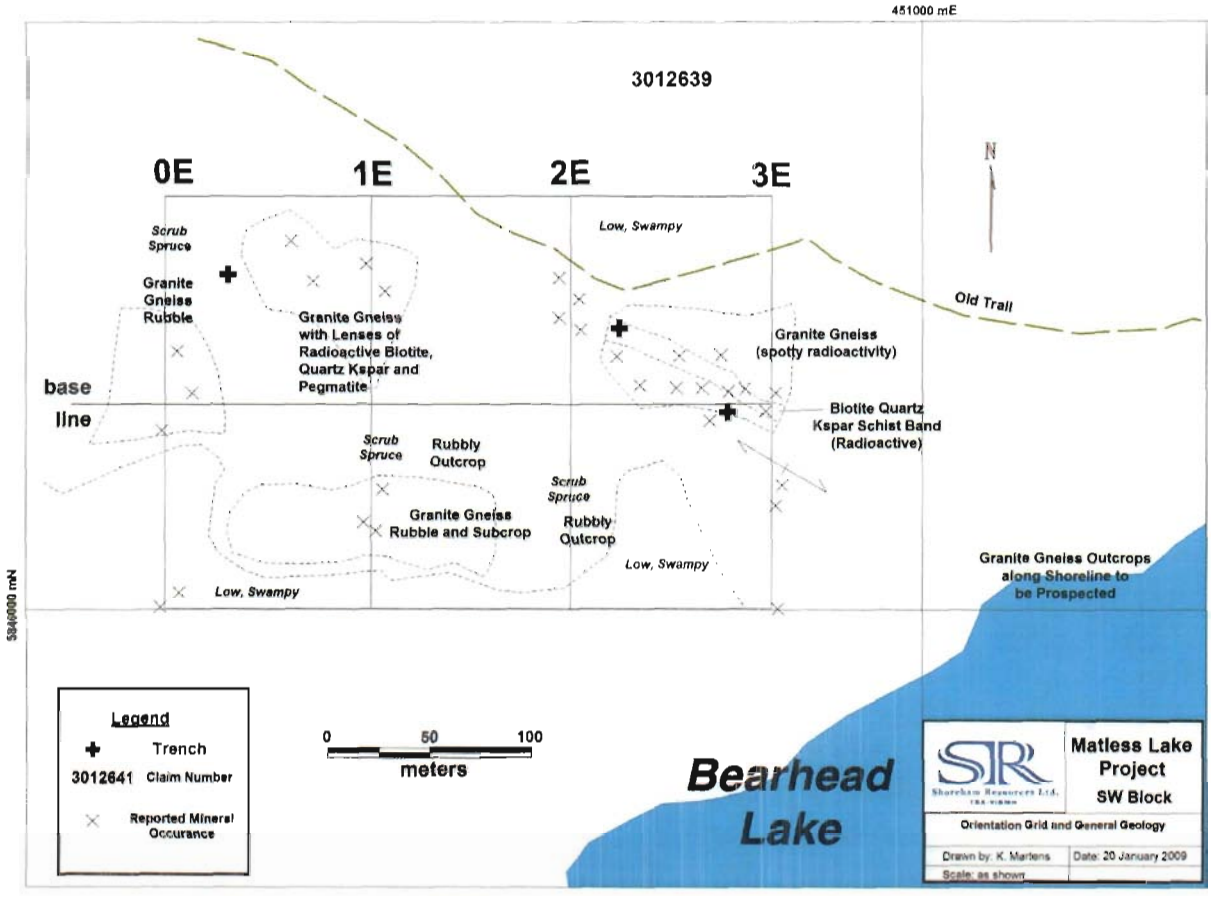


Figure 3: Phase I lines and Geological observations.

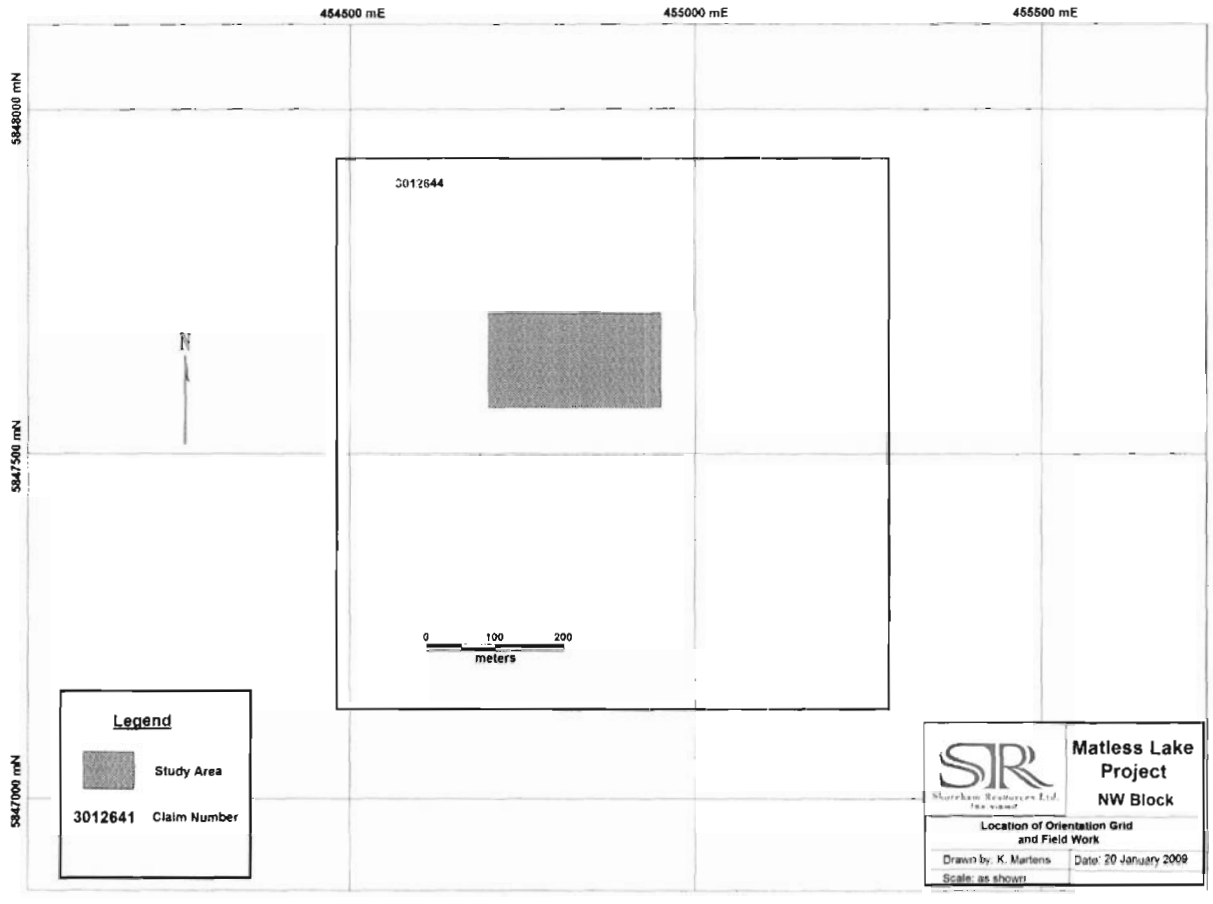


Fig. 4: Location of Field Work, NW Block, Mattless Property

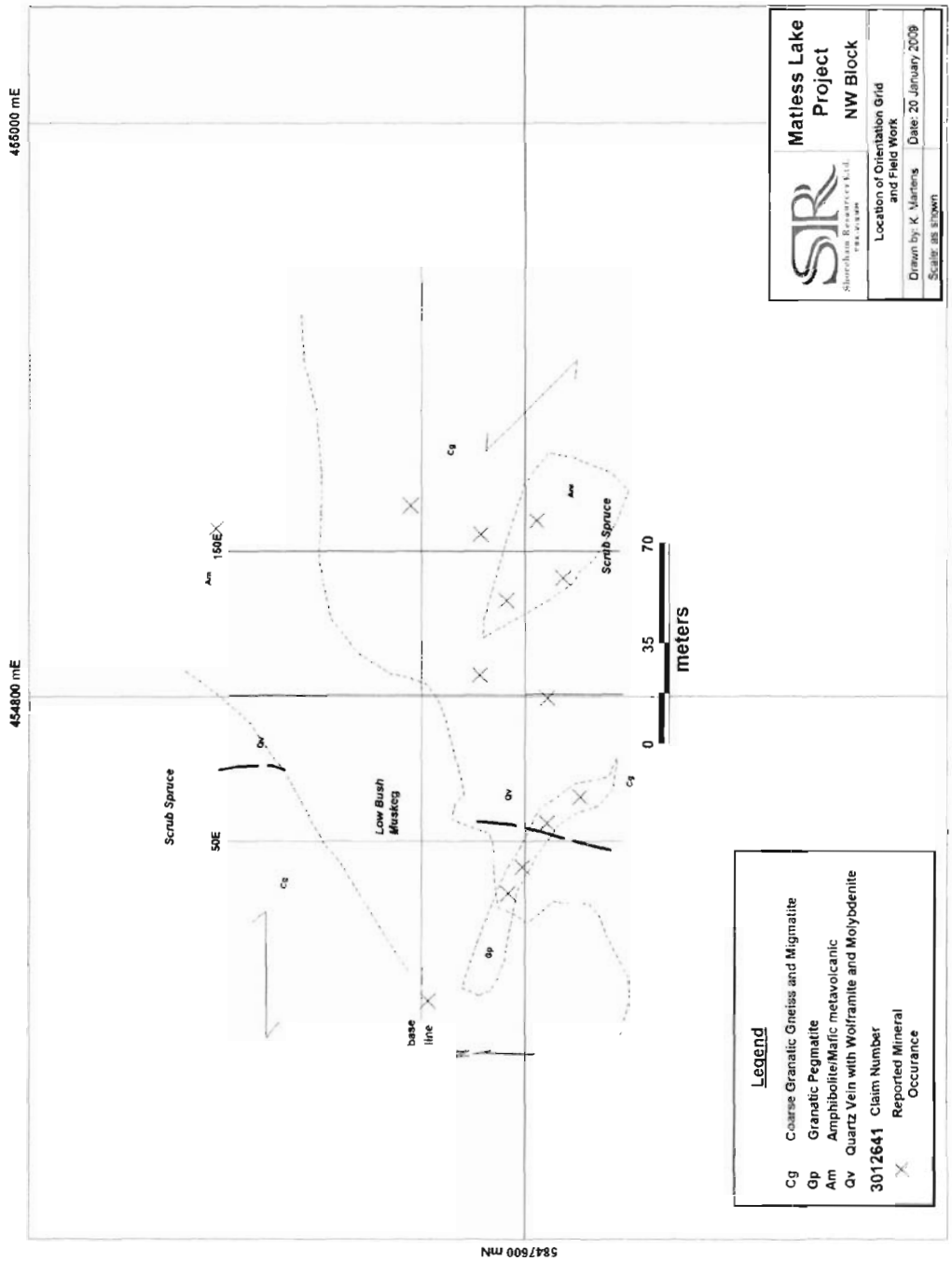


Figure 5: Grid Detail, NW Block, Mattless Property.

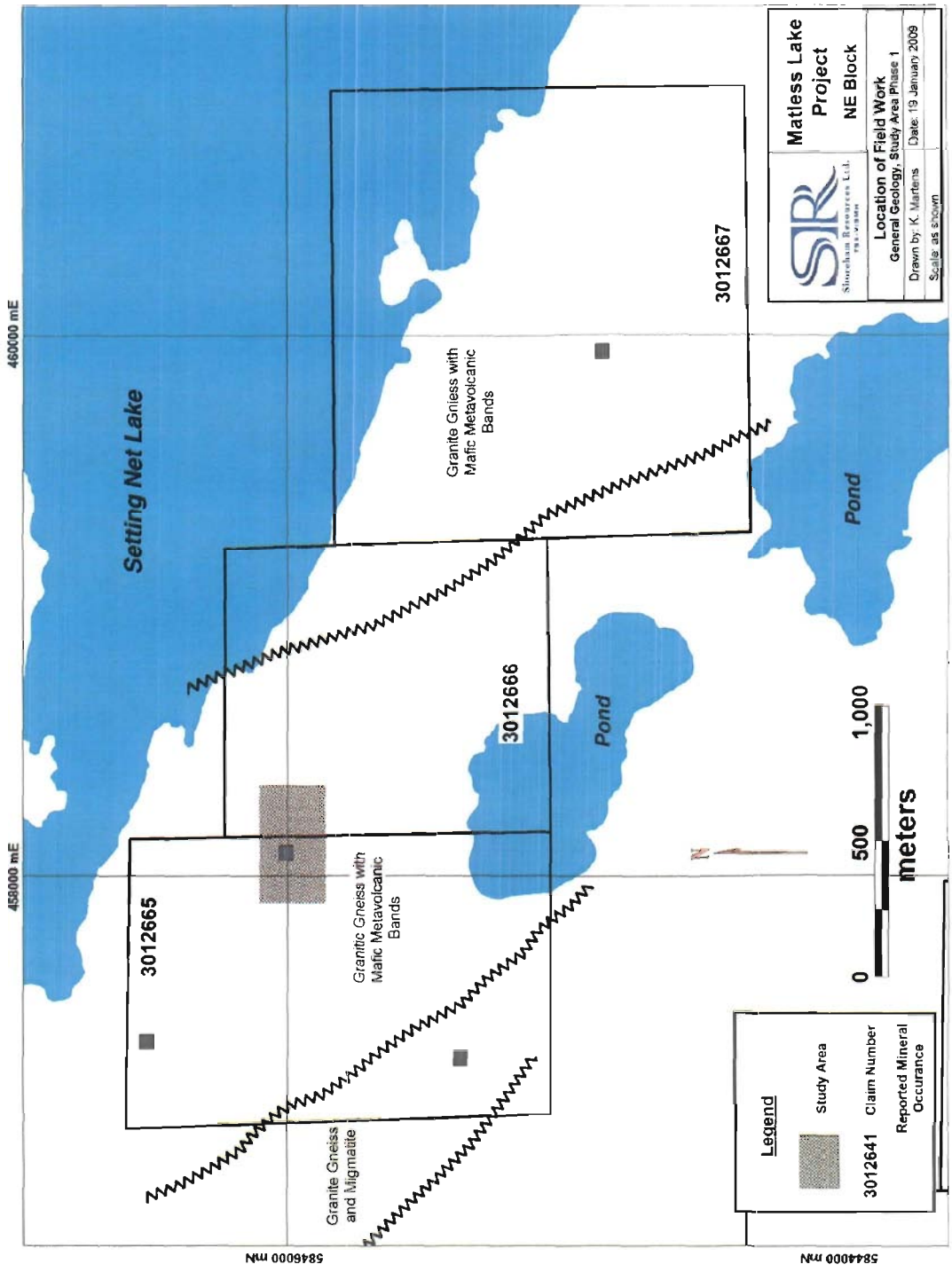


Figure 6: Location of Field Work, NE Block, Mattless Property

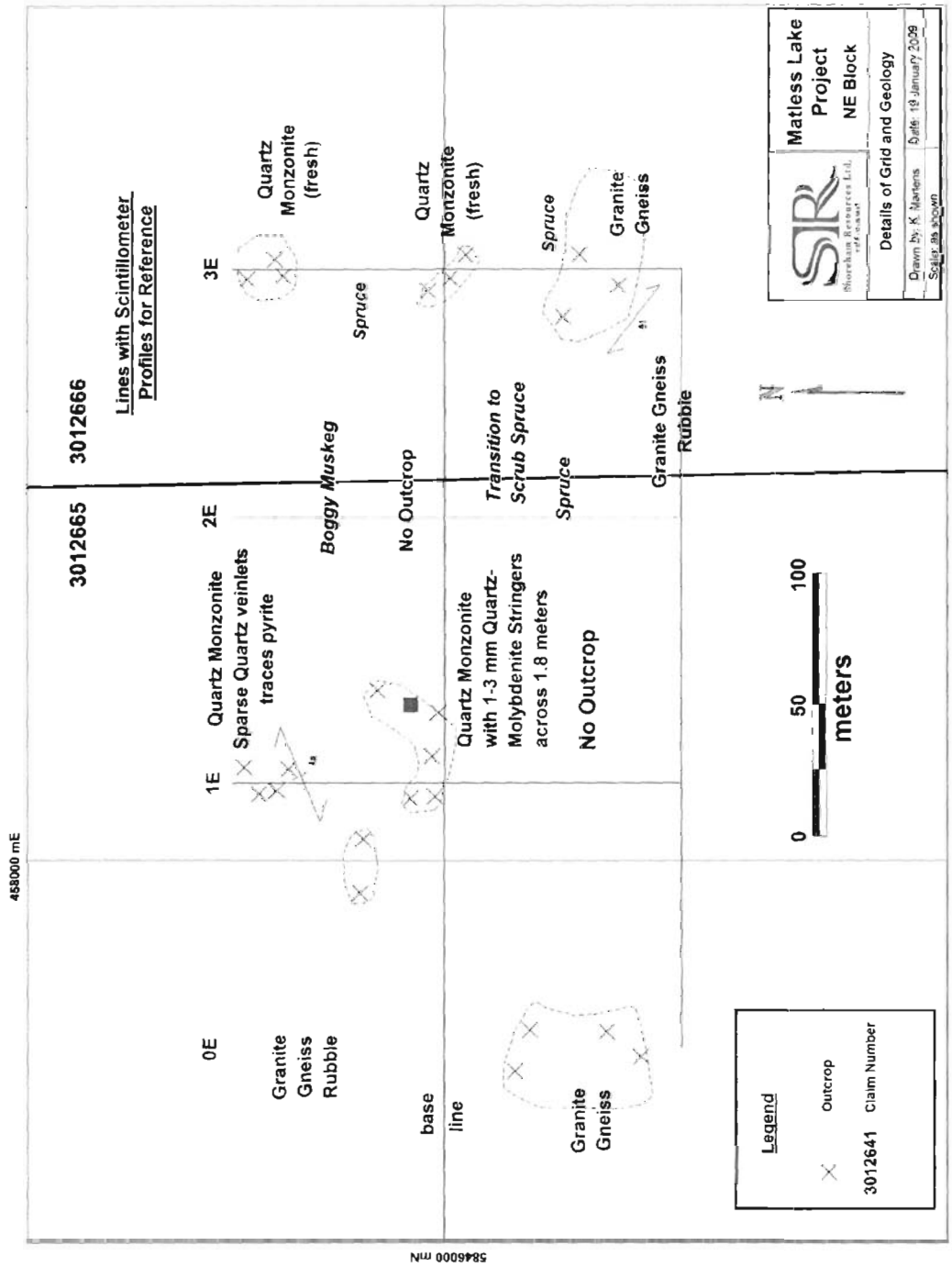


Figure 7:Details of Grid and Geology NE Block Mattless Property

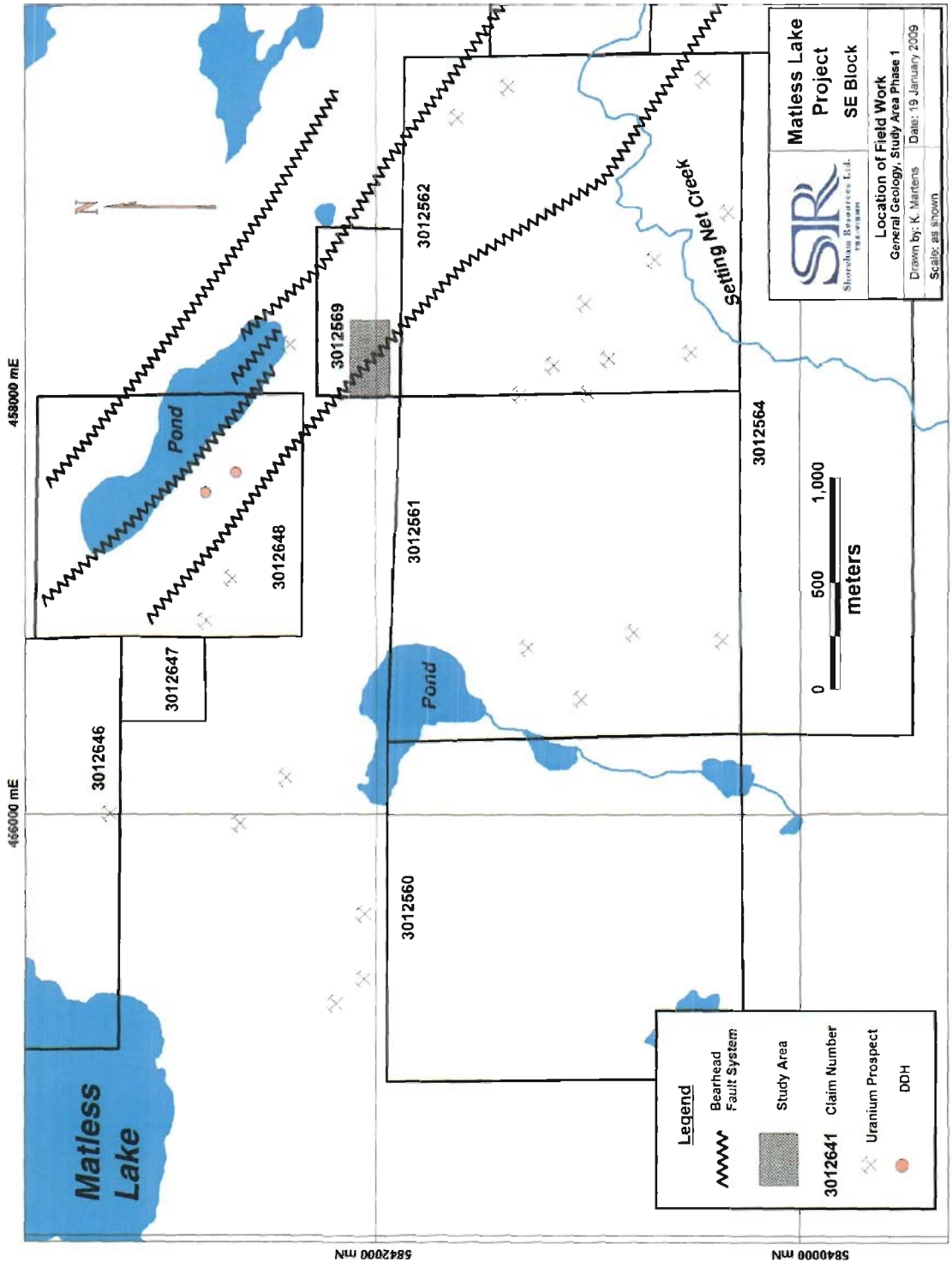


Figure 8: Location of Field work, SE Block, Mattless Property in relation to immediately associated mineral claims and prospects

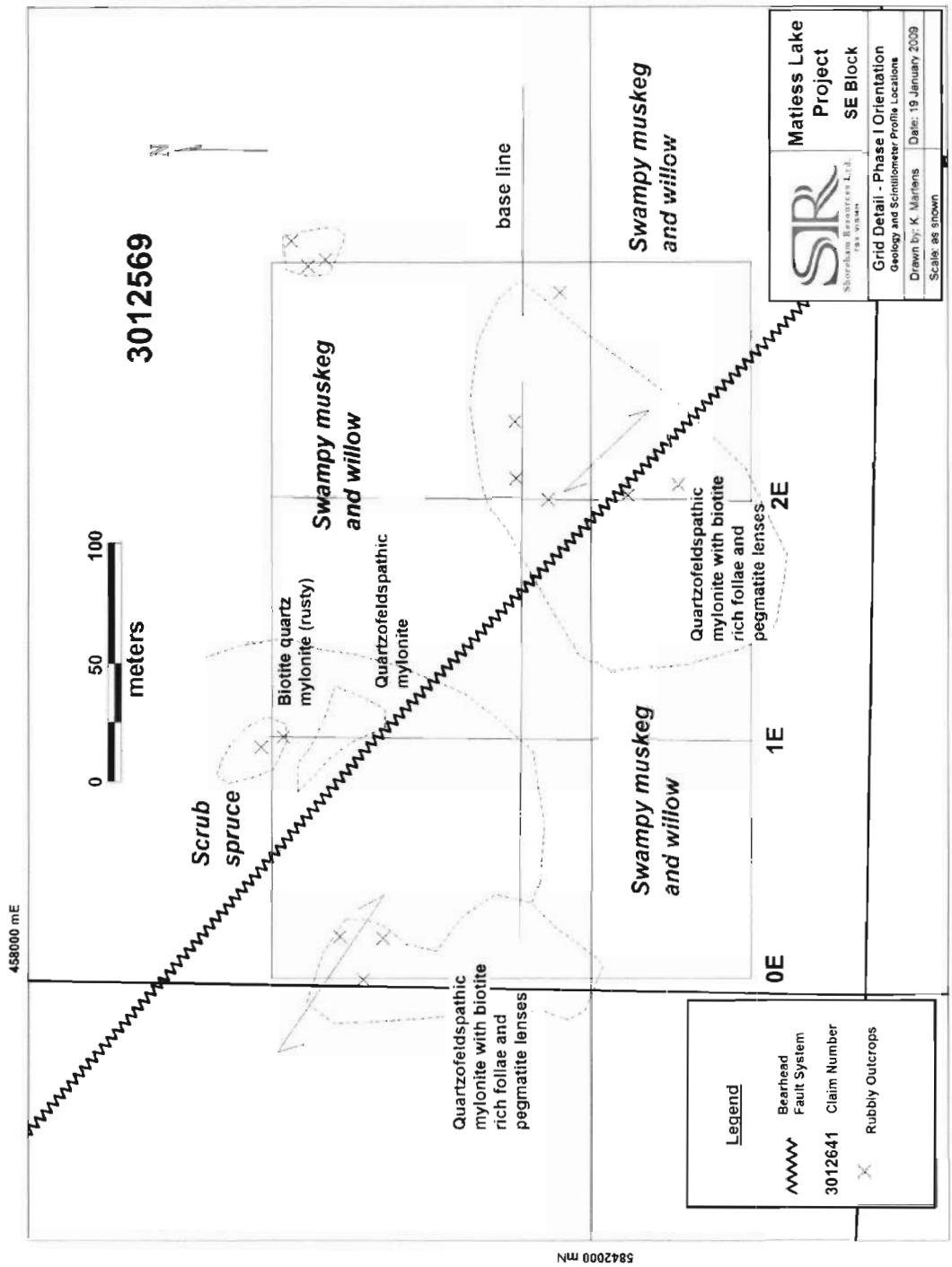


Figure 9: Detail Grid, SE Block, orientation area selected to examine the margin of the Bear Head Lake Deformation Zone without reference to specific known prospects.

The prospecting team mobilized by Ackewance Exploration Ltd., undertook to prospect and sample all known mineral showings and trace their possible strike extensions within the properties. The initial phase of work was dedicated to locating the sites selected for the orientation studies reported herein and completing

the associated lines in preparation for geological work and scintillometer profiles. The team mobilized August 23 and remains in the field at this time. They have dedicated their time to prospecting, preparation of orientation survey grids, and preparing the property for the ongoing more intensive survey work, which shall be localized along the Bear Head Trend.

During his property visit the author completed reconnaissance examinations and scintillometer profiles in the selected prospect areas. Continuing geochemical studies and the analysis of the samples collected to date will be documented in a subsequent report. The Scintillometer was a Ludlum Instruments hand held scintillometer and Detector, digital survey meter Model 2241.2, with Model 44-10 detector. This device provides rapid total count gamma measurements which, combined with prospecting and reconnaissance geological examination, allowed the field team to set priorities for the ongoing investigation of the area.

The initial results from the prospecting work confirm the presence of molybdenum and locally uranium mineralized zones in the subject properties. Prospecting along the strike of the northwest block and northeast block molybdenum occurrences was unsuccessful in discovering mineralization beyond that reported by Stone and Good (1990). However, the eastern Extension of the Bearhead Lake Uranium target is evident in the work completed in this survey, and the indications available further suggest a second significant mineralized area east of Mattless Lake.

SW 1
Bearhead South
Trench Area South of Main Bearhead Tren Kc/M

	0	20	40	60	80	100	North
0E	97.4	117.5	108.3	148.9	86.9	56.7	
100E	83.9	104.6	106.9	379.8	674.2	176.4	
200E	87.5	117.8	99.2	214.1	194.6	67.1	
300E	88.1	193.7	817.4	211.1	84.8	64.5	

Background is higher, even in areas of vegetation cover suggesting trapping in humus. Discrete Anom. follows biotite - rich mylonite zone. Responses highest around distrubance - test pits.

SE 1 **Kc/M**
East of Matless: Orientation Grid along Bearhead Fault

	0	**20**	**40**	**60**	**80**	**100**	**North**
0E	81.2	29.4	115.3	316.3	114.4	194.6	
100E	65.4	51.2	64.1	149.4	341.6	81.9	
200E	119.3	328.2	149.8	111.2	56.1	61.2	

Comment: Anomaly follows pegmatite shreds and biotite bands in Mylonite.
Elevated Background Suggests Favourable Environment, some organic trapping in humus

NW 1 **Kc/M**
Orientation Profile in Mo Prospect Area

	0	20	40	60	80	100	North
50E	39.2	89.7	115.1	42	28.1	31.4	
100E	78.1	44.2	48.1	45.8	34.2	29.7	
150E	26.1	31.4	75.1	38.4	29.6	51.5	

Comment: Weak anomaly along Pegmatite Band, Negative response Mo W vein.
Elevated Background in Migmatite band.

NE 1 **Kc/M**
Orientation profile in Mo Prospect Area

	0	20	40	60	80	100	North
0E	19.4	27.8	38.3	11.9	14.2	21.7	
100E	21.5	35.7	56.1	29.4	35.4	32.9	
200E	19.4	21.2	27.4	18.5	45.8	43.2	
300E	45.2	56.1	17.3	24.5	29.7	31.4	

Comment: Weak response on Mo showing, also maps granitoid gneiss band.

Measurements at ground level on rubble and outcrop where possible.

Table 2: Scintillometer Orientation Surveys in Mo and U (possible Mo) targets.

CONCLUSIONS

This report documents prospecting, preliminary geological examination, commencement of line cutting and radiometric studies as an initial phase of follow up to the fall 2007 Terraquest Airborne survey that included the Mattless Claims. Of particular interest is the association of radiometric (Uranium) anomalies with VLF conductors along and flanking the Bear Head Lake Deformation Zone, and the suggestion that this is a style uranium target which is not limited to pegmatites or lenses along granitic contacts with metasediments. This

This initial report documents August and early September expenditures as part of a more extensive program which shall include rock and regolith geochemical sampling, and geological mapping The geology of the property is dominated by the Archean-age Favourable Lake–Setting Net Lake greenstone belt of deformed and metamorphosed volcanic, volcaniclastic and sedimentary rocks, and in particular the Bear Head Fault System with associated sediments and specialized granitoid bodies.

The Bear Head Fault is a dextral transcurrent structure that divides the dominantly felsic plutonic and gneissic rocks of the northern Berens River Subprovince to the southwest and the volcano-plutonic suite of the Sachigo Subprovince to the northeast. The Favourable Lake-Setting Net Lake greenstone belt has been deformed and intruded by intermediate and felsic plutonic rocks prior to major displacement along the Bear Head Fault in possibly Late Archean to Early Proterozoic time. Precious metal-bearing zinc – lead sulphide mineralized zones are spatially associated with lower amphibolite-grade metavolcanic and metasedimentary rocks of the Favourable Lake-Setting Net Lake greenstone belt. Epizonal quartz monzonite bodies in the Setting Net Lake Area host low grade porphyry style molybdenite prospects. The Bear Head Fault system is a locus for uranium prospects and anomalous radioactivity including the Bearhead Lake Uranium prospect (not included in the area of this study. These prospects range from poddy pegmatites with very little potential for expansion to more continuous U – Mo mineralized zones in mylonitized metasediments, particularly in their zones of contact with lenticular alaskitic (very felsic) intrusive bodies mapped by the OGS as 'two mica granites'. The latter target type will be a the primary focus for ongoing exploration work in this property area.

The molybdenum prospects of the Mattless Northwest and Mattless Northeast Blocks (this study) are lenticular pegmatitic veins in quartzofeldspathic gneiss (in the case of the Northwest Block) and a 1.5 meter wide quartz – molybdenite stringer zone in a quartz monzonite pod, and therefore of limited interest.

RECOMMENDATIONS

Field work is continuing in the Mattless Properties, with emphasis on the Bearhead Trend Prospects and intervening covered areas. These prospects are of interest because of their reported uranium content, but also because of the growing indication that the Bearhead trend also hosts significant low grade molybdenite mineralized zones. This work consists of continuing line cutting, scintillometer and spectrometer profiles, manual trenching and prospecting. As the results of the grids are processed, the grids with positive response and geological indications of size potential will be expanded and used for ground geophysics (magnetic, EM and spectrometer) and subsequent drilling.

As an ongoing component of work in the area, completion of memoranda of understanding with the Deer Lake, North Spirit Lake and Sandy Lake First Nations is fundamental to the ongoing value of the exploration programs. Whereas initial field work has not been a problem with respect to first nations issues, diamond drilling is a more challenging hurdle.

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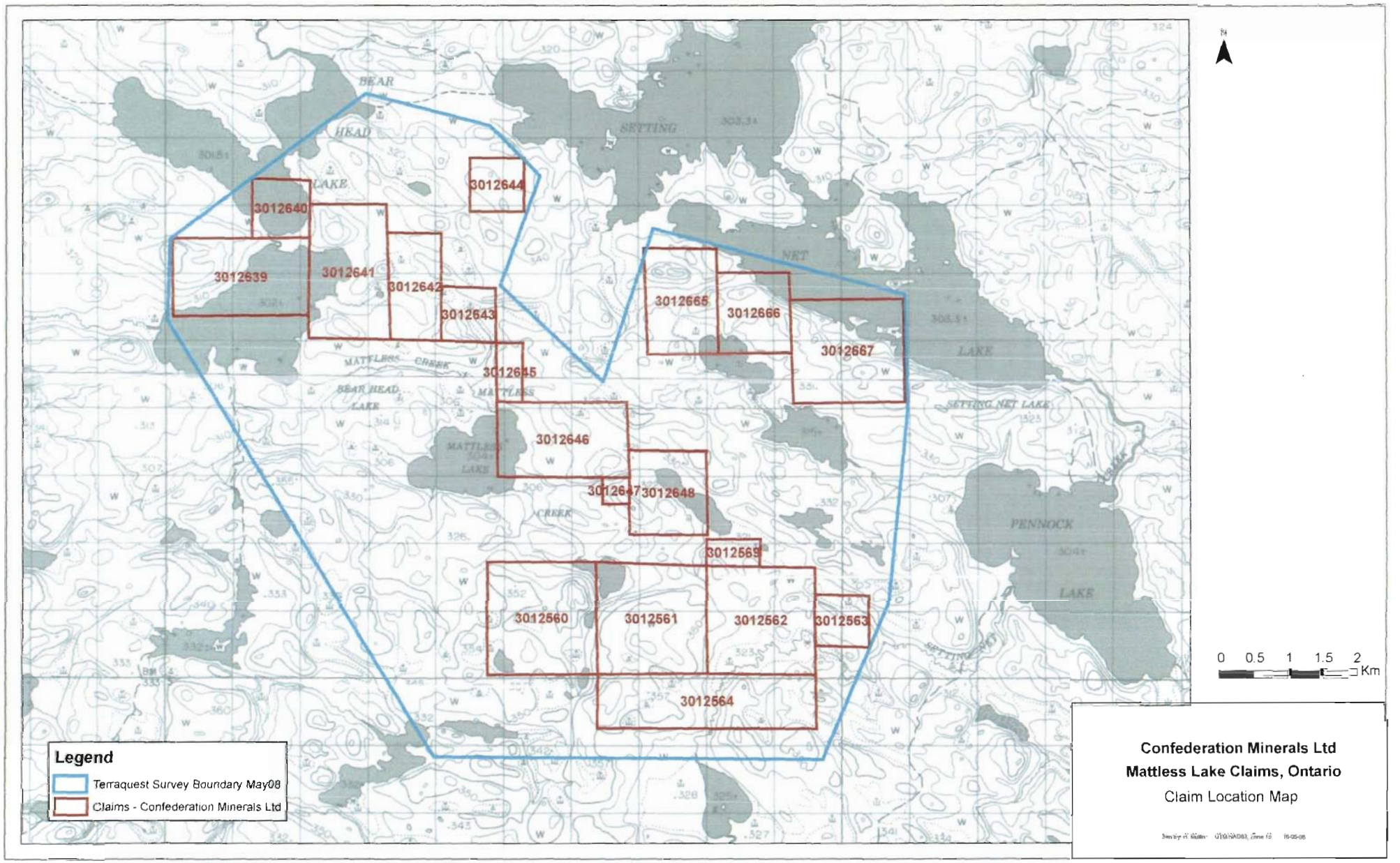
Daily Activity Log David Bending and Crew				
Date	Location	Activity	Claim (s) of activity	Personnel
23-Aug	Fly Red Lake to Setting Net, traverse to NW Showings. Relocate showings with GPS	Mob, locate showings claims 3012665, commence line work. Take off 8:00. Leave camp crew in place, walk with Gerry, Black and Peter to NW showings, orient and commence line work and geological data collection. Back to camp 5:40	3012665	David Bending Supervising and collecting Scint and Geology data, Mike Desmuelles consultant, William Desmuelles Camp Manager, Glenn Funnel Cook, Gerry Strilchuk Prospecor, Black Kesick and Peter Mckeown Line Cutters
24-Aug	NW showings 1 and 2, phase I line cutting and geological traverses, compile geology.	working claims 3012665 and 3012666. Early start (7:35), walk Setting net to NW showings, complete line and orientation surveys, return to camp and commence prep for SW area	3012665 and 30126	David Bending Supervising and collecting Scint and Geology data, Mike Desmuelles consultant, William Desmuelles Camp Manager, Glenn Funnel Cook, Gerry Strilchuk Prospecor, Black Kesick and Peter Mckeown Line Cutters
25-Aug	Fly to Bearhead and Bearhead south sites, line cutting and geology.	Fly at 9:15 to Bearhead, orient and mob line cutting and prospecting crew for quick hits. Cut and flag minigrids (Blake Kesick and Peter McKeown), David Bending completing Scint and geological surveys in each area as it is prepared. Fly camp	3012639 and 30126	David Bending Supervising and collecting Scint and Geology data, Mike Desmuelles consultant, William Desmuelles Camp Manager, Glenn Funnel Cook, Gerry Strilchuk Prospecor, Black Kesick and Peter Mckeown Line Cutters
26-Aug	Bearhead and Bearhead South Sites, line cutting and geology	Early start (left camp at 7:46), line cutting and prospecting crew for quick hits. Cut and flag minigrids (Blake Kesick and Peter McKeown), David Bending completing Scint and geological surveys in each area as it is prepared. Fly camp, prepare for move to Matless Lake	3012641	David Bending Supervising and collecting Scint and Geology data, Mike Desmuelles consultant, William Desmuelles Camp Manager, Glenn Funnel Cook, Gerry Strilchuk Prospecor, Black Kesick and Peter Mckeown Line Cutters
27-Aug	SE sites, geological line work and documentation.	8:30 move to Matless Lake, fly camp. line cutting and prospecting crew for quick hits. Cut and flag minigrids (Blake Kesick and Peter McKeown), David Bending completing Scint and geological surveys. Prepare for early pickup for Demob of D.Bending, remaining crew continuing with preparation for geochemical surveys and spectometer studies	3012569	David Bending Supervising and collecting Scint and Geology data, Mike Desmuelles consultant, William Desmuelles Camp Manager, Glenn Funnel Cook, Gerry Strilchuk Prospecor, Black Kesick and Peter Mckeown Line Cutters
28-Aug	Travel, demob, leave crew to contine line work	DB travel, continuing line work		David Bending Traveling. Remainder to be be documentd in phase II Report
29-Aug	Continuing line work	Continuing Activity to be documenting in another report	Not this report	To be documented in Phase II report
30-Aug	preparation for geochemical survey and spectrometer surveys			
31-Aug	preparation for geochemical survey and spectrometer surveys			
1-Sep	preparation for geochemical survey and spectrometer surveys			
2-Sep	preparation for geochemical survey and spectrometer surveys			
3-Sep	preparation for geochemical survey and spectrometer surveys			
4-Sep	preparation for geochemical survey and spectrometer surveys			
5-Sep	Devon Crew Continues with full team (to be documented in Pending Report)	 Prepared by David Bending, M.Sc., P.Geo		

6-Sep	Devon Crew Continues with full team (to be documented in Pending Report)	Responsible for Scintillomter and Geological surveys		
7-Sep	Devon Crew Continues with full team (to be documented in Pending Report)	and supervision of field team, author of Phase I Report		
8-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			
9-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			
10-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			
11-Sep	Devon Crew Continues with full team (to be documented in Pending Report)	***Signature***		
12-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			
13-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			
14-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			
15-Sep	Devon Crew Continues with full team (to be documented in Pending Report)			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Mattless Lake Claims, Ontario
Claim Location Map