

TECHNICAL REPORT

On the

MAC PROPERTY - 2

located at

NTS 105I/2

Latitude 62 ° 11'N; Longitude 125 ° 54'W

In the Northwest Territories

Prepared for

WAR EAGLE MINING COMPANY INC.

By

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A. Geochemical results
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## 1. Summary

The Mac claims are located in south-western Northwest Territories along the Yukon border, approximately 30 km northwest of Tungsten. The claims were staked to cover the Little Nahanni Pegmatite Group (LNPG), a pegmatite dike swarm of the lithium-cesium-tantalum (LCT) geochemical type. These types of systems are the primary source of the world's tantalum, as well as important producers of other rare metals such as tin, lithium, and rubidium (Cerny, 1991a).

The Mac property consists of twenty (20) contiguous claims that cover a 6197-hectare area in a northwest-trending fashion. War Eagle Mining Company Inc. earned 100% ownership of these claims in February of 2007 through a purchasing agreement with previous joint-venture partner Strategic Metals Ltd.

Access to the property is best achieved via helicopter. An overgrown and flooded cat trail running towards Howards Pass comes within 1 km of the property, is clearly visible from the air, and is shown on topographic maps. This trail connects with the Nahanni Range Road, a full service gravel road leading to Tungsten.

Pegmatites of the LNPG dyke swarms have been mapped over an area 13.5 km long and 2.5 km wide, trending in a NW fashion. Host rocks consist of Proterozoic to Paleozoic metasediments belonging to the Selwyn Basin (e.g. Earn Group, Roar River Group, Hyland Group, etc...) and are situated within the Selwyn Fold Belt. Some pegmatite dykes show deformation while others do not; it is unclear at this time what interplay exists between pegmatite emplacement and regional deformation. Individual dykes range from cm's wide up to 20 m wide, and collective dyke swarms have been discovered up to 500 m across. Individual dykes have been traced continuously on surface for up to 5 km and can show vertical exposures of up to 300 m due to the deeply incised cirques. Five subtypes of mineralized pegmatite dykes were suggested from results of previous exploration programs based on field observations of mineralogy:

1. spodumene-quartz-feldspar (SQF)

2. spodumene-quartz-feldspar-lepidolite (SQFL)
3. quartz-albite (QA)
4. quartz-feldspar-lepidolite (QFL)
5. quartz-silver mica (QM).

Spodumene-bearing dykes show the highest Li values, while spodumene-absent dykes typically show elevated Sn and Ta. Current working hypotheses suggest that this trend may be due to evolving magmatic processes where later Ta-Sn-bearing fluids alter earlier Li-bearing assemblages. Pending geochemical and mineralogical data will shed light on this hypothesis.

The foci of the 2007 field program were drilling, mapping, soil sampling, and regional exploration. The drill program consisted of eight holes with a total footage of approximately 5,900 ft. All holes were logged and specific pegmatite intervals were sent for assay. A surveying/mapping program covered an area of approximately 40 km<sup>2</sup>. The main emphasis was on revisiting the approximately 400 channel and chip sample sites from the 2002 field season, in order to obtain accurate strike, dip, width, strike length, and mineralogical data. All but 13 of these sample locations were revisited and unsampled dikes were also surveyed. The data obtained will be used to improve the 3D model of the Mac property developed by Challenger Geomatics Ltd. after the 2006 field season. Two soil sample grids were completed at the south end of the property near Mac Creek, in order to follow up anomalies identified by soil sampling during the 2006 season. A total of 319 soil samples were collected from the grids. In addition, one soil line was completed at the north end of the property (13 samples). Climbing equipment was used to obtain 25 chip and specimen samples from dikes exposed in near-vertical walls in cirques 9 and 10. Regional exploration resulted in the discovery of a new pegmatite group south of the O'Grady batholith. A number of samples were collected for geochemical analysis. In addition, a total of 20 stream sediment samples were collected from an area of approximately 150 km<sup>2</sup> to cover the area associated with the intrusive body responsible for pegmatite generation.

Given the size of the property, the 2007 drill program is considered preliminary. An improved three-dimensional model incorporating the mapping and surveying data from the 2007 field