

English Summary of Project (2004-2010)

True North Gems is a geologic exploration company focusing on the exploration and development of North American gemstone deposits. In 2004, True North optioned two claim blocks from two Kimmirut prospectors, and began work on what we have named the Beluga sapphire project near Kimmirut, Baffin Island. In the summer of 2004, True North extracted a 5 tonne mini-bulk sample from which we analyzed the sapphire grades and qualities. The results were extremely positive, indicating that further work on the property was necessary.

During 2005, True North completed an extensive exploration program, including the extraction of an 88 tonne bulk sample from the main Beluga deposit, and completed detailed geological mapping around the main site. The planned drill program was postponed until the following summer. In 2006, True North completed the 2000m diamond drill program at the main Beluga Deposit site. This aided our understanding of the underground rocks and allowed the company to start geological and financial modelling. True North also started an innovative exploration program using ultraviolet light.

The company expanded its claims around the town of Kimmirut in 2007, encompassing more of the prospective Lake Harbour Group marbles. During the summer season, True North geologists mapped these new claims and performed limited UV exploration. A small (3 tonne) mini-bulk sample was removed from a newly discovered showing, named Mosquito, and sent for laboratory analysis in Ontario.

The 2008 activities were split between the main Kimmirut work-site and the newly acquired Prospecting Permits near Crooks Inlet, 150km along the South coast of Baffin Island; activities at Crooks Inlet are regulated by another water licence. The Kimmirut activities included an extensive UV exploration survey, mapping and geophysics. A small mini-bulk sample was removed from a newly discovered site, called Ptarmigan, and again sent South for sapphire analysis.

Activities in 2009 were limited, and were almost exclusively limited to the Kimmirut town-site. These included care and maintenance of equipment and inspections of the known sapphire sites. Very little exploration activities were conducted due to the fragile nature of the world economy during the year.

True North believes that there is potential at the Beluga site, and look forward to continue increasing our knowledge of the rocks across the entire property. The site still holds potential to host a small sapphire mine sometime in the future. The process of determining whether or not the volume, quality, or grade of sapphires is economic has taken time; the deposit in Kimmirut is very unusual. Determining the potential mine life will be part of the process, and will factor into the project economics.

To date True North is happy with the results received to date, and certainly hope that we will be doing further work in the area in the years to come.