

PREVIOUS EXPLORATION - IC and TIM PROJECT

The IC claims are located 90 km south southeast of Kugaaruk, Nunavut. The property comprises 151 contiguous claims which were staked in January and March, 2004. Under a joint venture agreement, Trigon Exploration Canada Ltd. holds a 51% interest, and Contact Diamonds Corporation holds a 49% interest. The TIM property lies adjacent to the IC property and is subject to another joint venture agreement whereby Trigon Exploration Canada Ltd. and Contact Diamonds Corporation own 51% and Indicator Minerals Inc. and Committee Bay Resources Ltd. own 49%.

2004 Exploration Program

The 2004 exploration program on the IC property was a regional sampling program designed to determine if and where kimberlite bodies are present on the property. The samples were collected on a regular grid with 3 km between samples perpendicular to ice flow and 4 km between samples in the direction of ice flow. The results of this program were promising, with eleven samples containing kimberlite indicator minerals. Several of these samples were clustered in the western part of the property and thus this area was selected for follow-up work during July 2005. This report describes this work and some of the preliminary results.

2005 Exploration Program

The 2005 field program contained three components: airborne magnetic survey, follow-up (detailed) sampling, and prospecting. All of these activities were concentrated in the western part of the property. The program was run from Kugaaruk where the six-man field crew obtained accommodation and lodging from the Koomiut Co-operative. A few days were lost because of fog, however, the loss was easily offset by increased productivity and the cost savings from not having a camp. Only reconnaissance sampling was conducted on the TIM property.

The airborne magnetic survey was flown at a height of 25 m above ground with a line spacing of 100 m with tie lines every 500 m. The proprietary survey system was developed for Trigon Exploration Canada Ltd. and fitted into a Robinson R44, Raven 2 helicopter operated by Lakelse Air Ltd. A total of 5,200 line-kilometers of survey was flown during early July with the southernmost corner being flown at the end of July.

A total of 236 25-kg till samples were collected in preselected sites in the western part of the IC property (Figure 3). Sixty-two samples were collected at 500 m intervals on east-west oriented lines spaced one kilometre apart, up-ice from the samples known to contain kimberlite indicator minerals. The length of these lines was proportional to the distance from the anomalous sample such that all known variations in flow directions could be covered. The remaining samples were collected at 500 m intervals along east-west oriented lines up ice from the area of anomalous samples in order to determine a cut-off line, up-ice from which there are no kimberlites. A total of 36 till samples were also collected on a 3 x 4 km grid over the TIM property.

Prospecting and ground checking of the known anomalies was carried out by Roger Thomas as the till sampling was being executed. At first, only the areas up-ice from the anomalous till samples were examined and prospected for boulders of kimberlite. In addition, outcrops were prospected for the presence of kimberlite dykes and mudboils were examined for the presence of smaller fragments of kimberlite. The sites where anomalous samples were collected either by Trigon in 2004 or by the Geological Survey of Canada in 1997 - 1999 were relocated and examined to determine if there was anything significantly different about these sites and the adjacent sites.

As the interpretation of the airborne magnetic survey became available, geophysical anomalies were added to the list of locations to be examined and prospected. These sites were examined to determine if there was outcrop present which could explain the anomaly or if there were boulders immediately down-ice that might indicate the nature of the anomaly.

Conclusions

Interpretation of most of the airborne magnetic survey has resulted in the definition of 34 anomalies. Some of these were prospected in the field.

Fourteen geophysical anomalies were prospected. Although magnetic boulders of ultramafic rock were found near some anomalies, none of the anomalies were explained beyond doubt.

While prospecting, an area of 5 m x 10 m of gossan was found. This was found to be caused by the presence of sulphide minerals filling fractures in a brecciated rock. A sample was collected and submitted to Activation Laboratories Ltd. in Ancaster, Ontario for multi element analysis. The rock was found to contain 1510 ppb Au, 1220 ppm Ag, 6980 ppm Cu, 6860 ppm Pb, 25100 ppm Zn, >1000 ppm Bi, and <2 ppm As.

Trigon and Contact Diamonds intend to continue exploration on the IC property next year. Once the interpretation of the till sample results has been completed, some of the geophysical anomalies associated with indicator mineral anomalies will be surveyed with ground geophysics. The best targets will be drill tested. In addition, work will be carried out on the gossan zone to determine its extent and variations in grade. This may involve surface prospecting, geochemical sampling and ground geophysical surveying.