REPORT OF ACTIVITIES

IC/TIM PROJECT

SUMMER 2006

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IC/TIM PROJECT

The IC claims are located 90 km south southeast of Kugaaruk, Nunavut. The property is currently comprised of 48 contiguous claims which were staked in January and March, 2004 and another 25 contiguous claims to the south of the TIM permits, staked in September 2006 (Figure 1). 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%.

PREVIOUS EXPLORATION

2004

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.

2005

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 5,200 line-kilometres high-resolution airborne magnetic survey identified 34 anomalies for follow-up prospecting and sampling. Trigon then collected 236 in-fill till samples on IC to better resolve the indicator mineral anomalies. A total of 36 till samples were also collected on a 3 x 4 km grid over the TIM permits. Microprobe analyses of the grains confirmed the presence of pyrope garnets, chromites and chrome diopsides on both IC and TIM. Fourteen geophysical anomalies were prospected. Although magnetic boulders of ultramafic rock were found near some anomalies, none of the anomalies were explained beyond doubt.

2006 EXPLORATION PROGRAM

Initially, results of the previous two exploration programs had prompted Trigon and its JV partners to plan a drilling program for 2006. Further analysis of the results showed that there was not enough confidence in the targets for the drill program. Therefore, a two stage sampling/prospecting program was carried out in 2006 to increase the sample density as well as sample down ice of some of the high priority geophysical anomalies from the airborne magnetic survey. In addition, an IP geophysical survey was conducted over an area with an anomalous polymetallic showing discovered in 2005. The first phase of exploration was conducted in early July and the second phase was conducted in early September.

Kimberlite Exploration

In the first stage of sampling, 216 till samples were collected in preselected sites on IC and TIM. Of the 216 samples, 177 samples were processed and picked.

In the second stage of sampling a total of 558 25-kg till samples were collected in preselected sites to increase the sample density, including samples down ice of some of the high priority geophysical anomalies. Of the 558 samples, 83 samples were processed and picked.

Polymetallic Exploration

During the first phase of the exploration program, an IP survey was conducted surrounding the anomalous polymetallic showing discovered in 2005. A prominent IP anomaly, believed to show the extent of a mineralized zone, was identified. Prospecting in the area concluded that the mineralization was related to lithology and not to structure. A total of 33 rock samples were sent to Activiation Laboratories for multi-element analysis. In general, the results were disappointing.

As part of the Phase II program, the original anomalous showing from 2005 (1510 ppb Au, 1220 ppm Ag, 6980 ppm Cu, 6860 ppm Pb, 25100 ppm Zn, >1000 ppm Bi, and <2 ppm As) was resampled as well as other mineralized horizons in the area. The sample of the original anomalous showing returned similar values to the previous sampling. However, the rest of the samples were again disappointing. Further work is required to understand the mineralization.

CONCLUSIONS

A budget has been approved to process more of the 2006 collected samples to increase the sample density and therefore the confidence in the cut offs. Comparisons of the resulting data with publicly available data from competitors exploring nearby properties has led to a new understanding of indicator mineral trains within the region. This has provided compelling evidence that the sources of the KIMs lie within the IC property and has led to the planning of a more detailed till sampling program, at 50-metre spacing, in 2007 once the remaining 2006 samples have been processed.

Further prospecting is needed to understand the polymetallic showing prior to committing to a drill program.