



## **ANNUAL REPORT**

### **COMMITTEE BAY PROJECT**

**2010**

**Distribution:**

- o Kitikmeot Inuit Association
- o Indian and Northern Affairs Canada
- o Nunavut Water Board

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## **Background**

North Country Gold Corp. ('NCG') is a publically listed, Canadian based exploration company focussed on the discovery and development of gold resources within the Committee Bay region of Nunavut Territory, Canada. The company was created and listed on the TSX venture exchange in March 2010 as a new entity to facilitate ongoing development of the Committee Bay properties held previously by CBR Gold Corporation and Committee Bay Resources. While North Country Gold appears as a brand new exploration company in Nunavut, the Corporation's principals and management team boast more than 18 years of experience within the Committee Bay region and more than 100 years of combined experience investing and operating in Nunavut.

North Country Gold invested approximately 9 million dollars on exploration in 2010 and via predecessor companies CBR Gold Corporation and Committee Bay Resources, principal's facilitated investment in excess of 47.5 million dollars on the Committee Bay region since 1992.

North Country is committed to expanding and developing its flagship Three Bluffs high grade gold deposit while concurrently advancing regional gold targets and continuing exploration within its Committee Bay properties.

## **Project Description**

The Committee Bay Project currently comprises a land package of 202 mineral claims and 14 mineral leases securing mineral rights to the most prospective portions of the 300 km long gold rich Committee Bay Greenstone belt. The 211,796 hectare property encompasses the Three Bluffs gold deposit, eight advanced gold targets and an additional 28 prospects.

Three Bluffs is located approximately central to the Committee Bay property some 220km south of Kugaaruk, 235km west of Repulse Bay and approximately 300km north east of Agnico Eagle's new Meadowbank Mine. The deposit currently hosts an indicated resource of 508,000 ounces (2,700,000 tonnes at 5.85 g/t Au) and an additional inferred resource of 244,000 ounces (1,270,000 tonnes at 5.98 g/t Au) which has been delineated over nearly 1km of strike and to approximately 100m vertical depth. The deposit remains open at depth. Additionally, geological mapping, the presence of high grade rock samples in sporadic outcrop and regional and ground magnetics suggests that rocks equivalent to Three Bluffs persist south west for up to 16km. This rock package, referred to as the Walker Lake Trend, is considered to have excellent potential to host additional gold resources.

## **2010 Exploration Program**

Exploration activities completed at the Committee Bay project during the 2010 calendar year comprised additional diamond drilling and completion of a Titan 24 Induced Polarization survey over the Three Bluffs gold deposit and south westerly strike extensions, together with concurrent field based prospecting and assessment of the company's regional mineral

properties. Work activities were completed as two major campaigns: an initial spring mobilisation and drilling program undertaken from February-May, and a subsequent summer drilling and field sampling program completed during July and August. All work was based out of the company's Hayes Camp.

### Three Bluffs Resource definition

A total of 54 NQ2 diameter diamond core drill holes for a combined total of 5752.02m were drilled within the Three Bluffs area during the 2010 season, with outstanding success. Drill hole locations are presented in Figures 1 and 2. Significant gold intersections are presented as Tables 1-4.

Fifteen drill holes were completed to test the shallow, structurally thickened portion of the hinge zone within the Three Bluffs resource shell. All drill holes successfully intersected variable widths of structurally disturbed, silica (and locally sericite) altered, sulphidized iron formation and associated gold mineralization.

A further sixteen holes were completed to assess the 500m corridor of rocks immediately west of the current Three Bluffs resource shell. These holes were drilled as two hole setups on 60m spaced sections. All drill holes successfully identified gold mineralization associated with either altered, sulphidized iron formation or altered, sulphidized and crenulated greywacke.

Seventeen holes were drilled at the Antler occurrence, 2.5 km south west of Three Bluffs within the Walker Lake Trend. Holes were drilled as a series of two hole setups on 60m spaced sections. Sixteen of the seventeen drill holes successfully intersected variable widths and tenor of gold mineralization associated with altered iron formation, greywacke and felsic volcanics. The seventeenth drill hole was abandoned prior to reaching the target due to mechanical failure of the drill rig.

Four holes, completed as two hole fences 120m apart were drilled an additional 1.5km west of Antler (4km west of Three Bluffs) in the Hayes area where high grade surface rock samples had previously been identified. Holes 10HA003 and 10HA004 intersected mineralized iron formation and returned significant intersections. The target horizon intersected by the initial two holes 10HA001 and 10HA002 was largely stoped out by localized late pegmatite dykes which appear to be crossing the trend at a shallow angle.

### Titan 24 Induced Polarization Geophysical Survey

A Titan-24 DC/IP survey was conducted by Quantec Geoscience Ltd. on twelve 420m spaced lines over the Three Bluffs project area and covered 4.5 kilometres from east of Three Bluffs to the Hayes occurrence area (Figure 3). The survey successfully located conductive bodies correlating with gold mineralization at the present Three Bluffs resource area and new discoveries at Antler and Hayes. A number of new areas, including much of the undrilled Walker Lake trend have been identified as potential gold targets.

## Walker Lake Trend Drilling

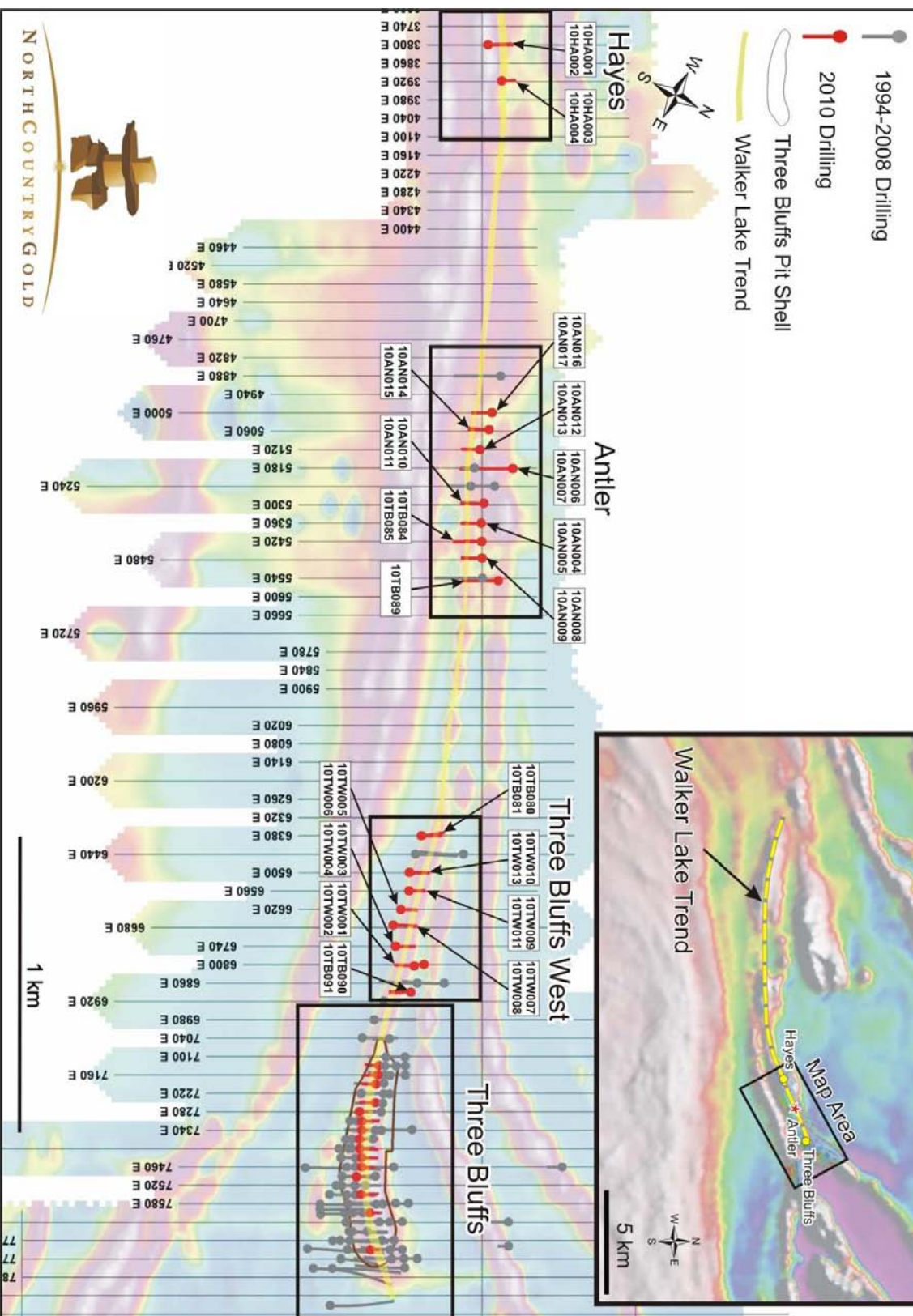
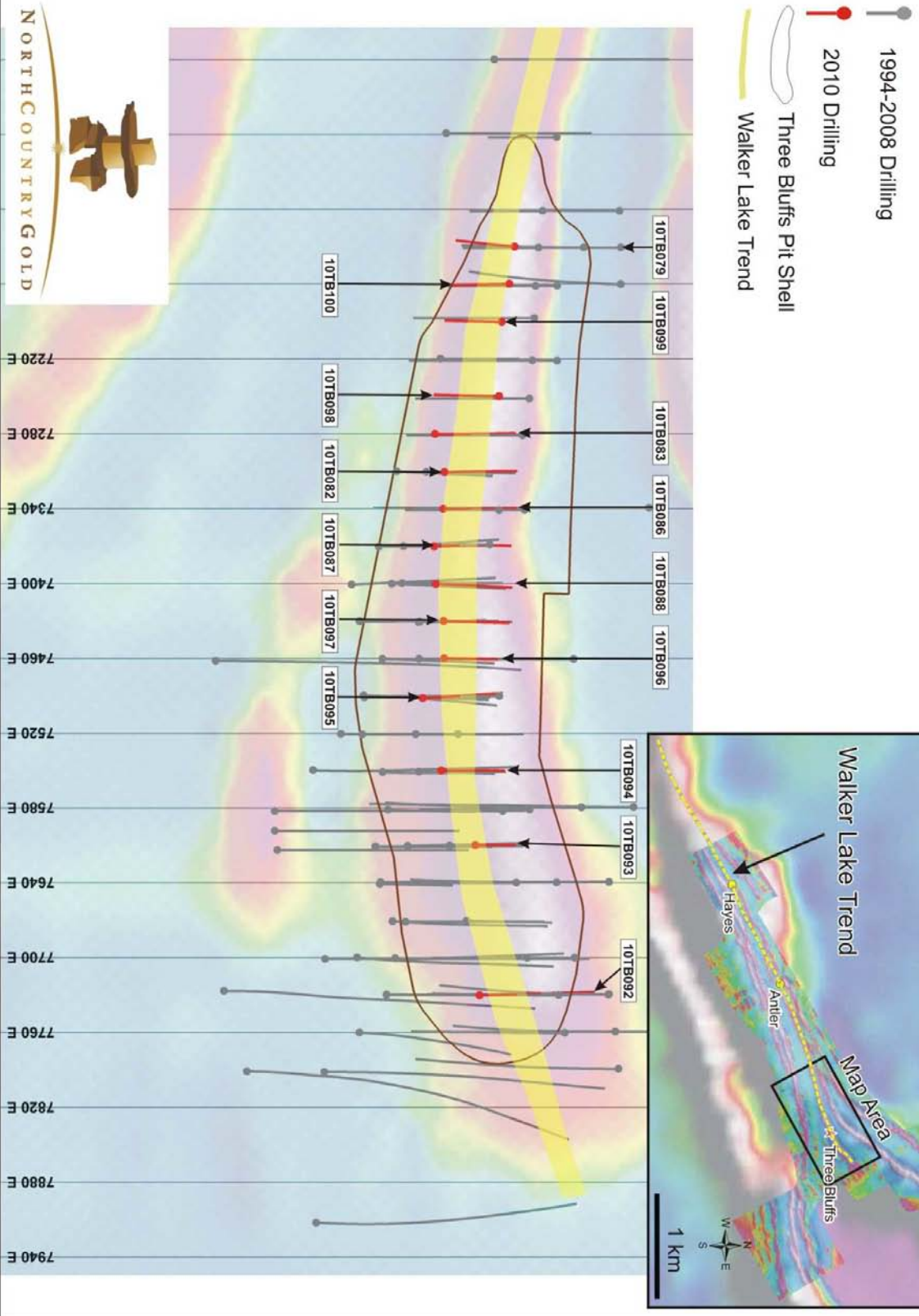


Figure 2

# Three Bluffs Hinge Zone Drilling



**Table 1 – Three Bluffs Hinge Zone Drill Results**

Hole #	From (m)	To (m)	Length (m)	Gold (g/t)
<b>10TB079</b>	7	10.49	3.49	2.27
<b>10TB082</b>	7	49.14	<b>42.14</b>	<b>5.88</b>
including	15.56	19.94	4.38	<b>9.06</b>
and	29	44	<b>15</b>	<b>10.2</b>
<b>10TB083</b>	38	41.5	3.5	<b>10.24</b>
	57	76	<b>19</b>	2.41
including	67	74.5	7.5	<b>4.28</b>
<b>10TB086</b>	20.9	35.06	<b>14.16</b>	2.62
including	27	35.06	8.06	3.55
<b>10TB087</b>	19	44	25	<b>4.17</b>
including	33	42	<b>9</b>	<b>7.35</b>
<b>10TB088</b>	14	45.85	<b>31.85</b>	2.27
including	14	21	7	<b>5.39</b>
<b>10TB092</b>	40	79	<b>39</b>	<b>5.52</b>
including	50	63	<b>13</b>	<b>11.56</b>
<b>10TB093</b>	16	22.98	6.98	3.63
including	19	22.98	3.98	<b>5.54</b>
	32	34	2	2.16
<b>10TB094</b>	25	27.55	2.55	2.02
	33	43.05	<b>10.05</b>	2.64
including	33	36	3	<b>5.99</b>
<b>10TB095</b>	13	14.92	1.92	<b>9.9</b>
	31	53	<b>22</b>	3.09
including	34	40	6	<b>4.83</b>
and	44	47.6	3.6	<b>6.16</b>
<b>10TB096</b>	11.59	31	<b>19.41</b>	<b>12.51</b>
<b>10TB097</b>	8	27	<b>19</b>	2.58
<b>including</b>	8	16	8	4.4
<b>10TB098</b>	2.3	60.34	<b>58.04</b>	1.35
<b>including</b>	7	21	<b>15</b>	2.72
<b>10TB099</b>	3.8	43	<b>39.2</b>	1.88
<b>including</b>	3.8	9	5.2	3.96
<b>and</b>	22	31	9	2.51
<b>10TB100</b>	3	54	<b>51</b>	1.3
<b>including</b>	3	7	4	2.03
<b>and</b>	21.54	29	7.46	4

**Table 2 – Antler Gold Discovery Drill Results**

Hole #	From (m)	To (m)	Length (m)	Gold (g/t)
<b>10TB084</b>	63	70	7	2.48
<b>10TB085</b>	76	86	<b>10</b>	2.67
including	76	77.5	1.5	<b>5.67</b>
and	84.37	86	1.63	<b>9.97</b>
<b>10TB089</b>	140.76	146	5.24	0.92
<b>10AN004</b>	48	53	6	2.23
including	48	49.3	1.3	<b>6.9</b>
and	59	62	3	2.5
<b>10AN005</b>	78.21	90.5	<b>12.29</b>	<b>4.51</b>
including	80	87.67	7.67	<b>6</b>
<b>10AN006</b>	204	213.94	<b>13.73</b>	2.61
including	206	210	4	<b>5</b>
<b>10AN007</b>	249	253	4	3.47
<b>10AN008</b>	67.42	69	1.58	1.32
<b>10AN009</b>	83	89	6	1.2
<b>10AN010</b>	75.85	89.91	<b>14.06</b>	<b>11.14</b>
including	75.85	80	<b>4.15</b>	<b>32.97</b>
and	85	89.91	4.91	3.36
<b>10AN011</b>	119.95	124.95	<b>5</b>	<b>10.67</b>
<b>10AN012</b>	37.2	40.42	3.22	2.46
	45	52.62	7.62	1.83
<b>10AN013</b>	82	96	<b>14</b>	<b>3.51</b>
<b>10AN014</b>	69.55	77.74	8.19	2.29
including	73	77.74	4.74	3.07
<b>10AN015</b>	94	100	6	1.28
<b>10AN016</b>	58	64	<b>6</b>	<b>5.53</b>

**Table 3 – Hayes Gold Discovery Results Results**

Hole #	From (m)	To (m)	Length (m)	Gold (g/t)
<b>10HA003</b>	45	47	2	6.3
<b>10HA004</b>	62.3	64	3.7	28.08

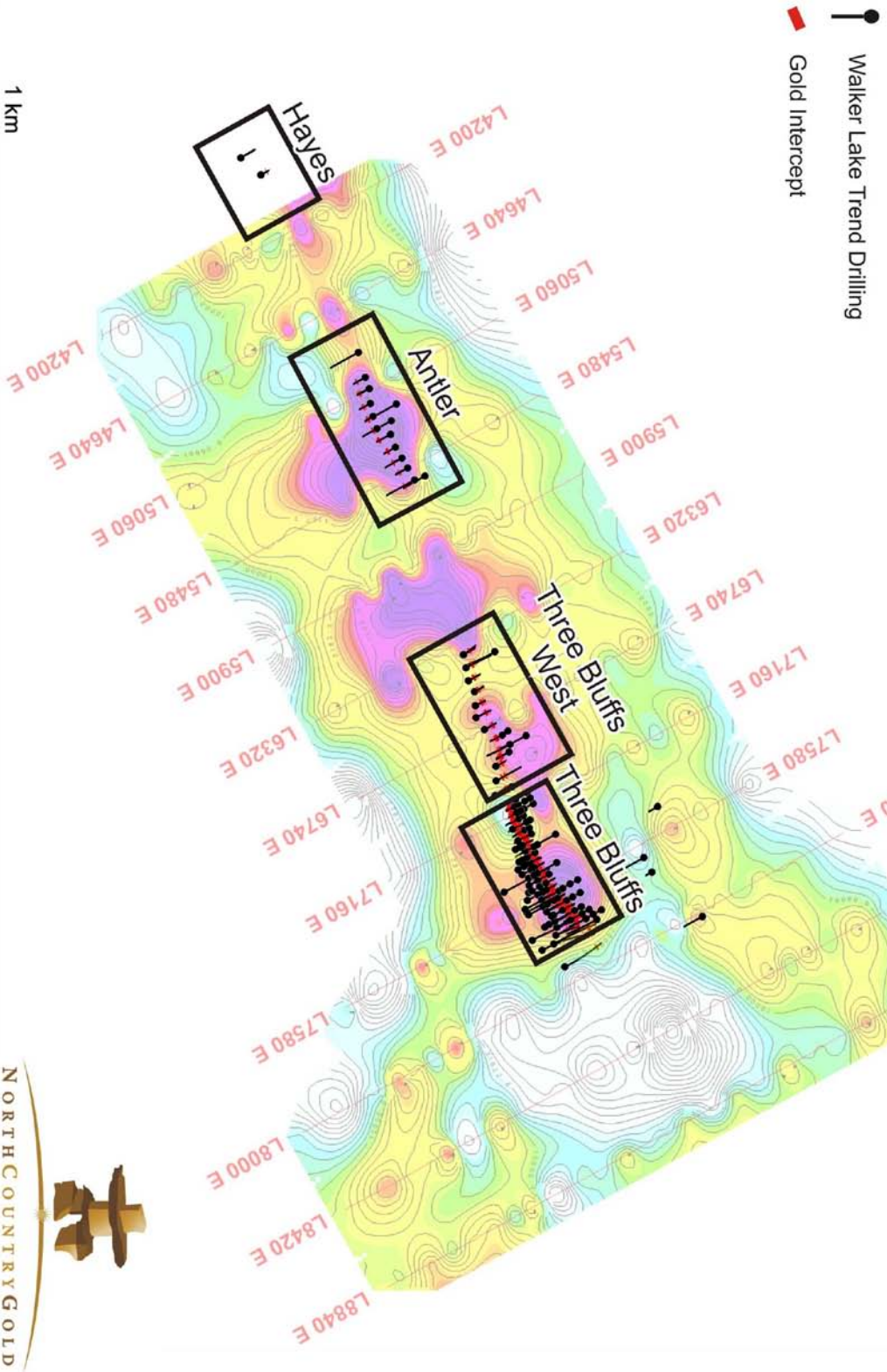
**Table 4 – Three Bluffs West Drill Results**

Hole #	From (m)	To (m)	Length (m)	Gold (g/t)
<b>10TB090</b>	53	71.8	<b>18.18</b>	2.33
including	66.75	71.8	5.05	4.85
and	79	81.4	2.4	<b>13.2</b>
<b>10TB091</b>	65	91	<b>26</b>	<b>4.28</b>
including	72	78	6	<b>12.47</b>
or	72	74	2	<b>35.28</b>
<b>10TW001</b>	42	59	<b>17</b>	2.04
including	55	59	4	<b>6.25</b>
<b>10TW002</b>	55	93.5	<b>38.5</b>	1.41
including	60	64	4	2.41
and	70	77	7	1.65
and	90	93.5	3.5	<b>5.1</b>
<b>10TW003</b>	43.5	47	3.5	<b>8.06</b>
	55.5	64	8.5	1.67
<b>10TW004</b>	71	112	<b>41</b>	1.75
including	71	79	8	<b>6.53</b>
or	72	76	4	<b>11.13</b>
<b>10TW005</b>	40.6	44	3.4	2.18
<b>10TW006</b>	70	106	<b>36</b>	1.35
including	71	75.45	4.45	3.98
and	103	106	3	<b>5.36</b>
<b>10TW007</b>	56	58.1	2.1	<b>7.72</b>
	68	72.1	4.1	2.39
<b>10TW008</b>	118	128	<b>10</b>	<b>7.84</b>
including	123	128	5	<b>15.2</b>
	133	140	7	3.86
<b>10TW009</b>	29	32	3	2.41
	73	74	1	4.6
<b>10TW011</b>	33	50	<b>17</b>	1.72
including	41	46	5	3.26
<b>10TW010</b>	34	45	<b>11</b>	2.03
including	34	38	4	3.94
<b>10TW012A</b>	133	154	<b>21</b>	1.47
including	137	144	7	1.9
and	148	154	6	1.7
<b>10TW013</b>	60.2	73.07	<b>12.87</b>	2.47
including	64.47	70	5.53	3.67



Figure 3

# Three Bluffs Titan 24 Survey Resistivity Plan Map 150 mRL



## **Regional Prospecting and Exploration**

A total of 901 rock samples were collected from North Country's Committee Bay regional properties during the 2010 field season. This included collection of 99 samples on Inuit owned land. Sampling programs focussed on areas where either historic sampling had returned anomalous results in gold or pathfinder elements, or requiring first pass assessment work.

### *JT Claims*

Sampling on the JT 1 and 2 claims was conducted as a follow-up investigation of an area where a single float sample of amphibole-rich banded iron formation collected in 2008 (08DCP121) had returned an assay of 15.53 gAu/t. The 2010 sampling was concentrated up-ice from the location of the 08DCP121 sample in order to locate the potential source of this boulder. A number of samples were identified during the 2010 sampling program. Sample 10TPP171 was collected approximately 210 metres north east of 08DCP121 and assayed **1.165 gAu/t**. Sample 10TPP167 was collected approximately 1.8 km south of 08DCP121 and assayed **8.46 gAu/t**. Sample 10SKP177 was collected 1.5 km south of 08DCP121 and assayed **0.898 gAu/t**. All the 2010 samples that returned anomalous gold assays comprised sub-rounded float of banded iron formation. While the Prospector prospect is located ~6 km directly to the south of the JT claims, it is unlikely that this concentration of anomalous samples represent dispersion from this occurrence and hence it is more likely that they are indicative of altered and mineralized iron formation horizons in closer proximity. This new occurrence on the JT claims has been named **Kanosak**.

### *LGL 33 Claim Area*

One sample, 10SKP029 collected on claim LGL33 returned an assay of **2.57 gAu/t**. This sample was collected from a rusty outcrop of amphibole-rich iron formation. This result is similar to that recovered from sample 98DBP223 located approximated 75 metres to the northeast, which returned an assay of 1.577 gAu/t and broadens the extent of known mineralization in this area.

### *Shamrock/Betwixt Prospect Area (HYR 4 Claim)*

Two samples (10JPP294 and 10SKP209) of angular iron formation boulders were collected on the northeast side of the HYR 4 claim and returned values of **1.46 and 1.245 gAu/t**, respectively. These boulders are located in the **Shamrock** and **Betwixt** prospect areas and due to their large angular character, may originate from a local source.

### *Ridge Prospect Area (HYR 8 Claim)*

One sample, 10ATP003, of a quartz vein with pyrite, located on claim HYR 8, returned an assay of **4.47 gAu/t**. The sample was collected from quartz vein float 1.5km south of the **Ridge** prospect, in the vicinity of sample 97CHP027, also a quartz vein, which returned an assay value of 2.667 gAu/t.

#### *Castle Rock Prospect Area (PR 1-3 and HYR 11 Claims)*

Three samples (10WBP125, 10SKP137 and 10JPP255) collected on claims PR 3, HYR 11, and PR 1 returned assays of **1.70, 1.18, and 1.115 gAu/t**, respectively. Sample 10WBP125 was collected from an angular boulder of banded iron formation with stringers of sulphides located at the south end of the **Castle Rock** prospect where sampling in previous years, mainly of altered iron formation associated with komatiites, had returned a high assay result of 5.05 gAu/t. Sample 10SKP137 was collected along strike, approximately 2.5km west of the **Castle Rock** prospect. Previous sampling in this area returned a high assay of 4.71 gAu/t. Sample 10JPP255 was collected from a rounded boulder of banded iron formation located 1.2 km north of the **Castle Rock** prospect. This sample may represent transported material from mineralized banded iron formation along strike of the **Castle Rock** prospect.

#### *Naqsaq Area (KN6 Claim)*

Two samples (10WBP121 and 10TPP142) were collected on the northeast corner of claim KN6 consisting of angular boulders of banded iron formation with up to 5% sulphides. These samples assayed **24.2 gAu/t** and **2.94 gAu/t** respectively and are the first samples in this area to return significant gold assays. This new occurrence has been named **Naqsaq**.

#### *KN13 Claim Area*

One sample (10TPP128) of altered amphibolite with pyrite, located on claim KN 13, returned an assay of **4.3 gAu/t**. The sample was collected from a sub-rounded amphibolite boulder located downslope on the southern tip of quartzite high ground and is therefore likely to be locally derived. No other prospects or occurrences occur in the vicinity of this sample.

#### *Queen Prospect Area (KN26 Claim)*

Two samples (10SKP114 and 10JPP135) were collected at the Queen occurrence on the southern portion of claim KN 26 and returned assays of **2.68 gAu/t** and **1.275 gAu/t** respectively. Both samples were collected from a rusty felsenmeer of iron formation. These results are similar to that recovered from sample 09EVP135, which returned 2.11 gAu/t and broadens the extent of known mineralization in this area.

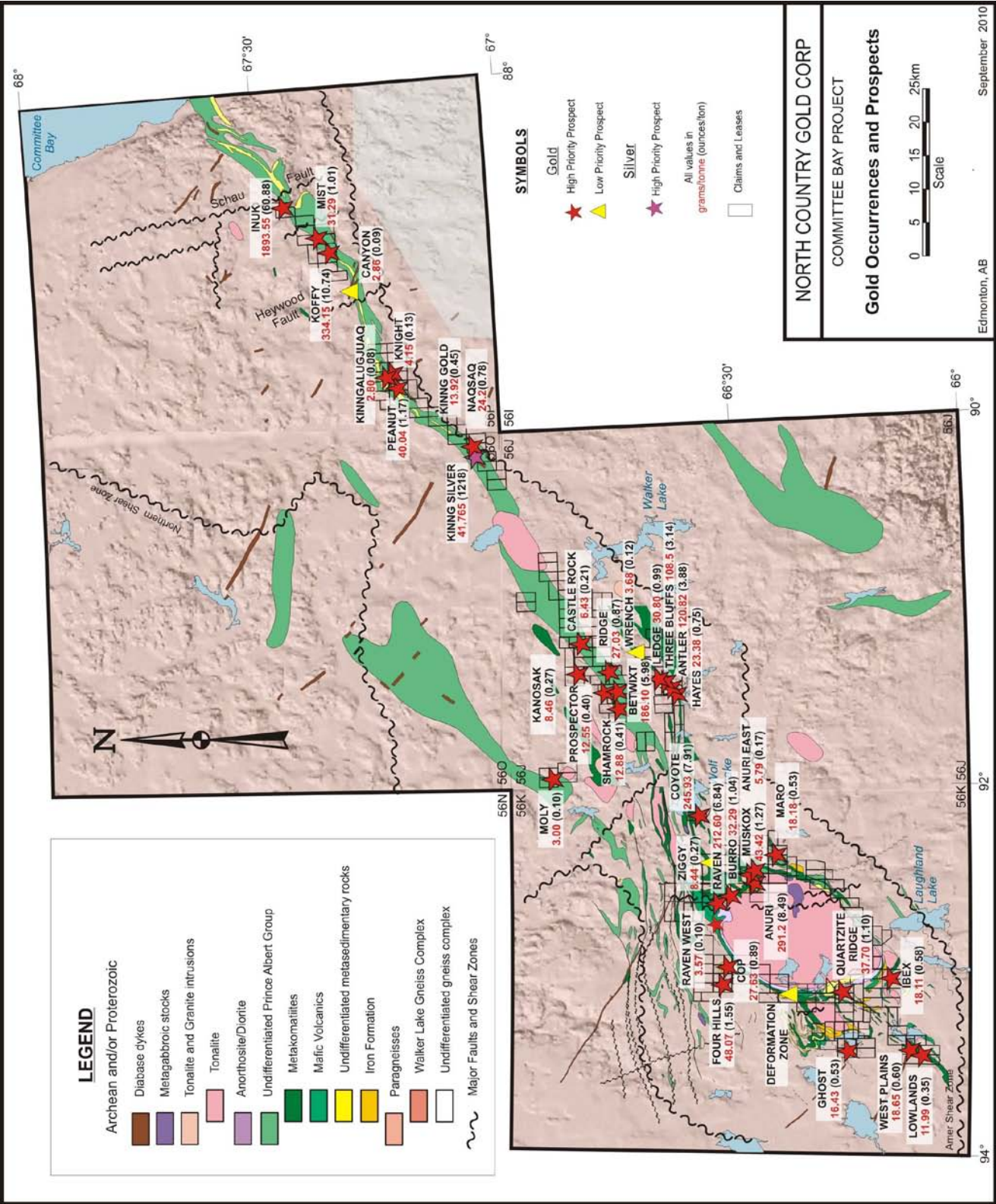


Figure 4

## **Activities**

The following table outlines the man-day and locations of activity during the 2010 field season.

Camp Site	Season	Date In	Date Out	Man Days	Activity
Hayes	Spring	16-Feb	30-May	2662	Open Camp, build Herc Strip, Mob in drills and fuel for the season, Spring drilling program
	Summer	24-Jun	2-Aug	1982	Small skeleton crew stayed in over break up to do camp repairs, Drilling program, sampling, Titan 24 IP survey
Bullion	Spring				No activity out of Bullion this spring
	Summer				No activity out of Bullion Camp this summer
Ingot	Spring				No activity out of Ingot Camp this spring
	Summer				No activity out of Ingot Camp this summer
Crater	Spring				No activity out of Crater Camp this spring
	Summer				No activity out of Crater Camp this summer

## **Hayes Camp**

Personnel arrived at Hayes Camp on February 16<sup>th</sup> in order to open camp, build a Hercules airstrip and mobilize drilling equipment and fuel for the 2010 program. A spring drill program was conducted and camp was closed on May 30<sup>th</sup> for break up. During this time a small skeleton crew of personnel was left in camp to do needed repairs and upgrades before re-opening for the summer program. On June 24<sup>th</sup> the camp re-opened for the summer drilling program. Also included during the summer portion of the program was an aggressive sampling and geophysical program. Camp was shut down August 2<sup>nd</sup>. Twin Otter was utilized to move crew and equipment to and from Rankin Inlet. Complete inventories of camp equipment were taken and a list of fuels remaining on-site is provided below.

## **Fuel Remaining - 2010**

Consumables at Hayes Camp	
Quantity	Item
405	P-50
533	Jet B
10	Gas
135	Propane
583	Salt (bags)
3050	Core Boxes

Consumables at Bullion Camp	
Quantity	Item
20	P-50
8	Jet B
0	Gas
5	Propane
0	Salt (bags)
0	Core Boxes

Consumables at Crater Camp	
Quantity	Item
0	P-50
0	Jet B
0	Gas
0	Propane
0	Salt (bags)
0	Core Boxes

Consumables at Ingot Camp	
Quantity	Item
49	P-50
0	Jet B
0	Gas
0	Propane
0	Salt (bags)
0	Core Boxes



## **Fuel Caches**

A fuel cache was utilized at Three Bluffs to support the 2010 drilling program.

Consumables at Three Bluffs	
Quantity	Item
132	P-50
2	Propane
4	Gas
92	Core Boxes

## **2010 Environmental Issues**

All exploration activities were conducted out of the Hayes Camp. North Country Gold Corp. adhered to all regulations concerning water and environmental issues and ensured that contractors and sub-contractors were also in compliance.

Hayes camp was occupied by a maximum of 65 people during the height of the 2010 program and daily water usage for camp was monitored and documented to be between 0.4 - 7.0 cubic meters per each given day. During the spring, a water truck and a portable water tank was used to ice a roadway over the tundra in order to provide access the drill cache from Hayes camp. During the road icing water usage was documented at between 80 – 205 cubic meters per any given day. Once access was completed and drills were on site, the drill consumed a documented 27 – 142.7 cubic meters per any given day. A total of 208.7 cubic meters of water was used at the height of any given day (refer to Appendix 1). Water was pumped from nearby lakes into a covered, plastic receptacle from which water for cooking, drinking, and washing was drawn.

Water was stored in a plastic tank designed for water storage and was isolated from potential contamination by a screw on lid replaced after every filling. A small amount of chlorine (1 teaspoon) was added to the camp drinking water to eliminate the presence of chloroform bacteria in the potable water. No bacteria presence was detected and no cases of nausea or diarrhoea were reported to the first aid attendants.

An Ultra Violet water purification system was installed at Hayes Camp as an added protection against possible impurities to the main drinking water for the camp.

Grey water from the kitchen and washing facilities was routed by ABS piping to sumps which were located at least 30m away from the high water level of nearby lakes. The sumps were monitored and bermed to ensure they did not overflow.

Fuels stored on site included propane, Jet B, gasoline and diesel. The latter three were cached in the same vicinity and are differentiated by distinct barrel colors. Fuel barrels were stored on their side with the bungs horizontal and checked daily for leakage. When necessary, fuel was

pumped via a wobble pump into 20-25 litre gas cans for the fueling of snow machines, an all terrain vehicle and small gas generators. Fuel Containment Berms and absorbent padding was used to catch drips when fuel was being moved. Spill kits containing absorbent matting, safety gloves and goggles, plastic bags, absorbent peat and containment socks were stationed at the fuel cache, the main generator, the helicopter pad and the drill.

### **2010 Employees and Firms**

Most directly employed personnel (geologists, helicopter pilots and engineers) for the 2010 exploration program were hired in-house or through our consultancy APEX Geoscience Ltd. of Edmonton. A total of 14 Inuit staff was hired in the 2010 season, from Repulse Bay and Kugaaruk to perform camp management duties. All transportation and training was supplied by North Country Gold Corp. A total of \$135,000.00 was spent on Inuit salaries and wages in the 2010 season. Community consultations were also conducted early in the 2010 season.

Of the \$9,600,000 spent on the 2010 exploration program, approximately \$3,900,000 was spent in the north and \$2,600,000 of that was spent with Inuit owned suppliers. Significant Inuit and Northern suppliers include:

- M+T Enterprises (Rankin Inlet)
- Canadian North
- Great Slave Helicopters
- Unaalik Aviation (Rankin Inlet)
- Toromont Arctic (Rankin Inlet)
- The Northern Store (Rankin Inlet)
- Umingmak (Rankin Inlet)
- Siniktarvik Hotel (Rankin Inlet)
- Nanuq Lodge (Rankin Inlet)

It is expected that the 2011 exploration program in the North Country Gold Corp project will have a budget in excess of \$15-20 M. This budget allowance will enable us to continue to hire local Inuit crew members and conduct community consultations prior to the field season, in addition to further spending in the northern regions (see following list).

North Country Gold Corp. provides both on the job training and certificate based training to all its hired Inuit personnel. On the job training consists of instruction directly related to the type of work that the person is employed for. Some examples include Helicopter safety, camp assistant and camp manager positions, core cutting/splitting and the loading and off-loading of various aircrafts. Certificate based training may consist of First Aid training and possible field related opportunities, such as surveying and sampling. North Country Gold Corp. has also covered costs of conducting elders and family tours to the camps and drilling locations as part of community relations.



### **Northern Businesses**

Aurora Northern Contractors

Bassett Petroleum

Weaver & Devore Trading Ltd.

Great Slave Helicopters

Discovery Mining Services

Northern Communications

Northern Metallic

Gardewine North

Churchill Marine Tank Farm

Northern Store, Rankin Inlet

Polar Tech

Ron's Auto

Red Top Variety Shop

Wild Wolf Café

Canadian North Airlines

### **Inuit Owned Businesses**

First Air

Calm Air

Kissarvik CO-OP Ltd.

Kowmuk's Taxi

M&T Enterprise Ltd.

Toromont Arctic

J&D Catworks

Unaalik Aviation

Ookpik Aviation Inc.

Sakku Arctic Technologies Inc.

Sakku Drugs Ltd.

Inns North

Siniktarvik Hotel and Conference Centre

Sugar Rush Café

Tittaq Keewatin Office Products

Treasures Gift Shop

Umingmak Supply Ltd.

The Nanuq Lodge

### **Crater Camp Clean Up**

Between July 24<sup>th</sup> and the 26<sup>th</sup> of 2010 a Twin Otter and three North Country Gold personnel started the much needed clean-up of Crater Camp. Below is a list of items completed during that time:

- All drums of fuel including those behind all tents and structures were removed
- All empty drums and those filled with garbage were removed
- 1 Bravo ski-doo was removed
- All tools were removed and flown to Hayes Camp
- All loose wood items such as 2x4's and plywood were gathered in one area and left on site
- Any torn or damaged tents were removed and placed inside existing tents
- A sweep of camp and surrounding areas were conducted and all garbage was picked up and flown out of camp

To conclude, all fuel drums and propane bottles have been removed; all existing tents were inspected and secured if needed. All wood and structures are still on site and will need to be removed during the 2011 season.

**North Country Gold Corp.**  
**Water usage for the 2010 season**

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