43-101 REPORT

2005 REPORT ON FIELD ACTIVITIES

FOR THE

THE BELUGA SAPPHIRE PROJECT,

NUNAVUT, CANADA

Beluga Claims:

CLAIM NAME	CLAIM NUMBER
NAIPI	*F62386*
NAIPI 2	*F62387*

Mining Division: *Nunavut Mining District*

NTS: *025K13*

Lat./Long.: *Latitude 62.83°N; Longitude 69.90°W*

Prepared For:

TRUE NORTH GEMS INC.
500-602 WEST HASTINGS STREET
VANCOUVER, BC V6B 1P2

Prepared By:

WILLIAM R. ROHTERT
COO, QUALIFIED PERSON
TRUE NORTH GEMS INC.
500-602 WEST HASTINGS STREET
VANCOUVER, BC V6B 1P2

20 April 2006

TABLE OF CONTENTS

FIGURES

TABLES

SUMMARY

The Beluga sapphire property consists of two mining claims comprising 9.9 square kilometres near the hamlet of Kimmirut, along the south coast of Baffin Island, Nunavut, Canada. True North Gems Inc. acquired the property in November 2003 through an option agreement with the Inuit prospectors who made the original discovery in November 2002. True North must incur Cdn$250,000 in exploration expenditures, make cash payments of Cdn$140,000 and deliver 100,000 shares of the Company prior to December 1, 2007 in order to earn a 100 percent interest in the property, subject to a 2 percent Net Smelter Return royalty on metals and a 2 percent Gross Overriding Receipts royalty on the sale of all extracted gemstones.

The Beluga sapphire occurrence is a metamorphic-type deposit under the classification schemes of Hughes (1990, 1997) and Kievlenko (2003). To date, twelve (12) gem corundum occurrences, including blue, colourless, pink and yellow sapphire, have been discovered on the Beluga sapphire property over a lateral distance of 2,700 metres and across an elevation range of 50 metres. The sapphire occurrences lie within four (4) geographic clusters, each comprising multiple showings of corundum in close association with abundant, coarse-grained, fluorescent scapolite, all lying inside an outer-most ring of spinel. Individual clusters measure up to 600 metres by 200 metres in plan. At the main Beluga showing, sapphire mineralization is continuously exposed at the surface in a block with minimum mappable dimensions of at least 150 meters x 20 meters x 2 meters thick. Sapphire occurs as a late metamorphic-hydrothermal replacement mineral within a coarse-grained calc-silicate gangue consisting of anorthite feldspar, calcite, dolomite, scapolite, phlogopite, and pyroxene, with lesser amounts of apatite, zircon, muscovite, and graphite. Rare phases include nepheline, rutile, dravite-tourmaline, pyrrhotite, thomsonite and sanbornite. Significantly, the sapphires are naturally coloured or colourless in their native state. Both massive and sector-zoned colour varieties have been recovered. Two gemmological styles of sapphire mineralization are evident, and described by their type-localities at: Beluga and Aqpik. Sizes for the gem sapphire rough range up to 15 grams per single stone.

In 2005, True North Gems collected and shipped a bulk sample with an estimated field weight of 110 tonnes from the discovery outcrop of the main Beluga sapphire showing. This same site had been tested in 2004 with a 5-tonne mini-bulk sample which returned an average grade of 33.1 grams per tonne gem. The 2005 bulk sample is being processed at the laboratory of SGS Lakefield Research Ltd. in Lakefield, Ontario, Canada, using standard mineral extraction techniques common and routine to the modern diamond industry; specifically: multi-stage iterative crush; attrition milling; washed and screened to minus 9 mm plus 2 mm; DMS dense media separation at a nominal S.G. = 3.1; then a dry magnetic separation at 13,000 gauss; followed by heavy liquid

clean-up at S.G. = 3.25, and; finishing with hand-sorting by trained gemmologists or by mechanized optic sorters, working under the supervision of this Qualified Person. Rough parcels will be split into three quality classes: Gem (transparent and semi-transparent), Near-Gem (translucent and semi-translucent), and Non-Gem (opaque). Typically, polished products can be manufactured from all quality classes, with the Gem providing stock for faceted stones, the Near-Gem providing stock for cabochons, and the Non-Gem providing stock for beads and carvings.

In 2005, the Company also completed: (1) UV-prospecting of fluorescent scapolite covering the main Beluga sapphire occurrence; (2) Diamond core drilling comprising a total of 221 metres within 8 holes, testing the down-dip projection of the Beluga sapphire occurrence; (3) Detailed geologic mapping of the Beluga sapphire occurrence and the surrounding area of the claim block at scales of 1:500 and 1:1000; and, (4) HMC-(Heavy Mineral Concentrate) orientation sampling to confirm corundum in soils, colluvium and alluvium.

The results from True North's 2004 and 2005 exploration program at the Beluga sapphire property are highly encouraging. It is incumbent upon True North to continue the exploration and evaluation of the Beluga sapphire occurrence. To that end, it is recommended that in 2006 True North Gems: (1) **Drill.** Conduct a 2000-metre core-drilling campaign on a tight survey grid in the vicinity of the most prominent sapphire occurrences; (2) **Sample.** Collect and process on site in Kimmirut, down to gravity concentrate, a 1000-tonne bulk sample, taken from the surface in the vicinity of the main Beluga showing, for final concentration by optic sorting at qualified laboratories in Europe; and, (3) **Explore.** Conduct in parallel UV-prospecting and HMC-sampling, as well as a high-resolution micro-gravity survey, over selected geologic targets on the claim block.

_____

William Rohtert

Chief Operating Officer

True North Gems Inc.

Qualified Person, ICA No. 01072

INTRODUCTION

Sapphires were discovered on Baffin Island by native prospectors while on a caribou hunt in 2002 (Rohtert and Pemberton, 2004). In 2003, True North Gems Inc. optioned the "Beluga" sapphire property on Baffin Island from two local prospectors, Seemeega Aqpik and his brother Nowdla Aqpik, residents of Kimmirut, along with their colleague in business, Mr. Chris Lloyd of Iqaluit. In July 2004, True North extracted a 5 tonne mini-bulk sample from the discovery outcrop by hand-mining using diamond chain saws. The mini-bulk sample was collected so as to determine the gemstone grade, quality and dollar value of the sapphire mineralization. Encouraging results from both the rough and polished goods derived from the mini-bulk sample prompted True North's return in 2005. In 2005, the Company completed: (1) A surface bulk-sample with an estimated field weight of 110 tonnes, taken at the main Beluga sapphire occurrence; (2) Diamond core drilling comprising a total of 221 metres within 8 holes, testing the down-dip projection of the Beluga sapphire occurrence; and, (3) Detailed geologic mapping of the Beluga sapphire occurrence and the surrounding area at scales of 1:500 and 1:1,000.

In 2004, the five-tonne mini-bulk sample from Beluga was processed using standard mineral extraction techniques common to the modern diamond industry at the laboratories of SGS Lakefield Research Ltd. in Lakefield, Ontario. Lakefield delivered a corundum concentrate to True North in December 2004, which was sorted for gem quality by a trained gemmologist and by this qualified person, also a trained gemmologist, in the Company's Vancouver laboratory. Cutting, treatment, and marketing experiments with this parcel remain ongoing. In 2005, True North and SGS Lakefield Research jointly re-designed a modified gravitational flowsheet to streamline and accelerate sample processing for the estimated 110 tonnes of sapphire mineralization delivered to the laboratories in Lakefield. Sample processing is underway, with a measured 22.5 tonne high-grade split lab weight culled for the first processing batch. Thus far, at the Beluga sapphire property, True North has discovered colourless sapphire, pink sapphire and yellow sapphire, in addition to the original blue sapphire. There are, in fact, two generations of the blue sapphire each displaying a distinct gemmological style. The Company also has reported the occurrence of gem-quality cobaltian spinel.

RELIANCE ON OTHER EXPERTS

The authors have relied on data, interpretation, and information supplied by others listed in the References. Chief among them are the Beluga project files from SGS Lakefield Research Ltd. and True North Gems Inc. This database is internally consistent, and withstands repeated inquiry over time, along various lines of reasoning.

PROPERTY DESCRIPTION AND LOCATION

LOCATION

The Beluga sapphire occurrence is located on Baffin Island, Nunavut, at latitude 62.83°N and longitude 69.90°W on NTS Map sheet 025K/13. The occurrence is located approximately 1.7 kilometres by air or 2.7 kilometres by track from the town of Kimmirut, which is situated near the mouth of the Soper River, along the south-western coast of the island facing the Hudson Strait. The claim block lies within the southern political boundary of the hamlet of Kimmirut.

CLAIM DESCRIPTION

The Beluga property is composed of two (2) claims registered with the Nunavut Mining District in the names of Seemeega Aqpik and Christopher Lloyd. They cover an area of 2,439.94 acres (9.9 square kilometres). Claim registration data are listed in the Beluga Claim Registration Data (see Table 1, Figure 1). The claims have not been legally surveyed.

CURRENT AGREEMENTS, ROYALTIES AND ENCUMBRANCES

The property is subject to two option agreements between Seemeega Aqpik ("Aqpik") and Nowdla Aqpik, and Seemeega Aqpik and Christopher Lloyd ("Lloyd"), respectively, for contiguous claims NAIPI and NAIPI 2, and True North Gems Inc. ("True North"), dated November 12, 2003, whereby True North must expend a total of Cdn$250,000 in exploration, make cash payments totalling Cdn$140,000 and deliver 100,000 shares of the Company prior to December 1, 2007 to earn a 100% interest in the property. The option agreements each are subject to a 2% Net Smelter Return royalty on all metals and a 2% Gross Overriding Receipts royalty on all gemstones extracted from the property payable to Aqpik and Lloyd as outlined in the option agreements between Aqpik, Lloyd, and True North. The expenditure requirements have been met in 2005, and all cash and share payments due by the December 2005 anniversary date are in good standing. A final payment of Cdn$20,000 per claim (total Cdn$40,000) and 10,000 shares of the Company per claim (total 20,000 shares) is due on the 2006 anniversary date.

PROPERTY DESCRIPTION AND MINERAL TITLES

Mineral titles are currently held in the name of Seemeega Aqpik and Christopher Lloyd.

Table 1 – Beluga Claims

CLAIM NAME	CLAIM NUMBER FROM	EXPIRY DATE	MINING DISTRICT	OWNER
NAIPI	F62386	Apr. 30/12	Nunavut	Aqpik
NAIPI 2	F62387	Apr. 30/12	Nunavut	Lloyd

FIGURE 1 – CLAIM LOCATION MAP (1:20,000)

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

The Beluga sapphire property lies in close proximity to the town of Kimmirut. Access from the town is currently by foot or by all-terrain vehicle (ATV) in the summer months and by snowmobile in the winter. A well-established network of pre-existing vehicle trails provided direct access to the site for the 2005 bulk sampling and drilling campaign. Upgrades to the access route are essential to continue safe equipment operation in the future. The towns nearby location also allowed workers to lodge in permanent dwellings, rather than a field camp on-site. There is currently no permanent infrastructure at the Beluga site.

All of Baffin Island lies north of the continental tree line. Southern Baffin Island, known as the Meta Incognita Peninsula, was heavily glaciated during the last Ice Age. The inland terrain is low rolling hills and polar altiplano, with deep fjords along an irregular coast line. Elevations range from 0-250 metres. Snowfall covers the land most of the year, making outcrop only fully accessible during the brief summer, from mid-June through early September. The climate is classified as low arctic interior, with a coastal fringe along the Hudson Strait classified as low arctic maritime. Inland lies a polar desert with only 10 to 20 cm of annual average precipitation falling mostly as snow during the months of January through March. Kimmirut harbour typically is ice-free and open to navigation from late July through mid-October.

Local mining resources are adequate. The nearby town of Kimmirut (population 400) enjoys daily scheduled air service by turbo-prop from Iqaluit (population 6000), the capital and financial centre of Nunavut, about 40 minutes flight-time, one way, to the north. Kimmirut can provide for limited lodging, food, fuel, equipment and labour resources. More extensive supplies and services are available via transhipment and out-sourcing through Iqaluit, 120 kilometres distant. Long-term development of mining infrastructure on Baffin Island will benefit most from the eventual opening of a deep-water, year-round port facility, with connection to the capital by all-weather highway. Kimmirut is the proposed site for the port, with the proposed highway route lying north of and paralleling the Soper River. The configuration necessitates a new bridge to cross the Lower Soper River, with the optimum crossing site naturally best situated near the Soper River lapis lazuli deposit.

HISTORY

Gemstone varieties of several mineral species have been found at a number of locations on Baffin Island, with the first occurrences of gemstone garnet reported in 1915. To date, the broad range of gem materials discovered in Nunavut is truly impressive, including some twenty (20) gemstone species in all: sapphire, sapphirine, spinel, lapis lazuli, tourmaline, almandine, iolite, apatite, scapolite, hornblende, titanite, clinohumite, chrome diopside, amber, agate, chalcedony, jasper, amethyst, quartz and oligoclase (Gertzbein, 2004).

The Beluga sapphire occurrence was discovered in November 2002 by two local prospectors, Seemeega Aqpik and his brother Nowdla Aqpik, while hunting caribou. They noticed large, unusual blue crystals lying on the ground and had them identified by Paul Gertzbein, a federal government geologist working with DIAND in Iqaluit, who first visited and described the deposit in the spring of 2003. True North independently became aware of the discovery through reliable contacts in the coloured gemstone industry. Around that time, Seemeega Aqpik and his business partner, Chris Lloyd, made contact with True North and negotiated the deals outlined in 'Current Agreements' above.

In the summer of 2003, True North personnel acquired a one kilogram package of rough sapphire on matrix for gemmological testing from the property owners during the course of contract negotiations. In May of 2004, William Rohtert, the Chief Operating Officer for True North Gems, visited the property and confirmed locally abundant, gem-quality sapphire in outcrop at Beluga. Rohtert also recognized a second sapphire occurrence 390 metres south of the discovery outcrop, at Minke. He measured surface target dimensions comprising around 10,000 tonnes at the main Beluga showing, and identified exploration potential for similar sapphire occurrences elsewhere on the property.

Based on these favourable results, True North engaged the 2004 exploration campaign to: (1) Prospect the claim block, (2) Collect and process a 5-tonne mini-bulk sample, and (3) Conduct a preliminary geologic reconnaissance of the LHM in the area extending from the Soper River to Markham Bay. The 2004 mini-bulk sample consisted of two components: (1) A measured fraction comprising 4,288 kilograms, which was carefully excavated from outcrop as one contiguous block with the use of diamond chain saws, and (2) A float fraction comprising 536 kilograms, which was collected loose from the surface in the immediate vicinity of the outcrop. In total, 3,390.61 grams of rough sapphire was recovered from the measured mini-bulk sample, and 295.53 grams of rough sapphire was recovered from the float mini-bulk sample. The breakdown by gem grades for the rough sapphire recovered from the 2004 mini-bulk sample taken at the Beluga property is given in Table 2 where gem = transparent and semi-transparent; near-gem = translucent and semi-translucent; and, non-gem = opaque corundum.

Table 2 – Rough Sapphire Grade of 5-tonne 2004 Mini-Bulk Sample from Beluga

Sample	Gem (g/T)	Near-Gem (g/T)	Non-Gem (g/T)	Total (g/T)
Float (0.536 T)	11.3	65.5	474.6	551.4
Measured (4.288 T)	33.1	115.0	642.6	790.7

These encouraging results prompted True North's return to Baffin Island in 2005. In 2005, the Company completed: (1) A surface bulk sample with an estimated field weight of 110 tonnes, taken at the main Beluga sapphire occurrence; (2) Diamond core drilling comprising a total of 221 metres within 8 holes, testing the down-dip projection of the Beluga sapphire occurrence; (3) Detailed geologic mapping of the Beluga sapphire occurrence and the surrounding area of the claim block at scales of 1:500 and 1:1,000; and, (4) Preliminary-stage Heavy Mineral Concentrate (HMC) orientation sampling which confirmed sapphire and indicator minerals in soil, colluvium and alluvium. To date, True North has discovered colourless, yellow, pink, and two generations of blue sapphire at Beluga. All together, the Company has now mapped over a dozen individual corundum occurrences, found in four large geographic clusters along a strike length of some 2700 metres, lying within favourable calc-silicate meta-carbonate host rock on the property. (See Figure 2, Mineral Occurrences (1:20,000) and Figure 3, Regional Geology and Mineral Occurrences (1:20,000)).

GEOLOGICAL SETTING

GEOLOGY

Most recently, the geology of the Beluga sapphire occurrence has been concisely summarized by Le Cheminant, and others (2004). The Beluga sapphire occurrence lies on the Meta Incognita Peninsula along the south coast of Baffin Island, which is dominated by the Meta Incognita Terrane (MIT). The MIT is composed of Paleoproterozoic allochthonous units, including: The Ramsey River orthogneiss, a crystalline basement; The Lake Harbour Group, interpreted as a clastic carbonate shelf succession; The Blandford Bay assemblage, interpreted as a foreland basin succession; and, The Cumberland Batholith (St-Onge et al., 2001). Two regional metamorphic events (M_1 and M_2) and four episodes of deformation (D_1 to D_4) have been recognised in regional mapping of the Archean and Proterozoic units (Scott and Godin, 1995; St-Onge et al., 1998, 1999, 2000, 2001).

The Lake Harbour Group (LHG) originally formed by deposition of clastic sediments and carbonates derived from an unknown continental source and deposited on an unknown basement at <1.93 Ga (Scott, 1997; St-Onge et al., 1998). The D_1 deformation is characterised by southwesterly-directed imbrication and folding, occurring at >1.86 Ga, completed in advance of the intrusion of the Cumberland Batholith, which was emplaced at 1.86 Ga. M_1 resulted in prograde granulite-facies metamorphism (*ca.* 7-10 kbar at 800-900ºC) at 1.86-1.85 Ga and was probably related to the emplacement of the Cumberland Batholith. D_2, at 1.82-1.79 Ga, occurred during accretion of the allochthonous blocks to the Ramsey orthogneiss representing the Narsajuaq metavolcanic arc (previously accreted to the Superior Province basement), and again involved southwesterly-directed thrusting and recumbent folding leading to M_2 retrograde amphibolite-facies metamorphism (*ca.* 7-9 kbar and 700-775ºC). A post-tectonic syenite with Archean isotopic signature was emplaced at 1.79-1.78 Ga indicating completed accretion to the Superior craton (St-Onge et al., 2000). D_3 occurred at 1.76 Ga evolving northwest trending folds with southwest asymmetry. D_4, at 1.76-1.74 Ga, produced north-northeast upright folding (St-Onge et al., 1998).

LAKE HARBOUR GROUP

The Lake Harbour Group, or LHG, comprises Archean supracrustal rocks found along the south coast of Baffin Island as a near-continuous belt measuring over 500 kilometres proceeding to the northwest along regional strike, and exposed discontinuously for over 150 kilometres to the southeast, extending roughly from Cape Dorset to the community of Kimmirut (Scott, 1997). Most of the exposures of the LHG lie in the rectangular-shaped region between the Soper River and Markham Bay, an area measuring about 150 kilometres by 40 kilometres. This is the area in which True North has focussed its reconnaissance exploration efforts. Scott (1997) divided the LHG into three main map units: (1) semipelite and garnetiferous psammite, (2) garnetiferous psammite and quartzite, and (3) marble and calc-silicate schist (LHM). At Beluga, sapphires occur in the marble (LHM) and calc-silicate schist member unit (PLHc).

To date, all of the sapphire mineralization discovered in the LHG has been found within the zone of northwest-to-northeast strike rotations lying at the southeastern terminus of field exposure. Specifically; that is along the edge of formation contact interpreted by Scott (1997) as the original boundary of an allochthonous micro-plate, coincident with a granulite-amphibolite retrograde metamorphic isograd. Further, most of the known gemstone mineralization in addition to sapphire, discovered to date in the LHG, lies along the Soper River Corridor, extending some 20 kilometres to the north-northeast from the Beluga sapphire deposit, through the hamlet of Kimmirut, to the world-famous lapis-lazuli deposits described by Hogarth (1971).

LAKE HARBOUR MARBLE UNIT

The marble and calc-silicate schist predominantly is a white to pale-weathering map-unit (LHM) easily identified by its contrast to the surrounding pelitic and psammitic rocks. The LHM is composed of coarsely recrystallized calcite, with accessory, though ubiquitous, phlogopite and graphite. Also, there are significant lenses of calc-silicate composed predominantly of diopside with lesser amounts of phlogopite, wollastonite or tremolite, titanite, or apatite (Hogarth, 1971; Scott, 1997). Calc-silicate lenses have been variously interpreted as meta-evaporites and/or as de-silicified, meta-syenite pegmatites. The LHM marble unit ranges from isochemically recrystallized carbonate to marble completely replaced by calc-silicate minerals, mostly diopside and phlogopite, which occur dominantly as pods, blocks and bands, across a wide range of scales in the field. Contacts between the LHM and surrounding siliciclastic material typically are highly mineralized, with the secondary formation of phlogopite, hornblende, diopside, hematite, graphite and goethite.

Gem-quality mineralization of various mineral species occurs locally throughout the LHM, typically in association with the most calc-silicate rich zones. For example, sapphire and spinel are exposed at Beluga. Tourmaline and spinel have been reported on MacDonald Island. Spinel and apatite have been reported on Glencoe Island. Purple diopside has been reported in Crooks Inlet. Lapis lazuli, apatite, tourmaline, hornblende, diopside, spinel and clinohumite have been reported from the Soper River area to the north of Kimmirut. MacDonald Island, Glencoe Island and Crooks Inlet are only accessible by boat. The Soper River area is accessible by boat and ATV. All sites have been reached by True North using helicopter.

The LHM has not been explored in any great detail beyond the Soper River corridor in part due to its large geographic area (>35,000 km^2) and the remote location. Most of what is known about the LHM comes from coastal areas and from the populated region near Kimmirut, which are more easily accessible than the inland portions of the Island.

DEPOSIT TYPES

Under the classification systems for corundum deposits developed by Hughes (1990, 1997) and refined by Kievlenko (2003), the Beluga sapphire occurrence is a regional metamorphic type similar to the classic corundum occurrences at Ratnapura in Sri Lanka. In this genetic class, sapphire is typically found as anhedral grains and as prismatic to barrel-shaped crystals disseminated widely within favourable mineralized horizons. The petrographic and fluid-inclusion work of Ohnenstetter, and others (2004), indicates gem corundum formed along a retrograde metamorphic path at or near the granulite – amphibolite facies boundary; i.e.: Temperatures 620 to 670 ºC; Pressures 2.6 to 3.3 kbar. Protoliths are interpreted as impure marble horizons, enriched in detrital minerals, especially clay, as well as organic matter, and intercalated with hypersaline evaporitic layers. Aluminium and the chromophorous elements (chromium, iron, titanium, vanadium) imparting colour in the gem originated from the metasediments. Corundum was formed in a closed fluid system rich in CO_2 released during the metamorphic devolatalization of the carbonates, and saturated with fluorine, chlorine and boron released by the metamorphic devolatilization of the evaporites. Meta-syenite pegmatites locally accompanied the sapphire mineralization, forming from altered, de-silicified alkaline igneous rocks intrusive into the fertile metamorphic environment. The actual formation of gem-quality corundum locally accompanied late-stage hydrothermal activity within the waning facies of metamorphism. Two different generations of gem sapphire are evident at the Beluga sapphire property. They are known by their type-localities at the Beluga and Aqpik sapphire occurrences. Both of these occurrences were discovered by Seemeega Aqpik, of Kimmirut. Each style of sapphire mineralization displays distinct gemmological features:

Table 3 – Styles of Sapphire Mineralization

	Beluga-Style Sapphire	**Aqpik-Style Sapphire**
Colour	Dark blue	Colourless to Light Blue, Yellow
Morphology	Prismatic	Anhedral
Size	Fine-to Medium Grained	Coarse Grained
Zoning	Sector Zoned	Unzoned to Field Zoned
Clarity	Typically Included	Rarely Included
Diaphaneity	Rarely Transparent	Frequently Transparent
Provenance	Metasomatic	Hydrothermal
Number	9 occurrences known	3 occurrences known

MINERALIZATION

To date, twelve (12) gem corundum occurrences have been discovered on the Beluga sapphire property over a lateral distance of 2,700 metres and across an elevation range of 50 metres (Figure 4). All of the occurrences are associated with altered calc-silicate rock. The twelve (12) gem corundum occurrences lie within much-larger clusters of associated scapolite mineralization. The scapolite + sapphire mineralization is, in turn, ringed by an outer zone of spinel formation. True North recognizes 4 geographic clusters of scapolite + sapphire + spinel mineralization, each comprising multiple occurrences. Individual clusters measure up to 200 metres by 600 metres in plan. The clusters of sapphire occurrences are named for the whale groups critical to the survival of the local Inuit culture. From north to south, they are: Pilot *(Tikaaguli),* Beluga *(Qilalugaq),* Minke *(Aliguujak),* and Orca *(Aarluk).* These places are known locally by both their English and Inuktitut names (Figure 4).

The main Beluga sapphire occurrence formed in a large detached block of calc-silicate rock, modified by local cross faults with limited displacement. The block "floats" in a marble-matrix melange, and generally tends north-northeasterly in a chain of exposures, showing steep to locally shallow dips to the west-northwest. Surface exposures of the mineralized block measure from feather edge to 2 to 4 metres in thickness, by up to 10 metres in width, by 40 metres in length. At opposing ends of the same detached block, the main Beluga sapphire occurrence is laterally continuous with the Narwhal sapphire occurrence. This block is part of a linear trend of calc-silicate rocks that can be traced for 200 metres of strike length, terminating to the southwest at the Bowhead sapphire occurrence. To the south further still, this trend is juxtaposed against a generally east-west trending alignment of regional LHM stratigraphy, including calc-silicate bodies with associated sapphire mineralization in the Orca and Minke clusters. This juxtaposition coincides with the regional zone of strike rotation defining the southeast corner of map exposure for the LHM (Figure 5).

At the main Beluga sapphire occurrence (Figure 6), gem, near-gem, and non-gem quality sapphire occurs as a late-metamorphic hydrothermal replacement mineral in blocks, pods, and lenses forming a massive, coarse-grained gangue consisting of anorthite feldspar, calcite, scapolite, phlogopite, and pyroxene, with lesser amounts of apatite, muscovite, and graphite. Trace amounts of pyrrhotite, titanite, and zircon are also present. Sapphire is relatively abundant, and locally comprises up to 10 percent of the rock. Typically, it averages up to 1 percent of the mode. Sapphire grows as well-formed euhedra and subhedra measuring up to 7.7 cm in length by 2.1 cm in diameter. Most of the sapphire measures in the range of 1.5 cm in length by 0.4 cm in diameter, but sapphire is present in small crystals down to the limits of macroscopic detection. The larger crystals are often included with calcite and apatite, whereas the smaller sapphires are generally free of inclusions. Needles of thomsonite, a zeolite mineral, coat grain boundaries and sometimes penetrate deeply into some of the crystals. Significantly, the sapphire is a beautiful, natural blue colour in its native state. Some of the gemstones, especially the larger sapphires, are colour-zoned and may display concentric, irregular, patchy, or end-to-end variations in hue.

According to Le Cheminant, and others (2004), most of the Beluga sapphire crystals exhibit spectacular zoning in cathodoluminescence which corresponds to the colour zoning. Very faint compositional zoning was sometimes seen in backscattered electron images obtained with a scanning electron microscope. Electron-microprobe analysis of 10 sapphire samples yielded maximum TiO_2 and FeO values of 0.13 and 0.30 wt.%, respectively.

Colourless and yellow sapphires are also present on the property. In August 2004, fragments of yellow, colourless, and light blue sapphires were discovered at another occurrence located 50 metres from the Beluga lens, over an area about 0.5 x 0.5 metres. This locality "Beluga South," also contains weathered fragments of a corundum-bearing plagioclase-muscovite-calcite rock. Microprobe analyses of the yellow and colourless sapphires (one sample of each) suggested that the dominant chromophores in the yellow material might be iron, with up to 0.04 wt.% FeO; all other potential chromophores were below the detection limit of the instrument.

Two yellow sapphires from the Beluga South occurrence were loaned to the Gemological Institute of America for examination (1.09 ct and 1.47 ct). The following properties were recorded: colour — yellow to orangey yellow, with no pleochroism observed; diaphaneity — transparent; R.I. — 1.758-1.766; birefringence — 0.008; S.G. — 3.99 and 4.01; Chelsea filter reaction — none; and fluorescence — moderate orange to long-wave and very weak orange to short-wave UV radiation. No absorption features were visible with a desk-model spectroscope. Microscopic examination revealed that both stones contained a few long white needles, and the oval sapphire also had a single "fingerprint." No evidence of heat treatment was seen.

In 2005, another occurrence of colourless and light blue to light yellow sapphire was found 145 metres south of the main Beluga showing at the newly discovered Aqpik occurrence, named in honour of Seemeega Aqpik, who also is credited with the original discovery in 2002. The discovery outcrop at the Aqpik occurrence consists of a cluster of unusually-large corundum megacrysts in a matrix of albite and scapolite-altered metacarbonate rock. Individual corundum crystals range up to 5 cm in diametre and 12 cm in length. Typically, they are colourless to very slightly light greenish-blue, and are largely opaque on the weathered surface. However, internal to the corundum, True North has found sizable remnants of transparent gem-grade sapphire, with the largest single piece extracted intact weighing 15 grams. The gem-quality sapphire is colourless, to light blue, to light yellow, in its native state. The material is noteworthy for a high degree of internal purity and for a bright vitreous lustre, as well as for low colour tones at light to moderate saturation.

Preliminary petrographic work by True North's project mineralogist, Mr. Tony Le Cheminant, has indicated a number of significant distinctions between the new "Aqpik Occurrence" and the more common Beluga-style of mineralization seen elsewhere on the property. At the new discovery, (1) Albite predominates over scapolite as the matrix phase; (2) White mica of two generations predominates over a single stage of phlogopite as the micaceous phase; and, (3) Aluminous titanite and vitreous brown pargasite, a magnesian amphibole, are present as accessory minerals. These features, in combination with the larger average grain size and the pronounced

variations in chromophore content and distribution, indicate that the "Aqpik Occurrence" is a new style of sapphire mineralization on the property. True North recognizes the new discovery as a coarse-grained sapphire vein assemblage, which likely formed in the localized pressure shadow along the trailing edge of a mobile tectonic block exposed nearby on Bowhead Ridge. That block is a detached tectolith lying within a marble matrix melange. It consists of the metasomatic style of sapphire mineralization characteristic of the main Beluga showing, and of other sapphire occurrences elsewhere on the property.

Regardless of the paragenesis, all of the Baffin Island sapphire occurrences are hosted by calc-silicate lenses in a marble unit of the metasedimentary Lake Harbour Group, near a major terrane boundary within the Paleoproterozoic Trans-Hudson Orogen. Silica-poor (i.e. syenitic or ijolitic) magmas may have played a role in the initial formation of the calc-silicate lenses. Conversely, the high scapolite content of the calc-silicates suggests they may have been derived from the regional metamorphism of impure evaporites. The Beluga sapphires occur with plagioclase, clinopyroxene, phlogopite, muscovite, calcite, graphite, nepheline and scapolite. Apatite, rutile, titanite, and zircon are common in the host rock, and rare phases include chlorite, tourmaline (dravite), monazite, sanbornite, thorianite, and uraninite (identified by energy-dispersive spectroscopy). Petrographic studies suggest that this diverse mineral suite formed during retrograde metamorphism accompanied by infiltration of CO_2-bearing fluids. The area also hosts other gem minerals in complexly deformed, high-grade metamorphic rocks. These include diopside, pargasite, garnet, spinel, scapolite, tourmaline, apatite, zircon, moonstone, and lapis lazuli. The continental collision setting of southern Baffin is analogous to gem-producing areas within the India-Asia collision zone (i.e., from Afghanistan to Vietnam).

FIGURE 2 – MINERAL OCCURRENCES (1:20,000)

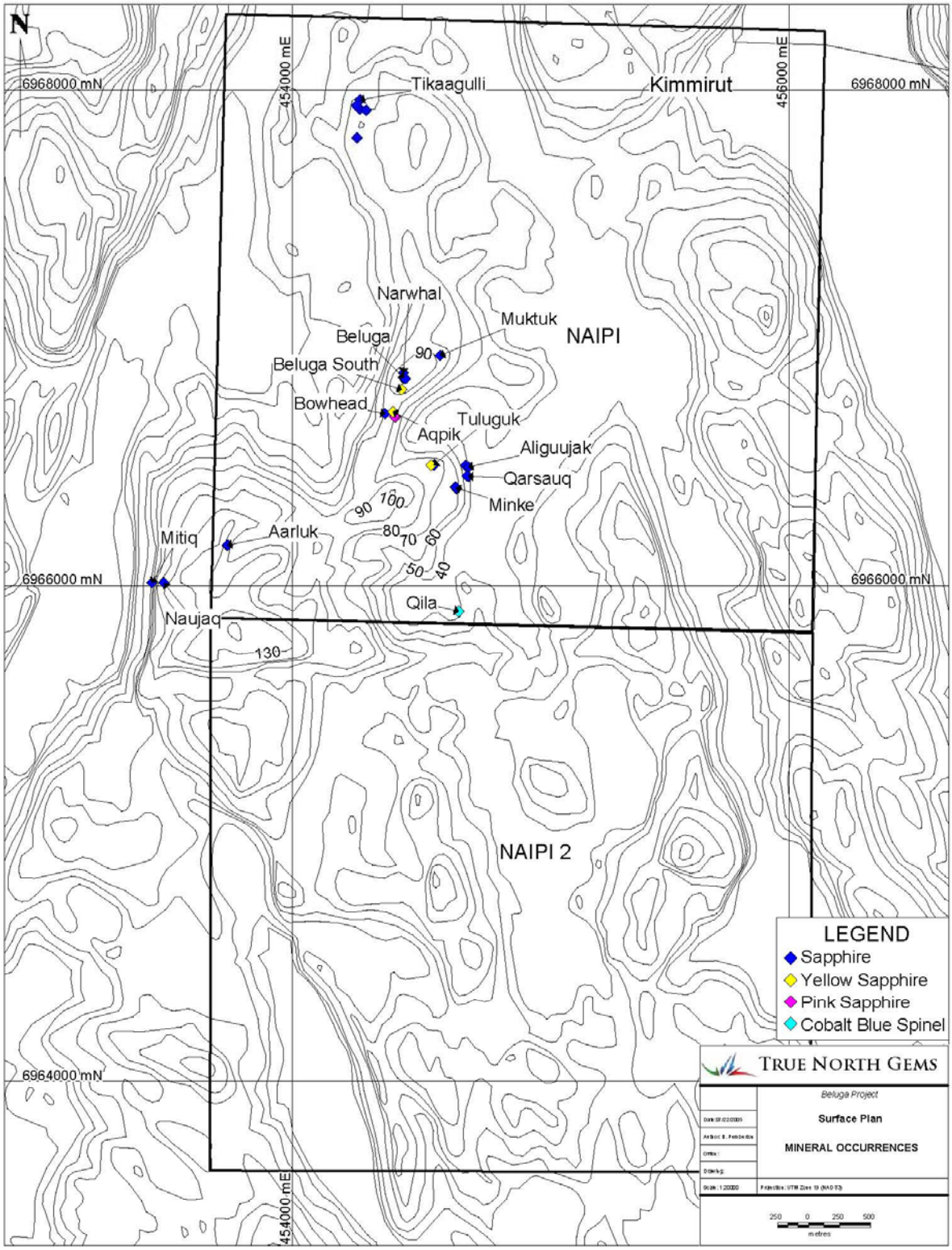


FIGURE 3 – REGIONAL GEOLOGY AND MINERAL OCCURRENCES (1:20,000)

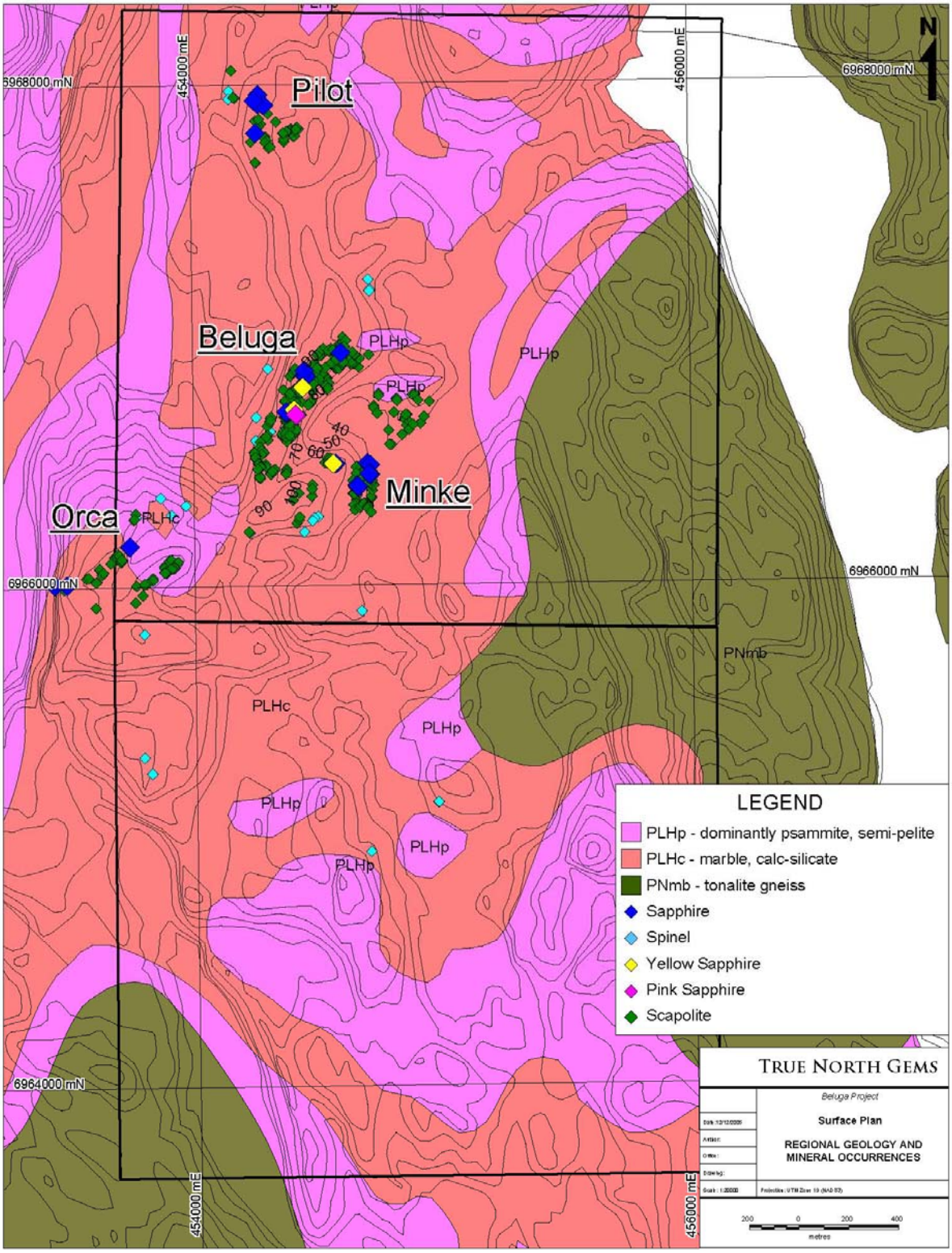


FIGURE 4 – BELUGA AREA GEOLOGY MAP (1:5000)

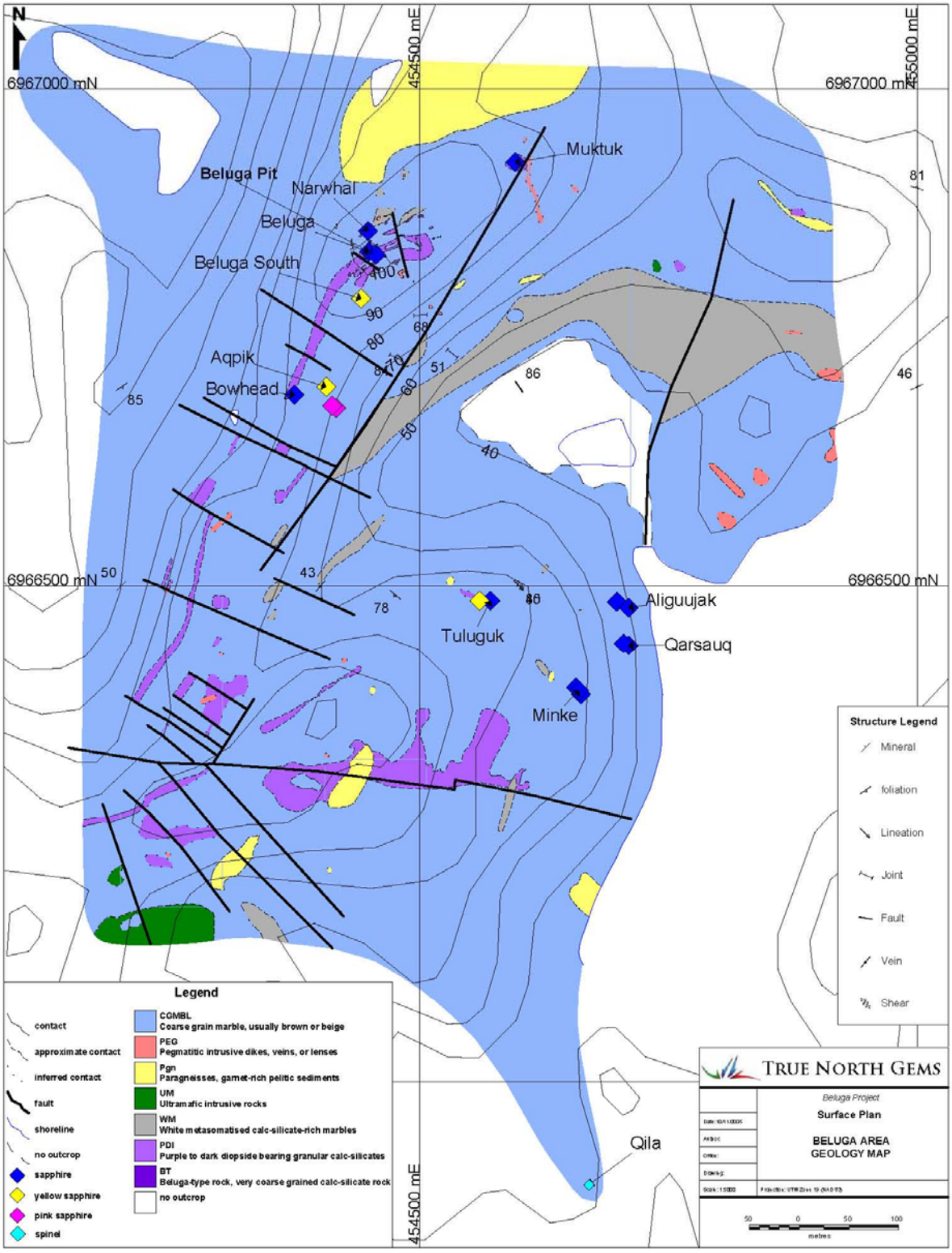
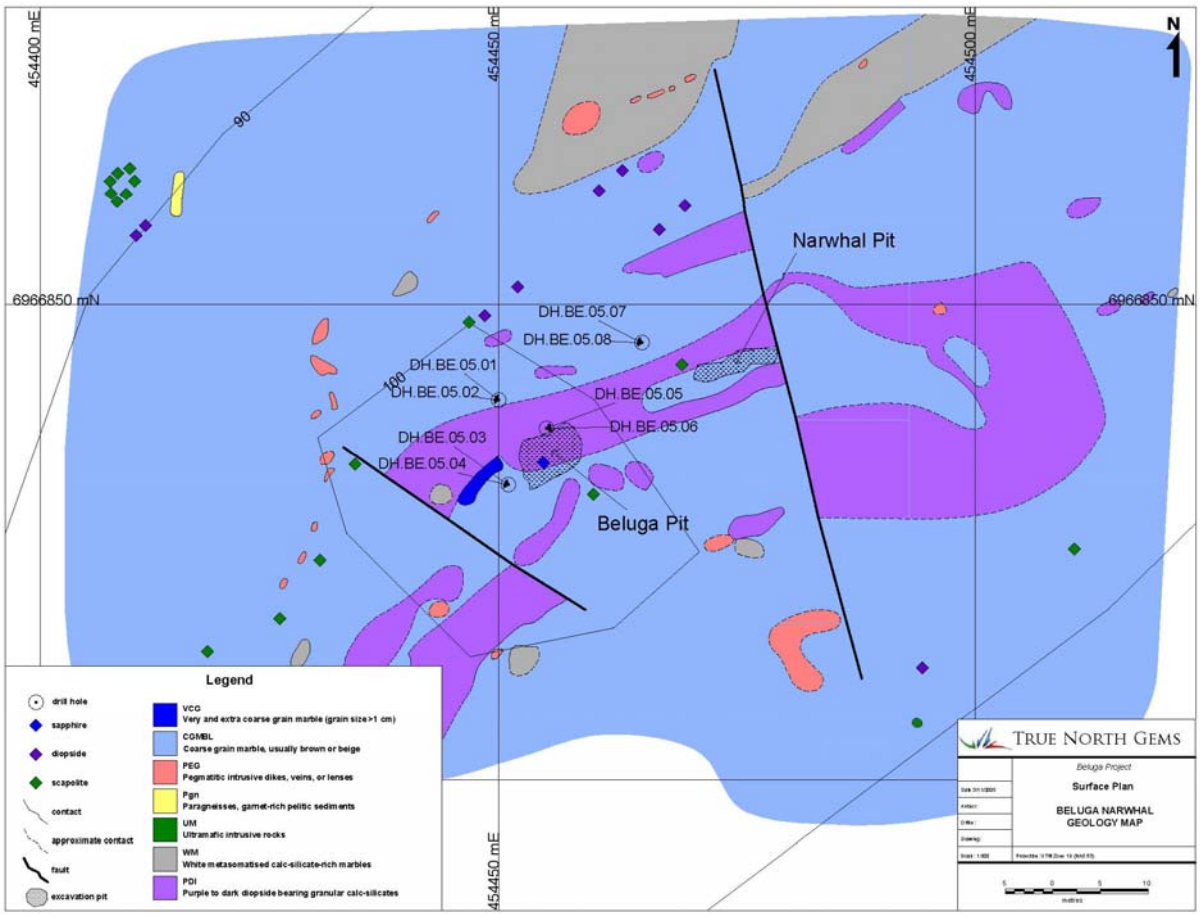


FIGURE 5 – BELUGA AND NARWHAL GEOLOGY MAP (1:500)



EXPLORATION

GOALS & OBJECTIVES

In order to further the systematic scientific evaluation of the Beluga sapphire property for economic gemstone potential, a bulk sample with an estimated field weight of 110 tonnes was collected in 2005 using diamond chain saws by a hand-mining crew at the discovery outcrop of the main sapphire occurrence. The 2005 sample site was the same as the location of the 5-tonne mini-bulk sample collected by the Company in 2004. A continuous representative sample was taken to determine the concentration of rough sapphire in grams per tonne and to quantify the gem-quality dollar value of the sapphire within the lode. In this case, the bulk sample size with an estimated field weight of 110 tonnes was chosen to test and represent a mineralized block with surface dimensions indicating an overall mass in the range of 10,000 tonnes. The sample currently is being processed by DMS methods at the laboratories of SGS Lakefield Research in Lakefield, Ontario, Canada. In the field, True North made a visual split of high grade mineralization with an estimated field weight of 28.0 tonnes. This sub-sample now has a confirmed measured weight of 22.5 tonnes. The high-grade mineralization is being run as the initial processing batch to test streamline upgrades and modifications of the DMS flow sheet (Table 4). Results are pending.

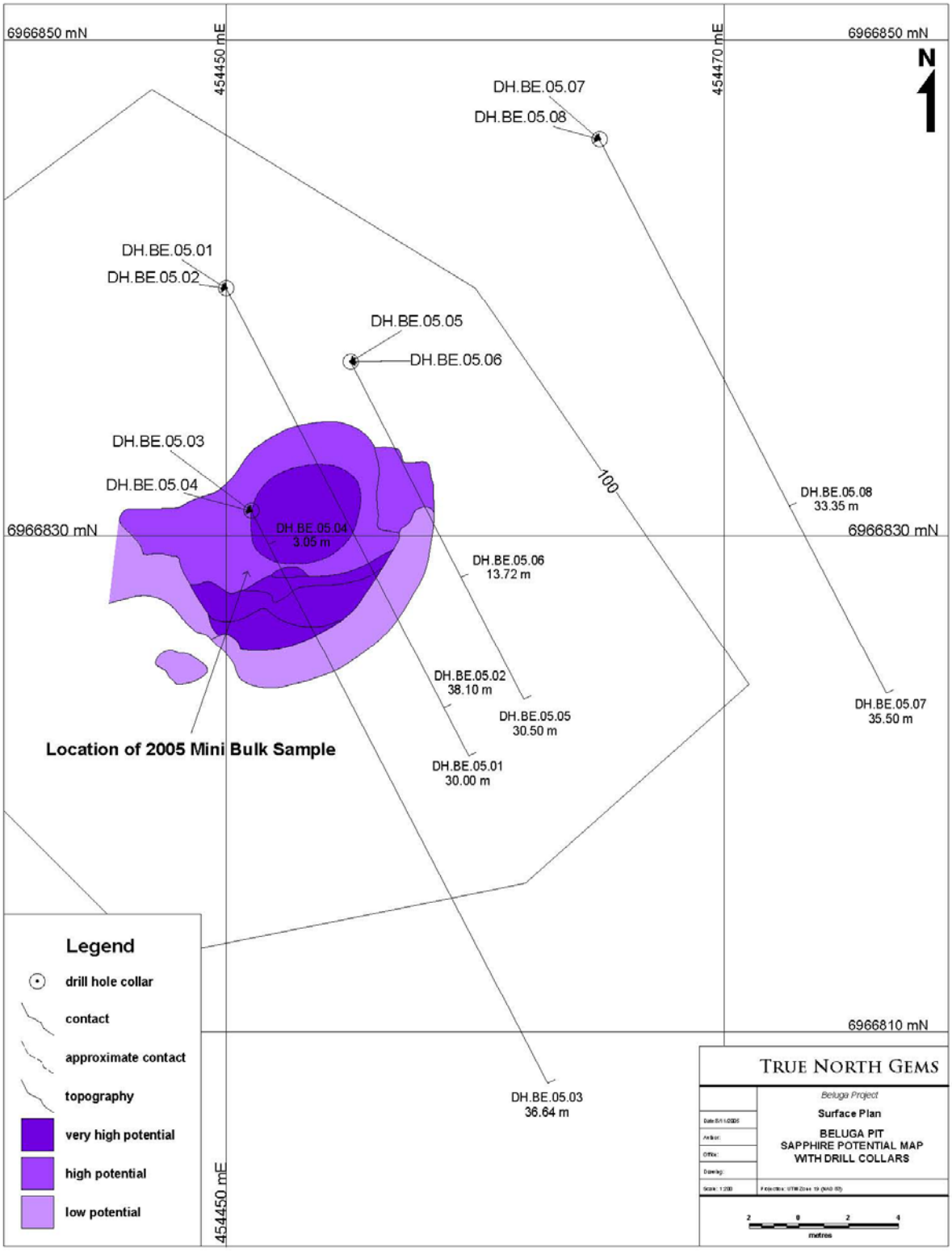
Table 4 – 2005 Bulk Sample Summary

Sapphire Potential	Sample Weight (tonnes*)
High	28.0
Good	46.2
Medium	36.2
Total	**110.4**

High is conspicuous sapphire, Good is accessory sapphire, Medium is trace sapphire, Poor is rare sapphire

In addition to sampling for sapphire grade and value, True North drill tested the Beluga sapphire occurrence for down-dip continuity, and intensified prospecting of the 10 square kilometre claim block in a search for additional gemstone occurrences. The Company also conducted preliminary geologic reconnaissance of areas immediately adjacent to the claim block. The primary tools of utility in exploration proved to be: (1) UV prospecting for scapolite, the fluorescent indicator mineral for sapphire; and (2) HMC (Heavy Mineral Content) sampling for high density corundum of the alluvium and colluvium in the vicinity of geologic lode targets. Both methods proved highly effective in discovering and demarcating the dozen sapphire occurrences located on the property.

FIGURE 6 – BELUGA PIT WITH DRILL COLLARS (1:200)



DRILLING

Diamond core drilling at the Beluga site in 2005 consisted of eight (8) holes for a total of 221 metres (Table 5 and Figure 6). The holes were drilled to test the down-dip projection of the Beluga target for sapphire mineralization, and the drilling was successful in its primary mission. Fluorescent scapolite mineralization was detected in every hole, and one hole, BE-05-03, contained visible sapphire. Visible sapphire crystals, including doubly-terminated euhedra measuring up to 7 x 2.5 mm, were intercepted on target in BE-05-03. From all eight (8) holes, a total of 80 metres of mineralized intercept (see Figures 7 and 8), containing 10 to 40 percent fluorescent scapolite, have been selected for analysis of sapphire and micro-sapphire content by a modified caustic-digestion method. This analytical technique was pioneered on the Company`s behalf by SGS Lakefield Research, and is modified from similar methods employed at the laboratory for testing kimberlite core to analyze for diamond and micro-diamond; specifically: (1) Crush the sample to 4mm; (2) Caustic digestion at 550 ^{o}C; (3) Heavy liquid S.G.=3.25 separation on the caustic residue to remove the graphite; (4) Microscopic estimation of the percentage of non-corundum in the HLS sink and calculate the mass of corundum in the sink; and (5) Report the calculated mass of corundum for the mass of the core treated. Results are pending.

Table 5 – Drill Hole Summary

Hole ID	Easting	Northing	Elevation (metre)	Azimuth	Dip	Depth (meter)	Date started	Date Finished
DH.BE.05.01	454450	6966840	96	150	45	30.0	Aug 13,2005	Aug 13,2005
DH.BE.05.02	454450	6966840	96	150	60	38.1	Aug 14,2005	Aug 15,2005
DH.BE.05.03	454451	6966831	96	150	45	36.64	Aug 15,2005	Aug 16,2005
DH.BE.05.04	454451	6966831	96	150	60	3.05	Aug 16,2005	Aug 16,2005
DH.BE.05.05	454455	6966837	96	150	60	30.5	Aug 17,2005	Aug 17,2005
DH.BE.05.06	454455	6966837	96	150	45	13.72	Aug 17,2005	Aug 18,2005
DH.BE.05.07	454465	6966846	96	150	45	35.5	Aug 19,2005	Aug 19,2005
DH.BE.05.08	454465	6966846	96	150	60	33.35	Aug 19,2005	Aug 20,2005

Table 6 – 2005 Drill Samples for Caustic Digestion

Hole ID	Total length of sample (metres)
DH.BE.05.01	4.15
DH.BE.05.02	8.16
DH.BE.05.03	4.57
DH.BE.05.04	0.15
DH.BE.05.05	7.00
DH.BE.05.06	6.27
DH.BE.05.07	13.76
DH.BE.05.08	6.25
Total	**50.31**

FIGURE 7 – DIAMOND DRILL SECTION – SECTION 1 (1:200)

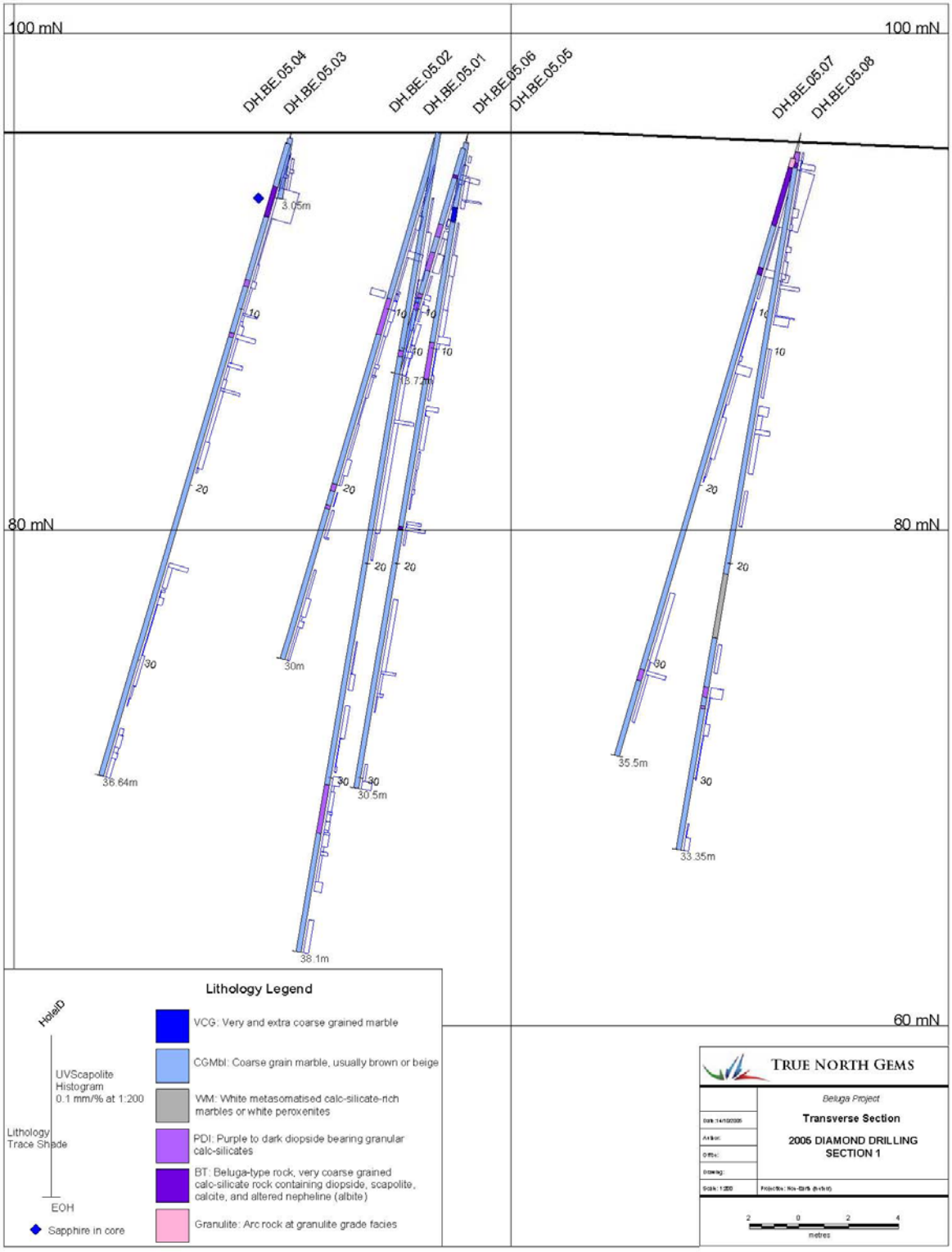
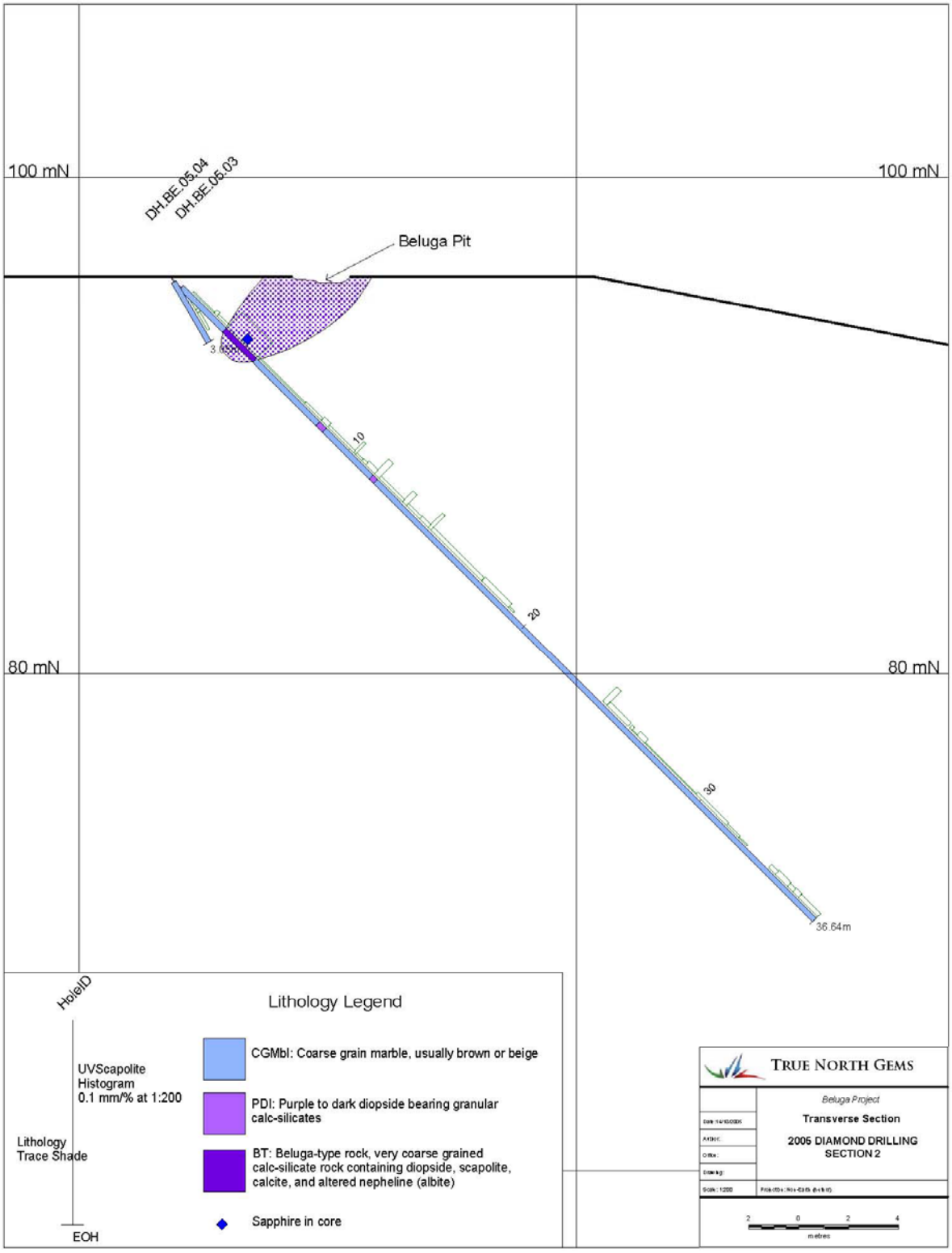


FIGURE 8 – DIAMOND DRILL SECTION – SECTION 2 (1:200)



SAMPLING METHOD AND APPROACH

SAMPLE EXTRACTION

A bulk sample with an approximate field weight of 110 tonnes was collected by a field crew of ten men over a period of sixty work days in July, August, and September 2005. The sample is considered representative of a 10,000 tonne block of sapphire mineralization hosted within calc-silicate rocks that is exposed continuously between the Beluga and the Narwhal sapphire occurrences. The primary method of extraction for this sample was by slicing out contiguous sections of mineralized material using diamond chain saws, supplemented by quarry-style hand mining using feathers and wedges. The excavated blocks were delivered to Kimmirut by ATV's in 1 tonne poly bags, and then sealed in locked sea-can containers for shipping via sea lift to a mineral extraction lab in southern Canada for processing. This effort ultimately produced sapphire-bearing material from a contiguous zone measuring about 7 x 5 x 2 metres. The sample material was exposed in the floor and the highwall of a pit measuring about 14 metres by 9 metres in plan, by 3 metres in depth. High grade sapphire was occasionally visible as this measured bulk sample was collected, and wherever possible it was segregated and collected by hand. The special material recovered by hand-mining material totalled just over 3 kilograms of mixed sapphire and wall rock matrix.

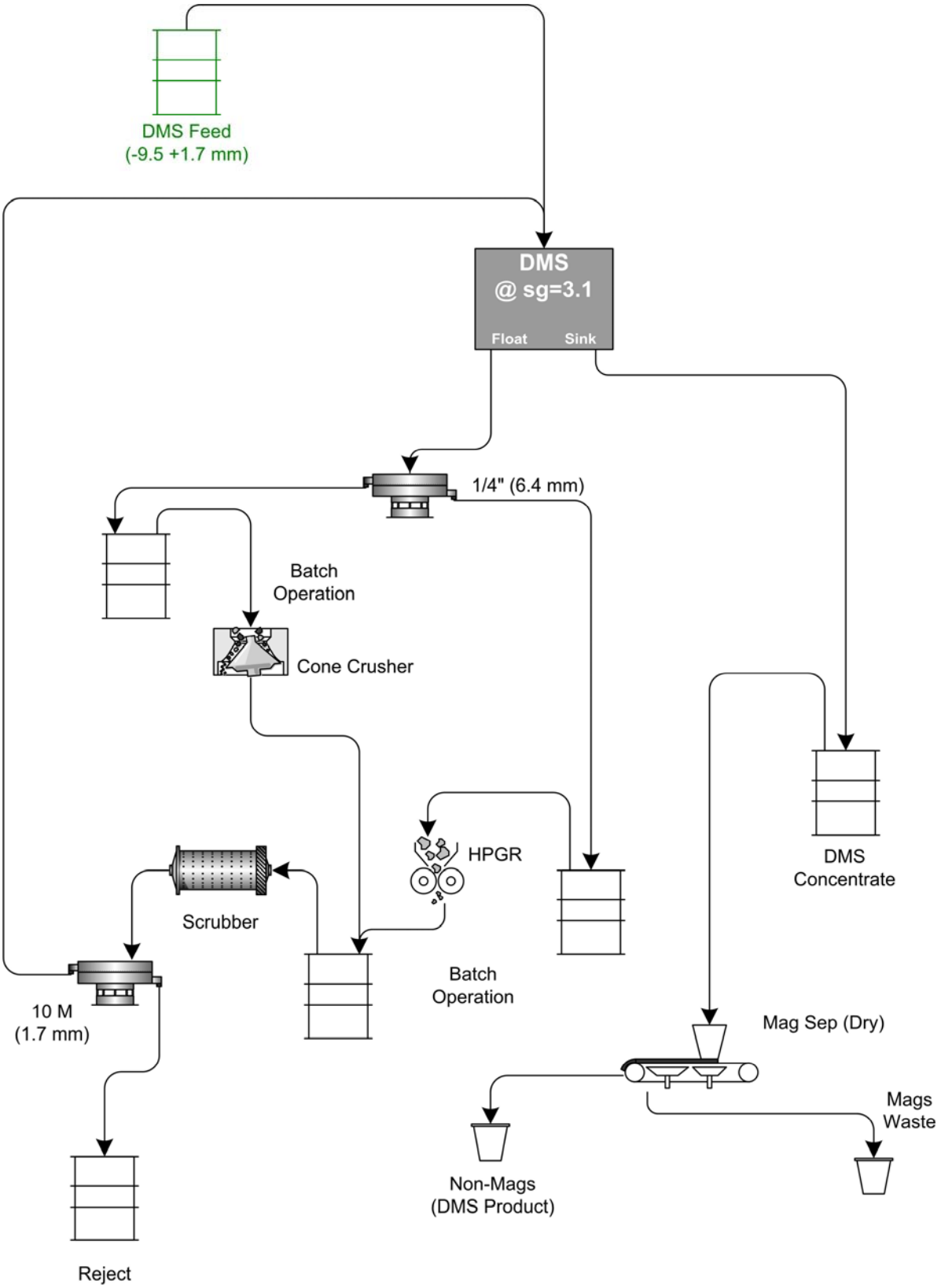
SAMPLE RESULTS

Sample results are pending.

SAMPLE PREPARATION, ANALYSES, AND SECURITY

The bulk sample is being processed by standard mineral extraction techniques common to the diamond industry at the laboratory of SGS Lakefield Research Ltd in Lakefield, Ontario. Extraction of the sapphires from the host rock is relatively straightforward, given the physical, chemical and rheological contrast between the corundum and the calc-silicate gangue. The mechanized processing of the sample involves seven steps: (1) iterative crush at 6 inch, 2 inch, 1 inch, and 1/2 inch; (2) attrition milling of the iterative crush oversize and hand-select; (3) wash and scrub of the minus half-inch plus 2 mm material (specifically the -9.5 +1.7mm size fraction); (4) DMS dense media separation (10mm cyclone aperture) in a standard diamond plant at optimum S.G. = 3.1; (5) dry magnetic separation at 13,000 gauss; (6) heavy liquid clean-up using methylene iodide at S.G. = 3.25; and, (7) hand sort by trained gemmologists or by mechanized optic sorting equipment. The bulk sample processing flow chart prepared by SGS Lakefield Research Ltd is presented in Figure 9.

FIGURE 9 – 2005 PROCESS FLOW SHEET



DATA VERIFICATION

William Rohtert is True North's Qualified Person (QP, as defined by the British Columbia Securities Commission). Mr. Rohtert planned, supervised, and directed all stages of the sapphire bulk sample extraction and processing, the drill testing of the Beluga target, and both UV-prospecting and HMC-reconnaissance on the claim block, and as such can verify that all data reported here is true and accurate.

ADJACENT PROPERTIES

Two minor sapphire occurrences were discovered during 2005 in the areas prospected immediately adjacent to the western boundary of the claim block. The geology of these occurrences is identical to that reported for the main Beluga showing. There are no other adjacent properties with past or current exploration for sapphire and no further discussion is deemed necessary or appropriate for this report.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

To date, exploration on the property has not identified or defined a Mineral Resource or Mineral Reserve.

OTHER RELEVANT DATA AND INFORMATION

No other relevant data and information are presented.

INTERPRETATION & CONCLUSIONS

The rough-sapphire stone counts and the gem quality grades returned from the five-tonne mini-bulk sample collected at the Beluga sapphire property in 2004 were highly encouraging. Notional values for sapphire–bearing material processed to polished goods exceeded US$500 per tonne for the sample tested. The sapphire values were reported by qualified independent analysts who appraised the wholesale market for loose polished goods. True North anticipates similar awaits the results from the initial 22.5-tonne lab-weight split of high-grade material currently under gravity processing at SGS Lakefield Research. The balance of the 110 tonne (estimated by field measurements) 2005 bulk sample will be more indicative of the overall average sapphire grade for the large zones exhibiting fluorescent scapolite mineralization where no corundum, or scant corundum, is visible. The combination of the two grades should provide an indication of the sapphire content within the 10,000 tonne minimum block of continuous mineralization at the surface connecting the Beluga sapphire occurrence and the Narwhal sapphire occurrence. Sapphire and scapolite is continuous between the two occurrences, over a volume exposed at the surface at least 150 meters x 20 meters x 2 meters, possibly larger. In combination with additional mini-bulk channel sampling of surface exposures, the grade numbers may be applicable to the much larger zones of metasomatic alteration identified by geologic mapping, and once demonstrated to be continuous in the subsurface by means of diamond core drilling utilizing caustic digestion for corundum analysis. The large zones of metasomatic alteration, containing clusters of gem sapphire occurrences, locally measure up to 600 metres by 200 metres in plan, and 10 to 50 metres in thickness.

Given the fact that: (1) Notional economics from the preliminary sampling of just one gem sapphire occurrence in 2004 are highly encouraging, and (2) A total of 12 gem sapphire occurrences are now known on the property, exploration and evaluation of the Beluga sapphire property in 2006 is strongly warranted.

RECOMMENDATIONS

EXPLORATION

Given the success of only two (2) seasons of field evaluation in 2004 and 2005, continued exploration of the claim block and surrounding areas is well advised. True North has demonstrated the utility of two exploration tools, and postulates the utility of a third. In 2005, True North demonstrated the effectiveness of: (1) UV-prospecting to survey in detail the exposures of fluorescent scapolite, which is the indicator accessory mineral for gem-quality sapphire; and, (2) HMC (Heavy Mineral Concentrate) – sampling of alluvium and colluvium in proximity to lode targets, in order to confirm the physical presence of high-density corundum. In addition, True North postulates that: (3) High-resolution micro-gravity surveying will detect local gravitational anomalies arising from the density contrast due to the emplacement of sapphire mineralized blocks with a density near 4.0 into an altered, marble-matrix melange with a density near 3.0. True North should utilize all 3 exploration tools in parallel to rapidly evaluate the exploration potential of the claim block, and to generate targets for follow-up testing by diamond core drilling.

DRILLING

A diamond core-drilling campaign surveyed on a detailed grid is recommended to further define and delineate the down dip extent of the sapphire mineralization which crops out at the Beluga discovery site. It is proposed that 2000 metres be drilled in 40 holes lying within a rectangular grid measuring 200 metres on edge. The initial series would complete 10 holes at 50-metre centres, each to 100 metres depth. The second series would complete 30 holes to infill at 25-metre centres, each to 50 metres depth. The objective of the drilling series is twofold: (1) To confirm the dimensions of the Beluga sapphire occurrence, thereby allowing for an estimate of the mineral resource and mineral reserves; and (2) To test for additional sapphire deposits at depth, lying subjacent within the volume of rock immediately below the sapphire occurrences mapped at surface. The same detailed grid, at 25-meter line spacing, employed for core drilling, would also serve to orient both the detailed UV-prospecting and the high-resolution micro-gravity survey.

BULK SAMPLING

Considering the long time-line needed to process the 2004 and the 2005 samples with regard to the proposed operations for the 2006 field season, the author recommends:

1. Sample weight must be reduced as far forward in the field as possible.
2. TNG needs to build and operate a small gravity wash plant at Kimmirut.
3. Gravity concentrates will be shipped on for optic sorting in Europe.

This is the best way to circumvent unacceptable time-lags in scientific testing and gemstone product delivery. The on-site, crush-screen-wash-gravity processing facility proposed for Kimmirut will allow the Company to wholesale loose polished goods derived from the same season's exploration sample. It would insure True North's capability to retail fabricated jewellery units in the following Christmas season. Even with the accelerated product trajectory enabled by an on-site wash plant, True North will still be pressed to realize an overall 18 month lead time from mine to market.

The author recommends that a 1000 tonne bulk sample be extracted from the surface in the area of the Beluga and Narwhal pits in 2006. The purpose of the 2006 bulk sample is to confirm the rough grade and gem ratios, and to pilot power-of-ten, economic-scale testing of the mineral resource potential defined concurrently by diamond core drilling. Mechanized surface mining with track-hoe, dozer and loader will permit an evaluation of the economy in scale anticipated from full production. On-site or in-town crushing of the bulk sample, and processing down to a gravity concentrate, will allow the Company to reduce product shipping costs. Gravity concentrate will be exported to Europe for final stage optic sorting by gem-quality. Given the previous mini-bulk sample results in 2004, the anticipated export from the 1000 tonne bulk sample might comprise 5 tonnes of gravity concentrate containing around 50 kilograms of gem-quality sapphire.

Safe and sane operation of the heavy machinery in the field will require True North to upgrade the 2.7 kilometres of ATV track from Kimmirut to the work site. The track must be upgraded and maintained as a safe and reliable truck road for daily project usage, and so as not to impede any emergency medical evacuation that might arise in the case of a workplace accident or injury.

REFERENCES

Davison, W.L., (1959), Geology, Lake Harbour, District of Franklin, Northwest Territories: Geological Survey of Canada Map 29-1958. Scale 1:63,360.

Gertzbein, P., (2004), The coloured gem potential of Baffin Island and Nunavut: Canadian Gemmologist, v. 25, n. 1, p. 10-17.

Hogarth, D.D., (1971), Lapis Lazuli near Lake Harbour, Southern Baffin Island, Canada. Canadian Journal of Earth Sciences, 8(10), 1210-1217.

Hughes, R., (1990), Corundum: Butterworth-Heinenmann, London. 314 pp.

Hughes, R., (1997) Ruby & Sapphire: RWH Publishing, Boulder, 498 pp.

Kievlenko, E.Y. (author), and Soregaroli, A. (editor), 2003, Geology of Gems: English edition published by Ocean Pictures Ltd, Littleton, Colorado, 432 pp.

Le Cheminant, A., Groat, L., Dipple, G.M., Mortensen, J.K., Gertzbein, P., and Rohtert, W., (2004), Sapphires from Baffin Island, Canada: Gems and Gemology, v. 40, n. 4, p. 344-345.

Le Cheminant, A.N., Groat, L.A., Mortensen, J.K., Gertzbein, P., Rohtert, W.R., and Giuliani, G., (2004), Sapphires from Kimmirut, Baffin Island, Nunavut, Canada: Goldschmidt Conference Poster Presentation, Geochemica et Cosmichemica Acta, v. 69, s 105, p. A 280.

Ohnenstetter, D., Garnier, V., Giuliani, G., Maluski, H., Dubessy, J., Fallick, A., Kausar, A.B., Phan, T.T., Qang, V.H., and Pham, V.L., (2004), Genesis of ruby deposits in marbles from central and south-east Asia: Abstract, 32nd International Geological Conference, Florence, Italy, 2004.

Raabe, H., (2005), An investigation into the recovery of sapphires from the Beluga deposit in Baffin Island: SGS Lakefield Research Limited, Project LR 10870 - 001, Report N. 1., 20 pp.

Rohtert, W.R. and Pemberton, B.C, (2004), Report on 2004 field activities for the Beluga Sapphire Project, Nunavut Territory, Canada: 43-101 Report for the British Columbia Securities and Exchange Commission, 37 pp.

Scott, D.J. (1997) Geology, U-Pb, Pb-Pb geochronology of the Lake Harbour area, southern Baffin Island: implications from the Paleoproterozoic tectonic evolution of north-eastern Laurentia. Canadian Journal of Earth Sciences, 34, 140-155.

Scott, D.J., and Godin, L. (1995) Preliminary geological investigation of the Lake Harbour Group and surrounding gneissic rocks near Lake Harbour and Markham Bay, southern Baffin Island, Northwest Territories. Current Research, Geological Survey of Canada, 1995-C, 67-76.

St-Onge, M.R., Scott, D.J., Wodicka, N., and Lucas, S.B. (1998), Geology of the McKellar Bay - Wight Inlet - Frobisher Bay area, southern Baffin Island, Northwest Territories. Current Research, Geological Survey of Canada, 1998-C, 43-53.

St-Onge, M.R., Scott, D.J., and Wodicka, (1999), Geology, McKellar Bay, Nunavut: Geological Survey of Canada Map 1991-A. Scale 1:100,000.

St-Onge, M.R., Wodicka, N., and Lucas, S.B. (2000) Granulite- and amphibolite-facies metamorphism in a convergent-plate-margin setting: synthesis of the Quebec-Baffin segment of the Trans-Hudson Orogen. The Canadian Mineralogist, 38, 379-398.

St-Onge, M.R., Scott, D.J., and Wodicka, N. (2001), Terrane boundaries within Trans-Hudson Orogen (Quebec-Baffin segment), Canada: changing structural and metamorphic character from foreland to hinterland. Precambrian Research, 107, 75-91.

Turner, L., (1999), Geology walking tour of the Kimmirut area: Canada-Nunavut Geosciences Office, Iqaluit, Geologic mapping and guide.

CERTIFICATE OF QUALIFICATIONS

I, **WILLIAM R. ROHTERT** of the City of Hermosa Beach in the state of California, United States of America, do hereby certify as follows:

I am a consulting geologist and gemologist residing at 710 9th Street, Suite B, Hermosa Beach, CA 90254.

I graduated from the University of California in Los Angeles in 1975 and hold a B.Sc. in Geology.

I graduated from the University of Colorado in Boulder in 1980 and hold an M.Sc. in Economic Geology.

I graduated from the Gemological Institute of America in Los Angeles in 1996 and hold a G.G. as Graduate Gemologist.

I am a Professional Gemologist registered with the International Colored Gemstone Association in New York since 1996.

I have practised my profession continuously since 1975.

I have been actively involved in gemstone exploration, mine development and mining operations since 1989 at various sites in Canada, the United States of America, Mexico, Guatemala, Brazil, Colombia, Laos, Thailand, and Russia.

I am the author of this technical report on the ***2005 43-101 Report for the Beluga Property, Nunavut Territory, Canada*** and it is based on personal knowledge of the property, data supplied to me by True North Gems Inc., and information collected from previously published sources.

I have visited the Beluga property several times during 2004, and once in September of 2005. My work included planning and supervision of the collection of the 5 tonne mini-bulk sample extracted in July of 2004, and the 110 tonne bulk sample extracted in August and September 2005.

I visited the laboratory of SGS Lakefield in October 2004 to review and modify the mineral extraction procedure developed for the float fraction of the mini-bulk sample, prior to engaging the process for the measured fraction of the mini-bulk sample. I engaged in the re-design and optimization of that process flow sheet during the winter of 2004/2005 for implementation on the 2005 bulk sample.

This report may be utilized for the development of the property provided that no portion is used out of context in such a manner as to convey a meaning that differs from that set out in the whole.

I am not aware of any material fact or material change with respect to the subject matter of the technical report which has not been reflected in the technical report, the omission to disclose which makes the technical report misleading.

Consent is hereby given to True North Gems, Inc., to use or reproduce this report or any part of it for the purposes of development of the property, or related to the raising of funds.

Dated in Vancouver, British Columbia, this 20th day of April, 2006.

_____

William R. Rohtert, B.Sc., M.Sc., G.G.
Chief Operating Officer, True North Gems Inc.