

NTS 460,P

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**ASSESSMENT REPORT**  
**PERMITS 2642, 2646 and 2661**  
**MELVILLE PENINSULA, NUNAVUT TERRITORY**

Company Name:	Stornoway Diamond Corp.
Mineral Permits:	2642, 2646 and 2661
Nature of Report:	Till Sampling
Work Conducted During:	July 28 – August 11, 2004
Location of Permits:	NTS 460,P
Work Conducted By:	APEX Geoscience Ltd.
Centre of Property:	Lat: 68°41' N Long: 82°00' W

This report has been examined and approved as to technical worth under Section 31 and Section 6 & 7 of schedule II of the Canada Mining Regulations and valued in the amount of \$ 47,744.53

Date 31 MAR 05 Chief LAC

APEX Geoscience Ltd.

February 2005

D.J. Bessserer  
K.J. Raffle

**ASSESSMENT REPORT**  
**PERMITS 2642, 2646 and 2661**  
**MELVILLE PENINSULA, NUNAVUT TERRITORY**

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**ASSESSMENT REPORT**  
**PROSPECTING PERMITS 2642, 2646, 2661**  
**EAST SOUTH AVIAT PROPERTY**  
**MELVILLE PENINSULA, NUNAVUT TERRITORY**

**SUMMARY**

Prospecting Permits 2642, 2646, and 2661 (collectively "The Permits") are situated on the southeastern portion of the Melville Peninsula, which lies between the Hudson Bay and the northwestern half of Baffin Island. The total area of the Permits is 109,988 acres and the property is centred within National Topographic System, 1:250,000 scale map sheets 46O and 46P.

During the 2004 summer field season, an APEX Geoscience Ltd. exploration crew collected a total of 45 till samples on the Permits, during the time period of July 28 – August 11. Previous sampling was conducted across the Permits and surrounding region in 2003.

Till samples collected in 2004 were shipped to Microlithics Inc. laboratory in Thunder Bay, Ontario. After processing at Microlithics Inc. grain concentrates were forwarded to I & M Morrison Geological Services Ltd. in Delta, British Columbia where they were picked for diamond indicator minerals. The visual picking results are presented as representation work in this assessment filing.

The approximate cost to conduct the 2004 exploration program on the Permits was \$48,061.71.

## **INTRODUCTION**

### **Terms of Reference**

APEX Geoscience Ltd. (APEX) was retained in the spring of 2003 as consultants by Stornoway Diamond Corporation (Stornoway), to conduct and manage an exploration programs on Stornoway's East South Aviat property (East South Aviat). The Permits that are the subject of this report form a portion of the East South Aviat Property. This report has been prepared on the basis of available published and unpublished material provided by Stornoway and fieldwork conducted within the East South Aviat property by APEX during the summer of 2004.

In late 2004 an Assessment report was filed (Besserer and Maynes, 2004; AR#084769) covering Prospecting Permits 2642-2663. As a result of that filing and results presented therein the property was reduced in size. This report covers three remaining Prospecting Permits that required the posting of bond money to maintain the Permits in good standing. This report will present 2004 data, within the 60-day time allotment, and request that all remaining bond money be recovered.

### **Property Location, Description and Accessibility**

The Permits are situated on the southeastern portion of the Melville Peninsula, which lies between the Hudson Bay and the northwestern half of Baffin Island (Figure 1). The property is located approximately 200 kilometres (km) south southeast of the town of Igloolik, Nunavut (NU) and 200 km northeast of Repulse Bay, NU.

The three prospecting permits were granted to Stornoway on February 1<sup>st</sup>, 2003. This report pertains only to exploration work conducted on the 3 permits in 2004. The property straddles the border of National Topographic (NTS) 1:250,000 scale map sheets 46O and 46P and totals 109,988 acres (Table 1, Figure 2).

**Table 1**  
**Permit Description**

<b>Permit Number</b>	<b>Area (acres)</b>	<b>Map Sheet</b>	<b>Commencement Date</b>
2642	36988	46O	February 1, 2003
2646	36505	46O	February 1, 2003
2661	36505	46P	February 1, 2003
<b>3 Permits</b>	<b>Total area: 109 998 acres</b>		

Access to the property is via Canadian North and/or First Air scheduled aircraft service from either: (a) Yellowknife, NWT to Igloolik, Nunavut; (b) Winnipeg, MB to Igloolik, Nunavut; or (c) Montreal or Ottawa to Igloolik, Nunavut via Iqaluit, Nunavut. Igloolik and is

serviced seasonally by barge, and scheduled jet service four days a week (Monday, Wednesday, Friday and Saturday). Access to the Permits was either by fixed wing Twin Otter or helicopter based out of the Storoway Camp located on the northern Melville Peninsula.

The town of Igloolik features two stores where food and limited supplies may be purchased, as well as taxi service for transportation to and from the airport. Transportation services are necessary as the airport and the landing lake for float-equipped aircraft is several kilometres from the town site. On a calm day, float equipped aircraft can land in the ocean harbor in the Hamlet of Igloolik, however this is typically not recommended.

The climate is typical of the eastern sub-arctic, being cold in the winter (-20 to -45 degrees Celsius) and mild in the summer (5 to 15 degrees Celsius). Precipitation is moderate. Fog is often a problem near the coast during the summer and fall months.

During the summer months no aircraft are based in Igloolik although fixed wing aircraft and helicopter can be chartered on a casual or full time basis. Some services are available in Igloolik, including groceries and hotel. Anything that is not available in Igloolik can be shipped directly from Yellowknife, Edmonton, Iqaluit, Ottawa or Montreal via the scheduled air service. There is no infrastructure at or near the property and the property has not been legally surveyed.

There is little topographic variance at or near the property and surrounding areas. Shallow lakes, creeks, rivers and swamps are common throughout. Higher elevation and more rugged terrain occur on the west coast. Extensive, thin glacial deposits (till) occur throughout the property, as outcrops are limited to about 10 % in the central part of the properties and up to 70% in some of the southwestern most properties. Lichens, moss, grasses and small scrubs are typical of the vegetation present.

## **REGIONAL GEOLOGY**

Melville Peninsula is in the northern part of the Churchill Structural Province of the Precambrian Canadian Shield. It forms a horst between Foxe Basin and Committee Bay. Melville Peninsula is underlain by Archean tonalite-granodiorite gneiss, Archean Prince Albert Group metasedimentary and metavolcanic rocks, Archean granites of the Hall Lake Plutonic Complex, Aphebian Penrhyn Group metasedimentary rocks, Helikian sandstones and conglomerates of the Folster Lake Formation and Fury and Hecla Supergroup, Archean to Proterozoic metadiabase and diabase dykes, and early Paleozoic carbonate rocks (Figure 3). Extensive areas are covered by Quaternary glacial drift.

The oldest rocks at Melville Peninsula comprise partially retrograded tonalite-granodiorite gneisses, which are cut in places by leucogranite dykes and metamorphosed mafic sills and dykes (Schau, 1993). Supracrustal rocks of the Prince Albert Group unconformably overlie the gneisses (Figure 3). The term Prince Albert Group was introduced by Heywood (1967) to *refer to a sequence of Aphebian (early Proterozoic) or*

*Archean metamorphosed sedimentary and volcanic rocks", which exist mainly in two belts at Melville Peninsula and one belt southwest of Committee Bay. Subsequent geological and isotopic analyses by Frisch and Goulet (1975) and Schau (1975) determined that the Prince Albert Group is, in fact, Archean in age. Schau (1993) described the Prince Albert Group as "a volcanogenic sequence containing meta-ultramafic rocks, metabasalt, acid volcanic rocks, quartzite, banded iron formations, as well as more common pelitic and other clastic metasedimentary rocks".*

The Prince Albert Group is exposed in numerous belts and in a few isolated rafts on Melville Peninsula (Figure 3). The largest belt is up to 20 km wide and extends from west-central Melville Peninsula, northeastwards to Roche Bay, then strikes northwards past Hall Lake, a total distance of nearly 200 km. The other belts and rafts of Prince Albert Group rocks are up to 55 km long and 10 km wide.

The tonalite-granodiorite gneiss and Prince Albert Group were intruded by late Archean metagabbroic stocks, then deformed by a complex series of folds and faults, and finally were metamorphosed and intruded by granites of the Hall Lake Plutonic Complex. Metamorphism in the late Archean reached upper amphibolite grade throughout most of Melville Peninsula, but ranged from greenschist grade in a few regions on the east coast, through granulite grade in the northwest part of the Peninsula.

The Melville Peninsula was uplifted during the Helikian (middle Proterozoic), and cut by numerous east-southeast trending 'latitudinal faults' (Schau, 1993). These latitudinal faults occur throughout Melville Peninsula, but are more common in the north half of the Peninsula. A few granitic stocks are emplaced along these latitudinal fault zones. Sandstone and conglomerate clastic sequences were deposited later in the Helikian, first in the Folster Lake Formation on the west coast, then in the Fury and Hecla Supergroup on the north coast of Melville Peninsula. Diabase dykes, first of the Mackenzie series then of the Franklin Series, were intruded into all of the above rock units during the late Helikian and Hadrynian (upper Proterozoic). Ordovician carbonate rocks were deposited both on the east coast and adjacent to the west coast of Melville Peninsula, and are the youngest rock units that are preserved. Renewed uplift of Melville Peninsula to near its present erosional surface occurred during the Devonian and Cretaceous. Finally, thick glacial sediments were deposited in places on the west coast during the Quaternary (Besserer, 1995).

Oxide and silicate facies iron formations are common within the major belts of the Prince Albert Group. On a regional scale, iron formations are associated with mafic metavolcanic rocks (amphibolites). Locally, however, iron formations may be associated with pelitic schist, meta-conglomerate or meta-rhyolite (Frisch, 1982). In places, the iron formations in the Prince Albert Group are intensely gossanous due to the weathering of sulphide-bearing zones. At present, no definite correlation has been recognized between gold concentrations and the type of iron formation, or between gold concentrations and sulphide concentrations. Sulphide-bearing zones in silicate or oxide iron formation may have formed as a result of primary volcanic exhalative processes and/or by secondary sulphidization along faults or other structural breaks.

Gossanous and rusty-weathering zones are also present in several other rock units at Melville Peninsula. For example, in the Penrhyn Group, rusty-weathering horizons of quartz-graphite schist are widespread. At northwestern Melville Peninsula, northeast-trending high strain zones are typically highly rusty and contain up to 5 volume per cent pyrite as an accessory mineral. Rusty, sulphide-bearing zones are also present in the contact aureoles that surround some granitic and mafic intrusions.

## **PREVIOUS EXPLORATION**

Heywood (1967) conducted the first systematic geological mapping of the southern half of Melville Peninsula at a scale of 1:506,880. Parts of southern Melville Peninsula have since been remapped by Frisch (1982) at a scale of 1:250,000, and by Henderson (1983, 1987) at a scale of 1:100,000. Schau (1981, 1993) has mapped northern Melville Peninsula at scales of 1:125,000 and 1:500,000. Airborne magnetic surveys have been performed over the entire Melville Peninsula, including NTS map areas 46M, N, O, P and 47A, B and C by the Geological Survey of Canada (GSC) (1978a,b,c,d,e,f).

Several companies have carried out mineral exploration at Melville Peninsula since the late 1960s, although there is no record of precious metals exploration being performed prior to 1983. Borealis Exploration Ltd. (Borealis) carried out work to delineate magnetite iron ore deposits within both eastern and western Melville Peninsula from 1968 to 1970 and 1979 to 1983. This work comprised both airborne and ground magnetic and electromagnetic surveying, geological mapping, rock sampling and diamond drilling (Walls, 1986). Aquitaine Company of Canada Limited performed magnetic, electromagnetic and radiometric surveys, prospecting, sampling and geological mapping over parts of southern Melville Peninsula between 1970 and 1973 (Ibid.). Noranda Exploration Company Ltd. evaluated claims in western Melville Peninsula for uranium and molybdenum mineralized zones between 1976 and 1980 (Ibid.). Cominco Ltd. performed geochemical lake sediment sampling for base metal mineralized zones over parts of southern Melville Peninsula in 1980 (Ibid.).

From 1983 to 1986, Borealis conducted precious metals exploration on several prospecting permits and mineral leases in southern, eastern and western Melville Peninsula. The highest gold assay, which was reported from their fieldwork, is 3.3 g Au/t from a gossan zone in rusty pelitic gneiss in south-central Melville Peninsula (Walls, 1986). As well, Borealis reported a gold assay of 5.82 g Au/t in non-magnetic tailings from iron ore analyses, in drill core from their mineral leases near Roche Bay (Ashley *et al.*, 1983). In 1993, Borealis was granted Prospecting Permits 1312 and 1313 on southern and eastern Melville Peninsula, respectively, presumably to continue their exploration for gold.

BHP Minerals Canada Ltd. commenced exploration for base metal mineralised zones on Prospecting Permits 1465 to 1476 on southern Melville Peninsula in 1994 (C. Marmont, *Pers. Comm.*, 1994). Gossanous metasediments with two minor zinc showings, graphite and pyrrhotite occurrences were identified in the Penrhyn Basin (Marmont, 1995).

In 1996, they continued not only their base metal exploration, but gold as well, which included geological mapping and geochemical sampling. Base metal anomalies (up to 1.0% Zn and 0.6% Cu), associated with gossanous pelitic gneiss, were identified during their 1996 exploration (MacConnel and Harrison, 1996).

During 1994, APEX conducted exploration for gold at selected parts of the Melville Peninsula on behalf of Melville Joint Venture (MJV). The main intent of this program was to evaluate the potential of metasedimentary and metavolcanic rocks of the Archean Prince Albert Group, as well as selected locales underlain by the Aphebian Penrhyn Group, to host gold-bearing zones. This was accomplished by examining potentially gold-bearing gossans and sulphide occurrences, which had been compiled from existing Geological Survey of Canada maps and industry assessment reports. As well, airborne prospecting was performed along prospective metasedimentary and metavolcanic belts, and along aeromagnetic anomalies that had been identified from government maps. The result was the gold being hosted in the sulphidic zones within iron formations, metasedimentary rocks, metavolcanic rocks and high strain zones in Archean rocks (Besserer, 1995).

During the summer of 2001 Hunter Exploration Group (Hunter) conducted a regional reconnaissance diamond exploration program over portions of the northern and eastern Melville Peninsula. In the following year APEX conducted exploration on behalf of Northern Empire Minerals Ltd. designed to follow up on indicator mineral anomalies generated by Hunter during 2001.

Previous till sampling was conducted during 2003 on the permits that are the subject of this report and on the surrounding area. The results of this work was filed in assessment report A-084769 covering Prospecting Permits 2642-2663 (Besserer and Maynes, 2004). The report presented pick results for silicate minerals only and identified four possible indicator anomalies. The first, consisting primarily of possible olivine grains and lesser clinopyroxene, occurred within permits 2652, 2653 and 2654. These three Prospecting Permits have since been relinquished. The second anomaly within Prospecting Permit 2642 consisted of up to 5-grain counts combined of possible olivine, eclogite and pyrope. The third and fourth anomalies occurred along the southern and western boundaries of Prospecting Permit 2646 and consisted of up to 20-grain counts combined of possible olivine, eclogite and pyrope.

## **2004 EXPLORATION**

### **Personnel and Logistics**

The APEX crew consisted of four personnel (Appendix 1), and were mobilized to the field during late July 2004, via jet service from Edmonton, Alberta to Rankin Inlet, NU, and then by Twin Otter to Igloolik, NU. Despite the availability of the commercial flight from Iqaluit, NU, it proved to be more cost efficient to mobilize via chartered aircraft from Rankin Inlet, due to the number of personnel and equipment. In addition, three local employees were hired upon arrival to Igloolik (Appendix 1). The 2004 exploration program was supported by and Arctic Sunwest Charters Twin-Otter aircraft and a Great Slave

Helicopters EC-120 helicopter. Exploration crews were based out of a small fly-camp located near the property and were supported by a Twin-Otter based in Igloolik. Sampling of Prospecting Permits 2642, 2646, and 2661 was conducted between the dates of July 28 and August 11, 2004.

### **Till Sampling**

Sampling on the Permits in 2004 consisted of 45 glacial till samples (Figure 4).

### **Sampling Methodology**

Glacial till samples collected during the regional sampling program at the East South Aviat property were sampled mostly from active frost boils. Approximately 20 kg of material was collected from each sample site. In general, good quality clay bearing, undisturbed glacial till was recovered; however, in areas of high topographic relief, glacial till was typically eroded and/or reworked. This, in places, led to the lack of high quality till sample sites and the sampling, but the sampling of sand-rich "reworked" tills.

Samples were collected along lines oriented north-south (000 degree azimuth) due to uncertainties surrounding the direction of glacial movement. Sample lines and samples were spaced at 500m intervals within permit 2642 and 2Km intervals within permits 2646 and 2661 in an effort to evenly cover indicator mineral anomalies generated during 2003. Sample locations were determined by overlaying a sampling grid created using AutoCAD on 1:50,000 digital topography thereby creating a series of idealized sample locations.

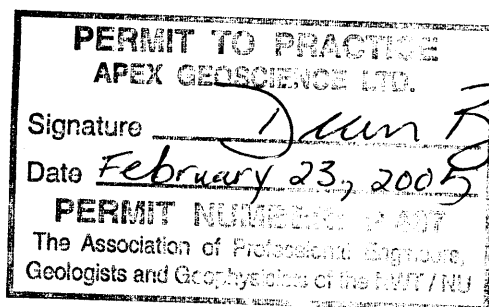
Each sample was double bagged in a plastic and rice bag, and tied with plastic cable straps. A 40 cm length of wooden lath (1/4" by 2" spruce) marked with the sample identifier was placed in the ground at each sample site. A sample card was completed for each sample site/sample, which contains information specific to the sample medium, area, location, etc. Approximately 5% of all till samples were collected in duplicate for QAQC purposes. Duplicate samples were collected from same sample site and were identified with a "D" following the sample number. All sample locations were recorded using a Global Positioning Unit (hand-held GPS, Garmin ® 12XL) and Universal Transverse Mercator Projection, North American Datum 1927 in their respective zones (16 or 17 North). Appendix 2 contains the sample locations and descriptions.

### **Sample Shipment and Handling**

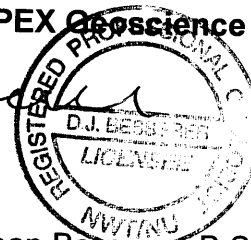
The samples collected within the Permits were taken to Igloolik by tundra tire equipped twin otter fixed wing aircraft, where they were packed in lumber crates for shipment on the Sea Lift ship that departed Igloolik in September 2004. These samples were trucked to Microlithics Inc., in Thunder Bay, Ontario. The authors have no reason to believe that the security of the samples was compromised other than those samples that were obviously damaged during transport. All the samples were processed and picked for diamond indicator minerals (DIM) at I&M Morrison in Delta, B.C.

## 2004 TILL SAMPLING EXPENDITURES

The approximate cost to conduct the 2004 exploration program on the East South Aviat property thereon was \$48,061.71. A detailed breakdown of the expenses is presented in Appendix 4.



APEX Geoscience Ltd.



Dean Besserer, B.Sc., P.Geol

A handwritten signature in cursive script.

Kris Raffle, B.Sc.

February 2005  
Edmonton, Alberta

## **REFERENCES**

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## **CERTIFICATION**

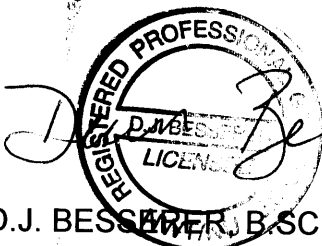
I, D.J. BESSERER OF 131 FOXBORO LANDING, EDMONTON, ALBERTA, CERTIFY AND DECLARE THAT I AM A GRADUATE OF THE UNIVERSITY OF WESTERN ONTARIO, LONDON WITH A B.SC. DEGREE IN GEOLOGY (1994). I AM REGISTERED AS A PROFESSIONAL GEOLOGIST WITH THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS AND GEOPHYSICISTS OF ALBERTA.

MY EXPERIENCE INCLUDES SERVICE AS A CONTRACT GEOLOGICAL ASSISTANT WITH THE MINISTRY OF NORTHERN DEVELOPMENT AND MINES, ONTARIO, FROM 1991 TO 1992 AND THE GEOLOGICAL SURVEY OF CANADA, OTTAWA IN 1993. FROM 1994 TO 1999, I HAVE CONDUCTED AND DIRECTED PERMIT EXAMINATIONS AND EXPLORATION PROGRAMS ON BEHALF OF COMPANIES AS A GEOLOGIST IN THE EMPLOY OF APEX GEOSCIENCE LTD. SINCE JANUARY 2000, I HAVE BEEN A PRINCIPAL AND SHAREHOLDER OF APEX GEOSCIENCE LTD.

I HAVE NO INTEREST, DIRECT OR INDIRECT, IN THE PERMITS THAT ARE SUBJECT OF THIS REPORT OR SECURITIES OF STORNOWAY DIAMOND CORPORATION, NOR DO I EXPECT TO RECEIVE SUCH INTEREST. AS WELL, APEX GEOSCIENCE LTD. HAS NO INTEREST, DIRECT OR INDIRECT, IN THE PERMITS, OR SECURITIES OF STORNOWAY DIAMOND CORPORATION, NOR DOES IT EXPECT TO RECEIVE SUCH INTEREST.

THIS REPORT ENTITLED "**ASSESSMENT REPORT PERMITS 2642, 2646 AND 2641 MELVILLE PENINSULA, NUNAVUT TERRITORY**" IS BASED UPON THE STUDY OF PUBLISHED AND UNPUBLISHED DATA AND FIELD EXAMINATIONS CONDUCTED THEREON. I HAVE PERSONALLY VISITED THE PERMITS THAT ARE THE SUBJECT OF THIS REPORT.

I HEREBY GRANT STORNOWAY DIAMOND CORPORATION OF VANCOUVER, BRITISH COLUMBIA, CANADA, PERMISSION TO USE THIS REPORT.

  
D.J. BESSERER, B.SC., P.GEOL.

FEBRUARY 2005  
EDMONTON, ALBERTA

**CERTIFICATION**

I, K.J. RAFFLE OF 1413-13910 STONY PLAIN ROAD, EDMONTON, ALBERTA, CERTIFY AND DECLARE THAT I AM A GRADUATE OF THE UNIVERSITY OF BRITISH COLUMBIA, VANCOUVER WITH A B.SC. DEGREE IN GEOLOGY (2000).

MY EXPERIENCE INCLUDES SERVICE AS A CONTRACT GEOLOGICAL ASSISTANT WITH THE CANADIAN ZINC CORPORATION, DURING 2000 AND AS GEOLOGIST WITH DE BEERS CANADA FROM 2001 TO 2002. FROM 2003 TO 2004, I HAVE CONDUCTED EXPLORATION ON BEHALF OF COMPANIES AS A GEOLOGIST IN THE EMPLOY OF APEX GEOSCIENCE LTD. SINCE SEPTEMBER 2003, I HAVE CONDUCTED PERMIT EXAMINATIONS AND EXPLORATION PROGRAMS AS A PROJECT GEOLOGIST FOR APEX GEOSCIENCE LTD.

I HAVE NO INTEREST, DIRECT OR INDIRECT, IN THE PERMITS THAT ARE SUBJECT OF THIS REPORT OR SECURITIES OF STORNOWAY DIAMOND CORPORATION, NOR DO I EXPECT TO RECEIVE SUCH INTEREST. AS WELL, APEX GEOSCIENCE LTD. HAS NO INTEREST, DIRECT OR INDIRECT, IN THE PERMITS, OR SECURITIES OF STORNOWAY DIAMOND CORPORATION, NOR DOES IT EXPECT TO RECEIVE SUCH INTEREST.

THIS REPORT ENTITLED " **ASSESSMENT REPORT PERMITS 2642, 2646 AND 2641 MELVILLE PENINSULA, NUNAVUT TERRITORY** " IS BASED UPON THE STUDY OF PUBLISHED AND UNPUBLISHED DATA AND FIELD EXAMINATIONS CONDUCTED THEREON. I HAVE PERSONALLY VISITED THE PERMITS THAT ARE THE SUBJECT OF THIS REPORT.

I HEREBY GRANT STORNOWAY DIAMOND CORPORATION OF VANCOUVER, BRITISH COLUMBIA, CANADA, PERMISSION TO USE THIS REPORT.



K.J. RAFFLE, B.SC.

FEBRUARY 2005  
EDMONTON, ALBERTA

**APPENDIX 1**  
**2004 Field Personnel**  
**Stornoway Diamond Corp.**

**2004 Field Personnel**  
**Stornoway Diamond Corp.**

Name	Position	Address	Days	Number
Dean Besserer	Senior Supervisory Geologist	131 Foxboro Landing, Sherwood Park, AB T8A 6C9	July 28 - Aug 11	15
Kris Raffle	Project Geologist	1413-13910 Stony Plain Rd., Edmonton, AB T5N 3R2	July 28 - Aug 11	15
Barbara Kupsch	Geologist	47 Lorraine Crescent, St. Albert, AB T8N 2R4	July 28 - Aug 11	15
Tara Gunson	Geological Assistant	11923-129 Ave., Edmonton, AB T5E 0N4	July 28 - Aug 11	15
Jimmy Kappianaq	Geological Assistant	PO Box 86, Igloolik, NV X0A 0L0	July 28 - Aug 11	15
Charlie Qulitalic	Cook	PO Box 292, Igloolik, NV X0A 0L0	July 28 - Aug 11	15
Harry Ittusardjuat	Wildlife Monitor	PO Box 346, Igloolik, NV X0A 0L0	July 28 - Aug 11	15
Don McManus	Helicopter Pilot	106 Dickens St., Yellowknife, NT 2R3 X1A	July 28 - Aug 11	15
Frank Allard	Twin-Otter Pilot	100 Dickens St., Yellowknife, NT 2P4 X1A	July 28 - Aug 11	15
Peter Orasi	Twin-Otter Co-Pilot	100 Dickens St., Yellowknife, NT 2P4 X1A	July 28 - Aug 11	15

**APPENDIX 2**  
**2004 Pick Results**  
**Stornoway Diamond Corp.**

**Stornoway Diamond Corp.**  
**2004 Till Sample Locations**  
**and Indicator Pick Results**

Sample Number	Permit Number	UTM (Nad 27 Zone 17)		Picked Indicator Minerals							
		Easting	Northing	Pyrope	Eclogite	Ilmenite	Chromite	Chrome Diopside	Olivine	Diamond	Total
04BKT341	2646	450216	7501577	0	0	0	0	0	0	0	0
04BKT344	2646	452000	7501700	0	4	0	0	0	0	0	4
04BKT345	2646	451969	7503976	0	2	0	0	0	0	0	2
04BKT346	2646	451979	7507701	0	0	0	0	0	0	0	0
04BKT347	2646	452123	7509961	0	2	1	0	0	0	0	3
04BKT348	2646	452118	7513849	0	1	0	0	0	0	0	1
04BKT350	2646	454136	7513657	0	0	2	0	0	0	0	2
04BKT351	2646	453883	7505982	0	0	0	0	0	0	0	0
04BKT352	2646	453964	7503840	0	2	1	0	0	0	0	3
04BKT353	2646	454002	7501983	0	3	0	0	0	2	0	5
04BKT356	2646	456247	7501581	0	4	0	0	0	2	0	6
04BKT357	2646	456055	7503693	0	3	1	0	0	0	0	4
04BKT358	2646	455993	7505940	0	4	5	1	0	2	0	12
04BKT359	2646	455938	7513757	0	0	0	0	0	0	0	0
04BKT366	2661	457988	7513700	0	1	1	0	0	0	0	2
04BKT367	2661	457770	7508000	0	2	8	1	0	0	0	11
04BKT368	2661	458084	7505643	2	3	0	0	0	0	0	5
04BKT369	2661	457908	7503677	0	4	0	0	0	0	0	4
04BKT370	2661	458071	7501673	0	2	1	0	0	0	0	3
04BKT373	2661	460065	7501679	0	3	0	0	0	0	0	3
04BKT374	2661	460027	7507488	1	14	4	0	0	0	0	19
04BKT375	2661	459403	7510199	2	3	1	0	0	0	0	6
04BKT377	2661	461835	7513852	0	2	1	0	0	0	0	3
04BKT378	2661	462093	7511737	0	0	0	0	0	0	0	0
04BKT379	2661	462325	7501368	0	0	4	0	0	0	0	4
04BKT381	2661	463890	7513995	0	0	0	0	0	0	0	0
04BKT382	2661	463972	7511884	0	3	1	0	0	0	0	4
04BKT383	2661	463924	7505801	0	2	3	0	0	0	0	5
04BKT384	2661	463847	7503481	0	5	10	1	0	0	0	16
04BKT399	2642	441423	7482869	0	0	0	0	0	0	0	0
04BKT400	2642	441402	7483413	0	2	2	0	0	0	0	4
04BKT400D	2642	441402	7483413	1	2	2	0	0	0	0	5
04BKT401	2642	441426	7483890	0	0	1	0	0	0	0	1
04BKT402	2642	441915	7482342	0	0	0	0	0	0	0	0
04BKT403	2642	441926	7482924	0	5	0	0	0	0	0	5
04BKT404	2642	441909	7484370	0	1	0	1	0	0	0	2
04BKT405	2642	441947	7484941	1	4	0	0	0	0	0	5
04BKT406	2642	441918	7485392	2	6	0	0	0	0	0	8
04BKT407	2642	441970	7485889	2	1	1	0	0	0	0	4
04BKT408	2642	442406	7483821	1	2	1	0	0	0	0	4
04BKT409	2642	442553	7484832	0	5	0	0	0	0	0	5
04BKT410	2642	442408	7485379	0	10	0	0	0	0	0	10
04BKT411	2642	442859	7484943	0	4	0	0	0	0	0	4
04BKT412	2642	442962	7485407	0	7	0	0	0	0	0	7
04BKT413	2642	443394	7485410	0	1	1	0	0	0	0	2

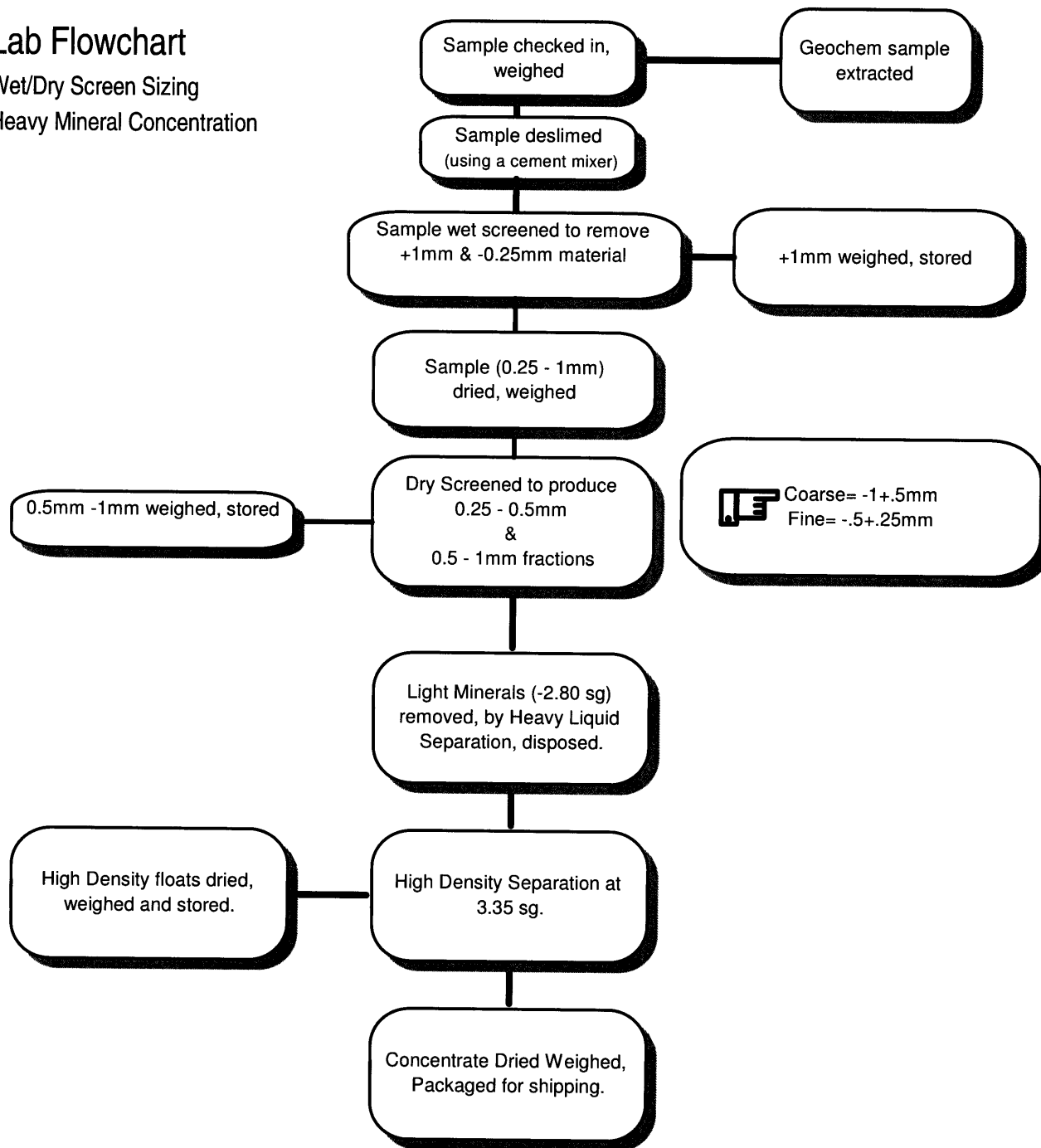
**Total 193**

**APPENDIX 3**  
**Microlithics Methodology Flowchart**  
**Stornoway Diamond Corp.**

# Lab Flowchart

Wet/Dry Screen Sizing

Heavy Mineral Concentration



**APPENDIX 4**  
**2004 Till Sampling Expenditures**  
**Stornoway Diamond Corp.**

**2004 Till Sampling Expenditures**  
**Stornoway Diamond Corp.**

<b>Salary/Wages</b>			
Field personnel	Apex Personnel (61.7 hours)	\$	1,896.30
	Igloolik Personnel (17.1 hours)	\$	415.63
<b>Salary/Wages subtotal</b>		<b>\$</b>	<b>2,311.93</b>
<b>Field Related Costs</b>			
Helicopter (incl. fuel)	Flight Charges (EC-120, CG-RTN, \$1025 / hr x 13.91 hr)	\$	14,257.75
	Fuel Charges SWY (\$588.11 / drum x 10.7 drums)	\$	6,292.78
Fixed Wing (incl. Fuel)	Arctic Sunwest Charters (\$8.45 / Statute Mile x 457.57 sm)	\$	3,866.47
	Fuel Charges SWY (\$588.11 / drum x 4.28 drums)	\$	2,517.11
Accommodation	Trudy Pettigrew Rental of house 37-012 Igloolik \$4000 / month x 2 weeks (portion of total split with other projects)	\$	2,000.00
Food	Igloolik Northern / Igloolik CO-OP	\$	1,401.74
Travel and related costs	Portion of airfare shared with other projects: First Air D.Besserer, K.Raffle, B.Kupsch, T.Gunson(July 21 YEG-YRT return Oct 16, Oct 25)	\$	2,759.30
Freight (samples)	NU Sealink Maritime Transport Charges (NU to QC)	\$	698.64
	Kindersley Transport (QC to ON)	\$	611.31
Freight (field supplies)	Canadian North / First Air	\$	436.65
Vehicle and equipment rentals	Carl's Woodworking: Rental of Ford pickup Igloolik (\$150 / day x 5 days)	\$	750.00
	Terraplus: KT-9 susceptibility meter Jul 21- Oct 18 (portion of invoice)	\$	267.18
	Glentel (radio / globalstar rental rental)	\$	160.31
Field supplies	Portion of invoices split with other projects: Super Poly Ltd. (sample bags Inv#200406210, Inv#200407243), Cansel (Garmin 12XL, fieldbooks), Weaver and Devore Trading (purchase of Heat Mater Stove, stove pipe/raincaps, foamies) LeDrew Lumber (lumber for sample crates)	\$	2,440.26
<b>Field Related Costs Subtotal</b>		<b>\$</b>	<b>38,459.50</b>
<b>Non Field Related Costs</b>			
Analytical	Microlithics (sample processing), I&M Morrison Geological (sample picking) \$6576.42 / 45 = \$146.14 per sample	\$	6,576.42
Communications	Allstream long distance Igloolik / Globalstar monthly charges	\$	36.77
Report Preparation	Report writing (K. Raffle, 4.84 days x \$140/day)	\$	677.10
<b>Non-field Related Costs Subtotal</b>		<b>\$</b>	<b>7,290.29</b>
<b>TOTAL</b>		<b>\$</b>	<b>48,061.71</b>

**Cost per sample:**

Field related costs / Number of samples = Cost per sample

2004 Till Sampling Expenditures  
Stornoway Diamond Corp.

\$854.66

**Other expenses per permit:**

Non field related costs	\$	2,311.93
	\$	<u>7,290.29</u>
	\$	9,602.21

Total (other expenses) / # of samples = Cost of other expenses per sample

\$ 213.38

Total Cost per sample = \$ 1,068.04

**Costs per Permit:**

Permit Number	# of samples	Sample cost for permit	Total cost for permit	Acres	Work Required	Excess
2642	16	\$ 13,674.49	\$ 17,088.61	36,988	\$ 14,795.20	\$ 2,293.41
2646	14	\$ 11,965.18	\$ 14,952.53	36,505	\$ 14,602.00	\$ 350.53
2661	15	\$ 12,819.83	\$ 16,020.57	36,505	\$ 14,602.00	\$ 1,418.57
	45	\$ 38,459.50	\$ 48,061.71	109,998	\$ 43,999.20	\$ 4,062.51