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Indicator Minerals Inc.

ASSESSMENT REPORT ON THE NANIRUAQ PROPERTY
2004 EXPLORATION PROGRAM

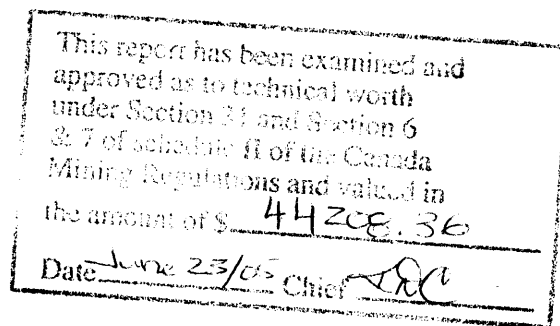
PROSPECTING PERMITS: 4879 to 4884 and 4886
Kivalliq Region, Nunavut

NTS 56B/04, 05, 12, 13 and 56G/04, 05, 12

NORTH CHESTERFIELD INLET REGION, NUNAVUT

WORK PERFORMED

HEAVY MINERAL SAMPLING: SEPTEMBER 25-30, 2004



Johanna Tuck
Dave Kelsch
March 23, 2005

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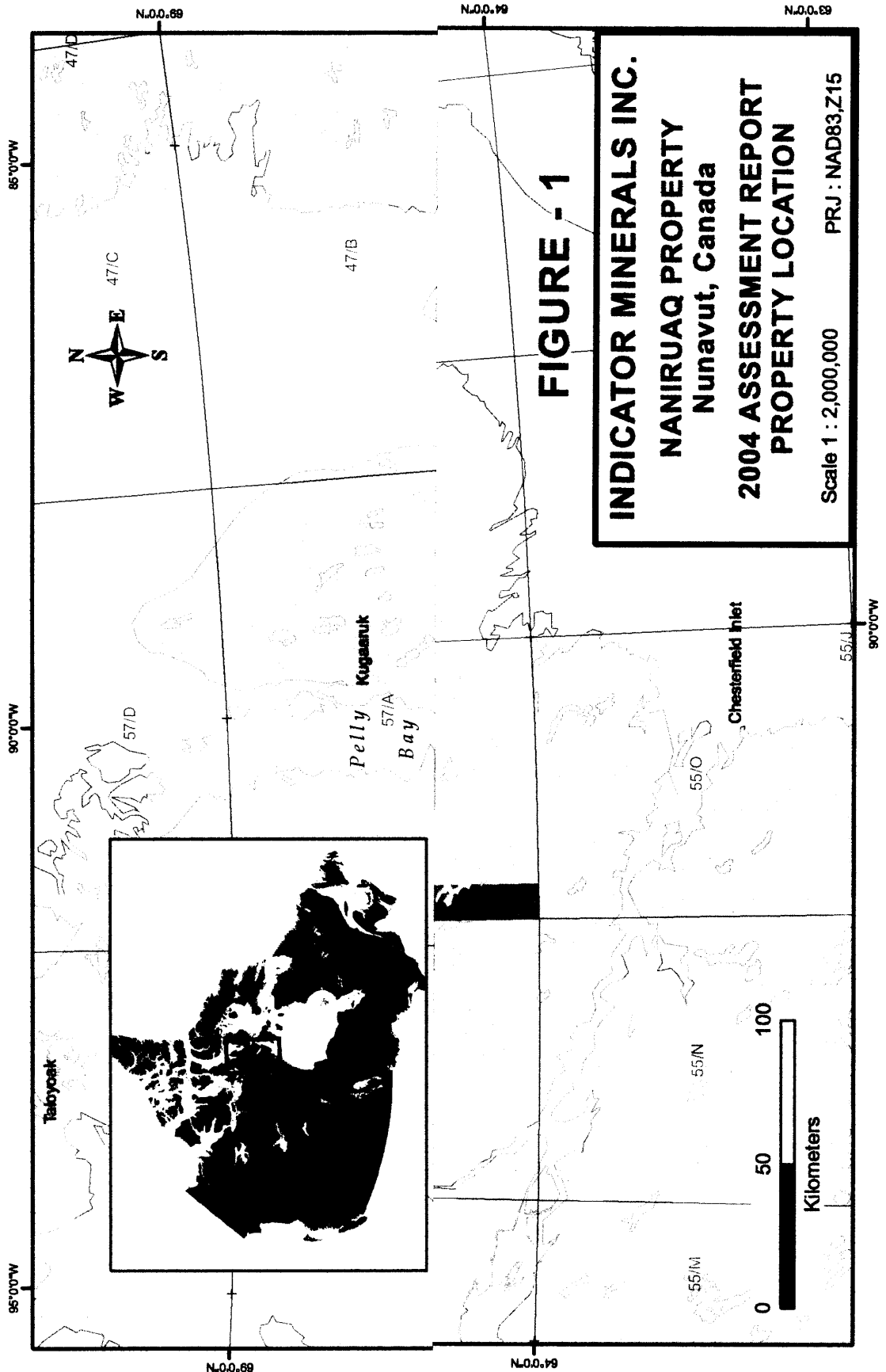


FIGURE - 1

INDICATOR MINERALS INC.

NANIRUAQ PROPERTY

Nunavut, Canada

2004 ASSESSMENT REPORT

PROPERTY LOCATION

Scale 1 : 2,000,000

PRJ : NAD83,Z15

The field crews were based from the community of Chesterfield Inlet. The property was accessed daily by a Great Slave Helicopter Ltd. Bell 206 Long Ranger. All field supplies such as fuel, sample equipment etc. were sent to Rankin Inlet, Nunavut via Canadian North and/or First Air scheduled aircraft service from either: (a) Yellowknife, NWT to Rankin Inlet, Nunavut; (b) Winnipeg, MB to Rankin Inlet, Nunavut; or (c) Montreal or Ottawa to Rankin Inlet, Nunavut via Iqaluit, Nunavut. A chartered twin otter based in Rankin Inlet brought in fuel, field supplies and field crews when required to the community.

The climate is typical of the eastern sub-arctic to Arctic Island, being cold in the winter (minus 20 to minus 45 degrees celsius) and mild in the summer (5 to 15 degrees celcius). Precipitation is moderate. Fog is often a problem in the low lands and coastal regions during the late summer and fall months.

There is little topographic variance at or near the property and surrounding areas. Shallow lakes, creeks, rivers and swamps are common throughout. Extensive, thin glacial deposits (till) occur throughout the property, with limited outcrop exposure. Lichens, moss, grasses and small scrubs are typical of the vegetation present.

HISTORY

There is no history of mineral claims being staked or prospecting permits being issued for the properties and there is no public record of diamond exploration within the area of the current permits.

GEOLOGICAL SETTING

The area underlain by these permits is located within the Rae domain of the Churchill Province. The bedrock geology of the area has not been very well documented with the scale of mapping mainly at the regional level (Figure 2) (Heywood, 1967). The area is underlain by mixed gneisses, granites, and granulite terrains of the Aqxarnek Gneisses (Schau and Tella, 1993). The gneisses are comprised of high grade metamorphic complexes and are thought to represent a stacked succession that represents upper and middle portions of the Archean continental crust (Schau and Tella, 1993). More detailed field investigations have been conducted closer to Wager Bay (Jefferson et al., 1991). The Wager Bay Shear zone is the dominant structural feature in the area and its various splays and horsetails trend in an eastwest^{direction} across the northern section of permits. The fault zone is near vertical and displays dextral movement. The precursors to the Aqxarnek gneisses are likely the undifferentiated mixed granitic rocks of Archean and possibly Paleoproterozoic (Aphebian). These include pink and grey layered biotite and biotite-hornblende granodioritic, quartz dioritic and tonalitic gneisses with local enclaves of supracrustal rocks, granitic augen gneisses and migmatitic granites. Remnants and preserved slivers of the supracrustal rocks include biotite paragneiss, feldspathic quartzite, sillimanite schist and thin, discontinuous boudinaged units of amphibolite and ultramafic rocks. The properties lie on the southern side of the Keewatin Ice divide and the quaternary geology has been mapped at reconnaissance scale (1:1,000,000, Aylsworth and Shilts, 1989). Surficial sediments are comprised of undifferentiated surficial materials, consisting mainly of tills but can include minor areas of organic, fluvial, lacustrine, and glaciofluvial deposits and minor areas of bedrock outcrop. The dominant ice flow direction is to the southeast.

INTRODUCTION

Indicator Minerals Inc. (IME) has been involved in kimberlite exploration in the Northwest Territories and Nunavut since March, 2004. The Naniruaq property is located in the north Chesterfield Inlet Region of Nunavut, IME conducted an extensive heavy mineral sampling program to explore for primary diamond deposits.

This report documents heavy mineral sample work conducted from September 25 to September 30, 2004 on the 6 prospecting permits, 4879 to 4884 and 4886, totaling 247,911 acres that comprise the Naniruaq property. APEX Geoscience Ltd. (APEX), of Edmonton, Alberta was retained as consultants to supply field crews to complete the heavy mineral sampling program with supervision by Dave Kelsch, Dave Kelsch Consulting Ltd., Bragg Creek, Alberta.

PROPERTY DESCRIPTION AND LOCATION

The Naniruaq property is located approximately 160 km northwest of Chesterfield Inlet, Nunavut.

The property area is approximately 91° 52' 18" W, 64° 46' 12" N within the 1:50,000 scale National Topographic System (NTS) map areas 056B/04, 05, 12 and 13 and 056G/04, 05, 12, (Figure 1). The portion of the property that is being reported on is cumulatively 247,911 acres in size and consists of 6 prospecting permits 4879 to 4884 and 4886. (Figure 1; Table 1,).

No camp is established on the Naniruaq property.

Table 1 Prospecting Permits

| Prospecting Permit Number | Acreage | Hectares | Permit Holder | NTS Sheet | Recorded Date | Expiry Date |
|----------------------------------|----------------|-----------------|----------------------|------------------|----------------------|--------------------|
| 4879 | 41398 | 16753.77 | Lawrence Barry | 056B04 | 2/1/2004 | 1/31/2007 |
| 4880 | 41398 | 16753.77 | Lawrence Barry | 056B04 | 2/1/2004 | 1/31/2007 |
| 4881 | 41561 | 16819.74 | Lawrence Barry | 056B05 | 2/1/2004 | 1/31/2007 |
| 4882 | 41561 | 16819.74 | Lawrence Barry | 056B05 | 2/1/2004 | 1/31/2007 |
| 4884 | 41183 | 16666.76 | Lawrence Barry | 056B12 | 2/1/2004 | 1/31/2007 |
| 4886 | 40810 | 16515.81 | Lawrence Barry | 056B13 | 2/1/2004 | 1/31/2007 |

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the properties is via Canadian North and/or First Air scheduled aircraft service from either: (a) Yellowknife, NWT to Rankin Inlet, Nunavut; (b) Winnipeg, MB to Rankin Inlet, Nunavut; or (c) Montreal or Ottawa to Rankin Inlet, Nunavut via Iqaluit, Nunavut. There are daily scheduled flights to Chesterfield Inlet or a plane can be chartered from Rankin Inlet to Chesterfield Inlet. The communities of Rankin Inlet, and Chesterfield Inlet are serviced seasonally by barge, and scheduled jet service. The property is located approximately 160 kilometers the community of Chesterfield Inlet, and can be accessed, in part, via float or tundra tire equipped fixed wing aircraft or in their entirety by helicopter.

525000

550000

575000

7200000

Legend

Land Tenure

Others

Naniruaq Permit ID

Geology Description

gabbro diorite anorthosite

granite monzonite syenite

metasedimentary rocks

0 5 10

Kilometers

55°N

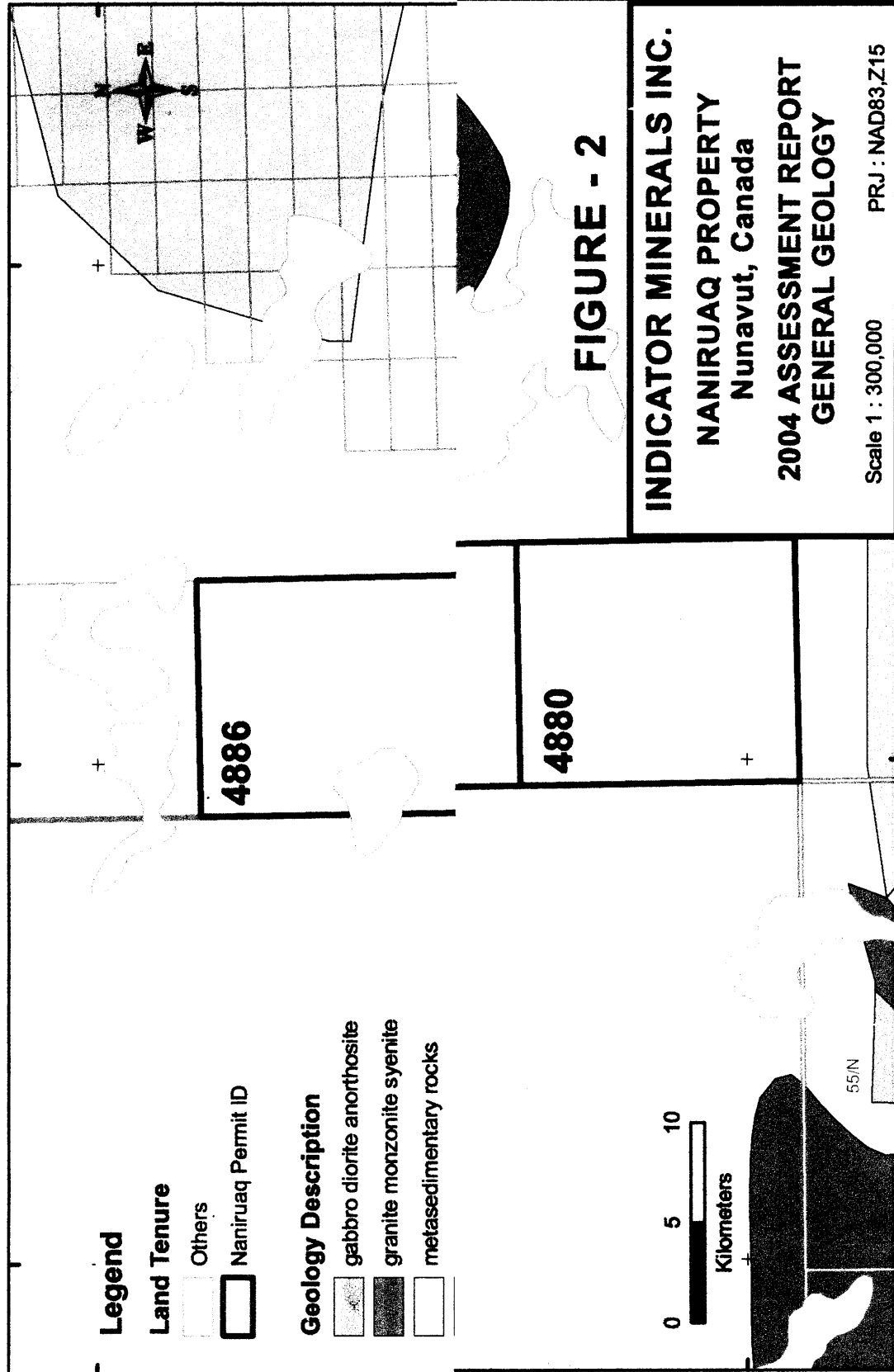


FIGURE - 2

INDICATOR MINERALS INC.

NANIRUAQ PROPERTY

Nunavut, Canada

**2004 ASSESSMENT REPORT
GENERAL GEOLOGY**

Scale 1 : 300,000

PRJ : NAD83,Z15

525000

550000

575000

7100000

7000000

2004 EXPLORATION PROGRAM

Sampling Method and Approach

The 2004 sampling program consisted of the collection of 30 heavy mineral samples in a rough 5 kilometer grid fashion over the permits (Figure 3). Actual sample locations are spatially represented on Figure 3. The ice direction in the project area (Aylsworth, J and Shilts, W.W., 1989) is interpreted to be from the northwest (315°) to the southeast.

Sample sizes were about twenty kilograms and samples were collected in clear plastic sample bags placed in a rice bag. The sample identifiers were written on the outside of each bag (on both sides) and a piece of flagging was placed in the bag with the sample number written on it. The sample bags were closed using zip ties. Sample descriptions were recorded on a sample card and duplicated in a field book all coordinates were acquired by a handheld global positioning system (GPS) and NTS 1:50,000 map sheet (Appendix 1). The samples were then placed within a sealed poly woven (rice) bag, for shipping, by air or barge to the Saskatchewan Research Council (SRC), Saskatoon, SK.

Sample Preparation, Interpretation and Recommendations

All 30 of the 2004 heavy minerals samples collected by APEX on the Naniruaq property, were processed by Saskatchewan Research Council (SRC). Samples processed by the SRC were also picked by the SRC.

At the SRC, in order to recover heavy mineral concentrates, weighed samples are wet sieved into 2 fractions: .25mm to 0.5mm; 0.5mm to 1.0 mm, using vibrascreens. The minus 0.25mm material and >1mm material is stored. The retained fractions are put through a permaroll to separate non-magnetic from para-magnetic mineral grains. Heavy liquid separation (tetrabromoethane (TBE) specific gravity 2.96 and methylene iodide (MI), specific gravity 3.3) is used to further concentrate heavy minerals. The heavy mineral concentrate undergoes ferromagnetic separation using a hand magnet to obtain magnetic and nonmagnetic fractions. Samples are then passed through a Frantz to obtain the final concentrates for diamond indicator mineral picking.

Heavy mineral sampling on the Naniruaq group of permits was successful in recovering numerous visually confirmed kimberlitic indicator minerals from approximately half the samples collected during the 2004 field season. Individual samples returned mineral counts as high as 50 grains each from the 0.25mm – 0.50mm size fraction.

Of the two size fractions produced by the laboratory processing, the indicator grains in the finer fraction are exponentially more populous than in the coarser fractions for indicator mineral selection. This is observed in publicly disclosed kimberlitic indicator mineral data from other regions of northern Canada (KIDD, Diand). For this reason it was decided to pick only the finer fraction before incurring additional expenses.

The regional sampling program was successful in recovering numerous visually identified olivines as well as one sample containing a single chromite and 3 samples containing chrome diopside counts of two, one and one (Figure 3, Appendix 2).

There is a concern for the lack of recovery of garnets and ilmenites. In general, as seen elsewhere in northern Canada, indicator populations (in decreasing abundance) are olivine, ilmenite, garnet

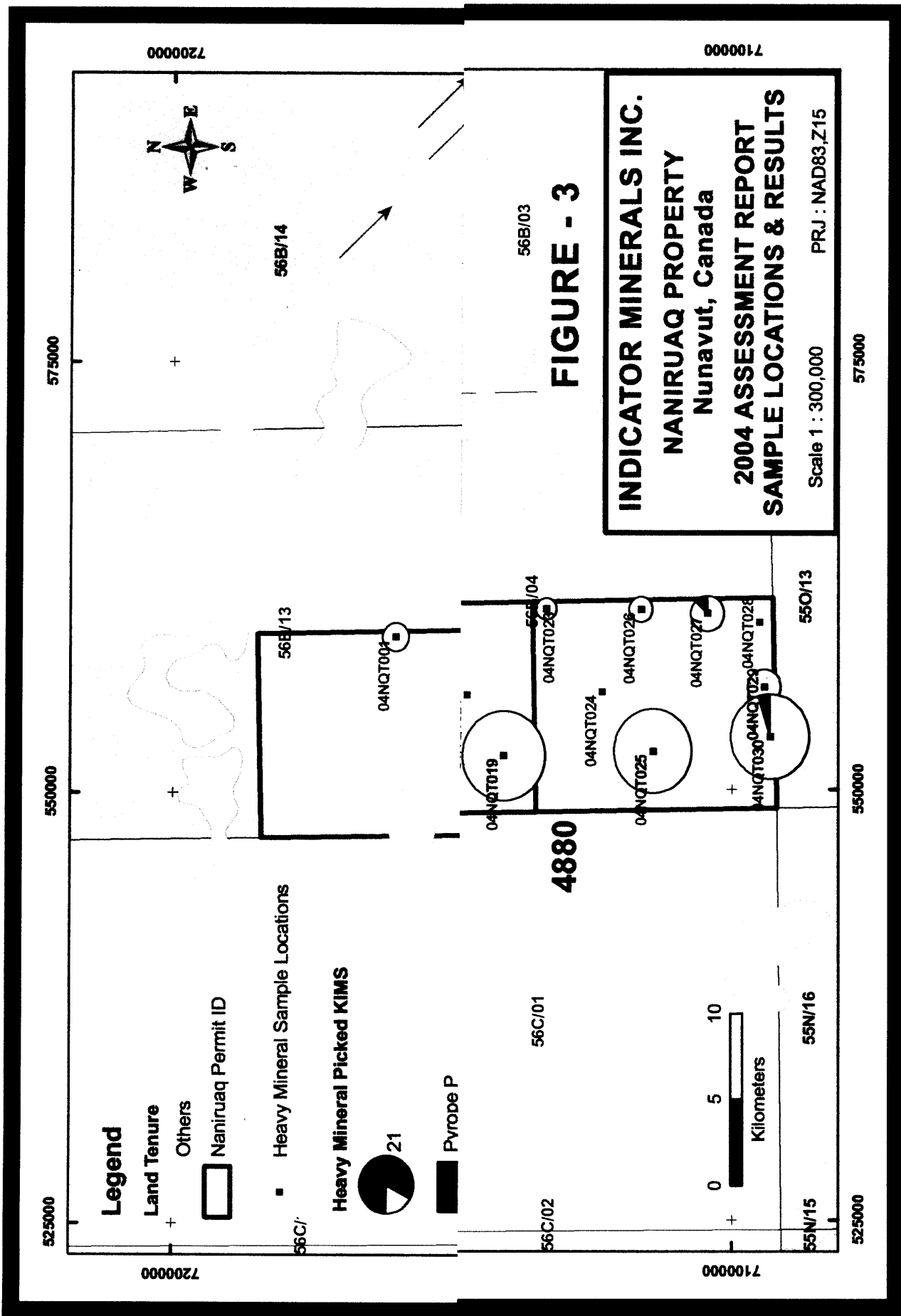


Table 2 Cost Breakdown for the Naniruaq Property

| | |
|---|---------------------|
| General Field Costs | |
| Food | \$ 665.73 |
| Accommodation | \$ 1,406.34 |
| Communication (SAT Phone, Radios, Long distance) | \$ 278.55 |
| Mob/Demob | \$ 1,727.52 |
| Freight/Cargo | \$ 250.00 |
| Supplies (Consumables, sample bags, markers) | \$ 301.45 |
| Expediting | \$ 110.27 |
| Total for General Field Costs | \$ 4,739.86 |
| Sample Acquisition Costs | |
| Geologist Wages | \$ 4,877.82 |
| Geological Assistant Wages | \$ 2,363.47 |
| Helicopter Time | 12.4 |
| Helicopter Cost (Dry) | \$ 14,879.50 |
| Fuel Cost (Including Transport of fuel, \$550/drum) | \$ 4,027.71 |
| Sample Shipment | \$ 3,600.00 |
| Total Sample Acquisition Cost | \$ 29,748.50 |
| Acquisition Cost per Sample | \$ 991.62 |
| Total Analytical Cost for Samples (30 Samples) | \$ 9,720.00 |
| Analytical Cost per Sample | \$ 324.00 |
| Total Cost for Till Sample Program | \$ 39,468.50 |
| Total Cost per Till Sample | \$ 1,315.62 |
| Total for General Field Costs | \$ 4,739.86 |
| Total per Acre (247,911 acres) | \$ 0.01911920 |
| Total Cost for 2004 Exploration Program | \$ 44,208.36 |

followed by the remaining species. It is postulated that due to the lack of ilmenite and garnet, the source of these olivines is likely that of an alternative ultramafic and not that of a kimberlite. The single chromite and chrome diopsides are also anticipated to be of crustal origin.

The visually identified indicator minerals should be micro probe to determine their source rock. This can be completed for a nominal cost and would determine if further sampling is required. If kimberlitic affinity is proven then the coarse fraction of these samples should be observed. Additional detailed sampling should also then be conducted in a fence like fashion perpendicular to ice direction from the positive sample site(s) and toward the northwest (up ice).

Exploration Expenditures

The 2004 heavy mineral sampling program conducted on the Naniruaq property was based from the community of Chesterfield Inlet. There was a total of 10 man days to complete the fieldwork and analyze the sample data. The sample shipment includes the cost of air transport from Chesterfield Inlet to Rankin Inlet, barge shipment from Rankin Inlet to St. Catherine, Quebec and ground transport from St. Catherine, Quebec to Saskatoon, Saskatchewan. The general field cost will be pro-rated at \$0.019 per acre to each prospecting permit. The detailed breakdown is in the following Table 2 Cost Breakdown for the 2004 Exploration Program. Please note that the total Analytical Cost include all processing and picking costs. Please see Table 3 Cost allocated by Prospecting Permit for expenditure distribution.

Table 2 Cost Breakdown for the 2004 Exploration Program

| | |
|---|---------------------|
| General Field Costs | |
| Food | \$ 665.73 |
| Accommodation | \$ 1,406.34 |
| Communication (SAT Phone, Radios, Long distance) | \$ 278.55 |
| Mob/Demob | \$ 1,727.52 |
| Freight/Cargo | \$ 250.00 |
| Supplies (Consumables, sample bags, markers) | \$ 301.45 |
| Expediting | \$ 110.27 |
| Total for General Field Costs | \$ 4,629.59 |
| Sample Acquisition Costs | |
| Geologist Wages | \$ 4,877.82 |
| Geological Assistant Wages | \$ 2,363.47 |
| Helicopter Time | 12.40 |
| Helicopter Cost (Dry) | \$ 14,879.50 |
| Fuel Cost (Including Transport of fuel, \$550/drum) | \$ 4,027.71 |
| Sample Shipment | \$ 3,600.00 |
| Total Sample Acquisition Cost | \$ 29,748.50 |

Table 3 Cost Allocated by Prospecting Permit

| Prospecting Permit Number | Acreage | 2004 General Field Cost (Pro-Rated at \$0.019/acre) | Number of Samples | Total Cost of Till Sampling | Total Cost for 2004 Exploration | Required Expenditure (\$0.10/acre) | Excess Credit |
|----------------------------------|----------------|--|--------------------------|------------------------------------|--|---|----------------------|
| 4879 | 41398 | \$ 791.50 | 6 | \$ 7,893.72 | \$ 8,685.22 | \$ 4,139.80 | \$ 4,545.42 |
| 4880 | 41398 | \$ 791.50 | 8 | \$ 10,524.96 | \$ 11,316.46 | \$ 4,139.80 | \$ 7,176.66 |
| 4881 | 41561 | \$ 794.61 | 6 | \$ 7,893.72 | \$ 8,688.33 | \$ 4,156.10 | \$ 4,532.23 |
| 4882 | 41561 | \$ 794.61 | 6 | \$ 7,893.72 | \$ 8,688.33 | \$ 4,156.10 | \$ 4,532.23 |
| 4884 | 41183 | \$ 787.39 | 3 | \$ 3,946.86 | \$ 4,734.25 | \$ 4,118.30 | \$ 615.95 |
| 4886 | 40810 | \$ 780.25 | 1 | \$ 1,315.62 | \$ 2,095.87 | \$ 4,081.00 | \$ (1,985.13) |

APEX Geoscience Ltd.200- 9797 45th Avenue, Edmonton, Ab T6E 5V8

Phone: (780) 439-5380

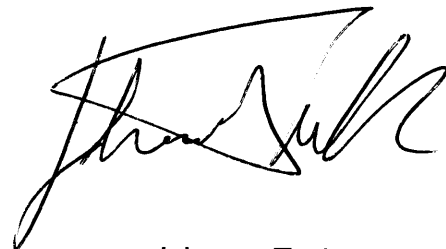
| | | |
|-------------------------------------|------------------------|-----------------------|
| Dean Besserer | Edmonton, Ab | Supervisory Geologist |
| Andrea Maynes | Edmonton, Ab | Geologist |
| Barb Kupsch | Edmonton, Ab | Geologist |
| Paul Kaput | Chesterfield Inlet, Nu | Geological Assistant |
| Byron Wallis | Edmonton, Ab | Logistical Support |
| Peter Whyte | Edmonton, Ab | Logistical Support |
| Aurora Northern Contractors | Rankin Inlet, Nu | Accommodation |
| Churchill Marine Tank Farm | Churchill, Mb | Jet Fuel |
| David Kattegatsiak | Chesterfield Inlet, Nu | Accommodation |
| Discovery Mining Services | Yellowknife, Nt | Expediting |
| Great Slave Helicopters Ltd. | Yellowknife, Nt | Helicopter Charter |
| Kivalliq Air | Rankin Inlet, Nu | Air Charter |
| Nanuk Ventures | Rankin Inlet, Nu | Air Charter |
| Northern | Rankin Inlet, Nu | Food |
| M&T Enterprises Ltd. | Rankin Inlet, Nu | Expediting |
| Umingmak Supply Ltd. | Rankin Inlet, Nu | Field Supplies |

CONCLUSIONS

Heavy mineral sampling on the Naniruaq group of permits during 2004 was successful in recovering over 240 visually observed indicator minerals in the 30 regional samples. The majority of these grains are olivine, however 4 chrome diopsides and a single chromite were also recovered. The lack of garnet and ilmenite raise a certain amount of speculation as to the origin of these grains. The source is likely that of an ultramafic other than kimberlite. It is recommended that these grains be sent for micro probe analysis to determine their true source rock potential for hosting diamond.



Dave Kelsch



Johanna Tuck

REFERENCES

- Armstrong, J.P., 2004, Technical Report on the Diamond Potential of the Boothia Peninsula Permits, North Pelly Claims, South Pelly Claims, 56N Committee Bay Area and North Chesterfield Inlet, District of Franklin and Keewatin, Nunavut
- Aylsworth, J.M. and W.W. Shilts, 1989. Glacial features around the Keewatin Ice Divide: Districts of Mackenzie and Keewatin. Geological Survey of Canada Paper 88-24, 21p, 2 maps.
- Heywood, W. W., 1967. Geological notes, northeastern District of Keewatin and southern Melville Peninsula, District of Franklin, Northwest Territories (parts of 46, 47, 56, 57). Geological Survey of Canada Paper 66-40; Map 14-1966.
- Jefferson, C.W., Smith, J.E.M., and Hamilton, S.M. 1991. Preliminary account of the Resource Assessment Study of the Proposed National Park, Wager Bay-Southampton Island areas, District of Keewatin. Geological Survey of Canada Open File 2351.
- Schau, M. and Tella, S. 1993. An introduction to the "Aqxarneq gneisses" and retraction of the term "Chesterfield Inlet Fault Zone", District of Keewatin, Northwest Territories. Geological Survey of Canada, Current Research Paper 93-1E, pgs. 185-189.

STATEMENT OF QUALIFICATIONS

I, David Kelsch, do hereby certify that:

1. I am a self employed consulting geologist with an office at Bragg Creek, Alberta, Canada.
2. I attended the University of British Columbia and graduated with a B.Sc. degree in Geological Sciences.
3. I have worked in the mineral exploration industry since 1985.

____ March 23, 2005.



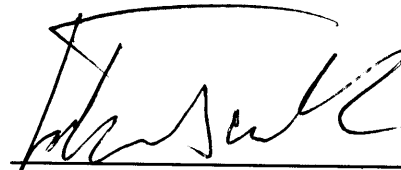
David Kelsch
Consulting Geologist

This report represents the conclusions of the author based on an interpretation of the information at the time of writing. There may be other information not available to the author that could change these conclusions and recommendations.

STATEMENT OF QUALIFICATIONS

I, Johanna Tuck, do hereby certify that:

1. I am a self employed consulting geologist with an office at Golden, British Columbia, Canada.
2. I attended the University of Alberta and graduated with a B.Sc. degree in Geological Sciences.
3. I have worked in the mineral exploration industry since 1994.

A handwritten signature in black ink, appearing to read 'Johanna Tuck', written over a horizontal line.

Johanna Tuck
Consulting Geologist

____ March 23, 2005.

This report represents the conclusions of the author based on an interpretation of the information at the time of writing. There may be other information not available to the author that could change these conclusions and recommendations.

APPENDIX 1 SAMPLE DESCRIPTION

APPENDIX 1 Sample Description

| Sample ID | Easting (Nad 27,Z15) | Northing (Nad 27,Z15) | Coarse | Sand | Silt | Clay | Comments |
|-----------|-------------------------|--------------------------|--------|------|------|------|--|
| 04NQT001 | 559063 | 7186952 | 25 | 40 | 30 | 5 | sandy till, top of hill NE of lake, till pocket, surrounded by boulders, snow covered |
| 04NQT002 | 558306 | 7159368 | 10 | 60 | 25 | 5 | sandy till, on grassy slope E of lake, W and down slope of boulders, well sorted, poor till sample, snow covered |
| 04NQT003 | 554992 | 7157463 | 20 | 40 | 30 | 10 | sandy till, frost boil, poorly sorted, top of hill, S of lake, snow covered |
| 04NQT004 | 551458 | 7155674 | 20 | 60 | 15 | 5 | sandy till, frost boil, well sorted, W of lake |
| 04NQT005 | 551286 | 7146632 | 15 | 65 | 15 | 5 | sandy till, frost boil, washed out, on arm of lake, on flat grassy plain, snow covered |
| 04NQT006 | 554863 | 7148123 | 20 | 40 | 25 | 15 | good till, frost boil, S of lake on grassy hill with some boulders, snow covered |
| 04NQT007 | 558436 | 7150455 | 20 | 60 | 15 | 5 | sandy till, frost boil, SE of lake on grassy hill, washed till, snow covered |
| 04NQT008 | 559318 | 7145194 | 10 | 50 | 25 | 15 | frost boil, S of lake, well sorted, not much coarse, surrounded by boulders, snow covered |
| 04NQT009 | 556788 | 7143900 | 10 | 50 | 40 | 10 | sandy till, frost boil, on hill top, N of lake, snow covered |
| 04NQT010 | 551790 | 7141149 | 5 | 45 | 45 | 5 | sandy/silty till, washed, by boulder field, snow covered |
| 04NQT011 | 555739 | 7136100 | 10 | 45 | 40 | 5 | sandy/silty till, surrounded by boulders, well sorted, E of lake, snow covered |
| 04NQT012 | 552431 | 7133876 | 15 | 50 | 30 | 5 | well sorted silty/sandy till, till pocket, surrounded by boulders, SW of lake, snow covered |
| 04NQT013 | 553236 | 7128257 | 10 | 45 | 40 | 5 | sandy/silty till, S of lake, till blanket, some boulders, snow covered |
| 04NQT014 | 556343 | 7130375 | 10 | 50 | 35 | 5 | till blanket, some boulders, sandy/silty till, well sorted, snow covered |
| 04NQT015 | 559321 | 7131837 | 20 | 40 | 35 | 5 | till veneer, washed out - sandy/silty, outcrop ridge to N, surrounded by boulders |
| 04NQT016 | 560125 | 7124446 | 15 | 50 | 30 | 5 | sandy/silty till, coarse pebbles on surface, on island, frost boil |
| 04NQT017 | 556292 | 7122038 | 15 | 50 | 30 | 5 | till veneer, sandy (washed?), surrounded by large boulders |
| 04NQT018 | 552225 | 7119856 | 10 | 60 | 25 | 5 | N of lake, frost boil, well sorted till - sandy, surrounded by boulders |
| 04NQT019 | 551940 | 7113001 | 20 | 40 | 30 | 10 | pebbles - cobbles on surface of boil, on W lake shore, boulder field and outcrop S |
| 04NQT020 | 559711 | 7138488 | 25 | 40 | 30 | 5 | poorly sorted till, top of hill N of lake, till veneer, snow covered |
| 04NQT021 | 555436 | 7115098 | 30 | 50 | 15 | 5 | till veneer, by outcrop, large boulders around, sandy till |
| 04NQT022 | 559612 | 7117268 | 20 | 50 | 25 | 5 | sandy till, N of lake, till blanket, some boulders |
| 04NQT023 | 560463 | 7110541 | 20 | 30 | 30 | 20 | good till, frost boil, just above a flood plain, S of outcrop |
| 04NQT024 | 555648 | 7107305 | 15 | 50 | 30 | 5 | sandy/silty till, till pocket, by outcrop, in boulder field |
| 04NQT025 | 552216 | 7104375 | 15 | 50 | 30 | 5 | till veneer, near outcrop, W of lake, sandy till, surrounded by boulders |
| 04NQT026 | 560443 | 7105056 | 20 | 40 | 30 | 10 | till pocket, in boulder field, S of lake, snow covered |
| 04NQT027 | 560203 | 7101213 | 30 | 60 | 5 | 5 | sandy till, with coarse, till pocket surrounded by boulders, N of lake, |
| 04NQT028 | 559719 | 7098199 | 30 | 70 | | | till veneer, on outcrop, N of lake, sandy sample |
| 04NQT029 | 555917 | 7097924 | 15 | 50 | 25 | 10 | till pocket, frost boil, N of lake, in boulder field, down from outcrop, snow covered |
| 04NQT030 | 553053 | 7097594 | 20 | 30 | 30 | 20 | good till, frost boil, in boulder field, S of lake, good clay content |

APPENDIX 2 LAB RESULTS

Indicator Minerals Inc.

Attention: David Kelsch

PO #/Project: AP04.92/996607

Samples: 33

SRC Geoanalytical Laboratories

125 - 15 Innovation Blvd., Saskatoon, Saskatchewan, S7N 2X8

Tel: (306) 933-8118 Fax: (306) 933-5656 Email: geochem@src.sk.ca

Report No: 04-919

Date: January 10, 2005

Kimberlite Indicator Minerals

Column Header Details

Original Sample Weight in kilograms (SWT)

Mid Fraction -1.00+0.50MM Dry Weight in grams (MWT+)

Mid Fraction -0.50+0.25MM Dry Weight in grams (MWT-)

Permroll Mag -1.00+0.50MM Weight in grams (MAG+)

Permroll Mag -0.50+0.25MM Weight in grams (MAG-)

Permroll Non Mag -1.00+0.50MM Weight in grams (NMAG+)

Permroll Non Mag -0.50+0.25MM Weight in grams (NMAG-)

TBE Sinks SG>2.96 -1.00+0.50MM Weight in grams (TBES+)

TBE Sinks SG>2.96 -0.50+0.25MM Weight in grams (TBES-)

MI Floats SG<3.3 -1.00+0.50MM Weight in grams (MIF+)

MI Floats SG<3.3 -0.50+0.25MM Weight in grams (MIF-)

MI Sinks SG>3.3 -1.00+0.50MM Weight in grams (MIS+)

MI Sinks SG>3.3 -0.50+0.25MM Weight in grams (MIS-)

Ferro Mags -1.00+0.50mm Weight in grams (FM+)

Ferro Mags -0.50+0.25mm Weight in grams (FM-)

Frantz Upper -1.00+0.50mm Weight in grams (UP+)

Frantz Upper -0.50+0.25mm Weight in grams (UP-)

Frantz Lower -1.00+0.50mm Weight in grams (LW+)

Frantz Lower -0.50+0.25mm Weight in grams (LW-)

Pyrope Peridotitic Grains +0.5mm in Counts (Pyr-p +)

Pyrope Peridotitic Grains -0.5mm in Counts (Pyr-p -)

Pyrope Eclogitic Grains +0.5mm in Counts (Pyr-e +)

Pyrope Eclogitic Grains -0.5mm in Counts (Pyr-e -)

Chrome-Diopside Grains +0.5mm in Counts (Chr D +)

Chrome-Diopside Grains -0.5mm in Counts (Chr D -)

Olivine Grains +0.5mm in Counts (Olv +)

Olivine Grains -0.5mm in Counts (Olv -)

Picroilmenite Grains +0.5mm in Counts (Picroilm+)

Picroilmenite Grains -0.5mm in Counts (Picroilm-)

Chromite Grains +0.5mm in Counts (Chr +)

Chromite Grains -0.5mm in Counts (Chr -)

Lower Fraction Observed Weight in grams (LW Obs)

Lower Fraction % Observed in % (LW Obs)

Upper Fraction Observed Weight in grams (UP Obs)

Upper Fraction % Observed in % (UP Obs)

Other Indicator Grains in Counts (Others)

Indicator Minerals Inc.

Attention: David Kelsch

PO #/Project: AP04.92/996607

Samples: 33

SRC Geoanalytical Laboratories

125 - 15 Innovation Blvd., Saskatoon, Saskatchewan, S7N 2X8

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Report No: 04-919

Date: January 10, 2005

Kimberlite Indicator Minerals

| Sample Number | SWT kg | MWT+ g | MWT- g | MAG+ g | MAG- g | NMAG+ g | NMAG- g | TBES+ g | TBES- g | MIF+ g | MIF- g | MIS+ g | MIS- g | FM+ g |
|---------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|----------|
| 04NQT001 | 18.20 | 1269 | 2419 | 134 | 278 | 1134 | 2140 | 24.51 | 124.4 | 21.79 | 105.37 | 2.55 | 18.84 | 1.63 |
| 04NQT002 | 22.00 | 7535 | 6857 | 1020 | 757 | 6500 | 6096 | 166.22 | 266.50 | 161.87 | 252.71 | 4.15 | 13.37 | 2.74 |
| 04NQT003 | 22.25 | 1659 | 2673 | 158 | 303 | 1502 | 2373 | 31.36 | 99.3 | 28.30 | 75.58 | 3.01 | 23.53 | 2.01 |
| 04NQT004 | 21.10 | 2582 | 2874 | 445 | 617 | 2137 | 2259 | 38.48 | 92.9 | 34.63 | 73.00 | 3.78 | 19.68 | 2.82 |
| 04NQT005 | 23.55 | 5351 | 5195 | 256 | 272 | 5117 | 4946 | 25.07 | 67.6 | 23.48 | 62.49 | 1.55 | 4.99 | 0.54 |
| 04NQT006 | 24.85 | 2123 | 3284 | 439 | 877 | 1688 | 2413 | 154.25 | 417.40 | 150.05 | 393.57 | 3.91 | 23.30 | 2.31 |
| 04NQT007 | 15.00 | 2596 | 1582 | 392 | 515 | 2209 | 1039 | 132.47 | 169.9 | 125.04 | 148.64 | 7.30 | 21.17 | 4.27 |
| 04NQT008 | 20.65 | 2175 | 2436 | 384 | 398 | 1792 | 2039 | 71.40 | 174.2 | 66.74 | 152.08 | 4.58 | 21.56 | 3.63 |
| 04NQT009 | 18.25 | 1493 | 2480 | 313 | 469 | 1183 | 2011 | 132.42 | 280.5 | 128.81 | 256.32 | 3.40 | 24.04 | 1.16 |
| 04NQT010 | 20.05 | 1411 | 2338 | 122 | 175 | 1293 | 2167 | 16.06 | 41.9 | 15.00 | 37.10 | 1.04 | 4.77 | 0.52 |
| 04NQT005 R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| 04NQT011 | 16.25 | 1365 | 2230 | 202 | 254 | 1165 | 1977 | 14.68 | 53.46 | 13.52 | 44.34 | 1.12 | 9.02 | 0.62 |
| 04NQT012 | 21.05 | 1177 | 2492 | 227 | 379 | 949 | 2114 | 17.83 | 61.31 | 16.73 | 52.52 | 1.08 | 8.66 | 0.56 |
| 04NQT013 | 16.25 | 1192 | 1480 | 265 | 283 | 927 | 1198 | 30.53 | 63.56 | 28.63 | 55.69 | 1.87 | 7.82 | 0.96 |
| 04NQT014 | 24.05 | 2680 | 3210 | 478 | 460 | 2208 | 2753 | 48.05 | 91.79 | 44.98 | 80.04 | 2.88 | 11.27 | 1.63 |
| 04NQT015 | 12.80 | 693 | 1285 | 142 | 203 | 554 | 1083 | 16.01 | 48.26 | 15.08 | 42.01 | 0.90 | 6.18 | 0.61 |
| 04NQT016 | 18.10 | 1571 | 2438 | 365 | 415 | 1209 | 2015 | 31.76 | 73.40 | 29.95 | 63.38 | 1.78 | 9.84 | 1.05 |
| 04NQT017 | 19.95 | 1083 | 2200 | 290 | 420 | 794 | 1784 | 38.98 | 83.57 | 36.12 | 72.35 | 2.83 | 11.03 | 1.34 |
| 04NQT018 | 17.20 | 1537 | 2033 | 414 | 434 | 1152 | 1601 | 58.72 | 127.67 | 53.35 | 108.22 | 5.35 | 19.12 | 2.54 |
| 04NQT019 | 12.55 | 935 | 1343 | 292 | 329 | 644 | 1016 | 42.49 | 101.66 | 38.48 | 82.44 | 3.97 | 19.01 | 1.72 |
| 04NQT020 | 13.25 | 1384 | 1507 | 262 | 299 | 1124 | 1211 | 49.62 | 103.46 | 46.05 | 89.65 | 3.54 | 13.69 | 2.55 |
| 04NQT016 R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| 04NQT021 | 11.75 | 1081 | 634 | 413 | 277 | 671 | 360 | 130.74 | 99.97 | 114.10 | 78.07 | 16.60 | 21.01 | 4.23 |
| 04NQT022 | 16.60 | 1395 | 1884 | 423 | 462 | 976 | 1426 | 65.72 | 125.50 | 62.14 | 110.53 | 3.51 | 14.71 | 1.68 |
| 04NQT023 | 18.15 | 1184 | 1689 | 406 | 404 | 781 | 1289 | 58.45 | 121.33 | 51.99 | 93.99 | 6.44 | 27.07 | 1.99 |
| 04NQT024 | 15.35 | 1564 | 1733 | 505 | 482 | 1058 | 1257 | 73.89 | 138.21 | 62.30 | 101.17 | 11.55 | 36.82 | 4.62 |
| 04NQT025 | 19.75 | 1801 | 2250 | 652 | 686 | 1154 | 1569 | 118.92 | 220.29 | 101.56 | 144.63 | 17.27 | 75.00 | 5.52 |
| 04NQT026 | 18.55 | 1149 | 2147 | 345 | 539 | 808 | 1614 | 49.07 | 153.33 | 43.41 | 117.31 | 5.64 | 36.00 | 2.39 |
| 04NQT027 | 24.75 | 2165 | 2989 | 795 | 941 | 1374 | 2055 | 91.12 | 252.75 | 84.05 | 214.75 | 7.04 | 37.82 | 2.95 |
| 04NQT028 | 20.35 | 988 | 357 | 370 | 134 | 623 | 227 | 30.03 | 36.78 | 28.10 | 31.38 | 1.90 | 5.32 | 0.90 |
| 04NQT029 | 18.95 | 1807 | 1944 | 579 | 512 | 1233 | 1437 | 75.67 | 136.75 | 67.10 | 105.37 | 8.52 | 31.21 | 3.68 |
| 04NQT030 | 17.40 | 1150 | 1631 | 372 | 406 | 781 | 1230 | 36.18 | 95.58 | 31.87 | 69.86 | 4.27 | 25.32 | 1.78 |
| 04NQT023 R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |

Indicator Minerals Inc.

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Samples: 33

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Report No: 04-919

Date: January 10, 2005

Kimberlite Indicator Minerals

| Sample Number | FM-g | UP+g | UP-g | LW+g | LW-g | Pyr-p + Counts | Pyr-p - Counts | Pyr-e + Counts | Pyr-e - Counts | Chr D + Counts | Chr D - Counts | Olv + Counts | Olv - Counts | Picroilm+ Counts |
|---------------|-------|-------|-------|------|------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|------------------|
| 04NQT001 | 14.52 | 0 | 3.63 | 0.91 | 0.64 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 5 | N/R |
| 04NQT002 | 8.38 | 0 | 3.24 | 1.40 | 1.71 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT003 | 13.61 | 0 | 7.48 | 1.00 | 2.40 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 19 | N/R |
| 04NQT004 | 11.28 | 0 | 6.27 | 0.95 | 1.43 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT005 | 1.85 | 0 | 0 | 1.00 | 3.11 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT006 | 15.52 | 0 | 6.05 | 1.58 | 1.29 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT007 | 12.67 | 2.62 | 6.97 | 0.38 | 1.50 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT008 | 16.55 | 0 | 2.75 | 0.95 | 1.54 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT009 | 8.54 | 0 | 6.67 | 2.24 | 7.90 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 10 | N/R |
| 04NQT010 | 2.03 | 0 | 0 | 0.51 | 2.45 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT005 R | N/R | N/R | N/R | N/R | N/R | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT011 | 5.99 | 0 | 2.40 | 0.49 | 0.59 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT012 | 4.98 | 0 | 2.29 | 0.53 | 1.06 | N/R | 0 | N/R | 0 | N/R | 1 | N/R | 3 | N/R |
| 04NQT013 | 4.72 | 0 | 2.15 | 0.91 | 0.90 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT014 | 7.24 | 0 | 3.31 | 1.25 | 0.67 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 10 | N/R |
| 04NQT015 | 4.29 | 0 | 1.23 | 0.29 | 0.61 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 9 | N/R |
| 04NQT016 | 6.30 | 0 | 2.68 | 0.73 | 0.81 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT017 | 6.56 | 0 | 3.09 | 1.50 | 1.07 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 15 | N/R |
| 04NQT018 | 9.81 | 0 | 7.64 | 2.82 | 1.43 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT019 | 8.23 | 0 | 7.19 | 2.25 | 2.81 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 9 | N/R |
| 04NQT020 | 8.67 | 0 | 3.29 | 0.96 | 1.25 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 50 | N/R |
| 04NQT016 R | N/R | N/R | N/R | N/R | N/R | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT021 | 6.46 | 11.89 | 13.89 | 0.49 | 0.62 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT022 | 6.94 | 0 | 6.22 | 1.83 | 1.49 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT023 | 7.18 | 3.84 | 17.04 | 0.61 | 2.39 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT024 | 14.09 | 5.80 | 15.73 | 1.14 | 4.50 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 3 | N/R |
| 04NQT025 | 19.09 | 10.79 | 50.20 | 0.97 | 4.45 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT026 | 13.03 | 2.56 | 15.35 | 0.69 | 6.90 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 44 | N/R |
| 04NQT027 | 13.31 | 3.15 | 20.93 | 0.91 | 3.39 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 4 | N/R |
| 04NQT028 | 3.09 | 0 | 2.07 | 1.01 | 0.15 | N/R | 0 | N/R | 0 | N/R | 1 | N/R | 7 | N/R |
| 04NQT029 | 11.49 | 4.12 | 13.62 | 0.71 | 5.61 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 0 | N/R |
| 04NQT030 | 9.30 | 0 | 13.47 | 2.50 | 1.93 | N/R | 0 | N/R | 0 | N/R | 0 | N/R | 8 | N/R |
| 04NQT023 R | N/R | N/R | N/R | N/R | N/R | N/R | 0 | N/R | 0 | N/R | 2 | N/R | 43 | N/R |
| | | | | | | | | | | | 0 | N/R | 0 | N/R |

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Report No: 04-919

Date: January 10, 2005

Kimberlite Indicator Minerals

| Sample Number | Picroilm-Counts | Chr + Counts | Chr - Counts | LW Obs g | LW Obs % | UP Obs g | UP Obs % | Others Counts |
|---------------|-----------------|--------------|--------------|----------|----------|----------|----------|---------------|
| 04NQT001 | 0 | N/R | 0 | 0.60 | 38.71 | 3.61 | 99.45 | 0 |
| 04NQT002 | 0 | N/R | 0 | 1.66 | 53.38 | 3.20 | 98.77 | 0 |
| 04NQT003 | 0 | N/R | 0 | 2.36 | 69.41 | 7.43 | 99.33 | 0 |
| 04NQT004 | 0 | N/R | 0 | 1.33 | 55.88 | 5.14 | 81.98 | 0 |
| 04NQT005 | 0 | N/R | 0 | 3.12 | 75.91 | N/R | N/R | 0 |
| 04NQT006 | 0 | N/R | 0 | 1.20 | 41.81 | 5.49 | 90.74 | 0 |
| 04NQT007 | 0 | N/R | 0 | 1.35 | 71.81 | 6.35 | 66.21 | 0 |
| 04NQT008 | 0 | N/R | 0 | 1.40 | 56.22 | 2.48 | 90.18 | 0 |
| 04NQT009 | 0 | N/R | 0 | 7.35 | 72.49 | 6.01 | 90.10 | 0 |
| 04NQT010 | 0 | N/R | 0 | 2.40 | 81.08 | N/R | N/R | 0 |
| 04NQT005 R | 0 | N/R | 0 | N/R | N/R | N/R | N/R | 0 |
| 04NQT011 | 0 | N/R | 0 | 0.56 | 51.85 | 2.37 | 98.75 | 0 |
| 04NQT012 | 0 | N/R | 0 | 1.01 | 63.52 | 2.08 | 90.83 | 0 |
| 04NQT013 | 0 | N/R | 0 | 0.88 | 48.62 | 2.11 | 98.14 | 0 |
| 04NQT014 | 0 | N/R | 0 | 0.65 | 33.85 | 3.28 | 99.09 | 0 |
| 04NQT015 | 0 | N/R | 0 | 0.59 | 65.56 | 1.21 | 98.37 | 0 |
| 04NQT016 | 0 | N/R | 1 | 0.79 | 51.30 | 2.66 | 99.25 | 0 |
| 04NQT017 | 0 | N/R | 0 | 1.04 | 40.47 | 2.79 | 90.29 | 0 |
| 04NQT018 | 0 | N/R | 0 | 1.33 | 31.29 | 4.53 | 59.29 | 0 |
| 04NQT019 | 0 | N/R | 0 | 2.59 | 51.19 | 5.47 | 76.08 | 0 |
| 04NQT020 | 0 | N/R | 0 | 1.15 | 52.04 | 2.97 | 90.27 | 0 |
| 04NQT016 R | 0 | N/R | 0 | N/R | N/R | N/R | N/R | 0 |
| 04NQT021 | 0 | N/R | 0 | 0.60 | 54.05 | 6.15 | 23.86 | 0 |
| 04NQT022 | 0 | N/R | 0 | 1.43 | 43.07 | 6.15 | 98.87 | 0 |
| 04NQT023 | 0 | N/R | 0 | 2.20 | 73.33 | 4.85 | 23.23 | 0 |
| 04NQT024 | 0 | N/R | 0 | 4.09 | 72.52 | 1.87 | 8.69 | 0 |
| 04NQT025 | 0 | N/R | 0 | 4.03 | 74.35 | 4.33 | 7.10 | 0 |
| 04NQT026 | 0 | N/R | 0 | 6.27 | 82.61 | 3.99 | 22.28 | 0 |
| 04NQT027 | 0 | N/R | 0 | 3.08 | 71.63 | 4.25 | 17.65 | 0 |
| 04NQT028 | 0 | N/R | 0 | 0.14 | 12.07 | 2.06 | 99.52 | 0 |
| 04NQT029 | 0 | N/R | 0 | 5.09 | 80.54 | 3.09 | 17.42 | 0 |
| 04NQT030 | 0 | N/R | 0 | 1.75 | 39.50 | 9.56 | 70.97 | 0 |
| 04NQT023 R | 0 | N/R | 0 | N/R | N/R | N/R | N/R | 0 |

~'s in the UP+ or UP- weight columns indicate that the sample was too small to be frantzed. The total weight of that fraction is recorded in the LW+ or LW- columns.
 All samples were observed for 2.5 hours only (1.5hrs-silicates; 1hr-oxides) in the 0.25 to 0.50mm fraction only. Every indicator is recovered up to a maximum of 50 grains.