

Nunavut

Mining and Exploration Overview 2004

December 2004

Written and compiled by

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A Note about the Overview

This overview is a combined effort of four partners: the Minerals & Petroleum Resources Division of the Government of Nunavut; the Mineral Resources Section of Indian and Northern Affairs Canada; the Lands and Resources Department of Nunavut Tunngavik Inc and the Canada-Nunavut Geoscience Office. The intent of this edition is to capture information on exploration and mining activities in 2004, and to make this information available to the public. All exploration information was obtained by INAC contributors prior to mid-November 2004.

Prospectors and mining companies are welcome to submit information on their programs for inclusion in the next overview. We thank the many contributors who submitted information for this edition. Feedback and comments are appreciated.

All dollar figures noted in the text are Canadian dollars, unless otherwise indicated.

Guide to Acronyms

CMR	Canadian Mining Regulations
C-NGO	Canada-Nunavut Geoscience Office
ED&T	Department of Economic Development & Transportation
GSC	Geological Survey of Canada
INAC	Indian and Northern Affairs Canada
IOL	Inuit Owned Land
MPR	Minerals & Petroleum Resources Division, GN
NLCA	Nunavut Land Claims Agreement
NRCan	Natural Resources Canada
NTI	Nunavut Tunngavik Incorporated
RIA	Regional Inuit Association

Land Tenure in Nunavut

In 1993 the largest Aboriginal land settlement in Canadian history was concluded through the *Nunavut Land Claims Agreement* (NLCA). The NLCA provided for the formation of the new territory of Nunavut on April 1, 1999, as well as providing many other rights to Inuit. Nunavut, which covers 1,994,000 square km, comprises the eastern and northern portions of land previously referred to as the Keewatin and Franklin districts of the Northwest Territories. Nunavut's population approximates 27,000, 85% of which is of Inuit origin. A total of 27 communities are home to anywhere from 50 to 6,000 people. Most communities offer a range of services (visit the Canada-Nunavut Community Business Service Centre website: <http://www.cbsc.org/nunavut>), including regular scheduled air service. Several offer specific mining and exploration-related services, and are home to independent prospectors and others experienced in mineral exploration and mining.

In addition to the creation of the new territory, the NLCA gave Inuit fee simple title to 356,000 square km of land. There are 944 parcels (16% of Nunavut) of Inuit Owned Lands (IOL) where Inuit hold surface title only (Surface IOL). The Crown retains the mineral rights to these lands. Inuit also hold fee simple title including mineral rights to the remaining 150 parcels of IOL (Subsurface IOL), which total 38,000 square km and represent approximately 2% of the territory. Surface title to all IOL is held in each region by one of the three Regional Inuit Associations (RIAs) while Inuit subsurface title with respect to Subsurface IOL is held and administered by Nunavut Tunngavik Incorporated (NTI). NTI issues rights to explore and mine through its own mineral tenure regime. Mineral rights (mineral claims or leases) that existed at the time of the signing of the NLCA—known as grandfathered rights—continue to be administered by Indian and Northern Affairs Canada (INAC) until they terminate or the holder transfers its interests to the NTI regime. For both Surface and Subsurface IOL, access to the land, through a Land Use Licence or Commercial Lease, must be obtained from the appropriate Regional Inuit Association.

The Crown owns mineral rights to 98% of Nunavut. INAC administers rights through the Canada Mining Regulations (CMR). This includes Surface IOL, for which access to the land must nevertheless be obtained from the RIA as explained above.

Significantly, the NLCA is a final settlement whereby all land claims in Nunavut have been settled with the Inuit of Nunavut, thus providing an unmatched level of land tenure certainty. However, land claims overlapping Hudson Bay and the southernmost Kivalliq are being negotiated with residents of northern Quebec and northern Manitoba, respectively.

Government of Nunavut

The Government of Nunavut's Department of Economic Development and Transportation (ED&T) deals with issues related to Nunavut's minerals industry. ED&T is committed to establishing a sustainable and vibrant minerals industry across the Territory, which contributes to the sustenance of healthy communities throughout Nunavut.

ED&T focuses on community education and awareness, supports prospector development, and is committed to improving the geoscience database and upgrading transportation and human infrastructures. ED&T is also committed to resource management, modernization of land use legislation and development of an exemplary mineral industry policy. ED&T functions as liaison between industry and communities, local service sectors, educational institutions, work forces, and prospectors. These efforts will lead to improved investor confidence, which is already very strong.

ED&T maintains offices in Iqaluit, Arviat & Kugluktuk, the latter two being staffed by a Resident Geologist and a Community Mining Advisor. Headquarters are in Iqaluit.

Education, Training & Support Programs, Government of Nunavut

Prospector Development- Nunavut Prospector's Program (NPP)

Initiated in 1999, the NPP provides financial and technical assistance to Nunavut prospectors. Several prospectors have made significant mineral discoveries over the past four years, culminating recently in 3 prospectors signing an option agreement for a property in the Baffin region. This year, 24 prospectors from across Nunavut received funding of up to \$5,000 through the program. A total of 12 NPP-supported prospectors hold mineral claims in Nunavut, with interesting gold, platinum, base metal, and gemstone (sapphire & diamond) prospects. As mentioned above, three prospectors have recently completed an option agreement with Vancouver-based True North Gems. ED&T initiated this very successful program in 2000 to help prospectors evaluate and collect rock samples in order to stake claims and actively contribute to mineral exploration in Nunavut. Eleven prospectors are from the Kivalliq, 7 from the Kitikmeot, and 6 from the Baffin region. Including NPP-supported projects, 15 prospectors hold claims in Nunavut, and these include some significant gold, platinum, base metal, gemstone and kimberlite prospects.

Introductory Prospecting Course

A six-day Introductory Prospecting Course is delivered in communities throughout Nunavut every year. Since 2000, the courses have been offered in all communities in the Territory, with over 350 graduates to date. Popular with prospectors and individuals with a general interest in mineral exploration and mining, the course is an introduction to rock and mineral identification, map reading, sample collection and claim staking. The course is a stepping-stone for people who want to pursue prospecting as a career and/or hobby, building on the Inuit traditional knowledge of the land. Many people who take the course subsequently find employment with exploration companies active in their areas.

Related Publications:

The Minerals & Petroleum Resources Division of the Government of Nunavut publishes a set of information leaflets designed to showcase various prospectors' properties. To receive copies of any or all of the Nunavut Prospectors' Series, please contact one of the Resident Geologists.

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Indian and Northern Affairs Canada: Nunavut Regional Office

Indian and Northern Affairs Canada (INAC) administers mineral tenure on Crown land in Nunavut. The Nunavut Regional Office in Iqaluit has two sections involved in regulating tenure - Mineral Resources and the Mining Recorder's Office, a part of Land Administration. The Mineral Resources staff is involved in mineral tenure through the review of assessment reports filed under the Canada Mining Regulations (CMR) and through property visits to mines and explorations projects. This section's staff are also involved in selected research projects and outreach activities in Nunavut.

2004 was another busy year with an unprecedented number of applications for prospecting permits; this resulted in proponents holding the largest area of Crown land in the history of Nunavut. A total of 1522 prospecting permits encompassing 25.9 million hectares were granted by the Mining Recorder's Office. The bulk of the issued permits are in a corridor from the Northern Manitoba border, northeastward to the northern end of Baffin Island including most of the Melville and Boothia peninsulas. This brings the total area of Nunavut covered by permits to 33.4 million hectares and 43.1 million hectares including claims.

The main commodity being sought is diamonds, although exploration for precious and base metal is still strong in Nunavut, due in part to the increase in market prices. Diamond exploration was conducted across the Territory, with significant new discoveries on the Boothia, Melville, and Brodeur peninsulas as well as in the Rankin Inlet area. Other commodities such as iron and gemstones are also being sought.

Bernie MacIsaac joined INAC mid-year from the Government of Nunavut, bringing a wealth of expertise and experience to his new position of Manager of the Mineral Resources section. He has been working on projects like a Guidebook to Exploration on Crown Land in Nunavut, which will be published by INAC.

Paul Gertzbein continued his work on coloured gemstones around Kimmirut, his main focus being sapphires with an exceptional blue colour from the Beluga Sapphire deposit. His activities include work on the origin and genesis of this deposit in conjunction with researchers at University of British Columbia, mapping of a portion of the Bravo Lakes formation on central Baffin Island, development of a prospecting course for coloured gemstones and ongoing work on the compilation of a coloured gemstone database for Nunavut.

Jurate Gertzbein continued with her position as the Mineral Development Advisor and has been involved in a variety of projects, one being working with the Mining Recorder's Office staff on amendments to the CMR. Jurate has also worked with several other Regional Office environmental and water resources staff dealing with environmental issues of the Jericho, Doris North, Meliadine and Bathurst Inlet Port and Road projects.

Andrea Mills continued work in the Kivalliq with mapping research at Cumberland Resources' Meadowbank gold project and field visits. She also co-ordinated the Nunavut exploration portion of the 2004 Yellowknife Geoscience Forum; Andrea will be leaving INAC in Iqaluit for new opportunities in Yellowknife.

Linda Ham joined the Regional Office as Rob Carpenter's replacement and has devoted herself to Kitikmeot exploration activities with summer field visits to mining properties such as Miramar Mining Hope Bay gold project, Wolfden's High Lake VMS deposit and Ulu gold project in the western Kitikmeot and the Diamonds North/Teck Cominco diamond plays on Victoria Island. She has also been active in various outreach activities such as participation in a five-day Kivalliq Science Camp for teachers and students, visits to Iqaluit schools, and work with the Government of Nunavut Community Benefits and Education Specialist Claudia Riveros.

The geology archives has also gained new staff with Christianne Lafferty heading up this section of Mineral Resources. The Archives staff have been diligently working on scanning Nunavut assessment

reports (1,650 of 2,793 reports are now in digital format), with the help of INAC staff in Yellowknife; this continues to be an ongoing project.

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Nunavut Tunngavik Incorporated

Nunavut Tunngavik Incorporated (NTI) is the Inuit corporation responsible for overseeing implementation of the NLCA. NTI's mandate includes safeguarding, administering and advancing the rights and benefits of the Inuit of Nunavut to promote their economic, social and cultural well-being through succeeding generations. The Lands and Resources Department of NTI is responsible for the implementation of Inuit responsibilities related to the management of Inuit Owned Lands (IOL), the environment, minerals, oil and gas, and marine areas.

There are two forms of mineral tenure that grant exclusive rights on Subsurface IOL administered by NTI. These are the Inuit Owned Lands Mineral Exploration Agreement (usually referred to as the "Exploration Agreement", or "EA") and the Inuit Owned Lands Mineral Production Lease (referred to as the "Production Lease"). The Exploration Agreement grants a company or individual the exclusive right to explore and prospect for minerals (excluding oil and gas, and Specified Substances such as construction materials and carving stone) on a portion of Subsurface IOL. This area, referred to as the Exploration Area, is similar in many ways to a mineral claim under the CMR.

The Production Lease grants the holder of an Exploration Agreement the right to produce minerals from a portion of the Exploration Area known as the Production Lease Area. In 2004 Miramar Mining submitted an application for the first NTI Production Lease for the Doris deposit.

Since 1999, NTI has had in place a system of application that does not require staking when applying for an Exploration Agreement. Rather, the application requires only a description of the Exploration Area based on latitude and longitude. The applicant must submit to NTI a completed application form, *Application for an Inuit Owned Lands Mineral Exploration Agreement* (available on request from NTI or from our Lands Department website. The completed application includes a description of the proposed Exploration Area defined by latitude and longitude of the boundaries as well as a map showing the proposed Exploration Area. Applications are received during designated months and are processed at the start of the subsequent month, at which time NTI will decide whether to accept an application and issue an Exploration Agreement. Applications are kept confidential until the close of the application period in which they are received, thus ensuring that all applicants are treated fairly. Further details on the application process are included in the application form.

It should be noted that although the process and documents described here normally apply, NTI, as a private organization, has complete discretion as to whether it will issue an Exploration Agreement (or other agreement), what the process will be for obtaining an agreement, and what the terms of the agreement will be. The terms may include, for example, NTI holding a direct interest in a project.

Under the standard terms, successful applicants, upon executing the new Exploration Agreement and submitting the first year's annual fees, will be granted the exclusive right to explore for minerals on the Exploration Area. In order to gain access to the land, however, the applicant must obtain a surface right issued by the RIA.

NTI currently has 60 active Exploration Agreements with prospectors and exploration and mining companies. These cover more than 16 percent of the total Subsurface IOL. (In addition, grandfathered claims and leases comprise approximately 2 percent of all subsurface IOL.)

The significant decrease in the percentage of IOL under Exploration Agreements (down from 25% the previous year) was due to a reduction in the area of the Exploration Agreement with Strongbow Resources in the West Kitikmeot.

Holders of Exploration Agreements are required to submit annual exploration work reports to NTI that remain confidential for a period of up to three years

Many of the advanced exploration projects in Nunavut fall on Subsurface IOL. The following table summarizes the current active Exploration Agreements and their locations.

Project/Deposit	Holder(s)	IOL Parcel(s)	Exploration Agreements
Qikiqtani Region			
Piling Project ¹	BHP-Billiton, Commander Resources	BI-35	Qimmiq 1,2,4,5,6; Talik (6 EAs)
Melville	Comaplex	HB-15, HB-16	Melville 1-2 (2 EAs)
Kivalliq Region			
Meliadine ²	Comaplex, Cumberland	RI-01, RI-12	Ant 1-4, Fay 1-4, W1, Tan 1-4, Felsic (14 EAs)
Meadowbank ³	Cumberland	BL-14	Meadowbank 1-3 (3 EAs)
Spi Lake	Comaplex	AR-16	Spi Lake
Square Lake	Comaplex	BL-21	Square Lake
Sedna	4579 Nunavut Ltd	RI-01	Sedna 1 - 5 (5 EAs)
Cache	Full Metal Minerals	WC-08	Cache
SDS	Adam Vary	RE-27	SDS 1-3 (3 EAs)
Rand	Adam Vary	AR-28	Rand 1-3 (3 EAs)
Kitikmeot Region			
Hope Bay ⁴	Miramar Mining	BB-57, BB-60	Akungani 1-3, Aimaokatuk, Tok 1-3 (7 EAs) Doris Production Lease (application)
Contwoyto	Tahera	CO-08	Contwoyto agreements (4 EAs)
Hood River	Tahera	CO-20	Hood River
High Lake ⁵	Wolfden	CO-29	Hilk
Muskox ⁶	Jerry Diakow, Gordon Addie	CO-62	Muskox agreements (5 EAs)
Arcadia Bay	Full Metal Minerals	CO-31	Arcadia Bay
Rockinghorse ⁷	Kennecott	CO-44	Rockinghorse
Strongbow	Strongbow Resources	3500 km ² in the Kitikmeot	Strongbow

1. Overall project involves Crown land and Subsurface IOL.

2. The project involves land held under NTI Exploration Agreements as well as grandfathered claims and leases.

3. The project involves land held under NTI Exploration Agreements and grandfathered leases.

4. The Boston deposit is located on Surface IOL, while the Doris, Madrid, South Patch, Naartok and Suluk are on Subsurface IOL, distributed among grandfathered leases and NTI Exploration Agreements. Potential extension of the Boston deposit down-dip or along strike to the north will also be on Subsurface IOL.

5. The project involves Crown land and land held under NTI Exploration Agreements and grandfathered leases.

6. The project involves Crown land, Surface IOL, and Subsurface IOL under NTI Exploration Agreements.

7. Near the edge of the project referred to later in this report.

University Partnership Program

NTI Lands operates a University Partnership Program to create links with academic researchers that will provide the technical and scientific resources for mapping projects that it carries out on Subsurface IOL. A related objective of the program is to provide training opportunities in geoscience for Inuit youth. The first partnership is with Dr. Norm Duke of the University of Western Ontario (UWO).

This summer, the field program involved NTI's Research Exploration Geologist, Dr. Duke, undergraduate and graduate students from UWO and local high school students and prospectors from the Kivalliq Region. The field crew mapped an area west of Whale Cove, following up work carried out the previous summer.

Staff Changes

In January, 2004, Wayne Johnson resigned as Senior Advisor (Minerals, Oil and Gas) after 9 years with

NTI. NTI takes this opportunity to recognize the contribution Wayne made, and continues to make in an advisory role, to the development of Inuit Mineral Rights and the advancement of the mining and exploration industry for Nunavut in general.

Stefan Lopatka, NTI's Senior Advisor (Environmental, Water and Marine) was named as the new Senior Advisor (Minerals, Oil and Gas) in March, 2004.

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Canada–Nunavut Geoscience Office

The Canada–Nunavut Geoscience Office (C–NGO) is a partnership between the Government of Nunavut, the Geological Survey of Canada (GSC), and Indian and Northern Affairs Canada (INAC). The C–NGO management board consists of representatives of each of the partners, as well as Nunavut Tunngavik Incorporated (NTI) and C–NGO. During 2004, the C–NGO engaged in one major bedrock mapping project (Boothia Mainland), and a thematic project on northern Baffin Island (Borden Basin). Reports on these projects will be published in forthcoming issues of the GSC's Current Research and as GSC Open Files. The North Baffin Quaternary project was put on hold in 2004 but will resume in 2005.

In collaboration with INAC and the GSC, the C–NGO initiated the Boothia Mainland project. The study area (Figure 1), located south of the community of Taloyoak, was critically selected to bridge the gap between the Committee Bay supracrustal belt to the south and the poorly documented Barclay supracrustal belt to the north. In addition to bedrock mapping, a collaborative effort between the GSC and INAC obtained a new regional aeromagnetic dataset for regions lying north of 68°N on the Boothia Peninsula in 2004. More than 100,000 line-km were flown at a line spacing of 400m and 150m elevation. The new data, the first publicly available for the region, will facilitate the next phase of bedrock mapping of the Archean Barclay supracrustal belt from 68°N to approximately 69.5°N. In 2005, bedrock mapping will be led by the Geological Survey of Canada in collaboration with the C–NGO and university partners. During the winter of 2004–2005, the Boothia Mainland project will contribute to framework mapping and geoscience knowledge in Nunavut including: 1) three new 1:100 000-scale geologic maps; 2) digital compilation of all available geophysical and remotely sensed datasets; 3) digital release of all subsidiary datasets, including those derived from surficial, structural, petrological and geochronological studies; and 4) progress reports or presentations to be given at appropriate geoscience meetings. These outputs will directly address the immediate need to improve the geoscience knowledge base in Nunavut. These data will help to assist and promote mineral exploration, and will appropriately enhance future land use planning and mineral activities in the region.

Ongoing field research into the structure, stratigraphy and metallogeny of the Borden Basin, the district associated with the Nanisivik ore body, focused on stratigraphic and structural constraints on zinc-lead mineralization in the Milne Inlet Graben (Borden Basin thematic research project). Published products include five Current Research papers (2004-B2, B3, B4; 2003-B2, B3). This project is in midstream with respect to data collection in the field. Field and analytical work is provisionally planned to continue in 2005 and 2006.

The Arctic Zinc Project, a collaborative project with GSC-Calgary focusing on the controls of Zn-Pb mineralization in the Cornwallis District, which hosts the Polaris ore body, is entering the completion phase. Open File map 1780, a 1:50 000-scale map of Little Cornwallis Island and part of northern Cornwallis Island was published in 2004, and includes details of the regional structures at the Polaris ore body, the Eclipse, and Rookery Creek showings. The project is expected to wrap up in 2006 with a GSC Bulletin, which will synthesize the structure and metallogeny of the district.

In 2003 the CNGO initiated the North Baffin Project, a three-year study of the Quaternary geology of NTS map sheets 37E, 37F, 37G and 37H (Figure 1). The glacial history of the region is poorly understood; an improved surficial geoscience knowledge base is a necessary prerequisite to effective mineral exploration. The study area has potential for Au, Ni, Zn, and PGE mineralization, as well as potential for kimberlite occurrences. The field component of the project was put on hold in 2004 for staffing reasons. Fieldwork will resume in 2005, and involve continuation of mapping initiated in 2003. The North Baffin Project's drift-prospecting survey, surficial materials mapping and ice-movement chronology have potential to identify new mineral resources, reduce exploration risk, and elucidate glacial history.

The North Baffin Project will make use of collaborations with university-based researchers to improve the understanding of ice dynamics to better interpret ice transport, and thus till geochemistry results. A project with the University of Alberta will examine sea level changes since deglaciation to better understand ice

loading, and variations in ice thickness temporally and spatially. In cooperation with Dalhousie University, the C-NGO will generate an ice-sheet model to better extrapolate the findings in the study area to a more regional perspective.

A GSC Current Research report based on North Baffin field work (2004-B1) discusses the ice dynamics in NTS area 37G; the interpretations presented will be tested in 2005. Results of the 2003 sampling programs (bedrock and till geochemistry, including till gold-grain counts) will be published in early 2005 as GSC Open File reports. The surficial geology maps will be released as GSC Open File maps. Reports on the technical aspects of the project in 2005 will be published in GSC's Current Research.

This year included some significant staff changes at the CNGO. Of note, Donald James has succeeded David Scott as Chief Geologist, and will be take up duties at the CNGO in January 2005. Dan Utting, specializing in Quaternary geology, joined the CNGO in October 2004. Ross Sherlock, Elizabeth Turner, Ted Little and Hamish Sandeman resigned their CNGO positions in 2004.

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Summary OF Exploration Activities, 2004

Kivalliq

The Kivalliq region includes the eastern mainland, Southampton Island and several smaller islands. The largest communities- Rankin Inlet, Arviat and Baker Lake- are the primary staging points for exploration projects inland and offer expediting services.

The Kivalliq region is underlain primarily by the Archean-Proterozoic Western Churchill geological province. Sedimentary rocks of the Hudson Platform are found covering most of the islands.

Past-producing mines in the Region have included the North Rankin Nickel mine at Rankin Inlet and the Cullaton Lake/Shear Lake operation north of Nueltin Lake. Past exploration has focussed on lode and iron formation-hosted gold, volcanogenic massive sulphide, unconformity-hosted gold and mafic-ultramafic Ni-Cu ± PGE deposits. The presence of other styles of mineralization, such as epithermal gold, diamondiferous lamprophyres and kimberlite float have also been demonstrated.

Baker Lake Gold Project	
Operator, Owners	Tanqueray Resources.
Commodities	Gold
Coordinates	64° 15' N, 97° 40' W
NTS	66A/4
Location	50 km West of Baker Lake

The project is underlain by rocks of the Woodburn Lake Archean greenstone belt. The area has been largely under-explored due primarily to the lack of exposure. Tanqueray has conducted an aeromagnetic survey covering 10,000 line-km along an 80 km strike length and have high hopes of discovering a high grade Archean lode gold district.

This year the Company has completed a district scale airborne magnetic survey covering approximately 10,000 line-kilometres along an 80km strike length on part of the Woodburn Archean greenstone belt. Processing and interpretation of the data is currently in progress. On the property, of the 37 representative grab samples collected from several zones, 36 returned assays ranging from 1.05 grams per tonne (g/t) gold to 46.3 g/t gold (1.35 ounces per ton). Twenty of these samples returned values greater than 10.1 g/t (0.29 ounces per ton). Work in 2004 also included structural mapping and geochemical soil sampling.

Nanuq Project	
Operator, Owners	Dunsmuir Ventures Ltd., Peregrine Diamonds Ltd., and BHP Billiton Diamonds Inc.
Commodities	Diamonds
Coordinates	65° 30' N, 91° 00' W
NTS	56 G
Location	200 km Northeast of Baker Lake

The property is underlain predominantly by undifferentiated granitic and gneissic rocks of Archean age and minor granulite-facies likely of Paleoproterozoic age. A greenstone belt, possibly correlative with Archean Prince Albert and Woodburn Lake groups, occurs in the central part of the property and can be traced on aeromagnetic maps over 70 km. Paleoproterozoic (ca. 1.8 Ga) calc-alkaline plutonic rocks of the Ford Lake batholith occur in the northernmost part of the property. The near-vertical Wager Bay shear zone cuts the northern part of the property in an east-west direction and displays dextral shear sense indicators.

In 2003, Dunsmuir flew a 12,000 line-km HRAM survey at 150 m line-spacing and collected 472 till samples to complement previously acquired till sample results. Kimberlite indicator minerals (KIM's) recovered from the property include G9 and G10 pyrope garnets, diamond inclusion field eclogitic garnets, diamond inclusion field and kimberlitic chromites, chrome diopside and olivine. Dunsmuir also acquired the Nanuq South property encompassing 253,300 ha, bringing the total land package to ~593,000 ha.

A Falcon(TM) airborne gravity gradiometer and magnetic survey was completed this year over a portion of the Nanuq property. The survey, covering approximately 7,500 line-km, was designed to target the likely kimberlite source areas to the main Nanuq and Southwestern KIM trains. A summer field program which involved the collection of an additional 501 till samples mainly from the areas at the heads of these two main trains was also completed. The gravity survey in conjunction with five previous field seasons of till sampling will be used to identify new targets for diamond drilling in 2005.

Ferguson Lake Project	
Operator, Owners	Starfield Resources
Commodities	Nickel, Copper, Cobalt, Platinum, Palladium
Coordinates	62° 52' N, 96° 51' W
NTS	65I/14,15
Location	160 km South of Baker Lake

Starfield acquired this property in 1999, conducted geophysical surveys, and drilled 62,000 m in 162 holes between 1999 and 2002. In July 2003 Starfield entered into a JV with Wyn Developments, and in February 2004 the partners doubled their land position which now covers >10,100 ha (in addition to the 14,450 ha wholly owned by Starfield).

The Ferguson Lake deposit is a Ni-Cu-PGE deposit hosted by moderate to weakly foliated tholeiitic gabbro-hornblendite layered intrusions. The deposits are considered to be of magmatic origin, having formed as immiscible sulphide segregations during emplacement. The sills were emplaced along an east-west trending structure interpreted by Starfield personnel as a regional suture based on 3D magnetic inversion. Gabbro hosting the Cu-Ni-PGE mineralization is exposed 1.8 km along strike on the West Zone and may extend another 16.6 km west.

A UTEM survey conducted in 2003 extended the 119 Extension conductor, prompting the Company to acquire additional ground. Encouraging drill results from Fall 2003 drilling were also released in early 2004 and include a 20.95 m massive sulphide interval grading 1.53% Cu, 0.97% Ni, 0.09% Co, 2.45 g/t Pd and 0.24 Pt and a low-sulphide zone grading 17.01 g/t Pt and 10.82 Pd over 0.95 m.

In 2004, Starfield conducted a heli-borne VTEM survey, which outlined continuous EM conductors totalling 15 km. Drill results include several ~1m intervals of high-grade Pt-Pd as well as massive sulphide intersections up to 2% Cu+Ni over 17.2 m including 4.8 g/t Pt+Pd over 6.37 m. Two separate high-PGE, low-sulphide lenses were discovered above the massive sulphide horizon. Since low-sulphide mineralization generally occurs in the footwall to the massive sulphides, this occurrence is unique and may be significant.

Committee Bay Northeast Project	
Operator, Owners	Strongbow Exploration Inc. and Allyn Resources Inc.
Commodities	Gold
Coordinates	67° N, 90° W
NTS	560
Location	200 km West of Repulse Bay

Allyn and Strongbow formed an agreement in July 2004 to explore the latter's 87,000 ha Committee Bay Northeast Property, located near Committee Bay Resources' Four Hills and Three Bluffs showings, whereby Allyn can earn a 51% interest.

Strongbow staked the Committee Bay properties in the fall of 2003; the claims cover Archean rocks of the Prince Albert Group in the Committee Bay greenstone belt (CBGB). Prince Albert Group supracrustal rocks of the CBGB comprise pelitic, semi-pelitic to psammitic, quartzitic clastic sedimentary units with lesser volumes of silicate, oxide and sulphide iron formation and komatiitic to mafic volcanic flows. These layered rocks show poly-phase deformation and are displaced along east to northeast striking shear zones that may have acted as structural conduits for gold bearing fluids.

Although gold is hosted in quartz veins throughout the belt, the main exploration focus at this time is devoted to silicification and quartz veining in iron formations.

Work conducted in 2004 included a 6100 line-km geophysical survey, which covered a 90 km strike length of prospective stratigraphy. Several linear anomalies, thought to represent iron formation, were identified.

Keewatin Project	
Operator, Owners	BHP Billiton Diamond Corp.; Tri-Origin Exploration
Commodities	Copper, Gold, Silver, Lead, Zinc
Coordinates	60° 20' N, 97° 15' W
NTS	65A/6
Location	~150 km Southwest of Arviat

Tri-Origin formed an option agreement with BHP-Billiton in Sept. 2004 to explore 5 of the latter's properties in the southern Kivalliq region (formerly Keewatin district) for gold and Sedex-type base metal deposits. Reconnaissance fieldwork by Tri-Origin in 2003 yielded several anomalous Au values (up to 18.7 g/t Au)

Most of the property is underlain by siliciclastic rocks of the Paleoproterozoic Hurwitz Group. Exposure in the area is limited, leading the Company to use proprietary exploration methods supplied by BHP, such as MegaTEM, along with ground magnetic surveys and humus soil sampling surveys. Several areas were identified for follow-up exploration.

Meadowbank Project	
Operator, Owners	Cumberland Resources
Commodities	Gold
Coordinates	65° 04' N, 96° 00' W
NTS	66H/1, 56E/4
Location	75 km North of Baker Lake

The Meadowbank gold deposits occur within the Archean Woodburn Lake greenstone belt, ~75 km north of Baker Lake, and represent the third largest undeveloped gold resource in Canada with approximately 3.2 million ounces of measured and indicated resources and 0.6 million ounces inferred. The stratigraphy consists of quartzite overlying komatiite, which in turn overlies intercalated felsic to intermediate volcanic rocks and iron formation. Regionally, four phases of deformation are recognized. The stratigraphy is folded into a northwest-trending, isoclinal, recumbent anticline flanked by two large granitoid intrusions.

Mineralization is hosted by interbedded iron formation and felsic to intermediate tuff, with subordinate orthoquartzite and ultramafic schist. Sulphides (pyrrhotite and pyrite) and gold occur within a structural fabric associated with early progressive isoclinal folding. Alteration includes sericitization, sulphidation, silicification and carbonatization.

Six near-surface gold deposits have been identified: Goose Island, Third Portage, North Portage, Vault, Bay Zone and PDF. The Connector Zone links the Third and North Portage deposits.

In March 2004, Cumberland announced a delay in completion of their feasibility study due to higher than expected pre-production capital cost estimates, largely related to increases in construction consumables such as steel, concrete and fuel. A review of the preliminary estimate of capital costs and an assessment of potential for capital cost reduction are underway. The delay will allow the Company to examine various

possible mine designs, and to determine the most economically viable plan for production at Meadowbank.

The 2004 program focussed on expanding existing gold deposits and exploring the potential of recently defined prospects as well as grassroots exploration across the 25 km gold trend. This has included diamond drilling totalling 14,700 m in 90 holes, with the majority targeting the Goose Island and Vault deposits. The intention of delineation drilling at Vault and Goose Island was also to expand open pit design through conversion of inferred resources to the measured and indicated category. Infill drilling of the Goose Island deposit yielded some high-grade intercepts such as 119.46 g/t over 4.89 m (hole G04-511), 87.88 g/t over 4.91 m (hole G04-527) and 97.61 g/t over 4.28 m (G04-524) all at shallow depths. These outstanding intersections are expected to improve resource classification at higher grades, thereby supporting open pit expansion. Highlights from Vault drilling include 9.46 g/t over 11.46 m and 4.33 g/t over 14.35 m (in hole VLT04-251) and 8.91 g/t over 4.67 m (hole VLT04-230). Nine shallow holes tested a strike length of 1 km at the Crown target, located ~4.5 km north of Vault. Highlights include 4.04 g/t over 3.45 m and 10.25 g/t over 1.25 m.

A second phase of drilling was undertaken, though no results have been reported to date.

Kaminak Lake – Mac and Cache	
Operator, Owners	Full Metal Minerals Ltd. and Garnet Point Resources Corp.
Commodities	Gold
Coordinates	62° 20' N, 94° 50' W
NTS	55/7
Location	125 km Southwest of Rankin Inlet

Full Metal Minerals entered an option agreement with Garnet Point in May 2004 whereby the latter can earn a 60% interest in the Mac and Cache gold properties. The Mac and Cache are lode-gold prospects within the ca. 2700 Ma Kaminak Lake greenstone belt. Mineralization is associated with coarse, euhedral pyrite and en-echelon quartz-carbonate veins with sulphide selvages that crosscut sheared and altered mafic to intermediate volcanic rocks.

The Cache zone was tested in the early 1980s and 1990s, with 26 drill holes and an inferred resource of 489,000 tonnes at 9.3 g/t (or 146,000 oz. Au) was calculated. The companies intend to revise this resource estimate.

In 2004, the companies focussed on re-establishing, and sampling on, the Cache and Mac grids; and resampling of core from selected historical holes. A number of anomalous assays were also returned from reconnaissance prospecting designed to target areas previously sampled during the Territorial-Federal MIO (Minerals Initiative Office) Program. Assay values up to 58.1 g/t Au were yielded and prompted the companies to stake 15 new claims in the area.

Meliadine West	
Operator, Owners	Cumberland Resources (78%) Comaplex Minerals (22%)
Commodities	Gold
Coordinates	63° 01' N, 92° 11' W
NTS	55J/13, 55K/16, 55N/1
Location	30 km North of Rankin Inlet

The Meliadine West deposits are hosted within the Archean Rankin Inlet Group, in the hanging wall of the Pyke Break Deformation Zone. The stratigraphy includes the Sam Formation (metaturbidites), Upper Oxide Formation, and Tiriganiaq Formation wackes and siltstones. These structurally overlie, but stratigraphically underlie, mafic and ultramafic rocks with interlayered lean Iron formation, and variolitic flows. South of the Pyke Break, siltstones, wackes, and polymictic conglomerate are the dominant rock types.

The Meliadine West property hosts 4.5 million ounces of gold in four separate zones, of which the Tiriganiaq zone is the most advanced on the property.

Mineralization is hosted primarily within iron formation and associated metasedimentary rocks and appears to be concentrated in high strain zones and at volcanic-sedimentary interfaces. Gold is associated with quartz-ankerite veins, variable pyrrhotite, coarse-grained, euhedral arsenopyrite, and sericite alteration.

The focus of 2004 exploration was primarily on the Main Tiriganiaq and West Tiriganiaq deposits. A total of 9297 m was drilled in 21 holes, with 7252 m completed on West Tiriganiaq, 1140 m on the Main Tiriganiaq deposit, and 905 m were drilled on reconnaissance targets near the Tiriganiaq structure. Highlights of 2004 drilling include 40.53 g/t over 16.18 m (when cut to 60 g/t), 33.92 g/t over 7.38 m, and 20.76 g/t over 6.0 m. All but one drill hole in Tiriganiaq West intersected significant mineralization and the deposit remains open at depth and along strike. Geological similarities suggest the potential for continuity between Tiriganiaq West and the Main Tiriganiaq deposit. Two of four reconnaissance holes on a new shear zone target 300 m south of the main Tiriganiaq returned anomalous gold values. Surface exploration in 2004 delineated several new targets including the Noel target, where visible gold and assays up to 280 g/t were yielded from angular boulders, the source of which remains to be discovered. Assays up to 19.5 g/t were attained from outcropping arsenopyrite-rich, siliceous iron formation with a minimum strike length of 250 m.

The results from 2004 drilling will be included in a new resource estimate, as the project moves toward feasibility. The company hopes to proceed with underground exploration plans and possibly a trenching program in 2005. A geological re-interpretation of the deposit is also underway and will help the company to assess which resources are best suited to open pit extraction and which are more amenable to underground mining. The company intends to develop the Tiriganiaq deposit as a stand-alone operation first, and any resources from satellite deposits will contribute to the mine life.

Noomut Project	
Operator, Owners	Comaplex Minerals Corp. Canadian Gold Hunter Corp.
Commodities	Gold
Coordinates	61° 21'N, 97°0'W
NTS	65H/9,10,11,15,16
Location	150 km West of Arviat

The property is located within the Kaminak greenstone belt and comprises 29,600 ha of claims. The geological setting consists of Archean greenschist volcanic and volcanoclastic rocks cut by northeast and east-west structures; Lode gold mineralization is found in quartz veins associated with these structures. Iron carbonate schist, pyrite and tourmaline are reportedly associated with the veins. Iron formation, gabbro and volcanic rocks also host mineralization.

Placer Dome had been party to an agreement with Comaplex on the Noomut project, but this was discontinued in March of 2004. Placer spent \$1.85 million on the property over the past two years. Comaplex subsequently formed an agreement with Canadian Gold Hunter whereby the latter can earn a 70% in the Project by spending \$5 million over the next five years and fulfilling other terms as specified in the agreement.

There are several Au occurrences on this property, the main two areas being the Yandle and the Esker Gold occurrences. Approximately 4000m of drilling have been completed on the property in 2002 and 2003, along with a soil sampling program. Six drill holes totalling 1119 m were completed on the Esker occurrence and encouraging results were recovered from all but one hole. Highlights include 7.60 g/t over 12.8 m, 6.68 g/t over 6.3 m, and 9.82 g/t over 3.55 m.

Churchill Diamond Project	
Operator, Owners	Stornoway Diamond Corp. (35%); Shear Minerals (51%); BHP Billiton Diamonds Inc. (14%)
Commodities	Diamonds
Coordinates	63° 30' N, 91° 30' W
NTS	55N, O, J
Location	70 km North of Rankin Inlet

The 3.4 million ha Churchill Property is situated within the Western Churchill Province and is underlain by rocks of the metamorphosed Archean Rankin Inlet Group and surrounding Archean gneisses. The Archean bedrock is intruded by Proterozoic diabase and biotite-lamprophyre dykes and overlain by the Paleoproterozoic Hurwitz Group. The Proterozoic Pyke Fault could be a favourable structure associated with kimberlite emplacement.

Identification of 29 high-priority geophysical targets and the discovery of kimberlite float in 2002 triggered further interest in the project. In 2003, 1500 till samples were collected and 8000 line-km of aeromagnetic surveys at 150m line-spacing were flown. This work resulted in the identification of 325 geophysical

anomalies and impressive geochemistry including a high proportion of G10 garnets. Sixteen kimberlites were drill-intersected in 2003, demonstrating that a new kimberlite district had been discovered.

In 2004, an impressive 4213 till samples were collected despite a late start and early shut-down due to inclement weather. Fixed-wing aeromagnetics totalling 16,575 line-km was flown in 2004 bringing the total magnetic surveying to 55,521 line-km since 2002. High resolution EM surveys totalling >33,000 line-km were also conducted and 690 targets were identified in preliminary data from the first half of the survey. Six new kimberlites were discovered this year, bringing the total number of kimberlites on the Churchill Property to 22. Three of these are located in the southern indicator mineral corridor and three are within the Josephine River Corridor. Representative samples were submitted to SRC for microdiamond analysis and results are pending. Samples were also submitted for petrographic and indicator analysis to assess the diamond potential.

As of October 19, 2004, 1732 samples had been processed and picking completed for 275 of these. Since 2001, >2700 microprobe-confirmed KIMs have been recovered from 738 till samples (38 % of all samples). Approximately 27% of all pyropes are G10s interpreted to be derived from within the mantle stability window. The bulk of these grains come from four corridors ~15 km wide. Mineral chemistry indicates the preservation of a distinct cold geotherm beneath the Josephine River corridor, suggesting a large diamond stability window beneath the project area.

Committee Bay Project	
Operator, Owners	Committee Bay Resources and Gold Fields Exploration Ltd.
Commodities	Gold
Coordinates	67° N, 90° W
NTS	56K, 56O, 56J and 56P
Location	200 km West of Repulse Bay

The Committee Bay greenstone belt is one of the largest under-explored greenstone belts in North America. The 300 km long, northeast-trending belt comprises Archean supracrustal rocks of the Western Churchill Province. Rock types include komatiitic to basaltic volcanic rocks, intermediate to felsic rocks, and banded iron formation.

Committee Bay Resources (CBR) currently holds 647,000 ha along the greenstone belt. Gold Fields Ltd. of South Africa has earned a vested interest of 55% by accelerated spending over the past two years. CBR will remain the operator until the project reaches prefeasibility. In April of 2004, CBR entered an agreement with Indicator Minerals, whereby the latter can earn a 70% interest in the diamond rights to the > 1.21 million ha of land in Nunavut held by CBR.

An aggressive, \$7.8 million exploration program was conducted on the Project in 2004, including ~6500 m of drilling in about 44 holes, an airborne EM survey, and ground magnetics and IP surveys.

At least 52 gold occurrences have currently been identified on CBR's Committee Bay property, with grades ranging up to 288.85 g/t Au and 1769.5 g/t Ag. A 5.5 line-km IP survey was completed over one occurrence this year.

Qikiqtani

In the Qikiqtani/Baffin Region exploration has been increasing significantly each year for the last three years. While the main focus of exploration in the Qikiqtani/Baffin Region is diamonds, there is a diversity of other commodities being sought, including gold, silver, iron, sapphires, coal and building stone. The Brodeur and Melville Peninsulas have been the main hub of diamond exploration in the Region.

Aviat Project	
Operator, Owners	Stornoway Diamond Corp, BHP Billiton Diamonds Inc, Hunter Exploration Group
Commodities	Diamonds
Coordinates	69°30' N, 83°20'W
NTS	47D/04, 05, 06 and 47C/08, 01
Location	30 km West of Igloolik

The Aviat project, located on the Melville Peninsula, consists of 2.23 million ha of prospecting permits. Stornoway Diamond Corp is the operator and carries a 70% interest in the property. The Aviat properties are underlain by Ordovician to Cambrian limestones which are in turn underlain by sediments of the Penryhn group and Archean crystalline basement rocks.

The Aviat 2 kimberlite was discovered in summer of 2003 and Aviat 4 was discovered in the summer of 2004. Aviat 3 and Aviat 5 are, at the time of writing, discoveries of large kimberlitic boulders up to 2.2 metres across. To date Aviat 1, 2 and 4 have been drilled and are confirmed to be kimberlite bodies. Aviat 1 and 2 have been shown to be diamondiferous. Aviat 1, from a mini bulk sample of 7.4 tonnes, has yielded a grade of 0.88 carats/tonne.

In 2004, extensive work was carried out on the Aviat property during the summer field season. 4,175 till samples were collected, 6,200 line-km of "Falcon" airborne gravity survey was flown, approximately 27,000 km of helicopter borne magnetic and electromagnetic surveys were flown and 33 ground geophysical grids over potential targets were surveyed. Diamond drilling totalling 2024m carried out in the spring has defined the Aviat 1 as a multi phased body comprised of hypabyssal and tuffisitic kimberlite. This drilling also produced 2.5 tonnes of kimberlite from the "Lake Zone" for macro diamond analysis.

Wales Island Project	
Operator, Owners	Stornoway Diamond Corp/Strongbow Exploration Inc/BHP Billiton
Commodities	Diamonds
Coordinates	70°30' N, 80° W
NTS	47B/3, 46M/15,16
Location	225 km North of Repulse Bay

An airborne geophysical survey was flown during the 2003 field season and identified a series of targets on the property. During the 2004 field season ground magnetometer surveys were performed on six of the targets and 35 surficial sediment samples were collected. Of the six airborne anomalies surveyed by ground geophysics three were chosen for diamond drilling. Only two of the three were drilled, but resulted in the discovery of two kimberlite bodies. These kimberlites are approximately 7 km apart. No results were available at the time of writing.

Jackson Inlet	
Operator, Owners	Twin Mining Corporation and Stornoway Diamond Corp
Commodities	Diamonds
Coordinates	73° 15' N, 88° 16' W
NTS	58D/1, 58D/8
Location	100 km West of Arctic Bay

Since acquiring the property in 2000, Twin Mining has added substantially to its land holdings on the Brodeur Peninsula and has at least 4 kimberlite bodies including the Freightrain occurrence.

In February of 2004 Twin Mining announced that they had discovered 12 new clusters of kimberlite indicator minerals (KIM) from their work in 2003. Seven of the twelve clusters of indicators are located on the eastern half of Twin Mining's new claim block and several of the clusters coincide with airborne magnetic anomalies and intersecting structures. The remaining five KIM clusters are within 3 to 6 km of the Freightrain and Cargo 1 pipes, however the company surmises that because of the high number of KIM within the five clusters that there may be other kimberlite bodies hidden under shallow overburden.

In April of 2004 Twin Mining signed a letter of intent with Kennecott to explore and earn a share in the north portion of Twin Mining's land position on the peninsula, but this proposed Joint Venture could not proceed due to Twin Mining's obligations to a third party.

During the summer of 2004 Twin Mining, in conjunction with Kennecott, performed 15,700 line-km of "Midas" airborne geophysical survey on blocks 1 (Jackson Inlet East) and Block 2 (Jackson Inlet West). They also collected 1,200 till and stream sediment samples on the joint venture Vista Property (south block); no results from the till sampling have been reported to date. The airborne geophysics resulted in 42 anomalies on Block 1 (Jackson Inlet East); 18 of the anomalies are considered to be significant and cross up to 5 flight lines. On Block 2 (Jackson Inlet West) the survey revealed seven significant geophysical anomalies that cross at least three flight lines.

Oz Series Project	
Operator, Owners	Kennecott Canada Exploration
Commodities	Diamonds
Coordinates	73° 08' N, 87° 00' W
NTS	48C, 58D, 48G, 48H and 48B
Location	90 km West of Artic Bay

Kennecott Canada Exploration Inc has been actively exploring for diamonds on the Brodeur Peninsula since 2001. This year Kennecott added 15 prospecting permits to its land holdings on the southern half of Baffin Island. Expenditures for this year's exploration program are approximately \$3 million. Exploration work has included geological mapping, till and sediment sampling, diamond drilling and 15,700 line-km of airborne magnetometer survey.

Earlier this year Kennecott announced the discovery of three diamondiferous kimberlites on the Brodeur Peninsula: the largest of which measured 250m x 150m. This kimberlite was drilled and produced 1520 kg of drill core as a mini bulk sample. 319 diamonds were recovered from this sample and showed a coarse diamond distribution similar to that of the Freightrain kimberlite. Little information has been released about the other two kimberlites.

Qimiq Project	
Operator, Owners	Commander Resources Inc/BHP Billiton/Falconbridge Ltd/Nunavut Tunngavik Inc.
Commodities	Au
Coordinates	68° 38' N, 73° 00' W
NTS	37A/9,10, 27B
Location	480 km Northwest of Iqaluit

BHP Billiton and Falconbridge received prospecting permits covering an area of the Paleoproterozoic Piling Group in 2000. BHP also obtained ten NTI leases covering the Inuit Owned Lands (IOL) in the area. Under an agreement signed in 2003, Commander Resources can earn a 100% interest in the Au rights to the property by spending \$10.2 million on BHP's permits by the end of 2012 and by spending \$8.0 million on the Falconbridge permits by the end of 2011. The Piling Group is a Paleoproterozoic supracrustal assemblage that is part of the Foxe Fold Belt on the northern margin of the Trans-Hudson Orogen, and is comprised of a diverse lower package of siliciclastics, volcanic flows and volcanoclastics and an upper succession of greywacke-turbidites.

Commander Resources has been examining the silicate iron formation within the Bravo Lakes Formation of the Piling Group for gold mineralization and have returned significant values. This iron formation is very similar in the style of mineralogy and mineralization to the Musselwhite deposit in Northwestern Ontario and the Homestake Mine in South Dakota. This year's work on the Qimiq project included 39 shallow drill holes (3617 metres) at Malrok Lake and 12 holes in the Ridge Lake area 30km east of Malrok Lake. Both drill programs produced encouraging results and significant intersections. One thousand regional rock samples were collected and submitted for assay; results are pending. A new Au/IF showing (the Durette showing) was discovered through prospecting this summer and lies 50km east of the Ridge Lake Showing, from which grab samples yielded results of up to 46.9 g/t. The summer's exploration program also included prospecting, geological and structural mapping and soil sampling in the area of Malrok Lake.

The Strand Fiord Coal Project	
Operator, Owners	James Bay Energy Inc.
Commodities	Coal
Coordinates	79° 30'N, 87° W
NTS	46K, L, M, N
Location	515 km North of Resolute Bay on Axel Heiberg Island

James Bay Energy Corp. has held the coal licences that cover the Kangut Peninsula of Strand Fiord on Axel Heiberg Island for several years. This summer a crew was mobilized to Axel Heiberg Island in order to perform surface sampling of the coal seams on the island. Axel Heiberg Island lies immediately west of Ellesmere Island within the Sverdrup Basin. No results are available at the time of writing.

Qilalugaq Project	
Operator, Owners	BHP Billiton
Commodities	Diamonds
Coordinates	67° N, 87° W
NTS	46K, L, M, N
Location	10 km Northwest of Repulse Bay.

BHP Billiton's Qilalugaq project consists of 405 claims on the southwest end of the Melville Peninsula. The property lies between Repulse Bay and Committee Bay. Work on the property started in 2000; in 2004 a 45-man camp was established approximately 12 km from the Hamlet of Repulse Bay.

To date a cluster of nine kimberlite bodies have been discovered on the Qilalugaq property. One of the kimberlite bodies (Qilalugaq) was the subject of a mini bulk sample and 9.37 tonnes of material was taken, yielding a grade of 0.25 carats/tonne. This grade was considered sufficient to warrant a 237- tonne bulk sample from which results are still pending.

To date BHP has collected 7065 till samples, flown in excess of 70,000 line-km of airborne geophysics, including 19,100 line-km of FALCON™ Airborne Gravimetric survey, as well as delineation and target testing diamond drilling amounting to 7145 metres.

Borden Peninsula, Baffin Island Project	
Operator, Owners	Patrician Diamonds Inc
Commodities	Diamonds
Coordinates	70°30' N, 80° W
NTS	48B/8
Location	90 Km Southeast of Arctic Bay

This year Patrician Diamonds Inc. staked a package of claims 90km south of Arctic Bay on the Borden Peninsula. The company reported that they discovered kimberlite body(s) on the claims, during staking this past May. Patrician speculates, based on the size of the outcrops, that the kimberlite bodies may be "pipes or blows". Kimberlite indicator minerals recovered from float contain what may be peridotitic and eclogitic garnets as well as olivine and picro- ilmenite. Micro-probing of the grains is planned. The company recovered two diamonds (largest being 0.31 carats) from the caustic fusion of 73 kg of kimberlite angular float boulders found in a creek bed. A second, 48 kg, sample was processed for diamonds by caustic fusion and produced 2 diamonds that were retained on the 0.106 mm screen. This sample was recovered from what Patrician believes to be the most prospective phase of the kimberlite for diamonds. The results of a third caustic fusion test on a sample (41 kg) of kimberlite float from a stream-bed recovered one diamond on the 0.106 mm screen.

Mary River Iron Ore Deposits	
Operator, Owners	Baffinland Iron Mines Corp.
Commodities	Iron
Coordinates	71°18' N, 79° 00' W
NTS	37G/05
Location	160 km South of Pond Inlet

The iron deposits at the Mary River on north central Baffin Island were first discovered in 1962. Between 1963 and 1965 exploration work took place on the claims and five high grade iron deposits were identified. Most of the exploration work was performed on the #1 Deposit including 3,319 metres of core drilling and the tracing of the iron formations through airborne and ground geophysics, geological mapping and trench sampling of each of the identified deposits. A bulk sample was also taken for metallurgical testing.

Since the 1970s the property has remained dormant, with a resource estimate of 116.7 million tonnes grading 68.3% iron with low levels of deleterious elements. This year Baffinland carried out an exploration program which consisted of 2,813m of diamond drilling, predominantly on the #1 Deposit. Baffinland reports that the diamond drilling shows that the width of the hematite ore is increasing with depth and that this summer's drilling has more than doubled the strike length of the #1 Deposit to 2.8km from 1.2km. Evaluation of lump iron ore quality will be carried out at SGS Lakefield in Ontario.

Beluga Project	
Operator, Owners	True North Gems Inc. /Seemeega Aqpiq/Nowdluk Aqpiq/Chris Lloyd.
Commodities	Sapphires
Coordinates	62°49' N, 69° 53' W
NTS	25K/13
Location	3.5 km SW of Kimmirut

The property covers pelitic/calcareous lenses in the marbles of the Lake Harbour Group of sediments. The sapphires were discovered by Nowdluk Akpiq in 2001, and the claims were staked in 2002/2003, by Nowdluk and his brother Seemeega.

In November of 2003, True North Gems optioned the property; at that time there were two known occurrences of sapphires on the claims. During the 2004 summer field season the company discovered four new sapphire occurrences on the property through prospecting. Work performed during the summer field season included excavating a 5 tonne bulk sample, regional till sampling and a regional prospecting & reconnaissance-scale mapping program. The bulk sample was sent to SGS Lakefield for mineral processing tests and extraction of the sapphires. The rough sapphires will be sent to commercial laboratories for manufacture of polished stones. The finished product will then be valued independently and by the company so that a \$/tonne and carats/tonne figure can be calculated.

Baffin Island Property	
Operator, Owners	De Beers Canada Exploration Inc.
Commodities	Diamonds
Coordinates	70°30' N, 80° 00' W
NTS	47E, 47/H, 37C, 37H, 37F, and 37G,
Location	150 km North of Igloolik

De Beers Exploration Canada has been exploring for diamonds on Baffin Island since 2001 and has performed extensive till and stream sampling, ground and airborne geophysics, reverse circulation drilling and diamond drilling.

In February De Beers was granted another 16 prospecting permits immediately to the west of their existing permits. This year's exploration program included till and stream sediment sampling, ground geophysics, prospecting, and diamond drilling. The chemistry of the kimberlitic material recovered is very favourable, however efforts to pinpoint its exact source have so far not succeeded, although till sampling has allowed the Company to significantly narrow down the possible location.

Kitikmeot Region

The Kitikmeot region spans the western and northern mainland of Nunavut, and parts of Victoria, Prince of Wales, King William, and Somerset islands. Kugluktuk and Cambridge Bay are the largest communities in the region and provide services to exploration projects in the area; Yellowknife, to the south in the Northwest Territories, is also an important logistical centre.

The Kitikmeot is geologically diverse. The westernmost portion is underlain by rocks of the Archean Bear Province. The Archean Slave Province occupies part of the western mainland and is overlain to the west and east by the Paleoproterozoic siliciclastic and carbonate rocks of the Wopmay Orogen; this Orogen separates the rocks of the younger Bear Province from the Slave. Inliers of Paleoproterozoic rocks are found on Victoria Island, overlain by the Paleozoic Arctic Platform sedimentary rocks that cover most of the islands. In the east Kitikmeot, the Slave Province is separated from the Western Churchill Province (Archean to Paleoproterozoic) by the Paleoproterozoic Thelon Orogen (ca. 1900 Ma); the Churchill province underlies most of the northern and northeastern mainland.

Past producers in the region have generally been small with mines at Roberts Bay, Ida Bay, and Ida Point, south of Elu Inlet. The Lupin gold mine, having produced over 3.1 million ounces of gold since 1982, is currently winding down, with the pillars of the mine currently being extracted.

Tahera Diamond Corporation's Jericho Diamond Project is well on its way to becoming Nunavut's first diamond mine. In February of this year, the Nunavut Impact Review Board (NIRB) approved the project and this was followed by federal approval in June. In September, the company and the Kitikmeot Inuit Association (KIA) signed the formal Inuit Impact Benefit Agreement. The projected mine opening is 2006.

Production at the Doris North gold deposit (owner Miramar Mining Corporation) in the Hope Bay belt will be delayed from the original plans. The company submitted its Environmental Impact Statement to NIRB earlier in 2004, and NIRB has requested further information before recommending that the deposit proceed to the regulatory stage of permitting.

Diamonds and gold were the two primary commodities sought by companies in the Kitikmeot this year. Recent diamond exploration covered virtually the entire western mainland and parts of Victoria and Somerset islands. The Coronation Gulf area of the Kitikmeot experienced a staking rush in December 2003, when a record number of mining permits were issued in Nunavut. There was an overall increase in recorded mineral claims and most land in the Coronation Gulf area is currently claimed. Diamond activity in this area and on Victoria Island (Diamonds North/Teck Cominco) has resulted in better definition and understanding of kimberlite trends and bodies.

Anialik and Rush properties	
Operator, Owners	Strongbow Exploration
Commodities	polymetallic VMS
Coordinates	110° 02' W, 67° 21' N
NTS	76M/06
Location	~7 km west of Wolfden's High Lake; 150 km SE of Kugluktuk

Proximity and similar geological setting to Wolfden Resources High Lake VMS deposit encouraged Strongbow to explore on the Anialik and Rush properties. These two wholly-owned properties, located within the Anialik River volcanic belt (ARVB) in the northern Archean Slave Province, comprise 55,850 ha of Inuit Owned Lands and are subject to the NTI Agreement signed between NTI and Strongbow Exploration in 2003. This volcanic belt, like many in Nunavut, is an under-explored greenstone belt in Canada.

Numerous gold and base metal showings have been identified by Strongbow in this belt, including the Wolf, Run Lake and Rush properties. Selected grab sampling confirmed elevated gold values (20-50 g/t); the highest grade sample returned 799 g/t Au from the Wolf showing in the northwest part of the property. Earlier workers identified two mineralized boulders (15.2 g/t Au, 150 g/t Ag, 8.6% Cu; and 164 g/t Ag, 10.3% Cu) in the north-central part of the belt. In 2004, Strongbow completed a detailed helicopter-borne magnetic-EM survey over intermediate to felsic volcanic rocks up-ice from these boulders. Follow-up prospecting and mapping on the properties was conducted during the summer; results are pending.

Blue Ice (including White Ice and Hadley Bay)	
Operator, Owners	Diamonds North Resources, Teck Cominco
Commodities	Diamonds
Coordinates	70° 36' N, 110° 00' W, to 71° 00' N, 108° 30' W
NTS	77E, 77F, 77G, 77H
Location	330 km NW of Cambridge Bay

The Victoria Island projects represent Diamonds North's most advanced projects. The Blue Ice project covers over 200,000 acres and straddles the Nunavut/NWT border. The property's geology consists of Ordovician carbonate platform overlying the Proterozoic Shaler Group shale and Elice Formation sandstone; diabase dykes cut only the Proterozoic rocks. To date, 16 kimberlites, 14 diamondiferous, have been reported on the island. Kimberlite dykes totalling 25 km in length have been inferred from geophysics and limited drilling.

Diamonds North drilling has identified a cluster of four kimberlites named Apollo, Neptune, Diana, and Pluto; a fifth, Juno, was discovered near the King Eider kimberlite. Exploration efforts since 2002 have focussed on the 20 km-long Galaxy and 25 km-long King Eider confirmed kimberlite trends, two semi-parallel, NW-SE trending structures 30 km apart. Both trends contain large diamonds, which makes both exciting targets. In 2003, Diamonds North entered into a participation agreement with Teck Cominco and in 2004, the exploration program focussed on drilling and geophysical surveys. Up to ten new priority magnetic and EM targets were identified by the airborne surveys.

Canoe Lake	
Operator, Owners	Allyn Resources, Strongbow Exploration
Commodities	Base metals, Gold
Coordinates	111° 08' W, 67° 08' N
NTS	76M/03
Location	25 km South of Wolfden's High Lake; 190 km SE of Kugluktuk

The Canoe Lake property comprises approximately 15,860 ha of mining leases, mineral claims and Inuit Owned Lands within the High Lake greenstone belt. The property hosts a number of known base and precious metal showings, including the Canoe Lake, Bamako and Tuk Lake showings. The property is centred on two Canada Mining Leases, currently under option from Canadian Natural Resources. Copper-zinc mineralization occurs as massive to stringer sulphides within the volcanic-sedimentary pile at the same stratigraphic position as Wolfden's High Lake VMS deposit located 25 km to the north.

Limited previous diamond drilling at Canoe Lake by Texasgulf and Noranda Exploration returned values of 0.8% Cu, 4.8% Zn, 89 g/t Ag and 1.0 g/t Au over 1.8 m. On the Bamako gold showing, limited drilling by BHP Minerals intersected 15.3 g/t Au over 2.6 m. The Tuk Lake gold showing is represented by a grab sample that returned a value of 96.4 g/t Au.

Allyn Resource conducted a brief exploration program, including a UTEM ground geophysical survey, over the Canoe Lake base metal showing in 2004. This work followed a detailed helicopter-borne magnetic-EM survey completed by Strongbow in the spring. Forty-one samples were collected from the Bamako showing. Results of these programs are pending and will be used to define potential drilling target areas for 2005.

Chicago	
Operator, Owners	Sherwood Mining Corporation, Miramar Mining Corporation
Commodities	Gold, VMS
Coordinates	
NTS	76O
Location	330 km SW of Cambridge Bay

The Chicago claims are held under option from Miramar Mining Corporation and are located approximately 15 km southwest of Miramar's Boston deposit in Hope Bay. Sherwood has an option to acquire 60% interest in the Chicago property which consists of 11 claims covering 9,162 ha.

The Chicago area hosts two trends of mineralization, the Chicago/Kell trend and the newly discovered Heku trend; several gold and base metal showings occur along an eight km long trend. Four showings, all in quartz veins, have been identified: the Kell and the Kell South (high-grade Au-Ag showings), the Linear and the Hammerhead. The Heku multi-element anomaly has been traced over an area 150 m x 600 m within frost heave and scarce outcrop.

In August 2004, Miramar and Sherwood commenced mapping and prospecting. In November, Sherwood completed a drilling program which tested the Kell showing (3 holes, 251.5 m) and the Hammerhead showing (1 hole, 100 m). The Kell pyrite-chalcopyrite-sphalerite showing occurs along the highly altered (quartz-sericite-pyrite) contact area between mafic and felsic volcanic rocks. Channel sampling in 2000 returned values of 169.1 g/t Au over 0.55 m and up to 6393 g/t Ag over 0.50 m. Grab sampling in 2004 outside of the channel sampling area returned values up to 9.4 g/t Au and 1014 g/t Ag.

The Hammerhead prospect is hosted by a zone of several poorly-exposed quartz veins in mafic volcanic rocks; the zone is up to 5 m wide with a total exposed strike length of ~25 metres. Grab samples taken in 2004 ranged up to 227.7 g/t Au and values were reported up to 32.4 g/t Ag; three highly anomalous samples with silver values >100 g/t are being re-analyzed.

Coppermine	
Operator, Owners	Hornby Bay Exploration Ltd.
Commodities	Diamonds, uranium
Coordinates	114° 20' W, 67° 20' N to 116° 00' W, 66° 50' N
NTS	86J, K, O, N
Location	80 km South of Kugluktuk

This property covers 214 claims (210,000 ha) and lies in the eastern section of the Hornby Bay Basin within the Archean Bear province. Helikian and Hadrynian rocks of the Coppermine Holocline nonconformably overlie Apebian basement rocks. The Helikian sandstone defines a middle-Proterozoic basin equivalent to the Athabasca basin in northern Saskatchewan and the Thelon basin in the eastern Arctic.

Work in 2004 concentrated on the Asiak 90 claims and the Coppermine 124 claims. On the former group, 2000 line-km of helicopter-borne magnetic-EM surveying and 18 line-km of magnetic-UTEM ground surveys were completed, followed by 6 drill holes (653.6 m) on four uranium targets and two diamond targets. The best intersection was 0.72% U over 0.6 m in graphitic argillite, 27 m below surface. 228 follow-up till samples were taken. On the Coppermine Claims, over 1,000 line-km of airborne magnetic-EM surveying and 150 line-km of ground geophysical surveys were conducted over 9 grids. 5 holes (1311.2 m) drilled on uranium targets intersected favourable geology and an encouraging >20 m intersection of graphitic schist. Six new significant radioactive occurrences were outlined. 2005 plans for both properties include creating a 3-D model using all available data and further exploring new occurrences and anomalous results with geologic mapping, interpretation and drilling.

George Lake/Goose Lake (Back River)	
Operator, Owners	Miramar Mining Corporation Kinross Gold Corp.
Commodities	Gold
Coordinates	63° 56' N, 107° 26' W
NTS	76G/13
Location	225 km South of Bathurst Inlet

The George Lake and Goose Lake gold deposits are hosted within units of banded iron formation within greywacke folded into an anticline, with the apex of the fold forming a hinge zone near surface. Mineralization occurs in both the high-grade hinge fold zone and the greywacke zone within the core of the fold. Both the George and Goose Lake deposits are on Subsurface IOL, subject to grandfathered mineral claims and leases.

Total indicated and inferred resources for George Lake have been calculated at 7.806 Mt grading 11.25 g/t for 2.8 million ounces. In 2002, Kinross outlined the Goose Lake indicated resources as 4.37 Mt grading 9.8 g/t Au, with an inferred resource of 1.88 million tonnes grading 9.9 g/t Au.

Early 2004, Kinross and Miramar finalized a joint venture agreement on these two projects. Miramar designed their exploration program to add to the production capacity of Hope Bay by doubling existing resources at Goose Lake, to treat George Lake as a satellite deposit and test-drill this deposit.

Drilling in September (41 holes, 11,090 m) resulted in high-grade, near-surface mineralization in the hinge zone (16.8 m averaging 36.3 g/t Au). A zone of significant gold mineralization (8.0 m averaging 10.2 g/t Au) hosted in greywacke was identified in the core of the fold. An area south of the current resource returned significant gold values over considerable widths.

Hackett River	
Operator, Owners	Sabina Resources Limited
Commodities	Gold, Silver, Zinc, Copper
Coordinates	65° 55' N, 108° 30' W
NTS	76F/16
Location	325 km South of Cambridge Bay

The Hackett River property is an advanced-stage base and precious metal property, consisting of three mining leases and one surface lease covering approximately 7,144 hectares located ~480 km northeast of Yellowknife. Early 2004, Sabina Resources Limited signed an agreement with Teck Cominco Ltd. in which Sabina can earn a 100% interest in the Property.

Hackett River contains five delineated deposits which host in aggregate approximately 21 Mt, making Hackett River one of the largest undeveloped massive sulphide deposits in Canada. The Main West Zone (the West Limb "A" Zone or Main Camp Lake Zone) has an identified resource of 4 Mt grading 1.38% Pb, 12.76% Zn, 0.46 g/t Au and 231.1 g/t Ag to a depth of ~200 metres where it remains open. This zone plunges steeply to the SW and is characterized by massive sulphides underlain in part by copper-rich stringer mineralization. The other four zones are the Main East (2.05 Mt of 0.57% Cu, 1.13% Pb, 8.24% Zn, 0.86 g/t Au, 166.97 g/t Ag), the East Cleaver (4.57 Mt of 0.33% Cu, 0.90% Pb, 6.84% Zn, 0.34 g/t Au, 160.11 g/t Ag), the Knob Hill zone and the Boot Lake Zone located between the Main Camp Lake Zone and the East Cleaver Zone.

Recent drilling (44 holes) has intersected high-grade gold, silver and zinc zones; assays have been received from 19 holes and results are spectacular with four high-grade mineralization zones. The first zone consists of copper-rich massive sulphides running 4.72% Cu, 0.24% Pb, 2.85% Zn, 661.3 g/t Ag and 2.19 g/t Au across 15.0 metres. The second zone intersected a precious metal-rich horizon with values of 11.41 g/t Au and 1471.3 g/t Ag across 15.1 m. The third zone, zinc-rich massive sulphides, assayed 2.55% Pb, 10.71% Zn and 235.8 g/t Ag across 20.65 m. The fourth zone consisted of zinc-rich massive sulphides and assayed 1.21% Pb, 23.63% Zn and 127.0 g/t Ag across 2 metres.

High Lake	
Operator, Owners	Wolfden Resources
Commodities	Copper, Zinc, Gold, Silver
Coordinates	67° 23' N, 110° 51' W
NTS	76M/7
Location	175 km ESE of Kugluktuk

The High Lake Cu-Zn-Ag-Au property consists of 15 leases (1,710 ha) located mainly within a Subsurface IOL parcel. However, the mining leases are "grandfathered" and are exempt from NTI ownership as long as tenure is maintained.

The High Lake property is underlain by north-trending Archean basaltic to rhyolitic flows and fragmented volcanic rocks in the northern part of the High Lake greenstone belt. Felsic volcanic rocks dominate over mafic throughout the belt, contrasting with other Slave province greenstone belts. Less voluminous argillite and greywacke form the easternmost portion of the property. Late Archean plutonic rocks intrude the supracrustal rocks in the western part of the property and Proterozoic diabase dykes intrude all units.

Mapping, sampling, geophysical surveys and drilling were completed in the late 1950's by Kennarctic Explorations. This work led to a reserve estimate of 1.16 Mt of 5.37% Cu, 1.04 g/t Au (A-Zone), 0.58 Mt of 6.09% Cu (B-Zone) and 1.83 Mt of 2.51% Cu, 4.2% Zn, 29.6 g/t Ag (D-Zone).

Wolfden acquired the property in 2001. The company has applied for, and received, an NTI Exploration Agreement for open Subsurface IOL adjacent to the existing property.

In 2003, a new massive sulphide horizon, the West Zone, was discovered at High Lake ~1.7 km west of the A/B and D Zones. Over 20,000 m of drilling has been conducted to date and continues to expand the West Zone. Step-out drilling has returned intersections up to 5.5 m grading 2.40% Cu, 4.90% Zn, 177.15 g/t Ag and 4.14 g/t Au. The deepest hole (~700 m) drilled at the north end of the West Zone has returned the thickest interval of mineralization, suggesting that the deposit is open at depth. Grades of 3.07% Cu, 0.52% Zn, 48.10 g/t Ag and 1.30 g/t Au over 45.70m and 19.00 m grading 4.27% Cu have been intersected. Further deep drilling in 2004 returned impressive results of 50.85 m grading 0.81% Cu, 7.59% Zn, 103.33 g/t Ag and 3.81 g/t Au.

Hope Bay Project (Doris North, Madrid, Boston)	
Operator, Owners	Miramar Mining Corp
Commodities	Gold
Coordinates	68° 00' N, 106° 30' W
NTS	76O/9,10,15,16, 77A/2,3,6,7,10
Location	160 km Southwest of Cambridge Bay

The Hope Bay project was again the largest exploration project in Nunavut. This project, 100% owned by Miramar Mining Corporation, is within the Hope Bay greenstone belt that extends over 1,000 km² and is one of the most prospective undeveloped greenstone belts in Canada. The belt contains a number of significant gold deposits; three have been defined on the Hope Bay project, the Boston, Doris and Madrid (with Naartok and Suluk). Current resource estimates are 5.4 M oz of gold with measured and indicated resources of 1.8 M oz at 9.9 g/t gold and an inferred resource of 3.6 M oz of 6.9 g/t. The resource continues to increase with additional work, as significant discoveries deep in the Boston deposit and at Naartok were determined in 2003-2004. All deposits remain open to expansion.

Miramar controls most of the Hope Bay belt (~250,000 acres) and large portions of the ground are Inuit-owned

and administered by NTI. The belt, 80 km long in a N-S direction and 7-20 km wide, is located in the northeast corner of the Slave Province and is a typical Archean greenstone belt, comparable to the Yellowknife, Kirkland Lake and other prolific gold belts. The belt comprises lower greenschist facies mafic metavolcanic and metasedimentary rocks with amphibolite facies rocks along the eastern and western margins of the belt where Archean granitoid rocks have been intruded. The belt has been deformed during multiple events and is transected by major north-south trending altered shear zones; features similar to those of other major gold deposits in Archean greenstone belts.

The **Doris** deposit is situated at an inferred inflexion in the Hope Bay structural break and consists of a steeply dipping, over 3 km long quartz vein system in folded and metamorphosed pillow basalts. At the north end, the veins are folded to create a high-grade anticlinal hinge zone lying close to surface (**Doris North**).

In January 2003, a feasibility study of the Doris North deposit was completed and predicted production of 311,000 oz of gold in the first two years. The Inuit Impact and Benefit Agreement (IIBA) between Miramar and the Kitikmeot Inuit Association (KIA) relating to the gold mine development was signed in early 2004. However, in August 2004, the Nunavut Impact Review Board (NIRB) determined that the Doris North project could not proceed to the regulatory phase of permitting until a new Environmental Impact Statement application with additional information in five target areas (dealing with wildlife and design concerns) was provided to NIRB. Miramar is close to completing the supplemental information.

The **Boston** deposit is located near the south end of the belt and is associated with a flexure in the Hope Bay structural break. Gold and sulphides (mostly pyrite) are found in clots within quartz veins and within the wall-rock halo. Measured and indicated resources are 687,000 oz at 15.4 g/t and inferred resources are 900,000 oz at 10.9 g/t. The best gold mineralization occurs in altered zones within a large iron-rich carbonate altered shear system.

In 2004, 35 holes (20,157 m) were drilled at Boston. Drilling results exceeded expectations (hole 304 intercepted 6.6 m grading 21.7 g/t gold) and added new mineralized areas; 16.2 g/t over 9.5 m was intercepted in an area outside the existing resource. Furthermore, deep drilling encountered significant mineralization (28.9 g/t gold over 3.8 m and an exceptional 461.3 g/t gold over 0.5 m) in an area ~ 400 m by 500 m, below the level of the existing resources.

At the **Madrid** deposit, 2003 resource estimates suggest an indicated resource of 565,000 oz of gold grading 4.9 g/t and inferred resources of 1,886,000 oz of gold of similar grade. In 2001, drilling tested several targets along the 11-km long Deformation Zone southeast of Madrid and two new significant gold showings, **Naartok** and **Suluk**, were defined. Naartok mineralization is hosted by a west-trending, steeply north-dipping alteration zone (dolomite-sericite-silica-albite) of disseminated, stockwork, and breccia-style gold-pyrite mineralization within mafic volcanic rocks. Drilling of 17 holes (7281 m) in 2004 has more than doubled the limits of the known mineralization at Naartok. Step-out drilling intercepted 18 m averaging 6.5 g/t gold (including 6.1 m averaging 10.1 g/t and 6.2 m averaging 9.0 g/t).

Inulik Lake	
Operator, Owners	Allyn Resources
Commodities	Gold, Diamonds, Base Metals
Coordinates	66° 57' N, 113° 10' W
NTS	86I/14, 15; 86P/2, 3
Location	120 km Southeast of Kugluktuk

The Inulik property consists of three separate claim blocks (ALS/AT, ALN/MARS and TE) and covers over 196,000 ha. Results announced early in 2004 identified 189 samples with kimberlite indicator minerals. Over 24,000 line-km of detailed airborne magnetic surveys were completed in 2004 and over 100 anomalies suggestive of kimberlites were interpreted.

On the ALS/AT claims, sediment hosted Zn-Pb-Cu-Ag mineralization has been outlined; 99 rock samples were collected from two showings, the Taq West and the Long Copper showings. The TE claims are underlain by the 30 km by 2 km Napaktulik greenstone belt; this belt has been explored for VMS and lode gold deposits. 147 rock samples were collected in 2004 from a number of gossans and results are currently pending.

James River (North James River)	
Operator, Owners	Pure Gold Minerals Inc. (50%); Bard Ventures Ltd. (50%)
Commodities	Gold
Coordinates	110° 45' W, 67° 35' N
NTS	76M/10
Location	30 km NW of Wolfden's High Lake, 175 km ESE of Kugluktuk

The Cygnet Lake Gold Zone was previously discovered and evaluated by BHP Minerals. Gold mineralization along a 3 km strike length is associated with varying amounts of pyrite and arsenopyrite in linear zones of silicification and quartz veins. There are two promising showings, the Silver Bullet and the Black Ice. At the Silver Bullet showing, previous surface sampling returned values up to 154 g/t gold and on the Black Ice Zone values were up to 21 g/t gold.

2004 exploration focussed on the evaluation of airborne magnetic-EM survey anomalies interpreted and further defined by ground UTEM and magnetic surveys in 2003. Visible gold was found during detailed channel sampling. Mineralization up to 82.4 g/t Au was confirmed over a 50m strike and 60.3 g/t Au was returned over 1.2 metres at the Silver Bullet showing. A grab sample collected from a separate vein set 50 metres east of the mineralized zone returned 86.4 g/t gold. Fifteen channel samples collected from the 50 m vein exposure returned an average grade of 11.8 g/t gold. Twenty six channel samples, varying in width from 0.4-1.3 m, were collected from the Black Ice showing. Values of 10.1 g/t gold and an average of 1.6 g/t over a strike length of 40 metres were determined.

Jericho Diamond Project	
Operator, Owners	Tahera Diamond Corporation
Commodities	Diamonds
Coordinates	66° 00' N, 111° 29' W
NTS	76E/14
Location	350 km Southwest of Cambridge Bay

In 1992-93, Lytton Minerals and New Indigo Resources staked the Jericho, Contwoyto, and Burnside claim group (437,000 acres) around the northern end of Contwoyto Lake. Extensive airborne geophysical surveys were flown and thousands of till samples were collected. Drilling in 1995 resulted in the discovery of the JD/OD-1 kimberlite and the JD/OD-2 kimberlite and in 1996, the JD/OD-1, or Jericho pipe, was outlined by 28,000 m of drilling. JD/OD-3, also known as Nazareth, was discovered, but neither it nor the JD/OD-2 pipe warranted further exploration. A decline was driven into the Jericho pipe in 1997 and 14,555 tonnes of kimberlite was mined for bulk sampling; 9435 tonnes were processed at the Lupin mine-site with 10,535 carats recovered. The Contwoyto-1 kimberlite was found on the Contwoyto claim group in 1999.

Tahera entered the environmental review process in 2000 for the development and operation of the Jericho diamond mine and to date has completed the necessary regulatory requirements to all organizations. A feasibility study was commissioned in 2003. Tahera received federal approval in June 2004 for the project to proceed and in early September, the company and the Kitikmeot Inuit Association (KIA) signed the formal Inuit Impact Benefit Agreement (IIBA). In October of this year, Tahera entered into an agreement with Tiffany and Co. for the purchase and marketing of the diamonds; Tiffany will also provide \$35 M to assist with the project financing.

Tahera is currently in the water permit hearing stage with the Nunavut Water Board; their application for a Type A license has been accepted and the final hearing is set for early December, 2004. This schedule meets the Company's timetable to begin construction in 2005 and the completion of the ice road from the Lupin Mine to Jericho. Commercial production is planned for early 2006. The project is planned to be ~ 9 years (2005 to 2014)

and current proven reserves are defined as 2.6 million tonnes averaging 1.2 carats. The mine will be an open pit mine for years 1 to 4, processing 330,000 tonnes per year on site, followed by underground mining.

Knife Lake (Tree 1 claim)	
Operator, Owners	De Beers (51%), Rhonda Corporation (49%)
Commodities	Diamonds
Coordinates	67° 02' N, 113° 07' W
NTS	86P/3
Location	120 km Southeast of Kugluktuk

Rhonda Corporation and De Beers Canada Exploration Inc have a joint venture agreement for the Tree 1 claim over the Knife kimberlite pipe; this claim covers 2530 ha. De Beers budgeted \$1.32 million for the 2004 program. In late March, a detailed ground gravity survey was completed followed by an 11-hole drilling program in August that resulted in 2124 metres of core with 1983 metres (~15.1 tonnes) of kimberlite; 950 kg of this kimberlite have been sent for microdiamond extraction. The 2004 work reinforces the interpretation that the Knife pipe measures 350 m E-W and 350 m N-S and covers 6.5 hectares, of which one half is beneath Knife Lake.

Lupin	
Operator, Owners	Kinross Gold Corporation
Commodities	Gold
Coordinates	65° 46' N, 111° 14' W
NTS	76E/11,14
Location	300 km South of Kugluktuk

Kinross operates the Lupin underground mine, which it acquired from Echo Bay Mines in January, 2003. The Lupin area is underlain by metaturbidites of the Archean Contwoyto Formation; this formation contains both silicate and sulphide-facies iron formations. The rocks have been repeatedly deformed and mine site stratigraphy consists of two steeply-plunging, steeply-dipping anticlines separated by a syncline.

In August 2003, Kinross suspended operations at the Lupin mine due to the poor economic performance of the operation. As a result, there was no gold production during the fourth quarter of 2003 and gold production for the full year was 56,008 ounces. The plant and equipment were placed on care and maintenance, and future options and alternatives concluded that the best mine plan was to mine the pillars. Mill operations and gold production recommenced in March, 2004 with production of 79,000 oz gold planned until mid-2005.

Musk Project	
Operator, Owners	Strongbow Exploration
Commodities	Gold, Silver, Copper, Zinc, Lead
Coordinates	65° 30' N, 107° 40' W
NTS	76G/05
Location	Back River area, 160 km South of Bathurst Inlet

The Musk Project comprises a single 221 ha mining lease as well as 21,000 ha of mineral claims and 8,558 ha of Inuit Owned Lands. The Musk Mining Lease is presently under option from Noranda, providing Strongbow the right to earn a 100% interest in the lease by incurring exploration expenditures of \$5 million over a period of six years. This Au-Ag-Cu-Zn-Pb deposit is located in the Back River area and hosted by Archean volcanic rocks.

The Musk deposit was discovered by Noranda in 1979. Drilling and detailed evaluation in the 1980's outlined a VMS deposit of 415,000 tonnes grading 1.4 g/t Au, 324 g/t Ag, 1.1% Cu, 1.4% Pb, and 9.8% Zn. Mineralization remains open to the east and to depth. A single drill hole from 1994 confirmed the mineralization below the known resources, intersecting a 4.0m zone grading 1.6 g/t Au, 292 g/t Ag, 0.92% Cu, 0.64% Pb, and 5.59% Zn at a depth of 280 m below surface.

In 2004, Strongbow drilled 10 holes and initial results from the first four have confirmed high base and precious metal values and extended the strike length of the mineralized horizon 165 m further west. A high-resolution, 572 line-km, Fugro helicopter-borne magnetic-EM geophysical survey was completed to the northwest and southeast of the deposit; results are pending.

Muskox Project	
Operator, Owners	Muskox Minerals Corp
Commodities	Nickel, Copper, Cobalt, Platinum, Palladium, Gold
Coordinates	67° 00' N, 115° 15' W
NTS	86J/11,14, 86O/3
Location	90 km Southwest of Kugluktuk

The 1.27 Ga Muskox Intrusion (MI) is a layered mafic/ultramafic complex intruding the Paleoproterozoic Coronation Supergroup and is one of the world's largest intrusions. It occupies a triangular, trough-shaped magmatic chamber up to 20 km across, extending to a depth of 1.8 km and is exposed over 125 km. Geophysical data suggests the intrusion continues for another 250 km under cover rocks.

The MI was first discovered in 1956 by INCO, and was examined between 1969-1988 by various companies. Muskox Minerals staked and negotiated Inuit Concession Agreements (later transferred to Exploration Agreements) in 1995-1997. The best assay from a grab sample is 160 g/t Pd+Pt+Au and over 20% combined Cu+Ni. The best drill results from 2001 was an intercept grading 1.28% Cu, 0.45% Ni, 1.20 g/t Pd, and 0.18 g/t Pt over 15 m.

Muskox and former partner Anglo American Exploration Canada (AAEC) conducted airborne spectrum geophysics in 2003 and identified 21 conductive targets later followed up by ground surveys. Drilling intersected up to 1.22% Ni, 0.76% Cu, 0.03% Co, 340 ppb Pt and 1150 ppb Pd over 0.61 m in low-sulphide footwall paragneiss. In May, 2004, AAEC and Muskox Minerals terminated their Option Agreement. Exploration expenditures by AAEC exceeded \$2.5 million and included integration of existing data, a regional Spectrem airborne survey, soil geochemistry, ground UTEM and PEM surveys, and diamond drilling.

Ulu	
Operator, Owners	Wolfden Resources
Commodities	Gold
Coordinates	66° 54' N, 110° 59' W
NTS	76L/15,14
Location	300 km Southwest of Cambridge Bay

Wolfden is the current owner and operator of Ulu, which is hosted in amphibolite facies mafic metavolcanic rocks of the High Lake volcanic belt. The claims have seen extensive drilling between 1989 and 1996; in 1995, Echo Bay Mines Ltd (the owner at the time) estimated a resource of 1.5 Mt grading 12.78 g/t Au for the Flood Zone. The main Ulu claims (Ulu-1 to 4) cover a two to three km-wide lobe of supracrustal rocks surrounded by granite. The property has excellent exploration potential as demonstrated by the untested Ravine showing where prospecting has returned assays of 36.2 and 26.0 g/t Au. Rubby gossanous quartz veins to the north

and south yielded Au values between 22.8 and 89.1 g/t (2.6 oz/ton).

Recent drilling by Wolfden intersected high-grade gold below the known resource as well as massive sulphides parallel to the main gold zones. An ongoing drill program is designed to expand the Flood Zone and explore for additional lenses below the main deposit. Drilling has identified continuity of gold mineralization in the "Deep Zone" down-plunge from the main Flood Zone. Initial drilling in the Deep Zone has returned gold intersections of 21.18 g/t across 2.4 m and 11.24 g/t across 4.0 m. Drilling of this zone is continuing and results indicate the potential to increase the current resource at Ulu. In addition, massive sulphide mineralization at the basalt-sediment contact, parallel to the Flood Zone mineralization, yielded 7.48% Cu, 6.94% Zn, 148.6 g/t Ag and 1.05 g/t Au across 1.9 m.

Ulu South	
Operator, Owners	Strongbow Exploration, Wolfden Resources
Commodities	Gold
Coordinates	66° 45' N, 110° 55' W
NTS	76L/10
Location	300 km Southwest of Cambridge Bay

In September 2004, Strongbow and Wolfden entered an agreement on Strongbow's Ulu South gold property near Hood River, 50 km south of Wolfden's High Lake property. Wolfden may earn a 60% interest in the property by spending \$5 million over the next five years. The 32,000 ha Ulu South property is part of an IOL parcel in which Strongbow controls 100% of the mineral rights, subject to an agreement with NTI.

Ulu South contains numerous gold showings hosted by mafic volcanic rocks within the Fire, Match and Smoke zones ~15 km southeast of Ulu. Current and planned exploration by Wolfden includes a drill program to test the Smoke showing, where three drill holes completed by BHP in 1994 returned 12.2 g/t over 2.12 m, 3.1 g/t over 1.72 m, and 8.3 g/t over 2.7 m. Of the 16 grab samples collected by Strongbow in 2003, nine returned >1 g/t Au, and five yielded >25 g/t Au. In 2004, Wolfden completed a six hole, 722 m drill program which tested the Smoke and Spark showings. Assay results are pending.

Coronation Gulf Diamonds

The Coronation Gulf Diamond District southeast of Kugluktuk covers the northern portion of the Archean Slave Province and hosts over 20 kimberlites, some significantly diamondiferous. The first kimberlite, the Potentilla, was discovered in 2001 and started a 4 million acre staking rush which encompassed the majority of this diamond district. Numerous companies are working in this area and this work is briefly outlined.

Kimberlites in the area included Ashton Mining of Canada's diamondiferous Artemisia and Thrift kimberlites and Ashton and Stornoway hold the Potentilla and Stellaria kimberlites. Ashton holds a 100% interest in six properties, totalling ~197,000 hectares and these are the Vic, Kim, Ric, Eokuk, Fairy River and James River properties. Ashton also has a 52.5% interest and a right to earn an additional 7.0% interest in the 16,000-hectare Kikerk Lake project with Caledonia Mining Corporation and Stornoway Diamond Corporation. Ashton's 2004 summer exploration program in the Slave craton focussed primarily on the Kikerk Lake property and their 100 %owned properties in the Coronation Gulf. Programs consisted of the collection of over 1,200 indicator mineral samples to assist in prioritizing previously identified geophysical targets and indicator mineral anomalies; laboratory results samples collected are expected early in 2005. On the Kikerk property, an outcrop of a kimberlite dyke (~ 2 km wide) was discovered; the extent and size of this dyke is not known. However, caustic dissolution analysis of a few hundred kilograms of this kimberlite suggests that the diamond potential of the dyke is low.

Strongbow holds varying interests in more than 263,000 ha of ground in the Coronation Diamond District. The

company's 100% owned Napaktulik Lake diamond property, located within 5 km of at least two kimberlite bodies comprises 18,959 ha of Inuit Owned Lands subject to the NTI Agreement. Limited sampling conducted by Strongbow in 2003 returned anomalous numbers of kimberlite indicator minerals from 33 of 39 collected samples, including pyrope and eclogitic garnet, chromite, and ilmenite grains. Data from a detailed helicopter-borne magnetic-EM survey covering the property delineates a number of potential kimberlite targets. A property wide till sampling program was completed during 2004, the results of which will be used to further define target areas within the property.

Strongbow's Blue Lake property comprises 35,264 ha of Inuit Owned Lands subject to the NTI agreement. The property hosts a prominent kimberlite indicator mineral train within which till samples collected in 2003 returned hundreds of indicator minerals. The mineral train is cut off, indicating that a bedrock source for these minerals is likely located within the property. Exploration work completed in 2004 included a detailed helicopter-borne magnetic-EM survey covering the head of the Blue Lake indicator mineral train as well as more detailed sampling in an effort to define high quality drill targets.

The Jubilee project [Stornoway Diamond Corporation (50%) Nordic Diamonds Ltd. (25%) and International Samuel Exploration (25%)] spans 137,250 acres. 2004 work spent \$700,000 and was focussed on the collection of over 600 till samples to help resolve internal variation within strong and laterally extensive regional mineral trains that were identified by earlier till sampling and airborne magnetics. Exploration efforts also were used to identify and differentiate locally sourced mineral indicator trains that would signify unrecognized kimberlitic bodies on the property; work has indicated four or five anomalous areas of immediate interest.

The Peregrine property covering 154,424.25 acres is jointly owned by Diamondex Resources Ltd. (70%) and Stornoway (30%). 94 till samples are currently being processed and results are pending.

Shear Minerals also holds ground in this region with their Coronation property consisting of 58 claims in three non-contiguous claim groups, totalling 79,500 acres. Shear acquired the properties in 1997 and in 2002 advanced the project to the drilling stage of four medium-priority targets following ground geophysical data and supporting kimberlite indicator mineral anomalies from till samples. Mapping, sampling, and additional till sampling has been undertaken; results are pending.

An agreement between Miramar and Sherwood Mining Corporation gives Sherwood the option to earn a 70% interest in any kimberlite discovery in the Hope Bay belt in exchange for work commitments. Sherwood has re-processed till samples that were collected by Miramar for gold exploration and results indicate 49 of these 633 samples carried possible diamond indicators. An additional 115 samples were re-processed and high concentrations of indicator minerals are found near Madrid and Boston gold deposits. 240 till samples from the Hope Bay and Elu Inlet belts have been collected and geophysical targets followed up on the ground. The recent discoveries of diamondiferous kimberlites in the Coronation Gulf area of the Slave Craton suggest areas near the margins of the Craton, including the Hope Bay area, have greater potential for discoveries of diamonds than previously recognized.