GROUND MAGNETIC SURVEYS

executed on the

CLUSTER PROJECT
(Grids K-11, K-35)

Kirkland Lake / Timmins / Matheson Area
Northeastern Ontario

on behalf of

DIANOR RESOURCES INC.

May 2006
SUMMARY

In January 2006, complementary ground magnetic surveys were conducted, at the request of Dianor Resources, on 2 airborne magnetic targets of the Cluster Project in the search for diamond-bearing kimberlites. The project covers a large area in Kirkland Lake, Timmins and Matheson districts, Northeastern Ontario. In total, 6.16 line-km of magnetic surveys, distributed over the 2 separate grids, were executed during this period.

The surveys were successful in locating and delineating on the ground the 2 targets anomalies which coincide with the 2 sought-after airborne anomalies and present pseudo-circular patterns likely related with intrusive rocks.

Recommendations for further work consist of detail geological mapping with till sampling followed, if warranted, by drilling to test all zones of interest.
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Magnetic surveys

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1.2_k11 Total Field Contours - K-11 1 : 5 000
1.3_k11 Vertical Gradient Contours - K-11 1 : 5 000
Airborne Magnetic Survey – Total Field - Target K-11 1 : 10 000
Airborne Magnetic Survey – Vertical Gradient - Target K-11 1 : 10 000

1.1_k35 Total Field Profiles - K-35 1 : 5 000
1.2_k35 Total Field Contours - K-35 1 : 5 000
1.3_k35 Vertical Gradient Contours - K-35 1 : 5 000
Airborne Magnetic Survey – Total Field - Target K-35 1 : 10 000
Airborne Magnetic Survey – Vertical Gradient - Target K-35 1 : 10 000

DIANOR RESOURCES INC.
1. INTRODUCTION

This report presents the results of complementary ground magnetic surveys executed in January 2005 for Dianor Resources Inc. on two magnetic targets of the Cluster Project, located in the Kirkland Lake / Timmins / Matheson Area, Northeastern Ontario.

The surveys were carried out in order to better define on the ground two selected airborne magnetic anomalies interpreted as possible signatures of diamond-bearing kimberlites and already detected on the ground by previous surveys done in 2005.

2. CLUSTER PROJECT

The Cluster project consists of several airborne (heliborne) magnetic anomalies selected as potential targets in the search for diamond-bearing kimberlites. The selected magnetic anomalies are distributed over a rather large range of about 165 km x 100 km in the Kirkland Lake, Timmins and Matheson areas, Northeastern Ontario (Figure 1).

The magnetic anomalies were originally selected from the Ontario Airborne Geophysical Surveys data sets (Ontario Treasure Hunt and Discover Abitibi) covering the Kirkland Lake, Timmins and Matheson areas (Megatem) and the Kirkland Lake - Larder Lake area (High Resolution Heliborne Mag). The following Table gives the locations of the 2 surveyed targets:

<table>
<thead>
<tr>
<th>Target anomaly</th>
<th>UTM (EAST) Nad83 Zone 17</th>
<th>UTM (NORTH) Nad83 Zone 17</th>
<th>NTS</th>
<th>Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-11</td>
<td>503778</td>
<td>5323637</td>
<td>42A/02</td>
<td>Hincks</td>
</tr>
<tr>
<td>K-35</td>
<td>549591</td>
<td>5339156</td>
<td>42A/01</td>
<td>Lee</td>
</tr>
</tbody>
</table>

Targets K-11 and K-35 are located in Hincks and Lee Twps about 70 km and 20 km west of Kirkland Lake, respectively; they are covered by mining licenses 100 % owned by Dianor Resources Inc. and registered with the Ministry of Northern Development and Mines of Ontario, Larder Lake Mining District. The survey and claim locations are shown on figures 2 and 3.

For the ground follow-up magnetic surveys, the different targets were accessed by truck via provincial roads and by VTT along secondary roads and trails and finally located with a GPS.

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Figure 1: General location
Figure 3: Claim and Survey location – Grid K-35
UTM NAD83 Zone 17 – (1:50 000)
3. WORK DONE

From January 15 to 18, 2006, complementary ground magnetic surveys were carried for Dianor Resources Inc. on 2 grids of the Cluster Project, previously surveyed in 2005.

In total, 6.16 line-km of complementary magnetic surveys were executed on the 2 grids as follows:

K-11: 1 975 m  
K-35: 4 175 m

4. TECHNICAL SPECIFICATIONS OF THE SURVEYS

Complementary N-S oriented profiles were first established to cover the eastern extension of the previous surveys over the two selected targets. The profiles were set-up at 50 m intervals and their stations marked every 25 m with flagging tape. Their exact locations were also verified with a GPS instrument (UTM NAD 83, Zone 17).

The magnetic surveys were conducted by Geos Sciences Inc. of Rouyn-Noranda with a G-816 portable magnetometer manufactured by Geometrics. The magnetic total field was recorded every 12.5 m along the lines with a precision of 0.01 nanoTesla. The correction for the diurnal variation was done by means of verification readings at short regular intervals on pre-established base station points located on the grid.

5. RESULTS AND INTERPRETATION

The results of the surveys are presented for each grid on the Total Field Profile maps and on the Total Field Contour maps, in Appendix. Maps of the calculated Vertical Gradient were also produced. The vertical gradient highlights the shape and border of the different magnetic bodies (contour level 0) and enhances weaker total field anomalies. Images of the two airborne magnetic targets (total field and gradient) are also shown as a reference, in Appendix.

Grid K-11

The area covered by the previous and recent surveys present a moderately accentuated magnetic relief where total field intensities vary from 56 500 nT to 57 700 nT, in general, within a background level located near 56 850 nT.

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This magnetic relief is characterized by a series of more or less isolated near-circular anomalies of about 200 to 1,000 nT which coincide with the sought-after single and isolated airborne magnetic anomaly shown in Appendix. These anomalies present a diameter of 50 to 150 m and show an E.NE-W.SW alignment. The recent survey delineates clearly the eastern limit of this group of anomalies with a zone of low magnetic intensity.

Both previous and recent surveys revealed a moderate magnetic relief with total field intensities fluctuating from 57,000 to 58,400 nT and a background level situated near 57,200 nT.

The large anomaly of about 550 nT partly detected in the eastern part of the first survey was covered with 7 new profiles to the east. This anomaly which is still increasing to the east, is likely due to a N-S oriented regional dyke as seen on the airborne magnetic survey, in Appendix. The sought-after target anomaly, located on the west flank of this dyke, was in fact detected by the first survey. It consists of a subtle circular anomaly of a few hundred nanoTeslas, with a diameter of about 300 m. This anomaly is overall and mainly visible on the calculated vertical gradient map.

6. CONCLUSION AND RECOMMENDATIONS

The previous and recent complementary ground magnetic surveys executed on 2 grids of the Cluster project succeeded to locate on the ground and to give a better definition of both sought-after airborne magnetic anomalies which seem to be related with intrusive rocks.

The results of these surveys should be first re-evaluated in the lights of field prospecting and till sampling results (MMI). Recommendations for further work consist of drilling to test, if warranted, the two anomalies which appears to present typical characteristics of diamond-bearing kimberlites.

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7. CERTIFICATE OF QUALIFICATION

I, PIERRE BOILEAU of the town of Val-d'Or, Abitibi, Québec, do certify that:

1) I am a graduate of Ecole Polytechnique of Montréal (B.Sc.A Eng. 1971) in Geological Sciences

2) I have practised my profession continuously for 34 years since my graduation from Ecole Polytechnique

3) I am a member of l'Ordre des Ingénieurs du Québec (31228)

4) I have no beneficial interest in the property discussed in this report nor do I expect to receive any in the future

May 12, 2006

Consulting geophysicist

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APPENDIX

<table>
<thead>
<tr>
<th>Description</th>
<th>Grid</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Field Profiles</td>
<td>K-11</td>
<td>1:5000</td>
</tr>
<tr>
<td>Total Field Contours</td>
<td>K-11</td>
<td>1:5000</td>
</tr>
<tr>
<td>Vertical Gradient Contours</td>
<td>K-11</td>
<td>1:5000</td>
</tr>
<tr>
<td>Airborne Magnetic Survey – Total Field</td>
<td>K-11</td>
<td>1:10000</td>
</tr>
<tr>
<td>Airborne Magnetic Survey – Vertical Gradient</td>
<td>K-11</td>
<td>1:10000</td>
</tr>
<tr>
<td>Total Field Profiles</td>
<td>K-35</td>
<td>1:5000</td>
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<td>K-35</td>
<td>1:10000</td>
</tr>
</tbody>
</table>
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CLUSTER PROJECT - K-11

MAGNETIC SURVEY
TOTAL FIELD PROFILES

UTM NAD 83 - Zone 17

Scale 1:5 000  Map no. 1.1_k11

MAGNETIC PROFILES
Readings: Total field - 56700 nT

1 cm = 500 nT

Instrument: Geometrics G-811
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CLUSTER PROJECT - K-11
MAGNETIC SURVEY
TOTAL FIELD CONTOURS
UTM NAD 83 - Zone 17

Scale 1: 5 000  Map no. 1.2_k11
Airborne Magnetic Survey – Total Field – Target K-11 (1 : 10 000)

2.32697
Airborne Magnetic Survey – Vertical Gradient – Target K-11 (1 : 10 000)

2.32697
MAGNETIC PROFILES
Readings: Total field - 57200 nT

1 cm = 1000 nT

Instrument: Geometrics G-818

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CLUSTER PROJECT - K-35

MAGNETIC SURVEY
TOTAL FIELD PROFILES

UTM NAD 83 - Zone 17

Interpreted by: P. Boileau, Eng. geoph. Date: 05/2006
Scale 1 : 5 000 Map no. 1.1_k35

2.32697
Airborne Magnetic Survey – Total Field – Target K-35 (1 : 10 000)

2.32697
Airborne Magnetic Survey – Vertical Gradient – Target K-35 (1 : 10 000)