GROUND MAGNETIC SURVEYS

executed on the

CLUSTER PROJECT
(Grids TM-92, KL-35, Davidson 2)

Kirkland Lake / Timmins / Matheson Area
Northeastern Ontario

on behalf of

DIANOR RESOURCES INC.

December 2007
SUMMARY

From February to April 2007, ground magnetic surveys were conducted, at the request of Dianor Resources, on 3 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, 12.0 line-km of magnetic surveys, distributed over 3 separate grids, were executed during this period.

The magnetic surveys executed on the 3 targets succeeded to locate on the ground one new isolated near-circular anomaly (TM-92) and to give a better definition of two previously surveyed anomalies (KL-35 and Davidson 2) which seem, in all cases, to be 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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DIANOR RESOURCES INC.
1. INTRODUCTION

This report presents the results of ground magnetic surveys executed in February and April 2007 for Dianor Resources Inc. over three airborne magnetic targets of the Cluster Project, located in the Kirkland Lake / Timmins / Matheson Area, Northeastern Ontario.

The surveys were carried out in order to detect and better define on the ground three selected airborne magnetic anomalies interpreted as possible signatures of diamond-bearing kimberlites.

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 3 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>TM-92</td>
<td>491221</td>
<td>5412720</td>
<td>42A/14</td>
<td>Duff</td>
</tr>
<tr>
<td>KL-35</td>
<td>549591</td>
<td>5339156</td>
<td>42A/01</td>
<td>Lee</td>
</tr>
<tr>
<td>Davidson 2</td>
<td>548951</td>
<td>5303300</td>
<td>41P/16</td>
<td>Davidson</td>
</tr>
</tbody>
</table>

Targets KL-35 and Davidson 2 are located in Lee and Davidson Twps about 30 km W.NW and 35 km SW of Kirkland Lake, respectively, whereas target TM-92 is located about 45 km NE of Timmins in Duff Twp. The targets are covered by mining licenses registered with the Ministry of Northern Development and Mines of Ontario, Larder Lake and Porcupine Mining Districts. The survey and claim locations are shown on figures 2, 3 and 4.

For the ground follow-up magnetic surveys, the different targets were accessed by truck via provincial roads and by snowmobile or VTT along secondary roads and trails and finally located with a GPS.
Figure 1: General location
Figure 2: Claim and Survey location – **TM-92**
UTM NAD83 - Zone 17 – (1 : 50 000)
Figure 3: Claim and Survey location – Grid KL-35
UTM NAD83 - Zone 17 – (1 : 50 000)
Figure 4: Claim and Survey location – Grid Davidson 2
UTM NAD83 - Zone 17 – (1 : 50 000)
3. WORK DONE

Between February 23 and April 18, 2007, ground magnetic surveys were carried out for Dianor Resources Inc. on 3 grids of the Cluster Project. The survey done on the TM-92 target constitute a first ground investigation of the airborne target, while the profiles executed on KL-35 and Davidson 2 grids are complementary detail profiles to previous surveys carried out in 2002 and 2004.

In total, 12.00 line-km of magnetic surveys were executed on the 3 grids as follows:

- TM-92: 7,800 m
- KL-35: 2,800 m (complementary survey)
- Davidson 2: 1,400 m (complementary survey)

4. TECHNICAL SPECIFICATIONS OF THE SURVEYS

A N-S oriented grid of line was first established to cover the location of TM-92 target. The profiles were set-up at 50 m intervals and their stations marked every 25 m with flagging tape. A few E-W complementary profiles were set up on KL-35 and Davidson 2 targets as detail survey. In all cases, the exact locations of the lines 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 GSM-19 portable magnetometer manufactured by Gem Systems. The magnetic total field was recorded every 12.5 m along the lines with a precision of 0.1 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. For the detail complementary surveys, the new data were levelled and integrated to the previous survey data.

5. RESULTS AND INTERPRETATION

The results of the survey executed on new target TM-92 are presented on the Total Field Profile maps and on the Total Field Contour maps, in Appendix. A map of the calculated Vertical Gradient was also produced. The vertical gradient highlights the shape and border of the different magnetic bodies (contour level 0) and enhances weaker and deep total field anomalies. The results of the recent complementary surveys done on targets KL-35 and Davidson 2 are shown on the total field profile maps, whereas the total field contour and vertical gradient maps present the integrated results of the data coming from recent and previous surveys (2002 and 2004).
The area covered by the survey shows a moderately accentuated magnetic relief where total field intensities vary from 55,917 nT to 56,972 nT within a background level located near 56,450 nT.

This magnetic relief is characterized by the presence of an apparently isolated near-circular zone of magnetic high of about 300 to 400 nT above the local magnetic background which likely coincides with the sought-after airborne magnetic target anomaly. This anomaly seems to form an elongated arched pattern with dimensions of 250 x 300 m; it is likely produced by one isolated body located at a depth varying from 40 to 60 m.

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

The seven new E-W oriented magnetic profiles ran over the KL-35 target show again a strong horizontal magnetic gradient increasing to the east. However, as shown on the profile map, a small and subtle total field anomaly (red line) appears to be superimposed to this strong local gradient (black dashed line) caused by a N-S mafic dyke located to the east.

The sought-after airborne target anomaly, located on the west flank of this dyke, thus consists of a subtle circular anomaly of less than a few hundred nanoTeslas, with a diameter of about 300 m. This anomaly which is over all and mainly visible on the calculated vertical gradient map is likely produced by a deep magnetic source (200 - 300 m ?).

Davidson 2

The area covered by the four recent E-W profiles shows like for the other previous surveys a flat to moderately accentuated magnetic relief where total field intensities vary from 56,300 to 57,700 nT, in general, within a background value of about 56,950 nT.

The four recent E-W profiles delineated two narrow and sub-parallel zones of magnetic high reaching 300 to 800 nT above or below the local magnetic background and presenting a N-S orientation. These anomalies are likely produced by narrow (50 m thick) and sub-parallel dykes which seem to plunge at depth north of BL 0 to constitute one larger and near circular response.
6. CONCLUSION AND RECOMMENDATIONS

The recent ground magnetic surveys executed on 3 targets of the Cluster project succeeded to locate on the ground one isolated near-circular anomaly (TM-92) and to give a better definition of two previously surveyed anomalies (KL-35 and Davidson 2) which seem, in all cases, 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 three anomalies which appear to present typical characteristics of diamond-bearing kimberlites.
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 36 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

December 10, 2007

Consulting geophysicist.
## APPENDIX

<table>
<thead>
<tr>
<th>Total Field Profiles</th>
<th>Grid TM-92</th>
<th>1:5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Field Contours</td>
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<td>1:5000</td>
</tr>
<tr>
<td>Vertical Gradient Contours</td>
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<tr>
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<td>Grid KL-35</td>
<td>1:5000</td>
</tr>
</tbody>
</table>
Vertical Gradient

CONTOUR INTERVAL (nT/m)

Linear contours

0.25
1.00

Contour = Calculated Vertical Gradient
Instrument Geometrics 6-18

DIANOR RESOURCES INC.
CLUSTER PROJECT - KL-35

MAGNETIC SURVEY
VERTICAL GRADIENT CONTOURS

UTM NAD 83 - Zone 17

Scale 1: 5 000 Map no. 13.1.38