

**REPORT**  
**ON**  
**CAUSTIC DISSOLUTION TREATMENT**  
**OF DIAMOND DRILL HOLE**  
**DR 95-34**  
**ON CLAIM**  
**1204022**  
**BY**  
**LAKEFIELD RESEARCH LIMITED**  
**FOR**  
**KWG RESOURCES INC.**  
**JUNE 1995**

SUBMITTED BY: STEVE MUNRO, B.Sc.  
Tuesday, September 2, 1997



43F03NW0002 2.17775

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## Introduction

On behalf of KWG Resources Inc., Toronto, Ontario, Midwest Drilling Ltd. drilled a single diamond drill hole, named DR95-34 into claim number 1204022 in March of 1995, in the James Bay Lowlands of Ontario.

A total of thirty-eight samples were taken from diamond drill hole DR 95-34. Twenty-six of the samples were shipped to Lakefield Research Limited in Lakefield, Ontario. At Lakefield, the samples underwent a caustic dissolution treatment and a total of 15 diamonds were recovered.

## Processing

The drill core arrived at Lakefield on May 4, 1995. The core was subsequently crushed, and then dissolved. The residue was treated a second time, and the final residue was sorted into magnetic and non-magnetic fractions. Finally, the fractions were inspected and the diamonds were recovered and measured. Processing was completed on June 7, 1995.

## Results

Attached is a chart showing Lakefield Research's findings. Included in the data is the depth and mass of each sample, the number of diamonds recovered and their total octacarat weight.

2 11 7 5

TABLE 1 - CAUSTIC DISSOLUTION RESULTS

Sample #	From (m)	To (m)	Length (m)	Mass (kg)	Diamond Totals			Grade
					Micros	Macros	Octacarats	Carats/100 Tonne
95-34-06	113	125	12	14.5	1		99,876	6.888
95-34-07	125	137	12	15.6	1		4,663	0.299
95-34-08	137	149	12	16.7				
95-34-16	218	224	6	16				
95-34-17	224	230	6	14.4				
95-34-18	230	236	6	15.5				
95-34-19	236	242	6	14.6				
95-34-20	242	248	6	14.7		1	51,660	3.514
95-34-21	248	254	6	14.9				
95-34-22	254	260	6	14.5		1	58,892	4.062
95-34-23	260	266	6	15.1				
95-34-24	266	272	6	15.9				
95-34-25	272	278	6	15				
95-34-26	278	284	6	15.9	1		17,449	1.097
95-34-27	284	290	6	14.6				
95-34-28	290	302	12	15.7	4		93,375	5.947
95-34-29	302	314	12	17.1	2		88,166	5.156
95-34-30	314	326	12	16.5				
95-34-31	326	338	12	16.6				
95-34-32	338	344	6	18.5				
95-34-33	344	350	6	15.8	2		8,897	0.563
95-34-34	350	356	6	16.2				
95-34-35	356	362	6	14.1	1	1	266,049	18.869
95-34-36	362	368	6	15.4				
95-34-37	368	377	9	12.1				
95-34-38	377	383	6	6.8				
Totals			201	392.7	12	3	689,027	1.755

2.17775

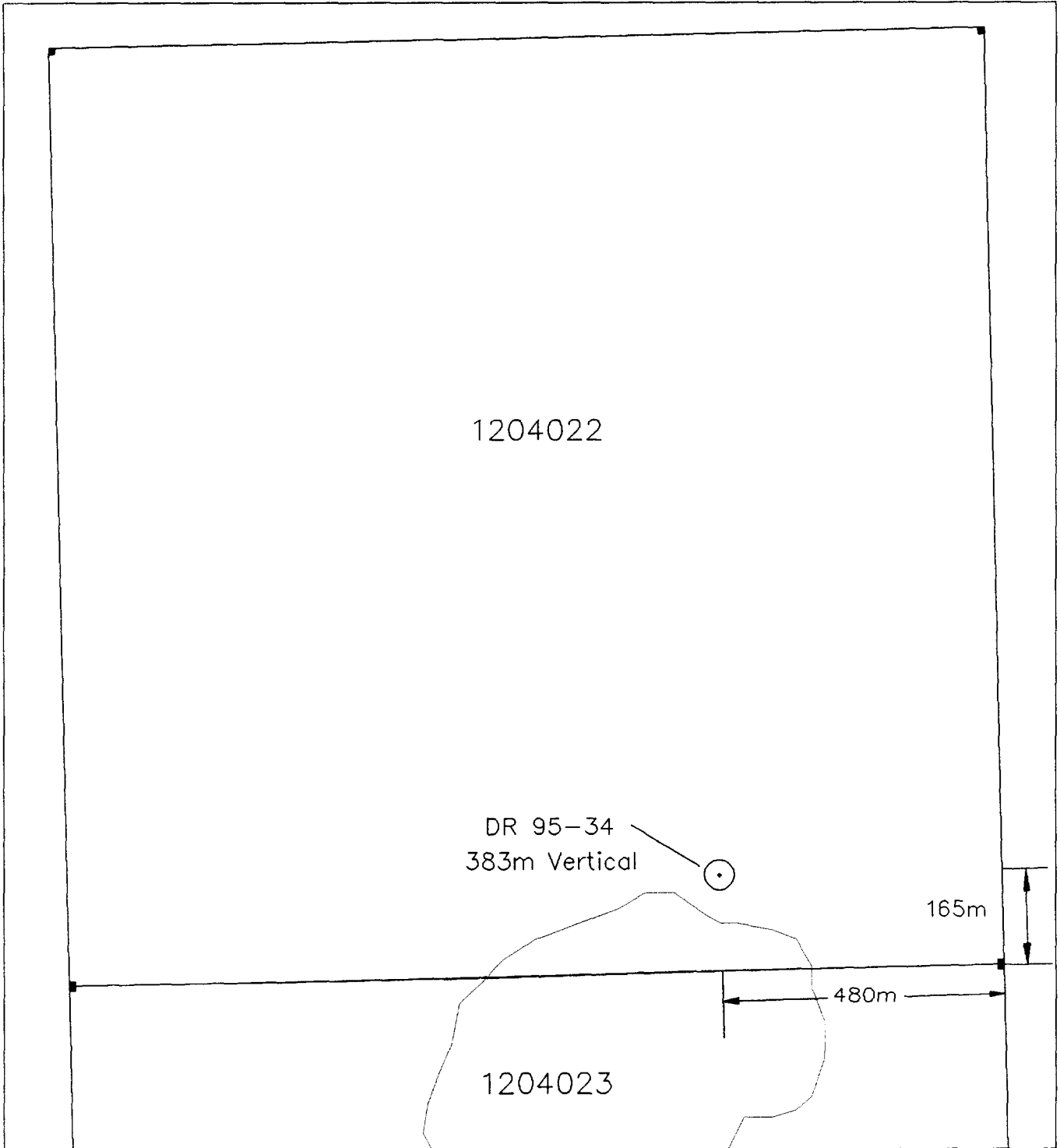
Macro: Diamond with one dimension >0.5mm  
 Octacarats=10<sup>8</sup> Carat

DRILL HOLE LOCATION PLAN

CLAIM 1204022

SHEET 532852

NTS 43F/03



MAGNETIC DECLINATION - 12 deg



(metres)

Scale 1:10,000





A Division of Falconbridge Limited  
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KWG Resources Inc.  
Suite 200, 1750 Brimley Road  
Scarborough, Ontario  
CANADA M1P 4X7

July 10, 1995

Attention: Neil Novak

**Re: Lakefield Research Project 8900-835 Batch #9**

Dear Neil:

2 1 7 7 5

Lakefield Research has completed the caustic dissolution treatment of the twenty-six diamond drill core samples identified as 95-34-6 through 95-34-8, and 95-34-16 through 95-34-38.

Fifteen diamonds were identified from nine of the twenty-six caustic dissolution residues; 95-34-28 contained four diamonds with another eight residues containing one or two diamonds. The data sheets are attached.

**Procedures**

**Caustic Dissolution**

The caustic dissolution treatment, directly uses diamond's property of high resistance to chemical attack. The procedure was developed, and refined to improve and streamline the process for routine diamond exploration samples, in response to the microdiamond losses attributed to standard attrition milling and also to reduce the weight of final concentrate.

The major advantage of the caustic dissolution process is the ability to recover, without breakage, all of the diamonds contained within the sample regardless of their particle size (+100 mesh), liberation size, quality or origin. The latter may account for actual diamond xenocrysts from the 'kimberlitic' material, and / or quality control stones added by Lakefield Research or by the client, and / or diamonds attributed to the exploratory core drilling equipment.

Diamond losses and modifications to the size distribution profile due to stone breakage are eliminated. A comparison of the efficiency of the caustic dissolution treatment and attrition milling flowsheets was undertaken using 'seeded' kimberlite samples. The results clearly indicated breakage and losses of microdiamonds from the milled samples; the normalized stone frequency (SPFK) and octacarat weights (OCPFK) typically were reduced by a factor of two to ten times. Anomalously high stone frequency data indicating breakage was reported; corresponding stone weights and microdiamond grades were invariably low.

Routine quality control tests are utilized to evaluate the efficiency of the caustic dissolution technique. As such, the samples are *blind* spiked, prior to the fusion step, with green diamonds typically measuring from 10 to 80 mesh; these stones have been neutron irradiated to produce the distinctive coloration.

**Lakefield Research is not responsible for determination of the origin, quality or valuation of any diamonds recovered.**

The caustic dissolution is followed by water and acid leaching, and magnetic separations will produce several fractions commonly containing relict indicator minerals and a non-magnetic fraction possibly containing microdiamonds.

The Lakefield Research facility has sixteen pottery kilns which can treat up to 8 kg each (using -3/8" to -2" crushed feed material) and are run in a 24 hour cycle. The use of smaller sample charges may be dictated by the abundance of carbonate minerals. Prior to the dissolution stage, a cursory mineralogical examination, by XRD and / or acid leach test (note effervescence), is carried out to identify any potentially deleterious phases. The carbonates, in particular, may exhibit a vigorous reaction to the hot caustic soda.

At the appropriate sodium hydroxide to sample ratio and optimum temperatures, the reaction is allowed to continue overnight. As depicted in the flowsheet, the process consists of dissolving the entire sample in a molten sodium hydroxide bath and typically recovering the +100 mesh residue.

After drying, the dissolution residue is split into three magnetic and non-magnetic fractions using the permanent magnet followed by the Frantz Barrier Magnetic Separator. Extreme care is required as the non-magnetic, diamondiferous, portion of the residue commonly amounts to no more than a few milligrams. The concentrate products are then submitted for microscopy.

Very few minerals survive the harsh attack; therefore weight reductions commonly exceed 99% of the initial sample weight. The high weight loss with optimum stone recovery is another major advantage of the caustic dissolution technique.

Only highly resistant minerals such as diamond, graphite, moissanite, zircon, chromite, kyanite, etc. survive the caustic attack. Of note, partially dissolved indicator minerals including colorless to opaque spinel, garnet, and ilmenite, as rounded relicts of original coarse grains, may occur in the dissolution residue.



## Results

The data sheets are attached.

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The residues will be forwarded to Scarborough under separate cover. The original invoice will be forwarded to KWG Resources Inc., Montreal, Quebec.

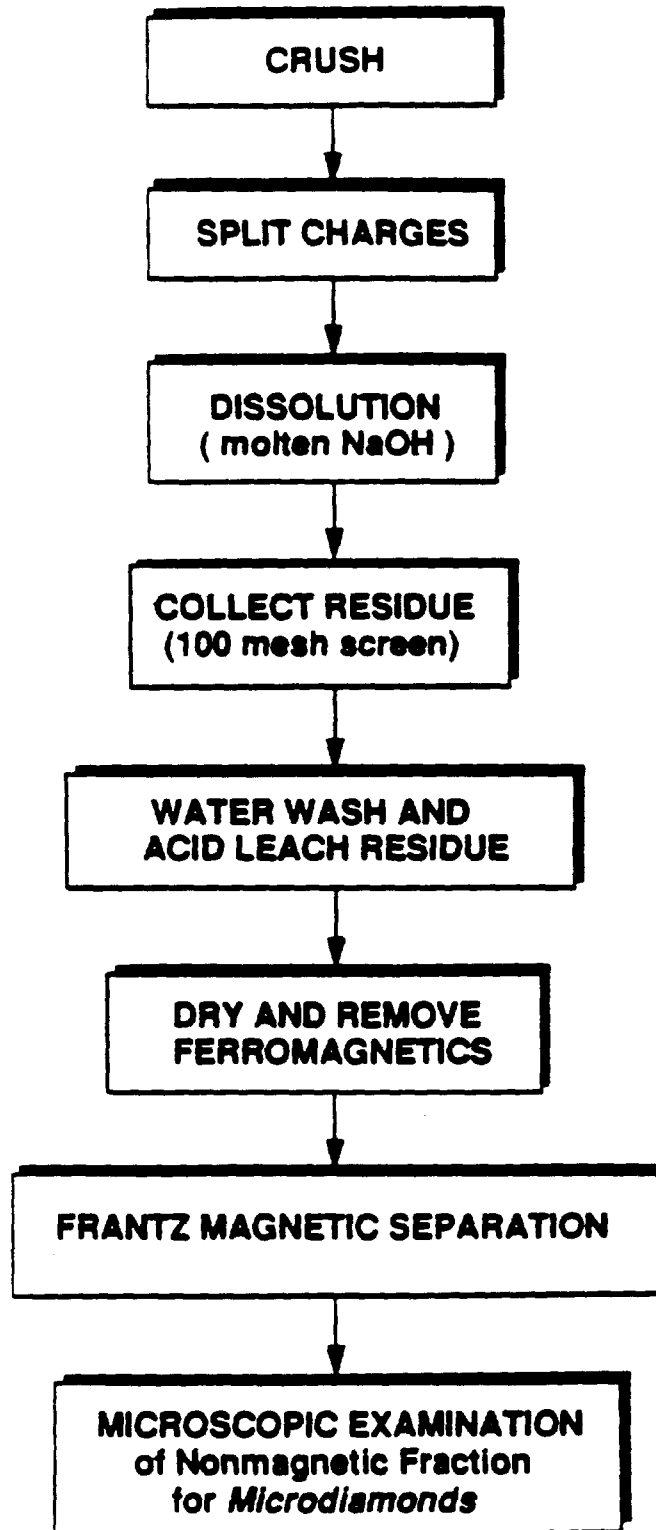
If there are any questions, please call me.

Best regards  
LAKEFIELD RESEARCH

A handwritten signature in black ink, appearing to read 'G. Davison', with a stylized flourish at the end.

Greg Davison  
Senior Mineralogist  
PH# 705-652-2019

## DIAMOND FLOWSHEET 1. CAUSTIC DISSOLUTION



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KWG Resources

630 Rene Levesque Blvd., Suite 3200

Montreal, Quebec, H3B 1S6

Attn : Mr. Neil Novak

416-321-1405

Lakefield, June 7, 1995

Date Rec. : May 4, 1995

LR. Ref. : MAY3005.C95

Reference : LR9549635

Project : 8900-835 Batch #9

## SUMMARY INFORMATION

No.	Sample ID	Batch	Wt	# Pours	#Diamonds
		---	kg	---	---
1	LAK-95-34 (6)	9	14.5	2	1
2	LAK-95-34 (7)	9	15.6	2	1
3	LAK-95-34 (8)	9	16.7	2	0
4	LAK-95-34 (16)	9	16.0	2	0
5	LAK-95-34 (17)	9	14.4	2	0
6	LAK-95-34 (18)	9	15.5	2	0
7	LAK-95-34 (19)	9	14.6	2	0
8	LAK-95-34 (20)	9	14.7	2	1
9	LAK-95-34 (21)	9	14.9	2	0
10	LAK-95-34 (22)	9	14.5	2	1
11	LAK-95-34 (23)	9	15.1	2	0
12	LAK-95-34 (24)	9	15.9	2	0
13	LAK-95-34 (25)	9	15.0	2	0
14	LAK-95-34 (26)	9	15.9	2	1
15	LAK-95-34 (27)	9	14.8	2	0
16	LAK-95-34 (28)	9	15.7	2	4
17	LAK-95-34 (29)	9	17.1	2	2
18	LAK-95-34 (30)	9	16.5	2	0
19	LAK-95-34 (31)	9	16.8	2	0
20	LAK-95-34 (32)	9	18.5	3	0
21	LAK-95-34 (33)	9	15.8	2	2
22	LAK-95-34 (34)	9	16.2	2	0
23	LAK-95-34 (35)	9	14.1	2	2
24	LAK-95-34 (36)	9	15.4	2	0
25	LAK-95-34 (37)	9	12.1	2	0
26	LAK-95-34 (38)	9	6.8	1	0



Greg Davison

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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-6 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 14.5

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.45	0.42	0.29	99876	White	Frosted	Octahedron

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, and minor rock fragments.
-20+100	Non-Magnetic	Silicates (clear, white, brown), traccæ oxides, and sulphides.

Total Weight (octacarats): 99876                      Number of Syndites: 1  
 Number of Diamonds: 1  
 CPHT (Total sample Grade): 6  
 SPFK (+ 100 mesh): 3  
 OCPFK (+ 100 mesh): 344400

  
 \_\_\_\_\_  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
 Lakefield Research is not responsible for the determination  
 of the origin, quality or valuation of any diamonds recovered.

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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-7 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 15.6

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.14	0.14	0.13	4663	White	Clear	Octahedron with graphite coating

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, and rock fragments.
-20+100	Non-Magnetic	Silicates (clear, white, brown), trace sulphides, and oxides.

Total Weight (octacarats): 4663      Number of Syndites: 0  
Number of Diamonds: 1  
CPHT (Total sample Grade): 0  
SPFK (+ 100 mesh): 3  
OCPFK (+ 100 mesh): 14947



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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-8 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 16.7

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, rock fragments, and trace garnets.
-20+100	Non-Magnetic	Rock fragments, silicates (clear, white, brown), with trace oxides.

Total Weight (octacarats): 0                      Number of Syndites: 1  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK (+ 100 mesh): 0  
 OCPFK (+ 100 mesh): 0



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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


**Project:** 8900-835 **Sample # :** 95-34-16 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 16.0

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, and rock fragments.
-20+100	Non-Magnetic	Silicates (white, brown, clear), minor rock fragments, trace oxides and sulphides.

Total Weight (octacarats): 0                      Number of Syndites: 0  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK ( + 100 mesh): 0  
OCPFk ( + 100 mesh): 0

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835  
**Client :** KWG Resources - LAK Series

**Sample # :** 95-34-17

**Batch # :** 9  
**Weight :** 14.4

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, silicates (black, white), minor opaque spinel, with trace corundum.
-20+100	Magnetic	Opaque spinel, rock fragments, minor phlogopite, with trace garnets.
-20+100	Non-Magnetic	Silicates (white, clear), minor orange rutile, trace phlogopite, opaque spinel, trace pyrite, and moissanite.

Total Weight (octacarats): 0                      Number of Syndites: 0  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK ( + 100 mesh): 0  
OCPFK ( + 100 mesh): 0

  
\_\_\_\_\_  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample # :** 95-34-18 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 15.5

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

**Caustic Residue:**

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Rock fragments, and minor silicates.
-20+100	Non-Magnetic	Silicates (white, brown, clear), with minor rock fragments.

Total Weight (octacarats): 0                      Number of Syndites: 2  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK ( + 100 mesh): 0  
 OCPFK ( + 100 mesh): 0



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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


Project: 8900-835 Sample #: 95-34-19 Batch #: 9  
 Client: KWG Resources - LAK Series Weight: 14.6

Stone Dimension, mm			Weight (octacarats)	Stone Description		
X	Y	Z		Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Rock fragments, and silicates.
-20+100	Non-Magnetic	Rock fragments, silicates (white, brown, clear).

Total Weight (octacarats): 0      Number of Syndites: 0  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK (+ 100 mesh): 0  
 OCPFK (+ 100 mesh): 0

  
 \_\_\_\_\_  
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Notes: <sup>8</sup> 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


**Project:** 8900-835                      **Sample # :** 95-34-20                      **Batch # :** 9  
**Client :** KWG Resources - LAK Series                      **Weight :** 14.7

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.51	0.28	0.20	51660	Brown	Clear	Fragmented complex crystal

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, and rock fragments.
-20+100	Non-Magnetic	Rock fragments, silicates (white, clear, brown), with trace sulphides.

Total Weight (octacarats):                      51660                      Number of Syndites:                      1  
Number of Diamonds:                      1  
CPHT (Total sample Grade):                      3  
SPFK ( + 100 mesh):                      3  
OCPFk ( + 100 mesh):                      175714

  
\_\_\_\_\_  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-21 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 14.9

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, and rock fragments.
-20+100	Non-Magnetic	Rock fragments, silicates (white, brown, clear), minor graphite, trace oxides and sulphides.

Total Weight (octacarats): 0                      Number of Syndites: 1  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK (+ 100 mesh): 0  
OCPFK (+ 100 mesh): 0

  
\_\_\_\_\_  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

Project: 8900-835 Sample #: 95-34-22 Batch #: 9  
Client: KWG Resources - LAK Series Weight: 14.5

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.54	0.22	0.27	58892	White	Clear	Highly graphitized fragment

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, white silicates, minor amphibole, trace sphene, red garnets, and opaque spinels.
-20+100	Magnetic	Silicates (green, white), rock fragments, minor opaque spinel, with trace garnet.
-20+100	Non-Magnetic	White silicates, with trace sphene.

Total Weight (octacarats): 58892 Number of Syndites: 1  
Number of Diamonds: 1  
CPHT (Total sample Grade): 4  
SPFK (+ 100 mesh): 3  
OCPFk (+ 100 mesh): 203077



\_\_\_\_\_  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample # :** 95-34-23 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 15.1

Stone Dimension, mm			Weight (octacarats)	Stone Description		
X	Y	Z		Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, white silicates, trace amphibole and mica, with trace opaque spinel.
-20+100	Magnetic	Rock fragments, white silicates, amphibole, minor mica and opaque spinels.
-20+100	Non-Magnetic	Small silicates sphenes, with trace opaque spinel.

Total Weight (octacarats): 0                      Number of Syndites: 0  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK ( + 100 mesh): 0  
 OCPFK ( + 100 mesh): 0



\_\_\_\_\_  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-24 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 15.9

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments.
-20+100	Magnetic	Oxides, and minor rock fragments.
-20+100	Non-Magnetic	Silicates (clear, white, brown, green), minor rock fragments and oxides.

Total Weight (octacarats): 0                      Number of Syndites: 0  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK (+ 100 mesh): 0  
OCPFK (+ 100 mesh): 0

  
\_\_\_\_\_  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


**Project:** 8900-835 **Sample # :** 95-34-25 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 15.0

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, minor orange and red garnets, opaque spinel, with trace clear silicates.
-20+100	Magnetic	Opaque spinel, and trace orange and red garnets.
-20+100	Non-Magnetic	Silicates (clear, white), and trace opaque spinels.

Total Weight (octacarats): 0                      Number of Syndites: 0  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK (+ 100 mesh): 0  
OCPFk (+ 100 mesh): 0

  
\_\_\_\_\_  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
Lakefield Research is not responsible for the determination  
of the origin, quality or valuation of any diamonds recovered.



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Phone: 705-652-2000 FAX: 705-652-6365

## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


**Project:** 8900-835 **Sample #:** 95-34-26 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 15.9

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.22	0.22	0.19	17449	White	Clear	Twin octahedron with graphite

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, minor white silicates, and opaque spinels.
-20+100	Magnetic	Opaque spinel, minor rock fragments, clear silicates, and orange and red garnets.
-20+100	Non-Magnetic	Silicates (clear, white), with trace opaque spinel.

Total Weight (octacarats): 17449      Number of Syndites: 0  
Number of Diamonds: 1  
CPHT (Total sample Grade): 1  
SPFK (+ 100 mesh): 3  
OCPFk (+ 100 mesh): 54872

  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-27 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 14.6

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Siliceous rock fragments.
-20+100	Magnetic	Rock fragments, clear and white silicates, amphibole, minor opaque spinel, with trace mica.
-20+100	Non-Magnetic	Clear silicates, with trace opaque spinel.

Total Weight (octacarats): 0                      Number of Syndites: 0  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK (+ 100 mesh): 0  
 OCPFK (+ 100 mesh): 0



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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835  
**Client:** KWG Resources - LAK Series

**Sample #:** 95-34-28

**Batch #:** 9  
**Weight:** 15.7

Stone Dimension, mm			Weight (octacarats)	Stone Description		
X	Y	Z		Colour	Clarity	Morphology
0.25	0.17	0.08	6199	White	Milky	Fragment with graphite inclusions
0.28	0.19	0.18	18081	White	Milky	Fragment with graphite inclusions
0.42	0.22	0.13	22386	White	Milky	Fragment with graphite inclusions
0.42	0.19	0.31	46709	Brown	Milky	Fragmented octahedron

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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835                      **Sample # :** 95-34-28                      **Batch # :** 9  
**Client :** KWG Resources - LAK Series                      **Weight :** 15.7

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, trace opaque spinel, and clear silicates.
-20+100	Magnetic	Clear silicates, opaque spinel, trace chrome diopside, with red garnets.
-20+100	Non-Magnetic	Silicates (clear, white), trace opaque spinel, and rutile.

Total Weight (octacarats):                      93375                      Number of Syndites:                      0  
Number of Diamonds:                      4  
CPHT (Total sample Grade):                      5  
SPFK ( + 100 mesh):                      12  
OCPFK ( + 100 mesh):                      297374

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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Phone: 705-652-2000 FAX: 705-652-6365

## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample # :** 95-34-29 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 17.1

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.22	0.22	0.20	18368	Off white	Frosted	Octahedron with black inclusions
0.45	0.45	0.19	69798	White	Clear	Complex crystal

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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835  
**Client:** KWG Resources - LAK Series


**Sample #:** 95-34-29

**Batch #:** 9  
**Weight:** 17.1

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, trace opaque spinels.
-20+100	Magnetic	Opaque spinel, clear silicates, minor rock fragments.
-20+100	Non-Magnetic	Clear silicates, trace opaque spinel, with other silicates.

Total Weight (octacarats): 88166                      Number of Syndites: 0  
Number of Diamonds: 2  
CPHT (Total sample Grade): 5  
SPFK (+ 100 mesh): 5  
OCPFK (+ 100 mesh): 257796

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample # :** 95-34-30 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 16.5

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, with trace opaque spinel.
-20+100	Magnetic	Opaque spinel, minor clear silicates, and rock fragments.
-20+100	Non-Magnetic	Silicates (clear, white), trace copper, and graphite.

Total Weight (octacarats): 0                      Number of Syndites: 0  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK (+ 100 mesh): 0  
 OCPFk (+ 100 mesh): 0



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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

Project: 8900-835 Sample #: 95-34-31 Batch #: 9  
Client: KWG Resources - LAK Series Weight: 16.6

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Dark grey porphyritic rock fragments, with trace opaque spinels.
-20+100	Magnetic	Opaque spinel, minor rock fragments, with clear silicates.
-20+100	Non-Magnetic	Clear silicates, trace opaque spinel, graphite, and other silicates.

Total Weight (octacarats): 0 Number of Syndites: 1  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK (+ 100 mesh): 0  
OCPFk (+ 100 mesh): 0

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835                      **Sample # :** 95-34-33                      **Batch # :** 9  
**Client :** KWG Resources - LAK Series                      **Weight :** 15.8

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.22	0.14	0.09	5166	Off white	Clear	Frosted fragmented octahedron
0.14	0.11	0.13	3731	White	Clear	Frosted octahedron

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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample # :** 95-34-33 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 15.8

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Porphyritic rock fragments, minor opaque spinel, and pink silicates.
-20+100	Magnetic	Opaque spinel, clear and minor yellow silicates, with trace mica.
-20+100	Non-Magnetic	Clear and minor green silicates, trace mica, and graphites.

Total Weight (octacarats): 8897 Number of Syndites: 0  
Number of Diamonds: 2  
CPHT (Total sample Grade): 0  
SPFK ( + 100 mesh): 6  
OCPFk ( + 100 mesh): 28155



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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835                      **Sample # :** 95-34-34                      **Batch # :** 9  
**Client :** KWG Resources - LAK Series                      **Weight :** 16.2

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, with minor clear silicates.
-20+100	Magnetic	Rock fragments, opaque spinel, with trace red garnets.
-20+100	Non-Magnetic	Clear and minor white silicates, rutile, trace opaque spinel, and graphite.

Total Weight (octacarats):                      0                      Number of Syndites:                      0  
Number of Diamonds:                      0  
CPHT (Total sample Grade):                      0  
SPFK ( + 100 mesh):                      0  
OCPFK ( + 100 mesh):                      0

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample # :** 95-34-35 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 14.1

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology
0.57	0.54	0.45	245385	Pale brown	Clear	Frosted octahedron with graphitic inclusions
0.42	0.22	0.12	20664	White	Clear	Frosted fragmented octahedron with graphitic inclusions

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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION

**Project:** 8900-835 **Sample #:** 95-34-35 **Batch #:** 9  
**Client:** KWG Resources - LAK Series **Weight:** 14.1

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments (white granitic, and grey porphyritic), white silicates, minor clear silica and mica, with trace opaque spinel.
-20+100	Magnetic	Opaque spinel, rock fragments, minor mica, trace purple garnets, and clear silicates.
-20+100	Non-Magnetic	Clear and minor white silicates, with trace mica.

Total Weight (octacarats): 266049      Number of Syndites: 0  
Number of Diamonds: 2  
CPHT (Total sample Grade): 18  
SPFK (+ 100 mesh): 7  
OCPFk (+ 100 mesh): 943436



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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


Project: 8900-835 Sample #: 95-34-36 Batch #: 9  
 Client: KWG Resources - LAK Series Weight: 15.4

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, trace purple garnets and opaque spinels.
-20+100	Magnetic	Opaque spinels, rock fragments, with trace purple garnets.
-20+100	Non-Magnetic	Clear silicates, minor rutile, trace graphite and sulphides.

Total Weight (octacarats): 0 Number of Syndites: 0  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK (+ 100 mesh): 0  
 OCPFK (+ 100 mesh): 0

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


Project: 8900-835 Sample #: 95-34-37 Batch #: 9  
 Client: KWG Resources - LAK Series Weight: 12.1

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments (white granitic and pale grey porphyritic), trace red garnets, opaque spinel, and mica.
-20+100	Magnetic	Rock fragments, opaque spinel, mica, with minor green silicates.
-20+100	Non-Magnetic	Trace clear silicates, opaque spinel, sulphides, and graphite.

Total Weight (octacarats): 0                      Number of Syndites: 1  
 Number of Diamonds: 0  
 CPHT (Total sample Grade): 0  
 SPFK (+ 100 mesh): 0  
 OCPFK (+ 100 mesh): 0

  
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Notes: 1 carat = 10<sup>8</sup> octacarats.  
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## DIAMOND RECOVERY BY CAUSTIC DISSOLUTION


**Project:** 8900-835 **Sample # :** 95-34-38 **Batch # :** 9  
**Client :** KWG Resources - LAK Series **Weight :** 6.8

Stone Dimension, mm			Weight	Stone Description		
X	Y	Z	(octacarats)	Colour	Clarity	Morphology

### Caustic Residue:

Mesh	Fraction	Description
+20	Oversize	Rock fragments, with trace opaque spinels.
-20+100	Magnetic	Opaque spinels, rock fragments, with trace clear and green silicates.
-20+100	Non-Magnetic	Clear silicates, trace graphite, and sulphides.

Total Weight (octacarats): 0                      Number of Syndites: 0  
Number of Diamonds: 0  
CPHT (Total sample Grade): 0  
SPFK (+ 100 mesh): 0  
OCPFK (+ 100 mesh): 0

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Notes: 1 carat = 10<sup>8</sup> octacarats.  
Lakefield Research is not responsible for the determination  
of the origin, quality or valuation of any diamonds recovered.



# Report of Work Conducted After Recording Claim

## Mining Act

Transaction Number  
69760.00451

Personal information collected on this form is obtained under the authority of the Mining Act. This information will be used for correspondence. Questions about this collection should be directed to the Provincial Manager, Mining Lands, Ministry of Northern Development and Mines, Fourth Floor, 159 Cedar Street, Sudbury, Ontario, P3E 6A5, telephone (705) 870-7264.

Instructions: Please type or print and submit to the Mining

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- F
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- A



43F03NW0002 2.17775

900

ng assessment work or consult the Mining

Group.

cate.

company this form.

Recorded Holder(s) <b>KWG Resources Inc</b>		Client No. <b>224-701</b>
Address <b># 2100 - 121 King St. W., Toronto, Ontario M5H 3T9</b>		Telephone No. <b>(416) 869-0626</b>
Mining Division <b>Porcupine</b>	Township/Area <b>Attawapiskat</b>	M or G Plan No. <b>532852</b>
Dates Work Performed	From: <b>May 4/95</b>	To: <b>June 7/95</b>

### Work Performed (Check One Work Group Only)

Work Group	Type
Geotechnical Survey	
Physical Work, Including Drilling	
Rehabilitation	
Other Authorized Work	<b>2. 17775</b>
Assays	<b>Caustic Dissolution</b>
Assignment from Reserve	

Total Assessment Work Claimed on the Attached Statement of Costs \$ 14,553

Note: The Minister may reject for assessment work credit all or part of the assessment work submitted if the recorded holder cannot verify expenditures claimed in the statement of costs within 30 days of a request for verification.

### Persons and Survey Company Who Performed the Work (Give Name and Address of Author of Report)

Name	Address
<b>Lakefield Research</b>	<b>185 Concession St, Lakefield, Ont</b>

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2:30 pm  
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(attach a schedule if necessary)

### Certification of Beneficial Interest \* See Note No. 1 on reverse side

I certify that at the time the work was performed, the claims covered in this work report were recorded in the current holder's name or held under a beneficial interest by the current recorded holder.	Date <b>Sept 30/97</b>	Recorded Holder or Agent (Signature) <i>[Signature]</i>
--	---------------------------	--

### Certification of Work Report

I certify that I have a personal knowledge of the facts set forth in this Work report, having performed the work or witnessed same during and/or after its completion and annexed report is true.		
Name and Address of Person Certifying <b>Steve Munro, 2100-121 King St W, Toronto, Ontario, M5H 3T9</b>		
Telephone No. <b>(416) 869-0626</b>	Date <b>Sept 30/97</b>	Certified By (Signature) <i>[Signature]</i>

### For Office Use Only

Total Value Cr. Recorded	Date Recorded	Mining Recorder	Received Stamp
	Deemed Approval Date	Date Approved	
	Date Notice for Amendments Sent		

**Deemed Jan. 14/98.**

Work Report Number for Applying Reserve	Claim Number (see Note 2)	Number of Claim Units
	1204022	16
Total Number of Claims		1

Value of Assessment Work Done on this Claim	Value Applied to this Claim
14,553	
Total Value Work Done	14,553
Total Value Work Applied	

Value Assigned from this Claim	Reserve: Work to be Claimed at a Future Date
	14,553
Total Assigned From	14,553
Total Reserve	

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Credits you are claiming in this report may be cut back. In order to minimize the adverse effects of such deletions, please indicate from which claims you wish to prioritize the deletion of credits. Please mark (✓) one of the following:

- Credits are to be cut back starting with the claim listed last, working backwards.
- Credits are to be cut back equally over all claims contained in this report of work.
- Credits are to be cut back as prioritized on the attached appendix.

In the event that you have not specified your choice of priority, option one will be implemented.

**Note 1:** Examples of beneficial interest are unrecorded transfers, option agreements, memorandum of agreements, etc., with respect to the mining claims.

**Note 2:** If work has been performed on patented or leased land, please complete the following:

I certify that the recorded holder had a beneficial interest in the patented or leased land at the time the work was performed.	Signature <i>[Signature]</i>	Date Sept 30/97
---	---------------------------------	--------------------



Ministry of  
Northern Development  
and Mines

Ministère du  
Développement du Nord  
et des mines

**Statement of Costs  
for Assessment Credit**

**État des coûts aux fins  
du crédit d'évaluation**

Mining Act/Loi sur les mines

Transaction No./N° de transaction

W9760-00451

PROVINCIAL RECORDING  
OFFICE - SUDBURY  
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OCT 16 1997

A.M.

3:15 PM

P.M.

Personal information collected on this form is obtained under the authority of the Mining Act. This information will be used to maintain a record and ongoing status of the mining claim(s). Questions about this collection should be directed to the Provincial Manager, Minings Lands, Ministry of Northern Development and Mines, 4th Floor, 159 Cedar Street, Sudbury, Ontario P3E 6A5, telephone (705) 670-7264.

Les renseignements personnels recueillis en vertu de la Loi sur les mines et sur le droit à tenir à jour un registre des concessions minières. Adresser toute question sur la collecte de ces renseignements au chef provincial des terrains miniers, ministère du Développement du Nord et des Mines, 159, rue Cedar, 4<sup>e</sup> étage, Sudbury (Ontario) P3E 6A5, téléphone (705) 670-7264.

**1. Direct Costs/Coûts directs**

Type	Description	Amount Montant	Totals Total global
Wages Salaires	Labour Main-d'oeuvre		
	Field Supervision Supervision sur le terrain		
Contractor's and Consultant's Fees Droits de l'entrepreneur et de l'expert- conseil	Type		
	Assay	29,106	29,106
Supplies Used Fournitures utilisées	Type		
Equipment Rental Location de matériel	Type		
<b>Total Direct Costs Total des coûts directs</b>			

**2. Indirect Costs/Coûts indirects**

\*\* Note: When claiming Rehabilitation work Indirect costs are not allowable as assessment work.  
Pour le remboursement des travaux de réhabilitation, les coûts indirects ne sont pas admissibles en tant que travaux d'évaluation.

Type	Description	Amount Montant	Totals Total global
Transportation Transport	Type		
Food and Lodging Nourriture et hébergement			
Mobilization Demobilization Mobilisation et démobilisation			
<b>Sub Total of Indirect Costs Total partiel des coûts indirects</b>			
Amount Allowable (not greater than 20% of Direct Costs) Montant admissible (n'excédant pas 20 % des coûts directs)			
Total Value of Assessment Credit (Total of Direct and Allowable Indirect costs)		Valeur totale du crédit d'évaluation (Total des coûts directs et indirects admissibles)	

Note: The recorded holder will be required to verify expenditures claimed in this statement of costs within 30 days of a request for verification. If verification is not made, the Minister may reject for assessment work all or part of the assessment work submitted.

Note : Le titulaire enregistré sera tenu de vérifier les dépenses demandées dans le présent état des coûts dans les 30 jours suivant une demande à cet effet. Si la vérification n'est pas effectuée, le ministre peut rejeter tout ou une partie des travaux d'évaluation présentés.

**Filing Discounts**

1. Work filed within two years of completion is claimed at 100% of the above Total Value of Assessment Credit.
2. Work filed three, four or five years after completion is claimed at 50% of the above Total Value of Assessment Credit. See calculations below:

Total Value of Assessment Credit		Total Assessment Claimed
29,106	x 0.50 =	14,553

**Remises pour dépôt**

1. Les travaux déposés dans les deux ans suivant leur achèvement sont remboursés à 100 % de la valeur totale susmentionnée du crédit d'évaluation.
2. Les travaux déposés trois, quatre ou cinq ans après leur achèvement sont remboursés à 50 % de la valeur totale du crédit d'évaluation susmentionné. Voir les calculs ci-dessous.

Valeur totale du crédit d'évaluation		Évaluation totale demandée
	x 0,50 =	

**Certification Verifying Statement of Costs**

I hereby certify:  
that the amounts shown are as accurate as possible and these costs were incurred while conducting assessment work on the lands shown on the accompanying Report of Work form.

that as Claims Manager I am authorized  
(Recorded Holder, Agent, Position in Company)

to make this certification

**Attestation de l'état des coûts**

J'atteste par la présente :  
que les montants indiqués sont le plus exact possible et que ces dépenses ont été engagées pour effectuer les travaux d'évaluation sur les terrains indiqués dans la formule de rapport de travail ci-joint.

Et qu'à titre de \_\_\_\_\_ je suis autorisé  
(titulaire enregistré, représentant, poste occupé dans la compagnie)

à faire cette attestation.

Signature	Date
	Sept 30/97

February 23, 1998

Steve Munro  
RESSOURCES KWG INC.  
350 BAY STREET  
SUITE 1000  
TORONTO, ONTARIO  
M5H-2S6

Geoscience Assessment Office  
933 Ramsey Lake Road  
6th Floor  
Sudbury, Ontario  
P3E 6B5

Telephone: (888) 415-9846  
Fax: (705) 670-5881

Dear Sir or Madam:

**Submission Number:** 2.17775

**Status**

**Subject: Transaction Number(s):** W9760.00451 Approval After Notice

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We have reviewed your Assessment Work submission with the above noted Transaction Number(s). The attached summary page(s) indicate the results of the review. **WE RECOMMEND YOU READ THIS SUMMARY FOR THE DETAILS PERTAINING TO YOUR ASSESSMENT WORK.**

If the status for a transaction is a 45 Day Notice, the summary will outline the reasons for the notice, and any steps you can take to remedy deficiencies. The 90-day deemed approval provision, subsection 6(7) of the Assessment Work Regulation, will no longer be in effect for assessment work which has received a 45 Day Notice.

Please note any revisions must be submitted in **DUPLICATE** to the Geoscience Assessment Office, by the response date on the summary.

If you have any questions regarding this correspondence, please contact Lucille Jerome by e-mail at [jeromel2@epo.gov.on.ca](mailto:jeromel2@epo.gov.on.ca) or by telephone at (705) 670-5858.

Yours sincerely,



ORIGINAL SIGNED BY  
Blair Kite  
Supervisor, Geoscience Assessment Office  
Mining Lands Section

# Work Report Assessment Results

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**Submission Number:** 2.17775

**Date Correspondence Sent:** February 23, 1998

**Assessor:** Lucille Jerome

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<b>Transaction Number</b>	<b>First Claim Number</b>	<b>Township(s) / Area(s)</b>	<b>Status</b>	<b>Approval Date</b>
W9760.00451	1204022	ATTAWAPISKAT	Approval After Notice	February 23, 1998

**Section:**

17 Assays ASSAY

The revisions outlined in the Notice dated January 8, 1998, have been corrected. Accordingly, assessment work credit has been approved as outlined on the Declaration of Assessment Work Form accompanying this submission.

**Correspondence to:**

Resident Geologist  
South Porcupine, ON

**Recorded Holder(s) and/or Agent(s):**

Steve Munro  
RESSOURCES KWG INC.  
TORONTO, ONTARIO

Assessment Files Library  
Sudbury, ON

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**LEGEND**

HIGHWAY AND ROUTE No	
OTHER ROADS	
TRAILS	
SURVEYED LINES	
TOWNSHIPS, BASE LINES, ETC.	
LOTS, MINING CLAIMS, PARCELS, ETC.	
UNSURVEYED LINES	
LOT LINES	
PARCEL BOUNDARY	
MINING CLAIMS ETC.	
RAILWAY AND RIGHT OF WAY	
UTILITY LINES	
NON-PERENNIAL STREAM	
FLOODING OR FLOODING RIGHTS	
SUBDIVISION OR COMPOSITE PLAN	
RESERVATIONS	
ORIGINAL SHORELINE	
MARSH OR MUSKEG	
MINES	
TRAVERSE MONUMENT	

**DISPOSITION OF CROWN LANDS**

TYPE OF DOCUMENT	SYMBOL
PATENT, SURFACE & MINING RIGHTS	
" SURFACE RIGHTS ONLY	
" MINING RIGHTS ONLY	
LEASE, SURFACE & MINING RIGHTS	
" SURFACE RIGHTS ONLY	
" MINING RIGHTS ONLY	
LICENCE OF OCCUPATION	
ORDER-IN-COUNCIL	
RESERVATION	
CANCELLED	
SAND & GRAVEL	

**AREAS WITHDRAWN FROM DISPOSITION**

M.R.O. - MINING RIGHTS ONLY  
 S.R.O. - SURFACE RIGHTS ONLY  
 M.+S. - MINING AND SURFACE RIGHTS

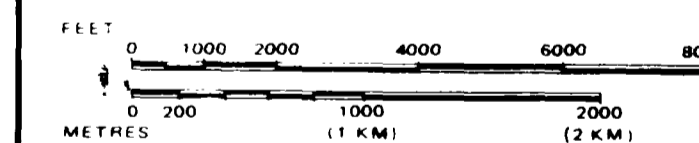
Description	Order No.	Date	Disposition	File

**DATE OF ISSUE**

FEB 7 1998

PROVINCE OF ONTARIO  
 MINING  
 OFFICE

SCALE: 1 INCH = 40 CHAINS



AREA

**532852**

M.N.R. ADMINISTRATIVE DISTRICT

NIPIGON

MINING DIVISION

PORCUPINE

LAND TITLES / REGISTRY DIVISION

KENORA/PATRICIA PORTION



Ministry of  
 Natural  
 Resources

Ministry of  
 Northern Development  
 and Mines

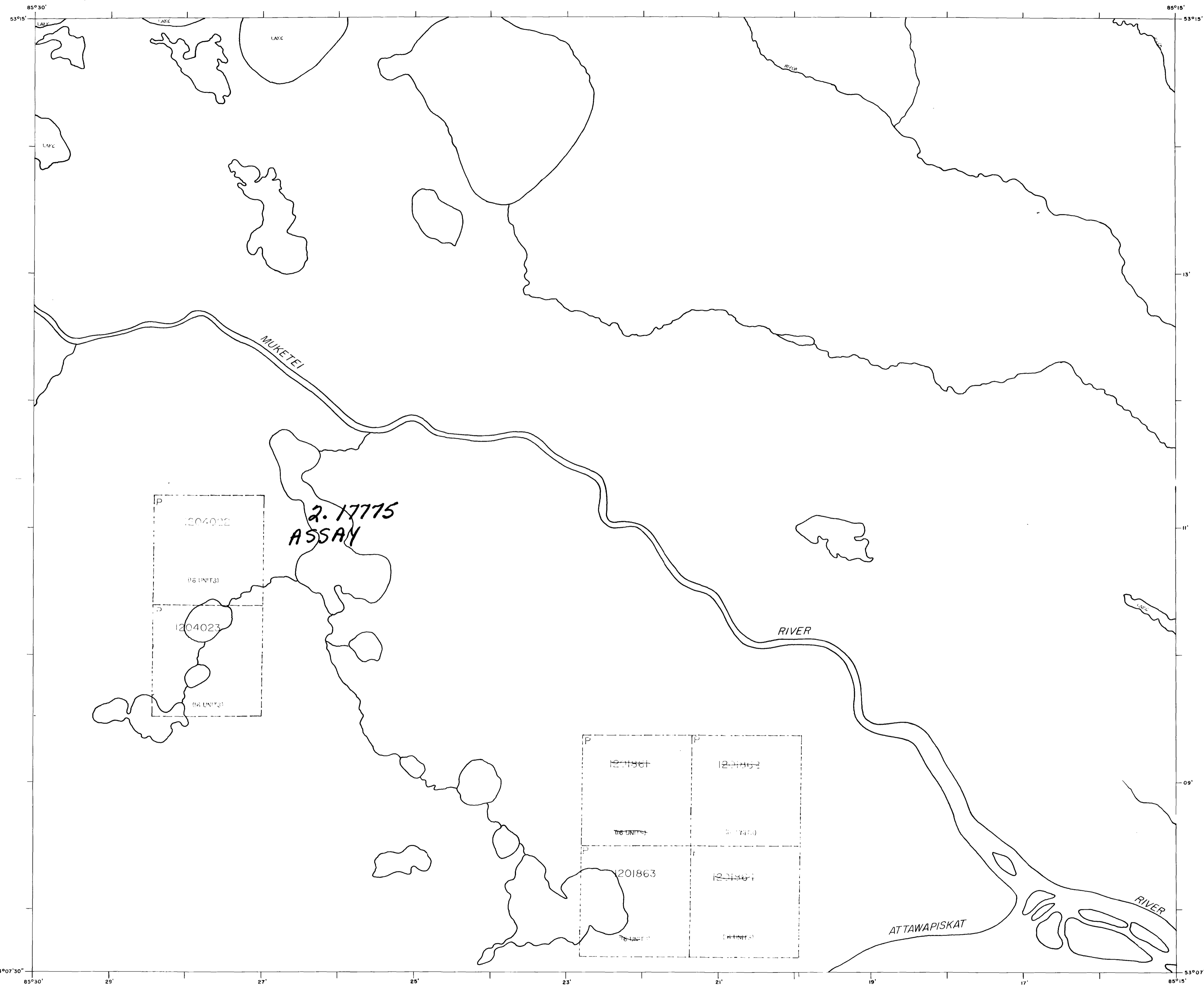
Date JULY, 1995

ACTIVATED NOV. 7/95 BY D.C.

UNFILED BY: D.K.

Number

**G-4247**



**2. 17775  
 ASSAN**

1204022  
 16 UNITS  
 1204023  
 16 UNITS

1201861 1201862  
 16 UNITS 16 UNITS  
 1201863 1201864  
 16 UNITS 16 UNITS

ATTAWAPISKAT

THE INFORMATION THAT APPEARS ON THIS MAP HAS BEEN COMPILED FROM VARIOUS SOURCES AND ACCURACY IS NOT GUARANTEED. THOSE WISHING TO STAKE MINING CLAIMS SHOULD CONSULT WITH THE MINING RECORDER, MINISTRY OF NORTHERN DEVELOPMENT AND MINES, FOR ADDITIONAL INFORMATION ON THE STATUS OF THE LANDS SHOWN HEREON.

532853 G-4248

532851 G-4246

