

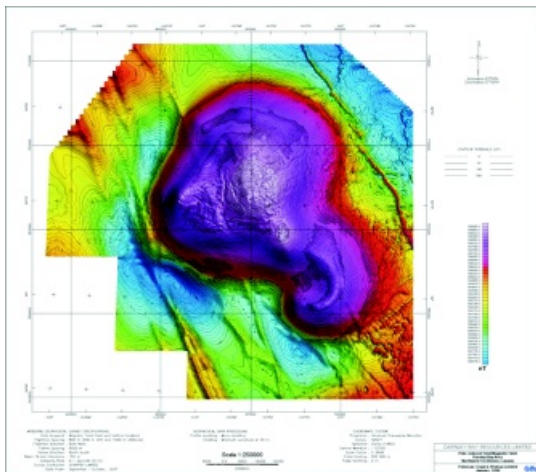
Interpretation of Darnley Bay Anomaly, N.W.T.

In 1997, Darnley Bay Resources Limited commissioned a high-resolution airborne magnetic/vertical gradiometer survey over the Darnley Bay gravity/magnetic anomaly and surrounding area, as part of its exploration for Ni-Cu-PGE. As a result of this survey, several “bull’s-eye” magnetic anomalies were interpreted as kimberlite pipe targets.

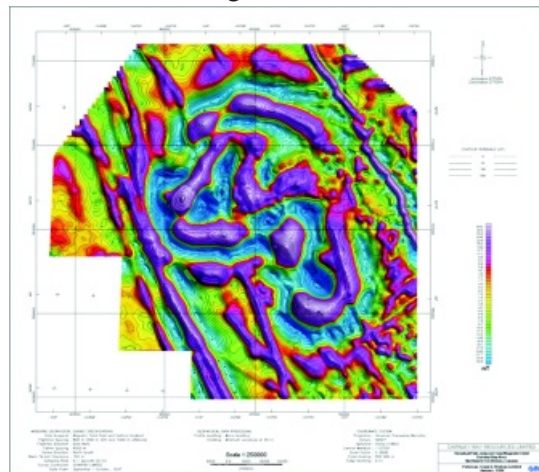
Paterson, Grant & Watson Limited has interpreted the airborne and ground data, and selected targets and collar locations for drilling. All kimberlite pipes intersected to date exhibit negative magnetic anomalies (i.e. reversely polarized), and show significant susceptibility contrast with the surrounding dolomite. The emplacement of the pipes appears to be associated with a family of NNW-striking dykes of unknown age and composition. Selection of kimberlite targets elsewhere is complicated by near-surface magnetic sources in the Cretaceous sediments and Quaternary till, and to the east by the presence of Franklin gabbro sills and dykes.

As of 2001, nine kimberlite pipes were identified on the property.

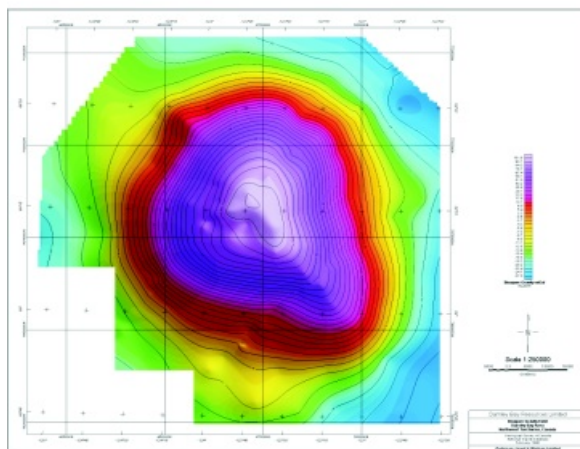
Pole Reduced Total Magnetic Field



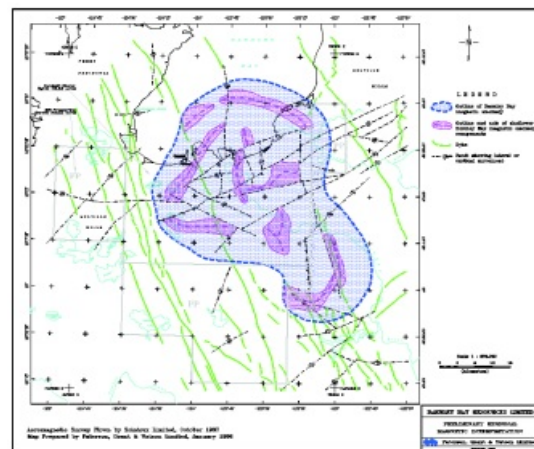
Bandpass Filtered Pole Reduced Total Magnetic Field



Bouguer Gravity



Preliminary Regional Magnetic Interpretation



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