



MINEX 27 · FEBRUARY 2005

Nine macrodiamonds from Hudson's 'Garnet Lake' kimberlite prospect - spring drillings prepared to test the target



MHG 9-13 +1180 1.90mm x 1.70mm x 1.42mm 6.809mg

Largest macrodiamond recovered from the Hudson Resources exploration at 'Garnet Lake' in the Kangerlussuaq region.

Hudson Resources Inc. announced in a press release on 19 January 2005 that it has entered into an agreement with Cartwright Drilling Inc., of Goose Bay, Labrador, to conduct a drilling programme on the Company's diamond exploration properties near Kangerlussuaq, West Greenland. The drill will be shipped on 7 February 2005 from Canada and is expected to be delivered at Maniit-soq, on the west coast of Greenland, by 10 March 2005. Drilling will commence after the drill has been moved by air into the field. The 2000 m drilling programme is designed to test various geophysical anomalies that are coincident with deep mantle kimberlite indicator minerals. The highest priority targets are at and around 'Garnet Lake' where the Company recovered nine macrodiamonds and 142 microdiamonds from a 107.9 kg sample last summer.

An advance team of geophysicists will conduct ground-based magnetic and electromagnetic surveys over the airborne targets in order to confirm the targets and accurately spot the drilling locations. It is expected that these surveys will begin in early March. "The goal of this program is to confirm at least one large body of diamondiferous kimberlite in the licence area," stated James Tuer, President of Hudson.

The Seqi Olivine project in West Greenland - another mine to open

Crew Gold Corporation has announced (31 January 2005) that the Greenland authorities have processed and awarded an exploitation (mining) licence over the Seqinersuuaq olivine deposit to Seqi Olivine A/S, covering approximately 7 km² in West Greenland. Seqi Olivine A/S is currently 100%-owned by Crew Minerals AS, a 100%-owned subsidiary of Crew Gold Corporation, but has commercial arrangements with Minelco AB, a 100%-owned subsidiary of LKAB, to relinquish control of Seqi Olivine in order to fund development of the property.

"Crew would like to thank the authorities in Greenland, who made this achievement of engineering and administration possible. The commercial arrangements for the transfer of control of Seqi can now proceed as well as commencement of the project implementation. As many of the remarkable aspects of this project are subject to commercial confidentiality, Crew cannot comment further on the technical or financial aspects of the future operation. However, after the swift project approval process, a similar approach is to apply to the implementation," said Jan A. Vestrum, President & CEO.

The project is designed to produce up to 2 million tonnes pr. year of various grades of olivine for use in iron and steel making, foundry and sandblasting sands.

Additional information will be available shortly on the Minelco website at www.minelco.com. Minelco will have operational responsibility for the project.





Camp operations at the Galahad Gold PLC base in Sødalen near the Skaergaard.

Skaergaard drilling adds to mine expectations

Mining Journal reported on 17 September 2004 that Galahad Gold PLC has nearly completed the summer's drilling on its Skaergaard gold-palladium-platinum deposit in East Greenland. With infrastructure now in place to start tunnelling into the intrusion next year, the development plan is to drive a 10-km tunnel up to 1000 m below ground, leaving the intrusion above intact and undisturbed. Mining and milling will be carried out through this tunnel to produce up to 2 million tonnes of concentrates a year.

Molybdenum on the climb - the Malmbjerg deposit in East Greenland in focus again

Galahad Gold Plc has announced that it has acquired an exclusive exploration licence for the Malmbjerg molybdenum deposit, located at the Werner Bjerger in Eastern Greenland. This deposit has been identified through previous exploration activities as a world-class molybdenum deposit with an unclassified mineral resource estimate of 150 million tonnes, containing 0.23% MoS₂ (at a 0.16% cut

off) and 0.02% WO₃. The Climax-type mineralisation was first discovered in 1954 and over the period from 1955 to 1979 was explored by means of 147 diamond drill holes totalling 22 877 metres and three underground adits totalling 1329 metres.

Following completion of this exploration work, the deposit was classified as a proven reserve under the regulations in force at the time. At this stage, Galahad regards the deposit as an unclassified mineral resource pending a complete review of all the previous exploration data. This review will also outline a development programme with the aim of taking the project to bankable feasibility and production.

Greenland's nickel resources - slight optimism after heliborne geophysics

Gregg J. Sedun, President and Chief Executive Officer of Diamond Fields presents information (18 January 2005) that the company's Ammassalik Island project on the east coast of Greenland, was able to identify a trail of ultramafic pods over a distance of more than 2500 meters between two mineralised outcrops. In addition, 2000 meters further west of the main mineralisation, the trail aligns with a 1300-metre-long (apparently continuous) ultramafic pod that makes up a local topographical ridge. Geologists have also identified a second thin layer of ultramafic pods discovered in field observations, in-layered at a higher stratigraphical level. The sulphide content of the ultramafic-hosted mineralisation varies from massive to less than 20%, which indicates a significant upgrade in nickel content may be possible during processing.

The company has received interest in a potential joint venture for further development of the Ammassalik property, and this is currently being considered by Diamond Fields.

On the west coast of Greenland, extensive areas of alteration hosting minor lenses of massive sulphide have returned anomalous nickel values. The company is seeking a joint venture partner for further exploration and development of these properties on the suspected extension of the Trans Hudson orogenic belt, host to the Canadian Thompson Nickel deposits.



The Malmbjerg mountain squeezed between two glaciers in East Greenland)

Coloured gemstones on the licence map in Greenland

Brereton Engineering & Developments Ltd. and the operator True North Gems are pleased to announce (28 January 2005) the expansion of the property position for rubies on Greenland by an additional 6 km². The company's holdings for rubies in the Fiskenæsset (Qeqertarsuaat) area now total 110 km² in three separate blocks covering six ruby occurrences previously reported by GEUS.

The new addition at Qaqqatsiaq lies 20 km east of the mini-bulk sample site at Siggartartulik tested for ruby grade by True North in 2004. The mini-bulk sample, with an estimated field weight of three tonnes, is currently being processed for the recovery of rubies by dense media separation (DMS) methods at the laboratories of Mineral Services Canada in North Vancouver, Canada.

New digital compilation of diamond exploration data from West Greenland

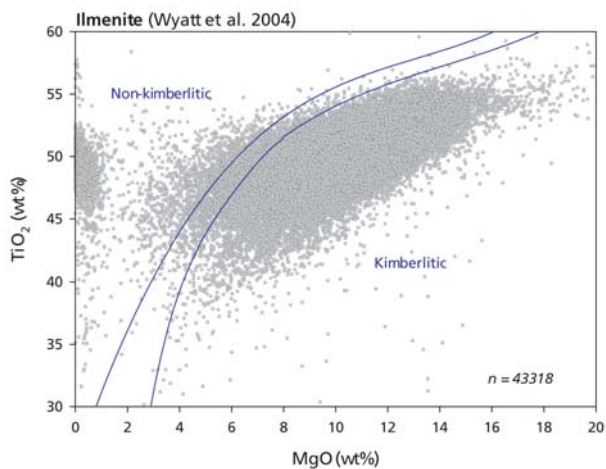


Diagram of all ilmenite classes from indicator mineral picking (for explanation, see page 11).

The Geological Survey of Denmark and Greenland (GEUS) has produced a new digital compilation of diamond exploration data from West Greenland. The compilation (on DVD) is an updated and completely revised edition of the first version published in 2003. The main improvements are the following:

- Twenty assessment reports from exploration companies submitted to the Bureau of Minerals and Petroleum have been added, and there are now 164 scanned reports in Adobe PDF documents.
- The amount of data has been nearly doubled as a result of expiry of confidentiality. There are now approximately 96 150 mineral analyses from 15 295 samples of till or stream sediment from 4563 localities, and 2780 mineral analyses from 31 kimberlitic rock samples.

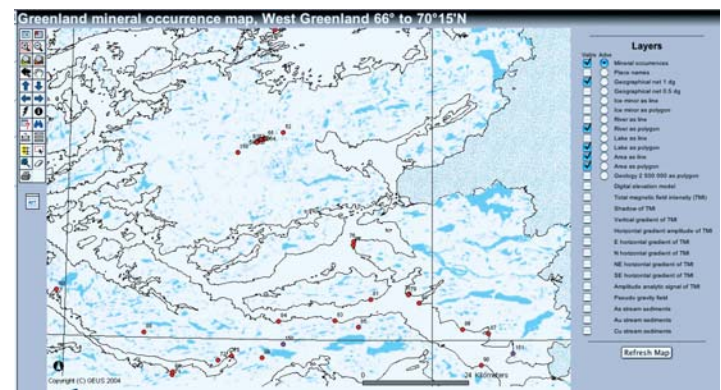


- All mineral chemistry data have been examined, and analysed kimberlite indicator mineral grains have been classified and plotted in 560 classification diagrams.
- All available geophysical maps have been scanned in large format, and are presented in Adobe PDF documents. Approximately 300 maps have been added.
- The number of observations of kimberlitic rocks has been nearly doubled to approximately 2700.
- Topographic data at 1:100 000 scale are included for the regions of current diamond exploration.

The report, including DVD, is available from GEUS (geus@geus.dk) at a price of DKK 1000 (c. USD 175), exclusive VAT and handling.

Jensen, S.M., Secher, K., Rasmussen, T.M. & Schjøth, F. (2004): *Diamond exploration data from West Greenland: 2004 update and revision*. Danmarks og Grønlands Geologiske Undersøgelse Rapport 2004/117, 90 pp. (1 DVD included).

On-line Greenland Mineral Occurrence Map



GEUS and BMP have created a new source of information on the mineral occurrences in Greenland on the web. This facility provides access to maps and data for many commodities encountered at sites classified as indications, prospects or deposits.

The mineral occurrence sites can be viewed from different perspectives: topographical details, terrain models,

MINEX 27 · FEBRUARY 2005

various anomaly maps based on airborne geophysics or regional geochemistry etc. Thanks to the capabilities of the ESRI ArcIMS environment, via this interface the user can combine the different regional data with the sites, and produce plots and files for personal browsing and use. Standard GIS tools can be used to interrogate a table of the attributes attached to each site. Additionally a hyper-link can be used to view a pdf-file containing GEUS's interpretation of the compiled information, including photos and detailed maps where available. All sites are fully referenced, including company reports. Try the new facility at: www.geus.dk/gmom/gmom-uk.htm

'The mineral hunt 2004' winners are picked - Base metals and silver in front

The domestic mineral hunt programme, 'Ujarassiorit', has now existed for 16 years. The programme with the name meaning 'go out and look for rocks' is a popular annual competition, and Greenland Resources A/S in Nuuk, on behalf of BMP, organises the activity. For further information see press release at www.bmp.gl under 'News Desk'.

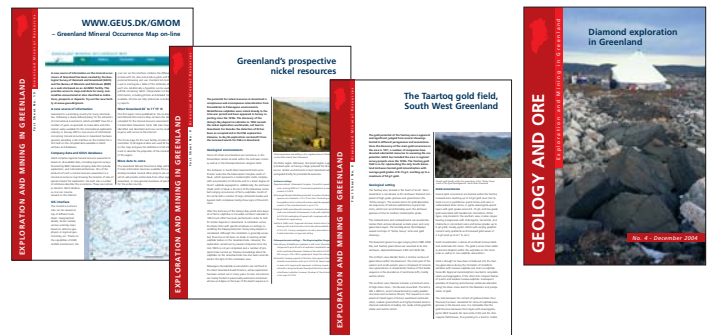
PDAC 2005 Trade Show in Toronto - Greenland welcomes visitors

The Greenland tradition to participate in the yearly PDAC conference and trade show in Toronto, Canada continues in 2005 with more presentations and activities. You are invited to visit our booth (0416), 6-9 March January 2005. The exhibition and material will focus on diamond exploration and the gold geology in Greenland as well as on general information on the mineral resources potential. Look in for a chat with the experts, who will be ready to tell you about geology, licensing and logistics in Greenland.

Useful reading... 'Review of Survey Activities 2003' published

The 'Review of Survey Activities' is a special publication within the bulletin series. It contains articles on activities carried out in 2003, written in a style that enables others than professionals to get an all-round impression of recent geo-research. 10 out of 23 papers present a sample of the current activities in Greenland.

Review of Survey Activities 2003 (2004): Geological Survey of Denmark and Greenland Bulletin 4, 100 pages.



New issues of the series 'Geology & Ore' and 'Fact Sheets with themes from 'Greenland exploration and mining'

The publication series 'Geology & Ore' and 'Fact Sheets' (on Greenland mineral resources), present new issues with subjects on 'Diamond exploration'; 'The Taartoq gold field' and 'Greenland's nickel resources'. The publications can be obtained free of charge from GEUS. E-mail minex@geus.dk for a copy.

- 2004 *Geology & Ore* No.4: *Diamond exploration in Greenland*, 12 pages
- 2004 *Fact Sheet* No.8: *The Taartoq gold field, South West Greenland*, 2 pages
- 2004 *Fact Sheet* No.9: *Greenland's prospective nickel resources*, 2 pages
- 2005 *Fact Sheet* No.10: *WWW.GEUS.DK/GMOM - Greenland Mineral Occurrence Map on-line*, 2 pages

GEOLOGICAL SURVEY OF DENMARK AND GREENLAND (GEUS)

Øster Voldgade 10 · DK-1350 Copenhagen K · Denmark
Tel: +45 38 14 20 00 · Fax: +45 38 14 20 50 · e-mail: minex@geus.dk · homepage: www.geus.dk

BUREAU OF MINERALS AND PETROLEUM (BMP)

Government of Greenland · P.O. Box 930 · DK-3900 Nuuk · Greenland
Tel: +299 34 68 00 · Fax: +299 32 43 02 · e-mail: bmp@gh.gl · homepage: www.bmp.gl

ISSN 1602-2475