

**Summary Report
on the
Otish Mountains Diamond Project
Tichégami River and Beaver Lake Areas**

**Otish Mountains Region
North Central Quebec**

**for
Pure Gold Minerals Inc.**

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Summary

The Otish Mountains Diamond Project provides Pure Gold Minerals Inc. the opportunity to participate in advanced diamond exploration in a highly prospective region of Quebec. Pure Gold has acquired an option to earn interests in two properties from Ditem Explorations Inc. in the Otish Mountains region of north central Quebec. Ditem has conducted diamond exploration in this area since 1997 and has successfully identified diamond bearing kimberlite. Claims covering the kimberlite do not form part of the current agreement. Pure Gold has optioned the Beaver Lake property located on NTS mapsheet 32P/16 and the Tichégami River property located immediately to the north on NTS mapsheets 33A/01 and 33A/02. These two properties cover a combined area of 23,600 hectares of highly prospective ground in a proven diamondiferous region.

Under the terms of the Letter Agreement, Pure Gold has the right to acquire from Ditem a 50% interest in 164 mineral claims that comprise the Beaver Lake property and a 60 % interest in 391 mineral claim cells that form the Tichégami River property. Recent exploration activities by Ditem identified diamond bearing kimberlite dykes on claims withheld from the option. Ditem has an option to acquire a 49% interest on 27 claims that cover this kimberlite body from a third party. A total of four macro-diamonds were recovered from 511 kilograms of drill core during the initial drill campaign at the Beaver Lake kimberlite. Further drilling within the ultramafic body failed to return additional diamonds. Ditem completed an airborne geophysical survey over a 204 square kilometre area of the Beaver Lake property in 1999, resulting in the identification of 52 potential kimberlite anomalies. The majority of these targets are within ground covered by the Beaver Lake property. Pure gold has an option to acquire 50% of this property.

The Tichégami River property lies immediately north of the Beaver Lake property. A 3,636 line kilometre airborne magnetic survey conducted in March, 2001 identified 45 magnetic anomalies exhibiting kimberlitic characteristics. Pure Gold has an option to acquire 60% of this property.

A recent geological study by Moorhead (1999) shows that the diamond projects under option by Pure Gold lie within the boundaries of viable geotectonic trends. The deep imprint into the Archean crust are an important feature for kimberlite occurrences, the common host rock for diamonds. The Beaver Lake kimberlite is located near and in between a regionally extending mafic diabase dyke system. It is comparable to such diamond bearing kimberlite dyke swarms as those found in the Northwest Territories. Ashton Mining Canada Inc. recently announced the discovery of two kimberlite occurrences within the Otish Mountains area, which contain significant numbers of micro- and macro-diamonds. These preliminary results are indicative of the high prospectivity of the target area.

Kimberlite pipes are rarely isolated features and generally occur in clusters. The potential that additional kimberlites may occur nearby the diamond bearing Beaver Lake kimberlite is considered very high. It is therefore recommended herein to conduct additional exploration of both the Beaver Lake property and the adjacent Tichégami River property. A program of till geochemical sampling and ground magnetic geophysical surveys are recommended as a Phase One program. Given positive results from the Phase One program, a Phase Two program of diamond drilling would be warranted. A budget of \$500,000 is recommended to support these programs.

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Introduction and Terms of Reference

This report provides a geological appraisal of the Otish Mountains Diamond Project located in north central Quebec and makes recommendations for additional exploration programs. Global Geological Services Inc. has prepared this report at the request of the directors of Pure Gold Minerals Inc. ("Pure Gold") in support of the company's Offering Memorandum submittal. The report follows the guidelines of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" and documents previous exploration efforts undertaken on the project since 1997 by Ditem Explorations Inc. ("Ditem"), optionor of the two properties that form the project.

The Otish Mountains Diamond Project consists of two diamond exploration properties; the Beaver Lake property and the Tichégami River property. Pure Gold has been granted an option to earn a 50% interest in the Beaver Lake property and a 60% interest in the Tichégami property by making certain payments and conducting additional exploration as detailed in Property Description and Location.

This report is based on data and geological information provided by Ditem as well as studies conducted by geological personnel of the Quebec geological survey and the Ministère des Ressources naturelles (MRN). The senior author has previously prepared technical reports utilising the NI 43-101 guidelines and has experience in diamond exploration in Canada and South Africa. He has not visited either of the properties comprising the Otish Mountains Diamond Project. The junior author is familiar with the exploration properties described in this report and has supervised all exploration activities for Ditem since 1994. As such, this report is based on direct field observations, drill core examination, assessment reports from the MRN files, scientific publications and information supplied by Ditem.

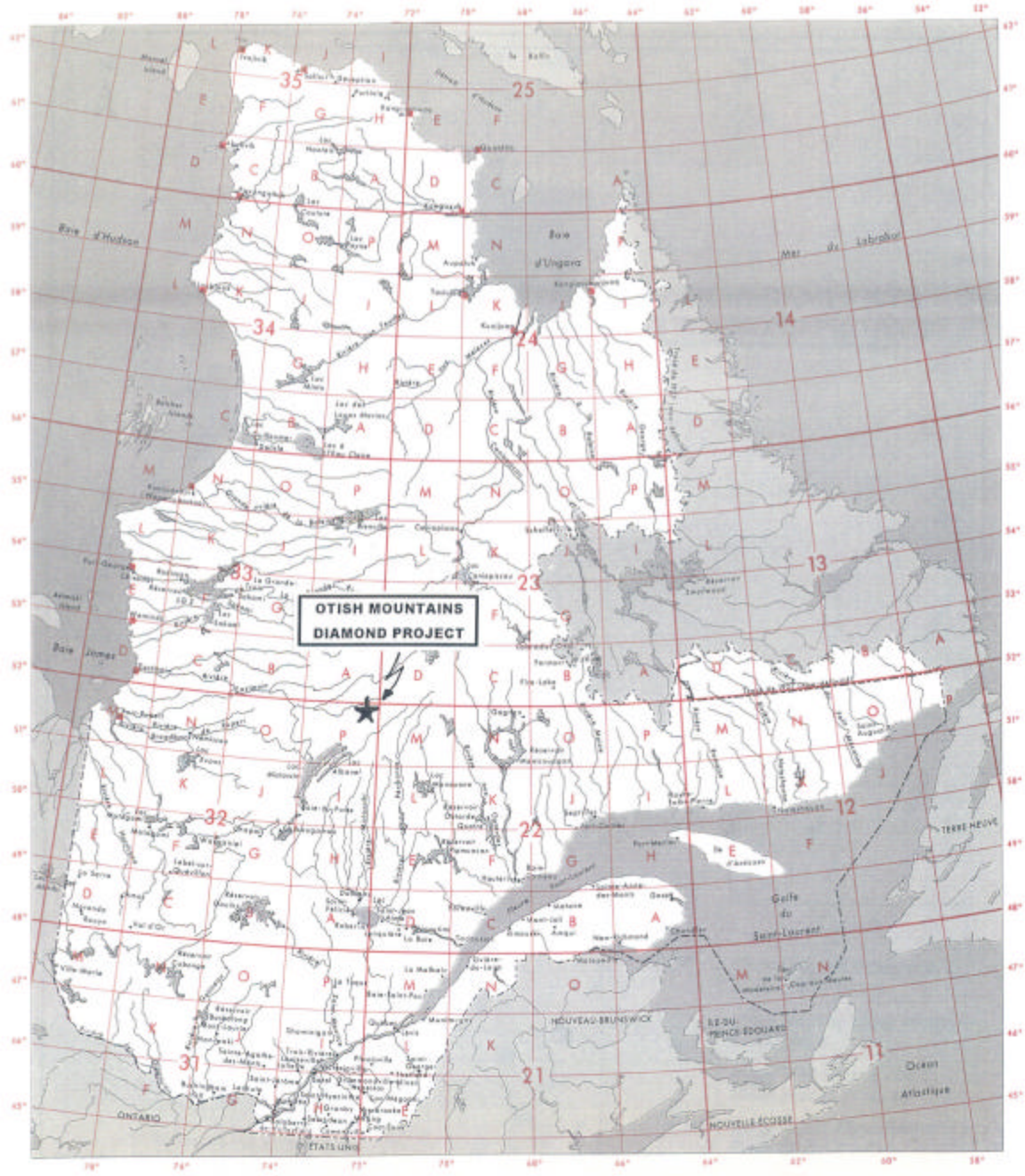
Disclaimer

In preparation of this report Global Geological Services Inc. has relied on information believed to be accurate. Technical information was gathered from federal and provincial geological survey bulletins and open files, proprietary data collected by independent contractors for Ditem, as well as corporate files and documents, including information authorized for release to the public by directors of the respective companies.

Legal title of the properties has been researched on the mineral title database provided on the MRN website (<http://www.mrn.gouv.qc.ca/0/eng/mine.asp>). As such, we rely on this information to be correct and accurate. In addition, we have relied on claim data and ownership information provided by Ditem in the Letter Agreement with Pure Gold.

Property Description and Location

The Otish Mountains Diamond Project, which consists of the Beaver Lake Property and the Tichégami River Property, overlies the Otish Mountains in north central Quebec, approximately 275 kilometres northeast of the town of Chibougamau and 750 kilometres north of Montreal (Figure 1). Pure Gold has an option to earn varying interests in each of these properties as described below.



PURE GOLD MINERALS INC. S INC.
OTISH MOUNTAINS PROJECT
GENERAL LOCATION MAP

After Brack, 2001

Figure: 1

Ditem owns a 100% interest in 164 contiguous mineral claims (2,624 hectares) that constitute the Beaver Lake property (Figure 2). These claims surround a core block of 27 claims that cover the Beaver Lake kimberlite body owned by Cogema Resources Inc. Ditem has a separate agreement to acquire a 49% interest in the core 27 claims from Cogema. Pure Gold has no interest or option on these core 27 mineral claims. The claims comprising the Beaver Lake property were acquired by conventional staking. Each staked claim measures 400 metres a side (16 hectares). All claims lie within NTS mapsheet 32P/16, centred at 51° 59' north latitude, 72° 20' east longitude in the Chibougamau Mining Division.

The Tichégami River property consists of 391 contiguous mineral claim cells covering approximately 21,000 hectares. The property adjoins to the north of the Beaver Lake property. The Tichégami River property mineral claim cells were acquired using the recently introduced map staking system. Ditem holds a 100% interest in this group of claim cells. Each cell is based on a 0.5 minute longitude by 0.5 minute latitude, for an average cell size of 54 hectares at 52 degrees north latitude. The majority of the cells are on NTS mapsheet 33A/1 with 11 of the cells occurring on adjacent mapsheet 33A/2. The centre of the property is at 52° 12' north latitude, 72° 21' east longitude.

A complete listing of all mineral claims and mineral claim cells for each of the properties is provided in Appendix I. The properties have not been legally surveyed. In the case of the mineral claim cells, boundaries of each cell are defined by the MRN and location is not disputable. There is evidence of previous exploration within the Beaver Lake property, however there are no known environmental liabilities on either the Beaver Lake or the Tichégami River properties.

The Otish Mountains Diamond Project lies within Category III Native Lands. Such lands provide for mineral exploration and exploitation activities and are not subject to additional review or permitting by local tribal governance. Prior to diamond drilling, permits are required from MRN.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Otish Mountains region of north central Quebec is virtually unpopulated except for the seasonal hunting and trapping periods when the local Cree Indians entertain their field camps. Typical of the interior shield region, winter generally extends from late October to early April. The region receives an annual precipitation of 80 centimetres, with accumulations of several metres of snow during the winter months. Summers are characteristically mild, with daytime temperatures averaging 15⁰ Celsius.

The Otish Mountains are a prominent northeasterly linear range that extend above the flat lying shield. Elevations range from 600 metres in the Tichégami River valley to 900 metres in the Otish Mountains. Lowlands are typically wet marsh or muskeg with local eskers. Slopes and higher elevations are sparsely covered by spruce and pine forests.

The area is accessible most of the year by float- or ski-equipped aircraft from Chibougamau, Lake Albany airbase or from the Mistassini Reserve, (300 kilometres, 175 kilometres and 125 kilometres, respectively, southwest of the project area). Countless lakes clutter the landscape but only a few of them are suitable for aircraft. The most prominent lake in the area is Lake Hippocampe on map sheet 32P/16. Ditem established a camp at Lac Hippocampe as a base

for its exploration activities from 1998 to 2000. A winter road transects south and east of the project area but is currently not maintained.

The Otish Mountains Diamond Project area covers a combined area of 23,600 hectares. Such land base is sufficient to support mining operations, including site facilities, waste rock and tailings storage areas and processing plant sites required for any proposed diamond mining operation. There is an adequate water supply throughout the region. Due to the remote location, personnel would be housed on site. Electric power would have to be generated on site.

History

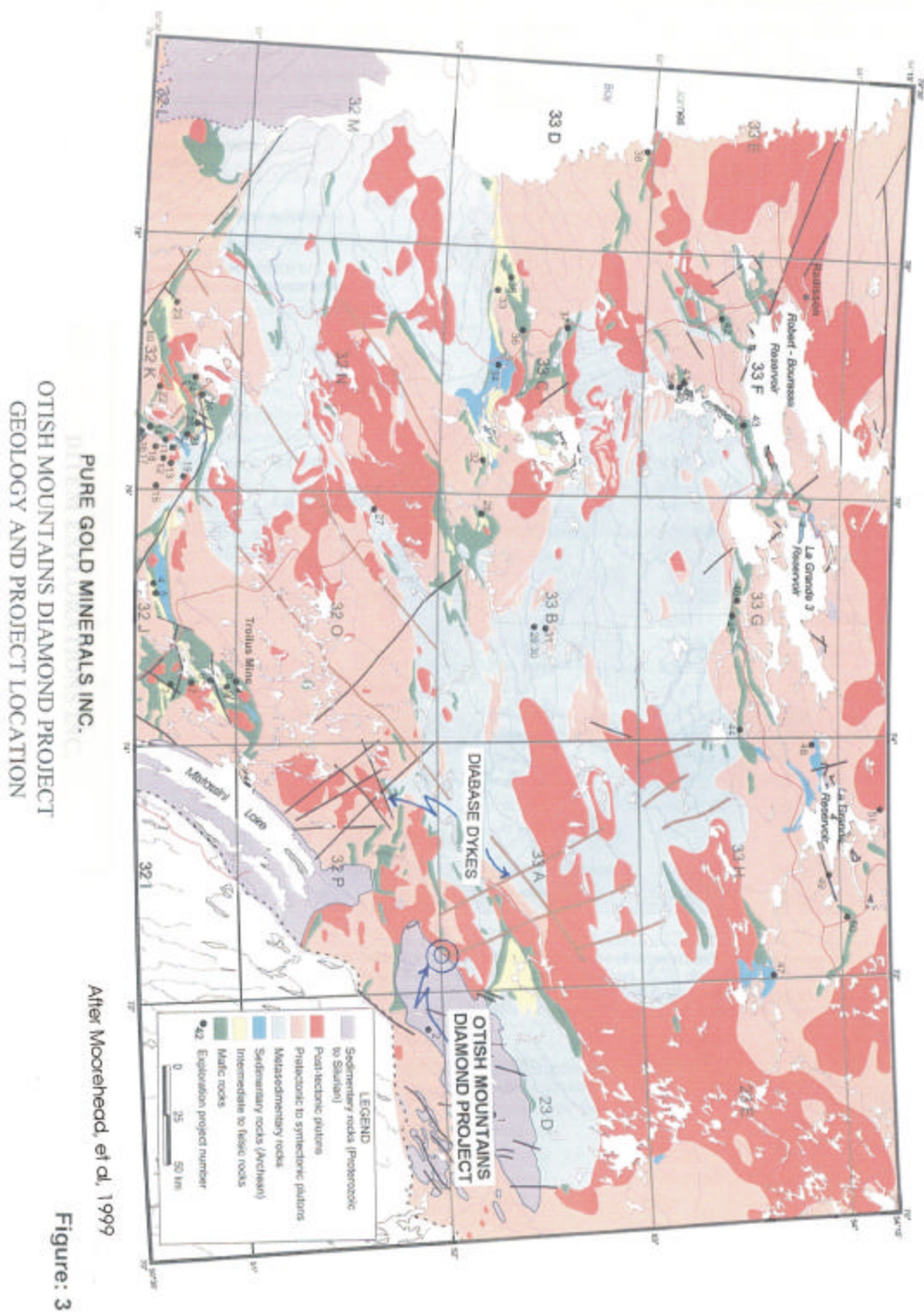
The Otish Mountains were frequently the target for base and precious metal exploration. The most intensive phase was from 1974 to 1984 when numerous companies such as Soquem, Noranda, Phelps-Dodge, Dome, Radex, Rio Tinto, Pancontinental, Shell, Seru, Esso, Eldorado, Inco and Uranerz explored extensively for uranium. The numerous uranium showings and base metal occurrences that were discovered did not prove to have economic deposits. One exception appears to be a gold discovery by Placer-Dome in the Carmen Lake area. For a brief period, it was mined by MSV. The James Bay area, the Otish Mountains and the Torngat Mountains are presently target areas for diamond exploration by companies such as Ashton-Soquem, Majescor Resources, BHP-Billiton, Twin Gold Mining, Ditem and others.

In 1978, Uranerz Exploration and Mining Limited in Joint Venture with Inco explored for uranium in the Beaver Lake area. Within their investigation area, a mafic to ultramafic body and dyke-like offshoots were identified by magnetic survey. One diamond drill hole (BL-34) intersected an ultramafic offshoot, and another diamond drill hole (BL-31) passed marginally into the main ultramafic body. The kimberlitic composition of the rock was recognized, and the rock was classified as a serpentinized mica peridotite. Uranerz never evaluated the Beaver Lake kimberlite for its diamond potential; they considered the ultramafic body as a geochemical barrier where uranium might precipitate. Later, an unpublished study by Inco confirmed the rocks as kimberlite with a favourable chemistry for diamonds but the occurrence of macrodiamonds appeared to be questionable. The fact that the main kimberlite occurrence was never fully intersected by drilling and was not investigated for its diamond potential made the Beaver Lake kimberlite a desirable exploration target.

Geological Setting

Regional Geology

The northern Quebec region in which the Otish Mountains Diamond Project is located is underlain by an Archean age craton within the Superior Province (Figure 3). The Proterozoic Otish and Papaskwasati basins are situated within the Superior Structural Province near a poorly defined metamorphic Grenville front. The Superior basement lithologies consist of gneiss and migmatite, metavolcanic rocks and metasedimentary fold belts as well as granite. All units are thought to be Archean age although recent age dating indicates Apebian age (1800-2400 M.A.). These dates might reflect metamorphic overprint on Archean rocks during the Kenoran and Hudsonian orogenies.



A basement complex of gneiss and migmatite underlies most of the project area. It is variable in appearance, ranging from a schistose, layered variety to a nearly massive type. Quartz-biotite-feldspar- gneiss predominates. Metavolcanic and metasedimentary sequences outcrop as narrow east-west directed belts. They are composed of metamorphosed acid to mafic tuff, volcanic flows and fragmented volcanic rocks, intercalated with sandstones, conglomerates, cherty iron formation and chlorite schist. The granitic complex is typically coarse grained, equigranular and composed of quartz, feldspar and minor amounts of mafic minerals.

The basement complex is unconformably overlain by fluvio-terrestrial to marginal marine sediments of the Otish Group (Otish basin) and the Mistassini Group (Papaskwasati Basin). The Otish and the Lower Mistassini Group lithologies, although separated by a 30 kilometre wide erosional gap, can be correlated easily. Quartz pebble conglomerate, arkose, quartzite, argillite, dolomite and sandstone are the predominant formations.

The Grenville Orogeny (\pm 900 M.A.) folded both basins into broad gently plunging synclines. Thrust faulting and tight folding of the sediments is evident along the southeastern margins of both basins.

Unconsolidated glacial material was deposited during various ice advances in the Pleistocene period. The western and southeastern portions of the Otish basin are extensively covered with glacial material of various forms. The last predominant ice advance was from a 030⁰ orientation.

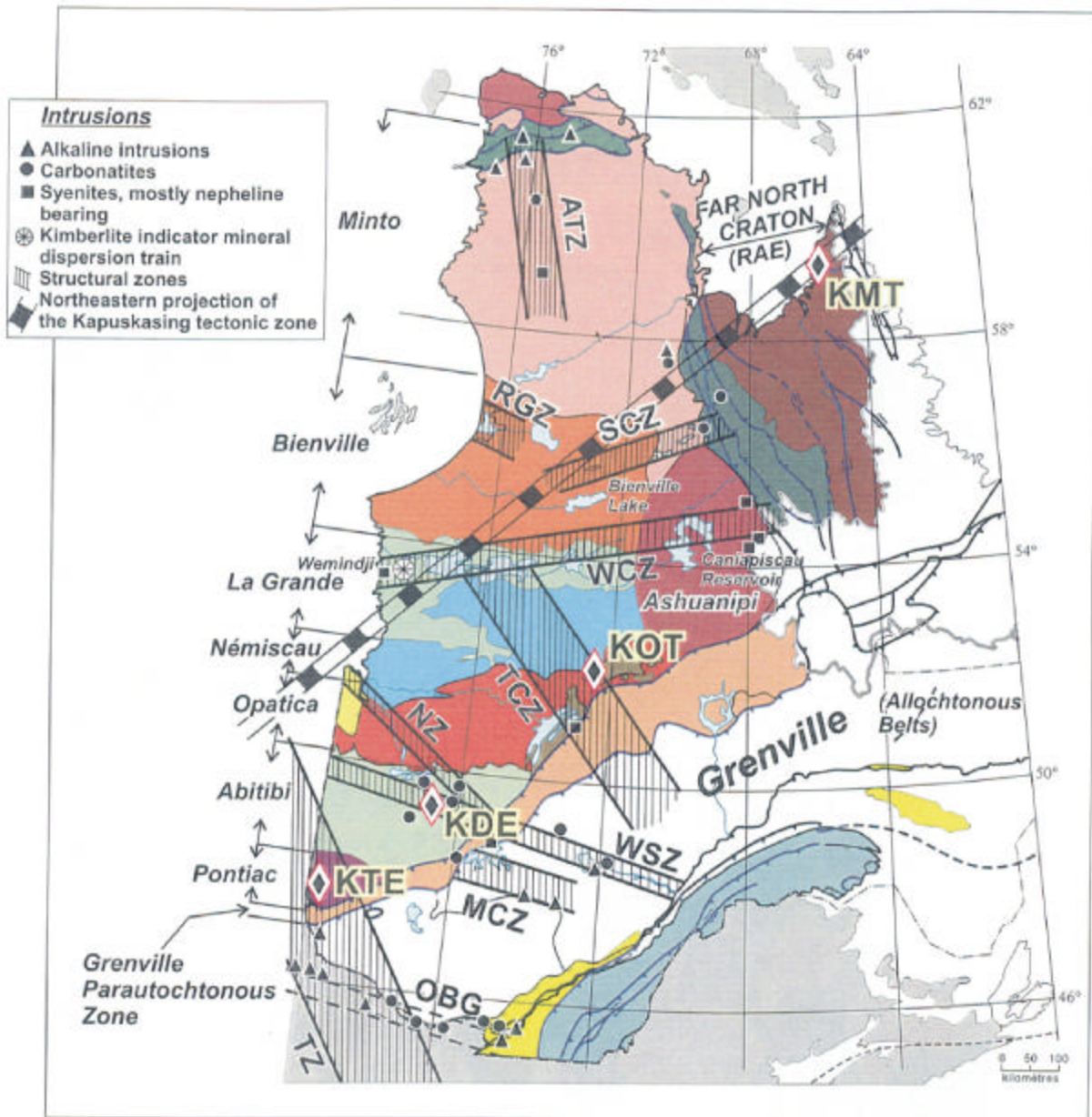
Moorhead et al. (1999) compiled relevant information concerning kimberlite occurrences in the Province of Quebec. He defined large, linear and brittle structural zones that probably have a relatively deep expression in the crust and are, at least locally, permeable to alkaline magmatism. Frequently, kimberlite occurrences are located in Archean cratons along large lineaments or fault zones and are associated with alkaline intrusive suites such as carbonatite, alnoite, ultramafic lamprophyre and nepheline syenite. Both the major lineaments and structural corridors are believed to be crustal scale features (Labbe, 2001) that provide passageways for ascending kimberlitic magmas and control the position of kimberlitic fields.

The Otish Mountains Diamond Project lies within the Témiscamie-Corvette (TCZ) structural corridor and is intersected by two major lineaments as shown on the tectonic map of Quebec provided by Hocq, 1994 (Figure 4). The Beaver Lake kimberlite body occurs at the triple junction of these structural features. The age of the Beaver Lake kimberlite is presently being analysed by the MNR under the supervision of Moorhead.

Local Geology

Outcrop exposure within the Otish Mountains Diamond Project area is less than 5% and is limited to small resistant knolls and locally deeply incised creeks. As such, the best description of geology for the area comes from diamond drill core data, primarily collected near the Beaver Lake kimberlite.

The geology in the area of the Beaver Lake kimberlite was described by Gehrisch et al. (1979). It consists of masses of coarse grained (pegmatitic) granite and granodiorite-tonalite with a gneissic texture. A narrow band of amphibolite (metabasalt) occurs south of Beaver Lake. The



Tectonic sub-divisions of Quebec (Hocq, 1994) with the location of large-scale brittle fault zones and alkaline intrusions. Structural zones: ATZ: Allemand-Tasiat Zone, RGZ: Richmond Gulf Zone, SCZ: Saindon-Cambrian Zone, WCZ: Wemindji-Caniapiscou Zone, TCZ: Témiscamie-Corvette Zone, NZ: Nottaway Zone, WSZ: Waswanipi-Saguenay Zone, MCZ: Mégiscane-Chasseur Zone, TZ: Temiscamingue Zone, OBG: Ottawa-Bonnechere Graben. Kimberlite Fields: Torngat (KMT); Otish (KOT); Desmaraisville (KDE); Témiscamingue (KTE).

Location of the Otish Mountains diamond project (KOT) and its geotectonic setting

After Hocq, 1994

Figure: 4

PURE GOLD MINERALS INC.

amphibolite unit is flanked and intercalated by a quartz feldspar, biotite, hornblende gneiss with a migmatic texture.

Originally the Beaver Lake kimberlite was perceived as a classical pipe shaped body with a dyke like offshoot in a southeasterly direction. During the drilling program by Ditem in 1997 it became evident that the main kimberlite body had the characteristic of a mega-breccia with large blocks of granite floating in a kimberlite matrix. The largest almost uninterrupted kimberlite intersection was encountered to a depth of 199 metres where it intersected a 5 meter interval of granite.

The Beaver Lake kimberlite was examined in detail by M.E. McCallum (2001) and R. Girard (2001). In summary it can be described as a partially carbonitized, serpentinized, autolithic, macrocrystic, perovskite/opaque oxide rich, phlogopite calcite serpentine kimberlite or autolithic kimberlite breccia with segregationary texture. A possible burning of the diamonds through oxidation agents such as water influx or presence of carbonate may explain the fact that only 4 macro-diamonds were discovered (macro-diamond is defined to be larger than 0.5 mm in at least one direction).

Deposit Type

Diamonds are developed within extreme high temperature and pressure regimes as occur in specific parameters at depth in the mantle. Commercial diamond production comes from areas where the diamonds have been transported to the surface, generally within diatreme pipes and dykes as associated with ultramafic bodies such as kimberlites and lamprophyres.

Exploration for diamonds has focused on stable geologic platforms, such as the Archean craton in Superior Province and the Canadian Shield. Major regional structures provide conduits for ascending kimberlitic magmas and control the position of kimberlitic fields. Extensive mafic dykes systems form locally along such structures. These penetrative faults extend deep into the mantle, often to depths of 150 to 200 kilometres, and locally provide conduits for the release of magma in the form of diatreme pipes or dykes.

A classic diatreme pipe is comprised of a root zone of dykes and sills, a tapered diatreme zone and a shallow crater facies at paleo-surface. Diamonds and indicator minerals are transported within the diatreme, being deposited at various levels depending on specific characteristics of the pipe such as size, host rock permeability and force of the intrusion. The level of erosion of the pipe may influence the economics of a kimberlite pipe. Diamonds contained within deep root zones generally are irregular in both shape and grade whereas the central diatreme facies supports the highest quantity and quality of diamonds. Diamonds located within the upper crater facies are generally inconsistent in grade and abundance.

Exploration for kimberlite fields is conducted through a systematic approach of target delineation. A preliminary review of regional scale geological and geophysical surveys may provide sufficient data to select broad target regions within a prospective geological province. Conducting detailed airborne magnetic geophysical surveys further refines site selection.

Till geochemical sampling is generally the next step in the exploration process. The identification of diamonds and kimberlite indicator minerals (KIM) indicate a kimberlite field within the glacial till dispersion area. These minerals are used to locate kimberlite bodies due to their highly resistive nature. Minerals such as pyrope garnet and chromite are not denegated readily during glacial

erosion and transportation. Additionally, kimberlite fields generally have unique KIM characteristics such as high chromium, low calcium compositions (G10 garnets) which may further aid in the delineation of the kimberlite field. Targets are then prioritized for further testing by diamond drilling to determine the local host lithology.

Mineralization

Previous exploration efforts by Uranerz Exploration and Mining Limited led to the discovery of erratic but sometime highgrade uranium mineralization (up to 15.5% U₃O₈ over 0.5 metres in OM-47) near the Beaver Lake kimberlite body. Ultra-mafic rock suites were appreciated as potential geochemical barriers where hydrothermal solutions containing uranium may precipitate.

In regard of diamond exploration the main criteria is the occurrence of kimberlitic rocks with a chemistry which is favourable to contain commercial grades of diamonds (carats, colour and clarity). R.Gerard, 2001 classified the Beaver Lake kimberlite to be well in the range of comparable commercial diamond bearing kimberlites. However, only 4 makro-diamonds were recovered from a total of approximately 7 tons of kimberlite material. Chances to locate pockets or phases within the Beaver Lake kimberlite which contain a higher diamond count are very remote.

Exploration

The earliest exploration activities in the Otish Mountains by Ditem date back to September 1997 when a six hole, 661 metre diamond drilling program was conducted. This program targeted the ultramafic body previously discovered by Uranerz. A total of 511 kilograms of kimberlite material was collected from the NQ-sized drill core and submitted initially to Lakefield Research in Lakefield, Ontario where it was analyzed by caustic dissolution. Subsequently, the material was submitted for analysis to Saskatchewan Research Council ("SRC") in Saskatoon, Saskatchewan. Analysis of the kimberlite material identified four macro sized diamonds (one by Lakefield and three by SRC). A macro diamond is defined as larger than 0.5 millimetres in one dimension. Three of the diamonds were recovered within the upper 35 metres of drill hole OH97-06 and one diamond was recovered from drill hole OH97-05 which approximately underlies OH97-06. A fifth diamond was recovered by SRC but was easily identified to be synthetic and originated from the drill bit.

A subsequent drill program in 1998 consisted of 25 HQ sized drill holes and one NQ sized drill hole with a combined total length of 1384 metres. The program was executed by Chibougamau Drilling and produced seven tons of kimberlite rock material. Analyses of this material by SRC utilising a semi-industrial screening process did not identify any diamonds. Re-analysis by caustic fusion confirmed the negative results.

In 1999, Ditem undertook an airborne magnetic survey covering 204 square kilometres of the Beaver Lake property. This survey was flown by Sial Geophysics Ltd. in a north-south orientation with a 100 metre line spacing and tie lines every 2000 metres. A detailed ground magnetic survey was then conducted over a seven square kilometre area of the Beaver Lake kimberlite as well as individual surveys on 12 geophysical anomalies identified from the air borne survey. These ground magnetic surveys were conducted on lines spaced 25, 50 or 100 metres apart, with reading taken at 10 metre intervals along the lines. A limited diamond drilling program was then conducted on selected magnetic anomalies to identify kimberlites. Five AX sized drill holes totaling 59.83 metres were

completed by Forage Eureka Drilling Inc. on three magnetic anomalies. Lamprophyric material was identified in drill hole 99-1 and a lamprophyric matrix supporting a granite breccia in drill holes 99-2 and 99-3.

Ditem continued their exploration of the Beaver Lake property with an additional drill program in the fall of 2000. Seven NQ sized holes totalling 189.9 metres were completed by Chibougamau Drilling Ltd. on six magnetic geophysical targets. The only kimberlite encountered was at the eastern extremity of the known Beaver Lake ultramafic body.

In March 2001, Ditem conducted a 3,636 line kilometre airborne magnetic survey over 236 square kilometres of the Tichégami River property. The survey, flown by Fugro Sial Geophysics Ltd, is north of and contiguous to the 1999 airborne geophysical survey. The combined survey area covers approximately 440 square kilometres. The 2001 survey was flown in a north south orientation with lines spaced 75 metres apart and tie lines a 1000 metre intervals. Figure 5 outlines the areas of the respective surveys. Geophysical interpretation was conducted by qualified geophysical personnel at Fugro Sial and identified 97 potential kimberlite anomalies; 52 on the Beaver Lake property survey and 45 on the Tichégami river property.

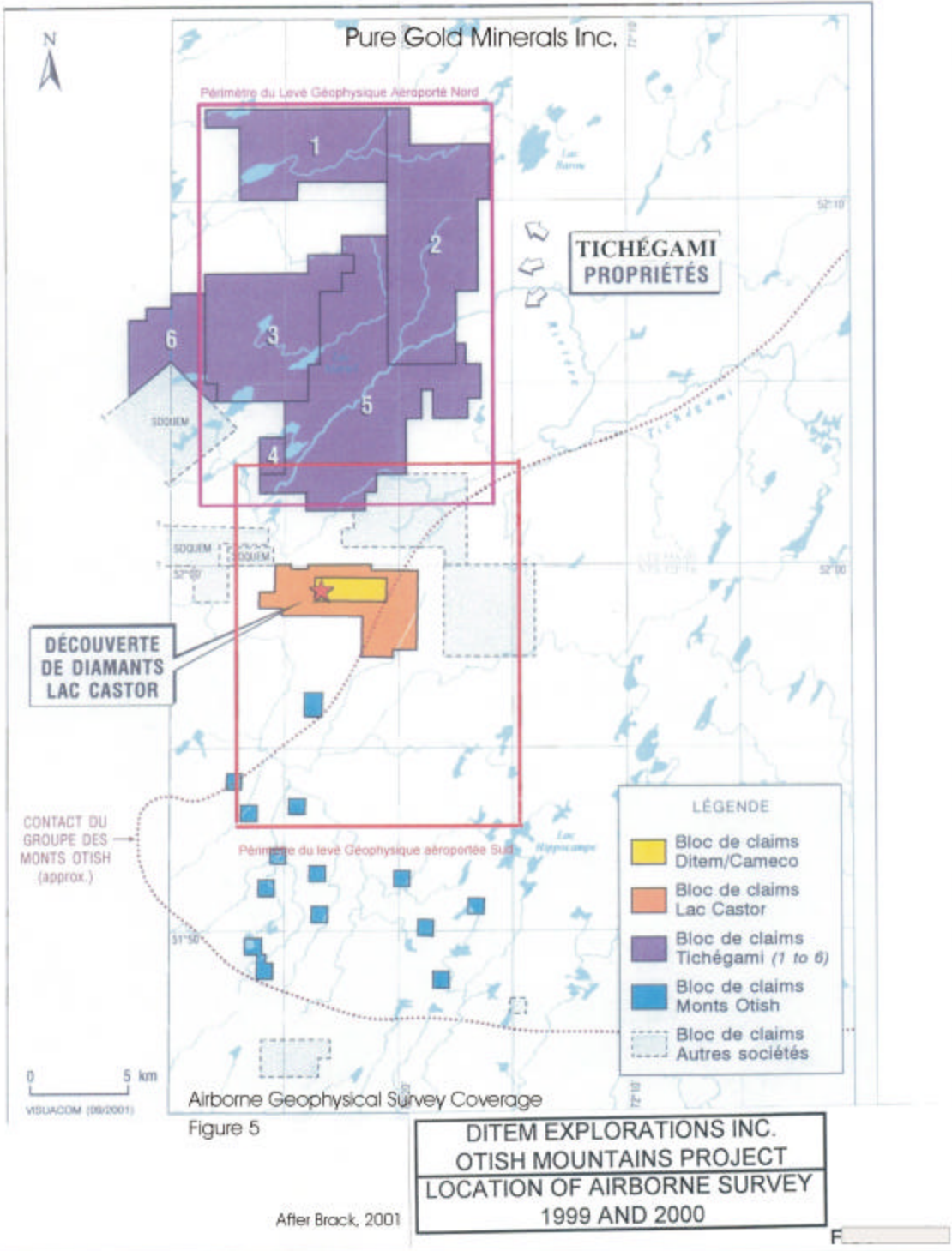
Drilling

Four diamond drill campaigns have been conducted in the Otish Mountains area by Ditem since 1997 for a combined total of 2295 metres in 43 holes. The first program consisted of identifying the Beaver Lake ultramafic body by drilling six holes for a total of 661 metres. This was followed by a drill program in 1998 specifically targeting the kimberlite in order to collect a large volume of sample material for diamond analysis. A limited drill program in 1999 was targeted on specific magnetic anomalies identified from the airborne survey, as was a followup drill program in 2000. The reconnaissance style drilling was conducted to test the lithologic component of the magnetic anomalies. As such, all holes were shallow with the deepest hole being 42 metres. Drill core was logged at the base camp and granitic and gneissic portions discarded after logging. Kimberlite drill intersections were sampled entirely, with representative samples collected for further petrographic studies and as reference material.

The 1997 drill program on the Beaver Lake kimberlite intersected the ultramafic body intermittently in each hole. The kimberlite was interpreted to consist of a series of dykes that were traced over a distance of 200 metres with a maximum width of 100 metres but generally only 20 to 30 metres wide. A 511 kilogram sample was collected from the kimberlite and analysed by caustic dissolution. Four macro diamonds were recovered from this sample.

The 1998 drill program consisted of 25 holes totally 1384 metres within the core of the kimberlite. A seven ton bulk sample was collected from this drill core and analysed by a semi-industrial crush and screen method. No diamonds were recovered. Portions of the sample were then subjected to caustic dissolution, again without positive results.

In 1999, five magnetic anomalies were drill tested in an attempt to identify kimberlitic source rocks. Lamprophyric material was recovered in three of the drill holes, 99-1, 99-2 and 99-3, all of which were located within the excluded core group of 27 claims.



Two magnetic anomalies were drill tested in 2000 with seven holes totalling 190 metres. Kimberlite was recovered from drill holes 00-1 and 00-4, both of which are located within the Beaver Lake ultramafic body.

Sampling Method and Approach

Ditem Explorations Inc. demands from the drilling contractor that they use exclusively drill bits with coloured (bright yellow) cobalt spiked synthetic diamonds in order to avoid any possibility of contamination of the core material. The supervising geologist frequently verified that the drill bits were conformable.

Drill core was logged at the drill site or in the base camp immediately upon arrival. Within the remote environment of the Otish Mountains, limited access to the core was easily arranged. In most cases barren country rock was discarded after logging. As diamonds are not evenly distributed throughout the rock it was decided to sample and analyse whole core. Reference samples were taken at 5 to 10 metre intervals with the emphasis on sampling a variety of kimberlite phases. These reference samples were later used for petrographic and mineralogical studies as well as for control analyses.

Sample Preparation, Analyses and Security

Diamond drill core samples are typically selected from specific intervals where ultramafic rocks were encountered and diamonds are anticipated to occur. Samples are bagged into triple plastic bags to avoid accidental damage from the packaging material and were tightly sealed. The samples are then transported by charter aircraft to a bonded courier in Chibougamau. The project supervisor or assigned person either accompanies the samples on the flight or meets the aircraft at its destination and supervises transfer of the samples to the courier. The courier then transports the samples directly to the laboratories for analyses.

Samples requiring determination of diamond content would be processed by caustic dissolution. This treatment efficiently produces a concentration from which diamonds can readily be extracted during microscopic examination.

During the sample handling procedure, a chain of custody is maintained and the sample shipment tracked. Samples are placed into uniquely numbered sample bags with a third of a three part tag placed in the bag in the event the writing is obscured. A record of the hole number and interval in the hole is kept documenting the sample in the tag book. A representative sample is also collected for reference at a later date. At all times access to the samples is limited to authorised personnel. Results from the laboratory are reported directly to the Qualified Person who disseminates the information as required.

No samples have as yet been submitted for diamond content analyses on ground within the Otish Mountains Diamond Project.

Data Verification

All available reports concerning the geology and diamond potential of the Otish Mountains region of Quebec have been reviewed. Included in this review are detailed project reports, assessment reports, government sponsored surveys, bulletins and reports and related maps. Archived reports, thesis and independent research studies available in the MNR library were also reviewed. Diamond drill core from the Beaver Lake kimberlite was examined.

Adjacent Properties

The Beaver Lake kimberlite was explored in detail by Ditem. Four macro diamonds were recovered from this property. The Beaver Lake Property described in this report completely surrounds but does not include the diamond bearing Beaver Lake kimberlite body. Details of the exploration results conducted by Ditem on the kimberlite were publicly disclosed in 1997. The junior author, Dr. Brack, supervised the exploration of the Beaver Lake kimberlite for Ditem and is the author of the relevant project reports.

Ashton Mining Canada Inc. reported the discovery of two diamond bearing kimberlitic bodies on their Renard property located 65 kilometres north of the Otish Mountains Diamond Project (News Release 01-32). This discovery provides further indication that the Otish Mountains region of north central Quebec is highly prospective for diamond exploration.

The proximity and identification of diamond bearing kimberlitic rocks at Beaver Lake or Renard is not indicative of mineralization on the Beaver Lake Property or the Tichégami River Property. Kimberlite rock containing diamonds has not been identified anywhere within the Otish Mountains Diamond Project currently being explored by Pure Gold.

Interpretation and Conclusions

The Otish Mountains are located within a structural zone that has deep expressions of structural features into the crust and is favourable for kimberlite to occur (Moorhead 2000). The underlying lithologies belong to the Archean rocks of the Superior craton. These rocks are comparable to the host rocks of kimberlite clusters in the Northwest Territories, e.g. the Ekati Mine. Diamonds have been recovered from kimberlitic source rocks at two localities within the Otish Mountains region of north central Quebec; the Beaver Lake kimberlite and the recently discovered Renard kimberlite. Research by government geologists (Moorhead, et al, 1999; Labbe, 2001) describes the Archean Craton setting of the Superior Province as a very favourable environment for kimberlite emplacement. Major structural lineaments associated with regional breaks provide conduits for ascending kimberlitic magmas and control the position of kimberlite fields.

The Beaver Lake kimberlite is located between two regionally extending mafic dyke systems. Moorhead, 2001 identified the Beaver Lake kimberlite as having suitable geochemical parameters to contain diamonds. Four macro diamonds were recovered by Ditem from the Beaver Lake kimberlite.

At the Renard kimberlite body, Ashton describes the diamond bearing kimberlite as being transitional between kimberlite and melnoite, possibly originating from similar source rocks. This variation in

host rocks indicates that diamonds are associated with a wider array ultramafic rocks than previously identified for the Otish Mountains region.

Airborne surveys conducted by Ditem on both the Tichégami River property and the Beaver Lake property have identified 97 significant magnetic features as potential kimberlite targets. Numerous large scale lineaments are evident on the airborne magnetic surveys. Strong, high contrast circular total field magnetic and vertical magnetic gradient signatures may represent kimberlite pipes. No till sampling or indicator mineral studies have been undertaken to further evaluate these anomalies.

The established diamond exploration method is the analysis of the heavy mineral content obtained from a large scale regional till sampling program. Once favourable heavy mineral concentrations have been discovered (such as chrome-diopside, chrome-ilmenite and foremost G9, G10, G11 pyrope garnets), a follow-up till sampling program has to be executed to prove a directional trend in the occurrence of the desired heavy minerals. Magnetometer surveys (airborne and on the ground), electromagnetic and resistivity surveys are suitable methods to narrow down drill targets for potential kimberlite sites. The advantage of this approach is that the search for diamonds is limited to those kimberlite occurrences that have a favourable chemistry for diamonds.

Pure Gold has an option to acquire a majority interest in two premier diamond properties within the core of the Otish Mountains. The Otish Mountains property completely surrounds the known diamond bearing kimberlite at Beaver Lake and the Tichégami River property is located immediately north. Detailed airborne magnetic geophysical surveys have been conducted over a 440 square kilometre area of the 23,600 hectare project. Approximately 97 targets have been selected as having potential to host kimberlite bodies, 45 on the Tichégami River property and 52 within the Beaver Lake property.

The Otish Mountains region of north central Quebec is highly prospective for diamond exploration, as evidenced by the recently discovered Renard 1 and 2 kimberlites that returned up to 29 macro diamonds and the previously discovered Beaver Lake kimberlite that contained four macro diamonds. As evidenced by the more than 300 kimberlites discovered in the Slave Craton of Nunavut, kimberlite bodies occur in clusters. It is concluded that Pure Gold is warranted to conduct additional exploration to further define kimberlite targets within the Otish Mountains Diamond Project area.

Recommendations

It is recommended that additional exploration be conducted on both the Beaver Lake Property and the Tichégami River Property in an effort to identify additional diamond bearing kimberlite bodies. A program of ground magnetic and electromagnetic geophysical surveys, till geochemistry and diamond drilling is warranted for each of these properties. As a Qualified Person, it is the opinion of Geoffrey Goodall, P.Geol., co-author of this report, that the character of the Beaver Lake property and the Tichégami River properties is of sufficient merit to justify the recommended program.

A two phase exploration program is recommended for the Otish Mountains Diamond Project. The Phase One program consists of till geochemical sampling down ice from selected airborne magnetic anomalies and ground geophysical surveys over specific airborne magnetic features. A budget of \$300,000 is required to support this program. Contingent upon positive results of the Phase One

program, diamond drilling of selected targets would be warranted. Cost of the Phase Two program is estimated at \$200,000. A detailed cost estimate for each program is provided below.

To enhance and prioritise the recognised airborne magnetic anomalies, a till geochemical sampling program is required to identify kimberlite indicator mineral trains. Samples should be collected at a minimum of two kilometres from the geophysical anomalies to allow sufficient dispersion of the glacial till. Ground geophysical surveys should also be conducted on selected airborne magnetic anomalies to provide detailed data over the target.

Certain of the identified airborne geophysical anomalies can only be drill tested when winter conditions support the equipment. Therefore a diamond drill program should be conducted on these targets during winter months. Geophysical surveys can be conducted through the year, however productivity is increased during the winter and if co-ordinated with other programs such as till sampling or diamond drilling logistics may be significantly improved. Till geochemistry is required to further enhance and define drill targets. This program should be completed prior to drill testing the majority of the geophysical anomalies identified on the Otish Mountains Diamond Project properties.

Signed and dated the 21st day of January, 2002.

“Geoffrey Goodall”

Global Geological Services Inc.
Geoffrey Goodall, P.Geo.

“Dr. Winfried Brack”

Dr. Winfried Brack, Ph.D.
consulting geologist

Otish Mountains Diamond Project
2002 Exploration Budget

Phase One Program

Tichégami River Property

Geophysical Surveys	10 targets @ \$7,500	\$75,000
Till Geochemistry	75 samples @ \$1000	<u>\$75,000</u>
		\$150,000

Beaver Lake Property

Till Geochemistry	50 samples @ \$1000	\$50,000
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Phase One Total \$200,000

Phase Two Program

Tichégami River Property

Diamond Drilling	15 targets @ \$10,000	\$150,000
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Beaver Lake Property

Diamond Drilling	15 targets @ \$10,000	\$150,000
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Phase two Total \$300,000

Total Recommended Exploration Budget, \$500,000

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CERTIFICATE OF QUALIFICATION

I, Geoffrey N. Goodall, P.Geo, of 1315 Arborlynn Drive in the District of North Vancouver, in the Province of British Columbia, am a Professional Geoscientist.

I am:

- President of Global Geological Services Inc, a private consulting practice providing exploration services to the mining community
- a member of the Association of Professional Engineers and Geoscientists of BritishColumbia.
- I graduated from the University of British Columbia with a Bachelor of Science degree in geology in 1984, and I have practiced my profession continuously since graduation.

Since 1980 I have been involved in:

mineral exploration for gold, silver, copper, molybdenum, platinum group elements, base metals, diamonds and uranium in Canada, the United States, Mexico, Argentina, Ghana, Namibia, South Africa, Russia and the Solomon Islands,

As Senior Geologist with a geological consulting firm, I directed exploration programs for platinum group elements in the State of Alaska from 1985 to 1997; epithermal, skarn and disseminated gold exploration programs throughout central British Columbia from 1984 to 1997; exploration and deposit definition programs for silver, lead, zinc and fluorite in the State of Arizona, USA from 1986 to 1991; and deposit definition for a copper and molybdenum porphyry prospect in central British Columbia from 1995 to 1997;

As Vice President of Exploration of Leigh Resource Corporation from June, 1997 to May, 1999 I was responsible for international mineral project development including project management of gold exploration in Ghana and porphyry copper-gold exploration in the Solomon Islands

As President of Global Geological Services Inc. since 1997, I am responsible for international and domestic project development, examination, evaluation and reporting of a variety of mineral deposit types and commodities, supervision and management of exploration projects as well as client representation and government liaison.

As a result of my experience and qualification I am a Qualified Person as defined in N.P. 43-101.

I am the author of the report titled "Summary Report on the Otish Mountains Diamond Project" dated January 21, 2002. The sources of all information are quoted in the report. The information provided by the various parties is to the best of my knowledge and experience correct.

I am not aware of any material fact or material change with respect to the subject matter of this technical report which is not reflected in this report, the omission to disclose which would make this report misleading.

I am independent of Pure gold Minerals Inc. in accordance with the application of National Instrument 43-101.

I have read National Instrument 43-101, Form 43-101F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101F1.

Dated at Vancouver, British Columbia, this 21st day of January, 2002.

"Geoffrey Goodall"

Qualified Person

CERTIFICATE OF AUTHOR

I, Winfried Brack, Dr.rer.nat., am a Consulting Geologist.

I am presently applying to become a member of the recently created professional organization (OGQ) in Quebec.

I graduated from Ludwig-Maximilian University in Munich (Germany) in 1972 with a degree of "Diplom Geologe" in geology (approximately equivalent to a Master of Science) and in 1977 with a degree of "Doctor rerum naturalium" in mineralogy (equivalent Ph.D.); and I have practised my profession continuously since 1978.

Since 1978 I have been involved in:

mineral exploration for uranium, in Germany from January 1978 to April 1980, during which time I was project geologist for Uranerz Exploration and Mining Limited for its Black Forest Project;

mineral exploration for uranium, in Canada from April 1980 to March 1984, during which time I was project geologist for Uranerz Exploration and Mining Limited where I was responsible to execute all exploration activities in the Maritime Provinces of Eastern Canada; I was also involved in uranium projects in the Northwestern Territories (June 1982) and the Otish Mountains, Quebec (August/September 1983); my duties included development and logistics of exploration projects, execution of field programs, selection and supervision of field personnel, budget development, cost control, maintenance of land status, in-depth studies of specific aspects of exploration and geology, compilation of geoscientific information mainly from government files, technical reporting;

lecturing and giving laboratories at McGill University, Montreal (winter term 1985, 1990 and 1992) in mineral exploration and mining geology as well as geochemistry (1992 only) at the Department of Earth and Planetary Sciences for their M.Sc. applied program (MINEX);

mineral exploration for gold within various Greenstone Belts of Quebec and Ontario for Yorbeau Resources Inc. and Lynx Canada Inc. from May 1985 to November 1990, where I evaluated gold properties, developed projects and executed extensive field programs including drilling programs;

mineral exploration for base metals in the Eastmain River area (Quebec) July, August 1991 and 1992; geochemical surveys, geological mapping and prospecting;

mineral exploration for Mississippi type zinc mineralization in the St. Lawrence River Valley (south of Montreal, Quebec) for Icon Resources Limited and Ditem Exploration Inc. intermittent from October 1983 to March 1997; project management, geochemistry, drill supervision;

mineral exploration for base metals in the Casa-Berardi area (Quebec) for Canchrome Mines Inc., January to February 1995; drill supervision and core logging;

diamond exploration in Temiscamingue (Quebec) for Ditem Exploration Inc. from April 1995 to November 1999, project management, supervision and execution of various exploration methods including drilling;

diamond exploration in the Otish Mountains for Ditem Explorations Inc. since 1997 up to date; project generation, management and supervision of all field work (primarily execution of magnetic surveys and drilling programs);

I am presently a Consulting Geologist and have been so since May, 1985.

From September 17, 1997 to September 29, 1997 I visited the Beaver Lake property (Otish Mountains, Quebec (NTS 32P/16) and supervised a 661 metres diamond drill program (including core logging and sampling for analyses). From July 01, 1998 to July 08, 1998 I visited the Beaver Lake property (Otish Mountains, Quebec (NTS 32P/16) and executed and coordinated magnetometer surveys. From August 6, 1998 to September 03, 1998 I visited the Beaver Lake property (Otish Mountains, Quebec (NTS 32P/16) and supervised a 1384 metres long diamond drill program (including core logging and sampling for analyses) and coordinated magnetometer surveys. From July 08, 1999 to July 17, 1999 I visited the Beaver Lake property (Otish Mountains, Quebec (NTS 32P/16) and executed and coordinated magnetometer surveys. From September 02, 1999 to September 12, 1999 I visited the Beaver Lake property (Otish Mountains, Quebec (NTS 32P/16) and supervised a 60 metres diamond drill program (including core logging and sampling for analyses) and executed and coordinated magnetometer surveys. From September 22, 2000 to October 10, 2000 I visited the Beaver Lake property (Otish Mountains, Quebec (NTS 32P/16) and supervised a 190 metres long diamond drill program (including core logging and sampling for analyses) and coordinated magnetometer surveys.

This report is based on a previous report written by me (Appraisal Report on the Tichégami River and Beaver Lake Area Diamond Projects, Otish Mountains, North central Quebec for Ditem Explorations Inc.). It was submitted and accepted by the Regulatory Authorities in Montreal, Quebec in January 2002. This report was reviewed and adjusted to the national standards 43-101 by Geoffrey N. Goodall, B.Sc., P.Geo., on behalf of Pure Gold Minerals Inc.

The information provided by the various parties is to the best of my knowledge and experience correct. In the disclosure of information relating to permitting, legal, title, action and related issues I have relied on information provided to me by Ditem Explorations Inc. and the MRN, Quebec.

I am not aware of any material fact or material change with respect to the subject matter of this technical report which is not reflected in this report, the omission to disclose which would make this report misleading.

I own shares (11200) and stock options (45000) of Ditem Explorations Inc. but I am independent of Pure Gold Minerals Inc. in accordance with the application of Section 1.5 of National Instrument 43-101.

I have read National Instrument 43-101, Form 43-101F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101F1.

Dated at Montreal, Quebec, this 21st day of January, 2002.

“Dr. Winfried Brack”

Dr. Winfried Brack, consulting geologist

APPENDICES I TO III

LIST OF CLAIMS

APPENDIX I

Tichégami Property

<u>Claim Numbers</u>	<u>Claims Staked</u>
CDC1022785 – CDC10223046	262
CDC1023805 – CDC1023922	118
CDC1023923 – CDC1023933	11
TOTAL	391

APPENDIX II

Beaver Lake Property

<u>Claim Numbers</u>	<u>Claims Staked</u>
CL5194201 - CL5194207	7
CL5218601 - CL5218670 (except CL5218620)	69
CL5218745	1
CL5219434 - CL5219440	7
CL5219465	1
CL5219471	1
CL5219476 - CL5219481	6
CL5219486 - CL5219491	6
CL5219497 - CL5219502	6
CL5219511 - CL5219513	3
CL5226805 - CL5226809	5
CL5226836 - CL5226841	6
CL5226851 - CL5226854	4
CL5226859 - CL5226862	4
CL5226871 - CL5226887	17
CL5226896 - CL5226903	8
CL5226949 - CL5226957	9
TOTAL	160

APPENDIX III

Beaver Lake South
Toco River

Claim Numbers

Claims Staked

CL5249001 – CL5249386

CL5240096 – CL5240500

CL5263501 – CL5249386

The above claim numbers staked are listed sequentially, but exclude the following claim numbers:

CL5249013 - CL5249014

CL5249213 - CL5249214

CL5249219 - CL5249220

CL5249225 - CL5249226

CL5249231

CL5249316 - CL5249319

CL5249328 - CL5249349

CL5249352 - CL5249377

TOTAL 971