DIOS
EXPLORATION

LECARON GOLD PROJECT SUMMARY

Claims Status: 493contiguous CDC (261 sq. km) presently staked (100% DIOS) in the 33B05 NTS, James Bay, Quebec.

Location and topography: The **LECARON** project is located about 10 km to 25 km north to northeast of Hydro-Quebec EM-1 dam. It is also located about 45 km south of Goldcorp Eleonore gold deposit, and about 10 km NW of Eastmain Resources Clearwater gold deposit. The project could be worked by helicopter from the EM-1 camp (accessible by gravel road, 67km north of Nemaska, James Bay, Quebec) and Petro-Nord heli-base.

Regional geology: the geology underlying the **LECARON** claims is part of the Archean LaGrande Subprovince; as indicated by Quebec government regional mapping done in 1998 (RG98-15) and 2000 (RG2000-04). The **LECARON** project is centered on rocks of the Natel Formation and the Clarkie Formation. The Natel Fm consists of mafic to felsic volcanics with minor intercalations of sedimentary rocks, including graphitic sediments and iron formation. Ultramafic-komatiitic lavas and sills were locally recognized in several locations (specially in its NE part) within the Natel Fm. The Clarkie Fm consists of sandstones with minor interca-lations of conglomerate, as well as intermediate to felsic tuffs. The Clarkie Fm is interpreted as the equivalent of the Low Fm that hosts **Goldcorp Eleonore gold deposit** (all categories resources of 9.3 millions ounces of gold), a possible intrusion-related mineralization. The Eleonore deposit is located near the contact zone between the LaGrande and Opinaca Sub-provinces. The host rocks consist in aluminous meta-sediments and conglomerates, along the edge of a large dioritic intrusion and near a steep metamorphic gradient. The Eleonore gold deposit consisted of numerous sub-parallel gold-bearing lenses hosted by poly-deformed sedimentary rocks, usually a thinly bedded greywacke. The gold mineralization is found within stockworks of quartz-tourmaline-arsenopyrite-pyrrhotite (less than 5% sulphides) veins and veinlets contained within microline-biotite (potassic alteration) and brown tourmaline replacement zones (www.goldcorp.com). The initial Roberto zone discovery was made on a good I.P. signature coincidental with a MMI (soil) Au-As-Sb anomaly.

In the center of 33B/05 NTS sheet, the **LECARON** claims hosts the Fallara and Conductor gold showings as well as the Lac Caron Ni-Cu-Au showings. The **Fallara gold showing** (Nad27 18U 449206E/ 5796972N) was found by government geologists in 1997. It is described as local pyrite disseminations (<5%) in altered (silicified) hosted by mafic volcanics that assayed 9.9 g/t Au; 7.7 g/t Au; 0.17 g/t Au and 2.5% As (MRNFQ, 2000). The **Conductor gold showing** (Nad 27 18U 450210E/5796406N) discovered in

2010 by DIOS returned assays between 2.9 to 37.3 g/t Au in grab-samples and its track-sampling assayed: 1.3 g/t Au / 2.5m (track A) including 3.44 g/t Au / 1.0m; 2.1 g/t Au/4.5m (track B) including 2.1 g/t Au / 1.5m & 8.1 g/t Au, 22.6 g/t Ag, 0.31% Pb, 0.32% Zn/1.0m; 4.9 g/t Au, 14 g/t Ag, 0.28% Pb, 0.15% Zn/ 1.0m (track C); 9.64 g/t Au/0.7m (track D). It is composed of several centimetric quartz veins with disseminated pyrite-arsenopyrite-sphalerite-galena injected within mafic volcanics.

The **Lac Caron Ni-Cu-Au showing** (Nad83 18U 452848E/5796568N) was discovered in 1970 by INCO. It is described as a weakly mineralized sulphidic (>10% pyrrhotite-pentlandite-chalcopyrite) horizon of 4-6 meters by 250 meters. 1972 INCO drill intersections of up to 0.64% Cu, 0.48% Ni over 4.3m (incl. 0.74% Ni, 0.17 g/t Pt, 0.14 g/t Pd over 1.5m) were returned from the base of a gabbro that intrudes amphibolites and mafic volcanics. 2005 INCO drilling yielded 0.265% Ni, 1.275% Cu, 0.425 g/t Au, 0.048 g/t Pt over 0.6 m; 0.167% Ni, 0.129% Cu, 1.385 g/t Au over 0.3m; 0.289% Ni, 0.593% Cu, 0.589 g/t Au, 0.550 g/t Pt over 0.48m. Very few works were carried out for gold as they were within claims owned by INCO that targeted other metals (Ni-Cu).

<u>Previous works</u>:

In 1964, Eades carried out regional mapping over the James Bay territory for the GSC. In 1970s, half-mile spaced federal aeromagnetic survey was flown over the region. In 1972-73, INCO completed prospecting, mapping and ground magnetic/VLF surveys that were followed by 20 short diamond drilling holes on its LAC CARON project (GM 27879, GM 28792, GM 29504).In , SDBJ (Societe de Developpement de la Baie James) completed two-miles spaced lake sediment geochemistry survey over the region (gm).
In 1995-96, prospector Frigon & associates completed beep-mat prospecting and on iron-formation and volcanics in the southeastern part of the 33B/05 (GM 56842).
Two trenches were blasted in the vicinities of 435000e, 5792000n and 436000e, 5792250n. About eight samples were collected, and none returned significant gold assays. In 1998- 2000, the Quebec government did regional mapping over the region (RG98-15 and RG2000-04). In 2005, INCO carried out a ground Mag-UTEM (49km) survey that outlined several conductors. It also completed 3 drill holes for 531m targeting Ni-Cu (GM 61623, GM 62830) sulphides gossans on the SW of the 33B05 (and of LeCaron Lake). In 2006, Eloro Resources carried out mapping and sampling on its Eastmain-1 property, just west of the **SHADOW** property. In 2006-2008, Virginia Gold Mines owned claims over the present **SHADOW** property, but no works were filed at the government. Broken rocks and old flagging tapes were observed on the field in the SW of the 33B05. In 2007, Vantex Resources completed 53 km-lines of grid and ground Mag-VLF on its OPI project centered on an E-W greenstone-belt in the southern part of the 33C/08 and 33B/05 (GM 62928). In June 2009, a reconnaissance heavy mineral sampling (by IOS Geoscientifiques and supervised by Dios geologist H.Desbiens) was completed out up-ice anomalous gold counts and favorable kimberlite indicator minerals (KIMs) of the previous Pontax project. A total of 136 samples were collected, of which 88 samples were part of the Au33 project (33C01 & 33B05).

In March 2010, **DIOS** completed a 8300 km-lines airborne magnetic survey on its Au33 project. From this data, an independent geophysist (C. St-Hilaire, 2010a, b, c) outlined 114 magnetic targets for kimberlite. In June 2010, 167 additional heavy mineral samples were collected on the Au33 project and were processed for kimberlite indicator minerals and gold by IOS Geoscientifiques at their Saguenay laboratory, Quebec. The survey confirms a 1-2 km by 6-7km gold glacial dispersion train (12 samples) located down-ice of the Conductor and Fallara (quartz veins with disseminated sulfides in volcanics) gold showings. The concentrates of the heavy minerals from this dispersion train yielded 4 samples (25%) > 0.6 g/t Au including 0.666, 0.925, 1.035, 1.160 g/t Au. During the same summer, **DIOS** completed mapping-prospecting in the vicinities of the Fallara and LeCaron showings, as well as on kimberlite magnetic targets. The Conductor gold showing was discovered and returned up to 37.3 g/t Au in grab-samples. In October 2010, a total of 34 km of induced polarization (dipole-dipole; a=25m, n=1-8) was complete by Abitibi Geophysics on a 5km by 1.5 km grid. The interpretation of the data outlined 6 first-priority conductors that are possibly associated with veins and/or disseminated sulphides as observed at the « conductor » showing. The lateral extensions of theses geophysical conductors generally vary from 1 to 2 km in length. Fourteen other second-priority conductors were also identified as well as several graphitic zones.
In 2011, **Dios** completed a two weeks-reconnaissance (mapping & prospecting) program on the **SHADOW-LECARON** claims. In the fall, IOS carried out a (40 samples) till sampling program for Dios.

<u>High points of the LECARON project for gold</u>:

-Presence of 3 known gold showings: Conductor, Fallara & Lac LeCaron within the property.
-Numerous IP conductors with some associated with gold mineralisation.
-Presence of a regional NW structure (fault).
-Presence of 1-2 km by 6-7km gold glacial dispersion train (12 samples) located down-ice of the Conductor and Fallara. The concentrates of the heavy minerals from this dispersion train yielded 4 samples (25%) > 0.6 g/t Au including 0.666, 0.925, 1.035, 1.160 g/t Au.
-Short glacial transport is known in this area.
-Re-compilation of all previous LeCaron assays confirms a 4km x 1.5km auriferous (x>100ppb Au) halo that is oriented at N060 within the mafic volcanics and hosts the Conductor showing and LaChicane vein. The auriferous halo is coincidental with the Conductor gold till train (including 666, 925, 1035 and 1160 ppb Au) and is limited to the south by a good N065 pluri-kilometric topographic lineament.
-Poorly explored Clarkie Fm sediments (equivalent to Eleonore Low Fm) and its contact with Natel Fm volcanics.
-Presence of several extensive Inco EM anomalies associated with mineralized zones (pyrite-pyrrhotite-chalcopyrite) within the volcanic sequence.

Recommendations:

The three main targets on this project are:
1-the 4km x 1.5km auriferous (x>100ppb Au) halo that is oriented at N060 within the mafic volcanics and hosts the Conductor showing and LaChicane vein. Extensive sampling of this first-priority target-area is recommended;
2-the pluri-kilometric diorite plug injected within the northern volcanics;
3-the Clarkie sediments that should also be systematically checked for alumino-silacate or potassic alteration such as the ones observed on Goldcorp Wabamisk or Eleonore projects. Till sampling and reconnaissance mapping are planned in 2012.

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