

Indicator Minerals Inc.

Financial Statements

Three month period ended February 28, 2005

(unaudited)

Indicator Minerals Inc.

Notice of Non-review of Interim Financial Statements

The attached interim financial statements for the three month period ended February 28, 2005 have not been reviewed by the company's auditors.

Indicator Minerals Inc.
Balance Sheets
(unaudited)

	February 28, 2005	November 30, 2004
Assets		
Current		
Cash	\$ 1,176,682	\$ 1,162,383
Accounts receivable	241,121	205,037
	1,417,803	1,367,420
Restricted guaranteed investment certificate (note 3)	25,000	25,000
Prospecting permit deposits (note 4)	773,955	486,600
Equipment and leasehold improvements	28,492	19,116
Mineral interests (note 5)	5,008,418	4,520,416
	\$ 7,253,668	\$ 6,418,552
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	\$ 537,578	\$ 612,967
Due to Hunter Exploration Group (note 5a)	287,355	-
	824,933	612,967
Future income taxes (note 11)	73,091	73,091
	898,024	686,058
Shareholders' equity		
Share capital (note 6)	6,579,840	5,845,236
Contributed surplus (note 9)	1,243,034	1,189,155
Deficit	(1,467,230)	(1,301,897)
	6,355,644	5,732,494
	\$ 7,253,668	\$ 6,418,552

Approved By The Board
 Director (signed by) "Sean Mager"
 Director (signed by) "Bruce Counts"

Indicator Minerals Inc.
Statements of Loss and Deficit
(unaudited)

Three month period ended February 28	February 28, 2005	February 29, 2004
Expenses		
Advertising and promotion	\$ 12,368	\$ 1,918
Amortization	1,985	
Conferences and meetings	37,846	4,118
Corporate filing fees	4,499	7,713
Investor relations	37,915	2,225
Office and administration	4,509	4,658
Professional fees	39,904	32,272
Rent	2,844	1,421
Wages and consulting fees	26,857	26,905
Loss from operations	(168,727)	(81,230)
Other income (expense)		
Interest	3,394	819
	3,394	819
Net loss for the year	(165,333)	(80,411)
Deficit, beginning of period	(1,301,897)	(147,313)
Deficit, end of period	\$ (1,467,230)	\$ (227,724)
Basic and diluted loss per share	\$ (0.007)	\$ (0.022)

Indicator Minerals Inc.
Statements of Cash Flows
(unaudited)

Three month period ended	February 28, 2005	February 29, 2004
Cash flows from operating activities		
Net loss	\$ (165,333)	(80,411)
Adjustments for:		
Amortization	<u>1,985</u>	-
	(163,348)	(80,411)
Change in non-cash working capital items		
Accounts receivable	(36,084)	(8,690)
Prepaid expenses	-	38,823
Accounts payable and accrued liabilities	<u>(387,400)</u>	<u>43,259</u>
	(586,832)	(7,019)
Cash flows from investing activities		
Repayment of (advances to) related party	-	(83,400)
Repayment of loan receivable	-	49,000
Purchase of equipment and leasehold improvements	(11,361)	-
Expenditures on mineral interests	<u>(122,112)</u>	<u>(8,678)</u>
	(133,473)	(43,078)
Cash flows from financing activities		
Issuance of share capital	753,750	500,000
Share issue costs	<u>(19,146)</u>	<u>-</u>
	734,604	500,000
Net increase (decrease) in cash	14,299	449,903
Cash, beginning of period	<u>1,162,383</u>	<u>101,456</u>
Cash, end of period	<u>\$ 1,176,682</u>	<u>\$ 551,359</u>
Other information		
Interest received	\$ 3,394	\$ 353

February 28, 2005

1. Nature of operations

Indicator Minerals Inc. ("Indicator" or the "Company") is a development stage enterprise and is currently exploring its mineral interests in Nunavut, Canada in order to bring the properties to the extraction and processing stage. During the current period, the Company changed its name, acquired options on certain mineral properties and became involved in diamond exploration. On January 21, 2004, the shareholders approved changing the name of the Company from Dev Investments Inc. to Indicator Minerals Inc.

The Company is in the process of exploring its mineral properties which have the potential of being economically recoverable. The measurement of certain assets and liabilities is dependent on future events therefore the preparation of these financial statements requires the use of estimates, which may vary from actual results. In particular, the recoverability of the amounts shown for mineral interests is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the interests, the ability of the Company to obtain necessary financing to complete development, and upon the future profitable production or proceeds from disposition of the mineral interests. The amounts shown for mineral interests represent net costs incurred to date and do not necessarily represent present or future values. Such estimates have been made using careful judgements, which, in management's opinion, are within reasonable limits of materiality and conform to the significant accounting policies summarized below.

2. Significant accounting policies

The information presented for the three months ended February 28, 2005 has been presented in accordance with the accounting standards for interim financial reporting. These interim financial statements follow the same accounting policies and methods of their application as, and should be read in conjunction with, the annual audited financial statements for the year ended November 30, 2004.

3. Restricted guaranteed investment certificate

Guaranteed investment certificate ("GIC") bears interest at 1.75% and matures May 11, 2005. The Company has provided this GIC as security to the Company's bank for electronic funds transfer services and corporate Mastercard liabilities.

4. Prospecting permit deposits

Prospecting permit deposits paid in the amount of \$0.10 per acre are recoverable at the rate of \$0.10 per acre of exploration spending within the first year of permit ownership upon filing of requisite geological assessment reports. If the spending commitments are not met the deposits are forfeited.

Indicator Minerals Inc.
Notes to the Financial Statements
(unaudited)

February 28, 2005

5. **Mineral interests**

	February 28, 2005		
	Balance, beginning of period	Current period costs	Balance, end of period
<i>Hunter Property</i>			
Acquisition costs	\$ 2,264,218	\$ 53,879	\$ 2,318,097
Claims and staking	150	-	150
Fieldwork	844,946	286,218	1,131,164
Consulting	114,989	31,300	146,289
Total	3,224,303	371,397	3,595,700
 <i>Committee Bay Property</i>			
Acquisition costs	409,199	-	409,199
Claims and staking	125	-	125
Fieldwork	358,651	45,512	404,163
Consulting	13,576	16,010	29,586
Total	781,551	61,522	843,073
 <i>International Samuel JV Property</i>			
Acquisition costs	425,000	-	425,000
Claims and staking	25	-	25
Fieldwork	86,457	14,196	100,653
Consulting	3,080	1,796	4,876
Total	514,562	15,992	530,554
 <i>Lokgwabe Property</i>			
Acquisition costs	-	22,205	22,205
Fieldwork	-	15,456	15,456
Total	-	37,661	37,661
 <i>Prospective Property</i>			
Fieldwork	-	1,430	1,430
Total	-	1,430	1,430
Total	\$ 4,520,416	\$ 488,002	\$ 5,008,418

February 28, 2005

5. Mineral interests, continued

The Company has taken steps to verify title to resource properties in which it has an interest. However, these procedures do not guarantee the Company's title as property title may be subject to unregistered prior agreements and potential non-compliance with exploration expenditure and reporting requirements.

(a) Hunter Property

On February 26, 2004, Indicator entered into a letter agreement to acquire an 80% interest in the diamond rights to several parcels of land that total 3,298,437 acres from Hunter Exploration Group ("Hunter"), an arms length party. Hunter retains a 20% carried interest in the properties until a feasibility study is completed. The properties consist of 54 prospecting permits and 24 mineral claims located near the communities of Kugaaruk and Taloyoak in Nunavut Territory. As consideration for the Properties, Indicator has issued 3,000,000 common shares at a deemed price of \$0.40 per share and must reimburse the vendor in the amount of \$1,056,678 (plus \$63,433 GST) for property acquisition costs and \$242,780 for work deposits on the permits. The outstanding conditions were cleared and the deal was closed effective July 19, 2004. In addition, the Company must fund two to three regional diamond exploration programs identified by Hunter at an estimated cost of between \$60,000 and \$75,000 and also must pay Hunter a consulting fee of \$75,000 during the term of the agreement which expires May 24, 2005. These requirements were satisfied during the year. The properties are subject to a gross overriding royalty of up to 2%.

On March 9, 2005, the TSX Venture Exchange accepted for filing the proposal by the Company to issue 359,193 bonus warrants to Hunter Exploration Group ("Hunter") in consideration for the posting of a \$287,355 bond with the Nunavut Mining Recorder. The posting of the bond by Hunter on behalf of Indicator will keep the prospecting permits, located near Kugaaruk and Taloyoak in Nunavut, in good standing for a one-year period. Under the terms of a letter agreement dated January 26, 2005, the bonus warrants will be exercisable by Hunter at a price of \$0.45 per common share until January 26, 2007. The warrants will expire on July 31, 2005 if the diamond rights are transferred to Hunter pursuant to default on repayment of the Hunter bond.

(b) Committee Bay Property

On April 22, 2004, Indicator signed a letter of intent ("LOI") with Committee Bay Resources Ltd. (CBR:TSX-V) ("CBR"), a company with common directors and management, whereby Indicator can earn up to a 70% interest in only the diamond rights of CBR's areas of interest in Nunavut Territory, which total more than three million acres of land. The properties included in the LOI are located in the Kivilliq region of Nunavut and comprise more than 400,000 acres of mineral claims and 2.6 million acres of prospecting permits. Under the terms of the LOI, Indicator can earn a 50% interest by spending \$3,000,000 on exploration by December 31, 2006. An additional 20% interest can be earned by spending a further \$2,000,000 by December 31, 2007. Furthermore, Indicator issued 1,000,000 common shares to CBR which have been recorded at a deemed price of \$0.40 per share and reimbursed approximately \$243,820 in work deposits posted by CBR to acquire prospecting permits. The properties are subject to a gross overriding royalty of up to 2%.

Indicator Minerals Inc.
Notes to the Financial Statements
(unaudited)

February 28, 2005

5. Mineral interests, continued

(c) International Samuel JV Property

On May 31, 2004, Indicator entered into a letter agreement with International Samuel Exploration Corp. (SAZ: TSX-V) ("Samuel") to jointly explore approximately 1.36 million acres of prospecting permits and mineral claims located southwest of Wager Bay, Nunavut Territory. The Naniruaq Project consists of 12 prospecting permits totaling 490,000 acres and is part of the land package that Indicator has acquired from Hunter (see Hunter Property above). Qulliq Project is composed of approximately 870,000 acres of mineral claims that were recently staked by Samuel (80%) and Hunter (20%) under a letter agreement dated May 4, 2004. This joint venture pools their respective interests on two adjoining projects.

Under the terms of the agreement Hunter will retain a 20% interest and a 2% gross overriding royalty in the projects and will be carried equally by Indicator and Samuel to the conclusion of a positive feasibility study. Indicator and Samuel will each have a 40% participating interest in the diamond rights to the combined properties and will share the acquisition and exploration costs equally. Indicator and Samuel have each paid their \$425,000 share of the acquisition costs for the Qulliq claims and Indicator and Samuel will fund future exploration expenditures equally on the combined properties. Indicator will be operator of the project.

6. Share capital

Authorized

Unlimited number of common voting shares without par value

Unlimited number of preferred shares

Common shares issued

	Number	Amount
Balance November 30, 2002 and 2003	3,500,000	\$ 329,214
Private placement - February 3, 2004	5,000,000	500,000
Private placement - April 16, 2004	6,145,720	3,176,360
Private placement - August 18, 2004	3,745,000	1,498,000
Acquisitions of mineral interests	4,350,000	1,635,000
Exercise of share options	275,000	41,250
Exercise of share purchase warrants	50,000	7,500
Share issue costs	-	(750,110)
Future income taxes	-	(591,978)
Balance November 30, 2004	23,065,720	5,845,236
Exercise of share purchase warrants	25,000	3,750
Private placement - first closing March 3, 2005	2,500,000	750,000
Share issue costs	-	(19,146)
Balance February 28, 2005	25,590,720	\$ 6,579,840

A description of shares issued for the acquisition of mineral interests is disclosed in Note 5.

February 28, 2005

6. Share capital, continued

Private Placement - February 3, 2004

Concurrent with the completion of its Qualifying Transaction, the Company completed an equity private placement financing of 5,000,000 units at \$0.10 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one warrant to acquire one common share at a price of \$0.15 expiring February 3, 2006.

Brokered Placement - April 16, 2004

On April 16, 2004, Indicator completed a private placement of \$3,090,000 (the "Offering"), including an over-allotment issue of \$490,000, through Canaccord Capital Corporation (the "Agent"). Pursuant to the Offering, the Corporation issued 2,000,000 flow-through units ("FT Units") at a price of \$0.55 per FT Unit and 3,980,000 non-flow-through units (the "NFT Units") at a price of \$0.50 per NFT Unit. Each FT Unit consisted of one flow-through common share and one-half of one purchase warrant (the "FT Warrant"), while each NFT Unit consisted of one non-flow-through common share and one-half of one purchase warrant (the "NFT Warrant"). Each whole FT Warrant will entitle the holder to acquire a non-flow-through common share at an exercise price of \$0.75 for a period of one year from issuance. Each whole NFT Warrant will have the same terms, except they will expire 18 months from issuance.

Pursuant to the Offering, the Agent received a cash commission of 8% of the gross proceeds and elected to receive 95,720 NFT Units in lieu of a portion of its cash commission. In addition, the Agent received 598,000 warrants (the "Agent's Warrants"). Each Agent's Warrant entitles the holder to acquire one common share of the Corporation at an exercise price of \$0.65 for a period of 12 months from closing. The Company has recorded \$149,500 related to the estimated fair value of these warrants. The amount is recorded as costs of share issuance and contributed surplus. The weighted average grant date fair value of \$0.25 per warrant issued is estimated on the date of grant using the Black Scholes option pricing model. The assumptions utilized in determining this fair value were a spot rate of \$0.62, a strike price of \$0.65, a risk-free rate of 2.15%, a volatility of 110% and a maturity period of one year.

Furthermore, the Agent was paid an administration fee of \$5,000 and a corporate finance fee of 70,000 units (the "CF Units") at a deemed price of \$0.55 per unit which was recorded as a share issue cost. Each CF Unit consisted of one common share and one whole common share purchase warrant exercisable for a period of 12 months at a price of \$0.75.

Brokered Placement - August 18, 2004

On August 18, 2004, the Company completed a brokered private placement, in two separate closings, of 3,675,000 flow through common shares for proceeds of \$1,470,000 through Canaccord Capital Corporation (the "Agent").

The Agent received a cash commission of 8% of the gross proceeds raised in the offering, 70,000 shares as a corporate finance fee and warrants entitling them to purchase 367,500 common shares at \$0.40 per share. 342,500 warrants expire February 18, 2006 and 25,000 expire March 3, 2006. The Company has recorded \$58,550 related to the estimated fair value of these warrants. The amount is recorded as costs of share issuance and contributed surplus. The weighted average grant date fair value of \$0.16 per warrant issued is estimated on the date of grant using the Black Scholes option pricing model. The assumptions utilized in determining this fair value were a spot rate of \$0.32, a strike price of \$0.40, a risk-free rate of 2.97%, a volatility of 120% and a maturity period of one and a half years.

Indicator Minerals Inc.
Notes to the Financial Statements
(unaudited)

February 28, 2005

6. **Share capital, continued**

Private Placement – First closing March 3, 2005

Subsequent to the quarter, the Company completed a non-brokered private placement of 2,650,000 units at a price of \$0.30 per unit for gross proceeds of up to \$795,000. Each unit was comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable for one common share at a price of \$0.45 per share for a period of two years after issuance. Share subscriptions for the this placements first closing of 2,500,000 units and proceeds of \$750,000 were received prior to February 28, 2005 and have therefore been presented as share capital at February 28, 2005. Subsequent to the Quarter, the Company received additional subscriptions for the additional 150,000 units and proceeds of \$50,000.

Escrow Restrictions

An aggregate of 1,312,500 (2003 - 1,500,000) common shares are subject to escrow restrictions and held on deposit with Olympia Trust Company, pursuant to an escrow agreement. These shares are to be released in semi-annual installments over the course of the 36 month period beginning March 1, 2004.

Share purchase warrants

	Warrants	Weighted average exercise price
Outstanding warrants, November 30, 2002 and 2003	-	\$ -
Issued	8,107,860	0.38
Exercised	(50,000)	0.15
Outstanding warrants, November 30, 2004	8,057,860	0.38
Exercised	(25,000)	0.15
Issued to Hunter Exploration Group (note 5a)	359,193	0.45
Outstanding warrants, February 28, 2005	8,392,053	\$ 0.39

Share warrants outstanding have expiry dates ranging from to February 3, 2006 to April 16, 2006.

Number of Warrants	Exercise Price	Weighted average remaining contractual life in years
4,925,000	\$0.15	0.90
1,070,000	0.75	1.10
2,037,860	0.75	1.10
359,193	0.45	1.90
8,392,053	\$0.39	1.02

On January 21, 2005 the Company applied to the TSX Venture Exchange to extend the expiry dates of 3,107,860 warrants and 598,000 agents warrants to April 16, 2005. Consent was received on March 2, 2005.

The Company has recorded \$53,879 related to the estimated fair value of warrants granted to Hunter Exploration Group. The weighted average grant date fair value of \$0.15 per warrant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions; estimated risk-free rate of 2.81%, expected volatility of 110%, expected annual dividend yield of 0.0% and expected life of 2 years.

February 28, 2005

6. **Share capital, continued**

Per share calculations

For the period ended February 28, 2005, the basic weighted average number of common shares outstanding was 23,067,664 (2004 – 3,617,582). The exercise of options and warrants would not be dilutive for the periods ended February 28, 2005 and February 29, 2004 as the Company was in a loss position.

7. **Stock options**

The Company has established a stock option plan (the "Plan") for directors, employees, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. No options shall be granted, without regulatory approval, entitling any single individual to purchase in excess of 5% of the then outstanding shares in the Company in any 12 month period and no more than 2% of the optioned shares may be issued to any one consultant in any 12 month period. If the option rights granted under the plan shall expire or terminate for any reason without having been exercised such optioned shares may be made available for other options to be granted under the plan. The shares so reserved by the Board under the Plan shall be authorized but unissued shares.

The options are non-transferable and will expire, if not exercised, immediately upon dismissal by the Company with cause or 90 days following the date the optionee otherwise ceases to be a director, officer, manager, consultant or employee of the corporation for reasons other than death, one year after the death of an optionee and on the fifth anniversary of the date the option was granted. Pursuant to the policies of the TSX Venture Exchange ("TSXV"), options granted pursuant to the Plan in excess of 10% of the issued and outstanding Common Shares at the time of the grant must be subject to vesting.

	Number	Weighted average exercise price
Outstanding November 30, 2002	350,000	\$ 0.15
Expired	(75,000)	0.15
Outstanding November 30, 2003	275,000	0.15
Exercised	(275,000)	0.15
Granted	2,279,500	0.48
Outstanding November 30, 2004 and February 28, 2005	2,279,500	\$ 0.48

Indicator Minerals Inc.
Notes to the Financial Statements
(unaudited)

February 28, 2005

7. Stock options, continued

The Company has recorded stock based compensation in the amount of \$981,105 as an expense in the 2004 statement of loss and an increase to contributed surplus. The compensation expense has been determined based on the fair value of the options at the grant date and does not include any options issued prior to December 1, 2003. The weighted average grant date fair value of \$0.43 per stock option is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Estimated risk-free rate	3.99%
Expected volatility	110%
Estimated annual dividend yield	0.0%
Expected life of options	5 years

Exercise prices	Number outstanding	Weighted average remaining contractual life in years	Number exercisable
0.58	1,249,500	4.10	1,249,500
0.355	265,000	4.10	265,000
0.355	765,000	4.70	765,000
Total	2,279,500	4.30	2,279,500

8. Agents warrants

	Warrants	Weighted average exercise price
Outstanding warrants, November 30, 2002	-	\$ -
Outstanding warrants, November 30, 2003	-	-
Granted	965,500	0.55
Outstanding warrants, November 30, 2004 and February 28, 2005	965,500	\$ 0.55

The Company has recorded \$208,050 related to the estimated fair value of warrants granted in 2004. The amount is recorded as share issue costs and contributed surplus. The weighted average grant date fair value of \$0.22 per warrant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions; estimated risk-free rate of 2.47%, expected volatility of 114%, expected annual dividend yield of 0.0% and expected life of 1.2 years.

Agents warrants outstanding at November 30, 2004:

Number of Warrants	Exercise Price	Expiry Date
598,000	\$0.65	April 16, 2006
342,500	0.40	February 18, 2006
25,000	0.40	March 3, 2006
965,500	\$0.55	

Indicator Minerals Inc.
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(unaudited)

February 28, 2005

9. **Contributed surplus**

Contributed surplus arises from the recognition of estimated fair value of stock options and agents warrants as follows:

	February 28, 2005	February 29, 2004
Balance, beginning of period	\$ 1,189,155	\$ -
Hunter bonus warrants (note 5a)	53,879	-
Stock options (note 7)	-	-
Agents warrants (note 8)	-	-
	\$ 1,243,034	\$ -

10. **Related party transactions**

During the period, the Company incurred capitalized mineral interest - geological consulting fees of \$48,594 (2004 - nil) and consulting fees of \$26,406 (2004 - \$26,905) for management services provided by companies controlled by directors and officers. Of this amount, \$26,750 (2004 - \$59,459) was unpaid at year end and included in accounts payable and accrued liabilities.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During 2004, the Company acquired interests in certain mineral properties from Committee Bay Resources Ltd. (a company with common directors and management) as explained in Note 5 Mineral Properties - Committee Bay Property. This transaction was recorded at the estimated fair value of the cash and share consideration given up by the Company.

11. **Income taxes**

a) The components of future income tax asset (liability) balances are as follows:

	November 30, 2004	November 30, 2003
Future income tax asset		
Non-capital loss carry-forwards	\$ 250,238	\$ 71,384
Share issue costs	153,562	12,193
Other	516	594
Future income tax liability		
Mineral interests in excess of tax basis	(477,407)	-
	(73,091)	84,171
Valuation allowance	-	(84,171)
	\$ (73,091)	\$ -

Indicator Minerals Inc.
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11. Income taxes, continued

During the fiscal year ended November 30, 2004, the Company issued flow through shares for total proceeds of \$2,570,000 and incurred qualifying expenditures of \$2,131,449 to February 28, 2005. Effective for the calendar year ending December 31, 2004 the Company renounced, to flow through shareholders, qualifying expenditures in the amount of \$2,570,000 and must therefore incur \$438,551 of additional qualifying expenditures during its 2005 fiscal year.

For income tax purposes, the Company has losses carried forward from prior years which can be applied to reduce future years' taxable income. These losses expire as follows:

2008	\$	25,000
2009		121,000
2010		49,000
2011		<u>538,000</u>
	<u>\$</u>	<u>733,000</u>

12. Financial instruments

Financial instruments consist of recorded amounts of accounts receivable and guaranteed investment certificates, which will result in future cash receipts, as well as accounts payable and accrued liabilities and Due to Hunter Exploration Group, which will result in future cash outlays.

a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to a significant concentration of credit risk as virtually all of the accounts receivable at the year end are goods and services tax recoverable.

b) Fair Value

The carrying values of the financial instruments noted above approximate their fair values due to their short term nature.

14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current period. The changes do not affect prior period earnings.

Indicator Minerals Inc.

(Formerly Dev Investments Inc.)

Interim Management Discussion and Analysis

For the Three Months ended February 28, 2005 and 2004

Dated March 11, 2005

Management's Discussion and Analysis supplements, but does not form part of, the unaudited interim financial statements of the Company and the notes thereto for the three month periods ended February 28, 2005 and 2004. Consequently, the following discussion and analysis of the financial condition and results of operations for Indicator Minerals Inc. ("*Indicator*", "*IME*" or the "Company"), should be read in conjunction with the unaudited interim financial statements and related notes therein, which have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied.

Additional information, including unaudited interim financial statements for the preceding quarterly periods; audited financial statements for the years ended November 30, 2004 and 2003; and Management Information Circulars for the Annual and Special Meetings of Shareholders held April 12, 2005 and January 21, 2004 can be found on SEDAR at sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following Management's Discussion and Analysis (MD&A) and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. Aside from factors identified in the annual MD&A and the Management Information Circular for the Shareholders Meeting of January 21, 2004 where the Qualifying Transaction was approved, additional important factors, if any, are identified here.

Overall Performance

One year ago, on February 27, 2004, the Company announced the completion of its Qualifying Transaction as set out in Policy 2.4 and became a junior resource exploration company. Shareholders approved amending the name from Dev Investments Inc. to Indicator Minerals Inc. and the Company commenced trading on the TSX Venture Exchange Inc. (the "Exchange" or "TSX-V") under the symbol "*IME*" effective March 2, 2004.

Indicator Minerals Inc. is an innovative Canadian diamond exploration company focused on the discovery of economic diamond deposits. With one of the most experienced technical teams in junior diamond exploration, the Company is technically driven and committed to the efficient and systematic evaluation of its projects. Management has a proven track record in the discovery and development of diamond bearing kimberlites.

Indicator is exploring for diamonds on more than 10.5 million acres of ground in the Eastern Arctic of Canada and 750,000 prospective acres in western Botswana. The Canadian land package was specifically

targeted for acquisition based on research of historical information and the recovery of kimberlite indicator minerals from regional heavy mineral samples collected in 2003. This represents a dominant land position in an area where more than 70 million acres of prospecting permits and mineral claims have been acquired by diamond exploration companies in 2004.

The Company also has an exclusive agreement with the Hunter Exploration Group to fund exploration and acquire a majority interest in new diamond properties that they identify.

More information about the Management and Projects of Indicator Minerals Inc. can be found on the Company's website at indicatorminerals.com.

OVERVIEW OF FIRST QUARTER OPERATIONS

Indicator has focused its efforts to execute successful generative, acquisition and exploration strategies that will capitalize on the technical strength and experience of its discovery team with an overriding goal of converting new and compelling exploration areas into major interests in early stage diamond projects. While awaiting lab results for its 2004 exploration program, *Indicator* has continued to increase its project portfolio and add technical expertise to its management team. With capital markets showing some weakness during the period, *Indicator* has pursued several joint venture opportunities and secured interim financing for the planning stages of its upcoming 2005 exploration season. A more significant financing will be undertaken prior to the 2005 field season. The groundwork has been laid during the first quarter for rationalizing *Indicator's* mineral interests during the 2005 exploration season.

Identification of Key Projects

2004 was the foundation year in which the company established itself as a leader in junior diamond exploration. Over the course of the year, *Indicator* acquired a majority interest or an option to earn a majority interest in more than 11 million acres of ground prospective for diamonds and assembled one of the most experienced technical groups in the sector. The Company's objective in 2005 will be to systematically eliminate ground that is less prospective and focus resources on advancing a smaller portfolio of top mineral prospects.

During the 2004 field season, the Company collected approximately 1200 heavy mineral samples on its projects in eastern Nunavut. Sample collection was concentrated on four key projects (Barrow Lake, Darby, Frost and Sanagaak) where regional sampling in 2003 suggested the greatest probability of discovery. Samples were collected on the rest of *IME's* projects to assess their prospectivity with the intention of relinquishing those projects that do not have compelling kimberlite indicator mineral support.

Early results from the 2004 heavy mineral sampling have shown that three of the four key projects have anomalous concentrations of kimberlite indicator minerals. On the Barrow Lake Project, preliminary indications from the 2004 sampling, together with the discovery of diamond bearing kimberlites on neighbouring claims, have prompted the *IME* to contract Fugro Airborne Surveys to fly a helicopter electromagnetic survey over the property in late March. Results from this airborne geophysical survey will help to focus Barrow Lake exploration this summer.

In addition, heavy mineral samples collected on both Darby and Sanagaak have returned kimberlite indicator minerals in several locations. Plans for 2005 include follow-up heavy mineral sampling in an effort to define discreet kimberlite indicator minerals trains. *IME* is still receiving results from the 2004 heavy mineral sampling campaign, with the balance anticipated prior to the beginning of the 2005

sampling season. Regional heavy mineral sampling will continue on the grassroots projects obtained in 2004 and will commence on the new eastern arctic projects acquired from the Hunter Exploration Group in 2005.

Partnership with Trigon Explorations on Nunavut Prospecting Permits

On December 6, 2004, Committee Bay Resources Ltd. (CBR: TSX-V, "*Committee Bay*") and *Indicator* entered into a partnership with Trigon Explorations Canada Ltd. (TEL: TSX-V, "*Trigon*") to jointly explore for diamonds on two prospecting permits (the Properties) located approximately 115km south of the community Kugaaruk in Eastern Nunavut. The two prospecting permits total 79,493 acres and were acquired by Committee Bay for their gold potential but are centrally located in an area that has become the focus for diamond exploration. This agreement will allow the partners to spread the risk and the expense of evaluating the diamond potential of the Properties.

Under the terms of an agreement between *Committee Bay* and *Trigon*, *Committee Bay* will retain 100% of the gold rights to the Properties, while diamond rights will be divided 51% *Trigon* and 49% *Committee Bay*. Diamond exploration will be conducted by *Trigon* and the costs shared proportionally between the two partners. *Committee Bay* will sole fund and operate gold exploration on the Properties. The separate agreement existing between *Committee Bay* and *IME* dated April 22, 2004 (see April 22 and November 7, 2004 descriptions above) been modified to incorporate the partnership between *Committee Bay* and *Trigon*. Under the terms of the amended agreement, *IME* will have an option to earn a 35% interest in the Properties by meeting the spending commitments outlined in the original agreement. *Committee Bay* will retain a four percent interest in the Properties that is carried to production and will participate for 10% once *IME* has earned its 35% interest.

Technical Expert Added to Discovery Team

On December 14, 2004, *Indicator* announced the signing of an exclusive consulting agreement with Mr. Grant D. Lockhart of Kelowna, British Columbia. Mr. Lockhart brings 12 years of diamond exploration experience and a proven track record of discovery and project management. In his role as Senior Consultant and Technical Advisor, Mr. Lockhart will help to develop and implement the Company's exploration programs as well as contribute to the continuous refinement of *Indicator's* exploration strategy. Under the terms of the agreement, Mr. Lockhart will provide diamond exploration consulting services exclusively to *Indicator* for a minimum period of two years commencing January 1st, 2005.

Mr. Lockhart holds a degree in Geophysics as well as a degree in Geotechnical Engineering from the University of British Columbia. He began his exploration career in 1987 as a contract geophysicist exploring for precious and base metals throughout North America. Mr. Lockhart has been exploring for diamonds on behalf of BHP Billiton since 1992 and was a member of the group responsible for the discovery and development of the EKATI Diamond Mine. During his tenure with BHP Billiton, Mr. Lockhart's role was expanded from drill target generation and testing to also include supervision of advanced bulk sampling programs. Mr. Lockhart was also involved in the recent discoveries made at BHP Billiton's Qilalugaq Project near the community of Repulse Bay, Nunavut.

Option on Botswana Project

On February 3, 2005, *Indicator* entered into a Letter Agreement with Helio Resource Corp. (HRC: TSX-V, "*Helio*" or "*the Vendor*") to earn up to an 80% interest in the Lokgwabe project in Botswana, the terms of which were approved by the TSX Venture Exchange. The Lokgwabe project is comprised of

approximately 750,000 acres of exploration permits in central Botswana. Previous heavy mineral sampling on the project has identified five areas with anomalous concentrations of kimberlite indicator minerals, including pyrope garnets with G10 chemistry. The chemical compositions of the indicator minerals suggest that they were derived from diamond bearing kimberlite. The source kimberlites are believed to be located within the project area based on surface textures of the indicator minerals recovered and the local surface geology. Lokgwabe's technical merits coupled with the fact that Botswana is the world's largest producer of rough diamonds by value and has a well established system of land tenure make this a very attractive project for *Indicator*.

Under the terms of the Letter Agreement, *Indicator* can earn up to an 80% interest in Lokgwabe in three stages. In the first stage, *Indicator* can earn a 51% interest in Lokgwabe by making a cash payment to the Vendor of \$20,000, incurring \$2,000,000 in exploration expenses and issuing 500,000 common shares to Helio over a 42 month period. In the second stage, *Indicator* can increase its interest a further 9% (60% total) by making a cash payment to the Vendor of \$20,000, incurring an additional \$2,000,000 in exploration expenses over twelve months and issuing 250,000 shares to Helio. In the third stage, *Indicator* can increase its interest in Lokgwabe a further 20% (80% total) by carrying Helio to the conclusion of a bankable feasibility study and issuing a final 250,000 common shares to the Vendor. Upon the Company vesting an 80% interest, Helio will have the option to convert its interest into a 2% gross over-riding royalty interest. Finally, in addition to the consideration above, 100,000 common shares of *Indicator* will be issued to Pacific International Securities Inc. of Vancouver, British Columbia as a finder's fee.

SUBSEQUENT EVENTS

Board Changes

During the period, *Indicator* accepted the resignation of Dr. Larry Ott as Director of the Company effective February 3, 2005, to focus his efforts full time on Motapa Diamonds Inc. (MTP: TSX-V), where he is CEO and Managing Director.

On March 3, 2005, *Indicator* accepted the resignation of John Williamson as a Director of the Company, who will continue to contribute to *Indicator* as a member of its new Advisory Board, and announced the appointment of its technical experts Mr. David Kelsch and Mr. Grant Lockhart to the Board of Directors.

Interest Acquired in 4 Million Acres of Nunavut Prospecting Permits

On March 1, 2005, *Indicator* exercises its right to an 80% interest in the diamond rights to approximately 4.0 Million acres of Prospecting Permits located throughout the Nunavut Territory acquired by the Hunter Exploration Group (Hunter) in 2005. The 2005 Permits were acquired based on regional work carried out by the Hunter Exploration Group in 2003 and 2004. This includes approximately 2.9 Million acres on Ellesmere Island where micro-probe work on recovered heavy mineral grains confirmed the presence of kimberlite indicator minerals including one G-10 garnet with high chrome composition. *Indicator* is planning a comprehensive follow-up program of regional heavy mineral sampling to establish the distribution of kimberlite indicator minerals over the 2005 Permits. The 2005 Permits fall under the exploration agreement between *Indicator* and the Hunter Exploration Group (see news release dated May 19, 2004) whereby *Indicator* has an exclusive right to acquire an 80% interest in the diamond rights to projects identified by Hunter.

Ellesmere Permits Optioned to Stornoway

On March 31, 2005, Indicator entered into a Letter of Intent with Stornoway Diamond Corporation (SWY: TSX) whereby Stornoway has an option to earn a 41% interest in the Baumann Project located on Ellesmere Island, Nunavut. The Baumann Project is comprised of 87 Prospecting Permits totaling more than 2.8 million acres. The property was acquired based on the recovery of kimberlite indicator minerals from regional heavy mineral samples including one high chrome G-10 pyrope garnet. Under the terms of the option agreement, Stornoway can earn a 41% interest in the Baumann Project by spending \$1.0 million before 31st December, 2009 and incurring 100% of the cost of staking mineral claims. Upon exercise of the option the Bauman Project will be held 41% by Stornoway, 39% by Indicator, and 20% by Hunter Exploration Group, with Stornoway acting as operator. Stornoway has committed to collecting 100 heavy mineral samples from the project area in 2005 and results from this year's program will be used to determine a budget and work program for 2006.

Airborne Geophysical Survey Begins at Barrow Lake Project

On April 7, 2005, *Indicator* commenced a detailed airborne geophysical survey over the Barrow Lake Project near the community of Kugaaruk in Nunavut Territory. The Barrow Lake Project is one of *IME's* key projects and is located adjacent to the diamond bearing kimberlite float discoveries made by BHP-Billiton and Diamonds North Resources in 2004. The airborne geophysical survey will collect magnetic and electromagnetic (conductivity) data along 100m spaced lines over the entire property. The aim of the survey is to identify geophysical anomalies that can be correlated to kimberlite indicator minerals recovered from heavy mineral samples collected in 2004. The survey, which is being performed by Fugro Airborne Surveys, is expected to be complete in approximately three weeks. Mr. Grant Lockhart, *IME's* senior consultant and technical advisor, will be on site to ensure data quality and to evaluate the preliminary data. Results from the survey will be compiled with kimberlite indicator mineral data and geomorphology (glacial) studies to identify potential drill targets on the project.

FINANCIAL RESULTS

Indicator did not commence operations as a junior resource exploration company until completing its Qualifying Transaction at the end of the first quarter of 2004. Therefore, the comparison of 2005 first quarter financial results to operations of the former Capital Pool Corporation in prior periods is not a meaningful exercise.

Selected audited financial data for annual operations of Indicator during the year ended November 30, 2004 and of the former Capital Pool Corporation during the years ended November 30, 2003 and 2002 are as follows:

Year ended	Nov 2004	Nov 2003	Nov 2002
Current assets and deposits	1,879,020	191,409	218,111
Mineral properties	4,520,416	0	0
Current liabilities	612,967	9,508	4,172
Total revenue	0	0	0
Net loss	(1,154,584)	(32,038)	(104,814)
Basic loss per share	(0.08)	(0.0092)	(0.0299)
Weighted Avg. shares	3,500,000	3,500,000	3,500,000

Selected unaudited financial data for the last quarter of operations as a Capital Pool Corporation and the first four quarters of *Indicator* operations are as follows:

	3 months ended				
	Feb 28 05	Nov 30 04	Aug 31 04	May 31 04	Feb 28 04
Current assets	1,417,803	1,367,420	2,596,886	3,306,076	646,545
Mineral properties and deposits	5,782,373	5,007,016	3,839,969	3,258,028	78,926
Current liabilities	824,933	612,967	626,197	1,836,532	108,981
Loss from operations (excluding stock based compensation)	(168,727)	(111,903)	(105,475)	(108,865)	(81,230)
Write-off of mineral interest	0	0	(3,672)	(281,976)	0
Net income (loss)	(165,333)	183,065	(109,147)	(390,841)	(80,411)
Basic income (loss) per share	(0.007)	0.008	(0.005)	(0.025)	(0.0222)
Weighted Avg. shares	23,067,664	23,047,942	19,784,998	9,629,066	3,617,582

Key financial results of *Indicator*'s operations during the three-month interim period ending February 28, 2005 are as follows:

- \$ 795,000 raised through gross proceeds of two private placements;
- \$ 488,022 incurred on the acquisition and exploration of mineral interests;
- \$ 87,355 bond posted by Hunter Exploration Group for 2005 prospecting permit deposits;
- \$ 166,742 general & admin expenditures, excluding stock options and amortization;
- \$ 88,129 of G&A spent on promotion, conferences, meetings and investor relations;
- \$ 592,870 in first quarter working capital, down \$161,583 since yearend;
- \$ 438,551 flow through expenditure obligation remains for 2005 Canadian exploration season.

SPENDING OBLIGATIONS RELATED TO FLOW-THROUGH SHARES

During the fiscal year ended November 30, 2004, the Company issued flow through shares for total proceeds of \$2,570,000 and incurred qualifying expenditures of \$2,131,449 to February 28, 2005. Effective for the calendar year ending December 31, 2004 the Company renounced, to flow through shareholders, qualifying expenditures in the amount of \$2,570,000 and must therefore incur \$438,551 of additional qualifying expenditures during its 2005 fiscal year. This obligation will be largely satisfied by exploration expenditures in the second quarter.

SPENDING OBLIGATIONS RELATED TO ACQUISITIONS

Pursuant to its Option Agreement with Committee Bay, *Indicator* is required to spend \$3 million on exploration by December 31, 2006, in order to earn a 50% interest in the diamond rights of CBR's Nunavut properties. A further \$2 million must be spent by December 31, 2007 in order to earn an additional 20% interest. Under the agreement, the minimum expenditure for 2004 is \$500,000 of which \$372,227 had been spent as of November 30, 2004, with exploration continuing under mutual agreement with Committee Bay in order to meet the first year obligation.

Indicator's mineral claims and prospecting permits have annual exploration spending obligations in order to maintain them in good standing. Mineral claims require annual exploration expenditures of \$2.00 per acre, based on the anniversary of the date that the claims were filed/recorded. In addition, a \$0.10 per acre filing fee is paid on the second anniversary date and every anniversary thereafter along with the submission of expenditure reports. Prospecting permits are approved annually on February 1 and the related exploration spending requirements are based on the anniversary of that date as well. Accordingly, prospecting permits located south of 68 degrees latitude require an exploration expenditure of \$0.10 per

acre for the first year, \$0.20 per acre for the second year and \$0.40 per acre for the third year. After the third year, the permit is withdrawn and the holder has first refusal to stake (claim) any ground within the permit mineral. Prospecting permits located north of 68 degrees latitude are twice as large as those located south of 68 degrees and therefore require an exploration expenditure of \$0.10 per acre for the first and second years, \$0.20 per acre for the third and fourth years and \$0.40 per acre for the fifth year.

A straight calculation of the spending obligations outlined above for permits and claims would be overstated, as exploration work will allow the company to evaluate the merit of its properties and reduce the size of the land package by dropping un-prospective ground, thereby reducing the expenditure requirements. Expenditures are allocated to the remaining target properties when expenditure reports are filed at the end of the exploration season. If spending commitments related to mineral claims are not met, the claims are forfeited. If spending commitments related to prospecting permits are not met, the permits are forfeited along with related work deposits, which total \$242,780 for Hunter properties and \$243,820 for Committee Bay properties. Indicator does not anticipate any forfeiture due to unmet spending obligations.

Indicator will finance exploration on prospective ground through equity placements as share issuance and/or vending of interests in specific properties. If the company is unable to finance the minimum exploration expenditures, it can surrender the mineral rights and eliminate the related spending obligations altogether.

FINANCIAL CONDITION, LIQUIDITY and CAPITAL RESOURCES

In 2004, *Indicator* engaged in an exploration program with planned expenditures of ~\$2.0 million. By yearend, the Company had spent \$1,651,885 on exploration with the program continuing into subsequent periods as planned. By the First Quarter ended February 28, 2005, *Indicator* had spent a total of \$1,883,917 on exploration of Mineral Interests over its first 12 months of operations, excluding acquisitions with a book value of \$3,174,501.

First Quarter working capital as at February 28, 2005, was \$592,870 (versus \$754,453 at year ended Nov.30, 2004) excluding restricted deposits of \$773,955 (\$486,600 at year ended Nov. 30, 2004). *Indicator* will have sufficient working capital to meet its anticipated general and administrative expenses over the next 12 months. Nevertheless, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

As *Indicator* is in the development phase and its properties are early stages of exploration, none of the Company's properties are in production. Mineral exploration expenditures are capitalized and losses are incurred as a result of administrative expenses relating to the operation of the Corporation's business. Consequently, the Company's net income is not a meaningful measure of its performance or potential. The key performance driver for the company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Corporation is not anticipating profit from operations. Until such time as the Corporation is able to realize profits from the production and marketing of commodities from its mineral interests, the Corporation will report an annual deficit.

\$750,000 Non-Brokered Private Placement

On January 21, 2005, *Indicator* announced a non-brokered private placement of up to 2,500,000 units at a price of \$0.30 per unit for gross proceeds of up to \$750,000. Each unit will be comprised of one common share and one-half of one share purchase warrant, each whole share purchase warrant exercisable for one common share at a price of \$0.45 per share for a period of two years. The proceeds of the private

placement will be used for working capital. A finder's fee may be paid as part of this Private Placement. The placement closed March 11, 2005 with regulatory approval. As virtually all proceeds were collected prior to Feb 28, 2005, the placement was recognized during the first quarter.

Supplemental Private Placement

Further to the Private Placement closed March 11, 2004, *Indicator* closed an additional non-brokered private placement on April 8, 2005 of 150,000 units at a price of \$0.30 per unit for gross proceeds of \$45,000. Each unit is comprised of one common share and one-half of one share purchase warrant, each whole share purchase warrant exercisable for one common share at a price of \$0.45 per share until April 1, 2007. All of the shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded until August 2, 2005 except as permitted by Canadian securities legislation and the TSX Venture Exchange. Finder's fees comprising of an aggregate of \$4,500 in cash payments and warrants exercisable for an aggregate of 15,000 common shares of IME at a price of \$0.45 per share until April 1, 2007 were paid to three finders in respect of certain subscriptions in the private placement. The proceeds of the private placement will be used for working capital purposes.

Extension of Warrant Exercise Terms

On January 21, 2005, *Indicator* applied for regulatory approval to extend the terms for exercise of the following warrants issued pursuant to a private placement by the Company completed on April 16, 2004:

- 1,000,000 warrants issued as part of the issuance of flow-through units, each warrant originally exercisable for one common share at a price of \$0.75 per share until April 16, 2005;
- 1,990,000 warrants issued as part of the issuance of non-flow-through units, each warrant originally exercisable for one common share at a price of \$0.75 per share until October 16, 2005;
- 598,000 agent's warrants, each warrant originally exercisable for one common share at a price of \$0.65 per share until April 16, 2005;
- 47,860 agent's commission warrants issued as part of the issuance of agent's commission units, each warrant originally exercisable for one common share at a price of \$0.75 until October 16, 2005; and
- 70,000 corporate finance warrants issued as part of the issuance of corporate finance units, each warrant originally exercisable for one common share at a price of \$0.75 per share until April 16, 2005.

Approval was granted by the TSX Venture Exchange for the extension of all of the warrants to April 16, 2006. Other than the extension of the warrant exercise terms, the remaining attributes of the warrants, including the respective exercise prices, will remain the same.

Advance Secured to Fund Permit Deposits on Hunter Ground

On February 1, 2005, *Indicator* entered into a TSX Venture Exchange approved arm's length agreement with Hunter Exploration Group ("Hunter"), whereby Hunter has posted a \$287,355 bond with the Nunavut Mining Recorder on behalf of *Indicator* ("the Hunter Advance") in order to keep prospecting permits and mineral claims located near the communities of Kugaaruk and Taloyoak in Nunavut (the "Property") in good standing for one year. Under the terms of the agreement, *Indicator* has agreed to repay the Hunter Advance on or before July 31, 2005, failing which, the diamond rights associated with

the Property that were originally acquired from Hunter (see press release dated Feb. 27, 2004) will be transferred to Hunter. As consideration for the Hunter Advance, *Indicator* has agreed to provide Hunter with 359,193 common share purchase warrants of *Indicator*, each warrant exercisable for one common share of *Indicator* until January 26, 2007 at an exercise price of \$0.45 per share. The warrants will expire at July 31, 2005, if the diamond rights are transferred to Hunter pursuant to default on repayment of the Hunter Advance.

OUTSTANDING SHARE DATA

Indicator's authorized share capital is an unlimited number of common voting shares without par value and an unlimited number of preferred shares.

As at February 28, 2005, the following common shares, share options and share purchase warrants were outstanding:

	# of shares	Wt. Avg. Exercise Price	Wt. Avg. Years to or date of Expiry
Issued and outstanding common shares at February 28, 2005	25,590,720		
Purchase warrants	8,392,053	\$0.39	1.02
Stock options	2,279,500	\$0.48	4.30
Agents warrants	965,500	\$0.55	Expire between Feb 18-Apr 16, 2006
Diluted at Feb 28, 2004	37,227,773		

RELATED PARTY TRANSACTIONS

During the interim period, the Company incurred capitalized mineral interest - geological consulting fees of \$48,594 (2004 - nil) and consulting fees of \$26,406 (2004 - \$26,905) for management services provided by companies controlled by directors and officers. Of this amount, \$26,750 (2004 - \$59,459) was unpaid at year end and included in accounts payable and accrued liabilities.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During 2004, the Company acquired interests in certain mineral properties from Committee Bay Resources Ltd. (a company with common directors and management) as explained in Note 5 Mineral Properties - Committee Bay Property. This transaction was recorded at the estimated fair value of the cash and share consideration given up by the Company.

INVESTOR RELATIONS

With respect to public relations, the Company provides information from its corporate offices to investors and brokers directly.

MATERIAL VARIANCES

There have been no material variances between financial results and information previously disclosed.

RISK FACTORS

The success of the Company's business is subject to a number of factors, including but not limited to those risks normally encountered in the mining industry, such as exploration uncertainty, operating hazards, increasing environmental regulation, competition with companies having greater resources, and lack of operating cash flow. In addition, there is no quoted market price for diamonds and the market price for rough diamonds is dependent on an efficient market management system. The Company employs many strategies to minimize overhead and reduce financial risk in exploration. For more information about risks and risk management strategies, please refer to the Annual MD&A and other documents on sedar.com as well as Indicator's website at indicatorminerals.com.

ADDITIONAL INFORMATION

Additional continuous disclosure regarding Indicator Minerals Inc. and the inherent risks and uncertainties of the mineral exploration industry are available on IME's website at indicatorminerals.com or on its SEDAR page site accessed through sedar.com.

APPROVAL

The Audit Committee, on behalf of the Board of Directors of the Company, has approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.