From: Shirley Standafer Pfister

To: Jack Kaniak; Rita Becker; Michael Immaroitok
Subject: DBCE Programme Update-Kitikmeot Projects
Date: Thursday, May 10, 2001 10:12:06 AM

Greetings, all,

This is to update you on the 2001 spring exploration activities of De Beers Canada Exploration (DBCE) in the Kitikmeot, specifically on our **Rockinghorse (Koamaogaktok) Project** -- governed by #NWB2ROC0002, #KTL399CO26 and #N2000C0021 -- and **Kikerk (Kikkiktalik) Project** -- governed by #NWB2KIK0002 (as amended 20/IV/2001) and #N2001C0007.

Rockinghorse Spring Drill Programme:

The 10th, and final, borehole of the spring programme is being drilled today by the Boart Longyear LF-70 core drill; total depth drilled will be approximately 1 100m. New kimberlite intersections were made in the NE Train (north sector of the property, referred to as the "Unicorn" kimberlite) and on the Hood River Option ground (centre of the property, referred to as the "Troll" kimberlite).

No drilling occurred on IOL land.

For the remainder of the season, geologists will commute from Kugluktuk rather than from the Rockinghorse camp. However, a skeleton crew averaging 5 persons (the geophysical crew for Knife Lake) will continue to be based out of Rockinghorse camp for the next few weeks.

Kikerk Spring Drill Programme:

Focus now shifts to the Kikerk Project, with drilling to commence tomorrow, 11 May, in the *Tree 1* claim, Knife Lake. (DBCE is the Operator for the DBCE/Rhonda Corp. joint venture on the *Tree 1* claim, which adjoins DBCE's Kikerk claims).

Ground-based Mag. and EM geophysical surveying is continuing over the area of the Knife Lake pipe. A 2-week drill programme (approximately 5 holes to 200m each) is planned in order to delineate the size and internal structure of the Knife kimberlite, first intersected by DBCE last year.

Community Activity:

A site visit for elders to Knife Lake is being discussed, contingent upon logistics being worked out in this transitional season. Kugluktuk will be notified shortly. A community presentation -- which also may involve our consulting archaeologist -- is expected to occur in fall, 2001.

As previously noted, a preliminary archaeological assessment will be conducted this summer in the area of the Muskox kimberlite (Rockinghorse property) and surrounding Knife Lake (Kikerk property). It is expected that the archaeologist will engage a local lnuk to contribute to the survey. A Nunavut archaeological permit has been applied for.

I trust the above is informative of our current and planned activities.

Koana and best regards,

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