

**NON-TECHNICAL PROJECT DESCRIPTION
MELIADINE EAST PROJECT – 2003**

The planned project will be conducted from the "Discovery" camp, an established exploration camp located 20 km north of Rankin Inlet on Atulik Lake. No new construction is required. The initial phase of the program will be conducted from early May to early June. The diesel fuel required for the camp and the drilling will be hauled over land during the spring when the ground is still frozen. A fuel cache will be established in the center of the area where the drilling is planned.

The exploration program will focus on the diamond potential of the area. Discrete targets spread out over an area of approximately 13 square kilometers have been outlined by an airborne survey followed by detail sampling of the overburden. The overburden material was processed to evaluate the mineral grains that may have originated from Kimberlite rock, the most common host for diamonds.

Ground geophysical surveys will pin point the location of the targets. Each target will be tested by 1 or 2 holes to a depth of between 150 and 175 meters. Access to and from the drill site will be by helicopter. The drill rig will also be moved from site to site by helicopter. It is estimated that the field program will take up to four weeks to complete.

No further work is confirmed at this time for 2003. However, depending on the results of this initial program a second phase program may be proposed.

