

De Beers Canada Inc. – Exploration Division Project Summary

De Beers Canada is continuing to explore for diamonds on its Baffin Island Permits in 2006. The proposed work program will begin June 1, 2006 and will last until the end of August. The tent camp will staff 20 people during June and this may decrease to 15 during July and August. The camp will be serviced by a twin otter aircraft from Igloolik. De Beers will be using Inuit people from Igloolik as sample assistants, geophysical assistants, drill assistants, prospectors, camp attendants, expeditors and wildlife monitors.

Airborne geophysics is planned to take place in June. This will involve a helicopter towing a sensor approximately 20 m off the ground over an area 15 km x 10 km on Crown land and IOL AB-01 just to the north of Ravn Lake. This should be completed by the end of June.

Ground geophysics will be conducted at the same time by a contracted geophysical crew, likely from Whitecliff Geophysics. This should take approximately two weeks.

Drilling is planned for June and July and may possibly extend into August. This will test some targets from the geophysics that will be done in June.

Geological mapping and prospecting will be undertaken from the camp during June, July and August and will involve one or two crews supported by one helicopter. The crews will comprise one geologist and one Inuit assistant. The teams will move from site to site by helicopter in order to prospect and carry out geological mapping. The helicopters will refuel from the base camp or outlying fuel caches, and all empty fuel drums and samples will be removed from the area by aircraft.

The work program will be adjusted as required to minimize the disturbance to wildlife or to avoid cultural areas considered sensitive by the local communities. As it is De Beers' intention to work once again in the area during 2007, some tents and a fuel cache will be left in place at the base camp over the winter period.

This project summary has been translated into Inuktitut and has been attached to the appendices.