

## **DE BEERS CANADA EXPLORATION INC. KIKERK LAKE (KIKKIKTALIK) PROJECT SUMMARY**

From 1993 until the present, De Beers Canada Exploration Inc. (DBCE -- formerly called Monopros Limited), a Canadian diamond exploration company, has prospected and explored in the Kikerk Lake (Kikkiktalik) area from our regional office in Yellowknife. An airborne geophysical survey was flown across the region in 1993 and 111 mineral claims were staked in NTS 86 I/14-15, 86P/02-03 and 86P/06-07. No claims were situated on Inuit-Owned Lands. Glacial sediment sampling was carried out in 1993 and 1994, and followup sampling and airborne surveying in 1996. By 1997, when application was made for a Land Use Permit, the number of claims was down to 71. Monopros obtained both a Crown Land Use Permit and a Nunavut Water Licence in 1997, in order to conduct exploration drilling, but that programme did not actually occur until summer, 2000. In 2000, a new water licence (#NWB2KIK0002) was issued and three boreholes were drilled into a small lake, known informally as "Knife Lake", which straddles De Beers' claim KL 12 and Rhonda Mining Corporation's Tree 1 claim. Today, only a few claims remain from DBCE's original KL claimblock. At the end of the planned spring, 2001 drill programme, DBCE will have spent sufficient funds to qualify for 51% ownership of the Tree 1 claim.

In the meantime, Rhonda Corporation has applied for a Class-A Land Use Permit from Indian and Northern Affairs Canada in order for the drill programme to occur.

DBCE would like to continue diamond exploration in this area (NTS 86 I/14 and 86P/03). In order to add the Tree 1 claim to its approved exploration area, DBCE is seeking to amend licence #NWB2KIK0002 to include the Tree 1 claim. De Beers has an Option Agreement in place with Rhonda to continue prospecting and drilling on the Tree 1 claim, which also lies on Crown land. (*Option Agreement documentation has been supplied to the NWB*).

There will be no other changes to the exploration programme as approved under #NWB2KIK0002. Under the programme, DBCE intends to drill approximately five core holes to delineate the "Knife Lake" kimberlite in the Tree 1 claim, commencing in mid-April, 2001 (that is, after amendment approval) and concluding in approximately mid-May, 2001. No camp will be established for the project; fuel will be cached at each drillsite, as required, and drillers and geologists and a local camp attendant will commute from Kugluktuk. The drill contractor will be Boart Longyear.

No disturbance of wildlife will occur, and, in line with DBCE/Monopros field practice over the years, wildlife and harvesters are given right-of-way during operations. Calving of caribou or muskox has not been observed to occur in this area; nevertheless, if groups of animals enter the area where drilling is planned, no activity which could disturb them would occur until the animals had moved on.

DBCE hopes to gain more information about the kimberlite intersected last year and to find and prove other kimberlites within the exploration area, and in doing so, intends to continue working co-operatively with regulators and the people of the Kitikmeot, and in consonance with best environmental practice.

If results are promising, followup sampling, surveying and drilling could continue over the next several years. Environmental baseline studies would commence if and when the project advances.