

Churchill Diamond's Pelly Bay Project Overview

The purpose of Churchill Diamond's program is to explore for the presence of kimberlites and diamonds in the Pelly Bay Diamond Project area which is located primarily to the south and southwest of the community of Kugaaruk, Nunavut. This project is a continuation of work completed in the recent past by other companies who have discovered diamonds in the area.

All activities proposed for this program are considered initial stage exploration activities and will include geophysical surveys conducted from the air and ground, prospecting, mapping, till and rock sampling as well as bedrock sampling by drilling (10 diamond drill holes and up to 20 shallow reverse circulation drill holes per year). As these activities will be seasonal in nature and require the best climatic conditions for their conduct they will be performed during the safest, snowfree and times of most light in the Arctic which is from April/May through September/October of each year of the permit life.

All of these activities will be conducted by a crew of up to 15-30 people housed in Kugaaruk in 2015 and one temporary camp during the 2016 season. The main camp will be made up of about 10 tents, some for living in and some for working in. Fuel, people and equipment will be mobilized to site with either Twin Otter, helicopter or snowmachine.

All activities will be done in a manner that will avoid any worker health and safety risks and limit possible environmental impacts. To ensure this Churchill Diamond Corporation has taken the best procedures or practises available to the exploration industry and developed an Emergency Response Plan, a Spill Contingency Plan, a Safety Plan and a Abandonment and Restoration Plan. Churchill Diamond Corporation insists that all activities on its exploration projects follow the rules set out in these documents as well as any terms and conditions set out by all regulatory bodies.

Any potential environmental effects this program could have are expected to be minor and only effecting a very small or local area. These impacts will all be addressed or stopped completely by following a number of steps described in detail in the above Plans. It is unlikely that this program will have any short term effects on wildlife or the environment. It will have no long term effects. Churchill Diamond Corporation is proud to be committed to running safe environmentally friendly exploration programs and utilizing as many local hires and companies as possible.

Equipment to be used includes one light weight diamond drill and 1 reverse circulation drill to obtain core and rock chip samples. These drill holes will each be about 100 metres (328 feet) to 250 metres (800 feet) deep. Some will be widely spaced throughout the project area while others will be more closely spaced to determine the sizes of known kimberlite bodies. All garbage and fuel drums will be flown to Yellowknife where they will be disposed of in an approved disposal facility and areas disturbed will be returned as near as possible to their original condition.

No water used, drill cuttings or fuel will be allowed to enter any waterbodies. All fuel used will be properly stored in centrally located caches and monitored to ensure no leaks occur. It will be transported by helicopter to the drill sites.

As the project is exploration in nature there are no long-term developments planned at this time. The longevity of the program will depend on the success of each project phase and therefore cannot be predicted.

For further information on this project please contact Graham Gill at (604) 992-9674.