

In 2005 and 2007 DBCE was awarded a number of prospecting permits on the Prince of Wales Island, Cornwallis Island and Devon Island. The continued programs will be first reconnaissance programs with sampling in the area covered by the prospecting permits. Much of the work will be conducted in the interior of Prince of Wales Island, away from the coast, on the western portion of Devon Island, on the northwestern tip of the Grinnell Peninsula and on Cornwallis Island.

In 2004, DBCE was awarded a number of prospecting permits on the Boothia Peninsula. The proposed program will include sampling, geophysics and airborne geophysics in the area covered by the prospecting permits, concentrating in the southern and northern areas. Much of the work will be conducted in the interior of Boothia Peninsula, away from the coast.

The camp will be serviced by a twin otter aircraft which will likely be based in Resolute for the Prince of Wales and Devon Island/Cornwallis Island projects and Taloyoak for the Chartrand Lake project.

De Beers intends to employ 5 local Inuit sample assistants for the combined projects.

Geological sampling will be undertaken from the camp on Prince of Wales Island and Devon Island and will involve 2 sampling teams supported by 2 helicopters. Each crew will consist of 1-2 De Beers Canada Geologists and 1 Inuit assistant. The teams will move from site to site by helicopter and by means of foot traverse to collect stream, beach, esker, and till samples 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 Chartrand Lake program includes airborne geophysics which took place in July 2007. Follow up sampling and geophysics will take place in the 2008 field season. Airborne geophysics will involve a helicopter or plane towing a sensor approximately 20 m off the ground in the region of the northern prospecting permits.

Geological sampling will be undertaken from the camp on Boothia Peninsula and will involve one geology team supported by a helicopter. The crews will comprise one or two De Beers geologists and one Inuit assistant. The teams will move from site to site by helicopter and by means of foot traverse in order to collect samples 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.

In the spring and/or summer of 2008 De Beers Canada Inc. is proposing that exploration drilling activities take place as per the attached map and coordinates. The duration of activities will be from approximately May to September.

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.