

PEREGRINE PROPERTY, NT**NON-TECHNICAL PROJECT PROPOSAL SUMMARY – Water Licence Application**

Diamondex Resources Ltd. wishes to carry out exploration work to locate economic, diamond deposits occurring in rocks called "kimberlite" on its Peregrine Property, located near Atanigi Lake, Kitikmeot, Nunavut.

Exploration for diamonds involves using several techniques: the collection of glacial till material (and examining this material for specific minerals which indicate the presence of kimberlite bodies), ground geophysical surveys (these measure physical properties of the ground) and mapping of the property geology and glacial history. Should this work provide results indicating the possible presence of kimberlite bodies, Diamondex may wish to test the targets by diamond drilling. A portable diamond core-drilling rig is brought to the site and between one and three drill tests, totaling up to 450 metres (1,476 feet) in length, usually are sufficient per drill target. All of the work will be helicopter-supported.

Diamondex will construct an exploration camp on the Peregrine property. The structures will include 1 office tent, 3 sleeping tents (~14X16'), 1 first aid tent, 1 kitchen tent, 1 dry, 1 generator/storage shack and 1 field sample storage/core shack. Up to 14 people would be housed at the camp including up to 4 geologists and 4 field assistants, 2 helicopter contractor personnel (1 pilot and 1 engineer), 2 camp support people (1 cook and 1 camp manager), and, in the event of a drill program, drill contractor personnel (1 foreman, 2 drillers, and 2 helpers). The initial work programs would typically last 30 days in the case of the till sampling/property mapping program, 14 days for the ground geophysics, and 30 days for diamond drilling. In following years, the programs would be somewhat similar in that till sampling would continue as would ground geophysics, property mapping/prospecting and diamond drilling. The main difference is that fewer till samples would be collected in following years, and the number of ground geophysical surveys and diamond drill holes may decrease or increase, depending on the results obtained to date.

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