

DE BEERS CANADA EXPLORATION INC. ROCKINGHORSE (KOAMAOGAKTOK) PROJECT SUMMARY

From the early 1990s until the present, De Beers Canada Exploration Inc. (DBCE - formerly called Monopros Limited), a Canadian diamond exploration company, has prospected and explored in the Rockinghorse Lake (Koamaogaktok)/Hood River area from our regional office in Yellowknife. DBCE has held Land-Use Permits, Inuit Land Licences and Water Licences for mineral claims on both Crown land and Inuit-Owned Lands (IOLs) for the purposes of operating a fly-in base camp, drawing water for domestic and drilling use, conducting sediment sampling, air and ground surveying and core drilling of identified targets. Most of the claims (69%) lie north of the IOL boundary line, on Crown land; permission to operate on those lands was obtained from the Crown in 1994 and remains active. The remaining claims (31%) lie south of the IOL boundary, on Inuit surface-rights lands; a land-use licence to operate a base camp and explore on these lands was obtained in 1996 and remains active. The current Rockinghorse claims lie in the following NTS and IOL areas: 76E, 76L, 86H, 86I and CO-05.

In spring, 2002, a total of 32 new claims in two separate blocks in NTS 86I were staked east and west of Napaktulik Lake on Crown land; these claimblocks, called "RHL" and "TQ", lie approximately 9km NW and 32.5km NW, respectively, of the main Rockinghorse block. These claims, once they are all recorded, will form an addition to the existing INAC Class A Land-Use Permit #N20000021, and it is planned to collect sediment samples on these new claims in 2003. A camp will not be required, as the claims can be served from the existing camp; however, some water use will be required for domestic purposes and possible future exploration drilling.

A total of 44 claims on the main Rockinghorse property (10 on IOL and 34 on Crown land) were surveyed in July-August, 2002, in order to be taken to lease; the purpose of taking the claims to lease is so that exploration for and evaluation of resources may continue past the 10-year life of the claims. Six claims, the "TK" claims in the NW corner of the property, were not surveyed, but remain in good standing.

DBCE would like permission to continue its exploration and evaluation activities, and to use water in support of those activities: That is the reason for our request and for this Project Summary.

The project - comprised of both early-stage and mid-stage exploration -- has progressed carefully and methodically over the life of the claims, just as was first described to the Kitikmeot Inuit Association (KIA) and hamlet of Kugluktuk in 1996; the project also has undergone regular screening by the Nunavut Impact Review Board (NIRB) each time new land permits are sought. DBCE plans to continue to explore for and evaluate diamond-bearing kimberlite deposits on its mineral claims, and in doing so, intends to continue working co-operatively with the KIA, the Crown and the people of the Kitikmeot. Consultation with our Regulators and Kitikmiutit has continued from 1996 until the present day.

What is proposed for spring, 2003 (early April to mid-May) is a core drill programme to recover up to 100t of material from the Muskox kimberlite 2.2km SW of camp; a winter route or trail, first described to Regulators in 2001, may be used. Following this programme, (between mid-May and early June), it is planned to use the same drill to drill up to 8 holes on the "MOR" and "TK" claims. In the summer (mid-July to mid-August), sampling crews will be deployed by helicopters to collect sediment samples on both the Rockinghorse property and on the new "RHL"

and "TQ" claims; up to a total of 2 300 samples may be collected. Further geophysical surveying, prospecting, sampling and drilling (both exploration and evaluation) also may occur in 2004 and 2005, depending upon results. If budget permits in 2004, further delineation and evaluation of the *Muskox* kimberlite may occur, as well as test drilling of new targets and followup drilling of known kimberlite occurrences.