

Gahcho Kué

DISCOVER



The Gahcho Kué project is located on the AK claim block, south of Lac de Gras, 80 km southeast of the Snap Lake Diamond Project and approximately 300 km northeast of Yellowknife in the Northwest Territories. Gahcho Kué is a joint venture between De Beers Canada Exploration Inc. (51%), Mountain Province Diamonds Inc. (44%) and Camphor Ventures (4.9%).

Project Facts

- Eight diamondiferous kimberlite occurrences along with sills and dykes have been found to date on the Gahcho Kué property (formerly known as Kennady Lake).
- Conceptual studies were completed in 2000 and 2003. These studies indicate that there is the potential to mine 20 million of the 31 million tonnes, which constitute the delineated resource of the 5034, Hearne and Tuzo pipes at a rate of two million tonnes of ore per annum.
- The 5034, Hearne and Tuzo kimberlite bodies on the property are currently undergoing a CDN \$25 million technical study and are considered potentially, economically viable. This study is scheduled for completion by mid-2005.
- As of August 2004, the weighted average modeled values per carat for the three pipes were US \$74.20 for 5034, US \$61.00 for Hearne and US \$49.00 for Tuzo.
- If the project proceeds toward mine development, it is expected that permitting and stakeholder consultation will take a further three to four years, followed by three years for mine construction.
- Exploration will continue on the AK Property to determine the potential of other kimberlite bodies.

Project Development on 5034, Hearne and Tuzo Kimberlites

- A number of geotechnical studies were carried out in 2004. This analysis, along with previously collected data, will assist with project design.
- From January to August 2004, 111 boreholes, totaling 9,440 m, were drilled as part of a geotechnical program to investigate geo-hydrology, optimal mine design and ore processing characteristics of the kimberlite pipes and surrounding rock.
- The data collected is being analyzed to develop geotechnical and geo-hydrology models. These models will be used to optimize open pit; waste and water management designs; mine infrastructure and lake containment dykes.
- Geological logging and petrographic investigations were also conducted on kimberlite core recovered in 2004 and used to update the existing resource models.
- Engineering work for the technical study began in August 2004. This work will continue until the end of the first quarter of 2005, and contribute to a detailed project study report in mid 2005. This in-depth study will provide information to advance the project to mine permitting, if the project proves economically viable.
- During the summer of 2004, the existing environmental baseline work was extended to support a potential environmental assessment for a mine. A full environmental baseline study report is expected to be completed by mid 2005. The study will include stakeholder consultation with the primary affected Aboriginal groups, federal and territorial agencies.
- During 2003 and 2004, the camp facilities were upgraded to support the additional work being performed on site.



PROJECT STATISTICS FOR 5034, HEARNE AND TUZO (Based on 2003 study)

Impact area	1,200 hectares
Resource (14 million tonnes indicated)	31 million tonnes
Kimberlite mined over project life	20 million tonnes
Average grade >1.5mm, to the plant	1.64 cpt
Revenue/annum	CDN \$245 million
Production rate	2 million tonnes per year 3 to 4 million carats per year
Employees	300
Investment to date	CDN \$81 million
Capital cost	CDN \$608 million
Operating cost	CDN \$56 per tonne
Life of project (construction to closure)	15 years

PROJECT SCHEDULE	2004				2005				2006				2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Project study	█																																			
Optimization study																																				
Permitting																																				
Permits to operate																																				
Project execution approval																																				
Detail design and procurement																																				
Site capture																																				
Construction																																				
Production build-up																																				
Full production																																				

The project statistics and schedule will be subject to change as more information is gathered through the technical investigation.

Environmental

As the world's leading diamond mining company, De Beers is committed to policies and procedures which minimize the impact of exploration, and mining on the environment. Our goal is to ensure a safe and healthy environment for our employees and the communities in which we operate.

Environmental baseline work on the Gahcho Kué site has been ongoing for a number of years. This work is currently being expanded to develop a comprehensive baseline report, which would support the regulatory requirements for a future operational mine at Gahcho Kué. Mine designs are also being developed to minimize the environmental impact.

The Environmental Management System for the Gahcho Kué Project received ISO 14001 certification in March 2002, one of only a few exploration projects in Canada to achieve this. In Canada, De Beers has obtained ISO 14001 certification for all of its offices, treatment plants and projects. This is in alignment with the De Beers Group commitment to ensure that all of its worldwide operations adhere to international best practice.



Community Relations

De Beers Canada is committed to building long-term relationships with the communities in which it operates. We take a pro-active approach to community relations through information sessions, consultation, communications and community development initiatives. We will continue to consult with the primary affected Aboriginal groups as the Gahcho Kué project develops.

De Beers has unparalleled expertise at every stage of the diamond value chain and has a team of experts in Canada to meet the needs of our Canadian partners and the northern operating environment.

For more information, please contact De Beers Canada at:

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