

Louie Azzolini

From: Kevin O'Reilly [xcarc@ssimicro.com]
Sent: Thursday, February 07, 2002 3:12 PM
To: Louie Azzolini
Subject: re: De Beers Pre-Feasibility Study on Victor Property near James Bay

Louie

Please add the following to the Snap Lake public registry. thanks.

Kevin

Timmins Daily Press
Friday, 25 January, 2002

De Beers gives OK to pre-feasibility study for diamond mine on James Bay coast

A diamond mine for Attawapiskat, the first in Ontario, is a step closer to reality.

Thursday, diamond mining giant De Beers announced it is proceeding with a \$2-million pre-feasibility study on its Victor project about 90 kilometres west of the First Nations community.

The possibility of a diamond mine being developed depends primarily on the pre-feasibility study's results on how to deal with the muskeg and ground water in the area, said De Beers media contact Jocelyn Fraser.

The study, expected to begin immediately, is to take about 10 months and Clayton Kennedy, acting band manager and financial controller of the Attawapiskat First Nation, is hopeful a decision on moving forward will come by November.

In the meantime, "we're definitely very excited about the study," and its immediate economic benefits to the community, Kennedy said.

De Beers announced Thursday the study will be conducted by AMEC, a global engineering consulting firm with offices in more than 40 countries.

AMEC has worked with De Beers on the Snap Lake diamond project and with BHP Billiton's famous EKATI Diamond Mine, both in the Northwest Territories.

Timmins will also be on the receiving end of the economic spin-offs, as Fraser said other De Beers exploration projects in the North have "expedited a lot of material out of Timmins (Airport). We have an ice air

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strip at the Victor camp that's operational through the winter months and we charter out of Timmins."

Timmins will also be the first community that workers on leave will hit to spend leisure dollars, in addition to other local purchases accompanying the use of Timmins as an air base.

As well, AMEC will operate an office in Timmins.

The original estimate of 700-800 jobs created by the mine going forward, may change over the course of the study's "refining the mining model," Kennedy said.

"They're going to be looking at perhaps a more defined operation in terms of the mine site, developing a more cost realistic picture than what they had on a broader study conducted the previous year."

The pre-feasibility study was preceded by a desk-top study, a computer modeling study to look at the most viable methods of mining, including site, infrastructure, logistics and environmental issues.

"We concluded there's some pretty significant technical hurdles to overcome before we could move forward with the mine," Fraser said.

"The pre-feasibility study in co-operation with AMEC is designed to help us come up with some ideas on how we might overcome some of those technical problems."

After two years of studying core samples at De Beers' head office in South Africa, "we think it has promise, but there's a lot of water in that area, so we need a better fix on how we could develop a water management plan," Fraser said.

There is water in the ore body itself and, to get to the ore, they must remove muskeg "which contains vast amounts of water," Kennedy said. "One of the biggest cost considerations is how do you mine an area which is probably 80 per cent water?"

As well, "some of the site infrastructure and logistic questions have to be looked at. One thing we'll do this winter is build some test structures on the surface of the muskeg," looking at its weight bearing capabilities.