



Joint News Release

For Immediate Release

Gahcho Kué Rough Diamonds to Support NWT Secondary Diamond Industry

YELLOWKNIFE (Aug 15, 2007)– De Beers Canada Inc. and the Government of the Northwest Territories (GNWT) are pleased to announce that an agreement has been reached regarding the provision of rough diamonds from the proposed Gahcho Kué Project.

De Beers Canada Inc. will make available ten percent (10%) by value, in economically cuttable categories, of its rough diamonds from the Gahcho Kué Project, for sale to GNWT approved manufacturers who have successfully fulfilled the Diamond Trading Company's (DTC's) client selection criteria. The DTC is the sales and marketing arm of De Beers.

"Today's announcement, together with the Snap Lake arrangements confirmed in February this year, reflect De Beers' continued commitment to the GNWT's value-added diamond manufacturing program and our shared commitment to a sustainable local industry," Minister of Industry Tourism and Investment Brendan Bell says.

The agreement builds on the arrangements in place for Snap Lake diamonds, enabling GNWT approved manufacturers equitable access to Gahcho Kué rough diamonds. Gahcho Kué diamonds made available to GNWT approved manufacturers will be able to be certified as diamonds mined, cut and polished in the NWT.

Commenting on the agreement, Jim Gowans, President and CEO of De Beers Canada said: "This agreement provides further opportunities for local manufacturers to add value to, and derive benefit from, diamonds produced at the proposed Gahcho Kué mine, and is consistent with the agreement announced regarding Snap Lake diamonds earlier this year."

De Beers will have a local sorting presence in Yellowknife where its Snap Lake and Gahcho Kué diamonds will be separately valued for royalty purposes in accordance with the requirements of the Canada Mining Regulations. De Beers' Snap Lake and Gahcho Kué diamonds will be prepared for sale to DTC clients by the DTC in London. De Beers will provide training for NWT residents in diamond sorting.

To ensure the continued integrity of its government-certification process, the GNWT has maintained the right to monitor the manufacturing and valuation process in Yellowknife and the process for selling De Beers' diamonds from both Snap Lake and the proposed Gahcho Kué Project to GNWT approved manufacturers.

GNWT approved manufacturers wishing to purchase rough diamonds from either of the projects will first need to apply to become a client of the DTC. Applicants are assessed against fair and objective assessment criteria, including, importantly, their adherence to ethical business practices as set out in the DTC's Best Practice Principles.



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The Gahcho Kué Project is currently advancing through the Environmental Impact Review process.

-30 -

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