

MEDIA RELEASE

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DE BEERS RELEASES ITS 2006 SNAP LAKE SOCIO-ECONOMIC REPORT

Yellowknife, July 3, 2007 – De Beers Canada Inc. is pleased to release its 2006 Socio-Economic Annual Report for the Snap Lake Project. This is the second annual report to be released by the company during the construction phase of the Snap Lake Mine.

The report provides an overview of the Socio-Economic initiatives and performance of the Snap Lake Project in the following main areas:

- **Business** – De Beers Canada continues to make a significant contribution to the NWT Economy. By the end of December, expenditure on goods and services to construct the Snap Lake Mine had reached \$576,766,517.00. Sixty three percent (63%) of that expenditure or \$363,610,219.00 was spent with NWT Businesses, and of the NWT expenditure, sixty seven percent (67%) or \$243,239,906.00 was spent with Aboriginal Businesses. These purchasing statistics well exceed the 35% target established in the Socio-Economic Agreement for the project. De Beers contributed over \$279 million to the Gross Domestic Product (GDP) of the NWT through its expenditures with NWT businesses in 2006 alone.
- **Employment** – The Snap Lake Project is creating more employment for NWT residents in the construction phase than anticipated. The project created 223 person-years of employment for NWT residents which constitutes 27% of the total workforce. Since May of 2005, the construction workforce at Snap Lake has averaged 30% NWT resident employment. Of the total workforce, 11% were Aboriginal and 11% were women.
- **Social Investment** – De Beers Canada directed close to \$400,000.00 to social investment activities in the NWT in 2006. Sixty three percent (63%) of contributions were made to assist in skills development of northern workers. 18% of contributions were aimed at improving literacy in Aboriginal communities. The remainder of social investment expenditures were made to support community and industry-related activities.



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“This report shows the achievements that have been made by our projects and our people, and it highlights the challenges we have worked hard to address,” said Chantal Lavoie, Vice President of NWT Projects. “We are extremely proud of our employees and contractors. They have worked hard to maximize the employment opportunities for NWT Residents, Aboriginal employees and women and they have done so in a highly competitive marketplace for skilled labor.”

The full report was presented to the Government of the Northwest Territories in June and is now available on De Beers Canada’s website at www.debeerscanada.com and at the NWT/Nunavut Chamber of Mines Office in Yellowknife.

The Snap Lake Mine will employ 500 people during full production and produce 1.5 million carats per year. It will be the first completely underground diamond mine in Canada and De Beers’ first mine outside of Africa. The project is currently under construction and is on schedule to begin commercial production in October 2007.

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