



**For immediate release
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MEDIA RELEASE

PROPOSED ONTARIO DIAMOND ROYALTY

Toronto - Friday March 23, 2007 - The future growth and sustainability of the mining industry in Ontario will be best served by a tax regime which is applied equally across the mining sector, is predictable, stable and non-discriminatory.

The diamond royalty as proposed in yesterday's Ontario provincial budget has not previously been covered in any dialogue between the industry and the Ontario Government.

We look forward to the opportunity to work with the Government on its proposed diamond royalty to ensure that the economic development implications for future exploration and mine development are clearly understood.

We are concerned about these apparently arbitrary changes to the tax structure so close to the start of production at Victor. Once we have more information regarding how its proposed diamond royalty will be implemented, we will be in a position to assess the impact on the economics of the Victor diamond mine.

De Beers is currently investing one billion dollars in the construction of Ontario's first diamond mine. This investment will add approximately \$7 billion dollars to the growth of the Ontario economy. The mine is scheduled to start production in the first half of 2008. There are currently 600 people employed on site in construction and when the mine is in operations it will create approximately 400 new jobs in northern Ontario.

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