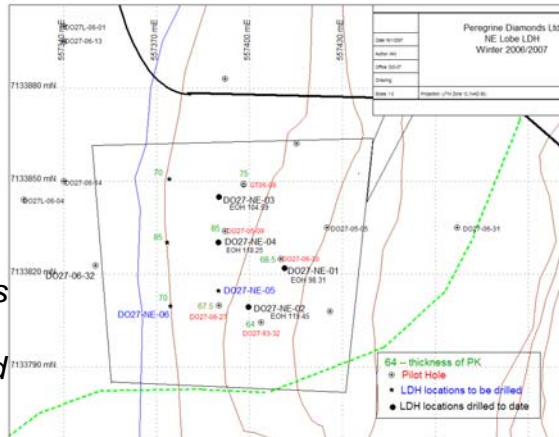


NE Lobe Land Based Drilling

- Initial drilling in Dec/Jan, finish last hole in May.
- Completed 6 land holes, (approx. 680m).
- Lost tool recovered from NE-06.
- Approx. 327 samples collected.
- 202m³ est. extracted volume.
- 421t @ sg 2.085.

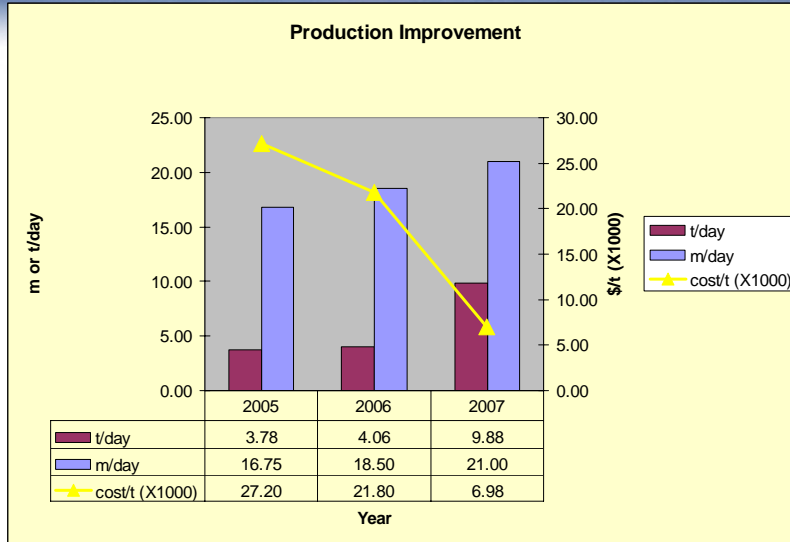


Lake Based LDH Drilling

Lake Based Drilling

- Drilling Feb. 1st to May 4th.
- 4950m in 22 lake based holes.
- 3 of original 25 holes not completed.
- 1664 samples collected.
- Approx. 2230t extracted lake tonnage, (sg = 2.085).





68% reduction in \$/extracted tonne



Production Improvements

- Identified 2005 & 2006 road blocks and built solutions.
- Barber rig engaged to drill unconsolidated OB (thx EF).
- Barber Rig allowed setting of large 28" casing, freeing other 2 rigs for production.
- Greatly reduced per hole production time.
- Production rigs had almost zero mechanical down time.
- More tonnage achieved in production with 17" to 24" production holes.
- Front end costs split over 3 rigs.
- Critical parts and spares in inventory.
- Maximized infrastructure and support on site.
- Site safety and team work stressed at all levels.



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Tonnage to Date

YEAR	Tonnage*
2005	155
2006	556
NE Lobe	421
Lake Holes	2230
TOTAL	3362

*specific gravity = 2.085

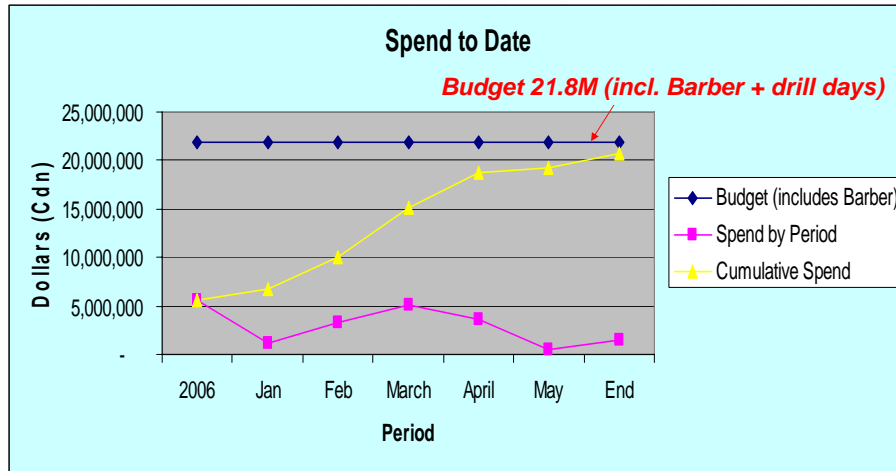


PEREGRINE
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Winter 2007 Drilling Budget

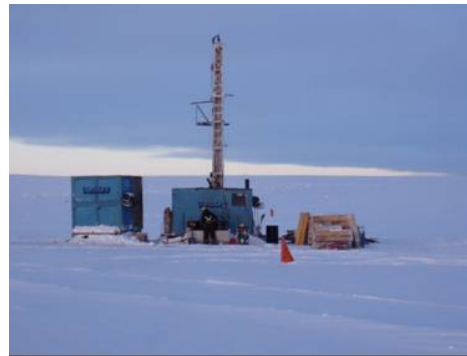
- All costs based on previous spend rates.
- Includes Barber as per Nov. 3rd JV meeting, (+4M).
- Includes additional drill days as per March 13th JV meeting, (equivalent to 1.125M)

SUPPLIER	Total Budget Estimate
SITE SUPPORT	\$2,000,000.00
CAMP	\$306,500.00
DRILLING	\$13,713,000.00
SAMPLING	\$1,050,000.00
PROF. SERVICES	\$627,000.00
TRANSPORT	\$1,015,000.00
CONSUMABLES	\$482,000.00
FUEL	\$1,025,000.00
TRUCKING	\$993,000.00
ACCOMMODATION	\$20,000.00
OFFICE	\$46,200.00
TRAVEL	\$30,000.00
PERSONNEL	\$555,000.00
	\$21,862,700.00



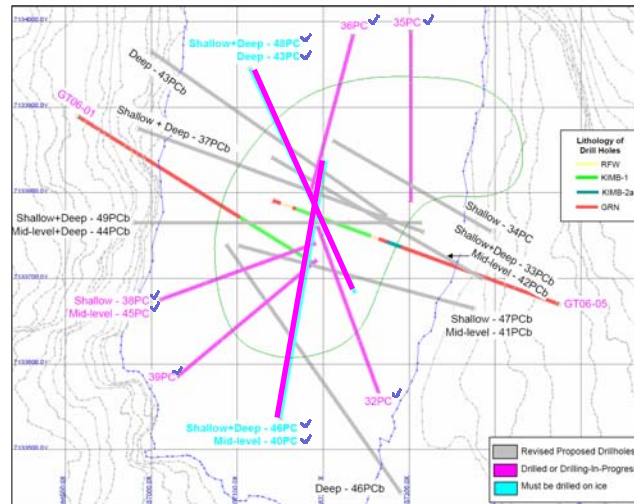
Diamond Drilling

- 10 lake based delineation holes completed, (1832 m).
- 2 lake metallurgical/pilot holes for density completed (550 m).
- 8-10 more delineation holes required on land after break-up.
- More NE Lobe exploration?
- Rigs also to be utilized by exploration.
- Connors working to upgrade rigs and improve safety.





Delineation Drilling



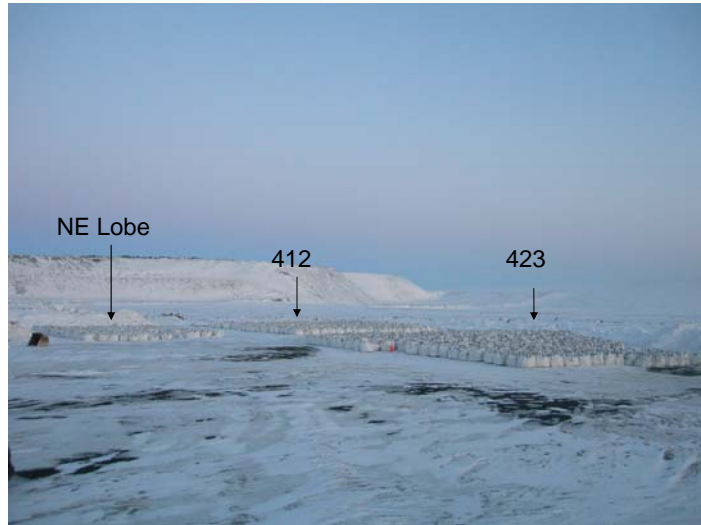
Sample Processing Status

- Close to 2000 samples delivered to Misery sample farm.
- Plant audit conducted by Jim Crawford, (ISO 17025 auditor certified).
- Jen Pell QP verified processing procedures and protocols.
- Processing commenced May 9th.
- 57 processing units, 1 – 10 completed, 11-13 in progress.
- 342 bags completed, (averaging 15.5 bags/day).
- Estimated end of processing late August, (as per BHPB).
- Estimated cost 1.3M, @ \$12,000/day.
 - ✓ (Compare to Debeers = 21,459.75/day, KCI = 30,043.65/day.)



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Sample Farm at Misery



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Here's to Success!

