

3. Land Status

BHPB applied for and was granted 6 Crown Prospecting Permits (Table 1) on 1st February 2004. All permits are subject to a 50:50 joint venture between BHP Billiton Diamonds Inc. (operator) and Stornoway Diamond Corporation. These permits total 164,573 acres (666km²) and are reported together but are divided into two property areas (refer Figure 1 and Table 1).

Permit #	NTS Sheet	Area (acres)	Granted	Anniversary	Year 1 Assessment
3850	46K / 04 NW	11,025.00	1-Feb-04	31-Jan-05	\$1,102.50
3851	46K / 04 SW	4,048.00	1-Feb-04	31-Jan-05	\$404.80
3852	46L / 13 NE	37,760.00	1-Feb-04	31-Jan-05	\$3,776.00
3853	46M / 04 NE	37,376.00	1-Feb-04 <td 31-Jan-05	\$3,737.60	
3854	46M / 04 SE	37,376.00	1-Feb-04	31-Jan-05	\$3,737.60
3857	46M / 05 SE	36,988.00	1-Feb-04	31-Jan-05	\$3,698.80
		164,573.00			\$16,457.30

Table 1: BHPB Prospecting Permits

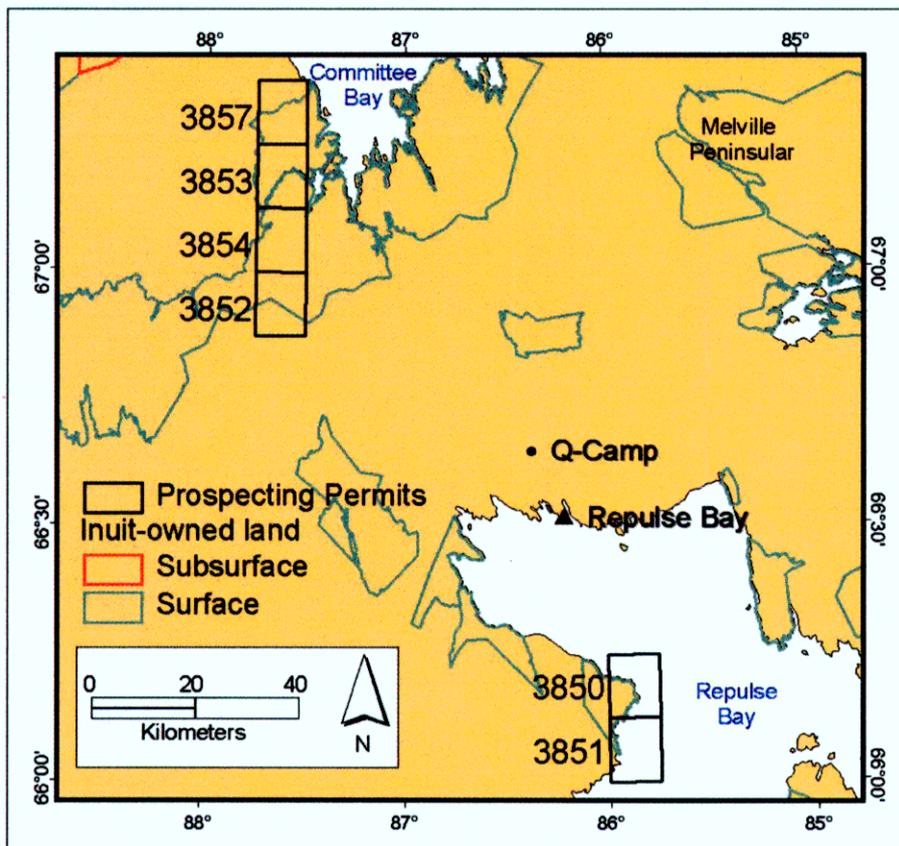


Figure 2: Location of Prospecting Permits