In the end of 2010 ALROSA has won the auction spent by Rosnedra (State regulator of the usage of natural resources in Russia) for the developing diamond deposits located in the Republic of Sakha (Yakutia), Russia: alluvial deposits “Ruchey Gusiny”, “Ebelyakh” and diamond pipe “Dalnyaya”; after finishing formalization of the Government permits, ALROSA will start developing these deposits.

Total reserves of the diamond deposits are 42 mln ct, the average price per carat – more than 70 US$.

Diamond deposits are located within ALROSA’s existing production facilities, developing of the deposits will not require significant CAPEX and will encourage further stability of ALROSA’s production.

ALROSA`s expenses for getting the Government permits were RUB 2.3 bln, the source of financing is existing operating cash flow, the expenses for the permits are several times lower than projected cash flow from developing these deposits.