

Phyllis Beaulieu

From: "Gary De Schutter" <gdeschutter@angloamerican.ca>
To: <jkaniak@polarnet.ca>
Cc: <rbecker@polarnet.ca>; <landsmining@ainc-inac.gc.ca>; "Dave Peck" <dpeck@angloamerican.ca>; "Anthony Kovacs" <akovacs@angloamerican.ca>; "Dan MacNeil" <dmacneil@angloamerican.ca>; "David Cass" <davidcass@angloamerican.ca>
Sent: April 25, 2003 9:40 AM
Attach: Access to IOL.zip
Subject: Access to IOL permit application

Hello Mr. Kaniak,

Please find attached a zipped file containing five Word documents comprising the majority of Anglo American's Access to Inuit Owned Land permit application. Two hard copies of the complete application package were sent to your Kugluktuk office via priority post on Wednesday, April 23 and include the application fee, relevant maps and diagrams as well as copies of Anglo American's Safety, Health and Environment Policy Manual. The permit applications for a water license (NWB - Gjoa Haven) and federal land use license (DIAND - Iqaluit) were sent at the same time.

If you recall, in February 2003, Anglo American Exploration (Canada) Ltd. signed a Letter of Intent with Muskox Minerals Corp (MSK) providing general terms for a potential, future exploration joint venture between the two parties. The proposed joint venture would explore a portion of MSK's Muskox Intrusion property for nickel, copper and platinum group metals. A formal exploration and joint venture agreement between the two parties is currently being negotiated. We understand that Muskox Minerals is in the process of trying to renew its Inuit Land Use Licence KTL301C001. When Muskox Minerals' permit is renewed, AAEC would like to be included on this licence so that we may be allowed to fly our airborne geophysical survey over IOL Parcel CO-52 as soon as possible.

I would very much like to set up a meeting with your office to discuss our exploration plans for the Muskox Intrusion project. I am very willing and able to meet with you in Kugluktuk, or anywhere else that may be more convenient for you, when our schedules permit; for myself, any time during late May and early June would be best. During the same trip, I will likely take the opportunity to hold an information session for the residents of Kugluktuk as well as meet with the local council.

I trust all is in good order. Please do not hesitate to contact me should you have any questions regarding this permit application.

Regards,

Gary DeSchutter

Gary DeSchutter, M.Sc.
 Project Geologist

Anglo American Exploration (Canada) Ltd.
 Suite 800 - 700 West Pender Street
 Vancouver British Columbia Canada V6C 1G8
 Tel (Winnipeg office) 204.888.3863
 Tel (Vancouver office) 604.684.1454
 Fax (Vancouver office) 604.689.3480

gdeschutter@angloamerican.ca

25/04/2003



ANGLO AMERICAN EXPLORATION (CANADA) LTD.
SUITE 800 - 700 WEST PENDER STREET
VANCOUVER, BC V6C 1G8

Tel: (604) 684-1454
Fax: (604) 689-3480
Email: hbed@angloamerican.ca

April 22, 2003

Land Administration, DIAND
Building 918, Box 100
Iqaluit, NU X0A 0H0
tel: 867 975-4283
fax: 867 975-4286

Attention: Lands Manager - landsmining@ainc-inac.gc.ca

Please find enclosed an application for a Land Use Permit for a mineral exploration project that Anglo American Exploration (Canada) Ltd. intends to carry out this summer under a pending Agreement with Muskox Minerals Corp.

We are in the process of applying for the appropriate access to Inuit Owned Land permit and water license for the same project. Our exploration plans include an airborne geophysical survey over the property. In order to capitalize on the availability of its proprietary Spectrem geophysical survey system (in Canada until June 2003) and the short arctic summer field season, AAEC would like to begin the survey in late May or early June 2003.


We understand that Muskox Minerals still holds a valid Land Use Permit for the area (N2001C0049) and we may ask to be included on this licence so that we can accelerate the start of our summer 2003 exploration program.

Included is a cheque in the amount of \$200.00 to be put towards the application fee and land use fee.

Please sign, date and return the attached "Confirmation of Receipt" letter to our office (by fax is fine) for our records.

I trust all is in good order. Please do not hesitate to contact me should you have any questions or concerns regarding this application.

Regards,

A handwritten signature in black ink, appearing to read 'G. DeSchutter', written over a horizontal line.

Gary DeSchutter

Anglo American Exploration (Canada) Ltd.

gdeschutter@angloamerican.ca

cc: NWB - rbecker@polarnet.ca

KIA - jkaniak@polarnet.ca

INAC - Kugluktuk

Confirmation of Receipt

To: Anglo American Exploration (Canada) Ltd.
Suite 800- 700 West Pender Street
Vancouver, British Columbia V6C 1G8
Tel: 604 684 1454
Fax: 604 689 3480

I/we acknowledge that Anglo American's Land Use Permit application for access to crown land related to the Muskox Intrusion project has been received by this office.

Signed

Date



ANGLO AMERICAN EXPLORATION (CANADA) LTD.
SUITE 800 - 700 WEST PENDER STREET
VANCOUVER, BC V6C 1G8

Tel: (604) 684-1454
Fax: (604) 689-3480
Email: hbed@angloamerican.ca

April 23, 2003

Kitikmeot Inuit Association
P.O. Box 360
Kugluktuk, Nunavut X0E 0E0
Phone (867) 982-3310 Fax (867) 982-3311

Attention: Jack Kaniak - Lands Manager jkaniak@polarnet.ca

Please find enclosed an application for access to Inuit Owned Land for an exploration project that Anglo intends to carry out this summer under a pending Agreement with Muskox Minerals Corp (IOL Parcel CO-52).

We are in the process of applying for the appropriate federal land use permit and water license. Our exploration plans include an airborne geophysical survey over the property. In order to capitalize on the availability of its proprietary Spectrem geophysical survey system (in Canada until June 2003) and the short arctic summer field season, AAEC would like to begin the survey in late May or early June 2003.

We understand that Muskox Minerals may be in the process of trying to renew its Inuit Land Use Licence KTL301C001. Should Muskox be successful, AAEC may ask to be included on this licence so that we may be allowed to fly our airborne geophysical survey over IOL Parcel CO-52.

Included in this application package is a cheque in the amount of \$600 to be put towards the application fee and land use fee as outlined below:

Land Use Fees:

| | |
|---|--------------|
| • Application for Land Use License III | \$500 |
| • # hectares per year used @ \$50/hectare | \$100 |
| Total | <u>\$600</u> |

Please sign, date and return the attached "Confirmation of Receipt" letter to our office (by fax is fine) for our records.

I trust all is in good order. Please do not hesitate to contact me should you have any questions or concerns regarding this application.

Regards,

A handwritten signature in black ink, appearing to read 'G. DeSchutter', written over a horizontal line.

Gary DeSchutter
Project Geologist
Anglo American Exploration (Canada) Ltd.
gdeschutter@angloamerican.ca

cc: NWB - rbecker@polarnet.ca
INAC - Iqualuit - landsmining@ainc-inac.gc.ca
INAC - Kugluktuk

Confirmation of Receipt

To: Anglo American Exploration (Canada) Ltd.
Suite 800- 700 West Pender Street
Vancouver, British Columbia V6C 1G8
Tel: 604 684 1454
Fax: 604 689 3480

I/we acknowledge that Anglo American's Access to Inuit
Owned Land Permit application for access to IOL Parcel CO-
52 has been received by our office.

Signed

Date

**KITIKMEOT INUIT ASSOCIATION
LANDS DIVISION
APPLICATION FOR ACCESS TO INUIT OWNED LAND**

Office use only

| | | | |
|----------|-----------------|--------------|----------------|
| Category | Application No: | Accepted By: | Date Accepted: |
|----------|-----------------|--------------|----------------|

To be completed by all applicants

| | |
|--|---|
| 1. Applicant's name and mailing address (Full name, no initials or abbreviations) Anglo American Exploration (Canada) Ltd. Suite 800 – 700 West Pender Street Vancouver, British Columbia V6C 1G8 | Fax no 604-689-3480 Telephone no. 604-684-1454 |
| 2. Head Office address Same as above | Fax no. Telephone no. |
| 3. Field supervisor and address if different from above Gary DeSchutter – Project Geologist, Anglo American Exploration (Canada) Ltd. | Telephone no. Same as above |
| 4. Other personnel list (Subcontractors or contractors to be used) Nunasi Helicopters, First Air, Matrix Aviation Solutions, Air Tindi, 1984 Enterprises Inc., Major Drilling, Weaver & Devore, SJ Geophysics, Arctic Sunwest Charters, Mulco Expeditors, Lamontagne Geophysics, Crone Geophysics Total no. of personnel: 12-18 No. of person days: approx 1,000 | |

5. Location of activities by map coordinates. Attach ORIGINAL maps and sketches. See attached maps

| | | | |
|------------------|-------------------|-----------------|-------------------|
| MAX Lat Min 02' | MIN Lat Deg 66° | MIN Lat Min 41' | MAX Lat Deg 67° |
| MAX Long Min 24' | MIN Long Deg 115° | MIN Long Min 5' | MAX Long Deg 115° |

Map Sheet No: 86 O/3, 86 J/14, 86 J/11

Inuit Land Parcel No: CO-52, CO-60

Coordinate of camp (if applicable) Lat. 66° 54' 52" Long. 115° 14' 37"

6. Periods of operation including periods of seasonal shut down and periods for restoration.

All year operations

| | | |
|--|--------------------------------|-------------------------------------|
| 7. Period of access required (up to one or two years for licenses, depending on license level, up to five years for residential/recreational leases and level I and II commercial leases, and up to forty years for level III commercial leases) | Start date May 15, 2003 | Completion Date May 15, 2005 |
|--|--------------------------------|-------------------------------------|

8. Other rights, licenses, permits or leases related to this application. Provide proof of rights or indicate if in the process of applying for rights.

- | | | |
|---|---|---|
| <input type="checkbox"/> NTI Subsurface Right | <input type="checkbox"/> NRI Research License | <input type="checkbox"/> CWS Permit |
| <input type="checkbox"/> DIAND Subsurface Right | <input type="checkbox"/> RWED Tourism License | <input type="checkbox"/> Other – Please Specify |
| <input type="checkbox"/> NWB Water License | <input type="checkbox"/> Explosives Permit | |

Anglo American is in the process of applying for NWB Water License and DIAND subsurface license

9. TYPE OF LAND USE ACTIVITY

Check off the appropriate land use activities.

Mining/Oil & Gas

- ☐ staking and prospecting
- ☐ exploration (geophys-grd/air)
- ☐ drilling (diamond/ice, etc.)
- ☐ bulk sampling
- ☐ mine (open pit, undergrd, etc.)
- ☐ bulk fuel storage
- ☐ other: _____

Construction:

- ☐ camp
- ☐ building
- ☐ winter road
- ☐ all-season road
- ☐ quarrying
- ☐ other: _____

Tourism:

- ☐ tourism facility
- ☐ outfitting
- ☐ other: _____

Municipality:

- ☐ bulk storage of fuel
- ☐ residential building
- ☐ commercial building
- ☐ other: _____

Research:

- ☐ wildlife/fish/birds/marine
- ☐ survey (grd/aerial/collars)
- ☐ collection of species
- ☐ research station
- ☐ other: _____

Other:

- ☐ commercial harvest
- ☐ recreational camp
- ☐ _____
- ☐ _____

10. On a separate page, provide a NON-TECHNICAL project summary. This should include a non-technical description of the project proposal, no more than 300 words, in English and Inuktituk (Inuinaktun, in the West Kitikmeot). The project description should outline the project activities and their necessity, method of transportation, any structures that will be erected, expected duration of activity and alternatives considered. If the proposed activity fits into any long-term developments, please describe the projected outcome of the development for the area and its timeline.

11. Attach a detailed project description as outlined in APPENDIX A.

12. Application Fees:

- | | |
|--|--|
| <input type="checkbox"/> Land use license I - Inuit - \$ 0 Non-Inuit - \$100 | <input type="checkbox"/> Commercial Lease I - \$ 500 |
| <input type="checkbox"/> Land use license II - \$250 | <input type="checkbox"/> Commercial Lease II - \$1000 |
| <input type="checkbox"/> Land use license III- \$500 | <input type="checkbox"/> Commercial Lease III - \$5000 |
| <input type="checkbox"/> Residential/Recreational Lease | Inuit - \$ 0 Non-Inuit - \$250 |
| <input type="checkbox"/> Exemption Certificate | |

Land use fees: # of hectares used @ \$50.00/hectare = \$ 100

Note: The land use fee is for the amount of land used on an annual basis.

13. a) The Applicant requests a Certificate of Exemption ☐

OR

b) The Applicant agrees to be bound by terms and conditions to be attached to the Inuit Land Use License or Lease. ☐

Sign name in full:

Signature

Date

APPENDIX A

All applicants must provide a detailed project description that includes ALL of the following:

1. Outline project activities, their necessity, their expected duration and alternatives considered. If the proposed activity fits into any long-term developments, describe the projected outcome of the development for the area and its timeline.
2. Schedule of activities including both operations and shutdowns
3. Provide a preliminary plan showing the location of the lands proposed to be used and an estimate of their area in hectares. The preliminary plan should show the approximate location of all:
 - i) existing or new lines, trails, rights-of-way and cleared areas proposed to be used in the exercise of the Right;
 - ii) buildings, campsites, air landing strips, air navigation aids, fuel and supply storage sites, waste disposal sites, excavations, ponds, reservoirs and other works and places proposed to be constructed or used during the exercise of the Right;
 - iii) manmade structures and works, including bridges, dams, ditches, highways, roads, transmission lines, pipelines, survey lines and monuments, air landing strips; all topographical and natural features, including eskers, rivers, streams, lakes, inland seas and ponds; and all areas of biological interest, including wildlife and fish habitat, specifically, calving, denning, spawning or nesting areas, identified in consultation with the NWMB, RWO, or HTO, as appropriate, that may be affected by the exercise of the Right; and
 - iv) the accurate location of all carving stone, archaeological sites, and archaeological specimens
4. Provide a list of structures that will be erected.
5. Equipment to be used, indicating type and number, size and ground pressure and proposed use. Include all drills, pumps, vehicles etc.
6. Fuels to be used, capacity of containers and number of litres. Include diesel, gasoline, aviation fuel, propane and other fuel types. Describe method of fuel transfer.
7. Provide a copy of fuel spill contingency plan
8. Proposed disposal methods for garbage, sewage, grey water, overburden (organic soil, waste material, tailings etc.), hazardous waste and other waste products. Describe the acid rock drainage potential of waste rock material and testing methods, if applicable. List the type, estimated quantities and storage methods of any hazardous materials that are going to be stored on the property.
9. Describe the methods of transportation.

10. Indicate the components of the environment that are near the project area, as applicable. Include the type of species, the important habitat area (calving, staging, denning, migratory pathways, spawning, nesting etc.) and the critical time periods (calving, post-calving, spawning, nesting, breeding etc.). Also include information on eskers, communities and historical/archaeological sites.
11. Summary of potential environmental, wildlife and resource impacts and mitigation measures to be used. Describe the effects of the proposed program on lands, water, flora and fauna.
12. Reclamation cost analysis for advanced exploration activities.
13. Proposed reclamation plan, that includes, but is not limited to the proposed methods and procedures for the progressive:
 - i) removal of all structures, equipment, and other manmade debris;
 - ii) rehabilitation of the area to its previous standard of human utilization and natural productivity;
 - iii) replacement of overburden and soil;
 - iv) grading of the area back to its natural contours; and
 - v) re-establishment, to the extent possible, of flora.

Include information about on going site remediation throughout the duration of the project.

14. Provide information on the socio-economic aspects of these activities. In particular, please provide details on:
 - i) How much money will be spent on this work?
 - ii) What percentage will go to Inuit firms or employees?
 - iii) How many jobs are available through this activity?
 - iv) How many Inuit employees will be hired?
 - v) What type of training opportunities for Inuit will be offered?

In addition to the above requirements, COMMERCIAL LEASE APPLICANTS must provide the following information:

- If the land is surveyed, state the lot and block number. If unsurveyed, state the size of the parcel and general area. Provide a detailed description and detailed sketch of the area applied for.
- Describe the type of commercial use.

In addition to the above requirements, RESIDENTIAL/RECREATIONAL LEASE APPLICANTS must provide the following information:

- If the land is surveyed, state the lot and block number. If unsurveyed, state the size of the parcel and general area. Provide a detailed description and detailed sketch of the area applied for.
- For what purposes will the land be used? Describe any buildings or improvements on this land. What is the value of the improvements on the land and who is the owner of the improvements.
- Provide a list of improvements planned for construction, the value of these improvements and within how many months of the effective date of the lease these improvements be finished.

In addition to the above requirements, QUARRY LICENSE or QUARRY CONCESSION AGREEMENT applicants must provide the following information:

- A description by meters and bounds of the land applied for;
- The name of the specified substances that the applicant desires to remove from the area; and
- A sketch showing clearly the position of the parcel in relation to a survey monument, prominent topographical feature or other known point and shown in its margin, copies of the markings on the posts or cairns.
- If for commercial use, the description shall contain an affidavit sworn by the applicant setting forth:
 - i) that the land contains material of the kind applied for in merchantable quantities;
 - ii) that the volume of specified substances are required for a project that has been approved by the appropriate level of government; and
 - iii) that the applicant has obtained a contract for the delivery of those Specified Substances.

Please prepare this project description on a separate sheet of paper and attach it to your application form marked as APPENDIX A. Return the original, signed and dated application form, with attached APPENDICES A and B and all ORIGINAL maps of the area to the KIA Lands Office at Box 315, Kugluktuk, NT, X0E 0E0.

**Application for Access to Inuit Owned Land for
Anglo American Exploration (Canada) Ltd.**

In February 2003, Anglo American Exploration (Canada) Ltd. (AAEC) signed a Letter of Intent with Muskox Minerals Corp (MSK) providing general terms for a potential, future exploration joint venture related to MSK's Muskox Intrusion Property. The proposed joint venture would explore the Muskox Intrusion property for nickel, copper and platinum group metals.

The Muskox Intrusion property is located approximately 110km south of Kugluktuk, Nunavut and covers an area extending from the Coppermine River in the south to the north end of Spears Lake. The limits of the property are contained within Inuit Owned Land Parcels CO-52 and CO-60.

Once the formal agreement between AAEC and MSK is reached, and the various work permits are granted, AAEC will initiate a potentially multi-year exploration program, beginning with an airborne geophysical survey that is scheduled for late May or early June 2003. Thereafter, AAEC will complete a field program consisting of grid emplacement, ground geophysical surveys, geological mapping, rock sampling and geochemical sampling (soils/till/humus). Given favourable results, a small drilling program would follow, starting in mid July. Pending a successful 2003 program, additional surface surveys and drilling would occur in the summer of 2004. All field activities will be helicopter supported and will be based out of a temporary, 20-person tent camp located at the north end of McGregor Lake.

AAEC will work with local community leaders to ensure that Inuit workers are given the opportunity to apply for seasonal employment opportunities such as camp helpers, geological assistant and core technicians. Should the exploration programs lead to the discovery of an economic mineral deposit, additional benefits to the local communities and the people of Nunavut could arise in the form of jobs, training, education and prosperity.

AAEC and all its contractors will conduct its exploration programs with the highest degree of respect for the environment and people of the Kitikmeot Region. Details of AAEC's internal Safety, Health and Environmental Policy (S.H.E.) are available upon request.

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Appendix A

Application for Access to Inuit Owned Land for Anglo American Exploration (Canada) Ltd.

In February 2003, Anglo American Exploration (Canada) Ltd. (AAEC) signed a Letter of Intent with Muskox Minerals Corp (MSK) providing general terms for a potential, future exploration joint venture between the two parties. The proposed joint venture would explore a portion of MSK's Muskox Intrusion property for nickel, copper and platinum group metals (please see the attached press release from Muskox Minerals Corp to this effect). A formal exploration and joint venture agreement between the two parties is currently being negotiated and in anticipation of its execution, an application for two years of access to Inuit Owned Land is submitted for approval. The contact person for the exploration program and permitting process at Anglo American is Gary DeSchutter, Project Geologist.

Provided that a formal agreement is reached between AAEC and MSK, Anglo American will initiate a potentially multi-year exploration project on a portion of MSK's Muskox Intrusion property. The property is located approximately 110km south of Kugluktuk and covers an area extending from the Coppermine River in the south to the north end of Spears Lake (see Map 1, Map 2). The limits of the proposed joint venture property are contained within Inuit Owned Land Parcels CO-52 and CO-60 (see Map 2).

The first stage of the 2003 program will consist of an airborne geophysical survey that will be conducted entirely out of Yellowknife. During the survey, which is scheduled to be completed during late May or early June, the aircraft will at no time land on the property.

Field activities will be based out of a tent camp located at the north end of McGregor Lake (see map 2). This all-season temporary exploration camp will consist of sleeping, washing, storage, core logging and eating facilities for up to 20 people and comprise approximately 10 Weatherhaven (or equivalent) tents. The camp facilities are anticipated to take up approximately 2 hectares in area and will act as the storage site for all fuels and equipment.

The second stage of the 2003 program will consist of follow-up ground work including grid emplacement (wood

pickets), ground geophysics, geological mapping, rock sampling, geochemical sampling (soils/till/humus) and drilling. This stage is expected to take place between late June and mid September 2003. The exact amount of ground work will be contingent upon the results of the airborne survey and data analyses. It is anticipated that the number of drill holes to be completed during this stage of the program will not exceed eight (maximum of 1,800m) but the exact number will again be contingent upon earlier results.

For the purposes of this application, we ask that, if necessary (results dependant) the drill and drilling-related supplies along with the camp equipment be allowed to remain on the property after completion of the first phase drill program this summer (2003) to allow for additional exploration work in 2004.

At this point, plans for the Muskox Project do not include any ground work to be completed during the winter months, except for a potential fuel haul to be completed in March-April of 2004. In the event that the project does continue beyond the 2003 field season, AAEC requests permission to establish and maintain an ice airstrip on the north part of McGregor Lake during the winter of 2004 for a limited amount of time (2-3 weeks). The purpose of this airstrip (approx 5,000 ft long by 150ft wide) is to allow for a larger fuel mobilization during the early part of 2004 by Hercules aircraft. AAEC understands that a similar airstrip has been successfully utilized in the same location during previous exploration programs. As has also been successfully done in the past, AAEC requests permission to walk a CAT (or similar bladed machine) from Kugluktuk to the McGregor Lake camp during the winter of 2004. This machine, a Komatsu D-6 or equivalent, would be utilized to clear and maintain the ice airstrip on McGregor Lake for during the fuel haul. The exact path that the CAT mobilization utilizes will be contingent upon snow cover but every effort will be made to utilize frozen streams and lakes as much as possible. The CAT would then remain at camp for the duration of the project (only utilized in winter conditions) for additional camp maintenance, or as needed and would be removed from the property at the end of the project.

Additional ground surveys and drilling are envisaged for the summers of 2004 and possibly 2005, but again, are contingent upon earlier results.

All work for the current and future summer field programs, including drilling, will be helicopter supported. At no time will any mechanized vehicle come into direct contact with the tundra. The camp mobilization and servicing will be conducted out of Yellowknife and/or Kugluktuk by fixed wing aircraft as will the drill and fuel mobilization.

The following is a list of equipment that may be used at the project site over the next two years:

1. Boyles 37A fly drill (or equivalent) for exploration drilling - 8,700lbs
2. Coil stove (X 10) for pumping water to drill sites and camp (200lbs each)
3. Yamaha 25KW generator (or equivalent) for camp power - 800lbs
4. Yamaha 10KW generator (or equivalent) for camp power (backup) - 800lbs
5. Snowmobiles (X 5) to be used in winter if necessary for crew movement/fuel cache placement - 500-1000lbs each
6. Komatsu D6 (or equivalent) for ice airstrip maintenance in winter of 2004 for 2-3 weeks (if necessary) - 40,000lbs

For the summer 2003 program, approximately 200-45 gallon fuel drums will be brought to McGregor Lake Camp either from Kugluktuk (via Twin Otter) or from other local fuel caches made available to AAEC. The Twin Otter would land on the ice at McGregor Lake (no strip required) where the drums will be moved to land via helicopter. All fuel will be stored on site in strict accordance with KIA and NIRB guidelines (on a high ground area, in a natural depression with no natural direct path to any nearby body of water). Fuel spill kits will be located at camp, at fuel storage areas and at the drill at all time. AAEC's Spill Contingency Plan is included in the application within Appendix C. Should the 2003 program prove encouraging, additional fuel would be brought to the project area during the winter of 2004 as described above. As well, AAEC plans to access a cache of 100lbs propane cylinders that is already located on the property.

Anglo American expects minimal, if any, environmental impact during the exploration programs. All grey water from the kitchen and washing facilities will be drained into a natural sump well away from standing water bodies. Outhouses will be used as toilet facilities. All combustible garbage will be incinerated on a daily basis in an approved facility and the remains will be transported to Yellowknife for proper disposal along with all non-combustible materials. All drill sites will be cleaned up after completion. Photographs of each drill site will be taken before and after each hole is completed and the drill contractor will sign-off on AAEC's drill site environmental inspection forms. All interaction with local wildlife will be kept to an absolute minimum.

Before the start of the summer exploration program, representatives of AAEC intend to visit Kugluktuk and other communities in the Kitikmeot region to meet with the local councils and residents to discuss our exploration plans. AAEC will work with community leaders to ensure that Inuit workers are given the opportunity to apply for seasonal employment opportunities such as camp helpers, geological assistants, geophysical assistants, core technicians and kitchen assistants. As well, we can foresee utilizing local contractors (Kugluktuk, Yellowknife) to aid expediting activities (e.g. loading and off-loading of fixed-wing aircraft). AAEC also intends to retain the services of Inuit-owned businesses, and other contractors well known for utilizing Inuit workers throughout the course of our exploration programs. Should the exploration programs lead to the discovery of an economic mineral deposit, additional benefits to the local communities and the people of Nunavut could arise in the form of jobs, training, education and prosperity.

Upon completion of its exploration project, AAEC ensures that all materials brought to the property under the joint venture agreement with Muscox Minerals will be removed in a prompt manner. AAEC understands that there are some materials on the property from previous exploration programs including a number empty fuel drums. AAEC, although not liable or responsible for these materials, will endeavour to remove as much of them as possible during the course of its exploration activities.

Anglo American, through its wholly owned subsidiary, Hudson Bay Exploration and Development, has established a

comprehensive internal safety, health and environmental program known as S.H.E. (Safety, Health and Environment). The guidelines within this program address all issues related to exploration programs throughout Canada and are derived from a Loss Control Program that:

- constantly reduces injuries, incidents and property damage through employee participation and empowerment,
- identifies responsibilities and accountabilities for every employee to apply safe work practices, and
- complies with regulatory requirements.

The program includes specific corporate guidelines for Drill Site Cleanup, Spills & Spill Procedure and Hazardous Spill Procedures as well as First Aid and Survival Techniques and Wildlife Encounters. All contractors that work for AAEC are required to read the policy manual as a condition of employment. A copy of the Policy is included in this application for reference as Appendix C.

Gary DeSchutter
Project Geologist
Anglo American Exploration (Canada) Ltd.
Suite 800 - 700 West Pender Street
Vancouver, British Columbia V6C 1G8
Tel 604.684.1454
Fax 604.689.3480
gdeschutter@angloamerican.ca

Date

Appendix B

News release via Canada NewsWire, Calgary 403-269-7605

Attention Business Editors:

Muskox Minerals Corp. and Anglo American Exploration (Canada) Ltd.
Proposed Option/Joint Venture, Development Financing and Equity
Investment

VANCOUVER, Feb. 26 /CNW/ - Muskox Minerals Corp. ("MSK") is pleased to announce that a Letter of Intent ("LOI") has been signed with Anglo American Exploration (Canada) Ltd. ("AAEC"). The proposed transaction anticipates an option and joint venture agreement, an equity investment and development financing with respect to the Muskox Property in Nunavut, northern Canada.

Anglo American plc, the parent Company to AAEC, is a global leader in the mining and natural resources sectors. It has significant interests in gold, platinum, diamonds, coal, base- and ferrous-metals, industrial minerals and forest products, as well as considerable financial and technological strengths.

The primary asset of MSK is the Muskox Cu-Ni-Pd-Pt Property located in the Nunavut Territory of northern Canada. The Muskox Layered Intrusion and its immediate environs host copper-nickel-precious metal mineralization, within several environments, including sulphide horizons and stratiform chromitite layers. In recent years the MSK team has gained extensive experience in arctic logistics and developed an extensive database for the Project integrating geological, geophysical and geochemical data.

The LOI contemplates that the parties will enter into an Option and Joint Venture agreement for the exploration and development of the mineral resources of part of the Muskox Intrusion. Pursuant to this Option and Joint Venture agreement, MSK will grant an option to AAEC which will entitle it to acquire an initial 51% interest in part of the Muskox Property by funding exploration expenditures of Cdn \$11.5 million before December 31, 2007. A firm commitment for an exploration expenditure by AAEC of Cdn \$1.2 million in 2003 is contemplated by the LOI. The participating Joint Venture between MSK and AAEC will be formed upon AAEC earning a 51% interest in the Muskox Property. AAEC may earn an additional 19% interest in the Muskox Property by completing a bankable feasibility study. A further 5% interest in the Muskox Property may be earned by AAEC arranging for production financing for both parties.

AAEC will also complete an equity financing with MSK by way of a private placement of Cdn \$500,000 the proceeds of which will be contributed by MSK to AAEC as partial funding for AAEC's first year expenditures.

Under the LOI, MSK is required to obtain the agreement of the holders of royalties and other similar interests in the Muskox Property for the sale of such interests to the Joint Venture to be formed by MSK and AAEC in consideration of a total amount of not more than Cdn \$2,000,000.

The parties anticipate Board approvals and completion of the necessary documentation to give effect to the terms outlined in the LOI in the near future. The LOI is non-binding. The completion of the transactions contemplated is also subject to acceptance and approval by the TSX Venture Exchange.

Dr. Roger D. Morton, MSK's Chairman, observed . . . "The pending agreement with Anglo American Exploration (Canada) Ltd. is confirmation of our Corporation's unfailing belief in the metalliferous mineral potentials of the Muskox Layered Intrusion. Having a world-class partner such as Anglo American brings a wealth of expertise and cutting-edge exploration techniques to the table".

Proposed Private Placement

MSK announces that it will conduct a private placement of up to 7,333,333 units ("Unit") at a price of Cdn \$0.15 per Unit for aggregate proceeds of up to Cdn \$1,100,000. The Units will be comprised of one common share of MSK and 1 common shares purchase warrant, each full warrant entitling the holder to purchase one common share of MSK on or before the second anniversary of the closing of the private placement at the price of Cdn \$0.30 per share. The proceeds from the private placement will be used for debt servicing and as general working capital. The private placement is subject to approval by the TSX Venture Exchange.

Corporate Matters

MSK is also pleased to announce that Dr. Roger D. Morton B.Sc. (Geol), Ph.D. (Geol) has been appointed as Chief Executive Officer and President of MSK and that Feisal Somji B.Sc., M.B.A. of Calgary, Alberta has been appointed as Chief Financial Officer, Corporate Secretary and a Director of MSK. MSK also announces that William J. Dynes has been appointed as the Vice President Exploration of MSK. The Board of Directors of MSK is thus presently comprised of Dr. Roger D. Morton, Chief Executive Officer, Feisal Somji, Chief Financial Officer and Corporate Secretary, William J. Dynes, Vice-President Exploration, Dr. Edward A. Schiller, Harry McGucken and Anthony Knott. Concurrently, MSK has re-distributed 650,000 of the existing share pptions, currently priced at \$0.28, to Directors and employees of the Company.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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/For further information: Muskox Minerals Corp., Dr. Roger D. Morton, CEO, Phone: (780) 413-3479; Additional information on the companies may be sought at Muskox Mineral's website: www.muskoxminerals.com; To request a free copy of this organization's annual report, please go to <http://www.newswire.ca> and click on reports(at)cnw./ (MSK.)

CO: Muskox Minerals Corp.

ST: British Columbia

IN: MNG

SU: JVN FNC

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Appendix C

Anglo American Exploration (Canada) Ltd. &
Hudson Bay Exploration and Development
Safety, Health and Environment Policy (S.H.E.)