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February 22, 2000

Kitikmeot Inuit Association  
#4 Inuit Street  
Kugluktuk, NT X0E 0E0

Attention: Mr. Jack Kaniak- Lands Manager

RE: Inuit Land Use Licence *KTL398C031* Spring Exploration Program 2000 - Update

Kitikmeot Geosciences Ltd. (KGL) on behalf of Muskox Holdings Ltd. is pleased to update the Kitikmeot Inuit Association (KIA) Lands on the spring exploration program at the McGregor Lake Camp

A drilling and geophysical program of the MuskoX Intrusion is proposed to start on or about March 15, 2000. The field program will be operated from the existing McGregor Camp located at the north end of McGregor Lake, and is expected to continue until late June, 2000. The program will consist of an approximately 25 drill hole drill program (approximately 6000 m) plus a ground geophysical survey, all of which will occur within Inuit withdrawal surface rights unit CO-52/86J (Fig. 1).

The personnel in camp will range depending on the stage of the program but will peak out at 24 people (estimate total of 1440 mandays). All personnel and equipment will be flown into camp using appropriate aircraft (Twin Otter, C-46, DC-3, etc). Two Inuit field assistants will be hired from Kugluktuk to help with the ground geophysical survey, as well as we expect to hire another Inuit for the drill program.

The drilling will be conducted with a 'fly' Longyear 38 drill rig. The approximate locations of the drill targets is provided in Figure 1 enclosed. The drill is presently in the community of Kugluktuk and will be mobilized to site via fixed wing aircraft or helicopter (MULCO or an equivalent service

demobilization procedures). The drill will be moved from target to target by helicopter (Hughes 500) provided by Nunasi Helicopters Inc. All drill waste water will be directed to a natural depression (at least 30m away from any high water mark). The usual mud and salts will be used in the drilling since permafrost is expected. All materials, fuel, and debris will be removed from the site once the holes are completed.

The fuel required for this program will be approximately 10 propane (100 lb), 80 diesel (45 gallon), 50 Jet-B (45 Gallon), and 10 (45Gallon) gas all of which will be staged out of McGregor Camp. All of which will be located at least 30m away from any high water mark.

In addition, KGL plans on mobilizing a Case 350 Caterpillar to support in this program. The Caterpillar will be restricted to the ice and areas of significant snow cover. We are aware of Condition 19 in the Land Licence which states:

*The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.*

It should be noted that all the activates listed herein have been described and approved under the KIA Land Use Licence *KTL398C031*. This letter is intended to update KIA Lands of the proposed activates at McGregor Lake. Muskox Holdings also has approval for water use and waste disposal for this program from the Nunavut Water Board (Application NWB2MCG9800).

If there are any questions or concerns, please contact the undersigned at (604) 638-0690.

Yours Sincerely,

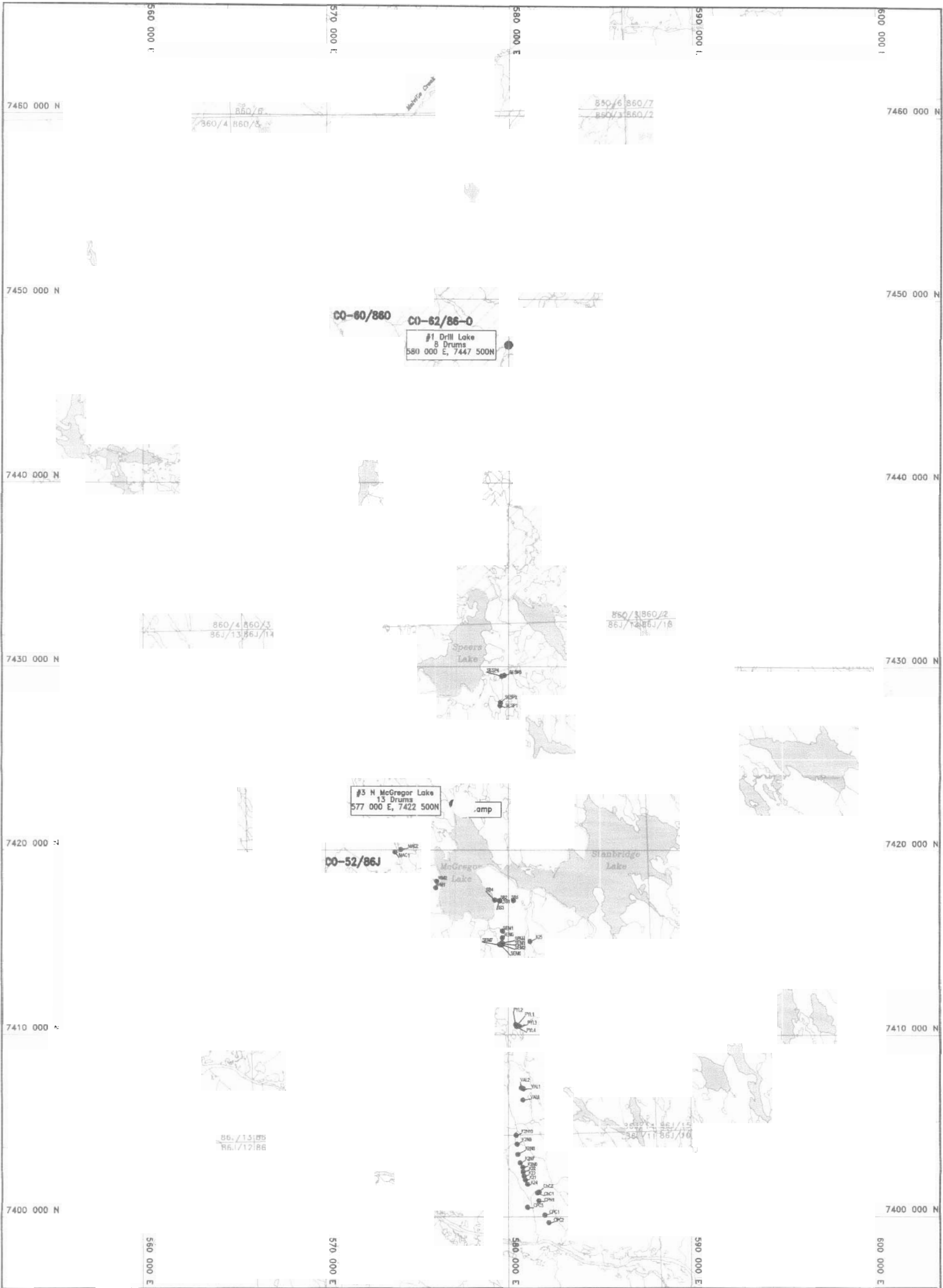
**KITIKMEOT GEOSCIENCES LTD.**



Jasen M. Attew, R.P.Bio.  
Manager

Enclosure

cc. Ms. Rita Becker, Nunavut Water Board  
Mr. Darcy Wray, Muskox Holdings Ltd.  
Mr. Jim McPherson, DIAND RMO, Kugluktuk




Sub surface withdrawal

Proposed Drill holes

500 0 500 1000 1500 2000 2500

Metres



**KITIKMEOT**  
Geosciences

**Muskox Minerals Corp.**

**Proposed Drill holes**

SCALE:200,000	DATE:Feb,2000	FIGURE 1
APPROVED BY:JA2	FILE:kand-base.dwg	