

October 23, 2000

To: Rita Becker Licensing Administrator Nunavut Water Board P.O. Box 199 Gjoa Haven, Nu X0E 1J0



Re: License NWB2PHE0001

Ms. Becker:

Please find attached a summary report and map for our water use license. If you have any questions please call me at (204) 772-0773.

Sincerely,

Marius Mare, P. Geo. Project Geologist

Central Canada

DEONTO



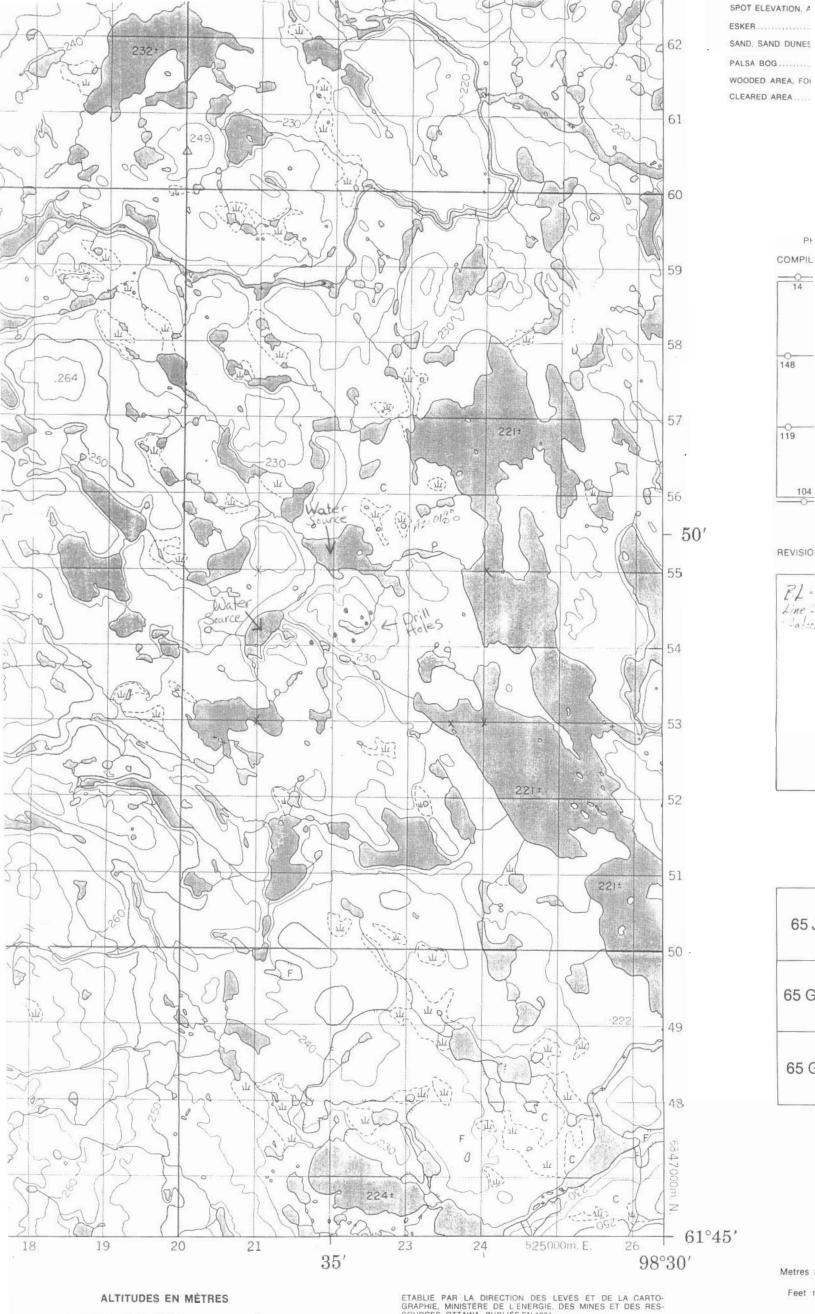
SUMMARY REPORT

WATER LICENSE NWB2PHE0001

During the period April 25 – May 10, 2000 Phelps Dodge Corporation of Canada, Limited contracted Major Midwest Drilling to diamond drill on the NOK claims in the Nowyak Lake area of Nunavut. A total of 7 holes were drilled for total of 807.18 meters. Attached is a map showing the locations of the drill holes.

The drilling program used the two lakes to the north and west for sources of water. No fuel spills occurred with absorbent matting used around all machinery as a precaution. The field personnel camped at Navigator Exploration's camp at Nowyak Lake where the core was logged, sampled and now stored. Fuel was flown to the drill sites and all unused and empty barrels were removed as was all garbage and equipment. An inspection by Phelps Dodge personnel in September 2000 indicated that all drill sites were clean and only rock cuttings indicate where the drill holes were located.

In the opinion of Phelps Dodge, the exploration program caused no adverse environmental impact.



ÉQUIDISTANCE DES COURBES 10 MÈTRES

ETABLIE PAR LA DIRECTION DES LEVÉS ET DE LA CARTO-GRAPHIE, MINISTÈRE DE L'ENERGIE, DES MINES ET DES RES-SOURCES, OTTAWA. PUBLIÉE EN 1981.

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