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DATE: January 31, 2000

Rita Becker, Nunavut Water Board TO:

FROM: Matt Rees

NWB Permit No. NWB2WEL9899, Cornwallis and Devon Islands RE:

CC:

Further to your letter of October 21st, attached are two maps showing drill hole and camp locations from our. and 1999 exploration programs (one for Devon Island, one for Cornwallis Island).

## Devon Island

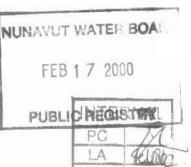
Please note on the map that the drill holes are indicated by the small black dots, while the campsite is indicated Test by the black star. The grids outline areas where we undertook detailed exploration work (geophysics, mapping, sampling). The map also shows our prospecting permits, claims and Inuit-owned Lands, as of Jan. 31st, 2000. For your reference our Crown Land Use Permit number is N1999C0058, and our IOL Land Use Permits are numbers Q99L1B08 (RB-24) and Q99L1B09 (GF-08). Please note that both Crown and QIA land use officers inspected the campsite on July 13th, 1999, and found it to be in excellent accordance with regulations.

Please note that all of the drill holes (15 total) were located at least 50 m or more from any streams or lakes. No artesian flow was encountered in any of the holes. All drill cuttings were collected in a tank-sump to avoid largevolume run-off dispersal, and any drill additives used were biodegradable or "natural" products. All sites have been returned, as close as possible, to their original condition (all that remains are small piles of drill cuttings). No significant or unauthorised spills occurred. No drilling was performed from lake-ice, and no streams were crossed by land-based vehicles. No roads or earthwork pads were constructed. We plan to continue our drilling in the 2000 season, for which a new application will be forwarded shortly.

The camp site is temporarily "mothballed", ready to be re-opened for the 2000 exploration season in support of the drilling. The grey water and sewage pits are located at 75 m and 200m respectively from any lake or stream. The salt and fuel caches are also located at least 200 m from any water. We currently use a small lake near the campsite for water supply in the kitchen and dry. Please note that this campsite was previously established by BHP Minerals in 1995.

## Cornwallis Island

On the enclosed map, drill holes are indicated by small black dots with circles, and the Eleanor River campsite is indicated by the red tent symbol. Also shown are Noranda's prospecting permits and claims (blue), and areas of IOL (green), as of Jan. 31<sup>st</sup>, 2000. Again, gridlines show the areas where detailed exploration was undertaken.



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For your reference, the Crown Land Use Permit has expired. This campsite was also previously established by BHP Minerals.

All drill holes were located at least 250 m from any water. All other details of the drill sites are the same as the description given above for Devon Island.

The campsite was not inhabited in 1999, and was completely demobilised and cleaned up last summer. Only three empty drums, a wooden pallet and a few planks remain to be removed (will be done this year). The sewage pit was located approximately 100 m from the river. The grey water pits were located approximately 30 and 75 m from the river. No fuel or salt caches remain on site.

Further to our recent correspondence, I again apologise for the tardiness of this report, and trust that it is sufficient in detail for your purposes. If I have neglected to include any relevant information, please contact me at your earliest convenience. I will mention that we did not collect any specific water quality data during our exploration program, on the assumption that it is not yet at an advanced enough stage to warrant this level of detail. A preliminary water sampling program will be undertaken in the summer of 2000.

Regards,

Matt Rees

**Project Geologist**