WET COAST CAPITAL CORP.

6th Floor, 1100 Melville Street, Vancouver, B.C. Canada V6E 4A6
TEL: (604) 689-2944 FAX: (604) 682-6509

APPLICATION SUPPLEMENT

May 31, 2001

Ms. Rita Becker,
Licensing Administrator
Nunavut Water Board
P.O. Box 119, Gjoa Haven
Nunavut X0E 1J0

Dear Ms. Becker,

Wet Coast Capital Corp. has planned an exploration diamond drill program for 2001 on its Muskox North property, located in western Nunavut, about 75 kilometres south of Kugluktuk. Estimated starting date for the program is July 3, 2001, and the work is projected to finish on October 31, 2001. This letter is an outline of the drill program, intended as a supplement to the amendment application for the Water License Application.

The drill program follows previous geophysical and geological mapping on the Muskox North property, and is intended to investigate the economic potential of the Muskox intrusion that underlies the property for platinum group metals, nickel, and copper.

The drill program will consist of one deep hole, approximately 2300 metres in depth. The drill collar will be on the south part of IOL CO62-99-03, Subarea A. The drill will be set up on a flat spot, and will be erected using a helicopter to move the equipment from

Kugluktuk. All core from the hole will be stored in a core shack, located near the drill site.

Disposal Methods

a) Combustible garbage from the camp will be incinerated in a 45 gallon drum located downwind from the camp, well above the high water mark of the lake. Combustible garbage from the drill operation will also be incinerated in a 45 gallon drum, located near the drillsite.

b) Sewage and greywater will be discharged into a sump 80 metres above high water level of the lake.

c) Non-combustible garbage and waste will be flown out of the camp. Permission has been obtained to properly dispose of the material in the Kugluktuk municipal waste site. All waste will be removed from the camp during camp operations, and no waste will be left after demobilization.

d) All discharge from the drill operations will be controlled, and is biodegradable. No discharges of any kind, whether liquid or solids, will be allowed to enter standing water bodies or drainages.

e) Apart from fuel for the camp and drill, described above, there will not be any substantial quantities of hazardous materials in the program. Small amounts of lubricants for the drill and all salt used during drilling will be stored well away from any water body or drainage under cover, near the drill. Any extra lubricants or salt will be demobilized by air from the work site once drilling is finished.

Water for the diamond drill operation will be pumped from a pond approximately 1000 metres northeast of the drill collar using a 12 horsepower diesel water pump at an average of 45 litres per minute. All water is recycled through a desilter to remove any drill cuttings and rock sludge, and recirculated back to the drill. Drill cuttings will be stored in containers until the end of the project, when they will be disposed of down the drillhole, or in the case that there is a small amount of excess cuttings not put back into

the hole, they will be buried in a sump in a recessive area well away from any water body or water drainage, and covered appropriately.

Drill additives will be purchased from Extreme Products & Drilling Supplies Inc., White Rock, B.C. A description of the drill products and their MSDS sheets is included with this letter. Extreme Products and the drill contractor, who has had extensive experience drilling in northern latitudes, have confirmed that the additives are non-toxic and biodegradable. Drill additive materials will include:

Extreme Triple E
Extreme Alkamer
Extreme Drilling Salt
Extreme Number One
Extreme Gel
Calcium Chloride
Barite Weight Material
Extreme Floxal
Extreme H.V. Salt Polymer
Extreme Super Trol
Extreme Stop LCM
Kwik-Seal LCM

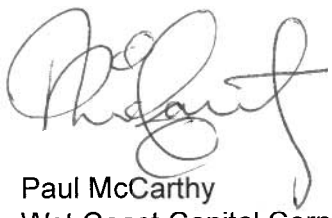
Core will be split on site. One-half of the core will be stored in a core shack near the drillhole, and the other half will be shipped to a geochemical laboratory for analysis.
A radio schedule will be kept between the camp and its expediter, Nunavut Expediting Services Ltd., located in Yellowknife. As a contingency backup, including safety and accident precautions, the radio will be monitored throughout the day by the camp superintendent, his designated assistant, and the cook. Helicopter and fixed wing aircraft call numbers will be posted in the emergency tent near the drill, and will be available in the cook tent. In case of fuel spillage, Wet Coast Capital has purchased a 45 gallon drill rig spill response kit, to be stationed with the fuel cache. In addition, an Emergency Spill Kit and Oil Sorbent Mat will be available at the drillsite in case of

spillage. A description of the emergency spill kits and oil sorbent mat are included with this letter.

As far as can be ascertained there will not be any significant environmental impacts to the land. There were no environmental or other resource impacts from the 2000 exploration program, and all Land and Water Use regulations will be followed in the 2001 program, and any potential problems will be closely monitored. Non-biodegradable materials will not be used during the drill program, and the objective is to ensure that there will be no long-term environmental effects from the 2001 exploration program, either in the camp or at the drillsite.

If there are any further questions regarding the Water Use Permit amendment, please contact me at Wet Coast Capital, or at my email address: pmc@wetcoast.com

Thank You,



Paul McCarthy
Wet Coast Capital Corp.

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

WATER LICENCE APPLICATION FORM

Application for: (check one)

___ **New** ✓ **Amendment** ___ **Renewal** ___ **Assignment**

LICENCE NO: (for NWB use only) nwb2WET0002

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

WET COAST CAPITAL CORP.
6th FLOOR, 1100 MELVILLE STREET
VANCOUVER, B.C. V6E 4A6.

Phone: (604) 689-2944
Fax: (604) 682-6509
e-mail: pmc@wetcoast.com

2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)

Same —

Phone: _____
Fax: _____
e-mail: _____

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) AREA OF EXPLORATION IN IOL PARCEL CC62-99-03, SUBAREA A, AND ADJOINING CROWN LAND TO WEST UNDER KITOKIZ CLAIMS. AREA IS ON NTS MAP SHEET 86O/3. BASE CAMP ON UNNAMED LAKE ABOUT 2000 METRES NORTH OF ALL NIGHT LAKE, WITHIN CC62-99-03, IN THE SAME PLACE AS CAMP USED IN THE 2000 FIELD PROGRAM.

Latitude: 67° 06' Longitude: 115° 21' NTS Map No. 86O/3 Scale 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

A SMALL BASE CAMP WITH A CAPACITY OF 10 PEOPLE FROM WHICH THE DRILL PROGRAM WILL BE RUN. DRILL LOCATION WILL BE ABOUT 1 00 METRES TO THE EAST OF THE CAMP, ON A FLAT AREA WELL AWAY FROM ANY WATER BODY.

5. TYPE OF UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in **"bold"**)

___ Industrial
___ **Mine Development**
___ **Advanced Exploration**
✓ **Exploratory Drilling**
___ **Remote/Tourism Camps**
___ **Municipal**
___ Power
___ Other (describe): _____

6. WATER USE

___ To obtain water
___ To modify the bed or bank of a watercourse
___ To alter the flow of , or store, water
___ To cross a watercourse
___ To divert a watercourse
___ Flood control
✓ Other (describe): _____
DRINKING AND WASHING IN CAMP. WATER SUPPLY FOR DRILL AT DRILL SITE.

7. **QUANTITY OF WATER INVOLVED** (litres per second, litres per day or cubic metres per year, including both quantity to be used and quality to be returned to source)

CAMP USE APPROXIMATELY 250 LITRES PER DAY
DRILL USE APPROXIMATELY 45 LITRES PER MINUTE WHEN DRILLING IS IN PROGRESS. ALL WATER IS RECYCLED AND DESILTED AS DESCRIBED IN THE ACCOMPANYING SUPLEMENTARY LETTER.

8. **WASTE** (for each type of waste describe: composition, quantity, methods of treatment and disposal, etc.)

SEWAGE AND GREYWATER DISPOSED OF IN A SUMP LOCATED 80 METRES ABOVE MAXIMUM HIGH LAKE WATER IN GRAVEL SOIL. ALL DRILLING WATER IS RECYCLED, AND PUT THROUGH A DESILTER. ACCUMULATED CUTTINGS AND SLUDGE IS RETURNED TO DRILLHOLE OR DEPOSITED IN A SUMP.

✓ Sewage
___ Solid Waste
___ Hazardous
___ Bulky Items/Scrap Metal
___ Waste oil
✓ Greywater
___ Sludges
✓ Other (describe): DRILLING WATER

9. **PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING** (give name, mailing address and location; attach if necessary)

Land Use Permit LICENSE No. KTL100C00L (IN 2000)
NEW LICENSE UNDER APPLICATION FOR 2001.

DIAND	___ Yes ___ No	If no, date expected	_____
Regional Inuit Association	___ Yes ✓ No	If no, date expected	JUNE 23, 2001
Commissioner	___ Yes ___ No	If no, date expected	_____

10. **PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES** (direct, indirect, cumulative impacts, etc.) WE PREDICT THAT THERE WILL NOT BE ANY NEGATIVE ENVIRONMENTAL IMPACTS

NIRB Screening ___ Yes ✓ No If no, date expected JULY, 2001

11. **INUIT WATER RIGHTS**

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement? THIS PROJECT HAS NOT, AND WILL NOT SUBSTANTIALLY AFFECT THE QUALITY, QUANTITY, OR FLOW OF WATER THROUGH INUIT OWNED LANDS

11. (Continued)

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

E. CARON DIAMOND DRILLING LTD.
7 ROUNDEL ROAD
WHITEHORSE, YUKON Y1A 3H3 — DRILL CONTRACTOR

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

ARCHIVAL SEARCH OF ALL GEOLOGICAL INFORMATION AND ASSESSMENT REPORTS RELEVANT TO THE PROJECT AREA. LIST OF REFERENCES ATTACHED.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) (LETTER FORMAT) ✓ Yes ___ No If no, date expected _____

Inuktitut/English Summary of Project ___ Yes ✓ No If no, date expected JUNE 7, 2001

Application fee $30.00 (c/o of Receiver General for Canada) ✓ Yes ___No If no, date expected

15. PROPOSED TIME SCHEDULE

✓ Annual (or) ___ Multi Year

Start Date: JULY 1, 2001 Completion Date: OCTOBER 31, 2001

PAUL MCCARTHY	CONSULTANT		MAY 31, 2001	
Name (Print)	**Title (Print)**	**Signature**	**Date**	

For Nunavut Water Board use only

APPLICATION FEE **Amount: $**_____ **Receipt No.:**

WATER USE DEPOSIT **Amount: $**_____ **Receipt No.:**

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The following is a list of references used in the study of the Muskox North property, as required under section 13 of the Water Licence Application Form.

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