



KENNECOTT CANADA EXPLORATION INC.

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March 28, 2001

NUNAVUT WATER BOARD
P.O. Box 119
Gjoa Haven, Nunavut
X0B 1J0

Nunavut Water
Board

MAR 29 2001

Public Registry

VIA FACSIMILE ONLY TO: 1-867-360-6369

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Attention: Philippe di Pizzo, Executive Director

Re: Annual Report per Nunavut Water Licences NWB2TAK and NWB2JAM

Dear Sir:

The following is a summary of work carried out on the Kennecott-Tahara JV (Hood River and Rocking Horse properties) in Kitikmeot in 2000 with specific reference to water usage.


Work was carried out in two periods on both properties, with winter exploration from March 15 to May 30 and a summer program from July 1 to September 30. Seven core holes (diamond drill holes), and 10 sonic drill holes were drilled on CO-20 on the Hood River property and 10 core holes were drilled on crown land on the Rocking Horse property. The drilling was done in winter with several holes being through ice, on lakes. Less than 5,000L/day of lake water was processed by a drill and a grey water sump on land was used.

Both the Bigfoot camp on the Hood River property and the Tak camp on the Rocking Horse property are located on crown land and covered by DIAND land use permits. The camps had up to 10 people in residence during field operations and the water used by each camp was less than 500L/day.

Assessment reports covering work are filed annually, with NTI for the IOL exploration areas and with DIAND for the federal claims. Detailed maps of the survey areas can be obtained from these reports. If there is any other information required, please contact me or the project geologists Dean Pekeski or Susan Ball.

Kennecott is conducting continued work on these properties in 2001.

Yours truly,
KENNECOTT CANADA EXPLORATION INC.


Diane J. Gregory
Land & Contracts Manager

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