



Kitikmeot Inuit Association
 Kitikmeot Inuit Katuyikatigit
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Lands Division
 P.O. Box 360
 Kugluktuk, Nunavut
 XOB OEO
 Tel: (867) 982-3310/4010
 Fax: (867) 982-3311

Bathurst Inlet
 Kingaok
 ᑭᑭᑭᑭᑭᑭ

Bay Chimo
 Ominganaktok
 ᑭᑭᑭᑭᑭᑭ

Cambridge Bay
 Ikaluktuuriak
 ᑭᑭᑭᑭᑭᑭᑭᑭ

Gjoa Haven
 Okhokrok
 ᑭᑭᑭᑭᑭᑭ

Kugluktuk
 ᑭᑭᑭᑭᑭᑭ

Pelly Bay
 Akvilikyok
 ᑭᑭᑭᑭᑭᑭᑭᑭ

Taloyoak
 ᑭᑭᑭᑭᑭᑭ

FASIMILE TRANSMISSION COVER SHEET

To: NIRB Date: Feb. 7/05

CAMBRIDGE Bay

Fax: 867-983-2594

- ☐ Jack Kaniak, KITIA Lands Manager - jkaniak@polarnet.ca
- ☒ Stanley Anablak, KITIA Lands Officer - sanablak@polarnet.ca
- ☐ Mona Tiktalek, Community Liaison Officer/Lands Clerk - monat@polarnet.ca
- ☐ Geoff Clark, Environmental Screener - geoffc@polarnet.ca
- ☐ Barbara Olson, Employment & Training Officer - bolson@polarnet.ca

Number of pages to follow this: 10

This fax sent by: _____ If you have not received all pages please call (867) 982-3310 or 4010

Comments: Kennecott Canada Exploration
file need to be screened.

(KTL305C001)

STANABLAH

**KITIKMEOT INUIT ASSOCIATION
LANDS DIVISION
APPLICATION FOR ACCESS TO INUIT OWNED LAND**

Office use only

Category	Application No:	Accepted By:	Date Accepted:

To be completed by all applicants

1. Applicant's name and mailing address (Full name, no initials or abbreviations) <p style="text-align: center;">KENNECOTT CANADA EXPLORATION INC.</p> <p style="text-align: center;">354 - 200 GRANVILLE STREET VANCOUVER, BRITISH COLUMBIA V6C 1S4</p>	Fax no. 604-696-3401 Telephone no. 604-696-3400
2. Head Office address <p style="text-align: center;"><i>As above</i></p>	Fax no. <i>As above</i> Telephone no. <i>As above</i>
3. Field supervisor and address if different from above <p style="text-align: center;">BIPLOB CHATTERJEE</p>	Telephone no. <i>As above</i>

4. Other personnel list (Subcontractors or contractors to be used)

GREAT SLAVE HELICOPTERS	Air Tindi
Peak Drilling	Peter's Expediting
additional contractors to be determined	
Total no. of personnel: +/-22	No. of person days: 1500

5. Location of activities by map coordinates. Attach ORIGINAL maps and sketches.

MAX Lat Min 00	MIN Lat Deg 67	MIN Lat Min 15	MAX Lat Deg 68
MAX Long Min 00	MIN Long Deg 90	MIN Long Min 30	MAX Long Deg 92
Map Sheet No: 56N		Inuit Land Parcel No: PD-16, 17, 18, 19	
Coordinate of camp (if applicable) Lat. 67 ° 31 ' 19 " Long. 91 ° 00 ' 27 "			
Camp proposed to be located on Crown Land at coordinates above			

GIS confirms IOL application

Revised November 1998

6. Periods of operation including periods of seasonal shut down and periods for restoration.

March 15, 2005 to March 15, 2007

7. Period of access required (up to one or two years for licenses, depending on license level, up to five years for residential/recreational leases and level I and II commercial leases, and up to forty years for level III commercial leases)

Start date

Completion Date

0 3 1 5 2005 0 3 1 5 07

8. Other rights, licenses, permits or leases related to this application. Provide proof of rights or indicate if in the process of applying for rights.

NONE

- ☐ NTI Subsurface Right
☐ DIAND Subsurface Right
☒ NWB Water License (under application)
- ☐ NRI Research License
☐ RWED Tourism License
☐ Explosives Permit

☐ CWS Permit

☒ Other - Please Specify

N2004110033

KTL204C015 & 16

9. TYPE OF LAND USE ACTIVITY

Check off the appropriate land use activities.

Mining/Oil & Gas

- ☒ staking and prospecting
☒ exploration (geophys-grd/air)
☒ drilling (diamond/ice, etc.)
☐ bulk sampling
☐ mine (open pit, undergrd, etc.)
☐ bulk fuel storage
☐ other: _____

Construction:

- ☐ camp
☐ building
☐ winter road
☐ all-season road
☐ quarrying
☐ other: _____

Tourism:

- ☐ tourism facility
☐ outfitting
☐ other: _____

Municipality:

- ☐ bulk storage of fuel
☐ residential building
☐ commercial building
☐ other: _____

Research:

- ☐ wildlife/fish/birds/marine
☐ survey (grd/aerial/collars)
☐ collection of species
☐ research station
☐ other: _____

Other:

- ☐ commercial harvest
☐ recreational camp
☐ _____
☐ _____

10. On a separate page, provide a NON-TECHNICAL project summary. This should include a non-technical description of the project proposal, no more than 300 words, in English and Inuktituk (Inuluktun, in the West Kivikmco). The project description should outline the project activities and their necessity, method of transportation, any structures that will be erected, expected duration of activity and alternatives considered. If the proposed activity fits into any long-term developments, please describe the projected outcome of the development for the area and its timeline.

11. Attach a detailed project description as outlined in APPENDIX A.
attached



Spencer Dewar
Land Administration, INAC
Building 918 PO Box 100
Iqaluit, Nunavut
X0A 0H0
Via Fax +1 (867) 975-4286
(Original to follow in the mail)

December 16, 2004

RE: Kennecott and Diamonds North Joint Venture

Dear Mr. Dewar,

Please be advised that Kennecott Canada Exploration Inc. of Vancouver, BC will be acting as agents on our behalf for the following 81 claims with respect to the Arnak Joint Venture which was announced July 13, 2004. A copy of the news release is attached:

Claim Name (inclusive)
KEN 421 to 429
KEN 431 to 439
KEN 441 to 449
KEN 451 to 459
KEN 461 to 469
KEN 471 to 479
KEN 481 to 489
KEN 491 to 499
KEN 501 to 509

If you have any questions, please do not hesitate to contact me at the number below, or via email: dale@diamondsnorthresources.com

Sincerely,

Dale Mah, P.Geol.

Cc: Bruce Kienlen (Diamonds North), Susan Ball (KEX)

510-510 Burrard Street, Vancouver, B.C. V6C 3A8
Tel: (604) 682-3311 Fax: (604) 682-3312



Spencer Dewar
Land Administration, INAC
Building 918 PO Box 100
Iqaluit, Nunavut
X0A 0H0
Via Fax +1 (867) 975-4286
(Original to follow in the mail)

December 16, 2004

RE: Kennecott and Diamonds North Joint Venture

Dear Mr. Dewar,

Please be advised that Kennecott Canada Exploration Inc. of Vancouver, BC will be acting as agents on our behalf for the following 54 claims with respect to the Arnak Joint Venture which was announced July 13, 2004. A copy of the news release is attached:

Claim Name (inclusive)	Claim Number (inclusive)
ED 97 to 150	F85051 to F85104

If you have any questions, please do not hesitate to contact me at the number below, or via email: dale@diamondsnorthresources.com

Sincerely,

Dale Mah, P.Geol.

Cc: Bruce Kienlen (Diamonds North), Susan Ball (KEX)

510-510 Burrard Street, Vancouver, B.C. V6C 3A8
Tel: (604) 682-8815 Fax: (604) 682-8816

12. Application Fees:

Land use license I

Inuit - \$ 0

Non-Inuit - \$100

☐ Land use license II - \$250

x Land use license III - \$500

☐ Commercial Lease I - \$ 500☐ Commercial Lease II - \$1000☐ Commercial Lease III - \$5000☐ Residential/Recreational Lease

Inuit - \$ 0

Non-Inuit - \$250

☐ Exemption Certificate

Land use fees: # of hectares used @ \$50.00/hectare - \$ _____

Note: The land use fee is for the amount of land used on an annual basis.

13 a) The Applicant requests a Certificate of Exemption ☐

OR

b) The Applicant agrees to be bound by terms and conditions to be attached to the Inuit Land Use License or Lease. x

Sign name in full:

Signature

Date

Tue Jul 13, 2004

Kennecott and Diamonds North Join Forces in Nunavut

VANCOUVER, July 13, 2004 -- Diamonds North Resources Ltd. (DDN-TSX Venture) announced today a joint venture agreement reached with Kennecott Canada Exploration Inc. to merge land holdings in Nunavut.

The 956,000-acre property, named Arnak ([location map](#)), is located immediately south of the Amaruk property---a joint venture between Diamonds North and BHP Billiton Diamonds Inc. in the eastern Arctic. The Arnak property now includes 616,000 acres of permits acquired by Kennecott, approximately 140,000 acres of claims (subject to a 2% royalty payable to BHP Billiton Diamonds Inc.) staked at Diamonds North's cost and 200,000 acres of claims acquired at a cost to Kennecott.

Under the terms of the agreement, Kennecott holds 74% and Diamonds North holds 26% of the Arnak property. Kennecott must sole fund the first \$5,500,000 in exploration costs over the next four years or its entire interest reverts to a 1% royalty on the 616,000 acres of permits only. Upon Kennecott completing their commitment, Diamonds North will pay its pro-rata share of the exploration and development costs.

During the first year of the joint venture, Kennecott has committed to spending a minimum of \$1,000,000 on the property. Work will include airborne geophysical coverage of the entire property and heavy mineral sampling.

This transaction is consistent with the company's business strategy of leveraging strategic property holdings and providing additional opportunity for shareholders while mitigating the initial financial risk.

Mark Kolebaba, President of Diamonds North states, "We are pleased with this strategic partnership as it positions Diamonds North as the prime landholder in this rapidly developing diamond region and provides us with the benefit of Kennecott's proven ability to discover diamonds in Canada."

This agreement is subject to acceptance from the TSX Venture Exchange and the Nunavut Mining Recorder awarding Diamonds North 80% or more of the 140,000 acre claim block.

Kennecott Canada Exploration Inc. is a Rio Tinto Group company which was instrumental in the discovery and development of the Diavik Diamond Mine in Canada.

Diamonds North is a dynamic exploration team focused on strategically advancing diamond opportunities and is determined to discover Canada's next diamond mine.

On behalf of Diamonds North Resources Ltd.

Mark Kolebaba
President & CEO

For further information, please contact:

Corporate Communications: Nancy Curry

Diamonds North Resources Ltd.

Telephone: (604) 689-2010

Facsimile: (604) 484-7143

Website: <http://www.diamondsnorthresources.com>

E-mail: mailto:info@diamondsnorthresources.com

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this news release

510-510 Burrard Street, Vancouver, B.C. V6C 3A8

KENNECOTT CANADA EXPLORATION INC.

ARNAK PROJECT EXPLORATION PROGRAM

KITIKMEOT INUIT ASSOCIATION ADMINISTRATIVE DISTRICT

Non-Technical Program Summary

Kennecott Canada Exploration Inc. (Kennecott) plans to conduct surface mineral exploration for diamonds in the Kitikmeot District of Nunavut from approximately March 15, 2005 to March 15, 2007. Kennecott was granted the mineral prospecting permits for the project area in 2004 by the department of Indian and Northern Affairs. The program will cover an area of approximately 2534 sq km contained by Latitude 67°15'00" and 68°00'00" N and Longitude 90°30'00" and 92°30'00" W. Currently Kennecott has a level II license in place to operate on Inuit owned lands on the project.

Kennecott plans to continue surface exploration consisting of soil sampling, prospecting, and airborne and ground geophysical surveys. In addition, the company proposes to carry out exploratory diamond drilling on these lands.

Planned surface exploration may include work on the following concession areas:

PB-16, 17, 18, 19

The field survey crews will consist of a Kennecott Canada Exploration project geologist with seasonal field assistants, geophysical contractors, a drilling crews. It is our hope to employ residents of Nunavut on these field crews, as we have on other exploration programs within Nunavut. We anticipate hiring for this program out of communities in Nunavut, including Taloyoak, Daker Lake, and Kugaaruk.

Kennecott Canada Exploration is committed to developing and maintaining excellent relationships with the communities affected by our exploration activities. Our company also has strict environmental policies for our own employees as well as for contractors who report to us. Protection of the land is an essential part of our exploration programs.

[illegible][illegible]

PB-16, 17, 18, 19

[illegible]

KENNECOTT CANADA EXPLORATION INC.
ARNAK PROJECT EXPLORATION PROGRAM

Kitikmeot Inuit Association

APPENDIX A

1. Kennecott Canada Exploration Inc. (Kennecott) plans to continue surface mineral exploration for diamonds on the Arnak property in Nunavut. The project area currently consists of the prospecting permit nos. 4760 to 4776 issued by department of Indian and Northern Affairs, Canada and mineral claims ED 97 – 150 and 81 of the KEN claims held by Diamonds North Resources on which Kennecott is the designated operator (see attached agency letter and press release). The program involves obtaining soil samples, prospecting, ground and airborne geophysics and exploratory diamond drilling. The project area consists of an area of approximately 2660 sq km contained by Latitude 67°15'00" and 68°00'00" N and Longitude 90°30'00" and 92°30'00" W.

2. Planned surface exploration may begin as soon as March 15, 2005 and is anticipated to continue to March 2007. Currently we have proposed three drill sites on IOL PB-19 and five proposed sites on IOL PB-16.

3. The planned program may affect the following Inuit owned lands:

PB- 16, 17, 18 & 19

No construction of structures or facilities is planned on Inuit owned lands at this time. However, an exploration camp to host up to 22 staff shall be established on Crown Land in the area of Frost Lake. Logistical support for the programs is anticipated to be provided from established Nunavut communities, in particular, Taloyoak, Baker Lake, Kugaaruk, Gjoa Haven and Repulse Bay.

Kennecott is not aware of the location of areas of biological or archeological interest, but will plan our programs accordingly when advised regarding such sites.

4. No structures will be erected on IOL without amendments to this license.
5. Soil samples will be collected manually. Core samples will be collected via diamond drilling (heli-portable rig).
6. Jet-B or Jet-A fuel shall be used in the operations of helicopter-supported sampling. Fuel transfer shall be by means of electrical pumps. It is expected to use fuel available from Nunavut communities.
7. A fuel spill contingency plan is included with application.
8. Any garbage generated would be backhauled to the applicable waste disposal facilities within base communities of Nunavut.
9. The program will be both helicopter (primarily) and fixed wing supported.

10. Kennecott is not aware of important habitat, or critical time periods regarding such habitats. Nor is it aware of historical/archeological sites within the proposed exploration area. However, Kennecott will plan our programs accordingly when advised of the locations of such sites.
11. Estimated time at each sample site is expected to last between 15-30 minutes, with little disruption of vegetation or wildlife. Drill activities may vary from 1 day to 2 weeks at a particular site.
12. No advanced exploration activities will take place under this permit.
13. Regional surface exploration is expected to cause little or no impact to surface areas. Any garbage generated by the project will be backhauled and disposed of at the appropriate facility.
14. It is Kennecott's intent to employ residents of Nunavut on exploration field crews, as we have on other exploration programs within Nunavut.