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File No: 2BE-BAF0611

March 16, 2007

Teresa Gillespie, SHE Department De Beers Canada Inc. 65 Overlea Boulevard, Suite 300 Toronto, ON M4H 1P1

Email: temp.she@ca.debeersgroup.com

Subject: De Beers Canada Inc. – Baffin North Central Project- Amendment – Type "B"

Dear Ms. Gillespie:

The Nunavut Water Board ("NWB") acknowledges receipt of your amendment application for a Type "B" water license on February 28, 2007 for water use and waste disposal associated with exploratory drilling activities and camp operations in the Qikiqtani region of Nunavut. All documents received, and pertaining to the application, can be obtained from our ftp site http://nunavutwaterboard.org/ftp/ in 2BE-EXPLORATION / 2BE-BAF. They include the following:

- cover letter dated February 28, 2007
- water license application form
- supplementary questionnaire
- project summary, English and Inuktitut
- application fee, water use fee
- maps
- water sources, water targets
- Appendix
- Spill plan and MSDS Sheets

We undertook a preliminary review of your application and conclude that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). This said, I must inform you that the NWB reserves the right to request additional information and studies pursuant to sections 48(2) of the Act or, alternatively, issue guidelines for the provision of information pursuant to section 48(3) of the Act.

A NWB Technical Advisor may be in touch with you to clarify any technical details related to your application.

This application is within an area where there is no land use plan approved in accordance with Part 5 of Article 11 of the NLCA, and is therefore not subject to the requirements of Section 38 (1) to 38 (5) of the Act.

Finally, by copy of this letter to the distribution list and the enclosed notice of application sent to the council of the municipality or municipalities most affected by your application, we invite interested persons to make representation directly to the NWB within 30 days from the date of this letter. Take note that included in the application is a Spill Response Plan as well as an Abandonment and Restoration Plan which require review and comment. The NWB may provide additional procedural instructions once the application has been reviewed by interested parties.

Sincerely,

Original signed by:

Phyllis Beaulieu Manager of Licensing

Enclosure: Notice of Application

Cc: Qikiqtani Distribution List