

DE BEERS

MEMORANDUM

TO Phyllis Beaulieu
DIVISION Nunavut Water Board

FROM Paul Hundt
DATE 20th February 2004

COPY

RE: LICENCE NWB2BAF0204 - SUMMARY

The following note summarises De Beers Canada Exploration Inc. activities and water usage on its licence NWB2BAF0204 for the period of June 2002 to September 2003. De Beers Canada Exploration Inc. activities over this period were predominantly confined to helicopter supported till sampling programs, airborne and ground geophysics and a small Reverse Circulation drill program.

Water Usage - Neergaard Lake Camp - 2002

Water usage was confined to domestic camp use. The camp was operational for 70 days, with an average of 15 people in camp over that period. An estimated maximum of 1500L per day was consumed totalling 105,000L for this period.

Water Usage - Erichsen Lake Camp - 2003

Water usage was confined to domestic camp use. The camp was operational for 99 days, with an average of 16 people in camp over that period. An estimated maximum of 1600L per day was consumed totalling 158,400L for this period. The drill program carried out over this period was with a reverse circulation system i.e. air flush drilling and no water was consumed.

Waste Disposal

All camp grey water was disposed of in sump located further than 30m from the high water mark. The grey water was passed through a grease trap before being released to the sump. All other solid waste was backhauled for disposal at the Igloolik Hamlet waste disposal site. No solid waste has been disposed off on site. Composting toilets were used exclusively for the 2002 season and



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a combination of composting toilets and pit privies were used in the 2003 season.

Inspections

During 2002 and 2003 both INAC and QIA land inspectors visited the camps and no problems were noted. Internal De Beers Canada Exploration environmental auditors visited the Erichsen Lake Camp for an ISO 14001 inspection. The camp was in compliance with our ISO 14001 standards.

Spills and Discharges

No reportable spills have occurred on the property.

Five small spills (less than 3 litres) and one larger spill (50 litres) were documented. These are recorded for awareness and training purposes. All spills were cleaned up. The incident reports for these spills are available if requested.

REVISIONS AND CHANGES

The use of the Neergaard Lake camp has been discontinued. The cleaned up site has been inspected by INAC land use inspectors. The project is based out of the main camp at Erichsen Lake. The co-ordinates of the Base Camp, Fly Camps and fuel caches are given in the table below.

Name	Type	UTM_X	UTM_Y	NAD_83 zone	Comment
Neergaard Strip	Air Strip	530235	7794123	17	discontinued
Neergaard Camp	Camp	531400	7791700	17	discontinued
Mary River Road	Cache	527567	7929892	17	6 drums
South Esker	Cache	515698	7778720	17	discontinued
Erichsen Strip	Air Strip	534390	7835837	17	
Erichsen Camp	Camp	534588	7836238	17	271 drums
Fly Camp 1	Fly Camp	403327	7922024	18	discontinued
Fly Camp 2	Fly Camp	454305	7842917	18	discontinued
North Cache	Cache	571790	7900980	17	discontinued
Ravn River	Cache	532165	7878691	17	35 drums
Mine Cache	Cache	559015	7914190	17	discontinued
Gifford River	Fly Camp	597880	7824048	16	6 drums
Fury and Hecla	Cache	479758	7793596	17	1 drum
Ivisarak	Fly Camp	529787	7831682	16	discontinued

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No changes to the project as initially outlined in the application are envisaged. In the application a general location was specified, this can be updated to

Erichsen Lake, Baffin Region, Nunavut
Camp locality 70° 37' 29.5" N and 80° 4' 16.5" W
NTS Map 47E; 1:250 000

In Part C - **Conditions for the use and protection of water**, could paragraph 1. could Lake Neergaard be changed to Erichsen Lake.

I request these changes and the updated permit to be re-issued as our environmental auditor required an exact location and not the general locality as listed on the permit.

Flow gauges are to be installed on the camp intake pump to accurately measure domestic water usage.

An updated plan map and aerial photograph of the Erichsen Lake camp are submitted for your records.

Regards

Paul Hundt
Project Geologist
Baffin Island Project

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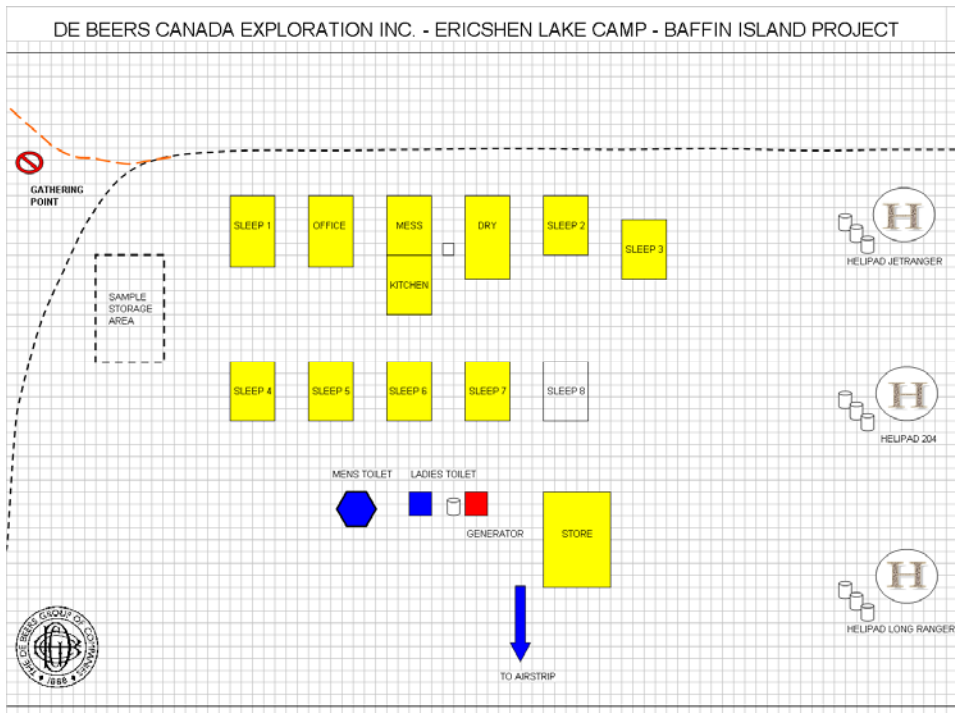


Figure1. Plan of Erichsen Lake Camp



Figure 2. Photograph of Erichsen Lake Camp