

De Beers Canada Inc. – Annual Nunavut Water Board Report for Licence Number 2BE-BAF0611

Executive Summary

In May of 2006 De Beers Canada Inc. – Exploration Division applied for a Licence to take water for the Baffin Island Project.

The purpose of the application was to obtain water for domestic use in camp and for exploration drilling.

A Licence was obtained on July 10, 2006, #2BE-BAF0611.

There were no unauthorized discharges during the course of the field season.

All drill holes were closed out.

Approximately 800 L/day of water were used for camp using a submersible pump in the lake adjacent to the camp.

The camp is still in place and a photo has been attached of the demobilization.

The location of the water sources was 529778, 7870439 NAD 83 UTM Zone 17N.

The location of the grey water pit is 529864, 7870360 NAD 83 UTM Zone 17N.

A list of locations for water used for drilling is also attached. It estimated that approximately 1250 litres of water per drill hole.