

COMMITTEE BAY RESOURCES LTD.

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07 December 2006

Mrs. Phyllis Beaulieu Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0E 1J0

Dear Phyllis

RE: Water application # NWB2CRA

NIRB: 03NE056 - Committee Bay Resources Ltd.

Please accept the enclosed Annual Report on behalf of Committee Bay Resources Ltd. For our 2006 exploration program.

Your comments and questions are always welcomed. Please do not hesitate to call.

Sincerely,

Ao Price

ANNUAL REPORT

| Date | December 7th 2006 |
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| Year being reported | 2006 |
| Licence number | NWB2CRA |
| Licensee | Committee Bay Resources Ltd. |
| Mailing address | Suite 220, 9797-45th Ave, Edmonton, AB, T6E 5V8 |
| Location of undertaking | Committee Bay Greenstone Belt |
| Name of Undertaking (if applicable): | |

The Licensee *must* provide the following information:

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; solid and hazardous waste management.

All exploration activities were conducted out of the Hayes, and Bullion Camps. Committee Bay Resources Ltd. adhered to all regulations concerning water and environmental issues and ensured that contractors and sub-contractors were also in compliance. No unauthorized discharges were conducted during the 2006 field season.

The exploration camps were occupied by no more than 35 people at any one time and daily water usage is estimated to be between 2-4 cubic metres. Water was pumped from nearby lakes into a covered, plastic receptacle from which water for cooking, drinking, and washing was drawn. When the lakes were ice-covered a hole was augured and the pump placed on the ice but removed from the ice when pumping was complete. Once the lake ice had melted the water pump was placed on the shore and removed back to camp when pumping was complete. The suction hose was outfitted with a meshed intake to prevent the uptake of sand, ice and fish and was kept off the lake bottom to prevent disturbance of lake bottom sediment.

The quality of potable water was maintained through three different practices undertaken by Committee Bay Resources Ltd. Water was stored in a plastic tank designed for water storage and was isolated from potential contamination by a screw on lid replaced after every filling. Water quality test kits were used to detect the presence of chloroform bacteria's in the potable water. Three tests were performed at each camp, once at the opening of camp, once during the camp occupation and once near the shutdown of the camp. No bacteria presence was detected. Lastly, each full tank of water was treated with approximately I teaspoon of chlorine bleach as a safeguard. No cases of nausea or diarrhea were reported to the first aid attendants. Grey water from the kitchen and washing facilities was routed by ABS piping to sumps which were located at least 30m away from the high water level of nearby lakes. The sumps were monitored and bermed to ensure they did not overflow.

Fuels stored on site included propane, Jet 8, gasoline and diesel. The fatter three were cached in the same vicinity and are differentiated by distinct barrel colors. Fuel barrels were stored on their side with the bungs horizontal and checked daily for leakage. When necessary, fuel was pumped via a wobble pump into 20-25 litre gas cans for the fueling of snow machines, an all terrain vehicle and small gas generators. Drip trays and absorbent padding was used to catch drips when fuel was being moved. Spill kits containing absorbent matting, safety gloves and goggles, plastic bags, absorbent peat and containment socks were stationed at the fuel cache, the main generator, the helicopter pad and the dril.

Strict practices were also used at the drill site regarding water usage and fuel/garbage contamination. Water consumption while the drill was operating is estimated at 7-8 gallons per minute, pumped from nearby lakes. Drill cuttings and used water was kept in natural depressions to ensure it did not flow back into surrounding bodies of water and to allow for the cuttings to settle out. No drilling on ice or drilling within 30 meters of high water level was conducted. Fuel barrels used for drill operation were placed in containment receptacles in case of fuel leakage or spill. A spill kit was kept at the drill site at all times in case of a spill emergency. All Garbage and fuel at the drill site was removed after each hole was complete, in addition, a final garbage inspection was carried out once the drill program was finished and was then burned in the incinerator.

No amendments were made to the Committee Bay Resources Ltd. Spill contingency plan.

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| ij | A list of unauthorized discharges and a summary of follow-up actions taken |
| | No unauthorised discharges occurred during the 2006 season. |
| | Two disadionised discharges occurred during the 2000 season. |
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| 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | Revisions to the Spill Contingency Plan and Abandonment and Restoration Plan |
| 1 0 March | |
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| | ogressive reclamation work undertaken |
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| 1 | amps and fuel storage sites were kept clean and tidy. Since camps are in asonal use, the camps were shut down appropriately for winter. |
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| Re | sults of the Monitoring Program including: |
| | A summary, in cubic metres, of the daily quantities of water utilized for domestic and industrial operations. |
| | Bullion camp: At max occupation (35 people), the camp was consuming approximately 4 cubic metres per day. Water was pumped from nearby lakes into 2 covered, plastic 250 gal. tanks from which water for cooking, drinking, cleaning was drawn. The tanks were filled once a day. Hayes camp: Hayes camp was used only in the spring, and then sprodically throughout the summer with minimal staff. An average of 0.5 cubic metres was used thoughout the field seaosn at Hayes camp. Water consumption while the drill was operating is estimated at 7-8 gallons per minute, pumped |
| | from nearby lakes. Drilling took place for an average of 10 hours a day and therefore used approximately 18 cu m per day. Drill cuttings and used water was kept in natural depressions to ensure it did not flow back into surrounding bodies of water and to allow for the cuttings to settle out. No drilling on ice or drilling within 30 meters of high water level was conducted. |
| 2 | The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized. |
| PARTITION IN THE PARTITION OF THE PARTIT | Bullion Camp** UTM-494850-7363850 DD*66023'30"*93007'30" Herc Strip Cache** UTM*564271*7393425 DD*66039'10"*92032'41" Hayes Camp** |
| | UTM-5646[3-7394]73 DD-66039'30"-91033'11" Ingot Camp** UTM-516500-7386100 DD-66035'40"-92037'34" Crater Camp** UTM-677781-7478788 DD-67022'19"-88051'21" Three Bluffs Drilling** |
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| | 3 | The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with industrial operations are deposited. |
| | | Bullion Camp** UTM*494850*7363850 DD*66023'30"*93007'30" Herc Strip Cache** UTM*564271*7393425 DD*66039'10"*92032'41" Hayes Camp** UTM*564613*7394173 DD*66039'30"*9[033'11" Ingot Camp** UTM*516500*7386100 DD*66035'40"*92037'34" Crater Camp** UTM*577781*7478788 DD*67022'19"*88051'21" Three Bluffs Drilling** UTM*569153*7392660 DD*66038'42"*91026'12" |
| | 4 | Any additional sampling and/or analysis that was requested by an Inspector. |
| | a recognition property and the second | NA |
| Vi | | other details on water use or waste disposal requested by the Board by ember 1 of the year being reported |
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| Vii | Any responses or follow-up actions on inspection/compliance reports | | |
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| | Once camp is open the following actions will be taken | | |
| | Hayes Camp: Secondary containment on all heating fuel drums for the sleeping tents, and the incinerator will be installed. The Dry and Kitchen Tents will be moved to the centre of the camp. | | |
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| Viii | Any additional information as appropriate | | |
| V 1111 | Drip pans are utilitised on all pumps and generators. | | |
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Date:

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