



TGX:TSX-V

TRUE NORTH GEMS

March 31, 2009

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 19
Gjoa Haven, NU X0B 1J0
867-360-6338

Dear Phyllis:

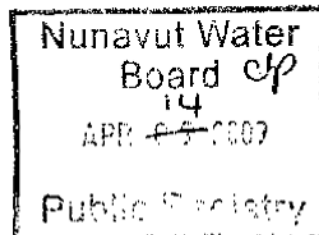
Please find enclosed the NWB 2008 Annual Water Report (2BE-CRO0813). This is our first year of reporting for this water licence.

If you have any questions please feel free to contact myself at 604-687-8055 x 108 or by e-mail, bonnie@truenorthgems.com.

Sincerely,

Bonnie Weston

Bonnie Weston
Technical Services



NWB Annual Report

Year being reported: 2008

License No: 2BE-CRO0813

Issued Date: October 30, 2008

Expiry Date: August 31, 2013

Project Name: Crook's Inlet Project

Licensee: True North Gems Inc.

Mailing Address: 500-602 West Hastings Street
Vancouver, BC V3B 8G5

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

True North Gems Inc.

General Background Information on the Project (*optional):

Licence Requirements: the licensee must provide the following information in accordance with

Part B Item 2

A summary report of water use and waste disposal activities, including, but not limited to, matters relating to water use and waste disposal, including drilling water management, solid and hazardous waste management.

Water Source(s):

Water Quantity:

5 per day

0.05 per day

Quantity Allowable Domestic (cu.m)

Actual Quantity Used Domestic (cu.m)

Quantity Allowable Drilling (cu.m)

Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

☐ Solid Waste Disposal☐ Sewage☐ Drill Waste☒ Greywater☐ Hazardous☐ Other:

Additional Details:

Nunavut Water
Board

APR 14 2009

Public Registry

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)

Date of Spill:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

There were no unauthorized discharges

Revisions to the Spill Contingency Plan

Select

Additional Details:

No changes are proposed at this time.

Revisions to the Abandonment and Restoration Plan

Select

Additional Details:

No changes are proposed at this time.

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

As work is still ongoing only seasonal abandonment and restoration has been carried out as described in True North Gems' Abandonment and Restoration Plan March 2007. Only seasonal abandonment and restoration is anticipated for the next year.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details described below

Additional Details:

Water was used only for domestic purposes - drinking, cooking, and washing dishes.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details described below

Additional Details:

All wastes were properly disposed of in the Municipality Landfill in the Hamlet of Kimmirut located at: N62°50'27.9" by W69°52'27.4"

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board



Additional Details: (date of request, analysis of results, data attached, etc)

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Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported

No additional sampling requested by an Inspector or the Board



Additional Details: (Attached or provided below)

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Any responses or follow-up actions on inspection/compliance reports

No inspection and/or compliance report issued by INAC



Additional Details: (Dates of Report, Follow-up by the Licensee)

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Any additional comments or information for the Board to consider

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Date Submitted:

March 30, 2009

Submitted/Prepared by:

Bonnie Weston

Contact Information:**Tel:** 604-687-8055**Fax:** 604-899-1240**email:** bonnie@truenorthgems.com