TGX:TSX-V

True nørth gems

March 30, 2010

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 2009 Annual Water Report (2BE-CR0813).

No additional claims were added to the property in 2009. Our Spill Contingency Plan and Abandonment and Restoration Plan have been updated and are attached for your reference.

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

Technical Services

Bonnie Westen

| NWB Annual Report | Year being reported: 2009 ▼ | | | | | |
|--|--|--|--|--|--|--|
| License No: 2BE-CRO0813 | Issued Date: October 30, 2008 Expiry Date: August 31, 2013 | | | | | |
| Project Name: | Crook's Inlet Project | | | | | |
| Licensee: True | Licensee: True North Gems Inc. | | | | | |
| Mailing Address: | 500-602 West Hastings Street Vancouver, BC V3B 8G5 | | | | | |
| | filing Annual Report (if different from Name of Licensee please ween the two entities, if applicable): | | | | | |
| True North Gems | Inc. | | | | | |
| 2008 only. Licence Requirements: the licen | n on the Project (*optional): s exploration project. Regional exploration work was completed in see must provide the following information in accodance | | | | | |
| with Part B ▼ | | | | | | |
| | and waste disposal activities, including, but not limited to: methods of eywater management; drill waste management; solid and hazardous | | | | | |
| Water Source(s): Water Quantity: | No water was used in 2009 O Quantity Allowable Domestic (cu.m) O Actual Quantity Used Domestic (cu.m) O Quantity Allowable Drilling (cu.m) Total Quantity Used Drilling (cu.m) | | | | | |
| Waste Managemen Solid Waste Di Sewage Drill Waste Greywater Hazardous Other: Additional Details: | • | | | | | |

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: | ection to an Inchesto | | | | |
| | Date of Notification to an Inspector: Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc) | | | | | |
| | There wer e no unauthorized discharges | | | | | |
| | | | | | | |
| Revisions to | the Spill Con | tingency Plan | | | | |
| | SCP addendum a | attached for Board consider | eration | | ▼ | |
| | Additional Details: | | | | | |
| | | | | | | |
| Revisions to | the Ahandon | ment and Restorati | on Plan | | | |
| TOVISIONS to | | tached for Board conside | | | ▼ | |
| | | | | | | |
| | Additional Def | tails: | | | | |
| | | | | | | |
| | | | | | | |
| Progressive | Reclamation ' | Work Undertaken | | | | |
| . rogrocorro | | tails (i.e., work comp | eted and future w | orks proposed) | | |
| | As work is still ongoing only seasonal abandonment and restoratation has been carried out as described in True North Gems' Abandonment and Restoration Plan January 2010. Only seasonal abandonment and restoration is anticipated for the next year. | | | | | |
| Results of th | e Monitorina | Program including | | | | |
| | g | . regram meraamg | | | | |
| | | , , | | seconds of latitude an | nd longitude) of | |
| | | n where sources of | water are utilized | 1; | _ | |
| | Details describe | a below | | | • | |
| | Additional De | tails: | | | | |
| | | 008 season. No work | | ing, cooking, and wash n this property in 2009 | ŭ . | |
| | The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude each location where wastes associated with the licence are deposited; Details described below | | | | | |
| | Additional Details: | | | | | |
| | n/a | | | | | |

| | Results of any additional sampling and/or analysis that was requested by an Insp | | | | |
|--|--|---------|--|--|--|
| | No additional sampling requested by an Inspector or the Board | | | | |
| ſ | Additional Details: (date of request, analysis of results, data attached, etc) | | | | |
| | | | | | |
| Any other de | etails on water use or waste disposal requested by the Board by November 1 of the y | ear ear | | | |
| | No additional sampling requested by an Inspector or the Board | | | | |
| | Additional Details: (Attached or provided below) | | | | |
| | | | | | |
| • | | | | | |
| Any respons | ses 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) | | | | |
| | nal comments or information for the Board to consider | | | | |
| | No trenching occurred in 2009 | | | | |
| | | | | | |
| Date Submitt Submitted/Pi Contact Info | Prepared by: Bonnie Weston | | | | |