



12 November 2011

Phyllis Beaulieu - Licensing
Nunavut Water Board
Gjoa Haven, NU

Dear Phyllis,

It has recently been brought to our attention by Eva Paul, (Water Resources Officer, AANDC) that you do not have on file an annual report for our 2009 exploration and water usage activities related to our Izok Project, which should have been submitted on or before March 31, 2010.

In 2009, the Ham Lake camp at Izok was occupied by only 2 geologists (then working for Zinifex) and a field team of 3 Government (Geological Survey of Canada) geologists for a period of only 3 weeks. During this time they conducted prospecting and surface mapping in the surrounding area.

The services at the Ham Lake site were not utilized during this period. The small crew operated as if in a "fly camp", making use of a small portable generator and collecting their water directly from the lakeshore for drinking and washing.

The large generators at the site, and the associated camp water system, were never activated, and the volume of water employed for domestic usage would have been minimal, given the level of activity. Water usage records are unavailable as water was collected by hand, but an educated approximation of water usage can be derived as follows:

$5 \text{ individuals} \times 100\text{L/day} = 500\text{L or } 0.5\text{m}^3$

$0.5\text{m}^3 \times 21 \text{ days} = 10.5\text{m}^3$ total water usage for the period of field activity.

Assuming both consumption and hygienic use (ie. washing), this is an over estimation for typical "fly camp" usage, but we will use these numbers nonetheless.

No drilling activity was conducted and therefor no associated industrial water usage is registered in 2009 for the Izok Project.

I can only assume that this lack of field activity resulted in the filing of the 2009 annual report to the Nunavut Water Board being overlooked.

Please if you have any further questions or comments regarding this letter, do not hesitate to contact me. I am also in the process of preparing an annual report for 2008 exploration activities (also apparently not on file with NWB) that I will be sending to you by month's end, with the hopes that it will be accepted.

Regards,



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