

05 December 2005

Phyllis Beaulieu Licensing Administrator Nunavut Water Board Box 119 Gjoa Haven, NT XOE IJO

<u>RE</u>: APPLICATION: RENEWAL OF "TYPE B" WATER LICENCE FOR KIKERK/KNIFE LAKE PROJECT

Please accept this letter and the accompanying application package as a formal request for renewal of a Type B Water Licence to obtain water for a remote camp and an exploration site, known collectively as the "Kikerk/Knife Lake property", West Kitikmeot Region, Nunavut. The current water licence for this project, #NWB2KIK0405, expires 31 December 2005. It is hoped that submission at this time will allow the Nunavut Water Board (NWB) sufficient time for renewal, so that a work programme may commence in late April-early May 2006. A cheque in the amount of \$108.00 is attached, payable to the Receiver General for Canada, to cover the application fee (\$30) and anticipated 2006 water-use fees (\$78). The current INAC land-use permit, #N2003C0037, is in effect until 01 February 2007.

It is planned to erect a temporary tent camp at the approved location (67° 00' 20" N. lat. – 113° 09' 01" W. long.) to serve a 6-week programme of core-drilling and trenching. Assuming timely receipt of NWB approval, it is planned to erect the 20-person camp during the last week of April 2006, commencing a 12-hole drill programme around 01 May; excavation of three trenches at the north and east of the Knife Lake kimberlite body is expected to occur during the last two weeks of May, with the entire programme concluding on or before 10 June 2006, at which time the camp and all equipment would be removed and the use areas restored. Should results warrant, a programme of bulk sampling by means of large-diameter drilling could occur in 2007. It is acknowledged that an amendment to the then-existing licence might be required to allow for additional water usage by the production drill, although the scope of such a programme cannot be provided at this time.

The accompanying application is comprised of: (1) An English-language Summary. (2) An Inuktitut Summary. (3) A completed NWB application form. (4) A completed NWB Exploration/Remote Camp Supplementary Questionnaire. (5) A detailed Project Description (with maps, photos and 6 appendices, including a CD-ROM containing the entire DBCE Environmental Management System), and (6) revised Spill Contingency and Abandonment and Restoration plans. This package will be transmitted to you in hard-copy via First Air air-velope, as well as digitally.

Thank you for the opportunity to make this submission. Once you have received all associated documents, please contact me if you have any questions, or require extra copies or re-transmissions.

Shirley Standafer-Pfister Lands and Government Relations Manager shirley.standaferpfister@ca.debeersgroup.com

attach.

cc: Indian and Northern Affairs, Land Administration – Iqaluit, NU

