

## **De Beers Canada Inc. – Annual Nunavut Water Board Report for Licence Number 2BE-KIK0608**

### **Executive Summary**

In December of 2005 De Beers Canada Inc. – Exploration Division applied for a Licence to take water for the Kikerk/Knife Lake Project. The purpose of the application was to obtain water for domestic use in a remote camp and for drilling operations.

A Licence was obtained on March 22, 2006. There were no exploration field activities or camp in operation during the 2006 field season. Therefore, there was no water used or disposed of.

Water sampling was conducted on Knife Lake in order to establish baseline water quality prior to drilling and trenching. Sampling took place on July 7, 2006. The water surface temperature was between 11.5 and 12.5° C.

A total of eight samples were taken, including duplicates. A travel blank and field blank were also prepared. The samples were collected in Kemmerer bottles and transferred to clean bottles and preserved. Samples were collected halfway between the surface and bottom of the Lake.

The samples were submitted to ALS Laboratory Group (formerly Enviro-Test), Edmonton as approved under the above Licence. The samples were analyzed for the parameters as set out in Licence #2BE-KIK608 with the exception of thallium and titanium which will be included in the analysis for the next sampling.

Sample locations were as follows:

| Station | UTM – mE* | UTM – mN* | Lat.          | Long.          | Location              |
|---------|-----------|-----------|---------------|----------------|-----------------------|
|         |           |           |               |                |                       |
| Knife A | 406160    | 7434231   | 67° 0' 39.60" | 113° 9' 10.80" | N end of Lake         |
| Knife B | 406008    | 7434029   | 67° 0' 32.40" | 113° 9' 21.60" | N-Central end of Lake |
| Knife C | 405840    | 7433868   | 67° 0' 25.20" | 113° 9' 36.00" | Centre of Lake        |
| Knife D | 404850    | 7433599   | 67° 0' 14.40" | 113° 11' 2.40" | Offshore of Campsite  |

Attached are the results obtained from ALS Laboratory group along with a copy of the Chain of Custody.