



March 4, 2008

Phyllis Beaulieu
Manager of Licencing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
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**De Beers Canada Inc. – Annual Nunavut Water Board Report for
Licence Number 2BE-KIK0608**

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 2007 field season. Therefore, there was no water used or disposed of.

If you require any additional information, please do not hesitate to contact me.

Thank you,

Teresa Gillespie, CCEP

