



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-KIM0609).

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

NWB Annual Report

Year being reported: 2009



License No: 2BE-KIM0609 **Issued Date:** May 5, 2006
Expiry Date: December 31, 2009

Project Name: Beluga Sapphire Project

Licensee: True North Gems Inc.

Mailing Address: 500-602 West Hastings Street
 Vancouver, BC V3B 8G5

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

True North Gems Inc.

General Background Information on the Project (*optional):

Please see the Restoration and Abandonment plan for a summary of the Project.

Licence Requirements: the licensee must provide the following information in accordance with

Part B Item 2

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

| | | | |
|------------------|--|--------------------------------------|--|
| Water Source(s): | the ocean (only brackish water was used) | | |
| Water Quantity: | 0 | Quantity Allowable Domestic (cu.m) | |
| | 0 | Actual Quantity Used Domestic (cu.m) | |
| | 40 per day | Quantity Allowable Drilling (cu.m) | |
| | 0 per day | Total Quantity Used Drilling (cu.m) | |

Waste Management and/or Disposal

- ☐ Solid Waste Disposal
- ☐ Sewage
- ☐ Drill Waste
- ☐ Greywater
- ☐ Hazardous
- ☒ Other:

Additional Details: Water was used for washing mini-bulk sampling sites,
 No drilling or fresh-water was used for exploration on the property. The provision of all domestic water and the disposal of it was provided by the municipality of Kimmirut.

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:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

There were no unauthorized discharges

Revisions to the Spill Contingency Plan

SCP addendum attached for Board consideration ▼

Additional Details:

Revisions to the Abandonment and Restoration Plan

AR addendum attached for Board consideration ▼

Additional Details:

The updated version of an approved Abandonment and Restoration plan is attached,

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

As work is still ongoing only seasonal abandonment and restoration 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, as all sites still require work.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details described below ▼

Additional Details:

Brackish water was extracted from Soper Lake 62° 51' 57.89"N 69° 53' 12.94"W and used in the bedrock cleaning of a bulk sampling site - the TNG Ptarmigan prospect. Water was transported using 5 gallon buckets.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details described below ▼

Additional Details:

All wastes were properly disposed of in the Municipality Landfill in the Hamlet of Kimmirut located at: N62°50'27.9" by W69°52'27.4". A natural sump was also employed during the hand cleaning of bedrock at the Ptarmigan site 62° 51' 57.5" N 69° 53' 12.5" W.

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board ▼

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board ▼

Additional Details: (Attached or provided below)

Any responses 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)

Any additional comments or information for the Board to consider

No trenching activity occurred in 2009.

Date Submitted:

March 30, 2010

Submitted/Prepared by:

Bonnie Weston

Contact Information:

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Fax: 604-899-1240

email: bonnie@truenorthgems.com

GPS Coordinates for water sources utilized

[illegible]

GPS Locations of areas of waste disposal

[illegible]