

**Application for a Water License for
Anglo American Exploration (Canada) Ltd.**

In February 2003, Anglo American Exploration (Canada) Ltd. (AAEC) signed a Letter of Intent with Muskox Minerals Corp (MSK) providing general terms for a potential, future exploration joint venture related to MSK's Muskox Intrusion Property. The proposed joint venture would explore the property for nickel, copper and platinum group metals.

The exploration property is located approximately 110km south of Kugluktuk, Nunavut and covers an area extending from the Coppermine River in the south to the north end of Spears Lake.

Once the formal agreement between AAEC and MSK is reached, and the various work permits are granted, AAEC will initiate a potentially multi-year exploration program on the Muskox Intrusion property starting in the summer of 2003. AAEC intends to establish a temporary 20 person exploration tent camp at the north end of McGregor Lake, the site of several historical exploration programs. Approximately 250 gallons of fresh water will be drawn everyday from McGregor Lake and used at the camp for washing and cooking. The water, once used, will be deposited behind the kitchen unit, in a natural depression well away from any body of water. A small diesel water pump with a 20-mesh screen will be used to get the water from McGregor Lake to the camp. The camp will not be equipped with any formal sewage system; therefore outhouses will be used as toilet facilities.

AAEC intends to conduct land-based drilling during the summer months. The drilling programs will be helicopter supported and the water required for the drilling, up to 3,000 gallons per day, will be drawn from the closest lake to the drill site by a small diesel pump. The drill return and cuttings will be deposited in a natural depression at least 30m from the high water mark of the nearest body of water. All muds and salts used during the drill programs will be environmentally safe. The MSDS sheets for these materials are included in the water license application.

AAEC will work with local community leaders to ensure that Inuit workers are given the opportunity to apply for seasonal employment opportunities such as camp helpers, geological assistant and core technicians. Should the

exploration programs lead to the discovery of an economic mineral deposit, additional benefits to the local communities and the people of Nunavut could arise in the form of jobs, training, education and prosperity.

AAEC and all its contractors will conduct its exploration programs with the highest degree of respect for the environment and people of the Kitikmeot Region. Details of AAEC's internal Safety, Health and Environmental Policy (S.H.E.) are available upon request.