



BHP World Exploration Inc.

Thursday, October 25, 2001

Nunavut Water Board,

**RE: Expiry and Renewal of Water Licence NWB2NAD0101**

The above water licence was for establishment of a camp on federal lands on the shore of Nadluardjuk Lake, central Baffin Island but was never exercised due to logistical problems of access. The original plan was to access the site via the abandoned West Baffin (Fox B) DEW line airstrip but the condition of the runway was not acceptable and the proposal was abandoned.

Though this permit will soon expire, we are seeking a renewal (with some changes) to cover the likelihood of again attempting to stage from the area in 2002 – pending the ability to make the necessary repairs to the strip.

Please address any inquiries regarding this application to Jeremy Howe (604) 632-1451.

Note that owing to a recent merger, the legal name of the company is in the process of revision. Formal notification from our legal department will be made shortly.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Howe", written over a horizontal line.

Jeremy Howe  
Logistics Co-Ordinator, BHP Billiton World Exploration

### Executive Summary

A programme of drilling and regional prospecting is planned. Two small diamond drills would be used at two different drill sites. The work is a first pass to assess whether the project can be carried to a stage of rigorous drilling exploration.

Some regional sampling would be done to locate possible other showings. Geophysical surveys are likely to be confined to airborne methods.

The work would be supported out of a camp for perhaps 25 people. The ideal positioning would be near the West Baffin airstrip.

It's hoped that supplies and mobilisation can be effected via the above airstrip but upgrading will be required to support cost-effectively sized aircraft. These options are currently being explored.

A small helicopter would be used to support all personnel and equipment moves.