Field Operations Division AANDC, Nunavut District Office Box 100 Igaluit, NU, XOA 0H0

18 June 2013

Christina Redhead

De Beers Canada Inc.

250 Ferrand Dr., Suite 900

Toronto, ON M3C 3G8

E-mail: chris.redhead@debeerscanada.com

RE: Water Licence Inspection: 2BE-PCD0812

Ms. Redhead,

As the Water Resource Officer for Aboriginal Affairs and Northern Development Canada in the Kitikmeot Region, Nunavut, I am currently planning my compliance inspection schedule for the 2013 field season. I would like to notify you of my intent to visit the sites associated with this licence at the Prince of Wales, Chartrand Lake, Cornwallis Island and Devon Island Projects on or around July 14-16 2013. I will be attending these sites to conduct inspections on the water and waste, mining/milling, and exploration activities related to the above water licence.

To facilitate the inspection, and as required by the Act, I would request that you provide me with the following information:

- Company contact information relevant to this project. Please include updated contact info for yourself / other head office contact and for the current project or site manager.
- Will this project be active this year?
- If so, names and positions of staff on site(s) this year?
- What is the best mode of access to your site?
- Is fuel available on site?
- *Exact coordinates (Lat/Lon hddd°mm'ss.s", in NAD 83) for all camp locations (both current and inactive), air strip/landing locations, all drilling locations, and fuel caches (both current and historic).*
- A brief description of camp sizes and level of activity at each camp.
- Applicable land use permit (LUP) numbers and leases which are associated with the water licence / projects.
- Work scheduled for the 2013 season and if no work is scheduled then a monitoring plan for any fuel and facilities on site(s).



- Information you feel is pertinent for a site visit (i.e.: camp location has changed from previous seasons, camp facilities available if overnight stay is required, site hazards or restrictions, site safety protocols, etc.).
- Any outstanding documents/commitments as per the licence?
- Any outstanding items from the last Water Licence Inspection?
- Any documents recently submitted to the Nunavut Water Board (i.e.: within the last 60 days)?

I would especially appreciate clarification on the status of this project and De Beers' intent remediate the sites and cancel the licence, or to continue with these projects. A summary of historic activities and any reclamation that has occurred with respect to these projects, under the current or the original licence will be invaluable to my planning.

This information is critical to plan and prepare for my potential site visit; a prompt reply would be greatly appreciated.

Eva Paul

CC:

Water Resources Officer, Kitikmeot Region Aboriginal Affairs and Northern Development Canada Nunavut Regional Office Building 918, PO Box 100 Iqaluit, NU XOA 0H0

Phone: 867-975-4548 Cell: 867-222-6490 Fax.: 867-979-6445

Eva.Paul@aandc-aadnc.gc.ca

Phyllis Beaulieu, Manager of Licensing - Nunavut Water Board