



March 4, 2008

Phyllis Beaulieu
Manager of Licencing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Annual Report Licence 2BE-PCD0607 – 2007 Field Season

In June of 2006 De Beers Canada Inc. – Exploration Division applied for a Licence to take water for the Prince of Wales, Chartrand Lake and Devon Island Projects. The purpose of the application was to obtain water for domestic use in fly camps.

A Licence was obtained on July 21, 2006.

Activities During The 2007 Field Season

The only activity which took place on the Chartrand Lake Project was airborne geophysics. Activities were based out of the community of Taloyoak and therefore no water was taken and no waste was deposited.

Sampling activities at the Devon Island (Cornwallis) Project were based out of the community of Resolute Bay. No water was taken and no waste deposited.

No activities took place at the Muskox Hill Project this past field season.

Thus, there was no water taken or discharged for the field season on this Licence.

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

Thank you,

Teresa Gillespie, CCEP

