IWB Annua	l Report	Year being reported: 2006 ▼
icense No[	2BE-PEL0507	Issued Date: June 20, 2006
		Expiry Date: December 31, 2007
	Project Name:	Pelly Bay Project
	Licensee: Diamo	onds North Resources Ltd.
	<u> </u>	
	Mailing Address:	510-510 Burrard Street
		Vancouver, B.C. V6C 3A8
		VOC SAO
	Name of Company	filing Annual Report (if different from Name of Licensee please clarify
	• •	ne two entities, if applicable):
	as above	
neral Bac	karound Informatio	on on the Project (*optional):
		ginally operated by BHP Billiton Diamonds Inc. until they decided
		their option agreement. In May of 2006 a request was made that
		cence (NWB2PEL0507) be assigned to Diamonds North as we
		the project. This licence was assigned to Diamonds North on
	June 20, 2006.	
-	uirements: the lice	ensee must provide the following information in accodance
th	D. 1.D.    -	
	Part B	Item 2 ▼
summary i	report of water use	and waste disposal activities, including, but not limited to:
		d greywater management; drill waste management; solid and
	vaste management	
	Water Source(s):	Cache Lake at 90 04 23W, 68 07 35N
	Water Quantity:	5 cu. m daily Quantity Allowable Domestic (cu.m)  0.5 cu. m daily Actual Quantity Used Domestic (cu.m)
		0.5 cu. m daily Actual Quantity Used Domestic (cu.m) 90 cu. m daily Quantity Allowable Drilling (cu.m)
		0 cu. m daily Total Quantity Used Drilling (cu.m)
	Waste Management	
	☑ Solid Waste Disp	osal
	☑ Sewage □ Drill Waste	
	☐ Greywater	
	☐ Hazardous	
	☐ Other:	
· -	Additional Details:	
		was confined to the camp for the purposes of washing and
		centrifugal pump was periodically used to fill 2 - 2 gallon tanks
. 11	inked in series. The	ese tanks fed an electric pump that pressurized the camp's

linked in series. These tanks fed an electric pump that pressurized the camp's internal plumbing. The centrifugal pump had an inch footvalved suction sealed in two layers of standard aluminum window screening. Pump capacity was 70 gallons a minute.

Greywater: Prior to seasonal camp closure in 2006 an insulated and heat traced tank was set into the ground in place of an original open sump. This tank is outfitted with a discharge line that allows periodic pumping of the tank contents to a depression/sump located further upland. Greywater from kitchen and laundry/shower facilities was contained in this passive sump excavated in sand. The sand assisted the regular perculation of sump fluids.

Sewage: Septic sewage was confined to three latrine pits excavated in deep sand. Pits were periodically treated with a commercial lye product and then buried at the seasonal close of the camp in September.

Solid Waste: Food leftovers and packaging was burned daily in a simple burning barrel. Non-flammables were bagged and sent to Kugaaruk for disposal in the landfill site.

Hazardous Waste: Hydrocarbon spills were the only potential source of hazardous waste. Three 45 gallon spill kits were provided at camp and fuel caches while the helicopters carried portable units. All crew members were trained on site in effective spill management.

A list of ur	nauthorized discharges and a summary of follow-up actions taken.
	Spill No.: N.A. (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)
	No unauthorized discharges or spills.
Revisions	to the Spill Contingency Plan
	SCP submitted and approved - no revision required or proposed   ▼
	Additional Details:
	Additional Details.
Revisions	to the Abandonment and Restoration Plan
	AR plan submitted and approved - no revision required or proposed   ▼
	Additional Details:
	Additional Details.

## **Progressive Reclamation Work Undertaken**

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

All drill sites have been returned as near as possible to their original state. No garbage, fuel drums or equipment has been left at any of these areas. Camp has been temporarily shutdown as exploration will continue in 2007.

Latrine pits buried at seasonal shutdown.

Laurie pilo bulleu al ocasoliai situluowii.

Empty fuel drums were progressively removed from site and flown to Churchill on backhauls or stored at the leased airport site for future removal or crushing.

Details described below	ources of water are utilized;	-
Additional Details:		<u> </u>
	c water source - 90 04' 30"W 68 07' 42	н
	s (in degrees, minutes and seconds ovantes associated with the licence ar	_
Details described below		•
Additional Details:		
Sump 90 04' 33"W 68		
Outhouses 90 04' 38"	V 68 07' 44"N	
-	nal sampling and/or analysis that wa	as requested by an I
No additional sampling requ	ested by an Inspector or the Board	
No additional sampling requ		
No additional sampling requ	ested by an Inspector or the Board	
No additional sampling requ	ested by an Inspector or the Board	
No additional sampling requ	ested by an Inspector or the Board	rached, etc)
No additional sampling requ Additional Details: (dat etails on water use or	ested by an Inspector or the Board e of request, analysis of results, data att	ard by November 1
No additional sampling requestional Details: (datable)  etails on water use or ted.  No additional sampling requestions.	ested by an Inspector or the Board e of request, analysis of results, data att	ard by November 1
No additional sampling requestional Details: (datable)  etails on water use or ted.  No additional sampling requestions.	ested by an Inspector or the Board e of request, analysis of results, data att waste disposal requested by the Board ested by an Inspector or the Board	eached, etc)

Any additional comment	s or info	ormation for the Board to consider	7
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			7
Date Submitted:	Oct. 19	9, 2006	
Date Submitted: Submitted/Prepared by:	Oct. 19 Grahan	m Gill	
Submitted/Prepared by:	Grahan Tel: Fax:	m Gill	