

**RAINBOW LAKE NICKEL EXPLORATION PROJECT
ABANDONMENT, RESTORATION PLAN
AND ANNUAL REPORT FOR 2004**

Rainbow Claims: RNB 1 – 20

District of Keewatin

NUNAVUT, NTS 65G 07 & 08

October, 2004

Report prepared for:

Nunavut Water Board

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Project Number: 608

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**Nunavut Water
Board**

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1 SUMMARY

The Rainbow Exploration Program was carried out from a temporary tented camp located on the southern shores of Cullaton Lake (98.4878°W/61.3200°N) in the Kivalliq District of Nunavut. The camp was established between July 14-25th, and was opened to support mineral exploration purposes from July 26th to September 12th, 2004. The Cullaton Lake Camp was open for a total of 62 days with a total water usage of 12,360 litres at an average consumption of 199 litres per day. All camp grey water was discharged in a frost heave bolder sump. Sunmar compost making toilets were implemented at the camp to deal with camp sewage (blackwater). All compost from the toilets were then disposed of in a hand dug sump which was filled and closed at camp shut down on September 12th.

Drilling on the Rainbow Exploration Project was based from the Cullaton Lake Camp, on Falconbridge Mineral Claims F67508 and F67509. A total of 6NQ sized diamond drill holes were completed totalling 1012m, with a total of 10 drilling and water use days. A total of 251,843 litres of water was used to complete the diamond drilling program. All drill sites were cleared on completion of drilling and environmental inspections, and site restoration completed on the drill sites. The drill machine was demobilised from the drill site to the Cullaton Lake Airstrip for winter storage on September 12th. Minor calcium chloride was required on this drill program as the water was heated during the drilling process to avoid freezing, and no significant permafrost was intersected.

2 PROJECT DESCRIPTION

The Cullaton Lake Camp was established to support the Rainbow Mineral Exploration Project on mineral claims RNB1-20. The Falconbridge claims are located 21km west of the Cullaton Lake Camp. The camp was established at this location due to its close proximity to the Cullaton Lake Airstrip. The Rainbow Project area is located 260 km to the west of Arviat, Nunavut, and 380 km northwest of Churchill, Manitoba. Field support for the camp and exploration activities was provided via aircraft charter from Churchill and Thompson in Manitoba, and locally by a Bell Long Ranger Helicopter which transported field crews from the camp to the work area on a daily basis.

Geological prospecting, sampling and mapping was completed, this was then followed by ground and airborne geophysical surveys culminating in a diamond drill program commencing on August 25th and completing on September 5th. Figure 1 below shows the regional location of the project.

Figure 1. Rainbow Nickel Project Location

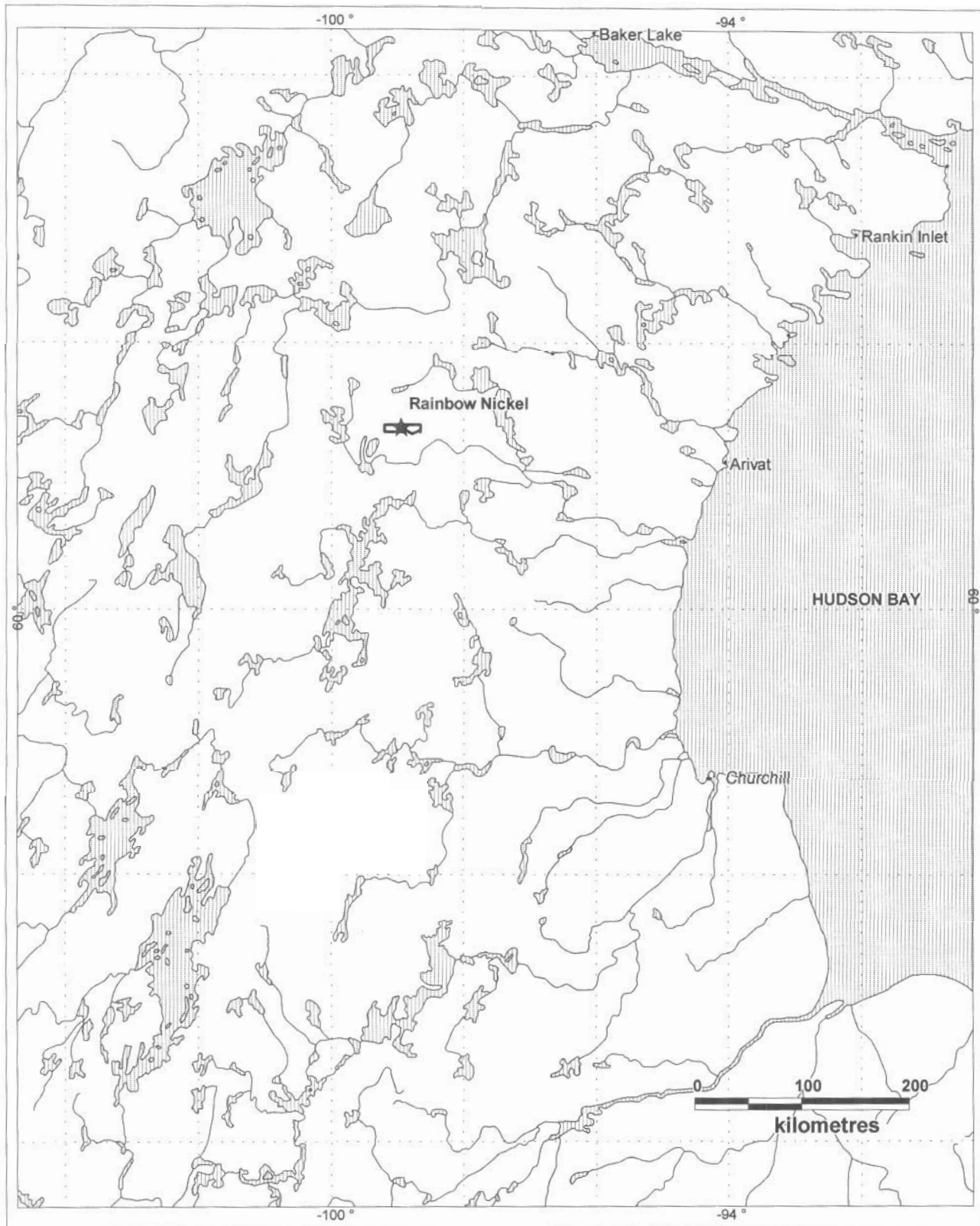


Table 1 presents the timetable of exploration and water use activity on the Rainbow Project.

The Cullaton Camp is located on Crown Land at 527,425m E/6,798,540m N (NAD83, UTM Zone 14). Drilling activities were complete on Inuit Owned Surface Rights Land Package AR-36. For the camp activities a Land Use Permit N2004C0031 was obtained from the Department of Indian and Northern Affairs. A successful Environmental Inspection was carried out by Mr. Henry Kablalik (RMO Level III) on July 26th. The camp was winterised on September 12th and left until the 2005 season.

Table 1. Rainbow Project Exploration and Water Use Activity

Camp Name	Exploration And Camp Activities	Total Camp Man Days	Total Days Camp Open	Total Water Usage (liters)	Average Liters Per Day (l/day)
Cullaton Camp 527,425m E 6,798,540m N (NAD83, UTM Zone 14)	July 14 to September 12th, 2004	824	62	12,360	199
Exploration Diamond Drilling	July 25th to September 10th			251,843	25,184

3 CAMP OPERATION

The camp was established between July 14th to 25th. Exploration activities were conducted from the camp from July 26th. The field crew demobilisation on September 12th. The camp was left on location and secured for the winter. No activity will take place at the camp until 2005. During the camp operation total water usage was 12,360 liters for a total of 824 man days. Water was used for camp cooking, personal hygiene and drill core cutting. All grey water was disposed to a natural frost heave boulder sump. The camp remains in place at 527,425m E/6,798,540m N (NAD83, UTM Zone 14). Once exploration activities are completed in the area the camp will be demobilized.

4 2004 DRILLING

Drilling on the Rainbow project totalled 1012m in six NQ sized diamond drill holes. Drill contractor Major Midwest based in Winnipeg completed the drilling on the Rainbow Project in 2004. Table 2 below shows the final GPS location of these drill holes. All coordinates are in NAD 83 Datum, UTM Zone 14 coordinates. Map 1 attached shows the location of the drill sights and camp. The maximum hole length in 2004 was 213m. Water for drilling was drawn from local lakes using a Boyles BP-25 Water Pump configured to provide the drill with a total of 2,058 litres per hour of drilling. Due to the lack of permafrost, and a propane heating system installed on the water pump system, minimal salt intake was required to complete the 1012m of drilling. Map 1 attached shows the location of the 2004 activities.

Table 2. Drilling Locations and Water Usage

HoleID	Easting	Northing	Elevation	Total Depth	Start_Date	Finish_Date	Total Water Usage Days	Water Usage
RB04-01	506275	6801432	282	113	25/08/2004	26/08/2004	1.0	24570
RB04-02	506108	6801389	283	200	27/08/2004	28/08/2004	2.0	49140
RB04-03	505404	6801231	291	161	29/08/2004	31/08/2004	1.5	36855
RB04-04	505308	6800855	291	200	1/9/2004	3/9/2004	2.0	49140
RB04-05	506317	6801347	288	213	4/9/2004	7/9/2004	2.5	61425
RB04-06	506200	6801375	285	125	9/9/2004	10/9/2004	1.3	30712.5
Totals							10	251,843

5 2004 DRILL SITE RESTORATION AND ENVIRONMENTAL PLAN AND 2004 INSPECTIONS

All drill sites and campsites are inspected on completion of the activity in line with Falconbridge and Government Environmental Policy. Each drill hole is inspected for garbage, fuel spills and disturbance of the environment. Where necessary sites are cleaned and restored either by the drill contractor or by Falconbridge personnel. On completion of drilling Falconbridge conducts audits of each drill sight to ensure Environmental Compliance. Attached to this report is a copy of the Falconbridge Environmental Compliance Form and Checklist. These checklists are signed by both Falconbridge and the drill contractor once the sights are satisfactorily cleaned and restored. Photographs of each sight are attached to each sight inspection.

On completion of the 2004 Rainbow Project Drill Program all drill equipment was demobilised from the drill sites to the Cullaton Lake Airstrip. Falconbridge Environmental Compliance Forms and Inspections of each site were completed satisfactorily for all sights. Photos 1 to 6 below document each sight after final inspection and signoff.

7 CONTACT DETAILS

For further information feel free to contact the Project Geologist responsible for this program, as follows:

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Project Geologist
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Laval, H7L 5A7
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Map 1 – Rainbow Project, Drill and Camp Locations - 2004

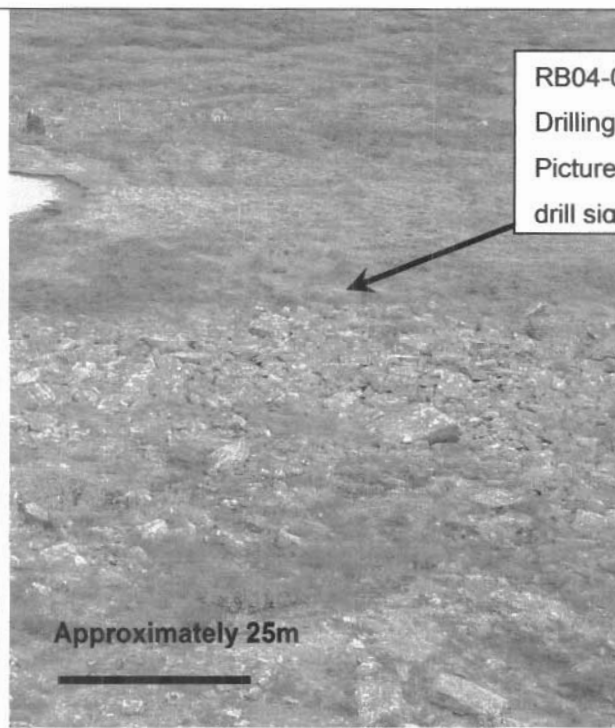
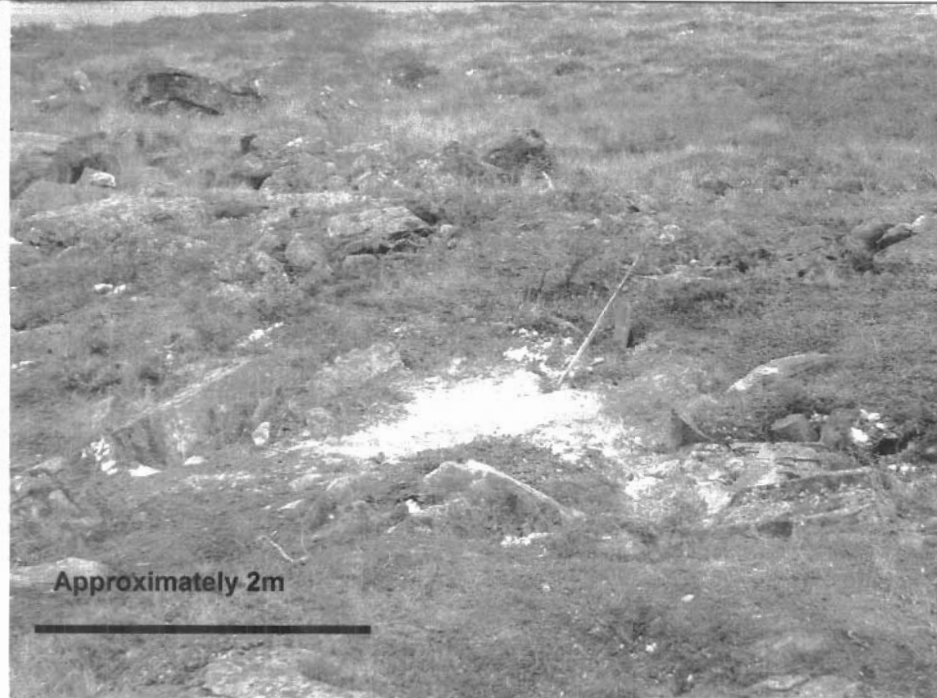
Photo 1: Drill Site RB04-01

Location: 6801432m N/506275m E (NAD83, UTM Zone 14)

Date of Photo: 8/10/2004

Dates of Drilling: 25/8/04 to 26/8/04

Comments: Drill site clean, surficial mud on surface only



RB04-01

Drilling completed 26/8/2004

Picture taken from helicopter of
drill sight on 6/9/2004

Photo 2: Drill Site RB04-02

Location: 6801389m N/506108m E (NAD83, UTM Zone 14)

Date of Photo: 8/10/2004

Dates of Drilling: 27/8/04 to 27/8/04

Comments: Drill site clean, surficial mud on surface only

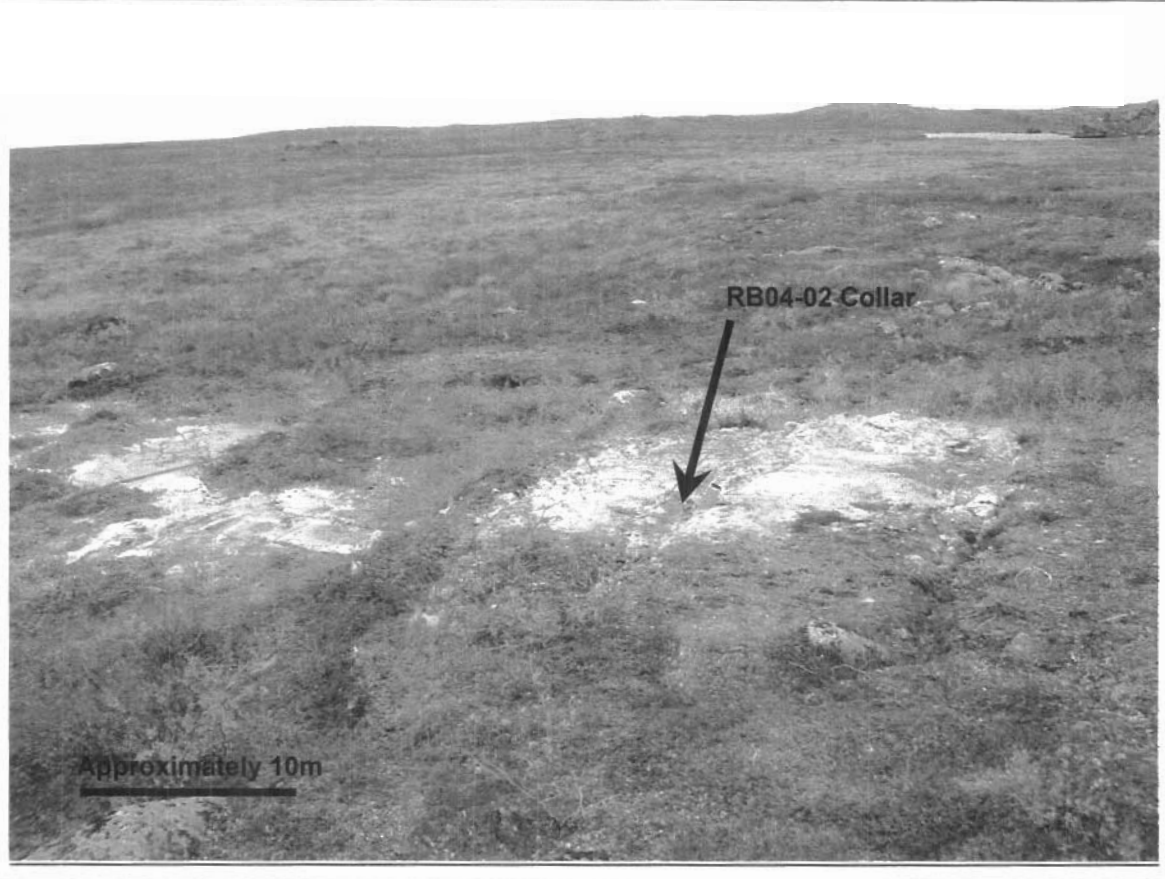


Photo 3: Drill Site RB04-03

Location: 6801231m N/505404m E (NAD83, UTM Zone 14)

Date of Photo: 8/10/2004

Dates of Drilling: 29/8/04 to 31/8/04

Comments: Drill site clean, surficial mud on surface only

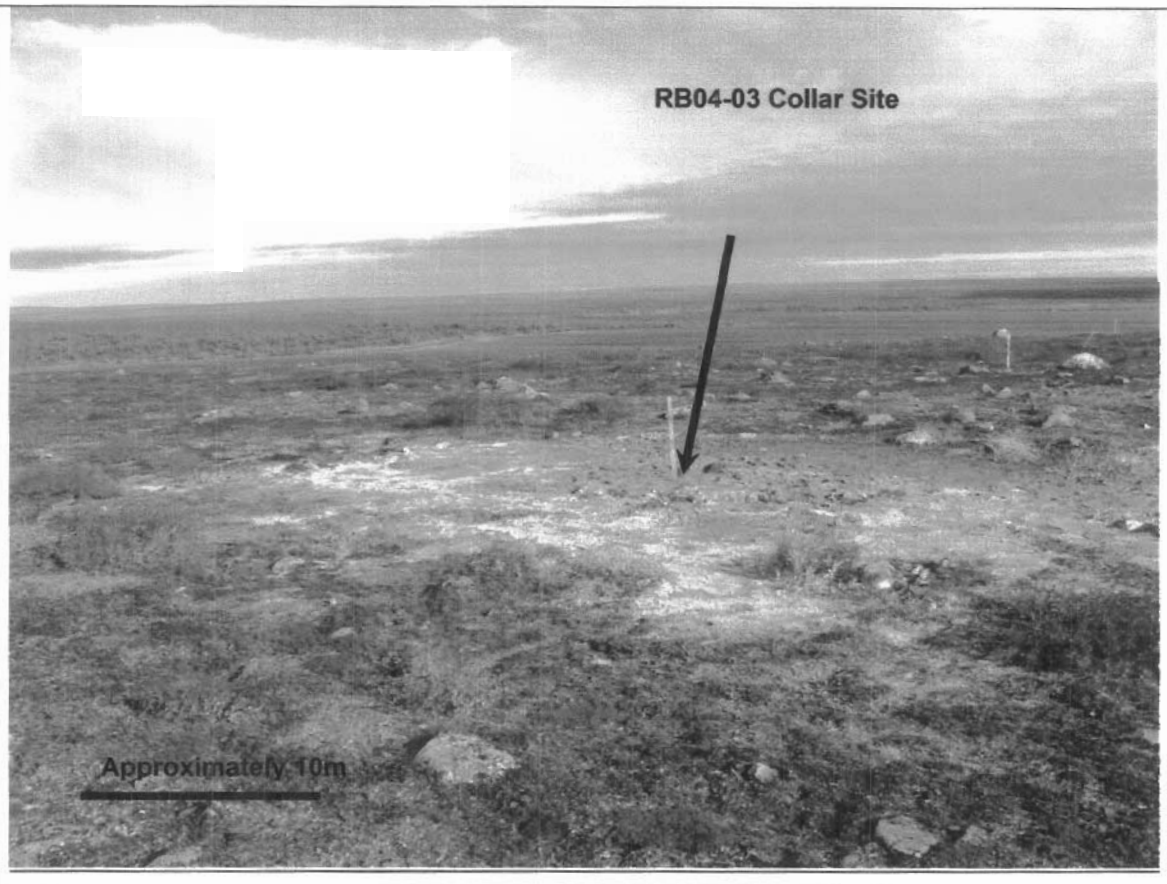


Photo 4: Drill Site RB04-04

Location: 6800855m N/505308m E (NAD83, UTM Zone 14)

Date of Photo: 8/10/2004

Dates of Drilling: 1/9/04 to 3/9/04

Comments: Drill site clean, surficial mud on surface only

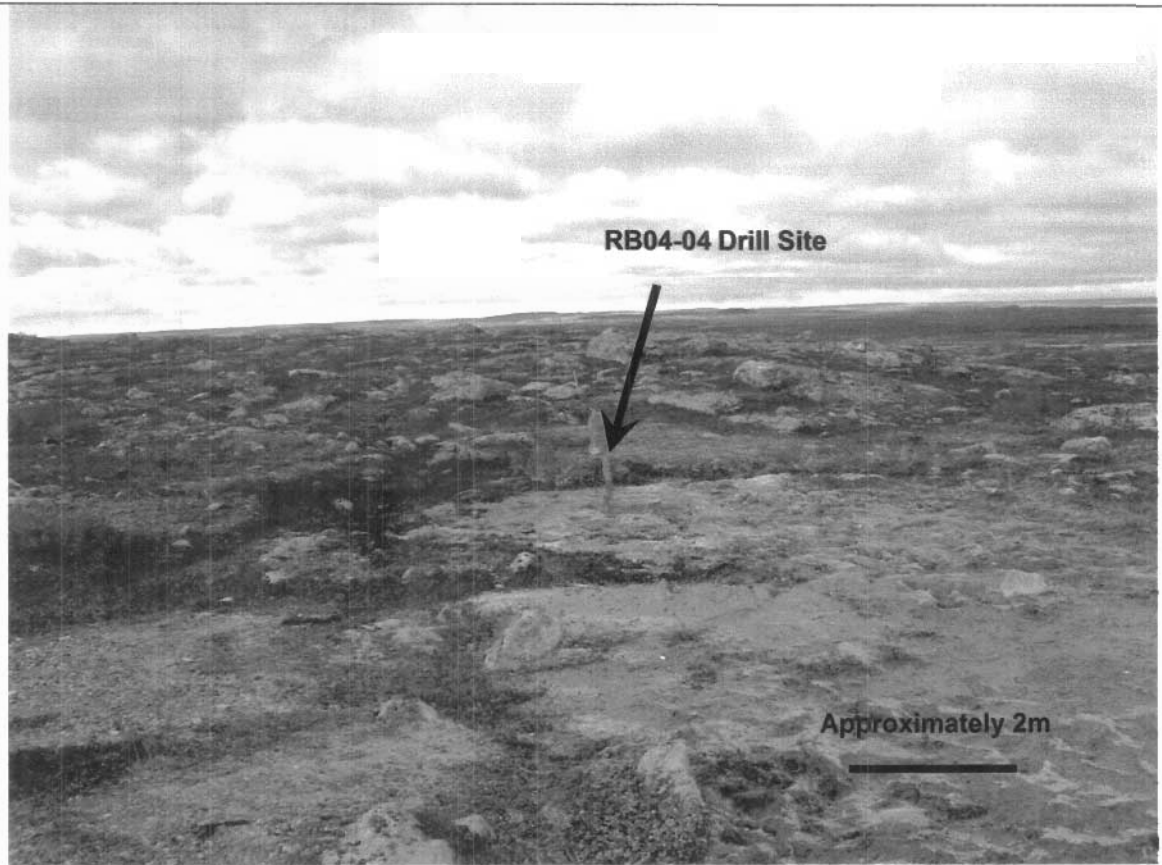


Photo 5: Drill Site RB04-05

Location: 6801347 m N/506317 m E (NAD83, UTM Zone 14)

Date of Photo: 8/10/2004

Dates of Drilling: 4/9/04 to 7/9/04

Comments: Drill site clean, surficial mud on surface only

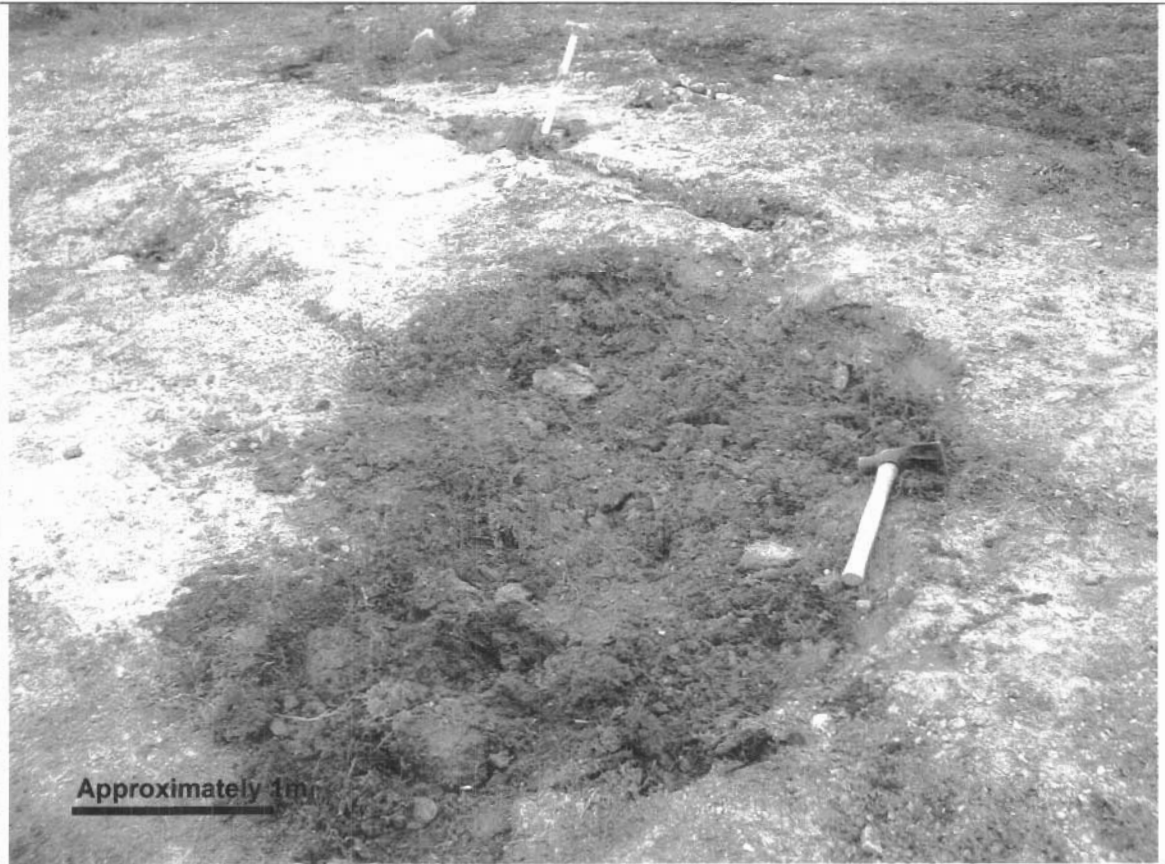


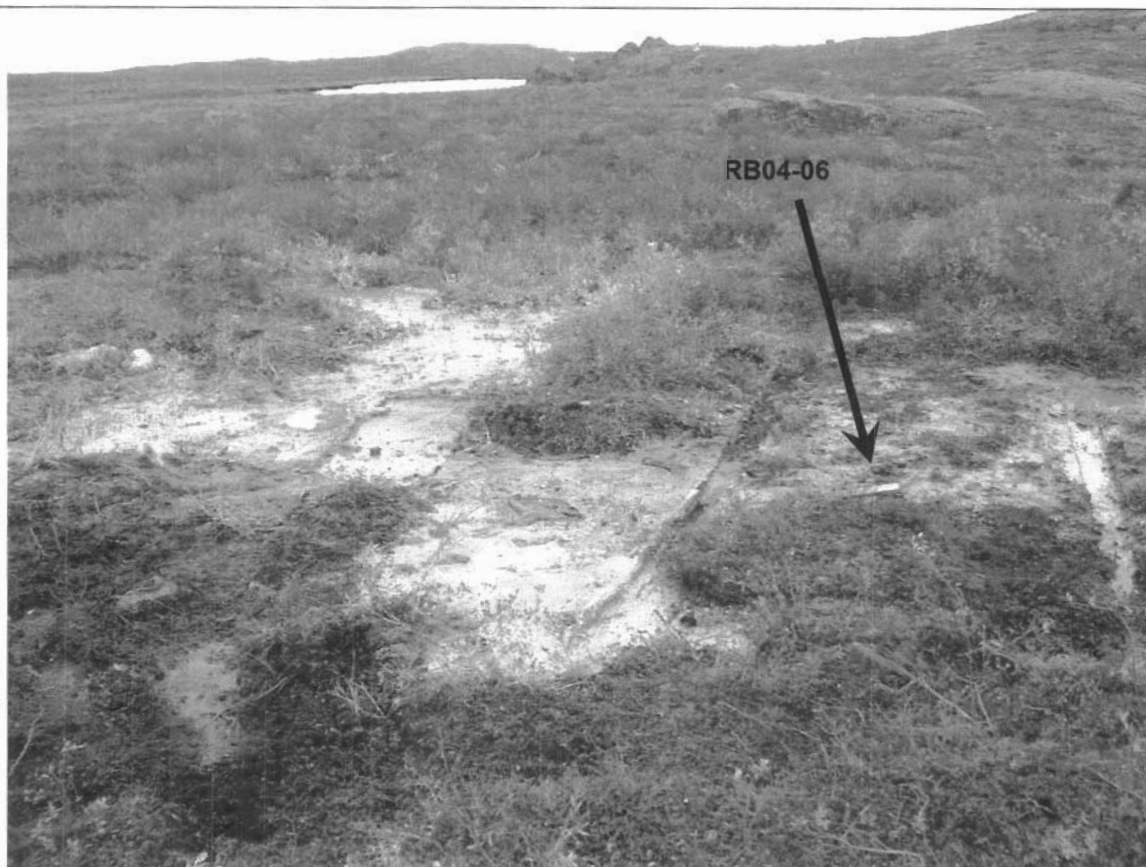
Photo 6: Drill Site RB04-06

Location: 6801375 m N/506200 m E (NAD83, UTM Zone 14)

Date of Photo: 10/10/2004

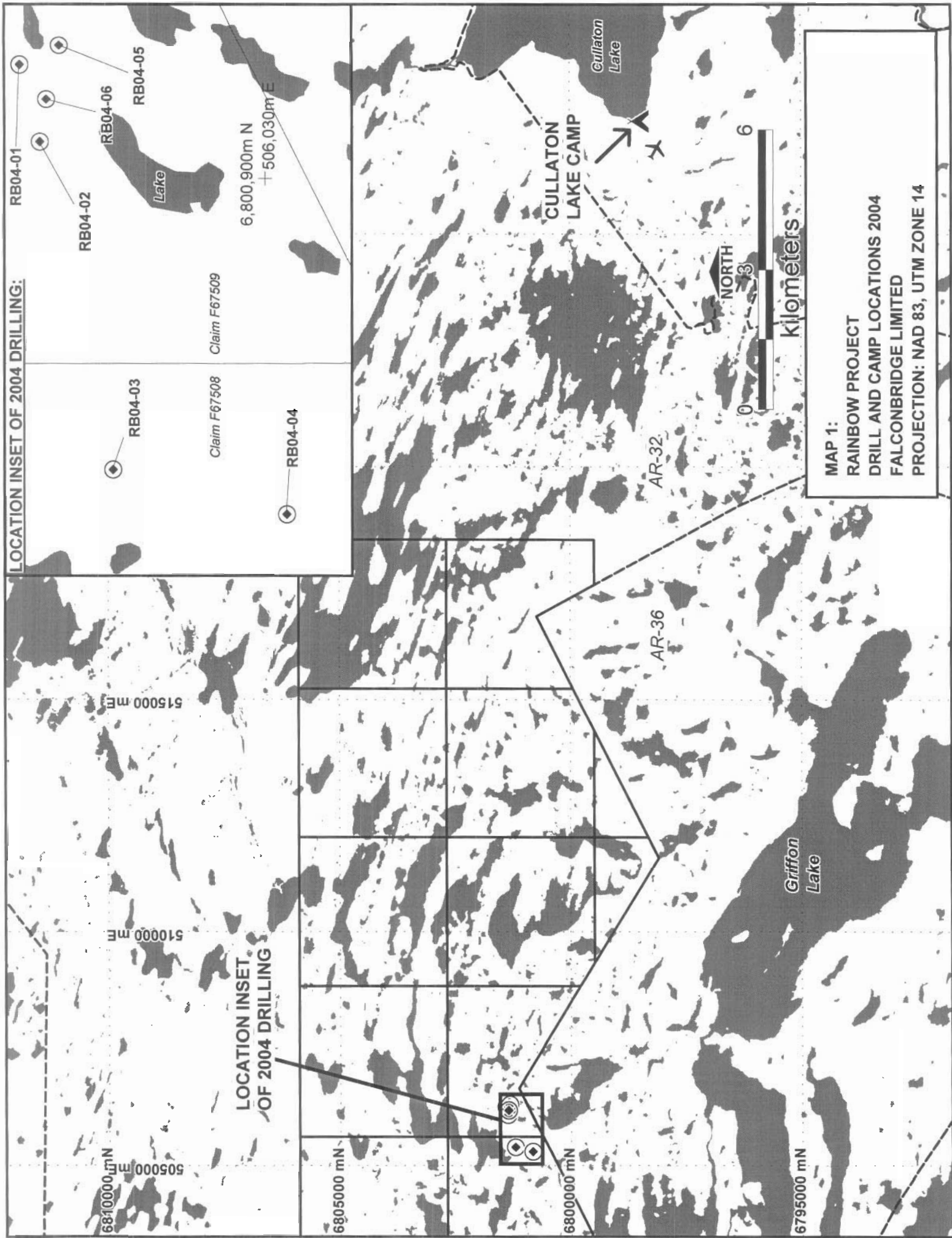
Dates of Drilling: 9/9/04 to 10/9/04

Comments: Drill site clean, surficial mud on surface only



6 SCHEDULE OF ACTIVITIES AND FUTURE PLANS

Falconbridge Limited plans on carrying out further exploration in the area in 2005, therefore the Camp will remain located at Cullaton Lake until this program is completed. At this stage a timetable and description of the 2005 activity is not yet formulated however exploration work will consist of similar activities to those completed in 2004 and described in this report. All further drilling on the project will be carried out in accordance with the Falconbridge Environmental protocol.



LOCATION INSET OF 2004 DRILLING:

RB04-01

RB04-02

RB04-06

RB04-05

RB04-03

RB04-04

Claim F67508

Claim F67509

6,800,900m N
+506,030m E

LOCATION INSET
OF 2004 DRILLING

CULLATON
LAKE CAMP

Cullaton
Lake

AR-32

AR-36

Griffon
Lake

NORTH

0

3

6

kilometers

MAP 1:
RAINBOW PROJECT
DRILL AND CAMP LOCATIONS 2004
FALCONBRIDGE LIMITED
PROJECTION: NAD 83, UTM ZONE 14



FALCONBRIDGE LIMITED
EXPLORATION

ENVIRONMENTAL COMPLIANCE FORM
DRILL SITE

HOLE NO.: _____

Property:

Project Number: _____ ; Project Name: _____

Land Status:

☐ public: _____ ; ☐ private: _____
(owner name)

Authorization (permit):

☐ MER: _____ ; ☐ MENVIQ: _____ ☐ Lands/Forest: _____
☐ Other: _____ if private: authorization letter/ ?

Contractor:

Name: _____ ; Dates drilled: _____

Location:

NTS: _____ ; Township: _____ ; Rg: _____ ; Lot: _____
UTM zone: _____ ; _____ N; _____ E
Claim #: _____ ; Line: _____ ; Station: _____

General Description:

Site on: ☐ land; ☐ lake
Access by: ☐ land; ☐ airborne

If by land, elaborate on access road. (indicate camp site, stream crossing, and others) (attach map)

Responsability:

Geologist responsible for drill program: _____

Geologist/Geotechnician responsible for site inspections:

I, _____ certify that all drilling procedures were done according to Falconbridge Limited guidelines and have met all terms and conditions of all government permits and that the site was left in a clean condition, in compliance with all Noranda and government work permit standards.

Contractor's Signature

Date

I, _____ certify that I inspected the drill site and access road on the _____ of _____, 19 ____, after the drill had been removed, and that to the best of my knowledge all Falconbridge Limited and government permit standards have been met.

Site Inspector's Signature

Date

COMMENTS:

Attachments: Photos _____ Field Notes: _____ Maps: _____ Sketches: _____ Other: _____ None: _____

DRILL SITE INSPECTION CHECKLIST

HOLE No.: _____

Overall appearance of the drill site clean _____ unclean _____

Comments: _____

Drill collar

casing left	yes _____	no _____	
capped	yes _____	no _____	
making water	yes _____	no _____	
damaged	yes _____	no _____	
picket with aluminum			
tag affixed	yes _____	no _____	
casing pulled/date _____	yes _____	no _____	
hole cemented/date _____	yes _____	no _____	
drill cuttings	comments _____		
were drilling additives used?	yes _____	no _____	
were oil licks used (absorbent carpeting)?	yes _____	no _____	

Debris left (specify/circle)

metal, wire, rods, cans, cable	(amount/area/severity etc.)	comments _____
fuel drums	comments _____	_____
containers from oil, kutwell, grease	comments _____	_____
tools, machine parts	comments _____	_____
core boxes	comments _____	_____
plastic tarps	comments _____	_____
burlap, work gloves, clothing	comments _____	_____
garbage bags	comments _____	_____
food containers/wrappers	comments _____	_____
absorbent padding/mud	comments _____	_____
other comments	comments _____	_____

Spills (collar and water supply)

oil yes _____ no _____	(amount/area/severity etc.)	comments _____
fuel yes _____ no _____	comments _____	_____
grease yes _____ no _____	comments _____	_____
mud yes _____ no _____	comments _____	_____

All reportable spills

authorities notified?	yes _____	no. _____
Falconbridge	yes _____	no. _____
MENVIQ	yes _____	no. _____
MER	yes _____	no. _____

Fire pit (collar and water supply)

applicable	yes _____	no. _____
all contents burnt	yes _____	no. _____
contents remaining unburnt:		
wire	yes _____	no. _____
cans	yes _____	no. _____
foil	yes _____	no. _____
other	yes _____	no. _____

Specify _____

Water

proximity of collar to running water or lake
approximate slope of ground
condition of sump or berm
would silt clay run off into water
if heavy rain occurred

yes _____ no. _____ Uncertain _____

Should the site be re-examined when snow
has melted, water level lower etc.?

yes _____ no. _____ Uncertain _____

Suggested date: _____

DATE OF INSPECTION - first _____ second _____ other _____

INSPECTED BY - first _____ second _____ other _____

FURTHER CLEANUP REQUIRED no _____ yes _____ by contractor _____ by Falconbridge _____

ADDITIONAL COMMENTS: on access road, stream crossings, composites:

Signatures:

Geologist in charge of program (in field)

Date

Project or Senior Project Geologist
(if applicable)

Date

District Geologist/Manager (mandatory)

Date