

MONOPROS LIMITED

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Yellowknife, NWT
Canada, X1A 2P8**FACSIMILE MESSAGE****TO:** NUNAVUT WATER BOARD**FAX NO:** (867) 873-9031**FOR:** Phillipe di Pizzo**REF:** #4030, #4046**FROM:** Shirley Standafer Pfister, Claims and Land
Use - NWT**No. of Pages (incl. Cover sheet)** 9**DATE:** 02 November, 1999

RE: **COPY OF APPLICATION MATERIALS SENT TO KIA -
ROCKINGHORSE LAKE PROJECT**

Greetings, Phillipe, I hope these materials reach you. Enclosed please find a copy of my cover letter to the KIA with regard to obtaining a new land-use permit to replace #196C096, a copy of a brief project summary (for translation, if necessary), a short project description and a copy of my application form.

I sent my complete application to the KIA today.

With regard to Water Licence #NWB2ROC, what more do I need to submit to you, other than the attached materials? You indicated to me, during our conversation in October, that you agreed that the Rockinghorse Lake Project had not changed in scope (it hasn't) and thus does not need to be rescreened. There would seem to be no advantage to submitting an entirely new Water Licence application.

If I submit to you a detailed cover letter, in addition to the materials I am sending you now, would that be sufficient to initiate application for a new water licence? I also have maps of the general areas where drilling next year is planned, but no targets yet - as drilling would not occur before March.

Thanks in advance for your assistance.

Regards,

-- ssp

attach.

Monopros Limited**a De Beers Company****TEL.: (867) 873-4530****FAX: (867) 873-4532****P.O. Box 2520****Yellowknife, NT X1A 2P8**

31 October, 1999

Jack Kaniak
Lands Manager
Kitikmeot Inuit Association
Box 315
Kugluktuk, Nunavut XOE 0E0

RE: APPLICATION FOR LAND-USE PERMIT, ROCKINGHORSE PROJECT

This letter, as per my previous conversations with you and Lands Officer, Stanley Anablak, represents a request for continued access to lands comprising the Rockinghorse Project of Monopros and which lands were covered under KIA Permit #196C096. A cheque for \$1,000 is attached, and is intended to cover the cost of Year 1 of Land Use Licence Level III (at \$750) plus the cost of our small tent camp (\$50) and drillholes (\$150). Although no drilling is planned on Inuit-Owned Lands (IOLs) in 2000, drilling fees are included, in case future drilling is warranted on that portion of the property lying within IOLs. (Maps, provided in duplicate, depict the general region, claim block and proposed drilling areas for the year 2000).

There is no change to the project as originally conceived and authorised under #196C096, which is the staged exploration of the Rockinghorse Lake property and adjoining mineral claims of the Hood River property. Together, this block comprises the "Rockinghorse Project"; this project consists of sediment sampling, geophysical surveying and target drilling on both Crown and Inuit-Owned Lands (IOLs) which lie within the project area. The project's fly in base camp is located on IOL.

Most drilling on the property has occurred on Crown Lands. The upcoming programme is intended to operate between March and May, 2000. Up to a maximum of 15 holes will be drilled in prospective lake-based targets on Crown Land; precise collar co-ordinates will be given in advance of programme startup.

This author already has discussed with Philippe DiPizzo of the Nunavut Water Board our desire to continue the Rockinghorse Project and to continue use of water for camp operation and exploratory activities.

As the Rockinghorse Project still is in progress, restoration activities, of course, must be delayed until the project concludes. At this juncture, restorative measures are confined to general camp maintenance and seasonal cleanup and closure. Drillsites are cleaned up as soon after rig move-off as possible.

Wildlife sightings have been sparse throughout this project; should activities of note be observed, complete information will be conveyed promptly to regulators and to the Kugluktuk Hunters and Trappers Organisation. Regarding public information, Monopros intends to visit Kugluktuk in advance of the field programme, and commits to hiring up to several local individuals, depending on the final size of the project, which may range from 12 to 15 persons.

Thank you for the opportunity to present our application, 300-word summary, project description and maps. (If translation of the summary is required, kindly invoice Monopros for the reasonable cost thereof).



Shirley Standafer Pfister spfister@monopros.ca
Claims and Land Use - NWT and Nunavut

attach.

MONOPROS LIMITED ROCKINGHORSE LAKE PROJECT SUMMARY

From the early 1990s until the present, Monopros Limited, a Canadian diamond exploration company, has prospected and explored in the Rockinghorse Lake/Hood River area from our regional office in Yellowknife. Monopros has held Land Use Permits for mineral claims on both Crown and Inuit-Owned Lands (IOLs) for the purpose of operating a fly-in base camp, conducting sediment sampling, air and ground surveying and core drilling of identified targets. Most of the claims (about 70%) lie north of the IOL boundary line, on Crown land; a permit to operate on those lands was obtained in 1994. The remaining claims (about 30%) lie south of the IOL boundary, on Inuit lands; a permit to set up a base camp and explore on these lands was obtained in 1996. These claims lie in the following NTS areas and parcels: 76E, 76L, 86H, 86I, CO-05 and CO-40.

Though our three-year-old Land Use Permit on Inuit lands is expiring, Monopros would like permission to continue its exploration activities under a new permit. That is the reason for our request.

The programme has not changed since it first was described to the Kitikmeot Inuit Association (KIA) and hamlet of Kugluktuk in 1996; the project also has been screened by the Nunavut Impact Review Board (NIRB). Monopros plans to continue to explore for diamond-bearing kimberlite deposits on the same mineral claim block as before, and in doing so, intends to continue working co-operatively with the KIA and the people of the Kitikmeot.

What is proposed for the late winter-early spring of the year 2000 (March to May) is a drill programme to extract core from areas of interest sampled during the summer of 1999. It is planned that further sampling occur in the summer of 2001 and further exploration drilling in 2002.

MONOPROS LIMITED

ROCKINGHORSE LAKE PROJECT PROJECT DESCRIPTION

INTRODUCTION

Monopros Limited, a Canadian company with a regional office in Yellowknife, has prospected and explored for diamonds in the Rockinghorse Lake/Hood River area of the Slave Geological Province throughout the 1990s. Monopros would like to continue that activity, and by means of the accompanying application, requests continued permission to access Inuit-Owned Lands (IOLs) that lie on or within its exploration area – those areas being CO-05 and CO-40. The Monopros base camp located at 65°58'48" (lat.) and 111°45'00" (long.) is within the IOL portion, or southeast corner, of the project area.

STATUS OF PERMITS AND AUTHORISATIONS

Monopros maintains a Land Use Permit (*#N97C696*) for exploration on mineral claims it holds on Crown Land in Nunavut ("Rockinghorse Lake property") and a separate Land Use Permit (*#196C096*) issued by the Kitikmeot Inuit Association (KIA) on those claims which straddle the IOL boundary or lie south of it. KIA permit *#196C096* expired on 09 October, 1999; the Crown permit still is active. In addition, Monopros holds an active water-use authorisation from the Nunavut Water Board (*#NVWB2ROC*) in order to use water for camp domestic activities and for drilling. Although the water licence still is active, Monopros will be seeking a new authorisation from the Water Board.

In addition to exploration on our own claims (*TAK 1*, *TQ* and *TL* claims), Monopros also explores on certain mineral claims within the same area held by Inmet Minerals under an option agreement; these claims (the *TK* and *MOR* claims) are collectively known as the "Hood River property" and are located entirely on Crown Land. In total, there currently are 172 active claims: 144 on the Rockinghorse property and 28 on the Hood River property.

PROPOSED ACTIVITIES AND THEIR NECESSITY

In order to determine if the claims area holds economic potential, active exploration comprised of surficial sediment sampling, airborne and ground geophysical surveying and exploratory drilling of numerous targets is necessary; without this level of care and effort, the three known kimberlites (*shown on the accompanying claims map*) would not have been discovered. Without further field exploration, additional kimberlites cannot be discovered and the economics of the area remains unproven.

Furthermore, the remote location of the property, harsh weather conditions and short summers mean that many more field seasons are required to find and understand resources than would be required in southern Canada.

A diamond drilling programme consisting of one small core rig drilling a maximum of 15 lake-based holes in five areas of the property is planned; all drilling will occur on Crown Land. No drilling is planned to occur on IOLs in the coming year. Either Midwest or Peak will be used as the drilling contractor, extracting NQ-sized core, which will be logged on site and flown out for analysis. A followup till sampling programme is scheduled for 2001 on selected areas of the property and further drilling in 2002, under a programme similar in scope to that of 2000.

DURATION OF PROJECT

As the Rockinghorse project is ongoing, the maximum length of time for land access is requested – that being two years (from 2000 to 2002), plus the option to extend the access for an additional year.

Rockinghorse Lake Project Description (cont.)

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The year 2000 programme is planned to commence in March and conclude in May, while sufficient ice cover remains. At seasonal closure, the Rockinghorse camp will be completely shut down and secured.

METHOD OF TRANSPORTATION

The drill, equipment, fuel drums and personnel will be moved from site to site by helicopter; it is expected that Great Slave Helicopters of Yellowknife will provide this service, as in the past. A single helicopter (Hughes 500D) will be based at the Rockinghorse camp and deployed to drillsites during the programme. Fixed-wing service will be required to mobilise, supply and demobilise the Rockinghorse camp and to transport core samples; it is expected that Air Tindi of Yellowknife will provide this service. A Twin Otter will be deployed on a regular basis.

Around camp, transportation will be by snowmobile; two Bravo snow machines will be flown into camp for this purpose.

As this is a fly-in drill programme, there are no viable alternatives to these modes of transportation.

CAMP AND STRUCTURES

The Rockinghorse camp (*see accompanying maps, application form and the Introduction to this document*) is a small fly-in tent camp located at the east end of a small, unnamed lake within claim *TL 91*. It consists of 13 structures: An office, kitchen, dry (for washing and laundry), storage tent, core shack, generator shed, lavatory/outhouse and seven sleep tents. The generator shed contains two Lombardini generators, of 16 and 20kw capacity. A bear fence is maintained around the campsite for safety; however, the camp is kept in a clean and tidy condition during operations, so as not to attract bears. A survival tent for weather-safety purposes is maintained in the vicinity of Muskox Lake southwest of camp.

FUEL STORAGE

A fuel storage area (drums of diesel and Jet-B fuel) is located within the camp and is sited the required distance from shore. There is no other fuel cache on the property. Current fuels on site are 150 drums of diesel (standard 200L size), 25 drums of Jet-B and 12 cylinders of propane (standard 100lb or 45kg size). It is anticipated that 50 additional drums each of diesel and Jet-B will be required and 20 additional cylinders of propane. Oils required for the generator and snow machines are stored in the generator shed. Oils and greases required in the drilling operation are stored and secured at drillsites. Spill kits and pads are present where fuel is transferred, and transfer is by means of hand wobble or electric pump.

POTABLE WATER, GREY WATER AND WASTES

Potable water is stored in the dry in a 1,136.5L (250gal) holding tank, supplied by self-insulated 5cm (2in) line. Greywater line is insulated within a plywood utilidor and outfalls to an authorised sump (1mX1mX1.5m) covered with a plywood top.

There are two Pacto toilets in the outhouse. Bagged toilet wastes are incinerated, as are all combustible wastes. Combustibles are burned in a diesel-fired incinerator (45gal/200L sized drum). Non-combustible garbage, including used oils and metal waste, is flown out.

POTENTIAL PROJECT IMPACTS

Potential impacts of this exploration project locally, regionally and to the hamlet of Kugluktuk approximately 220km away, are minimal. The closest "settlement" is Echo Bay's Lupin Mine, not currently in operation, which lies 25km from the southeastern edge of the property. Together, the camp and drillsites amount to only a few hectares, and the period of activity during any one year is limited. As per best practice, guided by the long-standing Monopros Environmental Policy, areas used are reclaimed when use ceases. In sampling, for example, overburden is replaced over hand-dug holes immediately after till is extracted, so that there is no chance that grazing animals, such as caribou, may trip and fall. In the case of drillholes, holes are grouted and the small amount of water and sediment and oil that collects on ice during lake-based drilling is soaked up with absorbent pads or heat-steamed. Cleanup materials are flown out and properly disposed of. Both the Rockinghorse camp and drillsites are regularly inspected by federal and KIA land use inspectors.

The health and wellbeing of wildlife is of great concern to Monopros in all our operations. If caribou enter an area where work is proceeding, all work will cease until the caribou move on. Although the project area offers limited esker habitat, Monopros is aware of the importance of this habitat to bears, wolves, foxes and prey mammals, and limits habitat disruption wherever possible. Favourable esker habitat is located further south, off the property, at the south end of Rockinghorse Lake.

In regard to heritage sites, there are no known archaeological sites on the property and no known deposits of carving stone.

SPILL CONTINGENCY PLAN

The Monopros spill contingency plan is contained within its Environmental Policy (see *Appendix I*); the plan is informed by our commitment to avoiding spills where possible, prompt action when spills occur and utmost concern for human health and safety, and the environment. The Monopros Environmental Policy is contained within an Environmental and Safety Policies and Procedures Guide, which is kept on site for reference by the Rockinghorse project manager and all staff and visitors, and has been made available to all regulators.

BENEFITS TO INUIT

In all its projects, Monopros hires locally to the extent possible. As the Rockinghorse project is still at the exploration stage, there are fewer opportunities for non-technical employment than with a more advanced project. Currently, it is planned that up to two individuals from Kugluktuk will be hired during the programme of March-May, 2000. Monopros also plans to visit Kugluktuk in advance of the programme to discuss what is planned. If and when the project expands, the opportunities for direct employment, service provision and other benefits also will expand. Whatever the project outcome, Monopros looks forward to a co-operative relationship with the citizens of the Kitikmeot.

KITIKMEOT INUIT ASSOCIATION

APPLICATION FOR ACCESS TO INUIT OWNED LAND

Office use only

Category	Application No:	Accepted By:	Date Accepted:
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To be completed by all applicants

1. Applicant's name and mailing address (Full name, no initials or abbreviations)		Fax no.
SHIRLEY STANDAFER PEISTER (LAND USE ADMINISTRATOR)		(867)
MONOPROS Limited		873-4532
Box 2520		Telephone no.
YELLOWKNIFE, NT X1A 2P8		(867)
		873-4530
2. Head Office address		Fax no.
MONOPROS Limited		(416)
#1 William Morgan Drive		423-9944
TORONTO, ON M4H 1N6		Telephone no.
		(416)
		423-5811
3. Field supervisor and address if different from above		Telephone no.
CRAIG NICHOLSON (PROJECT GEOLOGIST)		[YELLOWKNIFE
[YELLOWKNIFE ADDRESS -- ABOVE]		PHONE # - ABOVE]
4. Other personnel list (Subcontractors or contractors to be used)		
GREAT SLAVE HELICOPTERS (HELICOPTER)		
AIR KING (Fixed wing)		
DRILLING CONTRACTOR (MIDWEST or PEAK)		
(DRILLERS, 2 geologists, COOK, HELICOPTER CREW, local camp attendant(s))		
Total no. of personnel: MAXIMUM of 15 No. of person days: MAXIMUM of 92 days x 15 people = 1,380		

5. Location of activities by map coordinates. Attach ORIGINAL maps and sketches.

MAX Lat Min 17.5'	MIN Lat Deg 65°	MIN Lat Min 50'	MAX Lat Deg 66°
MAX Long Min 47'	MIN Long Deg 111°	MIN Long Min 39'	MAX Long Deg 112°

Map Sheet No: 76E + L, 86H + I

Inuit Land Parcel No: C0-05, C0-40

Coordinate of camp (if applicable) Lat. 65° 58' 48" Long. 111° 45' 00"

6. Periods of operation including periods of seasonal shut down and periods for restoration.

I. OPERATION: MARCH-MAY, 2000 (SHUT DOWN REST OF YEAR)

II. OPERATION: JULY-AUGUST, 2001 (" " " ")

III. OPERATION: MARCH-MAY, 2002 (" " " ")

IV. RESTORATION: WHEN PROGRAMME COMPLETES *

7. Period of access required (up to one or two years for licenses, depending on license level, up to five years for residential/recreational leases and level I and II commercial leases, and up to forty years for level III commercial leases)

Start date

Completion Date

01/MAR/2000

01/OCT/2002

8. Other rights, licenses, permits or leases related to this application. Provide proof of rights or indicate if in the process of applying for rights.

- ☒ NTI Subsurface Right # I96C096 ☐ NRI Research License
☒ DIAND Subsurface Right #N97C656 ☐ RWED Tourism License
☒ NWB Water License #NWB2R0C ☐ Explosives Permit

- ☐ CWS Permit
☐ Other - Please Specify

(With this application, Reapplying for rights to explore on Inuit lands)

* Seasonal cleanup after each field season + final CLEAN up and RESTORATION at the end of land use.

9. TYPE OF LAND USE ACTIVITY

Check off the appropriate land use activities.

Mining/Oil & Gas

- ☒ staking and prospecting (continued)
☒ exploration (geophys-grd/air) (continued)
☒ drilling (diamond/ice, etc.) (continued)
☒ bulk sampling (future, if warranted)
☐ mine (open pit, underground, etc.)
☐ bulk fuel storage
☐ other: _____

Construction:

- ☒ camp (existing)
☐ building
☐ winter road
☐ all-season road
☐ quarrying
☐ other: _____

Tourism:

- ☐ tourism facility
☐ outfitting
☐ other: _____

Municipality:

- ☐ bulk storage of fuel
☐ residential building
☐ commercial building
☐ other: _____

Research:

- ☐ wildlife/fish/birds/marine
☐ survey (grd/aerial/collars)
☐ collection of species
☐ research station
☐ other: _____

Other:

- ☐ commercial harvest
☐ recreational camp
☐ _____
☐ _____

10. On a separate page, provide a NON-TECHNICAL project summary. This should include a non-technical description of the project proposal, no more than 300 words, in English and Inuktituk (Inuinakturn, in the West Kitikmeot). The project description should outline the project activities and their necessity, method of transportation, any structures that will be erected, expected duration of activity and alternatives considered. If the proposed activity fits into any long-term developments, please describe the projected outcome of the development for the area and its timeline.

11. Attach a detailed project description as outlined in APPENDIX A.

(see attached)

12. Application Fees:

- ☐ Land use license I -
 Inuit - \$ 0
 Non-Inuit - \$100
☐ Land use license II - \$250
☒ Land use license III - \$750
- ☐ Commercial Lease I - \$ 500
☐ Commercial Lease II - \$1000
☐ Commercial Lease III - \$5000
- ☐ Residential/Recreational Lease Inuit - \$ 0
 Non-Inuit - \$250
☐ Exemption Certificate

Land use fees: # of hectares used @ \$50.00/hectare = $\$150 (\text{dilling}) + \$50 (\text{camp}) = \$250$

Note: The land use fee is for the amount of land used on an annual basis. *total fees: \$1,000*

13. a) The Applicant requests a Certificate of Exemption ☐

OR

- b) The Applicant agrees to be bound by terms and conditions to be attached to the Inuit Land Use License or Lease. ☒

Sign name in full:

Signature

(official signature of:)

SHIRLEY STANFORD PETER

LAND USE ADMINISTRATOR for NWT and Nunavut
MONOPROS Limited,

Date

3) Oct 1999