DE BEERS CANADA EXPLORATION INC.

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30 September, 2002

Phyllis Beaulieu Acting Lands Administrator Nunavut Water Board Box 119 Gjoa Haven, NT XOE IJO

RE: APPLICATION FOR NEW WATER LICENCE #NWB2ROC0002 (Water Use - Koamaogaktok/Napaktulik)

Please accept this letter, the enclosed application fee of \$30.00 and the application form to follow as a formal request for renewal of the above water-use authorisation for the Rockinghorse Property. This represents an ongoing exploration programme and there is no change to the nature or scope of the activity, with the minor exception of the addition of 34 claims, known as the "RHL" and "NQ" claims, which represent the first new claims added to the block in eight years.

No "unusual" activity is planned for these new claims; initial sediment sampling with hand tools is scheduled to be conducted in summer, 2002, once the new claims have been recorded in the name of the De Beers Canada Exploration (DBCE). There typically would be several seasons of sampling prior to conducting any ground geophysics or diamond drilling.

Thus, it should be possible to renew the existing licence, simply appending the new claims to the authorisation, as water use associated with these claims would be minimal (i.e., samplers would carry their own daypacks into the field, and a camp would not be required).

Where possible, documents, appendices and other attachments will be e-mailed, with FAXing of some documents possible. First Air airvelope priority packets (such as containing this cover letter and cheque) would be used as a last resort. Many of the appendices and attachments will be familiar to administration and to the Board, as application for a new Kitikmeot Inuit Association (KIA) land-use licence was made in December, 2001, and project plans and details have changed little since that date.

Thank you for the opportunity to make this submission, and for the Board's continued co-operation. Please contact me, if you have any questions during or after the submission process.

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