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January 6, 2005

Biplob Chatterjee, Project Geologist
Kennecott Canada Exploration Inc.
#354 – 200 Granville Street
Vancouver, BC

Nunavut Water
Board

MAY 16 2005

Public Registry

Subject: 1 only 20-Person Exploration Camp

Dear Sir,

First, thank you very much for your patience! Please accept our apologies for the delay in providing this quotation.

Weatherhaven is very pleased to provide the requested price and product information. All pricing is provided in Canadian Dollars, FOB our Burnaby, BC factory. GST is extra.

The pricing provided is based upon the attached drawings. All the items shown on the individual building drawings is included in our price.

Our approach in designing this Camp has been to maximize energy efficiency. To that end, we have taken a number of steps, which we will detail as follows:

1.) Double Insulation over the Shelter Barrel

The “backbone” of your Camp is our Weatherhaven Series 4 Shelter, the most versatile Shelter model we manufacture. A three-layer – inner liner, insulating layer, outer cover – cover system is standard on the Series 4. A three-layer cover system allows us to use R-10 when calculating heat loss in a standard, insulated Series 4 Shelter.

For your Camp, all the Shelters have a four-layer barrel cover. With our four-layer system, we add another layer of insulation between the inner liner and outer cover. A four-layer cover system has an inner liner; two layers of Reflectix insulation and an outer cover and the two layers of insulation are overlapped to better “seal” the building. When we estimate the heat load required in a Series 4 Shelter with a four-layer cover system, we use R-20.

2.) Fiberglass Bat Insulation in the Floors

Included in our cost provisions for your Camp is the supply of Weatherhaven Prefabricated Wooden Floors for all individual buildings. Our standard insulation for these floors is a single layer of Reflectix - a aluminum foil-coated bubble-wrap -, which sits on top of the floor joists and under the plywood sub-floor.

For your Camp, fiberglass bat insulation will be stuffed between the floor joists, which is the same technique used in residential construction all over Canada. This, again, adds more insulating “R” value to the Shelters in your Camp. Obviously, higher “R” values mean greater thermal efficiency, which translates to lower operating costs for your generator.

3.) Fluorescent Lighting

All lighting – including any screw-in lights – will be high efficiency fluorescent. Again, the objective is to minimize electrical load, thereby reducing generator fuel consumption.

Of course, given the Arctic environment in which your Camp will operate, where possible, all fluorescent lights will have low-temperature ballasts.

We have designed your Camp to be “single-fuel”. All heating, hot water tanks, food prep and storage equipment is electric. This means the only fuel required to operate the Camp is diesel to fire the generator.

It is our experience that all-electric Camps are easier to operate, both from a day-to-day maintenance perspective and a logistics perspective. On logistics side, with an all-electric Camp, generally speaking it is much easier to coordinate the shipment and storage single fuel versus a couple types of fuel. From a day-to-day maintenance perspective, electric heating is much cleaner and safer than for example, oil-fired radiant heat and, in terms of cooking times, commercial grade electric ranges are only very slightly less efficient than propane. At temperatures below 0°, though, an electric stove’s very slightly slower cooking times are more than offset by the gas storage requirements of propane stoves.

Our pricing includes the distribution of electrical power throughout the Camp. We are assuming that power will be provided to our 120/208v 3-phase 4-wire 60hz 300amp distribution panel, located in the Kitchen Shelter. From this point, power will be distributed throughout the rest of the Camp on Weatherhaven provided distribution cables. Note that the distribution cable provided is based upon the attached Site Plan. The Electrical Kits supplied by Weatherhaven are all pre-harnessed and are “plug-together”. They are designed such that they can be field installed safely and quickly by non-electricians.

The estimated fully loaded kilowatt draw for your Camp is 114kw. As such, we recommend an 85kw generator for power generation. Given the energy saving measures we have made in designing this Camp, it is quite likely that your Camp’s operational power requirements will be much lower, especially in the summer months. That being said, there may be other loads in the Camp that we are not aware of. Further, any future Camp expansion may take any excess generating capacity.

All food preparation and storage equipment in the Camp is industrial quality and supplied in sizes and quantities consistent with proposed occupancy loads.

Included in the Shower Shelter is an in-line water filtration / UV sterilization system. Water from source will through a 5-micron filter, then a 0.5-micron filter and then will be sterilized by UV light. Potable water for the Camp will be stored in a 2000liter water storage tank located inside the Shelter.

Pricing is as follows:

1 only 16'x36' Weatherhaven Series 4A Kitchen Shelter (As per Drawing No. KDR-120904*1056)

Price: \$56,485.00

1 only 16'x20' Weatherhaven Series 4A Shower Shelter (As per Drawing No. ABL-120904*0304)

Price: \$40,009.00

1 only 14'x16' Weatherhaven Series 4A Latrine Shelter (As per Drawing No. ABL-121004*1101)

Price: \$26,341.00

1 only 16'x20' Weatherhaven Series 4A Core Shack (As per Drawing No. COR-120904*0203)

Price: \$21,185.00

1 only 14'x16' Weatherhaven Series 4A Office Shelter (As per Drawing No. OFC-120904*0243)

Price: \$13,875.00

5 only 14'x16' Weatherhaven Series 4A Sleeper Shelters (As per Drawing No. SLR-120904*0216)

Price: (\$18,921.00 ea.) \$94,605.00

1 only Set Electrical Site Distribution Materials

Price: \$9,375.00

Total: \$261,875.00

Packaging: \$6,000.00

Gross Shipping Volume: 130 cubic meters

Gross Shipping Weight: 24,600 kilograms

We have a made preliminary provision for power generation costs. This estimate assumes two 90kw generators – one prime and one back-up –, both complete with sound attenuated enclosures, a 1,250liter double-wall fuel tank and a 16'x36' Weatherhaven Generator Hut, mounted at grade on 6'x6' timbers. Also included in our estimate is an allowance for 200' of power connection cable, which will run from the generator to the main distribution panel in the Kitchen. Our price for this equipment is \$122,152.00. We are referring to this number as preliminary as it can, and likely, will change, depending on your preferences and requirements. After some further discussions, we can refine this number to more accurately reflect your actual specifications.

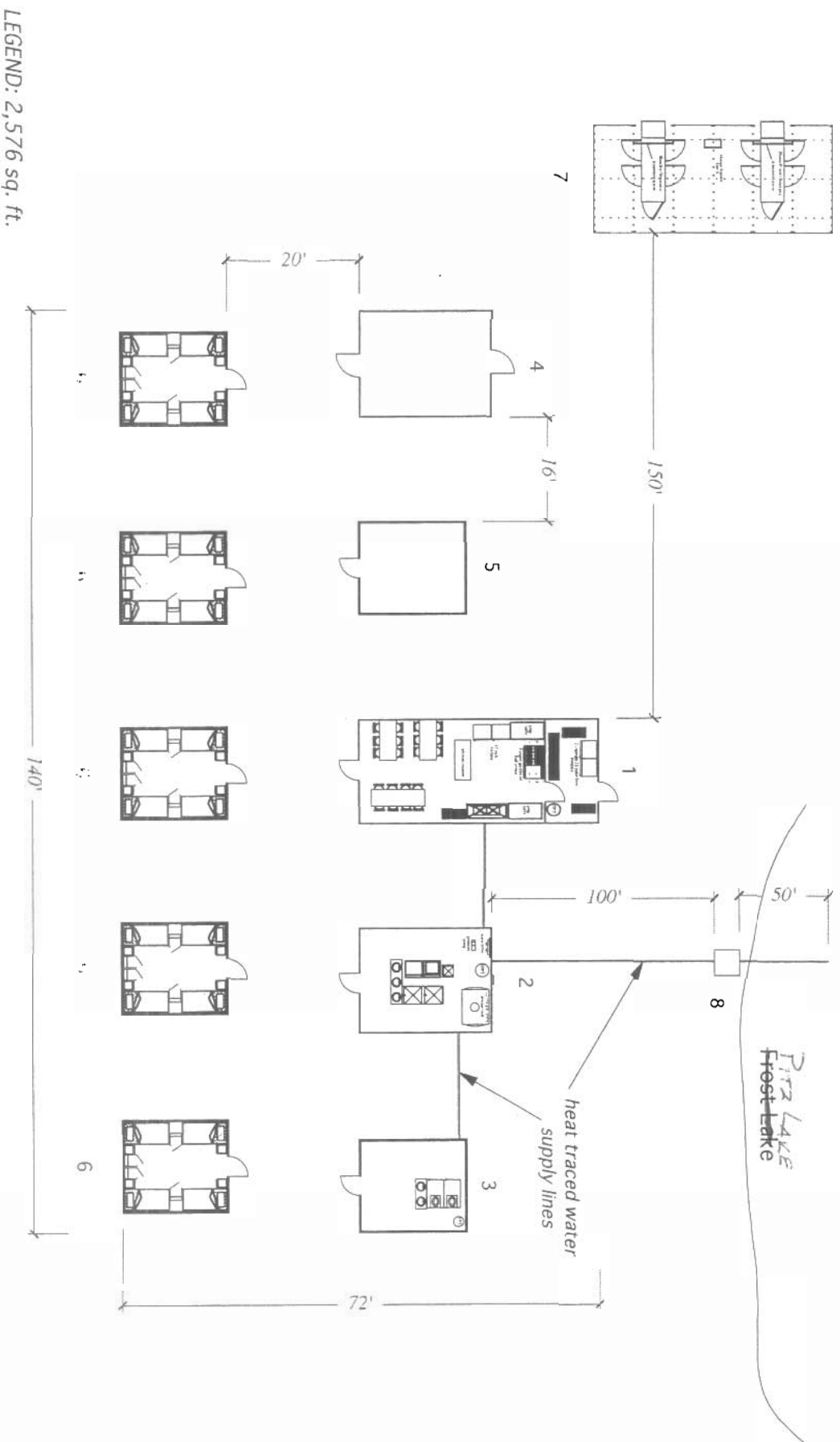
We have also made a made a cost allowance for the distribution of water from source to the Camp and then throughout the Camp itself. We have assumed your water source is some 150' away from the Camp and we have also assumed that all water lines will have to be heat traced. Included in our allowance is a provision for the supply of water pumps to pressurize the system. Our allowance for all this equipment is \$60,339.00. Again, with further discussions, we change this number to reflect your needs and the specific requirements of the site.

Thank you very much for your time and we look forward to further discussions.

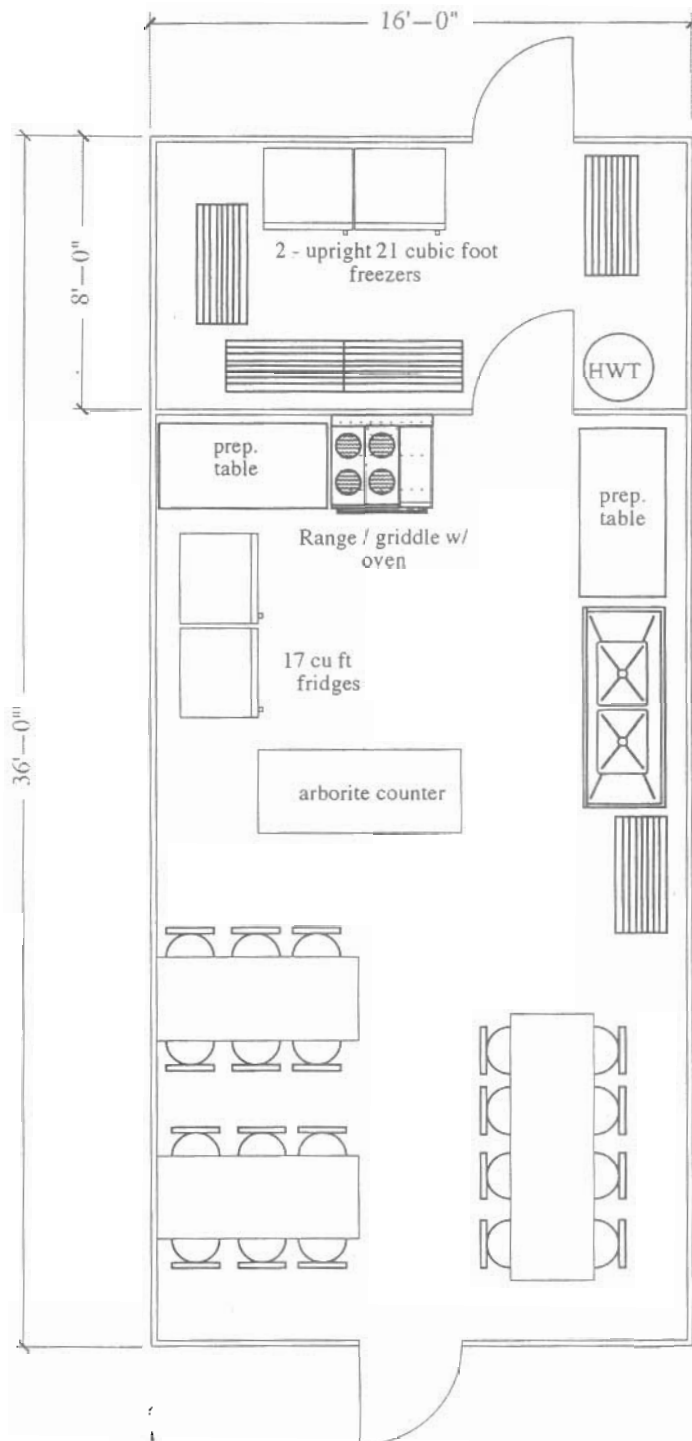
Yours very truly,
Weatherhaven


Mike Ball
Commercial Sales Manager

Kennecott Exploration 20 Person Camp Proposed Site Plan P04-122



1. Kitchen: Weatherhaven 4S Double Insulated 1 - 16' x 36' (KDR-120904*1056)
2. Shower Shelter: Weatherhaven 4S Double Insulated 1 - 16' x 20' (ABL-120904*0304)
3. Latrine Shelter: Weatherhaven 4S Double Insulated 1 - 14' x 16' (ABL-121004*1101)
4. Core Shack: Weatherhaven 4S Double Insulated 1 - 16' x 20' (COR-120904*0203)
5. Office Module: Weatherhaven 4S Double Insulated 1 - 14' x 16' (OFC-120904*0243)
6. Four Person Sleeper : Weatherhaven 4S Double Insulated 5 - 14' x 16' (SLR-120904*0216)
7. Generator Shelter : Weatherhaven 4S Insulated 1 - 16' x 36' (GEN-121004*1121)
8. Pump House: 1 - 46" x 46" heated wood frame structure



Kitchen Module

Structure:

16' x 36' Weatherhaven 4A double insulated complete with end vents, wind kits and insulated hard doors.

Mechanical / Electrical:

Preharnessed 120/208V 3 phase 60 Hz electrical kit includes; fluorescent lamps, duplex outlets, electric heating (20W/Sq Ft) electric hot water tank, and dual 36" kitchen hoods w/ exhaust.

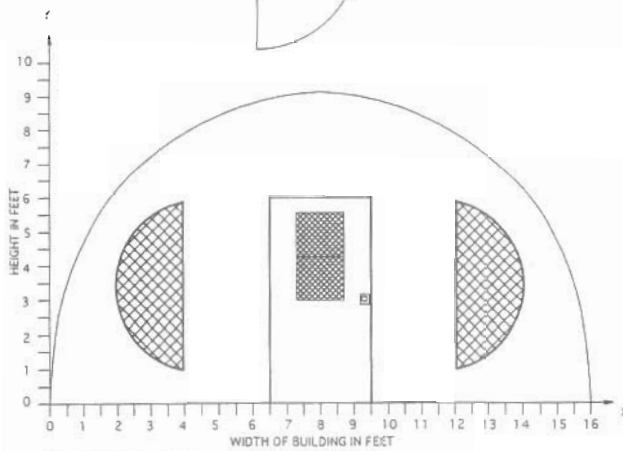
Equipment:

- 3 - folding tables
- 20 - folding chairs
- 1 - electric commercial range w/ griddle
- 1 - double s.s. steel sink with drainboards
- 6 - 3 tier shelving
- 2 - 60" stainless steel food prep table w/ drawers
- 1 - arborite counter with drawers and cupboards
- 2 - 17 Cu Ft fridge
- 2 - 21 Cu Ft upright freezer

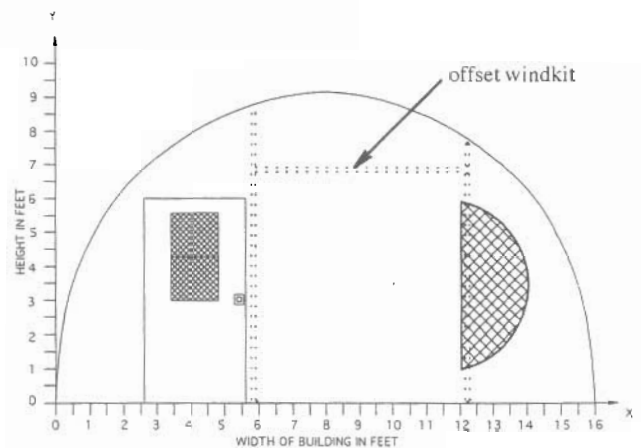
Floor:

Weatherhaven "Knock Down" flooring system with 4"x8" built-up beams, 2"x4" joists, 3/4" plywood sheeting, R-20 batt insulation, vinyl flooring and vapour barrier.

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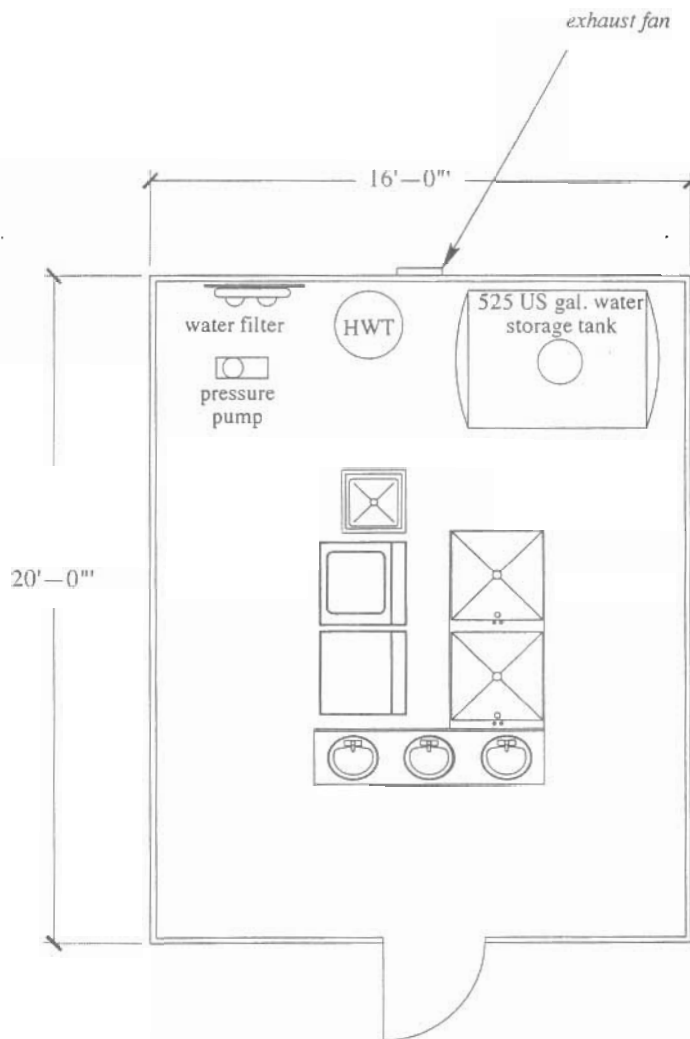


Front Elevation



Rear Elevation

Drawing No. KDR-120904*1056.1



Shower Module

Structure:

16' x 20' Weatherhaven 4A Double Insulated shelter complete with 36" insulated door, wind kit each end.

Mechanical /Electrical:

Pre-harnessed 120/208V 3 phase 60 Hz electrical kit includes fluorescent lamps, electric heating (20W/Sq Ft), duplex outlets and exhaust fan.

Pre-harnessed plumbing package with all interior water and waste water distribution lines to the outside edge of the structure, pressurized and heat traced water supply to Kitchen and latrine Shelter. Water filtration and sterilization also included.

1-525 gallon (US) water storage tank

1 - 60 gal. hot water tank

3- handwash basins in vanity counter

5 - soap dishes

2- shower cabinets

3 - mirrors

1 - washing machine

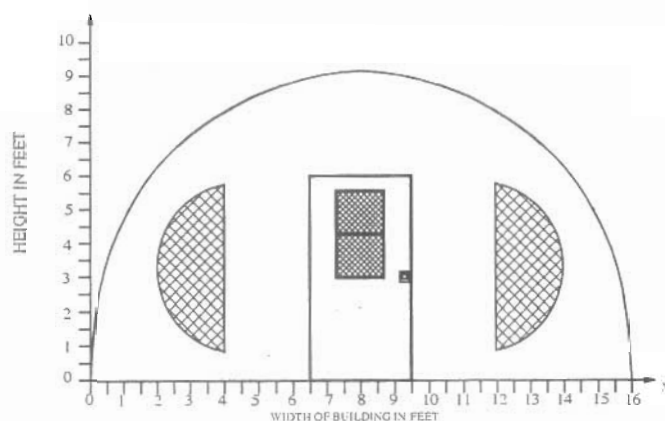
1 - dryer

1 - janitor sink

1-pressure pump

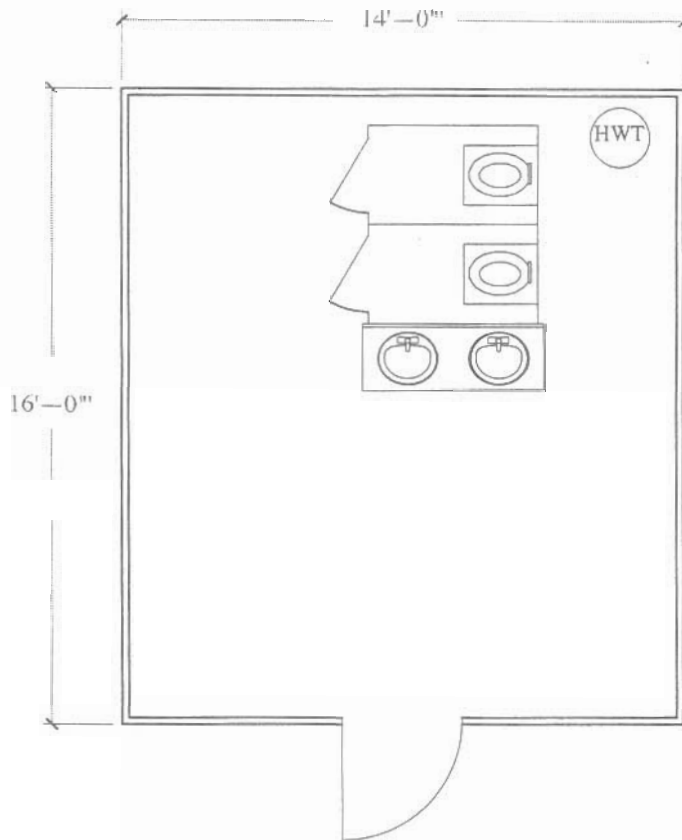
Floor:

Weatherhaven "Knock Down" flooring system with 4"x8" built-up beams, 2"x4" joists, 3/4" plywood sheeting, R-20 batt insulation, vinyl flooring and vapour barrier.



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Drawing No. ABL-120904*0304



Latrine Shelter

Structure:

14' x 16' Weatherhaven 4A Double Insulated complete with end vents, wind kits and 36" insulated door.

Electrical / Mechanical:

Pre-harnessed 120/208V 3 phase 60 Hz electrical kit includes fluorescent lamps, electric heating (20W/Sq Ft), duplex outlets and exhaust fan.

Pre-harnessed plumbing package with all interior water and waste water distribution lines to the outside edge of the structure, pressurized and heat traced water supply from Shower Shelter.

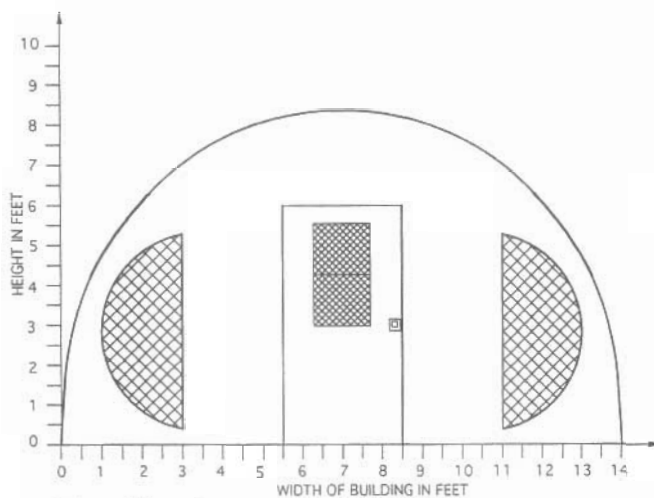
1 - 30 gal. hot water tank

Furnishings:

2 - shower cabinets with shower mats
2 - Pacto "bagger" toilet w/ partition
2 - handwash basins in vanity counter
2 - soap dishes

Floors:

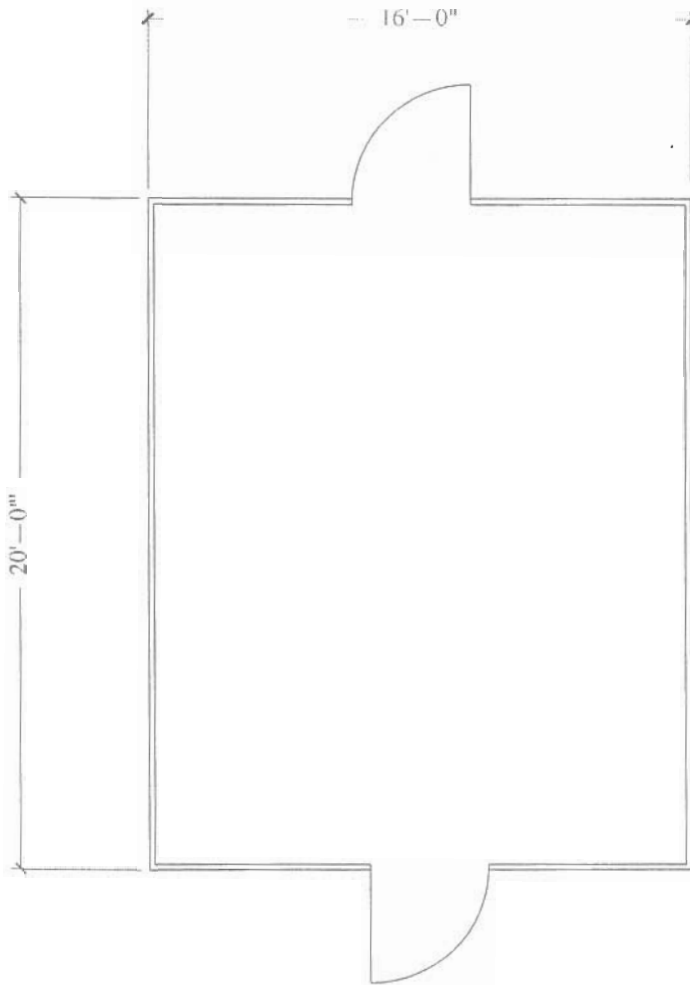
Weatherhaven "Knock Down" flooring system with 4"x8" built-up beams, 2"x4" joists, 3/4" plywood sheeting, R-20 batt insulation, vinyl flooring and vapour barrier.



Front Elevation

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Drawing No. ABL-121004*1101



Core Shack

Structure:

16' x 20' Weatherhaven 4A double insulated complete with end vents, wind kits and 42" insulated hard doors.

Mechanical / Electrical:

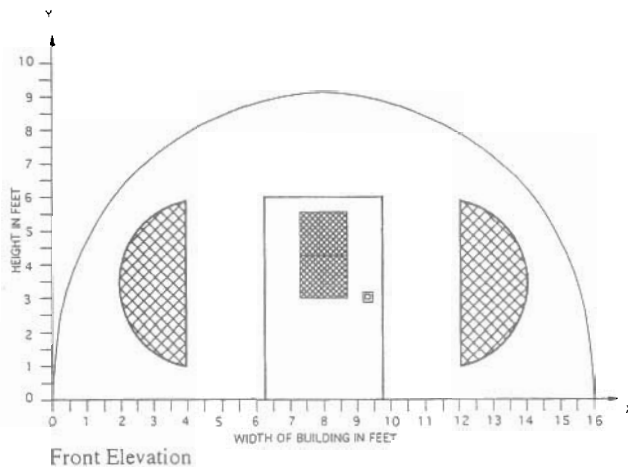
Preharnessed 120/208V 3 phase 60 Hz electrical kit includes fluorescent lamps and duplex outlets.

Equipment:

By others

Floor:

Weatherhaven "Knock Down" flooring system with 4"x8" built-up beams, 2"x4" joists, 3/4" plywood sheeting, R-20 batt insulation, vinyl flooring and vapour barrier.



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Drawing No. COR-120904*0203



Office Module

Structure:

14' x 16' Weatherhaven 4A Double Insulated complete with end vents, wind kits and 36" insulated door.

Electrical / Mechanical:

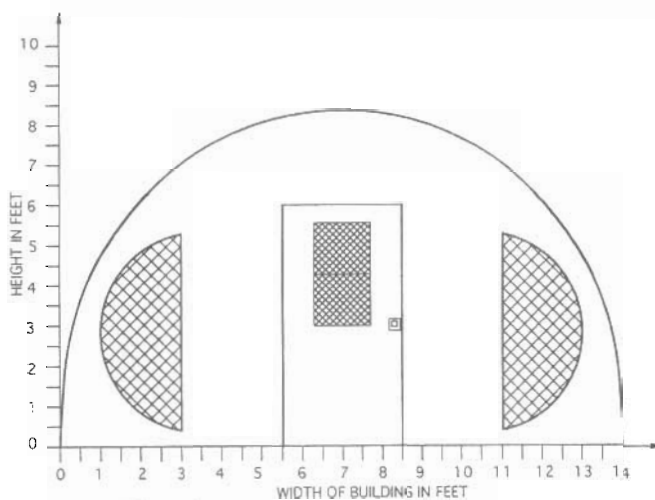
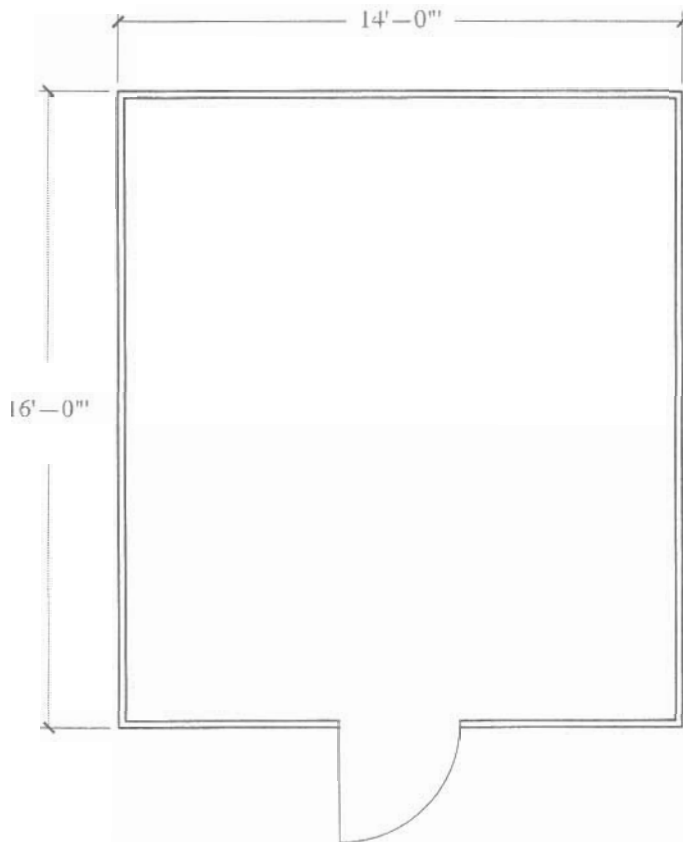
Pre-harnessed 120/208V 3 phase 60 Hz electrical kit includes fluorescent lighting, electric heating (20W/Sq Ft), and 4 receptacles.

Furnishings:

By others

Floors:

Weatherhaven "Knock Down" flooring system with 4"x8" built-up beams, 2"x4" joists, 3/4" plywood sheeting, R-20 batt insulation, vinyl flooring and vapour barrier.

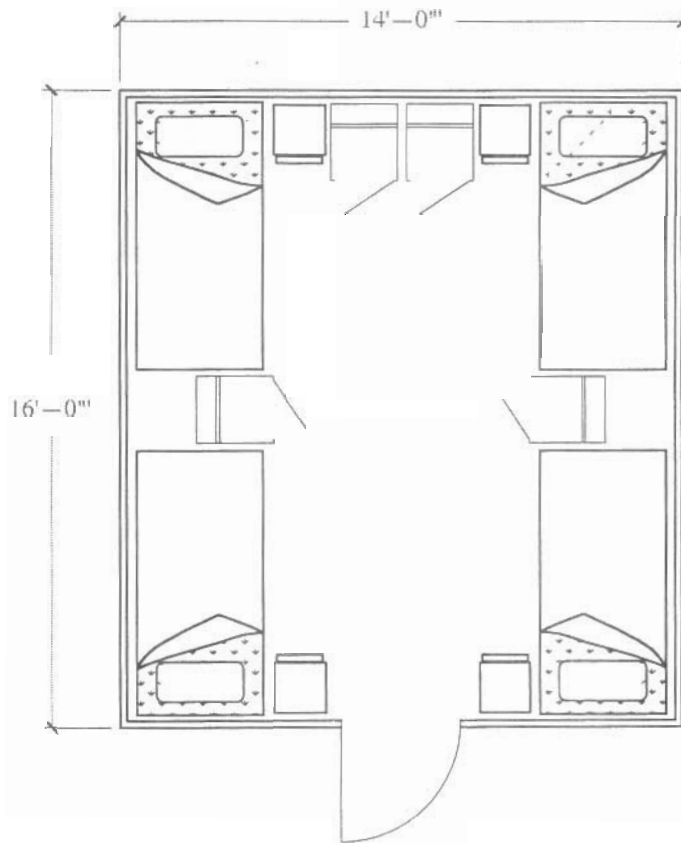


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Drawing No. OFC-120904*0243



4 Person Sleeper



Structure:

14' x 16' Weatherhaven 4A Double Insulated complete with end vents, wind kits and 36" insulated door.

Electrical / Mechanical:

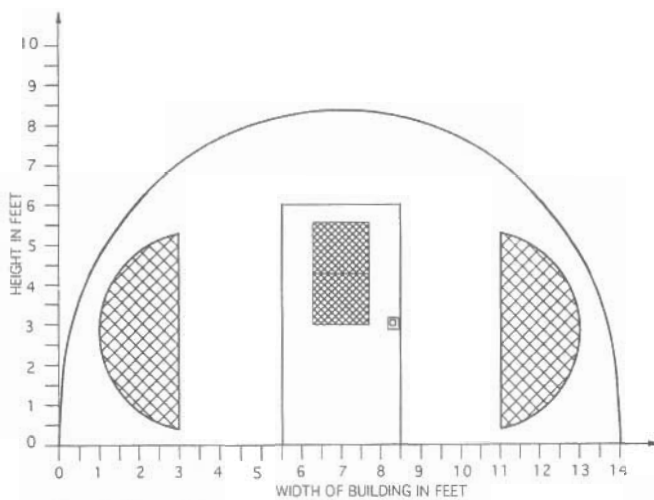
Pre-harnessed 120/208V 3 phase 60 Hz electrical kit includes fluorescent lighting, electric heating (20W/Sq Ft), four clamp lamps and 4 receptacles.

Furnishings:

4 - 36" wide beds with 4" covered foam mattress
4 - night tables
4 - lockers

Floors:

Weatherhaven "Knock Down" flooring system with 4"x8" built-up beams, 2"x4" joists, 3/4" plywood sheeting, R-20 batt insulation, vinyl flooring and vapour barrier.



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Drawing No. SLR-120904*0216