October 9, 2001

Mr. Toshi Hirata Vice President-Operations Japex Canada Limited #2100, 101 - 6 Avenue S.W. CALGARY, AB T2P 2P4

Dear Mr. Hirata:

LEVEL I ENVIRONMENTAL SCREENING

Pursuant to Section 5 of the Canadian Environmental Assessment Act (1992), Indian and Northern Affairs Canada (INAC), on behalf of the Northwest Territories Water Board, has conducted an environmental screening assessment and screening of the undertakings as directed in your Licence application submitted to the Board on April 23, 2001 and received on May 1, 2001.

The Board has decided that the environmental and directly related socio-economic concerns are considered known and mitigable with existing technology and the project may proceed through the licensing process.

Sincerely,

Gordon Wray Chairman

N.W.T. Water Board