



TSX: DSP

P.O. Box 11584
1410 - 650 West Georgia Street
Vancouver, B.C., Canada V6B 4N8

March 30, 2005

VIA FAX (867) 360-6369 11 Pages
ORIGINAL TO BE MAILED

Nunavut Water Board
c/o Manager of Licensing
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Sir or Madam:

RE: WATER LICENCES NWB2HEE0304/NWB2PER0305 – HEEQOU AND PEREGRINE PROPERTIES, NUNAVUT

To follow this letter are the 2004 annual reports for water licences NWB2HEE0304 (Heeqou Property, NU) and NWB2PER0305 (Peregrine Property, NU) submitted on behalf of Diamondex Resources Ltd.

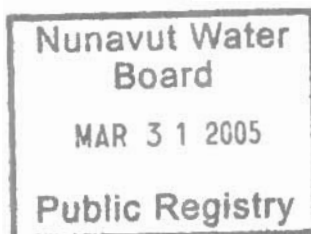
Should you have any questions or concerns regarding the water licence annual reports submitted herein, do not hesitate to contact the undersigned.

Sincerely,
DIAMONDEX RESOURCES LTD.

A handwritten signature in dark ink, appearing to read "Janet M. Stritychuk".

Janet M. Stritychuk
Land Manager

S05-036



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ANNUAL REPORT

Date	30 March 2005
Year being reported	2004
Licence number	NWB2HEE0304
Licensee	Diamondex Resources Ltd.
Mailing address	P.O. Box 11584, 1410-650 W. Georgia St. Vancouver, BC V6B 4N8
Location of undertaking	112 degrees, 44'32"W/65 degrees 59'5"N (long/lat); 420900E/7319300N (UTM NAD83)
Name of Undertaking (if applicable):	Heeqou Property, Nunauvut

The Licensee *must* provide the following information:

1	<p>A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; solid and hazardous waste management.</p> <p>The Heeqou camp was occupied from 16-24 August 2004 by a crew of 10 people. Water was used for showers, drinking, and washing dishes. It was obtained using an on-demand system directly from the lake via a 2-inch waterline and electric pump at a rate of approx. 200gal/day. The intake point for the waterline was located immediately north of the peninsula on which the camp is located. The camp consists of 6 structures: 1 outhouse, 5 canvas tents (1 dry, 1 kitchen, 3 sleepers). All canvas tents were removed and the wood frames still remain on site.</p> <p>Sewage was contained in an outhouse, approx 205m from the lakeshore, 5-10m above the water level. Greywater ran into 2 separate sump pits, one each for the dry and kitchen. The sump holes were approx 1m in depth and 2mX2m in area. Sumps were located approx 110m from the lakeshore.</p> <p>All solid waste that could not be incinerated was removed from the site via aircraft for disposal in Yellowknife.</p>
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ii	<p data-bbox="337 212 1300 254">A list of unauthorized discharges and a summary of follow-up actions taken</p> <p data-bbox="337 281 857 323">There were no unauthorized discharges.</p>
iii	<p data-bbox="337 1129 1349 1171">Revisions to the Spill Contingency Plan and Abandonment and Restoration Plan</p> <p data-bbox="337 1199 570 1241">None at this time.</p>

iv	Progressive reclamation work undertaken
	<p>To date, no reclamation work has been required.</p>
v	Results of the Monitoring Program including:
1	A summary, in cubic metres, of the daily quantities of water utilized for domestic and industrial operations.
	<p>Approximately 0.9092 cubic metres (~ 200 imperial gallons) of water was used per day during the field program at Heeqou.</p>
2	The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized.
	<p>Co-ordinates for camp supply: Lat/Long 65 degrees, 59' 10"N, 112 degrees 44' 76" W This is the only location where sources of water have been utilized as to date no drilling has been performed on the Heeqou Property.</p>

vi	3	The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with industrial operations are deposited.
		No industrial operations have been undertaken.
	4	Any additional sampling and/or analysis that was requested by an Inspector.
		To date no sampling and/or analysis has been requested by an inspector.
vi		Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported
		No other details on water use or waste disposal have yet been requested by the Board.

vii	Any responses or follow-up actions on inspection/compliance reports
	To date no inspections of the Heeqou Property have been performed and therefore no inspection/compliance reports have been received by Diamondex.
viii	Any additional information as appropriate

Janet Stritychuk, Land Manager

By:

jstritychuk@diamondex.net

Email:

30 March 2005

Date:

604-687-6644

Telephone: