



Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
2BE-TIM0813

February 15, 2013

Our file - Notre référence
CIDM# 638446

Phyllis Beaulieu
Manager, Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Re: Application for Water Licence Cancellation – Diamondex Resources Ltd. – IC/TIM Project

Dear Phyllis Beaulieu:

Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the water licence cancellation application 2BE-TIM0813 submitted by Diamondex Resources Ltd. to the Nunavut Water Board (NWB). The following advice has been provided pursuant to AANDC's mandated responsibilities under the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSTRA) and the Department of Indian Affairs and Northern Development Act (DIAND Act). In conducting our review, AANDC referred to the documents on the NWB's FTP-site under 2BE-TIM0813

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by e-mail at Rory.MacDonald@aandc-aadnc.gc.ca

Regards,

Sent via Email

Rory MacDonald
Water Resources Technician

Cc. Murray Ball, Manager of Water Resources, AANDC
Erik Allain, Manager of Field Operations, AANDC



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Rory MacDonald – Water Resources Technician, AANDC

Re: Application for Water Licence Cancellation – Diamondex Resources Ltd. – IC/TIM Project

1. Project Description

The Nunavut Water Board (NWB) distributed Diamondex Resources Ltd. application for licence cancellation January 21st, 2013. Due to inactivity at the TIM Project, Diamondex would like to cancel their licence.

In 2004 the initial proponent Trigon Diamond Corporation Ltd. conducted regional sampling program designed to determine if and where kimberlite bodies are present on the property. The results of this program were promising, with follow-up work continued during July 2005. The 2005 field program contained three components: airborne magnetic survey, follow-up (detailed) sampling, and prospecting. All of these activities were run by a six-man field crew with logistics based out of Kugaaruk. Only reconnaissance sampling was conducted on the TIM property.

Initially, results of the previous two exploration programs had prompted Trigon and its joint venture partners to plan a drilling program for 2006. Further analysis of the results showed that there was not enough confidence in the targets for the drill program. Therefore, a two stage sampling/prospecting program was carried out in 2006. The first phase of exploration was conducted in early July and the second phase was conducted in early September.

In late 2007, Trigon Diamond Corporation assigned the TIM project and its associated licence 2BE-TIM to Diamondex Resources Inc. Since the assignment to Diamondex Resources Inc. no work has been completed on the property (including years 2007-2012). As such Diamondex has requested the licence 2BE-TIM0813 be cancelled.

2. Results of Review and Recommendations

AANDC Water Resources Division offers the following comments and recommendations for the Board's consideration.

A. General

- AANDC finds the cancellation application complete and recommends that the above referenced license not be cancelled/ closed until a Water Resource Officer completes an on-site inspection and provides confirmation that no compliance issues are associated and/or remain outstanding with the project.