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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

July 31, 2009

File Number: 2AM-JER0410
Previous File Number: NWBLJER0410

Mr. Thomas Pladsen
Chief Restructuring Officer
Benachee Resources Inc.
77 King Street West
Toronto, ON M5K 1P2
Email: thomaspladsen@hotmail.com

Subject: Assignment of Licence 2AM-JER0410

Dear Mr. Pladsen:

The Nunavut Water Board (“NWB” or “Board”) acknowledges the receipt of an application dated June 9, 2009, to transfer Type A Water Licence 2AM-JER0410 (“Licence”) from Benachee Resources Inc., a Wholly Owned Subsidiary of Tahera Diamond Corporation to a new entity also named Benachee Resources Inc., formerly known as Newco (Assignee). This application was deemed to be an application for assignment pursuant to section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (“Act”) (Application).

On June 18, 2009 the Board gave public notice of the Application and invited interested persons to provide comments. Comments were received from Indian and Northern Affairs Canada and Environment Canada.

Pursuant to section 44(1) of the *Act*, and giving consideration to the comments received, the Undertaking of the Proposed Assignee, and Court Order 08-CL-7355, the Board is satisfied that the assignment and operation of the appurtenant undertaking by the Assignee will not likely result in a contravention of any condition of the Licence or any provision of Part 1 of the *Act* or the regulations. **Therefore, in accordance with section 44(1) of the *Act*, the Board hereby authorizes the assignment of water licence 2AM-JER0410 from the Assignor, Benachee Resources Inc., A Wholly Owned Subsidiary of Tahera Diamond Corporation, to the Assignee, Benachee Resources Inc., effective immediately.**

Further to the Undertaking of Proposed Assignee,¹ the Board further directs that within 60 days the Assignee provide to the Board the following:

- Submission of outstanding Water Use Fees for 2005 to 2009 in the amount of \$150.00 pursuant to Part B Item 1 of Licence 2AM-JER0410;
- Submission of the 2008 Annual Report pursuant to Part B Item 2 of Licence 2AM-JER0410;

¹ The Undertaking states: "Effective on the date that the NWB approves the assignment of the Licence, the Proposed Assignee undertakes and accepts responsibility for the performance of all of the terms and conditions of the Licence including the performance of all liabilities arising pursuant to any Licence term or condition, whether arising before or after the effective date of the assignment, **AND** undertakes to pay any security required of the Assignor when the Licence was granted."

- A letter of confirmation from Indian and Northern Affairs Canada that the Assignee has furnished security in the amount of \$2,200,000.00 required by Part C, Item 1, in a form acceptable to the Minister.
- Submission of "as built" drawings for the following structures, pursuant to Condition D, Item 18 of Licence 2AM-JER0410
 - PKCA divider dike
 - East and Southeast dam
 - PKCA north dam
 - PKCA west dam
 - Landfarm
 - Waste rock dump 1
 - Waste rock dump 2
 - Ore stockpile
 - Course processed kimberlite stockpile
 - Recovery rejects stockpile
 - Collection pond A, B, and C
 - Fuel storage containment facility
 - C1 diversion
- An addendum to the Contingency Plan in accordance with Part J, Item 6 and Schedule J, Item 2;
- An updated General Monitoring Plan in accordance with Part L, Item 1; and
- Updated estimate of the total mine closure restoration liability in accordance with Part M, Item 7.

The Licensee is to provide the Board with at least sixty (60) days notice prior to the site returning to operations.

Please contact Dionne Filiatrault, Executive Director at dionne@nunavutwaterboard.org if you have any questions regarding the assignment of the Licence or this correspondence.

Sincerely,



Thomas Kabloona
Chair

TK/pb

Cc: Minister INAC
Kitikmeot Distribution List
Attached Distribution List

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