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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2BE-ANG0813

July 21, 2010

Jeff Ward, Vice President of Exploration
Kivalliq Energy Corporation
Suite 1440 – 625 Howe Street
Vancouver, BC V6C 2T6
Email: jward@kivalliqenergy.com

RE: 2BE-ANG0813 Type “B” – Amendment No.2

Dear Mr. Ward:

Please find attached, Amendment No.2 to Licence No. 2BE-ANG0813 Type “B” issued to Kivalliq Energy Corporation by the Nunavut Water Board (NWB) (**Motion 2010-13-L08**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration. In addition, the NWB reminds the Licensee to provide the Board with a response to the issues identified in INAC’s 2009 Water Use Inspection Report filed for the Angilak Project within sixty (60) days following the issuance of Amendment No. 2.

Sincerely,

Thomas Kabloona
Nunavut Water Board
Chair

TK/sj/pb

Enclosure: Licence No. 2BE-ANG0813 - **Amendment No .2**
NIRB, EC, Comments

Cc: Distribution –Kivalliq Region

LICENCE AMENDMENT No. 2

Licensee:	Kivalliq Energy Corporation
Licence No:	2BE-ANG0813 Type "B"
Licence Issued:	August 5, 2008
Amendment No. 1 Issued:	January 22, 2010
Effective Date:	July 21, 2010
Licence Expiry:	March 31, 2010 2013

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and the Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated May 17, 2010, made by Kivalliq Energy Corporation, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued August 5, 2008 with an expiry date of August 5, 2008 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp and drilling operations, to allow Kivalliq Energy Corporation to increase water use from fifty-eight (58) cubic metres per day to one hundred (100) cubic metres per day at the Angilak Project, located in the Kivalliq Region, based at the camp located approximately 8 km south of Yathkyed Lake and 4 km west of the Kazan River at latitude 62° 34' 17" N and longitude 98° 27' 20" W.

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1 The Licensee shall obtain all water for domestic camp use from New Yat Lake, up to a maximum of 8 (eight) cubic meters per day. Drill water shall be obtained from local water source(s), proximal to the drilling targets as outlined in the application, to a maximum of ninety-two (92) cubic meters per day. The volume of water for the purposes of this Licence shall not exceed one hundred (100) cubic meters per day.

All remaining terms and conditions of Licence No. 2BE-ANG0813 Type 'B' dated August 5, 2008, and Amendment No.1, dated January 22, 2010 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on July 21, 2010.

Approved by,



Thomas Kabloona
Nunavut Water Board
Chair