

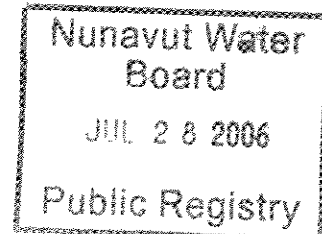


ASHTON MINING
(NORTHWEST TERRITORIES) LTD.

July 28, 2006

By Facsimile & By Courier

Mr. Philippe di Pizzo, Chief Administrative Officer
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0



Dear Mr. di Pizzo:

**RE: ASSIGNMENT OF ASHTON MINING (NORTHWEST TERRITORIES) LTD. WATER USE
AND WASTE DISPOSAL PERMIT 2BE-ASH0611 TO VAALDIUM RESOURCES LTD.**

Ashton Mining Northwest Territories Ltd. ("Ashton") and Vaaldiam Resources Ltd. ("Vaaldiam") have recently entered in to a Joint Venture where Vaaldiam has the option to acquire 40% interest in Ashton's wholly-owned properties in the north Slave Craton region of Nunavut: Kim, Ric, Vic, Eokuk and James River (the "Coronation Gulf Properties"). Vaaldiam will be operator on the properties and will thus have the responsibility for conducting field work.

Pursuant to article 44 of the Nunavut Waters and Surface Rights Tribunal Act, Ashton requests that Nunavut Water Board Licence 2BE-ASH6011, issued to Ashton on June 1, 2006 be assigned to Vaaldiam. Enclosed are the three Nunavut Water Board forms necessary for an assignment;

- **Form 1:** Affidavit of Execution, Undertaking of Proposed Assignee (1 page)
- **Form 2:** Undertaking of Proposed Assignee (2 pages)
- **Form 3:** Declaration of Licensee (Assignor) (1 page)

Pursuant to article 49(b) of the Nunavut Waters and Nunavut Surface Rights Tribunal Act I would like to the request that the Board delegate its chief administrative officer "the power to authorize the assignment of the licence."

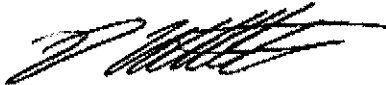
In addition, as per article 55(4) of the Nunavut Waters and Nunavut Surface Rights Tribunal Act, I would like to respectfully request the use of the "urgent circumstances" clause to have the Board rule on the assignment after 10 days. The recent signing of the joint venture, subsequent change in operators and limited summer field season necessitate an expedited assignment. Details specific to the aforementioned "urgent circumstances" are listed below.

- a) **New Operator:** Vaaldiam will be responsible for conducting exploration activities on joint venture properties. As such they will be responsible for the terms and conditions outlined in Water Use and Waste Disposal Licence 2BE-ASH0611. Other land use permits specific to Ashton's exploration activities in Nunavut are also being assigned.
- b) **Mineral Tenure:** Assessment work needs to be conducted to maintain the mineral claims in good standing. Failure to conduct this work could result in the surrender of 27 mineral claims.
- c) **Safety:** As this is a fly-in/fly-out operation in a remote location all camp personnel are entirely dependent upon aircraft support. Weather conditions during the month of August are relatively stable and predictable and the risks of being "weathered-in" are significantly reduced. By conducting work in August the number of weather isolation incidents are significantly reduced. Similarly, by planning work in the month of August, weather safety hazards encountered by project personnel are mitigated.
- d) **Technical:** Heavy mineral sampling and rock sampling are activities that can only take place during the summer field season. These activities are entirely dependent upon hand tools and aircraft. Frozen ground or weather delays will prevent these activities from taking place.

If you have any questions please do not hesitate to contact me directly at (604) 983-7764.

Yours truly,

ASHTON MINING (NORTHWEST TERRITORIES) LTD.



David Willis
Land Administrator

Enclosures;

