



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

Your file - Votre référence
NWB file #: 2BE-BAF0611
Our file - Notre référence
File # / CIDMS #: 273950

Oct 20, 2008

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

**Re: 2BE-BAF0611 – Assignment of water license 2BE-BAF0611 from
DeBeers Canada Inc. to Pure Diamonds Exploration Inc.**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of an application for an assignment of water license 2BE-BAF0611 from DeBeers Canada Inc. to Pure Diamonds Exploration Inc. All associated documents related to this license posted on your ftp site under 2BE-BAF0611 were included in my review (see attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by email at Culla@ainc-ianc.gc.ca

Yours truly,

Original Signed By

Andrea Cull
Water Management Specialist

Technical Review Memo

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

From: Andrea Cull – Water Management Specialist, Indian & Northern Affairs Canada

Re: 2BE-BAF0611 – Assignment of water license 2BE-BAF0611 from DeBeers Canada Inc. to Pure Diamonds Exploration Inc.

The application was submitted to the Nunavut Water Board (NWB) on August 22, 2008 by Ms. Teresa Gillespie of DeBeers Canada Inc. All associated documents related to this license posted on your ftp site under 2BE-BAF0611 were included in my review.

Project:

License: 2BE-BAF0611

Licensee: De Beers Canada Inc.

Assignee: Pure Diamonds Exploration Inc.

Location: Latitude: 70°56'4"N; Longitude: 80°11'3"W

Purpose: Assignment of License

Type: "B"

De Beers Canada Inc. has filed with the Nunavut Water Board ("NWB") an application to assign water license 2BE-BAF0611 to Pure Diamonds Exploration Inc.

As a result of the review INAC recommends that the Nunavut Water Board impose standard conditions suitable for this size of project and consider the following comments when approving this water license application.

Recommendations:

- The Licensee should ensure that there is no open burning of plastics, wood treated with preservatives, electrical wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials from incomplete combustion and/or leachate from contaminated ash residues from impacting any surrounding waters.
- All wastes materials resulting from the described site activities, including

general and hazardous wastes and any unused petroleum products and chemicals should be back hauled by the proponent for disposal at an approved facility or re-used as the case may be.

- All sumps, for the disposal of grey water or drilling wastes, should be positioned at least 30m from the high water mark of nearby water bodies. Furthermore, all sumps should be backfilled, mounded to facilitate the shedding of water and contoured to match the surrounding landscape prior to the end of the projects field program.

- The Spill Contingency Plan should clarify that all fuel catches will be located above the high mark of any water body. Further, secondary containment, such as a self-supporting berm, is recommended when storing barrelled fuel on-site.

- The Response Action, of the Spill Contingency Plan should make reference to the Nunavut Spill Report Line and include a copy of the Nunavut Spill Report Form. This form can be obtained from the Nunavut Water Board public registry at <http://www.nunavutwaterboard.org>. Please note that the 24-hour Spill Report Line telephone number is (867) 920- 8130 and facsimile number is (867) 873-6924. Furthermore, INAC requests the proponent report all spills to Peter Kusugak, INAC Manager of Filed Operations, phone: 867-975-4295, fax 867-975-6445 as well as the Nunavut Spill Report Line.

Cc. Kevin Buck, Manager of Water Resources – Indian and Northern Affairs
Canada, Nunavut Regional Office