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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

November 25, 2008

File: 2BE-BAF0611
By Email

Gordon A. Keevil
Pure Diamonds Exploration Inc.
Suite 800 – 1199 West Hastings Street
Vancouver, B.C.
V6E 3T5
Email: gkeevil@pendergroup.ca

and,

Teresa Gillespie
De Beers Canada Inc.
65 Overlea Boulevard, Suite 300
Toronto, ON
M4H 1P1
Email: Teresa.Gillespie@ca.debeersgroup.com

Subject: Assignment of License 2BE-BAF0611 Type B

Dear Mr. Keevil and Ms. Gillespie:

The Nunavut Water Board (“NWB” or “Board”) would like to acknowledge the receipt of an application on August 22, 2008 to assign License 2BE-BAF0611 from De Beers Canada Inc. to Pure Diamonds Exploration Inc. 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*”).

The Board gave public notice of this application for assignment and invited interested persons to provide comments. Although submissions were received, there were no adverse environmental effects identified that would result from the assignment of the Licence from De Beers Canada Incorporated to Pure Diamonds Exploration Incorporated.

The Board is satisfied that the operation of the appurtenant undertaking by the prospective assignee will not be likely to result in a contravention of any condition of the License or any provision of the *Act* or the regulations. Therefore, in accordance with Section 44(2) of the *Act*, the **Board hereby authorizes the assignment of water license 2BE-BAF0611 from:**

the Assignor, De Beers Canada Inc., to

the Assignee, Pure Diamonds Exploration Inc.,

(**Motion #2008-06-L14**) effective November 16, 2008, which will be placed in the NWB Public Registry.

The Board would like to take the opportunity to highlight the following matters that will require immediate action by Pure Diamonds Exploration Inc.:

Spill Contingency Plan (License 2BE-BAF0611, Part G)

A Spill Contingency Plan was submitted by the previous Licensee and approved by the Board. As this assignment will likely involve changes in operations, personnel and site facilities, the current Spill Contingency Plan shall be reviewed and updated.

The Board hereby notifies Pure Diamonds Exploration Inc. that it shall submit to the Board for approval, within sixty (60) days of the effective date of this Assignment a revised Spill Contingency Plan. The Plan shall be a stand alone document, site specific and be prepared by Pure Diamonds Exploration Inc..

Abandonment and Restoration Plan (License 2BE-BAF0611, Part H)

An Abandonment and Restoration Plan was submitted by the previous Licensee and approved by the Board. As this assignment may involve changes in operations and the planned abandonment and reclamation activities, the current Abandonment and Restoration Plan shall be reviewed and updated.

The Board hereby notifies Pure Diamonds Exploration Inc. that it shall submit to the Board for approval, within sixty (60) days of the effective date of this Assignment a revised Abandonment and Restoration Plan. The Plan shall be a stand alone document, site specific and be prepared by Pure Diamonds Exploration Inc..

Enforcement

Effective November 16, 2008, **License 2BE-BAF0611 is assigned to Pure Diamonds Exploration Inc. and all terms and conditions of this License remain in effect.** Sections 85 to 94 of the *Act* provide the provisions for the enforcement of this water License assigned by the NWB. The Minister of Indian and Northern Affairs Canada has the power to designate inspectors and analysts responsible for inspection and compliance. The NWB asks that you contact the Inspector at the INAC District Office in Iqaluit to obtain a copy of any enforcement documents related to this License.

Please contact me at your convenience should you have questions regarding this assignment.

Sincerely,



Thomas Kabloona
Nunavut Water Board
Chair

TK/db

Cc: Qikiqtani Distribution List