

July 10, 2008

John Craig
Assistant Land Administrator
Indian and Northern Affairs Canada
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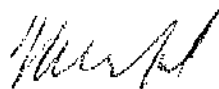
Dear Mr. Craig,

Re: Land Use Permit # N2006C0032
Type of Operation: Mining (Operation)
Location: Brodeur Peninsula, Baffin Nunavut NTS-048C

The NPC has completed its review of the above noted project proposal. It conforms to the North Baffin Regional Land Use Plan.

Attached, for your files, is a copy of the list of conformity requirements to which the applicant has undertaken to comply to.

Yours truly,



Tommy Owlijoot
Regional Planner

Cc: Leslie Payette, NIRB
Phyllis Beaulieu, NWB
Anna North, Diamondex Resources Ltd.

Nunavut Water
Board

JUL 10 2008

Public Registry

Application # Land Use Permit # N2006C0032

Type of Operation: Mining (Operation)

Location: Proden Peninsula, Baffin, Nunavut NTS-048C

NUNAVUT PLANNING COMMISSION
APPLICATION TO DETERMINE CONFORMITY
WITH THE NORTH BAFFIN REGIONAL LAND USE PLAN

All applicants for a project proposal shall comply with the requirements listed below. The relevant sections of the plan are noted in each requirement.

2. **Environmental Protection: s3.3.11.8:** The applicant undertakes to prevent any new occurrences of pollution, garbage and contamination at the site of the development.

Yes

No

3. **Removal of Fuel Drums: s3.3.11.8:** The applicant undertakes to remove all drums safely from the site and dispose of the drums in a safe manner.

Yes

No

4. **New Site Restoration and Clean Up: s3.3.11.1 and Appendix C, s1:** The applicant undertakes to clean up the site and restore the site to its natural condition to the greatest extent possible.

Yes

No

5. **Old Site Restoration and Clean Up: s3.3.11.2:** The applicant undertakes to clean up the site and restore the site to its original condition to the greatest extent possible, including any work required due to the applicant's action prior to this application.

Yes

No

6. **Low-Level Air Flights: Appendix C, s3:** Will the applicant avoid all low-level flights?

Yes

No

- i. If not, explain why such flights are or may be absolutely necessary.

N/A

- ii. If such flights are or may be absolutely necessary, will they avoid disturbance to people and wildlife?

Yes

No

N/A

- iii. If not, explain why it is not possible to avoid such disturbance.

N/A

HERITAGE RESOURCES

10. Reporting of Archaeological Sites: s3.3.9.3 and Appendix C, s2 and s8: Will the applicant immediately report the discovery of all suspected archaeological sites to the Department of Culture, Language, Elders and Youth (GN)?

Yes

No

22. Code of Good Conduct for Land Users: Appendix C: The applicant undertakes to adhere to the code of Good Conduct at all times.

No

Date: July 8, 2008 Signature of Applicant: [Signature]

1. The landscape of each camp and other land use sites will be restored to its original condition to the greatest degree possible. Water quality will be preserved and no substances that will impair water quality will be dumped in water bodies. When possible and feasible, old sites will be restored to the natural state.
2. All land users shall assist communities and government(s) in identifying and protecting archaeological sites and carving-stone sites, as required by law.
3. Generally, low-level flights by aircraft at less than 300 metres should not occur where they will disturb wildlife or people. If such flights are necessary, they should only take place after consultation with the appropriate communities. All land users are responsible for reporting to the land managers any illegal or questionable low-level flight.
4. All activities on the land will be conducted in such a fashion that the renewable resources of the area in question are conserved.
5. Whenever practicable, and consistent with sound procurement management, land users will follow the practice of local purchase of supplies and services.
6. Land users will establish working relationships with local communities and respect the traditional users of the land.
7. During the caribou calving, post-calving and migrating seasons, land use activities should be restricted to avoid disturbing caribou, in general, and activities will be governed more specifically by caribou protection measures such as those contained in Appendix I.
8. Artifacts must be left where they are found. All land users are responsible for reporting the location of, or any removal or disturbance of artifacts, to CLEY.
9. The mining industry is encouraged to assist in identifying local carving-stone deposits and report any discoveries to the QIA. Industry is also encouraged to identify and report old waste sites that need to be cleaned up.
10. All land users shall obey the laws of general application applying to land use.