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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File: 2BE-BRO0607

July 3, 2007

By Email and Regular Mail

Janet Stritychuk
Diamondex Resources Ltd.
PO Box 11584
1410-650 West Georgia Street
Vancouver BC V6B 4N8

and,

Susan Ball
Kennecott Canada Exploration Inc.
#354-200 Granville Street
Vancouver BC V6C 1S4

Email: jstritychuk@diamondex.net

Email: susan.ball@kenecott.com

Subject: Assignment of License 2BE-BRO0607 (previously NWB2BRO0607 (Type B))

Dear Ms. Stritychuk and Ms. Ball:

The Nunavut Water Board (“NWB” or “Board”) would like to acknowledge the receipt of an application on April 16, 2007 to transfer License 2BE-BRO0607 (previously NWB2BRO0607) from Kennecott Canada Exploration Inc. to Diamondex Resources Ltd. 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 License to Diamondex Resources Ltd.

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-BRO0607 from:**

the Assignor, Kennecott Canada Exploration Inc., to

the Assignee, Diamondex Resources Ltd.,

(**Motion #2007-14**) effective on the date of this letter, which will be placed in the NWB Public Registry.

The Board would like to take the opportunity to highlight the following amended changes to

the Licence and matters that will require immediate action by Diamondex Resources Ltd.

Amend Part B, Item 7 (i)

Replace

- (i) Chief Administrative Officer:
Executive Director

With

- (i) Manager of Licensing

And add:

licensing@nunavutwaterboard.org

Insert

Part B, Item 10

The Licensee shall ensure any document(s) or correspondence submitted by the Licensee to the Board is received and acknowledged by the Manager of Licensing.

Part F, Item 6

Where drilling activity has penetrated below the permafrost, the NWB requests that the proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.

Spill Contingency Plan (License 2BE-BRO0607, Part H)

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 Diamondex Resources Ltd that it shall submit to the Board for approval, within two (2) months of the effective date of this assignment, a revised Spill Contingency Plan.

Abandonment and Restoration Plan (License 2BE-BRO0607, Part I)

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 Diamondex Resources Ltd that it shall submit to the Board for

approval, within two (2) months of the effective date of this assignment, a revised Abandonment and Restoration Plan.

Enforcement

Effective upon the date of this letter, **License 2BE-BRO0607 is assigned to Diamondex Resources Ltd. 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. You may also contact David Hohnstein, NWB A/Director Technical Services, regarding any technical matter pertaining to this License.

Sincerely,

Original signed by:

Thomas Kabloona
A/Chief Executive Officer

TK/rqd

Attachment: License Assignment Letter 2BE-BRO0607

Cc: Peter Kusugak, INAC
Jim Rogers, INAC
Andrew Kein, INAC
Geoff Clark, KIA
Cindy Parker, EC
Earle Baddaloo, GN-DOE
Paul Savoie, DFO
Carson Gillis, NTI
Erin Calder, NWMB