

December 23, 2004

Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut X0E 1J0

Attention: Phyllis Beaulieu

Manager of Licencing

Dear Madam:

Nunavut Water Board JAN 0.4 2005 Public Registry

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RE: NORTH JAMES RIVER PROJECT

Water Licence NWB2CYG0406 – Type "B" Cygnet Lake Area, Kitikmeot, Nunavut Application to Amend

We make application to amend the subject permit and obtain authorization to conduct drilling operations in two additional areas on the Cygnet Lake claim block. We feel that the results of our geological mapping and sampling program carried out during the summer of 2004 warrant exploratory diamond drilling on four areas instead of the two that were initially applied for and approved in the water licence issued on October 6, 2004. The following table sets out the extent of the work proposed in the four areas

Cygnet Lake	Claim Block: 1	Proposed Phas	e I Diamond I	Drilling - March	n / April 2005	
Drill Area	Name of Showing	Claim Name	Claim Number	Number of Holes	Amount of Drilling	Licence Approval
1	Black Ice	CYN 40	F73309	3	300 m	2004-10-06
2	Silver Bullet	CYN 40	F73309	3	300 m	2004-10-06
3	Grumpy	CYN 41	F86447	2	200 m	Pending
4	Bumpa	CYN 15	F75845	2	200 m	Pending
Total				10	1000 m	

The locations of the two additional areas are described in the table below and are illustrated on the two accompanying maps

Drill Area	Name of NTS		Geographic Co-ordinates		UTM: NAD 27, Zone 12	
Showing	Sheet	Latitude	Longitude	North	East	
3	Grumpy	76M/10	67°36.6′	110°41.0′	7 499 200	513 450
4	Bumpa	76M/10	67°35.6′	110°47.5′	7 497 450	508 800

Drill area 3 is situated on the CYN 41 mineral claim which is owned by Pure Gold Minerals Inc. while drill area 4 is located on the CYN 15 claim which is held under agreement with Hunter Exploration Group and

recorded in the name of Lawrence Barry. A letter of authorization from Mr. Barry was submitted with supplementary material for the original Water Licence Application.

Two diamond drill holes are proposed for each of the two additional areas, the exact sites yet to be determined. Camps are not proposed for each of the additional areas as the drill programs would be helicopter supported from the Cygnet Lake base camp in the same manner as areas 1 and 2. All the work would be subject to the terms and conditions of Water Licence NWB2CYG0406.

We look forward to your comments in this matter and should you have any questions concerning this amending application please do not hesitate to call myself or Geoff Goodall at 604-687-2038.

Yours very truly,

PURE GOLD MINERALS INC.

Land Administrator eandersen@dsm.ca

Attach

cc: Eugene Beukman Geoff Goodall

north james river water licence-14