



P.O. Box 119

GJCA HAVEN, NU X0B 1J0

TEL: (867) 360-6338

FAX: (867) 360-6369

ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪ ᑲᓂᓕᓂᓪ

NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYINGI

File: NWB2CYG0406 Type "B"

July 18, 2005

Mr. Erik Andersen
Land Administrator
Pure Gold Minerals Inc.
1255 West Pender Street
Vancouver, B.C.
V6E 2V1

RE: Amendment 1 to NWB2CYG0406 Type "B"

Dear Mr. Andersen

Please find attached Amendment 1 to License NWB2CYG0406 Type "B" issued to Pure Gold Minerals Inc. by the Nunavut Water Board (**Motion # 2005-23**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

Sincerely,


Philippe di Pizzo
Executive Director

Enclosure: Licence No. **NWB2CYG0406 Type "B"-Amendment 1**

cc: Jim Rogers, DIAND Iqaluit
Scott Stewart, DIAND Inspector
Jack Kaniak, Kitikmeot Inuit Association
Tngola Sandy, Kivalliq Inuit Association
Salamonie Shoo, Qikiqtani Inuit Association
Gladys Joudrey, NIRB
Josee Gallipeau, NWMB
Colette Spagnuolo, EC
Earle Baddaloo, GN-DOE
Derrick Moggy, DFO
Tania Gordanier, DFO

LICENCE AMENDMENT No. I

Licensee:	Pure Gold Minerals Inc.
License No:	NWB2CYG0406 Type "B"
License Issued:	October 6, 2004
Effective Date:	July 18, 2005

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters* and the *Nunavut Surface Rights Tribunal Act*, the Nunavut Water Board hereby grants the following license amendment.

The License issued October 6, 2004 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste, in support of camp operations and exploration drilling operations at the North James River Property located within the Kitikmeot Region, Nunavut (base camp location adjacent to Cygnet Lake at latitude 67°36.6'N and longitude 110°45.5'W).

II. GENERAL CONSIDERATIONS

Amend Item C

C. Spill Contingency Planning

The Board generally requires that all Licensees prepare a comprehensive Spill Contingency Plan to establish a state of readiness to ensure a prompt and effective response to possible spills or system failure events. The site-specific spill contingency plan will assist the Licensee in responding to emergencies such that the impacts to water in particular and the environment and public health in general are minimized. The Plan submitted by the Licensee has been conditionally approved by the Board, with the requirement that additional information be submitted as an addendum to the approved Plan as per Part G, Item 1 of this licence.

PART A: SCOPE, DEFINITIONS & ENFORCEMENT

1. Scope

Amend Item 1(a)	This Licence allows for the use of water and the disposal of waste for an undertaking classified as Mining and Milling at the North James River Property, located approximately 180km southeast of Kugluktuk and 150 km west of Bathurst Inlet within the Kitikmeot Region, Nunavut. The Cygnet Lake camp to be located at 67°36.6'N and 110°45.5'W and drilling operations to take place on the Cygnet Lake Claim Block, Claims CYN15, CYN19; CYN40 and CYN 41;
-----------------	--

Insert Item 3

3. Enforcement

- i. Failure to comply with this Licence will be a violation of the *Act*, subjecting the Licensee to the enforcement measures and the penalties provided for in the *Act*;
- ii. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- iii. For the purpose of enforcing this Licence and with respect to the use of water and deposit or discharge of waste by the licensee, Inspectors appointed under the *Act*, hold all powers, privileges and protections that are conferred upon them by the *Act* or by other applicable law.

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

1. The Licensee shall obtain water for domestic use from Cygnet Lake, adjacent to the camp, up to a maximum of 5 cubic metres per day. Water use for drilling operations shall be obtained from either Grumpy Lake, Cygnet Lake or water sources immediately adjacent to the drill sites located on claim blocks CYN 15 and CYN 41, and is not to exceed 30 cubic meters per day.

PART G: CONDITIONS APPLYING TO CONTINGENCY PLANNING

Amend Items 1, 2 and 4

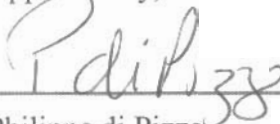
1. Licensee shall within thirty (30) days of issuance of this amendment, submit to the Board an addendum to the Spill Contingency Plan that is to include the following:
 - i. in the contact information, the Environment Canada 24-hr emergency pager contact number 867-920-5131, that is monitored by Emergency and Enforcement Officers;
 - ii. Section 8; bullet five should be changed to require reporting of spills immediately to the Water Resources Officer followed by a written report within thirty (30) days;
 - iii. under a separate heading, a description of the training provided that is indicated under Section 6; and
 - iv. a table of contents.

2. If the addendum to the approved Plan referred to in Item 1 is not accepted by the Board, the Licensee shall make the necessary changes and resubmit the addendum within thirty (30) days following notification from the Board.
4. Licensee shall ensure that any chemicals, petroleum products or wastes associated with the project do not enter water. All sumps and fuel caches shall be located a minimum of thirty (30) metres above the ordinary high water mark of any adjacent water body and be inspected on a regular basis. The Licensee is encouraged to use some form of secondary containment

All remaining terms and conditions of the License NWB2CYG0406 Type 'B' dated October 6th, 2004 still apply.

This License Amendment issued and recorded at Gjoa Haven on July 15, 2005.

Approved by,



Philippe di Pizzo
Executive Director