



December 7<sup>th</sup>, 2006

Phyllis Beaulieu  
Manager Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU  
X0B 1J0

Dear Phyllis:

**Re: Application for Water Licence – Hepburn Project**

Please find enclosed an application form for a Water Licence for our Hepburn Project located partly within Nunavut. As this project is transborder it should be noted that we are fully permitted to conduct exploratory drilling and maintain our campsite within the NorthWest Territories under Land Use Permit W2006C0005. The scope of work to be conducted in Nunavut includes till sampling, prospecting, geophysical surveying and drilling. This program will be conducted simultaneously with work in the NWT and all operations will be based from the campsite within the NWT.

I have also included the \$30 application fee, the supplemental questionnaire, a non-technical summary (in both English and Inuktitut), our Fuel Spill Contingency Plan (with MSDS sheets, an Abandonment and Restoration Plan as well as a map showing our planned areas of operations in both paper and digital format.

If you have any questions or concerns regarding this application please contact me at 604-689-2010 or by e-mail at [ggill@diamondsnorthresources.com](mailto:ggill@diamondsnorthresources.com).

Yours truly,

D. Graham Gill, P.Geo  
V.P. Operations,  
Diamonds North Resources Ltd.