



May 16, 2012

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

Dear Phyllis:

Please find enclosed a cheque for \$564.50 to cover the outstanding water use fees for Diamonds North's Amaruk project, Licence No. 2BE-PEL-0813, our Hepburn project, Licence 2B#-HEP0712 and our Blue Ice project, Licence 2BE-TAH1113. This amount is what was calculated by the NWB and outlined in a letter dated March 13, 2012 (attached).

Yours truly,

Signed "Graham Gill"

D. Graham Gill, P. Geo  
V.P. Operations  
DIAMONDS NORTH RESOURCES LTD.

