



Water Resources Division
Nunavut Regional Office
Iqaluit, NU
X0A 0H0

NWB File: 2BE-HEP0712
CIDMS #: 388527

Feb 5, 2010

Re: 2BE-HEP0712 – Annual Report 2009 – Hepburn Project – Diamonds North Resources Ltd.

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the 2009 annual report for water license 2BE-HEP0712 (Hepburn Project) submitted by Diamonds North Resources Ltd. The NWB circulated the Report for information purposes only on December 3, 2009. All associated documents related to this license posted on the NWB ftp site under 2BE-HEP0712 were included in my review (See attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 979-4282 or by email at Ian.Parsons@inac.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Water Resources Technician

Cc. Lou-Ann Cornacchio, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office



Technical Review Memorandum

To: Lou-Ann Cornacchio, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office
Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board
Graham Gill – Diamonds North Resources Ltd.

From: Ian Parsons – Water Resources Technician, Indian & Northern Affairs Canada.

Re: 2BE-HEP0712 – Annual Report 2009 – Hepburn Project – Diamonds North Resources LTD.

Background

The Hepburn Project borders both the Northwest Territories and Nunavut with all camp infrastructure located in the Northwest Territories. The Hepburn Project is located in an area south of the Coppermine River in the Kitikmeot Region of Nunavut. According to the 2009 Annual Report only 3 days of prospecting were conducted within the Nunavut Region of the Project, with no water use.

Recommendations/Comments

- 1) The Proponent is required to describe, in more detail, these prospecting activities with respect to waste disposal (garbage, blackwater, greywater and human). As well as how many people were involved and whether overnight stays were required.

This outstanding information is required by Part B Item 1 of the water license.

Cc. Lou-Ann Cornacchio, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office
Peter Kusugak, District Manager – Indian and Northern Affairs Canada, Nunavut Regional Office