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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File No: 2BE-KAZ0609

June 4, 2008

Mr. Wayne Roberts
VP Exploration
Pacific Ridge Exploration Ltd.
Suite 1205-675 West Hastings Street
Vancouver, BC, V6B 1N2
Email: wroberts@mnx ltd.com

RE: Licence 2BE-KAZ0609 Type “B”; Amendment No.2

Dear Mr. Roberts:

Please find attached Amendment No.2 to Licence No. 2BE-KAZ0609 Type “B” issued to Pacific Ridge Exploration Ltd. by the Nunavut Water Board (NWB) 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 (NWNSRTA)*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

Sincerely,

Thomas Kabloona
A/Chief Executive Officer

TK/dc/pab

Enclosure: Licence No. **2BE-KAZ0609 Type “B”-Amendment No. 2**

cc: Distribution – Kivalliq Distribution List

LICENCE AMENDMENT No. 2

| | |
|------------------------|---------------------------------------|
| Licensee: | Pacific Ridge Exploration Ltd. |
| Licence No: | 2BE-KAZ0609 Type “B” |
| Licence Issued: | July 20, 2006 |
| Amendment 1: | March 20, 2007 |
| Effective Date: | <u>May 28, 2008</u> |

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 licence amendment.

The Licence issued July 20, 2006 shall be amended to include the following terms and conditions to allow Pacific Ridge Exploration Ltd. to undertake camp activities and exploration drilling operations on the Baker Lake Project located within the Kivalliq Region, Nunavut (contained within the general geographical coordinates 63°00' to 64°00'N latitude and 94°45' to 96°00'W longitude). This Amendment shall also allow for Pacific Ridge Exploration Ltd. to increase water use to account for additional drills and personnel on site as indicated in the Amendment Application filed on February 14, 2008.

The Licensees request to amend drill hole grouting depth from 30 meters to 15 will not be authorized as Condition 30 of the project certificate issued by the Nunavut Impact Review Board states:

“The Proponent shall ensure that all drill holes are sealed by cementing (grouting) the upper 30 meters of the bedrock or the entire depth of the holes; whichever is less. Drill holes that encounter uranium mineralization with a content greater than 1.0% over a length of one 1 metre with a metre-percent concentration greater than 5% should be sealed by cementing over the entire mineralization zone; this should be at least 10 metres above and below each mineralization zone.”

As set out in 12.9.6 of the NWNSRTA, the NWB cannot overrule a NIRB decision and the NWB recommends the Licensee contact the NIRB about a possible amendment if the Licensee wishes to reduce grouting depth.

The Licensee is recommended to review comments made by INAC, GN-DOE and EC

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Amend Item

| | |
|---------------------------------|---------------------------------|
| Quantity of Water Not to Exceed | 170 Cubic Meters per Day |
|---------------------------------|---------------------------------|

PART C: CONDITIONS FOR THE USE AND PROTECTION OF WATER

Item 1.
Amend

The Licensee shall obtain water for domestic use from Bissette Lake, adjacent to the main drill camp, up to a maximum of twenty (20) cubic metres per day. Water use for drilling operations shall be obtained from water sources proximal to the drilling targets and is not to exceed one hundred and fifty (150) cubic meters per day. Total water use for all purposes, from all sources shall not exceed one hundred seventy (170) cubic metres.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

Item 1.
Amend

The NWB has approved the plan entitled "Uranium Exploration Procedures" submitted November 2, 2006. An addendum is to be submitted within thirty (30) days of issuance of this amendment, to addresses changes made by this amendment and recommendations provided by INAC.

PART H: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

Item 11.
Amend

Drill holes and disturbed areas will be restored to natural conditions immediately upon completion of the drilling. The reclamation of drill holes must include the removal of any drill casing materials and the capping of holes with a permanent seal.

All remaining terms and conditions of the Licence 2BE-KAZ0609 Type 'B' dated July 20th, 2006, and Amendment No.1 dated March 20, 2007 still apply.

This Licence Amendment issued and recorded at Gjoa Haven on May 28, 2008.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a stylized flourish at the end.

Thomas Kabloona
A/Chief Executive Officer