

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338

Fax: (867) 360-6369

ຼຼວວ° ΔL~ሊԻና Ь∩Lት℃ NUNAVUT WATER BOARD NUNAVUT IMALIRIYIN KATIMAYINGI OFFICE DES EAUX DU NUNAVUT

Jon North, President & CEO

Suite 1000 – 36 Toronto Street Toronto, Ontario M5C 2C5

Northquest Ltd.

Jon@northquest.biz

File: 2BE-PBP1115

September 23, 2011

Dwayne Car, VP Exploration
Northquest Ltd.
P.O Box 209
Wahnapitae, Ontario P0M 3C0
Email: Dwanyne.car777@gmail.com

an: Dwanyne.car///@gman.com

RE: 2BE-PBP1115 Type "B" - Amendment No.1

Dear Mr. Car and Mr. North:

Please find attached, Amendment No.1 to Licence No. 2BE-PBE1115 Type "B" issued to Northquest Ltd., by the Nunavut Water Board (NWB) (Motion 2011-11-L25) 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.

The NWB strongly recommends that the Licensee consult the comments received from intervening parties on issues identified. Aboriginal Affairs and Northern Development Canada (AANDC) recommends that outstanding requirements under Part H Item 2 and Part I, Item 1 of the Licence be addressed in the form of addendums and submitted with the 2011 Annual Report; Environment Canada (EC) provided information pertaining to measures that can be implemented to protect the environment. This information is attached for your consideration.

Sincerely,

Thomas Kabloona

1110

Nunavut Water Board, Chair

TK/sj/ip

Enclosure: Licence No. 2BE-PBP1115 - Amendment No.1

Comments - AANDC, EC

Cc: Distribution - Kivalliq

LICENCE AMENDMENT No. 1

Licensee:

Northquest Ltd.

Licence No:

2BE-PBP1115 Type "B"

Licence Issued:

June 20, 2011

Effective Date:

September 23, 2011

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, with respect to the application for amendment dated July 15, 2011, made by Northquest Ltd, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued June 20, 2011 with an expiry date of June 30, 2015 shall be amended to include the following term and condition, with respect to use of water and deposit of waste during camp activities and drilling operations, to allow Northquest Ltd., to increase, from fifty-one (51) cubic metres per day to eighty-six (86) cubic metres per day, the volume of water allowed under Licence 2BE-PBP1115 for the Pistol Bay Project, which is located in the Kivalliq Region of Nunavut at the following geographical coordinates:

Latitude: 62° 15' 30" N to

Latitude: 62° 37' 30" N

Longitude: 92° 33' 00" W to Latitude: 62° 21' 5.2" N

Longitude: 93° 30' 00" W (Drilling) Longitude: 92° 45' 19.7" W (Camp)

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain one (1) cubic metre per day of water for domestic camp use from a pond proximal to camp. Drill water shall be obtained from local water source(s), proximal to the drilling targets as outlined in the application and shall not exceed eighty-five (85) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed eighty-six (86) cubic metres per day.

All remaining terms and conditions of the Licence 2BE-PBP1115 Type B"-issued June 20, 2011 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on September 23, 2011.

Approved by,

Thomas Kabloona

Nunavut Water Board, Chair