



May 4, 2006

Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut
X0B 1J0

Attn: Phyllis Beaulieu

BHP Billiton World Exploration Inc
#800 - 1055 Dunsmuir Street

Four Bentall Centre
Vancouver, BC, V7X 1L2
Canada

Tel (604) 632-1450 Fax (604) 663-4125
Web: www.bhpbilliton.com

Re: Assignment of NWB Water Licence NWB2PEL0507

Dear Ms. Beaulieu,

The above captioned licence pertains to an exploration property located in the Kugaaruk area of Nunavut that had been part of a joint venture between BHP Billiton Diamonds Inc. and Diamonds North Resources Ltd. BHPB has recently pulled out of the joint venture and requests that the license be wholly reassigned to Diamonds North.

The contact information for the assignee is:

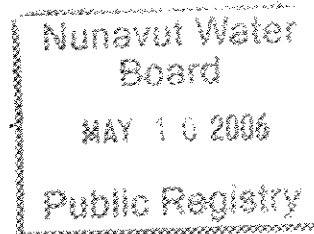
Diamonds North Resources Ltd.
510-510 Burrard Street
Vancouver, B.C.
V6C 3A8
Attn: Graham Gill
Ph: 604 689-2010
Fax: 604 484-7143

If further information is required, I can be reached at my direct line 604 632-1451 or by email at jeremy.j.howe@bhpbilliton.com

Sincerely,

A handwritten signature in black ink, appearing to read "J. Howe".

Jeremy Howe
BHP Billiton



A member of the BHP Billiton group
which is headquartered in Australia
Registered Office: 600 Bourke Street
Melbourne Victoria 3000 Australia
ABN 49 004 028 077
Registered in Australia



May 4th, 2006

Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut
X0B 1J0

Phone: 867-360-6338
Fax: 867-360-6369

Attn: Phyllis Beaulieu

Re: Assignment of NWB Water Licence NWB2PEL0507

Dear Ms. Beaulieu,

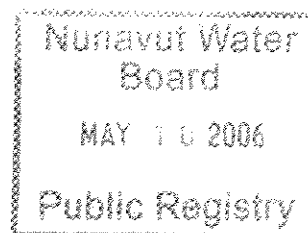
Regarding BHP Billiton Diamonds Inc.'s request to assign the above mentioned water licence to Diamonds North Resources Ltd., Diamonds North hereby agrees to accept the assignment as per the original terms and conditions at the time the licence was issued to BHP Billiton Diamonds Inc.

Please find enclosed the licence assignment application form and a cheque in the amount of \$30 to cover the transfer fee. If you require any additional information regarding this matter I can be contacted at 604 689-2010 or by e-mail to ggill@diamondsnorthresources.com.

Yours truly,

A handwritten signature in dark ink, appearing to read "D. A. Gill".

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



UNDERTAKING OF PROPOSED ASSIGNEE

(section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*)

WHEREAS

The Nunavut Water Board ("NWB") issued Licence No. NWB2PEL0507 dated JUNE 30, 2005 ("the Licence") to BHP BILLITON DIAMONDS INC. (the "Assignor"), for a term of 2 + years starting on JUNE 30, 2005 and expiring on December 31, 2007, subject to the terms and conditions set out in the Licence.

AND WHEREAS (the Proposed "Assignee")

(a) _____ (individual)

OR

(b) DIAMONDS NORTH RESOURCES LTD.
(a corporate entity incorporated pursuant to the laws of BRITISH COLUMBIA)


requests that the NWB approve the Assignment of the Licence from the Assignor to the Proposed Assignee pursuant to section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act").

NOW THEREFORE

Effective on the date that the NWB approves the assignment of the Licence, the Proposed Assignee undertakes and accepts responsibility for the performance of all of the terms and conditions of the Licence including the performance of all liabilities arising pursuant to any Licence term or condition, whether arising before or after the effective date of the assignment, **AND** undertakes to pay any security required of the Assignor when the Licence was granted.

IN WITNESS WHEREOF the Proposed Assignee executed this Undertaking
on MAY 9th, 2006.

SIGNED, SEALED AND DELIVERED
in the presence of:



Witness

)
)
) VICTOR HARWARD
) (name of individual)

On behalf of

DIAMONDS NORTH RESOURCES LTD.

(Corporation Name)

Per:



Position D. GRANT'S GULF V. P. OPERATIONS

(Corporate Seal)

**AFFIDAVIT OF EXECUTION
UNDERTAKING OF PROPOSED ASSIGNEE**

I, VICTOR HARWARDT (name of witness), of the city/town/village of Vancouver in the province or territory of BRITISH COLUMBIA.

MAKE OATH AND SAY:

1. THAT I know D. GRAHAM GILL

(individual who signed Undertaking), of the CITY
city/town/village of Vancouver in the
province/territory of BRITISH COLUMBIA.


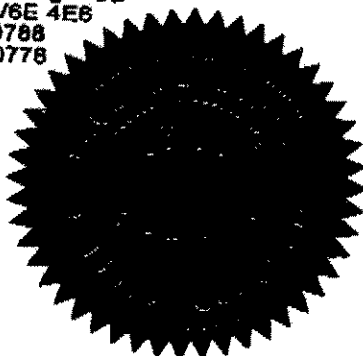
2. THAT on or about the 9th day of MAY 2006 (month and year), I
was personally present and did see the Undertaking annexed as Exhibit "A",
executed by D. GRAHAM GILL (individual who
signed Undertaking) by signing page two of the Undertaking.

3. THAT at the time of execution of the Undertaking, D. GRAHAM GILL
(individual who signed Undertaking) had attained the age of 19 years and, in my
opinion, was of sound mind, memory and understanding at the time of execution
of the Undertaking.

SWORN BEFORE ME at the city/town/village)
of Vancouver in the province or)
territory of BRITISH COLUMBIA)
this 9th day of MAY, 2006)



PAUL A. BOWES
SALLEY BOWES HARWARDT LLP
Barrister & Solicitor
Suite 1750-1185 W. Georgia St.
Vancouver, B.C. V6E 4E6
PH: 604-688-0788
FAX: 604-688-0778


) (name of witness)

DECLARATION OF LICENSEE (Assignor)

I, GEOFFREY MICHAEL WOAD
(Name)

representing BHP BILLITON DIAMONDS INC.
(Name of Licensee)

hereby request the Nunavut Water Board to approve the assignment of
Licence No. NWB2 PEL 0507 described in this application.

Dated this 10th day of May, 2006, in the city of
Vancouver, B.C., Canada.
(Name - City/Town) Province/Territory

B. H. Huif
Signature of Applicant



NUMBER: 642021

COMPANY ACT

CERTIFICATE OF INCORPORATION

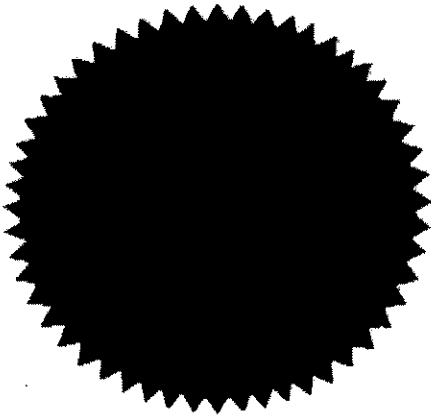
I Hereby Certify that

DIAMONDS NORTH RESOURCES LTD.

has this day been incorporated under the *Company Act*

Issued under my hand at Victoria, British Columbia

on February 13, 2002



JOHN S. POWELL
Registrar of Companies
PROVINCE OF BRITISH COLUMBIA
CANADA