

February 15th, 2010

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 Phone: (867) 360-6338, Ext. 26

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## Regarding: NWB Water Licence No. 2BE-PEL-0813

Dear Ms. Beaulieu;

Please accept this letter as Diamonds North request to amend the above mentioned Water Licence. Originally through our application to DIAND and the Nunavut Water Board we had applied for two camp sites on our Amaruk property located near Kugaaruk, Nunavut which was approved by both the Nunavut Water Board and DIAND.

After several years of exploration conducted from both sites it has now been decided to discontinue work from the Siku camp. In fact the Siku camp has been dismantled as of July 2009 and all grounds have been returned, as close as possible, to their original state, (see during and after pictures attached).

We are now contemplating constructing another satellite camp named Tunerq at 68° 07′ 39"N Latitude and 91° 30′ 52"W Longitude which will consist of;

One 14' x 16' weatherhaven office/first aid tent
One 14' x 16' weatherhaven kitchen aid tent
Three 14' x 16' weatherhaven sleep tents
One 14' x 16' dry tent
One generator shack
One latrine
One incinerator

This location (83 kilometres southwest of Kugaaruk and wholly on Crown Land, see map attached) will allow us to more efficiently and safely operate a portion of our exploration program. This camp will be of the same size as the now defunct Siku camp and therefore no water use-age in excess of our current Water Licence is expected as there will be as many people seasonally housed at this site as once was at Siku. In terms of drill water we are only contemplating using one diamond drill rig this year as opposed to the 2 that were utilized in 2008 therefore even less water will be consumed.

If you need any additional information regarding this amendment request please contact me at 604 689-2010 or by e-mail at <a href="mailto:ggill@diamondsnorthresourecs.com">ggill@diamondsnorthresourecs.com</a>. Please be advised that we will continue to operate under all terms and conditions listed within our current Water Licence. A hardcopy of this letter and attachments will also be mailed.

Yours truly,

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