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File No: NWB2TAK0204

August 24, 2004

Ian Graham
Exploration Manager
Kennecott Canada Exploration Inc.
#354-200 Granville Street
Vancouver, BC V6C 1S4

Fax: (604) 669-5255

Mr. Greg Missal Vice-President, Nunavut Affairs Tahera Corporation 803-121 Richmond St. W Toronto, ON M5H 2K1

Email: missal@tahera.com

Re: Assignment of Licence NWB2TAK0204

Dear Messrs. Graham and Missal:

We have reviewed your request to transfer Licence NWB2TAK0204 from Kennecott Canada Exploration Inc. ("Kennecott") to Tahera Diamond Corporation ("Tahera"). This application was deemed to be an application for assignment pursuant to section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act").

Before approving your application, the NWB gave interested parties the opportunity to provide comments within a prescribed period. We received confirmation from the Kitikmeot Inuit Association ("KIA") that Land Use Permit No. KTL301C002 was issued to Tahera on July 25, 2004. Additionally, confirmations of the assignment of Land Use Permit Nos. N2000C0004 and N2002J0022 from Kennecott to Tahera were received from the Department of Indian and Northern Affairs Canada (INAC) on July 25, 2004.

In accordance with Section 44(2) of the *Act*, the Nunavut Water Board hereby authorizes the assignment of water license NWB2TAK0204 from Kennecott to Tahera, effective on the date of this letter, which will be placed in the NWB Public Registry.

Provisions for the enforcement of water licences issued by the NWB pursuant to the Act are found in sections 85 to 94 of the same Act, which gives the Minister of Indian and Northern Affairs Canada the power to designate inspectors and analysts responsible for inspection and compliance. We ask you to contact the Inspector at the INAC District Office in Iqaluit to obtain a copy of any enforcement documents related to this license.

Sincerely,

DRAFT

Philippe di Pizzo Executive Director

cc. Elizabeth Sherlock, INAC
Constantine Bodykevich, INAC
Colette Meloche, EC
Gladys Joudrey, NIRB
Salomonie Shoo, QIA
Tania Gordanier, DFO
Gordon MacKay, DSD
Josee Gallipeau, NWMB