



Water Resources Division
Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, NU X0A 0H0

File 9545-2-1.2BE.TIMA
CIDMS 241893

August 6, 2008

Richard Dwyer
Licence Administrator
Nunavut Water Board
Gjoa Haven, NU X0B 1J0

**Re: 2BE-TIM0608, Diamondex Resources Ltd., IC/TIM Project, Licence
Renewal Application, Kitikmeot Region**

Dear Mr. R. Dwyer,

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of water license renewal application # 2BE-TIM0608 submitted by Diamondex Resources Ltd. This license is required for the use of water and disposal of waste during exploration drilling operations associated with the IC/TIM Project located within the Kitikmeot Region of Nunavut.

The IC/TIM Project entails prospecting, reverse circulation diamond drilling, and till sampling exploration activities on the IC and TIM claim blocks situated 90 kilometers southeast of Kugaaruk. Project personnel will be accommodated in Kugaaruk, and as a result, camp facilities will not be constructed within the project area. Through the use of a reverse circulation diamond drill, Diamondex Resources Ltd. anticipates having minimal water consumption requirements.

The following recommendations/comments are provided for your consideration in the review/approval process for this application,

General

- Diamondex Resources Ltd. has requested a licence term completion date of June 27, 2013. To limit the frequency of Type B licence reviews, INAC recommends that the term be extended to the end of the 2013 calendar year.
- NWB standard terms and conditions applicable to this activity should be imposed to prevent and/or minimize any adverse environmental impacts due to water use and associated waste disposal.

Waste Disposal

- Due to the IC/TIM Project's limited scale of operation, all waste products should be backhauled for disposal at an approved waste disposal / treatment facility.

Spill Contingency Planning

- The IC/TIM Project's Spill Contingency Plan does not contain on-site contact information. This plan should be revised to include appropriate contact information for personnel responsible for implementing hazardous material spill response measures.
- The submitted Spill Contingency Plan does not reference any fuel caches or use of fuel within the project area. Once fuel cache locations are determined, Diamondex Resources Ltd. should submit a revised plan that describes these areas and any site-specific fuel management practiced (e.g., use of drip trays when refueling equipment).
- The Spill Contingency Plan should be revised to include a copy of the Nunavut Spill Report Form that is submitted to the Government of Nunavut for all hazardous material spills reported to the 24-hour Spill Report Line at (867) 920-8130.
- The INAC Nunavut Regional Office Field Operations Division should be contacted when reporting any spills. The Field Operations Division contact telephone number is (867) 975-4295 and fax number is (867) 975-4560.

Abandonment and Reclamation Plan

- Diamondex Resources Ltd. should submit a written Abandonment and Reclamation Plan specific to the IC/TIM Project to the Board for review. This Plan should address those terms and conditions identified in Part H of water licence 2BE-TIM0608 in addition to any other abandonment and reclamation requirements specified in a renewed water licence. Furthermore, this plan should include both seasonal and final closure activities.

Please contact me should you have any questions or comments with regards to this license renewal application review. I can be reached by telephone at (867) 975-4555 or email at AbernethyD@inac-ainc.gc.ca.

Regards,
Original signed by

David W. Abernethy
Regional Coordinator

Carbon copy:
Kevin Buck, Manager of Water Resources – INAC, Nunavut Regional Office