



TAIGA CONSULTANTS LTD.

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June 18, 2007

NWT Water Board
2nd Floor Goga Cho Building
4916 47th St
PO Box 1326
Yellowknife, NT X1A 2N9

Dear Sirs:

Please find enclosed twenty-five (25) copies of a water use application in the name of Diadem Resources Ltd. The application and usage fee will be submitted under separate cover.

Diadem requests a water use permit for diamond drilling purposes on the Franklin Diamond Project, Parry Peninsula, NWT.

In support of the application, I have attached a copy of a submission to the Environmental Impact Screening Committee.

Yours very truly,
Tim Sandberg
TAIGA CONSULTANTS LTD.
#4 -1922 9th Ave. SE
Calgary, Alberta
T3E 5M1

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cell 403-969-1604
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email tsandberg@taiga-ltd.com

cc: *Diadem Resources Ltd*
Paulatuk Hunters and Trappers Committee

SCHEDULE III
(Subsection 6 (1))

APPLICATION FOR LICENCE, AMENDMENT OF LICENCE OR RENEWAL OF LICENCE

APPLICATION/LICENCE NO.
(amendment or renewal only)

1. NAME AND MAILING ADDRESS OF APPLICANT

Tom Skimming
One University Ave - Suite 550
Toronto, Ontario M5J 2P1

Telephone: 416-444-0900 Fax: 416-369-6088

2. ADDRESS OF HEAD OFFICE IN CANADA IF INCORPORATED

Diadem Resources Ltd.
One University Ave - Suite 550
Toronto, Ontario

Telephone: 416-369-6080 Fax: 416-369-6088

3. LOCATION OF UNDERTAKING (describe and attach a map, indicating watercourses and location of any proposed waste deposits)

Parry Peninsula, northwest of Paulatuk, NWT
see attached map

Latitude: 69 deg 45 min N

Longitude: 124 deg 30 min W

4. DESCRIPTION OF UNDERTAKING (describe attach plans)

Diamond drill evaluation of diamond exploration targets
see attached EISC application for full description

5. TYPE OF UNDERTAKING

- | | | | | | |
|----------------------|-------|---------------|-------|----------------|-------|
| 1. Industrial | _____ | 4 Power | _____ | 6 Conservation | _____ |
| 2 Mining and milling | _____ | 5 Agriculture | _____ | 7 Recreation | _____ |
| 3. Municipal | _____ | | | | |

8. Miscellaneous (describe) mineral exploration

6. WATER USE

- | | | | |
|--|----------|---------------------------------------|-------|
| To obtain water | <u>X</u> | Flood control | _____ |
| to cross water courses | _____ | To divert water | _____ |
| to modify the bed or bank of watercourse | _____ | to alter the flow of, or store, water | _____ |

Other (describe) _____

7. QUANTITY OF WATER INVOLVED (litres per second, litres per day or cubic metres per year, including both quantity to be used and quantity to be returned to source)

approximately 6000 litres/day
none to be returned to source

SCHEDULE III - (continued)

APPLICATION FOR LICENCE, AMENDMENT OF LICENCE, OR RENEWAL OF LICENCE - (continued)

8 WASTE DEPOSITED (quantity, quality, treatment and disposal)

approximately 6000 litres/day
disposed of in a natural hollow or sump

9 OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (giving name, mailing address and location, attach list if necessary)

none

10 PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION

small quantities of drill return fluid deposited on the tundra

11 CONTRACTOR AND SUB-CONTRACTORS (names, addresses and functions)

Taiga Consultants Ltd. #4, 1922 9th Ave SE Calgary, Alberta T2G 0V2
project management
Drilling contractor - not yet determined
Helicopter charter - probably Great Slave

12 STUDIES UNDERTAKEN TO DATE (attach list if necessary)

none

13 PROPOSED TIME SCHEDULE

depends on permitting and availability of contractors
preferred schedule Aug 1 to Sept 30, 2007
but may get pushed ahead to spring 2008

Start date: _____ Completion date: _____

THOMAS SKIMMING DIRECTOR *T. Skimming* JUNE 11, 2007
NAME (Print) TITLE (Print) SIGNATURE DATE

FOR WB OFFICE USE ONLY

APPLICATION FEE	Amount \$ _____	Receipt No. _____
WATER USE DEPOSIT	Amount \$ _____	Receipt No. _____