

July 26, 2012

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 Via Email: licensing@nunavutwaterboard.org

Re: Request for Closure – Type "B" Nunavut Water License 2BE-CGP1012, The Coronation Gulf Project

Dear Ms Beaulieu,

Enclosed please find a duly completed application requesting the closure of the above referenced license which currently holds an expiry date of July 31, 2012.

In addition to the application document (and as per our previous conversation) I have enclosed a copy of the final land use report submitted to Aboriginal Affairs and Northern Development Canada ("AANDC") in association with the closure of the land use authorization associated with the Coronation Gulf Project.

I will contact you via telephone to arrange a credit card payment of \$30.00 for the requisite cancellation fee associated with this application.

If you have any questions regarding this correspondence please contact the undersigned at your earliest convenience.

Yours truly,

STORNOWAY DIAMOND CORPORATION

Per:

Nicole Westcott

Manager of Community and Regulatory Affairs – Exploration

Enclosures:

Application for Water License Cancellation Closure Summary – 2BECGP1012 (English) Closure Summary – 2BE-CGP1012 (Inuktitut) Final Land Use Report – N2010C00010