From:	Eva Paul
To:	Frances kwong
Cc:	Erik Allain; licensing@nunavutwaterboard.org; nwestcott@stornowaydiamonds.com
Subject:	RE: Ashton Mining Project licence 2BE-ASH0611
Date:	Wednesday, June 19, 2013 12:05:19 PM
Attachments:	2007-04-30 Termination of Coronation project_2.PDF

Hello Ms. Kwong,

As per the assignment documentation I sent you, this licence was legally assigned to Vaaldiam from Ashton Mining in 2006. This assignment was authorized by Robert Yeoman, VP, CFO and Corporate Secretary of Vaaldiam at the time. Therefore, Vaaldiam is listed as the licensee on this water licence. If the licence was not subsequently re-assigned (and no such documentation is apparent), then the licence remains the responsibility of Vaaldiam. Expiry of the licence is not relevant in this case; the reclamation conditions in a water licence exist beyond expiry until the conditions are met and the licence is cancelled by the Nunavut Water Board.

I am copying Nicole Westcott of Stornoway Diamonds on this for confirmation, however, it appears that this licence did not belong to Ashton at the time that Stornoway took over the Ashton Licences. As such, the termination of the agreement with Stornoway may have no bearing on this licence.

Regards,

Eva Paul
Water Resources Officer | Agent des ressources hydriques
Aboriginal Affairs and Northern Development Canada | Affaires autochtones et Développement du Nord Canada
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>>> Frances kwong <frances.kwong@vaaldiam.com> 6/19/2013 11:56 AM >>>

Eva,

Attached please find letter of termination of the project we sent to Ashton in 2007. As far as Vaaldiam is concerned, the property and all matters related to the property were no longer under Vaaldiam's control and they would have all passed to Stornoway on Stornoway's acquisition of Ashton Mining. In any case, the licence has already expired in 2011 and I do not see where we need to be involved in this matter. I would suggest that you take this up with Stornoway's management.

Regards,

Frances Kwong

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From: Eva Paul [mailto:Eva.Paul@aandc-aadnc.gc.ca]
Sent: Tuesday, June 11, 2013 10:48 AM
To: Frances kwong
Cc: Phyllis Beaulieu <licensing@nunavutwaterboard.org
Subject: Ashton Mining Project licence 2BE-ASH0611

Hello Ms. Kwong,

As discussed, here are the assignment documents showing the transfer of the licence from Ashton Mining to Vaaldiam. These and other documents pertaining to this licence are available on the Nunavut Water Board public registry: nunavutwaterboard.org (login PUBLIC password REGISTRY).

Requests were sent in 2007, 2010, and 2011 for payment of water use fees and annual reports.

As I mentioned, I will be inspecting the site in July to determine if there is outstanding reclamation work to be done.

Please let me know what you can find on your end.

Sorry to be the bearer of bad news!

Regards,

Eva Paul
Water Resources Officer | Agent des ressources hydriques
Aboriginal Affairs and Northern Development Canada | Affaires autochtones et Développement du Nord Canada
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