

June 25, 2013

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 Licenses 2BE-ASH0611

Dear Ms Beaulieu,

As per correspondence with Eva Paul, Water Resources Officer, attached please find a copy of a final land use report detailing reclamation activities conducted on the two camp locations and the land use area covered under Type “B” Nunavut Water License 2BE-ASH0611.

This license was originally held by Ashton Mining (Northwest Territories) Ltd. (“Ashton NWT”), but was assigned to Vaaldium Resources Ltd. (“Vaaldium”) in 2006, when, under an option agreement with Ashton NWT, Vaaldium conducted an exploration program on the property and utilized one of the camp facilities established under the authority of Nunavut Water Board License 2BE-ASH0611.

While the AANDC (formerly INAC) land use permit was assigned back to Ashton NWT upon Vaaldium’s decision not to continue with the option agreement the NWB water license associated with the project (2BE-ASH0611) remained in Vaaldium’s name.

Please be advised that reclamation of the two camp facilities and the land use area covered under the authority of 2BE-ASH0611 was conducted by Stornoway Diamond Corporation (“Stornoway”) in July of 2008. Baba Pederson, Resource Management Officer performed an initial final inspection of the land use area on July 19, 2010 and documented a few drill rods that had been inadvertently left behind when the reclamation of the camp sites was conducted.

These items were removed from the land by Stornoway as soon as was practicable and when Mr. Pedersen visited the area again on August 10, 2011 he confirmed via email that he had documented the removal of the drill rods and would be recommending closure for the land use permit.

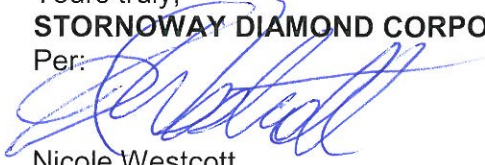
Attached please find a copy of final land use report that was submitted in association with the request to close the AANDC Land Use Permit (N2003C0033) associated with the project. We hope that this report provides the information required by Ms. Paul to conduct her inspection of the land use area subject to Nunavut Water Board license 2BE-ASH0611 during the summer of 2013 in order to facilitate an expedient and orderly closure of this file.

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

Yours truly,

STORNOWAY DIAMOND CORPORATION

Per:



Nicole Westcott

Cc: Eva Paul, Water Resources Officer, AANDC
Frances Kwong, Vaaldium Mining Inc.

Enclosures: *Final Land Use Report – LUP N2003C0033*