

Closure Summary

Nunavut Water Board Type "B" License 2BE-ASH0611

Licensee : **Vaaldiam Mining Inc.**
 55 University Avenue
 11th Floor, Suite 1105
 Toronto, ON
 M5J 2H7

Date of Issuance: August 16, 2006

Expiry Date: May 31, 2011

Stornoway Diamond Corporation
Unit 116-980 West 1st Street
North Vancouver, BC
V7P 3N4

Stornoway Diamond Corporation ("Stornoway"), on behalf of Vaaldiam Mining Inc. ("Vaaldiam"), is requesting the official closure of Nunavut Water Board Type "B" License 2BE-ASH0611 which authorized water use and waste disposal (not to exceed 100 cubic meters a day) in association with two temporary/seasonal camp facilities (known as the Phantom camp and the RJ camp) as well as drilling activities on property interests in the Coronation Gulf Region of Nunavut.

This license was a renewal of 2BE-ASH0305, which replaced the former NWB2KLA0103. While two additional camp locations were proposed in the original application, they were never used.

This license was originally held by a subsidiary of Stornoway, Ashton Mining (Northwest Territories) Ltd., who conducted exploration activities on the land use area from 2003 through to 2005. In 2006 this license was assigned to Vaaldium as a part of an option agreement, and during that year representatives of Vaaldium conducted an exploration program on the property which included sampling activities and the use of one of the two camp locations.

No water use or waste disposal occurred under the authority of this license in 2007, and in 2008 reclamation work was conducted at both the Phantom and the RJ camp locations. The abandonment and reclamation activities performed at the camp facilities included the removal of equipment, supplies and fuel from the land use area, the backfilling of all sumps, and the recountouring of the surface area to match the surrounding landscape. Upon completion of the restoration activities at the two camp locations there was little evidence of the land use operation.

The option agreement between the original holder of this license and Vaaldium was terminated in 2007, and while Vaaldium remains the official licensee for 2BE-ASH0611, Stornoway has received written authorization to act on their behalf in regards to the facilitation of the closure of this license.