

February 12, 2010

Phyllis Beaulieu, Manager of Licensing  
The Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU  
X0A 0H0

**Re: Water Use Application– The Coronation Gulf Project**

Dear Ms Beaulieu,

Attached please find a duly completed Type "B" Water Use Application for Stornoway Diamond Corporation's Coronation Gulf Project.

The proposed exploration program revolves around a four week drilling program that would operate out of the already established "Eureka Camp" (authorized originally under NWB2COR0205 and then 2BE-COR0508 which expired on October 21, 2008) which is scheduled to take place at some point between June and late September of 2010 or 2011, depending upon logistical considerations.

The original water use licenses as referenced above also authorized Jubilee Camp location. This site has had abandonment and reclamation activities conducted on it and a Final Land Use Report was submitted on June 23, 2009.

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

Yours truly,

**STORNOWAY DIAMOND CORPORATION**

Per:



Nicole Westcott  
Land Administrator

*Enclosures: Water License Application Form  
Exploration/Remote Camp Supplementary Questionnaire  
Appendix "A" Executive Summaries  
Appendix "B" Land Use Area  
Appendix "C" The Eureka Camp, Photographs  
Spill Contingency Plan, The Coronation Gulf Project  
Abandonment and Restoration Plan, The Coronation Gulf Project  
Cheque No. 24678 in the amount of \$60.00*