

September 7, 2011

Tracey McCaie,
Land Administrator Specialist
Indian and Northern Affairs Canada
P.O. Box 100
Iqaluit, NU
X0A 0H0

Via email: Tracey.McCaie@inac-ainc.gc.ca

Re: Land Use Permit N2010C0010 – Abandonment and Restoration Activities Completed – Final Land Use Plan to Follow

Dear Ms. McCaie,

Please accept this correspondence as notification that the final abandonment and restoration activities on the Eureka camp which operated under the authority of the above referenced land use permit have been completed and a Final Land Use Plan for the project will be submitted as soon as possible.

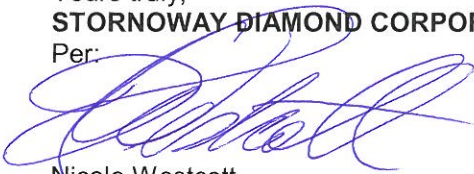
As per the notice of land use submitted on May 26, 2011 the Eureka camp location was mobilized during the first week of June and was occupied until mid to late July. During that time regional till sampling, surveying and a short drill program were conducted.

I have been notified that the final abandonment and restoration activities have now been completed on the camp facility however I have not yet received the photographs, etc. from the demobilizing crew that I will require to prepare a sufficient Final Land Use Plan. Once I have received this information (I am sure you can appreciate this is a busy time of year for the contactors providing this service) I will submit a completed Final Land Use Plan to your attention as soon as is practicable.

If you have any questions in the meantime regarding this notification please do not hesitate to contact me at your convenience. I can be reached via my direct phone line at 604-983-7764, by fax at 604-987-7107 or via email at nwestcott@stornowaydiamonds.com.

Yours truly,
STORNOWAY DIAMOND CORPORATION

Per:



Nicole Westcott
Land Administrator

Cc: Baba Pedersen, Resource Management Officer INAC
Phyllis Beaulieu, Manager of Licensing - Nunavut Water Board
Andrew Keim, Water Resources Officer, INAC(2BE-CGP1012)