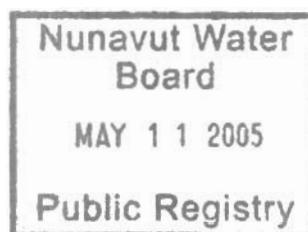


May 4, 2005

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0



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Re: Application for Water License, Central Nunavut Area

Dear Ms. Beaulieu,

Enclosed please find a duly completed application with attachments, including cheque #20033 in the amount of \$60.00 representing the requisite application fee of \$30.00, plus the annual water use fee of \$30.00.

If you have any questions in regards to this submission please contact the undersigned at your earliest convenience.

Yours truly,
STORNOWAY DIAMOND CORPORATION

Per:

A handwritten signature in black ink, appearing to read "Nicole Westcott".

Nicole Westcott
Land Administrator

Enclosures: Completed Water License Application
Completed Exploration Camp Supplementary Questionnaire
Page Size Map
Executive Summary (1 copy each of English & Inuktitut version)
Spill Response Plan
Abandonment and Restoration Plan
Required Material Safety Data Sheets
Check #20033 in the amount of \$60.00 (\$30.00 application fee + \$30.00 annual water use fee)