

March 27, 2006

Phyllis Beaulieu
Licensing Manager
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0E 1J0

Re: NWB2COR0205 – Annual Report Submission


Dear Ms. Beaulieu,

Enclosed please find a duly completed annual report for the above referenced water license.

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

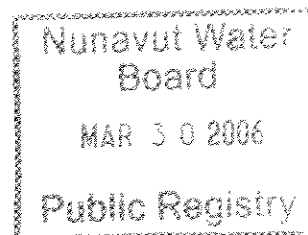
Yours truly,
STORNOWAY DIAMOND CORPORATION

Per:



Nicole Westcott
Land Administrator

Enclosures: Annual Report – NWB2COR0205



NWB Annual Report

Year being reported:

License No: **NWB2COR0205**Issued Date: **May 6, 2002**Expiry Date: **October 31, 2005**Project Name: **Coronation Gulf Project**Licensee: **Stornoway Ventures Ltd.**Mailing Address: **860-625 Howe Street
Vancouver, BC
V6C 2T6****Name of Company filing Annual Report** (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

On April 30, 2005 a certificate of amalgamation was issued by the Registrar of Companies, British Columbia, Canada, certifying that Stornoway Ventures Ltd. and Stornoway Diamond Corporation were amalgamated as one company on that day under the name Stornoway Diamond Corporation. The Nunavut Water Board was provided with this documentation during the renewal process of NWB2COR0205 (now license number 2BE-COR0608/Expiry Date October 31, 2008).

General Background Information on the Project (*optional):

No camps were established or exploration work performed on the land use area covered by this license during the 2005 exploration season.

Licence Requirements: the licensee must provide the following information in accordance with

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s):	None	
Water Quantity:	50 cu.m/day	Quantity Allowable Domestic (cu.m)
	N/A	Actual Quantity Used Domestic (cu.m)
	50 cu.m/day	Quantity Allowable Drilling (cu.m)
	N/A	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

N/A

Additional Details:

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)
 Date of Spill:
 Date of Notification to an Inspector:
 Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

Revisions to the Spill Contingency Plan

Additional Details: N/A

Revisions to the Abandonment and Restoration Plan

Additional Details:

N/A

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

N/A

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Additional Details:

N/A

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Additional Details:

N/A

Results of any additional sampling and/or analysis that was requested by an Inspector

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

Additional Details: (Attached or provided below)

N/A

Any responses or follow-up actions on inspection/compliance reports

Additional Details: (Dates of Report, Follow-up by the Licensee)

N/A

Any additional comments or information for the Board to consider

N/A

Date Submitted:

March 27, 2006

Submitted/Prepared by:

Stornoway Diamond Corporation

Contact Information:

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email: nwestcott@stornowaydiamonds.com