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File No: NWB2NNA

June xx, 2005

Nicole Westcott, Land Administrator Stornoway Diamond Corporation Suite 860 – 625 Howe Street Vancouver, BC V6C 2T6

Email: nwestcott@strongbowexploration.com

Subject: Stornoway Diamond Corporation – Northern Nunavut Area Project – New Type "B"

Dear Ms. Westcott:

The Nunavut Water Board (NWB) acknowledges receipt of your application for a new water license on May 11, 2005 for water use and waste disposal associated with exploratory drilling and camp operations for the above project, in the Kivalliq region. The application, a copy of which can be obtained from our ftp site (http://ftp.nunavut.ca in folder nwb / NWB2 Exploration and sub-folder NWB2NNA) or by contacting our office, consists of the following items:

- cover letter dated May 4, 2005
- water license application form
- supplementary questionnaire
- project summary (English and Inuktitut)
- area map
- application and water use fee
- abandonment and restoration plan
- spill response plan and MSDS sheets

We undertook a preliminary review of your application and conclude that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). This said, I must inform you that the NWB reserves the right to request additional information and studies pursuant to sections 48(2) of the Act or, alternatively, issue guidelines for the provision of information pursuant to section 48(3) of the Act.

However, before your application can be processed further by the NWB, it is subject to sections 38(1) to 38(5) of the Act and therefore must first be reviewed by the **Nunavut Planning**Commission (NPC) to determine its conformity with an approved land use plan. By copy of this letter to the NPC, we are formally asking our sister board to undertake this determination and inform the NWB of its decision.

Pursuant to Section 13.7.3 of the Nunavut Land Claims Agreement this application is of a class that does not require a public hearing, and is therefore exempt from screening by the Nunavut Impact Review Board, as per Schedule 12-1 of the NLCA. We are consequently requesting **NPC to forward the application back to the NWB** when its determination is complete.

Finally, by copy of this letter to the distribution list and the enclosed notice of application sent to the council of the municipality or municipalities most affected by your application, we invite interested persons to make representations directly to the NWB within 30 days from the date of this letter. Please note that and A&R Plan and a Spill Response Plan were also received with the application and require review. The NWB may provide additional procedural instructions once the application has been reviewed.

Sincerely,

Original signed by:

Phyllis Beaulieu Manager of Licensing

Enclosure: Notice of Application

cc: Distribution List