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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File No: 2BE-QIL

November 16, 2006

Ms. Nicole Westcott
Land Administrator
Stornoway Diamond Corporation
860-625 Howe Street
Vancouver, BC V6C 2T6
Email: nwestcott@stornowaydiamonds.com

Subject: Stornoway Diamond Corp. – Qilalugaq Project – New Type “B”

Dear Nicole:

The Nunavut Water Board (NWB) acknowledges receipt of your application for a new water license on November 8, 2006 for water use and waste disposal associated with exploration activities for the Qilalugaq Project, in the Kivalliq region. The application can be obtained from our ftp site at the following Internet Explorer link: <ftp://nunavutwaterboard.org/> or by contacting our office. Take note that the User Name is **public** and the Password is **registry**. The application consists of the following documents:

- cover letter dated November 8, 2006
- water license application form, received November 8, 2006
- supplementary questionnaire, received November 8, 2006
- work area map, received November 8, 2006
- project summary in English and Inuktitut, received November 8, 2006
- application fee, water use fee, received November 8, 2006
- corner coordinates of work area outline, received November 8, 2006
- Spill contingency plan, received November 8, 2006
- Abandonment and restoration plan, received November 8, 2006
- MSDS Sheets, received November 15, 2006

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.

An NWB Technical Advisor may be in touch with you to clarify any technical details related to your application.

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 by December 16, 2006. Please note that a Spill Contingency Plan and an Abandonment and Restoration 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

/pb

Enclosure: Notice of Application

cc: Distribution List - Kivalliq