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ው**ል**ያና ΔL~ሊትና bበLትዣ NUNAVUT IMALIRIYIN KATIMAYINGI NUNAVUT WATER BOARD OFFICE DES EAUX DU NUNAVUT

NWB File Number: 2BE-SNN0813

September 11, 2012

Nicole Westcott Manager of Community and Regulatory Affairs-Exploration Stornoway Diamond Corporation Unit 116-980 West 1st Street North Vancouver, BC V7P 3N4

Email: nwestcott@stornowaydiamonds.com

Subject: Request for Cancellation of Water Licence 2BE-SNN0813 – Stornoway Diamond Corporation

Dear Ms. Westcott:

This letter acknowledges receipt on September 06, 2012 of an application from Stornoway Diamond Corporation to cancel Water Licence 2BE-SNN0813. In accordance with Section 43(1) (c) of the Nunavut Waters and Nunavut Surface Rights Tribunal Act, the Nunavut Water Board (Board or NWB) may cancel a licence on application by the licensee.

The application can be obtained from our ftp site under PRUC with Username: public, Password: registry.

To ensure this application is dealt with in a timely fashion, the NWB forwards notice of all documentation to regulators and council of the municipality(ies) most affected by the project, inviting interested parties to make representation directly to the NWB within 30 days from the date of this letter. The NWB may provide additional procedural instructions once the application has been reviewed by interested parties.

The Board further requests that Aboriginal Affairs and Northern Development Canada advise the Board when a final site inspection is complete. At that time the Board will make a determination on the Application.

Sincerely, Original signed by:

Robin Ikkutisluk Licence Administrator Assistant

Cc: Distribution - Qikiqtani