



Honourable Minister Chuck Strahl
Minister of Indian and Northern Affairs Canada
c/o Jeff Mercer
Land Administrator Specialist
Indian and Northern Affairs Canada
Iqaluit, NU

Re: Application exempt from Screening pursuant to Section 12.4.3 of the NLCA:
Stornoway Diamond Corp.'s "Aviat" project

On December 14, 2010 the Nunavut Impact Review Board (NIRB or Board) received an application from Indian and Northern Affairs Canada (INAC) for an extension to Land Use Permit No. N2007C0003 in support of Stornoway Diamond Corporation's (Stornoway) "Aviat" project.

On February 24, 2009 and August 28, 2009 the NIRB received an extension request from INAC for the above mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from further screening as per Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report on April 4, 2007.

On May 5, 2009 the NIRB received an extension request from QIA for the above mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from further screening as per Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report on April 4, 2007.

The current INAC application, the original NIRB Screening Decision Report (07EN024) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN024-Stornoway%20Diamond%20Corp/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 07EN024), the “Aviat” project was located within the Qikiqtaaluk region, approximately 80 kilometres (km) from Igloolik. The Proponent indicated that it intended to evaluate the potential for economically important concentrations of minerals within the project area.

The activities/components associated with this proposal included:

- Use of existing exploration camp on crown land – maximum population of 40 personnel
- Geological mapping, rock and till sampling, ground geophysical surveys, prospecting
- Land based drilling, and on-ice drilling on crown and Inuit-Owned Lands (IOL) – supported by helicopter travel
- Consumption of water and generation of wastes
- Temporary storage of fuel at drill site locations and at camp-site
- Daily incineration of combustible wastes; non-combustible wastes back-hauled to Igloolik for disposal

CURRENT APPLICATION:

Stornoway Diamond Corporation's is proposing to extend its Land Use Permit (N2007C0003) for one year to continue exploration activities within the project area.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided, the NIRB is of the understanding that the application received from INAC does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original April 4, 2007 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Tara Arko, Assistant Technical Advisor, at 867-983-4611 or tarko@nirb.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Autut', enclosed within a light gray rectangular border.

Stephanie Autut
Executive Director

cc: Nicole Westcott, Stornoway Diamond Corporation
John Craig, INAC
Phyllis Beaulieu, NWB

Enclosed: NIRB Screening Decision Report, File No.: File No. 07EN024 (April 4, 2007)