

**STORNOWAY DIAMOND CORPORATION**  
Abandonment and Restoration Plan  
The Coronation Gulf Project, Nunavut

Effective: June 1, 2010

## **INTRODUCTION**

The following Abandonment and Restoration Plan applies to the to the Coronation Gulf Project in Nunavut which is owned and operated by Stornoway Diamond Corporation ("Stornoway").

The proposed exploration program would take place at some point between June and September of 2010 or 2011, and last for approximately four weeks (weather and logistics permitting). The activities planned at this time would primarily be the execution of a short diamond drilling program which would utilize a small helicopter portable drill rig to evaluate a select number of targets on Stornoway's landholdings in the region.

The drilling activities planned to take place will be entirely helicopter supported (i.e. transport of drill rig and personnel) and will cause minimal disturbance to the land use area. The drill rig will recover a continuous cylinder of rock approximately 5 cm in diameter for a depth of about 100m. Each drill site will be occupied by the drill equipment for about three day's time. Each drill site will use a maximum area of 20x20m, or 400m<sup>2</sup>, and upon the completion of each drill hole the 10cm tubular metal casings will be removed or cut-off at ground level, and all materials (including empty fuel drums) will removed from the drill site area, leaving little to no evidence of the land use operation.

Field crews will be working from a temporary campsite (the Eureka camp) which has been utilized during past exploration programs and will accommodate approximately 10 people over the course of the four week program. Personnel will vary in number and job description but typically will consist of four to five drillers, one cook/first aid attendant, one helicopter pilot, one helicopter engineer, and two geologists.

Fixed wing support for the camp will be variable and temporary, utilizing a Twin Otter aircraft for the movement of personnel, supplies and equipment to the camp. A Hughes 500D Helicopter (or similar aircraft) will transport field crews to the drill site(s) from the camp location and will be used to transport the lightweight drill rig during drill moves.

This plan is to become effective June 10, 2010. It will be reviewed yearly, and should any changes be made to the procedures described herein or the scope of the project in general the plan will be revised immediately to reflect such changes and the revision will be submitted to the requisite regulatory agencies as soon as is practicable.

## **CAMP FACILITY**

### ***Camp Location***

The Eureka Camp is located at: 113, °39', 14" W 67°, 1', 33" N (WGS84)

### ***Petroleum and Chemical Product Storage and Inventory***

Fuel caches and chemical storage areas during the operational season will typically be as follows:

Description of the type and amount of potential contaminants normally "in use" at camp

- 1 Drum of Diesel located behind each tent

- 1 Drum of Diesel located behind the generator
- 2 (100lb) Propane Tanks located outside of the “Kitchen” tent
- 2 (100lb) Propane Tanks located outside of the “Dry” tent

Description of the type and amount of potential contaminants normally stored at camp

- JET B fuel for the helicopter – 2050 litres (10 drums)
- Diesel - 1845 litres (9 drums)  
*Drums will be stored on flat stable terrain during the summer to reduce chances of a leak. If available a natural depression situated well away from water bodies will be utilized for storage.*
- Oil – Several Cases of 4 Cycle Engine Oil  
*All oil containers will be removed from the packaging in which they were shipped and stored in a plywood floored tent on top of an absorbent mat.*
- Propane- 4, 100 lb propane tanks  
*A small cache of propane tanks will be stored at camp location. All tanks are stored upright and tied together to prevent them from falling over.*
- Drilling Additives -  
*All drilling muds, greases, and oils will be stored in a plywood floored tent. The floor will be lined with plastic and enviromats placed on top of the plastic liner in order to absorb any potential leakage.*

Numbers making up these caches may vary throughout the exploration program as fuel is burned and then re-stocked.

One large spill kit and an ample supply of absorbent mats will be located within the camp perimeter.

In addition, at least one empty fuel drum will be located at each fuel storage area in the event of damaged or leaking drums. Extra absorbent pads will be kept with the helicopter, drill and any area where re-fuelling, transferring and/or handling is to be done.

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Camp Manager- (To Be Determined )

## **ABANDONMENT AND RESTORATION PLAN**

### **SEASONAL CLOSURES**

The Coronation Gulf exploration program is scheduled to take place at some point between June and September of 2010 or 2011, and last for approximately 4 weeks (weather and logistics permitting). The activities planned at this time would primarily be the execution of a short diamond drilling program which would utilize a small helicopter portable drill rig to evaluate a select number of targets on Stornoway's landholdings in the region.

The following details both the seasonal winterization procedures as well as the ongoing maintenance and restoration procedures that are to be practiced on a continuing basis throughout the land use operation:

### **Drill Hole Locations**

- Each drill hole will be restored to previous conditions after completion of the hole (on average less than one week).
- All drilling sumps (if used) will be back-filled, burying the cuttings and sludges if appropriate.
- All fuel drums and drilling equipment will be removed from the site immediately upon completion of each hole.
- Each drill site will be inspected to ensure that all garbage (combustible and non-combustible) has been collected and removed from the area.
- If the crew members discover waste of any type left behind by others, every effort will be made to remove it from the area and have it disposed of in an acceptable manner.
- A final inspection of the site by personnel will ensure that there is no remaining material at the site ensuring that there is little/no evidence of Stornoway's land use operation upon completion of the drill hole.

### **Fuel Storage**

- All fuel storage and handling is to be guided by the procedures set out in the Spill Contingency Plan for the Coronation Gulf Project effective June 1, 2010.
- Empty fuel drums are to be regularly backhauled to Yellowknife for proper disposal.

### **Camp**

- All food/organic refuse is to be kept in an animal resistant garbage box and backhauled on a regular basis throughout the occupation of the camp.
- Non-combustible and combustible waste is to be regularly backhauled for proper disposal.
- Winterization of the facilities includes the storage of wooden tent floors, wooden tent frames and fuel caches at the camp location.
- During the winter closure of the camp the generator is to be removed from the site and all wiring from the electrical system will be spooled and stored off site for future use.

## **FINAL ABANDONMENT & RECLAMATION**

As the Coronation Gulf Project is currently still in the “grass roots” stage of its exploration activities it is not practicable at this time to subscribe to a definitive schedule for the conclusion of this land use operation, however upon its completion the following procedures will be followed to allow for proper abandonment and reclamation of the area:

### **Drill Hole Locations**

- As per the ongoing restoration procedures all drill holes are to be restored to previous conditions immediately upon completion of the hole.

### **Fuel Storage**

- All fuel storage and handling is to be guided by the framework set out in the Spill Contingency Plan for the Coronation Gulf Project, effective June 1, 2010.
- Upon completion of the land use operation all empty fuel drums will be removed from the area for proper disposal and any remaining fuel caches will be moved to an approved/permitted storage location.

### **Camp**

- At the end of the land use operation all camping materials, fuel drums, and drilling equipment (if applicable) will be removed from the site.
- Gray water sumps and sewage pits at the camp will be back-filled and the areas recontoured to match the surrounding landscape.
- All remaining garbage will be backhauled for proper disposal.
- At the end of the land use operation all wood (tent floors, frames etc.) will be burned. The coals and ash will be raked for non-combustible items (i.e. nails etc) which will be collected and removed from the site. The remaining coals will be buried.
- Upon final closure of the camp the generator will be removed from the site permanently, the wiring from the electrical system will spooled and recycled (if applicable), and the generator shack will be backhauled for proper disposal.
- Areas utilized as helicopter landing sites will be cleared of all equipment
- Upon completion of the abandonment and restoration activities photographs will be taken of the reclaimed areas and the requisite reports detailing the restoration activities performed will be submitted to the applicable regulatory authorities in order to aid their personnel in the final inspection and subsequent closure of the land use operation.