

March 1, 2005

Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU  
X0B 1J0

**Re: Annual Report for Licence NWB2COR0205**

Dear Ms. Beaulieu,

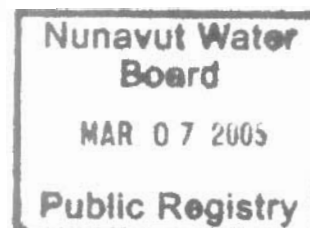
As required under Part B, Item 1 of the above referenced Nunavut Water Board Type "B" water licence, attached please find a duly completed Annual Report with accompanying attachments.

If you have any questions in regards to this submission, or to NWB2COR0205 please contact the undersigned at your convenience.

Yours truly,  
**STORNOWAY DIAMOND CORPORATION**  
Per:



Nicole Westcott  
Land Administrator



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# Nunavut Water Board

## Standard Form for Annual Reporting Requirements of NWB2 Mineral Exploration Water Licences

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### Introduction

Under the terms of water licences issued by the Nunavut Water Board ("NWB") for the use of water and the disposal of waste into water associated with mineral exploration (NWB2 licences), licensees are required to submit to the NWB an Annual Report no later than March 31<sup>st</sup> of the year following the calendar year reported.

In order to aid the licensee with the preparation of the Annual Report and facilitate its review and approval by the NWB, licensees are required to use the following form. Metric units should be used to report any relevant data. If additional space is required, please append one or more sheets to the Annual Report.

Annual Reports shall be submitted by either fax, mail or email (in Microsoft Word or Adobe Acrobat format) to:

Nunavut Water Board  
c/o Manager of Licensing  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0  
TEL: (867) 360-6338  
FAX: (867) 360-6369  
Email: [licensing@nwb.nunavut.ca](mailto:licensing@nwb.nunavut.ca)

## ANNUAL REPORT

Date	March 1, 2005
Year being reported	2004
Licence number	NWB2COR0205
Licensee	Stornoway Diamond Corporation
Mailing address	860-625 Howe Street Vancouver, BC V6C 2T6
Location of undertaking	
Name of Undertaking (if applicable):	Coronation

The Licensee **must** provide the following information:

i	<p>A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; solid and hazardous waste management.</p> <p>During the summer of 2004, Stornoway Diamond Corp conducted exploration activities on mineral claims located in the greater Coronation Gulf Area. Activities included the collection of 1493 till samples in an effort to further information from 2002/03 till surveys. Six ground geophysical surveys were performed and seven short drill holes were completed. Details of the 2004 program are provided below.</p> <p>Water for domestic purposes was acquired from the lake located at the camp and approximately 250L to 300L of water was consumed a day. Drilling activities used lake water proximal to drill sites at a rate of approximately 1,000L of water a day and recycled 90% of the water that passed through a "Poly-Drill" filtration system. All drill cuttings were deposited into the closest natural depression adjacent to each drill site. The campsite was cleaned as appropriate for winter storage. Combustible wastes were burned on site, while non-combustible materials were backhauled to Yellowknife for suitable disposal. Sumps for blackwater and greywater, located more than 30 meters from the high tide mark, were backfilled prior to leaving each site.</p>
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ii	<p data-bbox="354 197 1291 231">A list of unauthorized discharges and a summary of follow-up actions taken</p> <p data-bbox="354 258 922 291">There were no fuel spills during the program.</p>
iii	<p data-bbox="354 1052 1349 1085">Revisions to the Spill Contingency Plan and Abandonment and Restoration Plan</p> <p data-bbox="354 1113 1308 1188">The Abandonment and Restoration Plan and the Spill Contingency Plan have not been changed.</p>

iv	<p>Progressive reclamation work undertaken</p> <p>All drill cuttings were deposited into the closest natural depression adjacent to each drill site. The campsite was cleaned as appropriate for winter storage. Combustible wastes were burned on site, while non-combustible materials were backhauled to Yellowknife for suitable disposal. Sumps for blackwater and greywater, located more than 30 meters from the high tide mark, were backfilled prior to leaving each site</p>				
v	<p>Results of the Monitoring Program including:</p> <table border="1"> <tr> <td data-bbox="347 877 428 1304">1</td><td data-bbox="428 877 1364 1304"> <p>A summary, in cubic metres, of the daily quantities of water utilized for domestic and industrial operations.</p> <p>Water for domestic purposes was acquired from the lake located at the camp and approximately 250L to 300L of water was consumed a day. Drilling activities used lake water proximal to drill sites at a rate of approximately 1,000L of water a day and recycled 90% of the water that passed through a "Poly-Drill" filtration system.</p> </td></tr> <tr> <td data-bbox="347 1304 428 1833">2</td><td data-bbox="428 1304 1364 1833"> <p>The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized.</p> <p>Camp Lake • -113° 39'10", 67° 01'30"  Drill Site #1 • -113° 56'10", 66° 45'40"  Drill Site #2 • -113° 18'10", 67° 05'50"  Drill Site #3 • -113° 34' 30", 66° 59'30"  Drill Site #4 • -112° 57'40", 67° 01'50"  Drill Site #5 • -112° 57'20", 67° 01'30"  Drill Site #6 • -112° 57'50", 67° 01'50"  Drill Site #7 • -112° 57'10", 67° 01'40"</p> </td></tr> </table>	1	<p>A summary, in cubic metres, of the daily quantities of water utilized for domestic and industrial operations.</p> <p>Water for domestic purposes was acquired from the lake located at the camp and approximately 250L to 300L of water was consumed a day. Drilling activities used lake water proximal to drill sites at a rate of approximately 1,000L of water a day and recycled 90% of the water that passed through a "Poly-Drill" filtration system.</p>	2	<p>The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized.</p> <p>Camp Lake • -113° 39'10", 67° 01'30"  Drill Site #1 • -113° 56'10", 66° 45'40"  Drill Site #2 • -113° 18'10", 67° 05'50"  Drill Site #3 • -113° 34' 30", 66° 59'30"  Drill Site #4 • -112° 57'40", 67° 01'50"  Drill Site #5 • -112° 57'20", 67° 01'30"  Drill Site #6 • -112° 57'50", 67° 01'50"  Drill Site #7 • -112° 57'10", 67° 01'40"</p>
1	<p>A summary, in cubic metres, of the daily quantities of water utilized for domestic and industrial operations.</p> <p>Water for domestic purposes was acquired from the lake located at the camp and approximately 250L to 300L of water was consumed a day. Drilling activities used lake water proximal to drill sites at a rate of approximately 1,000L of water a day and recycled 90% of the water that passed through a "Poly-Drill" filtration system.</p>				
2	<p>The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized.</p> <p>Camp Lake • -113° 39'10", 67° 01'30"  Drill Site #1 • -113° 56'10", 66° 45'40"  Drill Site #2 • -113° 18'10", 67° 05'50"  Drill Site #3 • -113° 34' 30", 66° 59'30"  Drill Site #4 • -112° 57'40", 67° 01'50"  Drill Site #5 • -112° 57'20", 67° 01'30"  Drill Site #6 • -112° 57'50", 67° 01'50"  Drill Site #7 • -112° 57'10", 67° 01'40"</p>				

	3	<p>The GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with industrial operations are deposited.</p> <p>Camp Lake • -113° 39'10", 67° 01'30"</p> <p>Drill Site #1 • -113° 56'10", 66° 45'40"</p> <p>Drill Site #2 • -113° 18'10", 67° 05'50"</p> <p>Drill Site #3 • -113° 34' 30", 66° 59'30"</p> <p>Drill Site #4 • -112° 57'40", 67° 01'50"</p> <p>Drill Site #5 • -112° 57'20", 67° 01'30"</p> <p>Drill Site #6 • -112° 57'50", 67° 01'50"</p> <p>Drill Site #7 • -112° 57'10", 67° 01'40"</p>
	4	<p>Any additional sampling and/or analysis that was requested by an Inspector.</p> <p>N/A</p>
	vi	<p>Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported</p> <p>N/A</p>

Vii	<p>Any responses or follow-up actions on inspection/compliance reports</p> <p>N/A</p>
viii	<p>Any additional information as appropriate</p> <p>ATTACHMENTS:</p> <p>I Page Size Map</p> <p>I MSDS Sheet "Diesel Fuel"</p> <p>I MSDS Sheet "Jet B Fuel"</p>

Nicole Westcott

By:

nwestcott@stornowaydiamonds.com

Email:

March 1, 2005

Date:

604-331-2259

Telephone:

