2011 **NWB Annual Report** Year being reported: License No: 2BE-CGP1012 Issued Date: July 26, 2012 Expiry Date: March 31, 2012 **Project Name:** The Coronation Gulf Project Licensee: **Stornoway Diamond Corporation Mailing Address:** Unit 116-980 West 1st Street North Vancouver, BC V7P 3N4 Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

General Background Information on the Project (*optional):

Stornoway Diamond Corporation

NWB License 2BE-CGP1012 authorizes the use of water and the deposit of waste for the Eureka Camp facility and for exploration activities that include diamond drilling on the licensee's mineral claims located in the Coronation Gulf region of Nunavut.

In early June of 2011 personnel were mobilized to the Eureka camp and the facility was occupied until July 22, 2011. During that time regional till sampling, surveying and a short drill program were conducted.

Licence Requirements: the licensee must provide the following information in accodance with

Item 2

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): Water Quantity:

Part B

N/A	
10 cu.m/day	Quantity Allowable Domestic (cu.m)
35.88	Actual
cu.m in	Quantity
total	Used
	Domesti
	c (cu.m)
50 cu.m/day	Quantity Allowable Drilling (cu.m)
1150 cu.m (or	Total Quantity Used Drilling (cu.m)
less) in total	

Waste Management and/or Disposal

✓ Solid Waste Disposal

V	Sewage	
✓	Drill Waste	
✓	Greywater	
/	Hazardous	
	Other:	
Additiona	al Details:	
Water f	or camp/don	nestic use was pumped daily to a resevoir tank that was
	• •	s dry tent. Attached in Appendix "A" is a list detailing the
	•	rom the water meter, in gallons , which has been converted
•	•	
		rting measurement of cubic meters. Greywater from the
kitchen	and dry tents	s was deposited into sumps behind each of these tents.
Please s	see the attach	ned spreadsheet for the GPS coordinates of the greywater

into a latrine pit at the outhouse location. Please see the attached spreadsheet for the GPS coordinates of the latrine/sewage pit.

Sewage was deposited

All domestic garbage and empty fuel drums were backhauled to Yellowknife on a regular basis for proper disposal.

A final

land use plan detailing the abandonment and restoration activities that were conducted at the Eureka camp site including pictures of the restored camp area and reclaimed drill sites will be submitted to the Nunavut Water Board in the coming weeks accompanied by an official request to close 2BE-CGP1012.

A list of unauthorized discharges and a summary of follow-up actions taken.						
Spill No.:	N/A	(as reported to the Spill Hot-line)				
Date of Spill:	N/A					

Date of Notification to an Inspector: N/A

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

N/A

Revisions to the Spill Contingency Plan

sumps.

Other: (see additional details)

Additional Details:

On June 17, 2011 a revised Spill Contingency Plan for the Coronation Gulf Project was submitted to the Nunavut Water Board. This revised plan contained a camp schematic which was added as per Item 2 a) Part "H" of the license. As per the terms and conditions of 2BE-CGP1012 this schematic was to be added to the Spill Contingency Plan within 60 days of the issuance of the license however in correspondence sent to the NWB on August 12, 2010 the licensee indicated that this was not possible due to the fact that the camp had not yet been mobilized and the current facility had been inactive for several seasons. The licensee advised that they would provide an updated Spill Contingency Plan for the project containing the requested schematic within 14 days following the actual mobilization of camp. The revision submitted on June 17, 2011 was in accordance with this statement.

Revisions to the Abandonment and Restoration Plan AR plan submitted and approved - no revision required or proposed Additional Details: N/A **Progressive Reclamation Work Undertaken** Additional Details (i.e., work completed and future works proposed) Progressive reclamation work was completed at all drill site locations as per the Abandonment and Restoration Plan for the Coronation Gulf Project. A final land use report detailing the abandonment and restoration activities undertaken at the Eureka camp facility will be submitted in the coming weeks and a formal request to close 2BE-CGP1012 will be made. **Results of the Monitoring Program including:** The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized; Details attached Additional Details: Please see Appendix "A" for the GPS co-ordinates of water sources for both domestic (camp) and drilling uses. The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited; Not Applicable (N/A) Additional Details: Please see Appendix "A" for the GPS co-ordinates of the greywater sumps, the camp latrine pit, and the locations where drill cuttings were deposited. Results of any additional sampling and/or analysis that was requested by an Inspector No additional sampling requested by an Inspector or the Board Additional Details: (date of request, analysis of results, data attached, etc) N/A

Any other debeing report	etails on wate ted.	r use or	waste disp	osal requ	ested by	the Board	by Novemb	er 1 of th	ie year
	No additional sa	mpling req	uested by an I	nspector or	the Board			•	
	Additional De	tails: (At	tached or pro	ovided be	low)				
	N/A								
Any respons	ses or follow-	up actio	ns on inspe	ction/cor	npliance	reports			
	No inspection ar	nd/or comp	liance report is	ssued by INA	AC			•	
	Additional De	tails: (Da	ates of Repo	rt, Follow	up by the	Licensee)			
	N/A								
Any addition	nal comments	or infor	mation for t	the Board	d to consi	der			
As stated previously in this report a final land use report and the requisite documentation to request the closure of 2BE-CGP1012 will be submitted to the Nunavut Water Board in the coming weeks.									
Date Submit Submitted/P Contact Info	repared by:	Nicole \ Tel: Fax:	80, 2012 Westcott, La 604-983-77 604-987-71 nwestcott@	50 07		s.com			

Appendix "A" - NWB Annual Report License Number 2BE-CGP1012

GPS Coordinates for water sources utilized

		Latitude		Longitude		
Source Description	o Deg	, Min	, Sec	o Deg	, Min	» Sec
Camp Water Source	67° 01'	38.33"			-113° 39'	19.44"
Drilling Water Source	67° 11'	38.29"			-112° 37'	08.43"
Drilling Water Source	66° 55'	56.70"			- 112° 45'	32.60"

GPS Locations of areas of waste disposal

Location Description (type)		Latituc	le		Longitude
	。 Deg		, Min	, Sec	Deg , , Win Sec
Drill Cuttings	66° 55'	59.4"			-112° 45' 20.64"
Drill Cuttings	66° 55'	59.76"			-112° 45' 20.25"
Drill Cuttings	66° 55'	58.6"			-112° 45' 20.33"
Drill Cuttings	66° 55'	59.09"			-112° 45' 19.88"
Drill Cuttings	66° 55'	58.49"			-112° 45' 21.15"
Drill Cuttings	66° 55'	57.75"			-112° 45' 15.74"
Drill Cuttings	66° 55'	58.33"			-112° 45' 12.33"
Drill Cuttings	66° 55'	59.99"			-112° 45' 14.75"
Drill Cuttings	66° 55'	59.7"			-112° 45' 23.3"
Drill Cuttings	67° 11'	47.87"			-112° 36' 44.01"
Kitchen Tent (Greywater Sump locationed directly behind the tent)	67° 01'	32.08"			- 113° 39' 11.32"
Dry Tent (Greywater Sump located directly behind the tent)	67° 01'	31.92"			- 113° 39' 11.47"
Latine Pit/Outhouse	67° 01'	33.56"	ı		- 113° 39' 08.18"

Eureka Camp 2011 - Camp Water Tank Flow Meter

Date	Gallons Used (cumulative)	Gallons Used (each day)*	Conversion to Cubic Meters (Each Day)
7-Jun-11	249	249	0.942465
8-Jun-11	512	263	0.995455
9-Jun-11	671	159	0.601815
10-Jun-11	786	115	0.435275

Date	Gallons Used (cumulative)	Gallons Used (each day)*	Conversion to Cubic Meters (Each Day)
11-Jun-11	954	168	0.63588
12-Jun-11	1,171	217	0.821345
13-Jun-11	1,445	274	1.03709
14-Jun-11	1,610	165	0.624525
15-Jun-11	1,710	100	0.3785
16-Jun-11	1,928	218	0.82513
17-Jun-11	2,137	209	0.791065
18-Jun-11	2,300	163	0.616955
19-Jun-11	2,525	225	0.851625
20-Jun-11	2,682	157	0.594245
21-Jun-11	2,999	317	1.199845
22-Jun-11	3,120	121	0.457985
23-Jun-11	3,430	310	1.17335
24-Jun-11	3,727	297	1.124145
25-Jun-11	3,906	179	0.677515
26-Jun-11	4,064	158	0.59803
27-Jun-11	4,336	272	1.02952
28-Jun-11	4,472	136	0.51476
29-Jun-11	4,646	174	0.65859
30-Jun-11	4,903	257	0.972745
1-Jul-11	5,119	216	0.81756
2-Jul-11	5,272	153	0.579105
3-Jul-11	5,464	192	0.72672
4-Jul-11	5,719	255	0.965175
5-Jul-11	5,893	174	0.65859
6-Jul-11	6,213	320	1.2112
7-Jul-11	6,483	270	1.02195
8-Jul-11	6,650	167	0.632095
9-Jul-11	6,945	295	1.116575
10-Jul-11	7,150	205	0.775925
11-Jul-11	7,334	184	0.69644
12-Jul-11	7,493	159	0.601815
13-Jul-11	7,748	255	0.965175
14-Jul-11	7,867	119	0.450415
15-Jul-11	8,186	319	1.207415
16-Jul-11	8,472	286	1.08251
17-Jul-11	8,767	295	1.116575
18-Jul-11	9,019	252	0.95382
19-Jul-11	9,147	128	0.48448
20-Jul-11	9,229	82	0.31037
21-Jul-11	9,480	251	0.950035
TOTA	L DOMESTIC WATER USAGE	9,480	35.8818

^{***}Note : flow meter checked daily mid-day