

STORNOWAY DIAMOND CORPORATION

Abandonment and Restoration Plan Remote Fly Camp, Nunavut

Effective: June 1, 2010

INTRODUCTION

The following Abandonment and Restoration Plan applies to Stornoway Diamond Corporation's ("Stornoway") fly camp location which is to be located in the Coronation Gulf, Nunavut.

Stornoway plans to establish a small, temporary, two to four person fly camp in the Coronation Gulf region in order to carry out a short term, extremely low impact exploration program on landholdings in the area. The program will take place at some point between June and late September of 2010 or 2011 and will see a small fly camp established along the shoreline of the unnamed lake to the northeast of Kiglikavik Lake (NTS 86I/15 NE). For a period of no longer than 14 days the small crew will occupy a base camp comprised of pup tents and recreational style camping equipment.

Fixed wing support for the camp will be variable and temporary, utilizing a Twin Otter aircraft equipped with floats for the movement of personnel, supplies and equipment to the camp.

All water used will be for domestic purposes only (cooking, washing, etc.) and will exceed no more than 15 liters per day, per person. A fixed wing aircraft equipped with floats will be used to transport the crew and their equipment to the area, and only a small amount of fuel (i.e. enough gasoline to run the portable generator for the duration of the program) will be kept at the campsite.

The planned exploration activities will be limited to sampling and ground geophysics and will be conducted entirely on foot.

Sampling activities will involve daily traverses, collecting 2-20 kg samples of rock and till to be submitted for geochemical assays. The main purpose of this work is to verify the location and existence of previously identified mineral showings and to provide further information that will allow the prioritization of exploration targets.

Ground geophysics requires a control grid to be established involving the placement of wooden pickets at regularly spaced intervals. The established grid is then traversed by a ground crew with a hand held geophysical instrument which causes no damage to wildlife or vegetation. Any and all materials will be preserved in their original location and condition and no evidence of the land use activity will be left behind.

This plan is to become effective June 1, 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 exact coordinates for the camp location are yet to be determined, however a suitable site will be chosen along the 5.7 km stretch of lakeshore that is indicated in the attached figure depicting the land use area.

Petroleum and Chemical Product Storage and Inventory

The main fuel that will be stored at the camp location will be gasoline to power the portable generator. In addition, depending upon the type of portable cook stove that is chosen for the camp (to be determined) there may also be small cylinders of white gas (naptha) and/or propane required. Material Safety Data Sheets for these products are included in the Spill Contingency Plan for this project.

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

Due to the small and temporary nature of this land use operation determining the exact type and quantity of each of the fuels and/or chemical products that will be in use and stored at the camp is not practicable at this time. The following contains a listing of all of the petroleum and chemical products that could possibly be utilized during the course of the fly camp in quantities typically required to maintain a land use operation of this type and size for a 14 day period.

- Gasoline most likely stored in jerry cans
- *Propane Tanks* 100 lb tank
- Naptha (White Gas) Tanks
- Oil (4 Cycle Engine Oil) a case of twelve, 1 litre plastic bottles

Project Supervisor -

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Camp Manager- (To Be Determined)

ABANDONMENT AND RESTORATION PLAN

The exploration program is scheduled to take place at some point between June and September of 2010 or 2011, and last for approximately two weeks (weather and logistics permitting). The camp will be designed to accommodate two to four people and will utilize recreational style camping equipment.

The following details both the ongoing maintenance and restoration procedures that are to be practiced on a continuing basis throughout the short, temporary land use operation as well as the final abandonment activities that will take place upon the demobilization of the one time only camp site.

Camp Area

- All food/organic refuse is to be kept in an animal resistant garbage box.
- Non-combustible and combustible garbage is to be backhauled for proper disposal at the end of the land use operation.
- The greywater and human waste created during the course of the program will be buried in small pits that will be at least 31 meters above the highwater mark.
- 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.

Exploration Activities

 Exploration activities will be limited to sampling and ground geophysics and will be conducted entirely on foot. These activities are low impact and no evidence of the land use operation will be left behind.

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.
- Absorbent mats will be placed under the refueling area for the generator and under all fuel storage areas. All used mats will be backhauled for proper disposal at the end of the land use operation.
- Empty fuel containers are to be backhauled to Yellowknife for proper disposal at the end of the land use operation.