

Abandonment & Restoration Plan Coronation Project

Revised: April 2006
Effective: October 2005 to September 2008

INTRODUCTION

The following plan applies to exploration activities undertaken on the properties comprising the Coronation Project located in the greater Coronation Gulf area of Nunavut.

Land use for this project is conducted under the authority of DIAND land use permit N2002J0019 (Expires May 12, 2007) and water use and waste disposal under the authority of Nunavut Water Board License 2BE-COR0608 (Expires October 31, 2008).

The exploration season for the Coronation Project runs from approximately June to September (weather permitting) with field crews operating out of one of two pre-existing temporary camp sites, each with the ability to house a population of 6 to 12 people. Camp facilities would include five 14' x 16' wood framed Jutland tents (five wooden tent floors already exist at each of the pre-existing camp locations) with one tent serving as the kitchen, one tent as the dry, and the remainder serving as accommodation.

Fixed wing support will be variable and temporary, employing a Twin Otter aircraft for the movement of personnel, supplies and equipment. A camp based helicopter will be used to support field activities.

The program planned for the 2006 exploration season is primarily being designed as a till sampling and surficial geophysical survey program. If data collected by the ground geophysical survey should warrant it a drilling program utilizing a small, portable drill rig may be pursued (late 2006, or during the 2007 exploration season).

DESCRIPTION OF FACILITY

Project Supervisor – Robin Hopkins
Stornoway Diamond Corporation
860-625 Howe Street
Vancouver, BC
V6C 2T6

phone: (604) 331-2259
fax: (604) 689-5041

Facility – 6-12 Person Temporary Camp

Locations – Fuel will be stored in the appropriate facility a safe distance from the accommodations and well away (>100m) from water bodies

Size - Fuel stored at above ground facility in sealed 205 litre (45 gal.) steel drums

Storage Capacity – Maximum fuel stored at camp will typically be 19 drums (3895 litres) of Jet-B and diesel combined, plus two (2) 100lb-propane tanks.

A minor amount of fuel will be stored for no more than four days at the drill site, and removed promptly upon completion of each drill hole. On-site storage will be a safe distance from drilling activities, with fuel stored in sealed steel drums. Maximum

fuel storage will be 4 drums (820L) of diesel and 2 drums of Jet B (410), plus one (1)100lb propane tank.

(d) Description of the type and amount of potential contaminants normally stored the Coronation camp during occupation:

JET B fuel for the helicopter – 2050 litres (10 drums)
Propane for cooking, heating, etc. - Two (2) 100 lb. tanks
Diesel - 1845 litres (9 drums)
Gasoline for water pump – 25 litres

Description of the type and amount of potential contaminants normally stored at drill site:

JET B fuel for the helicopter – 410 litres (2 drums)
Diesel for the drill - 820 litres (4 drums)
Propane for heating, etc. - One (1) 100 lb. tank

Storage Location - 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.

ABANDONMENT AND RESTORATION PLAN

SEASONAL CLOSURES

The exploration season for the Coronation Project typically runs from June to September of each year, weather permitting. The following details both the seasonal winterization procedures as well as the ongoing maintenance and restoration procedures that are 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).
- On-ice drill cuttings will be scraped clean and removed to an on land sump located more than 30m from the ordinary high water mark on an on-going basis.
- 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 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 Project revised April 2006.
- Empty fuel drums are to be regularly backhauled to Yellowknife for proper disposal.
- In the event that any soil, sand or gravel should be contaminated by a spill of petroleum products the material will be excavated by hand, incinerated to remove hydrocarbons, and returned to their natural site. Alternatively, the contaminated material would be bagged, and removed from the site for disposal at a proper facility.

Camp

- All combustible refuse is to be incinerated in a burn barrel on a regular basis throughout the occupation of the camp.
- Non-combustible waste is to be regularly transported to Yellowknife for proper disposal.
- When closing the camp for the season all gray water sumps and sewage pits at the camp are to be back-filled.
- Winterization of the facilities includes the storage of wooden tent floors, wooden tent frames and fuel caches at the camp location.

Documentation

- Photographs will be taken of any camp facilities the next time that either location is occupied, and subsequently upon seasonal closure and/or final abandonment. (Note: "Before" photographs of these pre-existing camps are not possible as the original water use and waste disposal license associated with this project was issued in 2002).

FINAL ABANDONMENT & RECLAMATION

As work on the properties comprising the Coronation Project is currently still in the “grass roots” stage of 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 Project revised April 2006.
- 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.
- Upon completion of the land use operation the fuel storage areas will be examined, and in the event that any soil, sand or gravel should be contaminated by a spill of petroleum products the material will be excavated by hand, incinerated to remove hydrocarbons, and returned to its natural site. Alternatively, the contaminated material would be bagged, and removed from the site for disposal at a proper facility.

Camp

- At the end of the program 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.
- All remaining garbage will be incinerated in a burn barrel.
- At the end of the program 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.
- A last inspection will ensure that there is no remaining material at the site and that there is little/no evidence of Stornoway’s land use activity upon completion of the operation

Documentation

- Photographs will be taken of any camp facilities the next time that either location is occupied, and subsequently upon seasonal closure and/or final abandonment. (Note: “Before” photographs of these pre-existing camps are not possible as the original water use and waste disposal license associated with this project was issued in 2002).