

ABANDONMENT and RESTORATION PLAN

Hepburn Project Nunavut

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Location Map

Hepburn Project Nunavut Abandonment and Restoration Plan

1. Preamble

This Abandonment and Restoration (A&R) is in effect until December 31, 2012 and applies to the work areas that are proposed by Diamonds North during their 2007-2012 exploration programs on the Hepburn property, Nunavut, located approximately 400 kilometres north of Yellowknife. Questions or concerns regarding this Plan can be directed to Graham Gill, V.P. Operations, Diamonds North Resources Ltd. at 604 689-2010 (Phone) or 604 484-7143 (Fax).

2. Introduction

This A&R plan has been prepared for proposed diamond drilling on the Nunavut portion of Diamonds North's Hepburn project in the upcoming years. At this time all field work has been and will continue to be conducted from one centrally located campsite located in the Northwest Territories. This A & R plan will therefore cover only the drilling portion of the program that is proposed within Nunavut.

3. Schedule

The final restoration of the drill sites will be completed by the time the program is fully completed and will be finished prior to the expiration of the land use permit and water licence unless a renewal is applied for. As Diamonds North practices progressive reclamation such as filling drill sumps, cutting off drill collars to ground level and removing garbage, equipment and empty fuel drums as the program progresses, the final restoration effort will be minimal.

4. Infrastructure

Although located in the NWT the camp abandonment and restoration is included within this plan as it is part of Diamonds North's operating procedures regardless of jurisdiction.

Camp

Six 14' x 16' wooden sleep tents

One 32' x 14' kitchen tent

One 14' x 16" core shack

One 14' x 16' dry

One 14' x 16' first aid tent

One 14' x 16' office tent

One outhouse

One generator shack

One heli-pad

One burn barrel

One fuel cache with Spill Kit

5. Seasonal Shutdown

Buildings and Contents

All canvas tents have been and will continue to be removed from site for winter storage. Wooden structures (generator shack, latrine and tent frames) will be kept secured. All empty propane and fuel drums as well as the generator will be removed from site at the end of each season.

Water System

Pumps and hoses will be drained and dismantled. Pumps will be removed from site for servicing and storage. Hoses will be stored in the dry or generator shack for the winter months.

Fuel Caches and Chemical Storage

An inventory of all fuel caches will be made prior to camp demobilization at the end of each season as well as a thorough inspection of all full drums. Empty drums are constantly backhauled to Yellowknife during the course of the program.

Chemicals will be stored in the dry which is completely enclosed by plywood and secured over the winter months.

Waste

<u>Combustible Waste:</u> All combustible waste will be incinerated as the program progresses. All ash will be collected and disposed of in landfill site in Yellowknife. The burn barrel will be stored on site over the winter.

Non-combustible Waste: All non-combustible waste will be sent to Yellowknife via chartered aircraft to be disposed of by our contract expeditor, Discovery Mining Services. All carriers and receivers of this material will be informed of the need to register with the Government of Nunavut, Department of Environment as well as having the proper documentation in the form of a waste manifest. More details of this information can be found in Appendix IV of the company's Fuel Spill Contingency Plan.

Grey Water Sump: The sump will be inspected marked and covered for the winter.

Black Water: The latrine sump will be buried at the time of demobilization of the camp.

Drill and Trench Sites

The drill will be dismantled at the last drill collar and all equipment will be flown via helicopter to a suitable lake for demobilization. The drill and all ancillary equipment will be flown off-site to Yellowknife via Twin Otter aircraft.

All drill sites will be inspected immediately upon completion of each drill hole. All waste will be collected and flown to camp for incineration or removal to an approved disposal location. All sumps will be backfilled and each drill collar will cut off to ground level.

Trenching programs (if permitted) will involve only hand excavating (non mechanical) of pits generally no larger than 2-3 metres in diameter and less than 1-2 metres deep due to the occurrence of permafrost. All hand dug pits are backfilled upon completion.

Photographs of each drill and trench site will be taken at the completion of clean up at each site.

Contamination Clean Up

Any soil at camp or at the drill sites that has become contaminated will be treated as per the Fuel Spill Contingency Plan. All non-combustible waste will be sent to Yellowknife via chartered aircraft to be disposed of by our contract expeditor, Discovery Mining Services. All carriers and receivers of this material will be informed of the need to register with the Government of Nunavut, Department of Environment as well as having the proper documentation in the form of a waste manifest. More details of this information can be found in Appendix IV of the company's Fuel Spill Contingency Plan.

Inspection and Documentation

A complete inspection of all disturbed areas (drill sites, camp and fuel caches) will be conducted prior to seasonal closure of the project with a full inventory taken for each location. A photographic record will be kept of each work area and campsite before, during and after the project is complete.

6. Final Abandonment and Restoration

Buildings and Contents

All buildings and structures will be dismantled and removed. Wooden structures will be burned and ashes sifted to retrieve non-burnable items which will be removed from site.

Equipment

All equipment including generators and pumps will be removed from the project site.

Fuel Caches and Chemical Storage

All fuel drums and chemical containers will be removed. All sites that contained fuel cached will be inspected and any contamination will be dealt with according to the Fuel Spill Contingency Plan. All debris will be removed. Final photos of fuel caches will be supplied.

Sumps

All sumps will be inspected and backfilled. Final photos will be taken and supplied to the NWB.

Camp Site

A final inspection of the camp site will be made to ensure no waste remains. Final photos will be taken

Drill Sites

The drill will be dismantled at the last drill collar and all equipment will be flown via helicopter to a suitable lake for demobilization. The drill and all ancillary equipment will be flown off-site to Yellowknife via Twin Otter aircraft.

All drill sites will be inspected immediately upon completion of each drill hole. All waste will be collected and flown to camp for incineration or removal to an approved disposal location. All sumps will be backfilled and each drill collar will cut off to ground level.

Photographs of each drill site will be taken at the completion of clean up at each site.

Contamination Clean Up

Any contamination will be treated as per the Fuel Spill Contingency Plan. Any contamination and subsequent clean up will be documented with photographs. All non-combustible waste will be sent to Yellowknife via chartered aircraft to be disposed of by our contract expeditor, Discovery Mining Services. All carriers and receivers of this material will be informed of the need to register with the Government of Nunavut, Department of Environment as well as having the proper documentation in the form of a waste manifest. More details of this information can be found in Appendix IV of the company's Fuel Spill Contingency Plan.

Aircraft Landing Strips

If a landing strip is utilized they will be located on eskers which are composed of coarser sand and gravel and are well drained. These strips will only used once or twice for supplying fuel and equipment to drill sites if necessary. Due to the coarse nature of the esker material only minimal rutting will occur and will be repaired by the freeze/thaw cycles. Any backfilling of ruts on these areas will also occur upon final abandonment and restoration.

Inspection and Documentation

A complete inspection will be conducted of all areas prior to closure. Photographs will be taken to document the conditions of each site prior to final demobilization for use in the final plan/report. All appropriate agencies will be contacted once final clean up is complete.