

NIRB File No.: 12EN012

AANDC File No: N2012C0001 (previous file no. N2006C0038)

NWB File No.: 2BE-QIL0712

April 4, 2012

Nicole Westcott Stornoway Diamond Corporation Unit 116-980 West 1st Street North Vancouver, BC V7P 3N4

Via email: nwestcott@stornowaydiamonds.com

Re: Notice of Part 4 Screening for Stornoway Diamond Corporation's "Qilalugak" project proposal

Dear Nicole Westcott:

On January 4, 2012 the Nunavut Impact Review Board (NIRB or Board) received Stornoway Diamond Corporation's 'Qilalugak' project proposal from Aboriginal Affairs and Northern Development Canada (AANDC). On March 21, 2012 the NIRB received a positive conformity determination (Keewatin Regional Land Use Plan) from the Nunavut Planning Commission (NPC). The NIRB has assigned this project proposal file number 12EN012 – please reference this file number in future related correspondence.

Following receipt of the initial application materials, the NIRB undertook a preliminary completeness check and found that the proposal as submitted did not contain sufficient information for the NIRB to permit proper screening. On March 26, 2012 the NIRB requested that additional information from the Proponent be provided to the Board by April 10, 2012. On March 27, 2012 the NIRB received the requested information in support of this project proposal.

The project is located in the Kivalliq region approximately 10 kilometres (km) from the community of Repulse Bay. The program is proposed to take place over a six week period during either July and August of 2012 or July and August 2013. Timing of the program would be dependent on weather, logistics and resources.

The project activities include:

■ Bulk sample program to extract approximately 1,500 tonnes of material (trenching/excavation);

- Survey of select group of mineral claims (2012 only);
- Use of helicopter to:
 - o Daily transport of personnel and equipment to and from site
 - o Daily transport of contractors to conduct surveys
 - o Transport of tracked mini-excavator to site
 - o Transport of filled mega bags from site to Repulse Bay; ~ 40 bags/day
 - o Transport of fuel drums to and from site as required
- Use of accommodations and facilities at Repulse Bay;
- Transportation, storage and use of fuel at site. Two options presented for storage of fuel:
 - Storage of fuel at secure site in Repulse Bay with minimal amount of fuel stored at site (one 205 litre drum of diesel fuel and one 205 litre drum of Jet-B fuel); or
 - 2) Storage of Jet-B fuel at site in a temporary berm (total of 58,220 litres) and diesel fuel on as needed basis (maximum of one 205 litre drum).
- Potential trenching activities to develop temporary fuel storage berms;
- Domestic waste to be hauled out each day; and
- Chemical and hazardous material storage on site.

All documents received and pertaining to this project proposal can be obtained from the NIRB's ftp site at http://ftp.nirb.ca/01-SCREENINGS/ACTIVE%20SCREENINGS/12EN012-Stornoway-Qilalugaq%20Project/ including:

- NIRB Part 1 Summary Application Form in English and Inuktitut
- Maps
- Non technical Project Proposal summary in English and Inuktitut
- NIRB Project Specific Information Requirements, Part 2 Form
- *AANDC Land Use Permit Application*
- NPC Conformity Determination
- Abandonment and Restoration Plan
- Spill Contingency Plan
- Specification Sheets

Pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA), the NIRB shall proceed to screen this project proposal. The NIRB may request additional information at any time during the process. The NIRB will copy you on screening process related correspondence and upload related documents to the above ftp site for public access.

The NIRB is copying parties and municipalities potentially affected by Stornoway Diamond Corporation's project proposal with this letter, and we invite interested parties to comment directly to the NIRB by April 25, 2012.

The NIRB would like parties to provide comments regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why;

- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

Please send your comments to the NIRB at info@nirb.ca or via fax at (867) 983-2594.

If you have any questions or concerns, feel free to contact me directly at (867)793-4633 or sgranchinho@nirb.ca.

Sincerely,

Sophia Granchinho Technical Advisor

Nunavut Impact Review Board

cc: Distribution List

Nicolas Kavanagh, Aboriginal Affairs and Northern Development Canada Tracey McCaie, Aboriginal Affairs and Northern Development Canada Phyllis Beaulieu, Nunavut Water Board

Veronica Tattuinee, Kivalliq Inuit Association

Enclosures (2): Comment Forms (English and Inuktitut)