APPENDIX “D”

ABANDONMENT AND RESTORATION PLAN

stornoway
DIAMOND CORPORATION

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Abandonment and Restoration Plan
The Qilalugaq Project, Nunavut

Effective: July 1, 2012

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INTRODUCTION

The following Abandonment and Restoration Plan applies to the Qilalugag Project in Nunavut which is owned and operated by Stornoway Diamond Corporation ("Stornoway").

The land use activity associated with the Plan is a bulk sample program which will extract approximately 1,500 tonnes of rock from the "A-28" portion of Q1-4 Kimberlite Complex on Stornoway Diamond Corporation's ("Stornoway") Qilalugaq Project. The Qilalugaq Property ("the Property") is located approximately 10 km outside of the hamlet of Repulse Bay and takes about five to seven minutes to reach via helicopter.

The proposed land use activity will be conducted during the months of July and August in either the summer of 2012 or the summer of 2013 and last for approximately 6 weeks' time (timing and execution are dependent upon weather, logistics and resources).

The sample material will be removed from the site using a small, helicopter portable Kubota (or similar style) tracked excavator which will deposit the rock into large, $1m^3$ polypropylene mega bags. The filled bags will then be slung by helicopter back to an area in the hamlet in preparation for shipment south, via barge, to a processing facility. Under optimal conditions it is projected that approximately 40 filled mega bags will be flown from the sample site to the hamlet of Repulse Bay each full working day and that approximately 1,500 tonnes of material will be extracted from the area of interest over a period of 42 days (weather and logistics depending).

Personnel for the program will include an eight member field crew plus two helicopter pilots, one engineer and one cook/first aid attendant.

Due to the proximity of the sample area to Repulse Bay, camp facilities will not be required at this time as all personnel will stay in the hamlet.

The preferred fuel management plan will involve purchasing Jet-B fuel for the helicopter from the airport bulk tanks for truck delivery (if available). If this service is not available then drummed fuel will be required to support the program.

If drummed Jet-B fuel is required the preferred storage option will involve securing a site in Repulse Bay where the drums could be temporarily stored (i.e. the airport) for the duration of the six week land use operation. Should a fuel storage location in Repulse Bay not be found then a temporary storage berm will be constructed at the sample site.

Should the construction of a fuel storage berm be required it will be temporary. All fuel drums will be removed from the area at the end of the six week program, the berm dismantled and the ground re-contoured to match the surrounding terrain.

This plan is to become effective July 1, 2012. 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

There will be no camp facility in association with this project at this time.

PETROLEUM AND CHEMICAL PRODUCT STORAGE AND INVENTORY

There will be no camp associated with this land use operation.

The preferred fuel management plan would involve purchasing Jet-B fuel for the helicopter from the airport bulk tanks for truck delivery (if available). If this service is not available then drummed fuel will be purchased and either stored at a pre-determined location in Repulse Bay or in a temporary storage berm at the bulk sample location site.

Described below are the two scenarios which are being explored for the storage of the fuel should drummed Jet-B be required.

Scenario 1 - The preferred fuel management plan should drummed Jet- B be required will involve securing a site in the hamlet of Repulse Bay where the entire supply of Jet-B fuel could be temporarily stored (i.e. the airport) for the duration of the six week land use operation. This scenario will require only one 205 liter drum of diesel (to fuel the tracked mini-excavator) and one drum 205 liter drum of jet fuel (to serve as an emergency reserve for the helicopter) to be stored at the bulk sample location site.

In this scenario all refueling of the helicopter (apart from emergency situations) will take place at the fuel storage site in the hamlet.

Diesel will be purchased in the hamlet on an as needed basis and therefore only one 205 liter drum will be stored at the bulk sample site at any given time.

A wobble pump will be kept at the bulk sample location site to transfer fuel from the one diesel drum to a jerry can which would then be used to refuel the excavator. A small refueling area will be designated for this task which will include the appropriate placement of drip trays and absorbent mats.

One empty 205 liter drum will also be kept on site at all times to serve as a refuge container in case a drum develops a leak so that fuel can be transferred to it.

Scenario 2 - Should a suitable storage location in Repulse Bay not be available then Jet-B fuel to support the six week program will transported to the bulk sample site location via helicopter and placed in a temporary storage berm constructed for this purpose.

The temporary berm will be constructed at a suitable location close to the excavation site, more than 31 meters above the nearest normal high water mark, and on flat, stable terrain. The berm will be equipped with an impervious liner and include a "rain drain" type filtration device with sufficient capacity to service the secondary containment area.

All drums in the fuel cache will be inspected for any signs of leaks or damage daily and the filtration system monitored on a regular basis to insure that it is in proper working order.

Under this scenario all of the Jet-B fuel required to support the six week program will be stored in the secondary containment structure at the excavation site.

Diesel will be purchased in the hamlet on an as needed basis and therefore only one 205 liter drum will be stored at the bulk sample site at any given time.

A wobble pump will be kept at the excavation site to transfer fuel from the one diesel drum to a jerry can which would then be used to refuel the excavator. A small refueling area will be designated for this task which will include the appropriate placement of drip trays and absorbent mats.

One empty 205 liter drum will also be kept on site at all times to serve as a refuge container in the event that a leaky or damaged drum is encountered.

Remote Location Fuel Inventory

Total Fuel Required

Fuels	Number of Containers	Capacity of Containers
Diesel	10 drums*	205 liters
Jet B	284 drums	205 liters
Engine Oil	less than 6 at any given time	1 liter

** Diesel will be purchased in Repulse Bay and while 10 drums are projected to be utilized over the course of the project only 1 drum with a capacity of 205 liters will be stored at the sample site at any one time*

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Camp Manager- (To Be Determined)

ABANDONMENT AND RESTORATION PLAN

FINAL ABANDONMENT & RECLAMATION

As the land use activity associated with this Plan will be a one time, six week program there will be no seasonal abandonment procedures addressed herein. At the end of the six week land use activity all equipment, fuel, and any temporary secondary containment berms (if required) will be removed from the bulk sample site location, the sample site will be re-contoured to match the surrounding terrain as closely as is practicable and minimal evidence will be left of the land use operation.

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.

Fuel Storage

- All fuel storage and handling is to be guided by the framework set out in the Spill Contingency Plan for the Qilalugaq Project, effective July 1, 2012.
- Should the construction of a fuel storage berm be required as described in Scenario 2 then the impervious liner will be removed, the "rain drain" style filtration system dismantled, and all components will be backhauled from the land use area for proper disposal and/or storage
- Upon completion of the land use operation *all* fuel drums will be removed from the land use area for proper disposal

Bulk Sampling

- Trenched areas will be re-contoured to match the surrounding terrain

Equipment

- Areas utilized as helicopter landing sites will be cleared of all equipment
- The tracked mini-excavator will be removed from the land use area
- The components of the re-fueling area for the mini-excavator (drip pans, absorbent mats, etc.) will be removed from the land use area and for proper disposal