

## **Project Summary**

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### **Summary of Proposed Activities– Qilalugaq Property, Repulse Bay Area, Nunavut**

The land use activity being proposed is a bulk sample program which will extract approximately 1,500 tonnes of material 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 5 to 7 minutes to reach via helicopter.

The Property has undergone several phases of exploration since being acquired by its previous owner, BHP Billiton, in 2001 including activities such as airborne geophysics, till sampling, and drilling. The purpose of this next phase of exploration is to aid in properly characterizing the diamond population and provide a preliminary estimate of diamond value of the kimberlitic body.

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 dug up at the site using a small, helicopter portable Kubota (or similar style) tracked mini-excavator which will deposit the rock into large, 1m<sup>3</sup> 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 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. Four of the eight field crew members will likely be hired locally from the hamlet of Repulse Bay on short term employment contracts.

Due to the proximity of the sample area to the hamlet of Repulse Bay camp facilities will not be required and all personnel will stay in the town.

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. This scenario will require only a minimal amount of fuel to be stored on the land; one 205 liter drum of diesel to fuel the tracked mini-excavator and one 205 liter drum of Jet-B fuel (to serve as an emergency reserve for the helicopter).

Should a fuel storage location in the hamlet not be available then a temporary storage berm will be constructed at the sample site to contain the required Jet-B fuel. Should the construction of a fuel 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.