



Feb. 4, 2015

Project Summary

**Stornoway Diamond Corporation
Unit 118-980 West 1st Street
North Vancouver, BC
V7P 3N4**

**Phone: 604-983-7750
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Summary of Proposed Activities – Qilalugaq Property, Repulse Bay Area, Nunavut

The land use activity being proposed is a diamond and RC drilling program to further delineate/evaluate the Q1-4 Kimberlite Complex at the 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. Archaeological surveying will also be carried out on the proposed land use area during snow-free months in 2015.

The proposed land use activity will be conducted during the months of July and August 2015, with a follow-up winter drilling program in 2016. Drilling activities are estimated to take place over approximately 10-20 weeks' time (timing and execution are dependent upon weather, logistics and resources).

Stornoway Diamond Corp. ("Stornoway") began working towards acquiring an interest in the property in 2006 (Stornoway acquired 100% ownership in 2010) and since that time has conducted prospecting and sampling activities on the Property. North Arrow Minerals Inc. ("North Arrow") is conducting work to complete a joint venture option agreement with Stornoway on the Project. Once the joint venture agreement has been finalized, North Arrow expects to transfer all mining leases and associated land use permits into the company's name. North Arrow will be the operator of the Project for the proposed work program. The purpose of this next phase of exploration is to further delineate the kimberlite body and refine models (Geology, Diamond Distribution) in relation to resource definition.

The Property has undergone several phases of exploration since being acquired by its previous owners, BHP Billiton and Stornoway. Since 2001, activities such as airborne geophysics, till sampling, drilling, large diameter RC drilling and bulk sampling have been conducted on the Q1-4 kimberlite.

Kimberlite drill core material will be collected using a small, helicopter portable diamond drill rig during the summer months, and overland vehicles during the winter. A winter program was considered a viable option due to the lower potential for ground disturbance. During winter operations, the proponent is considering using land-based vehicles such as Snowcats or similar machines to position the drill. This scenario would bring cost savings to the project as it would reduce the need for helicopter support. Drill core would be logged in the field and then slung by helicopter back to an area in the Hamlet to be prepared for shipment south to a processing

facility. Under optimal conditions it is projected that approximately 10,000-20,000 m of drill core will be extracted from the site during the drill programs (weather and logistics depending).

Personnel for the program will include five drilling crew members, two to three geologists, one helicopter pilot, one engineer and one cook/first aid attendant. One or two local hires will be needed on short term employment contracts to assist Stornoway personnel.

Due to the proximity of the project 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-A/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.

The preferred fuel storage option will involve storing drums at a temporary site in Repulse Bay, the same site used in 2014 to for the Bulk Sample program. Any fuel used over the course of the proposed work program will have secondary containment using temporary "insta-berms". Storing the fuel in town will require only a minimal amount of fuel to be stored on the land; six 205 liter drums of diesel to fuel the diamond drill and one 205 liter drum of Jet-A/B fuel (to serve as an emergency reserve for the helicopter). All fuel drums will be removed from the area at the end of the program, the insta-berms dismantled, and the ground re-contoured to match the surrounding terrain.



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