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Abandonment and Restoration Plan The Aviat Project

Revised: July 10, 2008

INTRODUCTION

The following plan applies to the to the Aviat Project located on the Melville Peninsula, Nunavut, which is a joint venture between Stornoway Diamond Corporation ("Stornoway"), BHP Billiton and Hunter Exploration Group.

The exploration season for the Aviat project runs from May to October (weather permitting) with the project typically operating a 15-40 person field exploration camp that is augmented by a small logistics team based in the hamlet of Igloolik. The camp, located approximately 50 kilometers west of Igloolik consists of 14 insulated canvas tents built on plywood floors and a one small generator shack. Temporary fly camps may also be established on Crown lands for periods of up to 10 days.

Field activities are supported by camp-based helicopter(s) and by fixed-wing aircraft from Igloolik. The program planned for future exploration seasons consists of drilling geophysical targets, ground geophysics on additional geophysical targets, minor surface rock blasting, rock and till sampling, and drilling.

DESCRIPTION OF FACILITY

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Facility – 15-40 Person Camp

<u>Locations</u> –Fuel will be stored in the appropriate facility a safe distance from the accommodations and well away (>100m) from water bodies

Fuel caches and chemical storage areas during the operational season are typically as follows:

Description of the type and amount of potential contaminants normally "in use" at camp

- 1 Drum of Diesel located behind each tent (total of 15 drums within camp perimeter)
- 1 Drum of Diesel located behind the generator
- 2 (100lb) Propane Tanks located outside of the "Kitchen" tent

Description of the type and amount of potential contaminants normally stored at camp

- JET B fuel for the helicopter 2050 litres (10 drums)
- Diesel for the drill 1845 litres (9 drums)

 Drums will be stored on flat stable terrain during the summer to reduce chances of a leak. If available a natural depression situated well away from water bodies will be utilized for storage.
- Oil Several Cases of 4 Cycle Engine Oil

 All oil containers will be removed from the packaging in which they
 were shipped, placed in plastic tubs that are lined with enviromats,
 and stored in a plywood floored tent.
- Drilling Additives All drilling muds, greases, and oils will be stored in a plywood shed constructed for this purpose. The floor will be lined with plastic and enviromats placed on top of the plastic liner in order to absorb any potential leakage.

Description of the type and amount of potential contaminants normally stored at drill site

- JET B fuel for the helicopter 410 litres (2 drums)
- Diesel for the drill 410 litres (2 drums)
- Propane for heating, etc. One (1) 100 lb. tank

Additional fuel caches are typically located to the northeast of the camp perimeter where helicopters are stored when not in use. These caches are illustrated in the accompanying figure and are typically comprised of small amounts of Jet B drums positioned at each of the three helicopter landing sites, with an additional cache to the west comprised of only diesel. Numbers making up these caches vary throughout the exploration season as fuel is burned and then re-stocked.

ABANDONMENT AND RESTORATION PLAN

SEASONAL CLOSURES

The exploration season for the Aviat Project typically runs from May to October of each year, weather permitting. The following details both the seasonal winterization procedures (typically carried out in the month of September or October) as well as the ongoing maintenance and restoration procedures that are practiced on a continuing basis throughout the land use operation:

Drill Hole Locations

 Each drill hole will be restored to previous conditions after completion of the hole (on average less than one week).

- On-ice drill cuttings will be scraped clean and removed to an on land sump located more than 30m from the ordinary high water mark on an ongoing basis.
- All drilling sumps (if used) will be back-filled, burying the cuttings and sludges if appropriate.
- All fuel drums and drilling equipment will be removed from the site immediately upon completion of each hole.
- Each drill site will be inspected to ensure that all garbage (combustible and non-combustible) has been collected and removed from the area.
- If the crew members discover waste of any type left behind by others, every effort will be made to remove it from the area and have it disposed of in an acceptable manner.
- A final inspection of the site will ensure that there is no remaining material at the site ensuring that there is little/no evidence of Stornoway's land use operation upon completion of the drill hole.

Excavation Restoration

• Overburden will be stockpiled and replaced once exploration of the area has been completed.

Surface Blasting Restoration

 Areas affected will be recontoured once exploration of the area has been completed to avoid any adverse effects to wildlife or humans.

Fuel Storage

- All fuel storage and handling is to be guided by the procedures set out in the Spill Contingency Plan for the Aviat Project revised July 10, 2008.
- Empty fuel drums are to be regularly backhauled to Igloolik for proper disposal.

Camp

- All domestic refuse is to be kept in an animal resistant garbage box to be regularly transported to Igloolik for proper disposal.
- When closing the camp for the season all gray water sumps are to be back-filled.
- Winterization of the facilities includes the storage of wooden tent floors, wooden tent frames and fuel caches at the camp location.

FINAL ABANDONMENT & RECLAMATION

As the Aviat Project is currently still in the "grass roots" stage of its exploration activities it is not practicable at this time to subscribe to a definitive schedule for the conclusion of this land use operation, however upon its completion the following procedures will be followed to allow for proper abandonment and reclamation of the area:

Drill Hole Locations

 As per the ongoing restoration procedures all drill holes are to be restored to previous conditions immediately upon completion of the hole.

Excavation Restoration

- Overburden will be stockpiled and replaced once exploration of the area has been completed.
- While there is little to no vegetation in the areas where this activity may take place the ground will be scarified to promote natural re-vegetation.

Surface Blasting Restoration

 Areas affected will be recontoured once exploration of the area has been completed to avoid any adverse effects to wildlife or humans.

Fuel Storage

- All fuel storage and handling is to be guided by the framework set out in the Spill Contingency Plan for the Aviat Project, revised July 10, 2008.
- Upon completion of the land use operation all empty fuel drums will be removed from the area for proper disposal and any remaining fuel caches will be moved to an approved/permitted storage location.

Camp

- At the end of the program all camping materials, fuel drums, and drilling equipment (if applicable) will be removed from the site.
- Gray water sumps and sewage pits at the camp will be back-filled.
- At the end of the program all wood (tent floors, frames etc.) will be burned.
 The coals and ash will be raked for non-combustible items (i.e. nails etc)
 which will be collected and removed from the site. The remaining coals
 will be buried.
- A last inspection will ensure that there is no remaining material at the site and that there is little/no evidence of Stornoway's land use activity upon completion of the operation