

Nunavut Water Board

Standard Form for Annual Reporting Requirements of NWB2 Exploration Water Licenses

Under the terms of your water licence issued by the Nunavut Water Board ("NWB") for the use of water and the disposal of waste into water associated with mineral exploration (NWB2 Licenses), Licensees are required to submit to the NWB an Annual Report no later than March 31st of the year following the calendar year being reported.

In order to aid the Licensee with the preparation of the Annual Report and facilitate its review by the NWB, Licensees are **required** to use the following form.

Recommendation and Helpful tips for use:

Metric units shall be used to report any relevant data.

How to Add additional space within Text boxes - Right click mouse on the row number (directly to the left of your screen) which falls within the text box range and click insert. **Do not drag or drop text box to modify size of the text box because formatting will not be maintained and data will be lost.** If you have large amounts of data recommend adding additional worksheets. Go to the help menu for assistance.

Electronic versions should be submitted in Adobe to ensure protection of your information. If you do not have shortcut keys to save as a PDF. Go to print menu . Choose to print "Entire Worksheet" then select printer option Adobe PDF and you will be prompted to save the document as a PDF document. Reminder ensure you have saved your document in Excel so that future changes can be made.

Modify the Header - Select "View" then "Header" from the main menu. Select "Custom Header" and change to reflect the valid Water Licence No.

Textboxes denoted with * are optional.

Annual Reports shall be submitted by either fax, mail or email in adobe acrobat or Excel format to:

Nunavut Water Board
c/o Manager of Licensing
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Tel: 867-360-6338
Fax: 867-360-6369
Email: licensing@nwb.nunavut.ca

NWB Annual Report

Year being reported: 2006

License No: 2BE-SNN0508

Issued Date: September 9, 2005

Expiry Date: September 30, 2008

Project Name: Aviat Project

Licensee: Stornoway Diamond Corporation

Mailing Address: 860-625 Howe Street
Vancouver, BC
V6C 2T6

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

Stornoway Diamond Corporation

General Background Information on the Project (*optional):

The Aviat Project is operated by Stornoway Diamond Corporation ("Stornoway") and is a joint venture between Stornoway, BHP Billiton and Hunter Exploration Group. The exploration season for the Aviat project typically runs from May to October (weather permitting) during which time the project is typically supported by a 15-35 person field exploration camp, which is augmented by a small logistics team based in the hamlet of Igloolik. Field activities are supported by camp-based helicopter and by fixed-wing aircraft from Igloolik and during the 2006 exploration season exploration activities included till sampling, prospecting, ground geophysical surveys, and diamond drilling.

Licence Requirements: the licensee must provide the following information in accordance with

Select ▼ Select ▼

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): Camp Water Source 69° 26' 9.24, -83° 14' 27.96"

Water Quantity:	10 cu.m/day	Quantity Allowable Domestic (cu.m)
	2.0 cu.m/day	Actual Quantity Used Domestic (cu.m)
	50 cu.m/day	Quantity Allowable Drilling (cu.m)
	40 cu.m/day	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

- ☒ Solid Waste Disposal
☒ Sewage
☒ Drill Waste
☒ Greywater
☐ Hazardous
☐ Other:

Additional Details:

Water for domestic purposes was acquired from the lake located at the camp (please see co-ordinates provided above). Water was pumped from the lake filling a holding tank twice a day when camp was at full occupancy. Upon the closure of camp for the season the greywater sump was cleaned of all food debris, the greywater was allowed to drain into the ground and the sump was covered over. There were no blackwater sump locations during the 2006 season as outhouse waste was contained by a bag and bucket system and backhauled regularly to Igloolik for proper disposal. All combustible waste was incinerated daily in a burn barrel constructed/modified for this purpose, and non-combustible waste was backhauled to Igloolik for proper disposal. All drill cuttings were contained in the area of the collar by natural depressions.

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)

Date of Spill:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

No unauthorized discharges took place under the authority of this license during the 2006 exploration season.

Revisions to the Spill Contingency Plan

SCP submitted and approved - no revision required or proposed ▼

Additional Details:

There have been no revisions made to the Spill Contingency Plan during 2006.

Revisions to the Abandonment and Restoration Plan

AR plan submitted and approved - no revision required or proposed ▼

Additional Details:

There have been no revisions made to the Abandonment and Restoration Plan during 2006.

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

All drill set-ups were cleaned up and the surrounding area restored as per the project's Abandonment and Restoration Plan. Anchors were cut as closely as possible to the ground, and cuttings were contained in the area of the collar by natural depressions. Upon closure of the camp for the winter the kitchen sump was cleaned of food debris, all greywater drained into the ground and the sump covered over. All combustible waste was incinerated daily in a burn barrel constructed/modified for this purpose, and non-combustible waste was backhauled to Igloolik for proper disposal.. There were no outhouse sumps as waste was collected using a bucket and bag system and backhauled regularly to Igloolik. Work for the 2007 exploration season is scheduled to begin in early May and run until September (weather permitting). The 15-35 person field exploration camp located approximately 50 miles west of Igloolik will be in operation for the exploration season. Field activities will be supported by camp-based helicopter and by fixed-wing aircraft from Igloolik and will likely include till sampling, prospecting, ground geophysical surveys and diamond drilling.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details attached

Additional Details:

See attached table of coordinates for the camp/domestic water source and for drill collar locations. Water for drilling activities was obtained from water sources in the direct proximity of these locations.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details attached

Additional Details:

See attached table of coordinates for drill collar locations. All drill cuttings were contained in the area of the collar by natural depressions.

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

Additional Details: (Attached or provided below)

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Any responses or follow-up actions on inspection/compliance reports

No inspection and/or compliance report issued by INAC



Additional Details: (Dates of Report, Follow-up by the Licensee)

No inspection was conducted during the 2006 exploration season.

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Any additional comments or information for the Board to consider

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Date Submitted:

March 30, 2007

Submitted/Prepared by:

Nicole Westcott, Land Administrator

Contact Information:

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Fax: 604-668-8366

email: nwestcott@stornowaydiamonds.com

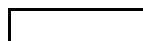


Table - 2006 Annual Report for 2BE-SNN0508

GPS Coordinates for water sources utilized

Source Description	Latitude			Longitude		
	° Deg	' Min	" Sec	° Deg	' Min	" Sec
Camp/Domestic Water Source	69	26	9	-83	14	27

GPS Locations of areas of waste disposal

Location Description (type)	Latitude			Longitude		
	° Deg	' Min	" Sec	° Deg	' Min	" Sec
Drilling	69	16	35	-83	9	15
Drilling	69	16	4	-83	18	0
Drilling	69	15	48	-83	16	53
Drilling	69	15	47	-83	16	21
Drilling	69	15	51	-83	19	16
Drilling	69	15	50	-83	19	5
Drilling	69	16	13	-83	19	22
Drilling	69	16	11	-83	19	4
Drilling	69	16	11	-83	19	4
Drilling	69	16	12	-83	19	6
Drilling	69	16	12	-83	19	10
Drilling	69	16	17	-83	19	4
Drilling	69	16	8	-83	19	22
Drilling	69	15	22	-83	15	33
Drilling	69	15	27	-83	15	28
Drilling	69	15	34	-83	15	39
Drilling	69	15	38	-83	15	44
Drilling	69	15	38	-83	15	56
Drilling	69	15	27	-83	15	45
Drilling	69	15	24	-83	15	48
Drilling	69	16	31	-83	18	45
Drilling	69	16	30	-83	18	34
Drilling	69	16	21	-83	18	20
Drilling	69	16	19	-83	18	18
Drilling	69	16	34	-83	18	49

All drill cuttings were contained in the area of the collar by natural depressions and all water sources for drilling activities were located within the direct proximity of the collar location.