NWB Annual Report **Year being reported:** 2007

License No: 2BE-SNN0508 **Issued Date:** September 9, 2005
Expiry Date: September 30, 2008

Project Name: Aviat Project

Licensee: Stornoway Diamond Corporation

Mailing Address:
Unit 116-980 West 1st Street
North Vancouver, BC
V7P 3N4

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 September (weather permitting) during which time the project is supported by a 15-35 person field exploration camp, which is augmented by a small logisitics team based in the Hamlet of Igloolik. Field activities are supported by camp-based helicopter and by fixed wing aircraft from Igloolik. During the 2007 exploration season exploration activities included till sampling, prospecting, and diamond drilling.

Licence Requirements: the licensee must provide the following information in accodance 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 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

- [x] Solid Waste Disposal
- [ ] Sewage
- [x] Drill Waste
- [x] Greywater
- [ ] Hazardous
- [ ] Other:

Additional Details:

Water for domestic purposes was acquired from the lake located at the camp (see coordinates provided above). Water was pumped from the lake, filling a holding tank twice a day when camp was at full occupancy. Upon closure of the camp for the season the screening mechanism for the kitchen and dry 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 2007 season as the outhouse waste was contained by a bucket and bag system and backhauled regularly to Igloolik for proper disposal (authorization for this disposal is available upon request).
All garbage was backhauled regularly to Igloolik for proper disposal (authorization for this disposal is available upon request).

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

Spill No.: N/A (as reported to the Spill Hot-line)
Date of Spill: N/A
Date of Notification to an Inspector: N/A
Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

No unauthorized discharges took place during 2007 activities conducted under the authority of this license.

Revisions to the Spill Contingency Plan

Other: (see additional details)

Additional Details:

A copy of the revised Spill Plan for the Aviat Project was submitted to the Nunavut Water Board on April 30, 2007. A copy of this revised plan is attached to this annual report.

Revisions to the Abandonment and Restoration Plan

Other: (see additional details)

Additional Details:

A copy of the revised Abandonment and Restoration Plan for the Aviat Project was submitted to the Nunavut Water Board on April 30, 2007. A copy of this revised plan is attached to this annual report.

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 any cuttings were contained in the area of the collar by natural depressions.
Upon closure of the camp for the winter the screening mechanism for the kitchen and dry sumps were cleared of debris, all greywater was allowed to drain into the ground, and the sump covered over.
There were no outhouse sumps as waste was collected by a bag and bucket system and backhauled regularly to Igloolik (authorization for this disposal is available upon request).
All empty fuel drums were returned to Igloolik, crushed, and taken south for recycling.

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 drilling water source 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 the location of the disposal of drill cuttings and or returned water generated by drilling activities.

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)

N/A

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

No additional sampling requested by an Inspector or the Board

Additional Details: (Attached or provided below)

N/A

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

Inspection and Compliance Report received by the Licensee (Date):

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

On July 15, 2007 Andrew Keim, Water Resources Officer conducted an inspection of the Aviat Project. The following details the noted issues that were addressed by Mr. Keim (as per the Inspection Report dated December 12, 2007) during this inspection and the subseqent actions taken to address the issues.

1**) Secondary Containment in Camp -** The inspector addresses the requirement for secondary containment for the storage of all fuel on site, including oils, drill muds and greases, and biodegradeable materials, etc.

Remedial Action Taken- Historically all spare oils have been stored in a plywood floored tent in their original shipping packaging until use. Subsequent to the inspection all oils were removed from their packaging and placed in plastic tubs lined with enviromats (see attached photos). A plywood shed has been constructed to hold all drilling muds, greases, oils and even biodegradable materials. The shed floor has been lined with plastic, and the enviromats placed on top of the plastic liner to absorb any potential leakage (see attached photos). Secondary containment for fuel drums, barrel stand and the generator area is currently being researched, however the licensee is awaiting the issuance of official secondary containment guidelines from DIAND to insure that any action regarding the storage of fuel drums is indeed in compliance before implementation.

2) Inadequate Grey Water Sump - The Inspector indicated that the camp sump was inadequate and verbal direction was given as to how to enhance the structure to improve drainage and screening.

Remedial Action Taken- While some directives are not possible to implement (i.e. raising the kitchen tent to increase drainage angle) remedial action was taken immediately regarding the screening of waste water entering the sump from the dry and kitchen tents. As per Mr. Kiem's suggestion, kitchen and dry drainage now passes through a milk crate filled with gravel to trap and contain any solid debris while allowing the waste water to flow directly into the sump, and the traps are cleared daily.

3) Open Burning - During the inspection Mr. Kiem viewded a burn barrel that was being used periodically to dispose of scrap wood and cardboard only, however he was advised by the camp manager that all domestic garbage was being backhauled to Igloolik for proper disposal. Mr. Kiem advised the camp manager that under the terms and conditions of the license there is no open burning of any kind permitted.

Remedial Action Taken- The barrel was immediately dismantled and any scrap wood or cardboard was backhauled to Igloolik for proper disposal.

4) Lack of Water Meters and Records of Water Use- The Inspector noted the absence of water meters to measure the amount of daily water usage within the camp. Historically water usage at the camp facility has been measured on a per tank consumption basis.

Remedial Action Taken- The licensee is currently in the process of researching and procuring the appropriate equipment, and water meters will be installed for the 2008 exploration season.

Any additional comments or information for the Board to consider

Attachments:
3 Pages - Photographs of Remedial Actions Taken After Inspection
17 Pages - Spill Plan, Aviat Project, Revised April 30, 2007
5 Pages - Abandonment and Restoration Plan, Revised January 2007

Date Submitted:	March 31, 2008	
Submitted/Prepared by:	Nicole Westcott, Land Administrator	
Contact Information:	**Tel:**	604-983-7750
	Fax:	604-983-7107
	email:	nwestcott@stornowaydiamonds.com

Secondary Containment Measures Implemented for the Storage of Products In the TV Tent

Photographs of Shed Constructed to Serve as Secondary Containment for Drilling Muds, Greases and Oils.

Photographs of the Interior of the Shed Built to Serve as Secondary Containment for Drilling Muds, Greases and Oils (lined with an initial layer of plastic, and topped with enviromats)

stornoway
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STORNOWAY DIAMOND CORPORATION
SPILL CONTINGENCY PLAN
AVIAT PROJECT

NUNAVUT

Effective April 30, 2007

Table of Contents

List of Appendices

1.0 Introduction

This Spill Contingency Plan shall be in effect from April 30, 2007. Any proposed changes and/or amendments will be submitted to the Nunavut Water Board, DIAND and the Qikiqtani Inuit Association

This Spill Contingency Plan has been specifically prepared for the Aviat Project exploration program. This Plan shall be posted at operational remote camps and drill shacks.

Stornoway Diamond Corporation endeavours to take every reasonable precaution toward ensuring the protection and conservation of the natural environment and the safety and health of all employees and contractors from any potential harmful effects of stored materials and operations.

2.0 Facilities

Camp Location: 69° 26.13' N, 83° 14.53' W

See schematic contained in Appendix II for an illustration of the camp layout. Please note that schematic is for illustration purposes only (structures are not to scale) and applies to the camp's typical layout during its operational season of May through to October (weather permitting).

3.0 Petroleum and Chemical Product Storage and Inventory

3.1 Remote Location Fuel Inventory, Storage and Handling Procedures

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)
- Oil – Several Cases of 4 Cycle Engine Oil
- Diesel for the drill - 1845 litres (9 drums

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.

3.2 Petroleum Product Transfer

Manual and automatic pumps (and aviation fuel filters for jet fuel) are used for the transfer of all petroleum products. Smoking, sparks, or open flames are **prohibited** in fuel storage and fuelling areas at all times.

4.0 Risk Assessment and Mitigation of Risk

4.1 Petroleum Products and Other Fuels

Following, is a list of sources:

1) Drummed product: Leaks or ruptures may occur. This includes drums of Jet B, Diesel, Gasoline, Waste Fuel, and Waste Oil.

2) Fuel cylinders: Propane, leaks may occur at the valves. All cylinders are secured at all times.

3) Vehicles and equipment: Wheeled vehicles and equipment, aircraft (fixed and rotary wing), snowmobiles, generators, pumps. Incidents involving leaking or dripping fuels and oils may occur due to malfunctions, impact damage, and lack of regular maintenance, improper storage, or faulty operation.

Regular inspection and maintenance in accordance with recognized and accepted standard practices at all camps and fuel caches, reduces risks associated with the categories listed above.

Spill response training is provided to all personnel with particular attention to those personnel who handle fuels and other petroleum products. This training will include a presentation, "mock" spill, review of spill kit contents and their use and reporting.

One large spill kit is located at generator shack and one large spill kit is located outside of the spare survival shack in the outdoor storage area. Four small spill kits are kept inside the television/storage tent, and another small spill kit is located at the middle helicopter landing site/fuel cache.

5.0 Responding to Failures and Spills

5.1 Spill Response Contact List

24 Hour Spill Line
(867) 920-8130

DIAND Water Resources Inspector
Iqaluit, Nunavut
(867) 975-4298

Environment Canada
Iqaluit, Nunavut
(867) 975-4644
24 hour pager – (867) 920-5131

Qikiqtani Inuit Association
Phone: (867) 979-8417
Fax: (867) 979-1643

Stornoway Diamond Corporation
Phone: (604) 331-2259
Fax: (604) 668-8366

5.2 Basic Steps — Spill Procedure

In the case of any spill or other environmental emergency, it is necessary to react in the most immediate, safe, and environmentally responsible manner. No spill or incident is so minor that it can be ignored.

The basic steps of the response plan are as follows:

1. *Ensure* the safety of all persons at all times.

2. *Identify* and find the spill substance and its source, and, if possible, stop the process or shut off the source.

3. *Inform* the on-site coordinator or his/her designate at once, so that he/she may take the appropriate actions. Appropriate action includes the notification of the spill to the 24 hour Spill Line and DIAND Water Resource Officer, a copy of the Spill Report form can be found in Appendix I.

4. *Contain* the spill or environmental hazard, as per its nature, and as per the advice of the Spill Line and the DIAND Water Resource Officer as required.

5. *Implement* any necessary cleanup and/or remedial action.

5.3 Basic Steps — Chain of Command

1. *Immediately* notify and report to the 24-Hour Spill Line at (867) 920-8130, the DIAND Water Resources Inspector in Nunavut at (867) 975-4298, and Environment Canada personnel at 867-975-4644.

2. ***A Spill Report Form (Appendix I)*** is filled out as completely as possible before or after contacting the 24 Hour Spill Line.

3. Notify Robin Hopkins , Stornoway Diamond Corporation at (604) 331-2259.

5.4 Other contacts for spill response/assistance and further reporting

Nunavut Water Board	(867) 360-6338
Fisheries and Oceans Canada Habitat Impact Assessment Biologist	(867) 979-8007
Government of Nunavut Department of Environment	(867) 975-5910

6.0 Taking Action

6.1 Before the Fact: Preventative Measures

The following actions illustrate a proactive approach to environmental stewardship. In addition, these actions minimize the potential for spills during fuel handling, transfer and storage:

1. Fuel transfer hoses with cam lock mechanisms are used.
2. Carefully monitor fuel content in the receiving vessel during transfer. Always have additional absorbent pads on hand while transferring fuel.
3. Clean up drips and minor spills immediately.
4. Regularly inspect drums, tanks and hoses for leaks or potential to leak and for proper storage.
5. Create fuel caches in natural depressions that are located a **minimum** of 31 metres from the normal high-water mark of any water body.
6. Train personnel, especially those who will be operators, in proper fuel handling and spill response procedures.

6.2 After the Fact: Mitigative Measures

1. First steps to take when a spill occurs:
   a) Ensure your own safety and that of others around you, beginning with those nearest to the scene.
   b) Control danger to human life, if necessary.
   c) Identify the source of the spill.
   d) Notify your supervisor, request assistance if needed.
   e) Assess whether or not the spill can be readily stopped.
   f) Contain or stop the spill at the source.

2. Secondary steps to take:
   a) Determine status of the spill event.
   b) If necessary, pump fuel from a damaged and/or leaking tank or drum into a refuge container.
   c) Notify the 24-hour Spill Report Line, and receive further instructions from the appropriate contact agencies listed in *Section 5.3.* (disposal of contaminated soil or ice/snow in sealed containers for removal from site, etc.).

d) Complete and Fax a copy of the Spill Report Form *(Appendix I).*
e) Notify permitting authorities.
f) If possible, resume cleanup and containment.

6.3 SPILL RESPONSE ACTIONS DIESEL FUEL, HYDRAULIC OIL, AND LUBRICATING OIL

Take action only if safety permits – stop the source flow if safe to do so and eliminate all ignition sources. **Never smoke** when dealing with these types of spills.

On Land
Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill after all vapours have dissipated.
Remove the spill by using absorbent pads or excavating the soil, gravel or snow.
Remove spill splashed on vegetation using particulate absorbent material.
Contact regulatory agencies for approval before commencing with the removal of any soil, gravel, or vegetation.

On Muskeg
Do not deploy personnel and equipment on marsh or vegetation.
Remove pooled oil with sorbent pads and/or skimmer.
Flush with low pressure water to herd oil to collection point.
Burn only in localized areas, e.g., trenches, piles or windrows.
Do not burn if root systems can be damaged (low water table).
Minimize damage caused by equipment and excavation.

On Water
Contain spill as close to release point as possible.
Use containment boom to capture spill for recovery after vapours have dissipated.
Use absorbent pads to capture small spills.
Use skimmer for larger spills.

On Ice and Snow
Build a containment berm around spill using snow.
Remove spill using absorbent pads or particulate sorbent material.
The contaminated ice and snow must be scraped and shovelled into plastic buckets with lids, 205 litre drums, and/or polypropylene bags.

Storage and Transfer
All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labelled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

6.3 SPILL RESPONSE ACTIONS GASOLINE AND JET B AVIATION FUEL

Take action only if safety permits – stop the source flow if safe to do so and eliminate all ignition sources. **Never smoke** when dealing with these types of spills.

On Land
Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill after all vapours have dissipated.
Remove the spill by using absorbent pads or excavating the soil, gravel or snow.
Remove spill splashed on vegetation using particulate absorbent material.
Contact regulatory agencies for approval before commencing with the removal of any soil, gravel, or vegetation.

On Muskeg
Do not deploy personnel and equipment on marsh or vegetation.
Remove pooled gasoline or Jet B with sorbent pads and/or skimmer.
Flush with low pressure water to herd oil to collection point.
On advice from regulatory agencies, burn only in localized areas, e.g., trenches, piles or windrows.
Do not burn if root systems can be damaged (low water table).
Minimize damage caused by equipment and excavation.

On Water
Contain spill as close to release point as possible.
Use containment boom to capture spill for recovery after vapours have dissipated.
Use absorbent pads to capture small spills.
Use skimmer for larger spills.

On Ice and Snow
Build a containment berm around spill using snow.
Remove spill using absorbent pads or particulate sorbent material.
The contaminated ice and snow must be scraped and shovelled into plastic buckets with lids, 205 litre drums, and/or polypropylene bags.

Storage and Transfer
All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labelled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

6.3 SPILL RESPONSE ACTIONS
PROPANE

Take action only if safety permits. Gases stored in cylinders can explode when ignited. Keep vehicles away from area. **Never smoke** when dealing with these types of spills.

On Land
Do not attempt to contain the propane release.

On Water
Do not attempt to contain the propane release.

On Ice and Snow
Do not attempt to contain the propane release.

General
It is not possible to contain vapours when released.
Water spray can be used to knock down vapours if there is no chance of ignition.
Small fires can be extinguished with dry chemical of CO_2.
Personnel should withdraw immediately from area unless a small leak is stopped immediately after it has been detected.
If tanks are damaged, gas should be allowed to disperse and no recovery attempt should be made.
Personnel should avoid touching release point on containers since frost forms very rapidly.
Keep away from tank ends.

Storage and Transfer
It is not possible to contain vapours when released.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods for detective equipment that resulted in the release.

7.0 Spill Equipment

Complete spill kits are kept on hand at all camps and drill shacks.

In addition, at least one empty fuel drum will be located at each fuel cache in the event of damaged or leaking drums. Extra absorbent pads will be kept with the helicopter, drill and any area where re-fuelling, transferring and/or handling is done.

8.0 Training and Practice Drills

8.1 Training

All employees and contractors will be familiar with the spill response resources at hand, this Contingency Plan, and will also be trained for initial spill response methods. Involvement of other employees may be required, from time to time. Annual refreshers will be conducted to review the procedures within this plan.

Appendix I

Nunavut Spill Report Form

NUNAVUT SPILL REPORT (Oil, Gas, Hazardous Chemicals or other Materials)

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24-Hour Report Line 24-ᓄᑦ ᐃᑲᖏᓄᑦ ᐅᓂᒃᑲᐃᐅᔪᓐᓇᖅᑐᖅ ᐅᖃᓕᐅᑦ

Phone/ᐅᖃᓕᐅᑦ (867) 920-8130

Fax/ᓱᒃᑎᑐᑯᑦ (867) 873-6924

A Report Date and Time ᐅᑎᓂᖅ ᓱᓕᔾᔪᑎᑦᓂᓗ ᖃᓄᐃᓕᐅᕈᑎᑦᓂᓗ ᐅᓂᒃᑲᐅᑎᕐᓂᐃᑦ	**B** Date and Time of Spill(if known) ᐅᑎᓂᖅ ᐊᐃᑎᑦᓂᓗ ᖃᓄᐃᓕᐅᕈᑎᑦᓂᓗ (ᖃᐅᔨᓴᒃᑲᐅᑉᐸᑦ)	**C** ☐ Original Report ᓱᓕᔨᓐᓂᐊᑦ ᐅᓂᒃᑲᐅᓱᐅᔭᖅ ☐ Update No. _____ ᓂᒃᑲᐅᓱᐅᒃᖢᓂᔪᓐᓃᖅ ᓇᓴᐅᑦ	Spill Number ᐊᐃᑎᑦ ᓇᓴᐅᑦ

D Location and Map Coordinates (if known) and Direction (if moving) ᓇᓂ ᐊᐃᓕᑦ ᖁᓕᓂ ᓂᓇᓵᒍᐊᑦ ᓇᓴᐅᑎᕐᓂᑦ (ᖃᐅᔨᓴᒃᑲᐅᑉᐸᑦ) ᖁᓕᓂ ᓇᒥᖏᐅᑦᓚᓂᐊᓕᖏᓚᖓ (ᐃᓕᖏᕐᓂᑦ)

E Party Responsible for Spill (Full Name and Address) ᑭᖑᑦ ᐊᐃᑎᕐᑎᑦᓂᑦ (ᐃᑎᑦ ᖁᓕᓂ ᑐᕐᕉᑎᖏᓐᓄᑦ)

F Product(s) Spilled and Estimated Quantities(provide metric volumes/weights if possible) ᑭᓱᑦ ᑭᓱᓕᔪᓐᓇᑦ ᐊᐃᓕᑦ ᖃᓄᑎᓗ ᐊᖏᓂᖃᖅᐸᑦ (ᐊᖏᓂᖅ, ᐅᑭᖏᓂᓂᑦᓯᓚᓐᓇᑦ ᐊᓂᓐᓇᖏᑦᑐᑦ)

G Cause of Spill ᑭᓱᑦ ᐊᐃᑦᔨᑕᐅᔪᑦ

H Is Spill Terminated? ᐊᐃᓕᖅ ᓄᖅᖃᑕᐅᔪᒋᑦ? ☐ Yes/Δ ☐ No/ᐊᒃ	**I** If Spill is Continuing, Give Estimated Rate ᓱᓕ ᐊᐃᑦᔨᑦ ᖃᓄᑎᓗ ᓯᖃᓕᕆᖅᓯᒪᔪᑦ	**J** Is Further Spillage Possible? ᐊᐃᑉᖃᓕᐃᓐᓇᕐᓂᖅᐸᑦ? ☐ Yes/Δ ☐ No/ᐊᒃ	**K** Extent of Contaminated Area (in square metres if possible) ᖃᓄᐃᓕᐅᕈᑎᑦ ᐊᐃᑦᔨᐅᔪᖅ (ᐅᑦᔪᓐᓇᓕᒫᓂᓗ ᐊᓯᓇᖏᑦᑐᑦ)

L Factors Affecting Spill or Recovery(weather conditions, terrain, snow cover, etc.) ᑭᓱᑦ ᐱᔨᑎᑕᐅᑦ ᐊᐃᓕᒧᑦ ᐅᑦᓯᓗ ᐊᖏᕐᕉᑕᐅᓚᓕᕆᓂᓗ (ᓱᓕ ᖃᓄᐃᓕᖓᓂᖓᓂᑦ, ᓄᓇ ᖃᓄᐃᓕᖓᓂᖓᓂᑦ ᐊᑐᔨᐅᓕᒫᓂᖓᓂ, ᐊᓯᖏᓐᓄᑦᓯᓚᓐᓂᑦ)	**M** Containment (natural depression, dykes, etc.) ᐅᖃᓗᐊᓂᖃᖅᐸᑦ ᑭᓚᐊᑦ ᐃᓱᒪᓕᖅᓯᒪᔪᖅ (ᓄᓇᒥ ᐃᓱᒪᓕᐃᑦ, ᐊᓯᖏᓐᓄᑦᓯᓚᓐᓂᑦ)

N Action, if any, taken or Proposed to Contain, Recover, Clean Up or Dispose of Product(s) and Contaminated Materials
ᖃᓄᐃᓕᓴᐅᓕᖅ, ᖃᓄᐃᓕᓴᐅᓕᕆᔨᐊᓕᑦ ᐅᑦᓯᓗ ᖃᓄᐃᓕᓴᐅᓕᕆᔨᐊᓕᑦ ᐊᑕᐅᓯᖏᑎᑎᕐᓂᓕᓴᓕᖅ, ᓄᖅᖃᑎᑕᐅᓕᓴᓕᖅ, ᓴᓗᒪᓂᖅᑕᐅᓕᖅ ᐅᑦᓯᓗ ᐃᓕᑕᐅᓂᐊᓕᑦ ᐊᐃᑦᔨᐅᔪᖅ |ᐊᐃᓕᑦᓂᓚᓐᓂᑦ) ᖁᓕᓂ ᐊᐃᑦᔨᐅᓕᖅᓴᖅ.

O Do You Require Assistance? ᐃᑲᔪᕐᑕᐅᓕᓚᐊᖅᑕᒫᑦ? ☐ No ᐊᒃ ☐ Yes, describe: Δ, ᓇᓗᓇᐃᓕᑦᓂᓗ	**P** Possible Hazards to Persons, Property or Environment e.g. fire, drinking water, fish or wildlife ᐊᑎᕐᓇᖅᑐᓇᓚᐊᖅᑐᑦ ᐃᓇᓐᓄᑦ, ᐱᐊᑎᑎᕐᑕᐅᔪᓄᑦ ᐅᑦᓯᓗ ᐊᐅᑎᒪᑉ ᓄᑦᓂ - ᐃᑲᓐᓂᓄ, ᐃᒥᓐᒪᑉ ᓂᐅᖅᖃᕐᑕᐅᓄᑦᓯᓂᓄ, ᐃᖅᓂᔪᓄᑦ ᐅᑦᓯᓗ ᓂᑦᔨᑎᓄᑦ

Q Comments and/or Recommendations ᐅᖅᐅᓄᓚᐃᑦ ᖁᓕᓂ ᐅᑦᓯᓗᓂᖅᑐᑦ ᖃᓄᐃᓕᒧᐊᖏᑉᐅᔪᑦ

FOR SPILL LINE USE ONLY
ᐊᑐᖅᑕᐅᔨᓚᖅ ᐊᐃᓕᓄᑦ ᐅᑦᖃᓕᓴᐃᐅᑦᑐᑎᓄᖅ

Lead Agency
ᐃᖅᖃᓄᐃᑉᐳᖅᑐᓂᓴᐃᑦ ᐊᐃᔪᒥ ᖃᒪᓕᕆᖅᖃᖅᑐᑦ

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Spill Significance ᐊᐃᑦᔨᑦ ᖃᓄᐃᓕᖓᓂᖅ

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Lead Agency Contact and Time
ᐃᖅᖃᓄᐃᑉᐳᖅᑐᓂᓴᐃᑦ ᐊᐃᔪᒥ ᖃᒪᓕᕆᖅᖃᖅᑐᑦ ᖃᐅᔨᓴᖅᑕᐅᓂᖅ ᖁᓕᓂ ᖃᓄᐃᓕᐅᕈᑎᑦᓂᓗ

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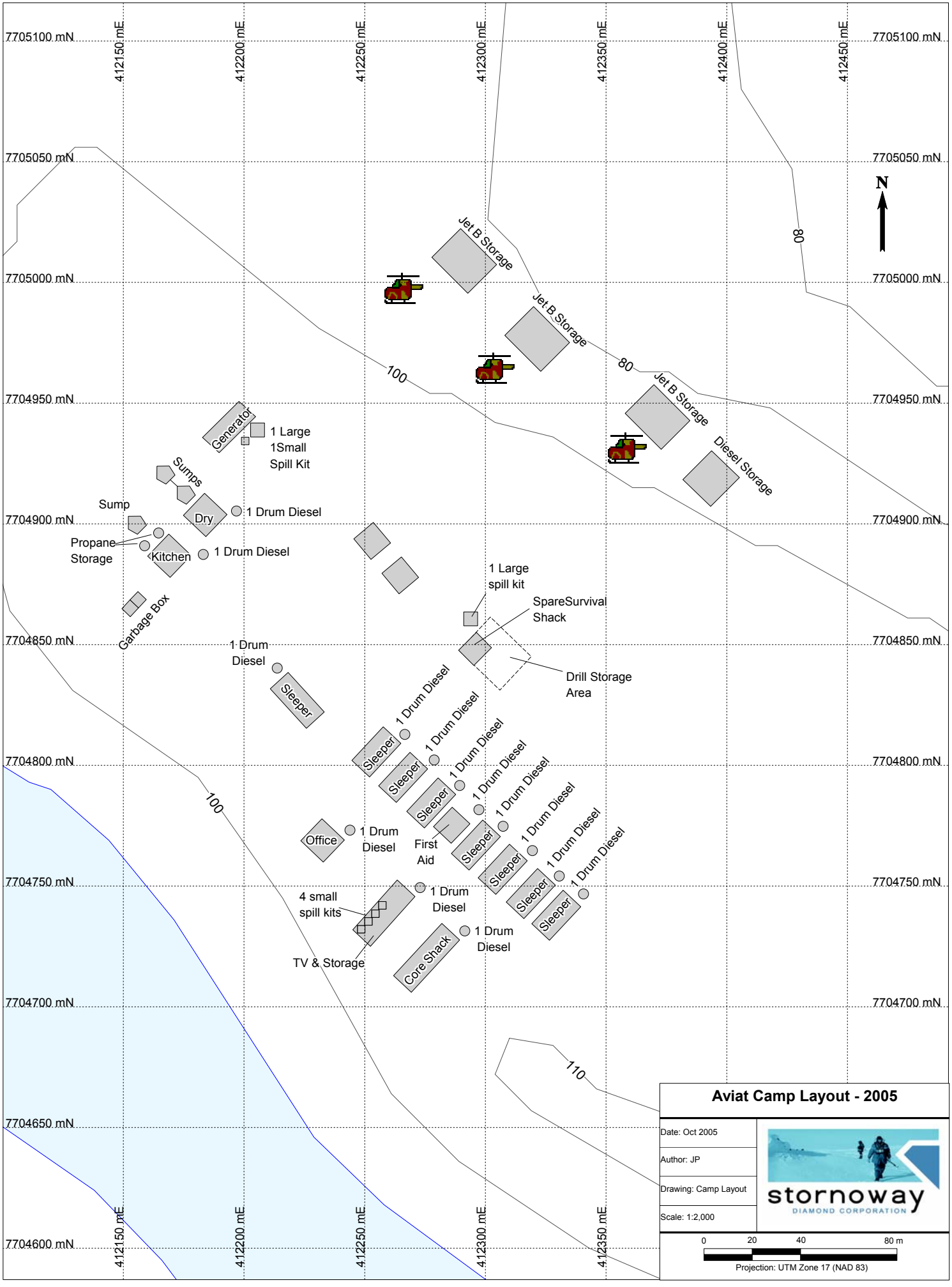
Is this file now closed?
ᒪᑐᓪ ᐅᓂᒃᑲᓚᐅᔪᖅ ᒪᑐᐅᐅᑦᔨᑦ? .....

Reported By ᐅᓂᒃᑲᓐᓇᖅ	Position, Employer, Location ᖃᓄᐃᓕᑐᒥ ᐃᖅᖃᓄᐃᑉᐳᓂ, ᐃᖅᖃᓄᐃᑉᐳᖅᓯᖓ, ᓇᓂ	Telephone ᐅᖃᓕᐅᑦ
Reported To ᐅᓂᓚᐅᔪᖅ	Position, Employer, Location ᖃᓄᐃᓕᑐᒥ ᐃᖅᖃᓄᐃᑉᐳᓂ, ᐃᖅᖃᓄᐃᑉᐳᖅᓯᖓ, ᓇᓂ	Telephone ᐅᖃᓕᐅᑦ

Appendix II

Maps and Figures

Aerial View of 2005 Aviat Camp


7705100 mN
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7704650 mN
7704600 mN
412150 mE
412200 mE
412250 mE
412300 mE
412350 mE
412400 mE
412450 mE
N
80
100
110
Jet B Storage
Jet B Storage
Jet B Storage
Diesel Storage
Generator
1 Large
1Small
Spill Kit
Sumps
Sump
Dry
1 Drum Diesel
Propane
Storage
Kitchen
1 Drum Diesel
Garbage Box
1 Large
spill kit
SpareSurvival
Shack
1 Drum
Diesel
Sleeper
Drill Storage
Area
1 Drum Diesel
Sleeper
1 Drum Diesel
Sleeper
1 Drum Diesel
Sleeper
1 Drum Diesel
Sleeper
1 Drum Diesel
Sleeper
1 Drum Diesel
Sleeper
1 Drum Diesel
Office
1 Drum
Diesel
First
Aid
4 small
spill kits
1 Drum
Diesel
TV & Storage
1 Drum
Diesel
Core Shack
Aviat Camp Layout - 2005
Date: Oct 2005
Author: JP
Drawing: Camp Layout
Scale: 1:2,000
stornoway
DIAMOND CORPORATION
0
20
40
80 m
Projection: UTM Zone 17 (NAD 83)

Appendix III

Material Safety Data Sheets

stornoway
DIAMOND CORPORATION

Suite 860 - 625 Howe Street
Vancouver BC V6C 2T6 Canada
Tel: 604.331.2259 Fax: 604.689.5041

Abandonment and Restoration Plan
Aviat Project

Originally Prepared: October 2005
Revised: January 2007
Effective: October 2005 to September 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 15-35 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 the 2007-2008 exploration season consists of drilling geophysical targets, ground geophysics on additional geophysical targets, minor surface rock blasting, rock and till sampling, and drilling.

DESCRIPTION OF FACILITY

Project Supervisor – Robin Hopkins
Stornoway Diamond Corporation
860-625 Howe Street
Vancouver, BC
V6C 2T6
Phone: 604-331-2259
Fax: 604-689-5041

Facility – 15-40 Person Camp

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

Size - Fuel stored at above ground facility in sealed 205 litre (45 gal.) steel drums

Storage Capacity – Maximum fuel stored at camp will typically be 19 drums (3895 litres) of Jet-B and diesel combined, plus two (2) 100lb-propane tanks.

A minor amount of fuel will be stored for no more than four days at the drill site, and removed promptly upon completion of each drill hole. On-site storage will be a safe distance from drilling activities, with fuel stored in sealed steel drums. Maximum fuel storage will be 4 drums (820L) including Jet-B and diesel, plus one (1)100lb propane tank.

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

JET B fuel for the helicopter – 2050 litres (10 drums)
Propane for heating, etc. - Two (2) 100 lb. tanks
Oil – Several Cases of 4 Cycle Engine Oil
Diesel for the drill - 1845 litres (9 drums)

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

Storage Location - 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.

ABANDONMENT AND RESTORATION PLAN

SEASONAL CLOSURES

The exploration season for the Aviat Project typically runs from March 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 on-going 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, dated October 2005.
- Empty fuel drums are to be regularly backhauled to Igloolik for proper disposal.

Camp

- All combustible refuse is to be kept in an animal resistant garbage box and incinerated in a burn barrel on a regular basis throughout the occupation of the camp.
- Non-combustible waste is to be regularly transported to Igloolik for proper disposal.
- When closing the camp for the season all gray water sumps and sewage pits at the camp 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, dated October 2005.
- 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.
- All remaining garbage will be incinerated in a burn barrel.
- 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