

October 7, 2005

Phyllis Beaulieu
Licensing Manager
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

**Re: NWB2SNN0508 – Revised Spill Contingency Plan and Revised Abandonment
and Restoration Plan**

Dear Ms. Beaulieu,

As per Part "H" and Part "I" of the terms and conditions attached to the above referenced license enclosed please find a revised copy of the Spill Contingency Plan and a revised copy of the Abandonment and Restoration Plan for the Aviat Project, operated by Stornoway Diamond Corporation.

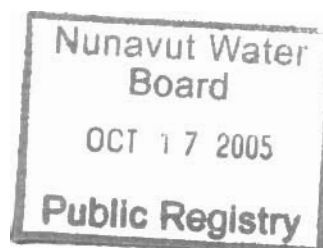
If you have any questions regarding this submission please contact the undersigned at your convenience.

Yours truly,
STORNOWAY DIAMOND CORPORATION

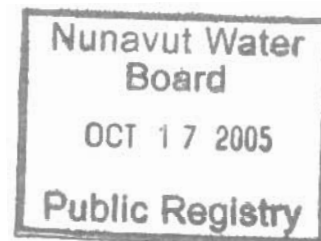
Per:



Nicole Westcott
Land Administrator



Abandonment and Restoration Plan Aviat Project



Prepared: October 2005
Effective: October 2005 to September 2008

INTRODUCTION

The following plan applies 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 2006 exploration season consists of drilling geophysical targets, ground geophysics on additional geophysical targets and till sampling.

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 – 15-35 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 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 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.

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.

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