



ABANDONMENT and RESTORATION PLAN

**Kagloryuak River and Burns Lake Areas
Victoria Island
Nunavut**

Revised Abandonment and Restoration Plan prepared February 16th, 2006.

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**Kagloryuak River and Burns Lake Areas
Victoria Island
Abandonment and Restoration Plan**

1. Preamble

This Abandonment and Restoration (A&R) is in effect until March 31, 2011 and applies to the work areas and campsites that have been utilized by Diamonds North during their 2002-2004 exploration programs in the Kagloryuak River and Burns Lake areas of Victoria Island, Nunavut. It will also apply to all ongoing work conducted in this area in conjunction with the renewal application of Water Licence NWB2TAH0406 which has a proposed completion date of March 31st, 2011. Questions or concerns regarding this Plan can be directed to Graham Gill, Exploration Manager, Diamonds North Resources Ltd at 604 689-2010 (Phone) of 604 484-7143 (Fax).

2. Introduction

This A&R plan has been prepared for two temporary campsites located within the project area on NTS mapsheet 77F (see maps provided). The first site (northern or Tuktu Camp) is located on a north-south trending esker on the west side of the Tuktu River in Nunavut at coordinates 566950E 7856970N NAD 83 Zone 12 (70° 48.5'N 109° 10'W). This temporary camp is located approximately 270 kms northwest of Cambridge Bay and is serviced by Twin Otter aircraft with a landing strip located 5 kilometres to the south of camp. Crew and supplies are ferried between the strip and camp via helicopter. The camp currently consists of six 14'x16' sleep tents, one office tent, a core shack, one dry, one first aid tent, a kitchen tent, one outhouse, one generator shack and can accommodate up to 20 people. This camp has been operating from the end of May through mid September since 2002. The second camp (southern) is located at 70° 17'N, 109° 05'W along the southern shores of a large lake approximately 200 kms northwest of Cambridge Bay. This camp was used in the spring of 2002 and will be upgraded for a 2206 spring exploration program. It will consist of four 14'x16' sleep tents, one office tent, a core shack, one dry, one first aid tent, a kitchen tent, one outhouse, one generator shack, and will accommodate up to 16 people.

Currently the project involves early stage till sampling, prospecting, airborne and ground geophysics and some diamond drilling on both sides of the Nunavut/Northwest Territories border which is located 30 kilometres to the west of the northern Tuktu camp.

3. Schedule

The final restoration of the camp site will begin when the program is fully completed and will be finished prior to the expiration of the land use permit and water licence unless a renewal is applied for. Currently Diamonds North has valid land use permits for work in Nunavut and the Northwest Territories that allows for all activities that comprise the exploration programs (N2005C0026 and N2002C0023 respectively). Currently the company also has a valid Water Licence for work in Nunavut (NWB2TAH0406) which is valid until March 31st, 2006 and for which a renewal application has recently been submitted. As all intended work within the Northwest Territories is under threshold, no Water Licence is necessary. As Diamonds North practices progressive reclamation such as filling drill sumps, cutting off drill collars to ground

level and removing garbage, equipment and empty fuel drums as the program progresses, the final restoration effort will be minimal.

4. Infrastructure

Northern Camp

Six 14' x 16' wooden sleep tents
One 32' x 14' kitchen tent
One 14' x 16" core shack
One 14' x 16' dry
One 14' x 16' first aid tent
One 14' x 16' office tent
One outhouse
One generator shack
One heli-pad
One burn barrel
One fuel cache with Spill Kit

Southern Camp

Four 14' x 16' wooden sleep tents
One 32' x 14' kitchen tent
One 14' x 16" core shack
One 14' x 16' dry
One 14' x 16' first aid tent
One 14' x 16' office tent
One outhouse
One generator shack
One heli-pad
One burn barrel
One fuel cache with Spill Kit

5. Seasonal Shutdown

Buildings and Contents

All canvas tents have been and will continue to be removed from site for winter storage. Wooden structures (generator shack, latrine and tent frames) will be kept secured. All empty propane and fuel drums as well as the generator will be removed from site at the end of each season.

Water System

Pumps and hoses will be drained and dismantled. Pumps will be removed from site for servicing and storage. Hoses will be stored in the dry or generator shack for the winter months.

Fuel Caches and Chemical Storage

An inventory of all fuel caches will be made prior to camp demobilization at the end of each season as well as a thorough inspection of all full drums. Empty drums are constantly backhauled to Cambridge Bay during the course of the program.

Chemicals will be stored in the dry which is completely enclosed by plywood and secured over the winter months.

Waste

Combustible Waste: All combustible waste will be incinerated as the program progresses. All ash will be collected and disposed of in landfill site in Cambridge Bay. The burn barrel will be stored on site over the winter.

Non-combustible Waste: All non-combustible waste will be sent to Cambridge Bay via chartered aircraft to be disposed of by our contract expeditor, Kitnuna Corporation. All carriers and receivers of this material will be informed of the need to register with the Government of Nunavut, Department of Environment as well as having the proper documentation in the form of a waste manifest. More details of this information can be found in Appendix VII of the company's Fuel Spill Contingency Plan.

Grey Water Sump: The sump will be inspected marked and covered for the winter.

Black Water: The latrine sump will be buried at the time of demobilization of the camp.

Drill Sites

The drill will be dismantled at the last drill collar and all equipment will be flown via helicopter to the airstrip located 5 kilometres south of Tuktu camp. The drill and all ancillary equipment will be flown off-site to Cambridge Bay via Twin Otter aircraft.

All drill sites will be inspected immediately upon completion of each drill hole. All waste will be collected and flown to camp for incineration or removal to an approved disposal location. All sumps will be backfilled and each drill collar will cut off to ground level.

Photographs of each drill site will be taken at the completion of clean up at each site.

Contamination Clean Up

Any soil at camp or at the drill sites that has become contaminated will be treated as per the Fuel Spill Contingency Plan. All non-combustible waste will be sent to Cambridge Bay via chartered aircraft to be disposed of by our contract expeditor, Kitnuna Corporation. All carriers and receivers of this material will be informed of the need to register with the Government of Nunavut, Department of Environment as well as having the proper documentation in the form of a waste manifest. More details of this information can be found in Appendix VII of the company's Fuel Spill Contingency Plan.

Inspection and Documentation

A complete inspection of all disturbed areas (drill sites, camp and fuel caches) will be conducted prior to seasonal closure of the project with a full inventory taken for each location. A photographic record will be kept of each work area and campsite before, during and after the project is complete.

6. Final Abandonment and Restoration

Buildings and Contents

All buildings and structures will be dismantled and removed. Wooden structures will be burned and ashes sifted to retrieve non-burnable items which will be removed from site.

Equipment

All equipment including generators and pumps will be removed from the project site.

Fuel Caches and Chemical Storage

All fuel drums and chemical containers will be removed. All sites that contained fuel cached will be inspected and any contamination will be dealt with according to the Fuel Spill Contingency Plan. All debris will be removed. Final photos of fuel caches will be supplied.

Sumps

All sumps will be inspected and backfilled. Final photos will be taken and supplied to the NWB.

Camp Site

A final inspection of the camp site will be made to ensure no waste remains. Final photos to be supplied to the NWB.

Drill Sites

The drill will be dismantled at the last drill collar and all equipment will be flown via helicopter to the airstrip located 5 kilometres south of Tuktu camp. The drill and all ancillary equipment will be flown off-site to Cambridge Bay via Twin Otter aircraft.

All drill sites will be inspected immediately upon completion of each drill hole. All waste will be collected and flown to camp for incineration or removal to an approved disposal location. All sumps will be backfilled and each drill collar will cut off to ground level.

Photographs of each drill site will be taken at the completion of clean up at each site.

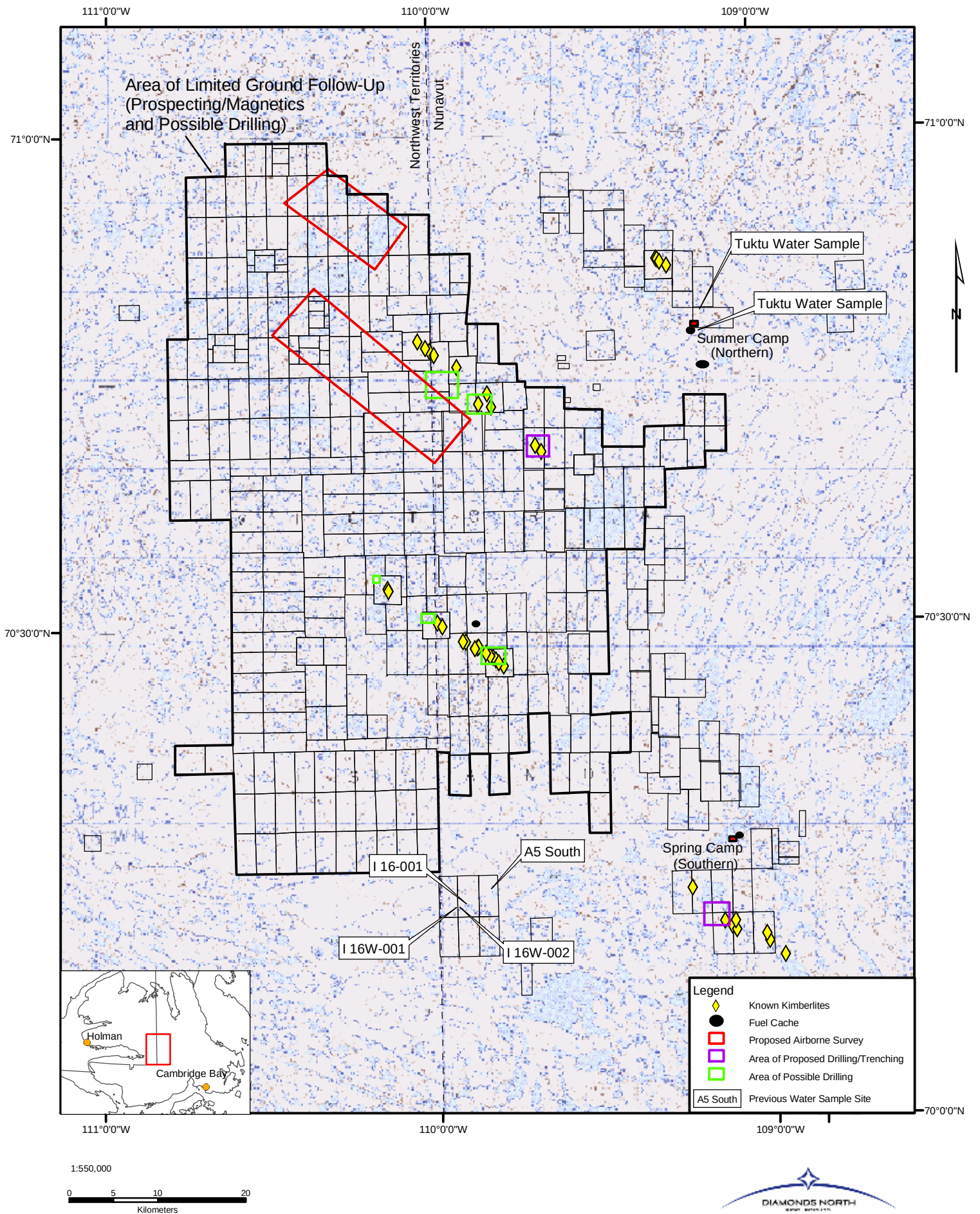
Contamination Clean Up

Any contamination will be treated as per the Fuel Spill Contingency Plan. Any contamination and subsequent clean up will be documented with photographs. All non-combustible waste will be sent to Cambridge Bay via chartered aircraft to be disposed of by our contract expeditor, Kitnuna Corporation. All carriers and receivers of this material will be informed of the need to register with the Government of Nunavut, Department of Environment as well as having the proper documentation in the form of a waste manifest. More details of this information can be found in Appendix VII of the company's Fuel Spill Contingency Plan.

Inspection and Documentation

A complete inspection will be conducted of all areas prior to closure. Photographs will be taken to document the conditions of each site prior to final demobilization for use in the final plan/report. All appropriate agencies will be contacted once final clean up is complete.

2006 Proposed Work



Northern Area Camp Location - Summer Program **Access to Site via helicopter from Twin Otter airstrip**

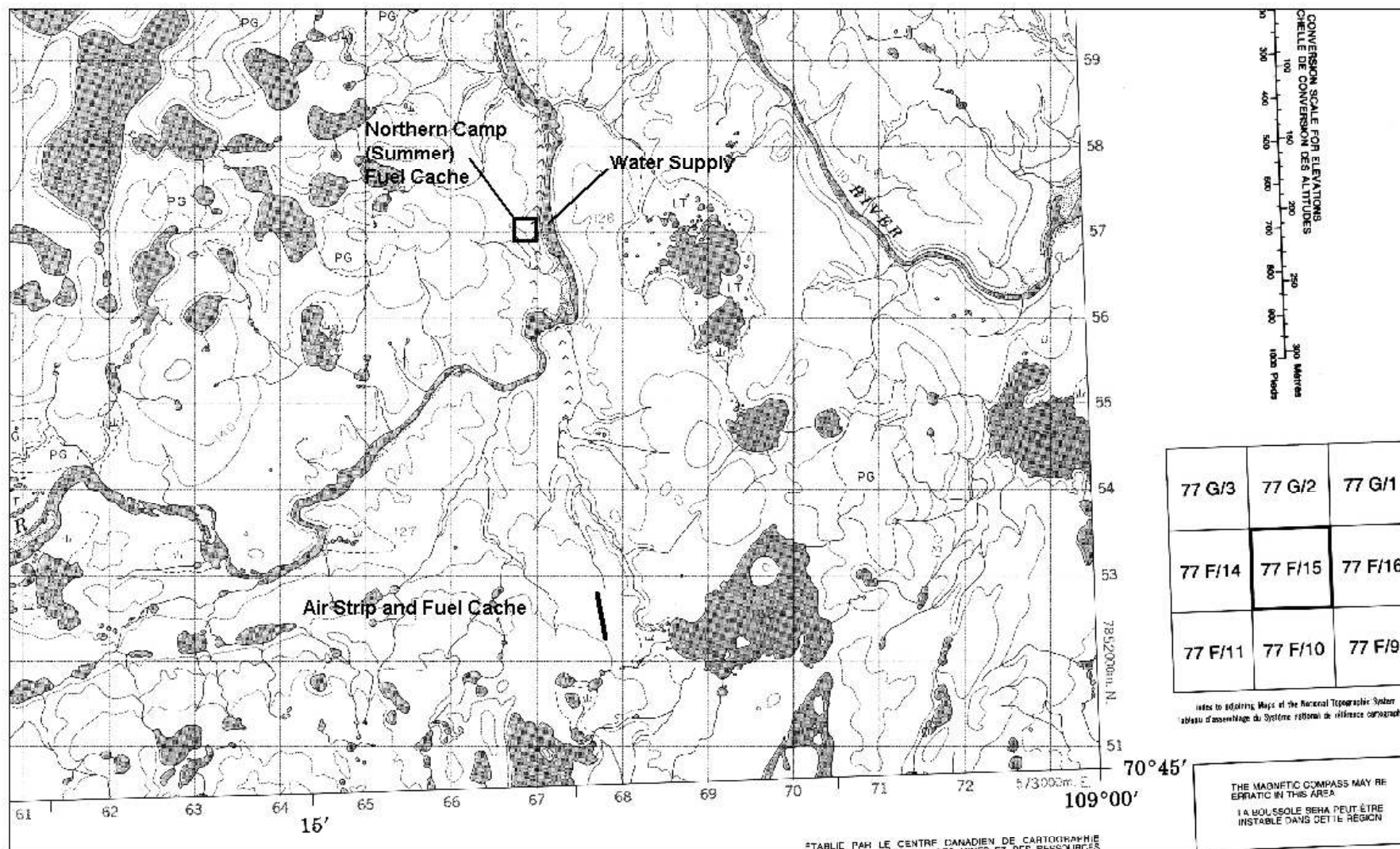
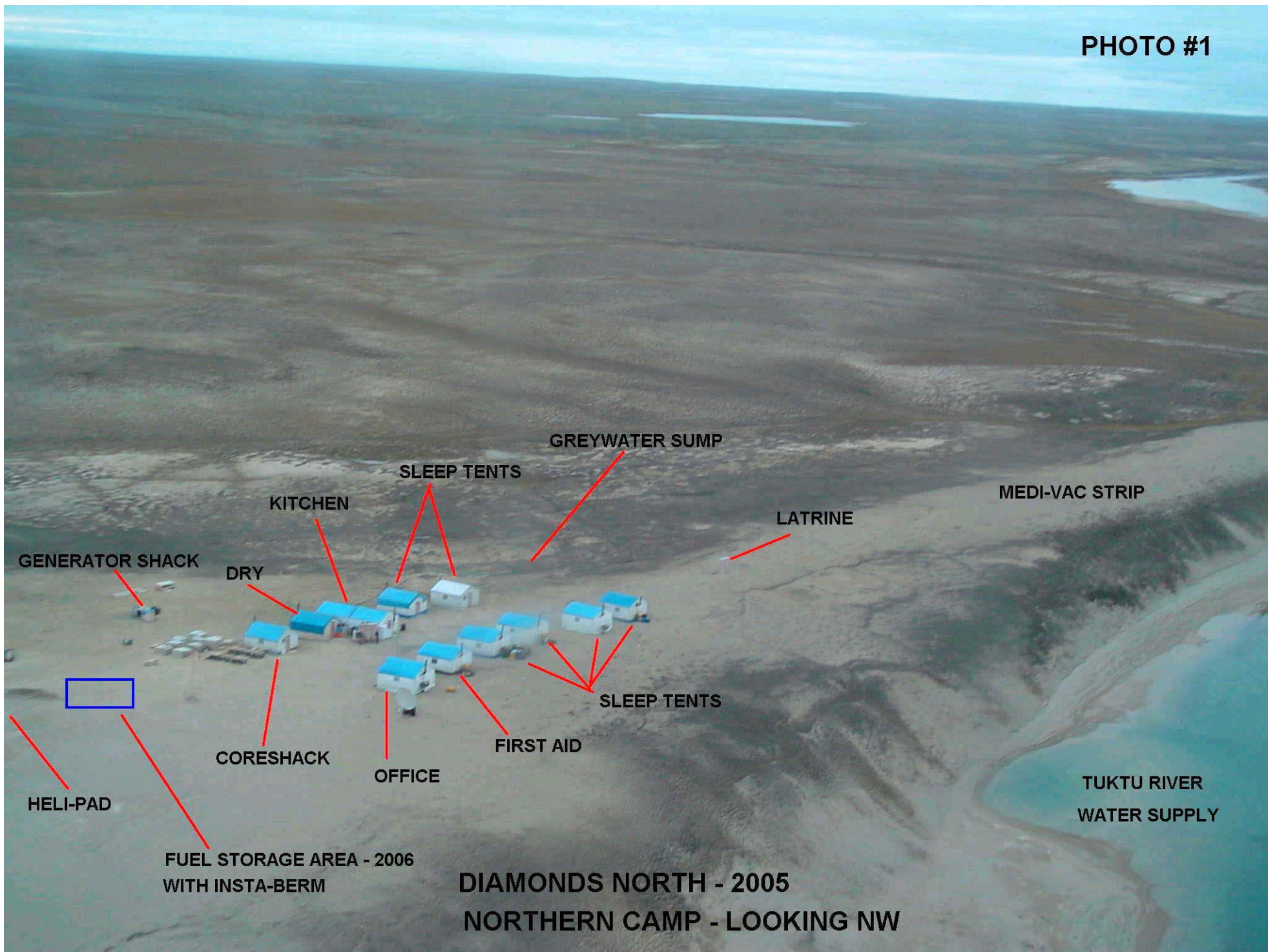
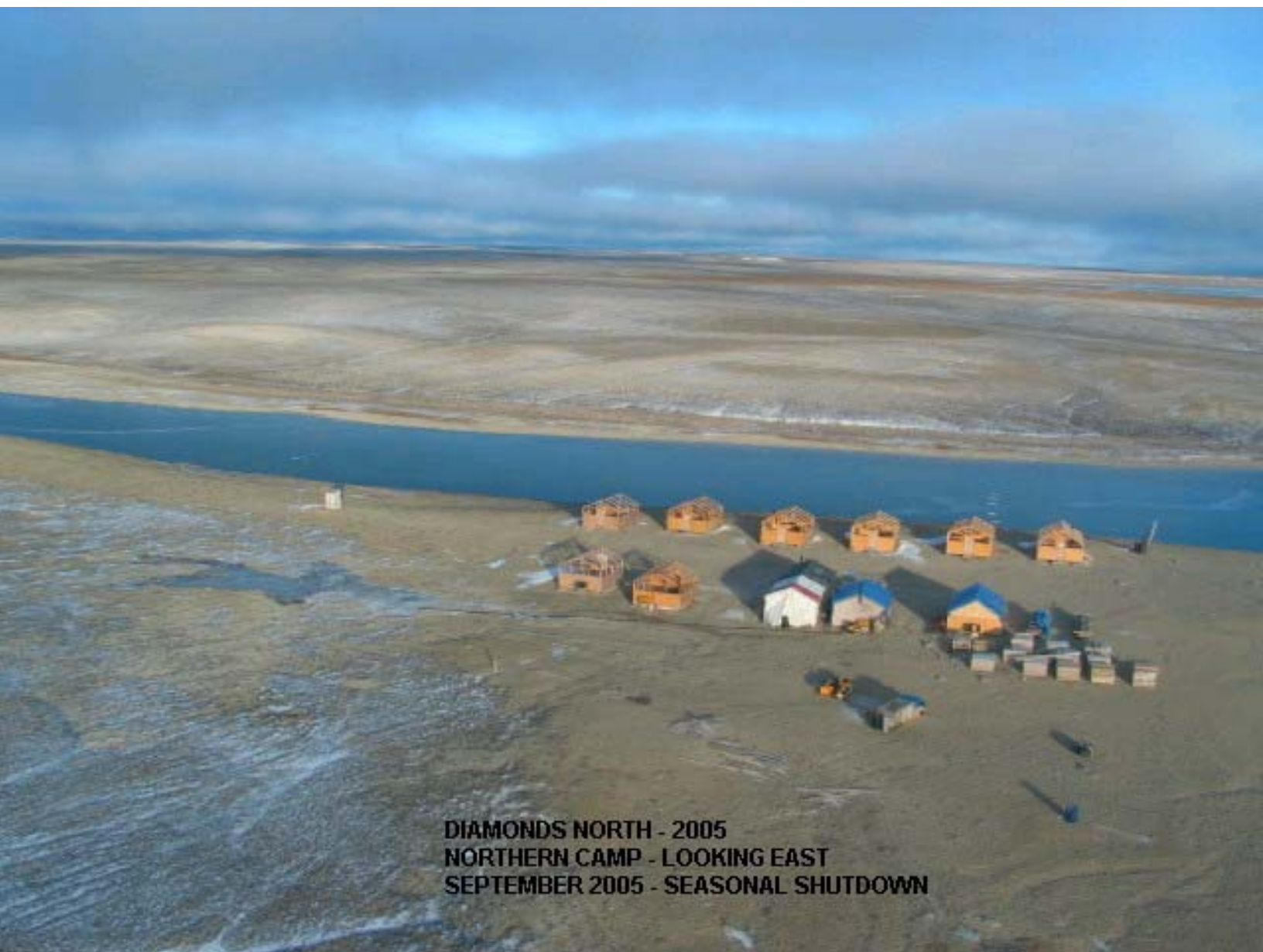


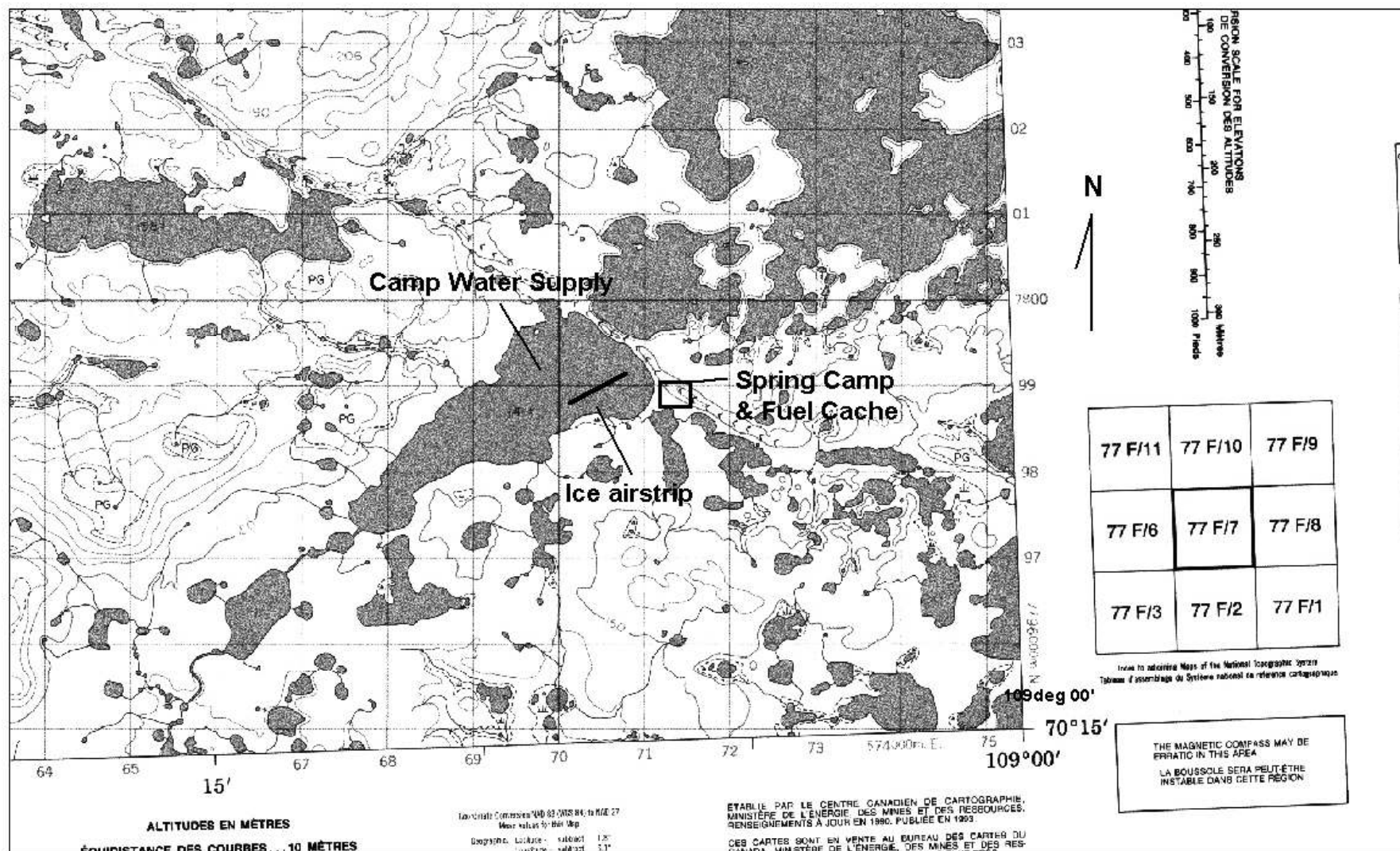
PHOTO #1





**DIAMONDS NORTH - 2005
NORTHERN CAMP - LOOKING EAST
SEPTEMBER 2005 - SEASONAL SHUTDOWN**

Southern Area Camp Location - Spring Program **Access to Site via Twin Otter**



77 F/11	77 F/10	77 F/9
77 F/6	77 F/7	77 F/8
77 F/3	77 F/2	77 F/1

Index to subseries Maps of the National Geographic System
Tableau d'indexage du Système national de référence cartographique

THE MAGNETIC COMPASS MAY BE
ERRATIC IN THIS AREA
LA BOUSSOLE SERA PEUT-ÊTRE
INSTABLE DANS CETTE RÉGION

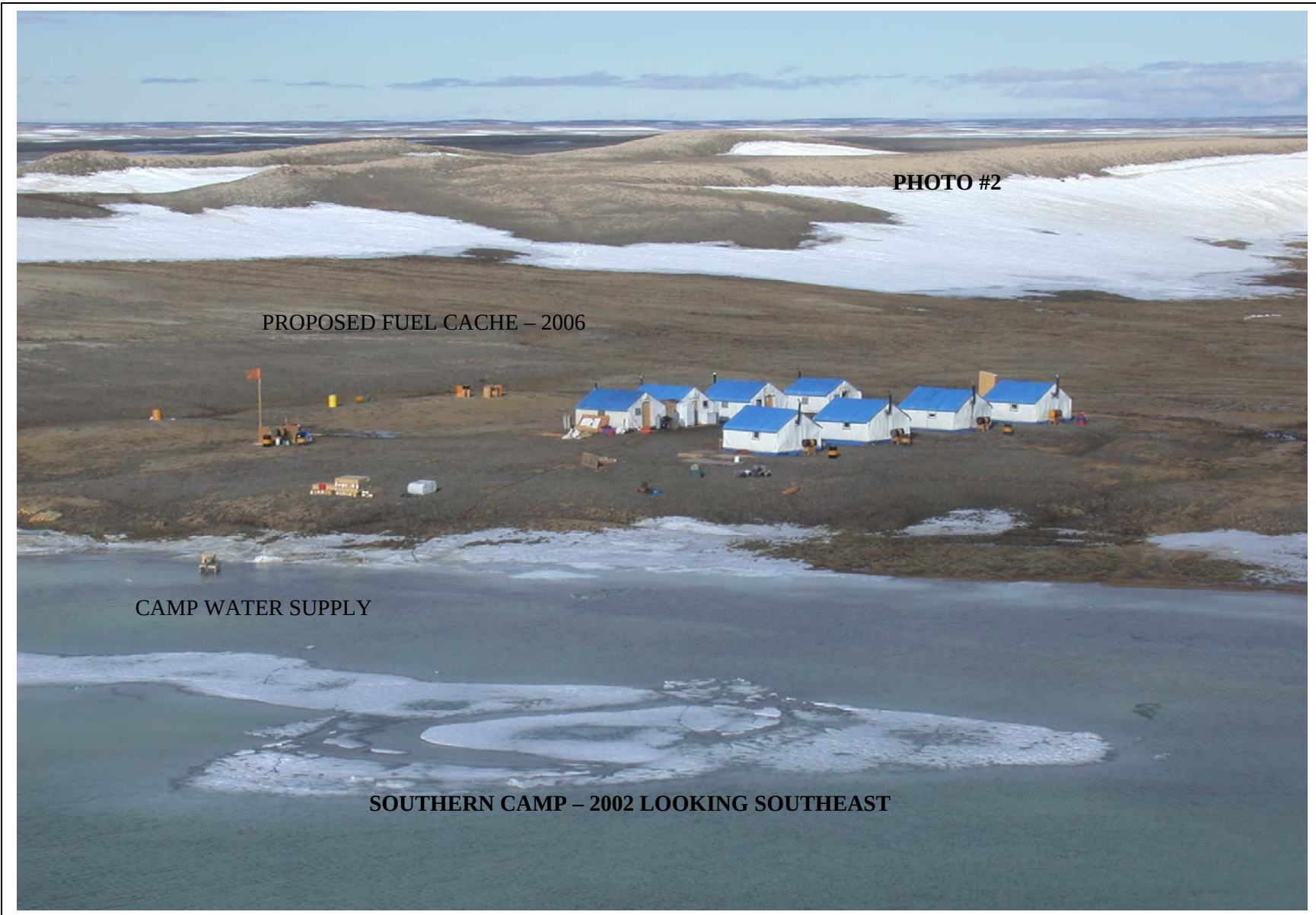


PHOTO #2

PROPOSED FUEL CACHE – 2006

CAMP WATER SUPPLY

SOUTHERN CAMP – 2002 LOOKING SOUTHEAST

BLUE ICE 2004 PROJECT

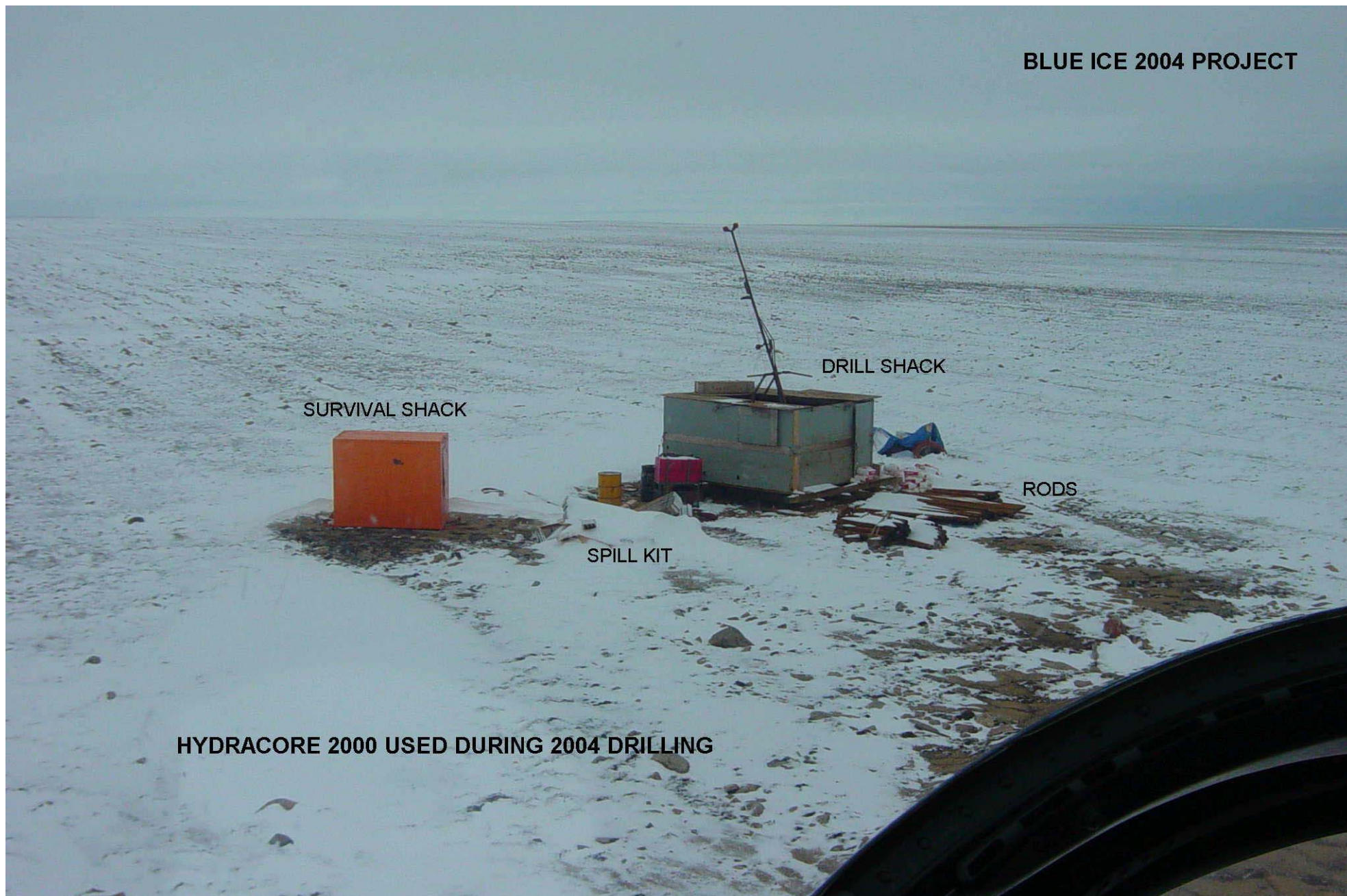
SURVIVAL SHACK

DRILL SHACK

RODS

SPILL KIT

HYDRACORE 2000 USED DURING 2004 DRILLING



BLUE ICE 2004 PROJECT

BI-04-08 Collar

