

KENNECOTT CANADA EXPLORATION INC.

Reclamation Plan for Arnak Project, Nunavut

To accompany NWB application for water use

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Preamble

This Abandonment and Restoration Plan applies to the Arnak Project operated by Kennecott Canada Exploration Inc.

DIAND Land Use permit # N2004H0033 covers Crown land activities and Kitikmeot Inuit Association surface access licenses #KTL204C015 & 16 are in place for IOL activities on the project.

Introduction

This abandonment and restoration plan has been prepared to include the Frost Lake camp, and for diamond drilling within the project area.

The project is at an early exploration stage with only wide spaced till sampling and airborne geophysics completed to date.

Kennecott Canada Exploration Inc currently holds prospecting permits in the area and intends to continue with exploration for the 2005 field season. Planned activities include the establishment of a camp, additional geophysics, sampling and drilling. Currently a small fuel cache of about 20 drums is present at the proposed camp site.

Seasonal Shutdown and Restoration Plan

Buildings and Content

All tent structures will be secured for the winter. All the equipment like stoves, mattresses, kitchen stove, refrigerator, other kitchen appliances and equipment, showers, hot water tank, etc will be left on site. The camp will be secured. No food (including tinned food) will be left on site.

Water System

Pump, tanks and hoses will be drained and dismantled. Hoses will be rolled and stored in the work shed.

Electrical System

The generator shed will be inspected for remaining hazardous waste (oil, grease) and will be drained of its fuel. The generator shed will be secured for winter. The soil will be inspected for contamination. Electrical wires, plugs and sockets will remain in their installed locations.

Fuel and Chemical Storage Facilities

An inventory of remaining fuel will be made and full drums will be inspected and secured for the winter. Empty drums will be flown out to source. Empty propane cylinders will be flown out. Chemicals stored on site will consist of drill additives, oil, grease and household cleaners. All drill additives will be stored in the drill shed and secured for the winter. The soil of the areas will be inspected for contamination.

Greywater Sump

The greywater sump will be covered and secured for the winter.

Blackwater Sump

The outhouse tent will be secured for the winter.

Helicopter Pad

The helicopter pad will be inspected for contamination.

Drilling Areas Restoration

The drill will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drill will be left on solid ground until next season. All drill sites will be inspected. Any remaining waste will be taken to camp to be burned if possible or be flown out to an approved municipal discharge. Greywater and sludge sumps will be filled and levelled. As much as possible, drill sites will be restored immediately after the drill has been moved to the next site and sumps have drained enough to be levelled.

Documentation

Equipment and buildings left on site will be inventoried. Photos of camp and drill sites prior to building of drilling will be taken. Monitoring will be done during occupancy and photos taken. Once the site is secured for the winter, it will again be documented with photos.

Final Abandonment and Restoration Plan

It is Kennebec's intent to proceed with progressive reclamation, as the project proceeds. Non-combustible waste will be removed from camp on an ongoing basis using aircraft support. Most likely waste will be backhauled to Baker Lake, where we will coordinate with local businesses and authorities for its disposal. Drill sumps will be backfilled as part of each drill site clean-up, and all waste material will be backhauled. Any hazardous waste will be handled in accordance with the transportation of dangerous goods guidelines and requirements.

At the project termination, any remaining equipment (including tents and empty 200 litre drums) will be removed from site. At that time all remaining sumps will be filled in to ensure the area is reclaimed.

Schedule

The abandonment and restoration of the campsite should take approximately 10 days to complete and will take place after all exploration activities have ceased. The plan will be applied with the help of the project personnel or sub-contractors under the guidance of the field supervisor.

Buildings and Content

All the reusable equipment like tents, tent metal frames, stoves, mattresses, kitchen stove, refrigerator, other kitchen appliances and equipment, showers, hot water tank, etc will be packaged and flown out to either Baker Lake, Yellowknife or an alternative campsite. Some equipment may be donated or sold to nearby communities if wanted.

Any wooden structures like outhouses, tent wood floors, bunk beds and tables will be dismantled and incinerated on site. Nails, screws, anchors and other non-combustible parts will be recovered, packaged and flow out to an approved municipal discharge.

Water System

Pump, tanks and hoses will be drained, dismantled, packaged and flown out to Yellowknife, Baker Lake or an alternative campsite. Any wooden shed built to protect the pump will be incinerated as for the other wood structures.

Electrical System

The generator shed will be inspected for remaining hazardous waste (oil, grease). The generator will be drained of its fuel. Remaining waste fuel and oil will be collected in the appropriately labelled containers, and removed offsite. The shed will be dismantled and flown out to Yellowknife or an alternative campsite. The soil will be inspected for contamination.

Electrical wires, sockets, etc will be taken down and flown out to Yellowknife, Baker Lake or an alternative campsite.

Fuel and Chemical Storage Facilities

The fuel storage area will consist of segregated groups of drums with empties apart from full drums. At the end of the field season, an inventory of remaining fuel will be made and full drums will be inspected. Full and empty drums will be flown out to Yellowknife or an alternative campsite. Some fuel may be donated or sold to Nunavut communities. Propane cylinders will be flown out to Baker Lake.

Remaining waste fuel that has been stored in properly labelled drums will be flown out to a fuel outlet or discharge that accepts this type of fuel. Chemicals stored on site will consist of drill additives, oil, grease and household cleaners, which will also be backhauled.

Blackwater Sump

At the end of the season the remaining pit will be filled back and levelled.

Campsite

The campsite will have a final inspection. Areas showing too much wearing evidences will be levelled.

Drill core to be left on site will be properly stored and secured.

Drilling Areas Restoration

The drill will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drill will be flown out to another project, Yellowknife or to a storage site designated by the drilling contractor. All drill sites will be inspected for contamination. Any remaining waste will be taken to camp to be burned if possible or to be flown out to an approved municipal discharge. Greywater and sludge sumps will be filled and levelled.

As much as possible, drill sites will be restored immediately after the drill has been moved to the next site and sumps have drained enough to be levelled.

Documentation and Inspection

Photos of camp and drill sites prior to building of drilling will be taken. Monitoring will be done during occupancy and photos taken. Once the site is restored, it will again be documented with photos.

Any soil contaminated by hydrocarbons and unnoticed before abandonment will be treated as per the spill contingency plan.

The permit holder will organize a final site inspection visit with community representatives, Land Use Inspectors and in collaboration with Nunavut Water Board staff, if requested.