

Contingency Plan

Belcher Islands Diamond Drilling Program



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Canada M5H 3L5**

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1.0 Introduction

This plan has been developed as part of a commitment by Canadian Orebodies Inc. to minimize any detrimental effect its operations may have on the environment. The focus of the plan will be on the diamond drilling operation. The plan is designed to combat spills on land and/or into watercourses.

As the need arises Canadian Orebodies Inc. may enter into agreements for the sharing of expertise and equipment with other companies, municipalities and resource agencies.

The Plan will be updated and revised as required.

Project Location

The project spans five nearby locations: Haig West, Haig Inlet, Kihl Bay, Kugong Island, and Wiegand Island.

The mineral claims covered by Haig West in this Contingency Plan are (Figure 1):

Tag Number	NTS Sheet
K05276	NTS 34D06, NTS 34D11
K05277	NTS 34D06
K05278	NTS 34D06
K05279	NTS 34D06
K05280	NTS 34D06
K05281	NTS 34D06
K05282	NTS 34D06
K05283	NTS 34D06
K05284	NTS 34D06
K05285	NTS 34D06
K05286	NTS 34D06
K05287	NTS 34D06
K05288	NTS 34D06

Haig Inlet includes the following Inuit Owned Lands (Figure 2):

<u>Haig Inlet IOL Land</u>			
Point	Longitude	Latitude	Comment
A	79° 9' 45" W	56° 16' 00" N	
B	79° 7' 15" W	56° 18' 30" N	
C	79° 6' 22" W	56° 20' 20.10" N	On IOL boarder
D	79° 3' 11.2" W	56° 20' 42.6" N	On IOL boarder
E	79° 3' 30" W	56° 19' 30" N	
F	79° 4' 0" W	56° 18' 30" N	
G	79° 4' 45" W	56° 17' 0" N	
H	79° 5' 0" W	56° 16' 0" N	

Haig Inlet also includes the following mineral claims (Figure 2):

Tag Number	NTS Sheet
K14661	34D/11
K14662	34D/11
K14663	34D/06 & D/11
K14664	34D/06 & D/11
K14665	34D/06
K14666	34D/06
K14667	34D/06
K14668	34D/06
K14669	34D/06
K14670	34D/06 & D/07
K14671	34D/06
K14672	34D/06
K14673	34D/06
K14674	34D/06
K14675	34D/06
K14676	34D/06
K14677	34D/06
K14678	34D/06 & D/07
K14679	34D/06 & D/07

The location of the camp is shown in Figure 3. The proposed camp location is approximately 22 km southeast of Sanikiluaq, just north of Haig Inlet. The camp will be located on a flat area at coordinates 56° 21' 32.1192"N, 79° 03' 59.2992W (NTS 34d-44a).

Kihl Bay, Kugong Island, and Wiegand Island include the following Inuit Owned Lands:

<u>Inuit Owned Lands</u>			
Area	Longitude	Latitude	Map
Kihl Bay (min)	78° 52' 00" W	56° 13' 30" N	Figure 4
Kihl Bay (max)	79° 01' 00" W	56° 26' 00" N	Figure 4
Kugong (min)	79° 58' 15" W	56° 10' 00" N	Figure 5
Kugong (max)	80° 06' 45" W	56° 16' 30" N	Figure 5
Wiegand (min)	79° 07' 30" W	56° 36' 30" N	Figure 6
Wiegand (max)	79° 17' 30" W	56° 41' 30" N	Figure 6

Figure 1: Project location map for Haig West mineral claims.

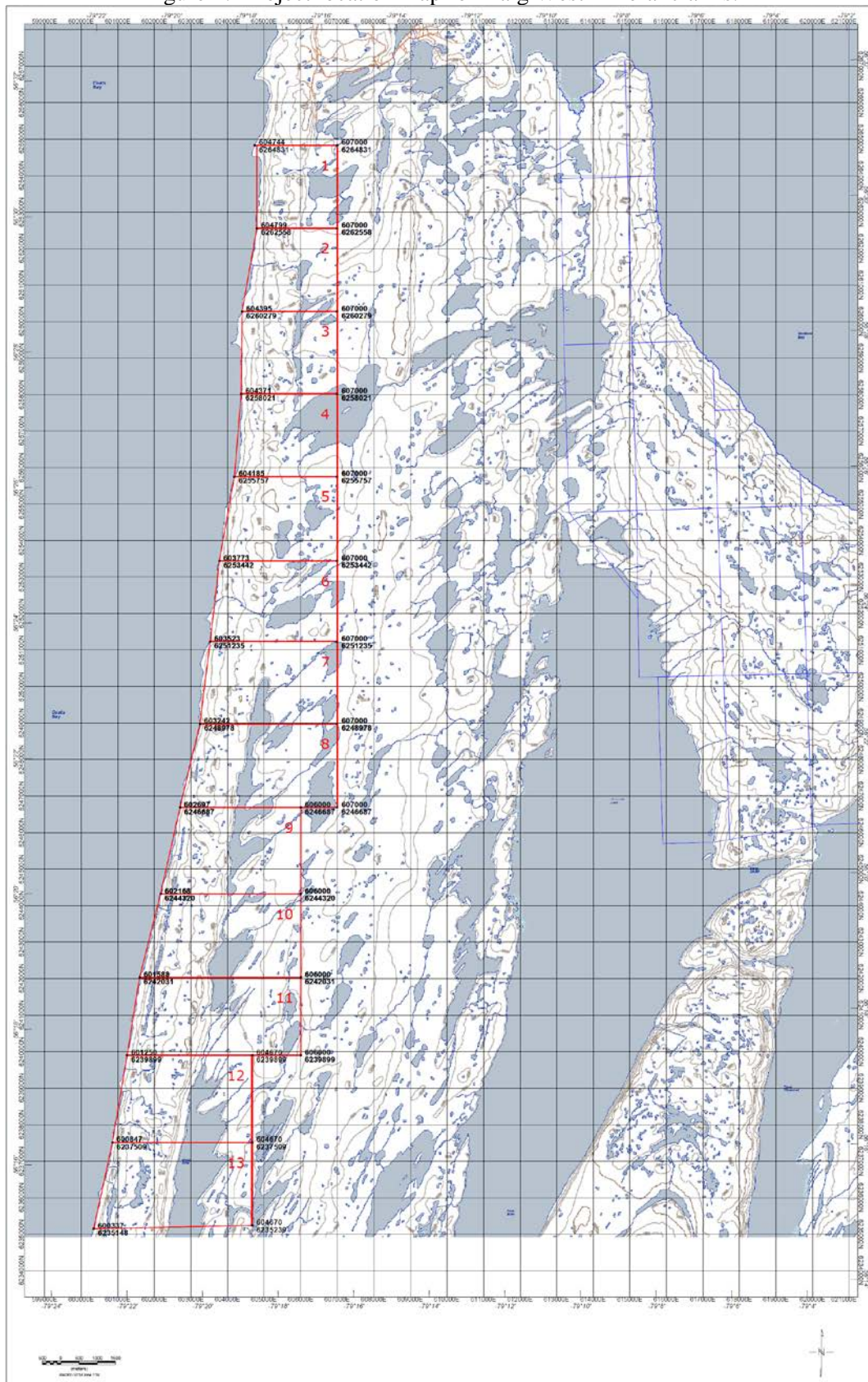


Figure 2: Project location map for Haig Inlet Inuit Owned Lands and mineral claims.

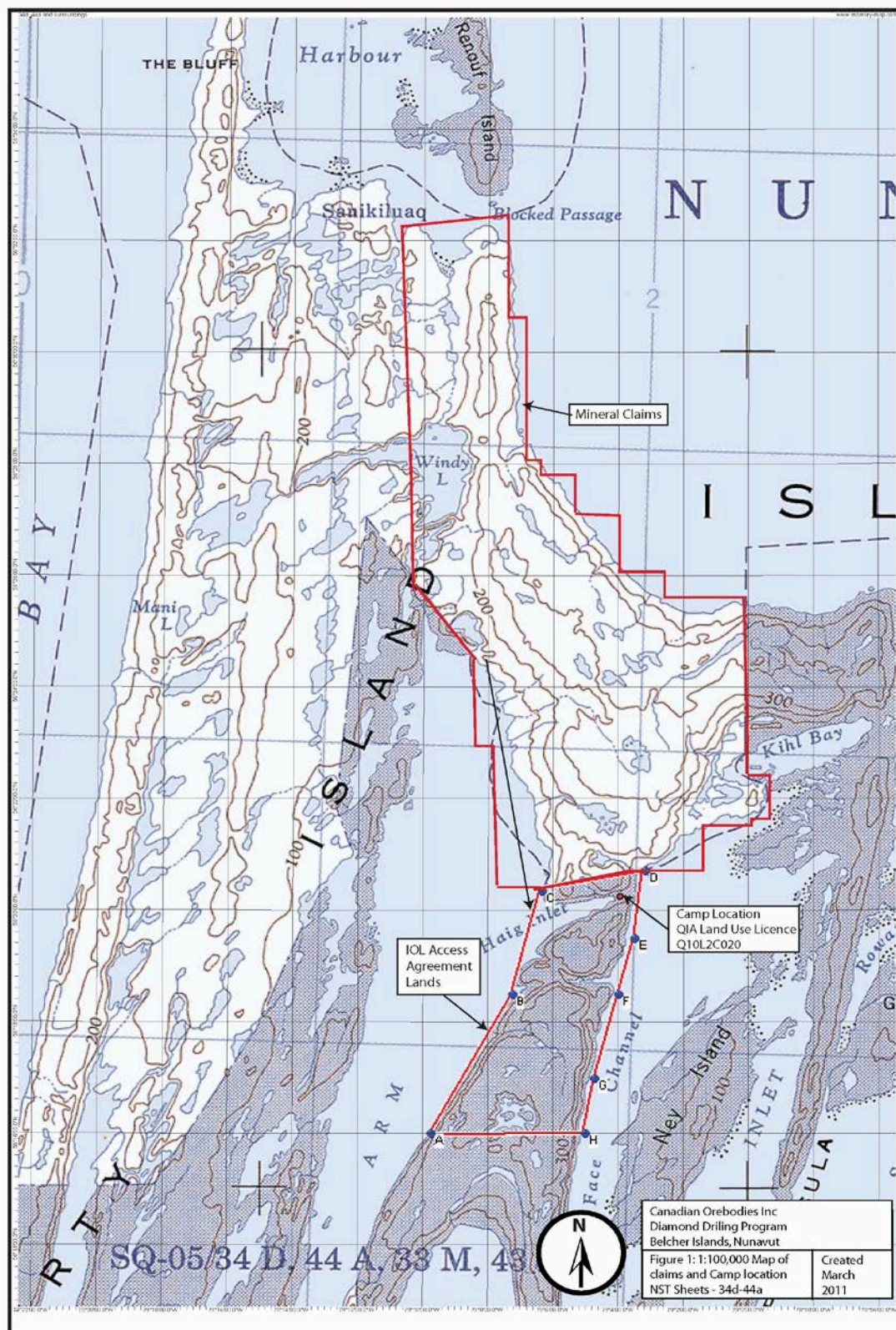


Figure 3 – Camp Location

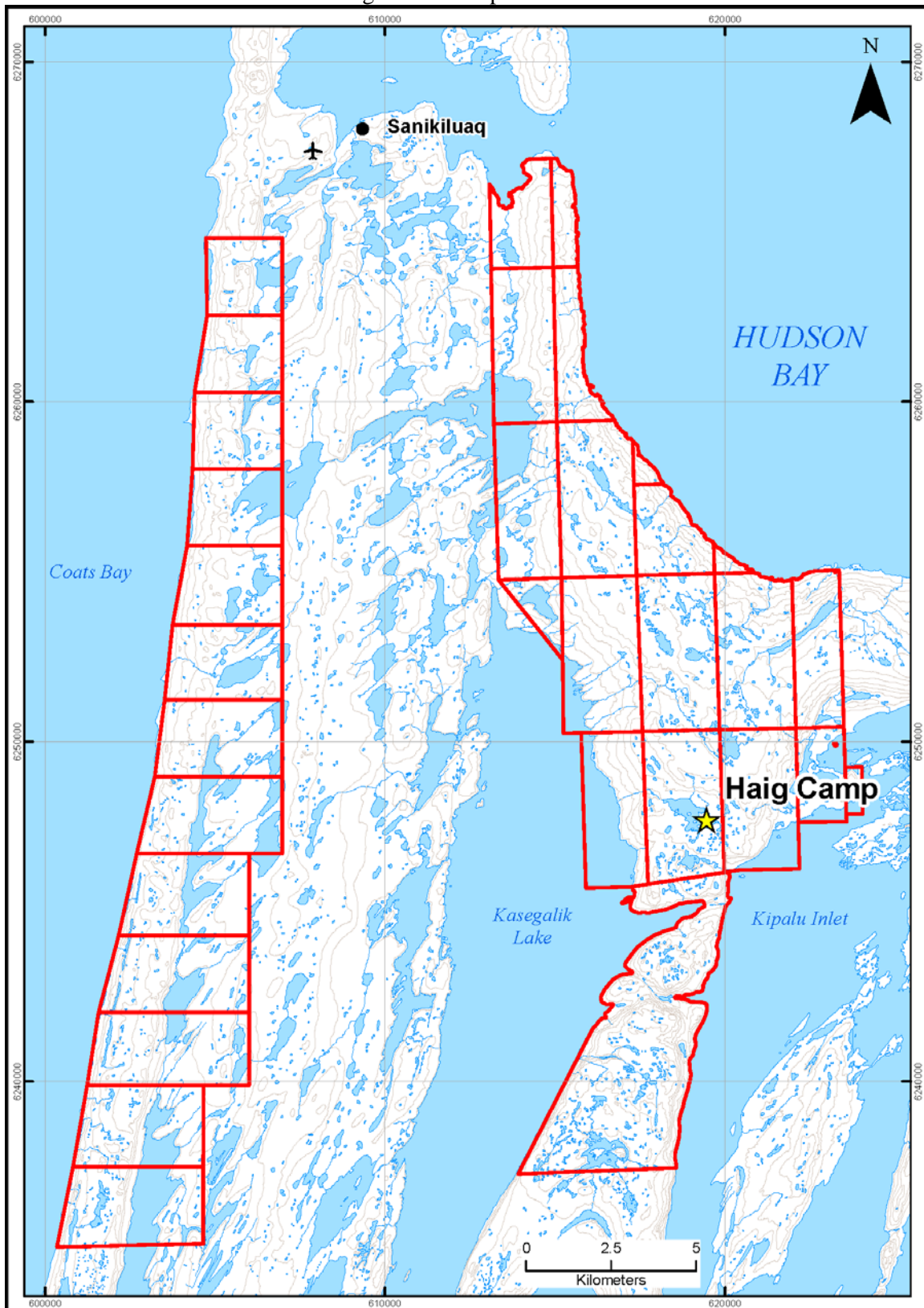


Figure 4 – Project Location Map for Kihl Bay Inuit Owned Lands.

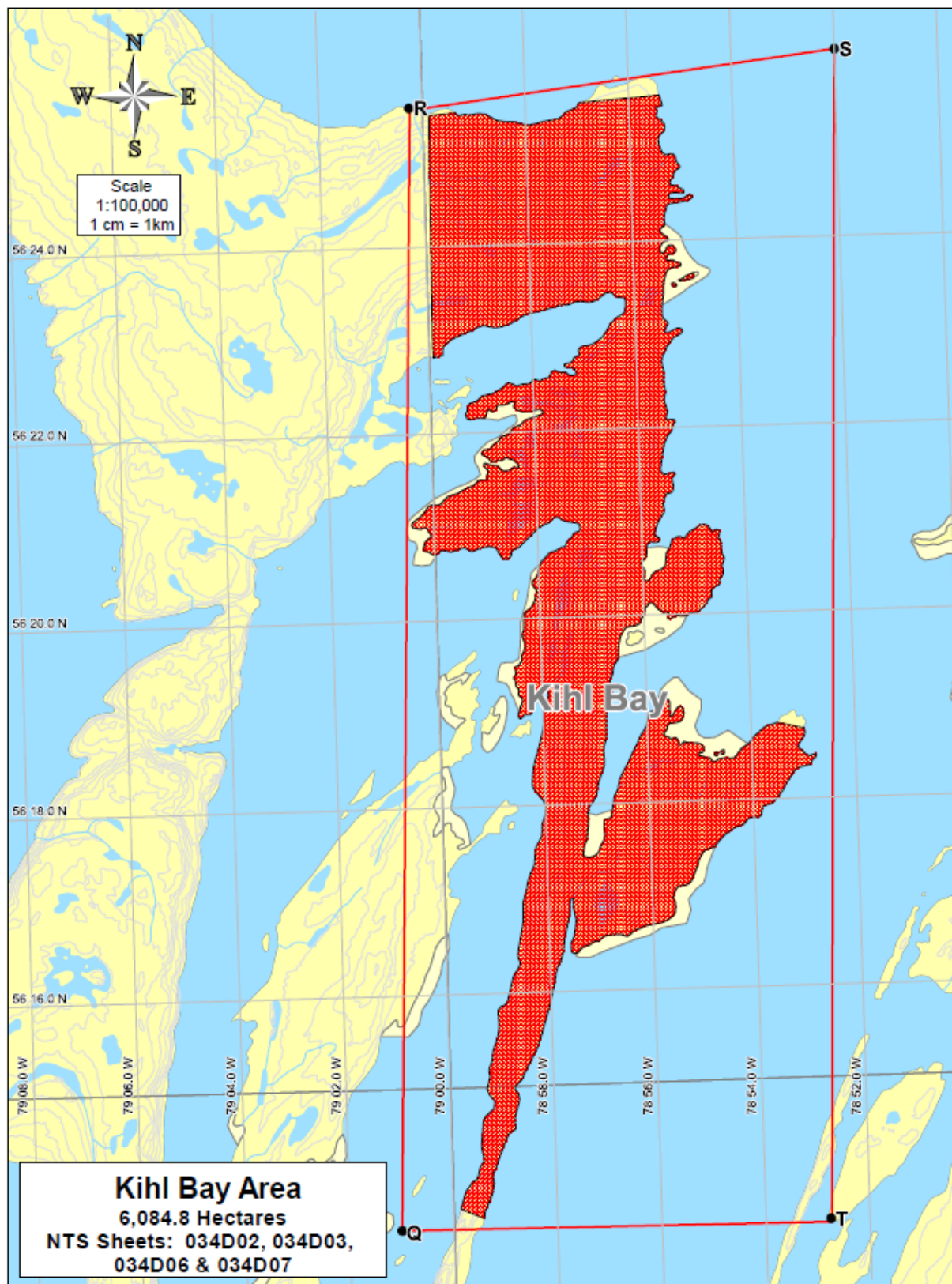


Figure 5 – Project Location Map for Kugong Island Inuit Owned Lands.

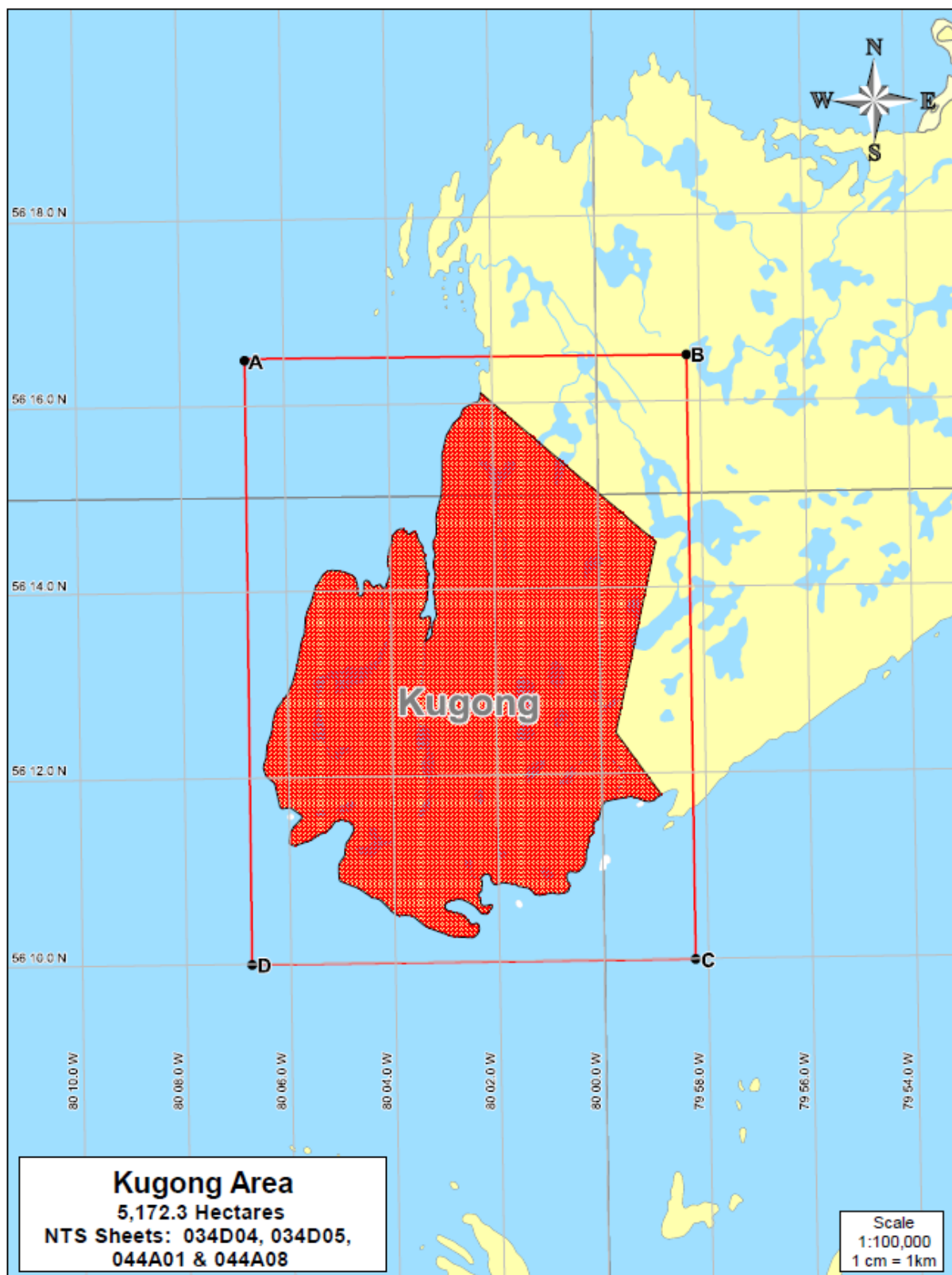
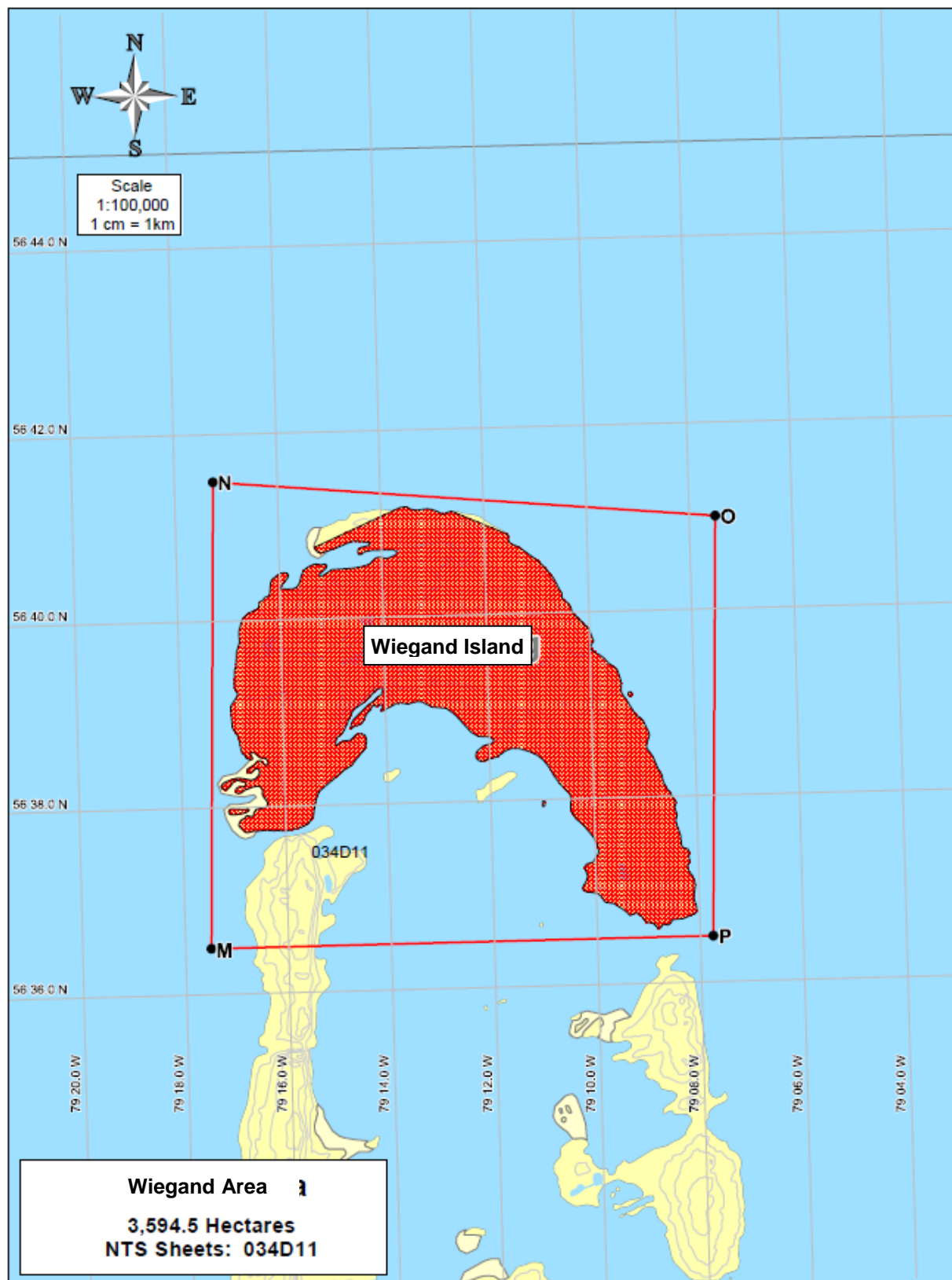


Figure 6 – Project Location Map for Wiegand Island Inuit Owned Lands.



2.0 Reporting Procedures

Organization and Responsibilities

The overall responsibility for the contingency plan lies with:

**Canadian Orebodies Inc.
301-141 Adelaide St. W
Toronto, Ontario
Canada M5H 3L5
Tel: 416-644-1747
Fax: 416-628-5911**

**24 Hour Contact:
Gordon McKinnon, President & CEO
Tel: 416-644-1747x1
Cell: 416-919-6187
Email: gmckinnon@canadianorebodies.com**

The onsite responsibility for the plan lies with the Canadian Orebodies Inc., Project Manager, Henry Hutteri, who will be the On-site Coordinator (OSC). The drill program will be operated by a third party drill contractor to be determined and overseen by Henry Hutteri, who will have a satellite phone. The number will be supplied when it is installed.

Contractors, sub-contractors and suppliers will provide assistance in all phases of a clean up as directed by the OSC. In the event that a contractor, sub-contractor or supplier or their employees causes a spill, Canadian Orebodies Inc. will charge clean-up and disposal expenses to the responsible party. The OSC will:

1. Be familiar with fuel spill procedures, equipment and contact numbers.
2. Provide liaison with Territorial Government Emergency Programs, Ministry of Environment and Department of Fisheries personnel where applicable.
3. Direct the actions of personnel during clean-up operations.
4. Familiarize key personnel with fuel spill equipment and procedures.
5. Prepare a report on all aspects of any spill.

3.0 Site Information

Canadian Orebodies plans to employ a centralized fuel cache to support the company's proposed exploration programs on the Belcher Islands. The cache will be located near Sanikiluaq at a location that is approved by the community. Fuel would then be flown out to the drill locations on an as needed basis. The total fuel storage for all the exploration programs is not expected to exceed the amounts below.

Fuel	Number of Containers and Capacity	Total Fuel	Purpose
Diesel	400 barrels (205 liters each)	82,000 liters	Diamond Drills, heating and generator
Gasoline	10 barrels (205 liters/barrel)	2,050 liters	ATV, pumps
Jet A	400 barrels (205 liters/barrel)	82,000 liters	Helicopter
Propane	20 bottles (45 kg/bottle)	900 kgs	Cooking

4.0 Failure Prevention

The system components where spills are most likely to occur are:

Petroleum Products and Other Fuels

- Drummed product: Leaks or ruptures may occur. This includes drums of Diesel, Jet A, Waste Fuel, and Waste Oil.
- Fuel cylinders: Propane leaks may occur at the valves. All cylinders are secured at all times.
- Vehicles and equipment: Wheeled vehicles and equipment, aircraft (rotary wing), generators, pumps. Incidents involving leaking or dripping fuels and oils may occur due to malfunctions, impact damage, lack of regular maintenance, improper storage, or faulty operation.

The risk of spills will be reduced through regular inspection and maintenance of all storage areas and equipment associated with fuel handling in accordance with recognized and accepted standard practices at all Canadian Orebodies Inc. projects. These include:

- Fuel caches in excess of 10 drums should be inspected daily.
- All fuel storage containers will be situated in a manner that allows easy access and removal of containers in the event of leaks or spills.
- Routine checks of fuel transfer hoses and cam lock.
- Carefully monitor fuel content in the receiving vessel during transfer.
- Cleaning up drips and minor spills immediately.
- Waste tracking, or “manifesting,” will be implemented to ensure proper use, storage, and management of materials. Manifests provide detailed information to first responders in the event of an accident and serve as a tool for confirming that shipments of dangerous or hazardous waste are properly handled, transported, and disposed of.
- Training personnel, especially those who will be operators, in proper fuel handling and spill response procedures.

A record of these inspections and any remedial action will be maintained at Canadian Orebodies’ office.

Spill response training is provided to personnel who handle fuels and other petroleum products, and at least one emergency response drill will be held during the season. A report will be prepared by the response coordinator following each drill, noting response time, personnel involved and any problems or deficiencies encountered. This report will be used to evaluate emergency response capability and remedy any deficiencies if required.

A 45 gallon spill kit will be positioned at each of the diamond drill. A 45 gallon spill kit will be placed in the area of the fuel storage for any major events.

5.0 Response Action

Discovery of a fuel spill

Upon discovery of a spill personnel will immediately

- a) Identify the product that is spilling, or has spilled;
- b) Assess immediate hazards, and ensure all on-site persons are aware of them;
- c) Secure the site; and,
- d) Commence initial notification of appropriate personnel and agencies.

Identification/Assessment of spill

This step is critical to ensure the safety of responders, and to minimize the impact to the environment. The assessment should include:

- a) Reassess the material spilled and quantity spilled;
- b) Reassess any immediate hazards;
- c) Identify all the safety issues that need to be dealt with before taking action. These include ignition sources, protective clothing and public safety.
- e) Refer to Material Safety Data Sheets for product identification and handling.

Notification

The On Site Coordinator will take note of the following information from the discoverer of the spill:

- a) discoverer's name;
- b) time and location of the spill;
- c) material spilled and approximate quantity;
- d) cause of spill if known;
- e) weather conditions;
- f) action taken so far; and
- g) immediate serious threats (water courses, fire).

The OSC will then make the following contacts:

1. Immediately notify the Canadian Orebodies Inc. corporate office
Tel: 416-644-1747
Cell: 416-919-6187
Fax: 416-628-5911
2. The 24 Hour Spill Line:
 - a. **Spill Line Tel.1-867-920-8130, fax. 1-867-873-6924.**
 - b. **Environment Canada – 24 hr. emergency pager 867-766-3737**
 - c. **Peter Kusugak, District Manager, Nunavut Field Operations, INAC (867) 975-4295**
3. The Nunavut Spill Report Form is filled out as completely as soon as possible before or immediately after contacting the 24 Hour Spill Line. (Appendix 1)
4. Other members of the response team are notified as deemed necessary
5. Other contacts for spill response/assistance as necessary

The Contact list for this project is as follows:

Organization	Personnel	Telephone Number
Canadian Orebodies Inc.	Gordon McKinnon, President	Tel: 416-644-1747 Cell: 416-919-6187 Fax: 416-628-5911
Nunavut 24-Hour Spill Report Line		867-920-8130
Environment Canada	Jim Nobel, Environmental Enforcement Officer	867-975-4644
Government of Nunavut	Department of Environment	867-975-5900
	Manager Pollution Control and Air Quality	867-975-5907
Government of the Northwest Territories	Department of Environment and Natural Resources	867-920-8130
Indian and Northern Affairs Canada	District Manager, Indian and Northern Affairs, Nunavut Field Operations, Iqaluit, Nunavut	867-975-4295
	Water Resources Manager	867-975-4550
	Resource Management Officer – Kitikmeot	867-982-4306
RCMP	Arctic Bay	867-439-1111 867-439-0123
QIA		867-979-5391 800-667-2742
Nunavut Water Board		867-630-6338
Iqaluit Qikiqtani General Hospital	Iqaluit	867-975-8600
Arctic Bay Health Centre	Arctic Bay	867-439-8873

Action

This part of the plan will reconfirm steps that need to be followed when taking action. The person who takes charge is responsible and should:

- i) ensure the use of trained personnel is prioritized when possible;
 - ii) brief responders on safety issues, first aid procedures for material involved;
 - iii) secure the site from access;
 - iv) ensure responders are wearing appropriate protective equipment;
 - v) eliminate all sources of ignition;
 - vi) stop the source of the spill or contamination;
 - vii) remain at the scene and use every effort to contain the spill until such time as help arrives.
- This would include the arrival of the OSC, or agency of authority.

Procedure for Spills on Rock

For hydrocarbon spills on rock outcrops, boulder fields, etc.:

1. First responder or his designate obtains plastic tarp(s) and absorbent sheeting on-site.
2. A berm of peat, native soil or snow is constructed down slope of the seepage or spill. the tarp is placed in such a way that the fuel can pool for collection and removal (e.g. at the foot of the berm). If there is a large volume of spilled product, pump the liquid into spare empty drums for sealing and disposal.
3. Absorbent sheeting is placed on the rock to soak up spilled oil, fuel, etc.
4. Multi Sorb (crushed lava rock) can be used to scrub the rock surface.
5. Saturated material is disposed of in an empty drum, which is then labeled and sealed. Alternatively, the pads may be wrung out into the empty drum(s), the drums marked and then secured for eventual disposal.
6. Depending on the nature and volume of the spill, the 24-Hour Spill Line may be contacted after Step 4 or Step 5.

Procedure for Spills on Land

1. First responder or his designate obtains plastic tarp(s), absorbent sheeting, Multi Sorb or other ultra-dry absorbent and any other necessary spill containment equipment, pump, hoses, etc.
2. A berm of peat, native soil or snow is constructed down slope of the seepage or spill. The tarp is placed in such away that the fuel can pool for collection and removal (e.g. at the foot of the berm).
3. If there is a large volume of spilled product, pump the liquid into spare empty drums, and dispose of product as advised by the 24-Hour Spill Line.
4. Applying a thin dusting of Multi Sorb or other ultra-dry absorbent to the groundcover may control petroleum-product sheen on vegetation.
5. Contact the 24-Hour Spill Line. Receive instructions from the appropriate contact agencies listed in Section 5.4 regarding collection of the contaminated soil or vegetation, its removal and site cleanup/restoration.

Fuel Spills on Water

It is important to immediately limit the extent of spills. The following procedure is to be implemented when an incident occurs:

1. If the spill is small, deploy hydrophobic (water repellent) absorbent pads on the water. Hydrophobic pads readily absorb hydrocarbons. Alternatively, an ultra-dry absorbent designed for use on water-based spills may be deployed.
2. If the spill is larger, ready several empty drums to act as refuge containers for the spill.
3. Deploy containment booms on the water surface to "fence in" the spill area gradually and to prevent it from spreading. Keep in mind those environmental factors such as high winds and wave action can adversely affect attempts at spill cleanup. Absorbent booms can then be deployed to encircle and then absorb any hydrocarbon spillage that may have escaped the containment boom.
4. Once a boom has been secured, a skimmer may be brought on-scene to aid in capture of the hydrocarbon; once captured, the product should be pumped to the empty fuel drums and held for disposal.
5. As soon as possible either during or after the incident, contact the 24-Hour Spill Line. (This will ensure government agencies are informed).

Fuel spills on Snow and Ice

By its nature, snow is an absorbent, and fuel spilled on snow is collected with relative ease, either by shovel, in the case of small-range spills, and by loader, in the case of more extensive spills.

1. Assess the nature of the spill. Necessary equipment might include shovels, plastic tarp(s), empty drums, and wheeled equipment.
2. Shovel or scrape contaminated snow and deposit in empty refuge drums. If the spill is more extensive, build peat-bale berms or compacted snow berms with plastic over top, around the affected area.
3. Either during or immediately after the accident, notify the 24-Hour Spill Line. Receive instructions on the preferred disposal method (e.g. storage in sealed drums, incineration or deposit in a designated lined containment area on land) from the appropriate contact agencies.

Procedure for spills on Ice

Spills on ice are handled in similar fashion as those on snow. However, as ice presents the added danger of immediate access to water, care must be taken to respond quickly to such spills. Should fuel seep or flow through cracks or breaks in the ice, despite all precautions, assistance should be sought immediately.

1. Construct a compacted-snow berm around the edge of the spill area.
2. Although hard ice will retard or prevent fuel entry to the receiving waters below, all contaminated snow and ice, as well as objects embedded in the ice (such as gravel or frozen absorbent pads) must be scraped from the ice surface and disposed of in an appropriated manner. Contact the 24-Hour Spill Line. Receive disposal instructions (e.g. sealing in drums, burn off, etc.) from the appropriate contact agencies.

Procedure for Loss of External Load

The loss of external loads of fuel, oil, or chemicals from aircraft almost certainly results in complete and catastrophic failure of the container that once held the product. Immediate response is imperative.

1. Mark the loss target with GPS coordinates and relay to base ASAP.
2. Describe quantity and type of load loss.
3. Base will contact 24 Hour Spill Line, and receive direction and instruction. Administer the appropriate procedure for Spills on Land, Water, Snow, or Ice

6.0 Spill Response Equipment and Supplies Inventory

Spill Kits and Absorbent Material

The basis of the spill response will be two 206-litres heavy duty polyethylene overpack containers which are available commercially pre-packed with an assortment of petroleum absorbent materials. A separate chest of additional absorbent materials and empty labeled chests to contain the materials from the overpacks should they be used will make the petroleum absorbent component of the spill response equipment. The kit contains:

- 150 absorbent pads – 16" x 20"
- 2 absorbent booms - 5" x 120"
- 8 absorbent socks - 3" x 48"
- 4 six mil clear disposal bags
- 1 pair of safety goggles

- 1 pair of nitrile gloves
- 1 Tyvek suit
- Instructions

Fuel Transfer Pumps

Dedicated manual fuel transfer pumps for each type of liquid fuel will be stationed in close proximity to each site where that fuel is stored.

Fire Extinguishers

Fire extinguishers of the proper type, size and number will be stationed in each building and near each site where equipment is normally serviced (including fuelling) and anywhere else it is deemed advisable.

Hand Tools

A full complement of shovels, scoops, and grub hoes or pulaskis will be stationed around the drill (typically one shovel and/or scoop at each door); a dedicated set of these tools will be stationed with the chest of absorbent materials at the workshop.

Containers for Storage of Spilled and Contaminated Materials

A supply of 20-litres polyethylene pails and heavy polyethylene sample bags will be reserved for the collection and storage of used absorbent materials and acid neutralizer.

7.0 Training Exercises

All members of the Response Team will be familiar with the spill response resources at hand, this Contingency Plan, and appropriate spill response methods. This familiarity will be acquired through:

1. Initial or refresher training, as appropriate, provided once per season.
2. Regular inventory updates are provided in list form to all team members. Information to be reported includes listing of all resources, number of items, their location, condition, date of last inspection and any special comments (such as expiry dates, under whose authority they may be accessed and special handling instructions).

Practice Drills

Canadian Orebodies Inc. is aware that without practice, no Contingency Plan has value. At least one practice drill will be held per season to give personnel a chance to practice emergency response skills. Each practice will be evaluated and a report prepared with the objective of learning where gaps and deficiencies (either in skills or physical resources) exist, and in what areas more practice is required.

Appendix 1: NT-NU Spill Report FormPlease fill in at <http://www.gov.nu.ca/env/ntnuspill.pdf>

Canada

NT-NU SPILL REPORT

OIL, GASOLINE, CHEMICALS AND OTHER HAZARDOUS MATERIALS

NT-NU 24-HOUR SPILL REPORT LINE

TEL: (867) 920-8130

FAX: (867) 873-6924

EMAIL: spills@gov.nt.ca

REPORT LINE USE ONLY

A	REPORT DATE: MONTH – DAY – YEAR		REPORT TIME		<input type="checkbox"/> ORIGINAL SPILL REPORT, OR <input type="checkbox"/> UPDATE # _____ TO THE ORIGINAL SPILL REPORT	REPORT NUMBER _____
	OCCURRENCE DATE: MONTH – DAY – YEAR		OCCURRENCE TIME			
C	LAND USE PERMIT NUMBER (IF APPLICABLE)			WATER LICENCE NUMBER (IF APPLICABLE)		
D	GEOGRAPHIC PLACE NAME OR DISTANCE AND DIRECTION FROM NAMED LOCATION				REGION <input type="checkbox"/> NWT <input type="checkbox"/> NUNAVUT <input type="checkbox"/> ADJACENT JURISDICTION OR OCEAN	
E	LATITUDE DEGREES MINUTES SECONDS			LONGITUDE DEGREES MINUTES SECONDS		
F	RESPONSIBLE PARTY OR VESSEL NAME		RESPONSIBLE PARTY ADDRESS OR OFFICE LOCATION			
G	ANY CONTRACTOR INVOLVED		CONTRACTOR ADDRESS OR OFFICE LOCATION			
H	PRODUCT SPILLED		QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES		U.N. NUMBER	
	SECOND PRODUCT SPILLED (IF APPLICABLE)		QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES		U.N. NUMBER	
I	SPILL SOURCE		SPILL CAUSE		AREA OF CONTAMINATION IN SQUARE METRES	
J	FACTORS AFFECTING SPILL OR RECOVERY		DESCRIBE ANY ASSISTANCE REQUIRED		HAZARDS TO PERSONS, PROPERTY OR ENVIRONMENT	
K	ADDITIONAL INFORMATION, COMMENTS, ACTIONS PROPOSED OR TAKEN TO CONTAIN, RECOVER OR DISPOSE OF SPILLED PRODUCT AND CONTAMINATED MATERIALS					
L	REPORTED TO SPILL LINE BY	POSITION	EMPLOYER	LOCATION CALLING FROM	TELEPHONE	
M	ANY ALTERNATE CONTACT	POSITION	EMPLOYER	ALTERNATE CONTACT LOCATION	ALTERNATE TELEPHONE	
REPORT LINE USE ONLY						
N	RECEIVED AT SPILL LINE BY	POSITION STATION OPERATOR	EMPLOYER	LOCATION CALLED YELLOWKNIFE, NT	REPORT LINE NUMBER (867) 920-8130	
LEAD AGENCY <input type="checkbox"/> EC <input type="checkbox"/> CCG <input type="checkbox"/> GNWT <input type="checkbox"/> GN <input type="checkbox"/> ILA <input type="checkbox"/> INAC <input type="checkbox"/> NEB <input type="checkbox"/> TC			SIGNIFICANCE <input type="checkbox"/> MINOR <input type="checkbox"/> MAJOR <input type="checkbox"/> UNKNOWN		FILE STATUS <input type="checkbox"/> OPEN <input type="checkbox"/> CLOSED	
AGENCY		CONTACT NAME		CONTACT TIME	REMARKS	
LEAD AGENCY						
FIRST SUPPORT AGENCY						
SECOND SUPPORT AGENCY						
THIRD SUPPORT AGENCY						

PAGE 1 OF _____

Appendix 2 –MSDS Sheets