NWB2BR00405

June 22, 2005

Dear Baffin Distribution List

Re: Your comments on this application.
NIRB#: 05EN104
Project: Campsite
Proponent: Kennecott Canada Exploration Inc.

Nunavut Impact Review Board has received an application for a Campsite near Baffin . Please use NIRB file No. 05EN104 and the contact person listed below, in all future correspondence regarding this application.

The application documents are available through the internet on the NIRB ftp site at www://ftp.nunavut.ca/nirb in the folder "05EN104-Campsite, Kennecott Canada Exploration Inc. ".

Please assess the project proposal for the potential effects on the ecosystemic and socio-economic environments, from your knowledge of the area or your field of expertise.

Please forward your comments and recommendations to NIRB by July 13, 2005, 1:00pm local time.

A comment form has been included with the package.

If you have any questions regarding the application, please do not hesitate to contact our office. Your input is greatly appreciated.

Yours truly,

Sylvia Novoligak
Environmental Screener Trainee
Phone (867) 983-4613
Fax (867) 983-2574 or (867) 983-2594

COMMENT FORM FOR NIRB SCREENINGS

The Nunavut Impact Review Board has a mandate to protect the integrity of the ecosystem for the existing and future residents of Nunavut. In order to assess the environmental and scio-economic impacts of the project proposals, NIRB would like to hear your concerns, comments and suggestions about the following project application:

Project Title: Campsite
Proponent: Kennecott Canada Exploration Inc.
Location: Baffin
Comments Due By: July 13, 2005 **NIRB #:** 05EN104

Indicate your concerns about the project proposal below:

- ☐ no concerns
- ☐ water quality
- ☐ terrain
- ☐ air quality
- ☐ wildlife and their habitat
- ☐ marine mammals and their habitat
- ☐ birds and their habitat
- ☐ fish and their habitat
- ☐ heritage resources in area
- ☐ traditional uses of land
- ☐ Inuit harvesting activities
- ☐ community involvement and consultation
- ☐ local development in the area
- ☐ tourism in the area
- ☐ human health issues
- ☐ other: _____

Please describe the concerns indicated above:

Do you have any suggestions or recommendations for this application?

Do you support the project proposal? Yes ☐ No ☐ Any additional comments?

Name of person commenting: _____ **of** _____
Position: _____ **Organization:** _____
Signature: _____ **Date:** _____

KENNECOTT CANADA EXPLORATION INC.

St. Joseph's Exploration Camp

Non-Technical Project Summary, May 2005

Brodeur Peninsula, Baffin Island, Qikiqtani Region

Kennecott Canada Exploration Inc. (Kennecott) wishes to continue to maintain the 20 person St. Joseph's Exploration Camp in order to conduct mineral exploration for diamonds on the Brodeur Peninsula, Baffin Island. The camp would be seasonally occupied from approximately March 15th to September 30th. Kennecott has Prospecting Permits and crown mineral claims in the area, some of which will be optioned to a second company, Diamondex Resources of Vancouver.

During 2005, Diamondex will operate from the St. Joseph site on Kennecott's behalf. The camp will be used to continue surface exploration on the surrounding lands including soil sampling, ground and airborne geophysics and possibly diamond drilling. No work is currently planned on Inuit Owned Surface Lands.

The camp currently consists of 8 weather haven tents, two wood frame tents, 1 generator, one electric bear fence, one water reservoir, and one wooden outhouse.

The field survey crews occupying the camp will consist of a Diamondex Resources project geologist with seasonal field assistants, helicopter personnel, geophysics contractors and drill contractors. It is our hope to continue to have employed, residents of Nunavut on these field crews. We anticipate basing this program out of communities in Nunavut, including Arctic Bay and Resolute.

Kennecott Canada Exploration is committed to developing and maintaining excellent relationships with the communities affected by our exploration activities. Our company also has strict environmental policies for our own employees as well as for contractors who report to us. Protection of the land is an essential part of our exploration programs.

RECEIVED

JUN 0 6 2005

DIAND Iqaluit, NU

Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada

APPLICATION FOR LAND USE PERMIT

FOR OFFICE USE ONLY - RÉSERVÉ AU BUREAU					
Application fee	Land use fee	General receipt no.	Date	Class	Permit no.

To be completed by all applicants ▶ ☑ New application ☐ Amendment

1. Applicant's name and mailing address (Full name, no initials)	Fax no.
Kennecott Canada Exploration Incorporated #354-200 Granville Street Vancouver, BC V6C 1S4	604-696-3401
	Telephone no. 604-696-3400
2. Head office address as above	Fax no.
	Telephone no.

Field supervisor	Radio telephone	E-Mail address	Telephone no.
Ben Pezaro	N/A		

3. Other personnel (subcontractor, contractors, company staff, etc.)

Geophysical and Geological Crews
Diamondex Personnel / Kennecott Personnel

TOTAL: 20 persons

4. Qualifications

Refer to Section 21 of the Territorial Land Use Regulations
a(i) ☐ a(ii) ☐ a(iii) ☐ b ☐ c ☐

No(s) exploration permit mineral claims (if applicable)

5. a) Summary of operation (describe purpose, nature and location of all activities)

Refer to Section 22(2)(b)of the Territorial Land Use Regulations (Use last page of form if necessary.)

To maintain Mineral exploration camp currently intact on Brodeur Peninsula for the purpose of exploring nearby claims & permits (Oz, Bne, Ley, PP2560-2565

b) Please indicate if a camp is to be set up (Use last page to provide details)

Camp currently exists @ 87°52"10.4E 73°14'49.4'N

6. Summary of potential environmental and resource impacts

(Describe the effects of the proposed program on land, water, flora & fauna and related socio-economic areas)
(Use separate pages if necessary)

Exploration Camp to support ± 20 persons includes:

1) Fuel is stored in 45 gallon drums/spill plan in place
2) Pit toilets / Grey water drained to sumps
3) helicopter & fixed wing aircraft leave small 'footprint'
5) combustibles burned at site/non-combustibles removed
6) Aircraft to fly at height avoiding wildlife

Canada

7. Proposed restoration plans (please use last page if required)
Camp will be removed and sumps backfilled at end of Project's life.

8. Other rights, licences or permits related to this permit application (mineral claims, Yukon timber permits, water licences, etc.) NNB2BR00203

Roads N/A ☐ Is this to be a pioneered road? Provide details on back page ☐ Has the route been laid out or ground truthed?

9. Proposed disposal methods

a) Garbage: burn or backhaul	b) Sewage (Sanitary & Grey Water): Filter through sump
c) Brush & trees: N/A	d) Overburden (Organic soils, waste material, etc.): N/A

10. Equipment (includes drills, pumps, etc.) (Please use last page if necessary)

Type & no.	Size	Proposed use
1 x 10kw generator	10 kw	power
1 x 5 kw generator	5 kw	back-up power

11. Fuels	Number of containers	Capacity of containers
Diesel	50	45 gallon
Gasoline	10	45 gallon
Aviation Fuel	100	45 gallon
Propane	50	100 lb
Other		

12. Containment fuel spill contingency plans (Please attach separate contingency plan if necessary)
See attached spill plan

13. Methods of fuel transfer (To other tanks, vehicles, etc)
Electric Pump

APPLICATION FOR LAND USE PERMIT

14. Period of operation (Includes time to cover all phases of project work applied for, including restoration)
Year Round, but largely March to October

15. Period of permit (Up to two years, with maximum of one year extension) | Start date YYYY/MM/DD 2005/07/03 | Completion date YYYY/MM/DD 2007/07/03

16. Location of activities by map co-ordinates (Attached maps and sketches)

Minimum Latitude				Minimum Longitude			
Degrees 87°	Minutes 52"	Seconds 10'		Degrees 73°	Minutes 14"	Seconds 49"	
Maximum Latitude				**Maximum Longitude**			
Degrees	Minutes	Seconds		Degrees	Minutes	Seconds	

Map sheet no. 048C04

17. Applicant (Print name in full) Susan Ball | Signature Susan Ball | Date 19-May-05

18. Fees

☐ Class A - $150 ☑ Class B - $150 → $ 150.00

Land Use Fees: Less than or equal to 2 hectares → $50.00 → $ 50.00

For each additional hectare over 2 hectares or portion of a hectare → x $50.00 = → $

Total application and land use fees → $ 200.00

FOR OFFICE USE ONLY

19. Calculation of area involved (Includes access, staging areas, airstrips, campsites, etc.)

Total area (Ha)	Less than or equal to 2 hectares	TOTAL(For fee calculation)

20. Application checklist

a) ☐ Application signed and dated
b) ☐ Fees attached
c) ☐ Map included
d) ☐ Address and telephone number
e) ☐ Screening report
f) ☐ Timber permit applied for - Yukon
g) ☐ Fees attached
h) ☐ Lease applied for

Accepted by | Date

Remarks (Please use last page if additional space is required)

APPLICATION FOR LAND USE PERMIT

21. Additional information (Attach additional pages if necessary)

KENNECOTT CANADA EXPLORATION INC

Brodeur Peninsula Jackson Camp

Baffin Island, Nunavut

Kennecott Canada Exploration Inc.
354 - 200 Granville Street
Vancouver, BC
V6C 1S4

Prepared by: Susan Ball

May 2005

Preamble

This application intends to replace INAC Land Use permit # N2001C0026 which expires July 3, 2005 with a new permit allowing for a continued exploration camp at the St. Joseph site. Related permit includes NWB2BR00203, which expires December 31, 2005.

History

In 2002 a camp was established at the St Joseph site on the Brodeur Peninsula, 25km inland along the Jackson River. The location of the St Joes camp is approximately UTM zone 16 Easting 472,026 and Northing 8,128,006 using a NAD 27 datum.
The St Josephs campsite is as pictured in figure 4. This campsite would be intended to continue to service the needs of exploration operated by Diamondex Resources who are optioning the surrounding mineral lands from Kennecott Canada. The project is currently at the exploration stage.

Infrastructure onsite

St Joseph's camp

1) 2 wood frame tents
2) 8 Aluminum Frame tents
3) 1 Generator
4) Electric bear fence
5) 1 canvas water reservoir
6) 1 wooden outhouse

ᑭᓇᒃᑯᑦ ᑲᓇᑕᒥ ᓇᓂᓯᓇᓱᐊᖅᑏᑦ ᑲᒻᐸᓂᖓ

ᓴᐃᓐ ᔪᓯᕝᒥ St. Joseph ᕿᓂᕐᕕᐅᓂᐊᖅᑐᓄᑦ ᓄᓇᓕᕐᓛᖅ

ᐊᑐᖅᑕᐅᓂᐊᖅᑐᑦ ᐅᓄᒃᑳᖅᑕᐅᓂᖏᑦ ᓇᐃᓈᖅᓯᒪᓪᓗᑎᒃ

ᖃᖏᖕᒥ ᐊᑯᓕᐊᖃᑦᑕᒥ, ᕿᑭᖅᑖᓗᖕᒥ, ᕿᑭᖅᑕᓂ ᓄᓇᕗᑎᒥᐅᑕᓂ

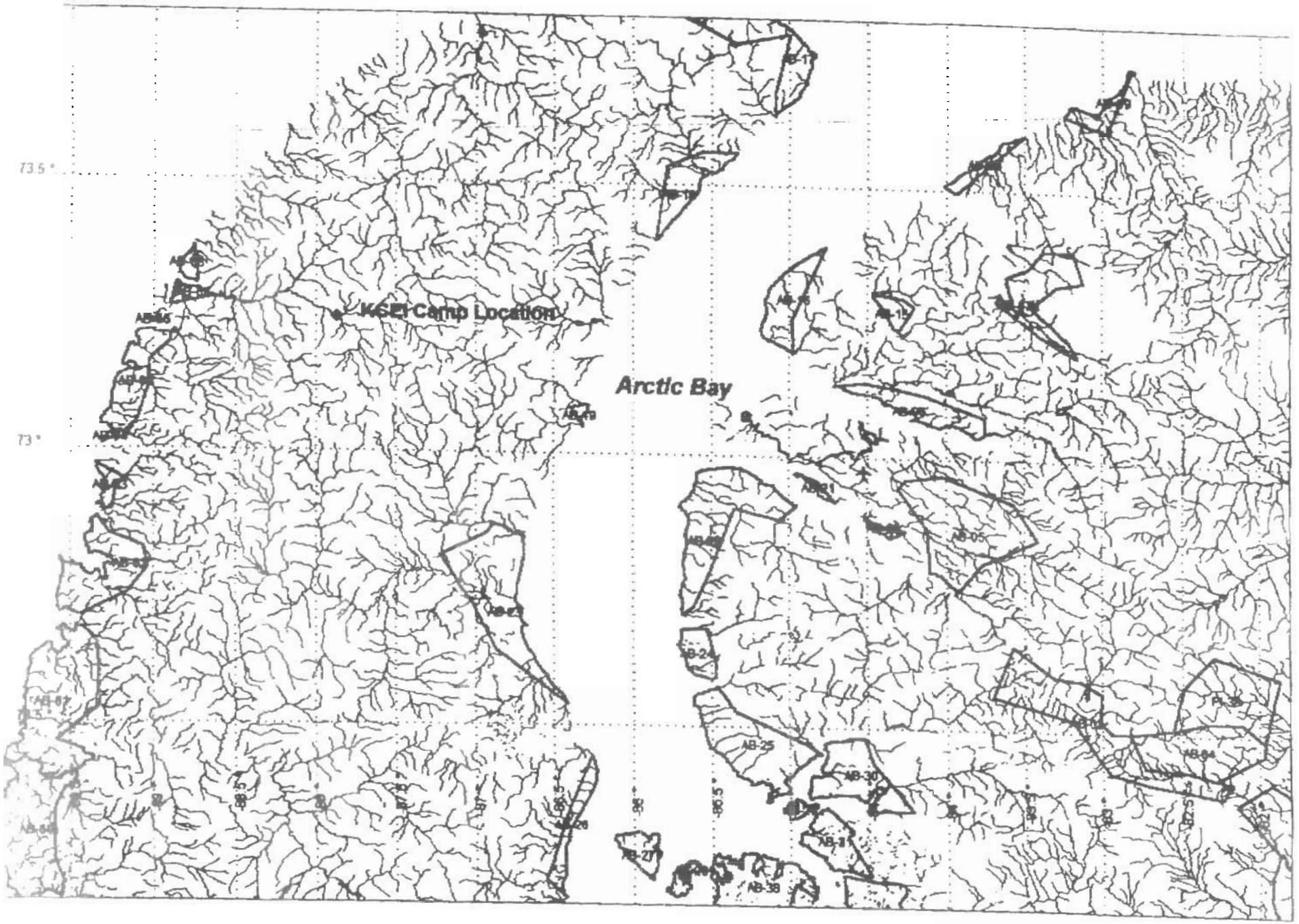
ᑭᓇᒃᑯᑦ ᑲᓇᑕᒥ ᓇᓂᓯᓇᓱᐊᖅᑏᑦ ᑲᒻᐸᓂᖓ (Kennecott) ᑲᔪᓯᑦᑎᑦᑎᔪᒪᖕᒪᑕ 20-ᓂᒃ ᐃᓄᒃᑯᖅᑐᒥᒃ ᓯᐃᓐᑦ ᔪᓯᕝᒥ (St. Joseph) ᓇᓂᓯᓇᓱᐊᖅᑏᑦ ᓄᓇᓕᕐᓗᖕᒪᓂᒃ ᕿᒥᕐᕙᒃᑲᓐᓂᕈᒪᓂᖏᓐᓄᑦ ᑕᐃᒪᙵᓴᕐᓂᒃ ᑲᖏᖅ ᐊᑯᓕᐊᖃᑦᑕᒥ, ᕿᑭᖅᑖᓗᖕᒥ. ᓄᓇᒥᐅᑉᐸᑲᐃᓐᓇᖅᑐᖅ ᐃᓄᒃᑳᑦᑕᕐᓂᐊᖅᑐᖅ ᐊᕐᕌᒍᒃ ᐃᓚᐃᓐᓇᖓᓂ ᒪᔾᔨ 15 ᑯᓂᒥᔪᖏᓐᓂᒃ ᐱᒋᐊᕐᓗᓂ ᓯᑎᐱᕆ 30-ᒧᑦ. ᑭᓇᒃᑯᑦ ᕿᓂᕐᕙᒃᓯᓐᓇᕐᓂᕐᒧᑦ ᐱᔪᓐᓇᐅᑎᖃᕐᒪᑕ ᑯᐃᓐᓗ ᓄᓇᖁᑎᖏᓐᓄᑦ ᓴᐳᔾᔭᐃᓐᓴᕆᐅᕐᑎᒃᓴᖅᓯᑎᒃ ᑕᐅᕙᓂ, ᐃᓚᖏᑦ ᑐᓂᕐᕿᑕᐅᓯᒪᓂᐊᖅᓯᑎᒃ ᑐᓪᓕᕆᔪᐊᕙᓄᑦ ᑲᒻᐸᓂᐅᕙᓄᑦ, ᑕᐃᒪᓂᐃᓐᑯᑦ ᓴᐳᔾᔨᔪᐊᕐᓯᐅᖅᑏᑦ ᔦᓐᓂᑯᕙᒥ (Diamondex Resources).

2005-ᒥ, ᑕᐃᒪᐃᓐᓄᑦ ᐱᓕᕆᓂᐊᖅᑐᑦ ᓯᐃᓐᑦ ᔪᓯᕝᒥ ᑭᓇᒃᑯᓐᓂᒃ ᑭᒡᒐᖅᑐᐃᓗᑎᒃ. ᑕᐅᕙᓂ ᓄᓇᓕᕐᓚᖏᑦ ᐊᑐᖅᑕᐅᓂᐊᖅᑐᖅ ᓄᓇᐃᑦ ᖃᖏᓐᓂ ᕿᓂᕐᕙᒃᓂᒥᒃ ᑯᓂᒥᔪᖏᓐᓂ ᓄᓇᓂᒃ ᐃᓚᒃᑲᓂᐊᖅᑐᓂᒃ ᓄᓇᓂᒃ ᐲᖅᓯᕙᒃᑲᓂᒥᒃ ᖁᐸᓴᖅᑕᐅᓂᐊᖅᑐᓂᒃ, ᓄᓇᓂᒃ ᓯᓚᒃᑯᓐᓗ ᖁᐸᓴᐃᓂᖅ ᐊᒻᒪᓗ ᐃᑯᒪᐃᓇᓂᐊᒃᑲᓂᒥᒃ. ᒫᓐᓇᐅᕙᖅ ᐸᕐᓇᒃᓯᒪᕙᒃᐸᖏᑦᑐᖅ ᐱᓕᕆᓚᖓᓂᖅ ᐃᓄᓐᓄᑦ ᐱᕗᑎᒥᔪᐅᕙᑦ ᖃᖏᓐᓂ ᓄᓇᐃᑦ ᓴᓇᕕᐅᓂᖏᓐᓄᑦ.

ᓄᓇᓕᕐᕿᑦᑐᑦ ᒫᓐᓇᐅᕙᖅ ᐱᕗᑎᒃᖅᑐᑦ 8-ᓂᒃ ᑐᐱᕐᓂᒃ ᓇᑉᐸᕆᑎᒃᓯᑦᑐᓂᒃ, ᒪᕿᓐᓂᒃ ᕿᕙᖏᒃ ᓴᓇᓯᒪᕙᓂᒃ ᑐᐱᕐᓂᒃ, ᐊᑕᐅᓯᕐᒥᒃ ᐅᓚᑕᒃᐅᒥᒃ, ᐊᑕᐅᓯᕐᒥᒃ ᓇᓐᓄᒃᑕᐅᕝᑯᑎᒥᒃ, ᐊᑕᐅᓯᕐᒥᒃ ᐃᒥᖅᑕᕐᕕᖕᒥᒃ, ᐊᒻᒪᓗ ᐊᑕᐅᓯᕐᒥᒃ ᐊᓇᕐᕕᖕᒥᒃ.

ᓄᓇᒦᓐᓂᐊᖅᑐᑦ ᓴᓇᔨᑦ ᑕᐅᕙᓂ ᓄᓇᓕᕐᓚ ᑲᑲᐃᓇᕐᓂᐊᖅᑐᑦ ᐃᓚᒃᑯᓂᐊᖅᑐᑦ ᓴᓇᔪᐅᕙᓂᒃ ᓄᓇᓕᖅᓯᒥᒃ ᐃᑲᔪᖅᑎᒃᓂᐊᖅᑐᒥᒃ ᓄᓇᒥᒃᑕᐅᕙᓂᒃ, ᕗᓕᒥᒧᓕᖅᑐᖅᑎᓂᒃ ᐊᕗᑎᓂᒃ, ᓄᓇᓕᕆᔩᓂᒃ ᑳᓐᑐᓖᑎᐅᕙᓂᒃ ᐊᒻᒪᓗ ᐃᑯᑦᑎᓂᒃ ᑳᓐᑐᓖᑎᓂᒃ. ᓂᕆᐅᒃᑐᒍᑦ ᓴᓇᑎᑦᑎᒃᑲᓐᓂᕈᒪᓂᖅ ᐃᓄᓐᓂᒃ ᓄᓇᕗᒻᒥ ᑕᐃᒃᑯᓇᓂ ᓄᓇᒥᒃᑕᐅᓂᐊᖅᑐᓂ. ᓂᕆᐅᓐᓇᖅᑐᖅ ᓴᓇᔩᑦᑕᓂᐊᖅᑐᑦ ᓄᓇᓕᓐᓂ ᓄᓇᕗᒻᒥ, ᐃᒃᐱᐊᕐᔪᖕᒥ ᐊᒻᒪᓗ ᖁᐅᓯᐃᑦᑐᕐᒥ.

ᑭᓇᒃᑯᑦ ᑲᓇᑕᒥ ᑲᒻᐸᓂᐅᔪᑦ ᐱᓕᕆᐊᒃᓯᒪᑦᑎᐊᕐᒪᑕ ᓴᕿᑎᑦᑎᕙᓪᓕᐊᓂᖏᓐ ᐊᒻᒪᓗ ᐊᑐᖅᑎᑦᑏᓐᓇᓯᒪᓂᖅ ᐱᓕᕆᒃᑎᒋᑦᑎᐊᖅᑖᓗᒥᓯᒪᔭᑦᑎᓐᓂᒃ ᓄᓇᓕᓐᓂ ᐊᑐᖅᑕᐅᓯᒪᒃᑕᐅᕙᓂᒃ ᕿᓂᕐᕕᒋᔭᑦᑎᓐᓄᑦ ᐱᓕᕆᐊᕆᔭᑦᑎᓐᓄᑦ. ᑲᒻᐸᓂᐅᑉ ᓴᖏᔫᒪᕆᓐᓂᒃ ᐊᕙᑎᓕᕆᓂᕐᒧᑦ ᐊᑐᐊᓘᖅᑐᑦ ᓇᖕᒥᓂᖅ ᐃᖅᑲᐃᔭᖅᑎᑦᑎᓐᓄᑦ ᒪᓕᒃᑕᐅᔭᕆᐊᓕᖕᓂᒃ ᐊᒻᒪᓗ ᑳᓐᑐᓖᑦᑕᖅᑎᑕᐅᒃᑲᖅᑐᓂᒃ ᐅᐸᑦᑎᓐᓄᑦ ᒪᓕᒃᑕᐅᔭᕆᐊᓕᖕᓂᒃ. ᓴᐳᔾᔨᓯᒪᑦᑎᐊᕆᐊᒃᓯᓐᖓ ᓄᓇᑉ ᐃᓚᒌᔭᐅᓇᓱᒪᑦ ᕿᓂᕐᓂᕐᒧᑦ ᐊᑐᖅᐸᒃᑕᑦᑎᓐᓂ ᓄᓇᒥᒃ.


KSEI Camp Location
Arctic Bay
73.5°
73°
96°
96.5°

June 16 2005

June 14, 2005

RECEIVED

JUN 16 2005

D.I.A.N.D.
Iqaluit, NU

John Craig
Assistant Land Administration
Indian and Northern Affairs
P.O. Box 100
Iqaluit, Nunavut
X0A 0H0

Fax: 867-975-4286

Re: **Application: #N2005J0032**

The Nunavut Planning commission (NPC) has completed its review of the above noted project proposal. It conforms to the North Baffin Regional Land Use Plan (NBRLUP).

Attached, for your files, is a copy of the list of conformity requirements to which the applicant has undertaken to comply to.

Sincerely,

Luke Suluk

Luke Suluk
Implementation Coordinator/Officer

(attachment)

Application : #N2005J0032

NUNAVUT PLANNING COMMISSION
APPLICATION TO DETERMINE CONFORMITY
WITH THE NORTH BAFFIN REGIONAL LAND USE PLAN

NUNAVUT PLANNING COMMISSION
BOX 418, Arviat, Nunavut
X0C-0E0

All applicants for a project proposal shall comply with the requirements listed below. The relevant sections of the plan are noted in each requirement.

GENERAL

1 **Environmental Protection:** *s3.3.11.8:* The applicant undertakes to prevent any new occurrences of pollution, garbage and contamination at the site of the development.

(YES) NO

2. **Removal of Fuel Drums:** *s3.3.11.8:* The applicant undertakes to remove all drums safely from the site and dispose of the drums in a safe manner.

(YES) NO

3. **New Site Restoration and Clean Up:** *s3.3.11.1 and Appendix C, s1:* The applicant undertakes to clean up the site and restore the site to its natural condition to the greatest extent possible.

(YES) NO

4 **Old Site Restoration and Clean Up:** *s3.3.11.2:* The applicant undertakes to clean up the site and restore the site to its original condition to the greatest extent possible, including any work required due to the applicant's action prior to this application.

(YES) NO

5. **Low-Level Air Flights:** *Appendix C, s3:* Will the applicant avoid all low-level flights?

(YES) NO

If not, explain why such flights are or may be absolutely necessary. If such flights are or may be absolutely necessary, will they avoid disturbance to people and wildlife?

Application : #N2005J0032

l. If not, explain why it is not possible to avoid such disturbance.

8. **Polar Bear Denning Areas and Walrus Haul-outs:** *s3.3.1.8:* Will the applicant keep its activities away from any polar bear denning area or walrus haul-out?

YES NO

HERITAGE RESOURCES

7 **Reporting of Archaeological Sites:** *s3.3.9.3 and Appendix C, s2 and s6:* Will the applicant immediately report the discovery of all suspected archaeological sites to the Department of Culture, Language, Elders and Youth (GN)?

YES NO

8 **Negative Effects:** *s3.3.4.6:* Has the applicant planned to minimize the negative effects of its activity on the environment?

YES NO

9 **Negative Effects:** *s3.3.5.7:* Has the applicant planned to minimize the negative effects of its activity on the environment?

YES NO

Application : #N2005J0032

12. **Local Services and Local Employment:** *s3.3.7.4:* Will the applicant rely on local services and employment where possible?

(YES) NO

I. Describe the services retained and the people to be employed.

Geophysical or Geological Assistants will be hired locally where possible.

II. If no, explain why it is not possible.

14. **Code of Good Conduct for Land Users:** *Appendix C:* The applicant undertakes to adhere to the code of Good Conduct at all times.

I, Susan Ball (name of applicant), certify that the information I have given in this application is true and correct and hereby make the above undertakings which form part of my application for a project proposal within the meaning of the Nunavut Land Claims Agreement.

Date: 15-Jun-05 Signature of Applicant: Susan Ball

Kennecott Canada Exploration Inc.

Exploration Operations Document

Northwest Territories and Nunavut

BRODEUR PROJECT

CONTINGENCY PLAN
for Material Spills,
in Exploration Camps & Remote Sites,
and Drilling Operations

APRIL 2004

Table of Contents

Preamble

This Contingency Plan is effective from date of entry to date of closing for all field locations and drilling operations in the Northwest Territories and Nunavut. The Plan is submitted as an attachment to Kennecott's Nunavut Water Board Application for water use on the Brodeur Peninsula Project.

The Plan is intended to cover all exploration activities and camps to be operated by Kennecott Exploration in the Northwest Territories and Nunavut. The Plan covers all operations, including drilling, if applicable, and aircraft operations, wherein the handling of substances able to be spilt are involved.

This Plan will be distributed to Kennecott site managers and site contractors working within the permit area. Regular site safety meetings are held whilst exploration sites are occupied, and include reviews of this Plan and other safety/environmental issues. The Plan will remain posted and available at site, and will be posted at any future camps.

This Plan was prepared and approved by Kennecott Canada Exploration Inc. Additional information or copies are available from Kennecott Canada Exploration Inc. at (604) 669-1880, Susan Ball.

1.0 INTRODUCTION

1.1 Plan Purpose

The purpose of Kennecott Canada Exploration Inc's Contingency Plan is to provide a plan of action for potential spill events that might occur at Exploration sites of activity. The Plan addresses any unintentional releases of petroleum products and other hazardous chemicals. It defines the responsibilities of key response personnel and outlines procedures to be taken to minimise the impact of a spill. The Plan has been prepared to provide to management and field staff the necessary information to deal with a spill.

1.2 Kennecott Policy on Cleanup

It is Kennecott Canada Exploration Inc. policy to comply with all existing laws and regulations for the areas in which the company operates and to ensure protection of the environment in these areas. This Contingency Plan has been developed to comply with the Company's policy statement and to fulfil specific Canadian and Northwest Territories/ Nunavut regulatory requirements.

1.3 Facility Description

A seasonally occupied camp, established during 2002 near the Jackson River, is located at 16W472026E/ 8128006N (87° 52" 10.4' and 73° 14" 49.4'). The camp area in total is approximately 100m x 50m with frame tents, helicopter pad, fuel storage and incinerator toilet. A 2000 gallon holding tank for water is filled from the nearby stream and average usage is approximately 500 gallons per day during times the camp is occupied. The water is pumped by hose and the intake is covered with a mesh screen. All gray water is being discharged into a sump located in a sand bar near the camp.

1.4 Petroleum Product Transport and Storage

The petroleum products required for project work on site will be transported by air from Resolute and or Nanisivik, or, where available, will be purchased from Nunavut communities.

Helicopters using fuel slings affect fuel movement once delivered by fixed wing aircraft. All fuel on site remains in standard fuel drums, and is stored in designated areas appropriate for the refuelling of aircraft, generating plant, snow machines and drills.

It is anticipated that the total petroleum product requirements for a season will not exceed 10 gasoline, 30 diesel and 400 Jet-B.

Where applicable, petroleum storage areas at the camp and drill sites are visually inspected on a daily basis to check for leakage or damage to any of the containers. Spill kits are available on site.

All fuel is stored a minimum of 30 metres from any high water mark, and transfer of fuel from supply vehicles to tanks and from tanks to vehicular equipment is performed with the aid of fuel pumps. Material Safety Data Sheets (MSDS) for all fuels and chemicals are kept on site for reference, should they be required.

If any fuel products are required in other areas within the permit area appropriate amendments to the Land Use License will be applied for and fuel products will be stored and handled at the specific site in accordance with applicable Land Use Permit conditions.

1.5 Chemical Use and Storage

Only a few litres of cleaning and maintenance compounds (including household type cleaners, degreasers, lubricating oils, etc.), often referred to as household hazardous materials, will also be used on site. However, the potential for spills of these materials to the environment is considered insignificant.

2.0 SPILL RISK ASSESSMENT

2.1 Petroleum Products

Potential sources of petroleum product spills could involve the following:

1. Leaking or ruptured fuel drums.
2. Fuel transfer operations between storage drums, and mobile equipment including aircraft. This could include broken supply pipes, hoses, and associated valves during fuel transfer operations.
3. Aircraft, snow-vehicles or equipment involved in accidents.
4. Leaks and drips from machinery, pumps, motors, and other equipment

The potential for spills to occur directly on a watercourse is low at project sites because fuel storage and transfer points are located away from watercourses. However, if a spill occurred during the winter on lake ice, it will be contained and cleaned up without contaminating the under – ice

lake waters.

2.2 Chemicals

Any chemicals brought to the project site in drums or bags will be stored indoors. Spillage may occur from accidental breakage of containers or during handling operations.

Practising safe handling and storage procedures, ensuring proper training in handling of the products, and conducting regular inspections of stored chemicals will minimise spills from chemicals.

3.0 RESPONSE ORGANIZATION

The members of the spill response team and their duties are listed below:

[illegible]	Title Company
On-scene Co-ordinator	**Greg Rogers** **Senior Geologist** **Kennecott Canada Exploration Inc.**
On-scene Co-ordinator (Alternate)	**Jamie McLennan** **Health, Safety and Environmental Coordinator** **Kennecott Canada Exploration Inc.**
Project Manager	**Ian Graham** **Exploration Manager, Diamonds** **Kennecott Canada Exploration Inc.**
Project Manager (Alternate)	**Biplob Chatterjee** **Geologist** **Kennecott Canada Exploration Inc.**
Environmental Advisors	**Erik Madsen & Murray Swyripa** **Managers Environmental Affairs** **Diavik Diamond Mines Inc.**
Project Personnel	**There will be between 3 and 10 people on site(s) to aid in any spill response activities.**

The responsibilities of the On-Scene Co-ordinator include the following:

- ✓ Assume complete authority over the spill scene and personnel involved.
- ✓ Activate the Contingency Plan.
- ✓ Evaluate the initial situation and assesses the magnitude of the spill.
- ✓ Report the spill to the Project Manager or an Environmental Advisor, who in turn will report it to NWT 24-hour Spill Report Line at (867) 920-8130 and DIAND Water Resources Inspector at (867) 975-4298.
- ✓ Develop an overall plan of action.
- ✓ Report to the Project Manager and provide recommendations on resource requirements (additional

manpower, equipment, material, etc.) to complete the cleanup effort. The responsibility of the co-ordinator is to mobilise personnel and equipment to implement the cleanup.

The Responsibilities of the Project Manager include the following:

- ✓ Provide liaison with Kennecott Exploration management to keep them informed of cleanup activities.
- ✓ Obtain additional required resources not available on-site for spill response and cleanup.
- ✓ Act as the spokesperson with government agencies as well as the public and the media as appropriate.
- ✓ Document the cause of the spill and effectiveness of the cleanup effort, and implement the appropriate measures to prevent a recurrence of the spill.
- ✓ Prepare and submit follow-up documentation required by appropriate regulators.
- ✓ Ensure that the spill is cleaned up and all follow-up communication and reports are filed with the DIAND Water Resources and Environment Canada offices in Iqaluit.

The Environmental Advisors' duties include the following:

- ✓ Provide technical advice on probable environmental impacts of the spill.
- ✓ Advise the On-Scene Co-ordinator on spill countermeasures and recommend the most appropriate options.
- ✓ Assist in developing any required sampling, testing, or monitoring program associated with the spill.
- ✓ As required, assist the Project Manager in dealing with appropriate government agencies as well as public and the media.
- ✓ Provide recommendations on spill prevention.

4.0 INITIAL ACTIONS

In the event of a spill, the first person on the scene is responsible for the following actions:

1. Maintain alertness and ensure personal safety and that of others who are on the scene prior to the arrival of the Spill Response On-Scene Co-ordinator.
2. Assess the hazard to persons in the vicinity of the spill.
3. If possible, without further assistance, control any danger to human health.
4. Assess whether the spill can be readily stopped or brought under control.
5. Where safe to do so, stop the flow of the spilled product.

6. Report the spill without delay to the Spill Response On-Scene Co-ordinator.

7. Resume any action to contain, clean up, or stop the flow of spilled product until the On-Scene Co-ordinator takes control of the scene.

5.0 REPORTING PROCEDURE

The On-Scene Co-ordinator must be notified immediately of any spill. The following chain of command must be followed in the reporting process. Immediately contact:

Reporting Hierarchy	Title Company Phone Fax
On-Scene Co-ordinator	**Greg Rogers or Jamie McLennan** **Project Geologist/HSE Coordinator** **Kennecott Canada Exploration Inc.** **Phone: 604-669-1880** **Fax: 604-669-5255**
DIAND Water Resources Inspector	**(867) 975-4298**
Government 24 Hour Spill Reporting Line (To be contacted by the Environmental Advisor, On-Scene Co-ordinator, Project Manager or his designee) phone fax	**(867) 920-8130** **(867) 873-6924**

NOTE: A "Spill Report" form should be filled out, including the GPS location of each occurrence, no later than 30 days after initially reporting the event. The report should be filed with DIAND Water Resources Inspector in Iqaluit.

6.0 ACTION PLAN

The following actions have been incorporated to minimise the potential for spills to occur during fuel handling, transfer, or storage operations:

- Immediately cleanup minor spills.
- Conduct regular inspections of fuel barrel storage areas and hoses for evidence of leaks.
- Use drip pans and/or olephilic environmental blanket at all petroleum transfer sites and under stationary machinery.
- Train personnel in proper fuel handling and spill response procedures.

6.1 Spills on Land

Response to spills on land will include the Initial Actions listed in Section 4.0 and the following specific steps:

1) Identify the source of the leak or spill.

2) Contain the spill at the source if possible.

3) Stop a leak from a barrel by:
   i. Ceasing filling operations if leaking vessel is receiving fuel
   ii. Checking valves and seals, and ceasing use of these valves if leaking
   iii. Transfer all fuels from leaking barrels
   iv. Placing plastic sheeting at the foot of the leak to minimise seepage of the spilled material to the environment.

Spills on land (gravel, rock, vegetation) can be contained and cleaned up by the following methods:

1) Place a soil berm down slope of the running or seeping fuel. Plastic tarps can be placed at the foot of and over the berm to permit the fuel to pool on the plastic for easy capture. Berms can be made of snow and lined with plastic in the winter. Absorbent sheeting can be used to soak up the fuel. The fuel can be squeezed from the pads into drums or plastic pails, and the pads can then be re-used. Larger pools of fuel can be pumped into empty drums. It will be especially important to prevent fuel from entering a body of water where it will have a greater environmental impact.

2) Absorbent sheeting can be used to soak up petroleum products from rocks. The sheeting should be placed in the empty drums for eventual disposal by incineration.

3) A light covering of Sphag Sorb™ or alternate absorbent material can be used to absorb films of petroleum products from arctic vegetation.

4) Contaminated soil and vegetation may have to be removed for disposal. Kennecott will contact the appropriate DIAND regional office for approval before undertaking this action.

5) Snow can work well as natural absorbent, and it can be compacted and used as a berm. Plastic sheeting then can be placed over the snow berm.

6.2 Spills on Water

The likelihood of a spill on or over water is remote however in the event it does occur the following steps will be implemented to control spills of petroleum products on water:

1) Floating 'boom(s)' can be deployed to contain the floating product.

2) Absorbent pads and similar materials can be used to capture small spills on water. Absorbent booms can be drawn in slowly to encircle spilled fuel and then absorb it. These materials are hydrophobic, and therefore, absorb hydrocarbons but repel water. Absorbent booms are often relied on to recover any hydrocarbons that escape containment booms.

3) A skimmer may be deployed once a boom has been secured to capture the spilled product, and then pump it through hoses to empty fuel drums.

4) In the event of a larger spill on water, it will be necessary to limit the extent of the spill by using booms and it may be necessary to seek the assistance of the Mobil Environmental Response Unit. The 24-Hour Spill Report Line should be used to keep government agencies informed of the situation.

6.3 Spills on Snow and Ice

Where a spill occurs on ice, snow should be compacted around the edge of the spill and lined with plastic sheeting to serve as a berm. The ice will prevent seepage of fuel into the water, but contaminated snow and ice must be scraped up immediately. The contaminated snow can then be placed in drums or on plastic and within plastic lined berms on land. Permission may be granted from appropriate Government departments to burn off pools of fuel (contact the 24 hour Spill Reporting Line). Should fuel get below the ice, assistance may be requested from the Canadian Northern Oil Distributors Ltd. Mobil Environmental Response Unit.

Kennecott Canada Exploration Inc. and Diavik Diamond Mines Inc. have agreements in principal with Canadian Northern Oil Distributors, to access their resources 24 - hours per day, should these services be required.

7.0 SEWAGE DISCHARGE

Type of treatment: At a Kennecott exploration camp, domestic sewage is not treated except by direct application of lime solution to permafrost contained sewage pits. Digester or incinerator systems are generally employed at Kennecott exploration camps of any long-term duration of the camp occupation, and a typically high number of occupants in the camp.

Should other smaller exploration camps be required within the permit area, appropriate amendments to current Land Use Permits would be applied for and all applicable clauses dealing with sewage disposal in the Land Use Permits would be adhered too.

8.0 RESOURCE INVENTORY

A. Personnel

In addition to the Spill Response Co-ordinator, at least two persons are available on site to assist in spill response and clean up activities. During helicopter refuelling operations, at least three people are at site. At least two people are stationed at drill sites during drilling operations.

B. General Equipment

Rotary and fixed wing aircraft can be flown to the sites from Resolute or Iqaluit. Heavy earth moving equipment, hand tools, and miscellaneous equipment, such as plastic sheeting, are available from competitors' exploration sites and from Nanisivik or Resolute, and are available for use in the event of a spill.

C. Spill Kits

One kit is located at each drill site during drilling operations. Similar kits would be utilised at any other exploration camps within the permit area, where applicable. All kits are inspected on a monthly basis to ensure they are fully equipped and usable. Each Kit contains:

- 1-45 gal, 16 gauge Open Top Drum, c/w Bolting Ring & Gasket,
- 1-48"X 48"x 1/16" Neoprene Pad (drain stop),
- Plug N/Dike™ Granular, 1-gal U.S. (3.8 litres)
- Splash Protective Goggles
- 2-PVC Oil Resistant Gloves
- 1-pkg Polyethylene Disposable Bags (5 mil) 10 per Pack
- 1-Shovel (Spark Proof)
- 1-case T-12 3"x 12' Mini Boom, 4 booms / case
- 1-bale HP-256 17"x 19"x 1/2" Pads, 100 Pads/bail
- 1 bale of Sphag Sorb™

D. Mobil Environmental Response Unit

Canadian Northern Oil Distributors, Ltd. in Yellowknife will make the Mobil Environmental Response Unit available to Diavik upon immediate notice. This unit could be transported to the site from Yellowknife, though mobilisation is potentially dependent on weather.

E. Environmental Advisors

Advisors from the Diavik Diamond Mines Inc. Environmental Division are available to site personnel to address environmental issues related to a spill.

As well, additional Information or assistance is available from the following sources:

Organization/Location	Name Phone Fax
Canadian Northern Oil Distributors, Ltd. Mobil equipment Response Unit Yellowknife	Matthew Wasserman (867) 873-3337 [Not available after hours]
Government of the NWT Environmental Protection Division Yellowknife	(867) 873-7654 fax: (867) 873-0221
Dept. of Indian Affairs & Northern Development Yellowknife	(867) 669-2760 fax: (867) 669-2720
Environment Canada Yellowknife	(867) 920-6060 fax: (867) 873-8185
G &G Expediting Yellowknife	Glen McCara / Greg Works (867) 669-9705
RCMP Yellowknife	(867) 920-8311
BHP Ekati Diamond Mine	(867) 669-0213 fax: (867) 669-0714

9.0 TRAINING

All persons in camp are familiarised with procedures in this document upon arrival in camp. Drilling contractors are familiarised with the contents of this document in camp, and details of the Contingency Plan are posted at the drill. The nominated on-site co-ordinators are responsible for the updating of the contents of the Contingency Plan, including specified reporting requirements.

Camp managers are employed at most camps, and form an integral part of spill response planning. The camp manager will be the primary person responsible for physical clean up at the direction of the on-site co-ordinator. In the event the co-ordinator is absent from site, the camp manager will act as the cleanup co-ordinator.