Appendix A

Churchill Diamond Project

Spill Contingency Plan

Shear Minerals Ltd. 4579 Nunavut Ltd.

Table of Contents

		Page
1.	Introduction	3
2.	Facilities	3
3.	Spill Contact List	3
4.	Basic Steps - Procedure	4
5.	Reporting	4
6.	Responding to the Spill	5
7.	Spills on Land	5
8.	Spills on Water	6
9.	Spills on Snow and Ice	6
10.	Chemical Spills	7
11.	Loss of a Load	7
12.	Spill Equipment	8
13.	Training and Practice Drills	8
14.	Spill Report Form Template	9
15.	MSDS Sheets	10

1.0 Introduction

The Shear Minerals Ltd. Spill Contingency Plan shall be in effect from May 2005 to November 2007.

This Shear Minerals Ltd. Spill Contingency Plan encompasses all its present camps and active remote sites in Canada.

This Spill Contingency Plan is posted at operational remote sites.

Shear Minerals Ltd. endeavors to take every reasonable precaution toward ensuring the protection and conservation of the natural environment, the safety and health of Shear Minerals Ltd. employees and contractors and (protecting) the community (at large) from any harmful effects of its materials and operations.

2.0 Facilities

Proposed location: (UTM Nad 27, Zone 15V)

CACHE_NO	EASTING	NORTHING	Lat d m s.	Long d m s.
1	599702	7007489	63 11 04.3	91 01 08.3
9	531755	7017720	63 17 19.5	92 22 00.6
10	550361	7015973	63 16 15.4	91 59 47.2
11	528705	7032732	63 25 25.4	92 25 29.9
13	582081	6993433	63 03 46.4	91 22 33.5
14	600794	6990753	63 02 02.8	91 00 27.4
15	576775	7008268	63 11 49.7	91 28 26.2
16	597026	7003478	63 08 57.4	91 04 28.2
KD702	594049	7003549	63 12 20.2	91 07 47.9
Sedna_Camp	588034	7009670	63 12 25.7	91 14 58.2

3.0 Responding to Failures and Spills

3.1 Spill Response Contact List

DIAND Water Resources Inspector Nunavut (867) 975-4298

Environment Canada Nunavut (867) 975-4639

Shear Minerals Ltd. #200, 9797-45 Avenue, Edmonton, AB T6E 5V8 Pamela Strand, President

Bus: (780) 435-0045 Cell: (780) 903-0820 APEX Geoscience Ltd.
Suite 200, 9797-45 Avenue, Edmonton, AB T6E 5V8
Dean Besserer, Vice-President and Project Supervisor

Bus: (780) 439 5380 Cell: (780) 916 5782

Other contacts for spill response

Environmental Protection Environment Canada 24 hour emergency pager	867-975-4644 867-920-5131
DIAND Water Resources Inspector	867-975-4639
Fisheries and Oceans Canada	867-979-8007

3.2 Basic Steps — Spill Procedure

In the case of any spill or other environmental emergency, it is necessary to react in the most immediate, safe, and environmentally responsible manner. No spill or incident is so minor that it can be ignored.

The basic steps of the response plan are as follows:

- 1. Ensure the safety of all persons at all times.
- 2. <u>Identify</u> and find the spill substance and its source, and, if possible, stop the process or shut off the source.
- 3. <u>Inform</u> the immediate supervisor or his/her designate at once, so that he/she may take appropriated action. (Appropriate action includes the notification of a government official, if required, Spill Report forms are included at the back of this plan.
- 4. <u>Contain</u> the spill or environmental hazard, as per its nature, and as per the advice of the DIAND Water Resources Inspector as required.
- 5. <u>Implement</u> any necessary cleanup or remedial action.

3.3 Reporting

- 1. <u>Immediately</u> notify Shear Minerals Ltd. and APEX Geoscience. Spills will be reported to the 24-Hour Spill Line at (867) 920-8130, the DIAND Water Resources Inspector in Nunavut at (867) 975-4298, and Environment Canada personnel at 867-975-4639 immediately.
- 2. A Spill Report Form is filled out as completely as possible before or after contacting the 24 Hour Spill Line.
- 3. Other members of the team are notified as deemed necessary.

4.0 Responding to the spill

- 1. First steps to take when a spill occurs:
 - Ensure your own safety and that of others around you, beginning with those nearest to the scene.
 - Control danger to human life, if necessary.
 - Identify the source of the spill.
 - Notify your supervisor.
 - Assess whether or not the spill can be readily stopped.
 - Contain or stop the spill at the source, if possible, by following these actions:

If filling is in progress, STOP AT ONCE.

Close or shut off valves.

Place plastic sheeting at the foot of the tank, barrel, or piece of equipment to prevent seepage into the ground or runoff of fuel

Use absorbent materials (sheets, pads, booms) to absorb and contain the fuel spill.

2. Next steps to take:

- Determine status of the spill event.
- If necessary, pump fuel from a damaged and/or leaking tank or drum into a refuge container.
- Notify the 24-hour Spill Report Line, and receive further instructions from the appropriate contact agencies
- Complete and Fax a copy of the Spill Report Form.
- Notify permitting authorities.
- If possible, resume cleanup and containment.

4.1 Fuel Spills on Land

"Land" may be defined as soil, gravel, sand, rock, and vegetation. Advice on spill containment and cleanup may be obtained from the DIAND Water Resources Inspector.

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.
- 4) Absorbent sheeting is placed on the rock to soak up spilled oil, fuel, etc.
- 5) Multi Sorb (crushed lava rock) can be used to scrub the rock surface.
- 6) 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.

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.
- 3) 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, and dispose of product as advised by the 24-Hour Spill Line.
- 4) Petroleum-product sheen on vegetation may be controlled by applying a thin dusting of Multi Sorb or other ultra-dry absorbent to the groundcover.
- 5) Contact the 24-Hour Spill Line, Receive instructions from the appropriate contact agencies listed in Section 3.1 regarding collection of the contaminated soil or vegetation, its removal and site cleanup/restoration.

4.2 Fuel Spills on Water

It is important to immediately limit the extent of the spill. The following is the procedure 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.
- 4) Absorbent booms can then be deployed to encircle and then absorb any hydrocarbon spillage that may have escaped the *containment* boom.
- 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.

4.3 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.

Procedure for spills on Snow

- 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, use spill containment berms or compacted snow berms with plastic over top, around the affected area.

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.
- 3) Contact the 24-Hour Spill Line. Receive disposal instructions (e.g. sealing in drums, burn off, etc.) from the appropriate contact agencies listed in *Section 3.1*.

4.4 Procedure for Chemical Spills

- 1) Assess the hazard of the spilled material. REFER TO THE MSDS SHEETS NOW. Members of the emergency response team who might be susceptible in certain situations, (such as asthmatics, where fumes or airborne particles are evident), should be replaced with alternates.
- 2) Assemble the necessary safety equipment before response (e.g. latex or other protective gloves, goggles, or safety glasses, masks or breathers, etc.)
- 3) Apply absorbents to soak up liquids.
- 4) Place plastic sheeting over solid chemicals, such as dusts and powders, to prevent their disbursement by wind or investigation by birds or other mammals.
- 5) Neutralize acids or caustics. Place spilled material and contaminated cleanup supplies in an empty refuge drum and seal for disposal.
- 6) Contact the 24-Hour Spill Line. Receive instructions on disposal methods and designated locations from the appropriate contact agencies listed in Section 3.1.

4.5 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 camp or base ASAP. Include quantity and type of load loss.
- 2) Base or camp will contact 24-Hour Spill Line, and receive direction and instruction.
- 3) Administer the appropriate procedure for Spills on Land, Water, Snow, or Ice.

5.0 Spill Equipment

Complete spill kits, oil absorbent kits, are kept on hand at all camps. Spill kits contain Multi Sorb, crushed lava rock, hydrophobic absorbent matting, goggles, plastic sheeting, protective gloves, shovel, garbage bags, and empty drum.

6.0 Training and Practice Drills

Training

All members of the Response Team will be familiar with the spill response resources at hand, this Contingency Plan, and appropriate spill response methods. Involvement of other employees may be required, from time to time.

This familiarity will be acquired through:

- 1) Initial or refresher training, as appropriate, provided once per season.
- 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

Shear Minerals Ltd. 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.

NWT/Nunavut Spill Report Form



NWT SPILL REPORT (Oil, Gas, Hazardous chemicals or other materials)

24 - Hour Report Line

Phone: (867) 920-8130 Fax: (867) 873-6924

A Report Date and Time	B Date and Time of Spill (if known)	C Original Report Update No.		Spill Number						
D Location and map coordinates (if known) and direction (if moving)										
E Party Responsible for Spill										
F Product(s) spilled and estimated quantities (provide metric volumes/weights if possible)										
G Cause of spill										
H Is spill terminated?	$oldsymbol{\mathrm{I}}$ If spill is continuing give estimated rate	J 1s further spill possil	ble?	K extent of contaminated area in m²						
L Factors affecting spill or recove	M Contain	tainment (natural depression, dyke etc.)								
N Action, if any, taken or proposed to contain, recover, clean up or dispose of product(s) and contaminated materials										
O Do you require assistance?	P Possible hazards to	${ m P}$ Possible hazards to persons, property, or environment; eg: fire, drinking water, fish or wildlife.								
Q Comments and/or recommend	ations			FOR SPILL LINE USE ONLY						
				Lead Agency						
		Spill Significance								
				Lead Agency contact and time						
				Is this file now closed? yes						
Reported by:	Position, Employer, Lo	Position, Employer, Location		Telephone No:						
Reported to:	Position, Employer, Lo	ocation		Telephone No:						

MSDS Sheets