WATER LICENSE # 2BE-KAZ0609
&
LAND USE PERMIT # N2006J0017
2007 ANNUAL REPORT
on the
BAKER BASIN PROPERTY
Kivilliq Region
NTS 55M 10 to 15

Claims BT 1 to BT 55 and PP Numbers 6678, 6679, 6680 & 6976
Centered at 63° 47' N Latitude and 95° 20' W Longitude
for
PACIFIC RIDGE EXPLORATION LTD.
and
KAMINAK GOLD CORPORATION
Field Work: May 16, 2007 to October 15, 2007
by G. Norman, P.Geo. and A. Arenas, B.Sc.

KZ Drilling : Large Bag Used to Catch Rock Chips from Drill Return

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

APPENDICES

1.0 Introduction

The Baker Basin Property is located within the Kivilliq region centered approximately 65 kilometers southeast of the hamlet of Baker Lake, Nunavut. The property encompasses approximately 194,555 hectares (480,940 acres) and comprises 4 prospecting leases (PP #'s 6678, 6679, 6680 and 6976) and 55 claims (BT 1 to BT 55) of which all or portions of 4 prospecting licenses are being replaced with newly staked mineral claims (BT 56 to BT 97). The BT 56 to BT 97 mineral claims extend over approximately 40,000 hectares (98,522 acres). The reduced claim block of BT 1 to BT 97 claims will encompass 96,052 hectares (237,440 acres). The property lies within NTS map units 55M 10 to 15 with geographic center at approximately 63° 47' N latitude and 95° 20' W longitude (near the center of Bissett Lake). The Baker Basin property was acquired by Pacific Ridge Exploration Ltd. ("Pacific Ridge") from Kaminak Gold Corporation ("Kaminak") through an option/joint venture agreement that allows Pacific Ridge to acquire up to a 100% interest in the property.

Assess to the property from the hamlet at Baker Lake is gained predominantly via helicopter but portions of the property can also be accessed by float plane or fixed wing as there are numerous lakes and eskers which provide sufficient off strip landing sites. Refer to Figures 1 and 2 General Location Map and Prospecting Permits and Gridded Zones and Figures 3 and 4 for Property Map and Land Tenure Map.

Pacific Ridge followed guidelines with respect to permits issued for all exploration work completed during the 2007 exploration program. The main permits acquired include: a Water License (NWB License No. 2BE-KAZ0609) amended expiry date is November 1, 2009, a Land Use permit (# N2006J0017) expiry date of August 18, 2008 and a Prospecting License (# N33273). Our KIA License (# KVL106C22) (recently re-issued as KVL306C23 - November 15, 2007) allowed us access to Inuit Owned land. All diamond drilling was completed on Crown land and only minor reconnaissance field work was completed on Inuit owned land

Pacific Ridge Exploration Ltd and Kaminak Gold Corp. conducted an exploration program targeting uranium mineralization located within the Paleo-proterozoic age Baker basin. With respect to Pacific Ridge Exploration Ltd's Baker Basin Project and item 5.0 of it's Land Use Permit # N2006J0017 the following Annual Report is submitted:

2.0 Summary of Activities for the 2007 Field Season

Pacific Ridge utilized the Baker Lake Lodge, Baker Lake, Nunavut for its base of operations for the Baker Basin Project 2007 field season. The helicopter supported exploration program focused on the drilling of the Lucky 7 and KZ uranium zones with 3,578.3m (11,739.7 ft) core drilling in 9 drill holes. Seven drill holes and 2820.9 m were completed at Lucky 7 and 2 holes and 757.3m at KZ zone from June 06 to October 8, 2007,

As well concurrent reconnaissance and detailed property prospecting, mapping, sampling, and grid controlled radiometric surveys were completed on the Lucky 7 East, Niner zone, Area 8 and Area 10 from July 09, 2007 to September 23, 2007. Detailed grid controlled exploration survey work was conducted on 2 uranium zones (Lucky 7 East Zone and Area 8) covering approximately total area of 23.5 square kilometers (Lucky 7 East zone = 13.5 sq. km and Area 8 zone = 10 sq. km.).

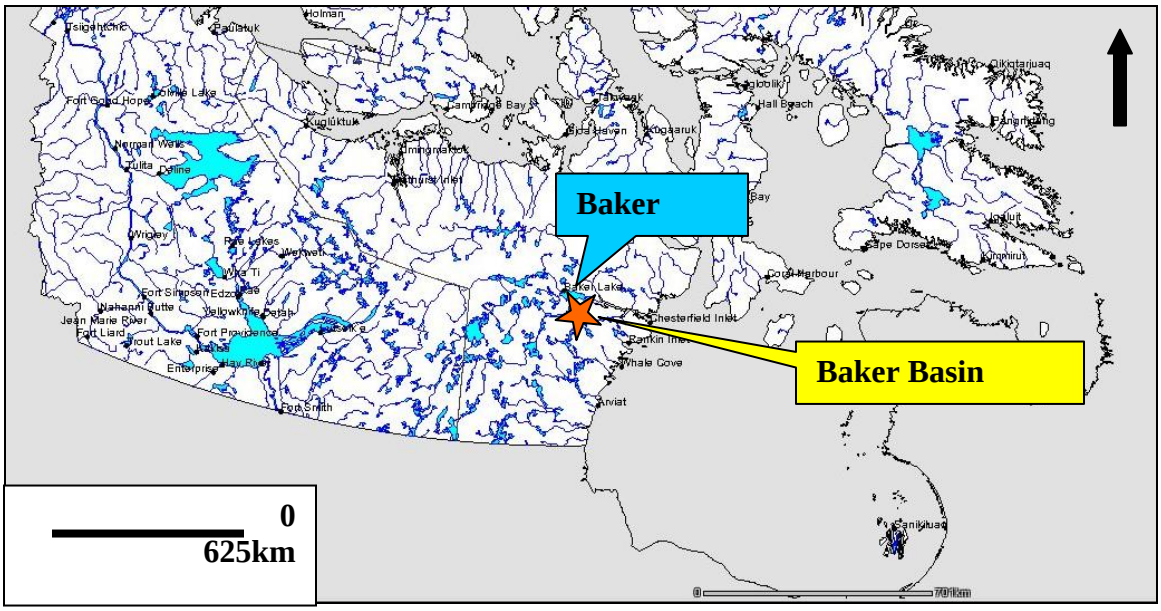

Figure 1 - General Location Map

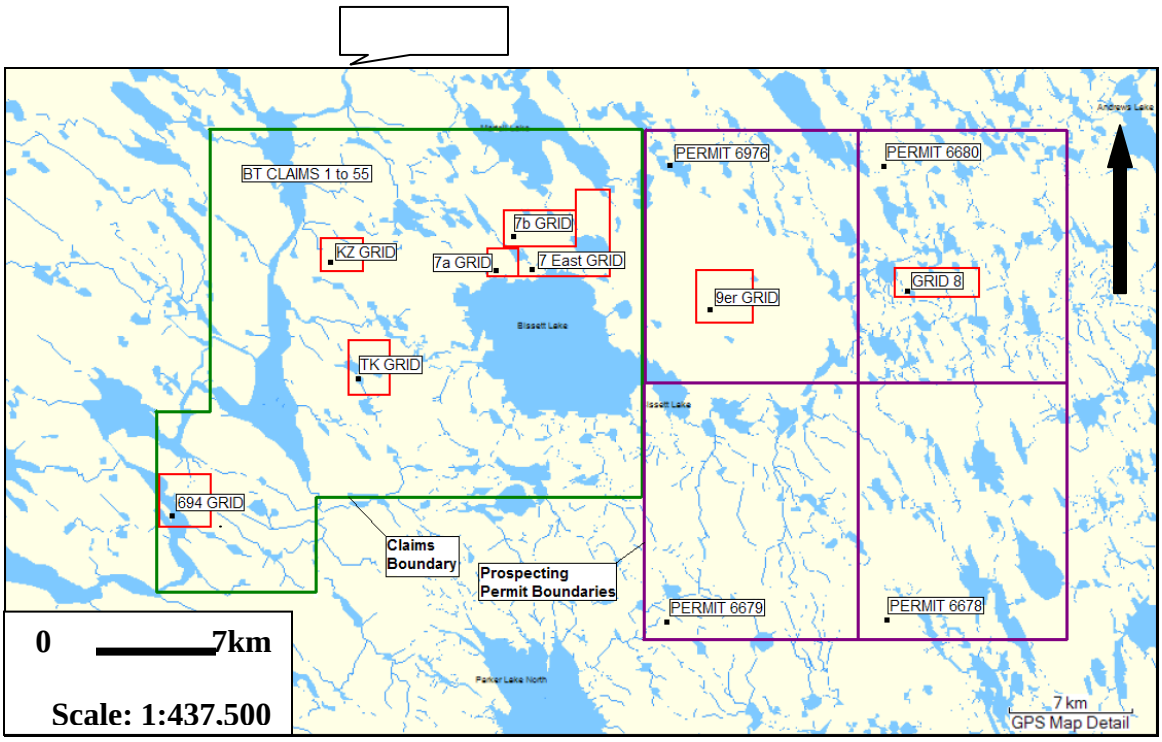

Figure 2 - Claims, Prospecting Permits and Gridded Zones

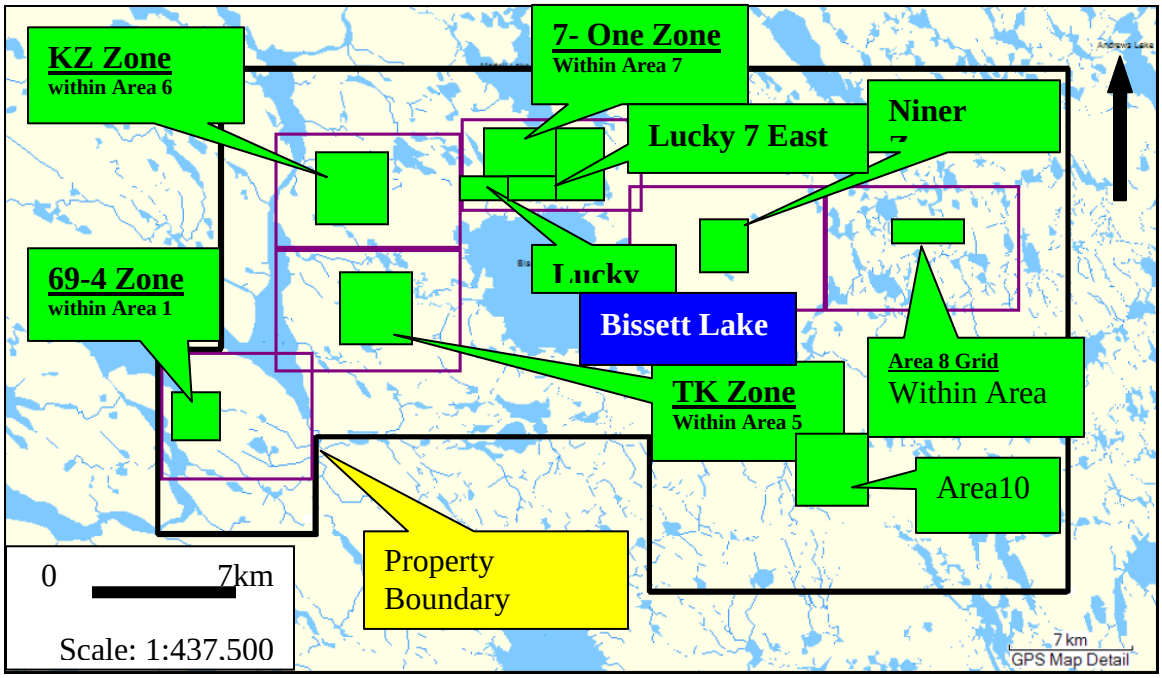

Figure 3 - Baker Basin Property Map

3.0 Work Plan for the 2008 Exploration Field Season

Diamond drilling by Pacific Ridge has tested two zones (Lucky 7 zone and the KZ zone) that host structurally controlled uranium mineralization within the in-filling basin sediments within the Baker Lake basin. A program of 7,000 meters in 22 holes is recommended to test along strike and to depth for uranium mineralization at depth at Lucky 7 and also to test for similar style of mineralization at the newly discovered Niner Zone. Concurrent surveys include surface prospecting, detailed mapping and geophysical surveys on the 7-One and Niner Zones as well as continued property wide prospecting. An allocation of approximately $5 million will be budgeted for this 2008 exploration program. The details of this program includes: 1) 4000 meters of NQ drilling in 12 holes at the Lucky 7 Zone ; 2) 3000 meters of NQ drilling in 10 holes at the Niner zone ; 3) 40 kilometers of deep penetrating electromagnetic and magnetic surveys at KZ, Lucky 7, 7-One and Niner Zones and 4) Continued surface sampling, prospecting and 100 kilometres of radiometric surveying on new discovered uranium prospects.

Note: Pacific Ridge will not be completing any exploration work in the 694 Zone which is located within the Caribou Protection Area and close to Designated Caribou water crossing adjacent to Kazan Falls or at the TK Zone with is within Caribou Protection Area and Inuit Owned Land.

4.0 Environmental Studies

During 2007, Pacific Ridge conducted follow up mapping, prospecting and sampling in conjunction with further diamond drilling of two target areas. Although the Company did not formally initiate environmental base line data collection, several aspects of a proposed environmental program were adhered to particularly a wildlife awareness and documentation program as described below in Section 5.0.

During 2008, Pacific Ridge will have an environmental consultant initiate the following base line data that addresses:

a) Caribou Migration
b) Muskox
c) Bears
d) Wolverine
e) Migratory Birds
f) Water quality
g) Habitat assessment
h) Liason with Hunters
i) On-going community relations

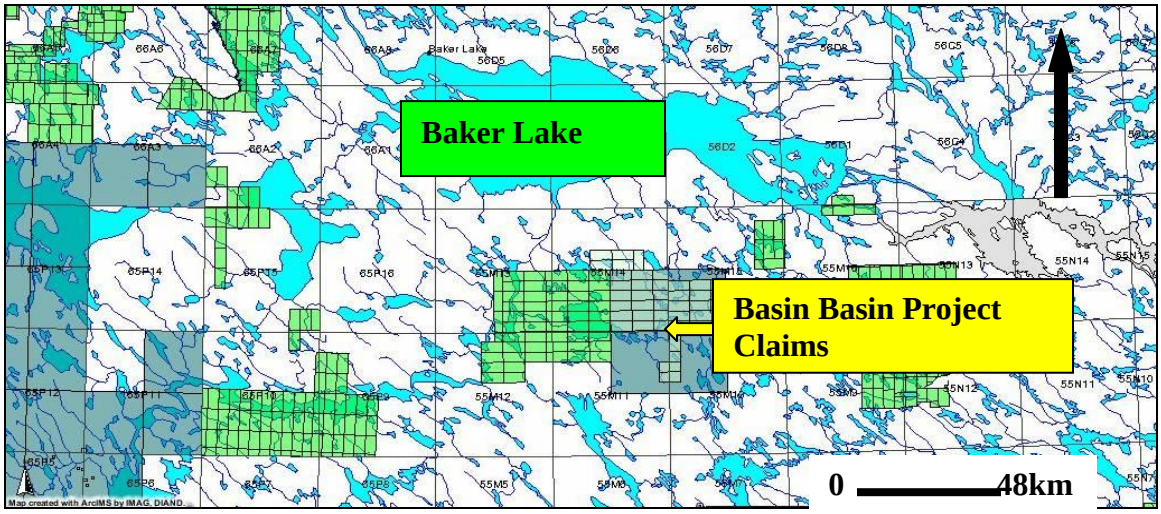

Figure 4 - Baker Basin Tenure

Table 2 - Baker Basin 2007 Exploration Program

Area	DDH #	Metres Drilled	Samples		GPS Grid (km)	Radiometrics (km)	Core Logging (km)
			Core	Surface			Geologic Mapping
LUCKY 7 ZONE	7	2,820.91	526		0	0	2.8
K Z ZONE	2	757.35	73		0	0	0.8
LUCKY 7 EAST	0	0		11	104.50	104.50	104.50
AREA 8	0	0		2	105.00	105.0	105.00
NINER ZONE	0	0		3	0	1	1
RECONN	0	0		13	0	1	1
TOTALS	**9**	**3,578.26**	**599**	**29**	**209.50**	**211.50**	**215.10**

5.0 Wildlife Encounters

Pacific Ridge personnel are very aware of the importance of wild life in the Baker Lake area. Hence, a very diligent and conscious crew worked hard not to disturb the wild life habitat around and within the area of every day activities. These practices include, but not

limited to, cessation of work whenever wild life come too close to the work places, moving out of the direction of wild life migration, high altitude (>300 metres) helicopter flying over large herd of migratory animals, and recording time, places and numbers of encountered wild life species.

Significant caribou herds (±10,000 head) were encountered within Lucky 7 Zone on July 11 (UTM Nad 27, Zone 15 – 387500 E and 7062000 N). The herd was moving east and came within 1 km of the diamond drill located at Lucky 7 Zone. As our drill crew was aware of the herd presence and its migration, the diamond drill was shut down for a portion of the day to let the herd to pass. Also, the helicopter which was to bring the change crew did not attempt to land at the drill site until after the herd had moved on. A similar situation was encountered east of Lucky 7 on July 24 when a large caribou herd of ±7,000 head was moving NE through the Lucky 7 East (UTM Co-ordinates 7076000 N and 406000 E). Again our crews moved out of the area and flew back to the core facility; grid surveying was halted for the remainder of the day. In these situations, the helicopter pilot was instructed to fly around the animals so they would not be disturbed. Refer to Figure 3 Project Area locations.

Herds of muskox, up to 30 per herd, were spotted generally northerly from our prospecting permit block and were observed from the helicopter on route to project sites. When spotted our pilot was instructed to either fly around the animals or sufficiently high enough (> 300m) so they wouldn't be disturbed. On occasion, small groups of 2 or 5 were observed within our permits. When spotted our crews stopped working in the area, and moved away. During reconnaissance of Area 8 within the southeastern portion of the property, a small herd of muskox (5 to 7 head) disrupted work at Area 8-2 anomaly three days in succession (July 14 to July 16), finally on the third day the herd had moved away and we completed our reconnaissance exploration of the area.

On July 18, 2007 Mr. Hugh Ikoe flagged our helicopter down on route from the project site back to Baker Lake. Hugh explained to our pilot that he thought our flight path was disturbing caribou in his hunting area. We explained that we fly at >300m above the ground, but that we would move our flight path to the south 3 or 4 kilometers. Later in the season Mr. Ikoe said that he appreciated that we had moved our flight path.

During the latter stage of drilling (months of September to October) at KZ and Lucky 7 Zones, very few in any caribou were seen within the drill areas. Similarly, no caribou were observed during the demobilization of the diamond drill and equipment (October 9 to October 14, 2007). Only a lone fox was seen about 1 kilometre away from the drill site during that time.

Please refer to Appendix III for animal sightings ledger during the 2007 summer program.

6.0 Local Hires and Initiatives

During this 2007 field season Pacific Ridge Exploration again endeavored use of local businesses for lodging, groceries and general field supplies as well as hire the local Inuit from the community of Baker Lake. To that end, Pacific Ridge hired six Baker Lake residents (including Mark Noah, Samson Jorah, Clifford Kreelak, Steven Utatnaq, Victor Utatnaq and Peter Owingayak) who were employed as field technicians and three housekeepers (Lianna Pattinguyak, Geila Tagoona and Kathy Killulark) for the Baker Lake Project crew house. The local hires amounted to 30% of the total personnel who worked on the summer project. Pacific Ridge was very pleased with their contributions and look forward to giving them the opportunity to work again with us for the 2008 field season. Refer to Appendix I (Photos 7, 16, 26 to 29) and Appendix II for list of all suppliers, contractors and service companies utilized Pacific Ridge during the course of carrying out its Baker Basin 2007 exploration project.

7.0 Community Consultations

On August the 27, 2007 Pacific Ridge Exploration Ltd. held a community informational meeting at the community hall. The meeting was well attended by 78 local residents including the Mayor of Baker Lake, David Aksawnee. Wayne Roberts, VP of Exploration, for Pacific Ridge presented the current status and future plans of the Baker Basin Project. Refer to Photo 24, Appendix I. In concert with the community meeting, Pacific Ridge gave out three door prizes, including a 30 minute helicopter tour ride around Baker Lake area for four of the attendees, one Garmin GPS for 1 attendee, and two $100 gift certificates for 2 attendees. Refer to Photo 25, Appendix I.

8.0 Site Visits by Inspectors and Government Geologists

Karen Costello, District Geologist for Kivilliq region, NU made a site visit August 9, 2007 and toured the various work areas in the field. He geological comments and helpful suggestions to help the program run more smoothly are always welcomed.

Martin Van Rooy, Mines Inspector for Nunavut, visited our Baker Basin field operations on July 19 including drill site and sampling and core logging facility. He also tested and passed two of our geologists for Level II Management Certification on their knowledge of the Consolidation of Mine Health and Safety Act & Regulations, Nunavut. Mr. Van Roy's recommendations for additional safety included construction of an additional step plank for the drill shack entry and carbon monoxide detectors for all shacks.

KIA representatives, Mr. Luis Manzo (Director of Lands) and Jackson Lindell (assistant), visited our field camp July 31, 2007. They required verification that we had not drilled the TK zone in 2006 which is on Inuit Owned Land; which we provided. They also inquired if we were currently recording animal sightings within the project area. We responded that we had been recording sightings since the start of the program. Please refer to Appendix III our recordings.

Henry Kavalik, Resource Manager, Land Use Permits called July 13, 2007 and advised us that he had flown over our drill sites July 10. He also inquired if we were drilling at this time. We commented that we were not presently drilling and had been shut down for a scheduled field break (from July 10 to 24, 2007). He was pleased that the drill was shut down as there were many caribou migrating through the area that day.

On August 15, David Ningeongan, Water Resource Officer for the Nunavut Water Board completed a site tour of the Baker Basin core logging facility. As there was no camp established at this time, there was very little to inspect. David commented that if a camp is established in the future an incinerator would be required to burn all waste products. David recommended that fuel barrels used to contain diesel for tent heaters be similar to one's Areva has established at their camp. At the Areva camp, fuel barrels for heaters are completely encased within plastic containers therefore allowing for no spillage. David also inspected the drill operations and was adamant that Pacific Ridge move it generator at the drill water pump site. He recommended a distance of 31m away from the lake where water was currently being pumped. This was accomplished when the drill moved to the KZ zone, refer to Photo 22.

Charlie Jefferson, Research Scientist with Natural Resources Canada (NRCAN), toured the Baker Basin project several times, Aug.13, 25, and 26, 2007 and presented some very informative views on geology and style of uranium mineralization. See Photo 39, Appendix I.

9.0 Site – Visits with Community Members and Archaeological Study

On August 16, a site visit was made by Baker Lake elder, Irene Nagyougalak and daughter Nancy to assist our consultant archaeologist, Jennifer Tischer, with interpretations of newly discovered archaeological sites. FM Heritage Resources Consultants Inc. was contracted from August 10 to August 19 to complete an archaeological field evaluation of the Baker Basin property. The study is the subject of a report to be filed with several government agencies including the office of the resident Nunavut Archaeologist. A copy will be forward to the Nunavut Mining recorder's office to accompany our assessment report as well a copy will be forwarded to accompany this report when it is made available to Pacific Ridge.

On Sept 16, Pacific Ridge organized the community meeting door prize helicopter ride for the winners. As well, Basil, a local artist, was invited along as he had expressed interested in visiting his grandparents grave site located near Kazan Falls. After the visit, he was very grateful to have been able to revisit their resting place after so many years. The mayor, David Aksawnee was also invited along for the trip, but he had to cancel due to a last minute commitment.

Numerous discussions have been held with members of the community including but not limited to the Table 1: Consultations with the Community of Baker Lake.

Table 1: Consultations with the Community of Baker Lake

Community	Name	Organization	Date Contacted	Telephone No.	Fax No.
Baker Lake	David Aksawnee	Mayor	March 06, May 24 and Aug 27, 2007 re: waste management, courtesy calls, and community meeting, archeological studies.	(867) 793-2874	(867) 793-2509
Baker Lake	Ms. Julie Ross	Dept. of Culture, Language, Elders and Youth	April 02, 2007 re: Archaeological study of Baker Basin	(867) 934-2040	
Baker Lake	Mr. Orin Durey	Local Resident	April 05, 2007 re: Baker Basin Project (69-4) clarification	(867) 793-2389	
Baker Lake	Mr. Luis Manzo	KIA	July 31, 2007 – inspection of camp sites.	(867) 645-5734	(867) 645-3855 fax
Baker Lake	Elijah Amarook	HTA	April 2007	(867) 793-2520	(867) 793-2034
Baker Lake	Boris & Elizabeth Kotelewetz	Baker Lake Lodge	Numerous discussions between May – October 2007.	(867) 793-2905	
Baker Lake	Baker Lake Local People (as participants in the meeting)	Local residents	August 27, 2007 re: update and consultation with the local residents about Pacific Ridge Exploration works and future programs.	Various phone numbers	
Baker Lake	Alexis Utatnaq	Adult Learning Centre	Forwarded prospective young applicants.	(867) 793-2971	

10.0 Airstrip Take Offs and Landings and Helicopter Touchdowns

Because Pacific Ridge used community of Baker Lake as its base of operations;

and utilized the Baker Lake airport as base for our helicopter; there were daily take offs and landings from the airport to the Baker Basin project site from May 23 to Oct. 14. Please refer to the Table 2 below outlining the details of the helicopter activities.

Table 2 Helicopter Take Offs and Landings

		BAKER BASIN PROJECT	HELICOPTER TAKE OFFS AND LANDINGS		
			No. of Take Offs and		UTM (Nad 27, Zone 15)
Site	No. of Landings per Day	Time Frame (days)	Landings	Reason	Easting and Northing
694 Zone	Drop off crew in AM	July 15 to Aug 15 (2)	4	Clean up of garbage and litter	0363300, 7065170
	Pick crew up in PM	July 15 to Aug 15 (2)	4	of previous exploration Companies (etc. fuel barrels, pvc pipe, hoses, equipt., etc.)	
		Sub total	**8**		
KZ Zone	Drop off crew in AM	Sept 11 to Sept 25 (5)	5	Drop drillers off to KZ-07-07	372818, 7079055
KZ Zone	Pick crew up in PM	Sept 11 to Sept 25 (5)	5	Drop drillers off to KZ-07-07	372818, 7079055
KZ Zone	Drop off crew in AM	Aug 18 to Sept 03 (16)	20	Drop drillers off to KZ-07-07	372818, 7079055
	Pick crew up in PM	Aug 18 to Sept 03 (16)	20	to KZ-07-08	372818, 7079055
KZ Zone	DeMob Drill	Sept 3 to Sept 4 (4)	4	Drop drillers off and pickup	372818, 7079055
		Subtotal	**54**		
Niner Zone	Drop off crew in AM	Aug 19to Aug 20 (2)	2	Reconnaissance survey	0394550, 7075550
Niner Zone	Drop off crew in AM	Aug 19to Aug 20 (2)	2	Reconnaissance survey	0394550, 7075550
		Subtotal	**4**		
Lucky 7 East Zone	Drop off crew in AM	July 09 to Sept 22 (33)	33	Mapping, Grid work, Scintillometer	0383000 – 0383000 7077500 – 7079000, 7079000 – 7082000
	Pick crew up in PM	July 09 to Sept 22 (33)	33	Mapping, Grid work, Scintillometer	
Lucky 7 Zone	Drop off crew in AM	May 30 to Oct12 (126)	126	Drop and pickup drillers	038250, 7078200
	Pick crew up in PM	May 30 to Oct12 (1126)	126	drilled L7-07-04 to 10	
		Subtotal	**318**		
Area 8	Drop off crew in AM	July 28 to Sept 23 (23)	23	Grid work, Scintillometer	0405000- 0409000
	Pick crew up in PM	July 28 to Sept 23 (23)	23	Geol Mapping	707500 - 707700
Area 8	Drop off crew in AM	Aug 19 to Aug 20 (6)	6	Re-staking of claims	0385500 - 0396500, 7085000 – 7089500
	Pick crew up in PM	Aug 19 to Aug 20 (6)	6	Re-staking of claims	0401200 - 0413500 ,7070500 - 7082000
		Subtotal	**58**		
Area 10	Drop off crew in AM	Aug 21to Aug 21 (1)	1	Re-staking of claims	0399000 - 0403500, 7059200 – 7064000
	Pick crew up in PM	Aug 21to Aug 21 (1)	1	Re-staking of claims	
		Subtotal	**2**		
Archeological Work	Drop off crew in AM	Aug 11to Aug 18 (5)	5	Archeological work	Lucky 7 Drill Site, KZ Zone,
	Pick crew up in PM	Aug 21to Aug 18 (5)	5	Archeological work	Core Shack Areas
			10		

Core Shack	Drop off crew in AM	May 23 to Oct 14 (139)	139	Core logging and splitting, etc.	379000, 7075500
	Pick crew up in PM	May 23 to Oct 14 (139)	139		
		Subtotal	**278**		
		Grand Total	**724**		

11.0 Site Photos

Please refer to site Photos 1 to 41 in Appendix I

12.0 Revisions to the Abandonment and Restoration Plan

There have been no revisions to the Abandonment and Restoration Plan since the granting of Land Use Permit #N2006J0017 Aug. 18, 2006.

13.0 Reclamation Work

Pacific Ridge conducted a reclamation program as outlined by the various permits granted by the regulatory authorities. The reclamation program for the 2007 field season was minor because the exploration work carried out caused little to no disturbance to the environment. Pacific Ridge's decision to use Baker Lake Lodge as base of operations again and utilize helicopter for access to the property mitigated the need for extensive reclamation work. With no requirement to build a base camp, reclamation associated camp set up and maintenance was eliminated.
Reclamation work completed to date with respect our diamond drilling program includes: 1) Clean up any garbage around drill sites and fly out the project to the Baker Lake community land fill; 2) cement all holes to 31m of surface; 3) pump down hole as much of the drill cuttings as possible (including all radioactive cuttings >0.05 % U; 4) cement off 10m on either side any high grade uranium drill intercepts (>1.0% U over 1 m); 5) cut off at ground level any drill anchors used to stabilize the drill rig.

A containment berm was ordered to store the fuel over winter but it arrived in Baker Lake just after our drill de-mob. Even though Pacific Ridge's Land Use Permit allows for storage of 20 barrels per site, it was decided to return and store all remaining fuel and partial diesel fuel barrels at Baker Lake as precautionary procedure. All empty barrels were also returned Baker Lake.

Other surface exploration work including grid work, scintillometer surveys, geological mapping and rock sampling was accomplished via foot which required no reclamation.

Pacific Ridge completed a clean up of historic drilling equipment left behind from previous drilling campaigns of the 1970's and 1980's at the 69-4 Zone. On July 21, 2007 a crew of 4 Pacific Ridge personnel with the assistance of an Astar helicopter removed old barrels (+- fuel), drill steel, plastic hose, wire and other miscellaneous garbage from two locations and flew all materials to the Baker Lake municipal disposal site. Please refer to Photo 1 below and Appendix I for additional pictures of the clean up.

Photo 1a - 69-4 Zone Clean up (left to right Clifford Kreelak (Inuit hire), Karen Norman, Matt Dallaire and Joel Reavie (pilot)

14.0 Compliance with Project Terms

1) Pacific Ridge followed guidelines with respect to permits issued for all exploration work completed during the 2007 exploration program. The main permits acquired included: a Prospecting License # N33273, Water Licence (NWB Licence No. 2BE-KAZ0609) amended expiry date is November 1, 2009 and a Land Use permit (# N2006J0017) expiry date of August 18, 2008. Our KIA Licence # KVL106C22 (recently re-issued KVL306C23 - November 15, 2007) allowed us access to Inuit Owned land. All diamond drilling was completed on Crown land and only minor reconnaissance field work was completed on Inuit owned land.

2) No drill camp was built and Pacific Ridge continued to utilize Baker Lake Lodge as base of operations. Drill crews, geologists and technicians continued to be transported to and from the project via BA A-star helicopter. Drilling commenced June 02, 2007 and was completed Oct 08, 2007. A total of 3,578.3m were drilled in two zones

including the Lucky 7 Zone with 2820.9m in 7 holes (June. 02 to Oct. 08) and the KZ with 2 holes and 757.3 m (Aug 18 to Aug 31,) Diamond drill hole depths varied from approximately 200m to 700m. Demobilization of the drill and all ancillary equipment commenced Oct. 09 and was completed Oct. 14. Final shut down at Baker Lake Lodge, Baker Lake community and demobilization of personnel was completed by Oct. 16, 2007.

3) The contractor used for the drilling was Connor's Drilling Limited with offices located in Yellowknife, NWT and Kamloops, B.C. The type of drill used was a 25 HH Boyles drill. Both NQ and BQ drilling equipment were utilized.

4) A core logging facility was set up at our permitted camp site located just west of the western shore of Bissett Lake at UTM co-ordinates 0379675 E and 7074600N. This site was used as an old camp site in the past by previous operators and it is also the site of core stacked and core racks from previous operations. Pacific Ridge's 2006 and 2007 drill cores are also stored and stacked (cross-stacked and covered and nailed on the sides with ply-board) at this location. Our core logging facility consisted of three 14x16 ft wood framed (ply-wood covered floors and walls) tents. Two tents were canvas covered and the third, an emergency tent was plywood covered. Two core logging tables and one splitting bench was utilized to examine and split the core samples. The emergency shack was also utilized as lunch room and rest area. Refer to Photos 2 and 3 and 27 to 31, Appendix I. All garbage and disposable metal garbage was removed from site and flown back to Baker Lake where it was properly disposed of in the Baker Lake community landfill. As well, all combustible waste petroleum products were removed from the site and disposed at the proper location at the landfill. This year the site was not used as a camp, only a logging facility and personnel were transported daily to and from our base at Baker Lake Lodge, Baker Lake for day shifts via helicopter.

5) All drill moves were again accomplished via BA-Astar helicopter and all drill set ups were built of lumber keeping the drill rig from touching the tundra surface eliminating any roughing up of the ground surface. All drill holes were sealed to 31m below the surface with cement to prevent ground surface waters from mixing with ground water table. All drill cuttings and grey water was pumped from the drill site and collected in large collection bags (Photo 20 & 23) strategically located in low lying natural depressions. The bags were allowed to overflow but the main portion of the rock cuttings remained in the bag. All sumps utilized for grey drill water and cuttings utilized natural low lying areas such as frost heap sites. In some cases boulders were removed from the frost heaved areas to allow for deeper drainage (Photo 21). Reclamation of these sites will entail replacing the rocks. All sumps were located well away from the high water mark of any stream and approximately at least 1.2 meters below the drill collar elevations. The overflow grey water ponded near the bags in the low lying areas where further finer rock flour was allowed to settled out. Pacific Ridge endeavored to pump back down all drill cuttings back down their respective holes and was successful in putting down approximately 90% of all cuttings. Pacific Ridge was diligent, however in pumping down all cuttings greater than 0.05% U and drill intercepts having uranium in amounts equal or greater than 1% U over 1 metre were cemented to seal off these zones for at least 10m above and below the intercept.

6) No artesian water flow was encountered during the core drilling.

7) All drill sites were made with heavy 6x6 timbers so that the drill rig was on a level surface elevated above the ground level. This kept the drill stabile while drilling and prevented the rutting of the ground surface.

8) No vehicles (ATV's) were used during the exploration program.

9) Only approved chemicals as per our permits were used for drilling purposes. Approved substances included calcium chloride (salt), drill grease, drill polymer.

10) During the drilling program there were no spills of harmful substances. Spill emergency procedures and contact phone numbers in case of a spill were posted in the medic shack located close to the drill site near the satellite phone and drill shack itself.

11) No wildlife habits were damaged during field operations and none of the wildlife was fed.

12) No bears were encountered by Pacific Ridge exploration personnel over the course of the field season. All personnel were briefed regarding possible animal attacks, food handling, garbage disposal procedures and were advised to carry bear spray and an air horn at all times. Guns were carried by several of our qualified personnel including our Inuit field technicians, George Norman and Arlando Arenas for protection only and no hunting was allowed. A grizzly bear sighting from the helicopter was made Aug 22 by our drill crew westerly (2 km) from the KZ drill area and near the Kazan River. No crews were working in the area.

13) All fuel cache locations were e-mailed to Henry Kablalikh.

14) All fuel cache locations were located greater than 31m above the high water mark of any stream. The generator for the water pump was moved 31m away from the lake as per instructions from Water Board inspector. As well spill kits were places at each fuel site and water pump station. No fuel caches exceeded 4000 liters and were generally less than 2500 liters (10 to 12 barrels of helicopter fuel/diesel).

15) Fuel barrels were checked daily for leaks. No leaks were found. All containers were marked with Pacific Ridge Exploration Ltd. to denote ownership.

16) A copy of the land use permit and water licence was posted in the drill shack at all times during the drilling program.

17) In several instances core recovered was deemed to be > 1% U over a length of > 1.0m. In these circumstances the mineralization was sealed by cementing the zone 10m above and below the intercept.

18) All holes were plugged by cementing the hole to the recommended 31m depth such that surface waters were prevented from reacting with ground water (Photo 12).

19) Scintillometer readings were taken before and after drilling at the sump sites. In general, the before and after readings are very similar so far. As drilling is ongoing from year to year on the various areas and the same sumps are being utilized, at the termination the drilling program mitigation measures will be completed to ensure that our Abandonment and Restoration Plan is carried out.

20) The core storage site located at Bissett Lake is open air storage therefore there will be no build up of radon gas; radiation levels are much less than 1.0 µ SV as measured at one meter from the core racks (Photo 38). Pacific Ridge refurbished a core rack (Photos 33 to 35, Appendix I) that held previously drilled core. The historic core was cross stacked and all core deemed to contain "high radioactivity" was moved a site 200m west of the main storage area. The refurbished core rack holds the majority of the more radioactive core. The remaining radioactive core is stacked in close proximity.

21) Pacific Ridge's helicopter activity was provided by Guardian Helicopters with pilots who are seasoned northern operators.

B) Water Licence No. 2BE-KAZ0609

22) No camps or fly camps were established therefore no water was used from Bissett Lake or any other lakes for domestic purposes. The total average water consumption for drilling did not exceed 15 cubic meters per day as per guidelines. There were no unauthorized discharges therefore no follow-up actions were required.

23) No streams were used for a water source.

24) The intake hose for the drill water pump was equipped with an appropriate sized screen to ensure no entrainment of fish. The water draw from the pump was low enough that no fish became impinged on the screen.

25) There was no erosion of the shoreline of the lake where the water pump was located to procure water.

26) There was no open burning and there were no areas designated for waste disposal and no waste materials deposited at the drill sites or at the logging facility.

27) All non hazardous waste including food, paper waste and wood products from both the drill site and logging facility were flown back to Baker Lake and disposed of in the Baker Lake waste disposal site on a as needed basis. The waste oil and other noncombustible waste were also hauled back to Baker Lake as well.

28) As there was no camp this year there was no grey camp water to dispose of.

29) Small latrine pits were established at the drill sites (KZ Zone, co-ordinates 63° 49’ 3.0” N Latitude; 95° 35’ 1.8” W Longitude and Lucky 7, co-ordinates 63° 48’45.0” N Latitude; 95° 23’ 23.5” W Longitude and at the core facility, co-ordinates 63° 46’ 47.2” N Latitude; 95° 26’ 24.4” W Longitude. These pits will be reclaimed and chlorine will be spread to help decompose the waste as part of our reclamation program. At the start of the next phase of major drilling environmentally friendly Stor-burn toilets will be erected.

30) No winter work was done in 2007 and therefore there no winter crossings of lakes or streams with machinery.

31) All drill sites were placed in generally level areas and all drill pad construction was accomplished utilizing 6x6 timbers and other wood products; therefore there was no disturbance of the tundra.

32) No drilling was completed within 31m of any high water mark of any body of water as well the generator for the electric pump used to utilized for drilling purposes was placed 31m from the water source (Refer to Photo 22, Appendix I).

33) Drill waste including drill water and additives were disposed of in naturally occurring depressions (predominantly frost heave sites) at least 31m from the ordinary high water mark of any body of water. Refer to section 17.0 above for more details on disposal of drill water.

34) No holes were drilled on lakes.

35) In accordance with section 6(2)(g)(i) and ii of the Regulation, Pacific Ridge keep at the drill site a Spill Contingency Plan that outlined how petroleum products and hazardous materials were to be handled, stored and disposed of as well as how they would be contained and cleaned up after they were spilled. See Appendix IV for copy of current Spill Contingency Plan.

36) Pacific Ridge’s water licence does not expire until Nov 1, 2009 and plans are to carry out additional exploration work in 2008. All materials including fuel caches, drums, barrels and all drill equipment was removed from the project area and flown back to Baker Lake for storage except for the emergency shack, logging and splitting tables which are properly stored near Bissett Lake

37) No road work was done on the project in 2006 and no culverts were installed.

38) Pacific Ridge Exploration Ltd. prepared and filed with the Water Board a Uranium Exploration Plan that utilizes the Saskatchewan Mineral Exploration Guidelines (2005) and addresses the environmental and water issues related to uranium exploration, drilling extraction, storage and remediation. The Plan was updated in June 2008.

39) Location where sources of water were utilized for drilling purposes include:

Lucky 7 Zone : Rabbit Lake: co-ordinates @ 63° 48’ 52” N Latitude; 95° 23’ 9” Longitude
KZ Zone: Unnamed small Lake @ 63° 49’ 00” N Latitude; 95° 35’34” Longitude

Small quantities (<5 liters) day of water were taken from Bissett Lake for drinking purposes near the Core Facility located @ 63° 46’ 47.2” Latitude; 95° 26’ 24.4”.

40) Progressive reclamation of the drill sites as per 5.0 above was carried out. See Photos 12, 18 and 36 and 42, Appendix I. Note that Photo 42 shows a refurbished site one year after the hole was drilled. The area has returned to its natural state.

The summary above project terms and conditions as complied by Pacific Ridge during the 2007 Baker Basin project seeks to protect the environment as the company carries out its exploration work.

15.0 Compiliance with DIAND Caribou Protection Measures

1) Pacific Ridge Exploration endeavored to comply with the Caribou Protection Measures in all aspects of the exploration program whether it was diamond drilling or constructing survey grid via foot. It was understood by all employees and contractors that if a herd of caribou or muskox moved into the area, we would cease all work. During late June to early July, we observed only minor caribou (1 to 4 animals at a time) passing through the general areas that we were conducting work, and no herds were seen. Significant caribou herds (±10,000 head) were encountered within Lucky 7 Zone on July 11 (UTM Nad 27, Zone 15 – 387500 E and 7062000 N). The herd was moving east and came within 1 km of the diamond drill located at Lucky 7 Zone. As our drill crew was aware of the herd presence and its migration, the diamond drill was shut down for a portion of the day to let the herd to pass. Also, the helicopter which was to bring the change crew did not attempt to land at the drill site until after the herd had moved on. A similar situation was encountered east of Lucky 7 on July 24 when a large caribou herd of ±7,000 head was moving NE through the Lucky 7 East (UTM Co-ordinates 7076000 N and 406000 E). Again our crews moved out of the area and flew back to the core facility; grid surveying was halted for the remainder of the day. In these situations, the pilot was instructed to fly around the animals to minimize any disturbance to the animals. Any situations where flights over caribou was unavoidable an altitude of >300m was observed. Refer to Figure 3 Project Area locations.

2) Pacific Ridge did not utilize snowmobiles or ATV’s (all-terrain vehicles) on any of its project areas in 2007 as per our permitting guidelines.

3) At no time during the migration of caribou did Pacific Ridge conduct operations that blocked or diverted the movement of any caribou herd. Pacific Ridge did not perform any airborne geophysics programs during 2007 on any of its Prospecting Permit areas. There were no large herds migrating through permitted areas where ground scintillometer surveys were being conducted via foot.

4) Pacific Ridge did not construct any camp or conduct any blasting during the course of the exploration 2007 field season. Pacific Ridge did not construct any fuel caches within 10km of any "Designated Crossing" as outlined on the "Caribou Protection Map" between May and Sept 1, 2007.

5) Pacific Ridge did not conduct any diamond drilling within 5 km of any Designated Caribou Crossing" between May 1 and Sept 1, 2007 as out lined on the "Caribou Protection Map'.

6) Pacific Ridge conducted no operation that blocked or caused any diversion to the migration of caribou. Pacific Ridge did not conduct any operation on the Inuit Owned land within 5 km of any "Designated Crossing"

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APPENDIX I

BAKER BASIN SITE PHOTOS

Photo 1 – Checking Ice Depth at Rabbit Lake for Drill Water (May 2007)

Photo 2 - Core Logging Facility
Geologist Laura Donkervoort and Field Technician Jason Speak

Photo 3 - Core Logging Facility - Core Splitting, Core Logging and Safety Tent

Photo 4 – Guardian Helicopter Crew Pilot
Mike Holcroft and Engineer EiJi Maintain A-Star (BA)

Photo 5 - Old Core Racks (Old core was stacked and core racks refurbished)

Photo 6 - Karen Norman Gridding on Lucky 7

Photo 7 - Colin Hamilton and Victor Utatnaq Gridding Area 8

Photo 8 - Archaeology Site at Core Facility - Quartzite Flakes

Photo 9 - Irene Tiktaalaaq at Archealogical Site West of Bissett Lake

Photo 10 - Jennifer Tischer (archaeologist), Tracy Norman, Field Technician, Nancy Nagyougalak and Irene Nagyougalak Archaeological site W of Bissett Lake

Photo 11 - Irene and Nancy Nagyougalak at Archaeological site west of Bissett Lake Historic Houses

Photo 12 - Cementing Drill Hole at Lucky 7

Photo 13 - Altered Kazan Sandstone with Pitchblende Fracture Fills (L7-07-08)

Photo 14 - 69-4 Cleanup Old Barrels

Photo 15 - 69-4 Cleanup - Rolling up old drill hose

Photo 16 - 69-4 Cleanup

Photo 17 - 69-4 Cleanup (Old Drill Hose)

Photo 18 - KZ Drill Hole KZ-07-07 Cemented Hole and
Anchor Cut near Ground Level

Photo 19 - KZ Drill Hole KZ-07-07

Photo 20 - KZ Drilling with Large Bag to Catch Rock Chips from Drill Return

Photo 21 - Tracy Norman Builds Sump in Frost Heave at KZ Zone

Photo 22 - Generator for Drill Water Pump at 31metres from Lake

Photo 23 - KZ Zone - Large Bag Catches Rock Cuttings in Sump

Photo 24 - Mickey Receives Door Prize from Wayne Roberts at Community Meeting August 30, 2007

Photo 25 - Baker Lake Resident Receives Door Prize at Community Meeting

Photo 26 - Clifford Kreelak (Baker Lake Inuit hire) Splits Core

Photo 27 - Clifford Kreelak Helps to Build New Tent Floors for 2008 Season (October 5, 2007)

Photo 28 - Clifford Kreelak and Samson Jorah (Baker Lake Inuit Hires)
Build New Tent Floors
(October 6, 2007)

Phone 29 - Digging Out Core Logging Tables
(May 2007)

Photo 30 – Building Core Logging Facility
(May 2007)

Photo 31 – Building Core Logging Facility
(May 2007)

Photo 32 – Moving Driller's First Aid Tent to Lucky 7

Photo 33 – Old Core Racks (Old Core was stacked and core racks refurbished

Photo 34 - Refurbishing Old Core Racks

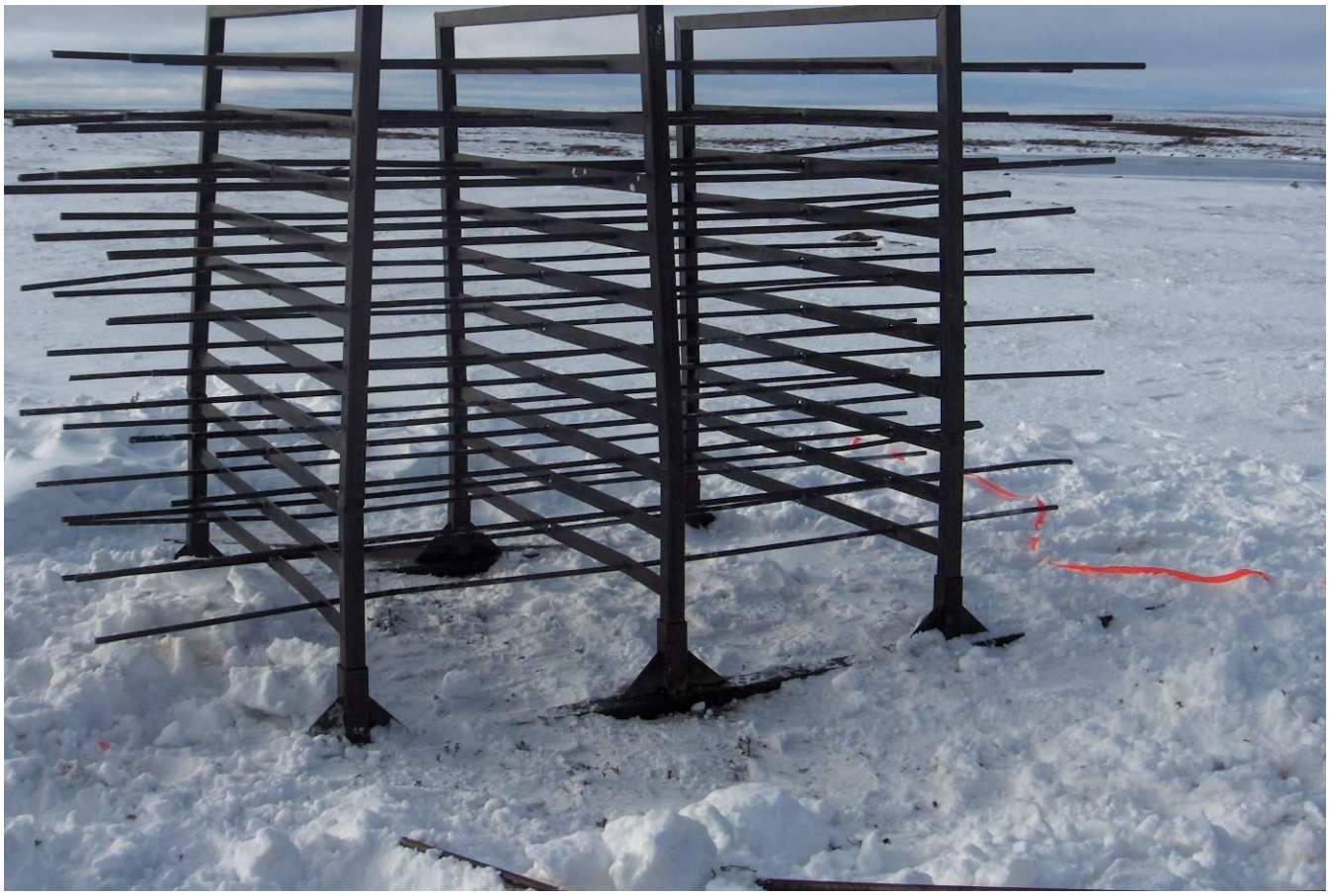

Photo 35 - Refurbished Core Rack
(October 5, 2007)

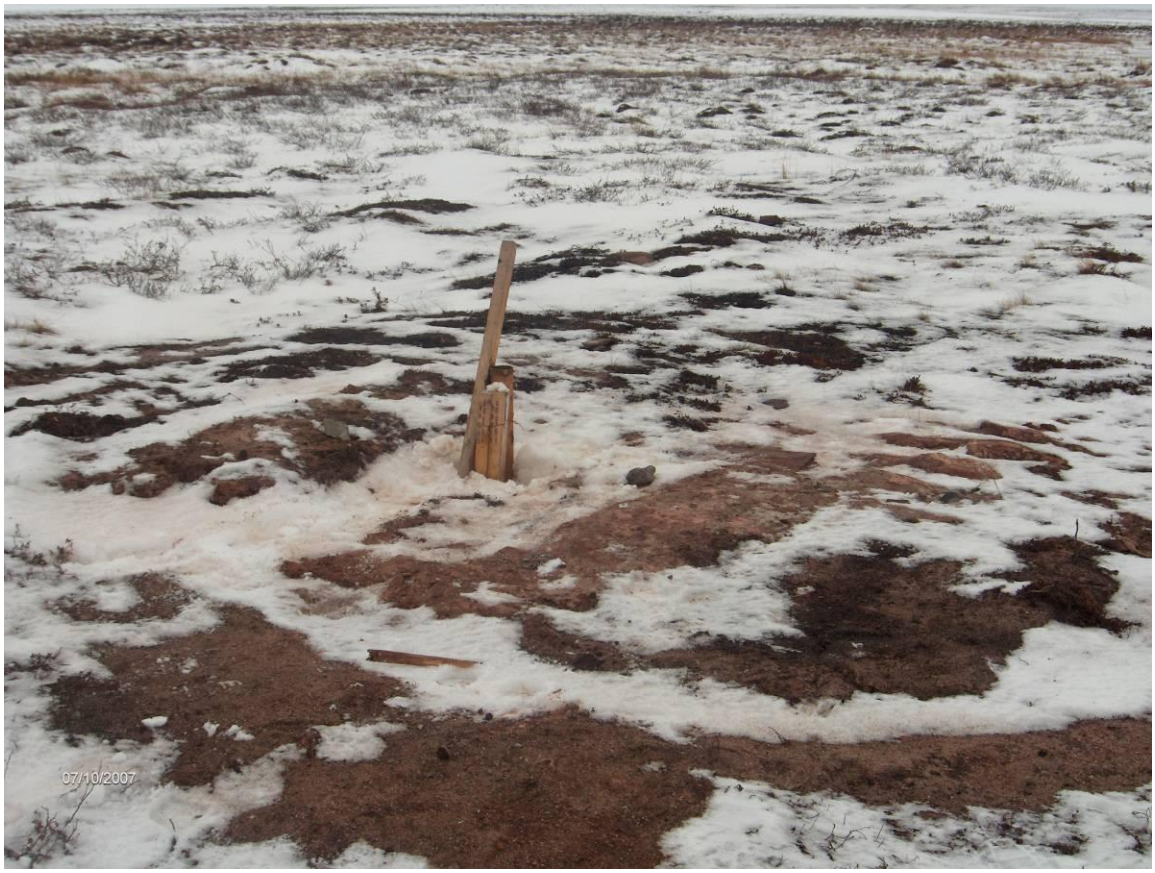

Photo 36 - KZ Drill Site KZ-07-07and KZ-07-08
(hole cemented, marked and area clean)

Photo 37 - Winterized Core Logging Facility

Photo 38 - Stacked Core at Permitted Site West Side of Bissett Lake

Photo 39 - Charlie Jefferson (Research Scientist with GSC) Reviews Core from L7-07-08

Photo 40 - Geologists Matthieu Dallaire and Colin Hamilton log core from Lucky 7 (L7-07-07)

Photo 41 - Crew Picked up by Ookpik Aviation

Photo 42 – KZ ZONE DDH KZ-06-05:

Area refurbished: area cleaned hole marked and drill anchor cut off near ground level.
Note: hole was drilled in Sept 2006; picture taken 1 year later Aug 22, 2007

APPENDIX II

LIST OF SUPPLIERS, CONTRACTORS AND SERVICE COMPANIES

USED BY PACIFIC RIDGE EXPLORATION LTD.

List of Contractors ,Suppliers and Service Companies

Suppiers, Services and Contractors	Personnel/Supply	Address	Phone Number
Air Tindi Ltd.	Fixed Wing Support, aircargo	Box 1693 Yellowknife, NWT	867-669-8200
Arctic Fuels	Diesel and gas	123 Main St. Baker Lake, NU, X0C0A0	
Arctic Sunwest	Fixed Wing Support, air cargo	PO Box 1807, Yellowknife NT X1A2P4	867-873-4464
Aviation Fuel Services	Fuel Depot and Services	Baker Lake, NU, X0C0A0	867-793-2928
Badger and Company	W.J. Roberts, V.P. Exploration	1205-675 W. Hasting St.	604-687-4951
Management Corp,	G. Norman; Project Field Manager	Vancouver, B.C. V6B 1N2	
	A. Arenas, Project Field Geologist	Vancouver, B.C. V6B 1N2	
	M. Dallaire, Geologist	Edmonton, AB.	
	C. Hamilton, Geologist	Nottinghamshire, UK, DN22 8NW	
	L. Donkervoort, Geologist	Toronto, ON	
	T. Norman, Field technician	Vancouver, B.C. V6B 1N2	
	J. Speak, Field Technician	Vancouver, B.C. V6B 1N2	
	K. Norman, Field Technician	Vancouver, B.C. V6B 1N2	
	N. Rankin, Field Technician	Vancouver, B.C. V6B 1N2	
Inuit Hires	M. Noah Field Technician	Baker Lake, NU, X0C0A0	
Inuit Hires	S. Jorah Field Technician	Baker Lake, NU, X0C0A0	
Inuit Hires	C. Kreelak, Field Tech	Baker Lake, NU, X0C0A0	
Inuit Hires	S. Utatnaq, Field Tech	Baker Lake, NU, X0C0A0	
Inuit Hires	P. Owingayak, Field Tech	Baker Lake, NU, X0C0A0	
Inuit Hires	V. Utatnaq, Field Tech	Baker Lake, NU, X0C0A0	
Inuit Hires	L. Pattinguyak, Housekeeper	Baker Lake, NU, X0C0A0	
Inuit Hires	G. Tagoona, Housekeeper	Baker Lake, NU, X0C0A0	
Inuit Hires	K. Killulark, Housekeeper	Baker Lake, NU, X0C0A0	
Baker Lake Lodge	Lodging and meals	PO Box 239 Baker Lake, NU, X0C0A0	867-793-2905
Baker Lake Contracting and Supply	Truck Rental	PO Box 24 Baker Lake, NU, X0C0A0	867-793-2831
Calm Air	Cargo and passenger carrier	Thompson Drive, Thompson, Man. R8N Rx8	867-793-2873 1800-839-2256
Connor's Drilling Ltd	Diamond drilling services	2007 West Trans Canada Hwy ,Kamploops, B.C.,	

Deakin Equipment	Field Supplies	V1S 1A7 1361 Powell St. Vancouver, B.C. V5L 1G8	604-253-2685
Discovery Mining Services	Freight Services	P.O Box 2248, Yellowknife NT, X1A 2P7	867-920-4600 867-873-8332 Fax
First Air	Cargo and Passenger service	Kanata, Ontario, K2M 2V8	613-254-6200
Gahmah International Limited	Scintillometer purchase	207-80 Park Lawn Road Tornoto, Ont., M8Y 3H8	416-232-9114
Guardian Helicopters	Contract Helicopter	538 Hurrican Dr. Springbank Airport, Calgary AB, T3Z 3S8	403-730-6333
Hamlet of Baker Lake	Rent meeting hall	Baker Lake, NU, X0C0A0	867-793-2874
Inand Taxi	Taxi Service	Baker Lake, NU, X0C0A0	867-793-4641
Ken Borak Air Ltd. **Unaalik Aviation (2004 Inc.)**	Fixed Wing Support	Rankin Inlet, NU	867-845-2535
Metro Mobile Radio Sales	Rent radios	101 19005, 94th Ave Surrey, V4N 3S4 B.C., V4W 2Z8	604-888-5100
Minorex Consulting Ltd.	Map printing	25856 - 28 th Ave.Aldergrove B.C., V4W 2Z8	604-857-0442
1984 Enterprises Inc.	First Aid Personnel, Safety	100-355 Burrad St. Vancouver, B.C. V6C 2G8	604 - 736-8119
Northern Store	Groceries, supplies	Baker Lake, NU, X0C0A0	867-793-2920
Northern Convenience	Groceries, supplies	Baker Lake, NU, X0C0A0	867-793-2660
Northwest Tel Cable Inc.	Internet	5120 49th St., Yellowknife, NWT, X1A 2P1	867-991-5600
Nunamuit Lodge	Restaurant	Baker Lake, NU, X0C0A0	867- 793-2127
Ookpik Aviation	Fixed Wing Cargo	Baker Lake, NU, X0C0A0	867-793-2234
Sanavik Co-op	Supplies	Baker Lake, NU, X0C0A0	867-793-2912
Tukilik Translation Services	Translation Services	Yellowknife, NWT	mhunt@theedge.ca
Tutannuq, Percy	Interpreter	Baker Lake, NU, X0C0A0	
Waugh, Vic and Wanda	Staking	Yellowknife, NWT	867-873-2042
WestJet	Cargo and Passenger service	Calgary, AB	1-800-538-5696

APPENDIX III

LIST OF ANIMAL SIGHTINGS

Animal Sightings - May - October 2007

Baker Basin Project

Date	Number	Time	Area	Location	Type of Animal	Observer(s)
May 31 2007	~±1,000	morning	Core shack	Bissett Lake	Caribou	Colin Hamilton
June 7 2007	2	afternoon	Core shack	Bissett Lake	Canada Geese	George Norman
June 7 2008	1	morning	Lucky 7	Lucky 7	Fox	Drillers
July 11, 2007	~±10,000	morning	Drill Site	Lucky 7	Caribou	Entire Crew
July 18, 2007				S shore of Baker Lake	Caribou/Muskox	Hugh Ikoe
July 18, 2007	1000	morning	Lucky 7	Drill site	Caribou	George Norman
July 23, 2007			Lucky 7	Lucky 7 East grid	Ptarmigan	Colin Hamilton
July 24, 2007	~7,000	late morning	Lucky 7		Caribou	Karen/Matt/Colin
July 24, 2007	1	evening	Lucky 7	Drill site	Caribou	
August 4, 2007	1	afternoon	Core shack	Core shack	Caribou	Colin Hamilton
August 5, 2007	4	3:30:00 PM	Grid 8	Northeast corner	Fox	Matt Dallaire
August 6, 2007	12	morning	Grid 8	Area 8	Muskox	Peter and C. Kreelak
August 6, 2007	2	afternoon	Grid 8	Area 8	Hawk	Matt Dallaire
August 7, 2007	12	late morning	Grid 8	Area 8	Muskox	C. Kreelak J. Speak
August 7, 2007	12	4:30:00 PM	Core shack	3 kms west	Muskox	Arlando Arenas
August 22, 2007	1	morning	Kazan River	Luck 7	Grizzly bear	Drillers
August 22, 2007	2	morning	West of Bissette, west side of KZ River		2 wolves	Tracy, George,
September 6, 2007	1	morning	Lucky 7	Northeast corner of grid	Caribou	Colin , Samson
September 6, 2007	1	afternoon	Lucky 7	Northeast corner of grid	Caribou/ Weasel	Colin, Samson
September 7, 2007	12	morning	Lucky 7	Northeast corner of grid	Muskox	Colin, Steven
September 8, 2007	1	morning	Grid 8	Area 8	Wolf	Nicole, Samson
September 9, 2007	1	morning	Lucky 7	Northeast corner of grid	Caribou	Colin, Steven
September 9, 2007	6	morning	Lucky 7	Northeast corner of grid	Muskox	Colin, Steven
September 11, 2007	1	afternoon	Core shack	Core shack	Muskox	Nicole, Colin
September 13, 2007	1	afternoon	Core shack	Core shack	Muskox	Colin, Arlando
September 20, 2007	10	morning	Lucky 7	Lucky 8	Muskox	Colin, Samson
September 17, 2007	2	afternoon	Core shack	Core shack	Caribou	Nicole, Steven
September 23, 2007	15	morning	Grid 8	East	Caribou	Matt, Samson
September 25, 2007	1	morning	Airport	Baker Lake	Fox	Nicole, Steven, Matt
October 14, 2007	1	morning	Lucky 7	Lucky 7	Fox	George, driller

APPENDIX IV

PACIFIC RIDGE EXPLORATION LTD.

SPILL CONTINGENCY PLAN
BAKER LAKE PROPERTY

NUNAVUT

MARCH 2006

PACIFIC RIDGE EXPLORATION LTD.

SPILL CONTINGENCY PLAN
BAKER LAKE PROPERTY

NUNAVUT

MARCH 2006

Table of Contents

Page #

List of Appendices

1.0 Introduction

The Pacific Ridge Exploration Ltd. Spill Contingency Plan shall be in effect from March 01, 2006. Any proposed changes and/or amendments will be submitted to the Nunavut Water Board, DIAND and the Kivalliq Inuit Association.

This Spill Contingency Plan has been specifically prepared for the Baker Lake Property exploration program. This Plan shall be posted at operational remote camps and drill shacks.

Pacific Ridge Exploration Ltd. endeavours to take every reasonable precaution toward ensuring the protection and conservation of the natural environment and the safety and health of all employees and contractors from any potential harmful effects of stored materials and operations.

2.0 Facilities

Proposed location: (UTM Nad 26, Zone 15) 63° 42´N Lat, 95° 42´ W Long (main drill camp). Other possible camp locations for small fly-camps:

- **Kazan River :** Raised Beaches – 63º 44´ N Lat , 95° 42´ Long
- **Kazan River SE:** - 63° 39´ Lat, 95° 36´ Long
- **Kazan River N:** (west of Lake Bissett) 63° 45 Lat, 95º 39´ Long (possible drill camp)
- **Kazan River N:** (north east of Lake Bissett) 63° 49´ Lat, 95º 38´ Long (possible drill camp)
- **Bissett Lake E :** (beach area) 63° 51´ Lat, 95º 20´ Long
- **Martell Lake S:** 63° 51´ Lat, 95º 20´ Long
- **Bissett Lake S:** 63° 41´ Lat, 95º 22´ Long
- **Shane Lake S:** 63° 46´ Lat, 95º 02´ Long
- **Shane Lake NE:** 63° 48´ Lat, 95º 57´ Long

Fuel cache and drill target locations yet to be finalized.

3.0 Petroleum and Chemical Product Storage and Inventory

3.1 Remote Location Fuel Inventory, Storage and Handling Procedures

The main fuel cache will be located at the main drill camp. Remote fuel caches may also be established. Typically these remote fuel caches would consist of 8 drums or less of jet fuel, stored in accordance with approved methods of storage of drummed product.

3.2 Petroleum Product Transfer

Manual and automatic pumps (and aviation fuel filters for jet fuel) are used for the

transfer of all petroleum products. Smoking, sparks, or open flames are **prohibited** in fuel storage and fuelling areas at all times.

4.0 Risk Assessment and Mitigation of Risk

4.1 Petroleum Products and Other Fuels

Following, is a list of sources:

1) Drummed product: Leaks or ruptures may occur. This includes drums of Jet B, Diesel, Gasoline, Waste Fuel, and Waste Oil.

2) Fuel cylinders: Propane, leaks may occur at the valves. All cylinders are secured at all times.

3) Vehicles and equipment: Wheeled vehicles and equipment, aircraft (fixed and rotary wing), snowmobiles, generators, pumps. Incidents involving leaking or dripping fuels and oils may occur due to malfunctions, impact damage, and lack of regular maintenance, improper storage, or faulty operation.

Regular inspection and maintenance in accordance with recognized and accepted standard practices at all camps and fuel caches, reduces risks associated with the categories listed above.

Spill response training is provided to all personnel with particular attention to those personnel who handle fuels and other petroleum products. This training will include a presentation, "mock" spill, review of spill kit contents and their use and reporting.

Spill Kits will be located at all camps and drill shacks. A description of contents is listed in Section 7.0.

5.0 Responding to Failures and Spills

5.1 Spill Response Contact List

DIAND Water Resources Inspector
Iqaluit, Nunavut
(867) 975-4298

Environment Canada
Iqaluit, Nunavut
(867) 975-4644
24 hour pager – (867) 920-5131

Pacific Ridge
Suite 1205 – 675 West Hastings Street

Vancouver, BC
V6B 1N2
Phone: (604) 687-4951
Fax: (780) 687-4991

5.2 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. *Identify* and find the spill substance and its source, and, if possible, stop the process or shut off the source.

3. *Inform* the on-site coordinator or his/her designate at once, so that he/she may take the appropriate actions. Appropriate action includes the notification of the spill to the 24 hour Spill Line and DIAND Water Resource Officer, a copy of the Spill Report form can be found in Appendix I.

4. *Contain* the spill or environmental hazard, as per its nature, and as per the advice of the Spill Line and the DIAND Water Resource Officer as required.

5. *Implement* any necessary cleanup and/or remedial action.

5.3 Basic Steps — Chain of Command

1. *Immediately* notify and report 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 867-975-4644.

2. ***A Spill Report Form (Appendix I)*** is filled out as completely as possible before or after contacting the 24 Hour Spill Line.

3. Notify Wayne Roberts, V.P. of Exploration, Pacific Ridge Exploration Ltd. at (604) 687-4951.

5.4 Other contacts for spill response/assistance and further reporting

Nunavut Water Board (867) 360-6338

Fisheries and Oceans Canada Habitat Impact Assessment Biologist (867) 979-8007

6.0 Taking Action

6.1 Before the Fact: Preventative Measures

The following actions illustrate a proactive approach to environmental stewardship. In addition, these actions minimize the potential for spills during fuel handling, transfer and storage:

1. Fuel transfer hoses with cam lock mechanisms are used.

2. Carefully monitor fuel content in the receiving vessel during transfer. Always have additional absorbent pads on hand while transferring fuel.

3. Clean up drips and minor spills immediately.

4. Regularly inspect drums, tanks and hoses for leaks or potential to leak and for proper storage.

5. Create fuel caches in natural depressions that are located a **minimum** of 31 metres from the normal high-water mark of any water body.

6. Train personnel, especially those who will be operators, in proper fuel handling and spill response procedures.

6.2 After the Fact: Mitigative Measures

1. First steps to take when a spill occurs:
    a) Ensure your own safety and that of others around you, beginning with those nearest to the scene.
    b) Control danger to human life, if necessary.
    c) Identify the source of the spill.
    d) Notify your supervisor, request assistance if needed.
    e) Assess whether or not the spill can be readily stopped.
    f) Contain or stop the spill at the source.

2. Secondary steps to take:
    a) Determine status of the spill event.
    b) If necessary, pump fuel from a damaged and/or leaking tank or drum into a refuge container.
    c) Notify the 24-hour Spill Report Line, and receive further instructions

from the appropriate contact agencies listed in *Section 5.3.* (disposal of contaminated soil or ice/snow in sealed containers for removal from site, etc.).

d) Complete and Fax a copy of the Spill Report Form *(Appendix I).*
e) Notify permitting authorities.
f) If possible, resume cleanup and containment.

6.3 SPILL RESPONSE ACTIONS

DIESEL FUEL, HYDRAULIC OIL, AND LUBRICATING OIL

Take action only if safety permits – stop the source flow if safe to do so and eliminate all ignition sources. Never smoke **when dealing with these types of spills.**

On Land

Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill after all vapors have dissipated.
Remove the spill by using absorbent pads or excavating the soil, gravel or snow.
Remove spill splashed on vegetation using particulate absorbent material.
Contact regulatory agencies for approval before commencing with the removal of any soil, gravel, or vegetation.

On Muskeg

Do not deploy personnel and equipment on marsh or vegetation.
Remove pooled oil with sorbent pads and/or skimmer.
Flush with low pressure water to herd oil to collection point.
Burn only in localized areas, e.g., trenches, piles or windrows.
Do not burn if root systems can be damaged (low water table).
Minimize damage caused by equipment and excavation.

On Water

Contain spill as close to release point as possible.
Use containment boom to capture spill for recovery after vapors have dissipated.
Use absorbent pads to capture small spills.
Use skimmer for larger spills.

On Ice and Snow

Build a containment berm around spill using snow.
Remove spill using absorbent pads or particulate sorbent material.
The contaminated ice and snow must be scraped and shoveled into plastic buckets with lids, 205 litre drums, and/or polypropylene bags.

Storage and Transfer

All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labeled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal

Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

6.3 SPILL RESPONSE ACTIONS

GASOLINE AND JET B AVIATION FUEL

Take action only if safety permits – stop the source flow if safe to do so and eliminate all ignition sources. Never smoke **when dealing with these types of spills.**

On Land

Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill after all vapors have dissipated.
Remove the spill by using absorbent pads or excavating the soil, gravel or snow.
Remove spill splashed on vegetation using particulate absorbent material.
Contact regulatory agencies for approval before commencing with the removal of any soil, gravel, or vegetation.

On Muskeg

Do not deploy personnel and equipment on marsh or vegetation.
Remove pooled gasoline or Jet B with sorbent pads and/or skimmer.
Flush with low pressure water to herd oil to collection point.
On advice from regulatory agencies, burn only in localized areas, e.g., trenches, piles or windrows.
Do not burn if root systems can be damaged (low water table).
Minimize damage caused by equipment and excavation.

On Water

Contain spill as close to release point as possible.
Use containment boom to capture spill for recovery after vapors have dissipated.
Use absorbent pads to capture small spills.
Use skimmer for larger spills.

On Ice and Snow

Build a containment berm around spill using snow.
Remove spill using absorbent pads or particulate sorbent material.
The contaminated ice and snow must be scraped and shoveled into plastic buckets with lids, 205 litre drums, and/or polypropylene bags.

Storage and Transfer

All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labeled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal

Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

6.3 SPILL RESPONSE ACTIONS

PROPANE

Take action only if safety permits. Gases stored in cylinders can explode when ignited. Keep vehicles away from area. Never smoke **when dealing with these types of spills.**

On Land
Do not attempt to contain the propane release.

On Water
Do not attempt to contain the propane release.

On Ice and Snow
Do not attempt to contain the propane release.

General

It is not possible to contain vapors when released.
Water spray can be used to knock down vapors if there is no chance of ignition.
Small fires can be extinguished with dry chemical of CO_2.
Personnel should withdraw immediately from area unless a small leak is stopped immediately after it has been detected.
If tanks are damaged, gas should be allowed to disperse and no recovery attempt should be made.
Personnel should avoid touching release point on containers since frost forms very rapidly.
Keep away from tank ends.

Storage and Transfer
It is not possible to contain vapors when released.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods for detective equipment that resulted in the release.

7.0 Spill Equipment

Complete spill kits are kept on hand at all camps and drill shacks. Spill kits contain:

1 – 360 litre/79 gallon polyethylene over-pack drum
4 – oil sorbent booms (5" X 10')
100 – oil sorbent sheets (16.5" X 20" X 3/8")
1 – drain cover (36" X 36" X 1/16")
1 – Caution tape (3" X 500')
1 – 1 lb plugging compound
2 – pair Stirile gloves
2 – pair Safety goggles
2 – pair Tyvek coveralls
1 – instruction booklet
10 – printed disposable bags (24" X 48")
1 – shovel

In addition at least one empty fuel drum will be located at each fuel cache in the event of damaged or leaking drums. Extra absorbent pads will be kept with the helicopter, drill and any area where re-fuelling, transferring and/or handling is done.

8.0 Training and Practice Drills

8.1 Training

All employees and contractors will be familiar with the spill response resources at hand, this Contingency Plan, and will also be trained for initial spill response methods. Involvement of other employees may be required, from time to time. Annual refreshers will be conducted to review the procedures within this plan.

Appendix I

Nunavut Spill Report Form