



FUEL MANAGEMENT PLAN

Kahuna Property
Kodiak Copper Corp.

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(formerly Dunnedin Ventures Inc.)
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1 Introduction

This Fuel Management Plan (FMP) shall be in effect from May 30, 2022 and has been specifically prepared for the Kahuna Property. The Kahuna Diamond Property is located between the communities of Rankin Inlet (Kangiqliniq) and Chesterfield Inlet (Igluigaarjuk) in the Kivalliq Region of Nunavut.

The purpose of this Fuel Management Plan is to ensure that the storage, transportation and handling of fuel and chemical materials is done in a manner that is environmentally sound and safe to personnel and contractors. A copy of this plan will be kept in the office at site and at the head office in Vancouver. Copies of this plan may be obtained from Kodiak Copper Corp. (Kodiak) (formerly Dunnedin Ventures Inc).

This Fuel Management Plan should be used in conjunction with other property plans and best management practices. Other plans at the Kahuna Property include:

- Abandonment and Restoration Plan
- Emergency Response Plan
- Environmental and Wildlife Management Plan
- Field Safety Manual
- Spill Prevention and Response Plan
- Waste Management Plan

1.1 Corporate Details

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1.2 Project Description

The Kahuna Diamond Property currently covers 66 mineral claims (100% and 50% ownership) covering approximately 820.3 square kilometres (Appendix A). Due to the transition to online map staking as of January 30, 2021, Kahuna Diamond Property claims currently have overlapping units on Nunavut Map Selection. Claim boundaries will be adjusted to remove overlapping units once all issue dates are reached. Claims are located on NTS map sheets 055O/02, 055O/03, 055O/04, 055O/05, 055O/06, 055O/07, 055J/13, 055J/14, 055N/01 and 055N/08 (Figure 2). The southern boundary of the property adjoins the north boundary of subsurface Inuit Owned Land (IOL) parcel RI-01, approximately 40 kilometres northeast of Rankin Inlet. The northeast corner of the property is located approximately 15 kilometres southwest of Chesterfield Inlet. The Property extends north, south, east and west between Latitudes 62°59'30" and 63°15' 30" North and Longitudes 90°44' and 91°49' West. A total of 45 mineral claims have surface rights that are within, or partially within, the boundaries of surface Inuit Owned Land parcel CI-15.

Exploration and camp activities on the Kahuna Property are permitted under CIRNAC Land Use Permit N2018C0022, KIA Land Use License KVL315B01, KIA Land Use License KVR16F01 and NWB Water License 2-BE-KDP1722. Activities permitted include rock, till and soil sampling, prospecting and geological

mapping, ground geophysical surveying, diamond drilling, reverse circulation drilling, bulk sampling and the operation of the Kahuna Field Camp. Operations will be based out of the Kahuna Camp.

The Kahuna Field Camp is located on Crown Lands approximately 40 kilometres northeast from Rankin Inlet and 50 kilometres southwest from Chesterfield Inlet at 575,941mE and 6,990,898mN in Zone 15, UTM NAD83. The Kahuna Camp is located on Crown Land on mineral claim K90309 (KH 46). Kodiak transferred ownership of this claim to Solstice Gold Corp. on August 31, 2018 after the camp was constructed. The camp is co-owned by both Kodiak and Solstice and is used as a base of operations for both companies. The camp will operate seasonally from early-March through late-September.

The 20-person field camp is comprised of: 1 kitchen tent, 1 office tent, 1 dry tent, 1 utility tent, 1 core logging tent, 7 supplementary sleep tents, a Pacto latrine facility, a small generator shed and 2 arctic grade containment berms. The structures are a combination of WeatherPort vinyl tents, canvas prospectors' tents and small plywood sheds. The field camp will be fully closed and dismantled completely once exploration activities cease. The site will then be reclaimed and restored to its original state.

1.3 Applicable Legislation and Guidelines

Acts, Regulations, and Legislation that applies to the storage, handling and transport of fuel include but are not limited to:

1.3.1 Federal

- National Fire Code of Canada (Federal)
- Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations
- Federal Aboveground Storage Tank Technical Guidelines
- CCME Environmental Codes of Practice for Underground and Aboveground Storage Tank Systems
- Transport of Dangerous Goods Act
- The Workplace Hazardous Materials Information System (WHMIS)
- Workers' compensation Board
- Canadian Environmental Protection Act
- Fisheries Act
- Environmental Protection Act
- Guidelines for Spill Contingency Planning, INAC
- Draft Fuel Storage and Handling Guidelines, April 2009, Indian and Northern Affairs Canada - Nunavut

1.3.2 Territorial

- Fire Prevention Act
- Nunavut Waters Act
- Nunavut Surface Rights Tribunal Act
- Draft Recommended Best Practices for the Storage and Handling of Petroleum and Allied Petroleum Products on Federal Crown Lands in Nunavut
- Nunavut "Guideline for the General Management of Hazardous Waste"
- The Mine, Health and Safety Act and Regulations (Nunavut)
- The NWT and Nunavut Safety Act, the Occupational Health and Safety Regulations

2 Training

Proper use and monitoring is paramount to safe fuel storage and handling. Personnel that will be tasked with handling and inspecting will be required to receive proper and adequate training. This training will include, but not be limited to the following areas:

- Operations/Maintenance
- Spill Response
- WHMIS

3 Fuel Inventory

Diesel, jet fuel, propane and gasoline will be stored at the Kahuna Property. These fuels must be stored in a manner that minimizes risks to the environment, personnel/contractors and camp, while minimizing and preventing the potential impact of infrastructure developments. The majority of fuel to be cached on the property will be transported via overland haul with cargo sled during winter months on the permitted winter trail. Additional fuel may be delivered to site via helicopter during the summer months.

The main fuel cache is located west of the Kahuna Camp at 575800mE 6990903mN UTM Zone 15, UTM NAD83. Fuel to be cached on the site will include up to:

- 150 – 205 L drums of diesel fuel
- 150 – 205 L drums of jet fuel
- 10 – 205 L drums of gasoline
- 20 – 100 lb. cylinders of propane

Temporary supply caches of less than nine drums will be located at drill sites and bulk sampling sites to maintain operations of drilling equipment and bulk sampling equipment, respectively. Drill sites are selected during operations based on geophysical and geological results. Bulk sampling is not planned for the upcoming field season.

Kodiak endeavors to consume a majority of the cached fuel by the end of each season. Please refer to the "Spill Prevention and Response Plan" for more information.

A complete inventory of all fuel and hazardous materials on site will be recorded at the beginning and end of seasonal operations. The Camp Manager will be responsible for daily inspections of the fuel berms and the monitoring, tracking and recording of fuel inventories while operations are active.

4 Storage and Secondary Containment

The use of fuel is required to support operations on the Kahuna Property. All fuel on the property will be stored in secondary containment fuel berms. These fuel berms will be established and operated in accordance with this Fuel Management Plan and Kodiak's Spill Prevention and Response Plan.

- All fuel drums will be stored in secondary containment berms.
- All secondary containment berms will be capable of holding 110 percent of the volume of the largest fuel reservoir that is housed within the secondary containment.

- All secondary containment will be of sufficient height and depth to hold any potential spill or failure.
- Secondary containment berms will be made of material (Arctic Grade) that is sufficiently durable to withstand Nunavut's climate and the natural terrain.
- Secondary containment berms will be equipped with hydrocarbon filtration systems (rain drains) to safely remove water that is collected inside the berms.
- Secondary containment berms will be inspected daily during operations.
- Within the secondary containment berms fuel drums will be stored in rows on their sides with bungs facing at the 3:00 and 9:00 position.
- Propane cylinders will be stored standing up and away from any potential sources of ignition.
- All drums, tanks, valves, regulators and hoses will be regularly inspected for cracks or leaks.
- Drummed fuel used for heating tents will be placed in secondary containment behind each tent.
- All fuel storage sites will be located a minimum of 31 metres from the normal high-water mark of any water body and will be inspected regularly.
- Spill Kits will be placed and will be easily identifiable with clear signage at each fuel storage site.
- "NO SMOKING" signs will be erected at each fuel storage area.
- Smoking, open flame and any potential sources of ignition are prohibited within 31 metres of any fuel storage site.
- Empty fuel drums will be removed from site regularly.

Chemicals and hazardous materials that may be located on the Kahuna Property include limited volumes of motor oil and hydraulic oil, cleaners, batteries, electronics, fluorescent light bulbs/tubes and small quantities of hydrochloric acid. All such materials will be stored on drip trays in their original containers.

A limited supply of motor oil and hydraulic oil will be located in the utility tent at the temporary field camp. Oil containers will be kept on a drip tray with a spill kit nearby. Hydrochloric acid is used for core logging in very small amounts (<0.5 litre) and will be kept in a sealed container in the core shack. Cleaners (solvents) will be kept in a designated area on a drip tray and in their original containers. Cleaners, batteries and fluorescent light bulbs/tubes will be kept in their original containers.

Please refer to the "Spill Prevention and Response Plan" for MSDS sheets that accompany these materials and the "Waste Management Plan" for additional information.

5 Handling, Transfer and Transportation

Fuel will be transported to the property via overland winter haul with cargo sleds during the winter and via helicopters in the summer in accordance with the regulations outlined in the Transportation of Dangerous Goods Act and Transport Canada Aviation legislation. Empty drums will be removed from the property regularly and shipped to an authorized facility for recycling or disposal.

Manual and electric pumps will be used for the transfer of petroleum products. Smoking, sparks, or open flames are prohibited in fuel storage and fuel transfer areas at all times. Spill kits will be placed with clear signage in all fuel storage and fuel transfer areas. When transferring fuel from drums those drums will be placed upon platforms underlain by a secondary containment.

Preventative mitigation measures include:

Handling and Transfer

- Fuel transfer hoses with cam lock mechanisms to prevent leakage are used.
- Appropriately sized fuel transfer hoses with pumps are used when refuelling any equipment.
- Fuel absorbent pads or drip trays are placed appropriately to protect from drips and spills.
- Personnel will carefully monitor fuel content in the receiving vessel during transfer and always have absorbent pads available while transferring fuel.
- Any drips or leakages are cleaned immediately.
- All operating personnel will be trained in proper fuel handling and spill response procedures.
- Smoking, open flame and any potential sources of ignition are prohibited within 31 metres of any fuel storage site and fuel transfer locations.
- "NO SMOKING" signs will be erected at each fuel transfer area.
- Equipment maintenance and servicing will be conducted in designated areas. Equipment will be underlain by absorbent pads and drip trays for lubricant changes.
- Funnels will be used to reduce the potential for spillage.
- Waste fuels, oils and fluids will be collected in sealed 20 litre pails or sealed 205 litre drums and will be labelled appropriately and stored in secondary containment berms.
- Empty fuel drums will be removed from site regularly.

Transportation

- Fuel drums will be inspected for damage prior to transporting.
- Personnel will ensure proper loading of drums (helicopter sling or cargo sled). Drums are loaded vertically with bungs up in the cargo sled to prevent rolling.
- Load will be secured using appropriate equipment (i.e., fuel sling or net for helicopters and ratchet straps for cargo sleds).
- Personnel will ensure documentation complies with TDG (Transportation of Dangerous Goods) guidelines.
- Drums should be classified and labelled appropriately.
- The Bombardier is equipped with a spill kit capable of handling 110% of the volume of the largest fuel reservoir.
- Multiple spill kits and containment bags are located at the Kahuna Camp in the event of a spill when transporting with helicopter or for larger cargo sled spills.

- Bombardier drivers are to stay on the approved trail to ensure safe ice thickness.
- Carriers ensure safety at all times.
- Proper communication will be maintained at all times.

Please refer to Kodiak's Kahuna Property "Spill Prevention and Response Plan" in the event of a spill.

6 Signs and Labels

All drummed fuel will be clearly labeled in accordance with the Workplace Hazardous Materials Information System (WHMIS) which includes the name of the company and the type of fuel contained within. Signs will be erected at each fuel cache with the same information. "NO SMOKING" signs will be erected at each fuel cache and fuel storage area.

7 Inspections

The Camp Manager will be responsible for daily inspections of the fuel berms and the monitoring, tracking and recording of fuel inventories while operations are active. Secondary containment berms will be inspected for signs of punctures, failures, leaks, etc. Drums will be inspected for proper storage, leaking bungs, cracks and punctures. Any issues noted will be remediated immediately.

8 Spill Kits

A spill kit capable of addressing potential spills (based on type, location and volume of fuel cache) shall be located at each fuel cache, storage area and re-fueling station. Refer to the "Spill Prevention and Response Plan" for more information.