



TRUE NORTH GEMS INC.

Abandonment and Restoration Plan

Beluga Project
Kimmirut, Nunavut
July 2005

Prepared By:

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Preamble:

This Abandonment and Restoration Plan is effective from June 1, 2005, to December 31, 2006 and applies to the Beluga Project operated by True North Gems Inc. (True North) near Kimmirut, Nunavut, latitude 62°49'44" and longitude 69°53'38" (Figure 1). Approval for work has been received from the Nunavut Impact Review Board (NIRB #05EN060) and an application has been submitted to the Nunavut Water Board (NWB) for the 2005 field season.

Introduction:

True North Gems Inc. has been operating an initial exploration project in Nunavut since 2004. The Beluga Project is located 2.7 kilometres from the town of Kimmirut, on Baffin Island.

The project is currently in early exploration stages, and has only seen one field season of work completed to date. Our working field season runs from June to September, as those are the only times of year that the area is free of snow.

Plans for 2005 include diamond drilling, mini-bulk sampling, and road upgrades.

Due to the project's proximity to town, it allows much of the infrastructure and set-up commonly associated with exploration activities to be minimized. As such, there is no camp set up on-site. The only infrastructure present is an Inuit tent set up for shelter, which is not a permanent structure.

The final abandonment plan would be implemented if True North decided not to further pursue any exploration on this project. Because there is no camp, final abandonment would require dismantling the Inuit tent, as well as general reclamation of the work areas. All other equipment used during our summer program will be kept safely stored in a warehouse in Kimmirut.

No buildings, equipment, or waste will be left on the project area passed the expiration date of our Land Use or NWB permits, unless new ones have been obtained.

Schedule:

The abandonment and restoration of the work site should take 2 days to complete and will take place after drilling and mini-bulk sampling is complete. It will be conducted at the end of September, 2005, unless True North intends to do further work in 2006. In this case, the seasonal abandonment plan will be emplaced, which will take approximately 2 days and be completed at the end of September, 2005.

Infrastructure to be built:

None

Section 1 – Final Abandonment and Restoration Plan

Work-site Clean-Up: Any tools and equipment on-site will be removed to the town of Kimmirut.

Drilling Locations: Drill sites will be reclaimed on a continual basis throughout the summer. Drill core will be stored in a warehouse in Kimmirut.

Fuel Storage: There will be no fuel stored on-site, and any single day-use fuel storage (i.e. jerry cans) will be removed to Kimmirut.

There will not be any infrastructure, water systems, electrical systems, incinerators, greywater sumps, helicopter pad/airstrips, or campsites present at this time.

Documentation and Inspection: Photos of camp and drill sites prior to building or drilling will be taken. Monitoring will be done during occupancy and photos taken. Once the site is restored, it will again be documented with photos. Soil contaminated by hydrocarbons and unnoticed before abandonment will be treated as per the spill contingency plan.

A final site inspection with community representatives, Land Use Inspector, and in collaboration with NWB staff will be organized by the permit holder.

Section 2 – Seasonal Abandonment and Restoration Plan

Work-site Clean-Up: Any tools and equipment on-site will be removed to the town of Kimmirut.

Drilling Locations: Drill sites will be reclaimed on a continual basis throughout the summer. Drill core will be stored in a warehouse in Kimmirut.

Fuel Storage: There will be no fuel stored on-site, and any single day-use fuel storage (i.e. jerry cans) will be removed to Kimmirut.

There will not be any infrastructure, water systems, electrical systems, incinerators, greywater sumps, helicopter pad/airstrips, or campsites present at this time.

Documentation: Photos of drill sites prior to drilling will be taken. Once the site is secured for the winter, it will again be documented with photos.

