

RECEIVED

By Licence Administrator at 11:50 am, May 30, 2011

ABANDONMENT AND RESTORATION PLAN

FEBRUARY 2011

PROSPERITY GOLDFIELDS CORP
1980-1075 West Georgia Street, Vancouver, BC V6E 3C9
Phone: 604 685-6375

TABLE OF CONTENTS

1. Preface	3
2. Introduction	3
3. Schedule	3
4. Infrastructure	4
5. Seasonal Shutdowns	5
6. Final Abandonment and Restoration	6
7. Emergency Contact Numbers.....	8

PROSPERITY GOLDFIELDS CORP

1980-1075 West Georgia Street, Vancouver, BC V6E 3C9
Phone: 604 685-6375

Kiyuk Lake Project

Exploration and Remote Temporary Camp

Abandonment and Restoration Plan

1. Preface

This Abandonment and Restoration (A&R) Plan is in effect as of February 2011 and applies specifically to the Kiyuk Lake Property. Prosperity Goldfields Corp (PGC) aims 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. Introduction

The work proposed for this project consists an exploratory drill program, fuel transport (via fixed wing aircraft and helicopter), fuel caches and one camp. Although the camp is temporary, the company would like to have the camp remain in place for the duration of the land use permits and water license.

Prosperity Goldfields Corp has been conducting mineral exploration in the Kiyuk Lake Area since 2009. The lands in the exploration area are Crown Land The exploration activities have been authorized by Indian and Northern Affairs Canada (INAC) and the Nunavut Water Board (NWB).

As a condition of the licenses, PGC will return the land in a condition as near to its original natural state as practicable. This Abandonment and Restoration plan will be filed with the relevant regulatory bodies.

PGC will operate one camp and one drill in the Kiyuk Lake area. Kiyuk Lake camp is supported by a natural esker airstrip. A prepared winter ice strip on Kiyuk Lake located next to the camp. Drill sites are located in geologically favorable various parts of the area where small amounts of drill equipment and/or fuel may be temporarily stored for future use (small remote fuel caches).

3. Schedule

The final restoration of the camp will begin on termination of any exploration. All work under the Abandonment and Restoration Plan will be completed prior to the date of expiry of the land use permits and water license unless a renewal is applied for.

PROSPERITY GOLDFIELDS CORP

1980-1075 West Georgia Street, Vancouver, BC V6E 3C9

Phone: 604 685-6375

Empty fuel drums brought on site by PGC will be removed from site regularly. Once a fuel cache is retired, a thorough inspection will be conducted. Any contamination will be cleaned up according to the Spill Prevention and Response Plan. All waste will be removed from the site.

4. Infrastructure

Camps consist of varying numbers of:

- SIP panels.
- Outhouse facilities using Pacto toilets. The Pactos do not require electricity or water. Instead a flush foil is used to encapsulate the waste.
- A generator building to house a 20 kW diesel generator as well as a backup generator
- A garbage incineration area with an Inciner8 Model A400
- A helicopter landing area, and
- A natural gravel airstrip for a small fixed wing aircraft.

Planned Camp Infrastructure Structures

- 10 Kevlar based fibre domes 20 ft in circumference and 12 ft in high for accommodations, kitchen and office
- 2 SIP panel 24'x 24' building

Vehicles and Heavy Equipment

- 4 Bravos
- 1 TV 6060 New Holland Tractor
- 2 Honda 440

Drilling Equipment

- 1 LF-70 diamond core drill with miscellaneous drill equipment and spares
- 1 Heat Trace Drill water supply system including pipe, water storage tanks, boiler and transfer pump

Air Transportation

- 1 small fixed wing aircraft
- 1 helicopter (Hughes 500, Jet Ranger, Long Ranger or A-Star)

5. Seasonal and Temporary Shutdowns

Buildings and Camp

Buildings, tents, wooden structures and wooden floors will be kept secured.

The generator may be removed from site for servicing and storage.

Camp and surrounding area including esker strip will be inspected for debris which will be incinerated or flown out.

Water System

Pumps and hoses will be drained and stored inside to protect them over winter.

Fuel caches and Chemical Storage

An inventory will be conducted prior to leaving at the end of the field season. A thorough inspection of all fuel caches will be completed and empty fuel drums will be removed from site. Every effort will be made to use up any partially full fuel drums. In the event that any partially full fuel drums are left once the season is over, they will be placed on an angle to ensure that snow and water do not enter the drum and no leakage from the drum occurs. Full fuel drums will be stored on their sides with the bungs in the 3 and 9 o'clock position.

Bulk fuel tanks will be inspected and secured for seasonal shut down and all fuel lines will be shut off.

All chemicals, including cleaning products, will be stored in a sealed tent.

Waste

Combustible Waste: All combustible waste will be incinerated. On rare occasions and upon approval of the Nunavut Water Board, untreated wood and large pieces of cardboard may be burned in a controlled open burn in compliance with the Municipal Solid Wastes Suitable for Open Burning Guidelines (Appendix I). It is Prosperity Goldfields Corp's intention to incinerate or backhaul all waste.

PROSPERITY GOLDFIELDS CORP

1980-1075 West Georgia Street, Vancouver, BC V6E 3C9

Phone: 604 685-6375

Incinerator: The incinerator will be cleaned, secured and may be partially disassembled . All ash will be properly stored and backhauled to Manitoba. Fuel lines will be shut off and the fuel drum will be stored at an angle so no snow and water enter the drum and no leakage occurs.

Grey Water Sump: the grey water sump will be inspected and covered securely for the winter.

Stakes will be placed around the sump so that it is easily identifiable when the camp is opened up again each year.

Black water: the camp uses Pacto toilets. Bags containing waste are incinerated.

Drill Sites:

The drill will be partially dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp either incinerated if appropriate or to be flown out to an approved disposal location.

Grey water and sludge sumps will be filled and leveled as required.

Contamination Clean Up

Any soil around camp that has become contaminated and gone unnoticed will be treated as per the Spill Prevention and Response Plan and Waste Management Plan.

Inspection and Documentation

A complete inspection will be conducted of all areas prior to seasonal closure. Photos will be taken to document the conditions prior to leaving the site for the winter. A full inventory will be conducted.

6. Final Abandonment and Restoration

All equipment, structures and fuel will be removed from the area of the lease prior to license/permit termination. The only materials and structures remaining will be drill core stored in permanent stacks, appropriately labeled and sealed.

The esker strip will be inspected to ensure no debris remains on site.

PROSPERITY GOLDFIELDS CORP

1980-1075 West Georgia Street, Vancouver, BC V6E 3C9

Phone: 604 685-6375

Non-combustible Waste

All non-combustible waste will be backhauled to Manitoba to an approved disposal site.

Drill Core

There will be some yet to be determined meterage of drill core stored. Upon the end of the licenses/permits, the core will be re-stacked on more durable and stable gravel pads for long term storage and access for future reference by others.

Buildings and Contents

All wooden structures including floors will either be burned or removed.

Equipment

All equipment, including pumps, will be dismantled and removed from the project area.

Fuel caches and Chemical Storage

All bulk fuel tanks and fuel drums brought to site by PGC will be removed. All areas where fuel has been cached will be thoroughly inspected. Any contamination will be cleaned up as well as any debris removed. Contaminated soil will be handled as per the Spill Prevention and Contingency Plan. Final photos will be taken of all fuel caches for inclusion in the final report.

Sumps

All sumps will be inspected to ensure that there is no leaching or run-off. Sumps will be back-filled and leveled as required. Final photos will be taken.

Drill Sites

The drill will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drill will be flown out by the drilling contractor or as the contract describes. All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp to be incinerated if possible or to be flown out to an approved disposal location. Grey water and sludge sumps will be filled and leveled. An inspection will be conducted to ensure that all drill sites have been restored and sumps have been covered and leveled.

PROSPERITY GOLDFIELDS CORP

1980-1075 West Georgia Street, Vancouver, BC V6E 3C9

Phone: 604 685-6375

Contamination Clean Up

Any contamination will be treated as per the Spill Prevention and Response Plan. Before and after photos will be taken to document the contamination and the clean up. These photos will make up part of the final report to be submitted to the Water Resource Inspector following any spill and will also be attached as part of the Annual Report submitted to the INAC and the Nunavut Water Board.

Inspection and Documentation

A complete inspection will be conducted of all areas prior to closure. Photos will be taken to document the conditions prior to leaving the site for use in the final plan. All appropriate agencies will be contacted and notified once the final clean up has been conducted. The photos will make up part of the final closure reports to be submitted to INAC and the Nunavut Water Board.

7. Emergency Contact Numbers

CONTACT	TELEPHONE NUMBER
NWT/NU 24 hour Spill Line	(867) 920-8130
INAC Water Resource Officer, Iqaluit	(867) 975-4295
Environment Canada	(867) 975-4644
Robert Eno, Government of Nunavut Department of the Environment	(867) 975-7729
Kivalliq Inuit Association	(867) 645-5725
DFO, Eastern Arctic	(867) 979-8000
INAC Land Use Inspector	867 982 4306
Quinton Hennigh Project Manager Prosperity Goldfields Corp	(720)938-1945
Arviat RCMP	(867) 857-0123/1111
Nunavut Water Board	(867) 360-6338
Treeline Lodge Camp-24 hour-Garry or Shawn Gurke	(519) 609 6057

APPENDIX 1

Municipal Solid Wastes Suitable for Open Burning Guidelines

Municipal Solid Wastes Suitable for Open Burning

Municipal solid wastes (MSW) that are conditionally suitable for open burning are paper products, paperboard packing and untreated wood wastes only.

Conditions for this burning are:

1. The principle of source reduction should be utilized to reduce, reuse and recycle materials otherwise bound for landfill.
2. The appropriate materials are segregated and burned in a controlled manner and at a controlled site which is separate from the working landfill so that the fire cannot spread.
3. Standard burning conditions shall apply, such as burning on days where winds are light and blowing away from the community.
4. Materials are burned in manageable volumes so that fires do not get out of control.
5. Having applicable permits for burning.
6. Managed by authorized, qualified personnel from the community.
7. The above conditions are also recommended in the NWT Municipal and Community Affairs Solid Waste Modified Landfill Guidelines, which have been adopted for Nunavut.

Building demolition wastes should not be burned unless they have been sorted to remove non-wood waste such as roofing materials, electrical wire, plastics, asbestos and other non-wood wastes.

Waste wood treated with preservatives such as creosote, pentachlorophenol or heavy metal solutions shall not be burned. Examples of treated wood materials include railroad ties, telephone/hydro poles, pilings, cribbing and foundations.

Following a review of the specific landfill location, additional local conditions or controls may be applied.

Where geographic conditions do not allow for the proper operation of a modified landfill, such as limited availability of cover materials and unsuitable ground conditions, communities may have to assess other alternatives of MSW management i.e.: balefill and/or incineration.

The open burning of non-segregated MSW remains an unacceptable option for the management of MSW. Continuation of this practice should not be allowed unless a site-specific assessment fails to identify a feasible and practical alternative. At this point, some form of segregation will be required.