

PROSPERITY GOLDFIELDS CORP

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

ABANDONMENT AND RECLAMATION PLAN

FEBRUARY 2011

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Kiyuk Lake Project

Exploration Program/Remote 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) endeavors 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, it is the company's desire to have the camp remain in position 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 use for the exploration activities has been authorized by Indian and Northern Affairs Canada (INAC) and the Nunavut Water Board (NWB). As condition of the licenses, PGC will return the land in a condition as near to its original natural state as practical and possible. This abandonment and reclamation 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 the main camp in the area and is supported by a natural esker airstrip and a prepared winter icestrip 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

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use permits and water license unless a renewal is applied for. 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 Contingency Plan and Environmental Procedures 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 A200
- 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 |

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Air Transportation

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

5. Seasonal Shutdowns

Buildings and Contents

Wooden structures (generator and Pacto toilet shacks, tents) and wooden floors will be kept secured. The generator may be removed from site for servicing and storage.

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

Waste

Combustible Waste: All combustible waste will be incinerated. Untreated wood and large pieces of cardboard will be burned in a controlled open burn in compliance with the Municipal Solid Wastes Suitable for Open Burning Guidelines.

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

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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 the Hazardous 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.

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.

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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 fuel drums brought to site by PGC will be removed. All areas where there have been fuel caches 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 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 drills 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.

Contamination Clean Up

Any contamination will be treated as per the Spill Contingency 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.

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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.

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7. Emergency Contact Numbers

Quinton Hennigh, Chief Geologist

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Prosperity Goldfields Corp

Office: 416 903 8408

Email: rbduncan@sympatico.ca

Environment Canada 867-669-4728. 24-hr pager: 867-766-3737

Nunavut Government Waste Management, Robert Eno: 867-975-7748

Department of Fisheries and Oceans: 867-669-4900

Unaalik Aviation (Rankin Inlet, NU office): 867-645-2535

Water Inspector, Bryan Rayner: 867-982-4308

INAC Land Use Inspector: 867-982-4306