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ABANDONMENT AND RESTORATION PLAN

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Document Control

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1. Introduction

This Abandonment and Restoration (A&R) Plan is in effect as of June 1, 2012 and applies to Prosperity Goldfields Corp's (Prosperity) Kiyuk Lake Property. Prosperity will take every reasonable action to ensure 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. Background and Project Overview

Prosperity has been conducting mineral exploration in the Kiyuk Lake Area since 2009. The lands in the exploration area are Crown Land. The exploration activities associated with this project have been reviewed and authorized by Aboriginal Affairs and Northern Development Canada (AANDC) and the Nunavut Water Board (NWB).

The work proposed for this project consists an exploration drill program, airborne and ground geophysics, mapping, rock and soil sampling, fuel transport, temporary fuel caches and a camp. As a condition of the licenses, Prosperity will return the land in a condition as near to its original natural state as feasible. This plan will be filed with the relevant regulatory bodies.

Prosperity currently operates a forty-person camp (Figure 1) and two drills in the Kiyuk Lake area. A natural esker airstrip supports the Kiyuk Lake camp. A prepared winter ice strip on Kiyuk Lake is located next to the camp (Figure 2). Drill sites are located in geologically favorable areas where small amounts of drill equipment and fuel may be temporarily stored for future use.

3. Schedule

Prosperity will practice progressive clean up and reclamation through the life of the Kiyuk Lake Project.

The final restoration of the camp will begin upon the termination of the exploration program. All work under the A&R Plan will be completed in accordance with the land use permits and the water license. A final report will be submitted to regulatory agencies as required.

4. Infrastructure and Equipment

The following is a list of the major components of the camp and ancillary facilities for 2012.

Camp Facilities

- 10 Kevlar based fibre domes, 20 ' in circumference and 12' high, for accommodations and office.
- 4 Wooden sheds for generator storage, core shed, saw shelter and kitchen
- 8 24' x 12' Prospector tents

Mobile Equipment

- 5 Bravos
- 2 Skidoo Scandics
- 1 TV 6060 New Holland Tractor
- 2 Honda 440

Drilling Equipment

- 2 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)
- 1 fuel tanker for transportation of bulk fuel

Fuel Storage

Type	Size	Quantity
Diesel	205 L/4500 L	58 drums/ 5 tanks
Jet B	205 L/4500 L	62 drums/5 tanks
Gasoline	205 L/4500 L	3 drums/2 tank
Gasoline	22L/5 L	6 Gerry cans
Propane	100 lb.	80 cylinder
	25 lb.	4 tanks

5. Temporary or Seasonal Shutdowns and Progressive Reclamation

Prosperity will undertake progressive reclamation and clean up during the course of fieldwork season and while implementing seasonal and temporary shutdowns.

Buildings and Contents

Buildings, tents, wooden structures and wooden floors will be secured. Equipment will be stored inside where possible. The generator shed will be inspected for any hazardous waste (oil and grease) and will be drained of its fuel. The generator will be winterized and prepared for start up in the spring.

Water System

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

Fuel and Chemical storage

Empty fuel drums 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.

An inventory and inspection of all fuel caches and chemical storage areas will be completed and documented. Empty fuel drums will be removed from site. Fuel drums that are partly full will be placed on an angle to ensure that leakage does not occur and that snow and water do not

enter the drum. Full fuel drums will be stored with bungs in the 3 and 9 o'clock positions on their sides. Bulk fuel tanks will be inspected and secured and all fuel lines will be shut off.

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

Wastes and Incinerator

It is Prosperity's intention to incinerate or backhaul all 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).

Non-combustible Waste

Non-combustible waste will be backhauled to Manitoba to an approved disposal site

Incinerator

The incinerator will be cleaned and secured. 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.

Sumps

Grey Water Sump

The grey water sump will be inspected and staked 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 Sump

No black water sump exists. Kiyuk Lake camp uses Pacto toilets. Bags containing waste are incinerated.

Drill Sites

The drill will be partially dismantled and secured along with its ancillary equipment and rods under supervision of the drill contractor. All drill sites will be inspected and any waste will be backhauled and any contamination will be dealt with in accordance with the Spill Prevention and Response Plan and the Fuel and Waste Details document.

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 in accordance with the Spill Prevention and Response Plan and Waste Management Plan.

Inspection and Documentation

A complete inspection and inventory will be conducted as part of the seasonal closure procedures. Photos will be taken to document conditions prior to shutdown.

6. Final Closure and Reclamation

Buildings, Contents and Equipment

All structures and their contents as well as equipment will be removed from the project area.

The only material remaining will be drill core stored in permanent stacks.

Fuel and Chemicals

All bulk fuel tanks and fuel drums brought to site by Prosperity will be removed. Fuel tanks and drums will be scrapped and removed from site or removed from site and sold

Propane cylinders will be flown from site to an approved facility.

All chemicals will be removed from site.

Wastes

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).

Non-combustible Waste

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

Sumps

The grey water sumps for the kitchen and dry will be back filled and leveled.

Contamination Clean Up

Waste, spills and contamination will be dealt with in accordance to the Spill Prevention and Response Plan and the Fuel and Waste Details document.

Inspection and Documentation

A complete inspection of all areas including camp, esker strip, drill sites, fuel caches and chemical storage areas will be undertaken for the final closure. Photos will be used to document this inspection and any clean up will be in accordance with the Spill Prevention and Response Plan and the Fuel and Waste Details document.

All appropriate agencies will be contacted and notified once the final clean up has been conducted and documented. Final closure reports will be submitted to AANDC and NWB.

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
• Government of Nunavut Department of Environment, Robert Eno	• (867) 975-7729
• Kivalliq Inuit Association	• (867) 645-5725
• DFO	• (867) 979-8007
• Adrian Fleming, CEO	• (604) 569-2963 • (604) 345-9687
• Arviat RCMP	• (867) 857-0123/1111
• Nunavut Water Board	• (867) 360-6338
• Treeline Lodge Camp-24 hour- Garry or Shawn Gurke	• (519) 609 6057

FIGURE 1

KIYUK LAKE CAMP

100°23'4"W

100°22'56"W

60°27'56"N



ID	Desc.	Material	ID	Desc.	Material		
1	Dome	Fiberglass	15	Weatherhaven	Tent		
2	Dome	Fiberglass	16	Weatherhaven	Tent		
3	Dome	Fiberglass	17	Weatherhaven	Tent		
4	Dome	Fiberglass	18	Weatherhaven	Tent		
5	Dome	Fiberglass	19	Geo Core Shack	Wood		
6	Weatherhaven	Fiberglass	20	Garage	Wood / Metal		
7	Weatherhaven	Tent	21	Workshop	Wood / Metal		
8	Kitchen	Wood	22	Bulk Fuel	Metal		
9	Dome	Fiberglass	23	Generator Shelter	Wood / Metal		
10	Dome	Fiberglass	24	Incinerator Shelter	Wood / Metal		
11	Dome	Fiberglass	26	Heli Pad	NA		
12	Dome	Fiberglass	27	Toilet Shelter	Proposed		
13	Dome	Fiberglass	28	Saw Shelter	Proposed		
14	Weatherhaven	Tent					

324

321

Proposed Fuel Drum
Storage Site



60°27'52"N

60°27'52"N

60°27'48"N

60°27'48"N

327

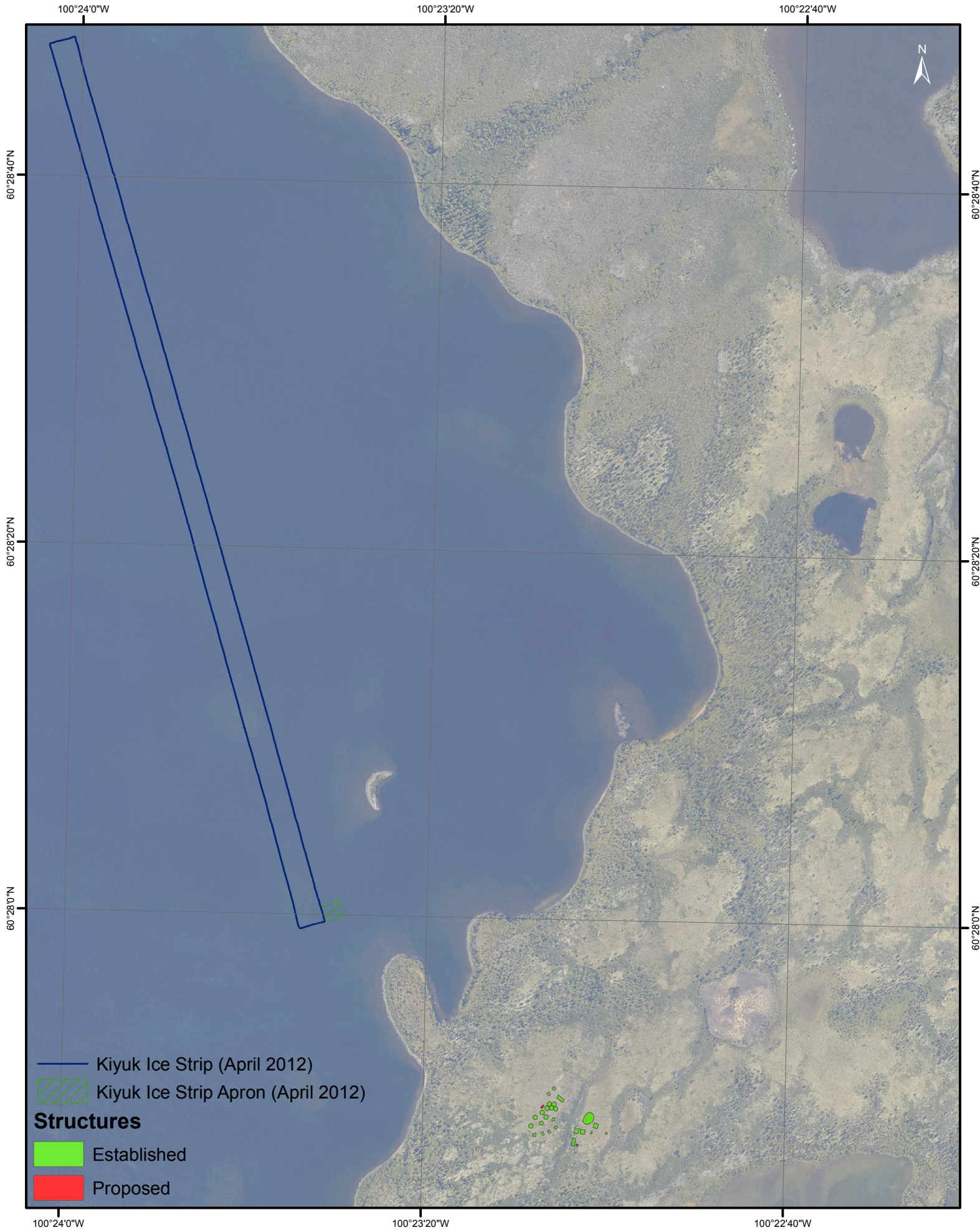
330

100°23'4"W

100°22'56"W

FIGURE 2

KIYUK LAKE ICE STRIP



- Kiyuk Ice Strip (April 2012)
- Kiyuk Ice Strip Apron (April 2012)
- Structures**
 - Established
 - Proposed

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.