



ABANDONMENT AND RESTORATION PLAN

KIYUK LAKE PROJECT, NU

Effective Date: 26 February 2019

TABLE OF CONTENTS

	<u>Page No.</u>
1.0 INTRODUCTION	1
1.1 Corporate Details	1
1.2 Purpose	1
1.3 Environmental Policy	1
1.4 Other Plans	1
2.0 SCHEDULE	2
3.0 INFRASTRUCTURE	2
4.0 SEASONAL SHUTDOWN	3
4.1 Buildings and Contents	3
4.2 Water System	3
4.3 Fuel Caches and Chemical Storage	3
4.4 Waste	3
4.4.1 Combustible Waste	3
4.4.2 Grey Water Sump	3
4.4.3 Black Water	3
4.5 Drill Sites	3
4.6 Contamination Cleanup	4
4.7 Inspection and Documentation	4
5.0 FINAL ABANDONMENT AND RESTORATION	4
5.1 Non-Combustible Waste	4
5.2 Drill Core	4
5.3 Buildings and Contents	4
5.4 Equipment	4
5.5 Fuel Caches and Chemical Storage	4
5.6 Sumps	4
5.7 Drill Sites	4
5.8 Contamination Cleanup	5
6.0 EMERGENCY CONTACT NUMBERS	5

APPENDICES

Appendix I Figures

Figure 1	Regional Map
Figure 2	Kiyuk Lake Property Claims and Mining Leases
Figure 3	Camp Layout
Figure 4	Overland Flow in Camp Area
Figure 5	Access Trails from Lake to Camp
Figure 6	Proposed Drilling Areas
Figure 7	Proposed Ground Geophysical Survey Grids

1.0 INTRODUCTION

This Abandonment and Restoration Plan (ARP) will be in effect from 26 February 2019. It applies specifically to the Kiyuk Lake Property, located in Nunavut.

Montego Resources Inc (Montego) endeavours to take every reasonable precaution towards 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.

The exploration work proposed for the Kiyuk Lake Project consists of an exploratory drill program, fuel transport (via fixed wing aircraft and helicopter), airborne and ground geophysical surveys, sampling (rock, soil and till), environmental studies, and exploration camp. Although the exploration camp is temporary it is the company's intent to have the camp remain in position for the duration of land use permit and water licence.

Montego, and earlier, Prosperity Goldfields Corp, have been conducting mineral exploration in the Kiyuk Lake area since 2009. The lands within the exploration area are Crown Lands and use for the exploration activities have been authorized previously by Indian and Northern Affairs Canada (INAC) and the Nunavut Water Board (NWB). (The original INAC land use permit has expired and Montego is submitting an application to Indigenous and Northern Affairs Canada (AADNC) for a new Type A land use permit for the Kiyuk Lake Project.) As a condition of the land use permit and water licence, Montego will return the land in a condition as near to its original natural state as practical and possible. This A&R Plan will be filed with the relevant regulatory bodies.

1.1 Corporate Details

Montego Resources Inc.
800 – 1199 West Hastings
Vancouver, BC
V6C 2C2
Phone: (604) 283-1722
Fax: (888) 241-5996

1.2 Purpose

The purpose of the Kiyuk Lake ARP is to provide guidelines to follow during seasonal shutdown and final abandonment of Kiyuk Lake, in order to return the camp, fuel storage and exploration sites to as near as possible to natural conditions.

1.3 Environmental Policy

The present ARP has been prepared in accordance with the commitments made in Montego's environmental policy (see Corporate and Social Responsibility Plan), which are to:

- Assess the potential environmental impacts of any new undertaking with an objective to minimize adverse impacts;
- Design and operate facilities to ensure that effective controls are in place to minimize risks to health, safety and the environment;
- Implement an emergency response plan to minimize the impacts of unforeseen events;
- Provide a professional environmental for staff to plan and direct environmental compliance programs and to assist in training and education activities;

- Provide training and resources to develop environmentally responsible employees;
- Ensure that environmental factors are included in the purchase of equipment and materials;
- Ensure that contractors operate according to the company's environmental policy and procedures;
- Comply with all applicable environmental laws and regulations;
- Communicate with employees, the public, government agencies and other stakeholders on activities involving health, safety and the environment;
- Regularly verify environmental performance and implement any required corrective action;
- Minimize the generation of hazardous, as well as non-hazardous, waste and ensure proper disposal of all waste materials;
- Implement measures to conserve natural resources such as energy and water, and;
- Rehabilitate sites in accordance with regulatory criteria and within established timeframes.

1.4 OTHER PLANS

The SPRP should be considered as a part of the Property-wide management system. Other management plans in place at the Kiyuk Lake Property include:

- Spill Prevention and Response Plan (SPRP)
- Waste Management Plan (WMP)
- Wildlife/Vegetation Management Plan (WVMP)

2.0 SCHEDULE

The final restoration of the camp will commence on termination of any exploration. All work under the A&R Plan will be completed prior to the date of expiry of the land use permit and water licence unless renewals are submitted with the intent of continuing exploration on the Kiyuk Lake Project.

Empty fuel drums brought on site by Montego will be removed from site on a regular basis. Once a fuel cache is retired a thorough inspection will be conducted. Any contamination will be cleaned up according to the Spill

3.0 INFRASTRUCTURE

The current camp may include the following structures:

- Wooden drill core shed
- Two 24'X24' storage sheds
- Wooden drill saw shelter
- 24'X58' wooden kitchen shed
- 10 dome structures (20' circumference, 12' high) engineered out of SIP panels and fiberglass
- 13 24'X12' prospector tents
- One 24'X40' dining hall/recreation area
- One 24'x16' prospector tent to serve as office
- One 14'X20' prospector tent (dry)
- One 14'X16' prospector tent (dry)

- *Seprotech* washroom

Other areas included near the camp area are:

- Garbage incineration area with an Inciner8 Model A200
- Helicopter Landing Area

4.0 SEASONAL SHUTDOWNS

4.1 Buildings and Contents

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

4.2 Water System

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

4.3 Fuel Caches and Chemical Storage

An inventory of all fuel and on-site chemicals will be conducted prior to departing the site at the end of each field program/season.

A thorough inspection of all fuel caches will be completed and empty fuel drums 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 exploration program is over, they will be placed on an angle to ensure that snow and water do not enter the drum and no leaking 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.

4.4 Waste

4.4.1 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*.

4.4.2 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 exploration season.

4.4.3 Black Water

The camp uses Pacto toilets and therefore no black water is released to the environment. The bags containing waste are incinerated.

4.5 Drill Sites

The drills will be partially dismantled into their main components as per the drilling contractor's procedures, packaged and secured along with ancillary equipment and rods. All drill sites will be inspected for soil contamination. Any remaining waste will be removed to camp and 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.

4.6 Contamination Cleanup

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

4.7 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.

5.0 FINAL ABANDONMENT AND RESTORATION

All equipment, structures and fuel will be removed from the area of the Kiyuk Lake Project prior to final licence/permit termination. The only materials and structures remaining will be drill core stored in permanent stacks appropriately labelled and sealed.

5.1 Non-combustible Waste

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

5.2 Drill Core

An as yet to be determined meterage of drill core will be stored at the Kiyuk Lake Project. Upon the termination of the final licence/permit, the core will be restacked on more durable and stable gravel pads for long term storage and access for future reference by others.

5.3 Buildings and Contents

All wooden structures including floors will either be burned (if untreated wood) or removed from the property.

5.4 Equipment

All equipment will be dismantled and removed from the property.

5.5 Fuel Caches and Chemical Storage

All fuel drums brought to site will be removed. All areas where fuel caches had been established will be thoroughly inspected. Any contamination will be cleaned up and any debris removed. Contaminated soil will be handled as per the *Spill Prevention and Response Plan*. Final photos will be taken of all fuel caches for inclusion in the final report.

5.6 Sumps

All sumps will be inspected to ensure that there was no leaching or run-off. Sumps will be back-filled and levels to conform to local topography. Final photos will be taken.

5.7 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, and will be flown off the property. All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp to be incinerated if allowable or to be flown out to an approved disposal site.

Grey water and sludge sumps will be filled and leveled. A final inspection will be conducted to ensure that all drill sites have been restored, drill casings cut to ground level, and sumps covered and leveled.

5.8 Contamination Cleanup

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 cleanup. 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 and Final Closure Report submitted to the AADNC and the NWB.

6.0 EMERGENCY CONTACT NUMBERS

Christopher Pennimpede, Technical Advisor, Montego Resources Inc.

Phone 778-241-0170

Email cpennimpede@gmail.com

Nunavut Government Waste Management, Robert Eno

Phone 867-975-7729

Email reno@gov.nu.ca

Department of Fisheries and Oceans, Iqaluit

Phone 867-979-8000

Fax 867-979-8039

Email info@dfo-mpo.gc.ca

AANDC Water Resource Officer, Iqaluit

Phone 867 975-4289

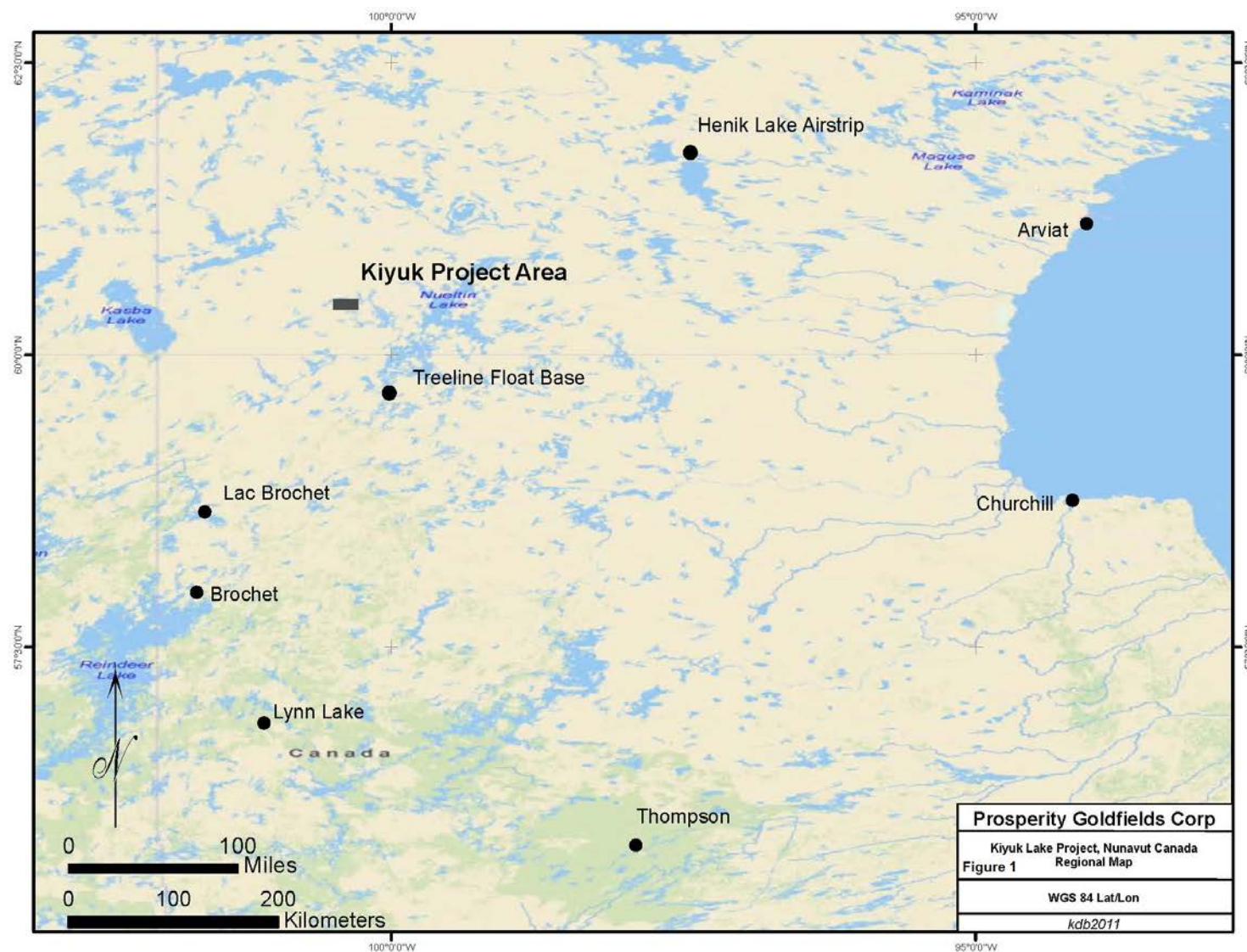
AADNC Resource Management Officer, Iqaluit

Phone 867-975-4296

Appendix I

KIYUK LAKE PROPERTY

Figures



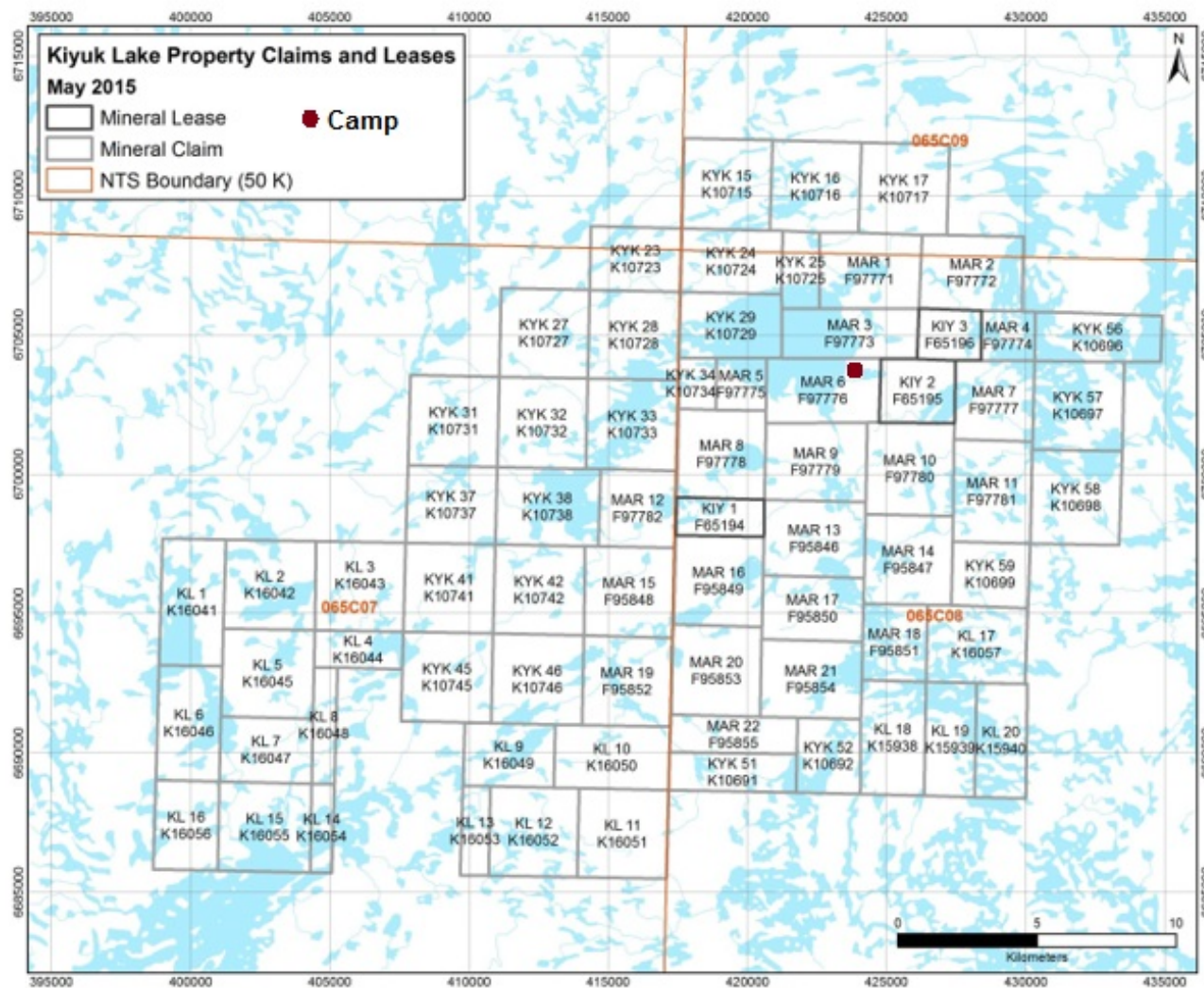


Figure 2: All Kiyuk Lake Property claims.

