

ABANDONMENT AND RESTORATION PLAN

**MUSKOX DIAMOND PROPERTY
NUNAVUT, CANADA**



Effective June 2015

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1 Introduction

This Abandonment and Restoration Plan (ARP) applies to mineral exploration activities conducted by APEX Geoscience Ltd. ("APEX") at the Muskox Diamond Property, ("the Property") Nunavut, Canada.

This ARP will come into effect June 2015, pending approval. Copies and updates to this plan may be obtained via APEX.

1.1 Contact Details

APEX Geoscience Ltd.

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1.2 Purpose and Scope

The purpose of the Muskox Diamond Property ARP is to provide guidelines to follow during seasonal shutdown and final abandonment of the Property, in order to return exploration sites to as near as possible to natural conditions. This ARP is effective from June 1, 2015, pending approval. The ARP will be replaced, upon approval, if any there are significant changes to the activities outlined in the existing permits which warrant changes to the ARP. Minor changes will be submitted as an addendum to the ARP and submitted to the distribution list as required.

1.3 Other Plans

The ARP should be considered as a part of the property wide management system. Other management plans in place at the Muskox Diamond Property include:

- Emergency Response Plan (ERP)
- Environmental Management Plan (EMP)
- Fuel Management Plan (FMP)
- Spill Prevention and Response Plan (SPRP)
- Waste Management Plan (WMP)

1.4 Property and Camp Description

The Muskox Diamond Property is located in the Kitikmeot Region of the Nunavut, within the 1:250,000 scale NTS map sheets, 76E, 76L and 86I. The Property is approximately 250 km southeast of the community of Kugluktuk and is in close proximity to the inactive Jericho and Lupin Mines. The Property consists of three project areas: the James River, Muskox and Contwoyto Projects (Figure 1 in Appendix 1).

As the Property is separated into three projects areas, the proposed exploration programs will be supported by three temporary 10-12 person exploration camps. Each

camp will be established and reclaimed sequentially and therefore no more than one camp will be in use at one time. Personnel and cargo will be transported to and from camp in the summer months by fixed wing (Twin Otter) from Yellowknife and due to the close proximity to the Tibbitt to Contwoyto Ice Road can be serviced by ground in the winter. Due to the remoteness of the Property location, the only people, who would be immediately affected by a potential spill, are employees and contractors.

The proposed camp locations were selected due to appropriate terrain composed of a consolidated and durable surface, such as gravel or sand, which is able to withstand repeated, heavy use from aircraft and camp use. Structures for the proposed camp may include 6 sleeper tents, medical tent, kitchen, dry, office, shop, core shack, generator housing, incinerator, and 2 outhouses. The majority of the structures will be insulated Weatherhaven tents, or similar, with tarp floors (Figure 2 in Appendix 1).

A fuel cache of approximately 40,000 L (~ 200 drums) will be established on stable ground near the occupied camp, primarily to store diesel and jet fuel. No fuel will be stored at camp locations that are not in use. Small quantities of gasoline and propane will also be stored. Small temporary fuel caches, of less than 4,000 L, may also be required to supply the drilling and exploration programs. Within 30 days of any temporary fuel cache, the appropriate agencies will be notified of the details of the cache including: location, fuel type, container sizes, method of storage and date of removal.

The proposed exploration activities for the Muskox Property include geological mapping, till sampling, prospecting, ground geophysical surveys and diamond drilling. The 2015 exploration program is projected to start as early as June, or as soon as proper authorizations can be obtained, and has the potential to continue through the winter. Similar programs are anticipated for 3 to 4 subsequent years.

For 2015, a drill program of 5,000 to 10,000 m is proposed, utilizing one to two diamond drills. The average hole depth is expected to be approximately 200 m, up to a maximum proposed depth of 700 m. The areas of proposed drilling are currently uncertain as preliminary exploration work, such as ground geophysical surveys, is required to define precise targets. All exploration work will be strictly confined to within the authorized Prospecting Permits (Figure 1 in Appendix 1).

2 Schedule

Equipment and supplies, including camp construction materials, will be mobilized to the first camp location in June 2015. It is expected that camp construction will take approximately 1 week. Drilling will start at the beginning of July, and has potential to continue through the winter. Other fieldwork, including mapping, geochemical sampling, and ground geophysical surveys are expected to run through July and August. There are 3 proposed temporary camp locations on the Muskox Diamond Property, James River Camp, Muskox Camp and Contwoyto Camp. The camps will be sequentially occupied with only one camp in use at a time. Each camp location will be reclaimed once the camp has moved to a new camp location. At seasonal shutdown a few

wooden structures will be left at the Contwoyto Camp. Similar exploration programs are anticipated for 3 to 4 subsequent years.

Final abandonment and restoration will commence as soon as possible after it has been determined that the project does not warrant further exploration or following commercial production. The duration of the final abandonment and restoration is dependent on the scale of infrastructure on site and on environmental parameters (physical, biological, and socio economic). All abandonment and restoration work will be completed prior to the date of expiry of any existing or future applicable land use permits and water licenses.

3 Detailed Infrastructure

3.1 Proposed Camp

The following is a list which details the structures, equipment and vehicles that may be constructed or stored at one of the three proposed camps.

3.1.1 Structures

- 7 12'x16' insulated Weatherhaven tents (or similar) on tarp flooring to serve as sleeper tents and a medical tent
- 1 14'x16' insulated Weatherhaven tent (or similar) on tarp flooring to serve as an office
- 4 16'x20' insulated Weatherhaven tents (or similar) on tarp flooring to serve as a kitchen, dry, core shack and shop. Dry will contain 1 sink, 2 showers and a washer /dryer set.
- 2 14'x16' Weatherhaven tent (or similar) on tarp flooring to serve as housing for a 50kW diesel generator plus backup generator and batch feed dual-chamber controlled air incinerator.
- 2 5'x5' wooden outhouse structures

3.1.2 Other Camp Infrastructure

- 2 Water tanks (1 for kitchen and 1 for dry)
- 2 Water pumps with fish screens and hose line
- 2 Diamond bladed core cutting saws (to be located in core shack)
- 1 Small camp fuel cache, with Insta-Berm (or similar) secondary containment.
- 3 600' airstrip and helicopter landing area

3.1.3 Vehicles

- 1 All-Terrain vehicles (quads) with trailers
- 1 Helicopter (A-Star, Bell 407, or similar)
- 1 Twin Otter (on site periodically)

3.1.4 Drilling Equipment

- 2 Zinex A5 (or similar) diamond drill complete with motor, gear box, drill head, tower, overshot, skids, and housing
- 4 Supply pump with shack
- 2 Mix tank with pressure pump
- 6 Coil heater
- 6 Fuel tank
- 6 Fly basket for drill equipment, spares, supplies, etc.
- 400 3 metre NQ drill rods
- 50 NQ casing (various sizes)
- 150 100' hose line

4 Seasonal Shut downs

4.1 Inspection and Documentation

Prior to seasonal shutdown, a complete inspection of all areas will be conducted. Photographs will be taken to document the conditions prior to leaving the site, and will be archived along with photos taken at the beginning of each season. Copies of these photos will be included as part of the Muskox Diamond Property Annual Report. A copy of the Seasonal Camp Inspection Record is attached in Appendix 2.

4.2 Buildings, Content, and Fuel

A full inventory of all structures, equipment, fuel, and other supplies will be taken at the beginning and end of each exploration season. An example of the Camp Inventory Record is attached in Appendix 3.

All food, fuel, wastes, empty fuel drums, and valuable or sensitive equipment will be removed from site. A few wooden structures will be left at the Contwoyto Camp. All structures to be left on site will be winterized, closed off, and secured. One structure will be designated to house any chemicals or other hazardous materials that are not suited to outdoor storage. All water tanks and pipes will be drained at the end of each season. Pumps and hoses will be drained and stored inside a secured structure. All mechanical equipment, including vehicles, drill equipment, and generators will be winterized and stored in berms for secondary containment. When possible, the equipment and berms will be fully covered.

All remaining fuel and empty drums will be removed from site.

4.3 Waste

All wastes will be separated into combustible, recyclable or hazardous.

Combustible Waste: All combustible waste will be incinerated in accordance with the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste. Any residual waste (ash) will be placed in sealed containers and backhauled to Yellowknife for proper disposal.

Non-Combustible, Recyclable and Hazardous Waste: All non-combustible, recyclable and hazardous wastes will be sealed in appropriate containers and backhauled to Yellowknife for proper disposal.

Grey Water: Camp greywater will be stored and treated in an excavated sump, which will allow for slow infiltration into the soil and will be located at least 31 m away from a water body. If available, coarse gravel will be placed in the bottom of the sump to provide filtration, and supports will be built on the sides to prevent slumping. Filters will be installed on kitchen drains to ensure solid food wastes do not enter the sumps and have the potential to attract wildlife. When full, greywater sumps will be covered with enough material to allow for future ground settlement.

Sewage: Privy pits (outhouses) will be located at least 31 m away from a water body. To control sewage pathogens, outhouses will be periodically treated with lime. When full, the pits will be covered with at least 30 cm of compacted soil.

Contaminated soils/snow: All contaminated soil will be stored in empty 205 liter drums, and will be transported to Yellowknife for proper disposal.

Empty barrels/ fuel drums: Empty drums will be collected and transported to Yellowknife either for disposal at an approved site or for refilling.

For more information on waste generation and management see the Muskox Diamond Property "Waste Management Plan."

4.4 Seasonal Restoration

Any contaminated areas around the camp or drill sites will be treated in accordance with the Muskox Diamond Property "Spill Prevention and Response Plan." Any washed out areas will be filled and re-contoured to natural levels. Any areas of disturbed vegetation, including camp, fuel caches or drill sites will be photographed and managed as per recommendation of the AANDC inspector. Remediation procedures might include fertilization to encourage re-growth.

5 Final Abandonment and Restoration

5.1 Inspection and Documentation

Prior to final abandonment, a thorough inspection of all areas will be conducted. Any contaminated areas around the camp or drill sites that have gone unnoticed will be

treated as per the “Spill Prevention and Response Plan.” Photographs will be taken to include in the final reports submitted to the AANDC Inspector and as part of the Annual Report submitted to the AANDC, NWB and NIRB. All relevant regulatory agencies will be notified upon final abandonment of the Property.

5.2 Buildings, Content, and Fuel

Prior to land use permit, claim or lease termination, all structures, equipment, supplies, and fuel will be removed from the Property with the exception of the drill core stacks, which will be permanently secured on site.

Any wooden floors will be burned in accordance with the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste, and tent sites may be fertilized, as per recommendation by the Inspector, to encourage re-vegetation.

Any materials of value on site will be salvaged. Local businesses and residents will have the opportunity to salvage any remaining materials that will otherwise be disposed of.

Drills and drilling equipment will be dismantled, packaged, secured, and shipped as per the drill contract. All drill casing will be removed from the ground or cut down to ground level if removal is not possible.

All remaining fuel and empty drums will be removed from site. The soil under and surrounding any area where fuel was stored will be thoroughly inspected for any contamination and photographs will be taken.

5.3 Waste

All wastes will be disposed of in accordance with the Muskox Diamond Property “Waste Management Plan” and any contamination will be treated as per the “Spill Prevention and Response Plan”. Sumps will be inspected to ensure there is no leaching or run-off. Back filling and leveling will be employed as necessary.

5.4 Restoration

Tent sites, drill sites, and any other areas disturbed by activities related to exploration at the Muskox Diamond Property will be fertilized as recommended by the AANDC Inspector to encourage re-vegetation. Eroded or washed out areas related to exploration activities will be filled and re-contoured to natural levels. Any contaminated areas around the camp or drill sites that have gone unnoticed will be treated as per the “Spill Prevention and Response Plan.”

6 Post Closure Site Monitoring

After reclamation is complete, annual monitoring will take place. The monitoring will consist of soil and water testing, measuring and documenting plan re-growth, examining potential run-off and erosion problems, and checking the stability and condition of the core boxes. Reports, including photographs, will be submitted to the appropriate regulatory bodies.

7 Emergency Contact Information

Table 7.1: Emergency Contact Information

Contact	Telephone Number
Rob L'Heureux, Vice President and Project Supervisor - APEX Geoscience Ltd.	780-439-5380 office 780-916-5482 cell
AANDC (Nunavut)	1-800-567-9604
Nunavut Water Board	867-360-6338
Environment Canada	867-975-4644 24-hr page: 867-766-3737
DFO (Central and Arctic Branch)	519-383-1813
Government of Nunavut Department of Environment	867-982-7450 (Kugluktuk) 867-983-4164 (Cambridge Bay)

Appendix 1: Figures

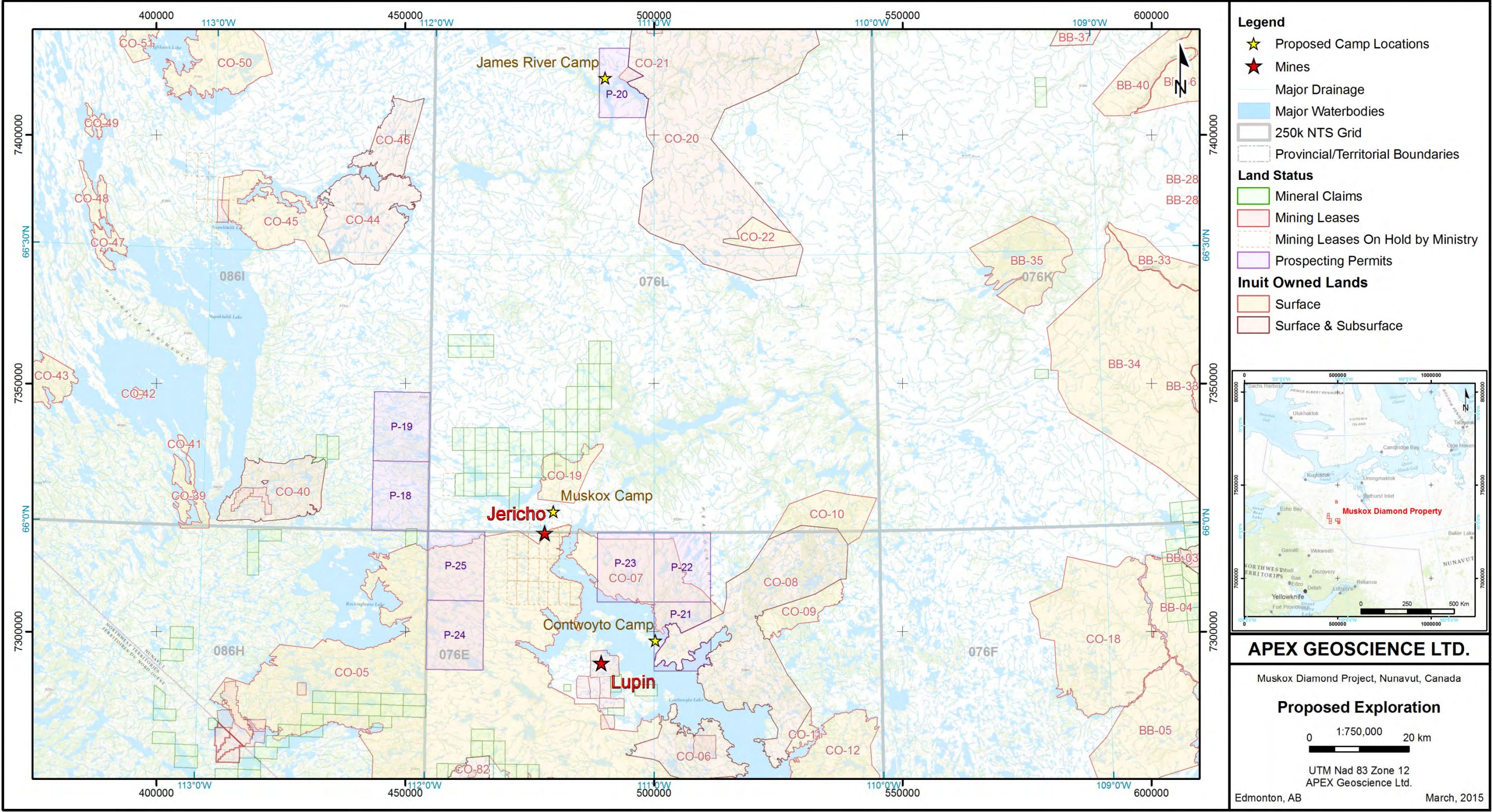


Figure 1

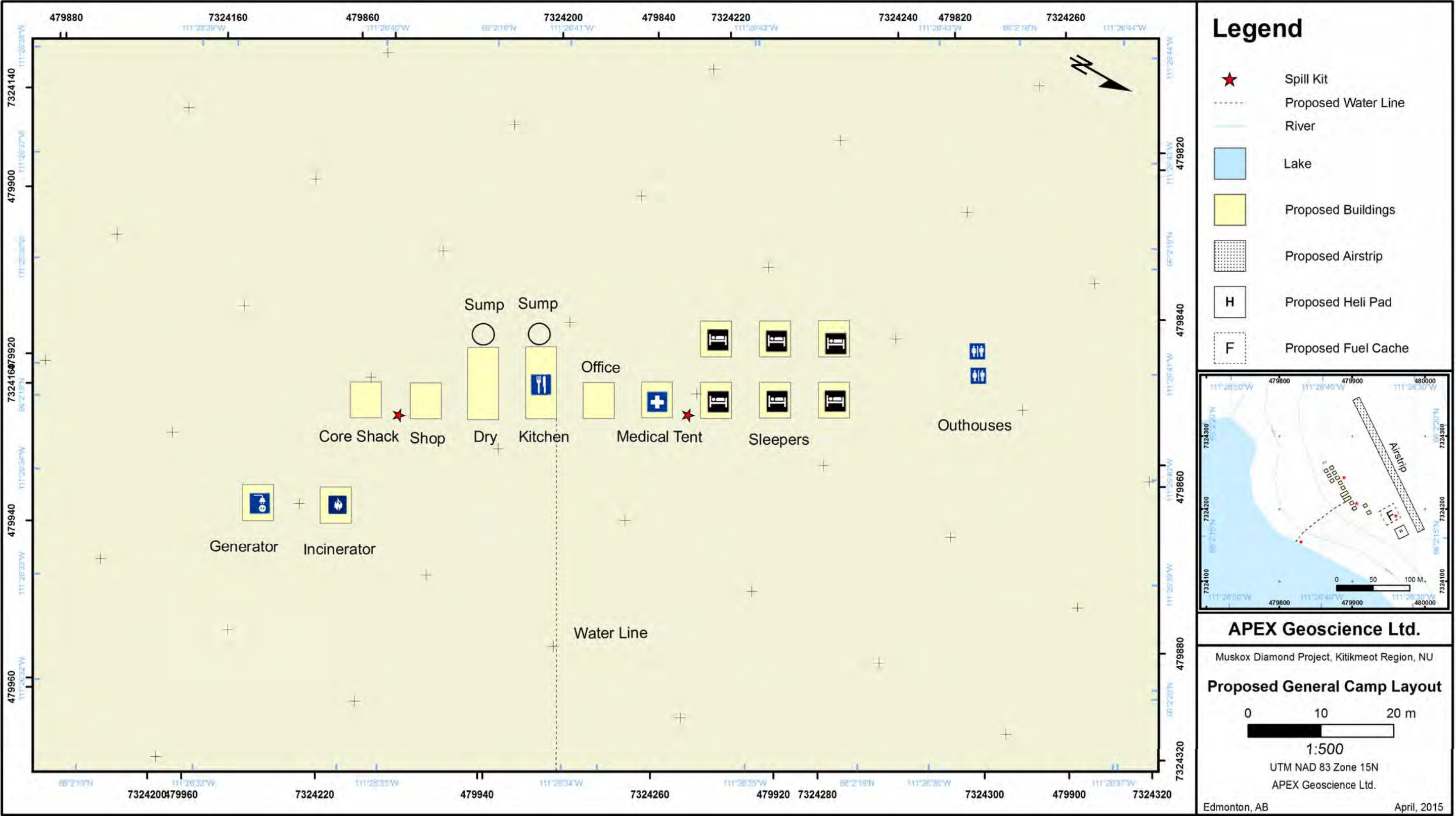


Figure 2

Appendix 2: Seasonal Camp Shutdown Inspection Record

Area	Complete	Comment	Inspector
General Camp area			
General camp area inspected for any waste, spills or contamination			
General camp area secure for winter			
All combustible and non-recyclable waste incinerated			
All non-combustible waste prepared for removal			
Any unnecessary or excessive vegetation damage			
Buildings and Content			
All tents and building complexes secured for the winter and cleared of any debris.			
All office equipment; furniture; kitchen equipment; recreational equipment and other mobile heavy equipment will be winterised and secured			
Any equipment not capable of withstanding the harsh winter conditions will be removed			
Area inspected for petroleum spills or contamination.			
Water Supply System			
Water pumps, filtering systems, water lines and any other equipment associated with the water supply system drained and winterised			
Water pump shed will be secured.			
Area inspected for petroleum spills or contamination.			
Sewage System			
Greywater system drained (ie. no greywater remaining in the discharge pipe).			
Greywater sumps treated if required, filled and recontoured			
Privy Pits treated with lye and winterized			
Privy Pits secure and cleared of any debris			
Area inspected for petroleum spills or contamination.			
Waste Incinerator			
Incinerator Fuel supply shut off using all valves.			
Incinerator Fuel in appropriate and functional secondary containment adjacent to the incinerator			
Area inspected for petroleum spills or contamination.			
Incinerator area cleared of any debris.			
Electrical System			
Generator shack and surrounding area inspected for signs of spills and remaining wastes such as oil and grease.			
Generator shed is lined with enviromat in the event any external spills go unnoticed			
Generator drained of fuel and winterized			
Generator shack secured for winter			
All electrical wires, plugs and sockets which remain in their installed locations are safe and secure			
All electrical cords temporarily connected to a buildings or machinery unplugged, rolled and stored			
Camp Heating Systems			
Each 205 L fuel barrel attached to respective tent or building secured and within secondary containment			
Any remaining fuel in lines will burned out.			
Empty propane cylinders ready for transport for refilling or recycling.			
Any sleeping quarters converted to electric heat are secured			
Petroleum Products and Storage Facilities			
All Fuel stored in appropriate and functional secondary containment			
All Fuel storage areas clearly marked in the event snow clearing activities are required during spring camp opening			
All Fuel storage areas GPS location recorded			
All Fuel labelled properly			
Area inspected for spills or contamination.			
Fuel storage area cleared of any debris.			
Chemicals and Hazardous Waste			
All chemicals stored in appropriate building or on within appropriate functional secondary containment			
All household cleaners properly secured and stored in kitchen and dry.			
All empty bags/containers removed for proper disposal			
Any remaining waste fuel, oil and grease stored in approved and labelled containers for reuse during summer operations.			
Any hazardous waste that cannot be reused properly stored, sealed, labels, and prepared for removal			
Area inspected for spills or contamination.			
Area cleared of any debris.			
Spill Response Kits			
Spill kit inventory performed			
Spill kits not needed over winter relocated to secured building			
Spill kits needed over winter (ie. for the remaining petroleum areas) properly stocked and secure			
Emergency Response			
Fire extinguishers in working order and secure in all necessary locations			
Smoke/CO2 detector in working order and secure in all necessary locations			
Fire extinguishers used prepared for removal for refilling			
Transportation			
Transport areas including air strips, helipads, ATV trails, docks and footpaths inspected for spills or contamination.			
Vehicles remaining onsite moved into secure buildings			
Vehicles remaining onsite winterized			
Drill Sites			
Diamond drills dismantled and ready for demobilization or secure in designated storage area			
Diamond drills remaining on site winterized			
Any drill casing unable to be removed flush cut so as to not pose a hazard			
Drill sites restored and inspected for any waste, spills or contamination			
Drill sites photographed before drilling and after restoration			
Documentation			
Proper documentation and approvals for all inert and Hazardous waste transport and receiving			
Notification to all required authorities of pending seasonal shut down			
Baseline samples (ie. water, soil, air quality) collected and all data recorded			
Inspections recorded, dated and signed			
Photos taken of camp, drill sites, fuel caches and any other important locations/items			
Photos of drill lay down storage area			
GPS coordinates recorded for camp, fuel storage areas, drill sites, wildlife or habitat sightings, Archeological/paleontological sites or any area/items of interest			
Descriptions recorded for all wildlife or habitat sightings, Archeological/paleontological sites or any area/item of interest			
Year-end inventory of all equipment and buildings left on site			
List of all equipment, items and repairs required for next operating season			

Appendix 3: Example Camp Inventory Record

Muskox Diamond Property Abandonment and Restoration Plan

Seasonal Camp Shut Down Inventory

First Aid Tent

Container	Item	Quantity	Container	Item	Quantity
First Aid Box 1 -	Bandages, Gauze, Pads		First Aid Box 4 -	Large Items	
	Telfa bandages			D size oxygen tank	
	Bag of stick on bandages			E size oxygen tank	
	Cut to size stick on bandages			H size oxygen tank	
	Butterfly bandages - size -S,M,L			Regulator for small tanks	
	Triangle bandages			Regulator for large tanks	
	Tensor bandages with padding			Ventilation masks	
	Lightweight tensor bandages			Plastic Spine Board	
	Brown tensor bandage for sprains			Spider Straps for the Spine Board	
	2x2 gauze			Head Immobilizer for the Spine board	
	2x2 telfa gauze			Metal cage basket for the Spine Board	
	4x4 gauze			Felt grey blankets	
	4x4 telfa gauze			Pillows	
	6x6 gauze			Kidney dishes/ bed pans	
	6x6 telfa gauze				
	Abd pads				
	4x4 Telfa pads				
	Eye patch				
	Small burn kit with burn bandages				
First Aid Box 2 -	Tools		First Aid Box 5 -		
	Scissors				
	Tweezers				
	Rubber bandage for hemorrhage				
	Magnifying glass for eye injury				
	Eye wash cup				
	Wooden tip Q tip				
	Sami splints				
	Mesh mettle for making splint for hand/arm injury				
	Each large and small hockey tape				
	Thermometer				
	Cold paks recycle type				
	Hot paks crush type instant				
	Cold paks crush type instant				
	Set of adjustable collars				
	Pair disposable gloves - s,m,ex large				
	Tongue depressors				
	Finger tube cage for lacerations				
	Finger tube gauze				
First Aid Box 3 -	Other Items		Needed For Next Season		
	Patient Assessment forms				
	Bottle of Savon solution				
	Bottle of Peroxide				
	Bottles of Saline solution				
	Epi pen				
	Stitch kit with surgical needle and thread				
	Emergency dental kit				
	Vomit bags				
	Vomit extractor hand pump				

Seasonal Camp Shut Down Inventory

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Muskox Diamond Property Abandonment and Restoration Plan

Seasonal Camp Shut Down Inventory

Kitchen Tent

Container	Item	Quantity
Kitchen Box 1 - Dishes, Cutlery, Cooking Utensils	Dinner plates, dessert plates, bowls	
	Coffee cups	
	Juice cups	
	Forks, spoons, butter knives	
	Steak knives	
	Paring Knives	
	Cutting knives	
	Cutlery trays	
	Serving spoons	
	Slotted serving spoons	
	Wooden spoons	
	plastic spatulas	
	Whisks	
	Can openers	
	Cutting boards	
	Tongs	
	Disposable drinking cups	
	Tupperware storage containers	

Kitchen Box 2 - Cookware, Bakeware

Square cake pans	
Round cake pans	
Pie pans	
Cookie sheets	
cake cooling rack	
Bread loaf tins	
non stick fry pan	
Large metal bowls	
Small metal bowls	
Soup pots with lids	
Large pots with lids	
Small pots with lids	
5 gallon galvanized pot	
2 gallon galvanized pot	
1 gallon galvanized pot	
Sauce pan with lid	
Omelet pan with lid	
Roasting pans with lids	

Kitchen Box 3 - Small Appliances & Cleaning

Metal sieves	
Plastic sieves	
Quisenaar with grating and slicing blade	
Kitchen aide mixer	
Coffee Makers	
Electric kettle	
Toaster	
Pump style coffee thermos	
Clothes pins	
Hand pump for large water bottles	

Container	Item	Quantity
Kitchen Box 4 - Large Kitchen Items	Stand up fridge	
	Propane stoves	
	Overhead fans	
	Grease traps for under sinks	
	Water cooler	
	Chest freezers	
	Barbeque	
	Metal brush for BBQ grill	
	Folding tables	
	Folding chairs	
	Plastic bins for holding vegetables	
	microwave	
	Floor mats	

Kitchen Box 5 - Cleaning

Teatowels	
Dishtowels	
Rags	
Dish racks	
Scrub brushes	
Rubber gloves	
Liquid handsoap	
Smoke/CO2 Detectors	
Brooms	
Dust Pans	
Garbage Bins	
Wooden Beds	
Foamies	

Needed For Next Season

Muskox Diamond Property Abandonment and Restoration Plan

Seasonal Camp Shut Down Inventory

Office Tent

Container	Item	Quantity
Office Box 1 -	Safety Gear	
	Safety glasses	
	Ear plugs	
	Hard hat ear defenders	
	Safety goggles	
	Dust masks	
	Respirator masks	
	Respirator filters	
	Bug repellent	
	Bear spray	
	Plastic rain suits	
	Mosquito coils	
	Air horns	
	Safety vest	
	Orange gloves	
	Leather gloves	
	Rubber gloves	
	Cloth gloves	

Office Box 2 -	Field Gear	
	Flagging	
	Packing tape	
	Nylon rope	
	Field books	
	Rock sample cards	
	Till sample cards	
	Core sample cards	
	Personal FA kits	
	Sample tags	
	Sharpies	
	Cable ties	
	Security seals	
	Rope chains	
	Scale	
	Electrical power bars	
	Surge protector	
	Measuring tape	

Office Box 3 -	Office Supplies	
	Binders	
	Stapler	
	Staples	
	White board	
	Dry erase pens	
	Pens	
	Pencils	
	Volt meter	
	3 hole punch	
	Push pins	
	Cameras	
	Printers	
	Printer paper	
	Router stand	
	Router booster	
	Cordless phones	

Container	Item	Quantity
Office Box 4 (freezables to be sent out for storage)	Epoxy	
	Enamel paint	
	Wet coat tree paint	
	Marker paint	
	Printer ink	

Office Box 5 -		

Needed For Next Season		