

English Summary of Renewal Application

9. Description of Undertaking

Planned work will consist of more diamond drilling at the Vickers target, and possibly more drilling at the Bazooka target. Prospecting will continue to be carried out on the property.

The Pistol Bay campsite has been in place since 2011, and will continue to be used. It is located along the edge of a sandy esker 14 km northwest of the Whale Cove airport. In 2013, the existing wood-framed tents were replaced by Weatherhaven tents. The camp consists of eleven 14' x 16' sleep tents, a 14' x 16' shower house tent, a 14' x 20' office tent, a 14' x 16' core cutting tent, a 14' x 16' storage tent, a 14' x 16' plywood logging tent, a 14' x 32' plywood kitchen, and an 8' x 8' plywood generator shack. Two plywood outhouses complete the list of structures in camp.

Water in camp is pumped to a 250 gallon holding tank in the shower house with a small Honda water pump. The water is then pumped from the holding tank with an electric jet pump directly to the kitchen and showers and to a propane water heater.

Four fuel berms equipped with water drains are also located at the base camp. Currently, 50 drums of Jet A fuel and 20 drums of diesel fuel are stored in the berms.

Twenty 100 lb cylinders of propane are also stored in camp.

Forty empty fuel drums and half a drum of waste oil are also stored in camp.

Equipment currently stored in camp consists of the following:

- 1-7 kW diesel generator

- 1-15kW gasoline generator

- 1-6.5 kW gasoline generator

- 2-gasoline Honda water pumps

- 4-500 cc Honda ATV's

- 2-650 cc Ski Doo snowmachines

- 1-Discovery 1 diamond drill with spares

- 150 bags of calcium chloride placed in storage tent

At the Vickers target, a 14' x 16' Weatherhaven tent is present as an emergency tent. Two Discovery 2 diamond drills are also stored at the Vickers target.

Both, the camp and Vickers target are accessible by 2 wheeled drive vehicles via a road system constructed by the Hamlet of Whale Cove to allow easy inland access for local hunters and fishermen.

Northquest Ltd owns a Ford F250 pick-up that has been used since 2013 to transfer local hires between camp and Whale Cove, to haul garbage to Whale Cove and pick up groceries in Whale

Cove. When weather conditions prevent the use of a helicopter, the pick-up has also been used to transfer drill crews between camp and the drill at Vickers. The truck is currently stored in Whale Cove.

It is planned that the next exploration program will start with arrival of an AStar B2 helicopter chartered from Custom Helicopters and a cook/medic provided by 1984 Incorporated. Northquest Ltd has used the services of both companies since the project started in 2011. One employee of Northquest Ltd will also arrive at the beginning of the program, along with one or two contract geologists. The crew will be augmented by personnel hired in Whale Cove. The local hires will act as bear monitors, core cutters, geological assistants, and a bull cook. Whale Cove residents have been employed on the project since 2011. A four man drill crew from Top Rank Diamond Drilling will arrive approximately one week after the camp opens. Top Rank has also been employed since 2011. Drilling will start at Vickers with one drill. Shortly thereafter, a second 4 man drill crew will arrive to operate a second drill at Vickers.

All local hires except the bull cook, will work a two week rotation. To fill the 7 positions, a total of 14 persons will be employed.

The helicopter will be used for all drill moves and crew transfers.

Bear monitors will be employed at the camp and drill on a 24 hour basis. Monitors will work 12 hour shifts.

Communications in camp will be provided by Northern Communications Ltd, which is based in Yellowknife. Camp will be serviced with a two-dish satellite system which has both an internet telephone system, as well as excellent internet capability. A walkie-talkie communications system incorporating a repeater station will also be provided by Northern Communications. This allows for excellent two-way radio communications between camp, the helicopter, and all crews in the field.

Diesel fuel and gasoline for the drill and camp will be purchased from the Co-Op bulk storage facility in Whale Cove. Empty drums will be filled at the facility and then transported to the drill either by helicopter or by truck. Additional Jet fuel will be purchased in Montreal and brought to Whale Cove by ship. Propane is purchased in Churchill and is flown to Whale Cove.

Groceries will be purchased from the Co-Op in Whale Cove on a weekly basis and transported to camp by pick-up truck.

Prospecting crews will be transported between camp and work areas by helicopter on a daily basis.

All core and rock samples will be transported to Rankin Inlet by helicopter and then forwarded by air to AGAT Laboratories in Mississauga, Ontario for analysis.

All work will be terminated in September, and the camp will be closed for the season. Some equipment will be stored in the tents, but all drill equipment will be winterized and stored outdoors.

15. Waste and Disposal

Sewage

Approximately 500 kg of sewage will be produced each season. It will be retained in latrine pits that have been dug in the sand.

Camp Grey Water

Approximately 1.0 cubic metre of grey water will be produced each day. It will be retained in sumps that were constructed with perforated drums and boulders buried in sand. Photographs of the system have been included in annual reports submitted to the NWB. The drums and boulders provide a temporary storage location before the water is gradually filtered through the sand.

Combustible Solid Waste

Combustible solid waste will be transported to the Whale Cove municipal dump every few days by truck.

Non-combustible solid waste, including bulky items/scrap metal

Non-combustible solid waste will be transported to the Whale Cove municipal dump.

Hazardous Waste and Oil

Hazardous waste comprised of used batteries will be transported to Ontario for disposal at the end of each season. Waste oil will be shipped in drums by air to Arviat, where it will be burned in a waste oil burner that is owned by the hamlet.

Contaminated Soil

Contaminated soil will be collected in empty plastic buckets and will be shipped to the Whale Cove municipal dump, where it will be identified as such.

Empty barrels/ fuel drums

Empty propane cylinders will be returned to the supplier in Churchill. Empty drums will be donated to the Hamlet of Whale Cove because the council has requested that they be allowed to have the drums. Any drums that are not taken by the Hamlet will be crushed and disposed of in the Whale Cove municipal dump when the program terminates. The drums will have been emptied of any residual fuel before being crushed.

Cuttings at Drill Sites

Cuttings produced by drilling will be deposited in shallow sumps where possible. At other locations, cuttings will be allowed to remain on surface.

Cuttings Produced by Core Cutting in Camp

Cuttings will be buried in a pit dug in the sand near the latrine pits.

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

The undertaking will produce minimal environmental impacts.

Camp

All grey water will be allowed to drain into the sand that underlies the camp.

Sewage will be buried in sand pits beneath the latrines. All cuttings generated by core cutting will be buried in pits dug in the sand near the latrines. The cuttings are essentially mud which does not contain any significant quantities of sulphur.

Refuelling of the helicopter will be carried out from a refuelling berm which can contain 3 drums of fuel at any given time.

The Honda water pump sits in a small tray that can catch any fuel spills.

The generators in camp are all refuelled with hand operated wobble pumps. Spill cloths are available to soak up any accidental fuel spills.

Drill Sites

Spill kits are available to soak up any accidental hydraulic oil spills.

The water pumps are placed in plastic spill trays to retain any accidental fuel spills.

The drills are all equipped with double-walled fuel tanks.

When calcium chloride is used to allow for bit changes, the salt water produced will have the potential to damage vegetation. However, the salt water will be quickly diluted with drilling water, and damage will be minimal.

All other additives used at the drill are environmentally friendly, and pose no threat to the environment.

18. Water Rights of Existing and Other Users

The Pistol Bay camp and the Vickers target lie within the municipal boundaries of Whale Cove. The Hamlet is aware of all Northquest's activities, and receives \$5,000 per year in payment as per requirements of the Commissioners Land Use Permit.

No other water users are affected by Northquest's activities.

20. Consultation

The latest consultation occurred in August, 2014, at which time D. Car (VP Exploration) attended a hamlet council meeting at the council's request. The

purpose of the meeting was to clarify the number of ATV's and snowmachines that were identified in the latest Commissioners Land Use Permit renewal request.

The mayor and some hamlet councillors visited the Pistol Bay camp several times during 2014.

The only concern expressed by the hamlet council in 2014 was that the project helicopter sometimes flew at a lower altitude than it should. This concern was addressed by Northquest, and strict altitude guidelines were initiated.

21. Security Information

It is estimated that reclamation of the campsite will cost approximately \$20,000 if performed by contractors based in Whale Cove. The camp is accessible by road, and reclamation would consist of all equipment being transported to Whale Cove by tandem trucks. A payloader would be used to load all heavy equipment onto the trucks. Any fuel remaining in camp would be trucked to Whale Cove and would be used by the residents for home heating or as fuel for vehicles. All lumber would be donated to Whale Cove.

23. Studies Undertaken To Date

Archeological studies by Golder Associates Ltd were carried out in 2011, 2012 and 2013 before any diamond drilling was carried out.

A compliance report was forwarded to NWB in late 2013 in response to an inspection carried out in 2013. The compliance to all issues raised in the inspection was also addressed in the 2014 Report of Activities, forwarded to NWB in early 2015.

24. Proposed Time Schedule

Personnel would arrive in base camp in late June, 2015 and depart mid to late September. The camp would be left ready to be re-opened the following June.