NORTHQUEST LTD

ABANDONMENT AND RESTORATION PLAN

PISTOL BAY PROJECT, NUNAVUT

Prepared by: Dwayne Car

Stanley Robinson

May 2015 May 2017

NORDGOLD (Northquest Ltd.) Suite 101 - 50 Richmond Street East, Toronto, Ontario Canada M5C 1N7 www.nordgold.com

Table of Contents

	Page
1. Preamble	3
2. Introduction	3
3. Background Information on the Campsite	4
4. Schedule	4
5. Infrastructure	4
6. Seasonal Shutdown	5
7. Final Abandonment Plan	7
8. Contact Numbers for Relevant Organizations	8

NORDGOLD (Northquest Ltd.)

Pistol Bay Project, Nunavut

Abandonment and Restoration Plan

1. Preamble

This Abandonment and Restoration Plan (A&R Plan) is in effect until the expiry of Nordgold (Northquest Ltd.)'s water licence and land use permits, and applies to the work areas planned for the Pistol Bay property. These work areas lie within the municipal boundary of Whale Cove, on Crown Land and on Kivalliq Inuit Association (KIA) Inuit Owned (IOL) surface land.

Nordgold (Northquest Ltd) has received licences and permits from Indigenous Affairs and Northern Development Canada (INAC) for exploration activities on Crown Land, the Kivalliq Inuit Association for activities on Inuit Owned surface land (IOL), a water licence from the Nunavut Water Board (NWB) for water use and waste disposal related to the project, as well as permission from the Hamlet of Whale Cove and authorization from the Government of Nunavut Department of Community and Government Services (GN CGS) for activities on Commissioners Land.

Questions or concerns regarding this Plan can be directed to

David Smith
Exploration Manager, Canada
NORDGOLD (Northquest Ltd.)
Suite 101 - 50 Richmond Street East,
Toronto, Ontario
Canada M5C 1N7

T: (416) 306-0954 C: (647) 549-0954

EMAIL: david.smith@nordgold.com

www.nordgold.com

2. Introduction

This Plan has been prepared for one temporary campsite and several proposed diamond drilling locations on Nordgold (Northquest Ltd.)'s Pistol Bay project. The campsite is located at 62 21 05.2N, 92 45 19.7W. The site is located on an existing road that is capable of permitting standard vehicular travel. This road is part of a road system that the Whale Cove Hamlet has constructed to allow for easy access to the mouth of the Wilson River for its residents to pursue traditional activities.

The Pistol Bay camp has been in place since 2011 and is owned by Henik Lake Adventures Ltd. of Arviat. The camp consists of several aluminum framed 14' by 16' tents on plywood floors, a

plywood kitchen, a plywood core logging tent, and can accommodate up to 35 people. Some structures were added by Nordgold (Northquest Ltd.) in 2016.

Exploration based out of the camp generally consists of prospecting, till sampling, geophysical surveys, mapping and diamond drilling.

3. Background Information on the Campsite

The site is located on a wave-modified, flat-topped esker and is situated on an existing road that is capable of permitting standard vehicular travel. This road is connected to a road system that the Hamlet of Whale Cove constructed to allow for easy access to the mouth of the Wilson River for its residents to pursue traditional activities

4. Schedule

The effective date of the plan is June 25, 2015. The restoration of the camp will occur when the program has been completed and will be finished prior to expiration of the renewed water licence, unless another renewal is applied for. Each drill site will be restored as soon as the drill is moved to a new location (progressive reclamation).

5. Infrastructure

Structures: Eleven x 14' x 16' Weatherhaven sleep tents heated with propane

One 14 x 32' plywood kitchen heated with propane

One 14' x 16' plywood coreshack heated with propane

One 14' x 16' Weatherhaven dry heated with propane

One 14' x 16' Weatherhaven core cutting tent

One 14' x 16' Weatherhaven storage tent

One 14' x 20' Weatherhaven office tent heated with propane

One 8' x 8' plywood generator shack

Two plywood outhouses

One heli-pad

One fuel cache stored in four "Insta berms" equipped with water drains

Spill response equipment located beside fuel berms and heli-pad

The following structures were added during the 2016 field season:

Two 14' x 16' Weatherhaven sleep tents heated with propane

The kitchen was enlarged to 14' x 48'

A new generator shack 8' x 16' was added to house a new generator

A plywood shack 8' x 14' was added to the Weatherhaven dry to house water storage tank, hot water tank as well as a clothes washer and dryer

A plywood core logging shack 16' x 24' was built

A plywood outhouse

Machinery One Ford F250 pick up

Four 500 cc Honda ATV's

Two 650 cc Ski Doo snowmobiles

One 7.5 kW diesel generator

One 15 kW gasoline generator

One 50 cc Honda water pump

One A Star B2 helicopter

One D1 Discovery hydraulic diamond drill

Two D2 Discovery diamond drills

Two diesel water pumps for diamond drills

The following machinery was added/replaced during the 2016 field season:

One 500 cc Honda ATV became un-operational; it is currently on-site

One 500 cc Honda ATV was acquired

One 29 kW generator was acquired

The following equipment will be added in 2017.

One Smart Ash portable, multipurpose batch load incinerator

A map showing the location of the campsite and drill sites is **attached**, along with photographs of the camp and fuel berms.

6. <u>Seasonal Shutdowns</u>

Buildings and Contents

All doors on the Weatherhaven tents will be screwed shut before the camp is closed for the winter. All windows and doors on the plywood kitchen and core logging tent will be covered with plywood.

Vehicles

The ATV's snowmobiles will be stored inside one tent. The pick-up will be stored in Whale Cove.

Water System

The pump and hoses will be drained. All will be stored in the winterized kitchen tent for the winter.

Fuel and Chemical Storage

An inventory of fuel will be made at the end of each season and all drums will be inspected for possible leaks. The fuel will remain stored in the portable "Insta Berm" fuel berms. All empty drums will be temporarily stored at the Whale Cove airport before being crushed and buried in the Whale Cove landfill. All empty propane cylinders will be returned to Churchill, Manitoba.

Drill additives and unused salt will be stored in the storage tent.

Waste

Combustible Waste

All combustible waste will be burned on site in an incinerator. Ash will be sealed in 45 gallon drums for transport to the Hamlet of Whale Cove's landfill.

Non-Combustible Waste

All non-combustible waste will be transferred to the Whale Cove dump for disposal. This waste will only consist of metallic materials such as cans and steel strapping and wire.

Used batteries will be transported to Ontario for disposal.

<u>Used Motor Oil</u>

Used motor oil will be burned in the incinerator.

Grey Water Sump

On-site septic system.

<u>Sewage</u>

The outhouse sumps will be buried at the end of the season.

Drills and Drill Sites

Prior to shutting down for the season, the D1 drill and all ancillary equipment will be moved back to the main campsite. The two D2 drills will be mothballed and stored at the Vickers drill site.

All drill sites will be inspected upon completion of each hole. All combustible and metallic waste will be collected and sent to the Whale Cove dump site. All sumps will be filled in and casing will be cut off to ground level. Photographs of each drill sites before and after drilling will also be taken for inclusion the annual report that is sent to the NWB.

Contamination Clean Up

Any soil at camp or the drill sites that has been contaminated will be treated according to procedures outlined in the Fuel Spill Contingency Plan. The soil will be transferred to the Whale Cove dump site for incineration.

Inspection and Documentation

A complete inspection of all disturbed areas at the camp and drill sites will be conducted prior to seasonal closure of the project. A full inventory of equipment will be made. Photographs will be taken of the campsite after it has been winterized.

7. Final Abandonment and Restoration

Tents and Contents

All tents and structures will be dismantled and removed, using a local contractor. Removal will be carried out with a tandem truck. All material will be taken to the Whale Cove airport for final distribution to Manitoba and Ontario.

Equipment

All equipment including the diamond drill, pumps and generators will be removed from the project site by truck and helicopter. All material will be taken to the Whale Cove airport for final distribution.

Fuel Cache and Chemicals

All fuel drums and chemical containers will be removed from the site. All sites that contained fuel will be inspected and any contamination will be dealt with according to the Spill Contingency Plan. Final photos of the fuel cache site will be taken.

Sumps

All sumps will be inspected and backfilled. Final photos will be taken and forwarded to the NWB.

Camp Site

A final inspection will be made. Photos will be taken and forwarded to the NWB.

Core Storage

All drill core will be removed from the site unless specified otherwise by the Nunavut government.

Drill Sites

All drill sites will be inspected upon completion of each hole. All waste will be collected and transferred to the Whale Cove municipal dump site. All sumps will be backfilled. Each drill collar will be cut off to ground level. Photographs of each site will be taken and forwarded to the NWB.

Contamination Clean Up

Any contamination will be treated according to procedures laid down in the Fuel Spill Contingency Plan. Any contamination and subsequent clean-up will be documented with photographs. All waste will be transferred to the Whale Cove municipal dump for incineration.

Inspection and Documentation

A complete inspection of all areas will be conducted prior to closure. Photographs will be taken for use in the final report. All appropriate agencies will be contacted upon final clean up.

8.0 <u>Contact Numbers for Relevant Organizations</u>

Whale Cove Hamlet Office - (867) 896-9961

Nordgold (Northquest Ltd) – (416) 306-0954

NT - NU Spill Hot Line - (867) 920-8130

Henik Lake Adventures Ltd (owner of camp equipment) (867) 857-2978

Attachments:

1. Camp and Drill site locations