ABANDONMENT AND RESTORATION PLAN

NORTHQUEST LTD ABANDONMENT AND RESTORATION PLAN PISTOL BAY PROJECT, NUNAVUT

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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

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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 (prior to commencement of 2018 field season):

- Thirteen x 14' x 16' Weatherhaven sleep tents heated with propane
- One 14 x 48' plywood kitchen heated with propane
- One 14' x 16' plywood shack heated with propane, and used for sample shipment preparation and sample drying. Previously, this building was the core shed.
- One 16' x 24' plywood core shack, heated with fuel oil.
- One 14' x 16' Weatherhaven shower/laundry facility, heated with propane, with an 8' x 16' extension which houses the laundry facilities, water storage tanks, water heater and water treatment system
- 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 equipment shack
- Three plywood outhouses
- One heli-pad made of plywood framed with wooden pallets
- Two fuel caches stored in four "Insta berms" equipped with water drains
- Spill response equipment located beside fuel berms and heli-pad
- Two plywood generator shacks 8' x 16'
- One 16' x 8' extension to plywood core logging shack

- One 8' x 8' shed to contain electrical panels
- One 16' x 16' plywood dry (heated by fuel oil)
- One plywood emergency shelter (used at drill rig)

Northquest Machinery (on-site prior to commencement of 2018 field season):

- One 2013 Ford F250 ¾ ton pick-up Truck
- Two Sq –3330-Can-sw generators
- One 2014 TRX500FM Honda ATV
- One 2014 TRX420FE Honda ATV
- One 2011 TRX500 Honda ATV
- One 2016 TRX 500FM Honda ATV
- Two Honda 6500 generators
- One gas portable rock saw
- Two 33.1Kva generators (main power plant and spare for camp).
- One 7.5 kW diesel generator
- Two 15 kW gasoline generators
- Two 50 cc Honda water pumps
- One Smart Ash portable, multipurpose batch load incinerator
- One gas-powered hydraulic barrel crusher
- One Kubota M6060 tractor
- One Sure-track trailer model ST8214TLDD

Top Rank Diamond Drilling Limited machinery on site at commencement of 2018 field season:

- Two Discovery 2 diamond drills, with 4 Perkins engines
- Three Honda generators
- One Yamaha generators
- One generic generator
- One Lincoln welder
- One Miller welder
- Seven Water pumps
- Four Honda 2" water pumps

6. Seasonal Shutdowns

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.

Used Motor Oil

Used motor oil will be flown in 45 gallon drums to Arviat, for final disposal in the Hamlet's waste oil furnace.

Grey Water Sump

On-site septic system.

Sewage

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 Arviat.

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 to Manitoba and Arviat.

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 Contact Numbers for Relevant Organizations

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

PHOTOGRAPHS OF PISTOL BAY CAMP AND PUMP SITE



Figure 6. Aerial View of the Pistol Bay Camp and water source



Figure 7. View of the Pistol Bay Camp water pump installation

MAPS OF DRILL HOLE COLLARS ON EACH TARGET DRILLED (Drilling was carried out prior to 2018)

Maps illustrating the drill hole sites on the following targets that had the casing and anchors cutoff just below ground level, are presented on the following pages:

- Figure 8. Map illustrating the Cooey Prospect drill sites.
- Figure 9. Map illustrating the Sako Prospect drill sites.
 Figure 10. Map illustrating the Pistol Prospect drill sites.
- Figure 11. Map illustrating the Vickers Gold Deposit drill sites.
- Figure 12. Map illustrating the Bazooka and Defender Prospect drill sites.
- Figure 13. Map illustrating the Howitzer Prospect drill sites.
- Figure 14. Map illustrating the Bannock Prospect drill sites.

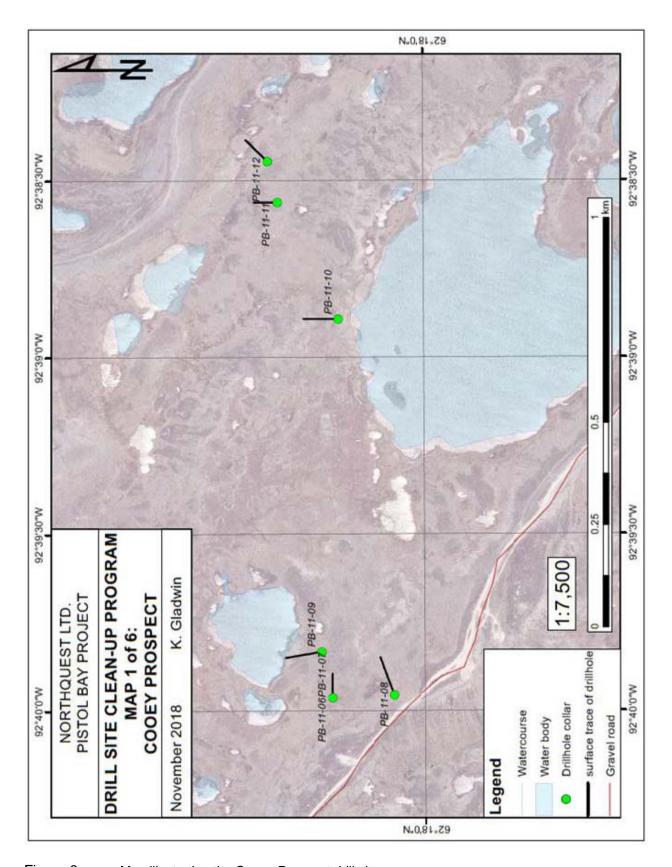


Figure 8. Map illustrating the Cooey Prospect drill sites.

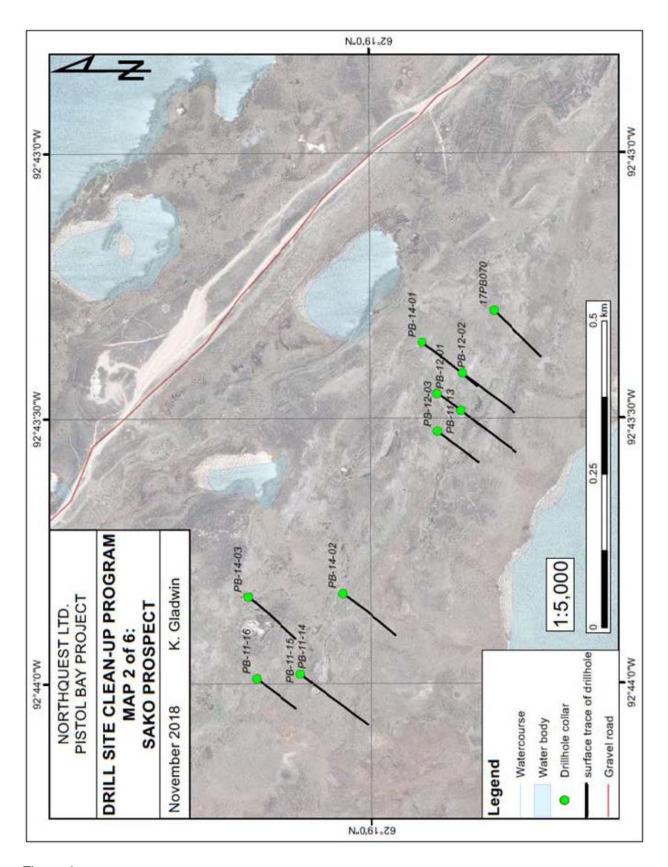


Figure 9. Map illustrating the Sako Prospect drill sites.

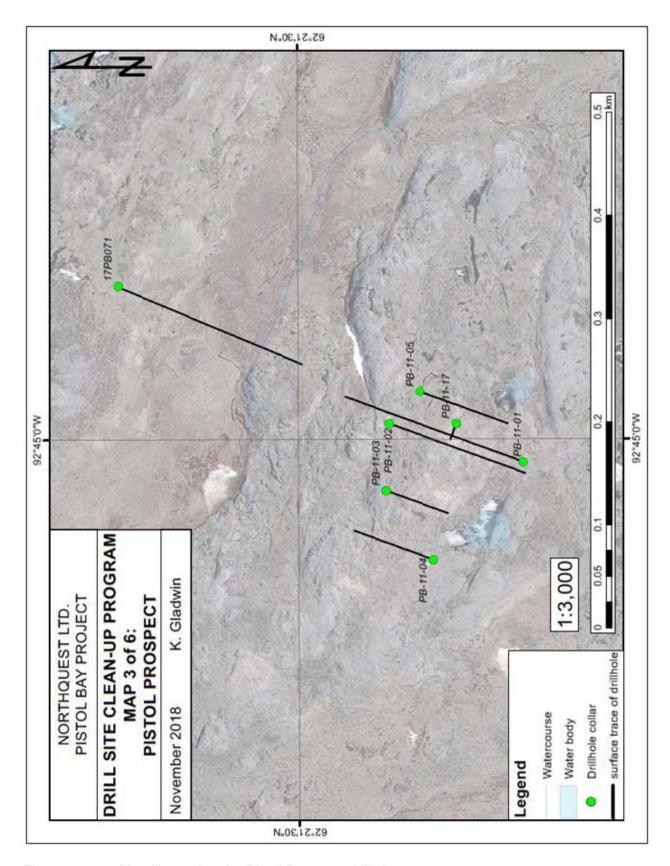


Figure 10. Map illustrating the Pistol Prospect drill sites.

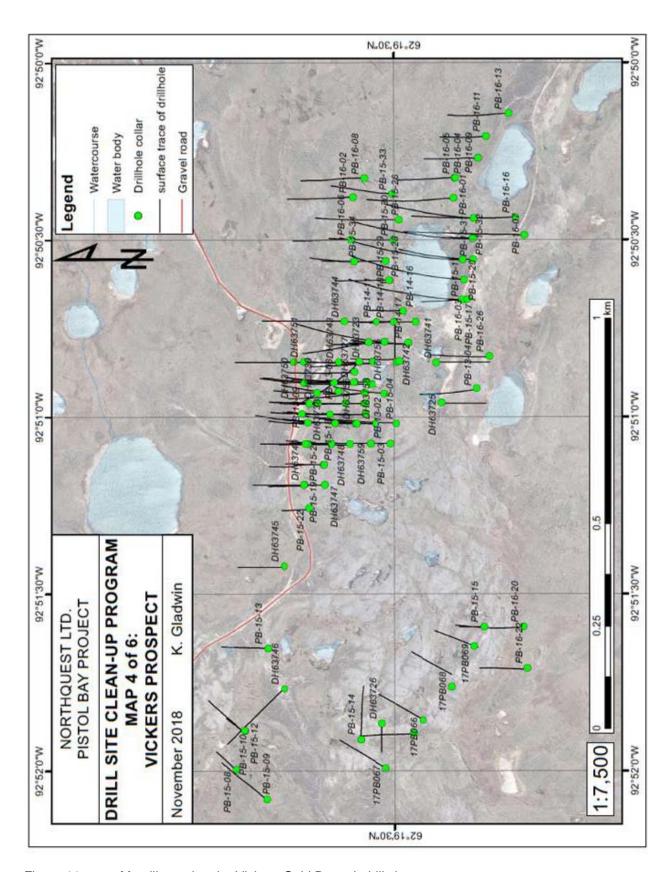


Figure 11. Map illustrating the Vickers Gold Deposit drill sites.

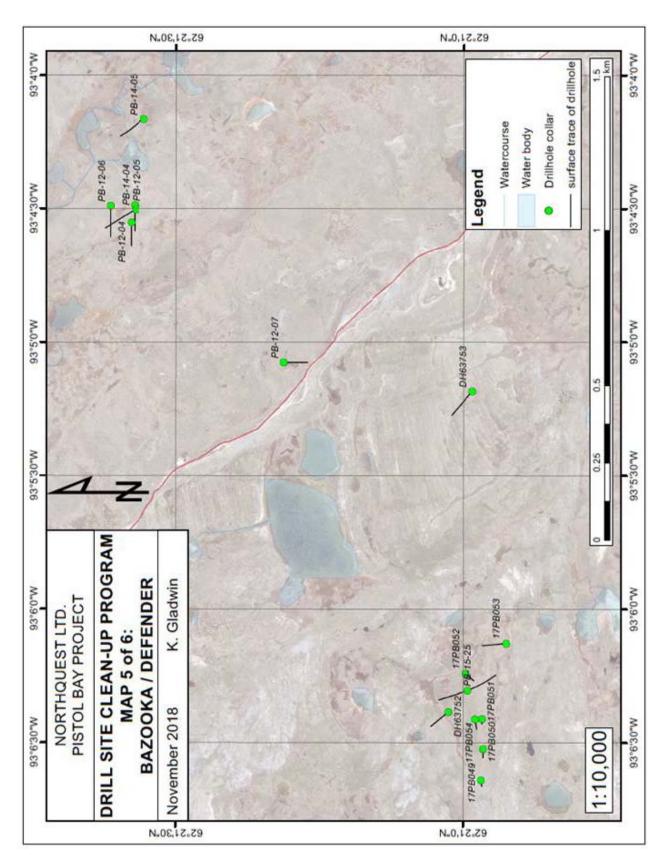


Figure 12. Map illustrating the Bazooka and Defender Prospect drill sites.

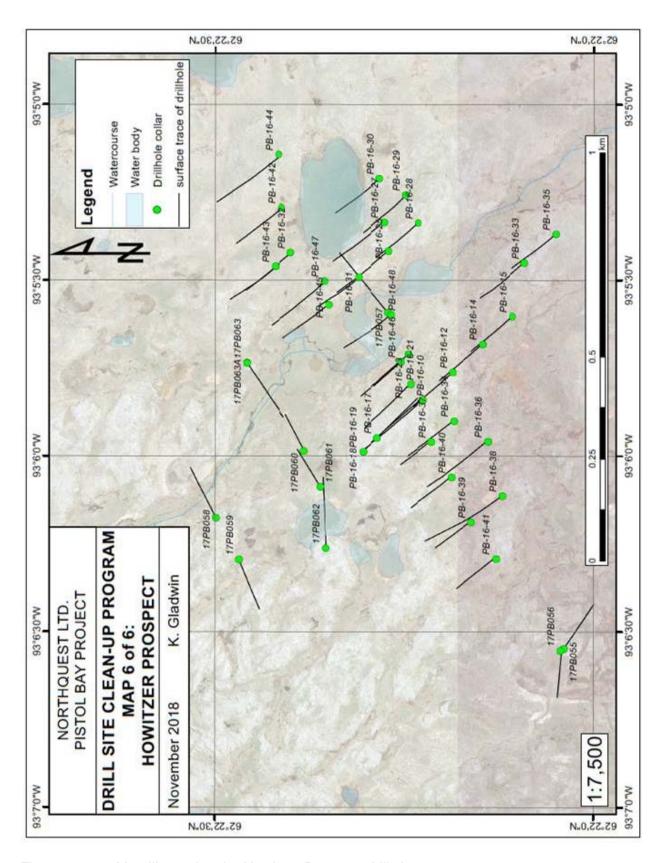


Figure 13. Map illustrating the Howitzer Prospect drill sites.

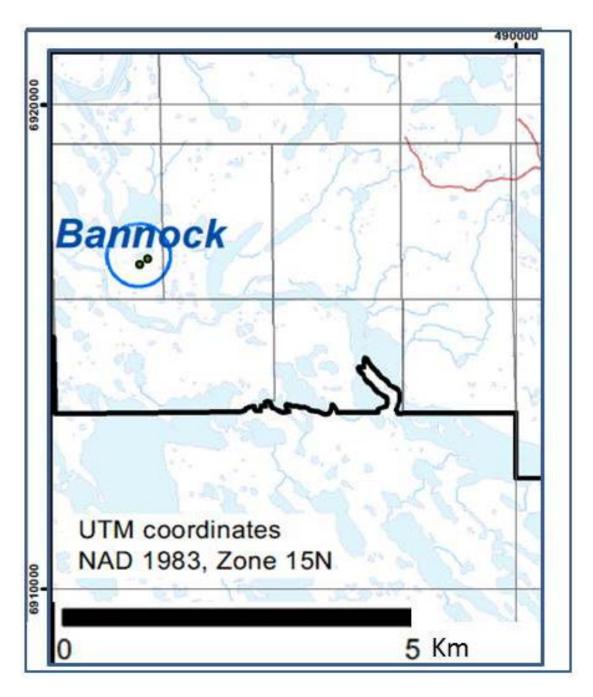


Figure 14. Map illustrating the Bannock Prospect drill sites.

PHOTOS OF DRILL SITES BEFORE AND AFTER ANCHORS AND CASINGS WERE CUT-OFF

Photographs before and after the removal of anchors and casings from the drill holes on the following targets are included only as digital powerpoints.

•	Sako and Cooey	Drill holes illustrated on Figures 8 and 9 respectively
•	Pistol	Drill holes illustrated on Figure 10
•	Vickers	Drill holes illustrated on Figure 11
•	Defender and Bazooka	Drill holes illustrated on Figure 12

Defender and Bazooka
 Howitzer
 Bannock
 Drill holes illustrated on Figure 12
 Drill holes illustrated on Figure 13
 Drill holes illustrated on Figure 14