

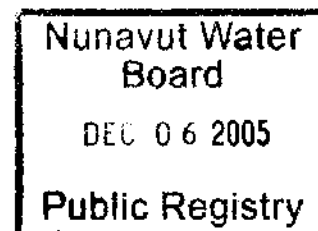
ABANDONMENT AND RESTORATION PLAN

BHP Billiton Diamonds Inc.

Amaruk Project

NWB2PEL507

Kitikmeot Region, Nunavut



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November 2005

INTRODUCTION

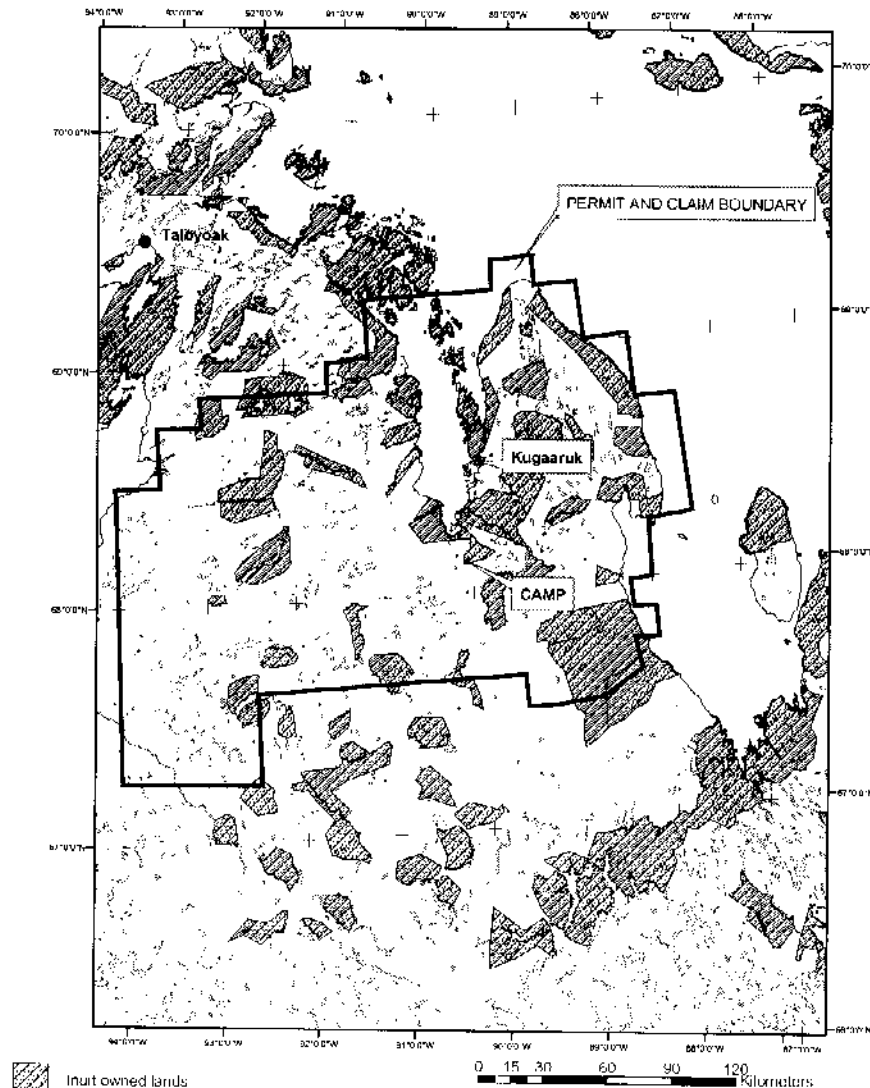
PURPOSE

This document is intended to describe measures appropriate to ensuring a comprehensive closure of company activities on the Amaruk property that will meet or exceed the requirements of territorial licensing agencies. The framework for the company's approach is outlined in the Standard Operating Procedure included in Appendix 1.

OVERVIEW AND LOCATION

The Amaruk Project is a 50/50 joint ventured exploration effort on claims and permits variously held by BHP Billiton (the current operator) and Diamonds North. It encompasses a large area straddling Pelly Bay. Activities are centred upon a 25 person camp on IOL located 45 km south of the hamlet of Kugaaruk.

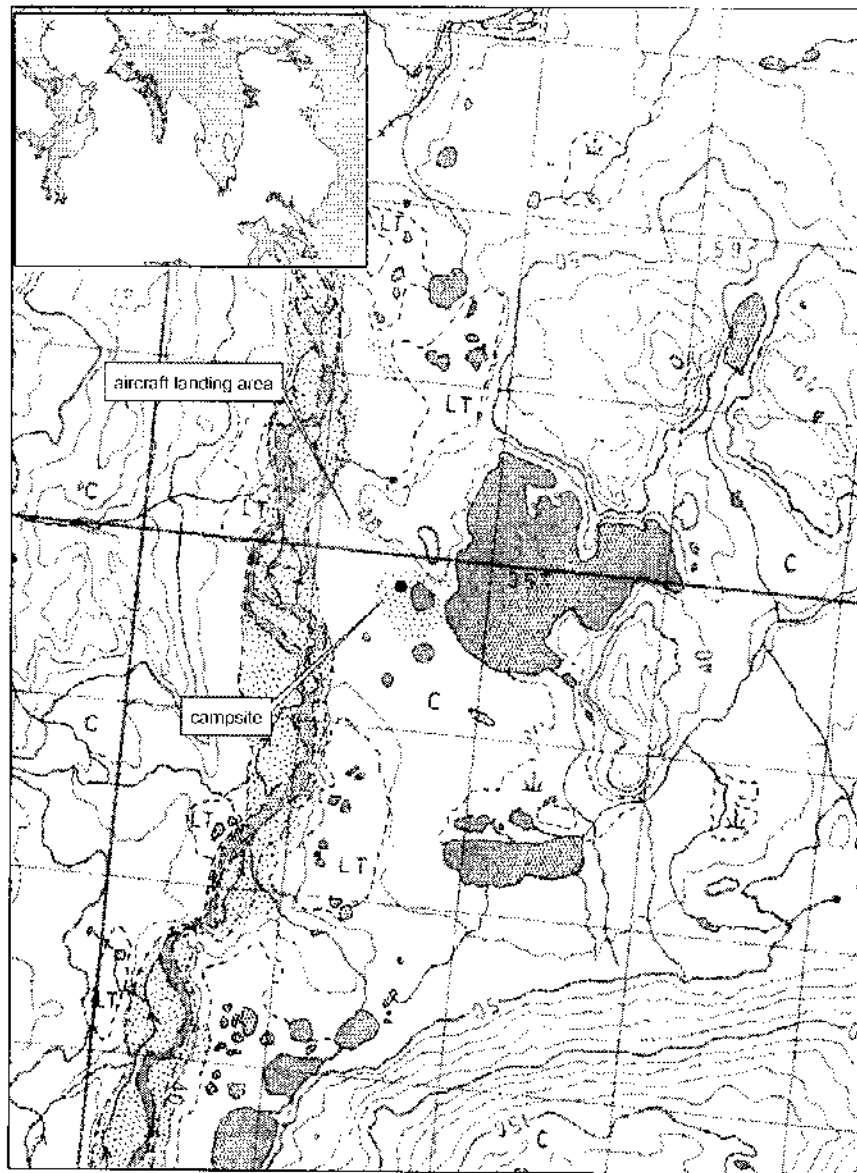
Property work began in 2005 and will likely continue for another year on a slightly larger scale. If results should warrant, exploration would proceed beyond 2006 but if not, BHPB would withdraw its exploration interest from the project. Final site abandonment and restoration timing would then depend on upon how much further work Diamonds North elected to carry out.



AMARUK PROJECT LOCATION

BHP Billiton Camp

57A/3



Camp Co-ord - 90 4 23 W 68 7 35 N

0 0.3 0.6 1.2 1.8 2.4 Kilometers

INFRASTRUCTURE DESCRIPTION

The camp is built on an extensive, sparsely vegetated, plain of sand. After extensive reconnaissance, it proved to be the only site within the primary working area that afforded both the space and the ground competency required for a camp of this size. Most of the camp has been rented from Discovery Mining Services in Yellowknife.

The operation is entirely reliant on helicopter support, both for daily work sorties and resupply from the hamlet. Seasonal caching of fuel and equipment is effected by scheduled or chartered fixed-wing flights to Kugaaruk and thence onward to the camp by chartered Twin Otter equipped with tundra tires or wheel skis.

2005 Camp

Structures

- 6 – 14 x16 Weatherhaven tents
- 1 – 8x8 Weatherhaven tent
- 2 – 14 x 16 wood-frame and canvas tents
- 2 – 14 x 32 wood-frame and canvas tents
- 1 – wood genshed
- 2 – plywood outhouses

Equipment

- 1 – 12 KVA diesel generator
- 1 – 2500KW gas generator
- 2 – MD 500D helicopters
- 1 – Honda pump
- 2 – propane kitchen ranges
- washing machine and dryer
- fridges and freezers
- diesel-fired heaters

2006 Proposed Camp Additions

Structures

- 3 – 14 x 16 wood frame and canvas tents

Equipment

- Additional washer and dryer
- Additional generator (20 KVA)
- ATV with wagon (if exemption permitted)

Aerial View of Camp



APPLICABLE PERMITS AND LICENCES

The following permits and licences obtain to the project:

- DIAND – Land Licence N2005C0012
- Kitikmeot Inuit Association – Land Use Licence KTL305C012
- Nunavut Water Board – Water Licence NWB2PEL507
- NIRB screening – 05EN058
- Nunavut Airport Authority – Kugaaruk storage lease No. 102277
- Please see Appendix 3 for mineral claim and permit information

The primary activities recognised by these project permits and which constitute the focus of this A & R plan include:

1. camp construction
2. fuel caching
3. regional mapping and sampling by helicopter
4. diamond drilling

SECTION 1

FINAL ABANDONMENT AND RESTORATION

The general objective is to return all sites of use to an as near-to-original condition as possible. This may or may not require site audit from an internal environmental consultant depending on the history of reportable incidents and the scale of the work that was done. Final restoration begins as soon as practicable after it becomes apparent that the project will not warrant further exploration. On that account, no date has been set.

Camp and Environs

- All structures and equipment to be removed – either to another project or to source in Yellowknife or Churchill. Reusable lumber may be given to any individuals in Kugaaruk willing to formally commit to its removal from the site after dismantling. The HTO may be approached as a suitable arbiter. Otherwise it will be removed or burned on site.
- All fuel drums to be removed to Kugaruk for interim storage under airport lease 102277 then flown to source (Churchill MB) for disposal as soon as can be practically arranged.
- Unused fuel to be sold in Kugaaruk to local interests or other exploration projects. Failing that, it would be returned to source in Churchill.
- Septic sewage is confined in latrine pits that are periodically backfilled and the facility moved. Any remaining on termination of the program will be similarly buried. A lye-based product for outhouse use is periodically added during use.
- Grey water is collected in a semi-buried 500 gallon fibreglass tank equipped with a float-switched pump that automatically discharges contents through a pipe and onto a flat, sandy surface several hundred feet from the sump and 40m metres from the nearest water body. The discharge is easily absorbed by the soil, with minimal surface flow. The area will be flushed with fresh water and raked if necessary on final abandonment.
- The aircraft landing area is a large, flat, expanse of moss-covered, compacted sand. Some shallow rutting has occurred, which can be mitigated by backfilling but may better be repaired by natural freeze/thaw cycles. The effectiveness of the latter should be evident by next spring.
- Hydrocarbon spills, whether small or large, will be addressed at the time of occurrence and according to the protocols outlined in the Spill Plan (see Appendix 2). The pervasive sand at the site allows easy excavation of contaminants. These will be drummed and flown to Churchill for appropriate disposal.
- Reseeding (using protocols developed at the Ekati Diamond Mine) will be done at all areas of disturbance should impacts warrant.

Drill Sites

- Each drill site will be reclaimed prior to moving to the next collar. Where this cannot be immediately completed due to the nature or scale of disruption, the site will be stabilised and ongoing rehabilitation pursued until it's returned to as close-to-original condition as possible.
- As necessary, environmental consultants will be mobilised to address serious containment or contamination issues or incidents. Considerable arctic expertise in this regard is available from resources at BHPB's Ekati diamond mine. An appropriate schedule for the ongoing monitoring of a restoration effort may be determined at this time.
- Salination of cuttings from the use of Ca Cl or Na Cl is diluted by flushing with fresh water. (Hot water is used as an alternative to brines wherever possible although this has distinct practical limitations in many situations).
- Where necessary, accumulations of cuttings from settling ponds and extraction cyclones is spread thinly (raked) to assist in vegetation recovery at the sump. Re-seeding may be recommended for large cuttings depositions.
- In those instances where casing may be left in the ground, it is cut as nearly to flush as possible. A steel cap is then brazed over the top to seal the hole.
- All drill equipment, including setup timbers will be removed to Kugaaruk on completion of that phase of the project.

Sampling and Mapping

- Sampling consists primarily of the collection of 30 pound soil samples excavated by shovel at proscribed intervals. A helicopter(s) is used for access. Site remediation consists of ensuring that any excavation does not present a tripping hazard.

SECTION 2

SEASONAL SHUTDOWN

Seasonal abandonment of the camp usually occurs in late August or early September due to the constraints of deteriorating weather. Effective restoration is applied as an ongoing process of care and maintenance throughout the working season. The objective at the time of seasonal shutdown is to have minimised the cumulative and residual impact of that year's activities.

Camp and Environs

- In any given year, every effort is made to systematically remove empty fuel drums when backhaul space becomes available on charter flights. If these cannot be cost effectively returned to Churchill that year, they are stored at the Kugaaruk airport over the winter (per Nunavut Airport Authority lease 102277) awaiting backhaul the following spring during resupply. Those empties that could not be cost-effectively removed from camp are mustered in long rows oriented to the direction of the prevailing wind (to minimise drifting and facilitate removal in the spring). To ensure that these drums are effectively empty, fuel dregs are collected for use in the incinerator. All of the previous season's empties are removed on backhaul flights during the ensuing spring's resupply effort.
- Any full drums remaining at the camp are similarly mustered for easier access the following year.
- The generator, its power lines and fuse boxes and the canvas skins for the woodframe tents are removed to the rental supplier in Yellowknife at the end of each field season. All other equipment is stored on site over the winter in one of the wood tent frames that has been sheathed in with plywood. The Weatherhaven tents are left untouched.
- The water supply line is spooled up and stored inside but the greywater discharge line is left in place as it is rigid ABS pipe. Its position is marked with stakes so it can be found beneath the snow.
- Sensitive electronic equipment is brought to Kugaaruk for storage at Koomiut Co-op.
- All burnable garbage is systematically incinerated over the active season. Food tins (also incinerated) are stored in empty fuel drums and removed as backhaul space allows.
- Two local Inuit who have worked on the project are hired to periodically check the camp by snowmobile over the winter.

Drill Operations

- Depending on drill results, a rig(s) would be either removed from the property to Kugaaruk or winterised (enclosed and sealed) at the last drill setup or at the camp.
- Pallets of salt and bentonite stabilising clay are typically wrapped in tarps or stored at camp in a plywood storage shack along with equipment spares and lubes.
- As noted in Final Abandonment, all drill sites are rehabilitated as necessary upon completion of the hole. Extenuating circumstances may require continued monitoring.