DIAMONDEX
RESOURCES LTD.
CDNX: DSP

DIAMONDEX RESOURCES LTD.

SPILL CONTINGENCY PLAN
EXPLORATION PROPERTIES

NUNAVUT

June 2005

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1.0 INTRODUCTION

1.1 PURPOSE OF PLAN

The purpose of this Spill Contingency Plan is to provide a plan of action for all spills of hazardous materials that may occur on any exploration property. This plan defines the responsibilities of key personnel and outlines procedures to effectively and efficiently contain and recover spills of hazardous materials.

Petroleum products and hazardous materials that will be considered in this Spill Contingency Plan include:

- diesel fuel
- hydraulic oil
- lubricating oil
- gasoline
- Jet "B" fuel
- antifreeze
- propane

1.2 DIAMONDEX RESOURCES LTD. ENVIRONMENTAL POLICY

It is the policy of Diamondex Resources Ltd. to comply with all existing laws and regulations to help ensure the protection of the environment. Diamondex Resources Ltd. cooperates with other groups committed to protecting the environment and ensures that employees, government, and the public is informed on the procedures followed to help protect the environment.

2.0 SITE DESCRIPTION

2.1 GENERAL SITE DESCRIPTION:

This spill contingency plan is to be implemented at all field camps established for mineral exploration. Specifically for Water Licence NWB2PER0305, the Peregrine Property, the location of this project is Latitude: 67° 4' and 67° 25' and Longitude: 113° 21' and 113° 51' (NTS Map Sheet Number 86 P/3, 4, 5, 6. The camp coordinates are: Latitude 67.141° and Longitude 113.593°. See attached map, Appendix C showing the property and the location of the camp.

2.2 PETROLEUM STORAGE AND TRANSPORT

There will be 95 drums of diesel, 3 drums of gasoline, 85 drums of aviation fuel and 30 cylinders of propane. MSDS sheets for these products are attached in Appendix B.

These products are transported to the various exploration properties by plane.

2.3 CHEMICAL STORAGE AND TRANSPORT

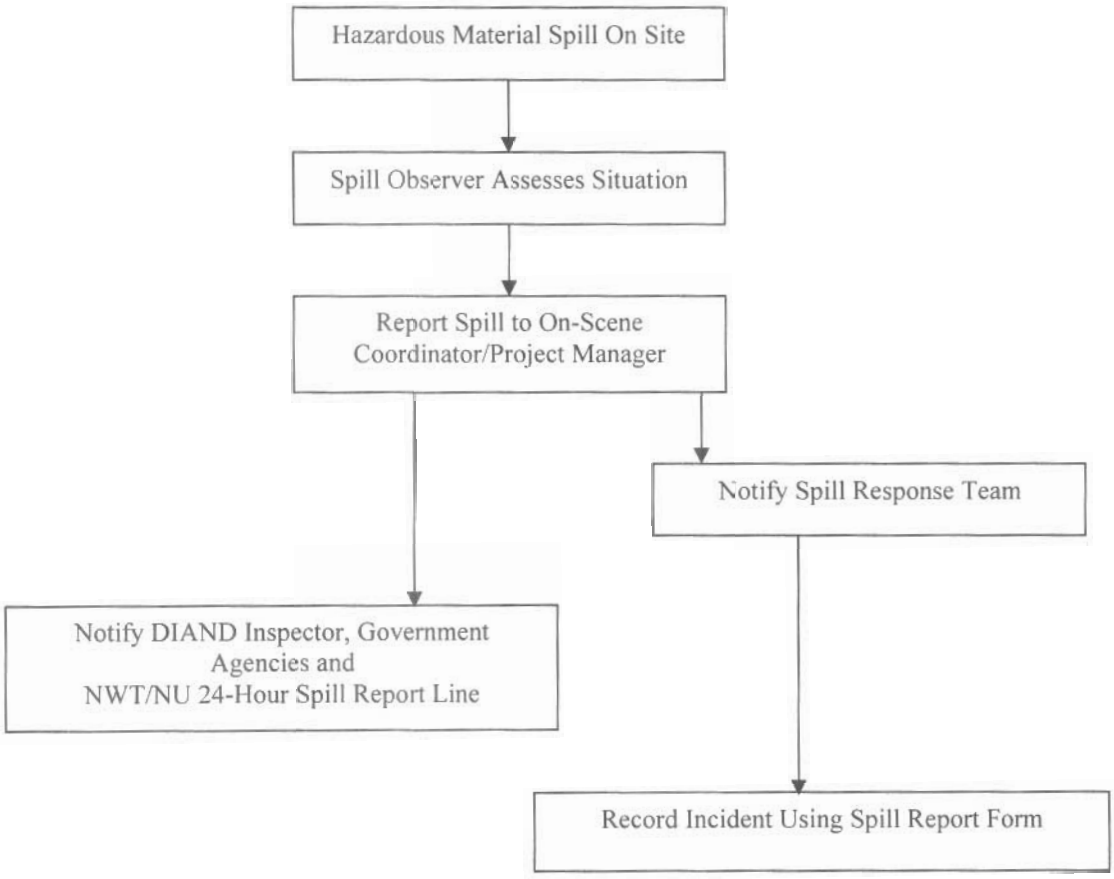
Any required chemicals are transported to site by plane. MSDS sheets for these products can be found in Appendix B.

2.4 GREYWATER AND SEWAGE

Greywater will be discharged into sumps or natural depressions located at the minimum required distance from all water bodies. Sumps will be inspected regularly to ensure that there is no erosion or leaching.

3.0 RESPONSE ORGANIZATION

The following is a flow chart to illustrate the sequence of events in the event of a hazardous material spill occurring at any of the Diamondex exploration properties.



3.1 SPILL RESPONSE TEAM

David Clarke will be the On-Scene Coordinator for the Diamondex exploration properties. David Clarke will appoint and train appropriate personnel to make up the Diamondex Spill Response Team for the various Diamondex exploration properties. The key personnel that make up the Diamondex Spill Response Team are as follows:

On-Scene Coordinator	Caroline Harke, Senior Project Geologist
Site Personnel	Will generally vary from 12 to a maximum of 20 people
Project Manager	David Clarke

The responsibilities of the On-Site Coordinator are as follows:

1. Assume complete authority over the spill scene and coordinate all personnel involved.
2. Evaluate spill situation and develop overall plan of action.
3. Activate the spill contingency plan
4. Immediately report the spill to:
   NWT 24-Hour Spill Report Line (867) 920-8130
   DIAND Water Resources Inspector (867) 975-4298
   Environment Canada (Iqaluit) (867) 975-4644
   Environment Canada (24 hr pager) (867) 920-5131
   Fisheries and Oceans (Iqaluit) (867) 979-8007 (Tanya Gordanier, Habitat Impact Assessment Biologist)
   Nunavut Department of Environment (Iqaluit) (867) 975-5910 (Earl Baddaloo)
   *and other regulatory agencies, and Diamondex management (**see Table 1 – Emergency Contacts**).
5. Obtain additional manpower, equipment, and material if not available on site for spill response.

The responsibilities of the Project Manager are as follows:

1. Provide regulatory agencies and Diamondex management with information regarding the status of the clean up activities.
2. Act as a spokesperson on behalf of Diamondex with regulatory agencies as well as the public and media.
3. Prepare and submit a report on the spill incident to regulatory agencies within 30 days of the event.

3.2 ADDITIONAL CONTACTS

Table 1 – Emergency Contacts

CONTACT	TELEPHONE NUMBER
DIAND – Land Use Inspector, Kugluktuk	(867) 982-4306
Diamondex – Randy C. Turner, President	(604) 988-1159 (home)
Diamondex – David B. Clarke, VP, Exploration	(604) 739-8506 (home)
Environment Canada	(867) 975-4644, 24hr page (867) 920-5131
Air Tindi	(867) 669-8212
Great Slave Helicopters	(867) 873-2081
Yellowknife Fire Department	(867) 873-2222
Kugluktuk RCMP	(867) 982-4111
Stanton Regional Hospital – Yellowknife	(867) 920-4111
Caroline Harke	Information to be supplied once phone system is established
Discovery Mining Services	(867) 920-4600
Diamondex Office, Vancouver	(604) 687-6644

4.0 REPORTING PROCEDURE

The On Scene Coordinator must be notified immediately of any spill either by phone, radio, or in person.

The following is the spill reporting procedure:

1. Report immediately to the 24-Hour Spill Report Line Phone (867) 920-8130, Fax (867) 873-6924
   DIAND Water Resources Inspector (867) 975-4298
   Environment Canada (Iqaluit) (867) 975-4644
   Environment Canada (24 hr pager) (867) 920-5131
   Fisheries and Oceans (Iqaluit) (867) 979-8007
   Nunavut Department of Environment (867) 975-5910

   And other regulatory agencies, and Diamondex management (**see Table 1 – Emergency Contacts**).

2. Fill out the NWT Spill Report Form *NWT1752/0202*, see Appendix A.

5.0 ACTION PLANS

5.1 INITIAL ACTION

The instructions to be followed by the first person on the spill scene are as follows:

1. Always be alert and consider your safety first.
2. If possible, identify the material that has been spilled.
3. Assess the hazard of people in the vicinity of the spill.
4. If possible, safely try to stop the flow of material to minimize potential for environmental impacts.
5. Immediately report the spill to the On Scene Coordinator.
6. Resume any effective action to contain, mitigate, or terminate the flow of the spilled material.

The following pages include specific instructions to be followed in the response to various types of spills including diesel fuel, hydraulic oil, lubricating oil, gasoline, aviation fuel (Jet "B"), antifreeze, and propane.

5.2 SPILL RESPONSE ACTIONS
DIESEL FUEL, HYDRAULIC OIL, AND LUBRICATING OIL

Take action only if safety permits – stop the source flow if safe to do so and eliminate all ignition sources. Never smoke when dealing with these types of spills.

On Land
Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill after all vapours have dissipated.
Remove the spill by using absorbent pads or excavating the soil, gravel or snow.
Remove spill splashed on vegetation using particulate absorbent material.
If soil, gravel, or vegetation must be removed, contact regulatory agencies for approval before commencing with the removal.

On Muskeg
Do not deploy personnel and equipment on marsh or vegetation.
Remove pooled oil with sorbent pads and/or skimmer.
Flush with low pressure water to herd oil to collection point.
Burn only in localized areas, e.g., trenches, piles or windrows.
Do not burn if root systems can be damaged (low water table).
Minimize damage caused by equipment and excavation.

On Water
Contain spill as close to release point as possible.
Use containment boom to capture spill for recovery after vapours have dissipated.
Use absorbent pads to capture small spills
Use skimmer for larger spills.

On Rivers and Streams
Prevent entry into water, if possible, by building a berm of trench.
Intercept moving slicks in quiet areas using (sorbent) booms.
Do not use sorbent booms/pads in fast currents and turbulent water.

On Ice and Snow
Build a containment berm around spill using snow.
Remove spill using absorbent pads or particulate sorbent material.
The contaminated ice and snow must be scraped and shoveled into plastic buckets with lids, 205 litre drums, and/or polypropylene bags

Storage and Transfer
All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labeled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

5.3 SPILL RESPONSE ACTIONS
GASOLINE AND JET B AVIATION FUEL
Gasoline and Jet B form vapours that can ignite and explode – No Smoking!

Take action only if safety permits – stop the source flow if safe to do so and eliminate all ignition sources. Never smoke when dealing with these types of spills.

On Land
Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill after all vapours have dissipated.
Remove the spill by using absorbent pads or excavating the soil, gravel or snow.
Remove spill splashed on vegetation using particulate absorbent material.
If soil, gravel, or vegetation must be removed, contact regulatory agencies for approval before commencing with the removal.

On Muskeg
Do not deploy personnel and equipment on marsh or vegetation.
Remove pooled gasoline or Jet B with sorbent pads and/or skimmer.
Flush with low pressure water to herd oil to collection point.
Burn only in localized areas, e.g., trenches, piles or windrows.
Do not burn if root systems can be damaged (low water table).
Minimize damage caused by equipment and excavation.

On Water
Contain spill as close to release point as possible.
Use containment boom to capture spill for recovery after vapours have dissipated.
Use absorbent pads to capture small spills
Use skimmer for larger spills.

On Rivers and Streams
Prevent entry into water, if possible, by building a berm of trench.
Intercept moving slicks in quiet areas using (sorbent) booms.
Do not use sorbent booms/pads in fast currents and turbulent water.

On Ice and Snow
Build a containment berm around spill using snow.
Remove spill using absorbent pads or particulate sorbent material.
The contaminated ice and snow must be scraped and shoveled into plastic buckets with lids, 205 litre drums, and/or polypropylene bags.

Storage and Transfer
All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labeled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

5.4 SPILL RESPONSE ACTIONS
ANTIFREEZE

Take action only if safety permits – stop the source flow if safe to do so.

On Land
Build a containment berm using soil material or snow and place a plastic tarp at the foot of the berm for easy capture of the spill.
Remove the spill by using absorbent pads or excavating the soil, gravel, or snow.
Remove spill splashed on vegetation using particulate absorbent material.
If soil, gravel, or vegetation must be removed, contact regulatory agencies for approval before commencing with the removal.

On Water
Use containment boom to capture spill.
Pump contaminated water into 206 litre drum.

On Ice and Snow
Build a containment berm around spill using snow.
Remove spill using particulate sorbent material.
The contaminated sorbent material, ice and snow must be scraped and shoveled into plastic buckets with lids, 206 litre drums, and/or polypropylene bags.

Storage and Transfer
All contaminated water, ice, snow, soil, and clean up supplies will be stored in closed, labeled containers. All containers will be stored in a well ventilated area away from incompatible materials.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

5.5 SPILL RESPONSE ACTIONS
PROPANE

Take action only if safety permits. Gases stored in cylinders can explode when ignited.
Keep vehicles away from accident area – No Smoking!

On Land
Do not attempt to contain the propane release.

On Water
Do not attempt to contain the propane release.

On Ice and Snow
Do not attempt to contain the propane release.

General
It is not possible to contain vapours when released.
Water spray can be used to knock down vapours if there is NO chance of ignition.
Small fires can be extinguished with dry chemical of CO_2.
Personnel should withdraw immediately from area unless a small leak is stopped immediately after it has been detected.
If tanks are damaged, gas should be allowed to disperse and no recovery attempt should be made.
Personnel should avoid touching release point on containers since frost forms very rapidly.
Keep away from tank ends.

Storage and Transfer
It is not possible to contain vapours when released.

Disposal
Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods for detective equipment that resulted in the release.

6.0 RESOURCE INVENTORY

6.1 PERSONNEL

In addition to the On Scene Coordinator and the Project Manager, approximately 3 to 14 people are available on site to assist in spill response and clean up activities. The amount of people on site varies throughout the year.

6.2 GENERAL EQUIPMENT

Equipment available on site to assist in responding to a hazardous materials spill includes various hand held tools including shovels. In addition to these, one spill kit will be located at each fuel cache and one at the camp during active exploration periods. The spill kits contain the following supplies:

1 – 360 litre/79 gallon polyethylene overpack drum
4 – oil sorbent booms (5" X 10')
100 – oil sorbent sheets (16.5" X 20" X 3/8")
1 – drain cover (36" X 36" X 1/16")
1 – Caution tape (3" X 500')
1 – 1 lb plugging compound
2 – pair Nitrile gloves
2 – pair Safety goggles
2 – pair Tyvek coveralls
1 – instruction booklet
10 – printed disposable bags (24" X 48")

Sorbent capacity of this spill kit is 240 litres.

In addition to these spill kits, at least one empty fuel drum will be located at each fuel cache to be available for transfer of fuel in the event of a leaking or damaged drum. Extra absorbent pads will also be located at each fuel cache.

7.0 TRAINING

All employees working on a Diamondex Resources Ltd. exploration property will be trained in the safe operation of all machinery and tools to help prevent hazardous material spills. All employees on site will also be trained for initial spill response in the event of a spill. Annual refresher exercises will be conducted to review the procedures of this Spill Contingency Plan.

APPENDIX A

NWT/NUNAVUT SPILL REPORT FORM

Northwest Territories

NWT SPILL REPORT

(Oil, Gas, Hazardous Chemicals or other Materials)

24 – Hour Report Line
Phone: (867) 920-8130
Fax: (867) 873-6924

A Report Date and Time	B Date and Time of spill (if known)	C ☐ Original Report ☐ Update no.____	Spill Number

D Location and map coordinates (if known) and direction (if moving)

E Partly responsible for spill

F Product(s) spilled and estimated quantities (provide metric volumes/weights if possible)

G Cause of spill

H Is spill terminated? ☐ yes ☐ no	I If spill is continuing, give estimated rate	J Is further spillage possible? ☐ yes ☐ no	K Extent of contaminated area (in square meters if possible)

L Factors effecting spill or recovery (weather conditions, terrain, snow cover, etc.)	M Containment (natural depression, dikes, etc.)

N Action, if any, taken or proposed to contain, recover, clean up or dispose of product(s) and contaminated materials

O Do you require assistance? ☐ no ☐ yes, describe:	P Possible hazards to person, property, or environment; eg: fire, drink water, fish or wildlife

Q Comments or recommendations

FOR SPILL LINE USE ONLY

Lead agency

Spill significance

Lead Agency contact and time

_____

_____

_____

Is this file now closed? ☐ yes ☐ no

Reported by	Position, Employer, Location	Telephone
Reported to	Position, Employer, Location	Telephone

NWT 1752/0302

APPENDIX B

MSDS SHEETS

MSDS SHEETS

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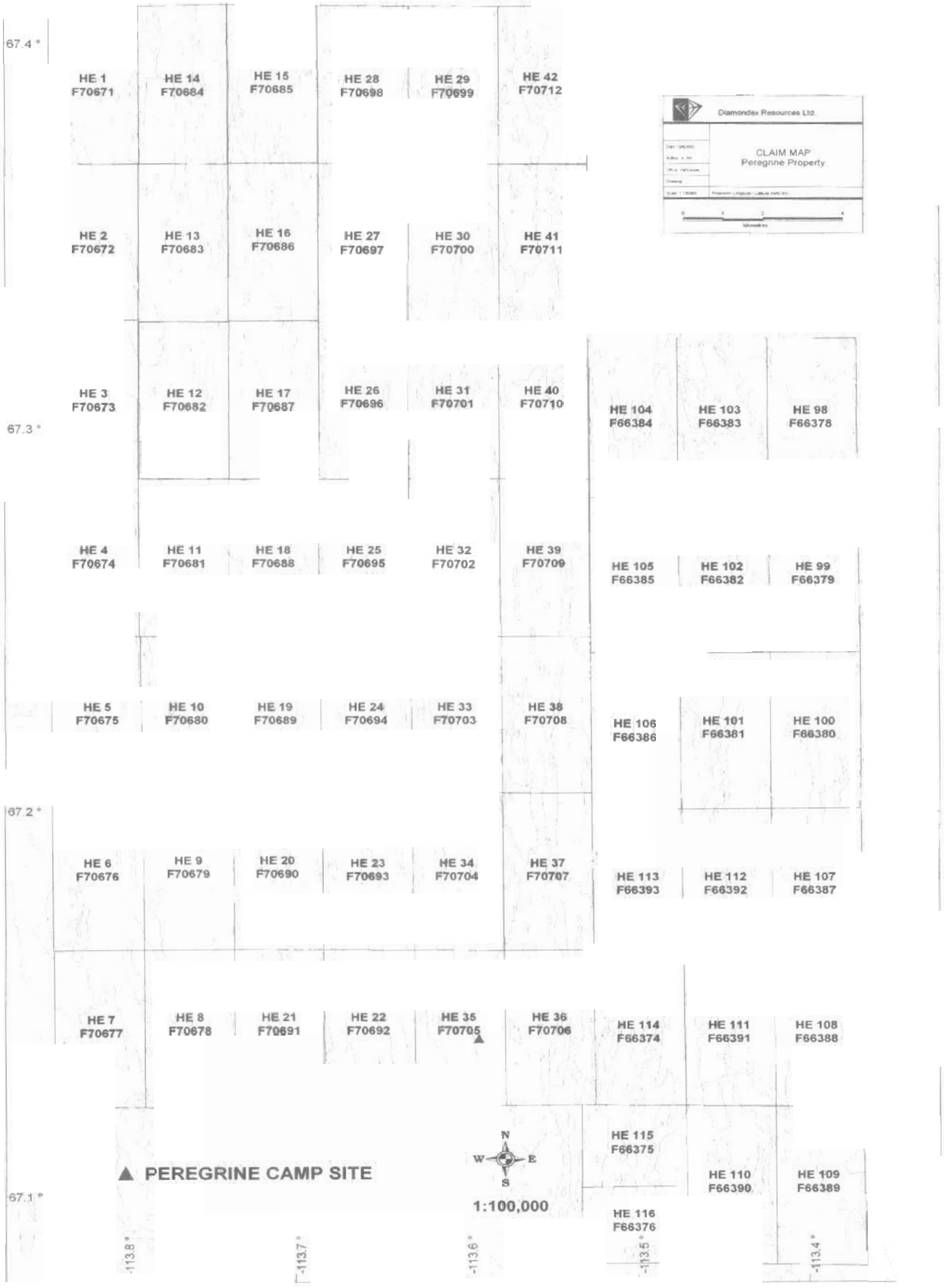
APPENDIX C

Map and Photo of Peregrine Camp Location


Diamondex Resources Ltd.
CLAIM MAP
Peregrine Property
67.4 °
67.3 °
67.2 °
67.1 °
HE 1 F70671
HE 14 F70684
HE 15 F70685
HE 28 F70698
HE 29 F70699
HE 42 F70712
HE 2 F70672
HE 13 F70683
HE 16 F70686
HE 27 F70697
HE 30 F70700
HE 41 F70711
HE 3 F70673
HE 12 F70682
HE 17 F70687
HE 26 F70696
HE 31 F70701
HE 40 F70710
HE 104 F66384
HE 103 F66383
HE 98 F66378
HE 4 F70674
HE 11 F70681
HE 18 F70688
HE 25 F70695
HE 32 F70702
HE 39 F70709
HE 105 F66385
HE 102 F66382
HE 99 F66379
HE 5 F70675
HE 10 F70680
HE 19 F70689
HE 24 F70694
HE 33 F70703
HE 38 F70708
HE 106 F66386
HE 101 F66381
HE 100 F66380
HE 6 F70676
HE 9 F70679
HE 20 F70690
HE 23 F70693
HE 34 F70704
HE 37 F70707
HE 113 F66393
HE 112 F66392
HE 107 F66387
HE 7 F70677
HE 8 F70678
HE 21 F70691
HE 22 F70692
HE 35 F70705
HE 36 F70706
HE 114 F66374
HE 111 F66391
HE 108 F66388
HE 115 F66375
HE 110 F66390
HE 109 F66389
HE 116 F66376
▲ PEREGRINE CAMP SITE
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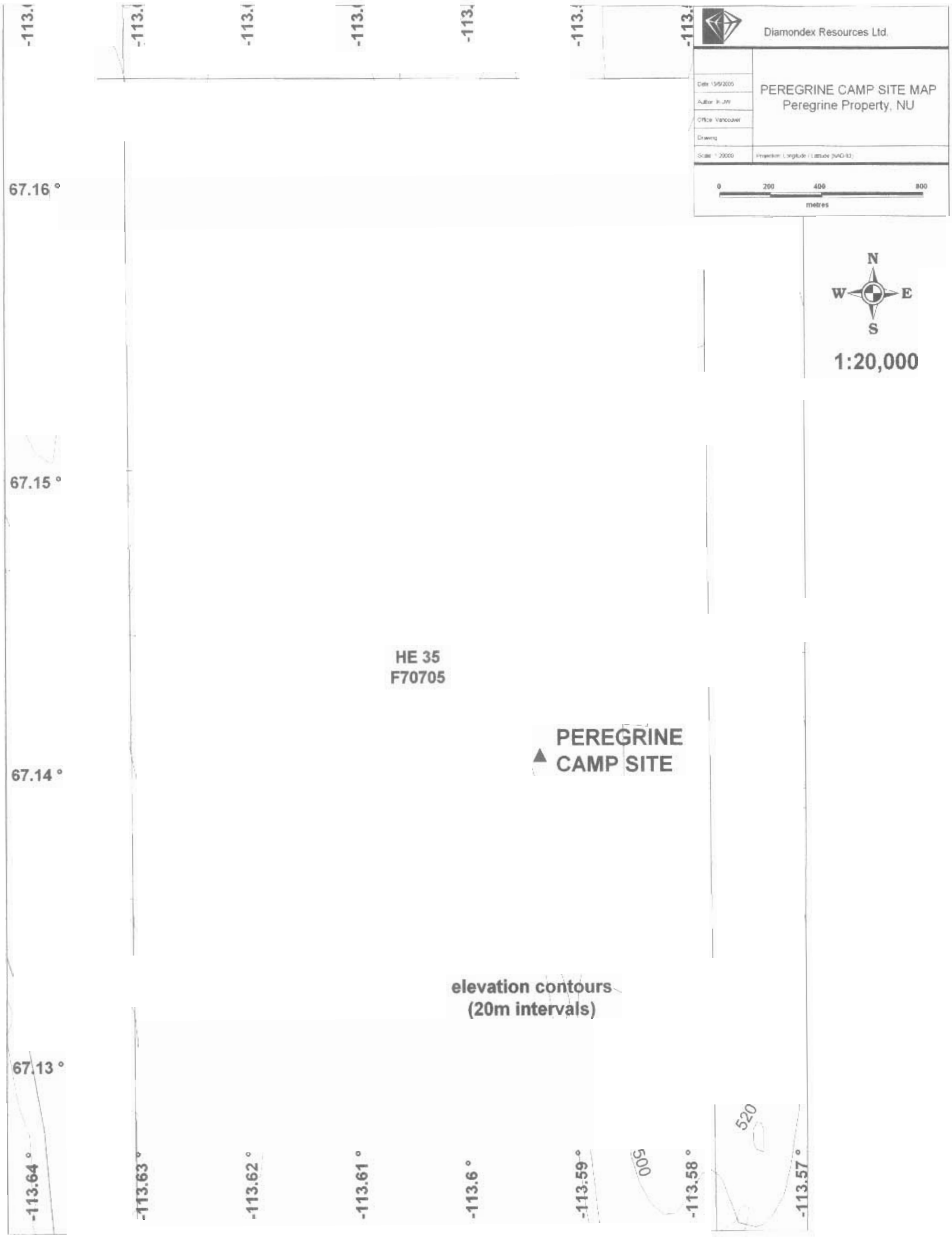
-113.7 °
-113.6 °
-113.5 °
-113.4 °


Diamondex Resources Ltd.
PERÉGRINE CAMP SITE MAP
Peregrine Property, NU
Office Vancouver
Drawing
0
200
400
800
metres
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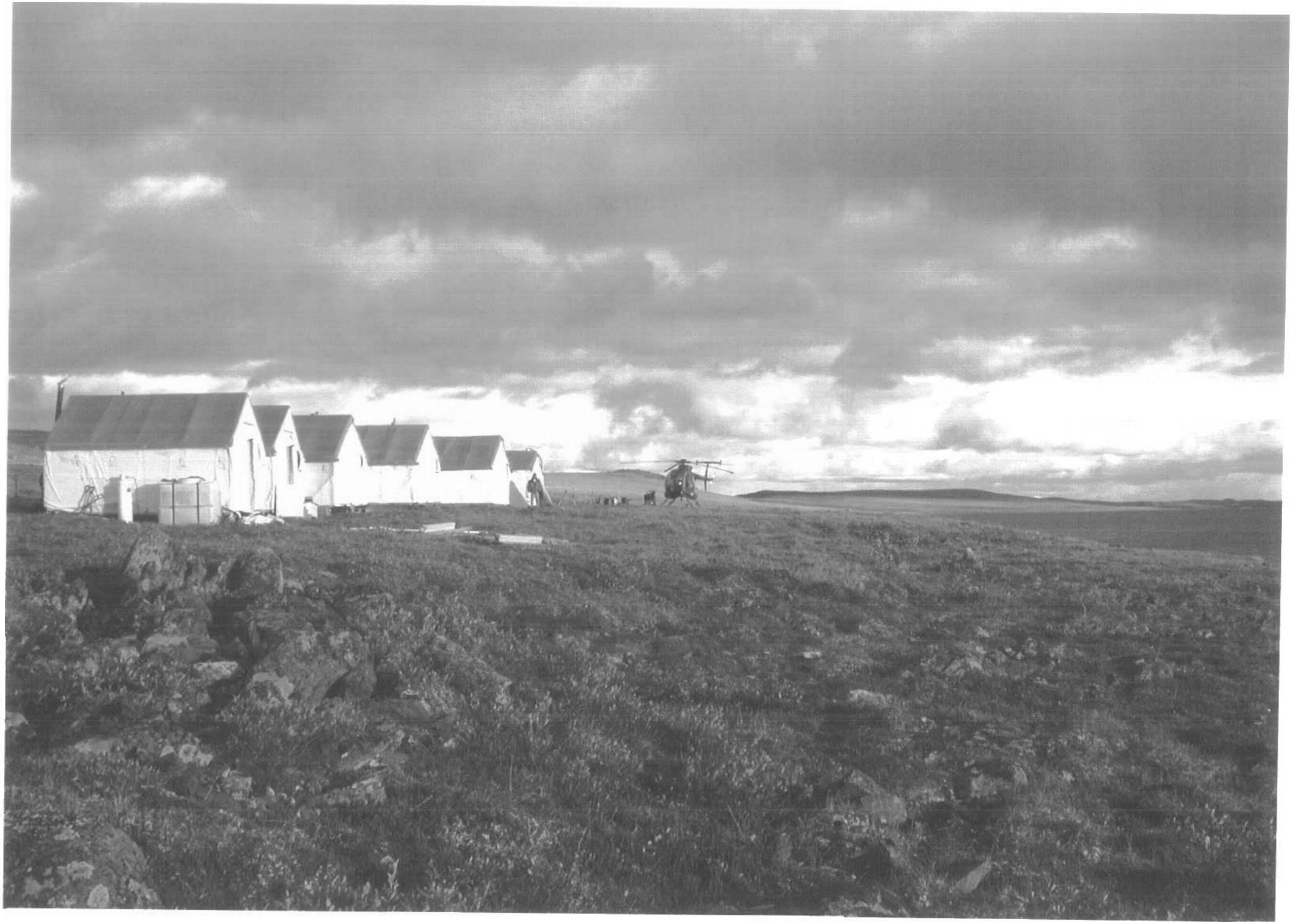
W
E
S
1:20,000
67.16 °
67.15 °
67.14 °
67.13 °
HE 35
F70705
PEREGRINE
CAMP SITE
elevation contours
(20m intervals)
520
500
-113.64 °
-113.63 °
-113.62 °
-113.61 °
-113.6 °
-113.59 °
-113.58 °
-113.57 °



Peregrine camp1.bmp