

NORDGOLD (Northquest Ltd)
SPILL CONTINGENCY PLAN
FOR EXPLORATION CAMP AND DRILL SITES
PISTOL BAY AREA, KIVALLIQ REGION
NUNAVUT

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Table of Contents

	Page
PREAMBLE - - - - -	3
1.0 INTRODUCTION - - - - -	4
2.0 SITE INFORMATION - - - - -	4
2.1 Campsite - - - - -	6
2.2 Camp and Drill Sites - - - - -	6
2.3 Effective Date of the Plan - - - - -	6
2.4 Background Information on Site - - - - -	6
3.0 PETROLEUM AND CHEMICAL STORAGE - - - - -	6
3.1 Petroleum Transfer Method - - - - -	7
4.0 RISK ASSESSMENT AND MITIGATION OF RISK - - - - -	7
4.1 Responsibilities - - - - -	8
5.0 RESPONDING TO FAILURES AND SPILLS- - - - -	8
5.1 Basic Steps - - - - -	8
5.2 Reporting Procedure - - - - -	9
5.3 Emergency Contact List - - - - -	9
6.0 ACTION PLANS - - - - -	10
6.1 Spills on Land (gravel, rock, soil and vegetation) - - - - -	10
6.2 Spills on Snow - - - - -	10
6.3 Spills on Ice - - - - -	11
6.4 Spills on Water - - - - -	12
6.5 Spills Due to Accidental Load Release - - - - -	12
7.0 RESOURCE INVENTORY - - - - -	13
8.0 TRAINING/EXERCISE - - - - -	13
APPENDIX A PROPERTY CONFIGURATION MAP- - - - -	14
APPENDIX B MATERIAL SAFETY DATA SHEETS (MSDS) - - - - -	seperate
APPENDIX C SPILL REPORT FORM	15

PREAMBLE

This Spill Contingency Plan is effective from the date of issuance of all water licences and land use permits currently being applied for by Northquest Ltd on its Pistol Bay property located 15 km north of Whale Cove, Nunavut, until the expiry of said licences and permits.

The Spill Contingency Plan was prepared in May 2015 for internal company use and distributed to regulators for approval as part of Northquest's Land Use and Water Licence permits.

This version dated March 2020 reflects project updates since May 2015.

1.0 INTRODUCTION

The purpose of Northquest's Spill Contingency Plan is to provide a plan of action for any spill event during the Company's exploration program in the Pistol Bay area of Nunavut. This Plan provides the protocol for responding to spills (or potential spills) that will minimize health and safety hazards, environmental damage and clean-up costs as well as defining responsibilities of response personnel. This Spill Contingency Plan details the sites that operations will be conducted upon, describes the response organizations, action plans, reporting procedures and training exercises in place.

The Spill Contingency Plan will;

- *Promote the safe and careful use of potentially hazardous materials;*
- *Promote the safe and effective recovery of spilled potentially hazardous materials;*
- *Minimize the environmental impacts of spills to water or land;*
- *Identify roles, responsibilities and reporting procedures for spill events;*
- *Provide readily accessible emergency information to clean-up crews, management and government agencies, and;*
- *Comply with federal and territorial regulations and guidelines pertaining to the preparation of contingency plans and notification requirements in the event of an emergency or spill.*

2.0 SITE INFORMATION

2.1. Campsite The Pistol Bay camp has been in place since 2011 and partially owned by Henik Lake Adventures Ltd. of Arviat. The campsite is located at 62 21 05.2N, 92 45 19.7W

Capacity: **35** people

Structures (at the end of the 2019 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 16' x 8' extension to plywood core logging shack
- 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 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 (at the end of the 2019 field season):

- One 2013 Ford F250 ¾ ton pick-up Truck
- 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).
- 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
- Two Vancon Core Saws, 3hp, electric

Top Rank Diamond Drilling Limited machinery on site at the end of the 2019 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
- Seven Water pumps
- Four Honda 2" water pumps

2.2. Campsite and Drill Sites

See attached Property Configuration Map ATTACHMENT A.

At the end of the 2019 field season, the following fuel storage sites are in use at Pistol Bay:

- A total of 42 drums of Jet A-1 fuel, four drums of fuel suitable for use in drill water heaters, four drums of waste oil, one drum of gasoline and 15 empty drums are currently stored near the base camp generator in a tarpaulin covered fuel berm. In addition, a total of 66 drums of Jet A-1 fuel are currently stored in a second tarpaulin covered fuel berm in the vicinity of the base camp generator.
- There are a total of 147 full 100 lb propane cylinders, 31 partial 100 lb propane cylinders, and 202 empty 100 lb propane cylinders stored at the base camp.
- A total of 83 empty fuel drums are stored as follows: 21 in a sea container in Whale Cove, 25 in the storage tent, 22 near the camp generator and 15 in a berm, as noted above. An additional 163 crushed drums are stored in a sea container in Whale Cove.
- Each of the two diesel generators has their own double-walled fuel supply tank and each is approximately half full with an estimated 75 imperial gallons. In addition, three full drums of diesel fuel are stored in a berm inside the shack housing the older generator.

2.3. Effective Date of Plan

June 25, 2015 was the date of the original plan for the project, with the most recent revision dated March 20, 2020. The Plan is effective concurrent with all licences and permits for the Project.

2.4. Background Information on the Camp Site

The site is located on a wave-modified, flat-topped esker that was once used as part of an ATV trail network. The Hamlet of Whale Cove recently completed a new gravel-topped road system that allows two-wheel drive vehicles to travel from Whale Cove to the mouth of the Wilson River. The Hamlet also refurbished the existing road which extends to the Pistol Bay campsite. This allows Northquest Ltd personnel to travel by pick-up to Whale Cove, the Whale Cove airport and to the Vickers drill target. However, a helicopter is still the primary mode of transport for the project.

3.0 PETROLEUM AND CHEMICAL STORAGE

Fuels required for use in the exploration program and at the campsite are stored in the project base camp. They are all clearly labelled as the property of Northquest, are stored in a safe and secure manner with insta-berms and are secured for the Winter.

Fuel type	Purpose	Size
Jet A1	Helicopter use	205 litre
propane		100 lb tank

All fuels for exploration purposes i.e., Jet A1, gasoline and diesel are stored in 205 litre (45 gal) metal drums. Propane is stored in standard 100lb propane tanks. Material Safety Data Sheets (MSDS) for these and other petroleum based products used during the drilling programs are located in Appendix B.

Temporary remote fuel caches are located in proximity of the area of drilling and will be located at each drill site, and will be in accordance with CSA approved methods of storage of drummed product. Spill kits will be located at each temporary remote fuel cache and fuel will be stored in Insta-berms.

After drilling at each site, empty drums will be crushed and backhauled to Whale Cove for shipping and disposal offsite. Fuel cache inspections will occur on a regular basis for leaks, damaged or punctured drums.

3.1 Petroleum Transfer Method

Manual, electric engine powered pumps, along with the appropriate filtration devices, may be used for the transfer of petroleum products from their storage drums to their end use fuel tanks. Spill kits will be at all petroleum transfer stations.

4.0 RISK ASSESSMENT AND MITIGATION OF RISKS

The following is a list of sources:

- Drummed Products: Leaks or ruptures may occur, and bung caps may be loose. This includes Jet fuel, diesel, waste fuel and waste oil.
- Fuel cylinders: Propane leaks may occur at the valves.
- Vehicles and Equipment: Helicopter and fixed wing aircraft, snowmobiles, generators, pumps, diamond drills, ATV's.

Incidents involving leaking or dripping fuels and oils may occur due to malfunctions, impact damage, lack of regular maintenance, improper storage or faulty operation. Regular inspection and maintenance in accordance with recognized and accepted standard practices at all fuel caches reduces the risks associated with the categories listed above. Spill kits will be located at all drill sites.

4.1 Responsibilities

Camp Manager: responsible for checking that all fuel and oil drums or containers stored at the camp or the laydown are in good condition with no evidence of leakage, assuring drip trays and berms are in place and not overflowing; keeping spill kits and absorbent mats in good repair and accessible. If spill or likelihood of a spill occurs the Camp Manager will immediately report to the **Project Supervisor**.

Drill Foreman and drillers: responsible for checking that all fuel and oil drums or containers and drill muds stored at the drill sites are in good condition with no evidence of leakage, assuring drip trays and berms are in place and not overflowing; keeping spill kits and absorbent mats in good repair and accessible. If spill or likelihood of a spill occurs the Driller or Drill Foreman will immediately report to the **Project Supervisor**.

Pilots: responsible for checking helicopter fuel storage berms as often as practicable, and at least every time refuelling is completed. All spills or issues with fuel storage will be reported immediately to the Project Supervisor.

Project Supervisor will report any spill to the NWT/NU 24-Hour Spill Report Line and initiate clean-up. Project Supervisor will request additional aid from external sources if deemed necessary. If one or more of these key personnel are absent from the site an alternative person will be named as either Camp Manager or Project Supervisor for the interim.

David Smith, Exploration Manager.

5.0 RESPONDING TO FAILURES AND SPILLS

In the case of any spill or environmental emergency, it is necessary to react in the most immediate, safe and environmentally responsible manner. No spill or incident is so minor that it can be ignored and every spill must be reported.

5.1 Basic Steps

The basic steps of the response plan are as follows:

1. Ensure the safety of all persons at all times.
2. Identify and find the spill substance and its source, and, if possible, stop the process or shut off the source.
3. Inform the immediate supervisor or his or her designate at once, so that he/she may take appropriate action. Appropriate action includes the notification of a government official, if required; Spill Report forms are included at the back of this plan.

4. Contain the spill or environmental hazard, as per its nature, and as per the advice of INAC Water Resources Inspector as required.
5. Implement any necessary cleanup or remedial action.

5.2 Reporting Procedure

Communication by two-way radios will be used so that in the event that a spill occurs outside of camp at either the drill rig or external fuel cache it can be immediately reported to the Project Supervisor.

All spill kits located at all sources of fuel will have contact information for the NWT/NU Spill Report Line prominently displayed.

A listing of the NWT/NU 24 Hour Spill Report Line as well as other government contacts and company officials will be displayed adjacent to the phone in camp. (See Reporting Procedure and Contacts below).

1. Immediately notify the Northquest Ltd. head office T: (416) 306-0954 and report to the 24 Hour Spill Line at (867) 920-8130 (Fax: 867-873-6924), CIRNAC Land Use Resource Management Officer (867) 645-2840 and KIA Land Use Inspector (867) 645-5735.
2. A Spill Report Form (Appendix C) is filled out as completely as possible before or after contacting the 24 Hour Spill Line.
3. Notify Dave Smith, Exploration Manager, Cell: (647) 549-0954

5.3 Emergency Contact List

Table 2: Emergency Contact List – Spill Reporting and Response

CONTACT	CONTACT NUMBER (Tel / Cell)
David Smith, Exploration Manager, Nordgold	C: (647) 549-0954
Nordgold Headquarters, Toronto	T: (416) 306-0954
24 Hour Emergency Spill Line phone / fax	(867) 920-8130, Fax (867) 873-6924
Environment Canada – Iqaluit Emergency Pager	
CIRNAC Land Use Resource Management Officer (Rankin Inlet)	(867) 645-2840
KIA Land Use Inspector (Rankin Inlet)	(867) 645-5735
CIRNAC NU Water Resources Manager CIRNAC NU Lands Administration Manager	(867) 975 4550 FAX (867) 975-4585 (867) 975-4280 FAX (867) 975-4286
DFO NU Region Manager, Pollution Control and Air Quality	(867) 979-8000 FAX (867) 979-8039 (867) 975-5907

Rankin Inlet Hospital; Office Hours / After 5pm	(867) 645-8300 / (867) 645-6700
Rankin Inlet RCMP; Office Hours / Emergency	(867) 645-0123 / (867) 645-1111
Whale Cove RCMP Detachment	(867) 896-0123 or (867) 896-1111
Keewatin Air Ambulance	(867) 645-4455

A detailed report on each occurrence must also be filled out with the CIRNAC Water Resources Inspector no later than 30 days after initially reporting the event. The Spill Report Form is attached as Appendix C.

6.0 ACTION PLANS

The following responses are recommended for fuel spills in differing environments. Depending on the location and size of the exploration program some of the equipment mentioned in the responses listed below will obviously not be located on site but could be transported to the spill if deemed necessary. The most likely scenario for fuel spills in this type of exploration program would include: leaking drums, hydraulic line malfunction and re-fueling operations. It is not anticipated that a spill of more than 45 gallons will occur as no fuel container on-site will exceed this capacity.

6.1 Spills on Land (gravel, rock, soil and vegetation)

Trench or ditch to intercept or contain flow of fuel or petroleum products on land where feasible (loose sand, gravel and surface layers of organic materials are amenable to trenching/ditching-trenching in rocky substrates is typically impractical and impossible).

Construct a soil berm downslope of the spill. Use of synthetic, impervious sheeting can also be used to act as a barrier.

Where available, recover spills through manual or mechanical means including shovels, heavy equipment and pumps.

Absorb petroleum residue with synthetic sorbent pad materials. Recover spilled and contaminated material, including soil and vegetation.

Transport contaminated material to approved disposal or recovery site. Equipment used will depend on the magnitude and location of the spill.

Land based disposal is only authorized with the approval of government authorities.

6.2 Spills on Snow

Trench or ditch to intercept or contain flow of fuel or petroleum products on snow, where feasible (ice, snow, loose sand, gravel and surface layers of organic materials as amenable to trench/ditching; trenching in solid, frozen ground or rocky substrates is typically impractical and impossible).

Compact snow around the outside perimeter of the spill area.

Construct a dike or dam out of snow, either manually with shovels or with heavy equipment such as graders or dozers where available.

If feasible, use synthetic lines to provide an impervious barrier at the spill site.

Locate the low point of the spill area and clear channels in the snow, directed away from waterways, to allow non-absorbed material to flow into the low point.

Once collected in the low area, options include shoveling spilled material into containers, picking up with mobile heavy equipment, pumping liquid into tanker trucks or using vacuum truck to pick up material.

Where safe, disposal can be done through in-situ combustion with approval from government and safety consultants.

Transport contaminated material to approved disposal site. Equipment used will depend on the magnitude and location of the spill.

6.3 Spills on Ice

Contain material spill using methods described above for snow, if feasible and/or mechanical recovery with heavy equipment.

Prevent fuel/petroleum products from penetrating ice and entering watercourses.

Remove contaminated material, including snow/ice as soon as possible. Containment of fuel/petroleum products under ice surface is difficult given the ice thickness and winter conditions. However, if the materials get under ice, determine area where the fuel/petroleum product is located.

Drill holes through ice using ice auger to locate fuel/petroleum product.

Once detected, cut slits in the ice using chain saws and remove ice blocks.

Fuel /petroleum products collected in ice slots or holes can be picked up via suction hoses connected to portable pump, vacuum truck or standby tanker. Care should be taken to prevent the end of the suction hose clogging up by snow, ice or debris.

6.4 Spills on Water

Contain spills on open water immediately to restrict the size and extent of the spill

Fuel/petroleum products which float on water may be contained through the use of booms, absorbent materials, skimming and the erection of culverts.

Deploy containment booms to minimize spill area, although effectiveness of booms may be limited by wind, waves and other factors.

Use sorbent booms to slowly encircle and absorb spilled material. These absorbent are hydrophobic (absorb and repel water).

Once booms are secured, use skimmers to draw in hydrocarbons and minimal amounts of water. Skimmed material can be pumped through hoses to empty fuel tanks/drums.

Culverts permit water flow while capturing and collecting fuel along the surface with absorbent materials.

Chemical methods including dispersants, emulsion – treating agents and shoreline cleaning will be considered.

6.5 Spills Due to Accidental Load Release

The loss of external loads of fuel, oil or chemicals from the helicopter requires an immediate response.

- 1) Obtain GPS co-ordinates of the location and contact base camp. Include quantity and type of load loss.
- 2) Base camp will contact the 24-Hour Spill Line and receive instructions on follow up procedures.
- 3) Administer the appropriate procedure for spills on Land, Water, Snow or Ice

NOTE:

1. **Material Safety Data Sheets** for all hazardous materials involved in this project are listed in Appendix B. These MSDS sheets are for all drilling mud, polymers and greases as well as for calcium chloride, diesel, Jet A-1 with AIA, propane and gasoline.
2. Precautions need to be taken to ensure safety of personnel. Also, spilled product should be confined to control burning. These include areas where the spilled material has pooled naturally or been contained via dikes, trenches, depressions or ice slots. Prior to any attempts at in-situ burning, consultation with experts and approval by government authorities are required.

3. Chemical response methods are also available and may include the use of dispersants, emulsions-treating agents, visco-elastic agents, herding agents, solidifiers, and shoreline cleaning agents.
4. Biological response methods include nutrient enrichment and natural microbe seeding.
5. Site remediation will be completed as per the advice of government authorities.

7.0 RESOURCE INVENTORY

Resources available on site:

Trenching/digging equipment in the form of picks and shovels.

Pumps

Impervious sheeting (tarps)

Plastic bags, buckets, empty drums for collection of contaminated material.

2 Spill Kits containing:

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 – 1lb plugging compound

2 – pair Nitrile gloves

2 – pair Safety goggles

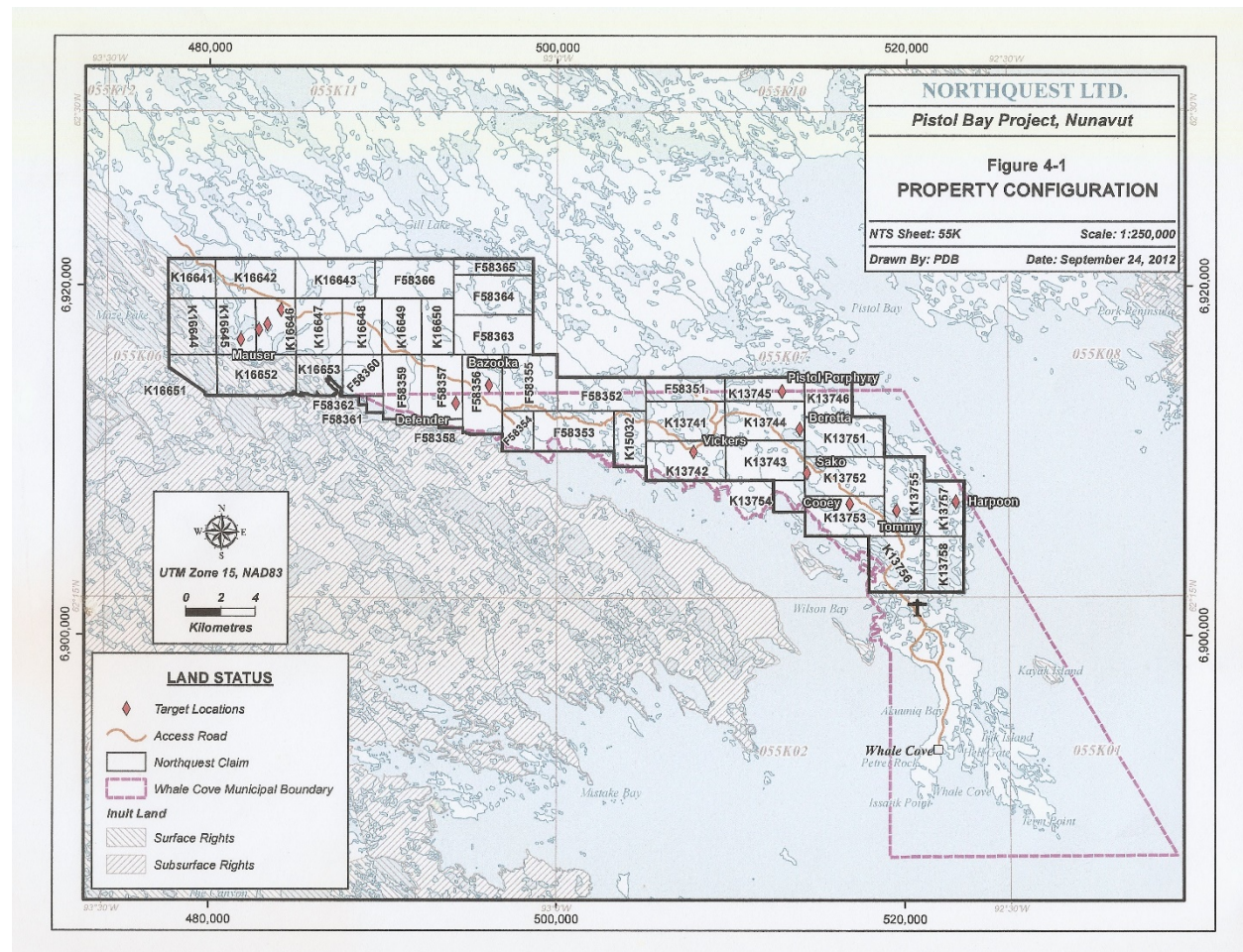
10 – disposable bags

8.0 TRAINING/EXERCISE

Northquest is aware that without practice no Contingency Plan has value.

At least one practice drill will be held per season to give all employees and contractors a chance to practice emergency response skills. Each practice will be evaluated and a report prepared with the objective of learning where gaps and deficiencies exist, and in what areas more practice is required. Response criteria, communication and reporting requirements will be discussed to ensure everyone fully understands them.

APPENDIX A: PROPERTY CONFIGURATION MAP



NT-NU SPILL REPORT

OIL, GASOLINE, CHEMICALS AND
OTHER HAZARDOUS MATERIALS



NT-NU 24-HOUR SPILL REPORT LINE

Tel: (867) 920-8130 • Fax: (867) 873-6924 • Email: spills@gov.nt.ca

REPORT LINE USE ONLY

A	Report Date:	MM	DD	YY	Report Time:	<input type="checkbox"/> Original Spill Report OR <input type="checkbox"/> Update # _____ to the Original Spill Report	Report Number:
	B	Occurrence Date:	MM	DD	YY		
C	Land Use Permit Number (if applicable):				Water Licence Number (if applicable):		
D	Geographic Place Name or Distance and Direction from the Named Location:					Region: <input type="checkbox"/> NT <input type="checkbox"/> Nunavut <input type="checkbox"/> Adjacent Jurisdiction or Ocean	
E	Latitude:				Longitude:		
	_____ Degrees _____ Minutes _____ Seconds				_____ Degrees _____ Minutes _____ Seconds		
F	Responsible Party or Vessel Name:				Responsible Party Address or Office Location:		
G	Any Contractor Involved:				Contractor Address or Office Location:		
H	Product Spilled: <input type="checkbox"/> Potential Spill				Quantity in Litres, Kilograms or Cubic Metres:	U.N. Number:	
I	Spill Source:				Spill Cause:	Area of Contamination in Square Metres:	
J	Factors Affecting Spill or Recovery:				Describe Any Assistance Required:	Hazards to Persons, Property or Environment:	
K	Additional Information, Comments, Actions Proposed or Taken to Contain, Recover or Dispose of Spilled Product and Contaminated Materials:						
L	Reported to Spill Line by:		Position:		Employer:	Location Calling From:	Telephone:
M	Any Alternate Contact:		Position:		Employer:	Alternate Contact Location:	Alternate Telephone:

REPORT LINE USE ONLY

N	Received at Spill Line by:	Position:	Employer:	Location Called:	Report Line Number:
Lead Agency: <input type="checkbox"/> EC <input type="checkbox"/> CCG/TCMSS <input type="checkbox"/> GNWT <input type="checkbox"/> GN <input type="checkbox"/> ILA <input type="checkbox"/> AANDC <input type="checkbox"/> NEB <input type="checkbox"/> Other: _____				Significance: <input type="checkbox"/> Minor <input type="checkbox"/> Major <input type="checkbox"/> Unknown	File Status: <input type="checkbox"/> Open <input type="checkbox"/> Closed
Agency:		Contact Name:	Contact Time:	Remarks:	
Lead Agency:					
First Support Agency:					
Second Support Agency:					
Third Support Agency:					

APPENDIX II**MATERIAL SAFETY DATA SHEETS (MSDS)****LIST OF MSDS**

- HESS – Gasoline, All Grades
- HESS – Diesel Fuel (All types)
- AVJET – Jet A-1 with AIA
- BIG BEAR DIAMOND DRILL ROD GREASE
- 550X POLYMER
- G-STOP
- CHEVRON Polyuran EP Grease 2 (Tube Grease)
- Calcium chloride, Anhydrous