



NORTH COUNTRY GOLD

Gibson-MacQuoid Project

Fuel Management Plan

March 2017

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1.0 COMPANY AND PROJECT BACKGROUND

North Country Gold Corp. is Canadian based mineral exploration company that has been actively investing in mineral exploration within Nunavut Territory over the past 25 years. The company and its predecessors (including Committee Bay Resources Ltd) have conducted more than \$100 million of exploration work within the Committee Bay Region. The company has been fortunate to have received positive results from recent mineral exploration programs and has enjoyed enthusiastic support from the people and communities of Nunavut. Auryn Resources Inc. (AUG) acquired North Country Gold Corp (NCGC) via a share based transaction in September of 2015. NCGC remains the operator of the Gibson-MacQuoid Project, but is now a 100% owned subsidiary of AUG.

NCGC has the following authorizations in place or are currently under application to support staking and exploration activities at the Gibson-MacQuoid Project.

| Organization | Description | File/Permit/Licence # |
|-----------------------------|-----------------------------------|------------------------------|
| Nunavut Planning Commission | Positive Conformity Determination | 148480 |
| Nunavut Impact Review Board | Project Reference Number | 17EN029 |
| Kivalliq Inuit Association | Land Use Licence 1 | Under Application |

2.0 INTRODUCTION

This Fuel Management Plan was developed to document fuel management practises employed on all NCGC exploration sites within the Gibson-MacQuoid Project. This plan is one of a number of plans established by NCGC designed to minimize pollution, protect the environment and protect the health and safety of all workers, contractors, and the community at large from any effects of its materials and operations. NCGC may be required to store aviation fuel at the Gibson-MacQuoid Project to support exploration activities.

2.1 Company information

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3.0 SCOPE AND OBJECTIVES

This document describes procedures for the transport, handling, storage, inspection and transfer of fuel products at the Gibson-MacQuoid Project.

The objective of this plan is to:

- Protect the health and safety of workers and contractors
- Reduce occurrences of fuel spills and contamination
- Comply with Federal and Territorial legislation and terms and conditions stipulated within the land use licence.

4.0 FUEL SUPPLY

Fuel products will be supplied to the Gibson-MacQuoid in the following configurations:

- Sealed 205L metal drums: Aviation fuel (Jet A/B)

Fuel products will be shipped via road, rail, barge and/or air to proximal supply hubs before final transport to the Gibson-MacQuoid Project fuel cache via helicopter. NCGC personnel will supervise the offloading and transport of fuel to appropriate caches.

5.0 FUEL STORAGE

5.1 Drummed Fuel

Drummed fuel will be stored inside secondary containment located a minimum of 31 metres from the normal high water mark of any water body. Fuel drums that are not in use will be stored on their sides in neat rows within secondary containment with bungs positioned at 3 o'clock and 9 o'clock positions.

6.0 SECONDARY CONTAINMENT

NCGC will store all drummed fuel within secondary containment (*SEI Industries¹ 'Insta-berms', Exploration Tents² berms/trays* or equivalent designs). Secondary containment

¹ SEI industries: <http://www.sei-ind.com/products/spill-prevention-response>

² Exploration Tents: <http://www.explorationtents.com/spill-containment-berms.html>

will be capable of holding 110 percent of the volume of the largest fuel reservoir housed within.

Secondary containment structures will comply with all Federal and Territorial laws, regulations and guidelines.

6.1 Secondary containment covers

Secondary containment structures that are exposed to the environment will be covered during periods of inactivity to prevent snow and water collecting inside the containment vessel.

6.2 Accumulated water within containment

Should snow or water accumulate within secondary containment it will be inspected for the presence of any visible sheen of oil or grease before it is discharged. If contaminants are identified within accumulated melt or storm water it will be treated (using a *SEI Industries 'Rain Drain'* or equivalent filter) prior to release into the environment.

7.0 FUEL HANDLING AND TRANSFER

The following principles will be adopted for refuelling and fuel transfer operations:

- All fuel transfer and refuelling will be undertaken by trained personnel. Personnel will be present and carefully supervise fuelling operations and monitor content of receiving vessel during transfer.
- Spill trays or berms will be used to ensure containment of any fuel product during fuel transfer.
- Fuel transfer hoses with 'cam lock' fittings will be used where possible
- Auto-stop fuelling nozzles will be used where possible
- Absorbent pads will be on hand during fuelling and fuel transfer operations. Any drips will be cleaned up immediately.

8.0 SPILL KITS

Clearly marked spill kits capable of addressing potential spills (based on the type, location and volume of the fuel cache) will be located proximal to where any fuel product is stored or transferred.

9.0 SIGNS LABELS AND INFORMATION

All fuel drums or containers that are shipped to site will have appropriate TDG shipping labels in accordance with regulations.

NCGC will ensure all drummed fuel is labelled with the name of the contained product, the name of the company ('NCG' or 'NCGC') and the date of delivery to the Gibson-MacQuoid Project. Signs will be erected at all fuel caches with the same information. In addition, 'No Smoking' signs will be installed at each fuel cache.

MSDS sheets for applicable products and copies of NCGC's spill contingency plan will be located proximal to fuel storage caches as appropriate.

10.0 INSPECTIONS

Fuel caches, fittings and transfer pumps will be inspected on a daily basis during operations. Secondary containment structures will be inspected for punctures, damage, failures, leaks and presence of water within containment. Inspections will be documented on internal reports and kept in the site office.

11.0 TRAINING

NCGC will ensure that all personnel handling fuel products and operating equipment are familiar with the NCGC Fuel Management Plan and NCGC Spill Prevention and Contingency Plan. Additional training will include:

- WHMIS training
- Hands-on spill response training exercises

12.0 APPLICABLE LEGISLATION AND GUIDELINES

Acts, regulations, legislation and guidelines applicable to the storage, handling and transport of fuel is presented in:

12.1 Federal

- National Fire Code of Canada
- Canadian Environmental Protection Act
- Fisheries Act
- Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations
- Spill Contingency and Reporting Regulations
- CCME Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products
- Transportation of Dangerous Goods Act
- The Workplace Hazardous Materials Information Systems (WHMIS)
- Guidelines for Contingency Planning and Spill Reporting

12.2 Territorial

- Fire Prevention Act
- Nunavut Environmental Protection Act
- Nunavut Waters Act and Regulations
- Nunavut Water and Surface Rights Tribunal Act
- Mines Health and Safety Regulations (Nunavut)
- The NWT and Nunavut Safety Act
- Transportation of Dangerous Goods Act