



ABANDONMENT & RESTORATION PLAN

Mel Project, NU

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1.0 INTRODUCTION

The following plan applies to the Mel Project (“Project”) operated by North Arrow Minerals Inc. (“North Arrow”). This project, located in the Qikiqtani Region of Nunavut, approximately 200 kilometres northeast of the Hamlet of Naujaat, and 150 km south of the Hamlet of Hall Beach, consists of Crown and Inuit-Owned (“IOL”) Lands. Year-round access to the property is via plane, equipped with skis or floats, or helicopter. The property is bounded in a general sense by the following minimum and maximum latitudes/longitudes:

Min Lat (degree/minute)	<u>67°25'49.00"</u>	Min Long (degree/minute)	<u>-82°33'58.70"</u>
Max Lat (degree/minute)	<u>67°40'53.76"</u>	Max Long (degree/minute)	<u>-82°2'10.30"</u>

North Arrow intends to carry out exploration work including drilling, prospecting, mapping, ground geophysics and sampling. Work will be confined to the current claim area.

1.1 DESCRIPTION OF PROPOSED LAND USE ACTIVITIES

The proposed land use activity is planned for 2017/2018 and will involve a modest initial phase of drilling based out of an exploration camp located near to the Property (see maps below). The drill program will be carried out over a three to six week period. Crews would be based in the camp and transported to and from the Property each day by helicopter and/or snowmobile in the winter. If results of this first phase of work are positive, additional phases of either drilling, till sampling, prospecting or ground geophysics may be conducted at a later date. North Arrow will effort to hire local employees, however, given the short duration, there are limited opportunities for local employment.

1.2 FUEL AND DRILLING

Locations – Fuel will be stored a safe distance (>31m) from water bodies at active drilling sites and at the camp.

Size – The drill will be a lite-weight heli-portable model for quick dismantling and transport, similar in size and specifications to a Discovery 1 Diamond Core Drill, or a Hornet Reverse Circulation (RC) Drill.

Storage Capacity – A minor amount of fuel will be stored at drill sites (4 to 6 drums diesel, 1-2 drums Jet A/B), and removed promptly upon completion of each drill hole.

Description of the type and amount of potential contaminants normally stored at drill site:

JET A/B fuel for the helicopter – 205-410 litres (1-2 drums)
Diesel for the drill - 1,230 litres (6 drums)

Propane for the drill – 100 lbs (1 tank)
Motor Oil – 12 litres (1 litre containers)
Antifreeze – 25 litres (1-5 litre containers)
Salt – 20-40 lbs (2x 10-20 lb bags)
Lead Battery – 1 battery

Storage Location - Drums will be stored on flat, stable terrain with secondary containment during the program to reduce chances of a leak. If possible, a site will be chosen such that drainage would not be toward natural water bodies.

2.0 ONGOING OPERATIONS, SEASONAL ABANDONMENT, FINAL ABANDONMENT AND RESTORATION PLANS

2.1 ONGOING OPERATIONS

The exploration season for the Mel Project will typically run from March to the middle of September of each year, weather permitting. Restoration during operations for drilling, fuel storage and contamination clean-up is described below.

2.1.1 Drill Hole Locations

- Each drill hole will be restored to as close as possible, previous conditions after completion of the hole.
- If hole is drilled on-ice the drill cuttings will be scraped clean and removed to an on-land sump.
- All fuel drums and drilling equipment will be removed from the site immediately upon completion of each hole.
- Each drill site will be inspected to ensure that all garbage (combustible and non-combustible) has been collected and removed from the area.
- A final inspection of the site will ensure that there is no remaining material at the site upon completion of the drill hole.

2.1.2 Core Storage

- Drill core will either be stored in the field at a centralized location on Crown land, or will be backhauled to camp and stored. This would be dependent upon the location of drill targets. The location of any core will be indicated in yearly land use reports.

2.1.3 Fuel Storage

- All fuel storage and handling is to be guided by the procedures set out in the *Spill Contingency Plan* (submitted along with this document) for the Mel Project.

- Empty fuel drums are to be regularly backhauled to town for proper disposal.

2.1.4 Contamination Clean Up

- Any soil around fuel caches or drill sites that has become contaminated will be treated as per North Arrow's *Spill Contingency Plan*. Before and after photos will be taken to document the contamination and clean-up.

2.2 SEASONAL ABANDONMENT & RECLAMATION

At the end of the proposed program, all materials, fuel drums and the drill (if required) will be removed from the site. All garbage will be collected and removed and any fuel caches will be inventoried and inspected for any leaks. As work on the properties comprising the Mel Project is currently still in the planning stages, it is not practicable at this time to subscribe to a definitive schedule for the conclusion of this land use operation, however upon its completion the following procedures will be followed to allow for proper abandonment and reclamation of the area:

2.2.1 Drill Hole Locations

- As per the ongoing restoration procedures all drill holes are to be restored to as close as possible, previous conditions immediately upon completion of the hole.

2.2.2 Fuel Storage

- All fuel storage and handling is to be guided by the framework set out in the *Spill Contingency Plan* for the Mel Project.
- Upon completion of the land use operation all empty fuel drums will be removed from the area for proper disposal and any remaining fuel caches will be moved to an approved/permitted storage location.

2.3 FINAL ABANDONMENT AND RESTORATION

As the land use activity associated with the Plan may require follow-up drill programs, seasonal abandonment procedures will be followed. Following the completion of the land use program, final abandonment and reclamation activities will take place. All equipment, site infrastructure, site material, fuel and waste will be removed from the area upon completion of the land use operation. Photographs will be taken of the reclaimed areas and the requisite reports detailing the restoration activities performed will be submitted to the applicable regulatory authorities in order to aid their personnel in the final inspection and subsequent closure of the land use operation.

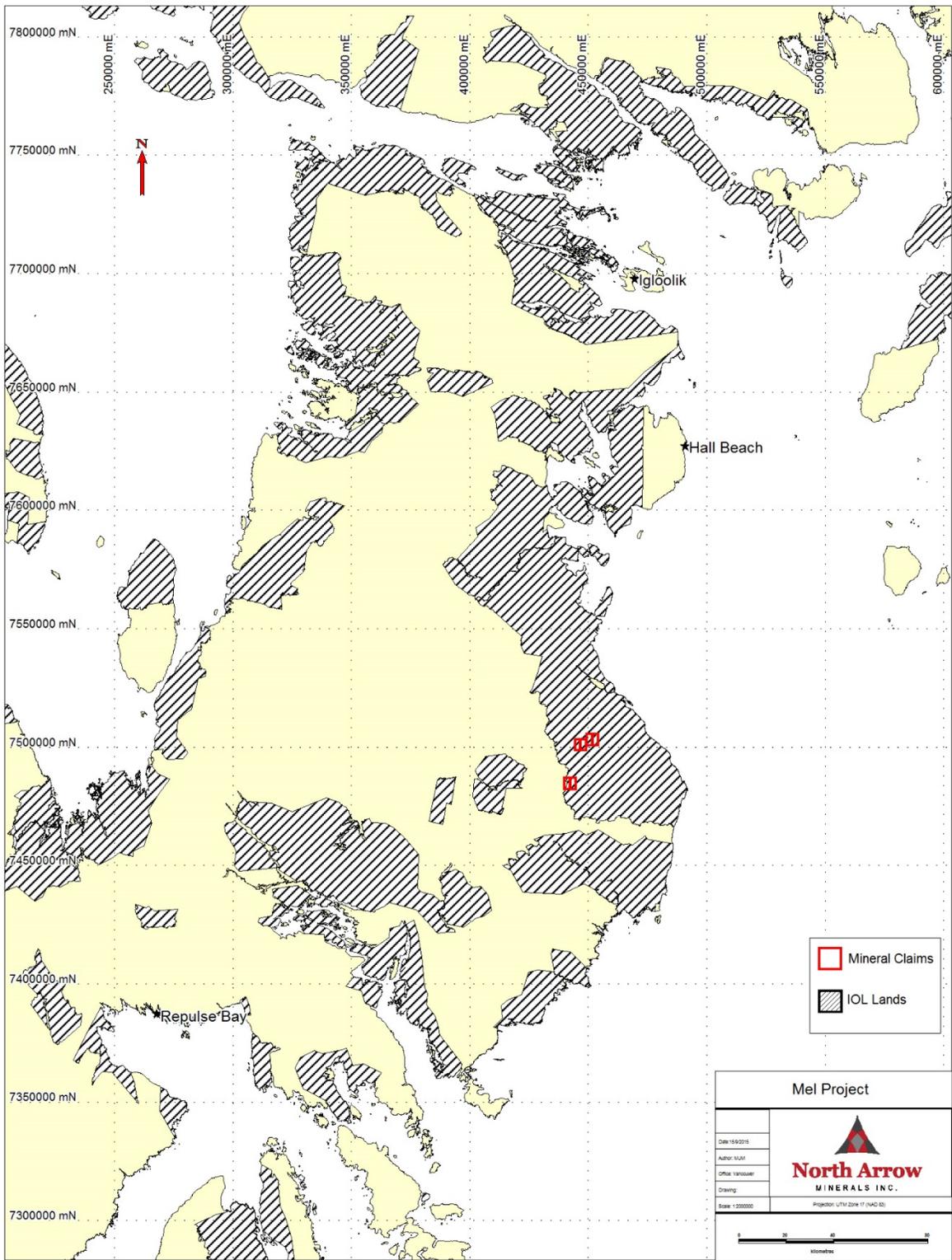


Figure 1: Mel Property Location

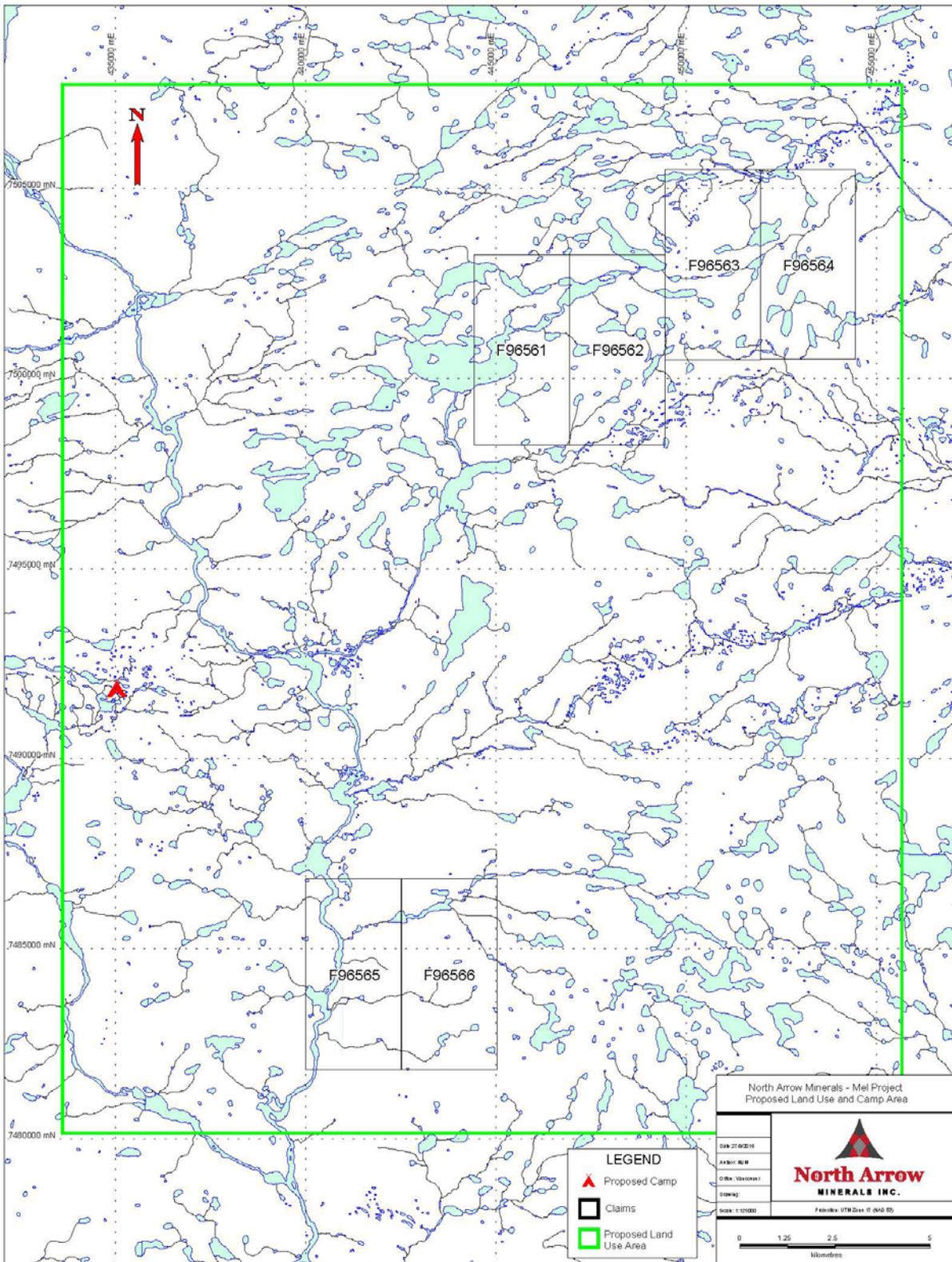


Figure 2: Mel Property with Claims and Proposed Land Use and Camp Areas