

NEW DISCOVERY MINES LTD.
MON GOLD MINE
ROCK WASTE MANAGEMENT PLAN

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Contents

Revisions:	1
Introduction	3
Plan Applicability.....	3
Environmental Policy	3
PROTECT THE ENVIRONMENT	3
Introduction	3
Impact Assessment and Management.....	4
Vulnerable Environments and Biodiversity.....	4
Monitoring and Reporting	5
Purpose and Scope of the Rock Waste Management Plan.....	5
Project Description.....	6
Proposed Location of Rock Waste-Management Activities	6
Historical Land-Use and Waste Management.....	8
Site and Setting Characteristics.....	8
Conclusion from Existing Site Data.....	9
ROCK, WASTE	9

Introduction

This Rock Waste Management Plan relates to exploration activities in the Discovery Lake Area known as the Mon Gold Mine. A camp will be established near coordinates **NAD83 Zone 11 Easting 635,740 m Northing 6,977,330 m, or** Lat 62° 54' 02.05" N, Long -114° 19' 41.99" W. The locations of the project and camp are shown in the included figures.

Plan Applicability

This plan will serve all of the company's operations in and around the Mon Gold Property including winter road operations. The third revision of this plan adds milling operations including all reagent storage and use, product handling, and dry stack tailings disposal.

Environmental Policy

New Discovery Mines Ltd.'s Environmental Policy follows conditions and regulations of all permits and licenses and E3 Policies of the PDAC

PROTECT THE ENVIRONMENT

Objective: To conduct exploration activities in ways that create minimal disturbance to the environment and people.

Introduction

In most countries, environmental law, regulations and guidelines exist to provide direction for exploration activities. In the absence of these, explorers are advised to apply good practice as described in the e3 Plus Excellence in Environmental Stewardship Toolkit, and, in the case of more advanced exploration projects, the Performance Standards of the International Finance Corporation (2012). Policies and Management Processes in developing systems for the management of environmental and socio-environmental matters, explorers are encouraged to follow established guidelines and give consideration to the following:

- a. Adopt and make public policies and procedures for the management of environmental and social issues;
- b. Create a management and reporting structure that identifies objectives and allocates appropriate resources and responsibilities for the environmental and social aspects of exploration projects;
- c. Apply relevant national regulations and inform themselves of international good practice guidelines for environmental management;
- d. Establish procedures for the management of environmental issues that are relevant in the area of exploration. Explorers are encouraged to involve the local community in the identification and implementation of preferred environmental management options;

- e. Advance understanding amongst employees, contractors, local stakeholders and affected communities of the potential impacts of exploration and mining on the environment and relevant procedures to prevent and mitigate adverse environmental impacts;
- f. Take reasonable steps to ensure that contractors have the capacity to implement operational controls and comply with environmental policies and procedures; and
- g. Where possible, support capacity building and education of local stakeholders and affected communities in environmental management using appropriately qualified, independent experts.

Impact Assessment and Management

New Discovery Mines Ltd, their employees and contractors should be aware of the potential impacts of their activities on the environment and apply appropriate management processes to minimize or mitigate any adverse impacts. In doing so, explorers should consider the need to:

- a. Conduct an initial, and then periodic assessments of potential direct, indirect, and cumulative environmental and social impacts, risks and hazards of exploration activities on the environment and people;
- b. Conduct and document baseline environmental and social studies to establish any pre-existing conditions against which changes can be monitored, and share the results of such studies with local communities;
- c. Work with government and the local community to identify the potential to augment or complement existing land use and development strategies or plans;
- d. Where possible, incorporate local or traditional knowledge and practice into baseline studies and the management of environmental issues, but also be respectful of the nature of such information and maintain confidentiality;
- e. Have in place and periodically test procedures and equipment to respond to potential environmental incidents;
- f. Create and implement procedures for managing chance finds of archaeological sites, artifacts or cultural items;
- g. Use processes that reduce the consumption of energy and water and provide for the safe storage and disposal of hazardous materials and residual wastes; and
- h. Carry out continuous remediation and reclamation of lands affected by exploration activities.

Vulnerable Environments and Biodiversity

New Discovery Mines Ltd respects and protects vulnerable environments and species, as well as areas of biodiversity, and:

- a. Respect legally-designated protected areas and promote practices that support biodiversity assessment and management;
- b. Engage with indigenous peoples and local communities to identify valued environmental sites, and any other locations of importance to local people so that the exploration project is respectful of these areas; and
- c. Support the development and implementation of sound, inclusive and transparent approaches to land-use planning, biodiversity, conservation, and climate change, based on the best available data, including traditional knowledge.

Monitoring and Reporting

New Discovery Mines Ltd will implement processes of monitoring and reporting on environmental performance (see Principle 2) to inform management, government, local communities, shareholders, and other interested parties. New Discovery Mines Ltd will promptly report all environmental accidents or incidents to the local community and appropriate authorities and to actively share plans to manage the accident or incident. New Discovery Mines Ltd will consider the option to:

- a. Where possible, create a community based process for the participation of local stakeholders and other affected and interested parties in the monitoring and verification of environmental management performance and, where applicable, support capacity building so that such activities are meaningful and effective; and
- b. Prepare and publish regular reports on environmental performance that, wherever reasonably possible, are validated by local stakeholders and affected communities or other third party observers or auditors.

Purpose and Scope of the Rock Waste Management Plan

The purpose and scope of New Discovery Mines Ltd.'s Rock Waste Management Plan is to identify and manage waste resulting from exploration activities, mining and the processing of ores from the property.

The goal of the Rock Waste Management Plan is to mitigate environmental effects of New Discovery Mines Ltd.'s exploration activities and locations on land, vegetation, water, air, wildlife and fish, which have both intrinsic value to the ecosystem and sociocultural and aesthetic values to a variety of land-users.

The objectives of this Rock Waste Management Plan are to re-establish the Mon Gold Mine Camp and conduct drilling and other exploration allowed under permits in such a way as to reduce/reuse and recycle where possible, and to handle and dispose of rock waste so as to obviate or minimize impact to environment, offer local employment and use local services as best complements the exploration program, to operate in compliance with governing authorizations and legislation, and to strive for continuous improvement in environmental management, which is a core objective of all environmental programs.

Project Description

New Discovery Mines Ltd. wishes to operate under a Land Use Permit from the MVLWB. A range of exploration activities, including prospecting, surficial rock sampling, underground bulk sampling, drilling and operation of seasonal tent camps are to be authorized under the permits under application. The WLWB authorization also will allow for operation along an existing winter road right of way and of a pre-existing 4 km-long winter spur route.

Rock will be broken and moved, and this will be done in a manner to minimize any environmental impacts.

Proposed Location of Rock Waste-Management Activities

Rock Waste-management activities will occur within New Discovery Mines Ltd.'s Mon Gold Mine project, which are depicted in *Map 1* (Figure 1) below. Specific waste-management locations at the Mon Gold Mine and Camp environs will principally be the mine, and the marked waste storage areas, as well as any construction from the excavated rock, such as laydown areas, roadways, and berms.

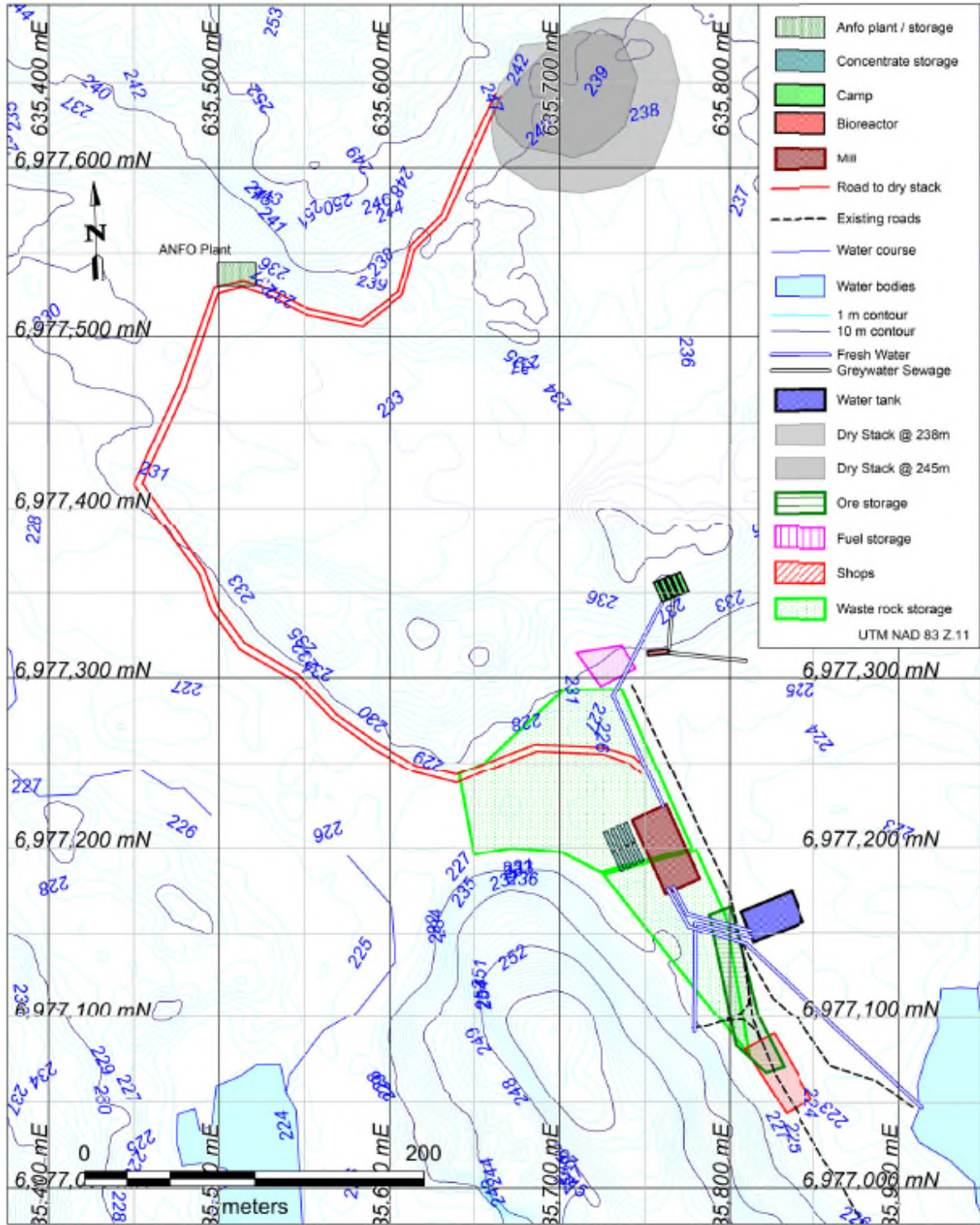


Figure 1 Map 1, Location of waste management sites.

Historical Land-Use and Waste Management

The Mon Gold Mine area has been explored by successions of exploration companies since the discovery of gold here in 1937. The Mon Gold Mine operated between 1988 and 1997, accessed by three portals and one shaft. A 100 tpd gravity mill and associated tailings containment site are evidence of the potential here

Site and Setting Characteristics

The Mon Gold Mine lies within the Slave Structural Province of the Northwest Territories (the Slave Province), which is an Archaean segment of the North American Craton that covers 213,000 km². It is composed of granites, gneisses and supracrustal rocks. The Slave Province is a classical setting for diamondiferous kimberlites, rare earth element, light element and base and precious metal deposits.

For most of the year, the area is covered with ice and snow. Summer typically begins in June, when melting commences; winter usually arrives in October. Temperatures range from highs of around 25 during the brief summer months, to winter lows of -45 which are often magnified by strong, constant winds. Daylight varies from nearly 24 hours in the summer to only a few hours per day during the winter.

Landforms, relief and drainage have been strongly influenced by the effects of several periods of glaciation which, along with a weak fluvial incision, has produced a generally low-lying, undulose or wave-like terrain. Hills of granitic rocks and eskers rise about 15m above datum. The percentage of outcrop averages from about 1%-15%, although locally there are small areas with much higher percentages of outcrop. Frost-heave and/or shattered subcrop also occurs. Flat to undulose muskeg, with or without scattered boulder fields, is separated by treed areas and low hills. In areas of no outcrop, till cover averages from a few centimetres to tens of metres. Glaciation has also produced scattered glaciofluvial landforms such as eskers, braided esker complexes and deltas, outwash plains, boulder fields and alluvial fans.

Approximately 20% of the property is covered by lakes. River systems are juvenile and not deeply incised, however the Yellowknife River occurs to the east of the property. Water levels vary greatly with the season; they are highest during spring runoff and

almost dry at the end of summer. Typical muskeg/ northern boreal forest vegetation comprised of black spruce, tamarack, pine, birch, aspen willow, labrador tea, bearberry, lichen and moss is present.

Caribou, wolves, foxes, rabbit, moose, ptarmigan, wolverines, ground squirrels and black bears are native to the area. Most of the larger lakes contain fish and support bird life.

The terrain in the Discovery Lake area where the Mon Gold Mine Project and camp are located is rugged tundra with little topsoil, low-lying shrubs and a large percentage of exposed supracrustal rocks. The area contains hundreds of small, shallow, glacially-formed lakes. The Yellowknife River flows into Great Slave Lake.

Northern Pike and Lake Trout are the most common fish species found in proximal lakes. Other species included grayling and lake whitefish. Most lakes exhibited a well-defined littoral shelf, comprised of large boulder and/or cobble substrates; beyond this shelf, there is a dramatic drop into the pelagic zone.

Conclusion from Existing Site Data

Based upon findings to date, collected during a period of more intensive activity in the 1980's and 1990's, it can be predicted that proposed advanced exploration activities at the Mon Gold Mine projects have low potential of adverse environmental effects attributable to camp and drill waste, particularly given the existing Spill Contingency Plan, and Closure and Reclamation Plan, and corporate commitment to staff and contractor training.

ROCK, WASTE

Rock excavated during the mining program will be stored at the site denoted for such use on Map 1 Figure 1).

- Samples of each geologically identifiable rock type will be collected, consolidated, and tested for various environmental parameters.
- To be placed at approved locations only.

Rock will be identified visually as to total sulphide content. Rock containing <0.1 to no visible sulphide will be tested once per month by ABA as to acid generating potential, and AG, PAG, and NAG rock will be kept separate. NAG rock will be used for immediate construction purposes. Rock with between 0.1 and <1% sulphides will be collected and tested by ABA as to acid generating potential, and AG, PAG, and NAG rock will be kept separate. Rock containing more than 1% sulphide will be kept separate and covered by tarps to minimize rain or snow contact, and will be tested by ABA as to acid generating potential, and AG, PAG, and NAG rock will be kept separate.

AG rock will be monitored and returned underground as fill for the excavated areas, and PAG rock will be monitored annually as per SNP in MV2014L2-0002.