



Energy, Mines and Resources
Box 2703, Whitehorse, Yukon Y1A 2C6
Mineral Resources Branch (K-9)
Mining Lands

February 9, 2018

File No: LP01238

Bernie Kreft
1 Locust Place
Whitehorse, Yukon
Y1A 5G9

Dear Mr. Kreft,

Re: Class 3 Placer Mining Land Use Approval

Your application for a Class 3 approval has been approved:

- As submitted.
- Subject to the attached conditions.
- Subject to security deposit as received.

The effective date of this approval will be February 12, 2018. All work, including restoration, must be completed by February 11, 2028, and inspected before full security and/or completion certificates can be applied for.

Please note LP01238 replaces the existing Class 3 Placer Mining Land Use Approval LP01024. All outstanding liability including reclamation for LP01024 is transferred to the new approval, LP01238.

The attached 'Operational Guidelines' offer additional mitigations that would enable you to enhance the environmental performance of your program, but are not approval conditions.

Please contact our Dawson Mining Lands office at (867) 993-5343 should you have any questions.

Regards,



Briar Young
Chief, Placer Land Use

cc: EMR Natural Resources Officer, Compliance Monitoring and Inspections
ENV Environmental Affairs, Environmental Protection Branch

Operational Guidelines

Mining Activities

The Yukon Placer Secretariat has developed an informative best management practices document that should be reviewed in the context of project activities. The Operator should reference the following document when planning and conducting project activities:

- Guidebook of Mitigation Measures for Placer Mining in the Yukon (http://www.yukonplacersecretriat.ca/pdf/guidebook_chapters_1_2_11apr08.pdf)

Bears and other wildlife

To increase worker safety, reduce potential conflicts and prevent unnecessary wildlife mortality, the Operator should implement pertinent components of:

- Guidelines for Industrial Activity in Bear Country for the Mineral Exploration, Placer Mining and Oil & Gas Industries (http://www.env.gov.yk.ca/publications-maps/documents/bestpractes_water.pdf).

Invasive species

To minimize the risk and consequences of spreading invasive plant species the Operator should:

- Become familiar with the Yukon invasive species and how to manage them by referring to the Yukon Invasive Species Council document, "Why Should I Care About Invasive Species" (http://yukoninvasives.com/pdf_docs/WhyshouldIcare2011_sm.pdf)
- Report the presence of any invasive plants that are listed in the Yukon Invasive Species Council website: www.yukoninvasives.com/plants.html to Government of Yukon by email (invasives@gov.yk.ca)

Heritage Resources

To better understand how to manage potential impacts to heritage resources, the Operator should refer to the following document(s):

- Placer Mining Best Management Practices for Heritage Resources (http://www.tc.gov.yk.ca/pdf/Placer_Mining_BMP.pdf) and Best Management Practices for Fossils at Yukon Placer Mines (http://www.tc.gov.yk.ca/pdf/FossilsAndPlacerMines_BMP.pdf)
- Best Management Practices for Burial Sites and Human Remains in Yukon (http://www.tc.gov.yk.ca/pdf/BurialSites_BMP_2014.pdf)

Work in/near water

Project activities have the potential to affect water quantity, quality and/or rate of flow. The Operator should provide for the protection of water by applying practices described in:

- Best Management Practices for Works Affecting Water in Yukon (http://www.env.gov.yk.ca/publications-maps/documents/bestpractes_water.pdf).

**MINING LANDS
MINERAL RESOURCES BRANCH
GOVERNMENT OF YUKON**

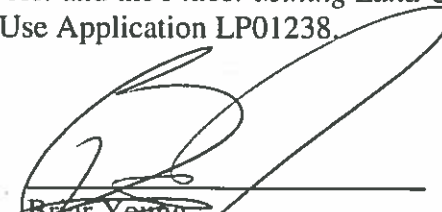
Pursuant to the *Placer Mining Act* and the *Placer Mining Land Use Regulation*, the Chief, Placer Land Use hereby grants a class 3 placer mining land use approval to:

Bernie Kreft
1 Locust Place
Whitehorse, Yukon
Y1A 5G9

APPROVAL NUMBER: LP01238
PROPERTY NAME: Hunker Bench
UNDERTAKING: Placer
CLASS: Class 3 Approval
EFFECTIVE DATE: February 12, 2018
EXPIRY DATE: February 11, 2028 or until a Class 4 approval is issued, whichever occurs first

This approval shall be subject to the restrictions and conditions contained herein and to the restrictions and conditions contained in the *Placer Mining Act* and the *Placer Mining Land Use Regulation* made thereunder as proposed in Mining Land Use Application LP01238.

Dated this February 9, 2018


Brian Young
Chief, Placer Land Use

PLACER MINING LAND USE APPROVAL

Class 3
LP01238
Bernie Kreft

SCOPE OF APPROVAL: Claim Status Report (Appendix A)
Exploration Activity Report (Appendix B)

LOCATION: 115-O-15 Hunker Bench

Definitions

“Act” means the *Placer Mining Act*, SY 2003, c.13; SY 2013, c.18;

“Operator” means a person who is engaging in an operation;

“Chief” means Chief of Placer Land Use, pursuant to the Act.

“Effective date” means the date this Approval comes into force as evidenced by the date of the signature of the Chief;

“Site” means the area bounded by the sum of the mineral claims described above under ‘Scope of Approval’;

“Inspector” means an inspector designated pursuant to the Act;

“Corridor” means a path from which trees and brush have been cut to accommodate a trail, waterline, fuel line or power line.

“Access road” means a road that provides access to a public highway or to a private road

“Isolated road” means a road that does not provide access to a public highway directly or through a private road.

“Road” means a pathway for vehicular traffic the construction of which requires the movement of rock or earth.

“Trail” means an access to a site within a claim or lease that is constructed with little or no movement of rock or earth.

“Upgrading” in relation to road, means re-establishing a road that has not been useable for more than five years by vehicles of a type the road was originally designed to serve, modifying a road to provide usability for vehicles that are of a different type than those the road was originally designed to serve and any other upgrading or modifying of a road, other than for maintenance or erosion control.

PART ONE – GENERAL REQUIREMENTS

Duration of Approval

1. This approval is valid upon signature of the Chief until the expiry date or until a Class 4 approval is issued. In the event that mineral titles lapse, or that agreements to operate on mineral titles are dissolved, the Approval becomes null and void for that portion of the operating plan, where there is no right to the minerals.
2. All outstanding reclamation continues to be the responsibility of the operator.

Compliance with Operating Conditions

3. All operating activities must comply with the Operating Conditions contained in Schedule 1 of the *Placer Mining Land Use Regulation*. These Operating Conditions are enforceable.

PART TWO - REPORTING REQUIREMENTS

Contact Numbers/Planning and Communication

4. Submissions and reports to the Chief should be made in duplicate to the following addresses:

Chief, Placer Land Use
Box 2703, K-9
Whitehorse, Yukon Y1A 2C6

Mining Lands Officer
Box 249
Dawson City, YT Y0B 1G0
867-993-5343
dawson.mining@gov.yk.ca

5. The contact for the Operator will be:

Bernie Kreft
1 Locust Place
Whitehorse, Yukon
Y1A 5G9
kreft.oha19@gmail.com
867 335-5003

6. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Dawson Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 993-7300.
7. An operator who takes an emergency remedial measure shall, as soon as possible but not later than 10 days after taking it, send a written report to the Chief describing the duration, nature and extent of the emergency and the measures taken to respond to it.
8. The operator shall contact the Dawson Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 993-7300 at least 14 days prior to commencing the field season.
9. The operator shall contact the Dawson Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 993-7300 at least 14 days prior to leaving the site at the end of the operation.
10. The operator shall contact the Dawson District Conservation Office at (867) 993-5492 if any incidences involving wildlife occur.

Heritage

11. All palaeontological resources uncovered during operations shall be reported to the Yukon Palaeontology Program, Government of Yukon in Whitehorse at (867) 667-8089 or (867) 667-5386.
12. All archaeological resources uncovered during operations shall be reported to the Yukon Archaeology Program, Government of Yukon in Whitehorse at (867) 667-3771 or (867) 667-5386.
13. Upon discovery of a heritage resource, the operator shall notify the Heritage departments of Tr'ondëk Hwëch'in, in addition to Government of Yukon, Chief of Placer Land Use and Yukon Heritage.
14. The report(s) developed for Section 23, shall be submitted to Government of Yukon – Mining Lands, Mineral Resources Branch and the Heritage Resources Unit, Cultural Services Branch.

Wildlife

15. All incidents with wildlife shall be reported to the District Conservation Officer in Dawson (Northern Region) at (867) 993-5492, as well as any other communication regarding wildlife.

PART THREE – TERMS AND CONDITIONS

Removal of Vegetative Mat

16. If the vegetative mat must be removed to carry out an operation, it must be removed so as to protect the seed and root stock contained within the mat and be stored separately from any overburden or bedrock removed for use in re-establishing the vegetative mat when the operation ceases.

Re-establishment of vegetative mat

17. All vegetated areas disturbed by operation activities, including fuel and waste storage areas, clearings, corridors, camps and supporting infrastructure, and trenches and drill site, must be left in a condition conducive to re-vegetation by native plant species or other species adaptable to the local environment to encourage re-vegetation comparable to similar, naturally occurring, environments in the area.
18. Conditions conducive to re-vegetation include provision of an adequate soil layer with moisture retaining ability, no soil contamination by hydrocarbons or other hazardous substances, provisions of adequate seed or root stock and contoured or otherwise stable slopes.
19. If adequate seed or root stock is not naturally available, re-seeding or transplanting of vegetation is required. Only non-invasive species may be used for re-seeding or transplanting. Consult with the Mining Inspector prior to seeding.

Erosion Control and Permafrost

20. All areas disturbed during an operation must be re-sloped, contoured or otherwise stabilized to prevent long term soil erosion, slumping and subsidence.
21. All activities must be carried out to avoid or minimize damage to and loss of permafrost.
22. The operator shall insulate the ground surface beneath all temporary structures and temporary facilities used in the project where permafrost is present to:
 - a) Prevent any vegetation from being removed, and
 - b) Prevent the ground from settling or eroding

Historic Objects and Burial Grounds

23. The operator shall complete a Heritage Resources Impact Assessment in advance of activities that disturb the ground surface within areas with elevated potential for the presence of heritage resources.
24. Operations must not be carried out within 30m of a known archaeological, palaeontological or burial site unless the Chief indicates, in writing, that such activities may be carried out.
25. Any sites containing archaeological objects or human remains, or burial sites discovered in the course of carrying out an operation must be immediately marked and protected from further disturbance and, and as soon as practicable, the discovery reported to the Chief, Placer Land Use, Yukon Heritage as well as the Heritage Department of Tr'ondëk Hwëch'in. No further activities may be carried out within 30m of the site until the Chief indicates, in writing, that the activities may be resumed.

Disposal of Wastes/Cleanliness

26. All solid waste, including debris, equipment, barrels, drums, and scrap metal, must be safely stored on the site of the operation while the program is carried out and must be disposed of in accordance with the *Solid Waste Regulations*.
27. The operator shall keep all attractants, including but not limited to: kitchen waste, fuel and other garbage, stored in a bear-proof container until such a time as the attractants are able to be disposed of at a government-approved disposal facility.
28. When burning kitchen waste on site it must be burned regularly to reduce odours that might attract wildlife and be burned to ash by forced air or fuel fired incineration.
29. Campsites must be kept clean and tidy.

Fuel and Chemical Storage and Handling

30. If petroleum fuel storage capacity exceeds 4000L, a secondary containment structure must be constructed. The containment structure must be made of a material impervious to petroleum products and:
 - a) if there is a single storage tank, be of sufficient size to accommodate at least 110% of the capacity of the storage tank; or
 - b) if there is more than one storage tank, be of sufficient size to accommodate 110% of the capacity of the largest storage tank or 10% of the total capacity of all of the tanks, whichever is greater.
31. All petroleum products, including waste petroleum products, and any other hazardous substances must be stored in a secure fashion no less than 30m from the ordinary high water mark of any water body.
32. All fuel cache(s) must be protected with an earthen berm and flagged to prevent spills resulting from accidental contact with heavy equipment. Flags should be visible above the snow pack.
33. All petroleum products, including waste petroleum products, and any other hazardous substances, must be transferred and handled without spillage.
34. All waste petroleum products and any other special waste, as defined in the *Special Waste Regulations*, generated in the course of carrying out the operation must be disposed of in accordance with the *Special Waste Regulations* when the program ceases.
35. The operator shall clearly identify the owner, the contents and the date on fuel drums to establish and manage ownership and responsibility.

Spills and Spill Contingency Plans

36. A spill contingency plan for petroleum products and other hazardous substances must be prepared and posted in the camp and at all fuel handling locations used in carrying out the operation.
37. All fuel spill equipment and materials must be maintained in a state of readiness sufficient at all times to contain and clean-up any hazardous materials spills.
38. If a spill occurs, the spill contingency plan must be immediately implemented and notice given to the 24-hour Yukon Spill Report Line. As soon as practicable, an inspector must be contacted. Whatever remedial action is required to clean-up the spill and reclaim the affected land and water must be taken.
39. The location of any spills shall be clearly marked with stakes or flags.

Use of Vehicles

40. Vehicles must be maintained and operated to prevent spills of fuel, lubricants, coolants and oil.

Timber and Brush

41. Cut brush must not be piled so that it blocks movement of wildlife or people.
42. Leaning trees created by the cutting of lines, corridors and clearings must be felled.
43. When it is economically viable to do so, timber suitable for sale must be salvaged and stockpiled.
44. All risk of fire hazard must be avoided.

Trenching

45. Trenching carried out by hand or using hand-held tools must be methodical.
46. All trenches must be stabilized and marked to minimize risk to the public.
47. Open trenches shall be sloped at one end to avoid entrapment of wildlife.
48. Trenches constructed with mechanized equipment must be back filled by first depositing any removed overburden and bedrock and then replacing the vegetative mat that was removed to construct the trench.
49. The operator must ensure that all employees and contractors working at the trench sites are aware of the operating conditions for trenching.

Drilling

50. All reasonable efforts must be made when drilling to minimize impact on wildlife and the public.
51. Drill holes that pose a hazard or that lead to ground water must be plugged to prevent flow of water to the surface.
52. The location of drill holes must be marked by flagging or other suitable means at the location of the drill hole.
53. The operator must ensure that all employees and contractors working at the drill sites are aware of the operating conditions for drilling.

Roads, trails, and off-road/trail use

54. All vehicles must be operated to avoid rutting and gouging of roads and trails.

55. If rutting, gouging, ponding or permafrost degradation occurs off road or trail, vehicle use must be suspended or relocated to ground that is capable of bearing the weight of the vehicle without causing such damage and the former routes must be restored in compliance with the operating conditions for re-establishment of the vegetative mat and erosion control.
56. Off road and trail routes must be reconnoitered and must be used in a way that minimizes ground disturbance, including damage to permafrost and sensitive wildlife habitat.
57. Use of skids on permafrost or wet ground is only permitted outside of winter where it is not reasonable to use any other means of transporting equipment.
58. Routes for trails must be reconnoitered and flagged.

Release of sediment

59. All reasonable care must be taken in carrying out activities near or adjacent to a water body to prevent sediment from entering a water body, unless otherwise permitted by law.

Security

60. Security may be required at any time by the Chief.

Reclamation

61. Reclamation shall be progressive in nature where possible and completed before expiry of the approval.

PART FOUR – FINAL DECOMMISSIONING

62. All petroleum products and any other hazardous substance must be removed from the site when the operation ceases.
63. All waste petroleum products and any other special waste, as defined in the *Special Waste Regulations*, generated in the course of carrying out the operation must be disposed of in accordance with the *Special Waste Regulations* when the program ceases.
64. Debris, equipment, fuel barrels, scrap metal and other waste at the work site shall be completely disposed of, so as not to attract wildlife, by removal to an authorized disposal site as often as is practicable throughout the mining season and completely at the cessation of the operation.
65. Structures must be removed and the site restored at the end of the exploration program or prior to the expiry of this approval, whichever comes first, to a level of utility comparable to its previous level of utility.
66. Final reclamation will occur prior to the expiry of the exploration program or prior to the expiry of this approval, whichever comes first, according to standards outlined in the operating conditions for re-establishment of vegetative mat and erosion control.

PART FIVE – OTHER MATTERS

Applicable Laws

- 67.** All other applicable legislation, regulations, laws, by-laws and ordinances must be complied with. Additional authorizations or approvals may be required. Any doubt as to whether an additional authorization or approval is required should be verified by a duly authorized official at the appropriate government body or bodies.
- 68.** Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
- 69.** Attached (Appendix B) is a list of the approved activities.



Class 3 Placer Mining Land Use Approval LP01238 Appendix A - Claim Status Report

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	Excess NTS #'s	Grouping	Permit
R Bernie	P 515909	2020/12/15	Bernard Krefit	100.00	10 115015i	GD01292	LP01024, LP01238
R P Bernie	P 517180	2020/12/15	Bernard Krefit	100.00	5 115015g, 115015i	GD01292	LP01238
R Jarret	P 515911	2020/12/15	Bernard Krefit	100.00	9 115015i	GD01292	LP01024, LP01238
R P JBK	P 517181	2020/12/15	Bernard Krefit	100.00	4 115015i	GD01292	LP01238
R Justin	P 49638	2026/12/15	Bernard Krefit	100.00	8 115014g, 115015i	D GD01292	LP01024, LP01238
R Justin	P 515910	2020/12/15	Bernard Krefit	100.00	9 115015i	GD01292	LP01024, LP01238
R Nat	P 515908	2020/12/15	Bernard Krefit	100.00	10 115015i	GD01292	LP01024, LP01238

Criteria(s) used for search:

CLAIM DISTRICT: 1000002 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LP01238 REGULATION TYPE: PLACER

Left column indicator legend:
 R - Indicates the claim is on one or more pending renewal(s)
 P - Indicates the claim is pending.

Right column indicator legend:
 L - Indicates the Quartz Lease
 F - Indicates Full Quartz fraction (2.5+ acres)
 P - Indicates Partial Quartz fraction (<2.5 acres)

Total claims selected : 7
 D - Indicates Placer Discovery
 C - Indicates Placer Codiscovery
 B - Indicates Placer Fraction



Class 3 Placer Mining Land Use Approval LP01238
Appendix B
EXPLORATION and RELATED ACTIVITIES REPORT

115-O-14g NE

Bernard Kreft
 1 Locust Place
 Whitehorse, YT Y1A5G9
 Canada

ELEMENT	CRITERIA	TERMS AND CONDITIONS
Off Road Use of Vehicles in summer		Vehicles and equipment used off road up to 1.2 km
Upgrading of access roads per operation		Upgrading existing access roads on claim, up to 200m x 6m
Use of Vehicles on Existing Roads or trails		
Establishing new access roads per operation		Up to 750m x 6m
Total length of corridors		New trails up to 600m
Corridor Width		New trails up to up to 6m wide
Total volume of trenching		Up to 3 trenches: 200m x 100m x 14m (total 840,000 cubic metres)
Height of overburden piles		Up to 2.3 m
Nb of person days per camp		Up to 480 persondays/year
Total volume of ditching and drains		Up to 400 cubic metres/year
Nb of persons in a camp at any one time		Up to 4 persons in camp at one time
Area stripped per claim per year		Up to 20,000 square metres/year

**Bernie Kreft
LP01238**

**Appendix C
Proponent Commitments**

- Any access trails or roads constructed during the course of the program will be fully reclaimed upon final decommissioning. These works will include scattering bucked wood along trails, while reclamation of access roads will include construction of ditches to block access, spreading of vegetative matter and soil onto the surface to ensure rapid re-growth.
- Trenches will be immediately backfilled and contoured to conform to natural topography, overburden will be spread over them, drains will be shallow dugouts. All waste, trench or drain slopes will be shallow enough of an angle to ensure no erosion will occur.
- All slopes will be given a 1:2 slope ratio unless of course natural topography suggests a different aspect ratio is prudent. All disturbed areas will have vegetation and overburden spread over them to support rapid revegetation.
- All holes and pits or any other exploration workings will be left in a safe and stable manner.