



Department of Energy, Mines & Resources
PO Box 2703, Whitehorse, Yukon Y1A 2C6

January 10, 2022

File No: LP01456

Stuart Gray
P.O. Box 5395
Drayton Valley, AB
T7A 1R5

Dear Sir/Madam:

Re: Class 3 Placer Land Use Approval

Your application for a Class 3 approval has been approved and is subject to the attached conditions. The effective date of this approval will be January 10, 2022. All work, including restoration, must be completed by January 09, 2032, and inspected before full security and/or completion certificates can be applied for.

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 feel free to contact our office at (867) 996-2256 should you have any questions.

Regards,

Saleem Dar
Chief of Placer Land Use

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



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 approval to:

Stuart Gray
P.O. Box 5395
Drayton Valley, AB

APPROVAL NUMBER: LP01456
PROPERTY NAME: Keystone
UNDERTAKING: Placer
CLASS: Class 3 Approval
EFFECTIVE DATE: January 10, 2022
EXPIRY DATE: January 09, 2032 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.

Dated this January 10, 2022

A handwritten signature in blue ink, appearing to read "Saleem Dar".

Saleem Dar
Chief of Placer Land Use

**PLACER MINING LAND USE
APPROVAL
Class 3**

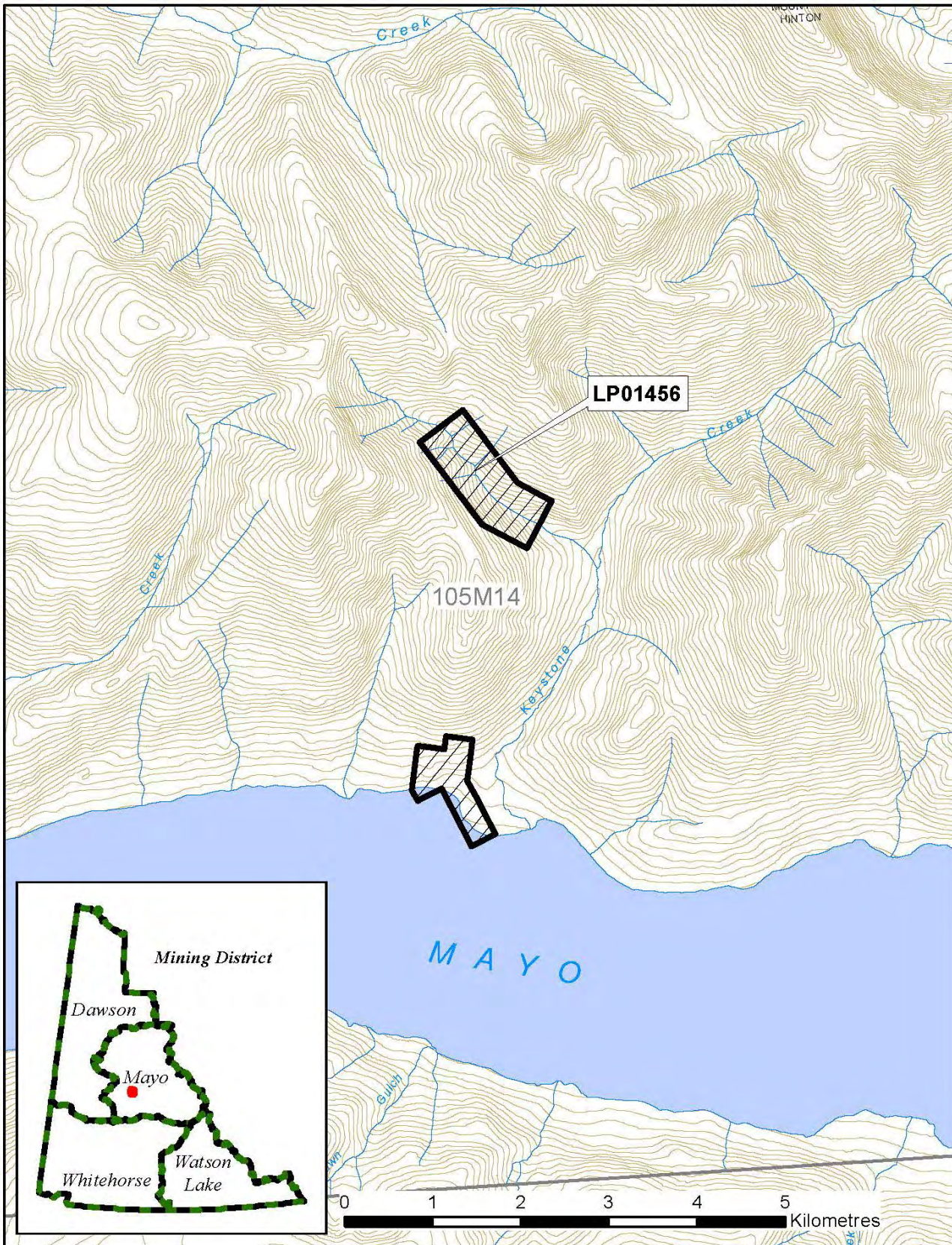
SCOPE OF APPROVAL:			
Claim Status Report (Appendix A)		LP01456	
Operating Season	March 1 – October 31	P525499, GM00354; 18 claims	
PROJECT ACTIVITIES (ON-CLAIM):			
USE OF VEHICLES/EQUIPMENT			
Use of vehicles on existing roads or trails			<input type="radio"/> No <input checked="" type="radio"/> Yes
Gross vehicle weight	On-roads: less than 40 t	On-trails: less than 20 t	
Off-road use of vehicles in summer			<input checked="" type="radio"/> No <input type="radio"/> Yes
Off-road use of vehicles in winter			<input checked="" type="radio"/> No <input type="radio"/> Yes
NEW & EXISTING ACCESS			
Maintenance of existing trail access	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 2 km	Width: 5 m
New roads	<input checked="" type="radio"/> No <input type="radio"/> Yes	Length: 0 km	Width: 0 m
New trails	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 5 km	Width: 5 m
Other new access: Boat access from Mayo Lake			
LINES & CORRIDORS			
Lines	<input checked="" type="radio"/> No <input type="radio"/> Yes	Length: 0 km	Width: 0 m
Corridors	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 500 m	Width: 5 m
SITE PREPARATION			
Area stripped (camp)	Area: 1,200 m ² or Area: 0.12 ha		
Ditching and Drains	<input type="radio"/> No <input checked="" type="radio"/> Yes	Volume: 500 m ³	
Clearings (drill pads) up to 200 pads	Length: 25 m	Width: 25m	
Height of Overburden Piles	Height: 3 m		
SETTLING PONDS			
Number: 1	Length: 10 m	Width: 15 m	
EXPLORATION TRENCHING			
Hand-dug			<input checked="" type="radio"/> No <input type="radio"/> Yes
Mechanized			<input type="radio"/> No <input checked="" type="radio"/> Yes
number: 100	Length: 50 m	Width: 5 m	Depth: 15 m
Total volume: 375,000 m ³			
Explosives	<input checked="" type="radio"/> No <input type="radio"/> Yes	Total amount: 0 kg	Max. in 30 days: 0 kg
EXPLORATION DRILLING			
TYPE	NUMBER OF HOLES	DEPTH (m)	
Reverse Circulation	200	6,000	

**PLACER MINING LAND USE
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FUEL STORAGE		
FUEL TYPE	STORAGE TYPE & CAPACITY	TOTAL VOLUME
Diesel	Double walled enviro tanks	10,000L
Gasoline	Double walled enviro tanks	4,000L
Propane	100lbs and 30lbs tanks	520lbs
FACILITIES & STRUCTURES		
Camp structures: frame/log structure, trailers, tent frame (2 cabins, 6 ATCO trailers, RV's, storage containers)		
Number of persons in camp at any one time: 9	Number of person days: 1,890	
Construction of underground structures		● No ○ Yes

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.

**PLACER MINING LAND USE
APPROVAL
Class 3**



**PLACER MINING LAND USE
APPROVAL
Class 3**

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 evidence 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.

“**Stripping**” means excavation, undertaken as part of an operation, that is limited to the removal of trees, brush and the vegetative mat.

“**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

- 1.0 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.
- 1.1 Only the work identified in the prospecting lease “Work Program and Additional Information” form, approved by the Mining Recorder, can be carried out until such time as the prospecting lease is staked to claims.
- 1.2 All outstanding reclamation continues to be the responsibility of the operator.

Compliance with Operating Conditions

- 1.3 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

- 2.0 Submissions and reports to the Chief should be made in duplicate to the following addresses:

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

Mining Lands Officer
Box 10, K-MA
Mayo, YT Y0B 1G0
867-996-2256
mayo.mining@gov.yk.ca

- 2.1 The contact for the operator will be:
Stuart Gray
stuartg@earthiron.com
- 2.2 All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Northern Tutchone Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 996-2343.
- 2.3 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.
- 2.4 The operator shall contact the Northern Tutchone Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 996-2343 at least 14 days prior to commencing the field season.

2.5 The operator shall contact the Northern Tutchone Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 996-2343 at least 14 days prior to leaving the site at the end of the operation.

Heritage

2.6 All paleontological resources uncovered during operations shall be reported to the Yukon Paleontology Program, Government of Yukon in Whitehorse at (867) 667-8089 or (867) 667-5386.

2.7 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.

2.8 The report(s) developed for Section 3.2 – 3.3, shall be submitted to Government of Yukon – Mining Lands, Mineral Resources Branch and the Heritage Resources Unit, Cultural Services Branch.

Wildlife

2.9 All incidents with wildlife shall be reported to the District Conservation Officer in Mayo (Northern Tutchone Region) at (867) 996-2247, as well as any other communication regarding wildlife.

PART THREE – TERMS AND CONDITIONS

Erosion Control and Permafrost

3.0 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

3.1 Effective temporary and permanent erosion and sediment control measures shall be implemented on disturbed areas (and especially disturbed permafrost areas) before, during and after activities to prevent long-term erosion and sedimentation.

Historic Objects and Burial Grounds

3.2 The operator shall complete a Heritage Resources Overview Assessment of the areas scheduled for work outside of proposed target areas with the objective of identifying areas that have elevated potential for the presence of heritage resources.

3.3 A heritage resources impact assessment shall be completed in advance of ground disturbing activities in areas with elevated potential for the presence of archaeological or historic sites. The First Nation of Na-Cho Nyäk Dun shall be invited to participate in this heritage resources impact assessment.

3.4 Upon discovery of a heritage resource, the operator shall notify the First Nation of Na-Cho Nyäk Dun's Heritage Department, in addition to the Government of Yukon, Chief of Placer Land Use and Yukon Heritage branch.

Communication

3.5 The operator shall communicate plans and timing of activities to the First Nation Na-Cho Nyäk Dun at least thirty (30) days prior to each field season and shall work with them to identify and resolve potential land use conflicts.

Disposal of Wastes/Cleanliness

3.6 The operator shall store all attractants, including garbage, kitchen waste and strained solids from grey water in a container that prevents access by bears and other wildlife, until properly disposed of according to the Solid Waste Regulation or burned daily to ash by forced air and fuel fired incineration according to the Air Emissions Regulations.

3.7 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.

3.8 The operator shall install a portable electric fence around the perimeter of the camp or, at a minimum, around the food preparation and storage area, incinerator, and grey water sump.

Fuel and Chemical Storage and Handling

3.9 All fuel cache(s) must be protected with an earthen berm or suitable barrier and flagged to prevent spills resulting from accidental contact with heavy equipment. Flags should be visible above the snow pack.

3.10 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

3.11 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.

3.12 The location of any spills shall be clearly marked until cleanup has taken place. Location markings shall not be removed until directed in writing by an Inspector.

Camp

3.13 The operator shall use the established camp permitted under PM18-007-1 to serve as the project's camp. If there is a change of operator or if this is not feasible due to approval conditions for PM18-007-1, then the operator shall engage with First Nation of Na-Cho Nyäk Dun (867-996-2265 ext. 152) regarding a new camp location. The new camp location shall be shared with the Chief, Mining Lands.

Trenching

- 3.14 Open trenches shall be sloped at one end to avoid entrapment of wildlife.
- 3.15 The operator must ensure that all employees and contractors working at the trench sites are aware of the operating conditions for trenching.
- 3.16 Trenches and test pits shall not remain open for more than 12 months unless they are required for mining purposes in subsequent seasons.
- 3.17 When trenches deeper than 2 metres are adjacent to roads/trails used by the public, the operator shall install and maintain highly visible fencing and signage notifying the public of danger on a year-round basis. All earthworks shall be sloped at one end to allow for wildlife escapement.

Drilling

- 3.18 The operator must ensure that all employees and contractors working at the drill sites are aware of the operating conditions for drilling.

Wildlife

- 3.19 The operator shall cease all activities if moose are observed in proximity to the active placer operations during the late winter season (February 1 – April 30), until moose move off on their own accord.

Security

- 3.20 Security may be required at any time by the Chief. The operator must furnish security within thirty (30) days of receiving the written notice from the Chief of the requirement to post security.

Reclamation

- 3.21 Reclamation and/or decommissioning shall be progressive in nature where possible and 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, unless otherwise specified by the Chief.
- 3.22 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 at the cessation of the exploration program or prior to the expiry of the approval, whichever comes first.

PART FOUR – FINAL DECOMISSIONING

- 4.0 All petroleum products and any other hazardous substance must be removed from the site when the operation ceases or prior to the expiry of this approval, whichever comes first.

- 4.1 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 or prior to the expiry of this approval, whichever comes first.
- 4.2 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 or prior to the expiry of this approval, whichever comes first.
- 4.3 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.
- 4.4 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

- 5.0 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.
- 5.1 Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
- 5.2 Attached (Appendix C) are the commitments that form part of this operating plan.



Appendix A Claim Status Report

25 November 2021

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	Excess	NTS #'s	Grouping	Permit	Settlement Land
P Discovery	P 525499	2022/09/13	ASH Environmental Inc.	100.00	0	105M14	D GM00364		
R P Jimmy 1 - 8	P 525356 - P 525363	2023/06/22	Stuart Gray	100.00	3	105M14	GM00364		
R P Keytrib 1 - 9	P 525371 - P 525379	2023/07/07	Earth & Iron Mines Inc.	100.00	3	105M14	GM00364		

Criteria(s) used for search:

CLAIM DISTRICT: MAYO CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LP01456 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 (25+ acres)
- P - Indicates Partial Quartz fraction (<25 acres)
- D - Indicates Placer Discovery
- C - Indicates Placer Codiscovery
- B - Indicates Placer Fraction

Total claims selected : 18

APPENDIX B

Placer Mining Land Use Regulation

Schedule 1 **Operating Conditions**

A Removal of the vegetative mat

1. 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.

B Re-establishment of the vegetative mat

2.(1) All vegetated areas disturbed by operation activities, including fuel and waste storage areas, clearings, corridors, camps and supporting infrastructure, and trenches and drill sites, must be left in a condition conducive to re-vegetation by native plant species or other species adaptable to the local environment to encourage revegetation comparable to similar, naturally occurring, environments in the area.

(2) 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, provision of adequate seed or root stock and contoured or otherwise stable slopes.

3. If adequate seed stock or root stock is not naturally available, re-seeding or transplanting of vegetation is required. Only non-invasive species may be used for reseeding or transplanting.

C Erosion control and permafrost

4. All areas disturbed during an operation must be re-sloped, contoured or otherwise stabilized to prevent long-term soil erosion, slumping and subsidence.

5. All operations must be carried out to avoid or minimize damage to and loss of permafrost.

D Trenching

6. Trenching carried out by hand or using hand-held tools must be methodical. All trenches must be stabilized and marked to minimize risk to the public.

7. Trenches constructed with mechanized equipment must be backfilled by first depositing any removed overburden and bedrock and then replacing the vegetative mat that was removed to construct the trench.

E Historic objects and burial grounds

8. Operations must not be carried out within 30m of a known archaeological or paleontological site unless the Chief indicates, in writing, that such activities may be carried out.

9. Any sites containing archaeological objects, paleontological 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, as soon as practicable, the discovery reported to the Chief. No further activities may be carried out within 30m of the site until the Chief indicates, in writing, that the activities may be resumed.

F Solid waste

10. All solid waste, including debris, equipment, barrels, drums, and scrap metal, must be safely stored on the operation site while the operation is carried out and must be disposed of in accordance with the Solid Waste Regulation when the operation ceases.

11. Camps must be kept clean and tidy.

G Petroleum fuel and hazardous substances

12. 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.

13. 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.

14. All petroleum products, including waste petroleum products, and any other hazardous substances, must be transferred and handled without spillage.

15. All petroleum products and any other hazardous substances must be removed from the site of the operation when the operation ceases.

16. All waste petroleum products and any other special waste, as defined in the Special Waste Regulation, generated in the course of carrying out the operation must be disposed of in accordance with the Special Waste Regulation when the operation ceases.

H Spills and spill contingency plans

17. 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.

18. All spill clean-up equipment and materials must be maintained in a state of readiness sufficient at all times to contain and clean-up any hazardous materials spills.

19. 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.

I Use of vehicles

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

J Timber and brush

21. Cut brush must not be piled so that it blocks movement of wildlife or people.

22. Leaning trees created by the cutting of lines, corridors, and clearings must be felled.

23. When it is economically viable to do so, timber suitable for sale must be salvaged and stockpiled.

24. All risk of fire hazard must be avoided.

K Drilling

25. All reasonable efforts must be made when drilling to minimize impact on wildlife and the public.

26. Drill holes that pose a hazard or that lead to ground water must be plugged to prevent flow of water to the surface.

27. The location of drill holes must be marked by flagging or other suitable means at the location of the drill hole.

L Roads, trails and off-road and trail use

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

29. Off road and trail routes must be reconnoitered and must be used in a way that minimizes ground disturbances, including damage to permafrost and sensitive wildlife habitat.

30. 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.

31. 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.

32. Routes for trails must be reconnoitered and flagged.

M Release of sediment

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

N Use of explosives

34. Explosives must be set off in a manner to minimize impact on wildlife and the public and to ensure that forest fires, unplanned landslides, or artificial damming of water bodies does not occur.

Operational Guidelines

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 (<https://yukon.ca/sites/yukon.ca/files/env/env-guidelines-industrial-activity-bear-country.pdf>).
- If an electric fence is an appropriate precaution, or a requirement, the operator should reference the following comprehensive and highly informative guide: Reducing Wildlife Conflict with Electric Fencing: A Beginner's Guide (https://yukon.ca/sites/yukon.ca/files/env/env-electric-fencing_en.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" (<https://www.yukoninvasives.com/index.php/en/resources/brochures/31-why-should-i-care-about-invasive-species/file>).

Heritage Resources

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

- Mineral Exploration Best Management Practices for Heritage Resources (http://www.tc.gov.yk.ca/pdf/Mineral_Exploration_BMP_for_Heritage_Resources.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 (<https://yukon.ca/sites/yukon.ca/files/env/env-preferred-practices-works-affecting-yukon-waters.pdf>).