



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

November 25, 2016

Strategic Metals Ltd.
1016 – 510 West Hastings Street
Vancouver, B.C.
V6B 1L8

File No: LQ00355b

Re: An amendment to a Class 3 Approval

Dear Sir/Madam:

Your amendment to the Class 3 program has been approved:

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

Your program has been extended for five additional years as per your request dated October 11, 2016. All work must be completed by June 18, 2022 and inspected for restoration before full security and/or completion certificates can be applied for.

The attached 'Operational Guidelines' offer additional mitigations that would enable you to maximize the environmental performance of your program.

Please feel free to contact our office at (867) 667-3107 should you have any questions.

Yours truly,

Derek Fraser
A/Chief, Mining 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 *Quartz Mining Act* and Quartz Mining Land Use Regulation, the Chief, Mining Land Use hereby grants a Class 3 amendment to the Approval to:

Strategic Metals Ltd.
1016 – 510 West Hastings Street
Vancouver, B.C.
V6B 1L8

APPROVAL NUMBER: LQ00355b
UNDERTAKING: Quartz
CLASS: Class 3 Approval
EFFECTIVE DATE: November 25, 2016
EXPIRY DATE: June 18, 2022

This permit shall be subject to the restrictions and conditions contained herein and to the restrictions and conditions contained in the *Quartz Mining Act* and the Quartz Mining Land Use Regulation made there under as proposed in Mining Land Use Application LQ00355.

Dated this 25th day of November, 2016



Derek Fraser
A/Chief, Mining Land Use

**MINING LAND USE
APPROVAL
Class 3
LQ00355b
Strategic Metals Ltd.**

SCOPE OF APPROVAL: see attached Appendix 'A'

NTS: 115-H-02/07

PART ONE – GENERAL REQUIREMENTS

Definitions

“**Chief**” means Chief, Mining Land Use pursuant to the Act.

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

“**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 a 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 for which the road was originally designed to serve and any other upgrading or modifying of a road, other than for maintenance or erosion control.

Duration of Approval

1. This Approval is valid upon signature of the Chief until the expiry date. In the event that claims lapse, or that agreements to operate on claims 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 mineral exploration activities must comply with the *Operating Conditions* (appended) contained in Schedule 1 of the Quartz 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, Mining Land Use
Box 2703, K-09
Whitehorse, Yukon Y1A 2C6

Mining Lands Officer
Room 102 – 300 Main Street
Whitehorse, Yukon Y1A 2B5
Whitehorse.mining@gov.yk.ca

5. The contact for the Operator will be:

Doug Eaton agent for
Strategic Metals Ltd.
1016 - 510 West Hastings St.
Vancouver, BC V6B 1L8
(604) 688-2568
info@nordacres.com

6. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867)667-7244 and to the Mining Inspections Division in Whitehorse (867) 456-3845.
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. A report shall be submitted at the beginning of each mining season outlining the exploration activities planned for the season including the proposed locations.
9. A report shall be submitted at the end of each mining season indicating exploration activities completed during that season. This report shall include but not be limited to:
- detailed mapping of all areas worked;
 - location of new construction;
 - new areas of disturbance;
 - map data, in the form of SHP files or GIS compatible, of all new roads and trails;
 - map data, in the form of SHP files or GIS compatible, of all reclaimed roads and trails;
 - areas of permafrost encountered;
 - total disturbed area;
 - reclamation activities, and;
 - identify and provide a rationale for access inconsistent with the access management plan.

10. Prior to commencing any burning operations, a Burning Permit must be obtained from the Fire Management Office in Whitehorse at (867) 456-3882, as well as any other communications regarding wildfire management.
11. The operator shall contact Mining Inspections at (867) 456-3882 at least 14 days prior to commencing the field season.
12. The operator shall contact Mining Inspections at (867) 456-3882 at least 14 days prior to leaving the site at the end of the operation.
13. The operator shall contact the local municipal solid waste facility prior to usage to ensure proper governance of waste.

Heritage

14. 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.
15. 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.

Wildlife

16. All incidents with wildlife shall be reported to the District Conservation Officer in Haines Junction at (867) 634-2247, as well as any other communication regarding wildlife.
17. The proponent shall maintain a detailed wildlife log for submission to the Chief, Mining Lands each year.

PART THREE – TERMS AND CONDITIONS

Vegetative Mat

18. No exploration activities shall occur in areas identified as containing *Draba yukonensis*.
19. If the vegetative mat must be removed to carry out exploration activities, it must be removed so as to protect the seed and root stock contained within the mat and be stored separately from other overburden or bedrock removed for use in re-establishing the vegetative mat when the exploration program ceases.

Re-establishment of the Vegetative Mat

20. All vegetated areas disturbed by exploration activities, including fuel and waste storage areas, clearings, corridors, temporary trails, 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 re-vegetation comparable to similar, naturally occurring, environments in the area.

21. Conditions conducive to re-vegetation include provision of 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.
22. 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

23. All areas disturbed during an exploration program must be re-sloped, contoured or otherwise stabilized to prevent long-term soil erosion, slumping and subsidence.
24. All exploration activities must be carried out to avoid or minimize damage to and loss of permafrost.

Historic Objects and Burial Grounds

25. The proponent shall complete a Heritage Resources Overview Assessment of the project claims with the objective of identifying areas that have elevated potential for the presence of heritage resources prior to commencing ground-altering activities. Please contact Yukon Government, Heritage Resources for more information.
26. Subject to the results of the Heritage Resources Overview Assessment, areas with elevated potential for the presence of heritage resources are to be buffered from ground disturbing activities. If this is not possible, the proponent shall complete a Heritage Resource Impact Assessment in advance of activities that disturb the ground surface within areas with elevated potential for the presence of heritage resources. Please contact Yukon Government, Heritage Resources for more information.
27. Exploration activities must not be carried out within 30m of a known archeological site unless the Chief indicates, in writing, that such activities may be carried out.
28. Any sites containing archeological objects, palaeontological objects or human remains or burial sites discovered in the course of carrying out an exploration program 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 activities may be resumed.

Disposal of Wastes/Cleanliness

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

30. Camps must be kept clean and tidy.
31. The proponent shall keep all garbage, including kitchen waste, in a container that prevents access by bears and other wildlife, until properly disposed of in accordance with the Solid Waste Regulations.
32. 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.

Fuel and Chemical Storage and Handling

33. 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 the tanks, whichever is larger.
34. 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.
35. 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.
36. All petroleum products, including waste petroleum products, and any other hazardous substance, must be transferred and handled without spillage.
37. All waste petroleum products and any other special waste, as defined in the Special Waste Regulations, generated in the course of carrying out the explorations program must be disposed of in accordance with the Special Waste Regulations when the program ceases.
38. The proponent 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

39. A spill contingency plan for petroleum products and other hazardous waste must be prepared and posted in the camp and at all fuel handling locations used in carrying out the exploration program.
40. All spill clean-up equipment and material must be maintained in a state of readiness sufficient at all times to contain and clean-up any hazardous material spills.

41. 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.

Use of Vehicles

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

Timber and Brush

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

Trenching

47. 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.
48. Open trenches shall be sloped at one end to avoid entrapment of wildlife.
49. 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.
50. The operator must ensure that all employees and contractors working at the trench sites are aware of the operating conditions for trenching.

Drilling

51. All reasonable efforts must be made when drilling to minimize the impact on wildlife and the public.
52. Vegetation other than that within a drill sump, must not be covered with drill cuttings
53. Core must be stored in a stable fashion.
54. Drill mud must be re-circulated when possible.
55. All drill fluids must be contained in a sump.
56. Drill holes that pose a hazard or that lead to ground water must be plugged in a suitable manner.

57. The location of drill holes must be marked on the ground by flagging or other suitable means at the location of the drill hole.
58. Drilling waste, including fluid, cuttings and mud must not be left within 30m of a water body.
59. The operator must ensure that all employees and contractors working at the drill sites are aware of the operating conditions for drilling.
60. Immediate and progressive reclamation of all drill sites and trenches shall occur using the stockpiled vegetative mat and overburden.

Wildlife

61. The proponent shall ensure that project activities requiring the use of drills and heavy equipment remain a minimum of 2.5 km from the identified wildlife key habitat for sheep and mineral licks when there is a temporal overlap, particularly during the lambing period between May 1st – June 15th.
62. The proponent shall report caribou sightings in the project area to the Regional Biologist to obtain advice for adaptive management in mitigating project effects on caribou.
63. Any work during the post-rut period for moose, late September to mid-November, the Regional Biologist shall be contacted for advice on identifying post-rut moose aggregations and to allow for adaptive management in mitigating project effects on moose.
64. The proponent shall submit an attractant management plan to the Chief for review and approval within 60 days from issuance of the approval.
65. The plan will detail wildlife deterrent measures, all related training, and measures to manage potential wildlife attractants, including, but not limited to:
 - a) food;
 - b) toiletries and first aid materials;
 - c) kitchen waste;
 - d) grey water;
 - e) solvents and cleaning products;
 - f) fuel, including fuel caches and small quantities of fuel at work sites;
 - g) oil, lubricants and industrial wastes;
 - h) seasonal shutdowns and mitigations for few and/or no people on-site;
 - i) incinerator residue; and
 - j) sanitary waste.
66. The following mitigations shall be included in the attractant management plan:
 - The camp shall be equipped with properly maintained wildlife deterrent devices consistent with the *Guidelines for Industrial Activity in Bear Country* ([http://www.env.gov.yk.ca/mapspublications/documents/Guidelines for Industrial Activity in Bear Country.pdf](http://www.env.gov.yk.ca/mapspublications/documents/Guidelines_for_Industrial_Activity_in_Bear_Country.pdf)).

- The proponent shall ensure that project personnel receive bear aware training. For guidance of training refer to the *Guidelines for Industrial Activity in Bear Country*.
 - The proponent shall contact the District Conservation Officer to acquire bear conflict training for all staff on site.
 - The proponent shall have bear deterrents on hand and train staff in their use.
 - The proponent shall notify the District Conservation Officer if any bears are frequenting the camp or exploration areas for advice on further mitigation.
67. The Chief may require any additional information and/or adopt additional mitigation as required.
68. The approved plan will be incorporated as a condition of approval LQ00355.
- Roads, Trails, and Off-road Trail Use**
69. Vehicles, including ATV's shall not be used onsite until the access management plan (#70) has been approved by the Chief.
70. The proponent shall submit an access management plan to the Chief for review and approval by April 1st, and prior to commencing any activities on-site each year.
71. The plan (#70) shall detail the access management for all overland trails and roads, including spur roads used to access drill sites.
72. The following mitigations shall be included, but not limited to, in the access management plan:
- Route selection shall be based on preliminary ground-truthing and careful consideration of local conditions.
 - Access development shall be minimized to the extent possible.
73. The approved access management plan will be incorporated as a condition of approval LQ00355.
74. ATV use shall be restricted to trails identified in the access management plan. No off-road or off-trail use of ATV's shall occur.
75. The proponent shall not undertake any improvements to the main access route into the property. If improvements cannot be avoided for environmental and/or safety reasons, all members of the public must be restricted from accessing the proponent's access road (e.g. via signage stating this is a private road).
76. Access roads and trails no longer required to conduct project activities shall be progressively reclaimed and/or decommissioned, with the outcomes of controlling erosion and encouraging natural re-vegetation.

77. All vehicles must be operated to avoid rutting and gouging of roads and trails.
78. If site conditions make rutting and gouging during overland travel by machinery and ATVs difficult and/or impossible to avoid, (e.g. applying corduroy), the proponent shall suspend work and contact a Mining Inspector to identify other access options for the future. Options may include a winter drill program, helicopter-supported program, and/or use of specialized machinery (e.g. low ground pressure) for working in sensitive tundra environments, some of which may require an amendment and/or new assessment.
79. All routes shall be reclaimed and decommissioned upon completion of their use. Decommissioning shall include measures to make routes impassable to off road vehicles, where possible.
80. The proponent shall not develop any overland access into the Hopper claim block east of the longitudinal claim boundary for Hopper 321 along its north-south axis to Hopper 192.
81. If additional eastward access is required, the proponent may consider a heli-supported program where/if it can be conducted without significant adverse effects to wildlife (e.g. respecting appropriate set-back distances and timing windows), and which would require an assessment.
82. All heavy equipment, vehicles and off-road vehicles shall be clean and free of seed and plant material prior to entering access trails and the project area. This may require that equipment be steam-cleaned and/or power-washed.
83. 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.
84. 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.
85. 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.
86. Routes for temporary trails must be reconnoitered and flagged.
87. In addition to any remedial action required in relation to re-establishment of the vegetative mat, temporary trails must be blocked to prevent further vehicular access.

Release of Sediment

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

Security

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

Reclamation

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

PART FOUR – FINAL DECOMMISSIONING

91. Final reclamation will occur prior to the expiry of the operation, according to standards outlined in the operating conditions for re-establishment of vegetative mat and erosion control.
92. All petroleum products and any other hazardous substance must be removed from the site of the exploration program when the program ceases.
93. All waste petroleum products and any other special waste, as defined in the Special Waste Regulations, generated in the course of carrying out the explorations program must be disposed of in accordance with the Special Waste Regulations when the program ceases.
94. 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.
95. Structures must be removed and the site restored at the end of the operation to a level of utility comparable to its previous level of utility.

PART FIVE – OTHER MATTERS

Applicable Laws

96. All applicable federal, territorial, and First Nation law or local regulations, ordinances or by-laws must be conformed with at all times. 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.
97. Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
98. Attached is a list of the exploration activities for which you are approved.

**Strategic Metals Ltd.
LQ00355b**

OPERATIONAL GUIDELINES

- The proponent should familiarize themselves with the types and management of invasive species in the Yukon. The Yukon Invasive Species Council (YISC) document “*Why Should I Care About Invasive Species?*” will provide this guidance, found at the following site: http://www.yukoninvasives.com/pdf_docs/WhysouldIcare2011_sm.pdf.
- The proponent should report the presence of any invasive plants listed on the following Yukon Government site to the Yukon Conservation Data Centre [(867) 667-5331 or Toll free at 1-800-661-0408 local 53]: www.env.gov.yk.ca/wildlifebiodiversity/invasiveplants.php. The purpose of this mitigation is to ensure that, if the proponent encounters an invasive species, they get expert advice regarding species-specific mitigation.
- The proponent should conduct pre-activity surveys by a qualified botanist, using appropriate methods, in areas that are likely to contain *Draba yukonensis* (meadows, open stony ridges and grassy areas). Environment Yukon may be contacted for advice on this matter.
- If caribou are sighted while mobilizing equipment and supplies, the proponent should maintain a reasonable distance from the animals, such that they are not motivated to flee the area. Along access routes, the proponent should yield to caribou by turning off the engine and remaining with the vehicle (ATV, excavator, etc), until the caribou have departed.
- Champagne and Aishihik First Nation heritage staff should be contacted and details regarding planned activities shall be made available to them for their review, to assist in identifying areas of heritage concern.

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s
GAL 1 - 8	YC65907 - YC65914	2020/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H07, 115H02
GUY 1 - 16	YC19466 - YC19481	2020/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H07
HOPPER 1 - 20	YC41091 - YC41110	2020/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H07
HOPPER 21 - 162	YC47017 - YC47158	2018/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H07
HOPPER 163 - 168	YC65915 - YC65920	2020/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H07
HOPPER 170	YC47159	2018/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H07
HOPPER 171 - 266	YD123011 - YD123106	2018/02/15	Archer, Cathro & Associates (1981) Limited	100.00	115H02, 115H07

Criteria(s) used for search:

CLAIM DISTRICT: 1000004, 1000005 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LQ00355
REGULATION TYPE: QUARTZ

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)

Total claims selected : 289

D - Indicates Placer Discovery
C - Indicates Placer Codiscovery
B - Indicates Placer Fraction

**MINING LAND USE
EXPLORATION ACTIVITY REPORT**

November 25, 2016

LQ00355b

Class III

Strategic Metals Ltd.
1016 - 510 W. Hastings St.
Vancouver, BC
V6B 1L8

ELEMENT	CRITERIA	TERMS AND CONDITIONS
Corridor Width		Approx. 1 meter in width
Establishing new access roads per program		On claims for approx. 5 kms
Establishment of trails per program		On claims for approx. 10 kms.
Fuel Storage in a stationary container		Deisel 10,000 Litres, Gas 2000 Litres, Propane 1000 lbs.
Lines		Approx. 10,000 meters
Nb of clearings per claim, including existing clearings		Approx. 20 per claim
Nb of person days per camp		Approx. 2400 person days
Nb of persons in a camp at any one time		Approx. 20 persons
Surface area of each clearing		Approx 100 sq. meters for trenches and 50 sq. meters for drilling.
Total length of corridors		Approx. 10,000 meters
Total volume of trenching		Approx. 10,000 cubic meters
Upgrading of access roads per		
Use of vehicles on existing roads or trails		Approx 5 kms.