

March 27, 2017

1011308 B.C. Ltd. 3301 – 501 Pacific Street Vancouver, B.C. V6Z 2X6

Dear Mr. Sim:

Re: Class 3 Quartz Mining Land Use Approval

Your application for an amendment to your Class 3 approval has been approved:

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

The effective date of this approval will be March 27, 2017. All work, including restoration, must be completed by May 3, 2022 and inspected before full security and/or completion certificates can be applied for.

File No: LQ00356c

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) 667-3190 should you have any questions.

Regards,

Derek Fraser

A/Chief, Mining Land Use

cc: EMR Natural Resources Officer, Compliance Monitoring and Inspections

ENV Environmental Affairs, Environmental Protection Branch

1011308 BC Ltd. LQ00356c

OPERATIONAL GUIDELINES

- The proponent should report any occurrences of Yukon Woodroot (Podistera Yukonensis) to the Yukon Conservation Data Centre.
- The proponent should contact Environment Yukon for advice on conducting pre-activity surveys on areas above 1400m above sea level (a.sl.) for rare or/and endemic plant species. Where pre-activity surveys result in the identification of rare and/or endemic plant species, the proponent should contact the regional biologist for further advice or recommendations before proceeding with exploration activities in the affected areas.
- The operator should follow the Best Management Practices for Works
 Affecting Water in Yukon
 http://www.env.gov.yk.ca/mapspublications/documents/bestpractes_water.pdf
 when conducting all exploration work including but not limited to the construction of trenches, drill pads, and roads/trails to prevent adverse effects from erosion.



MINING LANDS MINERAL RESOURCES BRANCH GOVERNMENT OF YUKON

Pursuant to the *Quartz Mining Act* and <u>Quartz Mining Land Use Regulation</u>, the Chief, Mining Land Use hereby grants a Class 3 Approval to:

1011308 B.C. Ltd. 3301 – 501 Pacific Street Vancouver, B.C. V6Z 2X6

APPROVAL NUMBER:

LQ00356c

UNDERTAKING:

Quartz

CLASS:

Class 3 Approval

EFFECTIVE DATE:

March 27, 2017

EXPIRY DATE:

May 3, 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 <u>Quartz Mining Land Use Regulation</u> made there under as proposed in Mining Land Use Application LQ00356, LQ00356a, LQ00356b & LQ00356c.

Dated this 27th day of March, 2017

Derek Fraser

A/Chief, Mining Land Use

MINING LAND USE APPROVAL Class 3 LQ00356c 1011308 B.C. Ltd.

SCOPE OF APPROVAL: See attached (Appendix A)

NTS: 115-I-03

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 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 <u>Quartz Mining Land Use Regulation</u>. 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 YIA 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:

Robert Sim 1011308 B.C. Ltd. 3301 – 501 Pacific Street Vancouver, B.C. V6Z 2X6 (604) 617-4803 rs@robertsim.com

- 6. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Natural Resource Officer, Mining Division Carmacks (867) 863-5271
- 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,
 - documentation produced by environmental monitors.
- 10. The proponent shall communicate their development plans for the proposed project with the Little Salmon Carmacks First Nation (LSCFN), with special attention to developments taking place on LSCFN settlement land.

- 11. Prior to commencing any burning operations, a Burning Permit must be obtained from the Fire Management Office in Carmacks at (867) 863-2408, as well as any other communications regarding wildfire management.
- 12. The operator shall contact Natural Resource Officer, Mining at (867) 863-5721 at least 14 days prior to commencing the field season.
- 13. The operator shall contact Natural Resource Officer, Mining at (867) 863-5721 at least 14 days prior to leaving the site at the end of the operation.
- 14. The operator shall contact the local municipal solid waste facility prior to usage to ensure proper governance of waste.
- 15. The operator shall communicate plans and timing of activities to other land and resource users that may be affected by the proposed project (e.g. trappers, outfitter, First Nations) as soon as practicable and prior to the commencement of project activities to identify and resolve potential land use conflicts and any potential negative effects on other users.

Heritage

- 16. 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.
- 17. 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.
- 18. The operator 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. Please contact Yukon Government, Heritage Resources for more information.
- 19. 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 operator 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.

Wildlife

- 20. All incidents with wildlife shall be reported to the District Conservation Officer in Carmacks at (867) 863-2411, as well as any other communication regarding wildlife.
- 21. The operator shall maintain a detailed wildlife log for submission to the District Conservation Officer each year.

PART THREE – TERMS AND CONDITIONS

Removal of the Vegetative Mat

22. 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 reestablishing the vegetative mat when the exploration program ceases.

Re-establishment of the Vegetative Mat

- 23. 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.
- 24. 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.
- 25. 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

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

Historic Objects and Burial Grounds

- 28. 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.
- 29. 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

30. 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 <u>Solid Waste</u> Regulation when the program ceases.
- 31. The operator shall ensure that the licensed solid waste facility of choice will accept waste generated from the proposed project prior to hauling.
- **32.** Wherever practicable, all petroleum based solid waste (plastics, styrofoam etc.) generated by this project shall be removed from the site and deposited at an approved solid waste facility.
- 33. Camps must be kept clean and tidy.
- 34. The operator 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.
- 35. 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

- **36.** 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.
- 37. 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.
- **38.** 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.
- **39.** All petroleum products, including waste petroleum products, and any other hazardous substance, must be transferred and handled without spillage.
- **40.** All waste petroleum products and any other special waste, as defined in the <u>Special Waste Regulations</u>, generated in the course of carrying out the explorations program must be disposed of in accordance with the <u>Special Waste Regulations</u> when the program ceases.
- 41. 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

- **42.** 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.
- **43.** 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.
- **44.** 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

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

Timber and Brush

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

Trenching

- **50.** 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.
- 51. Open trenches should be sloped at one end to avoid entrapment of wildlife.
- **52.** In areas where trenching uncovers permafrost, those trenches shall take priority for mapping/logging and reclamation shall take place as soon as practicable.
- **53.** All trenches shall be backfilled as soon as practicable following mapping and/or logging and wherever practicable trenches shall be filled in at the end of each sampling season.
- 54. 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.
- 55. The operator must ensure that all employees and contractors working at the trench sites are aware of the operating conditions for trenching.

Drilling

- **56.** All reasonable efforts must be made when drilling to minimize the impact on wildlife and the public.
- 57. Vegetation other than that within a drill sump, must not be covered with drill cuttings
- 58. Core must be stored in a stable fashion.
- **59.** Drill mud must be re-circulated when possible.
- 60. All drill fluids must be contained in a sump.
- **61.** Drill holes that pose a hazard or that lead to ground water must be plugged in a suitable manner.
- **62.** The location of drill holes must be marked on the ground by flagging or other suitable means at the location of the drill hole.
- **63.** Drilling waste, including fluid, cuttings and mud must not be left within 30m of a water body.
- **64.** The operator must ensure that all employees and contractors working at the drill sites are aware of the operating conditions for drilling.

Wildlife

- 65. The operator shall avoid all activity on caribou rutting habitat between September 15th and October 15th annually. Contact the Regional Biologist (867-996-2162) for up-to-date rutting habitat polygon information.
- 66. The operator shall enclose the camp with an electrified fence with attention given to camp design (as outlined in the Guideline for Industrial Activity in Bear Country for the Mineral Exploration, Placer Mining and Oil and Gas Industries) in order to avoid human-bear conflicts.
- 67. The proponent shall submit an attractant management plan to the Chief for review and approval within 60 days from issuance of the approval.
- **68.** The plan will detail wildlife deterrent measures, all related training, and measures to manage potential wildlife attractants, including, but not limited to:
 - food:
 - toiletries and first aid materials;
 - kitchen waste;
 - grey water;
 - solvents and cleaning products;
 - fuel, including fuel caches and small quantities of fuel at work sites;
 - oil, lubricants and industrial wastes;
 - seasonal shutdowns and mitigations for few and/or no people on-site;

- incinerator residue; and
- sanitary waste.
- **69.** 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).
 - 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 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.
- **70.** The Chief may require any additional information and/or adopt additional mitigation as required.
- 71. The approved plan will be incorporated as a condition of approval LQ00356b.

Roads, Trails, and Off-road Trail Use

- 72. All vehicles must be operated to avoid rutting and gouging of roads and trails.
- 73. 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.
- 74. 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.
- 75. 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.
- 76. Routes for temporary trails must be reconnoitered and flagged.
- 77. 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

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

Security

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

Reclamation

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

PART FOUR - FINAL DECOMMISSIONING

- 81. 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.
- 82. All petroleum products and any other hazardous substance must be removed from the site of the exploration program when the program ceases.
- 83. 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.
- **84.** 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.
- 85. 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

- **86.** 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.
- 87. Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
- **88.** Attached is a list of the exploration activities for which you are approved (Appendix B).



Appendix A Claim Status Report

27 March 2017

Permit	LQ00356																											
Grouping		1																	,	ıт	Ţ.		<u>[_</u>		1			
NTS #'s	115103 L	115103 L	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103	115103 L	115103	115103	Total claims selected: 139
% Owned	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Total claims
Expiry Date Registered Owner	2019/10/09 1011308 B.C. Ltd	2019/10/09 1011308 B.C. Ltd	2026/02/06 1011308 B.C. Ltd	2019/10/09 1011308 B.C. Ltd	2026/02/06 1011308 B.C. Ltd	2019/10/09 1011308 B.C. Ltd	2026/02/06 1011308 B.C. Ltd	2020/06/20 1011308 B.C. Ltd	Dicks advance indicates because																			
Grant No.	04368	55666	YA59596 - YA59597	YA59610 - YA59623	73537 - 73540	73542 - 73543	73694	73700	73702 - 73706	77746 - 77749	77754 - 77764	<i>91110 - 01111</i>	77781 - 77782	77784 - 77787	81842 - 81848	81850	YA87210 - YA87218	YA87223 - YA87227	04278	YA24813 - YA24814	YA24819	YA23835	YA23836 - YA23838	YA23839 - YA23843	55890	74283 - 74288	YE63027 - YE63031	
Claim Name and Nbr.	ARLEP	CUB	DD 1-2	DD 15 - 28	DOME 1 - 4	DOME 6 - 7	DOME 8	DOME 14	DOME 16 - 20	DOME 25 - 28	DOME 33 - 43	DOME 49 - 58	DOME 60 - 61	DOME 63 - 66	DOME 78 - 84	DOME 86	EEK 1 - 9	EEK 14 - 18	GOLDEN EAGLE	HIW 1 - 2	HIW 7	HIW 9	HIW 10 - 12	HIW 13 - 17	JAM	JOANNE 1 - 6	NICOLA 0 - 4	

Page 1 of 2

L - Indicates the Quartz Lease.
F - Indicates Full Quartz fraction (25+ acres)
P - Indicates Partial Quartz fraction (<25 acres)

Right column indicator legend.

R - Indicates the claim is on one or more pending renewal(s).

Left column indicator legend:

P - Indicates the claim is pending.

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



Claim Status Report

27 March 2017

Permit	LQ00356	1 000356																	
Grouping									ň										
NTS#'s	115103	115103	115103	115103	115103	115103	115103	115103	115103 L	115103	115103 L	115103	115103	115103	115103				
% Owned	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100 00
Expiry Date Registered Owner	2020/06/20 1011308 B.C. Ltd	2020/06/20 1011308 B.C. Ltd	2020/06/20 1011308 B.C. Ltd	2019/06/20 1011308 B.C. Ltd	2026/02/06 1011308 B.C. Ltd	2019/10/09 1011308 B.C. Ltd	2027/02/06 1011308 B.C. Ltd	2026/02/06 1011308 B.C. Ltd	La 1 2 d 9051101 00/01/0105										
Grant No.	YE63039 - YE63040	YE63038	YE63036 - YE63037	YE63041	YA87204	YA87206	YA87208	YA92655 - YA92658	55892	04369	55663	04241	55633	04354	04361	55665	YA86690 - YA86695	YA86696 - YA86697	07770
Claim Name and Nbr.	NICOLA 5 - 6	NICOLA 8	NICOLA 9 - 10	NICOLA 11	ONT 38	ONT 40	ONT 42	ONT 44 - 47	PAM	PHYLLIS	PUB	ROSE	RUB	SHAMROCK	SPOT	SUN DOG	TBR 1 - 6	TBR 7 - 8	WAD EACHE

Criteria(s) used for search:

CLAIM DISTRICT: 1000004 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LQ00356 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: 139

D - Indicates Placer Discovery

C - Indicates Placer Codiscovery

B - Indicates Placer Fraction



Appendix B MINING LAND USE

EXPLORATION and RELATED ACTIVITIES REPORT

March 27, 2017

1011308 B.C. Ltd 1730-808 Nelson Street. Vancouver, BC V6H2H2 LQ00356c Class III 115-I-03 SW

ELEMENT	CRITERIA	TERMS AND CONDITIONS								
Establisment of trails per program		Approx 10 kms								
Establishing new access roads per program		Approx 10 kms								
Fuel Storage in a stationary container		1000 L gasoline, 20,000 L diesel & 1000 lbs propane								
Nb of clearings per claim, including existing clearings		Approx 15 clearings per claim								
Nb of person days per camp		Approx 30,000 person days								
Nb of persons in a camp at any one time		Approx 45 persons								
Off Road use of vehicles in summer		On claims, annually from May thru October								
Surface area of each clearing		Approx 10m x 10m								
Total volume of trenching	N	Approx 28,000 cubic meters								
Upgrading of access roads per		annual maintenance as required								
Use of vehicles on existing roads or trails		On claims, annually from May thru October								