



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

May 19, 2017

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

File No: LQ00375b

Re: Class 3 Approval

Dear Sir/Madam:

Your application for an amendment to the 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 May 19, 2017. All work must be completed by June 17, 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) 456-3822 should you have any questions.

Yours truly,

A handwritten signature in blue ink, appearing to read "Briar Young". The signature is stylized and somewhat cursive.

Briar Young  
Chief, Mining Land Use

**Strategic Metals Ltd.**  
**LQ00375b**

**OPERATIONAL GUIDELINES**

- The proponent should ensure that water intake is not conducted in waterways small enough that water removal will cause dewatering of the area (e.g. temporarily draining or reducing the level of a small pool with a low volume inflow).
- All heavy equipment, vehicles and off-road vehicles should be clean and free of seed and plant material prior to entering exploration areas. This may require that equipment be steam-cleaned and/or power-washed.
- The proponent should familiarize themselves with Yukon invasive species and how to manage them by referring to the Yukon Invasive Species Council (YESC) document "*Why Should I Care About Invasive Species?*"
- The proponent should report the presence of any invasive plants that are listed on the website (<http://www.env.gov.yk.ca/wildlifebiodiversity/invasiveplants.php>) to the Yukon Conservation Data Centre (at 867-667-5331 or Toll free at 1-800-661-0408 local 5331), should they be encountered.
- The proponent should minimize the clearing of vegetation to the extent possible.
- The proponent should contact the Regional Biologist for information on appropriate set back distances if raptor nests, dens or mineral licks are encountered.
- The proponent should make best efforts to communicate plans and timing of activities to other resource users (trappers, outfitters, wilderness tourism operators, quartz/placer miners, First Nation(s) and known subsistence harvesters) that may be affected by the proposed project as soon as practicable, prior to the actual commencement of activities to reduce land use conflicts and any potential negative impacts on other users.
- The proponent should conduct pre-activity surveys, using appropriate methods, in areas that are likely to contain Collared Pika (talus slopes). Environment Yukon should be contacted for advice on this matter.
- The proponent should report the results of pre-activity surveys and any rare species occurrences to the Yukon Conservation Data Centre for advice on possible mitigation.



**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 Approval to:

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

APPROVAL NUMBER: LQ00375b  
UNDERTAKING: Quartz  
CLASS: Class 3 Approval  
EFFECTIVE DATE: May 19, 2017  
EXPIRY DATE: June 17, 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 LQ00375a.

Dated this 19 Day of May, 2017



Briar Young  
Chief, Mining Land Use

**MINING LAND USE  
APPROVAL  
Class 3  
LQ00375b  
Strategic Metals Ltd.**

**SCOPE OF APPROVAL:** See attached Appendix 'A'

**NTS: 106C05**

**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-9  
Whitehorse, Yukon Y1A 2C6

Mining Lands Officer  
Box 10  
Mayo, Yukon Y0B 1M0  
[mayo.mining@gov.yk.ca](mailto:mayo.mining@gov.yk.ca)

5. The contact for the Operator will be:  
Strategic Metals Ltd.  
1016 – 510 West Hastings Street  
Vancouver, BC V6B 1L8  
[info@nordacres.com](mailto: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 Mayo (867) 996-2568.
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;
  - maps with Global Positioning System (GPS) coordinates of all new roads and trails;
  - maps with Global Positioning System (GPS) coordinates of all reclaimed roads and trails;
  - areas of permafrost encountered;
  - total disturbed area;
  - reclamation activities and,
  - documentation produced by environmental monitors.
10. Prior to commencing any burning operations, a Burning Permit must be obtained from the Fire Management Office in Mayo at (867) 996-3200, as well as any other communications regarding wildfire management.

11. The operator shall contact Mining Inspections at (867) 996-2568 at least 14 days prior to commencing the field season.
12. The operator shall contact Mining Inspections at (867) 996-2568 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 Mayo (Northern Tutchone Region) at (867) 996-2202, as well as any other communication regarding wildlife.
17. The proponent shall maintain a detailed wildlife log for submission to the Chief of Mining Lands each year.

### **PART THREE – TERMS AND CONDITIONS**

#### **Removal of the Vegetative Mat**

18. 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**

19. 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.
20. 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.

21. 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**

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

#### **Historic Objects and Burial Grounds**

24. 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. Please contact Yukon Government, Heritage Resources for more information.
25. 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.
26. 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.
27. 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**

28. 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.
29. Camps must be kept clean and tidy.
30. 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.

31. 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**

32. 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.
33. 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.
34. 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.
35. All petroleum products, including waste petroleum products, and any other hazardous substance, must be transferred and handled without spillage.
36. 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.
37. 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**

38. 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.
39. 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.
40. 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**

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

### **Timber and Brush**

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

### **Trenching**

- 46. 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.**
- 47. Open trenches should 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 the impact on wildlife and the public.**
- 51. Vegetation other than that within a drill sump, must not be covered with drill cuttings**
- 52. Core must be stored in a stable fashion.**
- 53. Drill mud must be re-circulated when possible.**
- 54. All drill fluids must be contained in a sump.**
- 55. Drill holes that pose a hazard or that lead to ground water must be plugged in a suitable manner.**
- 56. The location of drill holes must be marked on the ground by flagging or other suitable means at the location of the drill hole.**

57. Drilling waste, including fluid, cuttings and mud must not be left within 30m of a water body.

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

#### **Release of Sediment**

59. 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.

#### **Wildlife**

60. The proponent shall submit an attractant management plan to the Chief for review and approval within 60 days from issuance of the approval.

61. 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.

62. 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*.

63. The Chief may require any additional information and/or adopt additional mitigation as required.

64. The approved plan will be incorporated as a condition of approval LQ00375b.

#### **Security**

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

#### **Reclamation**

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

#### **PART FOUR – FINAL DECOMMISSIONING**

67. 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.
68. All petroleum products and any other hazardous substance must be removed from the site of the exploration program when the program ceases.
69. 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.
70. 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.
71. 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**

72. 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.
73. Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
74. Attached is a list of the exploration activities for which you are approved.



**Appendix A  
LQ00375b**

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s	Grouping	Permit
R Rusty 1 - 288	YD33241 - YD33528	2022/03/15	Archer, Cathro & Associates (1981) Limited	100.00	106C04, 106C05	HM03200	LQ00375
R Rusty 289 - 302	YD72039 - YD72052	2022/03/15	Archer, Cathro & Associates (1981) Limited	100.00	106C05	HM03200	LQ00375
R Rusty 303 - 312	YD70561 - YD70570	2022/03/15	Archer, Cathro & Associates (1981) Limited	100.00	106C05	HM03200	LQ00375
R Rusty 313 - 344	YD72053 - YD72084	2022/03/15	Archer, Cathro & Associates (1981) Limited	100.00	106C05	HM03200	LQ00375

**Criteria(s) used for search:**

CLAIM DISTRICT: 1000003 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LQ00375 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 : 344

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



**MINING LAND USE  
EXPLORATION ACTIVITY REPORT**

Date May 19, 2017

LQ00375b

Class III

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

ELEMENT	CRITERIA	TERMS AND CONDITIONS
Fuel Storage in a stationary container		205L drums: 10,045L Diesel, 5125L Jet A, 500lbs Propane in 100lb tanks.
Lines		10km x 1m
Nb of clearings per claim, including existing clearings		10 clearings per claim
Nb of person days per camp		6300 person days per camp.
Nb of persons in a camp at any one time		30 persons in camp at any one time.
Surface area of each clearing		36m <sup>2</sup> where vegetative mat removed, 100m <sup>2</sup> where trees and brush only removed.
Total volume of trenching		Total volume of 9000m <sup>3</sup> : 25 trenches (60m x 2m x 3m = 360m <sup>3</sup> each).