



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

July 12, 2017

File No: **LQ00466**

Klondike Gold Corp.
2833-595 Burrard Street
Vancouver, BC
V7X 1J5

Dear Mr. Tallman:

Re: Class 3 Quartz Mining Land Use Approval

Your application 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 July 12, 2017. All work, including restoration, must be completed by July 11, 2022 and inspected before full security and/or completion certificates can be applied for.

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

Please feel free to contact the Dawson Mining Recorder office at (867) 993-5343 should you have any questions.

Regards,

Briar Young
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 Approval to:

Klondike Gold Corp.
2833-595 Burrard Street
Vancouver, BC
V7X 1J5

APPROVAL NUMBER: LQ00466
PROPERTY NAME: Gold Run Creek Property
UNDERTAKING: Quartz
CLASS: Class 3 Approval
EFFECTIVE DATE: July 12, 2017
EXPIRY DATE: July 11, 2022

This approval 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 LQ00466.

Dated this 12th of July 2017,


Briar Young
Chief, Mining Land Use

**MINING LAND USE
APPROVAL
Class 3
LQ00466
Gold Run Creek Property
Klondike Gold Corp.**

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

NTS: 115N10

Definitions

“Act” means the *Quartz Mining Act*, SY 2003, c.14; amended by SY 2008, c.19; SY 2013, c.18;

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

“Chief” means the Chief of Mining Land Use designated pursuant to the Act;

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

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

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

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

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

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

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

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

“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.

PART ONE – GENERAL REQUIREMENTS

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 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 to both the following addresses:

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

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

5. The contact for the Operator will be:

Klondike Gold Corp.
2833-595 Burrard Street
Vancouver, BC
V7X 1J5
604-599-4440

6. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Mining Inspections Division Dawson (867) 993-7300 .
7. An operator who takes an emergency remedial measure shall, as soon as possible but not later than 10 days after taking it, send a written report to the Chief describing the duration, nature and extent of the emergency and the measures taken to respond to it.
8. 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 operator shall contact Mining Inspections Division: Dawson (867) 993-7300 at least 14 days prior to commencing the field season.

11. The operator shall contact Mining Inspections Mining Inspections Division: Dawson (867) 993-7300 at least 14 days prior to leaving the site at the end of the operation.

Heritage

12. 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.

13. 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.

14. The report developed for Section 26, shall be submitted to Government of Yukon – Mining Lands, Mineral Resources Branch and the Heritage Resources Unit, Cultural Services Branch.

Wildlife

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

16. The operator shall maintain a detailed wildlife log for submission to the Chief, Mining Lands annually.

PART THREE – TERMS AND CONDITIONS

Removal of the Vegetative Mat

17. 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

18. 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.

19. 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.
20. 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

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

Historic Objects and Burial Grounds

24. 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.
25. Any sites containing archeological objects, paleontological 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.
26. A heritage resources impact assessment shall be completed in advance of ground disturbing activities in areas with elevated potential for the presence of heritage resources, as determined by the heritage resources overview assessment.
27. Upon discovery of a heritage resource within the project area, the operator shall notify the Tr'ondëk Hwëch'in Heritage Department in addition to Government of Yukon, Chief of Mining Lands and Yukon Heritage.

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

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 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

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.
41. The location of any spills shall be clearly marked with stakes or flags.

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

Drilling

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

Roads, Trails, and Off-road Trail Use

61. All vehicles must be operated to avoid rutting and gouging of roads and trails.
62. 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.
63. If rutting, gouging, ponding or permafrost degradation occurs off road or trail, vehicle use must be suspended or relocated to ground that is capable of bearing the weight of the vehicle without causing such damage and the former routes must be restored in compliance with the operating conditions for re-establishment of the vegetative mat and erosion control.
64. 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.
65. Routes for temporary trails must be reconnoitered and flagged.
66. 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

67. 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

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

Reclamation

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

PART FOUR – FINAL DECOMMISSIONING

70. Final reclamation will occur prior to the expiry of the exploration program, according to standards outlined in the operating conditions for re-establishment of vegetative mat and erosion control.
71. All petroleum products and any other hazardous substance must be removed from the site of the exploration program when the program ceases.
72. All waste petroleum products and any other special waste, as defined in the Special Waste Regulations, generated in the course of carrying out the exploration program must be disposed of in accordance with the Special Waste Regulations when the program ceases.
73. 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.
74. Structures must be removed and the site restored at the end of the exploration program to a level of utility comparable to its previous level of utility.

PART FIVE – OTHER MATTERS

75. 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.
76. Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
77. Attached (Appendix C) are the commitments that form part of this operating plan.

**Klondike Gold Corp.
LQ00466**

OPERATIONAL GUIDELINES

- If active bird nests are discovered, project activities should be postponed in the nesting area until nesting is completed.
- Project activities should follow acknowledged Best Management Practices for Heritage Resources, such as Tr'ondëk Hwëch'in Best Practices for Heritage Resources <http://www.trondek.ca/downloads/THBestPractices.pdf>
- The operator should follow applicable best management practices outlined in the publication: Best Management Practices for Works Affecting Water in Yukon, available online at http://www.env.gov.yk.ca/publications-maps/documents/bestpractes_water.pdf
- The operator should familiarize themselves with Yukon invasive species and how to manage them by referring to the Yukon Invasive Species Council (YISC) document Why Should I Care about Invasive Species? available online at http://www.yukoninvasives.com/pdf_docs/WhyshouldIcare2011_sm.pdf
- The operator should report the presence of any invasive plants that are listed on the Yukon Invasive Species Council website: www.yukoninvasives.com/plants.html to Yukon Government by email (invasives@gov.yk.ca).
- The operator is encouraged to contact the owner of the Registered Trapping Concession that overlaps with the project to minimize land-use conflicts and to identify areas where there may be traps, snares and other trapping equipment in order to avoid any infrastructure during the project. Contact YG Department of Environment at 867-667-5600 to acquire trapper contact information.

Appendix A
Claim Status Report

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s	Grouping	Permit
R Aime 1 - 26	YC44707 - YC44732	2025/02/08	Klondike Gold Corp.	100.00	115O10	HD03510	LQ00466
R FB 1 - 20	YC25506 - YC25525	2020/10/09	Klondike Gold Corp.	100.00	115O10	HD03509	LQ00466
R FB 22 - 60	YC25527 - YC25565	2020/10/09	Klondike Gold Corp.	100.00	115O10	HD03509	LQ00466
R FB Fraction 21	YC25526	2020/10/09	Klondike Gold Corp.	100.00	115O10	F HD03509	LQ00466

Criteria(s) used for search:

CLAIM DISTRICT: 1000002 CLAIM STATUS: ALL GRANT NUMBER (FROM & TO): YC25506 & YC25565, YC44707 & YC44732 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 : 86

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

Appendix B
MINING LAND USE

EXPLORATION and RELATED ACTIVITIES REPORT



June 20, 2017

LQ00466
Class III
115-N-10 SE

Klondike Gold Corp.
 2833-595 Burrard Street
 Vancouver, BC
 V7X 1J5

ELEMENT	CRITERIA	TERMS AND CONDITIONS
Corridor Width		1m wide
Establishment of trails per program		Temporary trails: 7km * 2-5m wide. Progressively reclaimed.
Fuel Storage in a facility		Diesel: 208L drums, 4160L total. Gasoline: 230L truck mounted tidy tanks, 2230L total.
Lines		10km * 1m wide
Nb of clearings per claim, including existing clearings		35 clearings/claim
Off Road use of vehicles in summer		April 1 to October 31
Surface area of each clearing		Heli pad - 150m2, Vegetative mat removed - 100m2, Trees and brush removed only - 100-300m2
Total length of corridors		10km
Total volume of trenching		30 trenches @ 50m * 2m * 1.5m. 4500m3 total
Use of vehicles on existing roads or trails		April 1 to October 31

**Klondike Gold Corp.
LQ00466**

**Appendix C
Proponent Commitments**

- Helicopter pads will be located within existing clearings to the greatest extent possible (YOR 2017-0082-003-1)
- New access trails will be progressively reclaimed and rehabilitated once they are no longer required (YOR 2017-0082-012-1)
- Temporary trails will be reclaimed when the location ceases to be used (YOR 2017-0082-003-1)
- Cut lines will detour around trees and thick brush, where possible (YOR 2017-0082-012-1)
- Progressive and ongoing reclamation will continue throughout the proposed exploration program (YOR 2017-0082-003-1)
- Personnel will be required to pack out all garbage, including food waste, at the completion of each shift (YOR 2017-0082-003-1)
- All personnel will be trained in Bear Aware and will carry anti-bear tools such as bear bangers (YOR 2017-0082-003-1)
- Personnel will be directed to avoid approaching, disturbing and harassing wildlife (YOR 2017-0082-003-1)
- A detailed wildlife log will be submitted to local regional biologists at the conclusion of each field season (YOR 2017-0082-003-1)
- Fuel will be stored in heavy walled drums or in Tidy Tanks to prevent puncture and leakage (YOR 2017-0082-003-1)
- Empty fuel drums will be kept on the Property in the event a drum is punctured and requires transfer to a stable container (YOR 2017-0082-003-1)
- Left over fuel and petroleum products will be pumped into drums and removed from the project location on a monthly basis and disposed of at an approved facility (YOR 2017-0082-012-1)
- All staff will be trained in spill response (YOR 2017-0082-003-1)
- Absorbent cloth will be used during refueling so that minor spillage can be caught before reaching the soil (YOR 2017-0082-003-1)
- Clearing of trees and brush will be minimized whenever possible (YOR 2017-0082-003-1)
- If sulphide mineralization is encountered, trenches will be backfilled the same year (YOR 2017-0082-012-1)