



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

May 6, 2019

File No: LQ00515

Cantex Mine Development
P.O. Box 203-1634 Harvey Avenue
Kelowna, BC
V1Y 6G2

Dear Sir/Madam:

Re: Class 3 Quartz Mining Land Use Approval

Your application for a Class 3 approval has been approved and is subject to the attached conditions. The effective date of this approval will be May 6, 2019. All work, including restoration, must be completed by May 5, 2029, and inspected before 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, but are not approval conditions.

Please ensure that pre-season and post-season reports are provided before and after each exploration season. Pre- and post-season reports assist the Mineral Resources Branch in monitoring exploration activity and reclamation. Not providing reports may result in additional security being required.

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

Regards,

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

Bobbie Milnes

Chief of 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:

Cantex Mine Development
P.O. Box 203-1634 Harvey Avenue
Kelowna, BC
V1Y 6G2

APPROVAL NUMBER: LQ00515
PROPERTY NAME: North Rackla and Mount Good
UNDERTAKING: Quartz
CLASS: Class 3 Approval
EFFECTIVE DATE: May 6, 2019
EXPIRY DATE: May 5, 2029

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.

Dated this May 6, 2019



Bobbie Milnes
Chief of Mining Land Use

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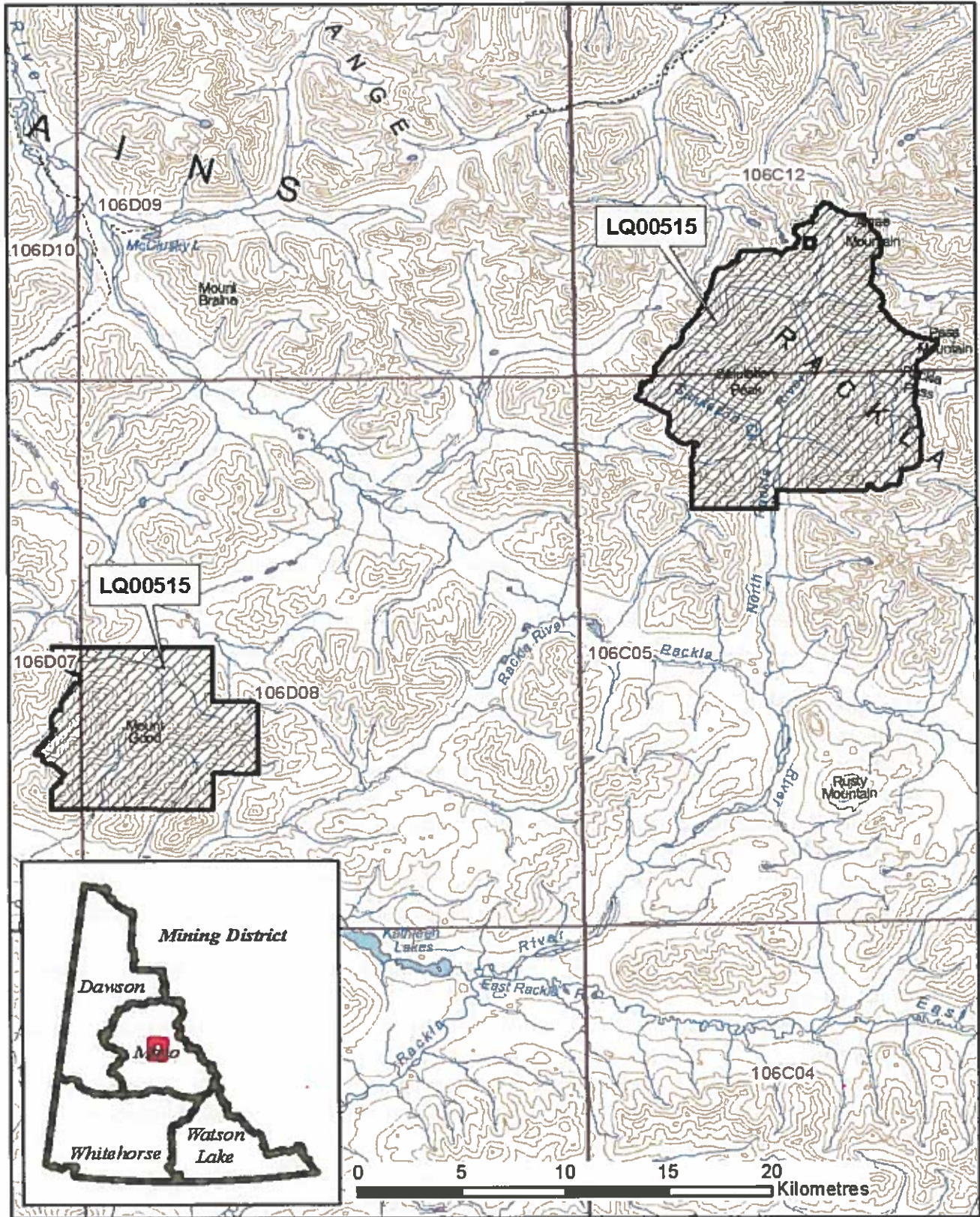
SCOPE OF APPROVAL:			
Claim Status Report (Appendix A)		LQ00515	
Operating Season	March 1 – November 30	North Rackla and Mount Good	
PROJECT ACTIVITIES (ON-CLAIM):			
USE OF VEHICLES/EQUIPMENT			
Use of vehicles on existing roads or trails			<input checked="" type="radio"/> No <input type="radio"/> Yes
Gross vehicle weight	On-roads: More than 40 t	On-trails: Less than 20 t	
Off-road use of vehicles in summer			<input checked="" type="radio"/> No <input type="radio"/> Yes
Off-road use of vehicles in winter			<input checked="" type="radio"/> No <input type="radio"/> Yes
Use of Vehicles on new roads			<input type="radio"/> No <input checked="" type="radio"/> Yes
NEW & EXISTING ACCESS			
Upgrading of existing access	<input checked="" type="radio"/> No <input type="radio"/> Yes	Length: 0 km	Width: 0 m
New roads	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 11 km	Width: 3 m
New trails	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 3 km	Width: 1.5 m
New temporary trails	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 3 km	Width: 1.5 m
Other new access: Helicopter, fixed winged plane			
LINES & CORRIDORS			
Lines	<input type="radio"/> No <input checked="" type="radio"/> Yes	Length: 20 km	Width: 2 m
Corridors	<input checked="" type="radio"/> No <input type="radio"/> Yes	Length: 0 km	Width: 0 m
SITE PREPARATION			
Number of clearings per claim: 10		Area: 1,600 m ²	
Number of clearings for helicopter pads and camps: 5 helicopter pads		Area: 16 m ² /pad	
Removal of the vegetative mat			<input type="radio"/> No <input checked="" type="radio"/> Yes
EXPLORATION TRENCHING & BULK SAMPLING			
Hand-dug			<input type="radio"/> No <input checked="" type="radio"/> Yes
Mechanized			<input type="radio"/> No <input checked="" type="radio"/> Yes
Number: 50	Length: 99 m	Width: 0.6 m	Depth: 1.6 m
Bulk sampling		<input type="radio"/> No <input checked="" type="radio"/> Yes	Amount/year: 5 tonnes
Explosives	<input checked="" type="radio"/> No <input type="radio"/> Yes	Total amount: 0 kg	Max. in 30 days: 0 kg
EXPLORATION DRILLING			
TYPE	NUMBER OF HOLES	DEPTH (m)	
Rotary Air Blast	500	25,000	
Diamond	400	100,000	

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FUEL STORAGE		
FUEL TYPE	STORAGE TYPE & CAPACITY	TOTAL VOLUME
Diesel	Drum 205 L	150,000L
Jet A	Drum 205 L	100,000 L
Gasoline	Drum 205 L	6,150 L
Propane	Cylinder 100 lbs	3,000 lbs
FACILITIES & STRUCTURES		
Camp Locations: 1 camp North Rackla YF43315; 1 Camp Rackla airstrip (Land Use Permit)		
Camp Structures: Frame structures; tent/tent frame		
Number of persons in camp at any one time: 45		Number of person days: 4,500
Construction of underground structures		• No ○ Yes

All other applicable legislation, regulations, laws, by-laws and ordinances must be complied with. Additional authorizations or approvals may be required. Any doubt as to whether an additional authorization or approval is required should be verified by a duly authorized official at the appropriate government body or bodies.

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DEFINITIONS

“**Act**” means the Quartz Mining Act, S.Y. 2003, c.14;

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

“**Adverse effects**” of an exploration program means its adverse environmental or socio-economic effects and any adverse effects it may have on the existing or asserted aboriginal or treaty rights of any First Nation;

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

“**Clearing**” means an area that is cleared of trees, brush or vegetative mat for the purpose of establishing a campsite or carrying out mining exploration, but does not include an area cleared for the purpose of establishing a corridor or trail;

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

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

“**Exploration program**” means any activity or group of activities undertaken for the sole or principal purpose of assessing land for its suitability for the production of minerals;

“**Foundation**” means the part of a structure that penetrates the ground and supports the structure;

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

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

“**Line**” means a line cut for the purpose of carrying out a geophysical, geological, or engineering survey;

“**Low ground pressure vehicle**” means a vehicle that applies 35 kPa of pressure or less to the ground surface;

“**Operator**” means a person who is engaging in an exploration program, or in development or production;

“**Person-day**” in respect of the use of a campsite, means the use of the campsite by one person during a period of 24 hours;

“**Response**” means a notice given by the Chief that indicates whether or not an exploration program may be carried out or that extends the time for the Chief’s review of a Notification or operating plan;

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

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

“**Summer**” means the period of a year that is not winter;

“**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

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“Trenching” means excavation carried out on a mineral claim for the purpose of obtaining geological information;

“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;

“Vegetative mat” means the organic surface of soil, characterized by the accumulation of organic matter, or partly decomposed organic matter, derived mainly from leaves, twigs, and woody materials, and includes the root mass of living vegetation;

“Winter” means the period of the year during which (a) the ground is frozen sufficiently to support a vehicle, other than a low ground pressure vehicle, without rutting or gouging of the surface; and (b) there is a sufficient amount of snow on the ground to produce a packed base of 10 cm.

PART ONE – GENERAL REQUIREMENTS

Duration of Approval

- 1.0 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.

Compliance with Operating Conditions

- 1.1 All mineral exploration activities must comply with the Operating Conditions contained in Schedule 1 of the *Quartz Mining Land Use Regulation* and within the approval. Where there is a difference between the operating conditions and approval, the terms of this approval shall prevail. These Operating Conditions are enforceable.

Reporting Requirements

Contact Information

- 1.2 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 10, K-MA
Mayo, YT Y0B 1G0
mayo.mining@gov.yk.ca

The contact for the operator will be:

Cantex Mine Development
PO. Box 203-1634 Harvey Avenue
Kelowna, BC
V1Y 6G2
Chad Ulansky
250-860-8599
culansky@metalexventures.ca

Pre-season and Post-season Reporting

- 1.3 A report shall be submitted at the beginning of each mining season outlining the exploration activities planned for the season including the proposed locations.
- 1.4 A report shall be submitted at the end of each mining season indicating exploration activities completed during that season. This report shall include but is not 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;
- pre-activity survey results, if applicable;
- reclamation activities; and
- documentation produced by environmental monitors.

1.6 The operator shall contact the Northern Tutchone Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 996-2343 at least 14 days prior to commencing the field season.

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

Spill Reporting

1.8 All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Northern Tutchone Mining Inspections Office (Compliance, Monitoring and Inspections) at (867) 996-2343.

1.9 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.

Heritage Reporting

1.10 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 and the Chief.

1.11 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 and the Chief.

1.12 The report(s) developed for Section(s) 2.11-2.12, shall be submitted to Government of Yukon – Heritage Resources Unit, Cultural Services Branch.

Wildlife Reporting

1.13 All incidents with wildlife shall be reported to the District Conservation Officer in Mayo (Northern Tutchone Region) at (867) 996-2247.

PART TWO – PROJECT SPECIFIC OPERATING CONDITIONS

Schedule 1 Operating Conditions (Appendix B)

The operator is bound by the Schedule 1 Operating Conditions per the Quartz Mining Land Use Regulation. In addition to the Schedule 1 Operating Conditions, the operator must also comply with the following terms and conditions:

Erosion Control and Permafrost

- 2.0 The operator shall insulate the ground surface beneath all temporary structures and temporary facilities used in the project where permafrost is present to:
- a) prevent any vegetation from being removed; and
 - b) prevent the ground from settling or eroding.

Trenching

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

Solid Waste

- 2.3 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.
- 2.4 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.

Petroleum Fuel and Hazardous Substances

- 2.5 The operator shall, with indelible marker or paint, clearly identify the owner, the contents and the date on fuel drums to establish and manage ownership and responsibility.
- 2.6 All fuel cache(s) must be protected with an earthen berm or suitable barrier and flagged to prevent spills resulting from accidental contact with heavy equipment. Flags should be visible above the snow pack.
- 2.0 The location of any spills shall be clearly marked until cleanup has taken place. Location markings shall not be removed until directed in writing by an Inspector.

Drilling

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

Wildlife

- 2.2 The operator shall suspend activities within the mapped Mount Good fall rut Wildlife Key Area between September 15 and October 15 of each year.
- 2.3 The operator shall cease work when any caribou are observed on active claim blocks until the animals move off on their own accord.
- 2.4 If active bird nests are discovered, Project activities are to be postponed in the nesting area until nesting is complete.

Flights

- 2.5 The operator shall abide by all applicable Flight Guidelines of the Flying in Caribou Country: How to minimize disturbance from aircraft (MPERG, 2008).

Reclamation and/or Decommissioning

- 2.6 Reclamation and/or decommissioning of roads and trails shall be progressive in nature and shall be documented annually in the post-season report. Reclamation and/or decommissioning of roads and trails shall occur as soon as roads and trails are no longer needed for exploration activities unless the need is documented in the post and pre-season reports. The status of roads and trails (i.e. active or inactive) and ongoing/completed reclamation activities shall be reported to the Chief, Mining Land Use annually via post-season reports.

Other Resource Users

- 2.7 The operator shall communicate with Bonnet Plume Outfitters, the owners of RTC 42 and 45, and all other resource users each year, prior to the commencement of activities, about plans and timing of activities, including but not limited to flight plans, in order to resolve any potential conflicts.

Bulk Sampling

- 2.8 Bulk Samples must be removed from site or reclaimed no longer than 12 months after being excavated.
- 2.9 Bulk samples stored on site shall be located at least 30 m from any water body.
- 2.10 Bulk samples shall be stored on an impermeable liner and in a fashion that poses no acid rock drainage/metal leaching risk, until removed from the property.

Heritage

2.11 A Heritage Resources Overview Assessment shall be completed in advance of ground disturbing activities on the Mt. Good claim block.

2.12 A Heritage Resources Impact Assessment shall be completed in advance of ground disturbing activities in the areas with elevated potential for the presence of archaeological or historic sites.

2.13 Upon discovery of a heritage resource, the operator shall notify First Nation of Na-Cho Nyak Dun, in addition to Government of Yukon, Chief Mining Land Use.

PART THREE – RECLAMATION AND/OR DECOMMISSIONING

- 3.0 Reclamation and/or decommissioning shall be progressive in nature where possible and will occur prior to the expiry of the exploration program or prior to the expiry of this approval, whichever comes first, according to standards outlined in the operating conditions, unless otherwise specified by the Chief.
- 3.1 Debris, equipment, fuel barrels, scrap metal and other waste at the work site shall be completely disposed of, so as not to attract wildlife, by removal to an authorized disposal site at the cessation of the exploration program or prior to the expiry of the approval, whichever comes first.
- 3.2 Structures must be removed and the site restored at the end of the exploration program or prior to the expiry of this approval, whichever comes first, to a level of utility comparable to its previous level of utility.
- 3.3 If an amendment to this approval or new approval is granted, for the claims within the scope of this approval (Appendix A), all outstanding reclamation continues to be the responsibility of the operator.

PART FOUR – OTHER MATTERS

- 4.0 Security may be required at any time by the Chief.
- 4.1 Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
- 4.2 Attached (Appendix C) are the commitments that form part of this operating plan.



Appendix A LQ00515

Claim Status Report

11 March 2019

Claim Name and Nbr.	Grant/No.	Expiry/Date	Registered Owner	% Owned	NTS #'s	Grouping	Permit
R P MG 1 - 95	YE24601 - YE24695	2022/09/17	Cantex Mine Development Corp.	100.00	106D08, 106D07	HM03208	LQ00419, LQ00515
R P MG 96 - 113	YF45113 - YF45130	2022/09/17	Cantex Mine Development Corp.	100.00	106D08	HM03208	LQ00419, LQ00515
R P MG 114	YF45131	2022/09/17	Cantex Mine Development Corp.	100.00	106D08	HM03208	LQ00515
R P MG 115 - 119	YF45132 - YF45136	2022/09/17	Cantex Mine Development Corp.	100.00	106D08	HM03208	LQ00419, LQ00515
R P MG 120	YF45137	2022/09/17	Cantex Mine Development Corp.	100.00	106D08	HM03208	LQ00515
R P MG 121 - 229	YF45138 - YF45246	2022/09/17	Cantex Mine Development Corp.	100.00	106D08, 106D07	HM03208	LQ00419, LQ00515
R P MG 230 - 271	YF45249 - YF45290	2022/09/17	Cantex Mine Development Corp.	100.00	106D08, 106D07	HM03208	LQ00419, LQ00515
R P MG 272	YF45247	2022/09/17	Cantex Mine Development Corp.	100.00	106D07	HM03208	LQ00419, LQ00515
R P MG 273	YF45291	2022/09/17	Cantex Mine Development Corp.	100.00	106D07	HM03208	LQ00419, LQ00515
R P MG 274	YF45248	2022/09/17	Cantex Mine Development Corp.	100.00	106D07	HM03208	LQ00419, LQ00515
R P MG 275 - 309	YF45292 - YF45326	2022/09/17	Cantex Mine Development Corp.	100.00	106D08, 106D07	HM03208	LQ00419, LQ00515
R P MG 310 - 341	YF45327 - YF45358	2022/09/17	Cantex Mine Development Corp.	100.00	106D08, 106D07	HM03208	LQ00515
R NR 1 - 38	YF43001 - YF43038	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 40 - 87	YF43040 - YF43087	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 88	YF43088	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 89	YF43089	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 90	YF43090	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 91	YF43091	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 92	YF43092	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 93	YF43093	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 94	YF43094	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 95	YF43095	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 96	YF43096	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 97	YF43097	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515

Total claims selected : 1054

Left column indicator legend

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

Right column indicator legend

- L - Indicates the Quartz Lease.
- F - Indicates Full Quartz fraction (25+ acres)
- P - Indicates Partial Quartz fraction (<25 acres)
- D - Indicates Placer Discovery
- C - Indicates Placer Codiscovery
- B - Indicates Placer Fraction



Claim Status Report

11 March 2019

Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s	Grouping	Permit
R NR 98 - 122	YF43098 - YF43122	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 123	YF43123	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 124	YF43124	2028/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 125	YF43125	2027/11/27	Cantex Mine Development Corp.	100.00	106C12	HM03179	LQ00419, LQ00515
R NR 126 - 650	YF43126 - YF43650	2028/11/27	Cantex Mine Development Corp.	100.00	106C12, 106C05	HM03179	LQ00419, LQ00515
R P NR 650	YF45450	2028/11/27	Cantex Mine Development Corp.	100.00	106C05	HM03179	LQ00419, LQ00515
R NR 651	YF43651	2028/11/27	Cantex Mine Development Corp.	100.00	106C05	HM03179	LQ00419, LQ00515
R P NR 651 - 712	YF45451 - YF45512	2028/11/27	Cantex Mine Development Corp.	100.00	106C05	HM03179	LQ00419, LQ00515

Criteria(s) used for search:

CLAIM DISTRICT: 1000003 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LQ00515 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 : 1054

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

APPENDIX B

Quartz Mining Land Use Regulation

Schedule 1 **Operating Conditions**

Removal of the Vegetative Mat

1. 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

2. (1) 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.

(2) 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.
3. 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

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

Trenching

6. Trenching carried out by hand or using hand-held tools must be methodical. All trenches must be stabilized and marked to minimize risk to the public.
7. Trenches constructed with mechanized equipment must be back filled by first depositing any removed overburden and bedrock and then replacing the vegetative mat that was removed to construct the trench.

Historic Objects and Burial Grounds

8. 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.
9. 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.

Solid Waste

10. 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.
11. Camps must be kept clean and tidy.

Petroleum Fuel and Hazardous Substances

12. If petroleum fuel storage capacity exceeds 4000 L, 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.
13. All petroleum products, including waste petroleum products, and any other hazardous substances must be stored in a secure fashion no less than 30m from the ordinary high water mark of any water body.
14. All petroleum products, including waste petroleum products, and any other hazardous substance, must be transferred and handled without spillage.

15. All petroleum products and any other hazardous substances must be removed from the site of the exploration program when the program ceases.
16. 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.

Spills and Spill Contingency Plans

17. 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.
18. 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.
19. If a spill occurs, the spill contingency plan must be immediately implemented and notice given to the 24-hour Yukon Spill Report Line. As soon as practicable, an inspector must be contacted. Whatever remedial action is required to clean-up the spill and reclaim the affected land and water must be taken.

Use of Vehicles

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

Timber and Brush

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

Drilling

25. All reasonable efforts must be made when drilling to minimize the impact on wildlife and the public.
26. Vegetation other than that within a drill sump, must not be covered with drill cuttings.

27. Core must be stored in a stable fashion.
28. Drill mud must be re-circulated when possible.
29. All drill fluids must be contained in a sump.
30. Drill holes that pose a hazard or that lead to ground water must be plugged to prevent flow of water to the surface.
31. The location of drill holes must be marked on the ground by flagging or other suitable means at the location of the drill hole.
32. Drilling waste, including fluid, cuttings and mud must not be left within 30m of a water body.

Roads, Trails, and Off-road Trail Use

33. All vehicles must be operated to avoid rutting and gouging of roads and trails.
34. 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.
35. 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.
36. 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.
37. Routes for temporary trails must be reconnoitered and flagged.
38. In addition to any remedial action required in relation to item 2 of this schedule, temporary trails must be blocked to prevent further vehicular access.

Release of Sediment

39. 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.

Use of Explosives

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

Waste Rock

41. Waste rock piles must be located at least 30m from any water body and be physically stable.

42. Waste rock containing sulfides must be returned underground.

43. Access to underground openings must be blocked to prevent access by wildlife and people.

APPENDIX C

Proponent Commitments

Wildlife and Wildlife Habitat

- No hunting and no feeding wildlife policies will be in place at all times;
- Guidelines in government-supplied publications regarding interactions with wildlife and helicopter use will be adhered to;
- Helicopter is to maintain over-flight altitudes greater than 600 m above ground level during sensitive times of the year for caribou (calving, post-calving, rutting) and 300 m at all other times of the year;
- Areas where caribou have been seen are to be avoided by helicopter;
- All removed vegetative mat for road construction will be stockpiled and placed over disturbed area once exploration efforts are complete;
- Any changes to the landscape, such as trenching, will be followed by re-contouring of the area and spreading of organic material over disturbance to allow natural revegetation;
- No road or trail building is proposed for Mt. Good – all access will be via helicopter from the Rackla airstrip;
- Organic solid and food waste is incinerated on site;
- All personnel will be provided with bear-bangers, bear-spray, and a wildlife safety course as part of new employee orientation;
- Air horns will be placed around all camps;
- At seasons end, all consumable material will be flown off site, tents collapsed;
- No hunting and no feeding wildlife policies will be in place at all times;
- Electric bear fence surrounds current Rackla Airstrip camp and will be placed around North Rackla camp;
- A shotgun with rubber bullets and slugs is securely kept on site;
- Close spacing of sleeping tents reduces likelihood of a bear walking through camp;
- Kitchen is robust wood structure designed to reduce possibility of attracting wildlife;

- All camp structures are greater than 200 m from watercourse;
- All food items are stored inside the main kitchen building in the camp;
- All leftover food is incinerated at the end of the day in the burn barrel to reduce any odours which could attract wildlife;
- No food or cooking is allowed outside of the kitchen, including sleeping quarters;
- Access to the kitchen is allowed at all times to discourage staff from storing food in sleeping tents;
- Field crew is required to bring back all leftovers and garbage from bag lunches for proper disposal at camp;
- All non-incinerable waste and recycling will be flown out of camp regularly for disposal in Keno or Mayo;
- Spent degreasing agents, used oils and greases will be removed from site regularly and disposed of at approved facilities;
- Personnel work in pairs, or in close proximity to one another in the field, and are each supplied with a radio and first aid kit;
- Avoid mineral licks by 1 km (2/3 mile) during the spring;
- If caribou are sighted, do not fly towards, follow, hover, or circle caribou;
- Minimize cumulative disturbances by minimizing the number of flights in an area;
- Ascend to higher flight path, or veer away from caribou if running, panic or other startle responses are observed;
- Use fixed-wing aircraft rather than helicopters whenever possible.

Heritage Resources

- If any employee encounters a heritage resource or artefact, its location should not be disturbed, work should stop, and the occurrence should be reported to the project manager who will in turn report that to the company.

Operational Guidelines

Exploration activities

The Yukon Chamber of Mines has developed an informative Best Management Practices document that should be reviewed in the context of project activities. The operator should reference the following document when planning and conducting project activities:

- Yukon Mineral and Coal Exploration Best Management Practices and Regulatory Guide (http://yukonminers.org/wp-content/uploads/2017/06/BMP_RG_Aug29_FINAL_WebFile.pdf).

Bears and other wildlife

To increase worker safety, reduce potential conflicts and prevent unnecessary wildlife mortality, the operator should implement pertinent components of:

- Guidelines for Industrial Activity in Bear Country for the Mineral Exploration, Placer Mining and Oil & Gas Industries (http://www.env.gov.yk.ca/publications-maps/documents/Guidelines_for_Industrial_Activity_in_Bear_Country.pdf)
- If an electric fence is an appropriate precaution, or a requirement, the operator should reference the following comprehensive and highly informative guide: Reducing Wildlife Conflict with Electric Fencing: A Beginner's Guide (<http://www.env.gov.yk.ca/publications-maps/documents/ElectricFencing.pdf>)

Invasive species

To minimize the risk and consequences of spreading invasive plant species the operator should:

- Become familiar with the Yukon invasive species and how to manage them by referring to the Yukon Invasive Species Council document, "Why Should I Care About Invasive Species" (http://yukoninvasives.com/pdf_docs/Whyshouldicare2011_sm.pdf)

Heritage Resources

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

- Mineral Exploration Best Management Practices for Heritage Resources (http://www.tc.gov.yk.ca/pdf/Mineral_Exploration_BMP_for_Heritage_Resources.pdf)
- Best Management Practices for Burial Sites and Human Remains in Yukon (http://www.tc.gov.yk.ca/pdf/BurialSites_BMP_2014.pdf)

Work in/near water

Project activities have the potential to affect water quantity, quality and/or rate of flow. The operator should provide for the protection of water by applying practices described in:

- Best Management Practices for Works Affecting Water in Yukon (http://www.env.gov.yk.ca/publications-maps/documents/bestpractes_water.pdf).

Aircraft use

Project activities are authorized in an area known to be inhabited by sheep and/or caribou. The operator and/or aircraft pilots should plan flight paths and protocols based on the published guideline(s):

- Flying in Sheep Country: How to Minimize Disturbance from Aircraft (http://www.env.gov.yk.ca/publications-maps/documents/flying_in_sheep_country.pdf).
- Flying in Caribou Country: How to Minimize Disturbance from Aircraft (http://www.env.gov.yk.ca/publications-maps/documents/flying_caribou_country.pdf).

