



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

August 22, 2016

File No. LP01130

Star Mountain Resources
105-504 Range Road
Whitehorse, Yukon
Y1A 2A3

Re: Class 3 Placer Mining Land Use Approval

Dear Sir/Madam:

Your application for Class 3 approval has been approved:

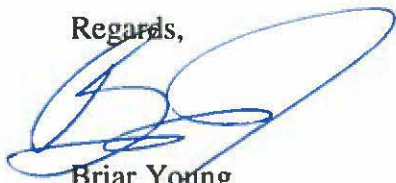
- As submitted.
- Subject to the attached conditions.
- Subject to security deposit as received.

The effective date of this approval will be August 22, 2016. All work must be completed by August 21, 2026, 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) 456-6199 should you have any questions.

Regards,



Briar Young
Chief, Placer 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 *Placer Mining Act* and the Placer Mining Land Use Regulation, the Chief, Mining Land Use hereby grants a Class 3 approval to:

Star Mountain Resources
105-504 Range Road
Whitehorse, Yukon
Y1A 2A3

APPROVAL NUMBER: LP01130

PROJECT NAME: TATAMAGOUGE CREEK

UNDERTAKING: Placer

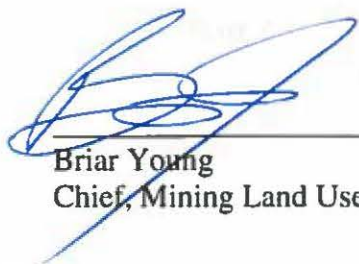
CLASS: Class 3 Approval

EFFECTIVE DATE: August 22, 2016

EXPIRY DATE: August 21, 2026 or until a Class 4 approval is issued, whichever occurs first

This approval shall be subject to the restrictions and conditions contained herein and to the restrictions and conditions contained in the *Placer Mining Act* and the Placer Mining Land Use Regulation made thereunder as proposed in Mining Land Use application LP01130.

Dated this 22nd day of August, 2016


Briar Young
Chief, Mining Land Use

**PLACER MINING LAND USE
APPROVAL
Class 3
LP01130
Star Mountain Resources**

SCOPE OF APPROVAL: See Appendix A – Claim Status Report
See Appendix B – Exploration Activity Report

LOCATION: Tatamagouche Creek 115-G-06

PART ONE – GENERAL REQUIREMENTS

Definitions

“**Act**” means the Placer Mining Act, SY 2003, c.13; SY 2013, c.18;

“**Operator**” means a person who is engaging in an operation;

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

“**Effective date**” means the date this Approval comes into force as evidence 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 trail, waterline, 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.

“**Upgrading**”, in relation to 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 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 or until a Class 4 approval is issued. In the event that mineral titles lapse, or that agreements to operate on mineral titles are dissolved, the Approval becomes null and void for that portion of the operating plan, where there is no right to the minerals.

2. Only the work identified in the prospecting lease "Work Program and Additional Information" form, approved by the Mining Recorder, can be carried out until such time as the prospecting lease is staked to claims.
3. All outstanding reclamation continues to be the responsibility of the operator.

Compliance with Operating Conditions

4. All operating activities must comply with the Operating Conditions contained in Schedule 1 of the Placer Mining Land Use Regulation. These Operating Conditions are enforceable.

PART TWO - REPORTING REQUIREMENTS

Contact Numbers/Planning and Communication

5. 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
and:

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

6. The contact for the operator will be:

Star Mountain Resources
105 - 504 Range Road
Whitehorse, Yukon
Y1A 2A3
(867) 336-1126 or sarah.sternbergh@gmail.com

7. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Mining Inspections Division Whitehorse (867) 456-3845.
8. 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.
9. The operator shall contact Mining Inspections in Whitehorse (867) 456-3845 at least 14 days prior to commencing the field season.
10. The operator shall contact Mining Inspections in Whitehorse (867) 456-3845 at least 14 days prior to leaving the site at the end of the operation.

Heritage

11. The operator shall contact the Kluane First Nation (KFN) Lands, Resources and Heritage Department (867-841-5501, ext. 233) when a heritage resources impact assessment is to be completed so to inform and include KFN in the assessment.

12. The report(s) developed for Section 12, shall be submitted to Government of Yukon – Mining Lands, Mineral Resources Branch, and the Heritage Resources Unit, Cultural Services Branch.
13. 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.
14. 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

15. All incidents with wildlife shall be reported to the District Conservation Officer in Haines Junction (Kluane Region) at (867) 634-2247. The same number should be used for any other communications regarding wildlife.
16. The operator shall maintain a wildlife log on-site and share this log with KFN, Lands Resources and Heritage Department, as well as the Government of Yukon, Environment and Mining Land Use, to assist in the collection of observational data.

PART THREE – TERMS AND CONDITIONS

Removal of Vegetative Mat

17. If the vegetative mat must be removed to carry out an operation, it must be removed so as to protect the seed and root stock contained within the mat and be stored separately from any overburden or bedrock removed for use in re-establishing the vegetative mat when the operation ceases.

Re-establishment of vegetative mat

18. All vegetated areas disturbed by operation activities, including fuel and waste storage areas, clearings, corridors, camps and supporting infrastructure, and trenches and drill site, 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 an adequate soil layer with moisture retaining ability, no soil contamination by hydrocarbons or other hazardous substances, provisions of adequate seed or root stock and contoured or otherwise stable slopes.
20. The operator shall follow applicable sections of the Government of Yukon’s “Yukon Revegetation Manual: Practical Approaches and Methods (2012). This document can be found at: <https://www.yukoncollege.yk.ca/downloads/Yukon%20-Revegetation-Manual.pdf>

21. The operator shall avoid seeding activities in disturbed areas, except where potential and consequence of erosion is high. If seeding is required, the Operator shall contact Government of Yukon, Compliance, Monitoring and Inspections (CMI) for further information on appropriate seed mixes or collection of local seed.

Erosion Control and Permafrost

22. All areas disturbed during an operation 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.
24. 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

25. Operations must not be carried out within 30m of a known archaeological, paleontological or burial site unless the Chief indicates, in writing, that such activities may be carried out.
26. Any sites containing archaeological objects or human remains, or burial sites discovered in the course of carrying out an operation must be immediately marked and protected from further disturbance and, 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 the activities may be resumed.
27. The operator shall set aside and protect fossils that are unearthed. The operator shall report these findings to Yukon Paleontology at the end of each season.
28. If mummified fossil remains, with intact flesh, are discovered, the operator shall immediately contact Yukon Paleontology.
29. The operator shall ensure that a Heritage Resources Impact Assessment shall be carried out ahead of ground disturbing activities in areas with elevated potential for the presence of heritage resources.
30. The Proponent shall familiarize themselves with Government of Yukon's Handbook for the Identification of Heritage Sites and Features (2005). This handbook is found at: http://www.tc.gov.yk.ca/pdf/Heritage_Handbook_2007.pdf.

Disposal of Wastes/Cleanliness

31. 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 Regulations.

32. 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.
33. 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.
34. Campsites must be kept clean and tidy.

Fuel and Chemical Storage and Handling

35. 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 of the tanks, whichever is greater.
36. 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.
37. 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.
38. All waste petroleum products and any other special waste, as defined in the Special Waste Regulations, generated in the course of carrying out the operation must be disposed of in accordance with the Special Waste Regulations when the program ceases.
39. All petroleum products, including waste petroleum products, and any other hazardous substances, must be transferred and handled without spillage.
40. 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

41. A spill contingency plan for petroleum products and other hazardous substances must be prepared and posted in the camp and at all fuel handling locations used in carrying out the operation.
42. All fuel spill equipment and materials must be maintained in a state of readiness sufficient at all times to contain and clean-up any hazardous materials spills.
43. 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.

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

Use of Vehicles

45. Vehicles must be maintained and operated to prevent spills of fuel, lubricants, coolants and oil.
46. The operator shall remove foreign soil and plant material from equipment (particularly high seed and soil catchment areas, such as tracks and wheel wells) prior to moving it to the project site.

Timber and Brush

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

Trenching

51. Trenching carried out by hand or using hand-held tools must be methodical.
52. All trenches must be stabilized and marked to minimize risk to the public.
53. 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.
54. The operator must ensure that all employees and contractors working at the trench sites are aware of the operating conditions for trenching.

Roads, trails, and off-road trail use

55. All vehicles must be operated to avoid rutting and gouging of roads and trails.
56. 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.
57. 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.

58. 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.

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 operator shall use electrified fences for the kitchen sump, grey water pit and incinerator, to reduce the potential for human-wildlife conflict.

61. During construction, operation and closure all attempts shall be made to avoid entrapment of wildlife (e.g. by ensuring that reservoirs and ponds are sloped on one side to provide an escape route) and avoid establishment of wildlife movement impediments (e.g. by avoiding the creation of steep embankments along the creek banks).

62. The operator shall communicate with KFN prior to and during the annual outfitted hunt in the Special Sheep Guiding Opportunity Area in order to minimize or eliminate any potential land use conflicts.

63. The Proponent shall follow applicable sections of Government of Yukon's Guidelines for Industrial Activity in Bear Country (2009), Proponent's Guide: Assessing and Mitigating the Risk of Human-Bear Encounters (2012), and How You Can Stay Safe in Bear Country (2016). These documents are found at:
<http://www.env.gov.yk.ca/publications-maps/brochures.php#bears>.

Security

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

Reclamation

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

PART FOUR – FINAL DECOMMISSIONING

66. All petroleum products and any other hazardous substance must be removed from the site of the exploration program when the program ceases.

67. 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.

68. 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.
69. 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.
70. 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.

PART FIVE – OTHER MATTERS

71. The Proponent shall follow applicable sections of Government of Yukon's Yukon Placer Secretariat Guidebook of Mitigation Measures for Placer Mining in Yukon (2008). This document can be found at:
http://www.yukonplacersetariat.ca/pdf/guidebook_chapters_1_2_11apr08.pdf
72. The Proponent shall follow applicable sections of Government of Yukon's Best Management Practices for Works Affecting Water in Yukon (2011). This document can be found at:
http://www.env.gov.yk.ca/publicationsmaps/documents/best_mgt_practices_waterwork2012.pdf
73. The Proponent shall familiarize themselves with Yukon invasive species and how to manage them by referring to the Yukon Invasive Species Council document Why Should I Care About Invasive Species? This document can be found at:
http://www.yukoninvasives.com/pdf_docs/WhyshouldIcare2011_sm.pdf
74. 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.
75. Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.
76. Attached (Appendix C) are the Proponent Commitments that form part of this operating plan.

**Star Mountain Resources
LP01130**

OPERATIONAL GUIDELINES

- The Proponent should report the presence of any invasive plants that are listed on the Yukon Invasive Species Council website (<http://www.yukoninvasives.com/plants.html>), to Government of Yukon by email (invasives@gov.yk.ca) or to the Regional Biologist in Haines Junction.
- If active migratory bird nests are discovered within active project areas, activities should be postponed in the area until nesting is complete. Written permission may be sought by Government of Yukon, Environment to disturb nests of non-migratory birds.
- The Proponent should follow the Government of Yukon's Yukon Placer Mining Best Management Practices for Heritage Resources guide (2010). This guide is found at: [http://www.tc.gov.yk.ca/pdf/Placer Mining BMP.pdf](http://www.tc.gov.yk.ca/pdf/Placer_Mining_BMP.pdf).



LP01130
 Appendix A
 Claim Status Report

03 August 2016

Claim Name and Nbr.	Grant/No.	Expiry Date	Registered Owner	% Owned	Excess N/TS #'s	Grouping	Permit
TAT 1 - 17	P 510385 - P 510401	2017/05/26	Ben Sternbergh	100.00	1 115G06	GW01201	LP01130
TAT 18	P 510402	2017/05/26	Ben Sternbergh	100.00	0 115G06	GW01201	LP01130

Criteria(s) used for search:

CLAIM DISTRICT: 1000004 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: LP01130 REGULATION TYPE: PLACER

Total claims selected : 18

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



LP01130
Appendix B
MINING LAND USE
EXPLORATION ACTIVITY REPORT

August 03, 2016

LP01130
Class III
115-G-06 NW

Star Mountain Resources
917 Alaska Hwy
Whitehorse, YT Y1A5X7

ELEMENT	CRITERIA	TERMS AND CONDITIONS
Area stripped per claim per year		45000m3 per year for the project area
Construction of structures		2 Trailers
Fuel Storage in a facility		9 000 L diesel and 1 000 L gasoline, hydraulic and engine oil
Height of overburden piles		5
Nb of persons in a camp at any one time		10
Total volume of trenching		27000m3 for the project
Use of Vehicles on Existing Roads or trails		EX 200, EX 400, WA380 loader, D8, 769 rock truck x 2

Star Mountain Resources
LP01130
Appendix C

Proponent Commitments

Aquatic Resources

- Stripped materials will be placed at the edges of the planned test pitting area well away from the stream
- Secure any soil structures that will be left over winter against spring flooding. This includes covering any silted materials with coarse, sluiced materials and constructing ditching to bypass structures
- Reclamation/restoration will be ongoing to ensure the site is reclaimed on a timely basis
- Re-grade testing area and cover with stripped organic materials to reclaim workings and allow for re-vegetation
- All top soil will be stripped and stored separately from granular material. Top soil will be replaced after backfilling and re-grading of worked areas. Any finer material that is susceptible to erosion will be protected by coarser materials arranged so contours will not be prone to erosion until vegetative mat is recovered
- Use of stacked settling ponds to minimize siltation
- All storage tanks will be stored in a lined, bermed structure more than 60 m from the nearest surface water body
- Refueling will be done by tidy tank. All refueling will take place more than 30 m from water
- Clean up camp facilities including removal of all waste materials (including waste oil and fuel)

Environmental Quality

- Vegetative mat will be set aside during stripping, and used as final ground cover during reclamation to allow native plants to naturally re-colonize the area

Wildlife and Wildlife Habitat

- Where wildlife is within the work area, care will be taken to avoid disturbing them up to stopping work to allow caribou, goats or sheep to leave the work area on their own
- Backfill any structures that will not be used in the next season, including settling ponds, reservoir, and/or test pits and reservoir with sluiced gravels
- Use of a reporting system for wildlife sightings
- Stripping will occur at the end of each season to ensure nesting birds are not disturbed by these activities
- Keep bear attractants in electric fence and ensure they are removed promptly

- Camp structures left over winter will be secured with boards
- All food and animal attractants (e.g. kitchen waste) will be stored in secure waste bins and removed from site on a weekly basis
- Non-hazardous waste (e.g. scrap metal or wood) will be stored in secure containers and removed from site at the end of each season. Non-hazardous wastes will be delivered to an appropriate waste disposal facility
- Fuel stored over winter will be contained in secure storage tanks and placed inside bermed fuel containment structure

Heritage Resources

- The Proponent will ensure that the KFN Heritage Trail (15) is not obstructed and will consult with KFN throughout the working season to ensure activities have minimal impact on KFN traditional use of the area