August 14, 2015

Robert W. King
Box 581
Dawson City, Yukon Y0B 1G0

Re: Class 3 Approval

Dear Sir/Madam:

Your application for Class 3 approval has been approved, subject to the attached conditions.

The effective date of this approval will be August 14, 2015. All work must be completed by August 13, 2020, and inspected for restoration before full security and/or completion certificates can be applied for.

Due to the nature of your proposed mine plan and certain site conditions, we would like to bring your attention to the following terms and conditions:

- 22 - No work may occur within 30 m of a known heritage site. See Appendix D.
- 23 - Areas of elevated heritage potential shall be avoided. See Appendix D.
- 24 - If this is not possible, a heritage impact assessment must be completed by a qualified archaeologist, prior to any ground altering activities in these areas.
- 75 - This approval does not permit work in the riparian zones identified and proposed in application LP00968. See Appendix C.

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,

Briar Young
Chief, Mining Land Use

cc: EMR Natural Resources Officer, Compliance Monitoring and Inspections
    ENV Environmental Affairs, Environmental Protection Branch
    YG Tourism and Heritage Department
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:

Robert William King
Box 581
Dawson City, Yukon
Y0B 1G0

APPROVAL NUMBER: LP00968
UNDERTAKING: Placer
CLASS: Class 3 Approval
EFFECTIVE DATE: August 14, 2015
EXPIRY DATE: August 13, 2020 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 LP00968.

Dated this 14th of August, 2015

_________________________
Briar Young
Chief, Mining Land Use
SCOPE OF APPROVAL: P 508429- P508436 (Digger 1-9), P 515354 (Shirley) and P 515904 (Shirly)

LOCATION: NTS Map 115O15 - Unnamed Left Limit Tributary of Klondike River (between Leotta and Leroy Creeks)

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 Mining Land Use, pursuant to the Act.
“Access road” means a road that provides access to a public highway or to a private road.
“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.

PART ONE – GENERAL REQUIREMENTS

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. All outstanding reclamation continues to be the responsibility of the operator.

**Compliance with Operating Conditions**

3. 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**

4. Submissions and reports to the Chief should be made in duplicate to the following addresses:
   
   Chief, Mining Land Use
   Box 2703 K-09
   Whitehorse, Yukon Y1A 2C6

   Mining Lands Officer
   Box 249
   Dawson City, Yukon Y0B 1G0
   Dawson.mining@gov.yk.ca

5. The contact for the Operator will be:
   
   Robert William King
   Box 581
   Dawson City, Yukon
   Y0B 1G0

6. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Mining Inspections Division at 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. The operator shall contact Mining Inspections in Dawson (867) 993-7300 at least 14 days prior to commencing the field season.

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

**Heritage**

10. 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.
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.

12. Any heritage resources located by the operator shall be reported to the Chief of Placer Land Use, as per the Placer Mining Land Use Regulation.

Wildlife
13. All incidents with wildlife shall be reported to the District Conservation Officer in Dawson (Northern Region) at (867) 993-5492. The same number should be used for any other communications regarding wildlife.

14. The operator shall maintain a detailed wildlife log for submission to the District Conservation Officer each year.

PART THREE – TERMS AND CONDITIONS

Removal of Vegetative Mat
15. 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
16. 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.

17. 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.

18. 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
19. All areas disturbed during an operation must be re-sloped, contoured or otherwise stabilized to prevent long term soil erosion, slumping and subsidence.

20. All activities must be carried out to avoid or minimize damage to and loss of permafrost.
21. 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**

22. Operations must not be carried out within 30 m of a known archaeological, palaeontological or burial site unless the Chief indicates, in writing, that such activities may be carried out. There are two known archaeological sites that overlap the project area, on claim P 515354. They are known as KIVI-4 and KIVI-5. See Appendix D.

23. The operator shall avoid conducting project activities in areas of elevated potential for heritage resources. Government of Yukon, Heritage Branch should be contacted for more information on specific areas of elevated potential. Two such areas have been identified within your project area on claims P 508434, P 508435, and P 508436. See Appendix D.

24. If areas of elevated potential cannot be avoided, a heritage impact assessment shall be completed by a qualified archaeologist, prior to any ground altering activities in the areas identified as having elevated heritage potential.

25. 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.

26. The operator shall set aside and protect fossils that are unearthed. The operator shall report these findings to Yukon Palaeontology at the end of each season.

27. If mummified fossil remains, with intact flesh, are discovered, the operator shall immediately contact Yukon Palaeontology.

**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 operation while the program is carried out and must be disposed of in accordance with the Solid Waste Regulations.

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. Campsites must be kept clean and tidy.

**Fuel and Chemical Storage and Handling**

32. 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.

33. 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.

34. All petroleum products, including waste petroleum products, and any other hazardous substances, must be transferred and handled without spillage.

35. 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**

36. 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.

37. 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.

38. 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.

39. The location of any spills shall be clearly marked with stakes or flag

**Use of Vehicles**

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

41. Vehicles and equipment are to be clean and free of fluid leaks.

**Timber and Brush**

42. Cut brush must not be piled so that it blocks movement of wildlife or people.

43. Leaning trees created by the cutting of lines, corridors and clearings must be felled.

44. When it is economically viable to do so, timber suitable for sale must be salvaged and stockpiled.

45. All risk of fire hazard must be avoided.
**Trenching**
46. Trenching carried out by hand or using hand-held tools must be methodical.

47. All trenches must be stabilized and marked to minimize risk to the public.

48. Open trenches shall be sloped at one end to avoid entrapment of wildlife.

49. 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.

50. The operator must ensure that all employees and contractors working at the trench sites are aware of the operating conditions for trenching.

**Drilling**
51. All reasonable efforts must be made when drilling to minimize impact on wildlife and the public.

52. Drill holes that pose a hazard or that lead to ground water must be plugged to prevent flow of water to the surface.

53. The location of drill holes must be marked by flagging or other suitable means at the location of the drill hole.

54. 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**
55. Access roads, trails, and corridors shall be constructed, upgraded and maintained to avoid rutting and gouging.

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

57. 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.

58. 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.

59. 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.
60. Routes for trails must be reconnoitered and flagged.

**Release of sediment**
61. All reasonable care must be taken in carrying out activities near or adjacent to a water body to prevent sediment from entering a water body, unless otherwise permitted by law.

**Wildlife**
62. The operator shall equip each camp with bear deterrent devices and maintain such devices in good working order throughout the duration of camp occupancy.

63. The operator shall contact the Regional Biologist for information on appropriate set back distances if mineral licks are encountered.

64. The operator shall not disturb known mineral licks.

**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.

67. The operator shall ensure that annual reclamation efforts are successful in re-establishing the vegetative mat and community.

68. The operator shall avoid using wood chips to reclaim access roads, trails, corridors and camp pads.

**PART FOUR – FINAL DECOMISSIONING**
69. All petroleum products and any other hazardous substance must be removed from the site of the operation when the program ceases.

70. 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.

71. 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.

72. 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.
73. 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**

**Applicable Laws**

74. 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.

75. Notice of Schedule III must be provided to the Yukon Water Board ten (10) days prior to use of water.

76. The setbacks as listed in the Schedule 3 Guidelines– Notice of Water Use Without a License do not allow work within the riparian zones. The leave strips for this project area are: Moderate-High 30 m, Moderate-Moderate 20 m, and Low 5 m, as measured from the ordinary high water mark, and cannot be authorized to be worked under this Class 3 Placer Mining Land Use Approval or the Schedule 3 – Notice of Water Use Without a License.

77. Attached (Appendix A) is a list of the approved activities.

78. Attached (Appendix B) are the commitments that form part of this operating plan.

79. Attached (Appendix C) is a map showing the location of the riparian zones and associated leave strips in relation to the claims in your project area.

80. Attached (Appendix D) is a map showing the location of the areas of known archaeological areas and areas of elevated heritage potential.
### Appendix A

**Mining Land Use**

**Exploration Activity Report**

August 06, 2015

Robert William King

YT

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>CRITERIA</th>
<th>TERMS AND CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off Road use of vehicles in winter</td>
<td>Heavy equipment use; pick up used off-trail in winter</td>
<td></td>
</tr>
<tr>
<td>Off Road Use of Vehicles in summer</td>
<td>Use of heavy equipment; auger drilling</td>
<td></td>
</tr>
<tr>
<td>Establishing new access roads per</td>
<td>Construction of winter road 460 m x 3.1 m</td>
<td></td>
</tr>
<tr>
<td>operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Storage in a stationary container</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total volume of trenching</td>
<td>6 trenches: each 150 m long x 50 m wide x 1 m deep for a total of 4500 m³</td>
<td></td>
</tr>
<tr>
<td>Area stripped per claim per year</td>
<td>600 m² stripping for all 6 sites.</td>
<td></td>
</tr>
<tr>
<td>Corridor Width</td>
<td>3.1 m wide</td>
<td></td>
</tr>
<tr>
<td>Establishing new access roads per</td>
<td>3.1 m wide x 500 m long.</td>
<td></td>
</tr>
<tr>
<td>operation</td>
<td></td>
<td></td>
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<tr>
<td>Height of overburden piles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nb of persons in a camp at any one</td>
<td>2 people in camp</td>
<td></td>
</tr>
<tr>
<td>time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nb of person days per camp</td>
<td>296</td>
<td></td>
</tr>
<tr>
<td>Total length of corridors</td>
<td>500 m</td>
<td></td>
</tr>
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<td>Upgrading of access roads per</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operation</td>
<td></td>
<td></td>
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<tr>
<td>Use of Vehicles on Existing Roads or</td>
<td></td>
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</tr>
<tr>
<td>trails</td>
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<td></td>
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</tbody>
</table>
Robert William King
LP00968

Appendix B

Proponent Commitments

• No fuel storage on site
• Spill kits will be placed at fueling points, at the camp and in the truck
• Emergency contact numbers will be posted at the camp
• Hazardous waste will be stored in 45 gallon drums and 20 litre pails
• Non-hazardous waste will be disposed of at Quigley Landfill in Dawson City
• Hazardous waste and recyclables will be taken to approved disposal sites
• Scrap metal will be recycled
• Access will be clear of waste and garbage
• Steep slopes will be daylighted and benched to prevent erosion
• Refueling to occur approximately 90 m from nearest watercourse
• Banks will not be altered from trenching
• Project activities will not encroach on banks
• No overburden will be deposited into the creek
• Slopes will be daylighted to a safe grade
• Progressive reclamation
OPERATIONAL GUIDELINES

- Reclamation of disturbed areas within the marsh should be done prior to freeze-up to reduce impacts on moose habitat.