March 29, 2012

Redtail Metals Corp.
1100-888 Dunsmuir St
Vancouver, BC
V6C 3K4

Re: Class 3 Approval

Dear Sir/Madam:

Your amendment to the Class 3 program has been approved:

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

Your program has been extended for four additional years. All work must be completed by October 30, 2016, and inspected for restoration before full security and/or completion certificates can be applied for.

Please feel free to contact our office at (867) 456-3822 should you have any questions.

Yours truly,

Tim Smith
Chief, Mining Land Use
Amendment Acceptance Notification
(No risk of significant adverse environmental effects)

Approval Number: LQ00222a  Date: March 2, 2012
Operator: Redtail Metals Corp.  District: Mayo
Date of Request: March 1, 2012
Amendment Requested: 4 Year Extension to Permit

The client is requesting a 4 year extension to permit LQ00222a:

- The proponent has completed 1 year of work since the permit was issued in 2007
- The proponent’s permitted activities have not exceeded the thresholds of their permit
- There are no conflicts nor new activities within at least a 10 mile radius to the project – there is no concern of cumulative effects in the area since the permit was issued.

Amendment Authorized Yes ☐ No ☐

Chief, Mining Lands Use
Pursuant to the *Quartz Mining Act* and *Quartz Mining Land Use Regulation*, the Chief, Mining Land Use hereby grants a Class 3 Approval to:

Redtail Metals Corp.
1100 – 888 Dunsmuir Street
Vancouver, BC
V6C 3K4

APPROVAL NUMBER: LQ00222b

UNDERTAKING: Quartz

CLASS: Class 3 Approval

EFFECTIVE DATE: October 31, 2007

EXPIRY DATE: October 30, 2016

This permit shall be subject to the restrictions and conditions contained herein and to the restrictions and conditions contained in the *Quartz Mining Act* and the *Quartz Mining Land Use Regulation* made there under as proposed in Mining Land Use Application LQ00222 and LQ00222a.

Dated this 29 March, 2012

Tim Smith
Chief, Mining Land Use
SCOPE OF APPROVAL: Tudl 1 – 32 (YA76768 – YA76799), Marg 1 – 370
(YB02385 – YB02613, YB02944 – YB02955, YB03107 – YB03206, YB03606 – YB03685)

NTS: 105M15, 105M16, 106D01, 106D02

PART ONE – GENERAL REQUIREMENTS

Definitions

“Chief” means Chief, Mining Land Use pursuant to the Act.
“Corridor” means a path from which trees and brush have been cut to accommodate a trail, water line, fuel line or power line.
“Isolated road” means a road that does not provide access to a public highway directly or through a private road.
“Road” means a pathway for vehicular traffic the construction of which requires the movement of rock or earth.
“Trail” means an access to a site within a claim or lease that is constructed with little or no movement of rock or earth.
“Upgrading” in relation to a road, means re-establishing a road that has not been useable for more than five years by vehicles of a type the road was originally designed to serve, modifying a road to provide usability for vehicles that are of a different type than those for which the road was originally designed to serve and any other upgrading or modifying of a road, other than for maintenance or erosion control.

Duration of Approval

1. This Approval is valid upon signature of the Chief until the expiry date. In the event that claims lapse, or that agreements to operate on claims are dissolved, the Approval becomes null and void for that portion of the operating plan, where there is no right to the minerals.

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

Compliance with Operating Conditions

3. All mineral exploration activities must comply with the Operating Conditions (appended) contained in Schedule 1 of the Quartz Mining Land Use Regulation. These Operating Conditions are enforceable.
PART TWO: Reporting Requirements

Contact Numbers/Planning and Communication

4. Submissions and reports to the Chief should be made in duplicate to the following addresses:

   Chief, Mining Land Use
   Box 2703, K-09
   Whitehorse, Yukon Y1A 2C6

   Mining Lands Officer
   Box 10, K-MA
   Mayo, Yukon Y0B 1M0

5. The contact for the Operator will be:
   Redtail Metals Corp.
   1100 - 888 Dunsmuir Street
   Vancouver, BC
   V6C 3K4

6. All spills must be reported immediately to the 24-Hour Yukon Spill Reporting Line (867) 667-7244 and to the Mining Inspections Division (867) 996-2568.

7. An operator who takes an emergency remedial measure shall, as soon as possible but not later than 10 days after taking it, send a written report to the Chief describing the duration, nature and extent of the emergency and the measures taken to respond to it.

8. A report shall be submitted at the beginning of each mining season outlining the exploration activities planned for the season including the proposed locations.

9. A report shall be submitted at the end of each mining season indicating exploration activities completed during that season plus reclamation that has taken place to date.

10. Prior to commencing any burning operations, a Burning Permit must be obtained from the Fire Management Office in Mayo at (867) 996-3200, as well as any other communications regarding wildfire management.

11. The operator shall contact Mining Inspections at (867) 996-2568 at least 14 days prior to commencing the field season.

12. The operator shall contact Mining Inspections at (867) 996-2568 at least 14 days prior to leaving the site at the end of the operation.

13. The operator shall contact the local municipal solid waste facility prior to usage to ensure proper governance of waste.

Heritage

14. All palaeontological resources uncovered during operations shall be reported to the Yukon Palaeontology Program, Government of Yukon in Whitehorse at (867) 667-8089 or (867) 667-5386.
15. All archaeological resources uncovered during operations shall be reported to the Yukon Archaeology Program, Government of Yukon in Whitehorse at (867) 667-3771 or (867) 667-5386

Wildlife
16. All incidents with wildlife shall be reported to the District Conservation Officer in Mayo at (867)996-2202, as well as any other communication regarding wildlife.

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

PART THREE – TERMS AND CONDITIONS

Removal of the Vegetative Mat
18. If the vegetative mat must be removed to carry out exploration activities, it must be removed so as to protect the seed and root stock contained within the mat and be stored separately from other overburden or bedrock removed for use in re-establishing the vegetative mat when the exploration program ceases.

Re-establishment of the Vegetative Mat
19. All vegetated areas disturbed by exploration activities, including fuel and waste storage areas, clearings, corridors, temporary trails, camps and supporting infrastructure, and trenches and drill sites, must be left in a condition conducive to re-vegetation by native plant species or other species adaptable to the local environment to encourage re-vegetation comparable to similar, naturally occurring, environments in the area.

20. Conditions conducive to re-vegetation include provision of adequate soil layer with moisture retaining ability, no soil contamination by hydrocarbons or other hazardous substances, provision of adequate seed or root stock, and contoured or otherwise stable slopes.

21. If adequate seed or root stock is not naturally available, re-seeding or transplanting of vegetation is required. Only non-invasive species may be used for re-seeding or transplanting. Consult with the Mining Inspector prior to seeding.

Erosion Control and Permafrost
22. All areas disturbed during an exploration program must be re-sloped, contoured or otherwise stabilized to prevent long-term soil erosion, slumping and subsidence.

23. All exploration activities must be carried out to avoid or minimize damage to and loss of permafrost.

Trenching
24. T 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.
25. Open trenches should be sloped at one end to avoid entrapment of wildlife.

26. 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.

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

**Bulk Sampling**

28. Bulk samples must be stored in a secure fashion until removed from the site.

**Historic Objects and Burial Grounds**

29. 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.

30. Any sites containing archeological objects, palaeontological objects or human remains or burial sites discovered in the course of carrying out an exploration program must be immediately marked and protected from further disturbance and, as soon as practicable, the discovery reported to the Chief. No further activities may be carried out within 30m of the site until the Chief indicates, in writing, that activities may be resumed.

**Disposal of Wastes/Cleanliness**

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 Regulation** when the program ceases.

32. The proponent shall keep all garbage, including kitchen waste, in a container that prevents access by bears and other wildlife, until properly disposed of in accordance with the **Solid Waste Regulation**.

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.

**Fuel and Chemical Storage and Handling**

34. 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.

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 Regulation**, generated in the course of carrying out the explorations...
program must be disposed of in accordance with the Special Waste Regulation when the program ceases.

37. The proponent shall clearly mark the owners name on fuel drums to establish ownership and responsibility.

Spills and Spill Contingency Plans

38. A spill contingency plan for petroleum products and other hazardous waste must be prepared and posted in the camp and at all fuel handling locations used in carrying out the exploration program.

39. All spill clean-up equipment and material must be maintained in a state of readiness sufficient at all times to contain and clean-up any hazardous material spills.

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

Use of Vehicles

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

Timber and Brush

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

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

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

45. All risk of fire hazard must be avoided.

Drilling

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

47. Vegetation other than that within a drill sump, must not be covered with drill cuttings.

48. Core must be stored in a stable fashion.

49. Drill mud must be re-circulated when possible.

50. All drill fluids must be contained in a sump.

51. All sumps shall be a minimum of 30m from a water body.
52. All drill holes that pose a hazard or that lead to ground water must be plugged in a suitable manner.

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

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

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

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. 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 cause such damage.

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 temporary trails must be reconnoitered and flagged.

Release of Sediment
61. 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.

Disturbance to Wildlife
62. The proponent shall avoid disturbing or harassing wildlife.

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

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

PART FOUR – FINAL DECOMMISSIONING

65. 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.
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.

PART FIVE – OTHER MATTERS

Applicable Laws

70. All applicable federal, territorial, and first nation law or local regulations, ordinances or by-laws must be conformed with at all times.

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

72. Attached is a list of the exploration activities for which you are approved.
**MINING LAND USE**

**EXPLORATION ACTIVITY REPORT**

**March 2, 2012**

Redtail Metals Corp.
1100 - 880 Dunsmuir St.
Vancouver, BC
V6C 3K4

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>CRITERIA</th>
<th>TERMS AND CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface area of each clearing</td>
<td>If vegetative mat is removed, maximum 100 sq m, if trees and brush only are removed, maximum 36 sq m</td>
<td></td>
</tr>
<tr>
<td>Nb of clearings per claim, including existing clearings</td>
<td>maximum 8 clearings per claim</td>
<td></td>
</tr>
<tr>
<td>Total volume of trenching</td>
<td>maximum 200 m³</td>
<td></td>
</tr>
<tr>
<td>Nb of person days per camp</td>
<td>Maximum 1500 person days per camp per season</td>
<td></td>
</tr>
<tr>
<td>Nb of persons in a camp at any one time</td>
<td>maximum 12</td>
<td></td>
</tr>
<tr>
<td>Fuel Storage in a facility</td>
<td>maximum 14,000 l on site at any time</td>
<td></td>
</tr>
<tr>
<td>Establishing new access roads per program</td>
<td>up to 10 km, maximum 4 m wide</td>
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</tr>
<tr>
<td>Establishment of trails per program</td>
<td>up to 5 km, maximum 2 m wide</td>
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</tr>
<tr>
<td>Upgrading of access roads per program</td>
<td>up to 11 km, 4 m wide</td>
<td></td>
</tr>
<tr>
<td>Use of vehicles on existing roads or trails</td>
<td>If design limits or tolerances of roads and trails are unknown, vehicles with GVW &lt; 20t</td>
<td></td>
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</tbody>
</table>