

23 May 2017

Julian Morse
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor, 4922 48th Street
PO Box 2130
Yellowknife, NT X1A 2P6

**Mackenzie Valley Land
& Water Board**

File _____

MAY 29 2017

Application # MV2017C0024

Copied To JM / Ray

Dear Mr. Morse,

Darnley Bay Resources Limited is pleased to submit the attached application for a Land Use Permit to conduct additional mineral exploration activities in the Pine Point District. This application is for activities to expand the scope of the existing exploration program currently permitted under MV2016C0023. It is anticipated that the scope of the new Land Use Permit will encompass the existing Land Use Permit.

The additions to the existing program that Darnley Bay is requesting include: equipment, drill holes, workers, and claims; larger camp; improved method for cuttings management; and, increase in volume and types of fuels and other hazardous chemicals that will be present on site. Many of these additional activities will take place on previously-disturbed ground. Darnley Bay believes that the additional activities requested in this application are relatively small for a mineral exploration program and the potential for adverse impacts is minimal.

In addition to the application document itself, Darnley Bay is also submitting the following items to support the application:

- Waste Management Plan
- Spill Contingency Plan
- Engagement Plan and application-specific Engagement Record
- Draft Security Estimate
- Proof of Registration
- Application Fee (\$150 Cheque made out to "Receiver General for Canada")

Thank you for considering our application.

Sincerely,
Darnley Bay Resources Ltd.



Jamie Levy,
President and CEO



Corporate Registries Online System

Entity Profile

DARNLEY BAY RESOURCES LIMITED

Report Created: January 16, 2017

File No.	605401
Entity Type	Extra-Territorial Corporation
Jurisdiction	Ontario
Status	In Compliance

Entity Events

Note: Only the date of the most recent entity event is shown. For a full history, see Filings.

Date Incorporated	November 25, 1993
Date Registered	January 05, 1994
Date Cancelled	N/A
Date of Continuance in NWT	N/A
Date Reinstated	N/A
Date Amalgamated	N/A
Amalgamated to	N/A

Name History

Assumed Name

No assumed name.

Former Names

No former names.

Trade Names

No trade names.

Amalgamated From

No amalgamations.

Addresses

Registered Office Address

601, 4920-52ND STREET
YELLOWKNIFE NT X1A3T1

Head Office Address

1310 -4 KING STREET WEST
TORONTO ON M5H 1B6

Annual Filings

Last Annual Return Filed	January 10, 2017
Last Annual Return for Year	2016
Next Annual Return Due	December 31, 2017

Directors

See Filings.



Mackenzie Valley Land and Water Board
7th Floor - 4922 48th Street
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

Application for:

New Land Use Permit **Amendment** to _____

1. Applicant's name and mailing address: Darnley Bay Resources Ltd., 365 Bay Street, Suite 400, Toronto, ON M5H 2V1	Fax number: 416-361-2519
2. Head office address: Darnley Bay Resources Ltd., 365 Bay Street, Suite 400, Toronto, ON M5H 2V1 Field supervisor: StanleyClemmer	Telephone number: 416-567-2440 Fax number: 416-361-2519 Telephone number: 416-567-2440
3. Other personnel (subcontractor, contractors, company staff etc.) TOTAL: Estimate a maximum of 35 total workers.	
4. Eligibility: (Refer to section 18 of the <i>Mackenzie Valley Land Use Regulations</i>) a)(i) <input checked="" type="checkbox"/> a)(ii) a)(iii) b)	
5. a) Summary of operation (Describe purpose, nature and location of all activities.) Darnley Bay Resources Ltd. has acquired mineral claims and leases in the Pine Point District (see Figures 1 and 2) with the intent of developing a Lead/Zinc mine. This application is to expand the exploration program currently permitted under MV2016C0023 to include use of additional equipment and methods to streamline exploration activities, increase the number of drill holes, and allow for exploration activities on additional claims that are not covered in the current permit. The main goal of the exploration program is to discover additional zinc and lead mineralization and to provide the information needed to support a Feasibility Study for the project. Operations will include: use of heavy machinery and vehicles; brushing/clearing vegetation from existing roads and cut lines; mobilization and demobilization of equipment for induced polarization surveys; drilling; construction and maintenance of a camp; fuel storage; core logging; associated waste management and disposal; and site restoration. A more complete summary of operations is provided in the attached project description. It is expected that the scope of the new LUP will encompass the existing LUP. Therefore, if a new LUP is granted, the existing LUP would be closed. b) Please indicate if a camp is to be set up. (Please provide details on a separate page, if necessary.) A small stationary camp for up to 35 workers may be required. A more complete summary of the camp is provided in the attached project description.	

6. Summary of potential environmental and resource impacts (Describe the effects of the proposed land-use operation on land, water, flora & fauna and related socio-economic impacts. Use separate page if necessary.) see attached project description.

The proposed land use operation is a small-scale exploration program in an area with previous mine development and substantial exploration activity. Access to the project area will primarily be via current roads, and historical drill trails and cut lines. Existing trails and drill pads will be used to the greatest extent possible, and only when required will new areas be cleared. Typical drill pads will be 30 m x 30 m. Short trails may be cut to reach drill pads; these will typically be 6 – 7 metres wide and will not exceed 10 metres. There will be minimal tree cutting, but when required, roads will be cleared by cutting to ground level. Cut timber will be stacked on sides of road or bucked up so it lies flat in the adjacent forest.

7. Proposed restoration plan (please use a separate page if necessary).

Restoration of the work sites will be completed on an on-going basis. Monitoring of access trails will be done in order ensure that the natural surface is protected. Darnley Bay and its contractors will work with the inspector to ensure that there is no rutting or other unacceptable disturbances to the land. Empty fuel containers will be removed from the site on a daily basis. Once drilling is completed at a site, all debris will be removed, and any contamination will be cleaned up according to permit conditions and inspector requirements. Access trails may require some clearing of vegetation. Cut timber will be stacked at the trail sides or bucked up so it lies flat on the ground surface in the adjacent forest. Upon departure from a site, cut timber stacked at trail sides will be spread across the drill site and access areas to help with natural revegetation.

8. Other rights, licences or permits related to this permit application (mineral rights, timber permits, water licences, etc.)

See attached map with Darnley Bay's existing leases (in purple) and claims (in light blue). There are two active quarrying operations along the highway in the Pine Point area (https://mvlwb.com/sites/default/files/slwb/Maps/Quarrying_baseimap5.pdf). Current Authorizations in the project area include a timbering operation (MV2015W001), a Type B water licence for occasional discharge of effluent from a tailings pond (MV2006L2-0013), and a permit (MV2010X0009) for Miscellaneous Activity along the highway corridor issued to the Department of Transportation (<https://mvlwb.com/content/current-authorizations-3>). There are no known settlements or private lands in the project area (https://mvlwb.com/sites/default/files/slwb/Maps/PrivateLand_NWT_1M_3.pdf).

Roads: Is this to be a pioneered road? No Has the route been laid out or ground truthed? Yes – previous cut lines and roads

9. Proposed disposal methods.

To complete this section of the application form, a Waste Management Plan for the proposed activities is to be developed in accordance with the Board's *Guidelines for Developing a Waste Management Plan* (click [here](#) to access) and submitted as an attachment to the application form. A template for this Plan is provided in the *Guidelines*.

Waste will be stored, handled, and disposed of according to permit requirements.

a) Garbage:
See attached Waste Management Plan.


c) Brush & trees:
See attached Waste Management Plan.

b) Sewage (Sanitary & Grey Water):
See attached Waste Management Plan.

d) Overburden (Organic soils, waste material, etc.):
See attached Waste Management Plan.

10. Equipment (includes drills, pumps, etc.) (Please use separate page if necessary.)

See Attached Equipment List. Note that individual contractors will choose equipment based on site conditions, availability and project needs.

11. Fuels	()	Number of containers	Capacity of containers	Location				
Diesel	See Attached Project Description							
Gasoline								
Aviation fuel								
Propane								
Other								
<p>12. Containment fuel spill contingency plans.</p> <p>A spill contingency plan for the proposed activities is to be developed in accordance with INAC's <i>Guidelines for Spill Contingency Planning, April 2007</i> (accessible here). This plan is to be submitted as an attachment to the application form.</p> <p>See attached Spill Contingency Plan</p>								
<p>13. Methods of fuel transfer (to other tanks, vehicles, etc.)</p> <p>Fuel on the property will typically be the maximum daily amount used for the on-site equipment. Additional fuel will be stored at fuel cache(s). All fuel storage containers will have containment trays. Spill containment kits will be available at the drill site and fuel caches. Drip trays will be used when transferring fuel.</p>								
<p>14. Period of operation (includes time to cover all phases of project work applied for, including restoration)</p> <p>Year-round exploration activities may be in operation.</p>								
<p>15. Period of permit (up to five years, with maximum of two years of extension). 5 years + 2 year extension</p>								
<p>16. Location of activities by map co-ordinates (attach maps and sketches) - NAD83 See Figure 1 and the attached project description</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Minimum latitude (degrees, minutes, seconds) 60 40' N</td> <td style="width: 50%;">Maximum latitude (degrees, minutes, seconds) 60 58' N</td> </tr> <tr> <td>Minimum longitude (degrees, minutes, seconds) 114 02' W</td> <td>Maximum longitude (degrees, minutes, seconds) 115 17' W</td> </tr> </table>					Minimum latitude (degrees, minutes, seconds) 60 40' N	Maximum latitude (degrees, minutes, seconds) 60 58' N	Minimum longitude (degrees, minutes, seconds) 114 02' W	Maximum longitude (degrees, minutes, seconds) 115 17' W
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<p>Map Sheet no. NTS 85B 10, 11, 14, 15, 16</p>								
<p>17. Applicant Damley Bay Resources Limited</p> <p>Signature  Date <u>May 23/ 2017</u></p>								
<p>18. Fees</p> <p style="text-align: center;">Type A - \$150.00 ** Type B - \$150.00 ** (**Application Fees are Non-Refundable**)</p> <p>Land use fee: _____ hectares @ \$50.00/hectare \$ <u>150</u></p> <p style="text-align: right;">Assignment fee \$50.00 \$ <u>0</u> Total application</p> <p style="text-align: center;"><i>Please make all cheques payable to "Receiver General for Canada"</i></p>								

Equipment List for Exploration Program. Note: Quantity of equipment may vary based upon contractors' availability and needs.

Type and Number	Size	Purpose
Skid or track mounted surface drills of types 25HH, 30HH, LF70, LF90, or equivalent (1-3)	10 to 13 tonnes each	To carry out drilling
Sloop for Equipment (1-3)	Skid mounted, approximately 3 tonne capacity	Carry drill rods, bits and consumables to drill
Equipment and supply shack (1-3)	Skid mounted, approximately 3 tonne capacity	Optional shack for storage of spares and tools for drill, plus additional warm area for crew in winter
Electric and diesel powered water pumps with up to 1000 metres of water line (1 – 3)	Approximately 40 to 90kg	Provide water for the drill rig
Insulated pump shack with fuel tank and propane bottles (1-3)	Approximately 500 to 1000 kg	Required during winter conditions to keep water pump and water lines from freezing
Insulated heat shack for water lines with fuel tank and propane bottles (1-3)	Approximately 500 to 1000 kg	Required during winter conditions when water pump is further away from drill to keep water pump and water lines from freezing
Drill cuttings tank (1-3)	Approximately 500 to 1000 kg	Used to collect drill cuttings and allow future burial/covering in a pit or natural depression
Water storage tank	Skid mounted, approximately 3 tonne capacity	Tank used to store water for drill and negate need for water lines
Water truck (1-2)	Approximately 7 to 8 tonnes	Transport water to water tank for use by drill
D-6 Dozer (1-4)	Approximately 14 tonnes	For moving drills and equipment
D-8 Dozer (1-2)	Approximately 18 tonnes	For moving drills and equipment
Marooka 800 or Nodwell (1-3)	Approximately 10 tonnes fully loaded	For moving drills and equipment
Skidders (1-3)	Approximately 8 tonnes	For moving drills and equipment
Snowcat with 8-way snow plow (1-2)		For clearing roads and trails in winter
1/2 ton to 1.5 ton 4x4 wheel drive trucks	Approximately 3 to 6 tonnes depending on type and load	For moving personnel, light weight drill supplies, fuel and drill core
3/4 ton 4x4 wheel drive trucks with 6-way snow plough (2-3)	Approximately 5 to 6 tonnes depending on type and load	For clearing roads and trails in winter
1 ton dump truck	Approximately 12 tonnes	Moving materials
Excavator or backhoe (1-2)	Approximately 5 to 15 tonnes depending on type	Digging of pits for disposal of cuttings.
Flatbed transport truck (1 – 4)	Approximately 20 to 30 tonnes depending on load	Transport drill to site on road for drop off at start of trail to drill
Snow machines with small sleds (1-8)	Approximately 100 to 250kg	Needed for locating drill sites, transporting crews to drill, and other work in winter

Type and Number	Size	Purpose
Quads (1-8)	Approximately 150 to 200kg	Needed for locating drill sites, transporting crews to drill, and other work
Cabodas (1-2)	Approximately 1 tonne	Needed for locating drill sites, transporting crews to drill, and other work
Argos	Approximately 500 to 1,000 kg	Transport crew and light supplies to drill to minimize impact on ground
Swamp Buggies	Approximately 13 tonnes	Transport crew and light supplies to drill to minimize impact on ground
Loader (1 -4)	Approximately 4 tonnes	Unloading cutting tanks, drill core, etc. from truck for disposal or storage

Figure 1. Darnley Bay's Mineral Leases and Claims, Pine Point Project.

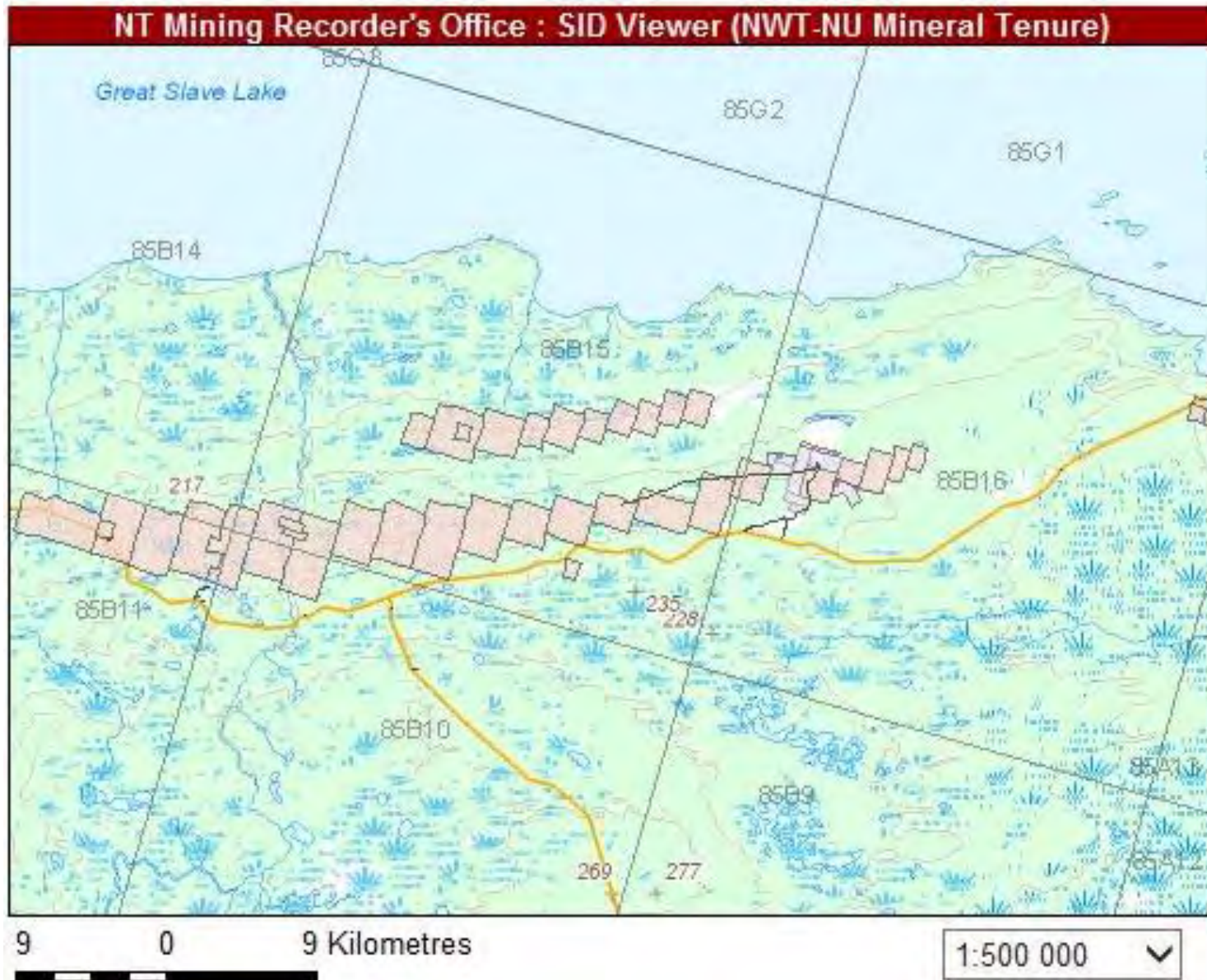
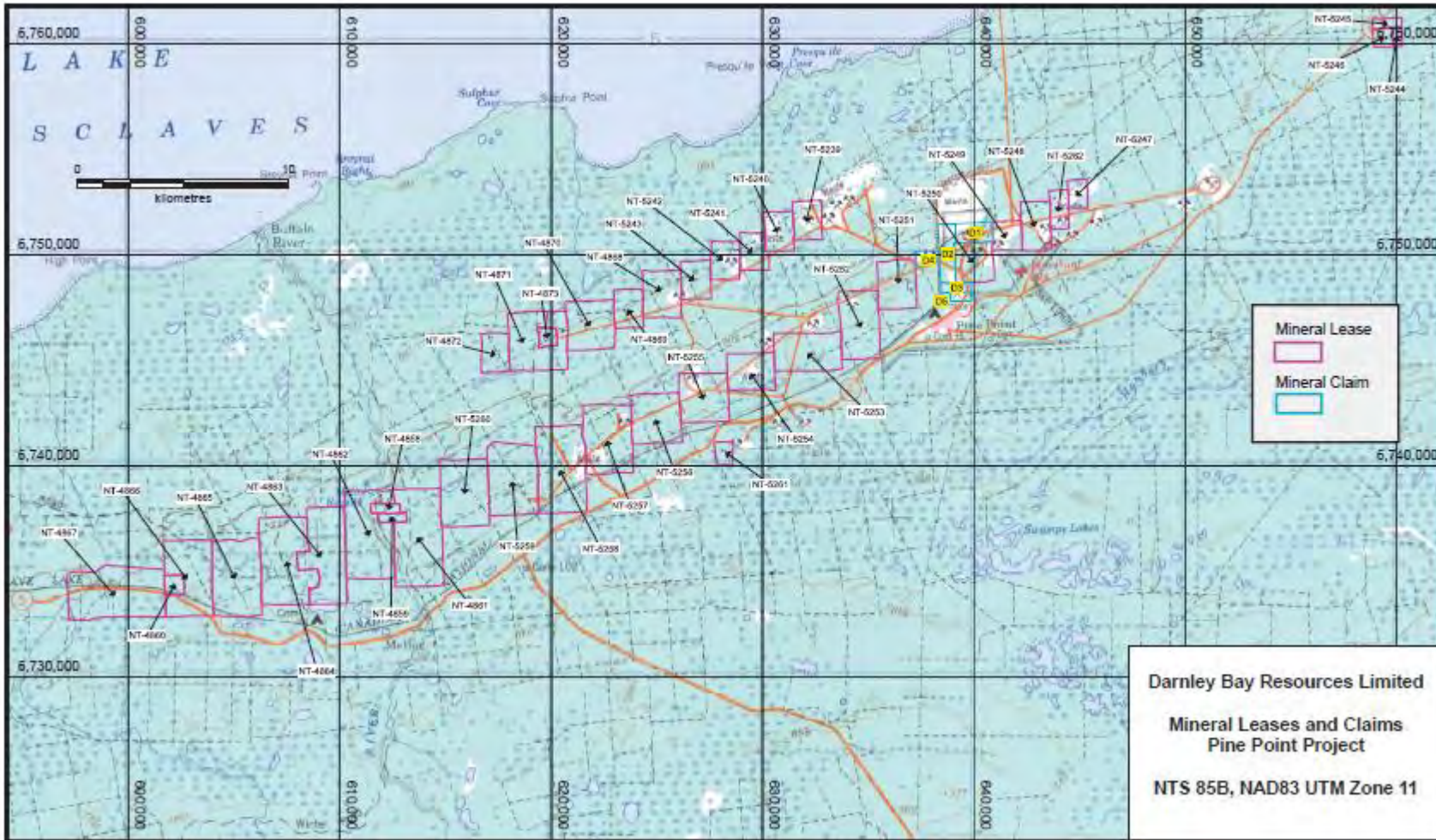


Figure 2. Leases and Claims with Site Topography.



Project Description
Darnley Bay Exploration Program
Pine Point District, Northwest Territories
May, 2017

This project description outlines the proposed exploration drilling program for Darnley Bay Resources Limited's (Darnley Bay) Pine Point property. This permit application includes all of the activities currently allowed under MVLWB LUP2016C0023 in addition to other activities that expand the scope and change the conditions of the current exploration program. The Pine Point property is a previously explored area and a former operating mine site located 45 – 85 km east of Hay River, NWT. This is a brownfield exploration program.

Exploration work on the property may consist of geological mapping, prospecting, sampling, ground geophysics, and diamond drilling. Work may be carried out year-round. Darnley Bay proposes to drill exploration and confirmation holes, develop test and observation wells from diamond drill holes, and conduct associated tests related to mine site development from July, 2017 through July, 2022 (with possible extension through 2024). The majority of the testing to be conducted as part of the exploration program will include: diamond drilling to produce core for assay and other laboratory analyses and geophysics to identify geological anomalies suitable for further exploration. The majority of the drilling will be conducted to confirm diamond drill data from previous companies that have explored at the site.

Darnley Bay is a Canadian company based in Toronto, Ontario with an office in Hay River, NWT. Darnley Bay is the registered holder with 100% interest in mineral leases and claims in the Pine Point District (Figure 1). Mineral claim numbers are: D1-K15913 D2-K15914, D3-K15915, D4-K15917, and D5-K15916. Mining lease numbers are: 4858, 4859, 4860, 4861, 4862, 4863, 4864, 4865, 4866, 4867, 4868, 4869, 4870, 4871, 4872, 4873, 5239, 5240, 5241, 5242, 5243, 5244, 5245, 5246, 5247, 5248, 5249, 5250, 5251, 5252, 5253, 5254, 5255, 5256, 5257, 5258, 5259, 5260, 5261, 5262. Surface leases are: 85B/11-15-2, 85B/11-16-2, 85B/11-18-2, and 85B/11-19-2. Access to the claims and leases is mainly via existing roads and trails that can be accessed from the public Highway. There are two active quarrying operations along the highway in the Pine Point area (Site accessed: May 3, 2017; https://mvlwb.com/sites/default/files/slwb/Maps/Quarrying_baseemap5.pdf). The exploration program will not intersect with those quarries. There are no known Current Authorizations at the site (<https://mvlwb.com/content/current-authorizations-3> ; Site accessed: May 3, 2017). There are no known settlements or private lands in the project area (Site accessed: May 3, 2017; https://mvlwb.com/sites/default/files/slwb/Maps/PrivateLand_NWT_1M_3.pdf).

Historic exploration work has been conducted throughout the District since the active prospecting began in 1900, most of which has been diamond drilling. The Pine Point District contains approximately 100 known zinc and lead deposits, distributed along three trends which extend in aggregate along 65 km of strike and 7 km of width. Pine Point Mines Ltd. (Cominco) mined 48 of these deposits from 1964 to 1988 extracting 64 million tonnes of ore. Cominco's "Pine Point Mine" was actually an assemblage of 50

separate open pits and 2 underground deposits, lying along a 35 km trend, including a mill and a full town site at Pine Point. Darnley Bay's exploration program will include drilling and testing at known deposits, as well as drilling at sites that come to our attention through the geophysical testing program.

Near-term the exploration program includes induced polarization geophysical surveys at multiple locations. It is anticipated that the targets can be accessed via existing lines and roads. Should line cutting be required, the lines will typically be no wider than 1.5 m.

The 5-year exploration program anticipates drilling a maximum of 1500 holes, the majority of which will be diamond drill holes. These will include geological samples including: drilling at the L-65 zone to delineate the deposit (near-term goal), test drilling at other exploration targets, drilling new metallurgical holes, and defining new deposits. The additional drill site locations will be selected by the project geologist based on company requirements. Near-term, it is expected that drilling will be conducted at the deposits known as W-85, L-65, N-204, X-65, R-190, and near O-42, however other sites may be selected as the season progresses. Other proposed locations will be submitted to the GNWT inspector for approval prior to drilling. When possible and practical, Darnley Bay will drill multiple holes from the same drill pad. When possible and practical, Darnley Bay will develop Observation and Monitoring Wells from diamond drill holes. Those diamond drill holes identified for use for water testing purposes at a later date will be capped at ground level with the consent of the Inspector. If Darnley Bay needs to define a deposit, more holes may need to be drilled.

It is estimated that the total maximum workers, including staff, will be 35; with three drills in operation there would typically be as many as 20 workers and staff on the site at one time. The maximum estimate of 35 workers accounts for simultaneous crews of three fully staffed drills, geophysical contractors, line cutters, environmental contractors, geotechnical contractors and geological staff. It is unlikely this maximum will be reached very often, if at all.

The drilling contractors that are currently working for Darnley Bay under LUP MV2016C0023 have chosen to house their staff in the local communities. They have not established a temporary camp for workers because many of their workers are local. However, Darnley Bay does not know which drilling contractors will be selected in future years, and what their housing preferences may be. Therefore, this exploration permit project description includes a camp that could house up to 35 workers.

Any temporary camp facility will be set up on previously disturbed ground. Any potential camp locations will first be approved by GNWT's land use inspector. The camp will most likely consist of 4 – 10 trailers or platform tents, 2 diesel generators, and a tank for sewage storage. Cables will connect the generators to the trailers, and insulated piping will connect the sewage storage facility to the trailers. Fresh water will be trucked in as needed. Garbage will be stored in sealed containers and trucked to Hay River for disposal in the landfill. Wastewater will be held in an on-site tank and trucked to Hay River on a regular basis for proper disposal.

The equipment listed above in Table 1 is for a range of activities that include operation of from 1 to 3 drills at a given time. Individual contractors may use different types of equipment. For example, some may prefer to use a skidder to move the drill and others a dozer, but only one would be needed.

Contractors may choose to establish a reasonably-sized fuel cache on previously disturbed ground. This

would be set up in accordance with the guidelines spelled out in the Spill Contingency Plan. Any fuel cache will be temporary in nature and will be removed at the end of each contract.

Fuel storage at **each drill** site location is projected to consist of approximately 400 litres of diesel within engineered tankage on the drill, one or more 400 - 600 litre double walled containment tanks (or equivalent), 100-lb cylinders of propane and one small safety container (20 litres) of gasoline for UTV, ATV and snowmobile use. In addition, individual water pumps will have approximately 50 litres of fuel stored in the pump tank, approximately 100 litres in 20 litre safety containers or 100 litre safety transfer caddy with rotary pump and one 100-lb or one 250-lb cylinder of propane. The volumes noted above are for one (1) diamond drill; when additional diamond drills are utilized these volumes will increase accordingly. The maximum amount of fuel stored on site at any given time includes these volumes in addition to the fuel that will be in the fuel tanks of each vehicle (truck, snow cat, drill rig, etc.).

The maximum volumes of fuel to be stored at the Pine Point project site at any given time include:

Diesel: 10,000 L. Storage may include vehicle fuel tanks, 45 gallon drums and/or 200-600 litre double walled storage tanks.

Gasoline: 2,000 L. Storage may include vehicle fuel tanks, 45 gallon drums, and/or 200-500 litre double walled storage tanks.

Propane: 2,000 pounds. Storage may include 100 – 250 pound tanks.

Aviation Fuel: 4,000 litres. Storage may include barrels up to 200 L.

All fuel will be stored in accordance with the environmental and worker health and safety precautions spelled out in the Spill Contingency Plan. Contractors will be required to adhere to the approved Spill Contingency Plan. Storage containers will be designed to contain any spills. Spill response kits will be located at each fuel storage site. Storage at fuel caches and transport of fuel will be with engineered double wall containment tanks mounted on truck or tractor with engineered transfer pumps equipped with grounding cables.

Explosives will not be used in this exploration program. Additional compounds and chemicals that may be used in the exploration program are described in Table 2.

Table 1. Chemical Use and Storage.

Item	Delivery	Typical Storage
Drilling Additives	Contractor	20 L Buckets at drill site and/or at fuel cache
Hydraulic Fluids, Lubricating Oils and Grease	Contractor	20 L Buckets at drill site and/or at fuel cache
Antifreeze	Contractor	20 L Buckets at drill site and/or at fuel cache
Core Boxes	Contractor	Stacked at drill site and/or at fuel cache
Portland Cement	Contractor	40 kg bags on pallets at drill site and/or at fuel cache

Drill cuttings will be captured at the drill. Cuttings will be deposited and buried in a shallow excavation or natural depression located more than 30m from the ordinary high water mark of any water feature. Darnley Bay will work with the Inspectors to identify appropriate sites for safe disposal of drill cuttings over the life of the permit.

The drill program will involve the use of up to three diamond drills. Selection of contractors has not been completed for future years, so water requirements for individual drills are not known. It is possible that one or more of the diamond drills used in future years will use mud-based drilling methods, in which case there would be virtually no water use with that drill. Most diamond drills will use water, which will be supplied by tanker truck. Water may be obtained from nearby mine pits; water will not be sourced from fish-bearing rivers or streams. Each diamond drill that uses water is expected to use an average of 25 L of water per minute. Operation of these drills requires an average 6 hours of down-time each day for moving, set-ups, fueling, servicing, etc. Therefore, it is anticipated that the average water usage on any given day during this exploration program when 3 drills are in operation would be 81 m³/day. However, actual water usage is likely to be much lower because not all drills require water for operation, most drills are able to recirculate water, and the number of days when 3 drills will be in operation is likely to be limited by operational and budget constraints. Please note that the drill program currently underway (2017) under permit MV2016C0023 has completed water metering checks on its operations and determined that the single diamond drill is using 25 m³/day. This water use falls below the threshold for undertakings that require a Type B Water Licence from the MVLWB.

Housekeeping practices at the drill sites and camp will be in accordance with NWT recommendations to limit the possibility of attracting wildlife. Field lunches must be stored so that they are not accessible to wildlife. Food waste, wrappers, drink containers, and other garbage will be stored in sealed containers and trucked off-site for proper disposal at an approved waste handling facility. Contractors will be required to train their employees in Bear Safety. If bears are present in the area, work will cease until the bears have moved safely out of the area. Breeding birds will not be disturbed. Darnley Bay staff and contractors are strictly forbidden from hunting, trapping, fishing, or collecting at the site.

Disturbance of archeological resources will be minimized by use of pre-existing access and work sites. Previous owners of the project conducted extensive archaeological investigations in the Pine Point District, and those findings were provided to the Prince of Wales Northern Heritage Centre. Darnley Bay contacted the Prince of Wales Northern Heritage Centre (March 2017) to request information for the project area. There are known archaeological sites in some of the leases, and the exploration program has been designed to observe a minimum of 150 m buffers around all of these known sites.

The drilling program that has been conducted to date under LUP MV2016C0023 has provided economic benefits and opportunities to the South Slave Region. Core boxes have been purchased from an aboriginal-owned business in Fort Resolution. All position descriptions have been given to the local Metis Councils, KFN and DKFN, and qualified candidates from these Councils and Nations have been hired. Two drilling contractors have been used to date, one of which is a registered aboriginal-owned business located in Hay River, and the other has formed a joint-venture with two local First Nations. The line-cutting work for the geophysics program has been awarded to a local First Nations contractor. Supplies and materials have been sourced from local businesses. In short, to the greatest extent practical, Darnley Bay's exploration program has supported the local economy. It is expected that this practice will continue under the new permit.

Darnley Bay is committed to being a good neighbor. Darnley Bay actively engages with the residents of the South Slave Region to inform them about the project and economic opportunities. There are no

known pre-existing, legal cabins on or near these leases and claims (https://mvlwb.com/sites/default/files/slwb/Maps/PrivateLand_NWT_1M_3.pdf and <https://mvlwb.com/content/current-authorizations-3> ; Sites accessed: May 3, 2017). Suspect activity, including squatters, will be reported to the RCMP or other local law enforcement agencies. Efforts will be made to avoid trap lines when traversing the site. Darnley Bay will work closely with the Inspector to ensure that all staff and contractors prioritize worker health and safety as well as environmental protection.

Restoration of the work sites will be completed on an on-going basis. Monitoring of access trails will be done in order to ensure that the natural surface is protected. Darnley Bay and its contractors will work with the inspector to ensure that there is no rutting or other unacceptable disturbance to the land. Empty fuel containers will be removed from the site on a daily basis. Once drilling is completed at a site, all debris will be removed, and any contamination will be cleaned up according to permit and inspector requirements. Access trails may require some clearing of vegetation. Cut timber will be stacked at the trail sides or bucked up so it lies flat on the ground surface in the adjacent forest. Upon departure from a site, cut timber stacked at trail sides will be spread across the drill site and access areas to help with natural revegetation. At the conclusion of the exploration program, all equipment will be dismantled and removed from the project area.

It is anticipated that the planned work will have minimal impact on the environment. The project site is a previously disturbed Brownfield. On-site travel will be conducted, to the maximum extent possible, on the pre-existing roads and cut-lines at the site. All work will be conducted on land away from rivers and streams. Water use is minimal. Drilling in sensitive areas will be conducted under winter conditions to minimize potential negative impacts. The proposed camp and fuel storage cache will be located on easily accessible, previously disturbed land. Contractors will be required to maintain a clean work-site, adhere to all permit conditions, and follow the approved plans.