

C2N-11612108

55-1

APPLICATION FOR LAND USE PERMIT / DEMANDE DE PERMIS D'UTILISATION DES TERRES

Office use only / Réserve pour usage interne seulement

Table with 6 columns: Application fee, Land use fee, General receipt no., Date, Class, Permit no.

To be completed by all applicants - A remplir par tous les requérants

1. Applicant's name and mailing address (Full name, no initials) - Nom et adresse du ou des requérant (s) (Nom au complet, pas d'initiales)
Alexander (Sandy) Gibson
San Andreas Resources Corporation
Suite 900-595 Howe St.
Vancouver BC V6C 2T5

Fax no. - N° de télécopieur (604) 688-2043
Telephone no. - N° de téléphone (604) 688-2001

2. Head office address - Adresse du siège social
As above

Fax no. - N° de télécopieur
Telephone no. - N° de téléphone

Project Geologist / Field supervisor - Chef de chantier
Project Manager / Project Geologist
Sandy (Sandy) Gibson / Colin McAleenan
Radio telephone - Téléphone-radio (604) 774-3667
Telephone no. - N° de téléphone (604) 688-2043

3. Other personnel (Subcontractor, contractors, company staff, etc.) - Autre personnel (Sous-traitants, entrepreneurs, personnel de société, etc.)
Drillers, drillers' helpers, 2 geologists, 2 cat operators, 1 mechanic, 1 cook, 1 cook's helper
TOTAL: 20 2-4 labourers, 1 caretaker/expeditor
Around 3000 person days.

4. Qualifications - Titres refer to Section 21 - Territorial Land Use Regulations / consultez l'article 21 - du Règlement sur l'utilisation des terres territoriales
No (s) exploration permit mineral claims - if applicable / N°(s) des permis d'exploration minière, s'il y a lieu
a(i) [checked] a(ii) [ ] a(iii) [ ] b [ ] c [ ]

5. a) Summary of operation (Describe purpose, nature and location of all activities - refer to Section 22 (2) (b) - Territorial Land Use Regulations). (Use last page of form if additional room is required).
Résumé des opérations (exposez le but, la nature ainsi que l'emplacement de toutes les activités - consultez l'article 22 (2) b) - du Règlement sur l'utilisation des terres territoriales). Utilisez la dernière page du formulaire si vous avez besoin d'espace supplémentaire.
Operations will primarily focus on exploration diamond drilling. The purpose of the drilling is to increase ore reserves and discover new deposits. This will primarily involve road construction and drill pad construction and drilling north-east of the minesite and in the pass area on the winter road, referred to as the Zebra Area: see Maps A, B, C.
b) Please indicate if a camp is to be set up (Use last page to provide details).
Indiquez si un camp doit être aménagé (Utilisez la dernière page pour donner des détails).
No new camp set-up required. Existing mine-site facilities will be used.

6. Summary of potential environmental and resource impacts (Describe the effects of the proposed program on land, water, flora & fauna and related socio-economic areas (Use separate pages if necessary)
Résumé des conséquences possibles sur l'environnement et les ressources (décrire les effets du programme proposé sur les terres, l'eau, la flore et la faune et les domaines socio-économiques connexes (Utilisez des pages supplémentaires au besoin)
Road building in order to access drill pads and drill pad construction would have impacts on the land: trees would be pushed over and road cuts made into hillsides. Truck traffic of the drill crews, geologist, mechanic coming and going to and from the drill to camp may encounter wildlife. Noise from the drill may effect wildlife, but in the past the Dall Sheep have not been bothered, coming around the drill occasionally. Water quality should not be affected by drilling activities, as sumps will contain cuttings and contain any possible fuel spills at the drills.

7. Proposed restoration plans (please use last page if required) - Plans proposés de remise en état des terres (au besoin, utilisez la dernière page)  
 Once drilling is completed on an area, cut banks are re-established with a back-hoe. Any trees pushed over will be cut up into 1.5m long pieces. Any piles of dirt will be back bladed onto the area they were built up from.

8. Other rights, licences or permits related to this permit application (mineral claims, timber permits, water licences, etc.)  
 Autres droits, autorisations ou permis associés à cette demande de permis (claims miniers, permis de coupe, permis d'exploitation hydraulique, etc.)  
 Mineral claims that comprise the property.  
 Surface leases of minesite area  
 Mining Leases

For new drill pads (see maps A, B)

Roads:  Is this to be a pioneered road? Please provide details on back page. La route doit-elle être aménagée? Donnez les détails sur la dernière page.  
 Has the route been laid out or ground truthed? Le tracé a-t-il été établi et le terrain nivelé?  
 Has funding been applied for i.e. RTAP? Avez-vous demandé du financement?

9. Proposed disposal methods - Méthodes d'élimination proposées  
 a) Garbage: *Burned in the incinerator*  
 b) Sewage (Sanitary & Grey Water): *Present system: Sump*  
 c) Brush & trees: *Bucked up to 1.5m lengths.*  
 d) Overburden (Organic soils, waste material, etc.): *Back-bladed re-contoured.*

10. Equipment (Includes drills, pumps, etc.) (Please use last page if required)  
 Matériel (comprend foreuses, pompes, etc.) (Utilisez la dernière page au besoin)

Type & Number - Type et nombre	Size - Dimension	Proposed use - Utilisation proposée
2 Longyear 38 drills	22' x 12' x 25' tall.	Diamond drilling
1 Longyear 44 drill	22' x 12' x 25' tall	Diamond drilling.
2 Caterpillar D-8 bulldozers	D-8	Road building, drill moves
1 Caterpillar D-6 bulldozer	D-6	Road building, drill moves
6 Diesel water-supply pumps	Bear pumps ~60 gal/min	Pump water to the drills for drilling

Fuels - Combustibles	(N)	Number of containers - Nombre de réservoirs	Capacity of containers - Capacité des réservoirs
• Diesel	✓	4 existing large tanks	3.8 million litres, 1/4 full now.
• Gasoline - Essence	✓	32 45 gal drums	45 gal drums. (burned)
• Aviation Fuel - Carburant aviation			
• Propane	✓	10	6 20 lb tanks 4 100 lb tanks.
• Other			

12. Containment fuel spill contingency plans (Please attach separate contingency plan if necessary) (Also see attached fuel spill contingency plan).  
 Plans d'urgence d'isolement de carburant en cas de déversement (veuillez joindre un plan d'urgence distinct au besoin)  
 The minesite was designed with emergency fuel spill containment ponds drained by culverts with covers. Covers would be closed to contain the spill and booms and sweepers used to skim off the fuel, which would be collected into 45 gal barrels. Sumps are constructed at the drill pads which would also contain a spill if one occurred at the drill. If a spill occurred between the minesite and the drill the spill would be contained with hand dug berms, with potential help of the D-6 cat.

13. Methods of fuel transfer (To other tanks, vehicles, etc.) - Méthodes de transfert des combustibles (vers d'autres réservoirs, véhicules, etc.)  
 Fuel truck: 1000 gal tank mounted on truck. Used only at minesite for camp maintenance. Pump on truck transfers to tanks.  
 Tidy tank: 130 gal tank mounted on back of pick-up truck, pumped from storage tank into tidy tank. Hand pump on tidy tank pumps to drill fuel tank.  
 Drill tank: 300 gal tank mounted on steel frame + skids. Pulled to drill by D-6 cat. Hand pump on tank pumps to the drills' fuel tank; capacity 30 gal.

14. Period of operation (Includes time to cover all phases of project work applied for, including restoration)  
 Période d'opération (comprend toute période du début à la fin des projets, y compris la remise en état)

May 1995 through to May 1997 : Drilling and exploration activity such as geological mapping, rock sampling. Geotechnical engineering studies on the tailings pond, environmental studies at and around the minesite. Possible production decision before the end of the permit duration

15. Period of permit (up to two years, with maximum of one year extension)  
 Période du permis (valable pour une durée de deux ans et prolongation maximale d'un an)

Start date - Date du début du projet	Completion date - Date d'achèvement
D      m      yr	D      m      yr
0   1   0   5   9   5	0   1   0   5   9   7

16. Location of activities by map co-ordinates (attached maps and sketches)  
 Emplacement des activités selon les coordonnées géographiques (cartes et esquisses ci-jointes)

MN Lat Deg <b>61°</b>	MN Lat Min <b>33'</b>	MAX Lat Deg <b>61°</b>	MAX Lat Min <b>38'</b>
MN Long Deg <b>124°</b>	MN Long Min <b>38'</b>	MAX Long Deg <b>124°</b>	MAX Long Min <b>48'</b>

Map Sheet No.  
 N° de feuille de carte **95F110**

17. Applicant - Requéant  
 Print name in full - Écrire votre nom au complet en lettre moulées

**Alexander Gibson** *AM Gibson* **March 1 1995**  
 Signature Date

18. Fees - Droits

Class Catégorie A \$ 20.00       Class Catégorie B \$ 10.00

(2.1 km of rd) x (4m width)

Land use fees: Droits d'utilisation des terres **8.4** Hectare @ \$ 20.00 = \$ **168 - 40 (2 Hectares free)**

Hectare @ \$ 12.00 = \$ \_\_\_\_\_  
 (Above 65 N - au-dessus de 65)

Total application and land use fees  
 Total des droits de demande de permis et d'utilisation des terres \$ **128**

**Office use only - Réserve pour usage interne seulement**

19. Calculation of area involved (includes access, staging areas, airstrips, campsites, etc.)  
 Calcul des aires en cause (comprend l'accès, les aires de transit, les pistes d'atterrissage, les camps, etc.)

Total area (Ha) Superficie totale	Less 2 hectares Moins 2 hectares (- 2)	TOTAL (For fee calculation) (aux fins du calcul des droits)
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20. Application checklist - Vérification de la demande
- |   |  |
|---|--|
| <p>a) <input type="checkbox"/> Application signed and dated<br/>Demande signée et datée</p> <p>b) <input type="checkbox"/> Fees attached<br/>Droits ci-joints</p> <p>c) <input type="checkbox"/> Map included<br/>Carte incluse</p> <p>d) <input type="checkbox"/> Address and telephone number<br/>Adresse et numéro de téléphone</p> <p>e) <input type="checkbox"/> Screening report<br/>Rapport d'examen</p> | <p>f) <input type="checkbox"/> Timber permit applied for<br/>Permis de coupe du bois demandé</p> <p>g) <input type="checkbox"/> Fees attached<br/>Droits ci-joints</p> <p>h) <input type="checkbox"/> Lease applied for<br/>Baîl demandé</p> |
|---|--|

Accepted by - Acceptée par \_\_\_\_\_ Date \_\_\_\_\_







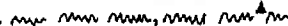

Remarks - Remarques \_\_\_\_\_





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21. Additional information (attach additional pages if necessary) - Renseignements additionnels (joindre des pages supplémentaires au besoin)

*LEGEND for MAPS A and B, Land Use Permit Application  
March '95.*

**S Y M B O L S**

	Property Boundary, surveyed
	Property Boundary, unsurveyed
	Trench
	DDH Collar location
	Anticline
	Syncline
	Fault, Thrust fault
	Geological contact

-  Existing Roads
-  New Roads 1992-1994
-  Surface Geophysical Survey Areas
-  Proposed New Roads for 1995  
Land Use Permit



**SAN ANDREAS RESOURCES CORPORATION**

**PRAIRIE CREEK PROPERTY**

NAHANNI MINING DISTRICT, N.W.T.

**GEOLOGY, SHOWINGS & LANDHOLDINGS**

SCALE: 1:20,000

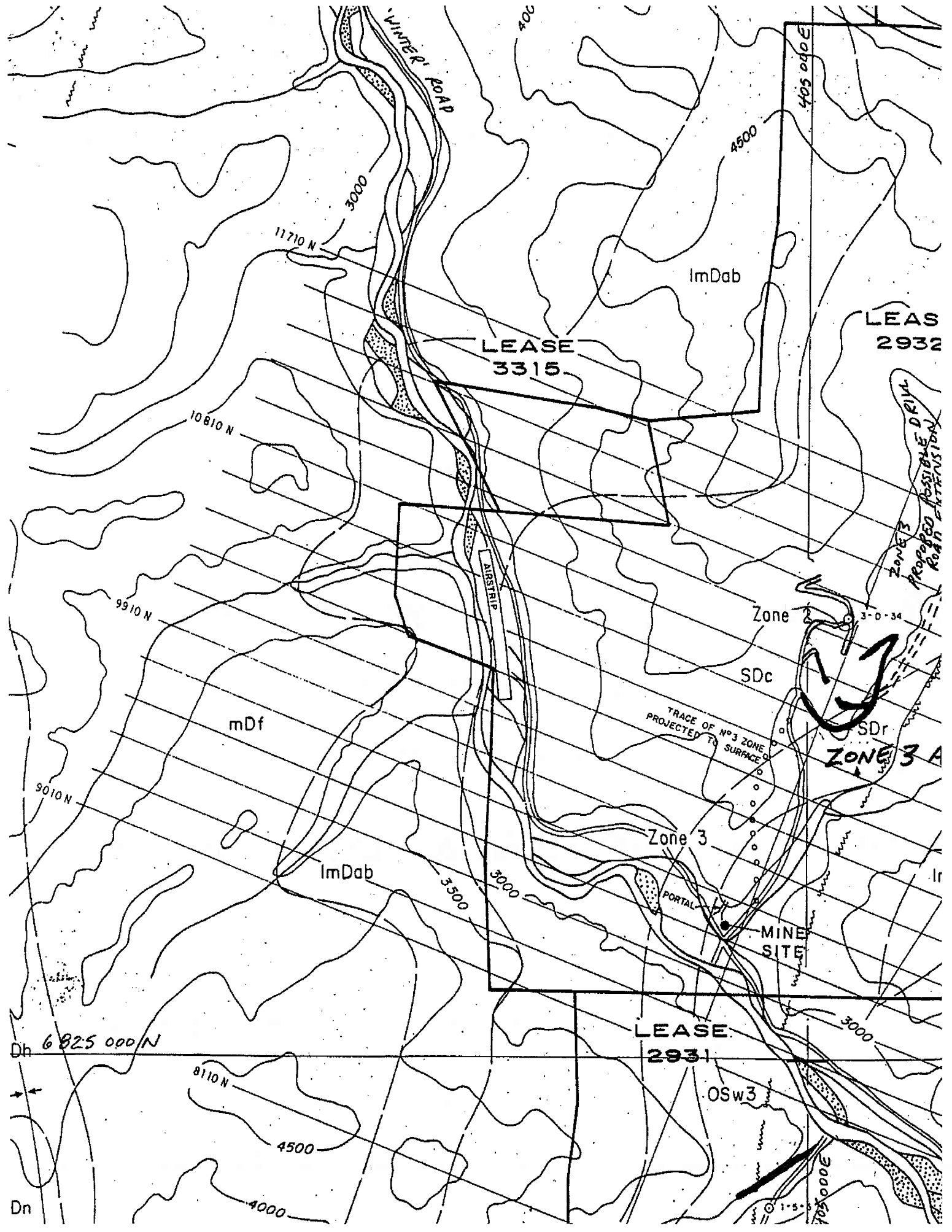
NTS: 95F/7,10

DATE: SEPTEMBER, 1993

410000

MODIFIED FROM PROCAN JANUARY 1993

Randy Tedore, Drafting Service



WATER ROAD

705000E

4500

ImDab

LEASE 3315

LEASE 2932

11710 N

3000

10810 N

9910 N

mDf

Zone 3

SDc

3-0-34

SDr  
ZONE 3 A

TRACE OF N°3 ZONE  
PROJECTED TO SURFACE

9010 N

ImDab

Zone 3

PORTAL

MINE SITE

3500

3000

LEASE 2931

3000

OSW3

Dh 6825 000 N

8110 N

4500

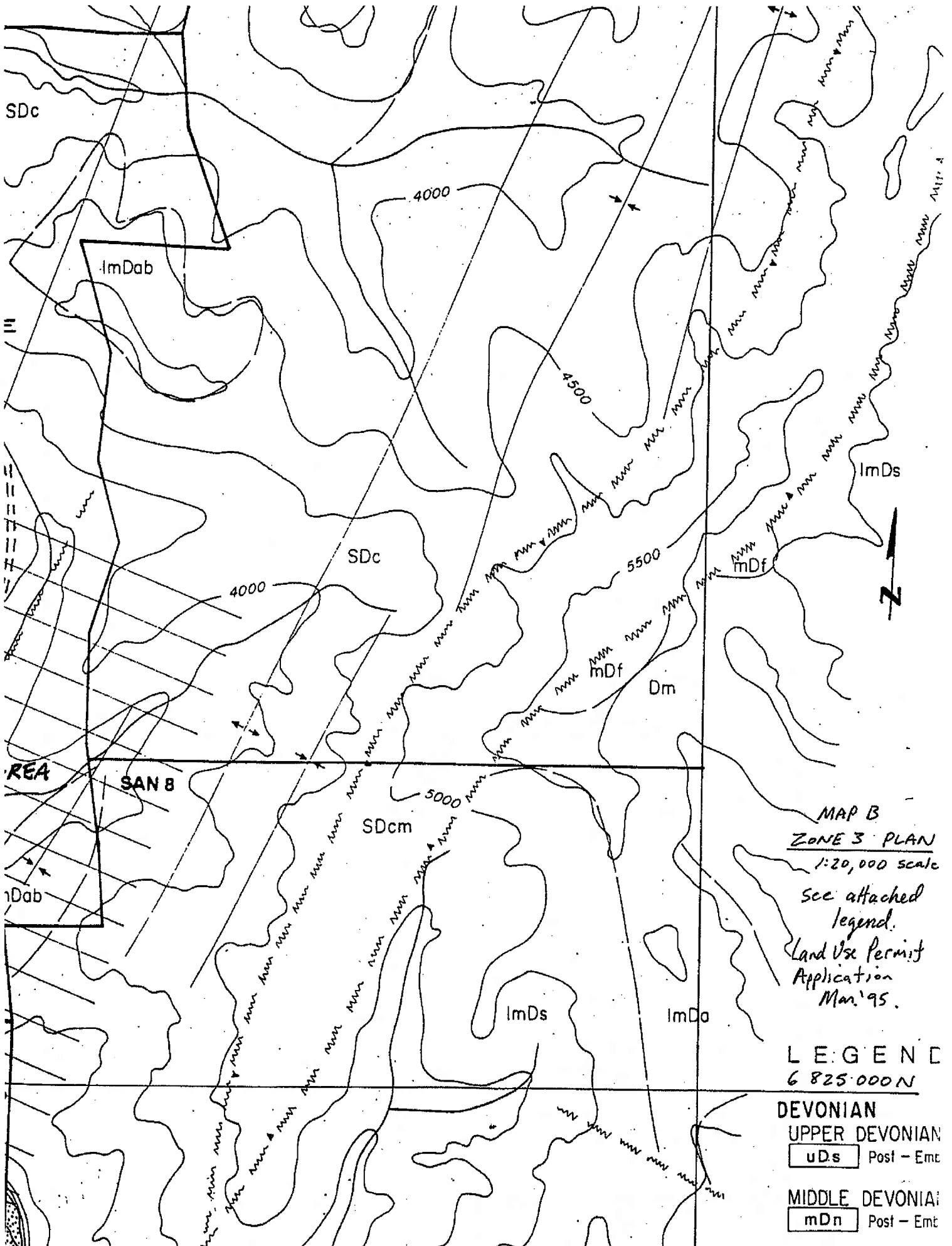
Dn

4000

1-5-5

705000E

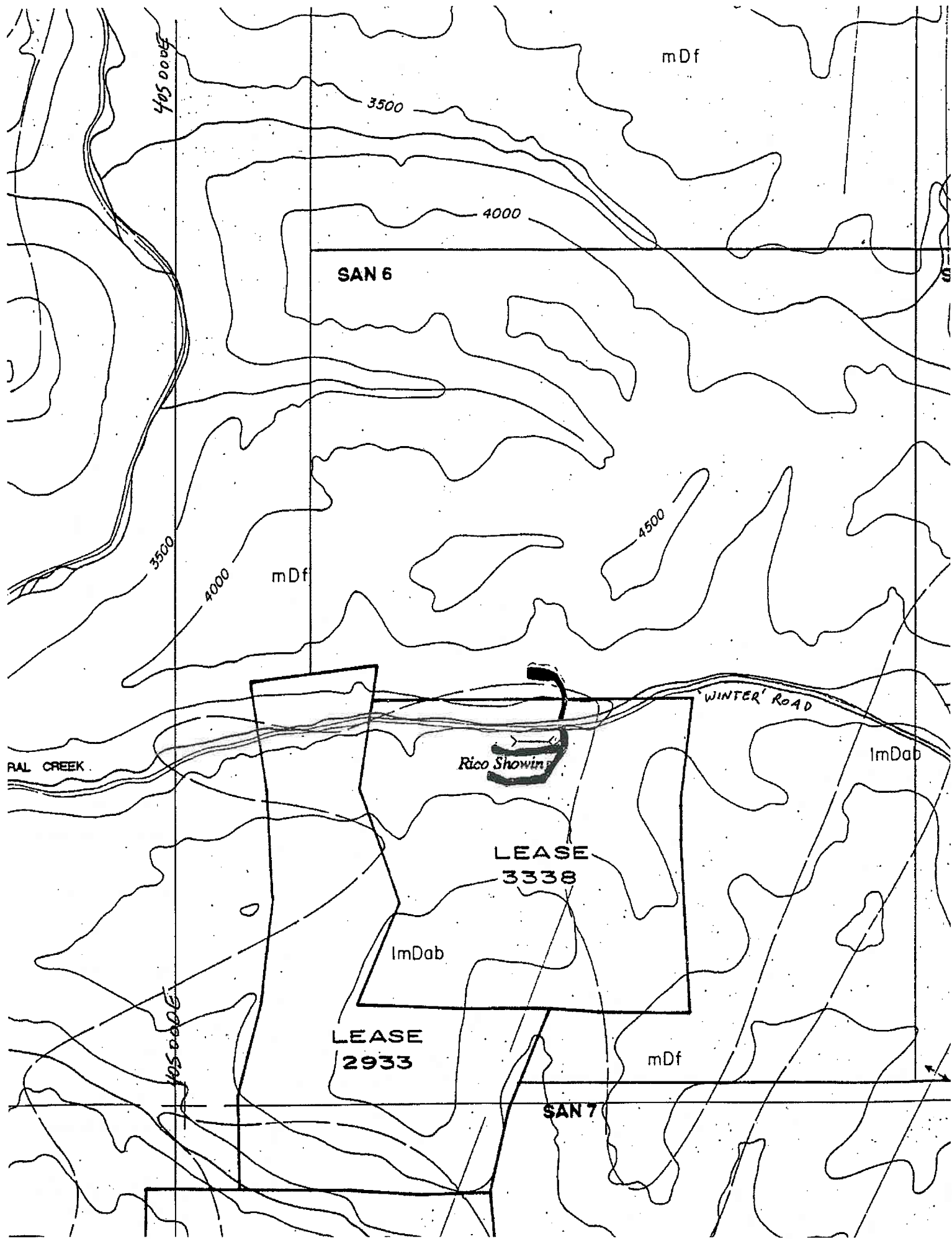
Zone 3  
PROPOSED POSSIBLE DRILL  
ROAD EXTENSION



MAP B  
ZONE 3 PLAN  
 1:20,000 scale  
 See attached  
 legend.  
 Land Use Permit  
 Application  
 Mar. '95.

**LEGEND**  
 6 825 000 N

- DEVONIAN**
- UPPER DEVONIAN
    - uDs Post - Emb
  - MIDDLE DEVONIAN:
    - mDn Post - Emb



mDf

3500

4000

SAN 6

3500

4000

mDf

4500

RAL CREEK

WINTER ROAD

Rico Showin

ImDab

LEASE 3338

ImDab

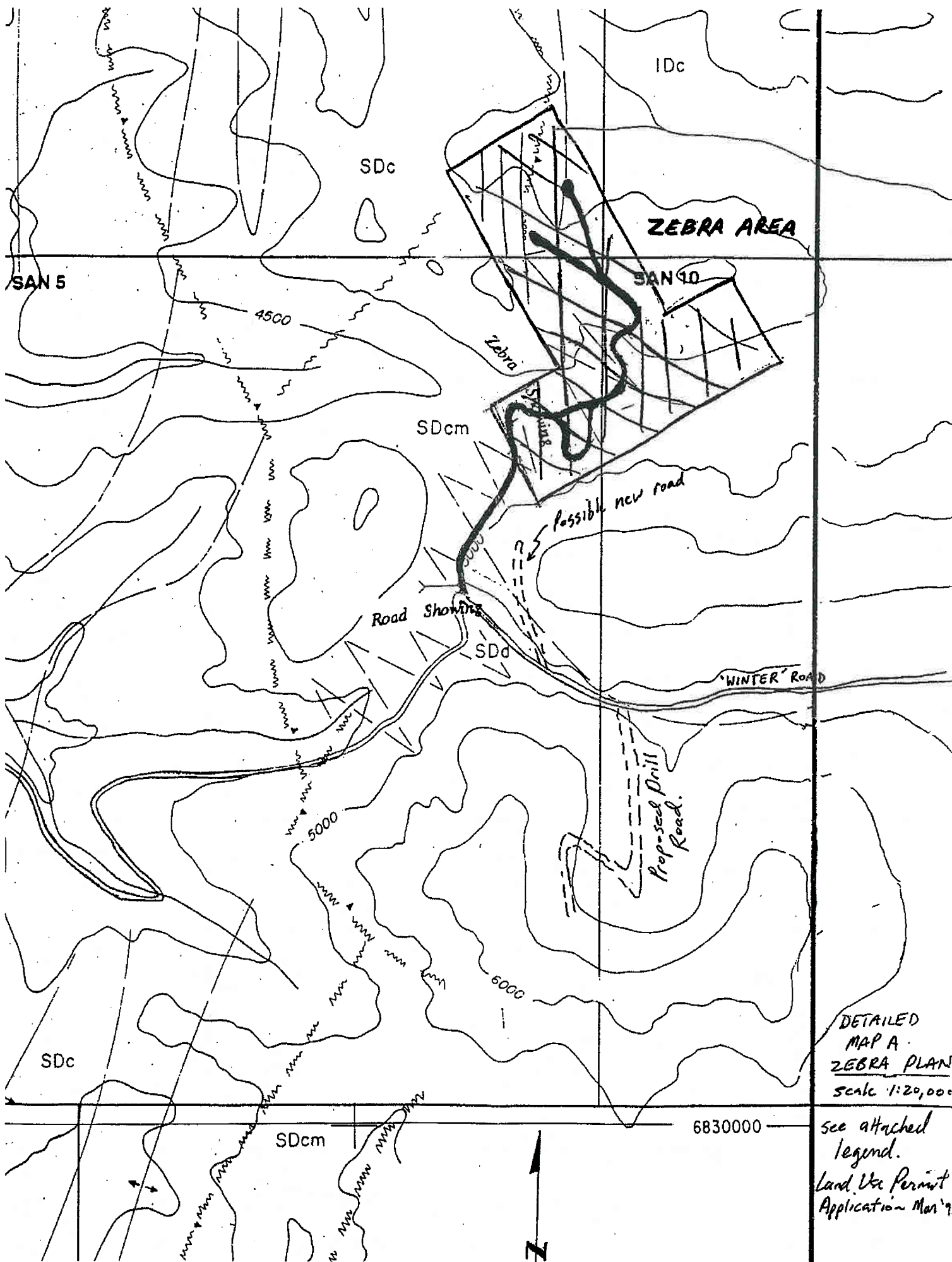
LEASE 2933

mDf

SAN 7

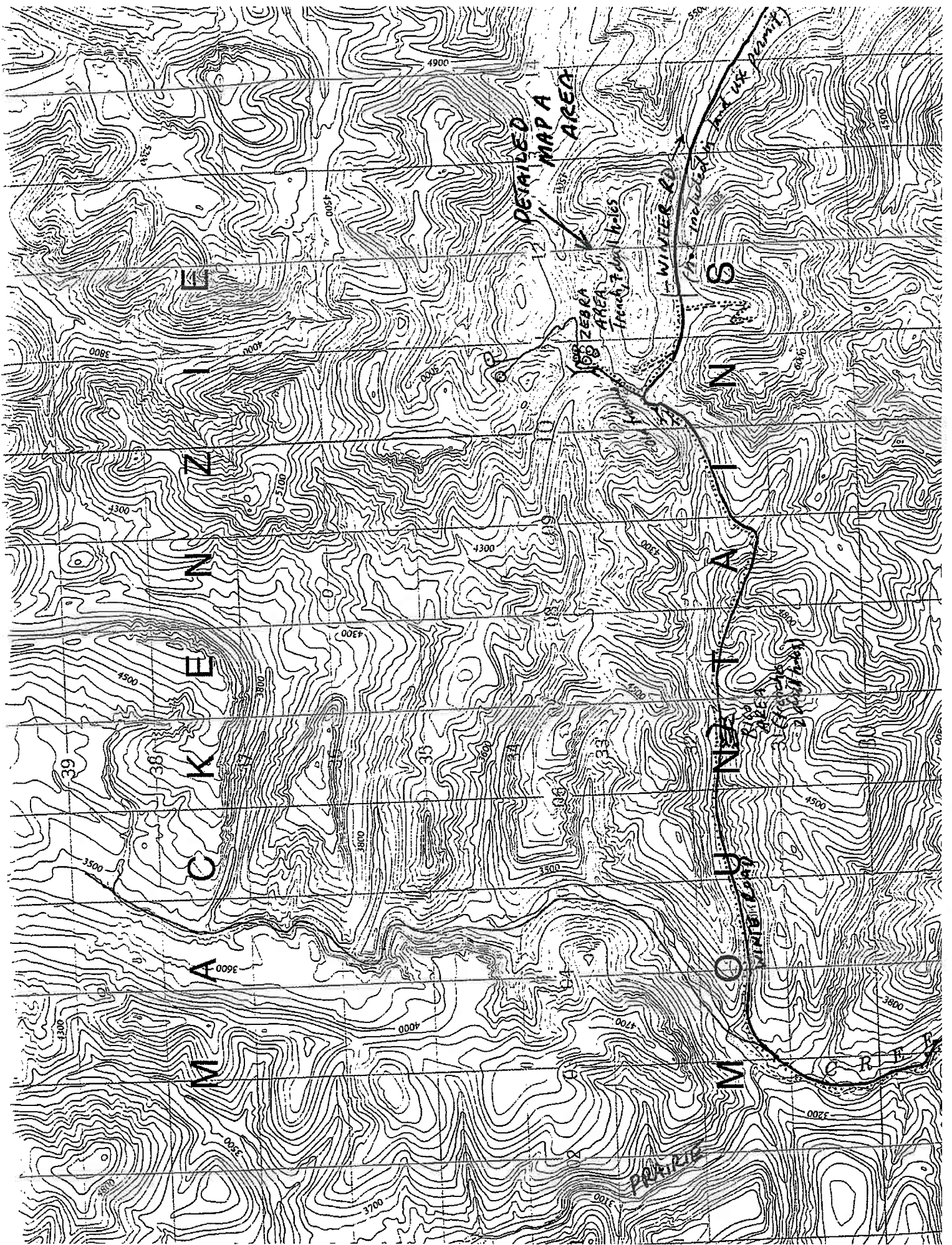
405 000E

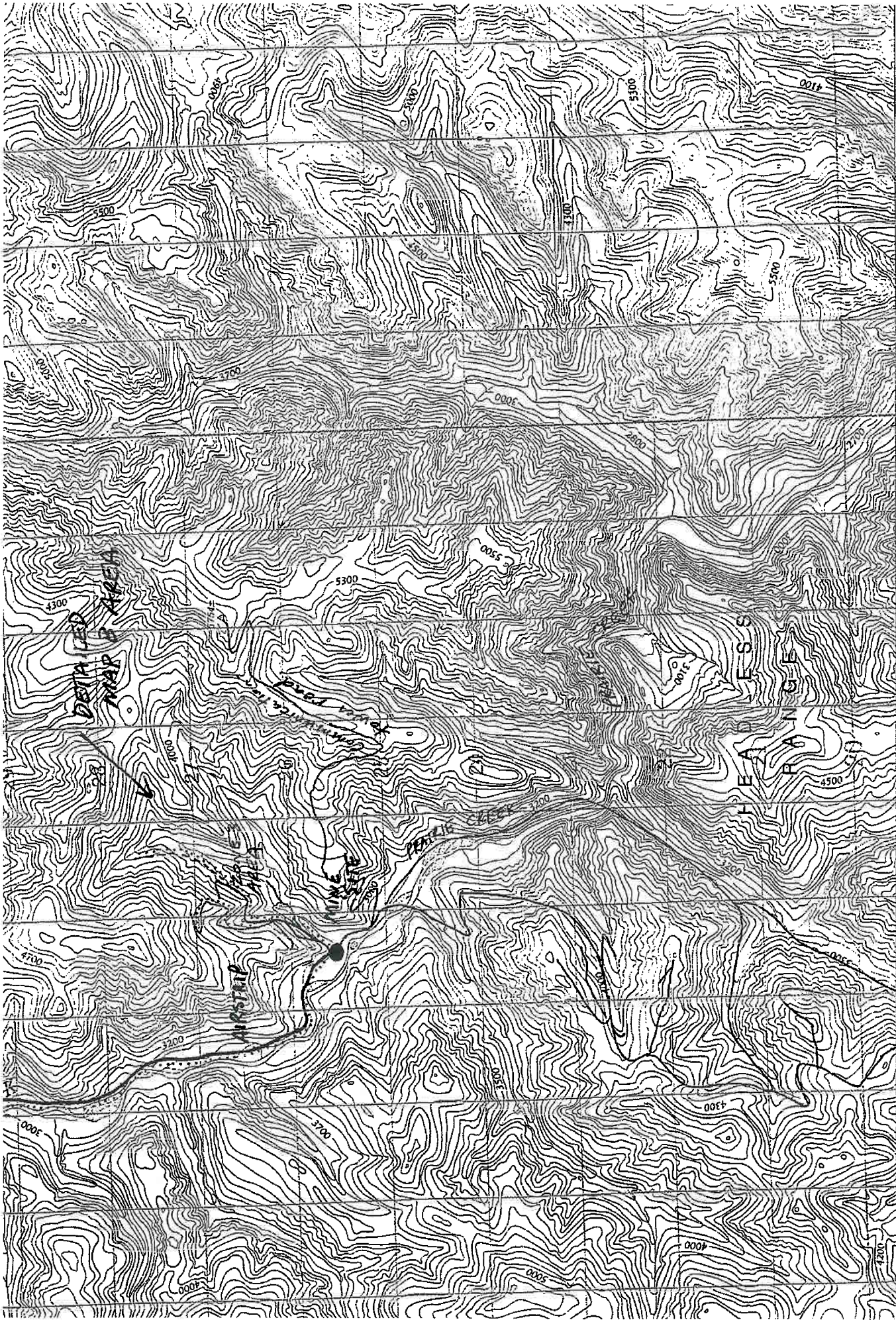




DETAILED  
 MAP A  
 ZEBRA PLAN  
 scale 1:20,000

see attached  
 legend.  
 Land Use Permit  
 Application Mar '91





MAP C Land Use Permit Area.  
 DISTRICT OF MACKENZIE

Existing Roads  
 Proposed drill roads



April 28, 1995

Indian and Northern Affairs  
4914 50th Street  
Yellowknife, NWT  
X1A 2R3

Attention: Annette McRobert  
A/Regional Manager

Dear Mrs. McRobert:

RE: Land Use Permit N95C373  
Amendment request - Prairie Creek  
Access, Diamond Drilling

On behalf of San Andreas Resources Corporation I would like to apply for an amendment to our Land Use Permit. The scope of our diamond drill program has recently expanded from ore reserve up-grading to a more widespread exploration diamond drill program. Consequently we would like to include the area to the South of Prairie Creek, and the Casket Creek Valley immediately North of Zone 3. The area to the South of the minesite should not required any new road construction; drilling can be carried out from the existing road network. These are the same roads utilized for access and diamond drilling by Cadillac back in the 1960's through 1980, and by San Andreas Resources for the past two years. To access the roads to the South it is necessary to cross Prairie Creek. The crossing is an area of moderately compacted river cobbles and gravel.

The proposed drilling in the Valley North of Zone 3, however, will require access road rehabilitation/construction(see 1:50,000 scale map enclosed). An old bulldozer road running up the valley exists already. Equipment required for this work would be as outlined on our permit application.

Spoke w Dave McKenna <sup>May 24/95</sup>  
at Fisheries + Oceans in  
Yellowknife (403-920-6633)  
He said he was going to leave  
Casket Cr as an 'open file' until  
we decide we definatly want to  
get in thru the cut (drill). He  
will be looking at approval on  
the zones to the South of  
Prairie Cr during periods of  
lower water (mid summer).  
- He will be on holidays all  
of July. Best deal is it  
in June. AMG.



Casket Creek has a very steep, narrow, rocky mouth just east of where it enters the Prairie Creek flood plain. It may not be possible to construct the road the 30 meter required distance from the high water level of the creek. We would therefor request special permission to align the road within the allowed distance from the high water level, if necessary.

Yours truly,

**SAN ANDREAS RESOURCES CORPORATION**

Sandy Gibson  
Project Geologist

cc: Bernie Gauthier  
District Manager



01 02 50 03 04 45 Joins 95 F/7 05 06 10 11 40 12 13 14

MAPC Land Use Permit Area.  
DISTRICT OF MACKENZIE

- Existing Roads 1:50,000 Plan Map 95 F/10
- - - Proposed drill roads
  - ..... Roads to be used for drill program access (included in March 1986 application)
  - ..... Roads to be used for drill program access (included in April 28/86 amendment request)

1:50,000 Map is equivalent to a standard 1:25,000 map

'ORIGINAL'



MAP C Land Use Permit Area  
DISTRICT OF MACKENZIE

1:50,000 Plan Map 95 F10  
Existing Roads  
Proposed drill roads  
Roads to be used for drill program access  
(included in March application)  
Roads to be used for drill program access  
(included in April 28th amendment request)

Map C is equivalent to standard

ORIGINAL

MAP A  
AREA  
DETAILED

DETAILED  
MAP B AREA

NEW ROAD (PROPOSED)  
(TO REPLACE OLD BUILDING ROAD)

WINTER ROAD

WINTER ROAD

WINTER ROAD

WINTER ROAD

WINTER ROAD

WINTER ROAD

WINTER ROAD

WINTER ROAD

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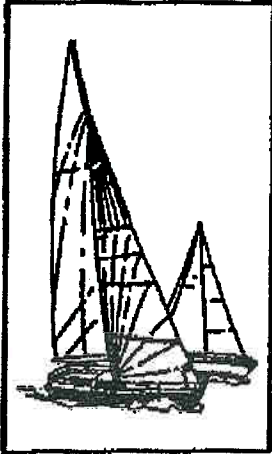
WINTER ROAD

WINTER ROAD

WINTER ROAD

CZW-Dec 12/08  
55-2 cond.  
:# 1/4

**F A X C O V E R S H E E T**



GOVERNMENT OF CANADA  
DEPARTMENT OF FISHERIES AND OCEANS  
CENTRAL & ARCTIC REGION  
BOX 2310  
YELLOWKNIFE, NT X1A 2P7  
PHONE 403-920-6640, FAX 403-873-8871

Date: 25 May 95

To: Mr. Sandy Gibson

Fax No: 604-688-2043

Pages to follow: 3

From: Mr. David McKenna

Comments:

Mr. S. Gibson,  
The following is DFO's comments  
regarding your amendment  
request to NASCFB.

Dave McKenna





Government  
of Canada

Gouvernement  
du Canada

Fisheries  
and Oceans

Pêches  
et Océans

Box 2310  
Yellowknife, N.W.T.  
X1A 2P7

Ph: (403) 920-8633  
Fax: (403) 873-8871

Your file Votre référence

N95C373

Our file Notre référence

SC95040

May 25, 1995

**By Facsimile**

Mr. Ken Leishman  
Land Administration  
Indian and Northern Affairs Canada  
P.O. Box 1500  
Yellowknife, NT X1A 2R3

Dear Mr. Leishman:

**Re: Amendment Request for Land Use Permit N95C373, San Andreas  
Resources Corporation, Prairie Creek, NT**

- 1) Crossing of Prairie Creek - Drill Equipment and Vehicles**
- 2) Reconstruction of Existing Road Along Casket Creek**

The Department of Fisheries and Oceans (DFO) has reviewed the information submitted with the above application.

On the basis of the information provided, DFO has determined that the above project has the potential to affect fish or fish habitat pursuant to the Fisheries Act. Under Section 12(3) of the Canadian Environmental Assessment Act, DFO as a federal authority is required to provide specialist information or knowledge to the responsible authority.

Recognizing the Department of Indian and Northern Affairs as the responsible authority for this proposal, DFO's assessment takes into consideration fish and fish habitat related concerns only. DFO has concluded that the potentially adverse environmental effects that may be caused by the proposal are mitigable with known technology.

**1) Crossing of Prairie Creek - Drill Equipment and Vehicles**

Concerns with this activity are in regards with the timing of crossings such that spawning migrations are not disturbed. Arctic grayling and longnose sucker populations utilize the Prairie Creek system for spawning and rearing, with spawning migrations occurring from approximately mid-May to mid-June. Stream crossings will

be permitted to occur under the following conditions:

1. The deposition of deleterious substances into water bodies frequented by fish is prohibited under Section 36 of the Fisheries Act. The proponent shall ensure that any chemicals, fuel or wastes associated with the proposed project do not enter any such waters. DFO recommends that all sumps, wastes and fuel caches be located a minimum of thirty (30) metres from the normal high water mark of any such water body.
2. The harmful alteration, disruption or destruction of fish habitat is prohibited under the Fisheries Act. No instream construction or disturbance of the stream bed or banks of any definable watercourse is permitted.
3. Fording of Prairie Creek by heavy equipment is not to occur until after June 15<sup>th</sup>, 1995.
4. No addition of fill material or alteration of the active stream channel will be permitted.
5. All equipment fording the stream must be clean and free of fuel/oil leaks.
6. Crossings shall be carried out as expediently as possible to minimize time instream.
7. All spills of oil, fuel, or other deleterious materials shall be reported immediately to the 24 Hour Spill Line at (403) 920-8130.
8. DFO shall be notified of any changes in plans or operating conditions associated with this land use activity which may adversely affect fish or fish habitat.

## 2) Reconstruction of Existing Road Along Casket Creek

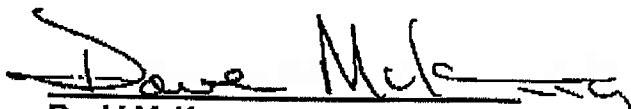
DFO has contacted the proponent with regards to this activity to request further information. The proponent was unable to provide any details as to the possible routing of the new alignment of this access road or if a new alignment would be required. DFO also contacted Mr. Bernie Gauthier, District Manager, DIAND, in Fort Simpson, NT. Mr. Gauthier indicated that this creek provided drainage during the spring freshet and that after the spring run-off it was a dry creek bed, except in the lower reaches. DFO has indicated to the proponent that when a decision is made as to whether or not they plan to access this area details regarding the construction and routing will be required.

Please note that none of the foregoing should be taken as authorization of the undertaking in accordance with the Fisheries Act or any other applicable legislation.

Failure to comply with any of the above conditions may result in the harmful alteration, disruption, or destruction of fish habitat in contravention of the Fisheries Act.

If you have any questions, concerns or comments with respect to the above, please contact me at 920-6633.

Yours truly,



David McKenna

Area Habitat Management Biologist, NWT West Area

- cc. Grant Pryznyk (A/Area Manager, DFO Yellowknife)  
Bernie Gauthier (District Manager, DIAND Fort Simpson)  
Sandy Gibson (Project Geologist, San Andreas Resources Corporation)



Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada

P. O. Box 1500  
YELLOWKNIFE, NT, X1A 2R3  
Phone 920-8165, Fax 920-4669

Your file / Votre référence

June 7, 1995

Our file / Notre référence

San Andreas Resources Corporation  
Suite 900-595 Howe Street  
Vancouver, B.C. V6C 2T5

Attention: Sandy Gibson  
Project Geologist

Dear Mr. Gibson:

**RE: SAN ANDREAS LAND USE PERMIT #N95C373 Prairie Creek  
AMENDMENT REQUEST DATED APRIL 28, 1995 for "UTILIZING  
EXISTING ACCESS ROAD, 'CROSSING OF PRAIRIE CREEK' SOUTH  
OF THE MINESITE AND RECONSTRUCTION OF EXISTING ACCESS  
ROADS ALONG CASKET CREEK; FOR DRILLING PURPOSES"**

Further to your letter dated April 28, 1995, this will confirm that the above Land Use Permit is hereby amended to include the work as outlined in your request.

We request that you minimize the crossing of Prairie Creek and schedule your operations so that crossings are made during low water levels. Only existing access roads are to be utilized. As well, please take extra care when preparing the access road at Casket Creek to minimize terrain disturbances, creek bed and back disturbances, and to carry out restoration measures in a progressive manner. Extreme care should be taken when transporting fuel products across Casket Creek.

Yours truly,

Sandra Bradbury  
Land Administrator  
Land Administration

cc: District Manager  
Fort Simpson

KEARNEY/dk

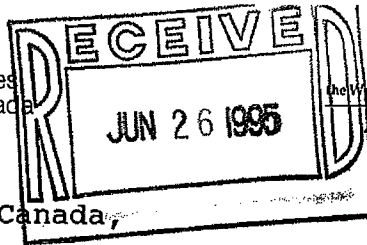
CZN-Rec 12108

55-3



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada



International Year of  
the World's Indigenous People  
A New Partnership



Année internationale  
des populations autochtones  
Un nouveau partenariat

Indian & Northern Affairs Canada,  
P.O. Box 150,  
Fort Simpson, NWT,  
XOE ONO

Your file    Votre référence

Our file    Notre référence

N95C373

June 16, 1995

San Andreas Resources  
Corporation,  
Suite 900 - 595 Howe Street,  
Vancouver, BC  
V6C 2T5

Attn: Sandy Gibson,  
Project Geologist

Re: Land Use Permit N95C373 Diamond Drilling  
Prairie Creek area, N.W.T.

Please find enclosed a copy of an Environmental Inspection Report prepared on the above noted project, authorized by Land Use Permit N95C373. The Inspection Report was prepared by Mr. Scott Davidson following the field inspection of June 15, 1995 with yourself and Mr. Allan Taylor in attendance.

Mr. Davidson advises that all aspects of the report's contents were discussed in detail, and that your Company will ensure restoration activities keep up with the operations as much as possible. I appreciate the fact that your field representatives took the time to escort and accompany our Inspectors to the sites, and we sincerely appreciate your assistance and co-operation.

We will be addressing your concerns on waste oil disposal and battery care and/or disposal as soon as we receive detailed information from Environmental protection agencies.

Yours truly,

*B. J. J. Gauthier*  
B.J.J. Gauthier  
District Manager

encls:

cc: Allan Taylor  
Dave Elgie  
Lands Admin

BJJG/fcm

Canada



Date June 15, 1995

Permit No. N95C 373.  
No de permis

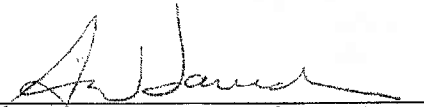
Explanation and Remarks (Continued)  
Explications et remarques (suite)

It is noted that in the area of Hole # 27 some erosion is beginning to occur. We note that this area be watched closely and that a vegetative cover be established. If there is sufficient brush and debris in the area this may be utilized to stabilize the site (condition #19). Restoration of all sites should be an on-going practice once it is determined that the area will not be further utilized. This includes all access trails which have been excavated (condition #11).

Brush disposal is also required on all sites and should be carried out with operations as they occur. To date three sites have been drilled as of the 1995 operating season. These sites are PC 95-95 which was inspected (this inspection) and is in the honeye area and PC 95-90 which extends west of P.C 95-92 which is west of P.C. 95-93.

Conditions at the site PC-95-93 were found to be satisfactory, a sump is constructed on site and the site was clear of any overhanging or debris.

Inspectors were accompanied by Alan Tonder and Sandra Gibson of San Ancho. We wish to thank these gentlemen for their cooperation and assistance during our inspection.

  
Land Use Inspector - Inspecteur de l'utilisation des terres

Note: This form is to be used as necessary in conjunction with the Land Use Inspection Report Territorial Land Use Regulations, IAND 52-221 (10-72).

Au besoin, annexer la présente feuille au rapport d'inspection de l'utilisation des terres, Règlements sur l'utilisation des terres territoriales, MAINC 52-221 (10-72).



ENVIRONMENTAL INSPECTION REPORT

Date: June 15, 1995

Permittee: (complete name and address) San Andreas Resources Corporation #900-595- Howe Street, Vancouver B.C. V6C 2T5

Land Use Permit No.	N95C373	Permit Expiry Date	April 11, 1997	Last Previous Inspection	Initial
Quarrying Permit No.					
Contractor:	as above.	Subcontractor:			

Location(s) Inspected: PC 95-93. Zone 3 bordering Zone 4.

Current Stage of Operation: Drilling in progress.

Program Modifications Approved: None noted.

Condition of Operation "A"-Acceptable "U"-Unacceptable "N/A"-Not Applicable

	Operating Condition	Aspect Inspected		
		Drilling	CAM/SIE	
A	Location as Permitted	A	A	
B	Timing as Permitted	A	A	
C	Equipment as Approved	A	A	
D	Methods & Techniques	A*	A	Note Condition #11
E	Facilities	A	A	
F	Erosion	A*	N/A	Condition #19.
G	Chemicals, Waste	A	A	
H	Wildlife & Fisheries Habitat	-	-	
I	Ecological Resource	-	-	
K	Fuel Storage	A	N/A	
L	Brush Disposal	A*	N/A	See Note
M	Matters Not Inconsistent	A	A	
N	Water Engineering	-	-	
O	Water Supply	-	-	
P	Restoration	-	-	
Q	Quarrying Methods	-	-	
R	Sections 12 to 19 T.L.U.R.	A	A	
S				
T				

Surveillance Network Program N/A.

Explanatory Remarks (attach page 2, if required) This site was inspected by S Dandson + K Helverson, Land Use Inspectors and Ken Etherington, Water officer from the Fort Simpson District office. Page 2 attached  Yes  No

Representative's Signature

RMO Initials

Inspector's Signature

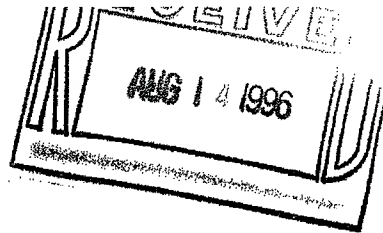
Representative's Title

District Mgr. Initials



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada



CZM=Dec 2/08  
55-3  
Cond

Indian and Northern Affairs Canada  
P.O. Box 150  
Fort Simpson, N.W.T.  
X0E 0N0

August 4, 1995

N95C373

San Andreas Resources Corporation  
Suite 900 - 595 Howe Street  
Vancouver, B.C.  
V6C-2T5

Your file    Votre référence

Our file    Notre référence

ATTENTION: Sandy Gibson

Re: Land Use Permit N95C373 - Diamond Drilling  
Prairie Creek Area, NWT.

Please find enclosed a copy of an Environmental Inspection Report carried out on the above noted Project authorized by Land Use Permit N95C373. The Inspection Report was prepared by Mr. Kent Halvorson, Resource Management Officer, accompanied by Mr. Ken Etherington, Water Resource Officer of the Fort Simpson Northern Affairs Office, on August 3, 1995. A copy of this report is attached for your review.

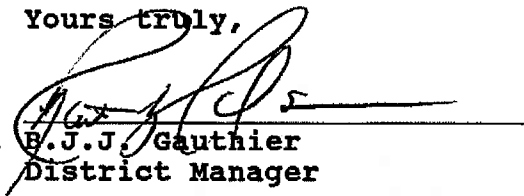
As indicated in the report, all aspects of the drilling program were fully acceptable with the exception of some access problems encountered over ice rich terrain. Areas of Perma Frost are very sensitive and should be avoided if at all possible.

Please ensure that the disturbed area is stabilized and sufficiently insulated to prevent further thawing. It is also apparent that you are having some problems with cat operators and gravity. I hope that this will be the last of such incidents and ask that you monitor the upset cat for signs of fuel and oil leakage. I trust that you will remove the wreckage as soon as you are able.

Once again, I would like to thank Mr. Sandy Gibson for his ever willingness to accompany and assist Inspectors and for the hospitality always extended during our visits.

If you have any questions regarding this inspection please contact the undersigned at 695-2626.

Yours truly,

  
B.J.J. Gauthier  
District Manager

encls.

cc:    Land Admin.  
      Dave Elgie  
      Allan Taylor

KMH/kh

Canada





ENVIRONMENTAL INSPECTION REPORT

Date: Aug. 3/95

Permittee: (complete name and address) SAN ANDREAS RESOURCE CORPORATION # 900 - 595 - HOWE STREET VANCOUVER B.C. V6C-2T5

Table with 4 columns: Land Use Permit No., Quarrying Permit No., Permit Expiry Date, Last Previous Inspection. Includes handwritten entries: 1195C.373, APRIL 11, 1997, JUNE 15, 1995. Contractor: AS ABOVE.

Location(s) Inspected: PC 95-109 PC95-111

Current Stage of Operation: ONGOING DRILLING PROGRAM

Program Modifications Approved: None noted.

Condition of Operation "A"-Acceptable "U"-Unacceptable "N/A"-Not Applicable

Large inspection table with columns: Operating Condition, Aspect Inspected (PC95-109, PC95-111), and a final empty column. Rows A through T list various conditions like Location as Permitted, Timing as Permitted, etc.

Surveillance Network Program N/A

Explanatory Remarks (attach page 2, if required) Both drill sites were inspected by Kent Johnson, Land Use Inspector, accompanied by Ken Edworthy, Upper Resource Officer from the Fort Simpson District office. Both drills are working in zone 3 close to the... Page 2 attached Yes No

Signatures: Representative's Signature (AMGibson), Inspector's Signature, RMO Initials, District Mgr. Initials



CZW Dec 2108

55-3  
cont



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

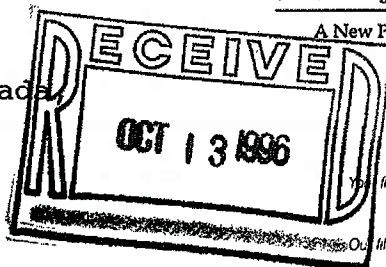
International Year of  
the World's Indigenous People



Année internationale  
des populations autochtones  
Un nouveau partenariat

A New Partnership

Indian & Northern Affairs Canada  
P.O. Box 150,  
Fort Simpson, NT  
XOE ONO



Your file    Votre référence

Our file    Notre référence

September 29, 1995

N95C373

San Andreas Resources Corporation,  
Suite 900 - 595 Howe Street,  
Vancouver, BC  
V6C 2T5

Attn: Sandy Gibson

Re: Land Use Permit N95C373 - Diamond Drilling  
Prairie Creek area, N.W.T.

Enclosed for your information and records is a copy of an Environmental Inspection Report carried out on the above noted project on September 28, 1995. The Inspection was done by Mssrs. K. Etherington and K. Halvorson of our Fort Simpson District Office and covered the drilling activity authorized under Land Use Permit N95C373.

The Inspectors report that the problem encountered with the melting perma-frost was corrected, as well as the removal of the two caterpillars that went down the hillside. Work at the present drill holes is acceptable and we wish to congratulate you and your staff for maintaining this degree of efficiency.

We would like to express once again, our thanks, to Mr. Taylor for his assistance in providing transportation and for his co-operation in this inspection and for the kind hospitality. Keep up the good work.

Yours truly,

*B. J. J. Gauthier*  
B.J.J. Gauthier,  
District Manager

encls.

cc: Lands Admin.  
Allan Taylor  
Dave Elgie

Canada



ENVIRONMENTAL INSPECTION REPORT

Date: SEPT. 18/1995

Permittee: (complete name and address) SAN ANDREAS RESOURCE CORPORATION  
# 900 - 595 - HOWE STREET VANCOUVER B.C. V6C-2T5

Land Use Permit No.	N95C 373	Permit Expiry Date	APRIL 11, 1997	Last Previous Inspection	AUG. 3, 1995
Quarrying Permit No.					
Contractor:	AS ABOVE	Subcontractor:			

Location(s) Inspected: P.C. 95-125 <sup>ZONE 3</sup> P.C. 95-127 in ZONE 4

Current Stage of Operation: Final 2 weeks of test drilling for this season.

Program Modifications Approved:

Condition of Operation "A"-Acceptable "U"-Unacceptable "N/A"-Not Applicable

	Operating Condition	Aspect Inspected		
		PC 125	PC 127	ZONE 3
A	Location as Permitted	A	A	A
B	Timing as Permitted	A	A	A
C	Equipment as Approved	A	A	A
D	Methods & Techniques	A	A	A
E	Facilities	A	A	A
F	Erosion	A	A	A
G	Chemicals, Waste	A	A	A
H	Wildlife & Fisheries Habitat	-	-	-
I	Ecological Resource	-	-	-
K	Fuel Storage	A	A	A
L	Brush Disposal	A	A	A
M	Matters Not Inconsistent	A	A	A
N	Water Engineering	-	-	-
O	Water Supply	-	-	-
P	Restoration	-	-	-
Q	Quarrying Methods	-	-	-
R	Sections 12 to 19 T.L.U.R.	A	A	A
S				
T				

Surveillance Network Program N/A

Explanatory Remarks (attach page 2, if required) Both drill sites were inspected in zones 1 and 4 as well as the spring frost area that was inspected in zone 3 along the drill site access routes. The spring frost has now stabilized with the addition of...  
Page 2 attached  Yes  No

Representative's Signature  
Representative's Title

RMO Initials

Inspector's Signature  
District Mgr. Initials



Date Sept 28 1995

Permit No. 18950373  
No de permis

Explanation and Remarks (Continued)  
Explications et remarques (suite)

At several points trees concerning the excavated area. These trees and the areas have been removed further north and the area has been cleared up considerably. This area and restoration work is fully acceptable.

The shell is on its last hole of the season up near the back end of zone #2. This is hole P.C. 95-125. The exposure to be very little return and this shell site is fully satisfactory.

The second shell is close to the same site in zone #4 and drilling hole # P.C. 92-127. This shell is scheduled to be drilled 2 more holes before the situation around mud patches. The shell also appears to be generating very little return and all aspects are fully acceptable.

Both D 8 cuts that were involved in the down hill slide and rollover incidents have been removed and one has been repaired and placed back into operation. The second cut has major damage in the chisel surface and will be repaired during the winter. Both slide areas in zone 2 have minimal damage and are acceptable.

Some erosion problems that were beginning in the area of hole # 27 in zone 3 have been stabilized with slash and blasted in 2:1 slope ratio because the June 15 inspection and report is attached and fully acceptable.

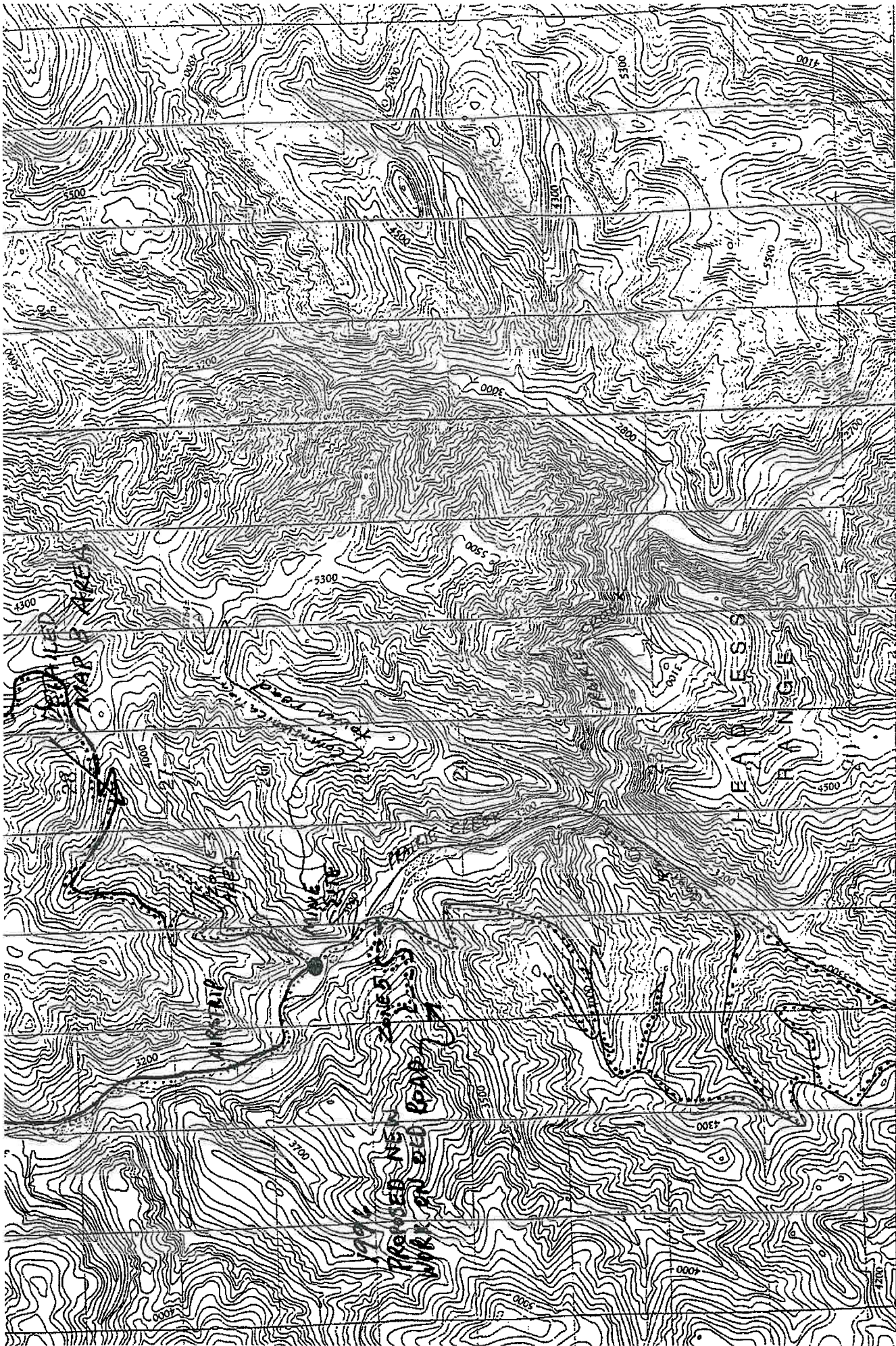
There are exposure to people in camp at this time and Bill Sidmark will be staying on as caretaker for the winter as Roger Doherty will not be returning to the camp back.

Thank you to Mr. M. Taylor for his hospitality and assistance during this inspection.

*[Handwritten signature]*

*[Handwritten signature]*  
Land Use Inspector - Inspecteur de l'utilisation des terres

Note: This form is to be used as necessary in conjunction with the Land Use Inspection Report Territorial Land Use Regulations, IAND 52-221 (10-72).  
Au besoin, annexer la présente feuille au rapport d'inspection de l'utilisation des terres, Règlements sur l'utilisation des terres territoriales, MAINC 52-221 (10-72).



MAP C Land Use Permit Area

Existing Roads

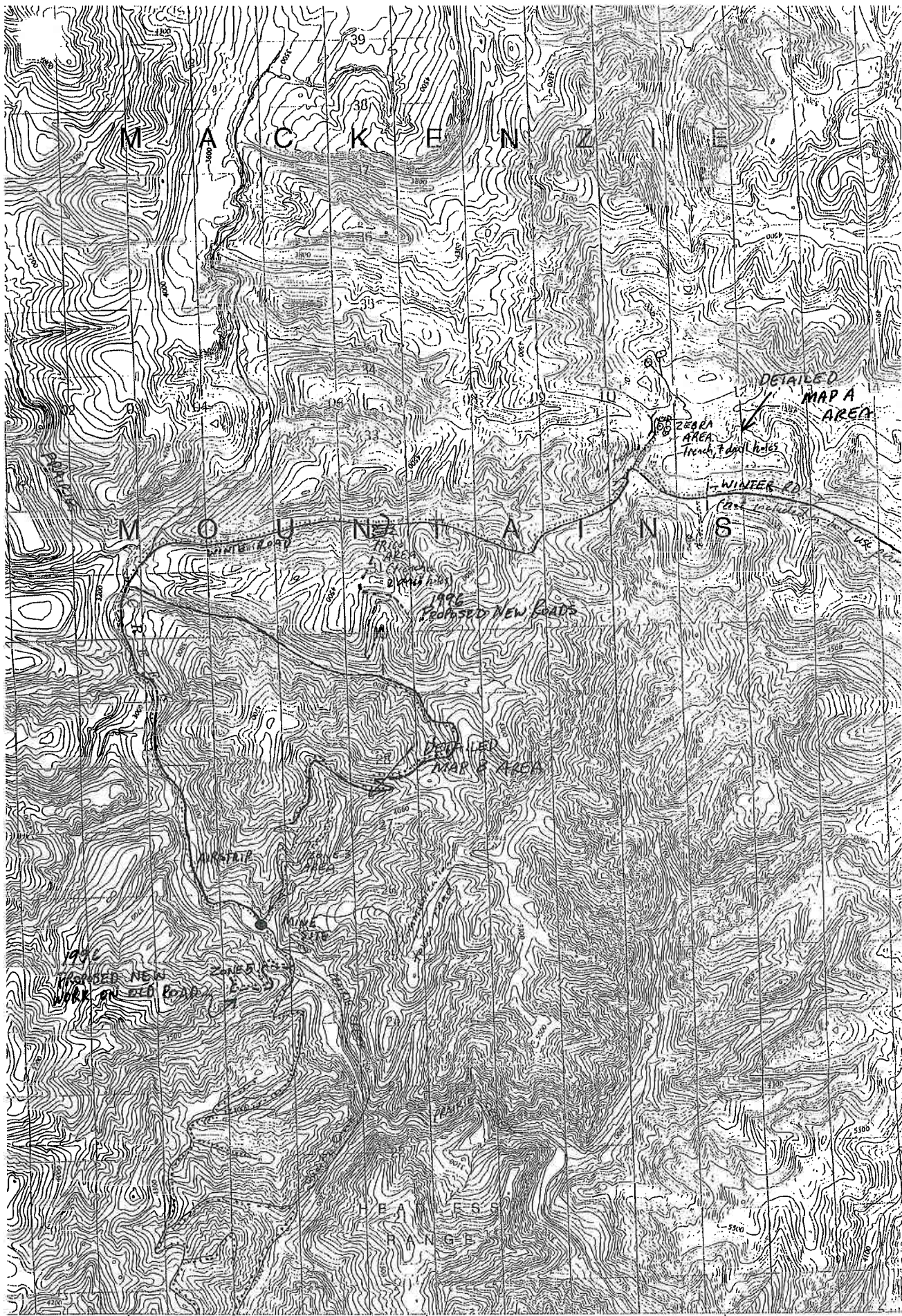
Proposed drill roads

Roads to be used for drill program access

1:50,000 Plan Map 95 F1

Cette carte présente également une carte renouée

original Map is equivalent in a standard



01 02 50' 03 04 45' 05 06 10' 11 40' 12 13

MAPC Land Use Permit Area  
 DISTRICT OF MACKENZIE

Existing Roads  
 Proposed drill roads  
 Roads to be used for drill program access

1:50,000 Plan Map 95 F1

Personal Map is equivalent to a standard map.

Petit carte inéquivalente à une carte standard

SAO File Copy  
55-9

May 16, 1996

Indian and Northern Affairs  
4914 50th Street  
Yellowknife, NWT  
X1A 2R3

Attention Annette McRobert  
A/Regional Manager

Dear Mrs. McRobert:

**RE: Land Use Permit N95C373  
Amendment Request - Prairie Creek  
Access, Diamond Drilling**

---

On behalf of San Andreas Resources Corporation I am applying for an amendment to our Land Use Permit N95C737. The company would like to expand the scope of exploration activity to include zones 10, 11 and 12, located in the southern part of the property (see attached 1:50,000 scale map from original permit application). This area was explored by previous operators in the 1970's-1980's. Road construction, trenching, mapping and sampling was carried out at that time. San Andreas would like to re-establish access roads to the mineralized zones in order to carry out geochemical soil sampling, trenching, mapping, sampling, and diamond drilling. Minimal new road construction is planned at this time.

Also in addition to proposed work outlined in the 1995 permit application / amendment, San Andreas would like to construct a new section of cat road between Casket Creek and the Rico Showing for diamond drilling access (see attached 1:50,000 scale map from original permit application). The company would also like to carry out additional geochemical soil sampling, mapping and trenching in the area between Casket Creek and the Rico Showing proximal to the proposed road.

Yours truly,

**SAN ANDREAS RESOURCES CORPORATION**



Sandy Gibson  
Project Geologist

cc: Bernie Gautier  
District Manager

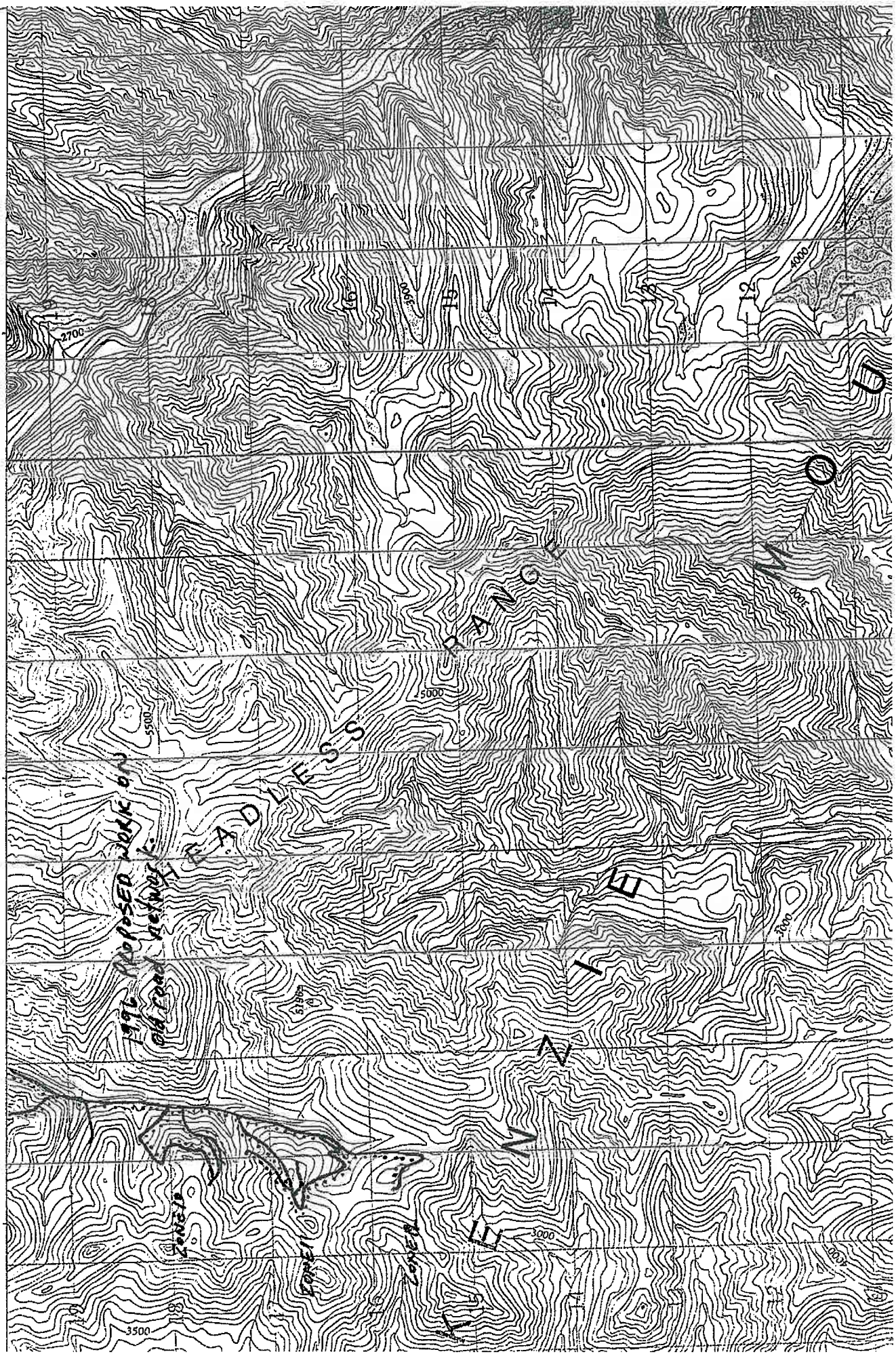


95F/7  
1:50,000 scale  
EDITION

02 50' 03 04 05 06 09 10 11 40' 12 13 14

# CANADA

Joins 95 F/10  
45'



CZW-12108

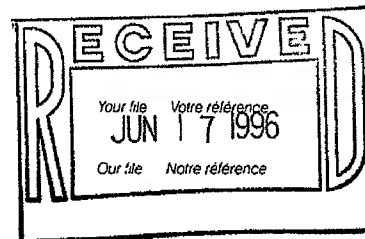
55-4 cont.



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

P. O. Box 1500  
Yellowknife, N.W.T. X1A 2R3  
Phone 669-2671, Fax 669-2713



June 6, 1996

San Andreas Resources Corporation.  
Suite 9500, 595 Howe Street  
Vancouver, B.C. V6C 2T5

**Attention: Sandy Gibson, Project Geologist.**

Dear Mr. Gibson

**Re: Land Use Permit N95C373 Amendment Request  
Access, Trenching, Sampling and Diamond Drilling.  
Prairie Creek Minesite Area, N.W.T.**

Further to your letter dated May 16, 1996, please be advised that the above Land Use Permit is only amended to include the area portion of your amendment request. The Access, Trenching, Sampling and Diamond Drilling portions of your request cannot be approved until we receive site specific sketches/maps, and detailed information for each of these other parts of your request.

Once we receive this information we will review it and if acceptable the operations will be approved subject to environmental guidelines and conditions.

If you have any questions please contact our Fort Simpson District office at (403) 695-2626 or Ken Leishman Assistant Lands Administrator, at (403) 669 2677.

Yours truly,

Sandra Bradbury  
Land Administrator  
Land Administration

For

cc: District Manager, Fort Simpson

LEISHMAN/kl

Canada



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

P. O. Box 1500  
Yellowknife, N.W.T. X1A 2R3  
Phone 669-2671, Fax 669-2713

Your file    Votre référence

Our file    Notre référence

June 6, 1996

San Andreas Resources Corporation.  
Suite 9500, 595 Howe Street  
Vancouver, B.C. V6C 2T5

Attention: ALLAN TAYLOR  
~~Sandy Gibson, Project Geologist.~~

Dear Mr. ~~Gibson~~ TAYLOR

Re: Land Use Permit N95C373 Amendment Request  
Access, Trenching, Sampling and Diamond Drilling.  
Prairie Creek Minesite Area, N.W.T.

Further to your letter dated May 16, 1996, please be advised that the above Land Use Permit is only amended to include the area portion of your amendment request. The Access, Trenching, Sampling and Diamond Drilling portions of your request cannot be approved until we receive site specific sketches/maps, and detailed information for each of these other parts of your request.

Once we receive this information we will review it and if acceptable the operations will be approved subject to environmental guidelines and conditions.

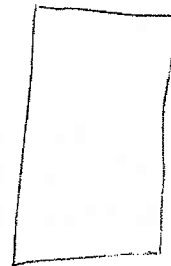
If you have any questions please contact our Fort Simpson District office at (403) 695-2626 or Ken Leishman Assistant Lands Administrator, at (403) 669 2677.

Yours truly,

Sandra Bradbury  
Land Administrator  
Land Administration

For

cc: District Manager, Fort Simpson



LEISHMAN/kl

Canada

Printed on recycled paper - Imprimé sur papier recyclé

CZW-Decl2/08  
55-4 cond  
**COPY**

June 27, 1996

Sandra Bradbury  
Land Administrator  
Indian And Northern Affairs Canada  
P.O. Box 1500  
Yellowknife, N.W.T.  
X1A 2R3

Dear Ms. Bradbury:

**Re: Land Use Permit N95C373 Amendment request  
access, trenching, sampling and diamond drilling  
Prairie Creek Minesite area, N.W.T.**

With regards to your letter of June 6, 1996 stating that the above Land Use Permit is amended to include the portion of our request May 16, 1996. I include the following site specific sketchmaps that were previously forwarded to your office . These 1:50,000 scale maps outline the area where we anticipate working. This will be mostly in the form of re-establishing former CAT roads and drilling in the immediate vicinity thereof. Some former trenches may be re-examined and surface soil sampling maybe completed in Zone 10 through Zone 12. The actual location of the diamond drilling cannot be known for sure, since this is determined by what is discovered as the exploration proceeds and is restricted by topographic conditions. I anticipate a minimal amount of new roads being required, it will mostly involve re-establishing former roads which are numerous throughout the area and constructing drill pads. Environmental guidelines and conditions will always be a top priority consideration.

If you have any further questions, please contact me as soon as possible since the exploration season is upon us.

Yours truly,

**San Andreas Resources Corporation**

Alan Taylor  
Project Manager

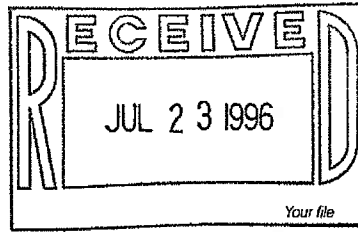
AT/ss  
encl

CZN-Dec 12/08  
55-4 cont



Indian and Northern Affairs Canada  
Affaires indiennes et du Nord Canada

P. O. Box 1500  
Yellowknife, N.W.T. X1A 2R3  
Phone 669-2671, Fax 669-2713



Your file / Votre référence

July 11, 1996

Our file / Notre référence

San Andreas Resources Corporation.  
Suite 9500, 595 Howe Street  
Vancouver, B.C. V6C 2T5

**Attention: Allan Taylor.**

Dear Mr. Taylor

**Re: Land Use Permit N95C373 Amendment Request  
Access, Trenching, Sampling and Diamond Drilling.  
Prairie Creek Minesite Area, N.W.T.**

Please be advised that the above Land Use Permit is now hereby amended to include the Access, Trenching, Sampling and Diamond Drilling portions of your requests dated May 16, 1996 and June 27, 1996.

All conditions annexed to Land Use Permit #N95C373 will apply to this amendment as well as the following additional conditions.

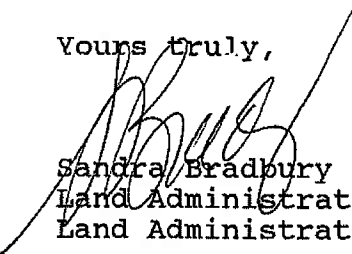
- 1. The Fort Simpson District Office of Indian and Northern Affairs Canada, phone # (403) 695-2626 is to be notified one week in advance of any activity commencing on the Land. NOTIFICATION
- 2. The permittee will identify the use of specific Access Roads, Trenching and Drilling locations in a progressive manner. All Land Use activity will be accompanied with sketch maps showing exactly where surface activities will take place. LOCATION OF ACTIVITIES
- 3. The permittee shall not construct an adit or drill site within thirty (30) meters of the normal high water mark of a stream unless approval in writing is obtained from the Engineer. LOCATION OF ADITS and DRILLSITES
- 4. The Location of fly camps established, are to be reported to the Fort Simpson District Office phone #(403)695-2626 as soon as they are set up. LOCATION OF FLY CAMPS

...../2

Our Water Resources section has advised us that your Fuel contingency plan is out of date. As the contingency plan was only effective from January 1, 1995 to December 31, 1995 please supply us with an updated contingency plan.

If you have any questions please contact our Fort Simpson District office at (403) 695-2626 or Ken Leishman Assistant Lands Administrator, at (403) 669 2677.

Yours truly,



Sandra Bradbury  
Land Administrator  
Land Administration

cc: District Manager, Fort Simpson

LEISHMAN/kl



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

55-4  
cond.

Indian and Northern Affairs Canada  
P.O. Box 150  
Fort Simpson, N.T. X0E 0N0

June 5, 1997

Your file Votre référence

Our file Notre référence

San Andreas Resources Corporation  
Suite 9500, 595 Howe Street  
Vancouver, B.C. V6C 2T5

Attention: Mr. Alan Taylor  
President

Re: Amendment for Bulk Sampling

Dear Alan,

I just received a response from Lands regarding the best route to follow for the bulk sample you plan to take in July. It is recommended that you apply for an amendment under your existing Land Use Permit N95C373. We will then do a regional and local consultation on this request which will take up to 10 days, after which the request will either be approved or denied.

I hope this response and the information faxed to you earlier today will be of some assistance to you. If you have any further questions please contact either myself or an Inspector from our office.

Yours truly,

Scott W. Davidson  
Resource Management Officer III

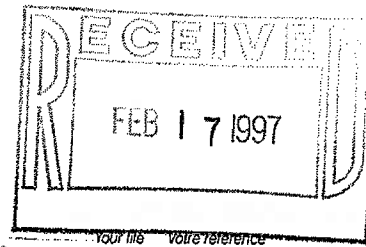
Canada



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

Land Administration  
P. O. Box 1500, Yellowknife, NT X1A 2R3  
Phone: (403) 669-2671 Fax: (403) 669-2713



February 11, 1997

San Andreas Resources Corporation  
Suite 900, 595 Howe Street  
Vancouver, BC V6C 2T5

**Attn: Allan Taylor**

Dear Mr. Taylor:

**Re: Land Use Permit N95C373  
Diamond Drilling Exploration  
Prairie Creek area, NT**

From the Land Use records of this office, it is noted that the captioned Land Use permit will expire on April 11, 1997.

At this time we wish to point out that prior to the expiry date of your Land Use Permit restoration, clean-up and removal of equipment, materials, buildings, etc., must be achieved.

Should you see the need to store buildings, equipment, and/or materials at the site you should request from this office an application for storage.

Should you require additional time to complete your Land Use operation, please refer to Section 31(5) of the Territorial Land Use Regulations regarding extensions of duration of a permit. An extension request must be received before the expiry date of the permit.

If no extension of permit is requested, you are required to submit a final plan of your Land Use operation within sixty (60) days of expiry, or June 11, 1997.

According to Section 33 of the Territorial Land Use Regulations, we require a final plan which shows:

1. the lands actually used for the Land Use operation, that is, a map or maps drawn to scale which clearly outline the area used by you, the Permittee, in such a manner that we can distinguish between areas used by you and those areas not used by you. The procedure normally used is to present two maps of different scales, one being 1:250,000 and the other being on a scale which clearly depicts the operation as it was conducted on the surface, distinguishing the use area vs. the non-use area.

...../2



**ALL MAPS MUST HAVE THE NORTH INDICATOR, SCALE, AND CO-ORDINATES CLEARLY MARKED.**

2. A submission indicating the hectares utilized in each segment of the land use operation, i.e., campsites, drill sites, seismic lines, access routes, etc.
3. A submission outlining the calculation of fees for ease of reference.

It would also be appreciated if you would advise us of any wildlife observations made during the course of your operation.

Yours truly,



Ken Leishman  
Assistant Land Administrator  
Land Administration

cc. District Office - Fort Simpson

BALZER/gb

(c) notify the applicant in writing that he has ordered further studies or investigations to be made respecting the lands proposed to be used and state the reasons therefor; or  
(d) refuse to issue a permit and notify the applicant in writing of his refusal and the reasons therefor.

(2) Where the Engineer has notified an applicant that further time is required to issue a permit pursuant to paragraph (1)(b), he shall, within forty-two days after the date of receipt of the application, comply with paragraph (1)(a), (c) or (d).

(3) Where the Engineer has notified an applicant that he has ordered further studies or investigations to be made pursuant to paragraph (1)(c), he shall, within twelve months after the date of receipt of the application, comply with paragraph (1)(a) or (d).

26. Where the Engineer receives an application for a Class B Permit that is not made in accordance with these Regulations, he shall, within three days thereafter, notify the applicant in writing that his application cannot be accepted and give the reasons therefor.

27. The Engineer shall, within ten days after receipt of an application for a Class B Permit made in accordance with these Regulations,

(a) issue a Class B Permit subject to any terms and conditions he may include therein pursuant to subsection 31(1); or

(b) refuse to issue a permit and notify the applicant in writing of his refusal and the reasons therefor.

28. The Engineer may, where he deems it necessary, notify an applicant in writing that his application for a Class B Permit will be considered as an application for a Class A Permit.

29. The Engineer shall assign a number to each permit.

*Display of Permit*

30. Every permittee engaged in a work or an undertaking authorized by a permit shall display

(a) an exact copy of the permit, including the conditions thereof, in such manner and at such places as the Engineer may require; and

(b) the number assigned to the permit on such articles and equipment, in such manner and at such places as the Engineer may require.

*Terms and Conditions of Permits*

31. (1) The Engineer may include in any permit terms and conditions respecting

(a) the location and the area of territorial lands that may be used;

(b) the times at which any work or undertaking may be carried on;

(c) the type and size of equipment that may be used in the land use operation;

c) donne au requérant un avis écrit et motivé à l'effet qu'il a ordonné des études ou enquêtes supplémentaires sur les terres dont l'utilisation est envisagée; ou

d) donne au requérant un avis écrit et motivé du rejet de la demande de permis.

(2) Lorsque l'ingénieur a, selon l'alinéa (1)b), avisé le requérant du délai supplémentaire requis pour la délivrance du permis, il se conforme aux alinéas (1)a), c) ou d), dans les quarante-deux jours de la réception de la demande.

(3) Lorsque l'ingénieur a, selon l'alinéa (1)c), avisé le requérant qu'il a ordonné des études ou enquêtes supplémentaires, il se conforme aux alinéas (1)a) ou d), dans les douze mois de la réception de la demande.

26. Dans les trois jours de la réception d'une demande de permis de catégorie B non conforme à ce règlement, l'ingénieur donne au requérant un avis écrit et motivé du rejet de sa demande.

27. Dans les dix jours de la réception d'une demande de permis de catégorie B conforme à ce règlement, l'ingénieur

a) délivre le permis sous réserve des conditions qu'il peut y énoncer, selon le paragraphe 31(1); ou

b) donne au requérant un avis écrit et motivé du rejet de la demande de permis.

28. L'ingénieur peut, lorsqu'il le juge nécessaire, aviser le requérant par écrit que sa demande de permis de catégorie B sera considérée comme une demande de permis de catégorie A.

29. L'ingénieur attribue un numéro à chaque permis.

*Affichage du permis*

30. Un détenteur de permis effectuant un travail ou une activité autorisée par le permis affiche

a) une copie conforme du permis et de ses conditions, de la façon et aux endroits prescrits par l'ingénieur; et

b) le numéro du permis sur les articles et l'équipement, de la façon et aux endroits prescrits par l'ingénieur.

*Conditions des permis*

31. (1) L'ingénieur peut énoncer dans un permis des conditions concernant

a) l'emplacement et la superficie des terres territoriales pouvant être utilisées;

b) les périodes au cours desquelles un travail ou une activité peut être exécutée;

c) le genre et la taille de l'équipement pouvant être employé lors de l'exploitation des terres;

- (d) the methods and techniques to be employed by the permittee in carrying out the land use operation;
- (e) the type, location, capacity and operation of all facilities to be used by the permittee in the land use operation;
- (f) the methods of controlling or preventing ponding of water, flooding, erosion, slides and subsidences of land;
- (g) the use, storage, handling and ultimate disposal of any chemical or toxic material to be used in the land use operation;
- (h) the protection of wildlife and fisheries habitat;
- (i) the protection of objects and places of recreational, scenic and ecological value;
- (j) the deposit of security in accordance with section 36;
- (k) the establishment of petroleum fuel storage facilities;
- (l) the methods and techniques for debris and brush disposal; and
- (m) such other matters not inconsistent with these Regulations as the Engineer thinks necessary for the protection of the biological or physical characteristics of the land management zone.

(2) The Engineer may modify any of the terms or conditions included in a permit on receipt of a written request from the permittee that sets out

- (a) the terms or conditions in the permit that the permittee wishes modified; and
- (b) the nature of the modification proposed and the reasons therefor.

(3) Where the Engineer receives a written request from a permittee pursuant to subsection (2), he shall notify the permittee of his decision and the reasons therefor within 10 days of receipt of the request.

(4) Every permit shall set out the period for which it is valid and such period shall be based on the estimated dates of commencement and completion as set out by the permittee in his application, but in no case shall a permit be valid for a period exceeding two years.

(5) On receipt of a written request from a permittee for an extension of the duration of his permit, the Engineer may extend the duration of the permit subject to such conditions not inconsistent with these Regulations as he thinks fit, for such period, not exceeding one year, as he thinks necessary to enable the permittee to complete the land use operation authorized by the permit.

### Reports

32. Every permittee shall submit to the inspector or Engineer, in a form and on a date satisfactory to the inspector or Engineer, such reports as are requested by the inspector or Engineer, in order to ascertain the progress of the land use operation.

1016

- d) les méthodes et techniques que doit employer le détenteur de permis lors de l'exploitation des terres;
- e) le genre, l'emplacement, la capacité et le fonctionnement de toutes les installations que doit utiliser le détenteur de permis lors de l'exploitation des terres;
- f) les mesures préventives contre l'accumulation d'eau, l'inondation, l'érosion, les glissements et les affaissements de terrain;
- g) l'emploi, l'entreposage, la manipulation et l'élimination des matières chimiques ou toxiques, qui doivent être utilisées au cours de l'exploitation des terres;
- h) la protection de la faune terrestre et aquatique;
- i) la protection des objets et lieux qui ont une valeur récréative, panoramique et écologique;
- j) le dépôt d'une garantie selon l'article 36;
- k) la mise sur pied d'installations pour l'entreposage du combustible;
- l) les méthodes et techniques pour disposer des débris et broussailles; et
- m) d'autres matières, compatibles avec ce règlement, que l'ingénieur juge nécessaires à la protection des caractéristiques physiques et biologiques de la zone de gestion des terres.

(2) L'ingénieur peut modifier les conditions d'un permis sur réception d'une demande écrite du détenteur, énonçant

- a) les conditions du permis que le détenteur désire faire modifier; et
- b) la nature et le motif du changement proposé.

(3) Dans les dix jours de la réception de la demande visée au paragraphe (2), l'ingénieur donne au détenteur de permis un avis motivé de sa décision.

(4) Le permis indique sa période de validité n'excedant pas deux ans et fixée d'après les dates prévues dans la demande de permis pour le commencement et la fin des travaux.

(5) Sur réception d'une demande écrite d'un détenteur de permis pour la prolongation de la durée de validité de son permis, l'ingénieur peut, sous réserve des conditions qu'il juge à propos et non incompatibles avec ce règlement, accorder la prolongation, n'excedant pas un an, qu'il juge nécessaire à l'achèvement de l'exploitation des terres autorisée par le permis.

### Rapports

32. Le détenteur de permis présente à l'inspecteur ou à l'ingénieur, dans la forme et aux dates qu'ils jugent satisfaisantes, les rapports qu'ils demandent afin de s'enquérir de l'avancement de l'exploitation des terres.

[10]



March 5, 1997

**\*\*VIA FAX\*\***  
403-669-2713

Ken Leishman  
Assistant Land Administrator  
Land Administration  
Indian and Northern Affairs  
P.O Box 1500  
Yellowknife, NT  
X1A 2R3

Dear Mr. Leishman:

**Re: Extension Request for Land Use Permit N95C373**  
**Diamond Drilling Exploration, Prairie Creek area , NT**

It has been noted that our present Land Use Permit will expire on April 11, 1997. San Andreas did not have an active exploration program in 1996 at Prairie Creek due to financial constraints. However, we expect to carry out the program as outlined in our 1996 amended permit in 1997. To that end San Andreas Resources Corporation requests a one year extension, under section 31 (5) of the Territorial Land Use Regulations, to our present Land Use Permit N95C373 (as amended April 28, 1995).

If further information is required, please contact us as soon as possible.

Yours truly,

A handwritten signature in black ink, appearing to read "Alan B. Taylor".

Alan B. Taylor  
President

AT/sf

**FAXED**



## **Fax Cover Sheet:**

**To:** Ken Leishman  
**Company:** Indian and Northern Affairs  
**Fax:** 403-669-2713

**From:** Alan B. Taylor  
**Company:** SAN ANDREAS RESOURCES CORPORATION  
Suite 900, 595 Howe Street  
Vancouver, BC V6C 2T5  
**Phone** (604) 688-2001  
**Fax:** (604) 688-2043

**Date:** March 5, 1997  
**Pages including this**  
**cover page:** 2

### **Comments:**

As follows.

CZN-Dec 12108



Indian and Northern Affairs Canada      Affaires indiennes et du Nord Canada

Land Administration  
P. O. Box 1500, Yellowknife, NT X1A 2R3  
Phone: (403) 669-2671 Fax: (403) 669-2713

Your file    Votre référence

March 12, 1997

Our file    Notre référence

San Andreas Resources Corporation  
900, 595 Howe Street  
Vancouver, BC      V6C 2T5

**Attn: Alan B. Taylor, President**

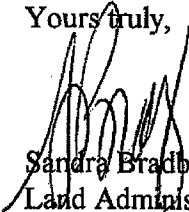
Dear Mr. Taylor:

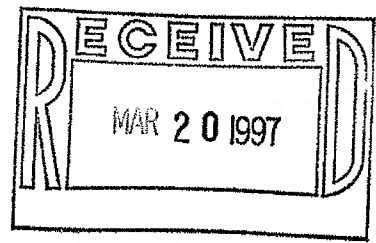
**Re:    Land Use Permit N95C373  
      Diamond Drilling Exploration  
      Prairie Creek area, NT**

Further to our letter dated February 11, 1997, this will confirm that the above land use permit is hereby extended from April 11, 1997 to April 10, 1998.

All conditions annexed to Land Use Permit N95C373 will apply to this extension.

Yours truly,

  
Sandra Bradbury  
Land Administrator  
Land Administration



cc.: District Office - Fort Simpson

BALZER/gb





Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada

Land Administration
P. O. Box 1500, Yellowknife, NT X1A 2R3
Phone: (403) 669-2671 Fax: (403) 669-2713

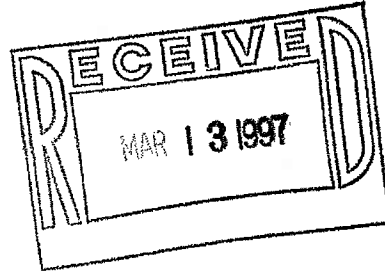
March 12, 1997

San Andreas Resources Corporation
900, 595 Howe Street
Vancouver, BC V6C 2T5

Attn: Alan B. Taylor, President

Dear Mr. Taylor:

Re: Land Use Permit N95C373
Diamond Drilling Exploration
Prairie Creek area, NT



Further to our letter dated February 11, 1997, this will confirm that the above land use permit is hereby extended from April 11, 1997 to April 10, 1998.

All conditions annexed to Land Use Permit N95C373 will apply to this extension.

Yours truly,

Handwritten signature of Sandra Bradbury

Sandra Bradbury
Land Administrator
Land Administration

cc.: District Office - Fort Simpson

BALZER/gb



July 30, 1997

VIA FAX/POST

Kent Halvorson  
Resource Management Officer III  
Indian and Northern Affairs Canada  
P.O. Box 150  
Fort Simpson, NT  
X0E 0N0

Dear Kent:

**Re: Update on Land Use Permit N95C373**

This is a note to keep your department updated on activity or the lack thereof at the Prairie Creek minesite.


No diamond drilling has taken place since the completion of our last active diamond drill exploration program in October 1995 though our land use permit was amended in June 1996. A one year extension to our Land Use Permit to April 10, 1998 was granted in March 1997; however circumstances have prevented the start of a diamond drilling program this year.

The main August activity at the minesite will be some small scale surface/underground/drill core sampling and geological mapping and surveying which will have minimal land disturbance. The company is also proceeding with a site clean up and reclamation of any previously disturbed areas.

Attached please find an updated spill contingency plan for your files.

If there are any further changes in our program I will keep you advised.

Yours truly,



Alan Taylor  
President

AT/sf

encl.