



Mackenzie Valley Environmental Impact Review Board

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 Re: Revised DAR Soc NSV (FA-03-004)

NOTES:

Attached is a revised Developer's Assessment Report from New Shoshoni Ventures.

Sherry

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Sherry Sian

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Sent: Friday, August 15, 2003 12:36 PM
To: Sherry Sian
Cc: Max Braden; Ralf Hillebrand
Subject: NSV DAR Re:submit

Sherry

Utilizing the comments on CGW DAR which I resubmitted earlier I have amended the NSV report along the same basis and am resubmitting it.

Please contact me if there is any questions.

Laurie Stephenson

8/15/2003

Development Assessment Report
For New Shoshoni Ventures Inc
Preliminary Exploration Program
MV2003C0016 Land Use Permit Application

Submitted to:

Mackenzie Valley Environmental Impact Review Board
Yellowknife, NT

Prepared by

New Shoshoni Ventures Inc.

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August 2003

TABLE OF CONTENTS

A	INTRODUCTION	1
	A-1 Non-technical Executive Summary	1
	A-2 Conformity Table	3
B	Developer (Mineral Exploration Company)	3
	B-1 Corporate History	3
	B-2 Proposed Development Ownership	4
	B-3 Organizational Structure	4
	B-4 Environmental Performance Record	5
C	Development (Exploration Program) Description	5
	C-1 Timing	5
	C-2 Access Roads, Camps and Drill Sites	5
	C-3 Operations	7
	C-4 Waste Management	8
	C-5 Water Use	8
	C-6 Future Development	8
D	Effects of the Environment on the Development	8
	D-1 Timing	8
	D-2 Operations	9
E	Alternatives	9
	E-1 Drill Sites and Camps	9
	E-2 Waste Management	9
F	Regulatory Regime	10
	F-1 Licenses, Permits and Authorizations	10
G	Public Consultation	10
	G-1 Consultation	10
	G-2 Issues Resolution Table	11
	G-3 Records	13
H	Assessment Boundaries	13
	H-1 Spatial	13
	H-2 Temporal	13
I	Subsistence and Traditional Land Use	14
	I-1 Compatibility	14
	I-2 Timing	14

J	<u>Fish and Wildlife Resources</u>	14
J-1	<u>Local Resources</u>	14
J-2	<u>Habitat Use</u>	19
J-3	<u>Direct and Indirect Impacts</u>	21
K	<u>Cultural and Heritage Resources</u>	22
K-1	<u>Local Resources</u>	22
K-2	<u>Direct and Indirect Impacts</u>	22
L	<u>Cumulative Effects</u>	22
M	<u>CONCLUSION</u>	23

LIST OF TABLES

Table 1	Conformity Table	3
Table 2	Regulatory Regime	9
Table 3	Consultation	10
Table 4	Issues Resolution	11
Table 5	Fish Found in the Drybones Bay Area	15
Table 6	Mammals Found in the Drybones Bay Area	16
Table 7	Birds Frequenting the Drybones Bay Area	17
Table 8	Some of the More Important Fish and Wildlife Species Found in the Drybones Bay Area	20

APPENDICES (ALL AFTER PAGE 24)

Appendix I	Consultation Report	25
Appendix II	DFO Letters	31
Appendix III	Inspectors Letters	34

LIST OF MAPS

MAP 1:	Areal Project Locations Map	38
MAP 2:	Drill Area Location – Drybones Bay Claims	39
	Camp Area Picture	40

1.0 INTRODUCTION

This Exploration Program summary has been prepared for Land Use Permit Application MV2003C0016 of New Shoshoni Ventures Inc. (New Shoshoni) and is submitted to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) in accordance with the referral made by the Mackenzie Valley Land and Water Board (MVLWB) in their preliminary screening.

In May, 2003, the MVLWB referred the Development to EA as per s. 125 of the Mackenzie Valley Resource Management Act (MVRMA). The reason cited for the referral was public concern over the potential for cumulative effects given the cultural, spiritual and environmental importance of the Drybones Bay Area

In response to the Terms of Reference and the comments made during the comment period by various affected communities and regulatory bodies, New Shoshoni is filing this document to comply with the said Terms of Reference and to address all the issues out lined as Items A through L of the exploration project as a *Development Assessment Report (DAR)*.

The following report describes the 'Development' as a preliminary mineral exploration project, similar to other preliminary exploration activities previously approved and conducted throughout the N.W.T.

A-1 Non-technical Executive Summary

New Shoshoni is planning to conduct an exploratory diamond core drilling program on two identified kimberlites and two potential kimberlite areas in the Drybones Bay Area of Great Slave Lake, N.W.T. The exploration activity will be of short to medium duration (8-10 weeks) and will be conducted in a manner that will ensure that there will be no significant impacts on the environment of the area. This expected result is consistent with similar experience demonstrated by other recent drilling exploration programs conducted throughout the Lac de Gras area and in the company's previous Drybones Bay area drilling program (Winter 2003). Further field work on the claims is anticipated and therefore the five year Land Use Permit has been applied for.

The preliminary exploration program will involve the drilling of up to ten bore holes in the immediate Drybones Bay area of Great Slave Lake at three proposed drill site areas. This area is located at least 500 metres west of an area that the Yellowknives Dene First Nation (YKDFN) has identified as being an archaeological site (Graveyard with approximately 10 graves in it). Most of the drill sites will be within the immediate bay area, along its shoreline, to the west in a small embayment to the southwest, in a low-lying area to the northwest of this embayment and north of the northerly islands of Drybones Bay.

The drilling program will utilize a portable drilling unit (Longyear 38) or equivalent, which can be mounted on a self moving unit or towed by a small tractor to the drill site on land or on the frozen lake ice surface. The drill bit will cut a hole that is between 2 to 5 inches in diameter depending on the type of drilling being undertaken and the rock conditions. Hole depths will range from 200-250 metres depending on location and targets. The amount of cuttings (rock bits) that will be produced from each hole will range from 0.25 –0.5 cubic metres per hole. Cuttings generated from the lake-based component of the drilling program will be contained and transported to Yellowknife for disposal at an approved landfill site. Cuttings generated from the land-based component of the drilling program will be deposited in a suitable depression well removed from the lake or nearby streams.

A temporary winter road on the lake ice from Yellowknife will be used for the daily commute of drilling crews. The road will also facilitate the complete clean up and transportation of all equipment and other garbage from the drill sites once drilling is complete

Due to the temporary nature of the drilling operation it is anticipated that less than 2000 litres of petroleum products will be on site at any given time. Fuel will be stored in 205 litre drums within a secondary containment unit in the camp. The fuel barrels will be the first containment unit and the storage area lined with an liquid immiscible barrier that has been an accepted practice throughout the NWT. The actual unit has not yet been decided on and in the long run may be a doubled walled unit. The idea is to ensure there is no spillage of any type and to have a spill plan in place as per DFO regulations to address the issue.

The exploration drilling program will be conducted over a 8-10 week period of time during the winter when relatively few species of wildlife are present or active and the terrain and vegetation is protected by ice and snow. In addition, the temporary disturbance footprint associated with each drill site will be limited to approximately 10 m². All unused consumables (fuel, drill rods, etc.) and wastes (drill cuttings, garbage, etc.) will be removed off site and returned to Yellowknife for recycling or disposal in an approved manner. Because of the short term, highly localized, relatively innocuous and reversible nature of this exploration drilling program, no significant environmental or cultural effects are expected to occur.

All land based drill sites will be kept as small as possible with consideration of safety in order to minimize the footprint of disturbance. Any bush and trees cut for survey lines, drill pad sites or camp locales will be reduced to manageable sizes and neatly piled. Where appropriate, cleared vegetation will be spread over exposed soil to prevent erosion and to enable seed stock to regenerate.

A-2 Conformity Table

Table 1 Conformity Table

Terms of Reference	Exploration Assessment Report:	Comment
A 1-3	Sections A-1 and 2	
B 1-4	Section B	
C 1, C 2, C 3	Section C	
C 4, C 5, C 6, C 7	Section C	
D 1, D 2	Section D	
E 1, E 2, E 3	Section E	
F 1	Section F Table 2	
G 1	Section G-1 Table 3	
G 2	Section G-2 Table 4	
G 3	Appendix I	
H 1, H 2	Section H	
I 1, I 2	Section I	
J 1; J 2; J 3	Section J	
K 1, K 2	Section K	
L	Section L	

B Developer (Mineral Exploration Company)

B-1 Corporate History

New Shoshoni Ventures Ltd. has been operating as a junior resource exploration company in Canada since 1985. During that period it has successfully operated exploration projects in British Columbia and the Yukon. Its directors have been active in mineral financing and exploration for over 30 years and its consultants for in excess of 35 years. The company conducted a preliminary exploration geophysical surveying and geological sampling program on its claims in northern British Columbia and on mineral properties in the Yukon Territory as well as drilling projects throughout Ontario and British Columbia. A similar drilling exploration program was conducted on the Drybones Bay area during the winter of 2003. This proposed program is a follow up to that program.

One of its consultants, Glen Macdonald, a graduate of the University of British Columbia with degrees in Economics (B.A., 1971) and Geology (B.Sc., 1973), has lived extensively in the Yukon and North West Territories, working as

Geologist since graduation for over 28 years. During that time he has worked as a Geologist for Whitehorse Copper Mine, Yukon Territory and acted as District Manager for Exploration for Yukon/Western N.W.T. for Noranda Exploration Since 1982 he has been working as a consultant to several junior mineral exploration and development companies conducting numerous exploration and advance exploration programs throughout the world. Mr. Macdonald was the on site project geologist for Avance International's 1996 drill program at Drybones Bay. He is a director of Starfield Resources with main responsibility for their Nunavut Territory Ferguson Lake developing mineral project.

Another consultant, Mr. Laurence Stephnson, graduated from Carleton University in 1975 with a Bachelor of Science degree in Geology then, in 1985, graduated from York University with a Masters of Business Administration. He is registered as a Professional Engineer for the Province of Ontario (1981) and in British Columbia (2002) and currently a member in good standing in both. With over 30 years experience in the field of mining exploration he has had experience running exploration programs in eastern Canada as District Geologist for Duval International Corp. and in British Columbia as President of Kokanee Exploration Ltd. As a director of Glencarin Explorations he oversaw the development of subsidiary company, Wheaton River conduct its exploration program in the Wheaton River area of Yukon Territory and subsequent mine development in Dease Lake area of Northern British Columbia. He was consultant to Starfield Resources' on their Nunavut Territory Ferguson Lake Project.

Another company consultant, Mike Magnrum has been involved in mineral exploration in the NWT growing up and maintaining a residence in Yellowknife.. William Timmins who oversaw the drilling earlier this year (2003) has worked extensively throughout the world including many projects in the Canadian North since graduating from the Haileberry School of Mines in 1965.

The company will be employing reputable northern contractors that have had extensive experience in the NWT and are based in Yellowknife. None have been identified as yet.

B-2 Proposed Development Ownership

The exploration project is located on claims directly owned by New Shoshoni Ventures Ltd.

B-3 Organizational Structure

The company president is Mr. Ralf Hillebrand. He, along with directors Mark Tommasi, John Fraser, Donald Weinert and Arthur Fisher will be responsible for the financing and overseeing the operations. Consultant Laurence Stephenson and Max Braden will be the main contact persons for the actual preliminary exploration program.

B-4 Environmental Performance Record

The company and its directors have never had a problem in conducting its exploration programs in an environmentally responsible manner and in accordance with prevailing regulatory requirements. The consultants have been involved in numerous exploration projects throughout Canada and the United States that involved environmental bonding and which have never resulted in any forfeiture or other regulatory action with respect to environmental performance. There has never been an incident of non-compliance by the company or its consultants with their environmental performance.

The New Shoshoni conducted an exploration drilling program in the Drybones Bay area during the winter of 2002/03. DIAND inspector's reports on their findings are provided in Appendix III of this DAR.

C Development (Exploration Program) Description

The exploration project proposes to drill up to ten diamond drill core holes on each of three areas identified as potentially prospective of hosting a kimberlite body.

These sites, identified in Section C-3, have been explored by ground and air borne systems in the past and drilling has intersected kimberlite which has been diamond bearing. The current exploration program is a continuation of the preliminary exploration commenced and fully permitted in the past with more detail to acquire additional sample data on the kimberlites to properly evaluate the initial findings.

C-1 Timing

The drilling program will be undertaken during the winter (February – April 2004) period to further minimize potential environmental effects and is expected to be of 8-10 weeks duration including mobilization and demobilization of drilling equipment and consumables to the site and for final clean up and restoration. Due to unknowns, when the Land use permit will be issued, when drill and equipment will be available and what the conditions of the ice will be like a definitive start date is highly speculative.

C-2 Access Roads, Camps and Drill Sites

The temporary winter access roads and drill sites are depicted on Maps 2, 2A and 2B and in accordance with existing NWT guidelines for the construction,

maintenance and closure of winter roads. During the winter of 2002/03 an ice road was constructed from Yellowknife to the Drybones Bay area to support ongoing exploration at that time. A similar road will be constructed over the lake ice to the Drybones Bay area during the winter of 2003/04 to support the current program.

A camp will be located in the area at an already established and previously permitted camp site of David Smith (permit # N199C0104) on the east side of Drybones Bay (Map 2) approximately 75 meters back from the shoreline of Great Slave Lake at approximately N62° 10' (lat) - W113° 47' (long) (UTM Coordinates 354350 East / 6892950 North). At various times during the period June 1, 2003 through October 31, 2005, the proposed camp will accommodate up to 8 persons., or have the capacity to expand to that size, and be comprised of 3-4 sleep tents, kitchen/dining tent, office/first-aid tent and wash/shower tent. Each tent will have a wooden frame and 3/4 inch plywood floor mounted on 2 x 6 beams. Additional structures will be established as required, either tents or modular structures, for latrines, supplies storage, core storage tent and helicopter supplies/equipment.. There will be a designated burn area with burn barrel, a helipad, camp fuel cache, diesel powered electrical generator, electric powered pump to provide potable water and personal hygiene lake water.

Potable water, pumped from the lake through an insulated, heated as required, poly-line, will be stored in a dry in a holding tank. Greywater will be dispersed through an insulated, heated as required, poly-line to an outfall at a sump of suitable capacity.

It is anticipate that a discrete fuel storage area will be established, at a location apart from the camp and sited the required distance from any watercourse, to store up to ten drums (205 Litres) of diesel fuel, four drums (205 Litres) of jet fuel, two drums (205 Litres) of gasoline and four containers (100 pounds) of propane. Oils required for the electrical generator and water pump will be stored in the generator shed. Two containers (100 pounds) of propane will be stored in the area of the kitchen area for cooking and domestic hot water. Spill kits and absorbent pads/material will be present at fuel storage/transfer sites. Drip pans will be utilized at all fuel transfer locations.

Most of the drill site areas are located in Great Slave Lake and along the shoreline area of Drybones Bay. The other potential drill site areas are located on land in a low-lying area and to the north of Drybones Bay. No helicopter use is anticipated.

C-3 Operations

Three main drill site areas are proposed:

NTS map sheets 85 I 4 & 85 I 3, NAD 27 is the grid at UTM co-ordinates:

Drill Site Area 1 Drybones Bay

Drilling on the claim Drybones 1

Centred on 353750 E 6892800N; 6 holes drilling depth 200 –300 metres;

Drill Site Area 2 SW bay in Drybones Bay

Drilling on the claim Drybones 1

Centred on 353500E 6892200N for 2 –3 holes ;drilling depth 200 –300 metres;

Drill Site Area 3

Drilling on the claim Drybones 2

Centred on 353700E 6893400N; possible only one hole; drilling depth 300 –400 metres;

The general drilling procedure for all drill holes will be as follows:

1. The drill is set up in a self-contained completely enclosed module with an opening for the drill rods to be put through to contact the ground.
2. A drill bit is fitted to the ground contact end of the drill rods.
3. The drill bit is turned at a very fast speed with pressure on it and it cuts through the overburden until it reaches solid rock. In most cases, casing (a larger diameter drill rod) is put down between the drill set up and the solid rock (for drilling under the lake ice, a casing will be installed from the water surface to the lake bottom to prevent loss of fluids and cuttings to the water column).
4. Drilling proceeds with the hollow drill bit cutting through the rock to capture a solid core of rock that is brought to surface by a wire line attached to the core barrel (a smaller diameter drill rod that fits inside the main drill rods), where it is analyzed by a geologist.
5. The drill bit cuts a hole that is between 2 to 5 inches in diameter depending on the type of drilling being undertaken and the rock conditions.
6. Core samples will be initially inspected on site and then transported to a facility in Yellowknife (yet to be secured) for additional analysis.

The number of people typically involved in the drilling program will be: 4 drillers plus or minus 1 Foreman and 1 geologist.

During the drilling program 1-2 geophysicists or geophysical technicians; and 1 or 2 geologists or Geotechnicians may also be in the general area but their actions are not covered by the scope of this application.

C-4 Waste Management

The primary wastes generated by the winter exploration drilling program include drill cuttings and general garbage such as empty fuel drums, food containers and drill mud constituent bags. For the on-ice component of the drilling program, all wastes, including the drill cuttings will be removed off the ice and recycled or disposal in an approved manner. For the on-land component of the drilling program, the drill cuttings will be disposed of in a suitable natural depression on the property land area.. The total amount of drill cuttings expected to be generated from the entire drilling program will be in the order of 2.5 to 5.0 cubic metres.

C-5 Water Use

Water required for most of the exploration drilling program will be obtained from the area of Drybones Bay, Great Slave Lake. Water will be re-circulated thereby reducing the quantity required to about 25,000 litres per hole. "Used" water with drill cuttings will be disposed of at on land in a safe benign manner as completed last winter.

C-6 Future Development

Preliminary exploration programs, as implied, represent one of the earliest stages of a typical mining project development cycle. As a result, the possible outcome of the drilling program is highly speculative and the interpretation completely unknown at this time. Therefore no future development plans are associated with this exploration program. If success were encountered, a number of additional years of confirmatory exploration drilling and bulk sampling would be required in order to determine whether a commercially viable mining development could be established.

D Effects of the Environment on the Development

D-1 Timing

The specific timing of the program could be affected by lake ice conditions and the weather. The program is being planned to take place during the latter part of winter when the lake ice has been well-established and determined to be safe for the on ice drilling program. Blizzards and high winds can result in temporary road closures due to the drifting-in of the ice road. This will necessitate specific

storm-related, as well as regular maintenance. Road closures and other weather-related delays can also extend the time frame required to complete the drilling program. For this reason, a 8-10 week work window has been incorporated into the drilling program.

D-2 Operations

Similar to the timing consideration, The exploration operations could be affected by lake ice conditions and the weather. The program is being planned to take place during the latter part of winter when the lake ice has been well-established and determined to be safe for the on ice drilling program. Blizzards and high winds can result in temporary road closures due to the drifting-in of the ice road. This will necessitate specific storm-related, as well as regular maintenance. Road closures and other weather-related delays can also extend the time frame required to complete the drilling program. For this reason, a 8-10 week work window has been incorporated into the drilling program.

E Alternatives

E-1 Camps

The proposed drill sites have been selected based on the results of previous airborne and ground-based geological surveys. As a result, they represent the most promising sites for the exploration drilling program. It may be possible to off-set specific drilling locations by a few metres to avoid sensitive sites if warranted.

Alternate options for camps would be a modular unit driven down on the ice during the winter and a similar type unit barged or boated to the area during the summer. Both these alternatives would involve higher cost, environmental and potential safety risk to personnel when compared to the long established camping on solid land alternative.

E-2 Waste Management

The current exploration program plans to remove and transport all drilling and associated wastes from the on-ice drilling program to Yellowknife for approved disposal. Similarly, all operational wastes from the on-land component of the drilling program, with the exception of the drill cuttings (which will be placed into an approved depression well removed from waterbodies) will be removed and transported back to Yellowknife for approved disposal. This is considered to be the most desirable option for handling these wastes. Another, less acceptable

option, which the company does not intend to pursue, is to leave or bury these wastes on site.

F Regulatory Regime

F-1 Licenses, Permits and Authorizations

Table 2 Regulatory Regime

Regulatory Authorization Required	Authorizing Authority
Land Use Permit	Mackenzie Valley Land & Water Board
Drill Permit	Worker's Compensation Board NWT & Nunavut

G Public Consultation

G-1 Consultation

Table 3 Consultation

Date	Who	Outcome
March 23, 2003	Faxed to all parties on List provided by MVLWB	Preliminary notice
March 2003	Luis Azzolinni, consultant for YKDN	Informed of Public Meeting April 2 nd ; that First Nations wanted to do business
April 2, 2003	All Local concerned First Nations	4 hour meeting, which addressed no specific concerns except to join with them in securing their treaty rights. Past events in the whole NWT were raised even though their was no direct relation to proposed program.
May 6, 2003	All First Nation communities as advised by MVLWB	Advised of application requested contact with concerns
May 9, 2003	Telephoned all contacts on MVLWB list	messages left for some, some advised that if they had concerns they would contact; some indicated support and would forward letter to board.
May 12, 2003	Calls returned left further messages.	Gameti First Nations indicated no questions or concerns; Rchel Crapeau of YKDFN indicated would review file again
May 2003	MVLRB	Referred application to MVEIRB
June 2003	MVEIRB	Discussions of how to proceed.
July 2003	MVEIRB	Final ToR received

No further consultation has been held except with the MVEIRB and other operators in the preparation of this DAR.

G-2 Issues Resolution Table

On April 2, 2003, New Shoshoni and several other resource companies attended the community of Dettah to participate in a land use consultation meeting with the Yellowknives Dene First Nation (“YKDFN”) with respect to the Drybones Bay and Wool Bay areas. As a result of that meeting, the company became apprised of the cultural, spiritual and historical significance of the Drybones Bay and Wool Bay areas to local First Nations members. It is New Shoshoni’s intention to continue communicating with the YKDFN prior to the commencement of any exploration activities, and, thereafter, on an ongoing basis with respect to its exploration activities in the area. In addition to this application, a separate letter will be going out to regional First Nation communities advising of this application and relating our desire to consult on planned exploration activities in and around the Drybones Bay Area of Great Slave Lake.

During the winter exploration program conducted by Diamonds North and Snowfield Development Corp., Dettah provided two environmental observers who were located in the immediate area of the project. We are led to understand that those observers were fully satisfied with the exploration methods and environmental clean-up undertaken by exploration companies.

Table 4 Issues Resolution

Issue	Resolution
Culturally vital: many residents grew up and spent summers in the area and continue to actively use area.	Issue as stated indicates predominantly a summer concern and usage; program conducted in winter would mostly be confined to an area offshore of any area that would have had normal human activity: therefore, spatially, program area does not conflict with referenced area of concern, timing of program does not conflict with any summer activities in the area, and the program duration is so short that any winter activities would not be compromised. New Shoshoni will monitor work area to ensure that all sites will be respected. Company will be using First Nation advisors to ensure no interference.
Spiritually Significant	Spatially the program areas are small and would not conflict with referenced areas of concern; the archaeological sites identified by YKDFN and the Prince of Wales North Heritage Centre within 1 km of the will be respected and local community sources will be consulted to provide any information to ensure that all sites will be respected. Company will be using First Nation advisors to ensure no interference.
Numerous grave sites along	Spatially the program areas are small and would not conflict with referenced areas of concern; the archaeological sites identified by YKDFN and the

Drybones Bay	Prince of Wales North Heritage Centre within 1 km of the will be respected and local community sources will be consulted to provide any information to ensure that all sites will be will be respected. Company will be using First Nation advisors to ensure no interference
Actively used for hunting	Program will be conducted in winter. Program duration is short and no effects on wildlife or hunting are anticipated.
Actively used for fishing	Program will be conducted in winter and confined to limited areas on the ice. Program duration is short and cuttings will be contained and deposited on shore Fish harvesting by local business is 45km away from site and is not active during winter months.
Actively used for trapping	Program will be conducted in winter. Program duration is short and no effects on wildlife or hunting are anticipated.
Actively used for berry picking	Program will be conducted in winter. Program duration is short and no effects on vegetation are anticipated. Program not conducted during berry picking time.
Site of Bald eagles (raptors)	Program would be conducted in winter when eagles and most other birds are not present. Program duration is short and no effects on birds are anticipated
Actively used for camping and campground areas	Issue as stated indicates predominantly a summer concern and usage; Program would be conducted in winter
Actively used for goose hunting	Program would be conducted in winter when geese and most other birds are not present. Program duration is short and no effects on geese or other birds are anticipated
Actively used for duck hunting	Program would be conducted in winter when ducks and most other birds are not present. Program duration is short and no effects on ducks or other birds are anticipated
Ecologically unique because they are the largest bays on the shoreline and provide a unique microclimate and unique ecosystem.	Program would be conducted in winter.. Program duration is short and no effects on wildlife, vegetation or ecologically unique areas are anticipated.
Unique habitat makes it excellent for wildlife	Program would be conducted in winter.. Program duration is short and no effects on wildlife, vegetation or ecologically unique areas are anticipated.
Sheltered bays are regularly used during lake travel (impact current use and activity patterns)	Ice road built by and for exploration companies and their program, traffic use would be minimal, 3-4 trips per day;, no spatial overlapping conflict; for the short duration of program drill rig and traffic could potentially be a benefit to other users caught in bad weather conditions.
Good places for picking medicinal plants (not sure	Program would be conducted in winter. No land would be disturbed so could not disturb any medicinal plant growth and program not conducted during

this pertains to Wool Bay)	medicinal plant harvesting time. No spatial overlapping conflict seen.
Main boat moorage on Windy days	Program would be conducted in winter so there would not be any boating conflict. No overlapping conflict occurs.
Significant impact on Treaty rights and alienation of current access to the land	Issue being addressed by government
Forest Resource impact-all trees getting knocked down	Travel and work area would be conducted in a workman like way so to minimize the cutting of trees,
Sound effects of wildlife	Duration of program would be short to minimize any impact, not immediate site of wildlife, most wildlife hibernating during program.
Improved Access	Winter road would be open only during program. Without constant plowing ice road covers over in a couple of days of windy conditions. Ice road would be completely gone when ice melts. Therefore, there is no improved access except for this short duration and is not a normal route for others. Most would have same access with skidoo anytime regardless of program an ice road.

G-3 Records

Appendix I is attached which details New Shoshoni's correspondence and consultation efforts over the past four months.

H Assessment Boundaries

H-1 Spatial

The proposed preliminary exploration drilling program is located in the Drybones Bay area along the northeast shoreline of the North Arm of Great Slave Lake . However, because of the highly localized nature of the preliminary exploration program as described, most environmental effects would be expected to be limited to the immediate area of the drill program sites, comprising approximately 100 square metres per drill site

H-2 Temporal

The proposed preliminary exploration drilling program will be of a very short term (8-10 week duration) and will occur during the winter period only. All drilling equipment and wastes generated by the drilling program will be removed off site and returned to Yellowknife for reuse, recycling or for approved disposal. As a result, the temporal boundary of activities will be limited to the winter period (February-April 2004).

I Subsistence and Traditional Land Use

I-1 Compatibility

At Dettah during the April 2, 2003 public meeting, a large map was displayed on the wall of the meeting room that identified all areas of their reported traditional use, including archaeological sites and other areas of importance to First Nations. During the public meeting, no traditional land use or any subsistence use was noted on the map or raised during the meeting with respect to New Shoshoni's proposed drilling program areas except for the gravesites located east of the area of the proposed drilling. The company will continue to consult with First Nations representatives to ensure that these archaeological sites remain undisturbed.

I-2 Timing

The 8-10 week duration of the exploration program will occur during the winter when the only use observed in the past has been passing snowmobiles. Based on past experience, no conflicts or other problems with passing snowmobiles would be expected to occur. However, the company would welcome visits to the drill site (s) by interested parties.

J Fish and Wildlife Resources

J-1 Local Resources

General

The Drybones Bay area is located within the ecoregion known as the Tazin Lake Upland. This is a smaller unit of the Taiga Shield Ecozone, a large generalized unit at the top of the ecological hierarchy as defined by the Canada Committee on Ecological Land Classification. This ecoregion stretches north from Lake Athabasca to beyond the east arm of Great Slave Lake. It is marked by cool summers and very cold winters, and has a subhumid, high boreal ecoclimate. The mean annual temperature is approximately -5°C. The mean summer temperature is 11°C and the mean winter temperature is -21.5°C. The mean annual precipitation ranges from 200 to 375 mm.

Vegetation

The boreal forest of the Tazin Lake Upland is influenced by the Canadian Shield, typified by upland rock and classified as rock-lichen woodland. At the landscape scale, habitat is characterized by a large number of lakes, rocky outcroppings interwoven with spruce forests, and bogs. Dominant terrestrial vegetation in the Drybones Bay area consists of white and black spruce, balsam poplar, trembling

aspen and white birch, containing undergrowth of smaller trees and shrubs such as willows and alders. Poorly drained fens and bogs are covered with low, open stands of tamarack and black spruce and have localized permafrost. Lakes within this zone are characterized by poor shoreline development and generally lack areas of shallow water.

Fish

Fish species likely to be found in waterbodies in the Drybones Bay area, including Great Slave Lake, are listed in Table 1.

Table 5 Fish Found in the Drybones Bay Area

Common Name	Latin Name
Arctic grayling	<i>Thymallus arcticus</i>
Burbot	<i>Lota lota</i>
Emerald shiner	<i>Notropis atherinoides</i>
Goldeye	<i>Hiodon alosoides</i>
Lake chub	<i>Couesius plumbeus</i>
Lake cisco	<i>Coregonus artedi</i>
Lake trout	<i>Salvelinus namaycush</i>
Lake whitefish	<i>Coregonus clupeaformis</i>
Least cisco	<i>Coregonus sardinella</i>
Longnose sucker	<i>Catostomus catostomus</i>
Inconnu	<i>Stenodus leucichthys</i>
Ninespine stickleback	<i>Pungitius pungitius</i>
Northern pike	<i>Esox lucius</i>
Round whitefish	<i>Prosopium cylindraceum</i>
Slimy sculpin	<i>Cottus cognatus</i>
Spoonhead sculpin	<i>Cottus ricei</i>
Spottail shiner	<i>Notropis hudsonius</i>
Trout-perch	<i>Percopsis omiscomaycus</i>
Walleye	<i>Stizostedion vitreum</i>
White sucker	<i>Catostomus commersoni</i>
Yellow perch	<i>Perca fluviatilis</i>

Terrestrial Wildlife

The Drybones Bay area lies within the boreal forest of the Taiga Shield Ecozone, however, both boreal and tundra animal species frequent the area. Approximately twenty-five species of mammals are expected to occur in this region (Table 2). Tundra species, such as the barren-ground caribou (*Rangifer tarandus groenlandicus*) is typically found within this ecoregion during the winter months, spending the summers on the tundra proper. Other species, such as the

gray wolf (*Canis lupus*) and the wolverine (*Gulo gulo*) are residents of both tundra and boreal forest, and are expected in the transitional ecoregion to the north, throughout the year. Finally, boreal species such as the mink (*Mustela vison*) and the beaver (*Castor canadensis*) are reaching their northern limit, at this longitude. These species are seldom found beyond the tree line.

Table 6 Mammals Found in the Drybones Bay Area

Common Name	Latin Name
Arctic fox	<i>Alopex lagopus</i>
Arctic ground squirrel	<i>Citellus parryi</i>
Arctic hare	<i>Lepus arcticus</i>
Arctic shrew	<i>Sorex arcticus</i>
Barren ground caribou	<i>Rangifer tarandus groenlandicus</i>
Beaver	<i>Castor canadensis</i>
Black bear	<i>Ursus americanus</i>
Brown lemming	<i>Lemmus trimucronatus</i>
Deer mouse	<i>Peromyscus maniculatis</i>
Ermine	<i>Mustela erminea</i>
Gray wolf	<i>Canis lupus</i>
Grizzly bear	<i>Ursus arctos</i>
Least weasel	<i>Mustela rixosa</i>
Lynx	<i>Lynx canadensis</i>
Marten	<i>Martes americana</i>
Masked shrew	<i>Sorex cinereus</i>
Meadow vole	<i>Microtus pennsylvanicus</i>
Mink	<i>Mustela vison</i>
Moose	<i>Alces alces</i>
Mountain phenacomys	<i>Phenacomys intermedius</i>
Muskrat	<i>Ondatra zibethica</i>
Northern bog lemming	<i>Synaptomys borealis</i>
Northern Flying squirrel	<i>Glaucomys sabrinus</i>
Northern water shrew	<i>Sorex palustris</i>
Porcupine	<i>Erethizon dorsatum</i>
Pygmy shrew	<i>Microsorex hoyi</i>
Red fox	<i>Vulpes vulpes</i>
Red squirrel	<i>Tamiasciurus hudsonicus</i>
River otter	<i>Lutra canadensis</i>
Shorttail weasel	<i>Mustela erminea</i>
Snowshoe hare	<i>Lepus americanus</i>
Tundra red-backed vole	<i>Clethrionomys rutilus</i>
Wolverine	<i>Gulo gulo</i>
Yellow-cheeked vole	<i>Microtus xanthognathus</i>

Birds

The Taiga Shield Ecozone is also home to approximately 125 species of birds, the majority of which are seasonal migrants (Table 3). Any of these species could be expected to occur in the Drybones Bay area from time to time. The lakes and wetlands of the north provide habitat for a remarkable number of waterfowl and shorebirds. A number of raptors utilize this region, either as residents or migrants. They include the bald eagle (*Haliaeetus leucocephalus*) northern harrier (*Circus cyaneus*), peregrine falcon (*Falco peregrinus*) and rough-legged hawk (*Buteo lagopus*). Only a few bird species, such as rock and willow ptarmigans (*Lagopus lagopus* and *L. mutus*) and common raven (*Corvus corax*) overwinter within this ecozone.

Table 7 Birds Frequenting the Drybones Bay Area

Common Name	Latin Name	Common Name	Latin Name
American bittern	<i>Botaurus lentiginosus</i>	Least flycatcher	<i>Empidonax minimus</i>
American kestrel	<i>Falco sparverius</i>	Least sandpiper	<i>Calidris minutilla</i>
American pipit	<i>Anthus rubescens</i>	Lesser golden plover	<i>Pluvialis dominica</i>
American redstart	<i>Setophaga ruticilla</i>	Lesser scaup	<i>Aythya affinis</i>
American robin	<i>Turdus migratorius</i>	Lesser yellowlegs	<i>Tringa flavipes</i>
American tree sparrow	<i>Spizella arborea</i>	Lincoln's sparrow	<i>Melospiza lincolnii</i>
American widgeon	<i>Anas americana</i>	Long tailed jaeger	<i>Stercorarius longicaudus</i>
Arctic loon	<i>Gavia arctica</i>	Magnolia warbler	<i>Dendroica magnolia</i>
Arctic tern	<i>Sterna paradisaea</i>	Mallard	<i>Anas platyrhynchos</i>
Bald eagle	<i>Haliaeetus leucocephalus</i>	Merlin	<i>Falco columbarius</i>
Bank swallow	<i>Riparia riparia</i>	Northern flicker	<i>Colaptes auratus</i>
Barn swallow	<i>Hirundo rustica</i>	Northern harrier	<i>Circus cyaneus</i>
Belted kingfisher	<i>Ceryle alcyon</i>	Northern pintail	<i>Anas acuta</i>
Black and white warbler	<i>Mniotilta varia</i>	Northern shoveler	<i>Anas clypeata</i>
Blackpoll warbler	<i>Dendroica striata</i>	Northern shrike	<i>Lanius excubitor</i>
Black tern	<i>Chlidonias nigra</i>	Oldsquaw	<i>Clangula hyemalis</i>
Blue-winged teal	<i>Anas discors</i>	Orange-crowned warbler	<i>Vermivora celata</i>
Bohemian waxwing	<i>Bombycilla garrulus</i>	Osprey	<i>Pandion haliaetus</i>
Bonaparte's Gull	<i>Larus philadelphia</i>	Palm warbler	<i>Dendroica</i>

			<i>palmarum</i>
Boreal chickadee	<i>Parus hudsonicus</i>	Parasitic jaegers	<i>Stercorarius parasiticus</i>
Boreal owl	<i>Aegolius funereus</i>	Peregrine falcon	<i>Falco peregrinus tundrius</i>
Bufflehead	<i>Bucephala albeola</i>	Pine grosbeak	<i>Pinicola enucleator</i>
Canada goose	<i>Branta canadensis</i>	Red-breasted merganser	<i>Mergus serrator</i>
Canvasback	<i>Aythya valisineria</i>	Red-necked grebe	<i>Podiceps grisegena</i>
Caspian tern	<i>Sterna caspia</i>	Red-necked phalarope	<i>Phalaropus lobatus</i>
Chipping sparrow	<i>Spizella passerina</i>	Red-tailed hawk	<i>Buteo jamaicensis</i>
Cliff swallow	<i>Hirundo pyrrhonota</i>	Red-throated loon	<i>Gavia stellata</i>
Common goldeneye	<i>Bucephala clangula</i>	Red-winged blackbird	<i>Agelaius phoeniceus</i>
Common loon	<i>Gavia immer</i>	Rock ptarmigan	<i>Lagopus mutus</i>
Common nighthawk	<i>Chordeiles minor</i>	Ruffed grouse	<i>Bonasa umbellus</i>
Common raven	<i>Corvus corax</i>	Rusty blackbird	<i>Euphagus carolinus</i>
Common redpoll	<i>Carduelis flammea</i>	Sandhill crane	<i>Grus canadensis</i>
Common snipe	<i>Capella gallinago</i>	Savannah sparrow	<i>Passerculus sandwichensis</i>
Common Tern	<i>Sterna hirundo</i>	Semipalmated plover	<i>Charadrius semipalmatus</i>
Dark-eyed Junco	<i>Junco hyemalis</i>	Sharp-shinned hawk	<i>Accipiter striatus</i>
Downy woodpecker	<i>Picoides pubescens</i>	Sharp-tailed grouse	<i>Tympanuchus phasianellus</i>
Eastern kingbird	<i>Tyrannus tyrannus</i>	Short-billed dowitcher	<i>Limnodromus griseus</i>
Eastern phoebe	<i>Sayornis phoebe</i>	Short-eared owl	<i>Asio flammeus</i>
Eskimo curlew	<i>Numenius borealis</i>	Snowy owl	<i>Nyctea scandiaca</i>
Fox sparrow	<i>Passerella iliaca</i>	Solitary sandpiper	<i>Tringa solitaria</i>
Goshawk	<i>Accipiter gentilis</i>	Sora	<i>Porzana carolina</i>
Gray jay	<i>Perisoreus canadensis</i>	Spotted sandpiper	<i>Actitis macularia</i>
Gray-cheeked thrush	<i>Catharus minimus</i>	Spruce grouse	<i>Canachites canadensis</i>
Great horned owl	<i>Bubo virginianus</i>	Surf scoter	<i>Melanitta perspicillata</i>

Greater scaup	<i>Aythya marila</i>		Swainson's thrush	<i>Catharus ustulatus</i>
Greater white-fronted goose	<i>Anser albifrons</i>		Swamp sparrow	<i>Melospiza georgiana</i>
Greater yellowlegs	<i>Tringa melanoleuca</i>		Tennessee warbler	<i>Vermivora peregrina</i>
Green-winged teal	<i>Anas crecca</i>		Three-toed woodpecker	<i>Picoides tridactylus</i>
Gyrfalcon	<i>Falco rusticolus</i>		Tree swallow	<i>Tachycineta bicolor</i>
Hairy woodpecker	<i>Picoides villosus</i>		White-crowned sparrow	<i>Zonotrichia leucophrys</i>
Harris' sparrow	<i>Zonotrichia querula</i>		White-throated sparrow	<i>Zonotrichia albicollis</i>
Hermit thrush	<i>Catharus guttatus</i>		White-winged crossbill	<i>Loxia leucoptera</i>
Herring gull	<i>Larus argentatus</i>		White-winged scoter	<i>Melanitta fusca</i>
Horned grebe	<i>Podiceps auritus</i>		Willow ptarmigan	<i>Lagopus lagopus</i>
Horned lark	<i>Eremophila alpestris</i>		Wilson's warbler	<i>Wilsonia pusilla</i>
Ivory gull	<i>Pagophila eburnea</i>		Yellow warbler	<i>Dendroica petechia</i>
Killdeer	<i>Charadrius vociferus</i>		Yellow-rumped warbler	<i>Dendroica coronata</i>
Lapland longspur	<i>Calcarius lapponicus</i>			

Cold-blooded terrestrial species are uncommon in the Taiga Shield Ecozone. The only species potentially present at or near the Drybones Bay area is the wood frog (*Rana sylvatica*), although distribution records for amphibians in the NWT are poorly known.

Three species of bird (Eskimo Curlew, Ivory Gull and Short-eared Owl) and two species of mammal (wolverine and grizzly) that may frequent the area on occasion are ranked by COSEWIC (2002) as having special conservation status.

J-2 Habitat Use

Table 4 provides a general list of fish, bird and mammal species with an indication of their importance to traditional harvesting , their conservation status and comments on the likely effect of the proposed exploration drilling program on these resources.

Table 8 Some of the More Important Fish and Wildlife Species found in the Drybones Bay Area

	Species	Importance to Supporting Traditional Harvesting	Species at Risk	Comments re: exploration Program
Fish	Arctic Grayling	x		Short duration no effect
	Burbot	x		Short duration, localized, no effect
	Cisco	x		Short duration, localized no effect
	Inconnu	x		Short duration, localized no effect
	Lake Trout	x		Short duration, localized no effect See comments below
	Pike	x		Short duration, localized no effect
	Walleye	x		Short duration, localized no effect
	Whitefish	x		Short duration, localized no effect
	Yellow perch	x		Short duration, localized no effect
Birds	Raptors-Hawks, eagles, etc.			Migratory not present during winter
	Geese	x		Migratory not present during winter
	Ptarmigan	x		Occasional encounter possible, no effect
	Ducks	x		Migratory not present during winter

Mammals	Moose	x		Occasional encounter possible, no effect
	Caribou	x		Occasional encounter possible, no effect
	Black Bear	x		In Hibernation
	Wolves	x		Occasional encounter possible, no effect
	Lynx	x		Occasional encounter possible, no effect
	Martin	x		Occasional encounter possible, no effect
	Red Fox	x		Occasional encounter possible, no effect
	Beaver	x		encounters unlikely, no effect

The shoals of Drybones Bay may be used by lake trout for spawning and rearing (to a maximum depth of 10 metres). The drill sites are located in water depths deeper than 15 metres. Lake trout spawning occurs in the late fall and the eggs hatch in the spring.

J-3 Direct and Indirect Impacts

The exploration drilling project is being undertaken during the late winter period. During this time, most bird species, with the exception of ptarmigan and raven are absent from the area, having migrated south during the previous fall. Wildlife species that are active and may be present during the drilling program period include barren-ground caribou, wolves, wolverines, foxes, lynx, martin, weasels and hares. Bears will still be in hibernation throughout the drilling program period.

The exploration drilling program is of a short term nature, requiring approximately 8 to 10 weeks to complete the proposed holes (up to ten) at 3 sites. Two sites, located near the west side of Drybones Bay are landbased. The remaining sites are located in the waters or on the shoreline of Drybones Bay, Great Slave Lake in water depths exceeding 15 metres.

The temporary disturbance footprint associated with each drill site will be limited to approximately 10 m². All unused consumables (fuel, drill rods, etc.) and wastes (drill cuttings, garbage, etc.) will be removed off site and returned to Yellowknife for recycling or disposal in an approved manner.

For the offshore portion of the drilling program the company will be incorporating additional mitigation measures such as avoidance of possible lake trout spawning and rearing areas and drilling within casing through the water column, in accordance with the expectations of the Department of Fisheries and Oceans (DFO). As a result of strict compliance with the advice of DFO, effects on fish and fish habitat are expected to be negligible.

Because of the short term, highly localized, relatively innocuous and reversible nature of this exploration drilling program, no significant environmental effects are expected to occur.

K Cultural and Heritage Resources

K-1 Local Resources

During the April 2, 2003 public meeting in Dettah no culturally important or heritage sites were identified at the proposed locations New Shoshoni's exploration drilling program. The closest site identified on land is located in the Drybones Bay east shore area, approximately 0.5 kilometres distant to the area of lakewhere drilling is proposed to take place. The trap lines and travel routes identified on the community map presented at the public meeting were observed to not to be located in the vicinity of the proposed program. .

K-2 Direct and Indirect Impacts

Based on our understanding of the locations of known cultural and heritage sites in the Drybones Bay area, based on the community map in Dettah, no direct or indirect effects on cultural or heritage sites are expected to occur as a result of implementation of the proposed New Shoshoni exploration drilling program.

L Cumulative Effects

The MVEIRB has initiated the preparation of an independent cumulative effects assessment for all proposed exploration activities in the Drybones Bay area. New Shoshoni is expected to participate in this cumulative effects assessment as appropriate. Specifically, we understand the company will be asked to participate in an interview. This cumulative effects assessment will:

- identify Valued Components that may be affected by this development in combination with other past, present and reasonably foreseeable future

developments, and provide the rationale for the choice of Valued Components;

- identify other human activities that can affect those same Valued Components;
- describe the potential combined impact of the proposed undertaking in conjunction with previous, present and reasonably foreseeable human activities;
- and describe ways to avoid, mitigate and manage those impacts.

The results will be made available in the form of a report that will be provided to New Shoshoni and all other parties to the EA on August 20th following the receipt of the DAR. A public hearing will be held to focus on cumulative effects. At this time, New Shoshoni will have the opportunity to give a presentation on our development's potential contribution to cumulative effects on traditional and subsistence land use, fish and wildlife resources as well as cultural and heritage resources. New Shoshoni will also be required to describe any proposed mitigation to ameliorate these potential effects, including providing evidence to indicate the likely effectiveness of the mitigation.

New Shoshoni looks forward to participating in this study and providing input and finding solutions to mitigate any potential conflicts that may be identified.

4 CONCLUSION

New Shoshoni 's preliminary exploration program described in this *Development Assessment Report* is short term, completely reversible and will leave no discernable footprint.

The exploration drilling program will be conducted over a 8-10 week period of time during the winter when relatively few species of wildlife are present or active and the terrain and vegetation is protected by ice and snow. In addition, the temporary disturbance footprint associated with each drill site will be limited to approximately 10 m². All unused consumables (fuel, drill rods, etc.) and wastes (drill cuttings, garbage, etc.) will be removed off site and returned to Yellowknife for recycling or disposal in an approved manner. Because of the short term, highly localized, relatively innocuous and reversible nature of this exploration drilling program, no significant environmental or cultural effects are expected to occur.

New Shoshoni Ventures Inc., respectfully submits this Development Application Report to the MVEIRB the and looks forward to the expeditious resolution of any

outstanding issues leading to the approval and implementation of this preliminary exploration project in the Drybones Bay area.

Appendix I

Consultation Report

06/06/03 WED 10:20 FAX

005

New Shoshoni Ventures Ltd.
604 - 475 Howe Street
Vancouver, B.C.
V6C 2B3

09 May 2003

Laurie Cordell
Mackenzie Valley Land and Water Board
7th Floor - 4910 - 50th Avenue
P.O. Box 2130
Yellowknife, N.W.T.
X1A 2P6

Re File MV2003C0016

Dear Laurie,

Following please find my First Nations Consultation Log for the above application. Included is a copy of my letter of May 6th. To date I have had no response to my fax of March 23 or May 06.

Dave Balint of Fisheries and Oceans had some questions which were addressed. A copy of this correspondence is attached.

I will do some follow up calls on Monday and will advise of anything that comes out of them.

Should you need anything further please give me a call at 873-1542, Fax 920-2505 or mbraden@theedge.ca.

Yours truly,

Max Braden
For New Shoshoni Ventures Ltd.

New Shoshoni Ventures Ltd.
Drybones Land Use Application
First Nations Consultation Contacts as provided by MVLWB.

Ms. Nadine Meech
DechuLaot' First Nation
P.O. Box 69
Wekweti, N.W.T.
XOE 1W0
Telephone 867-713-2010 / 713-2030 Fax

Lands and Environment Manager (Ndilo)
Yellowknives Dene First Nation
P.O. Box 2514
Yellowknife, N.W.T.
X1A 2P8
Telephone 867-873-8951 / 873-8545 Fax

Mr. Steven Ellis, Lands & Environment Manager
Lutsalk'e Dene First Nation
Box 28
Lutsalk'e N.W.T.
XOE 1A0
Telephone 867-370-3151 / 370-3010 Fax

Ms. Lana Paulson
Gameti First Nation
P.O. Box 1
Rac Lakes, N.W.T.
XOE 1R0
Telephone 867-997-3441 / 997-3411 Fax

Mr. John Ivey
Rac Edzo First Nation
P.O. Box 8
Rac, N.W.T.
XOE OYO
Telephone 867-392-6471 / 392-6150 Fax

Lands & Environment Manager (Dettah)
Yellowknives Dene First Nation
P.O. Box 2514
Yellowknife, N.W.T.
X1A 2P8
Telephone 867-873-4307 / 873-5969 Fax

Rac Edzo Metis Local #64
c/o Garth Wallbridge
Box 383
Yellowknife, N.W.T.
X1A 2N3
Telephone 867-920-4000 / 920-7389

Yellowknife Metis National Local #66 c/o Bill Engs 867-873-7860 / 669-7901 Fax

New Shoshoni Ventures Ltd.
Drybones Land Use Permit
First Nations Consultation Log 2003

- 23 March Faxed letter and location maps to all parties advising them that application was going to be submitted.
- 02 April Attended evening meeting at Dettah. Gave a brief presentation of the project. Listened to concerns raised.
- 06 May Faxed letter to all parties advising of application and requested to be contacted with any concerns or questions
Advised Rachel Ann Crapeau that I would be available to meet with her at any time to discuss any concerns.
- 09 May Phoned DechuLaoi First Nation and was advised that Jennifer Keith was handling file but was out until Monday. Left message.
Phoned Lutselk'e Dene First Nation and was advised that Steven Ellis was no longer Lands & Environment Manager. Spoke with Agatha LaBoueau, Acting Manager and she said she would review the file and contact me with any concerns.
Phoned Gameti First Nation and was told Maracheo Alvarez was now Lands and Environment Manager but was travelling. Left message. Tried to reach Mr. Alvarez at Yellowknife Inn but had checked out.
Phoned Rae Edzo First Nation and was advised John Ivey was no longer Manager. Spoke with Cliff Daniels, Councillor, who said he would advise Acting Manager Nancy Rabesca and also the Chief. Would reply if there were concerns.
Phoned Yellowknives Dene First Nation in Ndilo and was advised that Rachel Ann Crapeau in Dettah was handling file.
Phoned Rae Edzo Metis Local 64 at 371-3119, wrong number. Could not find Listing. It should be noted that my faxes were forwarded through Garth Wallbridge's office.
Phoned Yellowknife Metis National Local 66 and spoke with Bill Enge. He indicated they had no problem with the application and would try and forward a letter to the Board.
Phoned Yellowknives Dene First Nation in Dettah, left message with secretary And also on answering machine for Rachel Crapeau.

New Shoshoni Ventures Ltd.
Drybones Land Use Permit
First Nations Consultation Log 2003

12 May Marachco Alvarez, Gameti First Nation returned my call and said they had no questions or concerns with the application
Rachel Crapeau, Yellowknives Dene First Nation returned call and said she would look at file again. I indicated that I would be available at any time for a meeting.
Left second message for Jennifer Keith, DechuLaotl First Nation.

New Shoshoni Ventures Ltd.
604-475 Howe Street
Vancouver, B.C.
V6C 2B3
Telephone 604-682-1642 / 682-1666 Fax
23 March 2003

Ms. Nadine Mcemeh
Dechi Laor'l First Nation
P.O. Box 69
Wekwet, N.W.T.
X0E 1W0
Telephone 867-713-2010 / 713-2030

Dear Ms. Mcemeh

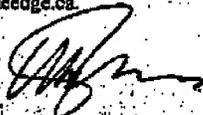
This letter is to inform you that New Shoshoni Ventures Ltd. will be submitting in the next week, an application to the Mackenzie Valley Land & Water Board for a Class A land use permit.

The permit is required to conduct further exploration work in the Drybones Bay area, some 70 kilometers southwest of Yellowknife. The company has recently optioned the mineral property. Please refer to the attached map for detail.

It is my understanding that the Board, upon receipt of the application, will be forwarding more information to you.

If you have any questions please contact me at 867-873-1542, Fax 920-2505 or mbraden@shcedge.ca

Yours truly,



Max Braden
for New Shoshoni Ventures Ltd.

New Shoshoni Ventures Ltd.
604 - 475 Howe Street
Vancouver, B.C.
V6C 2B3

06 May 2003

Ms. Nadine Meemeh
Dechul'oot' First Nation
P.O. Box 69
Wekweti, N.W.T.
Telephone 867-713-2010 / 713-2030 Fax

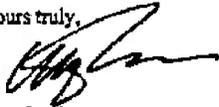
Dear Ms Meemeh

Further to my letter of March 23 New Shoshoni Ventures Ltd. submitted an application for a Class A land use permit for Drybones Bay to the Mackenzie Valley Land & Water Board on March 31.

An information package concerning the application was forwarded to you for your consideration by the Board on April 3rd.

Should you have questions or concerns with the application please contact me at 867-873-1542, Fax 867-920-2505 or email mbraden@thesedge.ca.

Yours truly,



Max Braden
For New Shoshoni Ventures Ltd.

Appendix II
DFO Letters

05/05/03 MON 19:26 FAX

002

05-May-2003 16:41 From:DFO.YK

1-867-869-4940

T-001 P 002/004 F-013



Fisheries
et Océans

Pêches
et Océans

Fish Habitat Management
Suite 101, 5201-50th Avenue
Yellowknife, Northwest
Territories
X1A 1E2

Yukon Management

Yukon Management
SC03002

May 3, 2003

Max Braden
New Shoshoni Ventures Ltd
604 - 475 Howe Street
Vancouver B.C. V6C 2B3

Re: Land Use Permit Application - MV2003C0016.
New Shoshoni Ventures Ltd.
Mineral Exploration - Drybones Bay, Great Slave Lake, NT.

Dear Mr. Braden,

The Department of Fisheries and Oceans, Fish Habitat Management-- Western Arctic Area (DFO) received notice of your application for Land Use Permit MV2003C0016 submitted on your behalf by the Mackenzie Valley Land and Water Board (MVLWB).

DFO has reviewed the plans for the proposed work as described in the MVLWB application. The proposed work and activities include:

- Geophysical surveying prior to drilling;
- Small diameter drilling (ND) angled from shore and possibly on ice;
- Reverse circulation drilling (4 to 6 inch diameter);
- Mobilization of the drill and sampling programs by helicopter.

A mobile camp will be utilized if necessary, otherwise the existing camp site permitted by N1999C0104, to David Smith will be used. Sewage and garbage will be removed from the site.

Since the proposed work will occur in the vicinity of waterbodies, I have concluded that the proposed work may result in the harmful alteration, disruption, or destruction of fish habitat. The following mitigation measures, if incorporated into the project, are intended to prevent or avoid any potentially harmful impacts to fish and fish habitat. These measures may include those outlined in the proposal:

- Clearing should be avoided within one hundred (100) metres of the annual high water mark of any stream or lake to protect bank stability and retain a vegetated area critical for the maintenance of lateral and riparian habitats. All

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disturbed areas should be stabilized and re-vegetated as required upon completion of work and restored to a pre-disturbed state.

- If artesian flow is encountered, drill holes should be plugged and permanently sealed upon completion of the project.
- If the drilling or any activity requires water in sufficient volume that the source water body may be drawn down, please submit details (volume required, size of waterbody, etc.) to DFO for review and approval.
- All water intakes should be properly screened to prevent the entrainment of fish. Refer to the *Freshwater Intake End-of-Pipe Fish Screen Guideline* (DFO 1995), available on request.

The deposition of any deleterious substances into fish bearing waters is prohibited as stated under Subsection 36(3) of the *Fisheries Act*. The following additional mitigation measures are intended to prevent the deposition of deleterious substances and possible habitat disturbance or loss:

- All activities including maintenance procedures and vehicular refueling should be controlled to prevent the entry of petroleum products, debris, slash, rubble, concrete, or other deleterious substances into water.
- All wastes, temporary sewage containments, and fuel caches should be located a minimum of one hundred (100) metres from the normal high water mark of any water body, and be sufficiently bonded or otherwise contained to ensure that these substances do not enter any water body. DFO encourages alternate methodologies to the use of pumps as disposal techniques.
- Drilling muds and other additives should be certified as non-toxic.
- Drill cuttings, mud, fill, kimberlite, and similar by-products from the drilling process and/or exploration activities should be collected and disposed of in an approved and environmentally acceptable area.
- All spills of oil, fuel, or other deleterious material should be reported immediately to the 24-Hour Spill Line at (867) 920-8130

If the proposed work is carried out as described in the plans provided to DFO and mitigation measures are implemented as required, the proposed work will not be considered as contravening Subsection 35(1) of the *Fisheries Act* which reads:

"No person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat."

Therefore, an Authorization under Subsection 35(2) of the *Fisheries Act* will not be necessary. If the harmful alteration, disruption or destruction of fish habitat

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and/or the deposition of deleterious substances into fish bearing waters occurs as a result of an unapproved change in the plans for the proposed works or failure to implement the necessary mitigation measures, prosecution under Subsection 35(1) and/or Subsection 36(3) of the *Fisheries Act* may be initiated.

Please note that this Letter of Advice does not release the proponent of the responsibility for obtaining any other permits that may be required.

This Letter of Advice should be kept on site during any work in or around water and be understood by staff working at the site.

If you have any questions concerning the mitigation measures or should there be any changes to the proposed work, please contact me at (867) 669-4926, FAX (867) 669-4940, or Elaine Blais at (867) 669-4912.



Dave Balint
Fish Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans- Western Arctic Area

DB

Copy: Julie Dahl, Area Chief, Habitat-DFO
Terry Matheson, C&P Supervisor-DFO
Laurie Cordell, Regulatory Officer, MVI, WB

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Appendix III Inspectors Report

EAST ARM FREIGHT

463-978-2368

P. 81



Indian and Northern Affairs Indiennes
Affaires Canada et du Nord Canada

ENVIRONMENTAL INSPECTION REPORT

Permittee:	David Smith	Inspection Date - April 25 th , 2003
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	Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	N1999CU104	February 28 th , 2003
Quarrying Permit No.	N/A	February 19 th , 2003
Contractor:	Major Midwest Drilling, Discovery Diamond Drilling	Subcontractor:

Location(s) Inspected:	
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Current Stage of Operation:	
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Program Modifications Approved:	Storage authorization was issued on February 28 th , 2003 for one year and will expire on February 27 th , 2004.
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

#	Operating Condition	Aspect Inspected		Condition
		Camp	Drybone Drill	
A	Location as Permitted	A	A	
B	Timing as Permitted	A	A	
C	Equipment as Approved	A	A	
D	Methods & Techniques	A	A ⁴	#15 Removal of Drill Casings
E	Facilities	A	A	
F	Erosion	A	A	
G	Chemicals, Waste	A	A	
H	Wildlife and Fisheries Habitat	N/A	N/A	
I	Biological Resources	N/A	N/A	
K	Fuel Storage	A ⁴	A	#31 Fuel by Steam
L	Brush Disposal	A	A	
M	Matters Not Inconsistent	A	A	
N	Water Engineering	N/A	N/A	
O	Water Supply	N/A	N/A	
P	Restoration	N/A	N/A	
Q	Quarrying Methods	N/A	N/A	
R	Sections 12 to 19 T.L.U.R.	A	A	

Explanatory Remarks (attach page 2 if required)

An inspection of the above noted Land Use Permit was conducted on April 25th, 2003 by Return a Management Officers Ken Dahl and Clint Ambrose. The inspection was carried out to ensure concerns identified in the previous inspection report are being addressed.

The inspectors met with Mr. Randy O'Keefe and Mr. Andy Dupras at the first three drill sites where further casing was being conducted. Absorbents have been laid on the lake ice at the first three drill targets to collect any further hydrocarbons that might be present on the ice. Casing is still present at the second target and efforts to cut the casing flush were inhibited by lake levels. In a subsequent telephone conversation with Mr. Max Braden on April 25th, 2003,

ENVIRONMENTAL INSPECTION REPORT Pg. 2

(Continued)

Date:	April 25 th , 2003	Permit #:	N1999C0104
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General Comments: (Continued)

He informed the Inspector that the casing has been painted red to make it more visible. The casing will be removed during the summer months once the lake level drops as only 6" of the casing was exposed. As per the e-mail from Mr. Max Braden on May 17th, 2003, the Inspector will be informed once this task is completed. The final two drill targets were in the process of being cleaned up at the time of the inspection. Absorbents and some debris were noted at the final two sites and the inspectors were assured that further cleanup was going to be conducted at these two locations. The Inspector was pleased to see cleanup efforts under way at the time of the inspection.

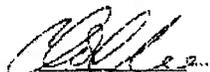
The Drybones Camp was not in use at the time of the inspection but there were a few concerns that must be addressed. These concerns were expressed to Mr. Max Braden on April 25th, 2003. Beyond one of the sleep tents and at the generator box there was small fuel spillops noted. Any contaminated soil must be cleaned up and properly disposed of as per the conditions annexed to your Land Use Permit. There were fuel drums located on site a sufficient distance from the ordinary high water mark and the only concern noted was the need for the Permittee's name to be placed on the drums. A concern identified in the previous inspection was the need for the outhouse to be cleaned out as there was no stump present. This concern was addressed in a timely fashion and no further concerns were noted at the camp.

The Inspector received an e-mail from Mr. Max Braden on May 17th, 2003 detailing the cleanup efforts that were completed. Thank you for addressing our concerns in a timely fashion and a follow up inspection will be conducted during the summer months once a final plan for this permit is received.

A final plan for this Land Use Permit was due on April 28th, 2003 and nothing has been received by this office to date. As per section 53(1) of the Territorial Land Use Regulations, a final plan for this operation is due 90 days after the operation is complete or upon expiry of the permit, whichever occurs first. Since the final plan is over due, please contact the undersigned Inspector by June 15th, 2003 detailing when the plan will be submitted.

Completed Off Site
Representative's Signature

Clint Ambrose
Inspector


Inspector's Signature

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

Operating Condition	Aspet Inspected				Condition
	Camp	Dobson Drill	Mud Lake Drills		
A Location as Permitted	A	A	U		#5 Drill Locations
B Tinting as Permitted	A	A	U		#7 Contact Inspector
C Equipment as Approved	A	A	A		
D Methods & Techniques	A	A*	A		#14 Storage on Ice #15 Removal of Drill Cavings
E Facilities	A	A	A		
F Erosion	A	A	A		
G Chemicals, Waste	U	A	A		#24 Sewage Disposal
H Wildlife and Fisheries Habitat	N/A	N/A	N/A		
I Ecological Resource	N/A	N/A	N/A		
K Fuel Storage	A*	A	A		#31 Fuel by Stream
L Brush Disposal	A	A	A*		#34 Brush Disposal
M Matters Not Inconsistent	A	A	A		
N Water Engineering	N/A	N/A	N/A		
O Water Supply	N/A	N/A	N/A		
P Restoration	N/A	N/A	N/A		
Q Quarrying Methods	N/A	N/A	N/A		
R Sections 12 to 19 T.L.U.R.	A	A	A		

Explanatory Remarks (attach page 2 if required)

An inspection of the above noted activities was conducted on February 19th, 2003 by Resource Management Office: Clint Ambrose. The inspection was carried out to ensure that all conditions annexed to Land Use Permit N1999C0104 are being adhered to during this operation.

Date: February 19 th , 2003	Permit #: N1999C0104
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General Comments:
(Continued)

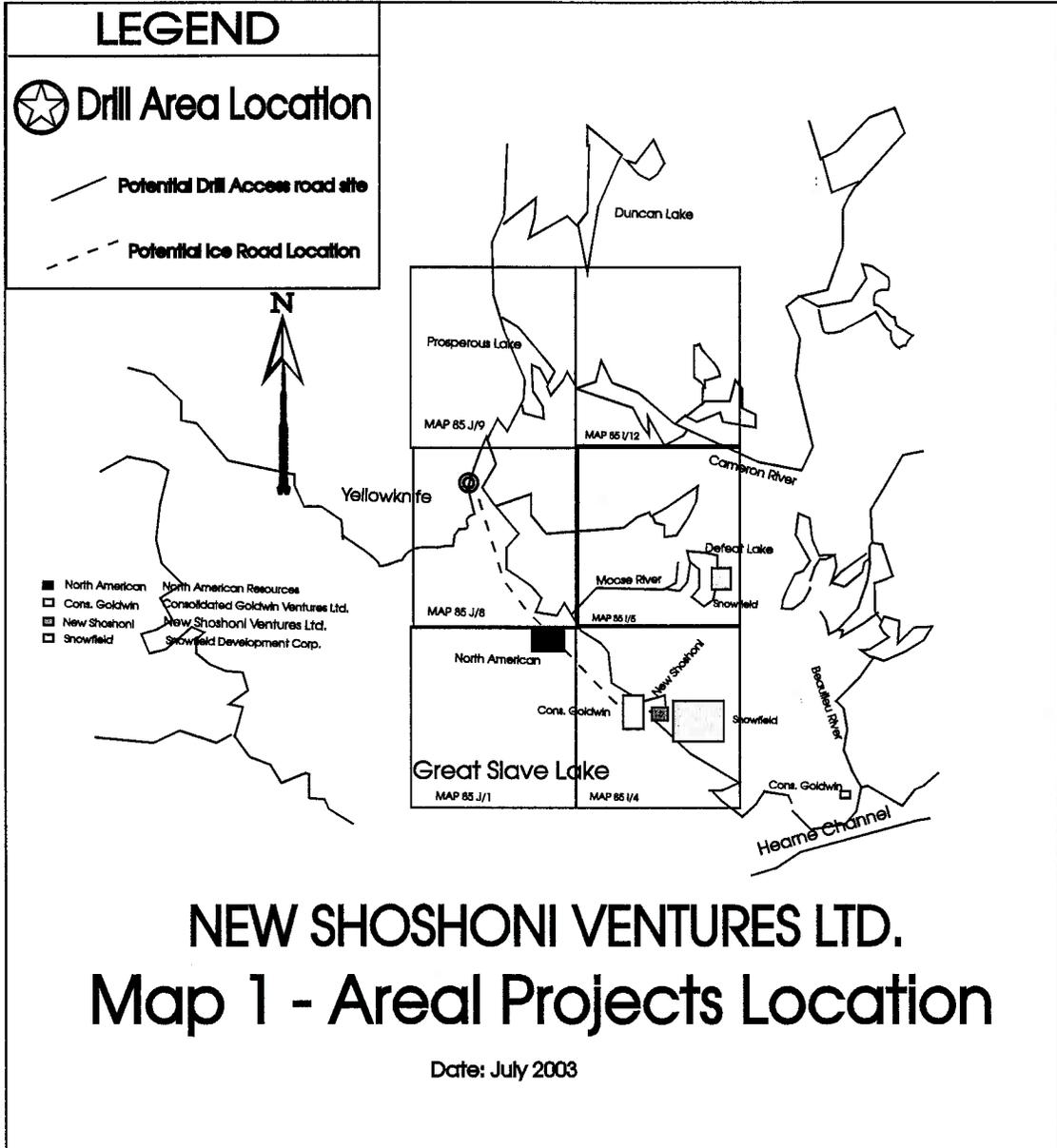
Drybones Bay Camp & Drill Program

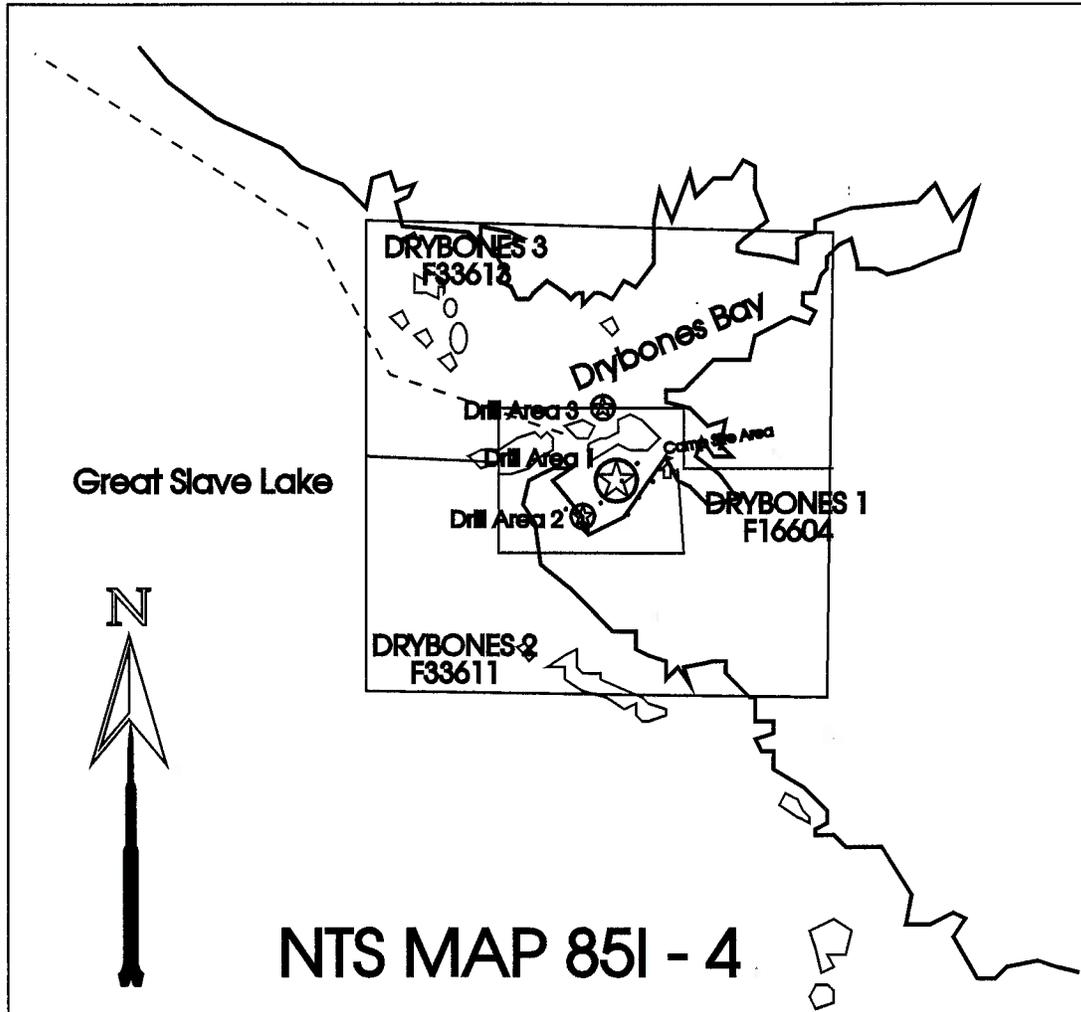
The Inspector met with Geologist Mr. Bill Timmins at the Drybones Bay camp and a joint inspection of all activities was conducted. Prior to the commencement of drilling, drill targets and a 1:50000 scale map were submitted to the Inspector with four proposed targets. The first two targets were located at 12 3 53 530 mE, 68 92 354 mN (NAD-27) on the lake ice. These two targets are located approximately 200 metres from a federal land lease within Drybones Bay and no concerns were noted with their location. Concerns at these two set ups were the need for further cleanup as some hydraulic fluid and cuttings were observed where the drill was situated. A land based sump was used to accommodate the drill wastes that were produced at these two locations and the sump was a sufficient distance from the ordinary high water mark of the nearest water body. One other concern at the second set up was the need for the casing to be cut flush with the ground or else removed. Mr. Bill Timmins informed the Inspector that there is approximately 13 feet of casing at this location. Prior to the removal of personnel and equipment, this casing will have to be addressed as per condition #15 of your Land Use Permit: "The Permittee shall remove or cut off all drill casings at ground level immediately upon completion of drilling unless otherwise approved by the Engineer". The third target is located southeast of the first two at 12 3 53 718 mE, 68 92 276 mN (NAD-27) and it is also on the lake ice. Cuttings at this location were being pumped to a land based sump which was also sufficient distance from the nearest water body. Further cleanup of this target is also required as there was some cuttings and hydraulic fluid observed here. The drill was being positioned on the fourth target at the time of the inspection. Drill cuttings will be pumped to a sump that is also a sufficient distance from the lake shore. Inside the Boyles 25A drill rig, absorbent mats were laid below the power house and the driller informed the Inspector that once drilling commences absorbents will be laid below the rods to catch and hydraulic fluid or rod grease from the drilling process. The pump stack was situated northeast of the current drill target and no concerns were noted at the pump stack. As discussed on site with Mr. Bill Timmins and in subsequent telephone conversation with Mr. Max Braden, all drill sites require further cleanup prior to the demobilization of equipment and personnel from the work area. Also, as a reminder, the permit is set to expire on February 28th, 2003 and all permitted activities must cease at this time.

The camp is located at 12 3 54 382 mE, 68 92 979 mN (NAD-27). The camp was relatively clean and orderly at the time of the inspection. Active drains behind each tent have some sort of secondary containment and the Inspector was pleased to see this initiative. One area that did require secondary containment was at the generator. A 45 gallon drum is situated adjacent to the generator and is equipped with a wobble pump to refuel the generator. The fuel line off of the wobble pump was hanging loosely over the drum and the Inspector informed Mr. Bill Timmins that the end of the hose should be placed into an empty drum or equipped with some sort of secondary containment. Your attention to this matter is greatly appreciated. It was noted during the inspection that items not required for immediate use (condition #14), were being stored in front of the camp on the lake ice. All items must be removed or relocated to the camp. Any fuel that will be stored at the camp must adhere to permit condition #31 which states that all petroleum fuel storage containers must not be located within 12 metres of the normal high water mark. As was discussed on site, these items will be removed or relocated prior to the removal of personnel. During the inspection it was noted that a pickup truck was loading garbage and empty drums for proper disposal in Yellowknife. One other concern noted at the camp was with the pit privy. As per condition #24 of your Land Use Permit, all sewage must be deposited into a sump. This concern will have to be addressed prior to the closure of this permit.

Mud Lake Area Drilling

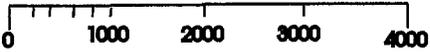
The Inspector was not aware of the drill program being conducted in the Mud Lake area. An ice road was constructed across Great Slave Lake to access the existing trail to the drill area and this is how the Inspector became aware of the drill program. This is unacceptable as per condition #5 and #7 of your Land Use Permit. Condition #5 states that "Prior to the commencement of the diamond drill operation the Permittee shall submit for approval by a land use inspector, proposed targets on a 1:50000 scale map". Condition #7 states that "The Permittee's field





NTS MAP 85I - 4

LEGEND	
	Drill Area Location • Approximate Drill Location (See Text for detail)
	Camp Site Area
	Potential Drill Access road site
	Potential Ice Road Location

NEW SHOSHONI VENTURES LTD.	
Map 2 - Drill Area Location	
Metres	
	
Scale	See Above
Date:	July 2008



Aerial view of existing camp under storage permit at Drybones Bay, from south looking approximately NNE.
Drill core from previous programs can be seen to the left, generator shack is in the foreground, followed by dry, kitchen and sleeping tent frames. Beyond that are 3 more 14 x 16 tent frames.
