

Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

Snowfield ET

FILE NUMBER: MV2003C0023

Date: May 5, 2005

To: Vern Christensen, Executive Director

Company: Mackenzie Valley Environmental Impact Review Board

Fax Number: 766-7074
Charlene Coe for Ed Hornby, South Mackenzie District,

Copied To: DIAND 669-2720

From: Marilyn for Todd Burlingame, Chair/CEO MVLWB

Number of pages including cover 16

Remarks:

Attached for your review

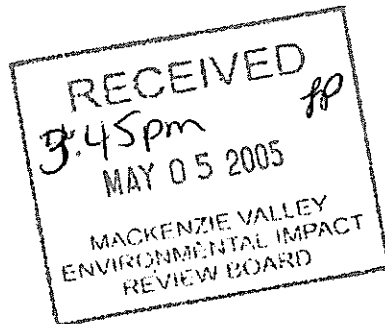
Land Use Permit Type "A"

- Issuance Letter
- Preliminary Screening
- Land Use Permit Cover
- Conditions

- Enclosures
- As requested
- For your information
- For your comment
- For your approval

Delivered by **Date**

- Mail _____
- Courier _____
- Hand Delivered _____
- Fax 5/5/05
[Signature]



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May 4, 2005

File: MV2003C0023

Mr. Robert T. Paterson
Snowfield Development Corp.
100-1009 Expo Boulevard
VANCOUVER, BC V6Z 2V9

FAX: (604) 681-6937

Dear Mr. Paterson:

**Amendment Approval - Land Use Permit
Mineral Exploration, Drybones Bay Area**

The Mackenzie Valley Land and Water Board (MVLWB) acknowledges your letter dated April 4, 2005, requesting an amendment to commence a trenching program to undertake the extraction and sampling of kimberlitic material.

The Mackenzie Valley Land and Water Board hereby approves the amendment to Land Use Permit MV2003C0023 as requested. A copy of this amendment has been filed in the Public Registry at the office of the MVLWB. Please note that a number of Conditions have been added to your Land Use Permit. These include Condition Numbers 34, 64 and 65. Further, Condition 47 regarding security deposits has changed to reflect the addition of the trenching program, and specifically requests that Snowfield Development Corp post a total of \$40,000.00 in security to the Federal Minister. The MVLWB understands that Snowfield has already posted \$23,000.00 for MV2003C0023. Please submit the outstanding security deposit amount of \$17,000.00 prior to commencing the trenching program.

If you have any questions, do not hesitate to contact Angela Plautz at (867) 669 0506 or email mvlwbpermit@mvlwb.com.

Yours sincerely,

Todd Burlingame
Chair

Attachments

Copied to: Ed Hornby, South Mackenzie District, DIAND
Angela Plautz, Regulatory Officer, MVLWB
Distribution List



**LAND USE PERMIT
AMENDMENT - May 4, 2005**

Permit Class A	Permit Number MV2003C0023
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Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

Snowfield Development Corp.

Permittee

To proceed with the land use operation described in application of:

Signature Robert T. Paterson	Date June 12, 2003
Type of Land use Operation Mineral Exploration	
Location Drybones Bay Area	

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated Yellowknife this 4th day of May, 2005
at _____

Signature Chair

T. Bullock

Signature Witness

R. Anderson

Commencement Date

August 31, 2004

Expiry Date

August 30, 2009

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE BY-LAW OR ORDER. DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

PRELIMINARY SCREENING REPORT FORM

PRELIMINARY SCREENER: MVLWB REFERENCE / FILE NUMBER: MV2003C0023 TITLE: Mineral Exploration, Drybones Bay ORGANIZATION: Snowfield Development Corp. MEETING DATE: May 4, 2005	EIRB REFERENCE NUMBER:
--	------------------------------

Type of Development:
(CHECK ALL THAT APPLY)

<input type="checkbox"/>	New
<input checked="" type="checkbox"/>	Amend, EIRB Ref. #
<input checked="" type="checkbox"/>	Requires permit, license or authorization
<input type="checkbox"/>	Does not require permit, license or authorization

Project Summary

Summary of Operations

- Geochemical till sampling and ground geophysics, approximately 100 drill holes from 100 to 200 m deep
- Proposed trenching program to remove approximately 160 cubic metres of kimberlitic material
- Operation of a 20 person camp
- Equipment includes: John Deere 450D Dozer/Backhoe, Nodwell, TD-20 Caterpillar, Caterpillar 330C Excavator, Cassna 185/DHC3 Single Otter, snow machines, all terrain vehicles, electrical generators, water pumps and trucks
- The following fuel and agents will be stored on site:
 - 3,600 litres of diesel;
 - 410 litres of gasoline;
 - 1,000 lbs of propane,
 - 2,460 litres of jet fuel; and
 - 100 lbs of acetylene and oxygen.
- Activity will take place at the Mud Lake Claim Group (6km Southeast of Drybones Bay), the Hurcomb Claim (12km South of Drybones Bay), the Red Claims Group (9km East of Drybones Bay), the Fate Claim (16km Northeast of Drybones Bay), the Fate Claim (16km Northeast of Drybones Bay), and the GTen 16 Claim Group (20km East-Northeast of Drybones Bay).
- The Land Use Permit expires on August 30, 2009.

Scope

- Diamond drill operation and associated activities, including drilling in the Mud Lake Claim Group (6 km southeast of Drybones Bay), Hurcomb Claim (12km South of Drybones Bay), the Red Claims Group (9km East of Drybones Bay), the Fate Claim (16km Northeast of Drybones Bay), and the GTen 16 Claim Group (20km East-Northeast of Drybones Bay);
- Establishment of a camp which can accommodate up to twenty (20) persons;
- Storage of fuel as described in Land Use Permit Application MV2003C0023; and
- Trenching program to extract approximately 160 cubic metres of kimberlitic material for sampling. The trenching program will take place within 62°04' N and 62°11'N and 113°35'W and 113°47'W, and up to a maximum of 0.4 ha will be cleared of surface vegetation.

All activities will take place within 62°03'N and 62°12'N and 113°30'W and 113°55'W.

Principal Activities (related to scoping)
(CHECK ALL THAT APPLY)

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Construction | <input checked="" type="checkbox"/> Exploration | <input type="checkbox"/> Decommissioning |
| <input type="checkbox"/> Installation | <input type="checkbox"/> Industrial | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Maintenance | <input checked="" type="checkbox"/> Recreation | <input checked="" type="checkbox"/> Aerial |
| <input checked="" type="checkbox"/> Expansion | <input type="checkbox"/> Municipal | <input type="checkbox"/> Harvesting |
| <input checked="" type="checkbox"/> Operation | <input type="checkbox"/> Quarry | <input checked="" type="checkbox"/> Camp |
| <input type="checkbox"/> Repair | <input checked="" type="checkbox"/> Linear / Corridor | <input type="checkbox"/> Scientific/ |
| <input type="checkbox"/> Research | <input type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Solid Waste |
| <input checked="" type="checkbox"/> Water Intake | | |
| <input checked="" type="checkbox"/> Other: Removal of vegetation and rehabilitation | | |

Principal Development Components (related to scoping)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Access Road | <input checked="" type="checkbox"/> Waste Management |
| <input checked="" type="checkbox"/> construction | <input type="checkbox"/> disposal of hazardous waste |

- abandonment/removal
- modification e.g., widening, straightening
- Automobile, Aircraft or Vessel Movement
- Blasting
- Building
- Burning
- Burying
- Channeling
- Cut and Fill
- Cutting of Trees or Removal of Vegetation
- Dams and Impoundments
 - construction
 - abandonment/removal
 - modification
- Ditch Construction
- Drainage Alteration
- Drilling other than Geoscientific
- Ecological Surveys
- Excavation
- Explosive Storage
- Fuel Storage
- Topsoil, Overburden or Soil
 - fill
 - disposal
 - removal
 - storage

- waste generation
- Sewage
- disposal of sewage
- Geoscientific Sampling
- trenching
- diamond drill
- borehole core sampling
- bulk soil sampling
 - Gravel
 - Hydrological Testing
 - Site Restoration
 - fertilization
 - grubbing
 - planting/seeding
 - reforestation
 - scarify
 - spraying
 - recontouring
- Slashing and removal of vegetation
- Soil Testing
- Stream Crossing/Bridging
- Tunneling/Underground
- Other (describe):

NTS Topographic Map Sheet Numbers
 (LIST ALL THAT APPLY)
 85I/4

Latitude / Longitude and UTM System:
 Minimum latitude: 62°03'N Maximum latitude: 62°12'N
 Minimum longitude: 113°30'W Maximum longitude: 113°55'W

Nearest Community and Water Body:
 Dettah, Great Slave Lake

Land Status (consultation information)

- Free Hold / Private
- Commissioners Land
- Federal Crown Land
- Municipal Land

Transboundary Implications

- British Columbia
- Nunavut
- Alberta
- Wood Buffalo National Park
- Saskatchewan
- Inuvialuit Settlement Region
- Yukon

Type of Transboundary Implication: Impact / Effect Development

Public Concern _____
 (DESCRIBE)

PHYSICAL - CHEMICAL EFFECTS

IMPACT

1. Ground Water

- water table alteration
- water quality changes

- infiltration changes
- other
- N/A

MITIGATION

Sealing artesian aquifers should mitigate this impact - Land Use Permit Condition 19.

Deleterious substances, such as drilling fluids and explosives residues, on surrounding lands may contaminate groundwater. The proponent will have Spill Contingency Plan and spill equipment to deal with spills - Land Use Permit Condition 55, 56 and 70.

IMPACT

2. Surface Water

- flow or level changes

MITIGATION

water quality changes

Proper fuel handling and fuel spill contingencies are in place in the event of the spill – Land Use Permit Conditions 55, 56 and 70. Sewage will be contained in an outhouse, and camp and personal hygiene greywater is piped to a designated sump.

water quantity changes

Drainage pattern changes

There may be minor changes in surface drainage patterns because of the trenching program. However, this impact should be mitigated by refilling the trenching site with stored overburden material and recontouring the site to the original surface contours.

temperature

wetland changes / loss

other:

N/A

IMPACT

3. Noise

MITIGATION

noise in/near water

No mitigation.

other: noise increase

There will likely be a localized noise increase during trenching activities through vehicular movement, the use of drilling equipment and explosives. There is no mitigation for this temporary increase in noise levels.

N/A

IMPACT

4. Land

MITIGATION

geologic structure changes

soil contamination

Drilling fluids, sewage and fuels may contaminate surrounding soils. Ensuring proper handling and disposal methods for these materials should mitigate this concern – Land Use Permit Conditions 55, 56 and 70. The applicant has submitted a spill contingency plan to address fuel spills.

buffer zone loss

soil compaction & settling

Some soil compaction may be expected through the increased use of equipment. Minimizing vehicular movement during signs of rutting will likely mitigate this impact – Land Use Permit Conditions 21 and 22.

Destabilization / erosion

Excavations, embankments and waste material piles will be sloped to a horizontal/vertical ratio of two (2) horizontal to one (1) vertical to mitigate erosion – Land Use Permit Conditions 23 and 24.

permafrost regime alteration

other: explosives/scarring

N/A

IMPACT

**5. Non Renewable
Natural Resources**

MITIGATION

resource depletion

No mitigation – Approximate 180 cubic metres of kimberlitic material will be taken as a sample.

other:

N/A

IMPACT

**6. Air/Climate/
Atmosphere**

MITIGATION

Other

N/A

BIOLOGICAL ENVIRONMENT

IMPACT

1. Vegetation

- species composition
- species introduction
- toxin / heavy accumulation
- other:
- N/A

MITIGATION

Re-vegetation should mitigate this concern.

IMPACT

2. Wildlife & Fish

- effects on rare, threatened or endangered species
- fish population changes
- waterfowl population changes
- breeding disturbance
- population reduction
- species diversity change
- health changes (Identify)
- behavioural changes (Identify)
- habitat changes / effects
- game species effects
- toxins / heavy metals
- forestry changes
- agricultural changes
- other:
- N/A

MITIGATION

Species at risk that may be encountered in this area include: Anatum Peregrine Falcons, listed as Threatened under Schedule 1; and Wolverines listed as Special Concern under Schedule 3 of the *Species at Risk Act*. While conducting their operations, the proponent should be aware of the special status, and minimize disturbance or contact with these species. Land Use Permit Conditions 34, 35 and 36.

Wildlife may avoid the immediate development area during periods of activity.

Minimize activity when caribou are in the vicinity. Land Use Permit Conditions 35 and 36 address caribou harassment and activity restrictions during caribou migration.

INTERACTING ENVIRONMENT

IMPACT

1. Habitat and Communities

- predator-prey
- wildlife habitat / ecosystem Composition changes
- reduction / removal of keystone or endangered species
- removal of wildlife corridor or buffer zone
- other:
- N/A

MITIGATION

IMPACT

2. Social and Economic

MITIGATION

- planning / zoning changes or conflicts
- increase in urban facilities or services use
- rental house
- airport operations / capacity changes
- human health hazard
- Impair the recreational use of water or aesthetic quality
- affect water use for other purposes
- affect other land use operations
- quality of life changes
- public concern
- other:
- N/A

IMPACT

3. Cultural and Heritage

MITIGATION

- effects to historic property
- increased economic pressure on historic properties
- change to or loss of historic resources
- change to or loss of archaeological resources
- increased pressure on archaeological sites
- change to or loss of aesthetically important site
- effects to aboriginal lifestyle
- other:
- N/A

Land Use Permit Conditions 42 to 46 are in place to mitigate impacts to archaeological resources.

NOTES:

Consultation

- Pursuant to section 1.6 (a) and (b) of the Akaitcho Territory Dene First Nations (ATDFN) Interim Measures Agreement, the MVLWB determined that written notice was given to the ATDFN and that a reasonable period of time was allowed for ATDFN to make representations with respect to the application
- Pursuant to section 1 (a)(b)(c) and section 2(a) of the Dogrib Treaty 11 Claim Interim Provisions Agreement, the MVLWB determined that the Permittee has participated in consultations and due process with respect to the issuance of a land use permit within the subject land use area.
- Pursuant to schedule 4.1 of the Northwest Territory Metis Nation (NWTMN) Interim Measures Agreement, the MVLWB determined that written notice was given to the NWTMN and that a reasonable period of time was allowed for NWTMN to make representations with respect to the application

PRELIMINARY SCREENER / REFERRING BODY INFORMATION
(CHECK ALL THAT APPLY)

	RA or DRA	ADVICE	PERMIT REQUIRED
Environment Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisheries and Oceans	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indian and Northern Affairs Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Canadian Heritage (Parks Canada)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
National Energy Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Resources Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Works and Gov't Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northern Oil and Gas Directorate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Nuclear Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Transportation Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Defence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GNWT - RWED	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - MACA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WCB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prince of Wales Heritage Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MVEIRB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deh Cho First Nations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liidli Kue First Nation (Ft Simpson)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deh Gah Got'le Dene Council (Ft Prov.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Acho Dene Koe First Nation (Fort Liard)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nahanni Butte First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pehdzeh Ki First Nation (Wrigley)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
T'hedzehK'edeli First Nation (JMR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ka'a'gee Tu First Nation (Kakisa)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sambaa K'e Dene Band (Trout Lake)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K'at'odeeche First Nation (Hay River)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Point First Nations (Hay River)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Providence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Liard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Village of Fort Simpson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town of Hay River	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enterprise Settlement Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dogrib Treaty 11 Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dogrib Rae Band	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wha Ti First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dechi Lap'l Council (Wekweti)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gamatl First Nation (Rae Lakes)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lutselk'e Dene First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Ndilo)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Dettah)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rae-Edzo Metis Local #64	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
North Slave Metis Alliance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NWT Treaty 8 Tribal Corporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Akai'tcho Treaty 8 Tribal Corporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dene Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hamlet of Rae Edzo	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Charter Community of Wha Ti	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
City of Yellowknife	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Smith Metis Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salt River First Nations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Smith Landing First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kat'odeeche First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Point First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northwest Territory Metis Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hay River Metis Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deninu Ku'e First Nations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fort Resolution Metis Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deninu Ku'e Env. Working Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Akai'tcho Territory Government	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deninoo Community Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town of Fort Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REASONS FOR DECISION
(LIST ALL REASONS AND SUPPORTING RATIONALES FOR PRELIMINARY SCREENING DECISION)

DECISION:

The Mackenzie Valley Land and Water Board (The Board) is satisfied that the preliminary screening of application MV2003C0023, Snowfield Development Corp., Mineral Exploration has been completed in accordance with section 125 of the *Mackenzie Valley Resource Management Act*.

The Board is satisfied that a reasonable period of notice was given to Communities and First Nations affected by the application as required by subsection 63(2) of the *MVRMA* so that they could provide comments to the Board.

Having reviewed all relevant evidence on the Public Registry, including the submissions of the Applicant, the written comments received by the Board and any staff reports prepared for the Board, the Board has decided that in its opinion that:

- there is no likelihood that the proposed development might have a significant adverse impact on the environment; and
- there is no likelihood that the proposed development might be a cause of public concern.

The Board is also of the opinion that the application can proceed through the regulatory process and that any impacts of the development on the environment can be mitigated through the imposition of the terms and conditions in the attached Land Use Permit.

As a result, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope and intent of the *Mackenzie Valley Resource Management Act* and the Mackenzie Valley Land Use Regulations has decided that this Land Use Permit be issued subject to the terms and conditions contained therein.

PRELIMINARY SCREENING DECISION	
<input checked="" type="checkbox"/>	Outside Local Government Boundaries
<input type="checkbox"/>	The development proposal might have a significant adverse impact on the environment, <i>refer it to the EIRB.</i>
<input checked="" type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB.</i>
<input checked="" type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	Wholly within Local Government Boundaries
<input type="checkbox"/>	The development proposal is likely to have a significant adverse impact on air, water or renewable resources, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>

Preliminary Screening Organization

Mackenzie Valley Land and Water Board

May 4, 2005

Signatures



**CONDITIONS ANNEXED TO AND FORMING PART
OF LAND USE PERMIT NUMBER MV2003C0023**

Part A: Scope of Permit

1. This permit entitles Snowfield Development Corporation to conduct the following activities:
 - a) Diamond drill operation and associated activities, including drilling in the Mud Lake Claim Group (6 km southeast of Drybones Bay), Hurcomb Claim (12km South of Drybones Bay), the Red Claims Group (9km East of Drybones Bay), the Fate Claim (16km Northeast of Drybones Bay), and the GTen 16 Claim Group (20km East-Northeast of Drybones Bay);
 - b) Establishment of a camp which can accommodate up to twenty (20) persons;
 - c) Storage of fuel as described in Land Use Permit Application MV2003C0023; and
 - d) Trenching program to extract approximately 160 cubic metres of kimberlitic material for sampling. The trenching program will take place within 62°04' N and 62°11'N and 113°35'W and 113°47'W, and up to a maximum of 0.4 ha will be cleared of surface vegetation.All activities will take place within 62°03'N and 62°12'N and 113°30'W and 113°55'W.
2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1 of this permit.
3. Compliance with the terms and conditions of this permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

Part B: Definitions

"Act" means the *Mackenzie Valley Resource Management Act*;

"Artesian Aquifer" means a water-bearing stratum, which when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface;

"Board" means the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*;

"Drill Waste" means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;

"Inspector" means an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*;

"Oil Based Drilling Muds" means drilling fluids, which use naturally occurring solutions or refined hydrocarbons as a carrier fluid;

"Permeability" means the capacity to transmit water through a medium;

"Sewage" means all toilet wastes and grey water;

"Sewage Disposal Facilities" means sump(s) and/or sewage collection tank(s) designed to hold sewage;

"Sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein;

Part C: Conditions Applying to All Activities (the headings correspond to Subsection 26 of the Mackenzie Valley Land Use Regulations)

26(1)(a) LOCATION AND AREA

- | | | |
|----|---|------------------|
| 1. | The Permittee shall not conduct this land use operation on any lands not designated in the accepted application. | PLANS |
| 2. | The Permittee shall not conduct any part of the land use operation within three hundred (300) metres of any privately owned or leased land or structure. | PRIVATE PROPERTY |
| 3. | The Permittee shall locate camps on gravel, sand, or other durable land. | CAMP LOCATION |
| 4. | The Permittee shall not construct parallel lines or roads unless authorized by the Inspector. | PARALLEL ROADS |
| 5. | Prior to the commencement of diamond drilling the Permittee shall submit to the Inspector and the Board, proposed drill targets on a 1:50,000-scale map. | DRILL LOCATIONS |
| 6. | The Permittee shall not conduct activities on this land use permit within 300 metres of a cabin used for traditional activities including trapping, hunting or fishing. | AVOID CABINS |

26(1)(b) TIME

- | | | |
|-----|--|--------------------------|
| 7. | The Permittee's Field Supervisor shall <u>first</u> contact an Inspector at (867) 669-2757 and <u>then</u> the Board at (867)669-0506 at least forty-eight (48) hours prior to the commencement of this land use operation. | CONTACT INSPECTOR/ BOARD |
| 8. | The Permittee shall advise an Inspector at least ten (10) days prior to the completion of the land use operation of (a) the plan for removal or storage of equipment and materials, and (b) when final clean-up and restoration of the land used will be completed. | REPORTS BEFORE REMOVAL |
| 9. | The Permittee shall provide in writing to the Inspector and the Board, at least forty-eight (48) hours prior to commencement of this land use operation, the following information:
(a) person, or persons, in charge of the field operation to whom notices, orders, and reports may be served;
(b) alternates; and
(c) all methods for contacting the above person(s). | IDENTIFY AGENT |
| 10. | The Board and/or Inspector reserve the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe. | CLOSURE |

11. The Permittee shall not conduct activities related to bulk sampling under this Land Use Permit until approved by the Board. All amendment requests must be submitted to the Board in writing and approved prior to the amended activity commencing. PRIOR NOTIFICATION

26(1)(c) TYPE AND SIZE OF EQUIPMENT

12. The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application. ONLY APPROVED EQUIPMENT

26(1)(d) METHODS AND TECHNIQUES

13. The Permittee shall construct and maintain winter roads with a minimum of ten (10) centimetres packed snow at all times during this land use operation. If this cannot be done, then the Permittee shall construct Ice Roads in a manner authorized by an Inspector. SNOW ROADS/ ICE ROADS
14. The Permittee shall leave a buffer strip of undisturbed vegetation at least thirty (30) metres in width between cleared areas and public roads or navigable waterways. TREE SCREEN
15. The Permittee shall not store materials other than that required for immediate use on the ice surface of water bodies. STORAGE ON ICE
16. The Permittee shall remove or cut off and seal all drill casings at ground level immediately upon completion of drilling. REMOVAL AND SEALING OF DRILL CASINGS

26(1)(e) TYPE, LOCATION, CAPACITY AND OPERATION OF ALL FACILITIES

17. The Permittee shall not locate any sump within one hundred (100) metres of the ordinary high water mark of any water body, unless otherwise authorized in writing by an Inspector. SUMPS FROM WATER
18. The Permittee shall ensure that the land use area is kept clean at all times. CLEAN WORK AREA

26(1)(f) CONTROL OR PREVENTION OF PONDING OF WATER, FLOODING, EROSION, SLIDES AND SUBSIDENCE OF LAND

19. (a) The Permittee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water; and
(b) the artesian occurrence shall be reported to the Inspector immediately. PLUG ARTESIAN WELLS
20. The land use operation shall not cause obstruction to any natural drainage. NATURAL DRAINAGE
21. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. VEHICLE MOVEMENT FREEZE-UP

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| 22. | The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting. | SUSPEND
OVERLAND
TRAVEL |
| 23. | The Permittee shall slope the sides of excavations and embankments except in solid rock to a horizontal/vertical ratio of two (2) horizontal to one (1) vertical. | EXCAVATIONS AND
EMBANKMENTS |
| 24. | The Permittee shall slope the sides of waste material piles to a horizontal/vertical ratio of two (2) horizontal to one (1) vertical unless otherwise authorized in writing by an Inspector. | WASTE MATERIAL
FILES |

26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL

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| 25. | The Permittee shall not use chemicals in connection with the land use operation that were not identified in the accepted application. | APPROVAL OF
CHEMICALS |
| 26. | The Permittee shall deposit all non-toxic drill waste into a sump. | DRILL WASTE |
| 27. | The Permittee shall remove all drill waste off ice surfaces. | DRILL WASTE
DISPOSAL |
| 28. | The Permittee shall not allow any drilling waste to spread to the surrounding lands. | DRILL WASTE
CONTAINMENT |
| 29. | When drilling on ice, or within thirty (30) meters of the ordinary high water mark of any waterbody, the Permittee shall use a closed circuit drilling system with the disposal of cuttings into a land-based sump. | DRILLING ON ICE |
| 30. | The Permittee shall dispose of all combustible waste petroleum products by incineration or removal. | WASTE
PETROLEUM
DISPOSAL |
| 31. | The Permittee shall report all spills immediately to the 24 hour Spill Report Line (867) 920-8130, which is in accordance with instructions contained in "Spill Report" form N.W.T. 1752/0593. | REPORT
CHEMICAL AND
PETROLEUM
SPILLS |

26(1)(h) WILDLIFE AND FISHERIES HABITAT

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| 32. | The Permittee shall minimize damage to wildlife and fish habitat in conducting this land use operation. | HABITAT DAMAGE |
| 33. | The Permittee shall construct and maintain the water intake using the DFO recommended 2.54 mm fine mesh size to prevent entrainment of fish. Other dimensions must follow DFO's <i>Freshwater Intake End-of-Pipe Fish Screen Guidelines</i> . | PREVENT
ENTRAINMENT |
| 34. | If migratory birds or their nesting areas, or any species at risk are encountered during the course of operations, the Permittee is to minimize all activity so as to not disturb these animals. | MINIMIZE
ACTIVITY |
| 35. | The Permittee shall cease operations when Caribou are in the immediate vicinity of any area where work is proceeding. | CARIBOU
HARASSMENT |

36. During periods of caribou herd migration through the permitted area, neither drilling activities nor low-level flying shall occur, within a distance of 5 km of any caribou water crossing, until such time as the major migration has been completed. Please contact the North Slave Regional Environment and Natural Resource Office at (867) 920-3049 for information regarding the location of water crossings and sensitive caribou habitat.

RESTRICTIONS
DURING
CARIBOU
MIGRATION

26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE

37. The Permittee shall dispose of all sewage and grey water as proposed in the accepted application.
38. The Permittee shall remove all non-combustible garbage and debris, including plastics from the land use area to a disposal site as specified in the accepted application.
39. The Permittee shall burn all combustible garbage and debris, except plastics, daily in a container acceptable to the Inspector.
40. The Permittee shall keep all garbage and debris in a covered metal container on site until disposed of.
41. The Permittee shall remove all scrap metal, discarded machinery, parts, barrels and kegs, buildings and building material to an approved waste disposal facility.

SEWAGE
DISPOSAL

REMOVE
GARBAGE

INCINERATION

GARBAGE
CONTAINER

REMOVE WASTE
MATERIAL

26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES

42. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.
43. The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and contact the Mackenzie Valley Land and Water Board at (867) 669-0506 should an archaeological site or specimen be encountered or disturbed by any land use activity.
44. The Permittee shall ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological land use activity.
45. The Permittee shall not conduct any activities associated with this Land Use Operation within one hundred (100) metres of all known and suspected archaeological, historical, burial, or cultural sites.
46. The Permittee shall not commence any development activity requiring a Land Use Permit, within or outside of the three kilometre Shoreline Zone¹, until an archaeological impact assessment detailing suspected archaeological, historical, burial, or cultural sites has been completed by a qualified archaeologist accompanied by an Aboriginal elder and a translator if required.

DISTURBANCE OF
SITE

CONTACTS

NOTIFICATION TO
EMPLOYEES

LIMIT ACTIVITY

ARCHAEOLOGICAL
IMPACT
ASSESSMENT
REPORT

26(1)(k) OBJECTS AND PLACES OF RECREATIONAL, SCENIC AND ECOLOGICAL VALUE

26(1)(l) SECURITY DEPOSIT

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| 47. | The Permittee shall deposit with the Minister a security deposit in the amount of \$ 40,000.00 pursuant to Section 32 of the Mackenzie Valley Land Use Regulations. | SECURITY DEPOSIT |
| 48. | The Permittee shall be liable for any cost of damages over and above the amount of the security deposit. | LIABILITY FOR DAMAGES |
| 49. | All costs to remediate the area under this permit are the responsibility of the Permittee. | RESPONSIBILITY FOR REMEDIATION COSTS |

26(1)(m) FUEL STORAGE

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| 50. | The Permittee shall report in writing to an Inspector the location and quantity of all fuel caches within ten (10) days of their establishment. | REPORT FUEL LOCATION |
| 51. | The Permittee shall not place any fuel storage containers within one hundred (100) metres of the normal high water mark of any water body, unless otherwise authorized in writing by an Inspector. | FUEL BY STREAM |
| 52. | The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. | FUEL CONTAINMENT |
| 53. | The Permittee shall seal all container outlets except the outlet currently in use. | SEAL OUTLET |
| 54. | The Permittee shall mark all fuel containers, including 45-gallon drums, with the Permittee's name and permit number. | MARK CONTAINERS |
| 55. | The Permittee shall submit to the Board, prior to commencement of operations, a spill contingency plan for chemical and petroleum spills. | CONTINGENCY PLAN |
| 56. | The Permittee shall ensure that adequate contingency plans and spill kits are in place, prior to commencement of operations, to respond to any potential spills. | SPILL RESPONSE |

26(1)(n) METHODS AND TECHNIQUES FOR DEBRIS AND BRUSH DISPOSAL

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| 57. | The Permittee shall dispose of all brush and debris by:
(a) windrowing the debris and brush to the side of the line; and
(b) making breaks in the windrow of at least seven (7) meters wide at intervals of not more than three hundred and thirty (330) meters. | BRUSH DISPOSAL |
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| 58. | The Permittee shall make the windrow of brush and debris lie flat and compact by:
(a) bucking the material into suitable lengths and lopping the branches from the stem; and/or
(b) crushing with heavy machinery in order to compact the material. | BRUSH
DISPOSAL |
| 59. | The Permittee shall complete total disposal of all debris and brush cleared prior to the expiry date of the Land Use Permit. | BRUSH
DISPOSAL/
TIMING |
| 60. | The Permittee shall progressively complete disposal of all debris and brush. | PROGRESSIVE
DISPOSAL |

26(1)(o) RESTORATION OF THE LANDS

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| 61. | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit. | CLEAN-UP |
| 62. | The Permittee shall backfill and restore all sumps prior to the expiry date of this Permit. | BACKFILL
SUMPS |
| 63. | The Permittee shall dispose of all overburden as instructed by the Land Use Inspector. | DISPOSAL OF
OVERBURDEN |
| 64. | The Permittee shall save the organic soil stripped from the excavation area and place the organic soil over the disturbed area prior to the expiry date of this Land Use Permit. | SAVE AND
PLACE ORGANIC
SOIL |
| 65. | The Permittee shall commence and foster revegetation on the land used, as directed by an Inspector, within one (1) year of the completion of the land use operation. | RE-ESTABLISH
VEGETATION |

26(1)(p) DISPLAY OF PERMITS AND PERMIT NUMBERS

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| 66. | The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit. | COPY OF
PERMIT |
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26(1)(q) MATTERS NOT INCONSISTENT WITH THE REGULATIONS

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| 67. | The Permittee shall ensure that all persons working under the authority of the Land Use Permit are aware of and will adhere to the conditions as stated in the Land Use Permit. | NOTIFICATION
TO ALL
EMPLOYEES/
CONTRACTORS |
| 68. | The Permittee shall, while preparing the access road, make every effort to avoid covering or destroying traps or snares that may be found along these routes. | TRAPS
PROTECTION |
| 69. | The Permittee shall restore any trails used by trappers or hunters along access routes by slashing any and all trees that may fall across these paths or trails and by removing any other obstructions such as snow piles or debris that may be pushed across the trails. | TRAILS
RESTORATION |

- 70. The Permittee shall submit to the Board an update of the contingency plan, for chemical and petroleum spills, if there are any changes in the operation during the life of the permit. CONTINGENCY PLAN
- 71. The Permittee shall use existing lines or roads unless authorized in writing by the Inspector. EXISTING LINES ROADS

(Figure 4, Page 66 – Report of EA on the Snowfield Development Corp. Diamond Exploration Project.)