

Development Assessment Report
For Consolidated Goldwin Ventures Inc.
Preliminary Exploration Program

MV2003C0003 Land Use Permit Application

Submitted to:

Mackenzie Valley Environmental Impact Review Board
Yellowknife, NT

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A INTRODUCTION

This Exploration Program summary has been prepared for Land Use Permit Application MV2003C0003 of Consolidated Goldwin Ventures Inc. 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.

On April 12, 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, the company 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 NWT.

A-1 Non-technical Executive Summary

Consolidated Goldwin Ventures is planning to conduct an exploratory diamond core drilling program on three identified areas adjacent to the Drybones Bay Area of Great Slave Lake, NWT. The exploration activity will be of short duration (3-4 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 Drybones Bay area, including as recently as the winter of 2003/03.

The preliminary exploration program will involve the drilling of one to two bore holes at each of three proposed drill site areas. Two of the drill site areas are located in Great Slave Lake approximately 500 –1,500 metres from the main shoreline of the lake. The other drill site area is located on the land approximately 0.5 kilometres north of the Hearne Channel of Great Slave Lake, and approximately 2.0 kilometres west of the Beaulieu River.

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 in the landfill site. Cuttings from the land-based component of the drilling program will be deposited in a suitable on-site 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. As a result, no field camp will be required to service the drilling program. 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 250 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 by the drill. The fuel barrels will be the first containment unit and the "carrier" 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 3-4 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 1-2	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	
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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

Consolidated Goldwin Ventures Ltd. has been operating as a junior resource exploration company in Canada since the mid-1980's. 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 the Telegraph Creek area of northern British Columbia and on its mineral property in the McConnell Creek area of Yukon Territory. A similar exploration program was carried out in the Wheaton River area of the Yukon. As well the company through its Yellowknife based contractor, Max Braden conducted a magnetometer survey in the lake area west of Drybones Bay in the spring of 2002 and a water depth survey in the spring of 2003.

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 Stephenson, 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.

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 to date.

B-2 Proposed Development Ownership

The exploration project is located on claims owned by New Shoshoni Ventures Ltd. (GSL 1, & 6-10) and directly by the company (GTEN 9). The New Shoshoni claims are under option to Consolidated Goldwin Ventures who may earn a 50% interest by conducting the preliminary exploration. The GTEN 9 Claim is owned 100% by the company.

B-3 Organizational Structure

The company president is Abby Farrage and directors David Williams and Glen Macdonald will be responsible for the financing and overseeing the operations respectively. Consultant Laurence Stephenson will be the main contact person 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.

C Development (Exploration Program) Description

The exploration project proposes to drill up to two 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 airborne systems in the past and have recorded favourable anomalous responses.

C-1 Timing

The drilling program will be undertaken during the winter period (February to April 2004) to further minimize potential environmental effects and is expected to be of 3-4 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. All temporary access routes will be constructed 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.

No camp will be required to support the planned drilling program. An already established and permitted campsite operated by David Smith (permit # N199C0104) exists on the east side of Drybones Bay (Map 2A). No helicopter use is anticipated.

Two of the drill site areas are located in Great Slave Lake approximately 500 – 1,500 metres from the main shoreline. The other potential drill site areas were located in areas that the First Nations have identified as having no significance to their “trails” which in most instance pass at least 500 metres distant to the drill site areas. (Map 2, 2A and 2B)

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 coordinates:

Drill Site Areas 1 and 2 are all located in Great Slave Lake to the west of Drybones Bay (Map1). Drill Site Area 3 is located on land north of the Hearn Channel of Great Slave Lake (Map 2)

Drill Site Area 1 – on winter ice over Great Slave Lake

Drilling on the North claims (GSL 10)

350450 E 6895300N; drilling depth 200 –300 metres; with a second hole at 350225 E 6895300N; drilling depth 200 –300 metres;

Drill Site Area 2 – on winter ice over Great Slave Lake

Drilling on the North claim (GSL 6)

349700E 6892200N for 2 holes off the same set up; drilling depth 200 –300 metres;

Drill Site Area 3 – on land to the north of Hearne Channel (Great Slave Lake)

Drilling on the south claim (GTEN 9)

384000E 687800N; possible only one hole; drilling depth 200 –300 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 site and returned to Yellowknife for recycling or disposal in an approved manner. At the onland site located to the north of Hearne Channel (Site 3), 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 1.0-2.0 cubic metres.

C-5 Water Use

Water required for most of the exploration drilling program will be obtained from Great Slave Lake in the area of Drybones Bay. For the on land drill site near the Hearne Channel GTEN 9 zone, water will be withdrawn from the small unnamed pond located adjacent to the drill site. Water will be re-circulated thereby reducing the quantity required to about 25,000 litres per hole. "Used" water with drill cuttings from the on ice drilling program will be returned to Yellowknife for disposal in an approved manner.

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 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 and if success were encountered a number of additional years of confirmatory exploration drilling and bulk sampling would be required in order to determine if 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 3-4 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 3-4 week work window has been incorporated into the drilling program.

E Alternatives

E-1 Drill Sites and 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 are not applicable because no camp is required.

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, 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
Drilling Permit	Worker's Compensation Board NWT & Nunavut
Drilling on Lake Approval	Department of Fisheries and Oceans

G Public Consultation

G-1 Consultation

Table 3 Consultation

Date	Who	Outcome
Feb. 2003 Letter	All First Nation communities as advised by MVLWB	Received reply from Lutsel K'e Dene expressing concerns about process and treaty rights Proposed meeting in Mar. no response received
Feb. 2003 Telephone & Fax	Yellowknife Dene First Nation (YKDN)	Refused to reply until Diamonds North Land Use Permit issued (see Letter to MVLWB in Appendix 1)
March 2003 Telephone	Luis Azzolinni, consultant for YKDN	Informed of Public Meeting April 2 nd indicating that YKDN wanted to do business

April 1, 2003 Letter	MVLWB	Requested to attend Public Meeting and address concerns.
April 2, 2003 Public meeting	All Local concerned First Nations	4 hour meeting, various issues raised which resulted in the project being referred from the MVLWB to the MVEIRB
April 3, 2003 meeting	Nunavut & NWT Chamber of Mines	Shared thoughts on proceedings of the April 2 public meeting and discussed the nature of opportunities and benefits generated by from the currently operating diamond mines
April 2003 meeting	MVEIRB	Discussions on how to proceed.

April 2003 Letter, Telephone, Meeting	Environment Canada	Discussed and addressed environmental issues and adjusted Exploration Program to comply with the requirements of Environment Canada
April 2003 Letter,	Dept. Of Oceans & Fisheries	Discussed mitigation measures to address DFO concerns and procedures to ensure no effect on fish habitat

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, Consolidated Goldwin 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 Consolidated Goldwin'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 employed and the 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; most of program conducted in winter would be confined to an area on ice, 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.
Spiritually Significant areas	Spatially, the program areas are small and would not conflict with referenced areas of concern; no archaeological sites were identified by Prince of Wales North Heritage Centre within 1 km of the work areas; local community sources have not provided any information as yet but should information be provided we will ensure that all sites will be respected.
Numerous grave sites	Spatially, the program areas are small and would not conflict with referenced

along Drybones Bay	area of concern; no archaeological sites were identified by Prince of Wales North Heritage Centre within 1 km of the work areas; local community sources have not provided any information as yet but should information be provided we will ensure that all sites will be respected.
Actively used for hunting	Program would be conducted in winter.. Program duration is short and no effects on wildlife or hunting are anticipated.
Actively used for fishing	Program would be conducted in winter and confined to limited areas on ice, well offshore.. Program duration is short. Cuttings will be contained and transported to Yellowknife landfill site Fish harvesting by local business is 45km away from site and is not active during winter months.
Actively used for trapping	Program would be conducted in winter. Program duration is short and no effects on wildlife or trapping are anticipated.
Actively used for berry picking	Program would 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 birds are anticipated Summer goose hunting will not be affected.
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 birds are anticipated Summer duck hunting will not be affected.
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 wildlife habitats 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	Program would be conducted in winter. No land would be disturbed so could not disturb any medicinal plant growth and program not conducted during 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.
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G-3 Records

Appendix I is attached which details the correspondence and consultations that have taken place over the past seven 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 (3-4 week duration) and will occur during the winter period only. With the exception of the proposed on land deposition of drill cuttings at one location near Hearn Channel (Site 3) 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 Consolidated Goldwin's proposed drilling program areas.

I-2 Timing

The 3 – 4 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 sub-humid, high boreal eco-climate. 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 fluviatillis</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 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 3 to 4 weeks to complete the proposed holes (up to six) at three sites. One site, Site 3 near the north side of Hearne Channel, is landbased. The remaining two sites are located in the nearshore waters of Great Slave Lake in water depths of approximately 15 metres.

The temporary disturbance footprint associated with each of the 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 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. 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 in the areas of Consolidated Goldwin's proposed exploration drilling program. The closest site identified on land is in the Drybones Bay area 1.5 – 2.5 kilometres distant. The trap lines and travel routes identified on the community map presented at the public meeting were observed to not 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, as indicated on the community map in Dettah, no direct or indirect effects on cultural or heritage sites are expected to occur as a result of the implementation of the proposed Consolidated Goldwyn exploration drilling program.

L Cumulative Effects

The MVEIRB has initiated the preparation of a cumulative effects assessment for all proposed exploration activities in the Drybones Bay area. Consolidated Goldwin is expected to participate in this cumulative effects assessment as appropriate. Specifically, we understand that 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 Consolidated Goldwin 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, Consolidated Goldwin 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. Consolidated Goldwin 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. Consolidated Goldwin looks forward to participating in this study and providing input and finding solutions to mitigate any potential conflicts that may be identified.

M CONCLUSION

Consolidated Goldwin's preliminary exploration program described in this *Development Assessment Report* will be conducted during the winter, is short term, highly localized, completely reversible and will leave no discernible footprint.

The exploration drilling program will be conducted over a 3-4 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.

Consolidated Goldwin Ventures Inc., respectfully submits this Development Application Report to the MVEIRB 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

We attempted to arrange a meeting with the Yellowknife Dene during March and were finally contacted by Mr Luis Azzolinnii to be informed that a meeting in Yellowknife for the 2nd of April, 2003 was arranged.

The following is the table list of attempted contact with the YKDN:

On behalf of Consolidated Goldwin Ventures Inc. I have made the following attempts to contact Rachael Crapeau with respects to our Land Use Permit Application:

1. Time: 11:59 AM (PST) Monday Letter faxed to Yellowknife Dene First Nation February 17, 2003
2. Time: 9:00 AM (PST) Phoned the number given and was told that she was at another number 669-9002
3. Time: 9:13 AM (PST) Tuesday February 18th 2003. Phoned, identified who I was and why calling left office and cell number on message
4. Time: 12:30 PM (PST) Tuesday February 18th 2003. Phoned left no message.
5. Time: 11:30 AM (PST) Wednesday February 19th 2003. Phoned left another message.
6. Time: 9:30 AM (PST) Thursday February 20th 2003. Phoned left another message.
7. Time: 11:33 AM (PST) Friday February 21st, 2003. Phoned left another message.
8. Time: 11:37 AM (PST) Friday February 21st 2003. Phoned original number talked to someone who said that he would give her my message to call.

I attended the meeting along with various other mining companies and personnel from the MVLWB. All of these companies areas of the proposed land use were posted and available for all First Nation participants prior to and at the meeting. During the meeting, all the mining companies spoke with respects to their plans for the non-invasive, non-permanent, non-disruptive, preliminary exploration programs.

Although the First Nations raised concerns for possible gravesites and other culturally significant areas, their maps indicated none in the area of Consolidated Goldwin Ventures' proposed drill areas Most issues that were raised dealt with Treaty Land Claims negotiations with the Federal Government and political issues which are beyond the scope of our proposed Land Use Permit. At the April 2nd, 2003, meeting, one of the Chiefs indicated that their objections were intended to enlist "our support" for their treaty negotiations.

The meeting was a political meeting to further the First Nations' Treaty negotiations and as such provided no specific site problems related to Consolidated Goldwin' Land use application. Two letters received by the board with respects to the Drybones Bay area were identified by the MVLWB as "focused primarily on treaty rights" and expressed concern about inadequate consultation.

."

Responded to letter of Howard R. Townsend , Lutsel K'e Dene First Nation:

Dear Mr. Townsend,

I am in receipt of your letter of February 26th , 2003, which I received today by fax (March 4, 2003).

I thank you for responding and would invite you if you are in Yellowknife at that time, to an information meeting tentatively scheduled in Yellowknife for March 19th, 2003. I am sure that at that meeting all you "concerns" will be adequately addressed but specifically I will respond to those outlined in your letter.

With respects to your first point: the proposed exploration program is not a new "industrial activity" in this area. In fact the same type of drill program proposed was just completed last week under a regularly issued Land Use Permit from the Territorial regulators responsible for that permit. The type of work proposed has been conducted throughout the Northwest Territories for the benefit of all First Nations People for the last century or so.

With respects to your second point: the same probably could be said about the companies that recently completed the drill program. However, the contracting companies – all locally Yellowknife based service industries – would probably be the same (or equivalent) in our program and would be well known to your community. It is in our best interests to utilize the experience and efficiency of local companies which are cognisant of the local conditions. Our company has a long exploration history in the north (Yukon and Northern British Columbia) as do the consultants we employ. As well, part of my - albeit "form" letter – was to initiate contact equally with all potentially affected communities at the same time, to introduce ourselves and the project and to continue the rapport that has been established in the NWT between companies and First Nations People (as evidenced in the development of exploration properties – such as what we are currently assessing – into significant mining operations such as at the Ekati Mine and other operations).

With respect to your third point: To my knowledge all the exploration work in the area, to date, has been conducted in a professional and workmanlike way which has been regulated by the Territorial government for quite some time and has to my knowledge been more than adequate in ensuring that there is no adverse impact.

The program we are considering is preliminary, un-intrusive, and temporary in all aspects. It is designed to assess if an economic ore deposit – the type that have brought

significant prosperity to the Northwest Territories – is present on the legally valid mineral claims owned and optioned by the company.

The potential of discovering a new diamond field on the Slave Craton and so close to Yellowknife will enhance not only the economic development of such a discovery but the significant economic boon will impact positively on all the surrounding and “affected” communities.

We are not yet at a stage where significant economic benefits or opportunities exist – a new discovery will have to be made – but have opened our discussions with you to start creating those relationships and understandings so that all may benefit as we develop working friendships.

Your support and encouragement is welcomed and we are prepared to further our discussions if you have any questions at the earliest opportunity.

Please contact me at the above number, on my cell (604) 780-7659 or through the Consolidated Goldwin office (604) 682 –5281

My address for mail is Suite 1016– 470 Granville St. Vancouver, British Columbia V6C 1V5 and my email is lstephenson@wascomgt.com

Sincerely

“Mr. Laurie Stephenson”

Laurence Stephenson P.Eng.
Consultant
Consolidated Goldwin Ventures Ltd.



Fish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest
Territories
X1A 1E2

Appendix II

SC02167
Notre référence

March 17, 2003

Our file *Notre référence*

Laurence Stephenson
Consolidated Goldwin Ventures Ltd. (Geofin Inc.)
410-455 Granville Street
Vancouver B. C. V6C 1T1

**Re: Land Use Permit Application - MV2003C0003.
Consolidated Goldwin Ventures Ltd. Mineral Exploration
Drybones Bay, Great Slave Lake, NT.**

Dear Mr. Stephenson:

The Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) received notice of your application for Land Use Permit MV2003C0003 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 and the requested maps forwarded by email. The proposed work and activities include:

- Geophysical surveying prior to drilling
- Small diameter drilling (NQ) on ice
- Land drilling near the Hearne Channel
- 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 littoral and riparian habitats. All 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 refuelling 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 bermed or otherwise contained to ensure that these substances do not enter any water body. **DFO encourages alternate methodologies to the use of sumps as disposal techniques.**
- Drilling muds and other additives should be certified as non-toxic.
- Drill cuttings, mud, till, 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 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, MVLWB





