

Response to Information Requests Sidon International Resources Corp.



November 2006



Rescan™ Environmental Services Ltd.
Vancouver, British Columbia

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Response to Information Requests Sidon International Resources Corp.

EA 0506 006

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**1. IR'S - MACKENZIE VALLEY ENVIRONMENTAL REVIEW
BOARD**

1. IR's – Mackenzie Valley Environmental Review Board

IR Number: 1.3

Source: Mackenzie Valley Environmental Impact Review Board

To: Sidon Int'l Resources Corp.

Subject: Project Description

Preamble

Descriptions of the proposed development submitted by Sidon have helped to clarify the proposed development. In the Modified Developer's Assessment Report, Sidon states that "All the potential drill site areas appear to be located in areas that First Nations have identified as having no significance".

Request

- **In order to state that all potential drill locations have been identified by First Nations as having no significance, you must know all your potential drill sites. Which of your drilling targets are on ice, and which are on land? Where exactly is each located? Please list these individually, and describe in as much detail as possible.**

Three potential drill locations have been selected based on the results of previous airborne and ground-based geological surveys. The approximate drill locations are on land and near the main shoreline of Defeat Lake as depicted on the attached map. At this time Sidon can only provide approximate drill locations because the full geological and geophysical assessment of the area has not been completed. To determine the precise location of the drilling targets, field work is required to take into consideration the topography, brush and water bodies around the general area to maximize efficiency and minimize impact of the drill hole. Due to the limited funds available to the company and the uncertainty of the permitting process, this work can not be completed until a Land Use Permit is in place.

In August 2006 Sidon was in the process of attaining an archaeologist to complete an archaeological survey of the area to ensure the potential drill locations are of no archaeological or spiritual significance. Although, through a discussion held with Rachel Crapeau, Manager of Land and Environment for YKDFN, Sidon was informed that the YKDFN want to attain their own archaeologist, as opposed to the company attaining an archaeologist. Therefore, Sidon is attempting to set up a Memorandum of Understanding with the YKDFN to consult with them and work with their archaeologist to determine potential drill sites of no significance. However, this process is proving to be lengthy and timelines are uncertain of when a Memorandum of Understanding will be formed,

therefore Sidon would still like to attain their own archaeologist to complete a survey as soon as feasible (weather permitting).

Upon the issuance of a Land Use Permit magnetic surveying and a physical inspection will be initiated to delineate the locations of the drill targets. The exact locations will then be determined through the results of the defining work, archaeological survey, discussions/consultation with the YKDFN and site visits with an YKDFN elder.

- **Where have First Nations identified that all of your proposed drill sites are areas of no significance? Please identify your exact source.**

The exact sources that were used to determine the drill sites with areas of no significance include:

- the 2003 public meeting held in Dettah to address cumulative effects of exploration in Drybones Bay, the First Nations identified the areas of the proposed drill sites to have no significance
- the Prince of Wales North Heritage centre; no archaeological or spiritually significant areas were identified
- the Final Report of Environmental Assessment for CGV preliminary diamond exploration in the Drybones Bay did not identify the areas of interest to have significant heritage resources.

Sidon recognizes the sensitivity of the area under question and is therefore attempting to set up a Memorandum of Understanding with the YKDFN to begin a process of consultation and subsequent archaeological site surveys to ensure that the proposed drill sites are indeed areas of non-significance.

IR Number: 1.4

Source: Mackenzie Valley Environmental Impact Review Board

To: Sidon Int'l Resources Corp.

Subject: Project Description

Preamble

In Land Use Application MV2004C0039, Sidon states that “drill cuttings will be blended into area till”. In the Modified Developer’s Assessment Report, Sidon states in section E-2 that cuttings will be “placed into an approved depression well removed from waterbodies”.

Request

- **Will drill cuttings be blended into area till, placed into a “suitable depression”, or both? Please clarify.**

All drill cuttings from on-ice drilling will be removed and transported to Yellowknife for approved disposal. All drill cuttings from on-land drilling will be placed in a natural depression, or as regulated by the Land Use Permit.

IR's – Mackenzie Valley Environmental Review Board

- **If Sidon plans to place cuttings into “an approved depression well removed from waterbodies”, whose approval is Sidon referring to?**

Sidon was referring to the approval of the DIAND inspector for the Land Use Permit.

- **If Sidon plans to place cuttings into “an approved depression well removed from waterbodies”, what is the minimum distance in meters that Sidon considers to be “well removed” from surface waters?**

The minimum distance Sidon considers to be well removed from surface waters would be one hundred meters of the normal high water mark of any water body.

IR Number: 1.5

Source: Mackenzie Valley Environmental Impact Review Board

To: Sidon Int'l Resources Corp.

Subject: Fish Habitat and Impact Mitigation

Preamble

Our review of the application and scope of the proposed work does not provide specific delineation of the drill sites within specific bodies of water. Maps provided by the developer include sites on around Defeat Lake, a fish-bearing water body.

The company should describe the process they will use to protect fish habitat. Mitigation such as drilling in areas frozen to the substrate or in deep water is not described.

Request

- **Please describe the process that will be employed to identify sensitive fish habitat such as spawning shoals when potential drill sites are delineated and the process that will be used to determine the volume or depth of water in various other lakes and ponds.**

Through the delineation of drill site locations on water, a visual inspection will be carried out on the lake for spawning shoals and a depth estimate. If required, a bathymetric survey will be conducted to determine the presence of spawning shoals, and the volume and depth of the lake.

- **Please describe specific mitigation measures.**

On ice drilling will only occur during the frozen months and will only be located on areas frozen to the substrate or areas greater than 11 m deep.

2. IR'S – YELLOKNIVES DENE FIRST NATIONS

2. IR's – Yellowknives Dene First Nation

IR Number: 1.6

Source: Yellowknives Dene First Nation

To: Sidon Int'l Resources Corp.

Subject: Consultation

Preamble

In the opinion of YKDFN (as expressed in its proposed IR submission),

Mr. Lawrence Stephenson outlines what it calls “consultation efforts.” The Yellowknives Dene do not consider Mr. Stephenson’s effort to be consultation. The demonstrated efforts do not even meet the minimum threshold of discussion.

It is important to emphasise that Mr. Stephenson has not communicated with the YKDFN or its consultants. That is unfortunate because exploration and mining companies working in the NWT that have made a genuine effort to consult the YKDFN have been able to do so. We have found members of the Chamber of Mines to be an informed group and generally consultative and encourage Mr. Stephenson to draw on the Chambers knowledgeable members.

Request

- **Please provide the Review Board with Sidon’s policies with respect to “consultation with First Nations” as it applies in the NWT.**

Sidon recognizes the cultural, spiritual and historical significance of the area proposed for exploration, and thus the importance of consultation with the First Nations. Therefore Sidon has formally requested consultation with the YKDFN and is attempting to set up a Memorandum of Understanding to begin the consultation process. As well Sidon has hired Rescan Environmental Services to ensure that the First Nations are properly consulted.

- **Has Sidon chosen not to consult the YKDFN because it is of the opinion that such consultation is the responsibility of the government of Canada?**

Sidon does not believe that consultation is the responsibility of the Government. Sidon believes that the onus of consultation is on the developer, and has therefore attained Rescan to carry consultation with the First Nations.

- **Please provide the Review Board information about what Sidon is willing to commit to with regard to on-going meaningful consultation with the YKDFN.**

In discussions with Rachel Crapeau, Manager of Land and Environment for YKDFN, and YKDFN’s consultant, Louis Azzolini, the YKDFN are willing to be consulted if Sidon will enter a Memorandum of Understanding with the YKDFN. To this end Sidon is

attempting to set up a Memorandum of Understanding with the YKDFN to begin consultation.

Sidon regards meaningful consultation to consist of:

- meetings with Sidon's president of the company and the chiefs and council to discuss Sidon's program, and discuss concerns that the YKDFN have regarding the program, as well as to seek and consider the advice that the YKDFN provide respecting the presence of heritage resources
 - site visits with a YKDFN elder to determine adequate drill locations
 - working with YKDFN's archaeologist to determine exact drill hole locations
 - working with the YKDFN over the life of the Land Use Permit to ensure protection of heritage resources.
- **Please provide information about what other First Nations Sidon has consulted in the NWT and in Canada within the last five years.**

**Table 2.1-1
Consultation Record**

| Date/what | Who | Outcome |
|--|---|--|
| Feb. 2003/ Letter explaining exploration program | North Slave Metis Alliance, Yellowknife Dene First Nation, Lutselk'e Dene First Nation, Yellowknife Metis National Local #66, Rae-Edzo Metis National Local # 64, Rae-Edzo First Nation, Deninu K'ue First Nation, Fort Resolution Metis. | Received reply from Lutsel K'e Dene expressing concerns about process and treaty rights. Proposed meeting in March; no response received. |
| 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 2004/ Site visit | Dettah First Nation representatives and elders | Trip to area of GSL 10 claim (amended LUP) to show area of proposed hole – No problem seen, all were happy with location. |
| October 13, 2004/ Letter explaining exploration program | North Slave Metis Alliance, Yellowknife Dene First Nation, Lutselk'e Dene First Nation, Yellowknife Metis National Local #66, Rae-Edzo Metis National Local # 64, Rae-Edzo First Nation, Deninu K'ue First Nation, Fort Resolution Metis, | Phone contact from one band to re send or email |
| October 13, 2004/ email | Dettah First Nation | Email sent requesting fax number and time to send – no response |
| Summer 2004/ Meeting | Max Braden and Glen Macdonald and First Nations Representatives | Various discussions with outlining work areas – no negative responses |

- **Please provide the Review Board information about what Sidon understands its role to be in the consultation and communication process with YKDFN during the regulatory process (e.g., land use permit and water licensing processes)**

Sidon understands its role in the consultation process with the YKDFN during the regulatory process is to start communication/consultation with the YKDFN regarding their application, and to seek and consider the advice that the YKDFN provide respecting the presence of heritage resources.

- **Please provide information about what regulatory authorities were contacted in the NWT before applying for the development authorizations (e.g., Was DFO contacted? Was Indian and Northern Affairs contacted?)**

Before applying for the development authorizations, WCB was contacted regarding a drilling permit, and well DFO was contacted regarding drilling on lake approval. As well the drilling proposal was discussed in detail at the 2003 public meeting held in Dettah.

IR Number: 1.7

Source: Yellowknives Dene First Nation

To: Sidon Int'l Resources Corp.

Subject: Cultural Impacts

Preamble

In the opinion of YKDFN (as expressed in its proposed IR submission),

Sidon... suggests there is no culturally important or heritage sites identified in the areas where (it) proposes work. That is not the case as noted by the Prince of Wales Heritage Centre. The developers are asked to respond to the following questions.

Request

- **Respecting the significant cultural significance of the proposed development areas and the associated cultural landscape, are the developers prepared to accommodate YKDFN needs regarding the full protection of the areas?**

Sidon is prepared to accommodate the YKDFN needs regarding the full protection of significant cultural areas.

- **Over the years, cultural, economic and social factors have led to the development of distinct cultural landscapes in and around proposed development area. Through centuries, the local inhabitants perpetuated this cultural landscape through subsistence interaction with the natural resources through consensus-driven institutions. The YKDFN has recently experienced profound changes in its social, cultural, administrative and technical conditions. Are the developers prepared to work with the YKDFN over an extended period of time in order to ensure the resulting cultural landscape continues to reflect the local identity of the place and residents and represents the regional characteristics of YKDFN?**

Sidon is prepared to work with the YKDFN over an extended period of time to ensure protection of heritage resources; hence the reason Sidon is willing to enter a Memorandum of Understanding with the YKDFN.

- **Does Sidon accept that the areas where it proposes to undertake development has value at a cultural landscape level? If Sidon concludes the areas do not have a significant cumulative cultural landscape value, please provide information used to arrive at that conclusion.**

Sidon accepts that the areas where drilling is proposed have cumulative cultural landscape value, it is for this reason Sidon would like to work with the YKDFN and an archaeologist to attain a viable outcome for all parties involved.

3. IR'S – INDIAN AND NORTHERN AFFAIRS CANADA

3. IR's – Indian and Northern Affairs Canada

IR number: 1.8

Source: Indian and Northern Affairs Canada (INAC)

To: Sidon International Resources Corp.

Subject: Camp sewage and greywater disposal

Preamble

The Land Use Permit (LUP) application mentions the possibility of a small camp setup (4-6 people) at Moose Bay on Great Slave Lake. If a camp is established on the ice INAC needs clarification on how/where sewage and greywater from the camp will be disposed of. The original LUP application states in section 9-B that sewage and greywater will be allowed to “settle and returned to natural state”. The Modified Development Assessment Report (MDAR) states that all wastes will be transported back to Yellowknife. If waste is to be disposed of in the area of the camp the following should be noted: (a) waste should undergo a minimum of primary treatment to remove all suspended solids and floatable materials; (b) there should be no discharge of floating solids, garbage, grease, free oil or foam; (c) discharge of the effluent should take place in a diffuse manner to self-contained areas with minimal slope; and (d) all discharges must occur at least 100m from any waterbody. The preferred method of wastewater treatment for the camp would be a secondary or tertiary treatment system that would allow for the treated waste to be spread to the land surface.

Request

- **Please provide details on the method of sewage and greywater waste disposal at the proposed temporary work camp at Moose Bay on Great Slave Lake.**

If the camp is to be used the sewage and Greywater will be disposed of in the manner as suggested by INAC:

- waste will undergo a minimum of primary treatment to remove all suspended solids and floatable materials;
- there will be no discharge of floating solids, garbage, grease, free oil or foam;
- discharge of the effluent should take place in a diffuse manner to self-contained areas with minimal slope; and
- all discharges will occur at a minimum of 100m from any waterbody.

IR number: 1.9
Source: Indian and Northern Affairs Canada (INAC)
To: Sidon International Resources Corp.
Subject: Camp location

Preamble

Sidon International Resources Corp. has proposed setting up a temporary work camp on the ice at Moose Bay on Great Slave Lake. Situating a work camp on an ice surface can be problematic and precautions should be taken to minimize risk involved. A plan for camp location, including minimum measures of ice thickness, should be noted in the application. In addition, heated cabins will have an effect on the integrity and thickness of the ice surface. Cabins should be positioned to allow convective cooling beneath the cabin. An emergency plan should be established and all workers should be informed of protocol for dealing with ice associated dangers.

Request

- **Please provide details of the camp location and services. In addition please include a plan for dealing with ice associated dangers.**

At this point it is unknown if a camp will be required. If possible the operations will be helicopter supported and mobilized from Yellowknife. However if a small camp is required, it will be a small 4-6 person camp for the duration of 3-4 weeks (maximum 186 person days). A camp plan will be submitted and will include the location and layout of the camp, minimum measurements of ice thickness an emergency plan addressing the protocol for dealing with ice associated dangers (see appendix 1: Safety Plan for Operations on Ice). If heated cabins are to be used on the ice surface, they will be positioned to allow convective cooling beneath the cabin.

IR number: 1.10
Source: Indian and Northern Affairs Canada (INAC)
To: Sidon Resources International Corp.
Subject: Land Use

Preamble

INAC, Land Administration and Mining Records office has identified that a seasonal recreational lease in the area in the name of Clarence Brown is present on the north east shore of Defeat Lake, on Lot 1013, UTM Coordinates 12365263mE and 6916561mN, or approximately 62 degrees 21' North – 113 degrees 36' W.

Request

- **Has the lessee, Clarence Brown on Defeat Lake been consulted with regards to this proposed operation near his leased site?**

A phone conference was held with Clarence Brown on October 26, 2006 to inform him about the company and the drilling that is proposed for Defeat Lake. Mr. Brown stated that he had no concerns or questions with regards to the exploration.

APPENDIX 1
ICE SAFETY PLAN FOR OPERATIONS ON ICE

Appendix 1

Safety Plan for Operations on Ice Sidon International Resources Inc.

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1. Introduction

Sidon International Resources Corp. is planning to conduct an exploratory diamond core drilling program on identified areas on land and near the main shoreline of Defeat Lake, north east of the Drybones Bay Area of Great Slave Lake, NWT. The project will take 2-3 months including site selection, organizing work and contractors, field work, and evaluation of data from field. The actual drilling itself will take 3-4 weeks.

To support the drilling program a temporary winter access road, and drill sites on ice may be required. A small (4-6 person) temporary camp may be required on the ice surface as well. The winter access road and drill sites will be constructed in accordance with existing NWT guidelines for the construction, maintenance and closure of winter roads.

The purpose of this plan is to provide a safety guide for recognizing and dealing with ice associated dangers.

2. Operating Procedures

2.1 Ice thickness

Prior to use, the ice will be measured to determine whether its effective thickness is adequate to support the expected load. Table 2.1-1 depicts the required ice thickness for various loads.

**Table 2.1-1
Guide to Required Ice Thickness**

| | Weight | Ice Thickness |
|--|---------------------|----------------------|
| Ice Strength for Travel | 242,500 lb. (121 t) | 50 inches (127 cm) |
| | 154,000 lb. (77 t) | 40 inches (102 cm) |
| | 100,000 lb. (50 t) | 32 inches (81 cm) |
| | 55,000 lb. (28 t) | 25 inches (64 cm) |
| | 22,000 lb. (11 t) | 15 inches (38 cm) |
| | 17,600 lb. (9 t) | 14 inches (36 cm) |
| | 7,700 lb. (4 t) | 10 inches (25 cm) |
| Ice Strength for Stationary Loads | 242,500 lb. (121 t) | 90 inches (229 cm) |
| | 154,000 lb. (77 t) | 70 inches (178 cm) |
| | 100,000 lb. (50 t) | 60 inches (152 cm) |
| | 55,000 lb. (28 t) | 43 inches (109 cm) |
| | 22,000 lb. (11 t) | 30 inches (76 cm) |
| | 17,600 lb. (9 t) | 24 inches (61 cm) |
| | 7,700 lb. (4 t) | 18 inches (46 cm) |

Expressed in inches and centimetres
Weights and ice thickness measures rounded to nearest whole

2.2 Stationary loads

With a stationary load the ice surface will sag continuously and may fail, depending on the strength of the ice cover. The safe bearing capability for stationary loads is considered to be 50 percent less than that for moving loads.

2.2.1 Ice Failure Under Stationary Loads

The sequence of failure for stationary loads is as follows:

- radiating cracks form at the bottom of the cover immediately beneath the load (and ultimately propagate through the cover);
- circular cracks form at the upper surface of the cover at some distance from the load (noticeable sagging of the ice may occur);
- the ice shears in a circle immediately adjacent to the loaded surface (failure may be imminent).

Stationary loads will be moved under any of the following conditions:

- when radial cracks develop;
- if noticeable sagging is observed;
- if the rate of sagging increases;
- if continuous cracking is heard or observed;
- if water appears on the surface of the cover.

2.3 Operation Precautions

The following precautions will be taken when testing for ice thickness or crossing ice covers:

- All persons involved in the drilling program will be familiar with the hazards involved, the precautions to be taken and the basic rescue techniques required in case of a breakthrough.
- Single persons or single vehicles will not be permitted to venture onto an ice cover when there is no help at hand.
- When testing for ice thickness, persons on foot will either carry long poles, to be used as an aid to rescue in case of a breakthrough, or be securely roped together, with minimum spacing of 50 feet (15 m).
- Light vehicles used during test periods and initial build-up should be equipped with an extended frame of logs to provide support if the vehicles break through the ice cover.
- A vehicle speed of 15 km/h will be followed in order to avoid the effects of the hydrodynamic wave.
- Equipment required for rescue operations, such as “mats” (chained or wire-linked small logs or heavy planks as a platform for rescue vehicles) jacks, hoists, etc., should be available near by.
- For a period of 24 hours after a marked drop in temperature, or following the removal of snow from the ice cover during periods of low temperature, loads will be reduced by 50 percent and night-time travel should be discouraged.

2.4 The Use of Snowmobiles on Ice Covers

2.4.1 Operation Precautions

The following precautions will be taken when using a snowmobile on ice covers:

- Where there is an alternative, single machines will not be operated unaccompanied over ice covers.
- If single machine operation is unavoidable, the manager of operations should be notified of the route to be taken, the destination and probable time of return.

- Operations should not be conducted over ice covers less than 6 inches (15 cm) thick.
- Operators will be made aware of and avoid locations where currents or springs may cause dangerous thinning of the ice cover.
- Fog may indicate the proximity of open water; if encountered speed will be reduced and great care taken.
- When unexpectedly encountering open water operators will be instructed to take the normal action is to slow down, brake gently and turn away; otherwise, turn as sharply as possible. If a turn cannot be made in time or a skid results, the operator should roll off the machine.
- Glare from the sun and ice may obscure obstacles or dangerous areas; anti-glare sunglasses will be worn under these conditions.
- Operations at night or at high speeds will be restricted to well-marked and known safe trails or crossings.
- Unless essential, snowmobiles will not be operated on ice bridges or roads with other types of traffic.
- Operators will be advised to avoid operating over slush or water-covered ice; but if unavoidable, ensure that the tracks are cleared of ice and slush.

2.5 Maintenance

The ice road and ice under the camp and drill sites will be kept clear of excessive snow, and the snow banks kept well back, with slopes of no more than a ratio of 1 to 5. The weight of snow banks can weaken the ice underneath and form relatively deep ditches by slow sagging, and therefore will be leveled out if higher than 3 feet (1 m) or two thirds of the ice thickness, whichever is the larger.

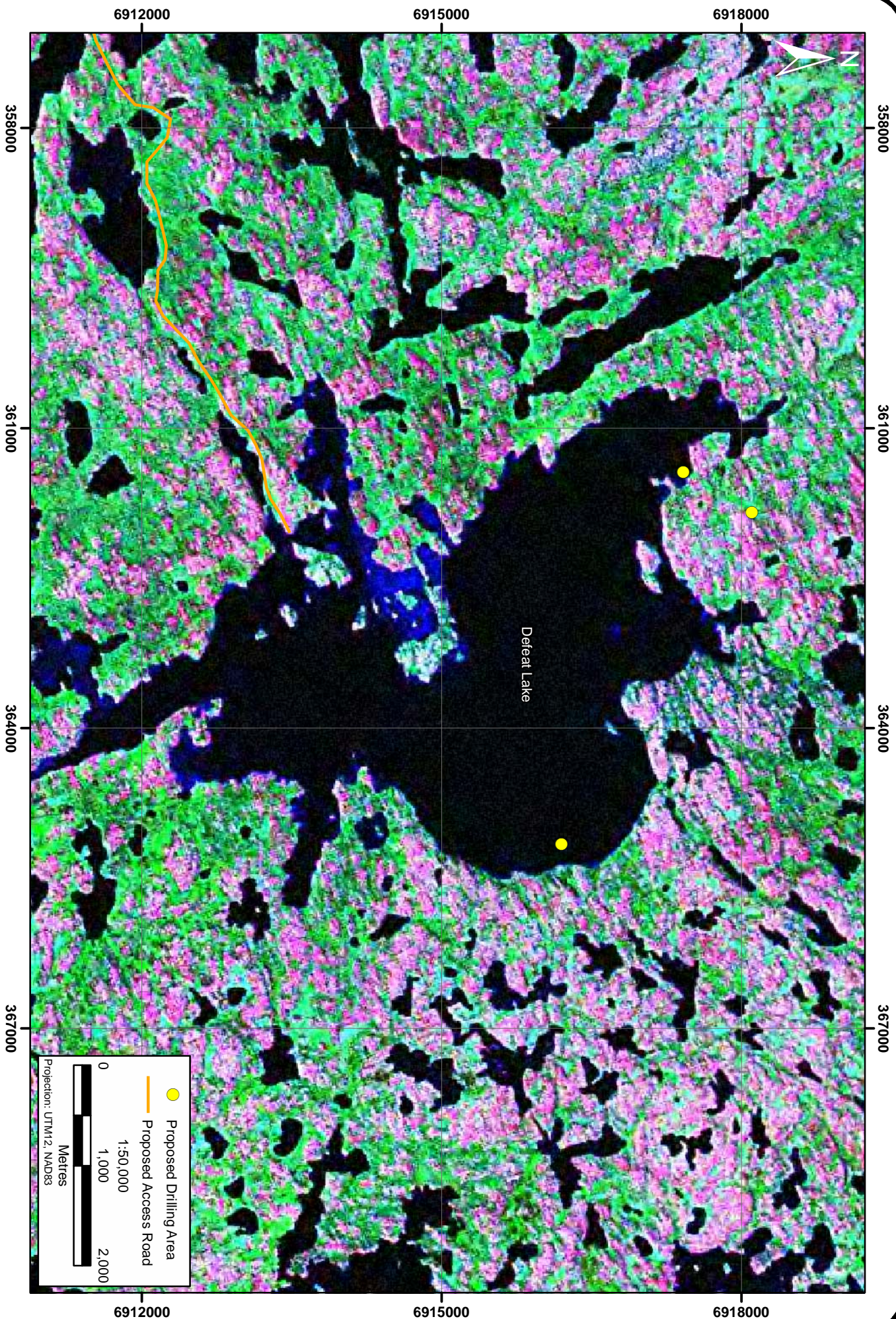
A covering of 3 to 4 inches (7.5 to 10 cm) of compacted snow will be left on the ice surface to provide traction as well as a cushion.

Any heated camp tents will be positioned to allow convective cooling beneath the tent, and a covering of 3 to 4 inches (7.5 to 10 cm) of clean snow will be left under the tent to provide a thermal barrier. Ice conditions under the tent frames and around the camp will be inspected daily.

To avoid the absorbance of solar radiation, the surface of the ice will be kept clear of dirt or other dark material, such as oil spots. Puddles of water also absorb heat from the sun and will be “repaired” by filling with snow.

A daily inspection of the ice cover will be checked for cracks, and its thickness measured as outlined in Table 2.1-1. Any wet cracks will be repaired immediately and loads reduced until the refreezing process is completed.

FIGURES



**Sidon International Resources Corporation -
Proposed Drilling Areas on Defeat Lake Claim**