

**GEOFIN**

Geological & Financial  
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Mackenzie Valley Land and Water Board  
7<sup>th</sup> Floor – 4910 50<sup>th</sup> Avenue  
Yellowknife NWT  
X1A 2P6

September 9, 2004

**BY COURIER**

**RE: New Land Use Application**  
Sidon Ventures Inc.

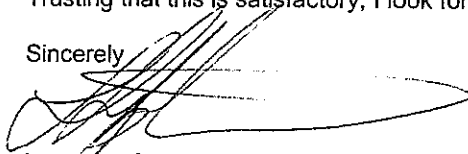
Dear Sirs,

Attached an application for areas that Sidon is seeking to commence exploration on.

Please advise what further steps need to be taken. We will be circulating the areal maps early next week for this new application.

Trusting that this is satisfactory, I look forward to talking to you in the near future.

Sincerely

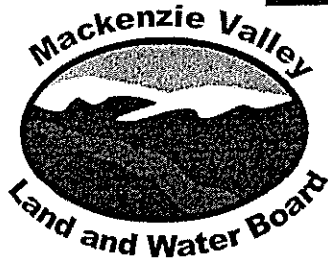
  
Laurence Stephenson

Mackenzie Valley Land  
& Water Board

File \_\_\_\_\_

SEP 15 2004

Application # MV2004C0039  
Copied To PWH/HM/Reg



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

Application for:

New Land Use Permit

Amendment

MV2004C0039

1. Applicant's name and mailing address: SIDON INTERNATIONAL RESOURCES CORP. Ste 1610 - 470 Granville St V ANCOUVER BC V5N 4E8	Fax number: 604 689-7179 (attn: L. Stephenson)
	Telephone number: 604 689-7178 or 604 780-7659 (msg. 604 542-2691)
2. Head office address: Ste 1610 - 470 Granville St Vancouver B. C. V6C 1V5 Field supervisor: L. Stephenson Radiotelephone: N/A	Fax number: 604 689-7179 (Attn: L. Stephenson)
	Telephone number: cell 604 780-7659 (msg. 605 542-2691)
3. Other personnel (subcontractor, contractors, company staff etc.)  Geologist (1-2); Drillers +/- foreman (4 or 5); Geophysical Technicians (3-5); line cutters/ samplers (3-5) TOTAL: (Number of persons on site) 2-6 at any one time	
4. Eligibility: (Refer to section 18 of the Mackenzie Valley Land Use Regulations)	
a)(i) X a)(ii) a)(iii) b)(i) b)(ii)	
5. a) Summary of operation (Describe purpose, nature and location of all activities.)  Exploration work will consist mainly of drilling short vertical or angle core holes on potential kimberlite targets. During the drilling and/or prior to it, detailed geophysical surveying will have been conducted as well as grid establishment and till sampling will likely be completed this summer. The main work covered by this land use permit will be the drilling of at least 1 and potentially up to 3 diamond drill coring holes to a depth of 250 - 300 meters. The location of the activities will be on part of the claim as indicated on the accompanying maps.  b) Please indicate if a camp is to be set up. (Please provide details on a separate page, if necessary.)  Since most of the operations will be Helicopter supported, it is anticipated that they will be mobilized completely from Yellowknife. If a camp is necessary, we are investigating using trailers that could be hauled by winter road to the area and removed upon completion of the drilling program. The self contain units would leave no impact and would in most instances likely be on the ice or shore line. A mobile helicopter set up and supplied camp would be the alternative. SEE ATTACHED REPORT	

6. Summary of potential environmental and resource impacts (describe the effects of the proposed land-use operation on land, water, flora & fauna and related socio-economic impacts). Use separate page if necessary.)

The proposed exploration project is a commonly carried out mineral exploration project that is preliminary in nature, short in duration, non-intrusive and non-permanent. In past, these types of programs have had no effect on the land, water and flora and minimal to no effect on the fauna. The consultant conducted such a program last April to that effect on an area to the south of these claims. The company intends to continue in that format.

We have attached the report for the region that was completed in public hearings last November plus the consultant's submission with respects to the MVEIRB Review. That submission has been modified with respect to this claim and the proposed drilling program.

7. Proposed restoration plan (please use a separate page if necessary).

Please see attached report

8. Other rights, licences or permits related to this permit application (mineral rights, timber permits, water licences, etc.)

Mineral Rights Held by Claim: DEF 1

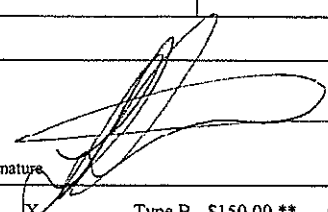
Roads: None Is this to be a pioneered road? Has the route been laid out or ground truthed?

9. Proposed disposal methods. SEE ATTACHED REPORT

- a) Garbage: Transported out to base c) Brush & trees: N/A but if any slashed and burned  
 b) Sewage (Sanitary & Grey Water): N/A & allowed to settle and return to natural state d) Overburden (Organic soils, waste material, etc.): Drill cuttings will be blended into area till, any other disturbed material will be returned to origin.

10. Equipment (includes drills, pumps, etc.) (Please use separate page if necessary.) SEE ATTACHED REPORT

Type & number	Size	Proposed use
Boyles 38 drill (1)	10 m x 10 m drill shack area	Drill core holes into rock
Assorted Pumps (2)	2 m x 2 m	supply water to cool drill bit
tractor (1) (unless drill is moveable)	3m x 3m	to position drill

11. Fuels	( )	Number of containers	Capacity of containers	Location
Diesel		1-2	45 gallons (205 litres)	at drill site
Gasoline		N/A or 1	5 gallons (20 litres)	at drill site
Aviation fuel		N/A		
Propane		1	100 pound cylinder	at drill site
Other	lubricants	2	5- 20 litre	at drill site
12. Containment fuel spill contingency plans. (Please attach separate contingency plan if necessary). see attached plan & SEE ATTACHED REPORT				
13. Methods of fuel transfer (to other tanks, vehicles, etc.) by hand pump, SEE ATTACHED REPORT				
14. Period of operation (includes time to cover all phases of project work applied for, including restoration) September 1 <sup>st</sup> 2004 – June 30 <sup>th</sup> 2009				
15. Period of permit (up to five years, with maximum of two years of extension). June 1 <sup>st</sup> , 2003 to September 30 <sup>th</sup> 2005				
16. Location of activities by map co-ordinates (attached maps and sketches)				
Minimum latitude (degree, minute)		62°21'		Maximum latitude (degree, minute) 62°23'30"
Minimum longitude (degree, minute)		113° 40'		Maximum longitude (degree, minute) 113° 44'
Map Sheet no.		851/4		
17. Applicant Print name in full		Laurence Stephenson		August 4, 2004
		Signature 		Date
18. Fees		Type A - \$150.00 ** <input checked="" type="checkbox"/> Type B - \$150.00 ** (**Application Fees are Non-Refundable**)		
Land use fee: > 1		hectares @ \$50.00/hectare		\$ 50.00
		Assignment fee \$50.00		\$
		Total application and land use fees		\$ 200.00
<b><i>Please make all cheques payable to "Receiver General of Canada"</i></b>				

## LEGEND

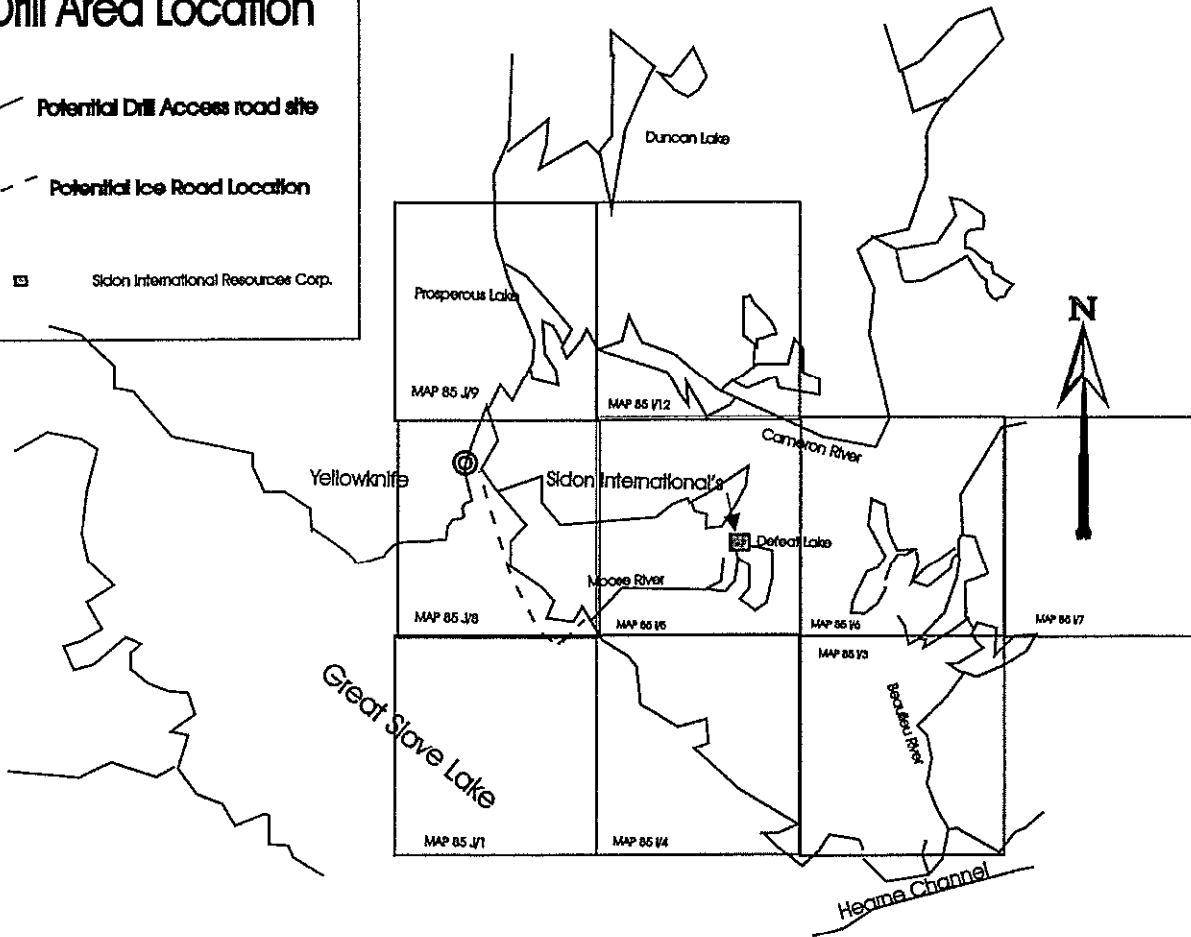


Drill Area Location

Potential Drill Access road site

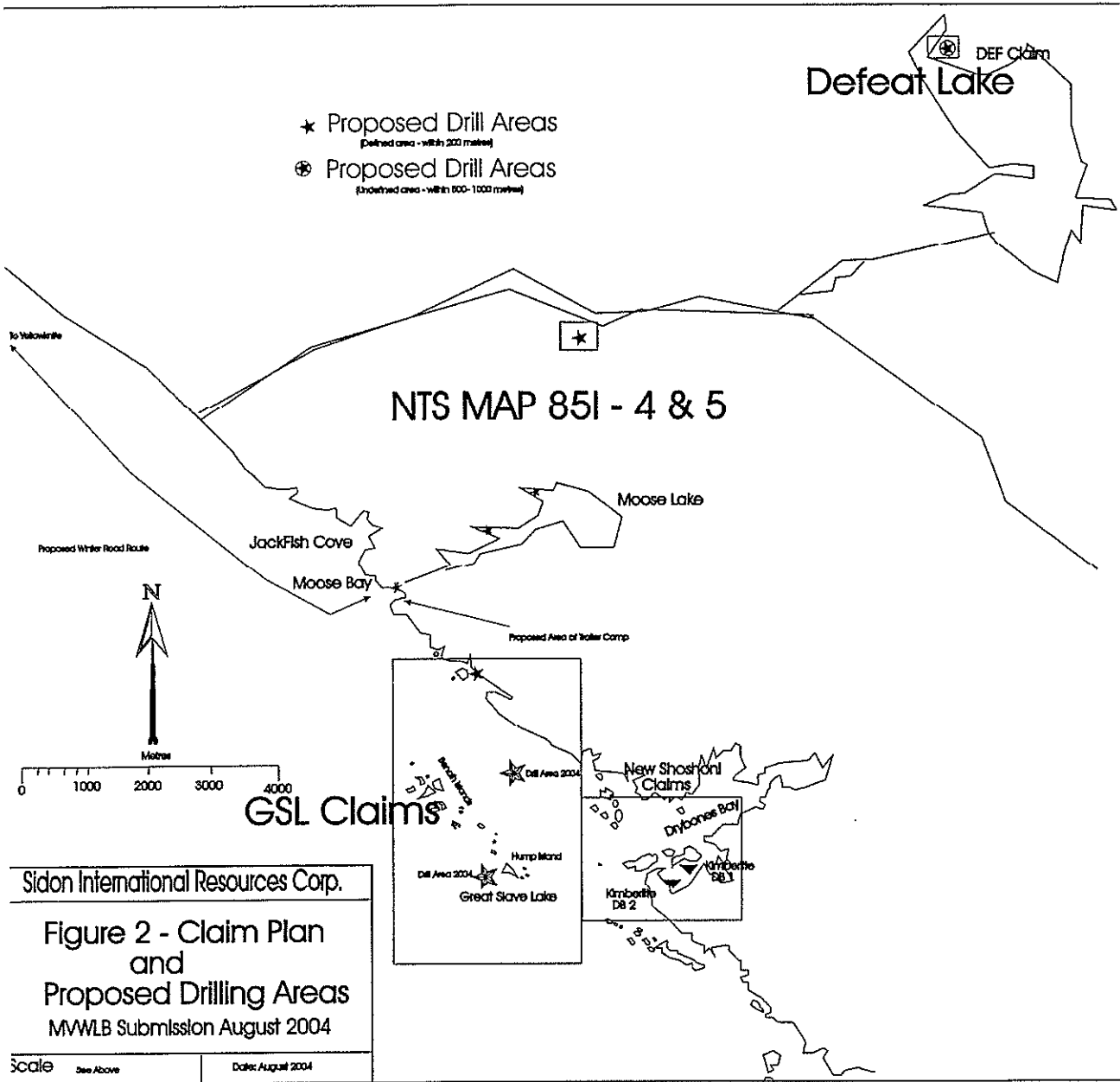
Potential Ice Road Location

□ Sidon International Resources Corp.



# Sidon International Resources Corp. Map 1 - Areal Projects Location

Date: July 2004



**Contingency and Spill Response Plan**

**2004 Land Use Permit Application**

for

Sidon International Resources Corp.

Prepared by:

Consultant

LAURENCE STEPHENSON, B.Sc. M.B.A. P.Eng.  
1136 Martin St., White Rock, BC

August 2004

## **1.0 INTRODUCTION**

This Contingency and Spill Response Plan has been prepared for the 2004 Land Use Permit Application of Sidon International Resources Corp. to assist contractors and employees to identify the potential environmental hazards and the actions to be taken in the event of an accidental spill on the drilling project for the land use being applied for.

All employees and contractors are required to be familiar with this plan and participate in spill response actions as required in the event of a spill

## **2.0 HAZARD IDENTIFICATION**

The only hazard potential is the petroleum products consumed in the operating of the drill on the target sites. Petroleum Products are flammable and toxic to the environment and diesel fuel will be the only product that will be on site in greater than the regulated amount which would trigger a spill report (Item 9 (1) Spill Contingency Planning and Reporting Regulations of *the Environmental Protection Act*).

Due to the temporary nature of the drilling operation it is anticipated that under 250 litres of petroleum products will be on site at any given time and will be in 205 litre drums within an secondary containment unit.

## **3.0 SPILL RESPONSE ACTION PLAN**

In the event of any spill the following actions are to be implemented.

1. Identify and cease the activity causing the spill.
2. Remove the affected snow cover and if need be the affected ice and deposit it in an appropriate container for transport and disposal in Yellowknife.
3. If all or most of the contents of the diesel fuel container are involved in the spill the company on site representative is to be notified immediately.
4. Absorbent pads from the onsite Spill Kit will be used where necessary to ensure a thorough clean up.
5. Remedial action to ensure that no further spillage occurs is to be taken.



#### **4.0 SPILL REPORTING AND NOTIFICATION**

1. In the event of all or most of the contents of the diesel fuel container being involved in the spill a spill report form should be completed with the best on site information possible.
2. In the event of all or most of the contents of the diesel fuel container being involved in the spill, contact of the 24 hour Spill report line (867) 920-8130 and provide the information recorded on the report.
3. If a medical emergency exists immediate action to attend to that is required through the appropriate agencies.
4. In the event of items 1 and 2 occurring, spill follow up actions are to be reported including sending a completed spill report form to Renewable Resources, NWT. and providing a report detailing all clean-up actions and the status of the event.
5. Contact for the company: L Stephenson 604 780-7659 or the on site geologist to be determined.

#### **5.0 SPILL RESPONSE TRAINING**

All employees and contractors will be made aware of the this plan and the whereabouts of the Spill Kit and equipment necessary for implementing this plan.

All employees and contractors will be reminded that prevention is the best Spill contingent plan and procedures to ensure no spillage will occur will be discussed.

#### **6.0 EQUIPMENT AND LOCATION**

The spill kit will be located in the drill shack and the empty drum/refuge container will be located on the back of a pick-up truck or other mobile transporter.

##### **MSDS**

WHMIS CLASSIFICATION SUMMARY: Combustible liquid (Class B3);  
Poisonous Material (D2); Trade Name: Diesel (20X, 0, etal)  
Petroleum Hydrocarbon; Use: in internal combustion engines of the compression ignition type.

**Modified Development Assessment Report  
For Sidon International Resources Corp.  
Preliminary Exploration Program**

**Land Use Permit Application 2004**

Amended August 2004

Submitted to:

Mackenzie Valley Land and Water Board  
Yellowknife, NT

Prepared by:

Sidon International Resources Corp.

Suite 1016 - 470 Granville Street  
Vancouver, BC

August 2003

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## **A INTRODUCTION**

This Exploration Program summary has been prepared for Land Use Permit Application of Sidon International Resources Corp. and is submitted to the Mackenzie Valley Land and Water Board (MVLWB) for their preliminary screening.

On April 12, 2003, the MVLWB referred the 2003 Land Use Application of Sidon International Resources Corp, New Shoshoni Ventures and Snowfield Development to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) as per s. 125 of the Mackenzie Valley Resource Management Act (MVRMA). The consultant retained by Sidon was instrumental in preparing the submission of those companies in response to the Terms of Reference, formulated for that successful Land Use application, and has adapted this amended report because we are conducting the current operations in the same region, and it is being filed to address all the same issues addressed in the full *Development Assessment Report (DAR)*.

The following report describes the "exploration program" 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**

Sidon International Resources Corp is planning to conduct an exploratory diamond core drilling program on identified areas mainly to the north and east of the Drybones Bay Area of Great Slave Lake, NWT. The drilling exploration activity will be of short duration (1-2 months ) 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 and during the consultant's 2004 exploration program conducted earlier this year.

The preliminary exploration program will involve the drilling of one to two bore holes at each of the proposed drill site areas. The drill sites for each area are listed in Table 1. These are tentative sites as the full geological and geophysical assessment of the area has not been completed. Due to the uncertainty of the

permitting process and the limited funds available to the company, this work will not be completed until the Land Use Permit is issued.

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 could be used to service the drilling program however most of the operation is expected to be helicopter supported.

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. This was as done during the 2004 program.

The exploration drilling program will be conducted over a 1-2 month 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 m<sup>2</sup>. 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. This was the outcome of this past winter's drill program.

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.

**Table 1 DRILL SITE AREAS**

CLAIM GROUP	Approximate Centre Co-ordinates		Comment
	LONGITUDE	LATITUDE	
DEF 1	113°42'	62°22''	Small bay

**B Developer (Mineral Exploration Company)**

**B-1 Corporate History**

Sidon International Resources Corp. is a new junior resource exploration company that has been operating in Canada since 2003. However its consultants have been active in the NWT and carried out a similar exploration program in the Drybones Bay area in April of 2004.

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 A. Chami and are under option by the company for outright purchase.

### **B-3 Organizational Structure**

The company president is Kamal Alwas and directors Hassan Alaeddine, Adnan Osman and Abby Farrage 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.

The 2004 drilling program was conducted with out incident and effect on the environment.

## **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, centred in the area of Table 1 have not been explored by ground geophysical systems but airborne systems have identified favourable anomalous responses that warrant follow-up.

### **C-1 Timing**

The drilling program will be undertaken during the winter period (February to April 2005) to further minimize potential environmental effects and is expected to be of 1-2 months in 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 potential temporary winter access roads and drill sites are depicted on Map 2. 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 was constructed over the lake ice to the Drybones Bay area during the winter of 2003/04. A similar road is proposed for the ongoing program.

A temporary camp may be required to support the planned drilling program as it is not safe to operate completely from Yellowknife. It is anticipated that trailers could be utilized from Yellowknife to establish a non-permanent camp at the edge of Great Slave Lake in the vicinity of Moose Bay. Depending on the conditions skidoo trails to the proposed sites on the DEF Claim, a temporary helicopter supported camp could be necessary due to the distances.

Most of the drill site areas are located on land or near the main shoreline of Defeat Lake or various other ponds in the area. All the potential drill site areas appear to be located in areas that the First Nations have identified as having no significance to their "trails" and other sites of interest. However as demonstrated in the GSL claim area we will enable First Nation elders to accompany us and inspect the proposed access and drill sites to ensure no conflict is present.

## **C-3 Operations**

The main drill site areas are on NTS map sheets 85 I4, NAD 27 is the grid and the centre of the areas or the approximate location of the site is listed in Table 1. Drilling depth of between 200 –300 metres for each drill hole are proposed.

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 any on ice component of the drilling program, all wastes, including the drill cuttings will be removed off site and disposed in an approved manner. At the onland sites, 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 Defeat Lake or 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 disposed 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.

This was exemplified by the drilling program earlier this year which shows no further interest in the immediate area of the drilling.

### **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 it would compromise the safety of the employees.

#### **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

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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**

<b>Regulatory Authorization Required</b>	<b>Authorizing Authority</b>
Land Use Permit	Mackenzie Valley Land & Water Board
Drilling Permit	Worker's Compensation Board NWT & Nunavut

**G Public Consultation**

**G-1 Consultation**

**Table 3 Consultation**

<b>Date</b>	<b>Who</b>	<b>Outcome</b>

**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.

During the 2004 winter drill program of Consolidated Goldwin First Nation personnel were employed on site as guides and observers to the operations. No issues were identified during the program.

However since these were all raised last year and have been addressed they are included here for continuity.

**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 along Drybones Bay	Spatially, the program areas are small and would not conflict with referenced 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.

### G-3 Records

No records are attached to this report.

## 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

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The proposed preliminary exploration drilling program will be of a very short term (2- 3 month duration) and will occur during the winter period only. The proposed on land deposition of drill cuttings will be the only permanent disruption since all drilling equipment and wastes generated by the drilling program will be removed off site and returned to Yellowknife. 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. No traditional land use or any subsistence use was noted on the map with respect to Consolidated Goldwin's proposed drilling program areas. As stated above we will ensure all steps are taken to lessen any potential impact.

## **I-2 Timing**

The 1-2 month 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**

These section are included from the original DAR of the area to the south but are consistent for this area.

### **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**

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

Table 5 Fish Found in the Drybones Bay Area

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

### Terrestrial Wildlife

The Drybones Bay area lies within the boreal forest of the Taiga Shield Ecozone, however, both boreal and tundra animal species frequent the area. Approximately twenty-five species of mammals are expected to occur in this region (Table 2). Tundra species, such as the barrenground 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 lincolni</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
<b>Fish</b>	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
<b>Birds</b>	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
<b>Mammals</b>	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 2- 3 months to complete the proposed holes at the sites.

The temporary disturbance footprint associated with each of the drill site will be limited to approximately 10 m<sup>2</sup>. 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 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 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, however every effort will be made to ensure this is the case once the exploration program is under way.

#### **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 Goldwin exploration drilling program.

#### **L Cumulative Effects**

The MVEIRB initiated the preparation of a cumulative effects assessment for all proposed exploration activities in the Drybones Bay area. Consolidated Goldwin participated in this cumulative effects assessment as appropriate. This cumulative effects assessment was to:

- 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.

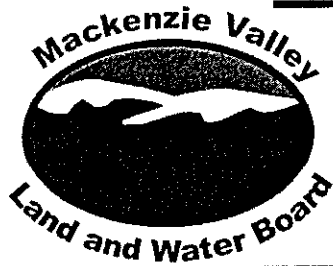
The results were made available in the form of a report at the public Hearings and relevant portions were incorporated in the final terms of the Land Use permit issued to Consolidated GoldWin last April.

#### **M CONCLUSION**

Sidon International's preliminary exploration program described above will be conducted during the winter, is short term, highly localized, completely reversible and will leave no discernible footprint, as was well demonstrated last winter.

The exploration drilling program will be conducted over a 1-2 month 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 m<sup>2</sup>. 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.

Sidon International Resources Corp., respectfully submits this Report to the MVLWB and looks forward to the expeditious resolution of any outstanding issues leading to the approval and implementation of this preliminary exploration project in the area.



Mackenzie Valley Land and Water Board  
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FOR OFFICE USE ONLY

*Cheques are to be made payable to "Receiver General of Canada"*

Proponent Name: Sidon International Resources Corp.

Application Number LUP: MV2004C0039 WL: \_\_\_\_\_

Application Fee Amount: \$ 150.00 Receipt Number: #C143379

Land Use Fee Amount: \$ 50.00 Receipt Number: #C143379

Paid by Cash or Cheque #: 0070  
(Please circle)

UBacken  
Signature

Sept 20/04  
Date

