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MEMORANDUM

DATE: 23-Sep-08

TO: Mackenzie Valley Environmental Impact Review Board

RE: Selwyn Resources Land Use Permit DAR, IR#1

The following is provided as a response document to IR#1, Selwyn Resources Land Use Permit Application EA 0708-001.

Q: What criteria are used to determine whether a mitigation strategy is "best practice" and "reasonable".

A: Best Practices can be identified through relevant and accredited published information such as regulatory guidance manuals, product or equipment manuals, industry publications, etc. These types of publications are typically supported by formal research, experience of professional experts, manufacturer or producer knowledge, history of success etc. Best Practices are selected from these types of documents based on nature of operations (exploration), and combined with locally developed mitigation judged by staff specialists and/or government regulators to be site-appropriate. Where experience at a specific work site identifies are mitigation measures required for environmental protection, worker safety, or other work aspects and no published information is available, best practices are developed through the combined experience of the site management team which includes a diversity of skill sets and knowledge disciplines. These "on the ground" best management practices are tested and modified according to their success at the job site.

The evaluation of reasonableness is dependent on the success rate of the best practice when applied to the specific task under the conditions of the job site.

Q: When the company determines a "best practice" that it will subscribe to is this practice internalized through written policy/ If there is such policy, is it publically available?

A: The Environmental Policy of the Company has been provided in the DAR. The Standard Operating Procedures (SOP) flow from this overall policy. These SOP's are the physical documentation of best practices maintained by the Company. The SOP's have also been provided in the DAR. They are public information.

Q: How does Selwyn ensure that personnel and sub-contractors use "best practices", as determined by the company, in the field?

A: The Company best practices are a component of employment and contractor agreements. In the case of employees, they are required to review and acknowledge their understanding of these best practices. In the case of contractors, these best practices are a component of their contract.

Internal audits help to ensure that work is undertaken in conformance with best practices. If an employee or contractor is determined to have violated these practices, then they are also in violation of their employment agreement or contract and appropriate disciplinary measures may follow.

The exploration program is overseen by two Professional Geologists at the managerial level who are guided by best practice protocols inherent to their P.Geo. accreditation that includes but not limited to ethics training and exams, and the study and application of contract law. These principles and protocols are also therefore employed by all professional staff on the exploration program.

Q: Identify any other documents to be used as 'best practice' guidelines during the course of this development.

Best practice guides are available for many aspects of mineral exploration work; from safety to environment to management procedures. The following list is not a comprehensive listing of all Best Practice guidance documents that may be consulted, utilized, and/or appropriately modified during the course of the mineral exploration work at the Selwyn Project. It is an example list and other publications with appropriate procedures may be identified and adopted as the project moves forward.

- 1) Prospector and Developers Association of Canada (2008). Environmental Excellence in Exploration (e3). http://www.e3mining.com/
- 2) Association for Mineral Exploration BC (2008). Handbook for Mineral and Coal Exploration in British Columbia. http://www.em.gov.bc.ca/Subwebs/mining/Exploration/MXHandbook2008-09.pdf
- 3) Fisheries and Oceans Canada. Northwest Territories Operational Statements. http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/index_e.htm
- 4) Government of the Northwest Territories, Department of Environment and Natural Resources. Safety in Grizzly and Black Bear Country.

 http://www.nwtwildlife.com/Publications/safetyinbearcountry/SafetyInGrizzlyandBlackbBearCountry.pdf
- 5) Government of the Northwest Territories, Department of Environment and Natural Resources. Bear Encounter Response Guidelines.
- 6) Government of the Northwest Territories, Department of Environment and Natural Resources. Brochure: Flying Low? Think again.....
- 7) Marston, D.L. (1985). Law for Professional Engineers (*Professional Geologist training document*)
- 8) Smyth, J.E., Soberman, D.A., and Easson, A.J. (2001). The Law and Business Administration (*Professional Geologist training document*)

Q: Does Selwyn Resources currently maintain environmental staff onsite at all work sites, including drilling sites? Is their presence continuous or intermittent?

A: From the perspective of the Company, the "work site" is inclusive of many activity areas such as camps, drill sites, air strips, fuel storage facilities etc. Environmental staff are continuously present on the work site as an available specialist resource to the physical works and development teams. Our environmental staff complete audits of operations, including active drilling sites, on a regular basis (weekly for most aspects of operations).

Professional geologists, employed by the company, are ultimately responsibility for management of drill site operations. The professionals visit the drill sites daily and provide feedback and guidance to drilling contractors. The geologists are bound by the environmental conduct guidance and rules established in company policy and by their professional employment contracts. As Registered Professional Geologists (P. Geo) they are also bound to ethical conduct guidance established by their professional association.

Q: What are the specific responsibilities of environmental staff in relation to this development?

A: Environmental staff are a specialist resource to the Company. As such they provide expert guidance to the organization on all aspects of environmental performance of the organization. Environmental staff develop guiding policy, research and develop SOP's, monitor and report on the environmental performance of the company, and conduct research into the baseline environmental conditions of the project area.

Q: What authority to they have to control any issues arising from the development and how do they exercise that authority and what record is kept of this management activity internally?

A: Environmental Staff have the authority to halt work in the event of potential or actual environmental incidents. They exercise this authority through direct intervention at the activity site. Any such action would be reported to the acting work site manager, and captured in weekly activity reports to Company management or email exchanges in the event of more urgent incidents. Due to the culture of environmental responsibility and contractual safeguards within the organization, there has been no need to exercise this authority during the history of the project. Environmental staff also play an important role in providing expert information and opinion during the management of environmental issues. They are a key part of the information relay, reporting components, and best practice modification during the "post-incident" phase of the environmental issue management process.

Q: How does Selwyn consider the uniqueness of a particular development environment? How does it develop specific 'best practices' to suit this environment?

A: Uniqueness of environment is identified through work site specific experience of the project development team. Site specific best practices are developed through a process of successive application and modification.