

**Environmental Assessment Registration for Overland Travel,  
Line Cutting, Trenching, Ground Geophysics, Prospecting  
and Soil Sampling**

**South of Sheffield Lake, Gaff Topsails Region, Central Newfoundland  
File Reference No. 200.20.1872  
Natural Resources File No. E110050**



**Altius Resources Inc.**

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**JNR Resources Inc.**

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Saskatoon, SK, S7K 0G6

**May 3<sup>rd</sup>, 2011**

## NAME OF UNDERTAKING:

Topsails Exploration Project - prospecting, soil and rock sampling, trenching, line cutting, ground geophysics and overland travel.

## PROPONENTS:

- (i) Name of Corporate Body (1): Altius Resources Inc.
- (ii) Address: P.O. Box 8263, Station "A"  
St. John's, NL, A1B 3N4
- (iii) Chief Executive Officer:
  - Name: Brian Dalton
  - Official Title: President and CEO
  - Address: P.O. Box 8263, Station "A"  
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  - Telephone No: (709)-576-3440
- (iv) Principal Contact Person(s) for Purposes of Environmental Assessment
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  - Name: Dale O'Reilly
  - Official Title: Project Geologist/Manager
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  - Telephone No: (709)-579-8325
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- (v) Name of Corporate Body (2): JNR Resources Inc.
- (vi) Address: 204 – 315 22<sup>nd</sup> Street East  
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(vii) Chief Executive Officer:

Name: Rick Kusmirski  
Official Title: President and CEO  
Address: 204 – 315 22<sup>nd</sup> Street East  
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(viii) Principal Contact Person for Purposes of Environmental Assessment

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## THE UNDERTAKING:

(i) Nature of the Undertaking:

Overland travel and trenching involving a mid-sized excavator and line cutting on the basis of conducting mineral exploration (ground geophysics and geochemistry). Prospecting and rock sampling will also be conducted.

(ii) Purpose/Rationale/Need for the Undertaking:

Follow-up exploration is required to further evaluate mineral occurrences discovered in 2010. Further prospecting, soil/rock sampling, trenching, line cutting and ground geophysical surveys are required to delineate the extent of bedrock mineralization.

## DESCRIPTION OF THE UNDERTAKING

(i) Geographical Location:

Beginning at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5,454,000 N, 533,500 E; of Zone 21; thence South 3,500 metres, thence West 3,500 metres, thence North 3,500 metres, thence East 3,500 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 21, NAD27 (See attached maps – 01 and 02: **(cont'd)**)

topographic maps, and 03 and 04: orthophotographic maps; scales are included on the maps).

(ii) Physical Features:

The mineral license is located in an area characterized by moderate forest growth and hummocky to boggy terrain. Large, glacially transported boulders are common throughout the area. Bedrock is locally exposed and the surficial cover (i.e., soil, organics, etc.) in the area of interest is thin (typically less than 1.5 metres). The Upper Sheffield Brook watercourse bisects the southern half of the mineral license. Other than mineral exploration, there are no anthropogenic activities in the area and the nearest road (forest resource access road) is approximately 5 kilometres north of the license.

(iii) Construction (if applicable):

There is no construction involved during any aspect of the exploration program. With respect to the proposed overland travel, there will be no road bed preparation nor will the vegetative mat be removed. This is a proven method of travel with minimal to no impact on the ground surface, and it will not leave a footprint/trail that would provide others easy access to this area. Furthermore, every effort will be made to avoid having to cut timber and will include travelling along bog edges and barren areas. Any cutting that has to be performed will be done in a manner that has a minimal effect on the area and/or surrounding landscape. The proposed work will be conducted in a manner that will minimize the environmental impact above all other considerations, except safety.

The program is anticipated to start in August 2011 and would be complete by September/October 2011 (dependent on weather, contractor and personnel availability, and extent of mineralization).

There are no potential resource conflicts anticipated during the exploration program. Any timber that will be cut would not be considered merchantable timber. Also, the program would start after the caribou calving and post-aggregation periods have ended for this area.

(iv) Operation:

Trenching involves the removal (mechanized or hand-dug excavations) of the organic, soil and overburden (glacial till) layers so that bedrock can be surveyed, mapped and sampled.

Mechanized trenching will be conducted on the project for the purpose of exposing and studying newly discovered bedrock mineral occurrences. A total of 7 trench sites have been proposed for this exploration program. All of these sites are at least 30 metres from Upper Sheffield Brook and, depending on the nature of mineralization; excavation may have to be done closer to the brook. A permit to "Alter a Body of Water - Other works within 15 metres of a body of water" has been applied for through the Department of Environment and Conservation.

The exposed bedrock will be washed with a high-pressure pump and varying lengths of waterline (100 ft. lengths) depending on the location of the trench. All effluent (water and silt) produced from the washing of bedrock will be captured in a down-slope sump or, in the case of flat topography, in an opposite direction away from a waterbody/watercourse. A total of 4 water source withdrawal sites have been proposed for this exploration program. A permit for "Temporary Water Withdrawal" has been applied for through the Department of Natural Resources.

Once surveying, mapping and sampling are complete, the trenches are back-filled and contoured to the natural landscape. Planting of vegetation may be completed but will be largely dependent on the nature of the vegetation removed during the initial stages of excavation. Furthermore, all equipment and supplies will be removed from the trenching sites prior to abandonment.

Approximately 7 kilometres of overland travel is required for the excavator to access the mineral property. Altius personnel will flag/mark the best possible trail prior to the excavator travelling to the site, avoiding soft and marshy ground or heavily forested areas. The excavator will travel along forest edges where possible as a means of minimizing forest/timber cutting. In addition, the excavator will travel to and from the site only once. There will be two stream crossings required for the excavator to get to (cont'd)

the work site and permit applications for these have already been submitted. Helicopter support will be utilized for the duration of the project once the excavator is on site.

Line cutting will be conducted to allow systematic access for ground geophysical and geochemical survey crew(s). The grid lines are prepared by cutting and removing timber/brush, are typically 1 – 2 metres wide and vary in length (dependent on the geophysical and/or geochemical survey grid). Wooden pickets will be established along the grid lines at 25 metre intervals and will denote grid stations where a sample is to be collected or a geophysical measurement is to be taken.

Prospecting and rock sampling will be conducted at the same time as trenching to limit the number of helicopter trips to the area.

Possible pollutants include exhaust from the diesel engine of the excavator and fuel spills (i.e., diesel fuel, engine oil and hydraulic fluid). However, it is Altius' policy to contract heavy equipment that is clean and well maintained, and to have a fully-stocked oil spill kit on-hand at all times during trenching operations. Furthermore, Altius will ensure any sumps that have to be constructed, are done so away from waterbodies.

Furthermore, the only fuel on site will be diesel for the excavator (2 drums on site at a time) and smaller containers of gasoline/oil and hydraulic fluid for chainsaws/water pumps and the excavator, respectively.

As previously stated, there are no anticipated resource conflicts pre-, syn- or post-program, which is anticipated to commence in August 2011 and continue through September/October, 2011.

(v) Occupations:

There will be a maximum of eight people on site at any given time during all aspects of the exploration program. These include:

- 1 pilot (drop-off/pick-up field crews; will not remain on site)
- 1 excavator operator (for trenching only; estimate 2 – 4 weeks)
- 2 – 4 line cutters (for line cutting only; estimate 1 week)
- 1 prospector/geo-technician (duration of project) (cont'd)

1 geologist (duration of project)

(vi) Project-Related Documents:

O'Reilly, D., Ivany, J., Winter, L., Churchill, R. and Annesley, I., 2011. First and Third Year Assessment Report on Mineral Exploration on the Topsails Project, Mineral Licenses 016779M, 016832M, 016837M, 016842M, 016864M, 016865M, 017255M, 017260M, 017266M, 017267M, 017988M, 018074M, 018142M & 018143M, Central & Western Newfoundland, NTS Sheets 12A/14 and 12H/02, 03, 08.

O'Reilly, D., Devereaux, A., Courage, D., Winter, L., Churchill, R. and Annesley, I., 2010. First and Second Year Assessment Report on Mineral Exploration on the Topsails Project, Mineral Licenses 016779M, 016829M, 016830M, 016832M, 016836M, 016837M, 016842M, 016848M, 016854M & 016858M – 016867M, Central & Western Newfoundland, NTS Sheets 12A/11, 14, 15 and 12H/01, 02, 03, 07, 08. Altius Resources Inc. and JNR Resources Inc., 81 pages plus 12 appendices.

O'Reilly, D., Devereaux, A., Churchill, R. and Annesley, I., 2009. First Year Assessment Report on Mineral Exploration on the Topsails Project, Mineral Licenses 014016M, 014040M, 014042M, 014044M, 014046 – 014047M, 014050M, 014054M, 014444M, 015591 – 015619M & 015621M – 015637M, Central & Western Newfoundland, NTS Sheets 12A/11, 12, 13, 14, 15 and 12H/01, 02, 03, 07, 08. Altius Resources Inc. and JNR Resources Inc., 59 pages plus 14 appendices and 7 maps.

O'Reilly, D., Devereaux, A., Churchill, R. and Annesley, I., 2009. First Year Assessment Report on Mineral Exploration on the Topsails Project, Mineral Licenses 013789M and 013790M, Central Newfoundland, NTS Sheet 12H08. Altius Resources Inc. and JNR Resources Inc., 25 pages plus 5 appendices. (cont'd)

Shives, R.B.K., 2009. Interpretation of Gamma Ray Spectrometric Data Fixed Wing Gamma Ray Spectrometric – Magnetic Total Field Airborne Survey for Altius Resources Inc./JNR Resources Inc., Topsails Area, Newfoundland, Canada, NTS 12A, H. GamX Inc., 27 pages plus 6 appendices.

## APPROVAL OF THE UNDERTAKING

- (i) Permits, Licenses, Approvals and Other Forms of Authorization
- Exploration Approval: Department of Natural Resources
  - Operating Permit: Department of Forestry
  - Cutting Permit: Department of Forestry
  - Fording Permit(s): Department of Environment and Conservation – Water Resources Div.
  - Work within 15 metres of Waterbodies Permit Department of Environment and Conservation – Water Resources Div.
  - Temporary Water Withdrawal Permit Department of Natural Resources\*\*

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*Permit is issued by the Department of Environment and Conservation*

- (ii) All permits, licenses and approvals have been submitted to the respective departments and are currently pending approval.

## SCHEDULE

- (i) The earliest dates for this exploration program would be August 2011. The rationale for this start-up date is that the caribou calving and post-aggregation periods will have ended. Exploration would have to start as soon as possible after these periods to allow for adequate time to complete the work. Any time later than this would greatly decrease the chances of finishing the program as the weather deteriorates in this region in late September and October (notably for helicopter transport/access).



## FUNDING

- (i) This program is being funded by Altius and JNR (50%/50%) and does not require any government funding.
- (ii) The estimated cost of the program is \$100,000.00 - \$200,000.00.

## SIGNATURES

May 3<sup>rd</sup>, 2011


Date



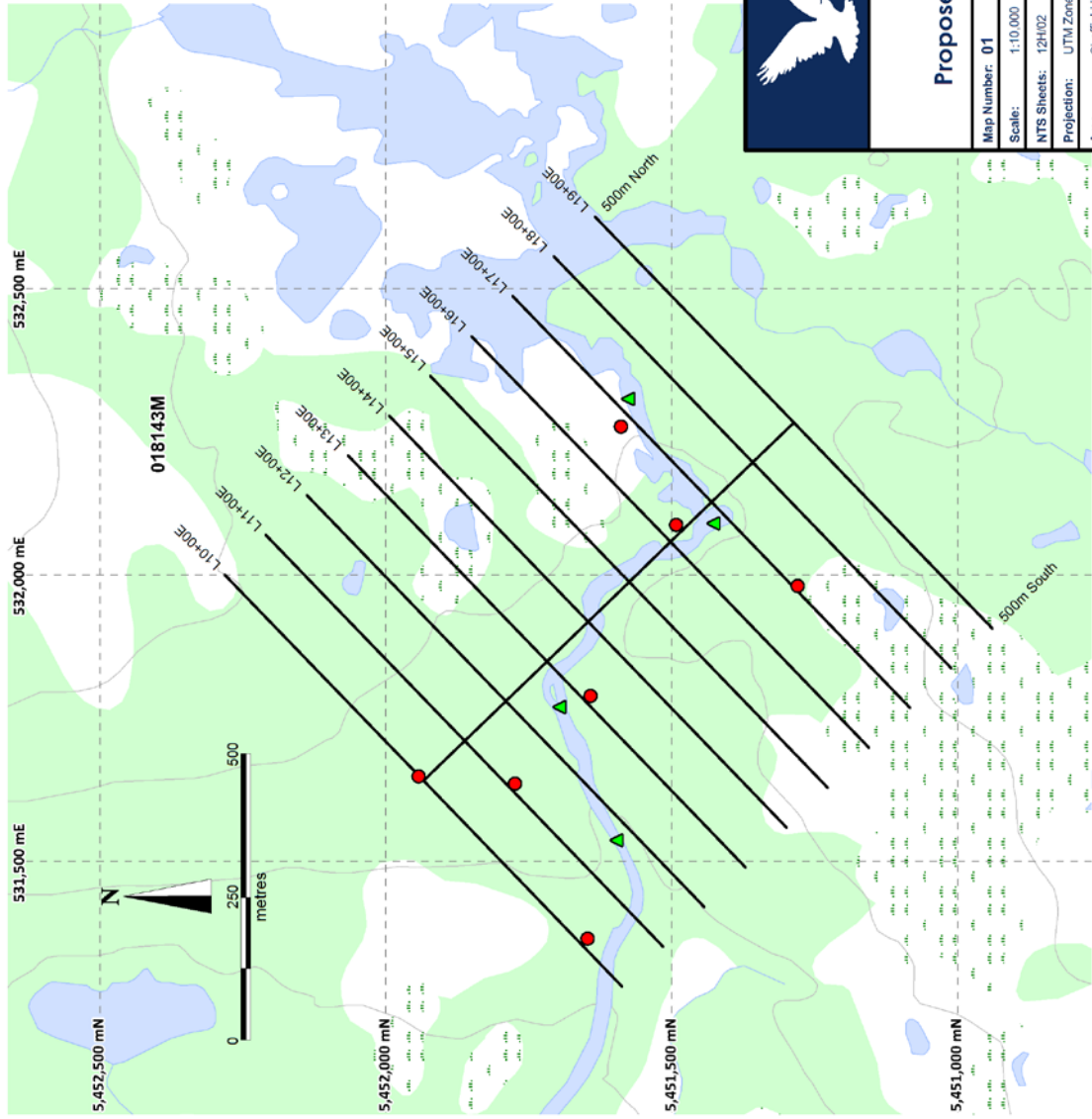
President & CEO, Altius Resources Inc.

3/05/2011

Date



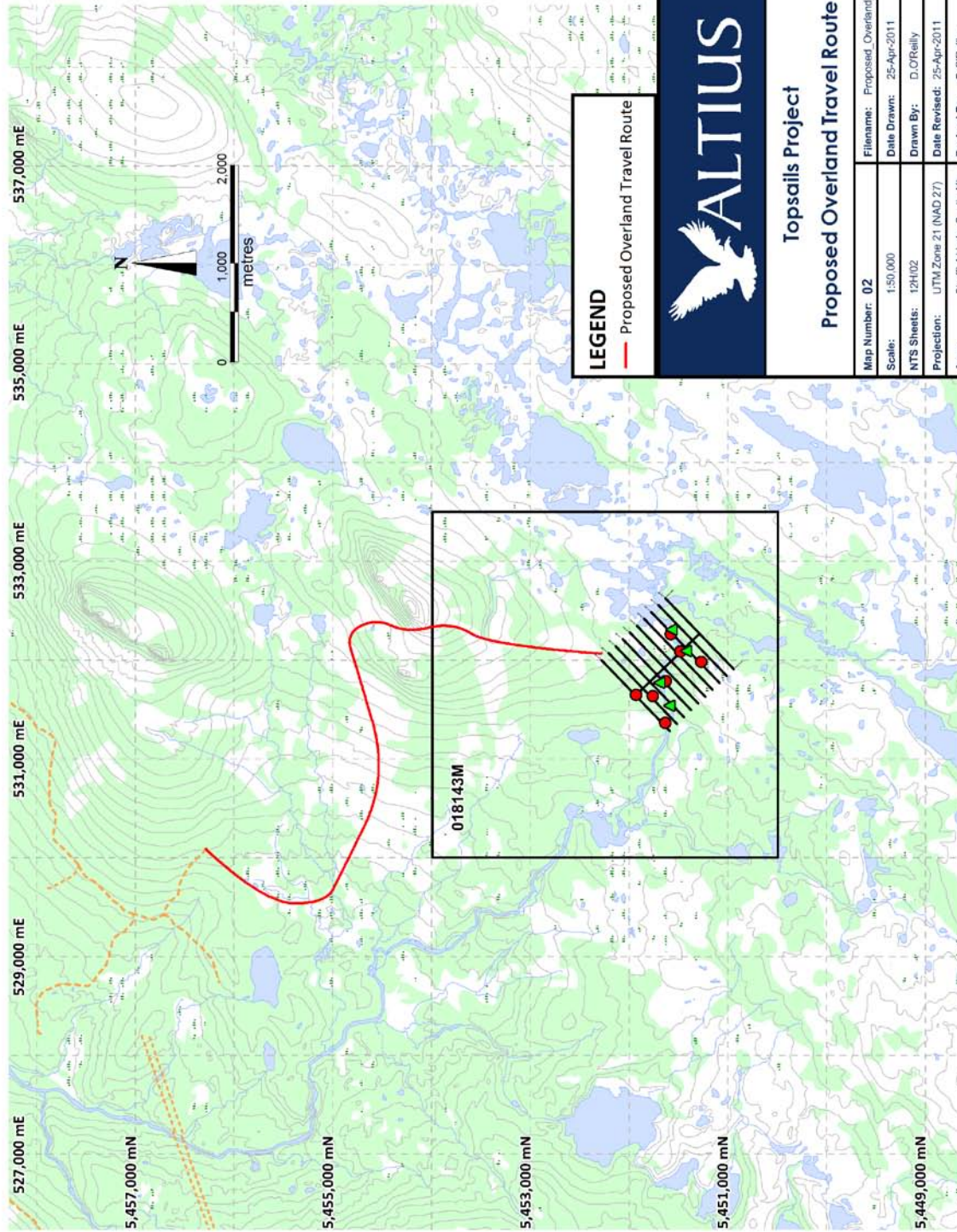
President & CEO, JNR Resources Inc.



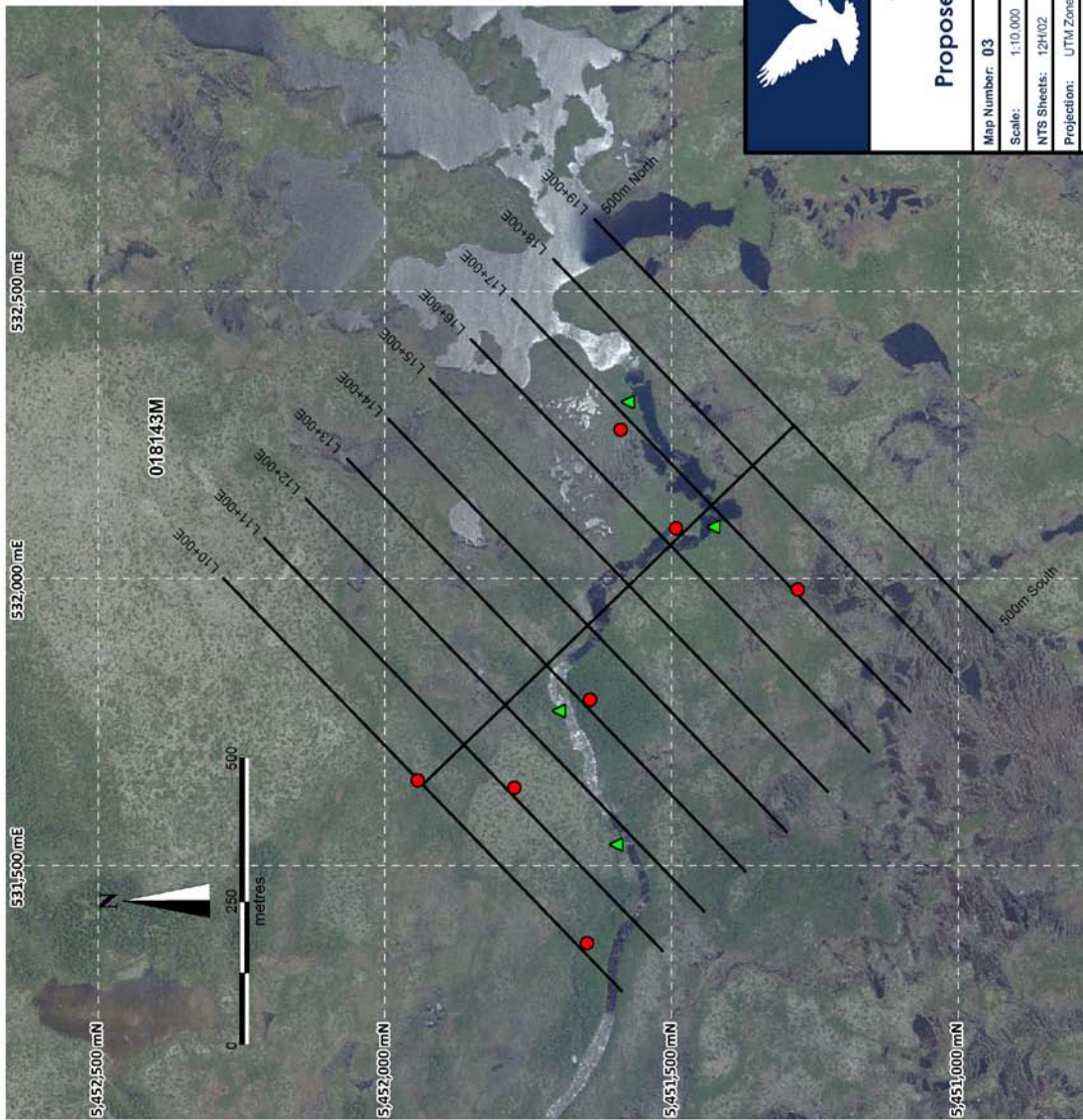
### Topsails Project

#### Proposed Exploration Program

Map Number: 01	Filename: Proposed_Exp_2011.pdf
Scale: 1:10,000	Date Drawn: 25-Apr-2011
NTS Sheets: 12H02	Drawn By: D.O'Reilly
Projection: UTM Zone 21 (NAD 27)	Date Revised: 10-Mar-2011
Area: Sheffield Lake South, NL	Revised By: 25-Apr-2011







## LEGEND

- Proposed Trench Site
- ▲ Proposed Water Source Site
- Proposed Line Cutting



## Topsails Project Proposed Exploration Program

Map Number: 03	Filename: Proposed_Exp_2011.pdf
Scale: 1:10,000	Date Drawn: 25-Apr-2011
NTS Sheets: 12H02	Drawn By: D.O'Reilly
Projection: UTM Zone 21 (NAD 27)	Date Revised: 10-Mar-2011
Area: Sheffield Lake South, NL	Revised By: 26-Apr-2011

