

PERMIT FOR DEVELOPMENT

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 39

Date: APRIL 26, 2017

File No: 550-01-02-05-075
Permit No: PRO9113-2017

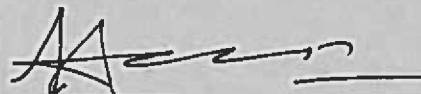
Permit Holder: Metals Creek Resources Corp.
93 Edinburg Avenue
Gander NL A1V 1C9

Attention: Alexander Stares

Re: Gander Lake WSMC - Gander Lake PPWSA - Mineral Exploration - Metals Creek Resources Corp.

Permission is hereby given for : **diamond drilling of seven (7) boreholes in the Clark's Brook East and Clark's Brook West Area, in the Gander Lake Protected Public Water Supply Area (used by the towns of Appleton, Glenwood and Gander) with reference to application dated January 20, 2017.**

- This Permit does not release the Permit Holder from the obligation to obtain appropriate approvals from other concerned municipal, provincial and federal agencies.
- The Permit Holder must obtain the approval of the Crown Lands Administration Division if the project is being carried out on Crown Land.
- This Permit is subject to the terms and conditions indicated in Appendices A and B (attached).
- It should be noted that prior to any significant changes in the design or installation of the proposed works, or in event of changes in ownership or management of the project, an amendment to this Permit must be obtained from the Department of Municipal Affairs and Environment under Section 49 of the *Water Resources Act*.
- Failure to comply with the terms and conditions will render this Permit null and void, place the Permit Holder and their agent(s) in violation of the *Water Resources Act* and make the Permit Holder responsible for taking any remedial measures as may be prescribed by this Department.



MINISTER

APPENDIX A
Terms and Conditions for Permit

PPWSA General

1. All operations must be carried out in a manner that prevents damage to land, vegetation, and watercourses, and which prevents pollution of bodies of water.
2. Any areas adversely affected by this project must be restored to a state that resembles local natural conditions. Further remedial measures to mitigate environmental impacts on water resources can and will be specified, if considered necessary in the opinion of this Department.
3. All persons working on this project must be informed that they are within a Protected Public Water Supply Area, and must be made aware of all conditions of this Permit. A copy of this Permit must be on site during operations.
4. The attached Completion Report (Appendix C) for Permit No. 9113 must be completed and returned to this Department upon completion of the approved works. Pictures must be submitted along with the completion report, showing the project site prior to and after development.
5. An undisturbed (no cutting or ground disturbance) buffer zone of at least **50 metres** shall be maintained along both sides of Clark's Brook and all other tributaries running into the Northwest Gander River, and at least **30 metres** around all ponds and along both sides of all other water bodies. Activity or development within these buffer zones is prohibited. All buffer zones must be marked with signs or flagging tape to avoid encroachment into the buffer zones.
6. Equipment storage, maintenance facilities associated with this project, and all maintenance other than emergency repairs must not be located/carried out within the Protected Public Water Supply Area.
7. All waste material is to be collected in refuse containers, and disposed of at an approved waste disposal site outside the Protected Public Water Supply Area in accordance with the *Environmental Protection Act, SNL 2002 cE-14.2*.
8. Any activity within a freshwater body (including wetlands and flood risk areas), requires a Permit under Section 48 of the Water Resources Act, 2002. This Permit refers to Section 39 of the Water Resources Act, 2002 and does not grant permission for the above stated work including fording and/or culvert or bridge installation.
9. The Department reserves the right to require that the Permit Holder follow, and cover all costs incurred by the Permit Holder or this department, associated with any water quality monitoring program that may be ordered by the Minister for the purpose of ensuring that the water quality is maintained within acceptable guidelines.
10. Officials of the Department and the appropriate Municipal Authority, Operator, or Watershed Management Committee may visit the site to ensure compliance with this Permit.
11. Liaison is to be maintained with the appropriate Municipal Authority and Environmental Scientist. If there are any specific problems (ie sedimentation, fuel spill, other potential water quality impairment), the appropriate Town Manager/Clerk, Mayor, Chair of the Local Service District Committee, or Chair of the Water Supply Committee must be notified immediately at (709)651-5915. The Environmental Scientist must also be notified immediately at (709)292-4280.
12. The felling or disposing of trees, parts of trees, sawdust, bark, logging debris or slash into a water body or upon the frozen surface of a water body is strictly prohibited.
13. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
14. This Permit is valid for one year from the date of issue.
15. Any changes in water quality resulting directly from this project, rendering the water unsuitable as a public water supply, are the responsibility of the Permit Holder. The Minister may order the Permit Holder to provide an alternate source of potable water to the affected community until water quality returns to an accepted level.
16. All vehicles and equipment must be in good working order with no leaking fuel or oil.
17. Drainage from roads and other disturbed areas into any body of water must first be discharged into a settling pond, a vegetated area

or pass through a sedimentation fence where all suspended material can settle out before draining into any body of water.

18. Any streams not visible on a 1:50,000 scale map (including field identified streams) shall require a minimum buffer of 30 m.

Exploration

19. All drill rigs, pumps, generators, other motorized equipment and fuel tanks shall have metal trays, absorbent pads or impervious liners under them to catch any leaking fuel or oil.

20. Discharge water and cuttings from the drilling must be recovered and processed through a series of settling tanks before being pumped to a site at least 150 metres from the shore of any water body. Discharge water and cuttings must be discharged into an area where it will not have a direct surface route back to any water body. Sludge removed from settling tanks must be collected in refuse containers, and disposed of at an approved waste disposal site outside the Protected Public Water Supply Area.

21. Drilling fluids other than water must be approved by this Department prior to their use.

22. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.

Fuel Storage

23. There shall be no bulk fuel storage associated with this project within the protected water supply area. Fuel storage shall be limited to the amount of fuel required to drill each borehole, and shall not exceed more than two (2), 205 litre barrels or one (1) 500 litre slip tank. Fuel shall be stored inside an impervious containment dyke. Refueling sites shall be located at least 150 metres from any water body or wetland. The Permit Holder is hereby informed that fuel storage and handling requires a separate approval under the *Storage and Handling of Gasoline and Associated Products Regulations*, CNR 775/96.

24. Contaminated snow and soil must be removed from the site and disposed of at an approved location outside the protected public water supply area, in accordance with the *Waste Material Disposal Act, RSN 1990 c.W-4*.

25. Any spills of gasoline, fuel or oil, regardless of volume, shall be reported immediately to the Environmental Scientist and the appropriate Municipal Authority or Watershed Management Committee by calling 292-4280 and (709) 651-5915 respectively. Furthermore, all spills in excess of 70 litres shall be reported immediately to the 24 hour spill report line at 1-800-563-9089.

26. A complete oil spill clean-up kit must be on site at all times when gasoline or fuel powered equipment is being used or refuelled.

The kit must contain the following:

- One hand operated fuel pump
- One recovery container such an empty 205 litre drum
- One shovel
- One pick ax
- Five metres of containment boom
- Five absorbent pads
- Twenty-five litres of loose absorbent material

Special Conditions

27. Exploration activities must not extend within 200 meters of a scheduled salmon river without prior registration for and release under the Environmental Protection Act, Environmental Assessment Division, Department of Municipal Affairs and Environment.

28. The Clark's Brook East project area is near a number of cottages and private land. Access is not to be restricted to these cottages, and permission should be sought if access is required over private land.

29. This project is within an Agriculture Development Area. Any existing agriculture activities should not be impacted.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of Municipal Affairs and Environment

File No: 550-01-02-05-075
Permit No: PRO9113-2017

APPENDIX B
Special Terms and Conditions for Permit

1. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall keep all systems and works in good condition and repair and in accordance with all laws, by-laws, directions, rules and regulations of any governmental authority. The Permit Holder or its agent(s), subcontractor(s), or consultant(s) shall immediately notify the Minister if any problem arises which may threaten the structural stability of the systems and works, endanger public safety and/or the environment or adversely affect others and/or any body of water either in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for all damages suffered by the Minister and Government resulting from any defect in the systems and works, operational deficiencies/inadequacies, or structural failure.
2. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall operate the said Project and its systems and works in a manner which does not cause any water related and/or environmental problems, including but not limited to problems of erosion, deposition, flooding, and deterioration of water quality and groundwater depletion, in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for any and all damages associated with these problems caused as a result of changes, deficiencies, and inadequacies in the operational procedures by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
3. If the Permit Holder or its agent(s), subcontractor(s), or consultant(s) fails to perform, fulfil, or observe any of the terms and conditions, or provisions of this Permit and/or Ministerial orders and guidelines, as determined by this Department, the Minister may, after providing ten (10) day notice to the Permit Holder, amend, modify, suspend or cancel this Permit in accordance with the *Water Resources Act*.
4. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) indemnify and hold the Minister and Government harmless against any and all liabilities, losses, claims, demands, damages or expenses including legal expenses of any nature whatsoever whether arising in tort, contract, statute, trust or otherwise resulting directly or indirectly from granting this Permit, systems and works in or outside the said Project areas, or any act or omission of the Permit Holder or its agent(s), subcontractor(s), or consultant(s) in or outside the said Project areas, or arising out of a breach or non-performance of any of the terms and conditions, or provisions of this Permit by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
5. This Permit is subject to all provisions of the *Water Resources Act* and any regulations in effect either at the date of this Permit or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.
6. This Permit shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador.

- cc: Dr. Abdel-Zaher Kamal Abdel-Razek, Ph. D., P.Eng.
Manager, Water Rights and Investigations Section
Water Resources Management Division
Department of Municipal Affairs and Environment
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
aabdelrazek@gov.nl.ca
- cc: Mr. Robert Wight (C)
Environmental Scientist
Water Resources Management Division
Department of Municipal Affairs and Environment
Provincial Building, 3 Cromer Avenue
Grand Falls-Windsor, NL A2A 1W9
robertwight@gov.nl.ca
- cc: Ms. Paula Dawe, P.Eng.
Manager, Drinking Water and Wastewater Section
Water Resources Management Division
Department of Municipal Affairs and Environment
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1L 4J6
pauladawe@gov.nl.ca
- cc: Mr. Rodger Primmer (C)
Regional Lands Manager, Central Regional Crown Lands
Crown Lands Administration Division
Department of Fisheries and Land Resources
230 Airport Boulevard, Fraser Mall, P.O. Box 2222
Gander, NL A1V 1T5
rprimmer@gov.nl.ca
- cc: Mr. Wayne Lynch
Regional Director (Central)
Service NL
P.O. Box 2222
Gander, NL A1V 2N9
waynelynch@gov.nl.ca
- cc: Mr. James Blackwood, P. Eng.
Director of Engineering
Town of Gander
100 Elizabeth Avenue
Gander, NL A1V 1G7
jblackwood@gandercanada.com
- cc: Town of Appleton
Ms. Pat Barnes
P.O. Box 31, Site 4
Appleton, NL A0G 2K0
townofappleton@personainternet.com
- cc: Town of Glenwood
Ms. Susan Gillingham
P.O. Box 130
Glenwood, NL A0G 2K0
townofglenwood@hotmail.com
- cc: Ms. Heather Rafuse
Exploration Approvals Geologist, Exploration Approvals and Inspections Section
Mineral Lands Division, Department of Natural Resources
50 Elizabeth Avenue, P.O. Box 8700
St. John's, NL A1B 4J6

HeatherRafuse@gov.nl.ca

Appendix C - Completion Report

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 39

Date: APRIL 26, 2017

File No: 550-01-02-05-075
Permit No: PRO2113-2017

Permit Holder: Metals Creek Resources Corp.
93 Edinburg Avenue
Gander NL A1V 1C9

Attention: Alexander Stares

Re: Gander Lake WSMC - Gander Lake PPWSA - Mineral Exploration - Metals Creek Resources Corp.

Permission was given for: diamond drilling of seven (7) boreholes in the Clark's Brook East and Clark's Brook West Area, in the Gander Lake Protected Public Water Supply Area (used by the towns of Appleton, Glenwood and Gander) with reference to application dated January 20, 2017.

I (the Permit Holder named above or agent authorized to represent the Permit Holder) do hereby certify that the project described above was completed in accordance with the plans and specifications submitted to the Department of Municipal Affairs and Environment and that the work was carried out in strict compliance with the terms and conditions of the Permit issued for this project.

Date: _____ Signature: _____

This completion report must be completed and forwarded to the following address upon completion of the approved work.

Department of Municipal Affairs and Environment
Water Resources Management Division
PO Box 8700
St. John's NL A1B 4J6

APPENDIX D
Location Map for Permit

