Notice of Work
Sand and Gravel Pit
Application ID: 1765

APPLICANT COMPANY/ORGANIZATION CONTACT INFORMATION

Name: STATLU RESOURCES INC.
Contact Name: Grant Johnston
Phone: [Redacted]
Email: [Redacted]
Mailing address: 2200 HSBC BUILDING
885 WEST GEORGIA STREET
VANCOUVER, BC  V6C3E8
CANADA

AGENT INFORMATION

Name: Derek Holmes
Phone: [Redacted]
Email: [Redacted]
Mailing Address: [Redacted]
Letter(s) Attached: Yes (signed agency letter.pdf)

TECHNICAL INFORMATION

APPLICATION INFORMATION

Type of notice of work: Sand and Gravel Pit
Is this a New Permit or an Amendment to an existing permit for this property? Amendment

MINE INFORMATION

Do you have an existing mine number? Yes
Mine Number: 1610323
Name of the Property: Statlu Pit
Tenure Numbers: 242421
Crown Grant / District Lot numbers:
Detailed directions to the site: From Agassiz travel west on Highway 7 for 15 kilometres and then turn right on Chehalis Forest Service Road. Travel north on Chehalis FSR for 12 kilometres and the entrance to the pit will be on your left.
Geographic Coordinates of Mine: Latitude: 49.33272
Long: -121.99564
Maximum Annual Tonnage Extracted: 249,999

PROPOSED ACTIVITIES

Activities to be undertaken: Sand and Gravel Quarry Operations
Settling Ponds

FIRST AID

Proposed First Aid equipment on site: Level 1 First Aid Kit
Level of First Aid Certificate held by: Occupational First Aid Level 1 with Transportation Endorsement
DESCRIPTION OF WORK PROGRAM

Clearing, grubbing then stripping and stockpiling of overburden and topsoil to expose the pit run. Pit run will then be excavated with wheel loaders and excavators and loaded on to the processing equipment. Screening, washing and crushing of the material to meet customer orders and stockpiled using conveyors on site. Finished product will be loaded on to customer trucks for delivery.

TIME OF PROPOSED ACTIVITIES

Proposed start and end date: Apr 01 2019 to Mar 31 2024

Please remember that you need to give 10 days notice to the Inspector of Mines of your intention to start work, and 7 days notice of your intention to stop work.

ACCESS

Is access presently gated? Yes
Key provided to the Inspector? No

Be sure to provide the inspector with a key to the gate.

PRESENT STATE OF THE LAND

Present condition of the land: The site is presently a sand and gravel pit with part of the licence area cleared. Other parts of the licence area are treed. The surrounding uses are forestry.
Type of vegetation: Conifers throughout the area, some underbrush and newly planted areas surrounding the site.
Physiography: No wetlands are present.
Current means of access: The current access to site is via Chehalis Forest Service Road
Old equipment or buildings: None. All equipment is presently being used for the existing operation
Recreational trails/use: None

ACCESS TO TENURE

Do you need to build a road, create stream crossings or other surface disturbance that will not be on your tenure? No

LAND OWNERSHIP

Application area in a community watershed: No
Proposed activities on private land: No
Any proposed activities on Crown land: Yes
Have License of Occupation: Yes
License of Occupation number(s): 242421
Activities in a park: No

CULTURAL HERITAGE RESOURCES

Are you aware of any protected archaeological sites that may be affected by the proposed project? No

FIRST NATIONS ENGAGEMENT

Have you shared information and engaged with First Nations in the area of the proposed activity? Yes
First Nations Engagement activities: There is an Impact and Benefits Agreement with the Chehalis Indian Band.
Aware of cultural heritage resources in the area where the work is proposed: No
SETTLING PONDS

Waste water treatment facility description: The ponds are a series of trenches and pools where sediment is gradually settle as water moves from one to another. Earl Creek is approximately 200m from the closest pond. Fresh water is used from a water licence (124923) on Earl Creek as make-up water and water is recycled to the extent possible from the pond 3.

ACTIVITIES

<table>
<thead>
<tr>
<th>Pond Id</th>
<th>Width (m)</th>
<th>Length (m)</th>
<th>Depth (m)</th>
<th>Disturbed area (ha)</th>
<th>Merchantable timber volume (m$^3$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>17.00</td>
<td>100.00</td>
<td>3.00</td>
<td>0.17</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Water Source: run-off and wash plant</td>
<td>Construction Method: excavated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>18.00</td>
<td>100.00</td>
<td>3.00</td>
<td>0.18</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Water Source: pond 1</td>
<td>Construction Method: excavated</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Totals: 0.35 0.00

Disposal of fines from clean out: Fines from clean out are mixed with the overburden stockpiles to be used in reclamation.

Water from ponds will be:
- Recycled: Yes
- Exfiltrated to Ground: No
- Discharged to Environment: No

RECLAMATION PROGRAM

Reclamation and timing for this specific activity: Ponds will be eventually excavated as they sit above the final reclamation elevation. They will be eliminated once mining reaches them.

Estimated cost of reclamation of activities described above: 0.00

SAND & GRAVEL / QUARRY OPERATIONS

SOIL CONSERVATION

Average depth of overburden (m): 0.5
Average depth of topsoil (m): 0.3
Measures to stabilize soil overburden stockpiles and control noxious weeds: Overburden stockpiles have been seeded with a grass mix and are regularly monitored to control noxious weeds.

LAND USE

Is the site within the Agricultural Land Reserve? No null
Local government has a Soil Removal Bylaw? No
Official Community Plan for the site is: Forestry
Current land use zoning for the site is: Mineral Zone
Proposed end land use is: Forestry
Estimate total minable reserves over the life of the mine: 50000000 tonnes
Estimate annual extraction from site: 249999 tonnes/year
### Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Disturbed Area (ha)</th>
<th>Merchantable timber volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excavation of Pit Run</td>
<td>2.50</td>
<td>0.00</td>
</tr>
<tr>
<td>Mechanical Screening</td>
<td>0.475</td>
<td>0.00</td>
</tr>
<tr>
<td>Washing</td>
<td>0.40</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.38</strong></td>
<td><strong>0.00</strong></td>
</tr>
</tbody>
</table>

**Is the work year round or only seasonal?** Year round

**Brief description of operation, including proposed work schedule**
The operation will run from Monday to Friday 6AM to 10PM with maintenance typically done on weekends. Excavation of pit run, screening, crushing and washing, stockpiling and loading customer trucks are the primary activities.

### RECLAMATION PROGRAM

**Reclamation and timing for this specific activity:**
Reclamation will follow mining and be done as progressively as possible. The final slope will be a 2:1 H:V slope from the west side of the pit to the final grade being Chehalis FSR. After that a 1% grade will keep runoff water moving toward existing ditches beside the road. The topsoil and overburden will be placed on the reclaimed slope and the entire area will be re-planted with selected conifers.

**If backfilling of pits or pit slopes is proposed in the final configuration for reclamation, details of materials to be used and placement procedures:**
No backfilling proposed

**Will progressive reclamation be carried out?** Yes

**Maximum unreclaimed disturbance at any given time:** 15.00

**Estimated cost of reclamation of activities described above:** $30,000.00

### GROUNDWATER PROTECTION

**Average depth to the high groundwater table at the proposed excavation (m):** 100.00

**Elevation of the groundwater table was determined from:** Other: Groundwater was not encountered during test drilling, test pitting or current excavation

### IMPACT MINIMIZATION

**Shortest distance between proposed excavation to nearest residence (m):** 5,000.00

**Shortest distance between proposed excavation to nearest residential water source (m):** 5,000.00

**Measures to prevent inadvertent access of unauthorized persons to the mine site:** Access roads will be gated. Signs stating "NO TRESPASSING - ACTIVE MINING" will be posted around the site at appropriate intervals and berms will be constructed along the road where possible.

**Measures to minimize noise impacts of the operation:** All equipment will have proper mufflers and berms/stockpiles used to shield the noise from processing.

**Measures to minimize dust impacts of the operation:** Access roads watered and water sprays on processing equipment when required.

**Measures to minimize visual impacts of the operation:** An forest buffer north and south of the project will be maintained. Excavated areas will be re-planted when extraction is complete.

### TIMBER CUTTING

**Total merchantable timber volume (m³):** 0.00
**EQUIPMENT**

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Type</th>
<th>Size/Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Loader</td>
<td>7m³</td>
</tr>
<tr>
<td>1</td>
<td>Excavator</td>
<td>3m³</td>
</tr>
<tr>
<td>1</td>
<td>Bulldozer / Crawler Tractors</td>
<td>10m³</td>
</tr>
<tr>
<td>1</td>
<td>Power Supply</td>
<td>200kw</td>
</tr>
<tr>
<td>6</td>
<td>Conveyor / Belt</td>
<td>200 tph</td>
</tr>
<tr>
<td>2</td>
<td>Other Screen plant</td>
<td>200 tph</td>
</tr>
<tr>
<td>1</td>
<td>Crusher</td>
<td>200 tph</td>
</tr>
<tr>
<td>1</td>
<td>Other wash plant</td>
<td>200 tph</td>
</tr>
</tbody>
</table>

**SUMMARY OF RECLAMATION**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total Affected Area (ha)</th>
<th>Estimated cost of reclamation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sand and Gravel etc.</td>
<td>3.38</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>Settling Ponds</td>
<td>0.35</td>
<td>$0.00</td>
</tr>
<tr>
<td>Subtotal:</td>
<td>3.73</td>
<td>$30,000.00</td>
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<tr>
<td>Unreclaimed disturbance from previous year:</td>
<td>1.84</td>
<td></td>
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<tr>
<td>Disturbance planned for reclamation this year</td>
<td>0.00</td>
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<tr>
<td>Total</td>
<td>5.57</td>
<td>$30,000.00</td>
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**OTHER CONTACTS**

**Contact Info**

- Type of Contact: Tenure Holder, Permittee, Site Operator, Referral Point
- Company/Organization: Statlu Resources Inc.
- Contact First Name: Grant
- Contact Last Name: Johnston
- Contact Phone: [obfuscated]
- Contact Email: [obfuscated]
- Contact Address: [obfuscated]

**Location**

**LAND INFORMATION**
Land Ownership Category: Provincial Crown Land

Legal Description: THAT PARCEL OR TRACT OF LAND IN THE VICINITY OF CHEHALIS RIVER, GROUP 1, NEW WESTMINSTER DISTRICT CONTAINING 83.61 HECTARES, MORE OR LESS

MAPS

<table>
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<tr>
<th>Description</th>
<th>Filename</th>
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<tbody>
<tr>
<td>Schedule A1</td>
<td>H-Route-map.pdf</td>
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<tr>
<td>Land Title Map</td>
<td>Land Title Map-geo3.pdf</td>
</tr>
<tr>
<td>Location Map</td>
<td>Location Map3.pdf</td>
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<tr>
<td>Mine Development Plan</td>
<td>Statlu-Pit-pln_R3.pdf</td>
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<tr>
<td>Main Profile 1</td>
<td>Profile 0+00 - 3+50.pdf</td>
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<tr>
<td>Main Profile 2</td>
<td>Profile 3+50 - 7+00.pdf</td>
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<tr>
<td>Main Profile 3</td>
<td>Profile 7+00 - 8+50.pdf</td>
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<td>Cross Section 1</td>
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<td>Cross Section 9</td>
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<tr>
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DOCUMENTS

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<tr>
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<th>Description</th>
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<tr>
<td>Archaeological Chance Find Procedure</td>
<td>ACFP</td>
<td>Statlu Archaeological Chance Find Procedure.pdf</td>
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<td>Other</td>
<td>Disturbed areas measurement</td>
<td>Measured ha used at Pit.pdf</td>
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<tr>
<td>Proof of authorization</td>
<td>agency letter</td>
<td>signed agency letter.pdf</td>
</tr>
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</table>

Privacy Declaration

PRIVACY NOTE FOR THE COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

Personal information is collected under the legal authority of section 26 (c) and 27 (1)(a)(i) of the Freedom of Information and Protection of Privacy Act (the Act).

The collection, use, and disclosure of personal information is subject to the provisions of the Act. The personal information collected will be used to process your inquiry or application(s). It may also be shared when strictly necessary with partner agencies that are also subject to the provisions of the Act. The personal information supplied in the application package may be used for referrals or notifications as required. Personal information may be used for survey purposes.

For more information regarding the collection, use, and/or disclosure of your personal information, please contact FrontCounter BC at 1-877-855-3222 or at

FrontCounter BC Program Director
FrontCounter BC, Provincial Operation
This check indicates that you have read and agree to the privacy declaration stated above.

REFERRAL INFORMATION

Some applications may be passed on to other agencies, ministries or other affected parties for referral or consultation purposes. A referral or notification is necessary when the approval of your application might affect someone else's rights or resources or those of the citizens of BC. An example of someone who could receive your application for referral purposes is a habitat officer who looks after the fish and wildlife in the area of your application. This does not apply to all applications and is done only when required.

Company/Organization: Statlu Resources Inc.
Contact First Name: Grant
Contact Last Name: Johnston
Contact Phone: [Phone number]
Contact Email: [Email]
Contact Address: [Address]

☑️ I hereby grant permission for the public release of the information provided above. This information will be used to fulfill, if required, the referral and advertising requirements of my application.

IMPORTANT NOTICES

DECLARATION

☑️ By submitting this application form, I, declare that the information contained on this form is complete and accurate.

APPLICATION AND ASSOCIATED FEES

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Taxes</th>
<th>Total</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of Work Application Fee (Pits and Quarries - Maximum annual tonnage: 249,999 tonnes)</td>
<td>$50,000.00</td>
<td>$0.00</td>
<td>$50,000.00</td>
<td>$0.00</td>
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</table>

Total Fees: $50,000.00
Balance Owing: $0.00

OFFICE

Office handling the application: Surrey

PROJECT INFORMATION

Authorization Request Type: Mines Notice of Work