

November 19, 2015

E160004

Sherry Dunsworth
Marathon Gold Corp.
357 Bay St., Suite 800
Toronto, ON
M5H 2T7

Dear Sherry Dunsworth:

**Exploration Approval (100
DDH, ATV Use,
Geochemistry) for Marathon
Gold Corp. on the Valentine
Lake Property, NTS 12A/06,
12A/07, Mineral Licences
010899M, 010943M:**

Your proposed exploration program submitted in compliance with Section 5(4) of the *Mineral Act* has been reviewed and approved.

The following conditions apply:

1. The Proponent, its employees, agents and subcontractors (“Proponent”) shall comply with the *Mineral Regulations*, in particular sections 41 – 45. The *Mineral Regulations* can be read at: <http://assembly.nl.ca/Legislation/sr/regulations/rc961143.htm>
2. This approval may be cancelled or suspended by the Minister if the Proponent fails to comply with any condition in this approval or as a result of a failure to comply with the *Mineral Act*, *Mineral Regulations* or any other provincial law or regulation. Upon cancellation or suspension of this approval the Proponent shall immediately cease all exploration activities.
3. The Proponent shall comply with any other Provincial and Federal act or regulation, and obtain all permits that may be required in connection with the exploration activity.
4. As required by Section 42 of the *Mineral Regulations*, the Proponent shall notify the Mineral Lands Division of any significant changes to the approved exploration plan, and shall not proceed with exploration work, preparatory work or site access that deviates substantially from the approved exploration plan or deviates from the approved exploration plan in a manner which may significantly impact the environment without first receiving written authorization from the Mineral Lands Division.

5. The Proponent shall provide the Mineral Lands Division with:
 - a) a brief notice immediately before beginning the work;
 - b) a brief update of the status of the exploration program when it is completed.Notices and updates should be sent to HeatherRafuse@gov.nl.ca
6. At any time the Mineral Lands Division may issue a request for information regarding completed, ongoing or planned exploration and the Proponent agrees to abide by all such requests without undue delay. The information requested may include but is not limited to: the location of exploration sites (including access trails), site preparation methods, the status of rehabilitation and cleanup, and photographic documentation of site conditions.
7. If exploration work is to take place on lands not vested in the Crown, as per section 12(2) of the *Mineral Act*, the licensee shall obtain prior written permission and forward copies to the Mineral Lands Division.
8. The Proponent is advised of Section 45(2) of the Mineral Regulations which requires that all sites cleared of topsoil (e.g. drill pads prepared by cut-and-fill, grubbed sections of access trail, laydown areas, camp sites) be rehabilitated before the end of the current exploration program. Rehabilitation as per Section 45(2) requires that the site be re-contoured and the original organic cover (topsoil, ground vegetation, and any trees not used for other purposes) be spread back over the re-contoured site. If the original organic cover proves insufficient to completely re-cover the site then an organic substitute material must be used in addition to complete the process, provided that no invasive species are introduced. Acceptable substitute materials are straw, hay, trees having been cut in other parts of the exploration project area, or ground vegetation produced by hydroseeding. If the Proponent wishes to keep drill casing above ground then the re-contouring may accommodate this. Sumps pits and borrow pits fall under Section 45(1)(a) of the Mineral Regulations and need to be rehabilitated before the end of the exploration season in which they are excavated.
9. The Proponent shall not permit drilling discharge waters to flow overland into a water body, including into a small stream or intermittent channel, irrespective of whether the water body is displayed on the 1:50,000 scale NTS map. More specifically, waterborne drill cuttings and drill additives shall not be permitted to enter a water body.
10. All water pumps shall be underlain by a drip tray lined with absorbent pads and the pads shall be changed before becoming saturated. Drip trays where the containment rim is broken must be replaced or placed in secondary containment (e.g. a tarp-lined wooden tray) without delay.
11. Drill casings producing water in any quantity shall be sealed (grouted) before the expiry of the exploration approval and capped in the meantime. The drill holes shall be sealed with high-swelling bentonite or cement; however coarse sand may be used to fill the lower portions of the hole. Capping is not a substitute for sealing, since many caps cannot fully stop the water and, in any case, the caps with inevitably break due to freezing and thawing.
12. Immediately after demobilization from a drill site, the site shall be inspected for spills of hydraulic oil or fuel, deposits of drill grease, garbage, and waste equipment and these shall be cleaned up in their entirety without delay. The Proponent shall excavate deep enough to retrieve all of the contaminated soil. Soil contaminated by hydraulic oil or fuel shall be

excavated and disposed of at an approved waste disposal site. The Proponent shall contact the nearest Government Service Centre to find out the location of the nearest approved waste disposal site accepting the materials that have been cleaned up. Government Service Centres are listed at: <http://www.servicenl.gov.nl.ca/department/contact.html#locations>

13. The Proponent is advised that exploration sites (including drill sites, trenches, test pits, and sections of access trail) associated with ground disturbance and located close to open water bodies or watercourses fall under Section 45(1)(b) of the Mineral Regulations as a site that could cause siltation into a nearby water body. The Proponent is required to actively ensure that any siltation generated from the site does not enter the water body or watercourse. Some combination of erosion prevention and siltation control shall be used to meet this requirement.
14. ATV use (including tracked-vehicle use) is subject to the Motorized Snow Vehicles and All-Terrain Vehicles Regulations whereby ATV use is fully permitted in “approved areas” such as forested land underlain by mineral soil and woods roads, and shall be subject to the following conditions specific to this exploration approval:
 - a. ATV routes shall be planned to avoid bogs, marshes or barrens wherever possible;
 - b. ATV use on bogs, marshes or barrens shall be kept to a minimum with the operator avoiding excessive acceleration and braking. ATV use in these areas shall be restricted to shift changes and geologist visits. Samples, core, supplies, and equipment shall only be transported during shift changes and geologist visits unless extenuating circumstances require otherwise. As required by the regulations, any trailers used must be equipped with low pressure bearing tires;
 - c. ATV travel across bogs and marshes shall be by the driest route present;
 - d. If ATV use on bogs, marshes or barrens proceeds to the extent that ruts begin to form then corduroy, brush-matting, or planks shall be applied to the affected sections of trail without delay and in the amounts necessary to prevent rutting;
 - e. ATV access trails shall maintain a single lane of passage and no wider than necessary to permit safe passage and shall not be unnecessarily bifurcated, looped or branched;
 - f. If it is necessary to operate extensively over a long period of time outside an “approved area” under the Motorized Snow Vehicles and All-Terrain Vehicles Regulations then the Proponent shall contact the Crown Lands Division, Department of Municipal and Intergovernmental Affairs to obtain a licence under the Lands Act.
15. All access routes shall be planned before starting work. The Proponent shall preferentially use existing woods roads and previously approved skidder trails.
16. The Proponent’s use of existing forest access roads must not impede access for other resource users, and any forest access roads used must be left in the condition found prior to the Proponent’s exploration activity with any rehabilitation required to be undertaken as a result of the exploration activity to be at the expense of Proponent.
17. Petroleum product spills into or near a water body and petroleum product spills greater than 70 litres (or of an uncertain volume) on land must be reported without delay to Service NL by calling the Environmental Emergency 24-hour line at 772-2083 or 1-800-563-9089. In order to ensure that a quick and effective response to a spill event is possible, spill response equipment and absorbent materials should be readily available on-site.
18. If the exploration activity includes stream crossings and/or fording, the Proponent shall

contact the Department of Environment and Conservation, Water Resources Management Division to obtain a Permit to Alter a Water Body (709-729-4795).

19. The Proponent shall abide by the conditions contained in its Water Use Licence/Permit (WUL-13-003) which are broad in scope towards protecting bodies of water. A water use report ("Appendix B") must be completed and filed annually within thirty (30) days of the completion of the year's mineral exploration activities.
20. The Proponent shall ensure that all waste materials are placed in suitable refuse containers without undue delay and removed to a waste disposal site approved by Service NL to accept the type(s) of waste being disposed of. Service NL Government Service Centres are listed at: <http://www.servicenl.gov.nl.ca/department/contact.html#locations>
21. The Proponent shall comply with the Forestry Act and regulations. The Proponent is advised to contact the nearest office of the Forest Services Branch of the Department of Natural Resources to obtain the following permits as required:
 - a. a cutting permit before the start of the exploration program if trees have to be cut for access to exploration sites. Please note that it may take up to two weeks to receive this permit;
 - b. an operating permit if operations are to take place on forest land during the forest fire season (May-September);Regional Forestry offices are listed at:
<http://www.nr.gov.nl.ca/nr/department/contact/forestry/forestry.html#region>
22. The Fisheries Act requires that projects avoid causing serious harm to fish unless authorized by the Minister of Fisheries and Oceans Canada. This applies to work being conducted in or near waterbodies that support fish that are part of or that support a commercial, recreational or Aboriginal fishery. If this exploration work is to take place in or near a waterbody, please complete the Department of Fisheries and Oceans (DFO) Self-Assessment at: <http://www.dfo-mpo.gc.ca/pnw-ppe/index-eng.html>.
23. There are two (2) outfitters in this area that the proponent must contact to mitigate conflict.
 - (1) Randy Parsons of Notch Mountain Outfitters Inc. (Valentine Lake Lodge), P.O. Box 462, Buchans, NL, A0H 1G0, Tel: 709-672-3589/672-8607, Fax: 709-672-3843, Email: randyparsons2004@hotmail.com, Website: www.notchmountainoutfitters.com
 - (2) Leonard McCarthy of Caribou Cove Outfitters Ltd. (Moose Lodge), 468 Rocky Lake Drive, Bedford, NS, B3A 2T6, Tel: 902-209-0099, Email: fivestar@fivestarroofing.ns.ca
24. Please be advised on the provisions of the *Historic Resources Act*, protecting archaeological sites, artifacts and significant fossils, and procedures to be followed in the event that either are found:
 - a. A person who discovers an archaeological object or significant fossil in, on or forming part of the land within the province shall report the discovery forthwith to the Minister (responsible for the *Historic Resources Act*) stating the nature of the object, the location where it was discovered and the date of discovery;
 - b. No person other than one to whom a permit has been issued under this Act, who discovers an archaeological object or significant fossil shall move, destroy, damage, deface, obliterate, alter, add to, mark or in any other way interfere with, remove or cause to be removed from the province that object or fossil;

- c. The property in all archaeological objects or significant fossils found in, on or taken from the land within the province, whether or not these objects or fossils are in possession of the Crown is vested in the Crown;

Should any archaeological remains be encountered, such as stone, bone or iron tools, concentrations of bone, charcoal or burned rock, fireplaces, house pits and/or foundations, activity in the area of the find must cease immediately and contact should be made with the Provincial Archaeologist in St. John's (709-729-2462) as soon as possible.

Copies of the *Historic Resources Act* and information on archaeology in the province may be obtained from the Provincial Archaeology Office upon request.

25. The proposed area falls within Newfoundland Marten critical habitat. Newfoundland Marten are listed as Threatened under the Newfoundland and Labrador Endangered Species Act (NLESA). Section 16 (1) of NLESA states, "A person shall not disturb, harass, injure, or kill an individual of a species designated as threatened, endangered, or extirpated".

Denning of female marten and young occurs from early April to the end of June and dens must be protected from damage and disturbance during this time period as dens are protected under the provincial NL Endangered Species Act and the federal Species at Risk Act. Habitat disturbance impacts also other wildlife negatively. To help reduce any negative impacts on any species, the Wildlife Division recommends that vegetation clearing or excessive noise be undertaken outside of the nesting, breeding and brood rearing period, which runs from early-April to mid-July as disturbance could result in negative impacts on survival or condition of young or denning females (Marten Recovery Plan 2010).

Activities, disturbance and habitat destruction must be minimized as much as possible in order to avoid causing harm to individuals or degrading important marten habitat. This includes minimizing the number of trips using snowmobiles, ATVs or other means of transportation and to travel with caution within the area at all times.

26. The proposed activities also take place within important waterfowl habitat. Any efforts must be taken by the contractor/ ground personnel to avoid additional stress on waterfowls (e.g. noise from equipment, ATVs, helicopter etc.), especially during the brood rearing, breeding & staging periods, which run approx. from April to early July on the Island of Newfoundland.

27. The proponent should follow appropriate hunting and trapping protocols as set in the Hunting and Trapping Guide.

28. The Wildlife Division advises applicant to operate under established regulations and guidelines with respect to wildlife and its habitat to minimize additional impacts (in particular Sections 106 a) of the *Wild Life Regulations* under the *Wild Life Act* (O.C. 96-809): www.env.gov.nl.ca/env/wildlife/index.html).

Pursuant to Section 106 of the *Wild Life Regulations*:

- a. A person shall not operate an aircraft, motor vehicle, vessel, snow machine or all-terrain vehicle in a manner that will harass any wildlife;
- b. You are advised that helicopter supported exploration programs must be conducted in a manner that does not disturb, harass or harm any animal life that you encounter. This can easily be accomplished by avoiding concentrations of wildlife by rescheduling the planned activities for another day.
- c. Under no circumstances should nesting raptors be approached, not even for a

"harmless" look. The startle effect that helicopters have on nesting raptors can be detrimental and therefore either a 600 m horizontal buffer from cliff faces or an altitude of 300 m must be observed.

The Wildlife Division strongly recommends that a minimum 30 m naturally vegetated buffer be maintained along all waterbodies and wetlands to protect sensitive riparian and aquatic species, and their habitat.

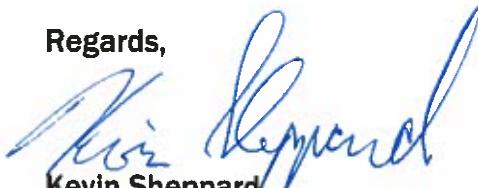
Habitat disturbance impacts wildlife (birds, small mammals, plants etc) negatively and should be kept to a minimum. To help reduce any negative impacts on any species, the Wildlife Division recommends that any necessary vegetation clearing or excessive noise be undertaken outside of the nesting, breeding and brood rearing period (May to mid-July), when disturbance would be most critical.

- Where vegetation clearing is not avoidable and a nest is found:
- The nest and neighbouring vegetation should be left undisturbed until nesting is completed; and
- Construction activities be minimized in the immediate area until nesting is complete

10. This approval is due to expire on November 19, 2016.

If you have any questions concerning this, please contact Heather Rafuse, Geologist, Exploration Approval and Land Use, at 729-6408.

Regards,



Kevin Sheppard
Director, Mineral Lands Division

c: Justin Lake, Mineral Rights
Martha Drake, Historic Resources
Bryan Oke, Forestry Services Branch
Mark Lawlor, Forestry Services Branch
Brent Keeping, Environmental Assessment Division
Dr. Abdel-Zaher Abdel-Razek, Water Resources Management Division
John Angelopoulos, Strategic Tourism Product Development
Robert Locke, Service NL



Newfoundland
Labrador
Department of Natural Resources
Mines Branch
Mineral Lands Division

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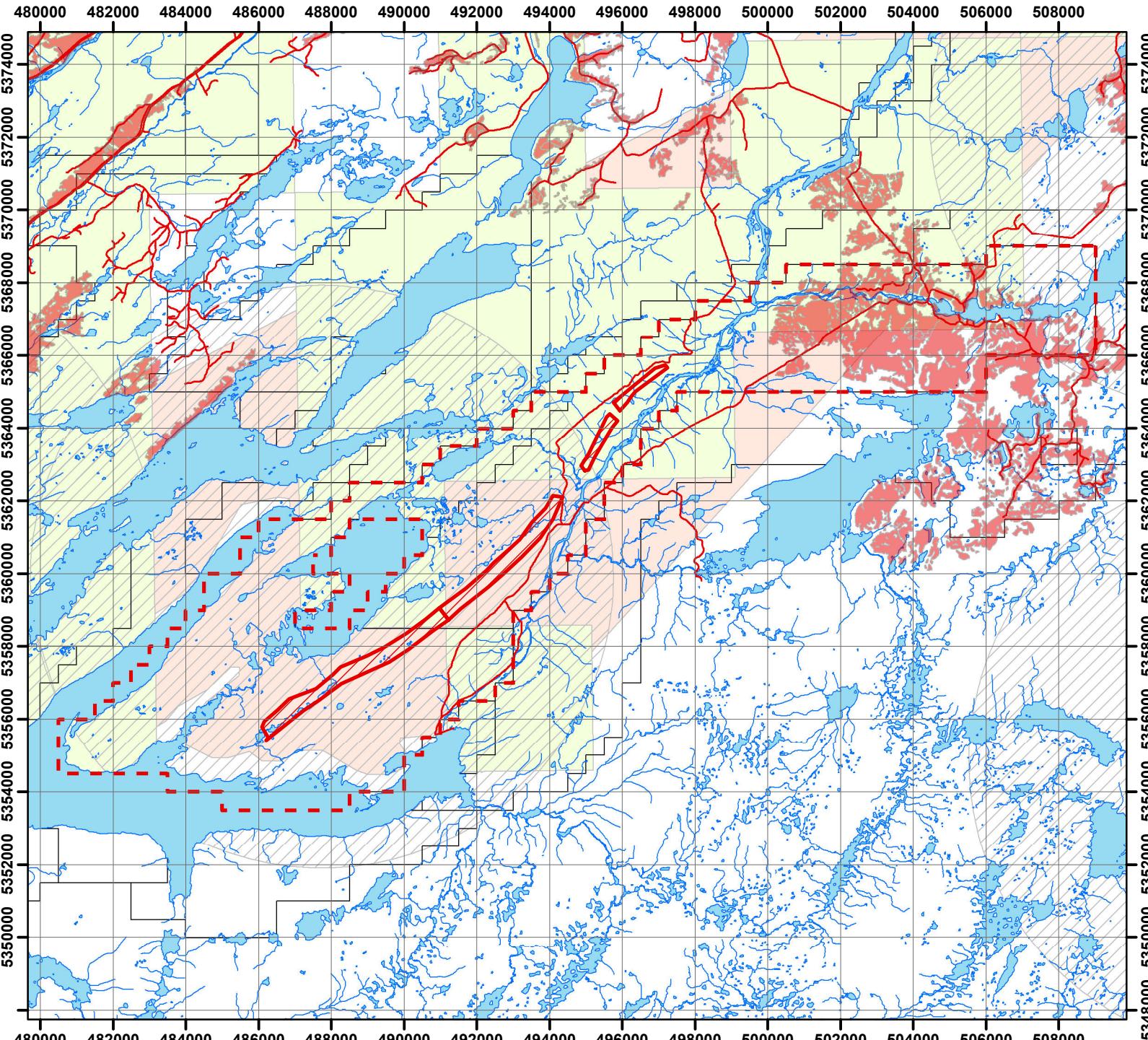
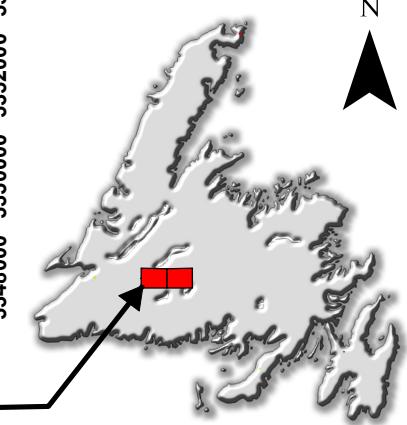
Legend

- Drill Areas
- Property
- Pre-Commercial Thinning
- Outfitter Buffer
- Outfitting
- Pine Martin
- Waterfowl

Comments

- Waterfowl
- Pine Marten Habitat
- FMD 12, 13
- PC Thinning
- Outfitters

E160004



GeoReference
UTM NAD 27 Zone 21

1:150,000



Project



Newfoundland Labrador

Department of Natural Resources
Mines Branch
Mineral Lands Division

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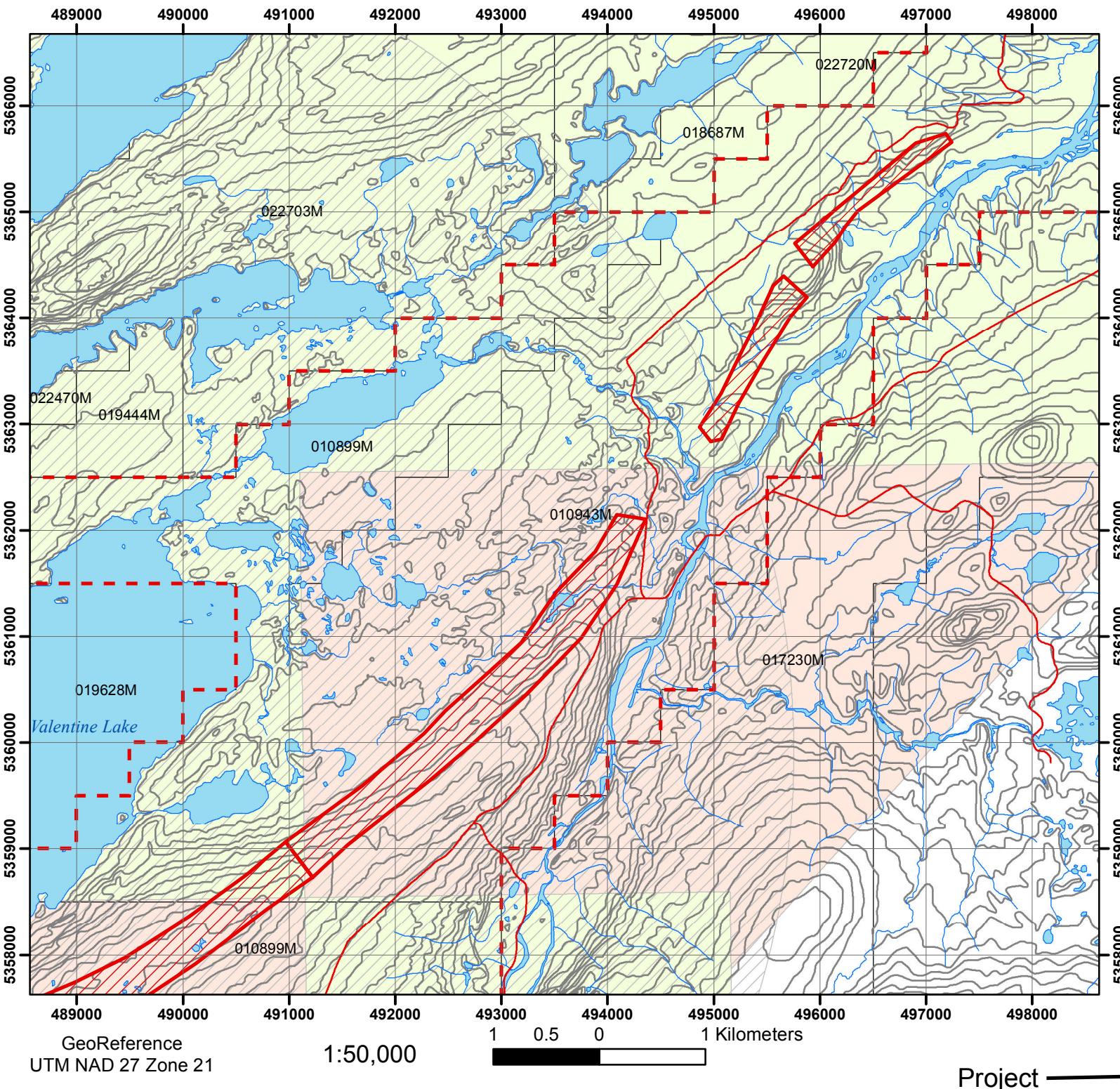
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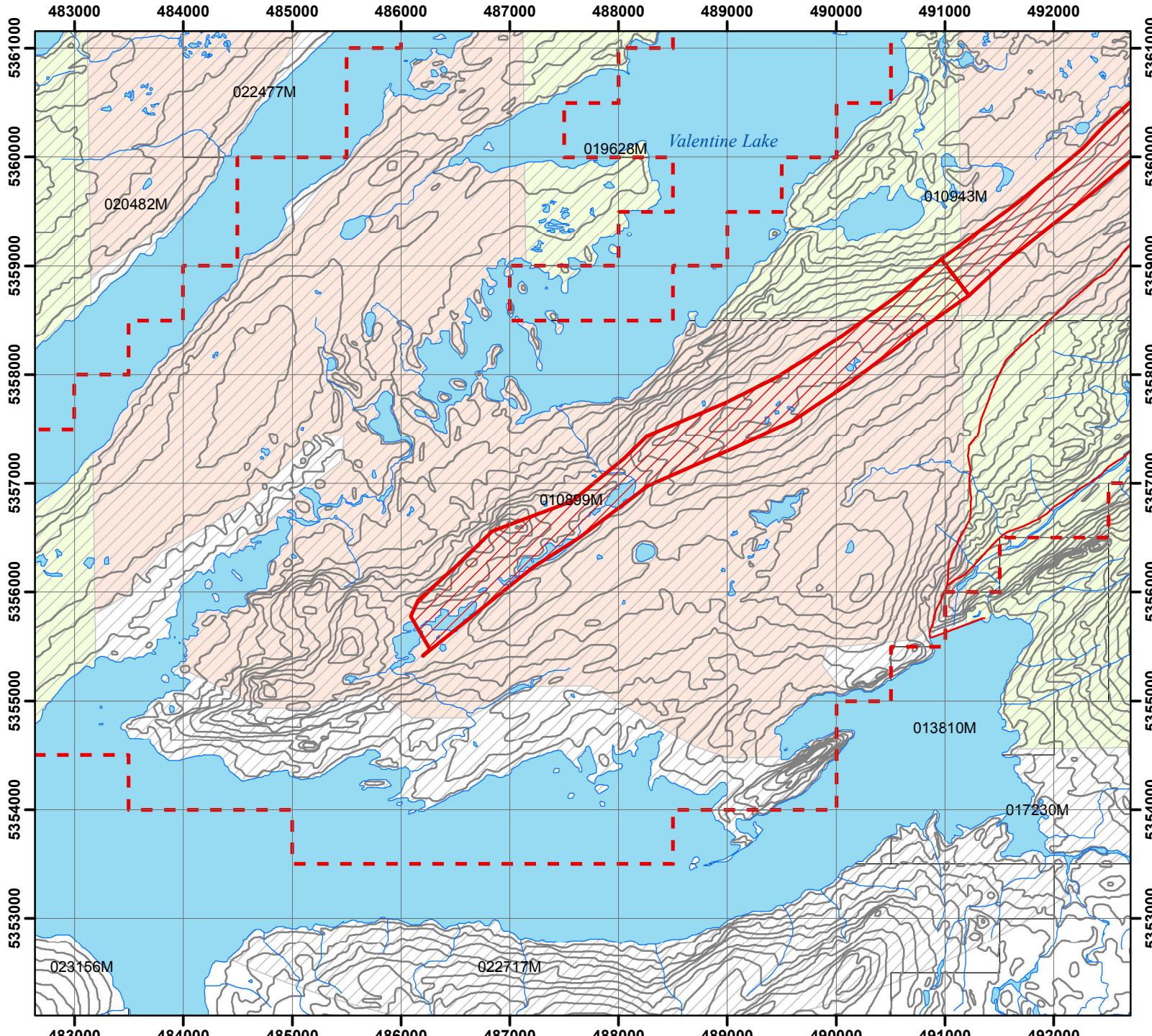
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GeoReference
UTM NAD 27 Zone 21

1:50,000



Project