

Telkwa Coal - Investigative Plan for Industrial Temporary License

1. Background

1.1. Project Overview:

A small geotechnical program is proposed to assess the potential for development of a rail loadout facility for the Telkwa Coal project, owned by Carbon Development Corporation and Telkwa Coal Ltd.

The program would consist of 4 sonic drill sites, utilizing track mounted drill equipment. Each site would be a maximum area of 7.5m x 7.5m in size.

The company will be approaching the adjoining private land owner to determine if existing access on private land may be utilized to access the proposed drill sites. To address the possibility that this authorization may not be obtained, the investigative plan includes a potential temporary trail, approximately 1 km in length, to access the drill sites.

Minor tree removal would be required for conducting the drilling, even if a new trail is required for accessing the sites. Existing clearings would be utilized if the trail is constructed, resulting in timber volumes of <50 m³.

The work program is anticipated to take 2 to 3 weeks to complete.

1.2. Current Zoning / Land Use

The proposed license area lies between the Lawson Road and the CNR mainline, within the Agriculture / Wildlife zone of the Bulkley Valley LRMP. There are no overlaps with conservation areas, identified Wildlife habitat or endangered plant areas.

The proponent is unaware of any zoning or land use restrictions that would limit or preclude the proposed use of the land.

1.3. First Nation Consultation

Telkwa Coal Ltd, (through their agreement with Carbon Development Partnership) is working directly with the Office of the Wetsu'wet'en (OW) on all aspects of the project and have signed an engagement agreement with them.

A copy of the investigative application was provided to David deWit, David Belford and Mike Ridsdale of the OW on September 8, 2017.

2. Location

2.1. Description

The proposed investigative area is located ~7 km southeast of the Village of Telkwa. It is accessed via the Lawson Road with existing roads/trails located on adjoining private land.

The proposed license area overlaps District Lot 1144 and a portion of Section 7, TP6. The northeastern boundary is adjacent to the CNR mainline and the Lawson Road is adjacent to the southwest boundary. The southeast and northwest boundaries adjoin private land.

Topography is level to very gently sloping at an elevation of 520 m. ASL. The property is moderately forested with several openings. An east west trail accessing the open areas runs from adjoining private land on the west across the middle of the proposed license area. An intermittent stream lies to the north and roughly parallel to this trail. An additional trail enters from private land to the south, cutting across the southeast corner of the proposed license area.

The center of the proposed license is at Lat: 54.6521 / Long: -126.9864.

2.2. Location Justification

The Telkwa Coal project is located ~10 km southwest of the Village of Telkwa. The area was subject to small scale coal mining from 1918-1985. Extensive coal exploration conducted in the 1980's and 1990's, led to the project entering the BC Environmental process in the early 1990's. The EA process was not completed and the project underwent a change of ownership. In 2016, Telkwa Coal Ltd entered into an agreement with the project owner and made application for geotechnical investigations in early 2017, as well as completing a preliminary feasibility for development.

Development of the mine will require rail load out facilities for transport of the coal to overseas markets. The proposed investigative area has been selected because it is adjacent to the existing rail line, near existing gazetted roads and provides a short haul distance from the proposed mine.

3. Location

3.1. Improvements

No permanent infrastructure or installations are proposed. All activities are temporary in nature.

3.2. Access

All drill sites can potentially be accessed utilizing existing roads and trails. The most southerly site would be accessed directly from the Lawson Road, the two most northerly sites could be accessed via an existing road on CNR land; and the middle site could be accessed from an existing road/trail that initiates on adjoining private land and extend into the proposed license area.

If authorization for use of access on adjoining land cannot be obtained, construction of ~1 km of trail from the Lawson Road is proposed (as illustrated on accompanying maps)

3.3. Water Use

A water truck will provide water for the drilling. No onsite water source will be utilized.

4. Schedule

Activity	Sonic drilling	Access Trail Construction
Description of Activity	Drilling of overburden soils using track mounted equipment	If authorization for use of access on adjoining private land can't be obtained, an exploration trail <3.5 m width with minimal soil excavation will be constructed to access the 2 northerly drill sites.
Season	Will depend when authorization is issued, possibly late fall/winter.	If private land access is given, will work with land owner to limit impacts. If new trail construction, timing will depend when authorization is issued, possibly late fall or winter.
Potential Impact	Negligible, as program is very short in duration with minimal surface disturbance.	Similar to sonic drilling. Possible increased access if new trail is established.
Mitigation / Management of Potential Impacts	Very wet ground conditions will be avoided.	Very wet ground conditions will be avoided. If new trail constructed, it will be blocked to limit use by others, with pull back of vegetation & installation of barriers if needed.