



June 15, 2016

File: 2411606

Via Email info@savedesolationsound.com

Bill Sinclair and Russell Hollingsworth
Save Desolation Sound Society

Dear Bill Sinclair and Russell Hollingsworth:

Thank your letter dated June 6, 2016, regarding an application by Lehigh Hanson Materials Ltd. (LHM) for a Licence of Occupation in the vicinity of Lloyd Creek, Homfray Channel. The purpose of the licence is to carry out investigations to determine reserves for commercial aggregate production. An offer of a licence of occupation, for investigative purposes, has been forwarded to the applicant.

The decision on this application, for the investigative phase, will not influence any decisions on further applications for any future operations. Further work and/or development of this site will require additional applications to the Ministry of Forests, Lands and Natural Resource Operations (FLNRO) and the Ministry of Energy and Mines. The applicant is aware that further applications will be required and that consultation with First Nations and referrals to resource agencies and local government will be necessary.

The Notice of Work, submitted by LHM, requested permission to commence with specific preliminary exploration activities which includes exploration surface drilling. In order to facilitate the drilling operations access roads and trails will be constructed as per the management plan. The proposed operations do not include the development of an active mining operation.

When making a decision ministry staff considers a number of factors, including: policy, the application itself, referral responses, and precedent and ultimately try to find the best balance among different interests when making a decision on an application.

The drilling operation is proposed to be undertaken in two phases. Phase 1 will be on the north side of Lloyd Creek and is expected to take three weeks if all 15 drill holes are completed. Phase 2, on the south side of Lloyd Creek, should be completed within one week, but may not be undertaken during the same field season allowing for analysis of the results of Phase 1. Phase 1 is tentatively scheduled to start after the Labour Day weekend in September 2016.

Page 1 of 2

The drilling will be undertaken within the forested Lloyd Creek drainage and as such should not be visible from the shoreline or from passing boat traffic. The standing vegetation should also help to minimize the noise generated from the drilling operation and drilling should not be audible from Desolation Marine Park located five kilometres to the south of Lloyd Creek. In addition, LHM expects that the predominantly westerly direction of the winds will further minimize the noise to the south and west along Homfray Channel. The proposed timing of the drilling will also reduce the potential for impact to users of the park and boaters in this area.

Since most of the operations will take place in standing timber, the visual impact of the operation will be minimized. The drilling operation does not entail any significant disturbance of the land, thus maintaining the natural topography of the land, water bodies, native vegetation and wildlife. The drill holes will be backfilled and on completion of the project all equipment and debris will be removed. Additionally, disturbed areas will be properly graded and ground cover will be re-established. The exploratory activities are non-invasive and are not anticipated to be of any impact to tourism in this area.

Prior to the felling of any trees to facilitate the construction of required roads and trails, LHM must be issued an Occupant Licence to Cut. Also, prior to the start of operations LHM will investigate the site of the proposed drill holes and will adjust the location to minimize the impact. No permanent roads will be constructed.

Application advertising and staking instructions are provided to applicants by FLNRO. LHM has provided proof that the application was advertised and staked in accordance with the instructions provided by FLNRO. This application was advertised in the Powell River Peak on October 14 and 23, 2015. As well, FLNRO makes information on applications available on our Reasons for Decisions website.

If you have further questions please let me know. I can be reached via email at Brian.Kukulies@gov.bc.ca or by phone at 604 485-0725.

Yours truly,



Brian Kukulies, R.P.F.
Land Officer
Sunshine Coast Natural Resource District

Ec: Maryann Bouffard, Ministry of Energy and Mines