1. Introduction

Pacific Booker Minerals (PBM) Inc. proposes to develop the Morrison Copper/Gold Project (the Project) in north-central British Columbia.

This document and its appendices constitute PBM's application for a certificate under the *British Columbia Environmental Assessment Act* (BCEAA; 2002) to construct and operate the Project. Under the BCEAA Reviewable Projects Regulation, the Project requires review because it is "a new mine facility that, during operation, will have a production capacity of ≥75,000 tonnes/year of mineral ore" (Reviewable Projects Regulation, 340/2002 and O.I.C. Amendment No, 98076). The BCEAA stipulates that any reviewable project that may have "a significant adverse environmental, economic, social, heritage or health effect, taking into account practical means of preventing or reducing to an acceptable level any potential adverse effects of the project" requires certification before proceeding. This document and the information contained herein supports PBM's application for an Environmental Assessment Certificate. The Certificate represents Government's approval-in-principle of the project and allows PBM to seek any other statutory authorizations needed to proceed with the project. The Project location is shown in Figure 1.1-1.

1.1 Application Background and Structure

This Application has been prepared as part of the environmental assessment process in accordance with the information requirements of the EAO Project Terms of Reference (TOR) The Application will provide government authorities and other interested parties with an opportunity to review and comment on the proposed components of the project and the results of the impact assessment. The outcome of the review will inform Project permitting.

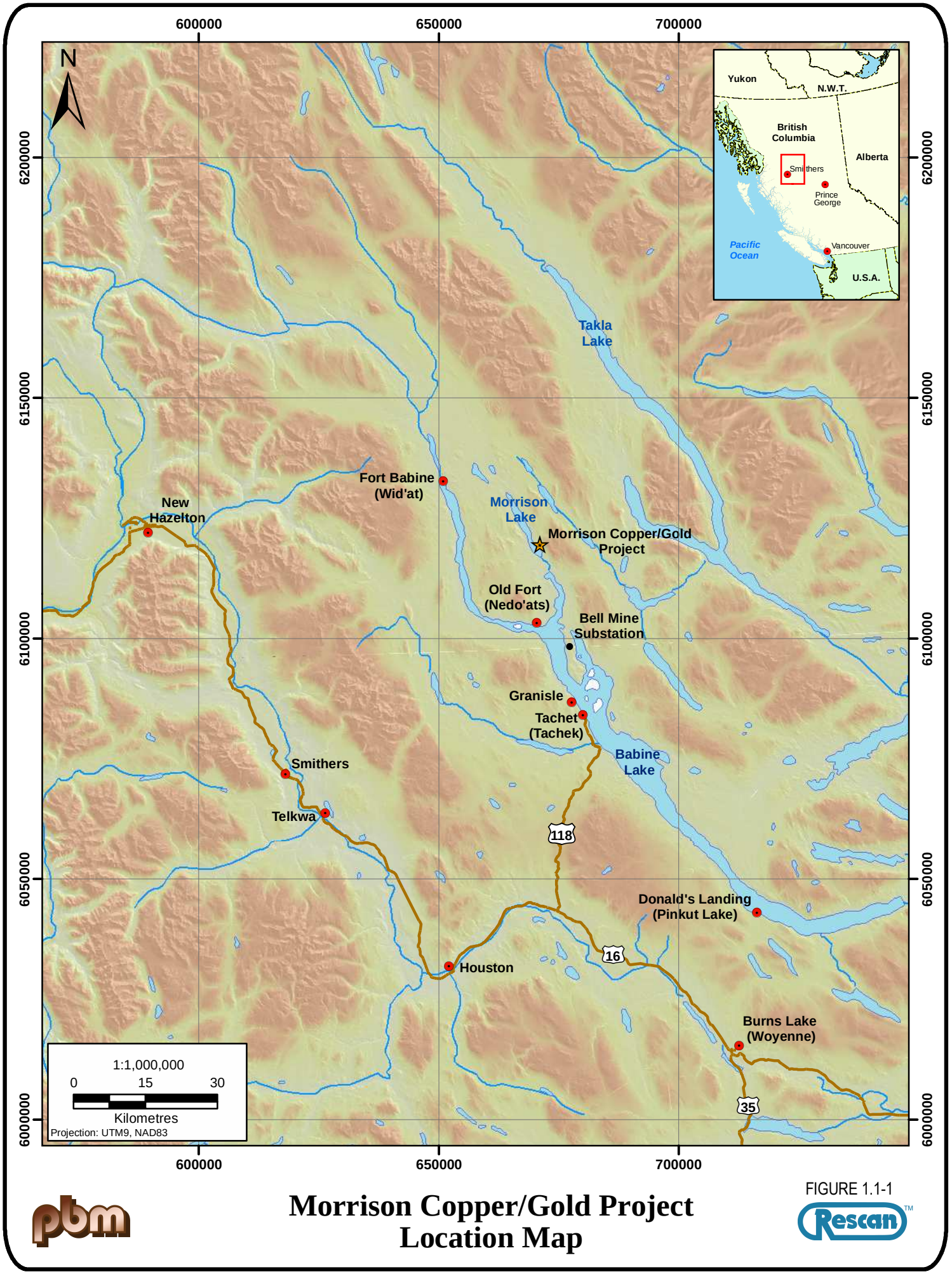
The Application is organized into the following sections:

Volume I

1. Introduction
2. Information Distribution and Consultation
3. Regulatory Context
4. Project Description and Scope of Project
5. Environmental and Socio-economic Assessment Methodology
6. Traditional Land Use and Traditional Ecological Knowledge
7. Environmental and Socio-economic Setting

Volume II

8. Environmental and Socio-economic Effects Assessment



Morrison Copper/Gold Project Location Map

FIGURE 1.1-1

Volume III

9. Accidents and Malfunctions
10. Effects of the Environment on the Project
11. Cumulative Effects Assessment
12. First Nations Interests/ Considerations
13. Environmental Management System
14. Environmental Effects Monitoring and Follow-up Programs
15. Analysis of Alternatives
16. Mine Closure and Reclamation
17. Sustainability
18. Summary of Project Commitments and Mitigation
19. Conclusions
20. Acronyms and Abbreviations
21. Glossary
22. References

Volumes IV to XI

1. Appendices (47)

The application generally follows the structure of the EAO TOR and generally follows its format. The Project Table of Concordance provides the reviewer with a lookup table to match the TOR information requirements with the Application content sections.

All environmental aspects identified within the Project's TOR have baseline information provided in the appendices.

An Executive Summary and detailed Table of Contents are provided.

1.2 Project Overview

1.2.1 Overview

PBM proposes to develop the Project in north-central British Columbia (BC). The Project site is 65 km northeast of Smithers and 35 km north of Granisle on Crown land east of Morrison Lake (Figure 1.2-1). The Project is within the traditional territory of the Lake Babine First Nation and off-site infrastructure is partially within the traditional territory of the Yekooche First Nation. Coordinates for the Project are lat 55º11'24" N and long 126º19'7" W.

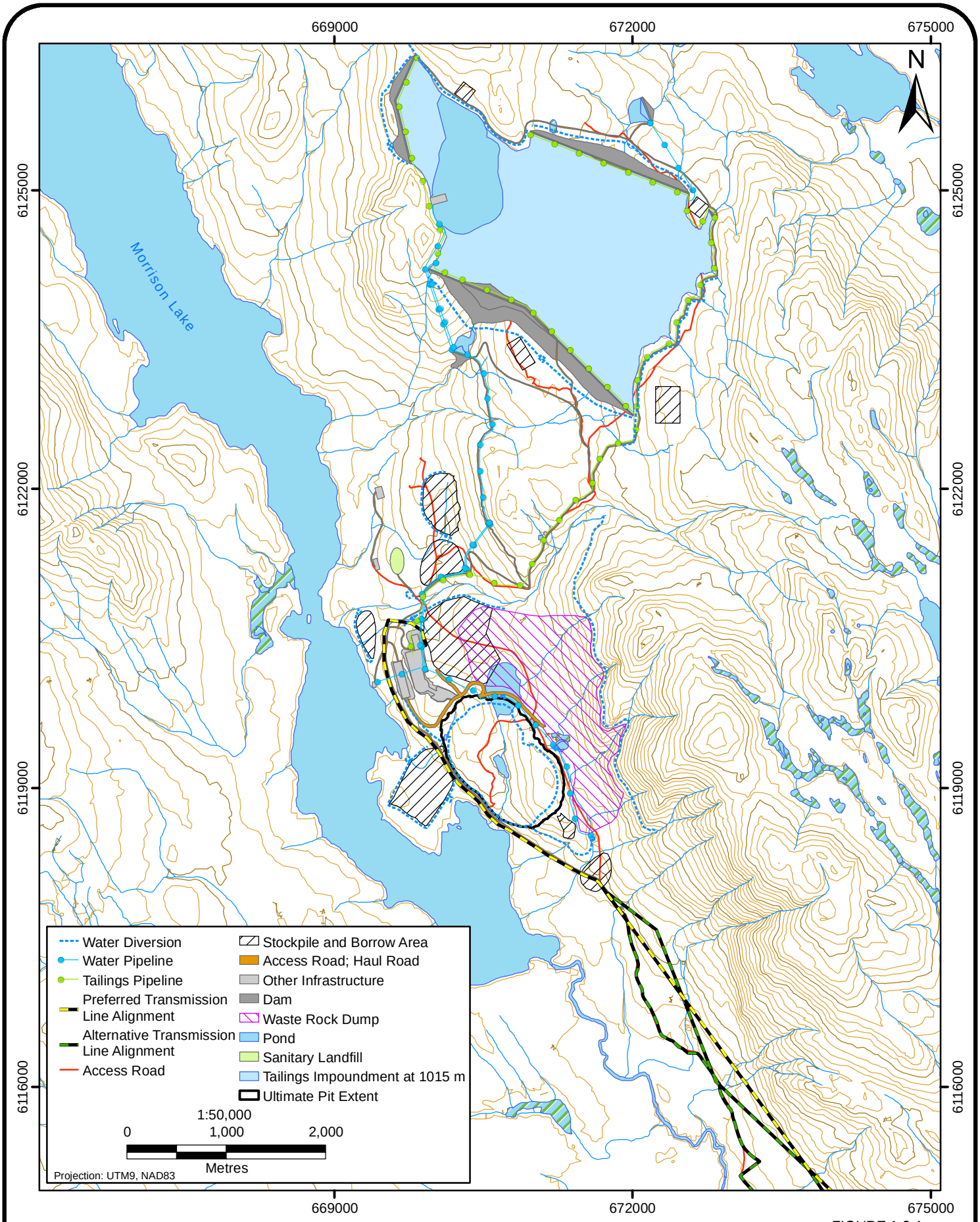


FIGURE 1.2-1

Morrison Copper/Gold Project Components

The Morrison mine will be a 30,000 t/d open pit operation with copper-gold-molybdenum ore processed in a conventional milling plant and the copper/gold concentrate transported to the Port of Stewart for shipment to offshore smelters. Molybdenum concentrate will be trucked from the mine to a refinery. The mine will receive electrical power from the BC Hydro grid.

The general information of the Project is summarized below:

- Mine Life 21 years
- Milling Rate 30,000 t/d
- Strip Ratio 0.82 t waste/1.0 t ore
- Tonnage Milled 224 Mt
- Total Copper Concentrate Production (dry) 2,345,188 t
- Ownership PBM–100%

In September 2006, PBM commissioned a team of engineering and environmental consultants to complete the component studies of the feasibility-level Technical Report for the Project, and to complete the impact assessment in support of an application for an EA Certificate. The following consultants contributed to studies:

- Wardrop Engineering Inc. (Wardrop): processing, mining, infrastructure, and financial analysis
- GeoSim Services Inc. (GeoSim): mineral resource estimate
- Nilsson Mining Services (NMS): mining
- Klohn Crippen Berger Ltd. (KCBL): tailings handling, water management, and geotechnical design
- Rescan Environmental Services Ltd. (Rescan): environmental, consultation, permitting
- Kaehne Consulting Ltd. (Kaehne): electrical power supply
- Chrisita Enterprises Ltd. (Chrisita): haul route study
- AllNorth Consultants Ltd. (AllNorth): haul route options analysis
- Butterfield Mineral Consultants Ltd: markets and contracts

1.2.2 Exploration History and Economic Geology

The Morrison deposit was discovered in 1963 by the Norpex Group of Noranda Exploration Company who completed 95 diamond drill holes over a 10 year period that broadly defined the deposit to an approximate depth of 150 m. No further drilling was done until PBM optioned the property in October, 1997. PBM conducted a National Instrument 43-101 compliant drilling program commencing in 1998 for resource estimation including surface backhoe trenching, test-pitting and drilling for metallurgical testing, geotechnical engineering, and hydrogeology and overburden estimation.

Between 1998 and 2003 PBM completed surface backhoe trenching and 82 diamond drilling holes totalling 25,245 metres within the limits of the Morrison deposit previously drilled by Noranda.

In 2005, four additional exploration holes (957 m) and four, large diameter PQ holes (700 m) were drilled for metallurgical samples twining older holes.

Seven geotechnical holes (1,464 m) were drilled in 2006 but were not assayed. Eighteen condemnation holes (643 m) were also drilled in 2006 in outlying areas that were regarded as potential plant, waste, and tailings sites. These holes were logged but not assayed as no visible mineralization was encountered. Several of these holes were subsequently used for water monitoring.

In 2007, fifteen additional geotechnical and 16 ground water monitoring holes (1,008 m) were drilled in the proposed tailing storage facility impoundment area, the open pit, and a second location for the proposed plant. Prior to the drilling, a resistivity survey was completed.

In 2008, three geotechnical and six groundwater holes were drilled in a third location for the proposed plant (present location); waste rock storage and low-grade ore stockpile areas.

The Morrison deposit is in a well-mineralized region which has resulted in mining activity. The former Bell and Granisle copper-gold mines are located 25 and 35 km to the south of the Morrison Project site. The Morrison deposit is on the edge of the Skeena Arch in a region underlain primarily by volcanic, clastic, and epiclastic rocks (Simpson 2007). These have been block faulted by a series of northwesterly trending faults that have created a sequence of horsts and grabens. Intrusive rocks include diorite, granodiorite, rhyolite, and rhyodacite as well as the Eocence Babine igneous suite consisting of quartz, hornblende, biotite, and plagioclase phyric intrusions (PBM 2008).

Hydrothermal alteration at Morrison is similar to that at other Babine porphyry copper deposits (Carson and Jambor 1974). Alteration is concentrically zoned with a central biotite (potassic) alteration core surrounded by a chlorite-carbonate zone. A third alteration facies, clay-carbonate alteration, is considered retrograde and associated with major faults and shears and subsidiary fracture zones. No well developed phyllic zone has been identified.

Sulphide mineralization at Morrison shows strong spatial relationships with the underlying intrusive (BFP) plug and associated alteration zones. The central copper-rich core is hosted mainly within a potassically altered BFP plug with intercalations of older siltstone. This plug was initially intruded into the siltstone unit as a near-vertical subcircular intrusion approximately 700 m in diameter. It was subsequently disrupted by the East and West Faults and now forms an elongated body extending some 1,500 m in the northwest direction.

Chalcopyrite is the primary copper-bearing mineral and is distributed as fine grained disseminations in the BFP and siltstone, as fracture coatings or as stockworks of quartz veinlets in which the chalcopyrite occurs as coarse grains (1 to 3 mm) within veinlets that range from 1.0 mm

to approximately 15 mm in width. Minor bornite occurs within the higher grade copper zones as disseminations and associated with the quartz-sulphide stockwork style of mineralization.

Polished-section studies have also shown that, in addition to chalcopyrite and pyrite, magnetite and minor bornite are present in the low-grade core of the deposit. Magnetite is a finely disseminated original constituent of the BFP and siltstones, and is most abundant in the western segment of the copper zone. Many magnetite grains are partly altered to hematite, which seems to be most abundant at the outer 0.2% Cu boundary. No iron oxides have been observed in the pyrite halo.

Molybdenum is present in smaller and somewhat spatially restricted amounts, particularly in the southeast portion of the deposit. Rare arsenopyrite and sphaleritehave been noted locally in carbonate-cemented brecciated veins within and near the faults and in smaller parallel shears.

A pyrite halo is developed in the chlorite-carbonate altered wall rock surrounding the copper zone. The pyrite mineralization characteristically occurs as thin (0.1 to 5.0 cm) fracture-fillings and quartz-pyrite-minor chalcopyrite stringers in the form of stockwork. The pyrite mineralization is developed as a more extensive zone around the eastern and southeastern segment of the Morrison deposit and is more restricted at the western and northwestern segments of the deposit.

1.2.3 Mine Components

The mine site will comprise two main areas: the mine facilities area (MFA), including the tailings storage facility (TSF; Figure 1.2-1), and the transmission line corridor connecting to the BC Hydro grid.

The mine property involves approximately 9,950 ha, ranging in elevation from approximately 730 m to 1,020 m. The topography comprises undulating plateaus adjacent to Morrison Lake rising easterly to a ridge dominated by Hearne Hill at an elevation of 1,350 metres. Most of the footprint contains previously harvested or mature forest, with some shrub and wetland areas. The site is mainly within the sub-boreal spruce biogeoclimatic zone; higher elevations include the Engelmann spruce subalpine fir biogeoclimatic zone. Surface waters drain from the mine site directly into Morrison Lake, part of the Babine watershed and into Nakinilerak Lake, part of the Stuart River watershed.

An established forestry road network and a barge crossing at Babine Lake link the mine site to Granisle where Highway 16 provides a transportation route to local communities, the regional airport at Smithers, and the deep-sea shipping terminal at the Port of Stewart. An existing transmission line provides electricity to the Bell Mine 26 km south of the Morrison site.

Table 1.2-1 lists the key Project components and summarizes their function.

Table 1.2-1
Project Components and Function

Component	Function
Mine Site	
Open Pit	The Morrison deposit will be mined through a four-phase mining operation. The first phase will develop the northwest end of the deposit. Phase 2 will comprise a second cone in the south in conjunction with a deeper pit. Phases 3 and 4 will be push backs to the north then to the south. The fully developed open pit will be approximately 1470 m x 900 m with a maximum wall height of 372 m
Processing Plant	A 30,000 tonnes per day processing plant (mill) for production of copper/gold/molybdenum concentrate. The mine will employ high pressure grinding (HPGR) technology.
Facilities	Lab/assay building Concentrate loadout facilities Mobile equipment shops, wash and tire change Plant maintenance shops Warehouse Equipment laydown areas Mine dry adequate for shift changes, designed for both men and women Administration and security buildings providing adequate space for offices for management, administration, and engineering personnel.
Sewage and waste water management facilities	Sewage and waste water facilities on-site will handle sewage and waste water from the mine buildings as well as from the processing plant. Post mine closure will require on-site water management facilities.
Explosives storage and mixing plant	Explosives will be stored at the site and the explosives supply will be contracted out. Bulk explosives will be mixed on-site.
Fuel Storage	Will be sufficient for one month's operational supply. Access to the site is available at all times; thus, storage facilities will be minimal.
Overburden and organic-bearing materials stockpile	An estimated 15 million tonnes of overburden will be removed during mining. Till will be used in dam core construction. Overburden and soil materials will be stockpiled for use in reclamation or reclaimed.
Borrow pits	Where haul distances are excessive, borrow pits will provide supplemental gravel and till for dam and road construction. Borrow pits will also be used to provide gravel for concrete.
Waste rock disposal	The mine will generate 169 million tonnes of waste over its life. All waste rock will be disposed immediately to the north and east of the open pit. Waste rock dumps will be progressively reclaimed with a layered, low permeability till and revegetated soil cover.
Low-grade ore stockpile	A low grade ore stockpile is planned north of the open pit, east of the plant site. This is a temporary facility in which a range of ore grades will be stored for use during the mine life when sufficient newly mined ore is not available. A maximum of 37 million tonnes of ore will be stored.
Tailings Storage Facility	Tailings will be stored in a tailings storage facility behind secure and fully engineered dams. The TSF will be located 3.5 km northeast of the open pit. An engineered and maintained water cover will be managed over the TSF in perpetuity. The ultimate tailings pond will cover nearly 5 km^2.

(continued)

Table 1.2-1
Project Components and Function (completed)

Component	Function
Off-site Infrastructure	
Transmission Line	Electricity will be supplied by BC Hydro from the Babine substation on the western side of Babine Lake near Granisle. This will require extending the existing 138kV overhead line to the former Bell Mine site that is now in a care and maintenance phase after shutting down in the 1990's. This option would require a new service substation at the former Bell mine site, re-energizing the current 25kV line to its original 138kV capability, and extending a new 138kV overhead line approximately 25 km to the new Morrison substation. The substation is supplied with power via a submarine cable extending under Babine Lake.
Concentrate Haul Route	B-Train trucks will haul copper and gold concentrate west to the Port of Stewart, BC, where ocean-going vessels may ship it to smelters in China, Korea, India, or Japan. Molybdenum concentrate will be hauled to a location to be confirmed.
Communications	Systems will achieve redundancy for effectiveness and emergency preparedness: Satellite internet for data and VoIP. Satellite telephone. Radio and radio telephone (Towertel) services as available from local suppliers Cellular telephone (when available from Granisle).
Human Resources	Includes employment and contract opportunities associated with construction activities; open pit operations; processing; concentrate haulage; maintenance; support activities; and management, professional, and administrative duties. PBM will provide transportation to the mine site from the Granisle side of Babine Lake; personnel are responsible for commuting to the pickup location. Initiatives and opportunities for training and employing First Nations.

Conventional open pit mining methods will incorporate drilling, blasting, loading, and hauling. Ore and waste rock will be drilled and blasted using 270-mm diameter holes drilled on an 8.0 m × 8.5 m pattern. Blasting will use a 70%/30% emulsion/ANFO mix. A combination of shovels and trucks will load and haul the ore and waste rock from the pit to a primary crusher near the top of the ramp. Trucks will transport the waste material to the main disposal area east of the open pit within the pit catchment (Figure 1.2-2). A range of ore will be placed in a stockpile north of the pit (PBM 2008).

In addition to the primary mining equipment, several pieces of auxiliary and service equipment will maintain haul roads, waste dumps, and general pit operations.

1.2.3.1 Construction

Project implementation will occur during a 24-month construction phase that will see the on-site components and off-site infrastructure built. Stripping the open pit overburden will also occur at this time.

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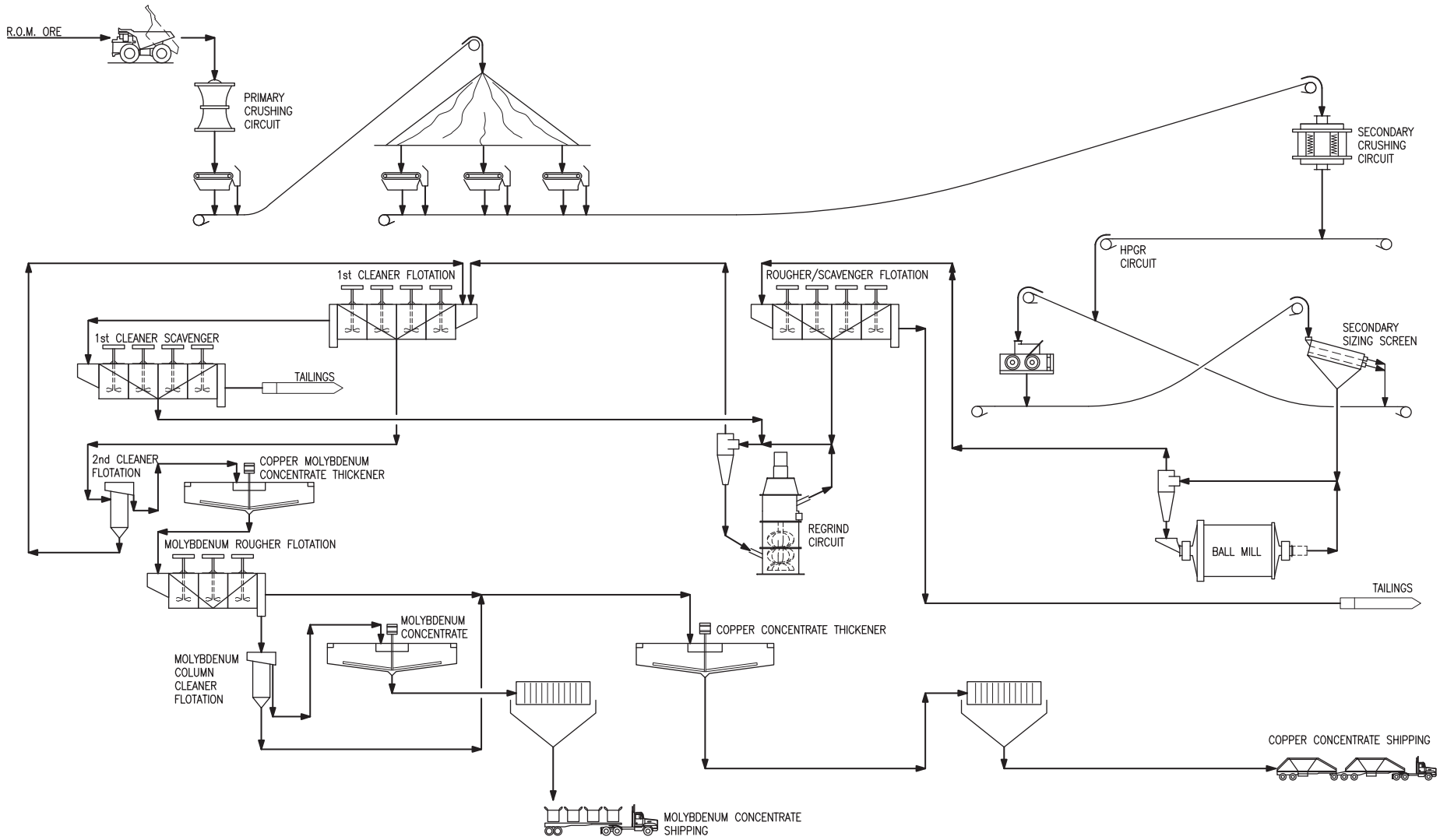

FIGURE 1.2-2

Morrison Copper/Gold Project: Simplified Flow Diagram

1.2.3.2 Operations

Operations will commence when the mine components are operational and other construction phase activities are complete. Production activities include mining, milling, waste disposal, and ongoing construction of the TSF. Mining and milling activities will occur 24 hours per day, 365 days per year.

1.2.3.3 Closure and Reclamation

The mine will be decommissioned and reclaimed, at a minimum, in accordance with the application requirements for a permit approving the mine plan and reclamation program pursuant to the *Mines Act* (1996).

The reclamation will involve:

- removing equipment and structures, including the mill building, maintenance shops, camp explosives storage, pump houses, and other facilities;
- reclaiming the waste dump, tailings impoundment area, and roads;
- revegetating to achieve pre-determined reclamation and land capability objectives;
- returning the area to proposed end land use objectives consistent with the Morice Land Resource Management Plan(BC EAO 2008).

1.2.4 Work Force

During the construction period, most activities will be completed by contractors. The Morrison Copper/Gold Project (the Project) is expected to employ a total of 251 persons during operation including 141 open pit operations employees, 82 mineral processing employees, and 28 administrative staff with professional, office, and clerical duties. The mine will operate 24 hours a day, 365 days a year with the number of employees on-site at any given time ranging from approximately 100 employees on weekday day-time shifts, 59 employees on weekend day-time shifts, and 41 employees on overnight shifts. Hiring practices promoting First Nations and local personnel employment will be established (BC EAO 2008).

1.2.5 Project Benefits

Producing copper, gold, and molybdenum will serve to satisfy world market demands, and benefit PBM shareholders, local communities, individuals, and municipal, provincial, and federal governments, without compromising the ability of future generations to meet their own needs. The Project can also help provide stability to the economy of northern BC communities at a time when there is uncertainty regarding the future of the lumber industry as a result of the pine beetle infestation.

1.2.6 Costs

The mine capital costs are estimated as (Appendix 1):

- capital costs of Cdn$516.68 million (including a Cdn$59.92 million contingency allocation);

- a projected exchange rate of Cdn$1.00/US$0.87;
- mobile equipment sub-total: Cdn$52,537,274;
- other pit equipment sub-total: Cdn$1,654,500;
- total mine capital equipment: Cdn$54,191,774;
- operating cost of Cdn$8.15 per tonne milled over the life of the mine;
- pre-income tax internal rate of return (IRR) of 20.05%, based on metal prices of (four year trailing average as of January 12, 2009) Copper $2.75, Gold $658.32 and Molybdenum $29.23;
- net present value (NPV) at 8.0% discount rate is Cdn$495.9M and payback period on capital is 4.2 years.

1.2.7 Scheduling

The 43-101 Feasibility Study and Technical Report were completed in March, 2009. The Environmental Assessment Certificate application will be completed in 2009. Review of concurrent permitting applications will occur during the government review period. Once Project financing is obtained, it will take approximately 24 months to construct the facilities.

1.3 The Proponent

PBM is a publicly trade company listed on the TSX Venture Exchange (Trading Symbol: BKM) and the NYSE Amex (Trading Symbol: PBM).

The company maintains its head office in Vancouver:

Pacific Booker Minerals Inc.
#1702-1166 Alberni Street
Vancouver, BC, Canada
V6E 3Z3
Phone: 604-681-8556
Fax: 604-687-5995
Toll Free: 1-800-747-9911
Email: info@pacficbooker.com
Website: www.pacificbooker.com

The company, through the Board, reports regularly to its shareholders as required under the Securities Commissions Regulations regarding public disclosure requirements.

1.3.1 PBM Management

Executive Directors:

- William G. Deeks, Chairman
- Gregory R. Anderson, CEO/President

- Erik Tornquist, Executive VP & COO
- Mark Gulbrandson
- John Plourde
- Dennis Simmons
- William F. Webster

PBM Officer:

- Ruth Swan, Chief Financial Officer

PBM Consultants:

- Donald C. Betton, Project Manager
- Selina Tribe, Geologist

PBM Advisors:

- Klaus V. Konigsmann, Metallurgy
- Neil Seldon, Marketing

1.3.1.1 William Deeks – Chair of Board of Directors

William Deeks holds a BASc Chem. from the University of Toronto (1955), was designated as a PEng ON 1956, and holds a 1st year MBA from the University of Toronto (1957). From 1956 to 1996, Mr. Deeks was employed by Noranda Inc., in positions ranging from a member of the Executive Committee for Site Health, Safety, Accident Prevention, and the Environment to Executive Vice President. He has acted as a Director for PBM since 1996, and as their Chairman since 2005. Mr. Deeks brings more than 50 years of experience in the mining industry to the direction of this company.

1.3.1.2 Gregory R. Anderson – President, CEO and Executive Director

Gregory Anderson graduated from business school in 1974. He holds multiple brokerage licences and a multiengine land and instrument rating. Since 2005, he has served as PBM's President, Chief Executive Officer, and Executive Director. From 1987 to 2005, Mr. Anderson was the Owner, President, and Chief Executive Officer of G.R. Enterprises, which specialized in risk and venture capital management.

1.3.1.3 Erik Tornquist – Executive Director, Executive VP and Chief Operational Officer

Erik Tornquist holds a Diploma of Technology from BCIT. Since 2005, he has served as PBM's Executive Director, Executive Vice President, and Chief Operational Officer. He has a designation as an Applied Science Technologist and his management experience is supplemented by numerous courses in management and labour relations. Mr. Tornquist has also developed and

managed international training programs in gas operations, human resources, safety and health, and environmental management.

1.3.1.4 Mark Gulbrandson - Director

Mark Gulbrandson is the Owner and Chief Executive Officer of Apple Auto Group, a multi-location car dealership located in the Twin Cities area of Minnesota. Mr. Gulbrandson has owned Apple Auto since 1993. It currently employs over 300 people and is one of the top 100 Ford dealers in the United States. Mr. Gulbrandson spends approximately 10% of his time on PBM's affairs, with the remainder of his time spent on Apple Auto Group business.

1.3.1.5 John Plourde – Investor Relations

John Plourde has over 30 years of investor relations and fundraising experience with various public companies. Mr. Plourde handles investor relations for PBM.

1.3.1.6 Dr. Dennis Simmons - Director

Dr. Dennis Simmons is a dentist in private practice, General Dentistry. He received his B.S., D.D.S from the University of Minnesota in 1972. He is a member of the American Dental Association, Academy of General Dentistry, American Academy of Cosmetic Dentistry, American Academy of Implant Dentistry, International Congress of Oral Implantology, and Academy of Laser Dentistry.

1.3.1.7 William F. Webster - Director

William F. Webster has 40 years of experience in financial management, investment sales, and corporate finance. He held financial positions with several major Canadian bank and brokerage firms from 1965 to 1997. Since 1997, he has been self-employed with his own private companies, including market investor, resource developer, and property manager.

1.3.1.8 Ruth Swan – Chief Financial Officer

Ruth Swan was named Chief Financial Officer of PBM on April 20, 2006. She has over 25 years of bookkeeping experience, with more than 20 years in the resource sector. She has operated a bookkeeping service since 1986 and since 1996 has provided bookkeeping and financial reporting services to PBM.

1.3.1.9 Don Betton – Project Manager

Mr. Betton, P.Eng., holds a Bachelor of Applied Science in Civil Engineering from the University of British Columbia (1981). He has provided project management on behalf of the company during the execution of a bankable Feasibility Study, 43-101 compliant Technical Report, and preparation of this Environmental Assessment Certificate Application. He has been actively engaged in engineering, management, and project management roles since 1981 both domestically and internationally, and is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

1.3.1.10 Selina Tribe – Geologist

Dr. Selina Tribe, P.Geo., holds an Honours B.Sc. in Geology from UBC (1994), an M.Sc. in Physical Geography from UBC (1996), and a Ph.D. in Earth Sciences from Simon Fraser University (2004). Dr. Tribe has over 15 years of experience in geological investigations, geotechnical consulting and project management and is the President of Carta Exploration Ltd, which provides specialized services to the mining industry in Canada. Dr. Tribe is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

1.3.1.11 Klaus Konigsmann – Advisor - Metallurgy

Klaus Konigsmann holds a B.Eng in Metallurgy from McGill University (1958). From 1978 to 1995, he served as the Vice President of Engineering for Noranda. He is currently the President of KVK Consulting Associates, which provides consulting services to mining companies specializing in process design and process evaluation.

1.3.1.12 Neil Seldon- Advisor - Marketing

Neil Seldon is a graduate of the Royal School of Mines in London. He is currently the President of Neil S. Seldon & Associates, which provides advice on marketing non-ferrous concentrates, including negotiating sales contracts for copper, zinc, and lead concentrates, developing sales and marketing strategies, and developing policies and procedures for marketing, raw materials procurement, shipping, sales contracts and pricing, input into due diligence on marketing for mining company projects worldwide and cooperation with engineering groups and financial institutions for marketing input.

1.3.2 Corporate Philosophy and Environmental Stewardship

PBM is committed to developing the Project to be productive and profitable while ensuring the health and the safety of all its employees and the protection of the environment.

PBM's sustainability objectives are to:

- ensure the health and safety of employees, contractors, and visitors in the workplace;
- prevent pollution and minimize other adverse effects that its mining operations may cause to the environment;
- demonstrate its commitment to fostering sustainable communities;
- practice progressive rehabilitation in areas affected by its activities.

To achieve these objectives, PBM will:

- educate and train all its employees and contractors to promote the application of health, safety, environment, and sustainability principles;
- continually improve health, safety, and environmental systems by establishing and reviewing measureable objectives and targets through evaluation, auditing, and developing performance improvement plans;

- identify and engage with the stakeholders and work to take their views, customs, and culture into account throughout the Project's life cycle;
- develop a responsible mine closure plan that considers future needs of the local communities;
- seek and adopt sustainable practices in the use of natural resources, taking into consideration the protection of the local and regional biodiversity;
- maximize the reuse of materials, recycle waste, and minimize the use of consumables and raw materials.

PBM has developed internal policies to guide employees and contractors in the responsible performance of their duties. The complete policy details are included in Section 18.5 of this document. Policy summaries are provided below.

1.3.2.1 Code of Ethics and Business Conduct

This Code of Ethics and Business Conduct defines PBM's ethical behaviour. It was developed to help employees make the right business decisions consistent with PBM's corporate values of honesty, integrity, involvement, and improvement, and to behave in a manner that reflects high ethical standards.

Applying the principles outlined in this policy is essential to achieving the corporate goals. Every employee is responsible for knowing the contents of the policy and applying its principles in day-to-day business activities. The alternative of ignoring the policy or making unethical business decisions could have serious consequences for PBM and its employees.

This Code of Ethics and Business Conduct applies equally to all employees, officers, directors, consultants, contractors, suppliers and others acting on behalf of PBM.

1.3.2.2 Health, Safety and Environmental Policy

PBM's environmental policy reflects the company's commitment to conduct its business in a safe, healthy, and environmentally responsible manner.

1.3.2.3 Vehicle Policy

The intent of the PBM's vehicle policy is to ensure the efficient and safe use of company vehicles and following guidelines are to be followed:

1.3.2.4 Quality Policy

PBM is committed to provide services in a manner that conforms to contractual and regulatory requirements, applicable national and international standards, and good engineering practice, and to providing customers quality services that shall be delivered defect free, on time, and on budget.

1.3.2.5 Training Policy

PBM's Training Policy reflects its commitment to establish a learning culture through which it can maintain and develop its position as a viable and competitive mining company.

PBM wishes to provide "the right training to the right employees at the right time," through the most effective and efficient format. The results of effective training ultimately support improved business performance.

The objective of PBM's training is to ensure that all personnel are capable of operating and maintaining the PBM mine facilities independently, safely, and efficiently in accordance with all rules and regulations and recognized international best standards and technology. This will be achieved through rigorous needs analysis, continuous evaluation, and training.

1.3.3 Proponent History

In 1992, Booker Gold purchased and initiated drilling on Hearne Hill. In 1997, PBM (formerly Booker Gold) optioned the Morrison site from Noranda. Noranda's exploration group discovered the property during the initial rush of porphyry copper exploration in the Babine Lake region. Noranda completed six drilling programs from 1963 to 1973 for a total of 95 holes. In 1997, PBM entered into an option agreement with Noranda Inc. to obtain a 50% interest in the Morrison property. In April, 2004, PBM purchased the Morrison property from Falconbridge Ltd, formerly Noranda Inc. (BC EAO 2009). The Company has several other exploration interests. Morrison Project is the Company's first mine proposal.

1.4 Need for and Purpose of the Project

The Canadian Environmental Assessment Agency (CEA Agency) requires that Responsible Authorities consider the purpose of a project, defined as what is to be achieved by carrying out the project, as part of the assessment process. The purpose of the Project is to develop, operate, close, and reclaim a mine to extract copper, gold, and molybdenum in a profitable and sustainable manner. PBM believes that the Project can be developed in a sustainable manner without long-term adverse environmental effects.

The Project is strategically located for delivery of concentrate to Asian custom smelters and the concentrate analysis is low in deleterious impurities such as arsenic, antimony, mercury, bismuth, chlorine, and fluorine. The presence of significant gold and payable silver values will be welcomed by custom smelters and will be a positive factor when negotiating sales contracts.

Most, but not all, copper concentrate producers in BC find that Asian smelters provide the highest freight on board mine return. This is especially true for those who produce concentrate containing a significant gold content since Asian smelters pay for a higher percentage of gold than North American or European smelters.

There are now at least five important receiving markets in Asia which could be candidates to receive Morrison copper concentrate, namely Japan, Korea, China, India, and the Philippines. Of these five, the best receivers are considered to be in Japan and Korea because they are closer and are already receiving considerable tonnages from Canada's West Coast, thus providing cheaper ocean freight and more frequent availability of suitable vessels departing for appropriate smelter ports.

1.4.1 Financial Feasibility

The Morrison Copper/Gold Feasibility Study (Appendix 1) examined the feasibility of the Project. Their analysis involved assumptions regarding: concentrate sale ability, contract structure and duration, treatment and refining terms from receiving smelters, port locations, shipment lot sizes and ocean freight rates.

Wardrop predicted prices using a financial model, employing a discount rate of 8% to all cases identified by metal price scenarios and prices current to January, 2009, covering the 21-year mine life. Their findings are summarized in Table 1.4-1.

Table 1.4-1
Summary of Pre-Tax, Net Present Value, Internal Rate of Return, and Payback by Metal Price Scenario

Scenario	NPV @ 8% Discount Rate (CDN$ M)	IRR (%)	Payback (Years)	Copper (US$/lb)	Gold (US$/oz)	Moly (US$/oz)	FXR* (US$:Cdn$)
4-year Average (Base Case)	495.9	20.05	4.2	2.75	658.32	29.23	0.892
Wardrop/EMCF Prices	(118.0)	4.33	13.1	1.91	658	12.51	0.870
Current Prices (January 12, 2009)	(342.3)	n/a	n/a	1.44	827.00	9.78	0.828

***Fixed exchange rates (FXR), as shown in Table 1,4-1 are for financial modeling purposes only. A constant exchange rate of US$0.87:Cdn$1.00 has been used in the development of the capital cost estimate.**
NPV = net present value, IRR = Internal Rate of Return.
Source: (Appendix 1).

1.5 Proponent Ownership and Tenure

PBM's land position consists of 45 contiguous claims totalling 12,027 ha. All claims are within the Omineca Mining Division in central BC. Tenure includes the Morrison property (20 units in 1 claim – ERIN 1) and the Hearne Hill property (378 units in 27 claims). All claims are within the Omineca Mining Division.

On September 8, 2006, PBM and Falconbridge Limited (formerly Noranda) concluded financial transactions for the Morrison property, after which PBM became the 100% owner of the property. The Morrison property is not subject to any net smelter returns. PBM is applying for a mining lease under the *Mineral Tenure Act*, from the BC Ministry of Energy, Mines and Petroleum Resources, concurrent with application for project certification.

1.6 Regulatory Context

1.6.1 Provincial Legislation

1.6.1.1 British Columbia Environmental Assessment Act

Under the BCEAA Reviewable Projects Regulation, the Project requires review because it is "a new mine facility that, during operation, will have a production capacity of ≥75,000 tonnes/year of mineral ore" (2002). The BCEAA stipulates that any reviewable project that may have "a significant adverse environmental, economic, social, heritage or health effect, taking into account practical means of preventing or reducing to an acceptable level any potential adverse effects of the project" requires certification before preceding.

1.6.2 Federal Legislation

1.6.2.1 Canadian Environmental Assessment Act

The CEAA (1992) governs the federal environmental assessment process. The CEAA ensures the careful review of the environmental effects of projects before federal authorities take action in connection with them to avoid project-caused significant adverse environmental effects.

Federal involvement in a project triggers the CEAA. It applies when a federal department or agency is required to make a decision on a proposed project. Under the CEAA's "triggering" provisions, an assessment is required if a federal authority exercises or performs one or more of the following powers, duties, or functions relating to a project:

- proposing the project (the "proponent trigger");
- granting money or any other form of financial assistance to the proponent (the "funding trigger");
- granting an interest in land to enable a project to be carried out (e.g., sell, lease or otherwise transfer control of land) (the "land trigger"); or
- exercising a regulatory duty in relation to a project, such as issuing a permit or licence that is included in the Law List prescribed in the CEAA's regulations (the "Law List trigger"). This includes various federal licences and authorizations, including Section under the *Navigable Waters Protection Act* (1985c), the *Fisheries Act* (1985b), and the *Explosives Act* (1985a).

Special provisions of the CEAA provide the federal Minister of the Environment with discretionary powers to trigger an environmental assessment in exceptional circumstances if the Minister believes the project:

- has potential for significant environmental effects;
- raises public concerns; or
- may cause significant adverse trans-boundary environmental effects and no other federal act or regulation applies.

Under the CEAA, projects receive a level of environmental assessment tailored to their impact potential. There are four environmental assessment review options under the CEAA – screening, comprehensive study, mediation, and panel review. CEAA has received screening level information as of the application date.

1.6.3 Environmental Assessment Process

The environmental assessment process is a systematic set of steps designed to ensure that biophysical and social factors are included in the government decision-making process for applicable projects (BC EAO 2003). The goals of an environmental assessment are to:

- identify potential interactions between project components and the surrounding biophysical and human environments;
- identify and assess the potential effects of a project before it is carried out;
- develop effective and feasible mitigation, enhancement, and/or management measures for identified effects;
- determine the significance of any residual (i.e., post-mitigation) effects.

These goals provide a framework to assess a broad range of biophysical, health and safety, socio-economic, cultural, and First Nations issues related to a project (BC EAO 2003; CEA Agency 2007). For the purposes of the Project, the term "environment" or "environmental" is inclusive of both the biophysical and human components of the environment.

The environmental assessment application meets all government inquiries as to the soundness of the project before a certificate is issued for project initiation.

The environmental assessment process is outlined in Figure 1.6-1. The proponent's responsibilities during this process are outlined in Figure 1.6-2.

1.6.4 Licences, Permits, and Approvals

Project approvals under the BCEAA and CEAA are not the sole authorizations required to allow the Project to proceed. Many other federal and provincial licences, permits, and approvals will be required to address the technical and administrative details to construct, operate, decommission, and close the Project. The following sections list and summarize the major permits, licences, approvals, consents, and material authorizations that are required to occupy, use, construct, and operate the Project. The lists cannot be considered comprehensive because of the complexity of government regulatory processes that evolve over time and the large number of minor permits, licences, approvals, consents, and authorizations and potential amendments that will be required throughout the life of the mine. As agencies review the Project EAC application, the requirements will be further clarified.

1.6.4.1 Provincial Licences and Approvals

Table 1.6-1 presents a list of provincial authorizations, licences, and permits required to develop the Project. The agency responsible for the approval of specific permits may be required to

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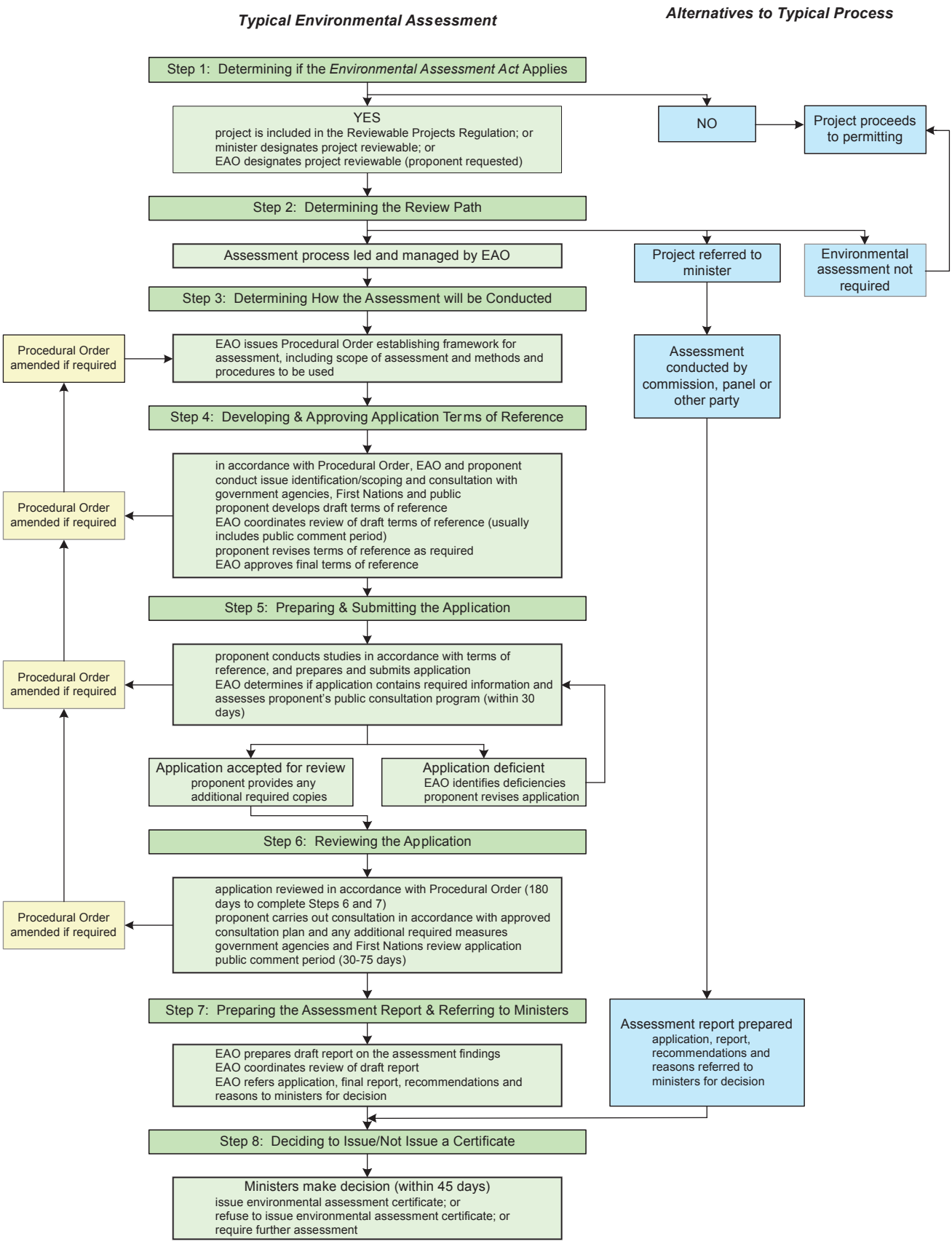

Morrison Copper/Gold Project
Environmental Assessment Process Managed by the BC Environmental Assessment Office

FIGURE 1.6-1

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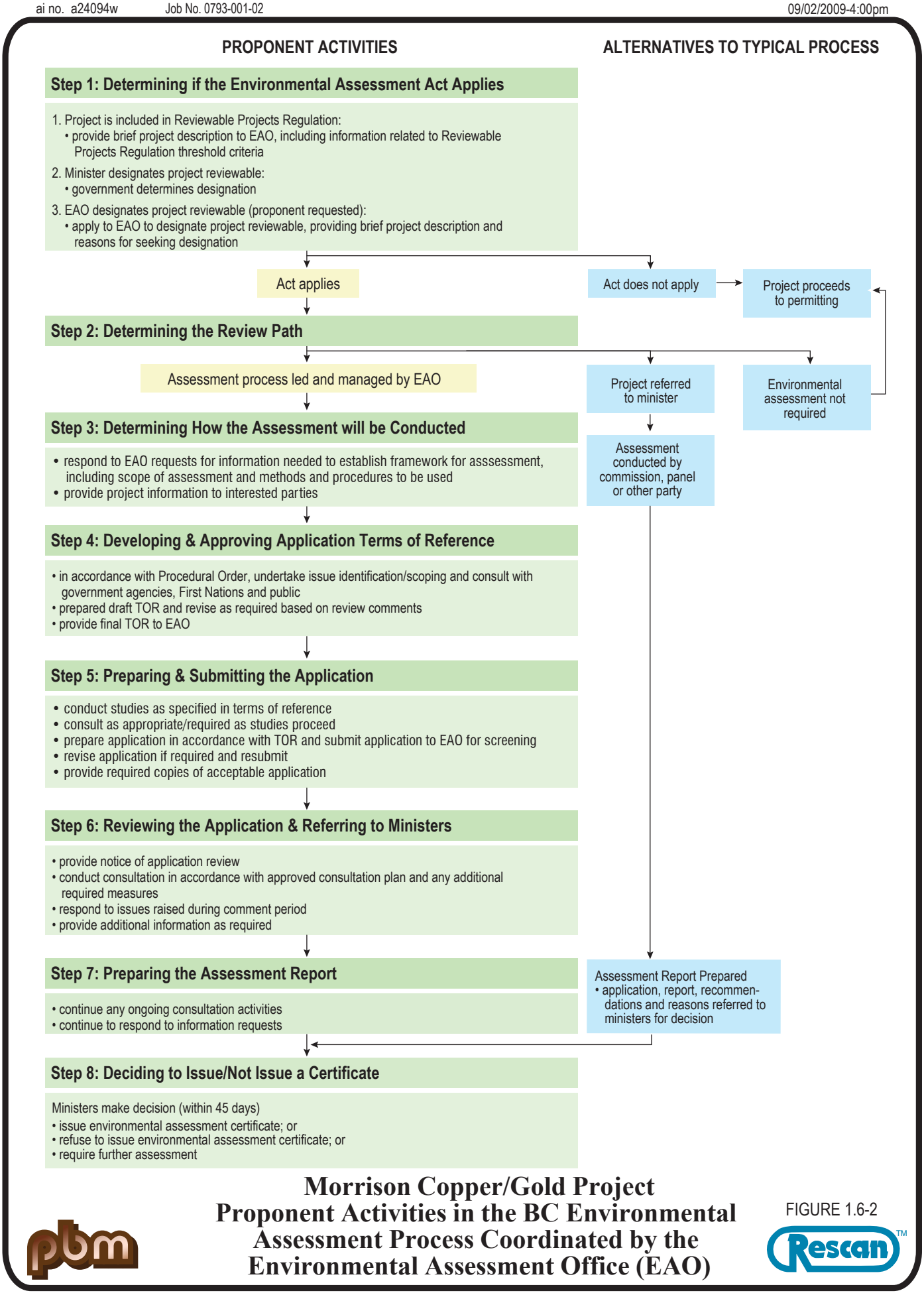

Morrison Copper/Gold Project
Proponent Activities in the BC Environmental Assessment Process Coordinated by the Environmental Assessment Office (EAO)

FIGURE 1.6-2

make a decision relating to issuing the approval within a specified timeframe. However, under no circumstance can an authorization to construct or operate the mine be issued until the environmental assessment is complete and an EAC is granted.

Statutory permit approval processes are normally more specific than the environmental assessment level of review, and for example, will require detailed and possibly final engineering design information for certain permits.

Table 1.6-1
List of British Columbia Authorizations, Licences, and Permits Required to Develop the Morrison Copper/Gold Project

BC Government Permits and Licences	Purpose	Enabling Legislation
Environmental Assessment Certificate	Overall approval of project concept	*BC Environmental Assessment Act*
Permit Approving Work System and Reclamation	Staged approvals for all activities on the mine site, from exploration through stages of development, production, closure, and reclamation	*Mines Act*
Approval in Principle of mining lease	Establishes an interest in land and conveys to the lessee the minerals within or under the leasehold	*Mineral Tenure Act*
Water Licence	For storage, diversion, and use of water	*Water Act*
Licence of Occupation	Tenure for transmission line and other off-claim facilities on Crown land	*Land Act and Mining Right of Way Act*
Occupant Licence to Cut	Authority to cut trees on Crown land for transmission line right-of-way, mine site, and loadout	*Forest Act*
Special Use Permit	Tenure for Haul Road	*Forest Act*
Permit (to relocate any wildlife)	Authorizes removing wildlife to another approved site by qualified individual	*Wildlife Act*
Licence to Cut - Transmission Line, Gravel Pits, Borrow Areas	Authorizes cutting of Crown timber not exceeding 2,000 m^3	*Forest Act*
Waste Management Permits	Approval of discharges from the site, such as effluent, refuse, air emissions and hazardous waste management	*Environmental Management Act*
Heritage Inspection Permit - Ministry of Tourism, Culture and the Arts - Archaeology Branch	Authorization to conduct a heritage (archaeological) inspection or investigation and to alter a heritage or archaeological site.	*Heritage Conservation Act*
Firearms Restricted Area - Closed Areas Regulation Designation	Prohibits hunting or discharge of firearms within specified area; especially hunting within range of the mine area.	*Wildlife Act*
Heritage Inspection Permit	Authorizes archaeological site investigations.	*Heritage Conservation Act*
Fuel Storage Approval	Authorization to store fuel (diesel generators - back-up power).	*Fire Services Act*
Industrial Camps Health Regulation Permit or Camp Operation Permit and Sewage Disposal Permit.	Authorizes water treatment, permits health and sanitary conditions as per scale of camp and nature of facilities on-site.	*Environmental Management Act and/or Health Act*

(continued)

Table 1.6-1
List of British Columbia Authorizations, Licences, and Permits Required to Develop the Morrison Copper/Gold Project (completed)

BC Government Permits and Licences	Purpose	Enabling Legislation
CEAA Approval	Overall approval of project concept	*Canadian Environmental Assessment Act*
Metal Mining Effluent Regulations (MMER)	Establishes allowable criteria for mine discharge water	*Fisheries Act*/Environment Canada
Environment Canada - Permit for works in and about migratory bird habitat.	To protect or compensate for wetland habitat supporting migratory birds.	*Migratory Birds Convection Act*
Permit - Environment Canada	Alteration to critical habitat or impact to species listed under Schedule 1 of SARA on federal land	*Species At Risk Act – Section 73(1)*
Work within a Navigable Waterway	Stream crossing authorization	*Navigable Waters Protection Act*
Explosives Licence (Factory)	To authorize the manufacture of explosives on site	*Explosives Act R.S.C. – E15*
Satellite internet and telephone	Authorization to access satellite for internet and telephone uses	*CRTC Act*
Radioisotope Licence (Nuclear Densometers, XRF Analyzers)	Flow analyzers (e.g., tailings slurry)	*Atomic Energy Control Act*
Authorization Agreement	To establish and operate radio frequencies and related infrastructure	*Radio Frequency Control Act*

1.6.5 Federal Policies and Regulations

Federal approvals required for the Project are summarized in Table 1.6-2.

Table 1.6-2
List of Federal Approvals and Licences Required to Develop the Morrison Copper/Gold Project

Federal Government Permits and Licences	Purpose	Enabling Legislation
CEAA Approval	Overall approval of project concept	*Canadian Environmental Assessment Act*
Metal Mining Effluent Regulations (MMER)	Establishes allowable criteria for mine discharge water	*Fisheries Act*/Environment Canada
Environment Canada - Permit for works in and about migratory bird habitat.	To protect or compensate for wetland habitat supporting migratory birds.	*Migratory Birds Convection Act*
Permit - Environment Canada	Alteration to critical habitat or impact to species listed under Schedule 1 of SARA on federal land	*Species At Risk Act – Section 73(1)*

(continued)

Table 1.6-2
List of Federal Approvals and Licences Required to Develop the Morrison Copper/Gold Project (completed)

Federal Government Permits and Licences	Purpose	Enabling Legislation
Work within a Navigable Waterway	Stream crossing authorization	*Navigable Waters Protection Act*
Explosives Licence (Factory)	To authorize the manufacture of explosives on site	*Explosives Act R.S.C. – E15*
Satellite internet and telephone	Authorization to access satellite for internet and telephone uses	*CRTC Act*
Radioisotope Licence (Nuclear Densometers, XRF Analyzers)	Flow analyzers (e.g., tailings slurry)	*Atomic Energy Control Act*
Authorization Agreement	To establish and operate radio frequencies and related infrastructure	*Radio Frequency Control Act*

1.6.5.1 Concurrent Permitting

Provincial permitting, licensing, and approval processes (statutory permit processes) may proceed concurrently with the BCEAA review or may, at the proponent's option, be initiated following the receipt of the EAC. The Concurrent Approval Regulation sets out provisions related to concurrent permit approvals. To be eligible for concurrent review, the approval must be required to construct, operate, modify, dismantle, abandon, or otherwise undertake part or all of the reviewable project that is the subject of the EA. Any such authorization is eligible for concurrent review.

Under the Concurrent Approval Regulation and in accordance with the Section 13 Order, the Proponent must apply in writing to the BC EAO for concurrent permitting. The provincial ministry responsible for the permit may, within 75 days of the notification of acceptance of an EA Application, request additional information from the applicant. The ministry responsible for the permit must make a decision to issue a permit, or explain the refusal of a permit, within 60 days of issuing an EAC.

1.7 Land Use

1.7.1 Morice Land and Resource Management Plan

The Project is within the Morice LRMP, which addresses the interests and values for land and resource use of the public, the government, and the five First Nations with traditional territories within the LRMP, including the Lake Babine Nation. The LRMP deals with and provides management direction for a variety of socio-economic and land use issues. These include community resiliency, cultural heritage, hunting and fishing, settlement, visual resources, recreation, tourism, access, agriculture, botanical forest products, guide outfitting, mining, timber, and trapping.

The Morice LRMP provides General Management Directions (GMDs) for the entire plan area as well as specific guidance for areas of particular importance, identified as Resource Management Zones (RMZs). The land use baseline study (Appendix 42) identifies five RMZs (out of 20 for the entire LRMP) that either directly overlap with or are near the Project. The relevant RMZs are:

- Friday/Nakinilerak/Hautete Lakes
- Morrison Lake
- Le Talh Giz/Old Fort Mountain
- Granisle Community Recreation Area
- Mahtzehtzel/Nex Lake

The specific objectives for RMZs relevant to the Project are summarized in Table 1.7-1. The objectives are related to mostly ecological considerations and management of forestry practices, while allowing and supporting mining activities.

Table 1.7-1
Resource Management Zones: Summary of Objectives

Resource Management Zone	Objectives
Friday/Nakinilerak/Hautete Lakes	• Maintain ecological structure and function • Minimize human effect on and around Friday Lake • Maintain access to Hautete Lake at existing levels
Morrison Lake	• Maintain riparian function and integrity • Maintain the structure and function of forested ecosystems
Le Talh Giz/Old Fort Mountain	• Manage forest resources in a manner that is respectful of cultural and ecological values • Maintain cultural heritage features and values
Granisle Community Recreation Area	• Maintain the quality of the recreational experience
Babine Lake East Arm	• Maintain riparian function and integrity
Matzehtzel/Nex Lake	• Avoid effects to wetland complexes resulting from human use

Source: (BC MAL and BC ILMB 2007).

There are several provincial parks and conservancies near the Project area. The conservancies were designated as part of the Morice LRMP process because of their natural, recreational, and/or cultural importance. The provincial parks predate the LRMP process.

There are three protected areas (Sanctuary Bay, Long Island, and Wilkinson-Wright Bay conservancies) and two parks (Topley and Red Bluff) near the Project's proposed haul route, transmission line corridor, and mine site. The provincial designation of conservancy differs from a Class A park in that conservancies explicitly recognize the significance of the protected area to First Nations, and provide for a wider range of small-scale, low-impact economic activities while prohibiting large-scale projects. The major functions and features of the protected areas and parks are summarized in Table 1.7-2. Section 7.20 contains maps showing the locations of protected areas and parks in relation to the Project.

Table 1.7-2
Summary of Major Functions and Features of the Protected Areas and Parks

Protected Area or Park	Established	Size (ha)	Geographic Features and Purpose
Sanctuary Bay Conservancy	2008	820	• Protects several islands, scenic lakeshore viewscapes and bays • Offers an area for boat anchorages • Culturally important to Lake Babine Nation because of hunting and trapping
Long Island Conservancy	2008	850	• Protects several islands, scenic lakeshore viewscapes, and beaches • Boat access only
Wilkinson-Wright Bay Conservancy	2008	2,196	• Recreational boating, wilderness camping, and safe anchorages • Protects several islands and undisturbed lake shoreline • Significant to First Nations • Boat access only
Red Bluff Park	1978	148	• Key activities include swimming, angling, and salmon enhancement projects at Fulton River and Pinkut Creek • Has a beach and is adjacent to the Fulton River spawning area • Backcountry camping is permitted, but no facilities are provided. Contains 27 standard vehicle-accessible campsites • Hunting and trapping are prohibited, but fishing is permitted
Topley Landing Park	1964	12	• Opportunities for canoeing or kayaking exist on Babine Lake. Motorboat use is permitted, and there is a boat launch site available • Backcountry camping is permitted, but no facilities are provided • Off road access for snowmobiling is not permitted • Hunting, fishing, and trapping are permitted

Source: (BC EAO 2008).

1.7.2 Mineral Tenures

There are 2 companies and 13 individuals who hold mineral claims in and around the Project area other than PBM. The northern parts of Babine and Morrison lakes hold the highest concentration of mineral tenures. Most of the non-PBM mineral claims are on the west side of the Morrison Lake. Two of the mineral claims, including one held by PBM, are "legacy claims," which means that they existed before the *Mineral Tenure Act* of 1996. The claim closest to the Project is held by Ronald Hugh McMillan and is 3 km northwest.

1.7.3 Traplines

Trapping has been a culturally and economically significant land use activity throughout the province since the late 1800s. There are two trapline territories that overlap the Project components. There are no current trapline activities within the Project area. However, trapping is considered culturally significant and relevant to the trapline holders who are members of the Lake Babine Nation. Trapline tenures are culturally important because they delineate boundaries between Lake Babine Nation clans and afford clan members exclusivity of hunting and fishing rights within trapline borders.

1.7.4 Forest Tenures

There are four forest tenure holders in and around the Project area, namely PBM, Canadian Forest Products Ltd. (Canfor), Houston Forest Products, and the Lake Babine Nation. PBM holds a wood lot licence, which permits small-scale and localized timber removal for the purposes of clearing the areas in and around testpits and drill holes. The Houston Forest Products forest tenures are concentrated on the west side of Morrison Lake.

Forestry activities are supported by two camps: Houston Forestry and Andy Meintz camps. These camps have the expanded capacity capability of 100 and 130, respectively. The former is currently however a 50-person camp on the northern end of Babine Lake close to the mouth of Morrison Creek, whereas the latter is a 100-person camp on the east side of Babine Lake.

1.7.5 Recreation

1.7.5.1 Ookpik Lodge

Ookpik Lodge provides remote wilderness accommodation specializing in wildlife viewing (e.g., black bear, moose, loon, grizzly bear, eagles, and trumpeter swans). The lodge is on the northeastern shore of Babine Lake, 9 km from the Project. Float plane and boat provide the main means of accessing the lodge. The proposed haul route is 1 km from the lodge along an active Forest Service Road. The lodge attracts clients from the US, Europe, and elsewhere, who visit the lodge to experience the wilderness values in the area. The absence of significant boat traffic and resulting noise at the north end of Babine Lake contribute to this atmosphere. The current owners have managed the lodge since 1993; however, the lodge has been around since the 1930s.

1.7.5.2 Guide Outfitters

Out-of-province and foreign hunters in pursuit of big game are required to hunt with the assistance of a guide outfitter, who holds tenure over areas defined and regulated by the province. The Project's land use study area overlaps with two guide outfitting territories, which are owned by Dave Hooper (Tukii Lodge) and Stewart Berg (Double Eagle Guide and Outfitters).

1.7.5.3 Resident Hunters

Resident hunters also use the Project area; they are required to have Canadian citizenship or permanent status and reside in BC for more than six months a year. According to provincial kill data collected by the BC MOE, there is resident hunting activity within and around the Project area. Kill data are gathered by Wildlife Management Units (WMU) and the Project falls within WMU 6-08. Hunters are not required to specify precisely where within WMUs they harvested wildlife.

Fishing

There are two confirmed angling interests in and around the Project study area held by Dave Hooper (Tukii Lodge) and Pierce Clegg (Babine Norlakes Management Ltd). The species of interest for these anglers are mainly rainbow trout, steelhead, and salmon. Local residents and tourists also make use of Babine Lake as a popular fishing destination. Near the Project area,

there are several prime destinations for fishing rainbow trout, salmon, and burbot. The southern end of Nilkitkwa Lake, called "rainbow alley," is a high value rainbow trout area and the Fulton River Fish Hatchery maintains stocks of sockeye salmon in Babine Lake and ensures a 90% return rate to the Skeena River.

Snowmobiling

Snowmobiling is a significant recreational activity in northern communities in BC. The closest active snowmobiling clubs are the Houston and Burns Lake Snowmobile Clubs, which are members of the BC Snowmobile Federation. Most club activities are concentrated in and around Smithers and Fort Babine. However, there may be a low level of organized snowmobile use in the Project study area, according to interviews with representatives from both clubs.

Tourism

The Babine Lake area is a popular tourist destination. The Granisle Tourism Information Centre, which collects data on visitor numbers, reported between 800 and 1,000 tourists visited the centre in 2007. The visitors consist mainly of locals from Houston, Burns Lake, and Smithers, with some tourists from Europe, including Germany and Holland, but few from the US. Foreign and local visitors are drawn to the area for its wilderness and recreational value with a particular emphasis on fishing, hiking, and scenic viewing. Boating is also a favourite activity, supported by several marinas along the shores of Babine Lake, including one in Granisle. There is also camping at provincial parks. In the winter season, cross-country skiing and snowmobiling are the dominant activities in the area around Granisle.

1.7.6 First Nations Interests

The Lake Babine Nation has past and current use in the Project area. Year-round land use activities by members of the Lake Babine Nation include trapping, hunting, gathering, and fishing. The majority of Lake Babine Nation land users come from Fort Babine (24 km northwest of the Project) and the seasonal village of Old Fort (18 km southwest of the Project). Fewer Lake Babine Nation land users are from Tachet and Woyenne (Burns Lake). There is a high degree of intercommunity mobility among members of the Lake Babine Nation, which results in Woyenne community members accessing their territory along Babine Lake to fish and gather.

Sockeye salmon fishing on upper Babine Lake and as far north as Morrison Creek, is especially prevalent among members of the Old Fort village. Lake Babine Nation land users number in the dozens and catch, process, and smoke hundreds of salmon daily between August and September. To a lesser degree, rainbow trout, cutthroat trout, and lake char are also harvested. Lake Babine Nation land users are only able to access Old Fort by boat, launching 14 km north of Granisle along the Granisle Connector Road.

Members of Fort Babine and Old Fort also trap and hunt in the Project study area. Trapline activity has declined since the late 1980s because of decreasing pelt prices and the rising cost of gas. The most popular species trapped in the Project study area was marten. The use of Lake Babine Nation traplines has severely declined in recent years. Lake Babine Nation members also engage in moose hunting. Prime moose habitat for hunting has been identified by members of Lake Babine Nation as being north of Old Fort along the shores of Morrison Lake.

The Lake Babine Nation holds a 16 ha non-replaceable forest licence (#A82283) along the transmission line alignment and Forest Service Road used to access the Project. It was issued in March, 2008, with a 5-year term, expiring in February, 2013. No timber has been harvested to date under this tenure, which has an annual allowable cut of 81,397 m^3 per year. The tenure falls in both the salvage and containment zones defined by the Emergency Bark Beetle Management Area.