

Castle Mountain Hydro Ltd - Castle Creek Hydro Project Development

PROPOSED ACTIVITIES UNDER INVESTIGATIVE PERMIT

Castle Mountain Hydro Ltd proposes to build a tote road (typically 3m width) more or less along the route of the proposed final construction road route. Equipment used will be primarily a 120 to 150 series tracked excavator. Temporary bridges with abutments set well back from stream margins will be used to avoid disturbance of larger streams with open bottom culverts used on small seasonal water courses.

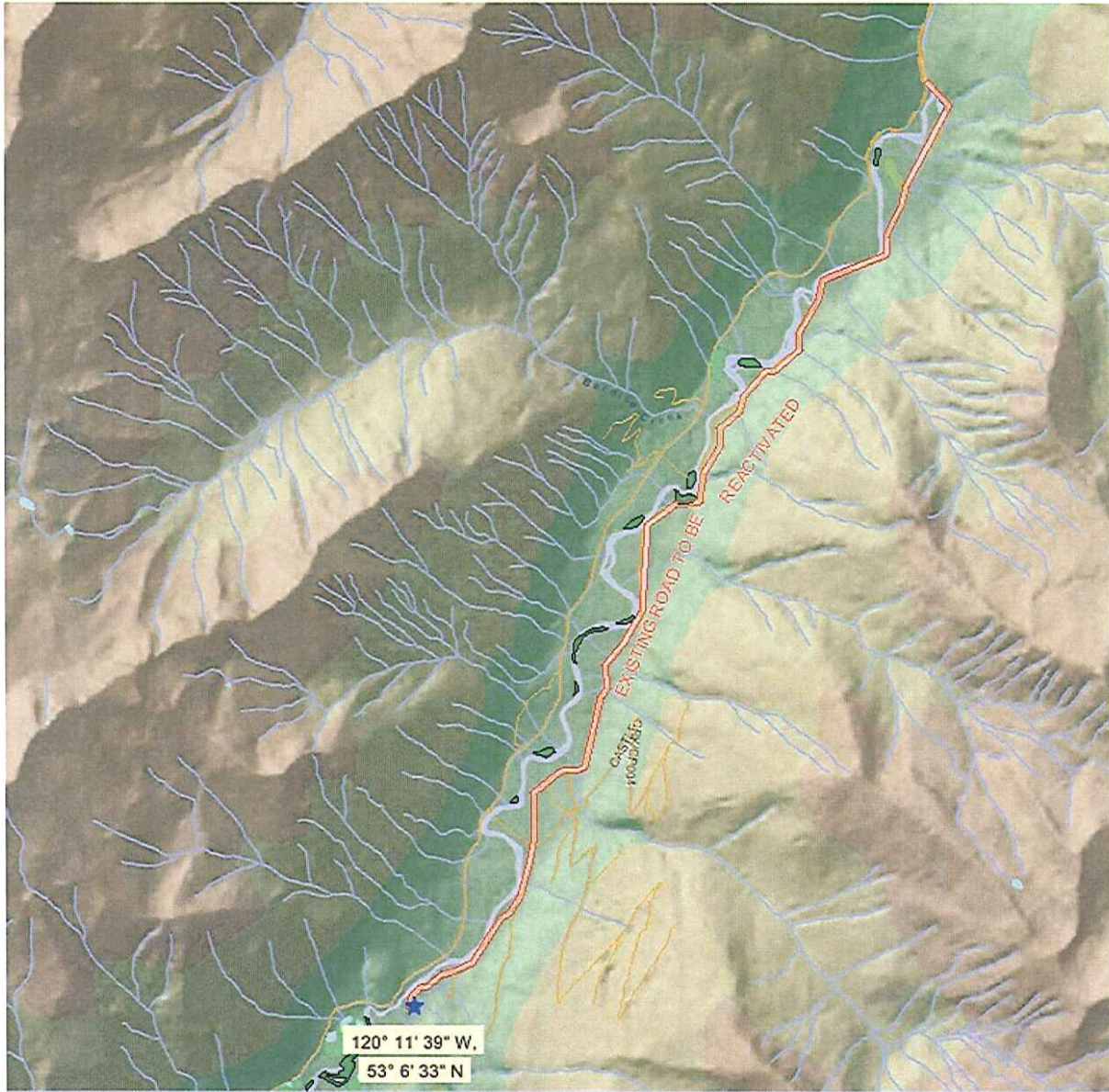
Much of the road on the south side of the main Castle Creek valley is a deactivated forest service road which we propose to reactivate. Portions in the lower area of the ZZ80698 (called Ben Creek in some maps and documents) valley will reuse somewhat older overgrown logging roads. Much of the upper area of the proposed trail route up to the proposed intake sites is mature timber and deadfalls with wide spaces between trees. CMHL proposes to build the tote road in such a way to avoid most merchantable timber. At most, 4 to 5 truckloads of timber could need to be removed.

While realizing that there is no guarantee that all the necessary leases and licenses will be granted, CMHL is not aware of any issues that might bar it from obtaining the permits, and therefore must diligently pursue all the required studies and surveys in anticipation that it will be successful. To this end, CMHL needs the ability to cost-effectively access various sites in the project area in order to drill sample bores to obtain comprehensive geotechnical data. Also, several stream flow measurement sites must be regularly attended. To date, these have been reached via helicopter or on foot. Access via quad or bush 4x4 would be much safer and far less expensive than helicopter. Assuming CMHL is successful in obtaining rights to develop the project, the tote road would be a necessary first step in constructing a permanent access road.

The sites that we anticipate will require further sub-surface exploration are the proposed intake sites, areas of the pipeline route that have been identified as potentially subject to slippage, and the power house site. Hydrology collection sites are located (or will be located) on the south and east forks of ZZ80698, below the confluence of these forks, at the confluence of the ZZ80698 and Castle Creeks, and in the Castle Creek itself.

In the unfortunate event that CMHL is unsuccessful in obtaining the necessary development licences, the road would need deactivating. This would consist of removing all culverts and temporary bridges, digging water-bars on steep sloped portions to minimize erosion, and seeding the entire area with acceptable native plants. If the project proceeds to construction, only those small portions which are not incorporated into the final access road will require deactivating.

CMHL proposes to reactivate the former forest service road known as Rosin road from the recently removed bridge on the Castle Creek Forest Service Road up to a point near the proposed powerhouse, as depicted on this map:



Rosin Road to be Reactivated

The following map shows the proposed access roads to the intake and powerhouse sites; the tote roads will follow these routes as much as possible, with deviations in order to avoid rock outcrops, avoidable stands of merchantable timber, and otherwise difficult terrain.