

Conditions Annexed to and Forming Part of Land Use Permit # MV2020C0008

Note: Green highlighting represents non-standard conditions specific to previously permitted land use operations.

Part A: Scope of Permit

1. This Permit entitles the Permittee to conduct the following land-use operation:
 - a) Mining exploration and associated activities including underground decline development at the 870 metre elevation at the Prairie Creek Mine, and drilling at up to 60 sites located throughout the Prairie Creek Mine property;
 - b) Use of explosives;
 - c) Use of vehicles and machines;
 - d) Storage of fuel; and
 - e) Use of a campsite.
2. This Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the Act.

Borehole - a hole that is made in the surface of the ground by drilling or boring.

Closure and Reclamation - the process and activities that facilitate the return of areas affected by the Project to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment, human activities, and the surrounding environment.

Dogleg - the clearing of a line, trail, or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction.

Drilling Fluid - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

Engagement Plan - a document, developed in accordance with the Board's *Engagement and Consultation Policy* and the *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use*

Permits, that clearly describes how, when, and which engagement activities will occur with an affected party during the life of the project.

Flowing Artesian Well - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

Fuel Storage Container - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the Act.

Minister - the Minister of Indian Affairs and Northern Development Canada or the Minister of the Government of the Northwest Territories – Department of Lands, as the case may be.

Ordinary High-Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the “active channel/bank-full level” which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permittee - the holder of this permit.

Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

Progressive Reclamation - Closure and Reclamation activities conducted during the operating phase of the project.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and Greywater.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* that describes the set of procedures to be implemented to minimize the effects of a spill.

Safety Data Sheet - a technical document, typically written by the manufacturer or supplier of a chemical, that provides information about the hazards associated with the product, advice about safe handling and storage, and emergency response procedures.

Sump - a human-made pit or natural depression in the earth's surface used for the purpose of depositing Waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.

Toxic Material - any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste - any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the Act.

Waste Management Plan - a document, developed in accordance with the Board's Guidelines for Developing a Waste Management Plan, that describes the methods of Waste management from Waste generation to final disposal.


Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.


Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

26(1)(a) Location and Area

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| 1. | The Permittee shall only conduct this land-use operation on lands designated in the application. | LOCATION OF ACTIVITIES |
| 2. | The Permittee shall use an existing campsite, as described in the complete application. | USE EXISTING CAMP |
| 3. | Prior to the commencement of drilling, the Permittee shall submit the target areas on a 1:50,000-scale map with coordinates and map datum to the Board and an Inspector. | DRILL LOCATIONS |
| 4. | The Permittee shall not conduct a drilling operation or construct an adit or drill site within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | DRILLING/ ADIT SETBACK |
| 5. | The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | SUMP SETBACK |
| 6. | The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings. | PARALLEL WATERCOURSE SETBACK |
| 7. | The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used. | PARALLEL ROADS |
| 8. | The Permittee shall confine the width of the right-of-way to a maximum of 12 metres. | WIDTH RIGHT-OF-WAY |
| 9. | Any spur roads constructed as part of the permitted undertakings shall:
a) extend no more that 30 metres past existing lines or roads; and
b) be located at least 30 metres from any Watercourse, except at stream crossings. | SPUR ROADS |
| 10. | Prior to the commencement of the land-use operation, the Permittee shall accompany an Inspector during an inspection of the proposed land use area. | INSPECT LOCATIONS |

26(1)(b) Time

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| 11. | At least 48 hours prior to the initial commencement of the land-use operation, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867)  . | INITIAL NOTIFICATION – CONTACT INSPECTOR |
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| <p>12. <u>Option 1:</u>
At least 48 hours prior to returning to the worksite for a new drilling season, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867) .</p> | <p>SEASONAL
NOTIFICATION –
CONTACT
INSPECTOR</p> |
| <p>13. At least 48 hours prior to commencement of the land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector:</p> <ul style="list-style-type: none"> a) the name(s) of the person(s) in charge of the field operation; b) alternates; and c) all methods for contacting the above person(s). | <p>IDENTIFY AGENT</p> |
| <p>14. At least ten days prior to the end of each drilling season, the Permittee shall advise an Inspector of:</p> <ul style="list-style-type: none"> a) the plan for removal or storage of equipment and materials; and b) when cleanup and Progressive Reclamation of the land used will be completed. | <p>REPORTS BEFORE
SEASONAL
REMOVAL</p> |
| <p>15. At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:</p> <ul style="list-style-type: none"> a) the plan for removal or storage of equipment and materials; b) when final cleanup and reclamation of the land used will be completed; and c) when the Final Plan will be submitted. | <p>REPORTS BEFORE
FINAL REMOVAL</p> |
| <p>16. The Permittee shall submit to the Inspector and the Board every 30 days during active operations a progress report detailing on a 1:10,000 scale map the following information:</p> <ul style="list-style-type: none"> a) sites drilled and sites to be drilled within the next reporting period of 30 days; b) water supply locations for past 30 days and water supply locations for the next reporting period of 30 days; and c) temporary fuel cache locations for past 30 days and temporary fuel cache locations for the next reporting period of 30 days. | <p>PROGRESS</p> |
| <p>17. The Permittee shall not cross any watercourse during the period of August 15 to July 14 of any year. Water crossings shall only occur in areas of clean cobble.</p> | <p>SHUT DOWN
PERIOD FOR
STREAM FORDING</p> |

26(1)(c) Type and Size of Equipment

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| <p>18. The Permittee shall only use equipment of a similar type, size, and number to that listed in the complete application.</p> | <p>USE APPROVED
EQUIPMENT</p> |
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26(1)(d) Methods and Techniques

19.	The Permittee shall Dogleg lines, trails and right-of-ways that approach Watercourses or public roads.	DOGLEG APPROACHES
20.	Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles.	DETOURS AND CROSSINGS
21.	Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing at ground level.	MINERAL EXPLORATION DRILL CASINGS
22.	Prior to the expiry end of the land-use operation, the Permittee shall replace all excavated material, unless otherwise authorized in writing by an Inspector.	EXCAVATED MATERIAL TEST PITS
	26(1)(e) Type, Location, Capacity, and Operation of All Facilities	
23.	The Permittee shall ensure that the land use area is kept clean at all times.	CLEAN WORK AREA
	26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land	
24.	The Permittee shall install and maintain culverts such that scouring does not occur.	CULVERT SIZE
25.	The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent: <ul style="list-style-type: none"> a) any vegetation present from being removed; b) the melting of Permafrost; and c) the ground settling and/or eroding. 	PERMAFROST PROTECTION
26.	The land-use operation shall not cause obstruction to any natural drainage.	NATURAL DRAINAGE
27.	The Permittee shall install and maintain suitable erosion control structures as the land-use operation progresses.	PROGRESSIVE EROSION CONTROL
28.	The Permittee shall apply appropriate mitigation at the first sign of erosion.	REPAIR EROSION
29.	The Permittee shall, where flowing water from a Borehole is encountered: <ul style="list-style-type: none"> a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and b) immediately report the occurrence to the Board and an Inspector. 	FLOWING ARTESIAN WELL
30.	The Permittee shall prepare the site in such a manner as to prevent rutting or gouging of the ground surface.	PREVENTION OF RUTTING

31.	The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting or gouging.	SUSPEND OVERLAND TRAVEL
32.	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	VEHICLE MOVEMENT FREEZE-UP
33.	The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.	STREAM BANKS
34.	The Permittee shall minimize approach grades on all Watercourse crossings.	MINIMIZE APPROACH
35.	The Permittee shall use temporary bridges or dry fording when crossing streams.	DRY FORDING
36.	The Permittee shall slope the sides of Waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.	EXCAVATION AND EMBANKMENTS
37.	The Permittee shall not remove vegetation or operate heavy equipment within 100 metres of the Ordinary High Water Mark of any Watercourse except at crossings.	EQUIPMENT: WATERCOURSE BUFFER
38.	The Permittee shall not excavate land within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	EXCAVATION SETBACK
26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material		
39.	At least seven days prior to the use of any chemicals that were not identified in the complete application, the Safety Data Sheets must be provided to the Board and an Inspector.	CHEMICALS
40.	The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	DRILLING WASTE
41.	The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility.	DRILLING WASTE DISPOSAL
42.	The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses.	DRILLING WASTE CONTAINMENT
43.	Prior to the expiry date of this Permit or the end of the land-use operation whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector.	RECLAIM SUMPS

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| 44. | The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. | WASTE CHEMICAL
DISPOSAL |
| 45. | The Permittee shall dispose of all Waste petroleum products by removal to an approved disposal facility or by incineration in a device designed for this purpose, as described in the approved Waste Management Plan. | WASTE
PETROLEUM
DISPOSAL |
| 46. | The Permittee shall provide written notification to the Board and Inspector a minimum of 10 days prior to the initial deposit of Waste, demonstrating that the licenced disposal facility has agreed to accept the Waste and has the capacity to receive the volumes of Waste requested. | NOTIFICATION OF
SOLID WASTE
DISPOSAL |
| 26(1)(h) Wildlife and Fish Habitat | | |
| 47. | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. | HABITAT DAMAGE |
| 26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage | | |
| 48. | The Permittee shall dispose of all Waste as described in the Waste Management Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | WASTE
MANAGEMENT |
| 49. | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE
CONTAINER |
| 50. | The Permittee shall dispose of all Sewage and Greywater into a Sump at least 100 metres from the Ordinary High Water Mark of any Watercourse. | SEWAGE DISPOSAL
– SUMP
SETBACK |
| 51. | The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan. | SEWAGE DISPOSAL
– PLAN |
| 26(1)(j) Protection of Historical, Archaeological, and Burial Sites | | |
| 52. | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground. | ARCHAEOLOGICAL
BUFFER |
| 53. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | SITE DISTURBANCE |
| 54. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: | SITE DISCOVERY
AND NOTIFICATION |
| | a) immediately suspend operations on the site; and | |

- b) notify the Board at (867) 669-0506 or an Inspector at (867) [REDACTED], and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71251 or ext. 71255.

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value


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26(1)(l) Security Deposit

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| 55. | Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$ [REDACTED]. | SECURITY DEPOSIT |
| 56. | All costs to remediate the area under this Permit are the responsibility of the Permittee. | RESPONSIBILITY FOR REMEDIATION COSTS |

26(1)(m) Fuel Storage

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| 57. | The Permittee shall:
a) examine all Fuel Storage Containers and Tank for leaks; and
b) repair all leaks immediately. | REPAIR LEAKS |
| 58. | The Permittee shall place Fuel Storage Containers and or Tanks a minimum of 100 metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | FUEL STORAGE SETBACK |
| 59. | The Permittee shall ensure that all fuel caches have adequate Secondary Containment. | FUEL CACHE SECONDARY CONTAINMENT |
| 60. | The Permittee shall set up all refueling points with Secondary Containment. | SECONDARY CONTAINMENT – REFUELING |
| 61. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | FUEL CONTAINMENT |
| 62. | The Permittee shall line all sumps dug to contain fuel-fed pumps or fuel containers with an impervious liner as approved by an Inspector. | SUMP LINING |
| 63. | The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours. | FUEL ON LAND |
| 64. | The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. | MARK CONTAINERS AND TANKS |

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| 65. | The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel. | MARK FUEL LOCATION |
| 66. | The Permittee shall have a maximum of  litres of fuel stored on the land use site at any time, unless otherwise approved by the Board. | MAXIMUM FUEL ON SITE |
| 67. | Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to the Board and an Inspector. | REPORT FUEL LOCATION |
| 68. | The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use. | SEAL OUTLET |
| 69. | The Permittee shall comply with the Spill Contingency Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | SPILL CONTINGENCY PLAN |
| 70. | Prior to commencement of the land-use operation the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills. | SPILL RESPONSE |
| 71. | All equipment that may be parked for two hours or more, shall have a haz-mat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately. | DRIP TRAYS |
| 72. | The Permittee shall clean up all leaks, spills, and contaminated material immediately | CLEAN UP SPILLS |
| 73. | During the period of this Permit, if a spill occurs or is foreseeable, the Permittee shall: <ul style="list-style-type: none"> a) implement the approved Spill Contingency Plan; b) report it-immediately using the NU-NT Spill Report Form by one of the following methods: <ul style="list-style-type: none"> • Telephone: (867) 920-8130 • Fax: (867) 873-6924 • E-mail: spills@gov.nt.ca • <u>Online: Spill Reporting and Tracking Database</u> c) within 24 hours, notify the Board and an Inspector; and d) within 30 days of initially reporting the incident, submit a detailed report to the Board and an Inspector, including descriptions of causes, response actions, and any changes to procedures to prevent similar occurrences in the future. Any updates to this report shall be provided to the Board and an Inspector in writing as changes occur. | REPORT SPILLS |

26(1)(n) Methods and Techniques for Debris and Brush Disposal

74. The Permittee shall progressively dispose of all brush and trees; all disposal shall be completed prior to the end of this land use operation **BRUSH DISPOSAL/
TIME**

75. The Permittee shall not clear areas larger than identified in the complete application. **MINIMIZE AREA
CLEARED**

26(1)(o) Restoration of the Lands

76. All outstanding liabilities and obligations of the Permittee in relation to work performed or required to be performed under Land Use Permit MV2013C0002 and MV2019C0011 are fully incorporated into and subsumed under this Permit, and the Permittee must therefore complete the restoration and other obligations set out in or incurred under Permit MV2013C0002 and MV2019C0011, as well as such further obligations as may be set out in or incurred under this Permit. **TRANSFER OF
LIABILITIES**

77. The Permittee shall dispose of all overburden as approved by the Board, or as otherwise authorized in writing by an Inspector. **DISPOSAL OF
OVERBURDEN**

78. The Permittee shall save the organic soil stripped from the land use area and shall use the organic soil for reclamation as approved by the Board, or otherwise authorized in writing by an Inspector. **SAVE AND PLACE
ORGANIC SOIL**

79. Prior to the end of the land-use operation, the Permittee shall complete all cleanup and restoration of the lands used. **FINAL CLEANUP
AND RESTORATION**

80. Prior to the end of the land-use operation, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. **NATURAL
VEGETATION**

81. The Permittee shall carry out Progressive Reclamation of disturbed areas as soon as it is practical to do so. **PROGRESSIVE
RECLAMATION**

26(1)(p) Display of Permits and Permit Numbers

82. The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation. **DISPLAY PERMIT**

83. The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation. **COPY OF PERMIT**

26(1)(q) Biological and Physical Protection of the Land

84. If any plan is not approved by the Board, the Permittee shall revise the plan according to the Board's direction and re-submit it to the Board for approval. **RESUBMIT PLAN**

85. The Permittee shall comply with the **Engagement Plan**, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. **ENGAGEMENT
PLAN**

86. All revised plans submitted to the Board shall include a brief summary of the changes made to the plan.

**SUMMARY OF
CHANGES**

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