

Conditions Annexed to and Forming Part of Land Use Permit # S21C-005

Part A: Scope of Permit

1. This Permit entitles the Permittee to conduct the following land-use operation:
 - a) Mineral exploration activities on the Northwest Territories portion of the Selwyn Project located in the Howard's Pass Area, Tulita District, Northwest Territories.
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 and municipal laws.

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

Act - the *Mackenzie Valley Resource Management Act*.

Archaeological Impact Assessment - archaeological research as defined by the Prince of Wales Northern Heritage Centre *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*. *Added as it is used in the conditions*

Archaeological Overview - a study of archaeological sites as defined by the Prince of Wales Northern Heritage Centre *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*. *Added as it is used in the conditions*

Board - the Sahtu Land and Water Board established under Part 3 of the *Mackenzie Valley Resource Management 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. . *Added as it is used in the conditions*

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.

Durable Land - land that can withstand repeated use, such as gravel or sand with minimal vegetative cover.

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. *This definition is not required as not used in the Permit conditions*

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 *Mackenzie Valley Resource Management 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. *Added as it is used in the conditions*

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. *Added as it is used in the conditions*

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. *This definition is not required as not used in the Permit conditions*

Sewage Disposal Facilities – Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage. *Carried forward from S16C-002*

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.

Spring Break-up – **March 31** each year, for the purpose of this operation. *Moved from a condition to a definition.*

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 provide notice of access to the Tulita District Land Corporation seven (7) days prior to accessing Sahtu Settlement Lands.
<i>Carried forward from S16C-002</i> | NOTICE OF ACCESS |
| 3. | Prior to the commencement of drilling, the Permittee shall submit the target areas and final drill hole locations 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 locate any Sump within 30 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.
<i>Default is 100 m. SCML is requesting an exemption for the deposit of non-toxic drill waste to a land-based sump.</i> | SUMP SETBACK |
| 5. | 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 |
| 6. | The Permittee shall not construct parallel lines or roads unless an existing line or road cannot be used. | PARALLEL ROADS |
| 7. | 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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| 8. | 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) [REDACTED] | INITIAL NOTIFICATION – CONTACT INSPECTOR |
| 9. | 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:
a) the name(s) of the person(s) in charge of the field operation; | IDENTIFY AGENT |

- b) alternates; and
- c) all methods for contacting the above person(s).

10. The Permittee shall submit a progress report to the Inspector every seven (7) days during the land use operation.

PROGRESS REPORTS

Carried forward from S16C-002

11. At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:

REPORTS BEFORE FINAL REMOVAL

- a) the plan for removal or storage of equipment and materials;
- b) when final cleanup and Closure and Reclamation of the land used will be completed; and
- c) when the Final Plan will be submitted.

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

12. The Permittee shall only use equipment of a similar type, size, and number to that listed in the complete application.

USE APPROVED EQUIPMENT

26(1)(d) Methods and Techniques

13. 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

14. Prior to the 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

15. The Permittee shall leave a buffer strip of undisturbed vegetation at least 30 metres in width between cleared areas and public roads

TREE SCREEN

26(1)(e) Type, Location, Capacity, and Operation of All Facilities

16. 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

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| <p>17. The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent:</p> <p>a) any vegetation present from being removed;
 b) the melting of Permafrost; and
 c) the ground settling and/or eroding.</p> | <p>PERMAFROST PROTECTION</p> |
| <p>18. The land-use operation shall not cause obstruction to any natural drainage.</p> | <p>NATURAL DRAINAGE</p> |
| <p>19. The Permittee shall install and maintain suitable erosion control structures as the land-use operation progresses.</p> | <p>PROGRESSIVE EROSION CONTROL</p> |
| <p>20. The Permittee shall apply appropriate mitigation at the first sign of erosion.
 <i>Added to ensure any erosion issues are promptly addressed.</i></p> | <p>REPAIR EROSION</p> |
| <p>21. The Permittee shall, where flowing water from a Borehole is encountered:</p> <p>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.</p> | <p>FLOWING ARTESIAN WELL</p> |
| <p>22. The Permittee shall only conduct off-road vehicle travel on snow-covered surfaces.</p> | <p>OFF-ROAD VEHICLE TRAVEL</p> |
| <p>23. The Permittee shall prepare the site in such a manner as to prevent rutting or gouging of the ground surface.</p> | <p>PREVENTION OF RUTTING</p> |
| <p>24. The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting or gouging.</p> | <p>SUSPEND OVERLAND TRAVEL</p> |
| <p>25. 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.</p> | <p>VEHICLE MOVEMENT FREEZE-UP</p> |
| <p>26. The Permittee shall minimize approach grades on all Watercourse crossings.</p> | <p>MINIMIZE APPROACH</p> |
| <p>27. The Permittee shall use temporary bridges or dry fording when crossing streams.</p> | <p>DRY FORDING</p> |
| <p>28. The Permittee shall slope the sides of Waste material piles, excavations, and embankments — except in solid rock — to a</p> | <p>EXCAVATION AND EMBANKMENTS</p> |

minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.

This condition usually applies to quarries – drill holes for mineral exploration are not that large

29. The Permittee shall not excavate land within **30** metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **EXCAVATION SETBACK**
Default is 100 m. SCML is requesting an exemption as some of the drill targets are located between 30 to 100 m of a watercourse.

26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

30. The Permittee shall only use Drilling Fluids that were identified in the complete application unless the Safety Data Sheets are provided to the Board and Inspector and usage of the chemical(s) is approved by the Board. **DRILLING CHEMICALS**

31. 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**

32. When drilling within **30** metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and Drilling Waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based Sump or natural depression. **DRILLING NEAR WATER OR ON ICE**
Default is 100 m. SCML is requesting an exemption to permit drilling program to access drill target located between 30 – 100 m from a watercourse.

33. 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 **30** metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **DRILLING WASTE**
Default is 100 m. SCML is requesting an exemption to deposit non-toxic drill waste to a land-based sump.

34. The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility. **DRILLING WASTE DISPOSAL**

35. The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses. **DRILLING WASTE CONTAINMENT**

36. Prior to the expiry date of this Permit or the end of the land-use operation, whichever comes first, the Permittee shall backfill, **RECLAIM SUMPS**

restore, and conduct follow up monitoring to ensure Sumps are restored to preconstruction profiles, unless otherwise authorized in writing by an Inspector.

37. At least ten days prior to backfilling any Sump, the Permittee shall notify an Inspector. **NOTIFICATION OF SUMP BACKFILLING**

38. The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. **WASTE CHEMICAL DISPOSAL**

39. 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**

26(1)(h) Wildlife and Fish Habitat

40. 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

41. 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**

42. The Permittee shall keep all garbage and debris in a secure container until disposal. **GARBAGE CONTAINER**

26(1)(j) Protection of Historical, Archaeological, and Burial Sites

43. The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or 500 metres of a burial ground. **ARCHAEOLOGICAL BUFFER**

Added as is standard for Saktu Permits

44. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. **SITE DISTURBANCE**

45. 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) 598-2413 or an Inspector at (867) [REDACTED], and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71251 or ext. 71255.

46. At least 10 days prior to any new land disturbance, including new drill sites, the Permittee shall conduct an Archaeological Overview to identify areas of high and low potential for archaeological and burial sites and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre.

ARCHAEOLOGICAL OVERVIEW

47. Prior to disturbance in areas of high potential for archaeological or burial sites identified in the Archaeological Overview, the Permittee shall conduct an Archaeological Impact Assessment of the sites where disturbance is planned and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre.

AIA – HIGH POTENTIAL

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

26(1)(l) Security Deposit

Intentionally left blank

48. 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

Amount of security requested by GNWT for S16C-002 was \$32,722.50 – not yet posted as the land-use operation has not commenced. SCML submitted an estimate with the application.

49. All costs to remediate the area under this Permit are the responsibility of the Permittee.

RESPONSIBILITY FOR REMEDIATION COSTS

26(1)(m) Fuel Storage

50. The Permittee shall:

- a) examine all Fuel Storage Containers and Tank for leaks; and
- b) repair all leaks immediately.

REPAIR LEAKS

51. 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

52. The Permittee shall ensure that all fuel caches have adequate Secondary Containment.

FUEL CACHE SECONDARY CONTAINMENT

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| 53. | The Permittee shall set up all refueling points with Secondary Containment. | SECONDARY
CONTAINMENT -
REFUELING |
| 54. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | FUEL CONTAINMENT |
| 55. | The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours. | FUEL ON LAND |
| 56. | The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. | MARK CONTAINERS
AND TANKS |
| 57. | 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 |
| 58. | The Permittee shall have a maximum of 22,000 litres of fuel stored on the land use site at any time, unless otherwise approved by the Board. | MAXIMUM FUEL ON
SITE |
| 59. | 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 |
| 60. | 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 |
| 61. | 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 |
| 62. | 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 |
| 63. | 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 |
| 64. | The Permittee shall clean up all leaks, spills, and contaminated material immediately | CLEAN UP SPILLS |
| 65. | During the period of this Permit, if a spill occurs or is foreseeable, the Permittee shall:
a) implement the approved Spill Contingency Plan; | REPORT SPILLS |

- b) report it-immediately using the NU-NT Spill Report Form by one of the following methods:
 - Telephone: (867) 920-8130
 - Fax: (867) 873-6924
 - E-mail: spills@gov.nt.ca
 - Online: Spill Reporting and Tracking Database
- 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.

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

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

26(1)(o) Restoration of the Lands

- 67. All outstanding liabilities and obligations of the Permittee in relation to work performed or required to be performed under Land Use Permit S16C-002 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 S16C-002, as well as such further obligations as may be set out in or incurred under this Permit. *Added to cover any requirements carried over from S16C-002.* TRANSFER OF
LIABILITIES
- 68. All areas affected by construction or removal activities shall be stabilized and landscaped to their pre-construction profiles, unless otherwise authorized in writing by an Inspector. PRE-CONSTRUCTION
PROFILES
- 69. 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
- 70. The Permittee shall carry out Progressive Reclamation of disturbed areas as soon as it is practical to do so. PROGRESSIVE
RECLAMATION
- 71. Prior to the end of the land-use operation, the Permittee shall restore any trails impacted by the land-use operation by removing fallen trees and any other obstructions from the trails. TRAILS
RESTORATION

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

- 72. 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

73. The Permittee shall not move any equipment or commence any drilling when one or more caribou are within 500 metres.
Carried forward from S16C-002
74. If nesting areas are encountered during operations, the Permittee shall minimize all activity to not disturb them.
Suggest using this condition rather than Aircraft vertical distance requirements.
75. 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.
76. 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.
77. All revised plans submitted to the Board shall include a summary of the changes made to the plan.
- CARIBOU
DISTURBANCE**
- MIGRATORY BIRD
NEST DISTURBANCE**
- RESUBMIT PLAN**
- ENGAGEMENT PLAN**
- SUMMARY OF
CHANGES**