RACKLA METALS INC

Project Description for Type A Land Use Permit

Grad Project, NWT

January 2025

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1. Introduction

Rackla Metals Inc. (Rackla) is a publicly traded Canadian mineral exploration company that owns a 100% interest in the Grad and Ogre properties in the Northwest Territories (NWT), that together are referred to as the Grad Project. The properties are located 280 km southwest of Tulita in the Tulita District of the Sahtu Settlement Area (see Figure 1 and see Appendix for a list of claims and permits). The Grad Project consists of 7 mineral claims totaling 7,525 hectares. The claims were staked in 2024 and there has been only minimal exploration conducted in the area historically. There are no permanent roads in the claim area and access to the claims is by helicopter. Rackla will be basing its operation from the XY Camp in Yukon, which it will be renting from Selwyn Chihong Mining Ltd (Selwyn). The XY camp is located 44 km southwest of the Grad property.

Rackla Metals is applying for a Type A Land Use Permit to allow for initial small-scale trenching and diamond drilling exploration at Grad. In 2022 and 2023, Rackla conducted exploration activities at the Astro project, situated on the Northwest Territories–Yukon border, between approximately 63.3°N and 63.5°N. Figures 1 shows the location of the Astro project relative to the Grad project, the XY camp and 222 Airstrip Camp, which Rackla used in 2023 and 2024. Figure 2 zooms in closer to the Grad project location.

Rackla plans to conduct soil sampling, prospecting, geological mapping, diamond drilling and surface trenching on the Grad claims. The purpose is to identify potential gold, bismuth, and tellurium mineralization in sufficient quantities to justify further evaluation. Exploration activities will follow up on previous geological mapping, geochemical sampling, and prospecting work. If the program is successful in 2025, the company will expand on the work in subsequent years. This project description summarizes the key information related to proposed exploration activities providing a description and rationale for each.

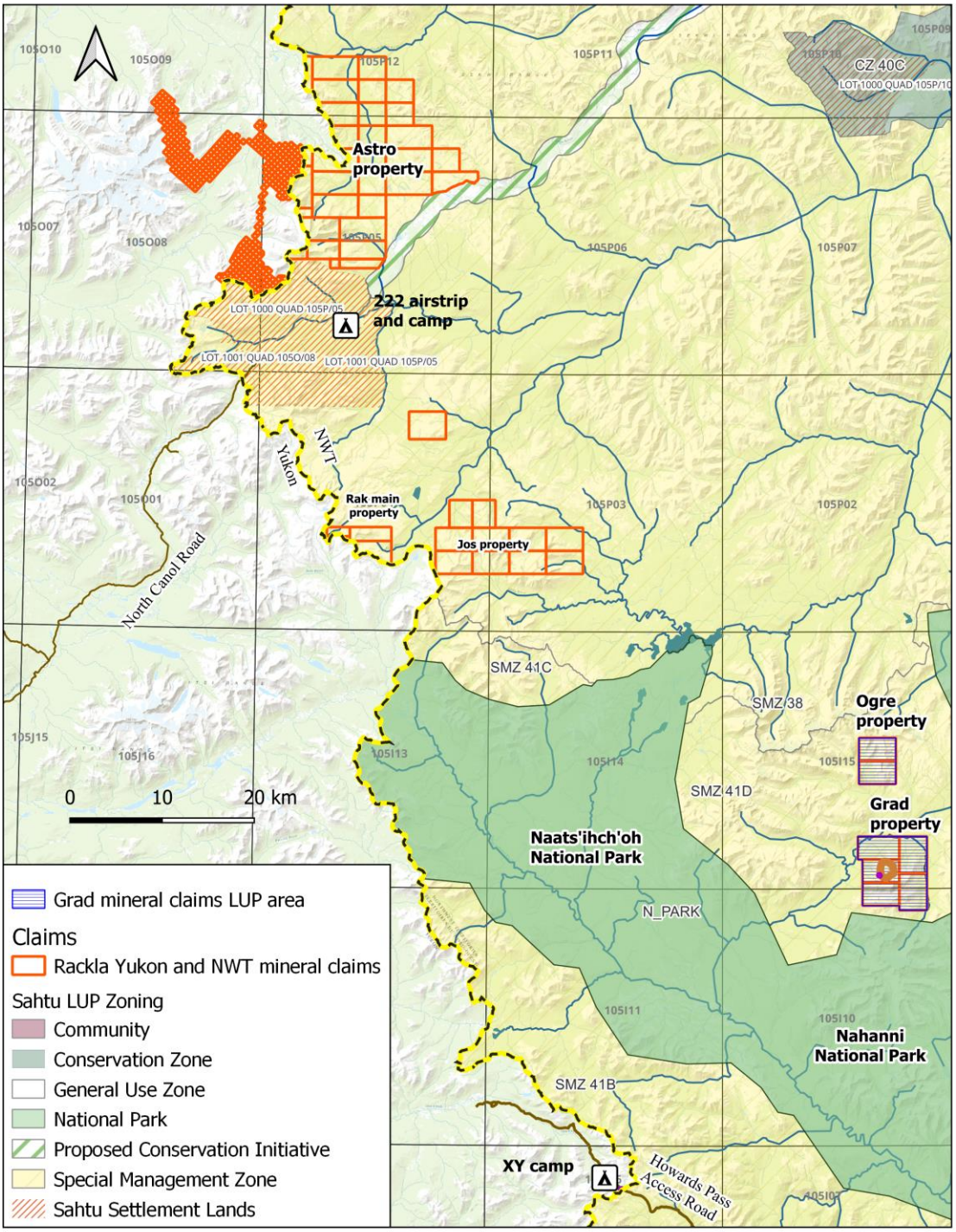

Figure 1. Grad Project Location

2. Location

The Grad project is located in the Makennzie and Selwyn Mountain range at 62.769° latitude and 128.639° west longitude on NTS map sheets 105I/15 and 105I/10 (Figure 1 and 2). The Grad mineral claims lie within the Tulita District of the Sahtu Settlement Area. The closest NWT communities are Tulita (280 km) and Norman Wells (300 km). The closest Yukon community to the project area is Ross River, 215 km to the west southwest. Whitehorse is 410 km to the southwest.

Access to the Grad Project is most readily available by flying or driving to the Selwyn Chihong camp in Yukon, then flying by helicopter to the Grad Project area. Road access from Watson Lake to Camp XY is by the Robert Campbell Highway for 108 km, then the Nahanni Range Road for 175 km to the Howards Pass Access Road, then 70 km to the XY Camp of Selwyn Chihong Mining just across the Yukon-NWT border.

The Grad project area is in a remote alpine portion of the Mackenzie and Selwyn Mountains. There is limited to no vegetation present in much of the project area, with the exception of low growing vegetation in the lower altitudes and valleys. Most of the exploration work will take place on talus slopes and rocky exposures that are not vegetated.

The Sahtu Land Use Plan (SLUP) designates this area as Special Management Zone (SMZ) 41D - South Nahanni Watershed Special Management Zone. SMZ 41 was adopted in the SLUP Amendment and has been in effect since June 4, 2024 (Figure 2).

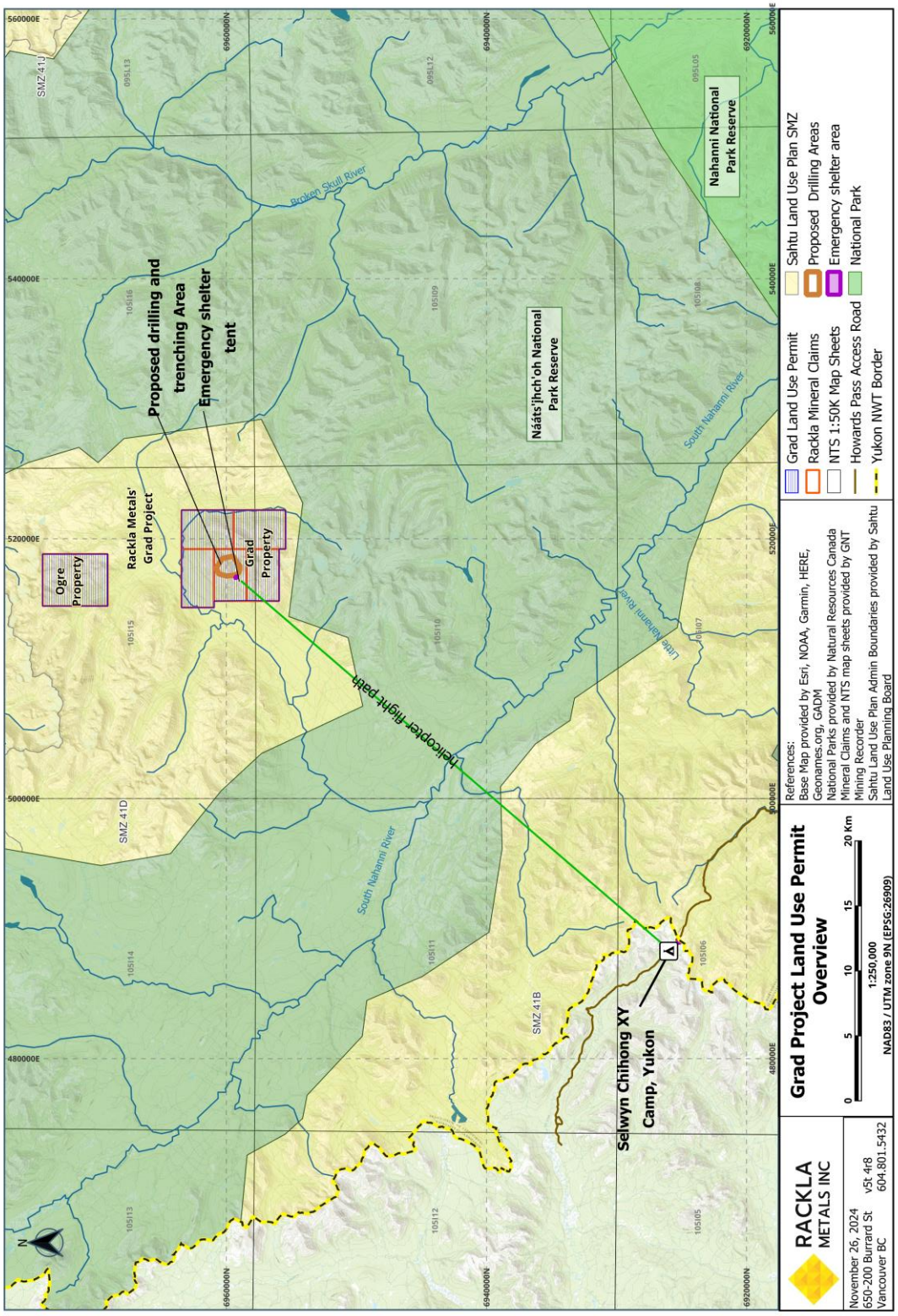

Figure 2. Grad Claims Access from XY Camp

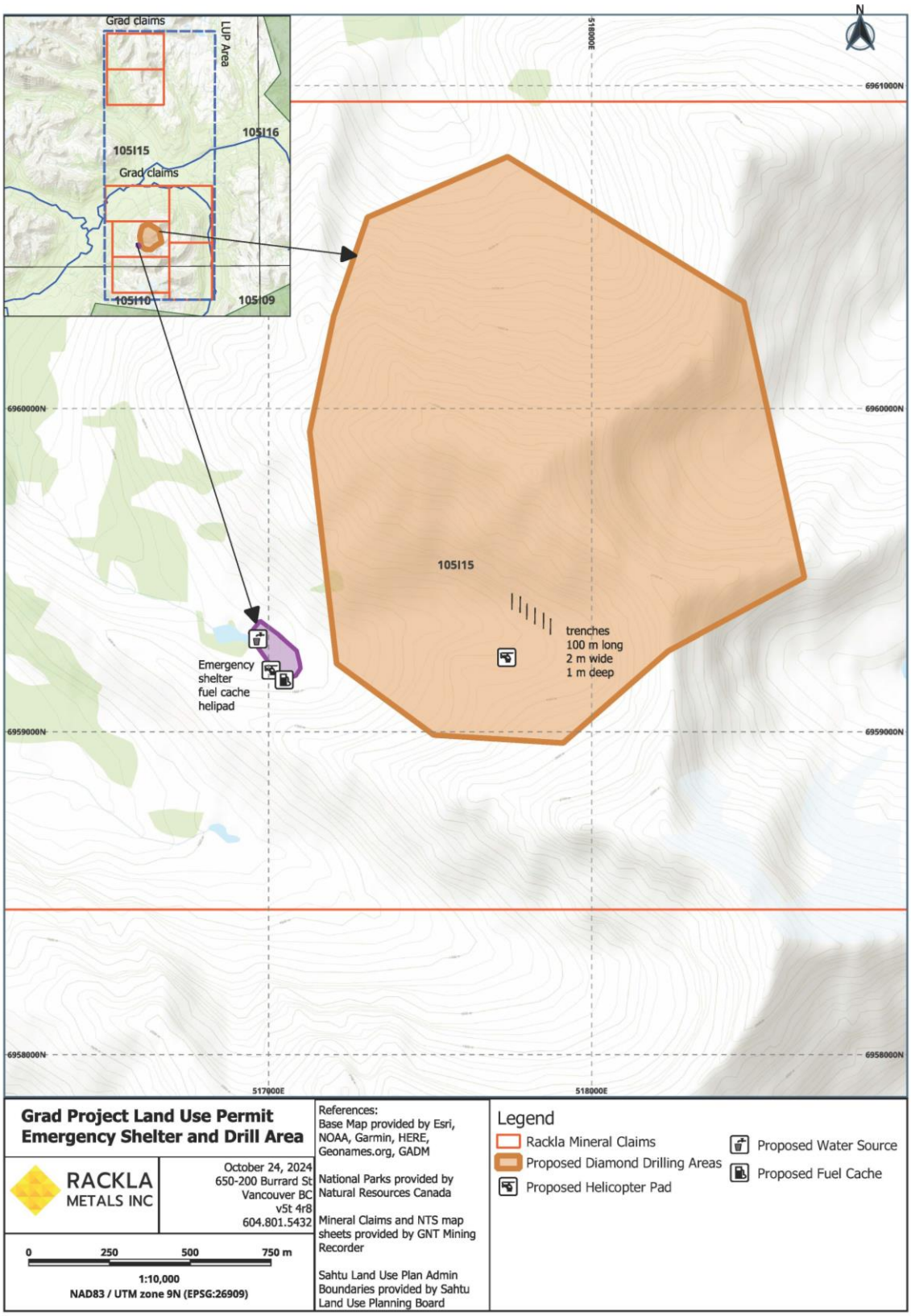

Figure 3. Grad Proposed Drill Sites, Emergency Shelter, Fuel Cache and Water Source

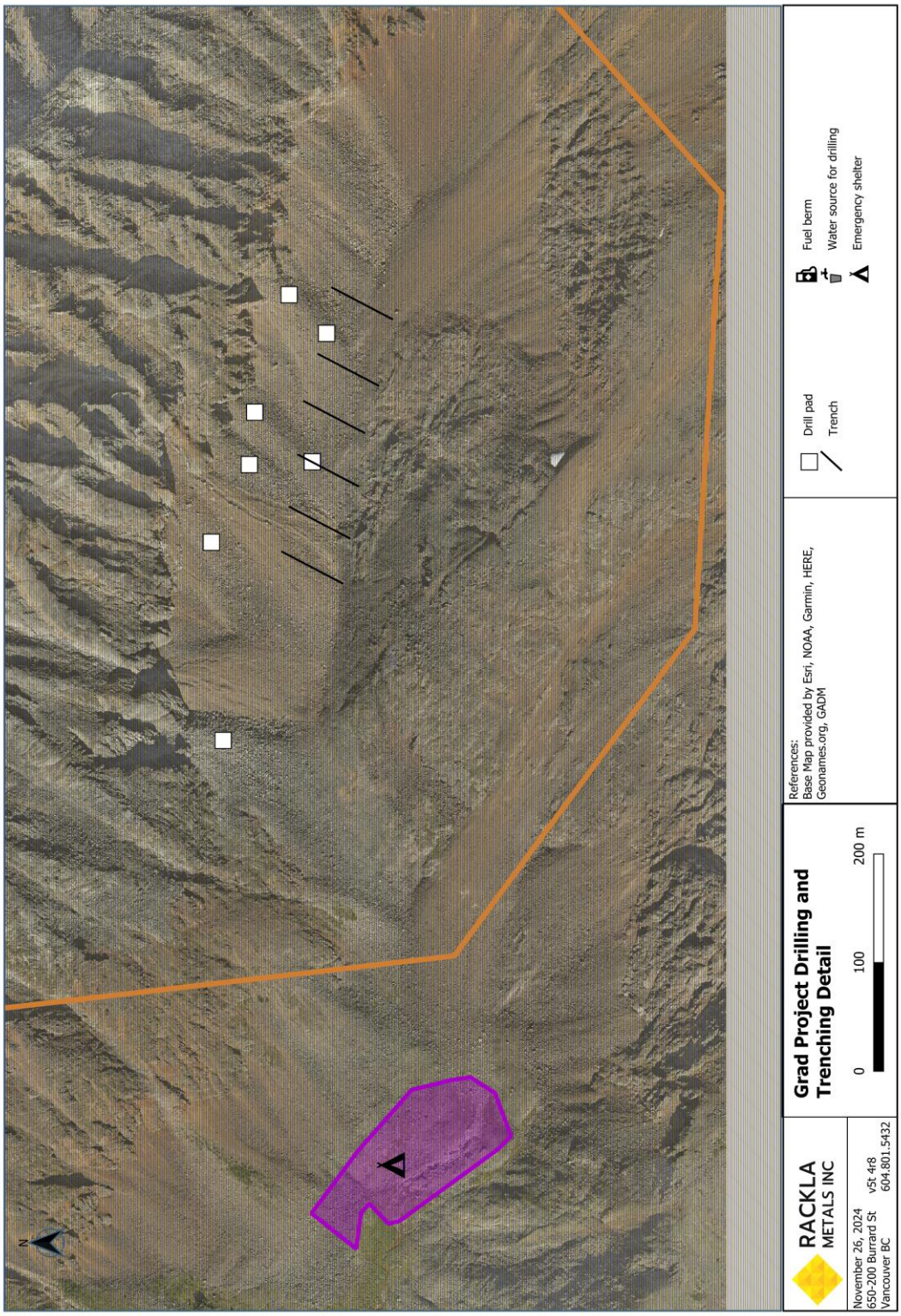

Figure 4. Drill sites and trenching location

3. Exploration History

There is a limited record of mineral exploration in the area. The only documented work was a short exploration program which included 3 diamond drill holes for a total of 239 m was conducted on the eastern side of the Grad property in 1972.

Rackla staked the mineral claims covering 7,525 Ha of in July of 2024. The claims are centered on anomalous government regional geochemistry survey and stream sediment samples in a region that has experienced minimal exploration history. The clams cover a mapped mid-Cretaceous Mayo Suite, granitic stock, as well as at least one other previously unmapped felsic intrusive body. During the staking, quartz-sulfide veining was noted on cliffs within the intrusive bodies and in float boulders in the talus. The field crew collected 25 grab samples from outcrop and sub-crop while completing the staking. Preliminary observations of the intrusive stock combined with these sampling results suggest the presence of a multiphase intrusion with stockwork veining. Rackla believes this may represent the upper carapace of a mineralized Reduced Intrusion-Related Gold System (RIRGS). Rackla is proposing to test this concept with exploration trenching and drilling.

4. Land Use Plan Conformity

On June 4, 2024, the Sahtu Settlement Area Special Management Zone 41 was officially adopted as part of the Sahtu Land Use Plan (SLUP) amendment. Special Management Zones (SMZs) allow for all types of land use except bulk water removal, provided that activities adhere to area-specific Conformity Requirements (CRs) with which land use activities must comply. The Grad Project is subject to CRs #1-13, as well as an additional, newly introduced Conformity Requirement for Zone 41, identified as CR #20.

Conformity Requirement #20 defined in the Sahtú Land Use Plan's Implementation Guide 2024, specifies as the following:

"All applications for land use proposed in SMZ Zone 41- South Nahanni Watershed must demonstrate:

a) How impacts to mountain woodland caribou, grizzly bears, Dall's sheep, moose, and mountain goats, their habitat and migration patterns, and important community harvesting areas will be avoided or mitigated.

b) How audio or visual impacts on users of the Little Nahanni River will be avoided or mitigated;

c) That the activity does not substantially alter quality, quantity, or rate of flow for waters within the South Nahanni Watershed."

These CRs, including the new CR #20, are summarized in Table 1, which provides details on how Rackla's proposed activities align with and satisfy these requirements.

Table 1. Table of Conformity with the Sahtú Land Use Plan Conformity Requirements for Special Management Zone 41D: the South Nahanni Watershed SMZ

CR#	Title	Grad Conformity
1	Land Use Zoning	The Grad property is within Special Management Zone 41D, South Nahanni Watershed Zone, which allows for all types of land use including mineral exploration apart from bulk water removal. Rackla confirms that no such bulk water removal is proposed in relation to this Project. The attached maps, coordinates and GIS files show the location of the proposed work.
2	Community Engagement and Traditional Knowledge	Rackla has engaged extensively with regard to both the proposed Grad Project and the Company's earlier exploration activities in the Sahtu Region on the Astro Project in 2022, 2023 and 2024. Rackla has been active in the Sahtu region since 2022, beginning initial engagement with the communities of Norman Wells and Tulita in September of that year. Efforts have focused on ensuring that all relevant parties are informed about project activities, the potential impacts of proposed actions, typical by-products of drill programs, and the remediation efforts to follow. A detailed Engagement Log as well as Summaries of engagement and hand-out material is included with this application. In addition, Rackla has initiated a Traditional Knowledge (TK) study in collaboration with the Norman Wells Renewable Resource Council (NWRRC). This study includes interviews with community members from Tulita and Norman Wells, and input from the NWRRC. The findings will be integrated into the design and operations of the Grad Project to ensure that community values are incorporated into Rackla's land use plans throughout the project's lifecycle. Rackla will continue to engage with the Tulita and Norman Wells communities throughout all stages of the project, in adherence to the engagement processes outlined in Rackla's Engagement Plan.
3	Community Benefits	Rackla Metals recognizes that the Sahtu Dene and Métis have a profound cultural and economic relationship with the land, and that land use activities must reflect and respect this connection. In line with the objectives of the Sahtu Dene and Métis Comprehensive Land Claim Agreement (SDMCLCA) and the MVRMA, Rackla is committed to ensuring that the communities within the Sahtu region benefit directly from its land use activities. Rackla's approach includes a variety of initiatives designed to enhance the social, cultural, and economic well-being of local residents. These initiatives include:

Employment and Training Opportunities:
Rackla Metals is committed to providing employment opportunities for local community members to help build economic self-sufficiency within the Sahtu region. This includes training and hiring for a variety of positions including cook, laborer, camp support, archaeological support, field assistant, community research assistant or monitors, or any other opportunities that may arise over the life of the Project.

- In 2023, Rackla hired two Sahtu community members on the Astro project, providing them with valuable work experience and skills.
- In 2024, three additional Sahtu employees were hired, further contributing to local workforce development.
- For the 2025 field season, Rackla is making arrangements to hire at least two more Sahtu individuals for the Grad property, continuing to expand its local workforce.
- As the company project grows so will the employment opportunities.

Support for Local Businesses and Contractors:
Rackla actively seeks to employ Sahtu Beneficiaries and registered companies, ensuring that local businesses benefit from land use activities through contracts and procurement opportunities where requested and financially possible. Where applicable, we are also granting Sahtu business the Right of First Refusal for relevant opportunities.

Rackla is soliciting quotes and agreements with Sahtu-registered companies such as North Wright Air and Sahtu Helicopters for air transport services, creating a direct economic benefit for these local businesses. This approach encourages the growth of local businesses and ensures that local companies can participate in the economic activities related to Rackla's operations.

Capacity Building:
Rackla values its relationships with Sahtu community members and actively supports their involvement in land use activities through engagement and capacity-building initiatives. Rackla has provided accommodation, meals, and the use of company assets (such as its helicopter) to Sahtu community members involved in mineral exploration and related work. Additionally, Rackla has shared geological expertise and data interpretation with Sahtu connections, contributing to their knowledge and them to ours as well as our understanding of the land, while fostering a spirit of collaboration. Rackla will continue to do so to promote this capacity building both ways. Project benefits will also include onthe-job training and skills development, such as technical training for core cutting, food preparation, geotechnical work on core and

		field technician roles and Rackla's support of community initiatives where requested and financially possible. By creating employment, supporting local businesses, and fostering community involvement and capacity building, Rackla Metals ensures that its land use activities benefit the Sahtu Dene and Métis communities. This approach aligns with the goals of the SDMCLCA and the MVRMA, and demonstrates Rackla's commitment to contributing to the social, cultural, and economic well-being of the Sahtu region.
4	Archaeological Sites and Burial Sites	Rackla engaged Intergroup Consultants for an AOA report which was submitted to the GNWT Cultural and Heritage Division and included in this application. The AOA consisted of a review of documented archaeological site data, assessment reports and available imagery. The review noted that while no archaeological sites have been recorded within the project's proposed claim blocks or camp locations, the documentation of archaeological sites within nearby valleys and mountain ranges adds to the likelihood of high potential for similar landforms and terrain features within the project footprint. Accordingly if drilling is proposed within the areas delineated as high archaeological potential, Rackla will conduct a helicopter overflight to further refine potential zones to further assess whether an Impact Assessment is needed. Drilling planned for the 2025 exploration season is outside the areas highlighted as high archaeological potential. Maps are attached in the submitted AOA report highlighting areas of high archaeological potential along with Figure 5 in Appendix C of this document.
5	Watershed Management	The relatively small scale of the Grad Project and water to be used and waste to be deposited and combined with the implementation of the mitigation measures outlined in the application and associated Spill Contingency, Waste Management and Environmental Plan will ensure that there are no significant impacts to ground and surface waters. The water use requirements of the emergency shelter and drill sites will be minimal and they are not expected to alter quality, quantity, or rate of flow for waters that flow on, through, or are adjacent to Sahtu Lands. A Spill Contingency Plan, Waste Management Plan, which includes water usage volume, is included in this application.

6	Drinking Water	The proposed land use activities do not have the potential to result in contamination of community surface or groundwater due to the limited scale of activities, the mitigation and management measures that will be implemented, and the location of the Project relative to drinking water sources. Rackla's Waste Management Plan goes into greater detail about management of the emergency shelter grey water or pit privy. Water from the drilling will be captured in a sump at the drill site and allowed to settle. Furthermore, Rackla's Spill Contingency Planning protects safeguards against the potential for contamination of community surface or groundwater.
7	Fish and Wildlife	A comprehensive list of species at risk or of concern has been identified based on lists maintained by a combination of the NWT Species at Risk Committee Assessment status in the NWT, NWT List of Species at Risk, as well as documents provided in the SLUP Nahanni National Park Feasibility Studies and Research conducted review. Rackla has contacted the ECC NWT for review of our Wildlife Management Plan as well as engaged the RRC for a TK study to highlight important species in the area. Rackla's Wildlife Management Plan safeguards include maintaining vertical and horizontal separations from wildlife during helicopter flights, buffers related to ungulates and birds, avoiding sensitive time periods such as calving and incorporation of both Nahanni and Nááts'įhch'oh Park Reserve Management Plans. This document is attached to the application. Rackla will also participate in animal reporting as well as incident reporting.
8	Species Introductions	Precautions to prevent the introduction of non-native species, communication with ENR, TK Study, RRC engagement, properly cleaned equipment. No non-native seed mixes are used for reclamation activities.
9	Sensitive Species and Features	Communication with ENR to ensure that the company is aware of their location and abides by the required setbacks from these sites. TK Study, RRC Engagement, accessed current data sources from ENR. No activity within 100m of a known mineral lick. Hot spring, warm spring and glacial refugia locations identified, no activity within 500m of a hot spring or Warm Springs, or glacial refugia. Wildlife, Archaeology and Environmental Awareness Plan.
10	Permafrost	Permafrost mitigation strategy. The program will be designed and carried out in a manner that prevents and/or mitigates adverse environmental impacts resulting from the degradation or aggradation of discontinuous permafrost. The program does not plan for any major

		surface disturbance. Drill sites require minimal ground disturbance and involve digging 8 holes about 1x1m to a depth of no more that 0.5 m. Trenches will be 100 m long, 2 m wide and to a maximum depth of 1 m. These will be reclaimed and filled in within one month. Thus permafrost degradation should be mitigated.
11	Project-Specific Monitoring	Land use activities must include site-specific monitoring, that is sufficient to monitor the effectiveness of the activity's proposed mitigation measures. Rackla has a robust monitoring program of spill reporting, wildlife logs, GPS recording of all work areas, site reclamation and documenting with photographic evidence. The company will also have Sahtu hires working on-site to assist with various aspects of the project.
12	Financial Security	Rackla has prepared a Land Use Permit Security Worksheet to accompany the Land Use Permit application. The company will be providing financial security for the permit once agreed to by the regulatory agencies.
13	Closure and Reclamation	The company has prepared a Closure and Recommendation Plan that is included with the Land Use Permit application. This Plan includes components of progressive reclamation, season reclamation and final reclamation and closure.
14	Protection of Special Values	Proposed activities in Special Management Zones like SMZ 41D must be designed and carried out in a manner that protects, respects or considers the values of the specific zone, including a TK Study, as directed in the Plan's Zone Descriptions. SMZ 41D has specific requirements as outlined in CR #20, below.
14 to 19		Not applicable to SMZ 41D

20	South Nahanni Watershed SMZ Requirements	Land use proposed in SMZ 41 must demonstrate how impacts to mountain woodland caribou, grizzly bears, Dall's sheep, moose, and mountain goats, their habitat and migration patterns, and important community harvesting areas will be avoided or mitigated, how audio or visual impacts on users of the Little Nahanni River will be avoided or mitigated, and that the activity will not substantially alter quality, quantity, or rate of flow for waters within the South Nahanni Watershed. The company has a robust Wildlife, Archaeology and Environmental Awareness Plan that guides workers on interaction with wildlife and forbids harassment of wildlife. This Plan also addresses helicopter flight distances and heights when flying in Sheep Country and near bird nests. The helicopter flight path to the property from the camp location to the property will skirt west of the Little Nahanni River. Helicopter flights will also be kept a minimum of 1 km from the river and at an altitude of more than 1000 m above the valley. The drilling operation will be 34 km from the Little Nahanni River and well outside of the audio-visual range from the Little Nahanni River. The camp and drilling operations will not have any effect on the quantity and rate of flow of waters in the Little Nahanni Watershed. The camp and drill site water management plan and locations should prevent any contamination of the local water sources. Wildlife, Archaeology and Environmental Awareness Plan outlines this in greater detail which was sent to the ECC and ENR for review and comments.

5. Project Overview

5.1 Access

Access to the Grad project would be by helicopter from Selwyn Chihong's XY Camp in the Yukon (under rental agreement between Rackla and Selwyn). Access to Camp XY would be by vehicle using the existing Nahanni Range road and Howard's Pass Access Road (HPAR). Permission has been received from Selwyn for use of the HPAR, for which they have been issued a License of Occupation (LOO). Rackla has been in discussions with Parks Canada regarding the acquisition of a Restricted Activity Permit for transportation through sections of the HPAR that passes through the Nahanni and Nááts'įhch'oh National Park Reserves.

No roads will be developed on the claims, and no off-road vehicle use will occur. Within the Project area, access, drill movement and drill support will be conducted

by helicopter only. An emergency shelter, helicopter landing pad, and fuel cache will be located near the area where drilling and trenching will occur. No clearing of vegetation is anticipated for the development of drill sites, the helicopter landing pads, or emergency shelter, as there are no trees or significant vegetation within the work area.

5.2 Emergency Shelter

The emergency shelter is proposed to be a small and temporary tent-based emergency shelter. It will consist of 2 tents, one for cooking and one for sleeping quarters. A pit privy will also be established at the emergency shelter. Grey water will be disposed of in the pit privy. In the event that the emergency shelter is used, any garbage that accumulates will be removed to the main XY Camp as soon as the helicopter can get to the site to retrieve the crew members. The emergency shelter will only be used for emergency purposes in the event that weather prevents the helicopter from traveling to the site for crew pick up.

An impermeable, lined fuel cache with capacity for 12 fuel drums will be established in the area of the emergency shelter. The fuel cache will hold Jet-A fuel for the helicopter and diesel for the drilling. The fuel cache will be a minimum of 100 m from water sources.

A list of the proposed maximum number of structures for the full emergency shelter development is provided in Table 2 in the equipment section. All structures will be temporary and positioned on arid, talus terrain in a location that minimizes environmental and archaeological impacts, and conforms to applicable regulatory requirements, including those specified in any permit issued.

5.3 Equipment

Table 2 provides an overview of the equipment expected to be used on the Grad Project during the exploration program. This equipment will support the drilling, trench sampling, and general field activities.

Table 2: Overview of the Equipment Expected to be Used at Emergency Shelter and Project Location

Common Name	Typical Use	Quantity	Weight (kg)
Diamond Drill	Drill-testing subsurface for analysis	1	3,000
Helicopter (Bell 407, A-Star B2, or Bell 206L)	Equipment and crew movements	1	1,300

Common Name	Typical Use	Quantity	Weight (kg)
2 kw gas generator	Electrical power supply for emergency shelter	1	40
Water pumps	Diamond drill water	1	400
Kubota KX40 Excavator or equivalent	Digging sumps, trenching	1	4,000

5.4 Water Use

The water source for the drill operation is shown in Figures 2, 3 and 4. Water for the drill operation will be drawn from a high alpine creek 3.1 km distant and 600 m in elevation from the nearest watercourse. This watercourse is unnamed. The point at which the small alpine tributary flows into the unnamed water course is 24 km upstream of the South Nahanni River. Hence the drill water will be sourced from approximately 27 km from the South Nahanni River.

Water use will be managed to ensure water intake does not represent more than 10% of available water volume or flow, in alignment with Fisheries and Oceans (DFO) and Land and Water Board (LWB) guidance for the protection of fish and fish habitat. In most cases water use will be significantly less than this threshold. The proposed activities will withdraw no more than 0.0006 m^3/s of river water flow at any time. Therefore, any river water flow exceeding 0.006 m^3/s will provide sufficient water. Stream flow measurements will be taken before using any river water. Water use will also be monitored to ensure that cumulative usage remains below the thresholds that would necessitate a Water License. Specifically, the combined water use for emergency shelter activities and drilling will not exceed 100m^3/day.

Emergency shelter water use is expected to be minimal, if at all. When the emergency shelter is in use, water consumption for kitchen and sink activities will remain below 0.5 m^3 per day.

Water usage for diamond drilling will be vary, averaging approximately 30-40m^3 per day. A water recycling system will be implemented to minimize water consumption, allowing for repeated water use where practical. Drill cuttings will be contained in sumps or portable tanks to prevent contamination of nearby watercourses.

5.5 Waste

Waste from the work site will be removed daily per the Waste Management Plan. Daily waste will consist of lunch refuse and consumables used in the drilling operation. All garbage collected at the drill sites or emergency shelter will transported by air to Rackla's main XY camp in the Yukon. From there, waste will transported to the Watson Lake or Whitehorse community landfill for proper

disposal, or if classified as combustible and non-hazardous waste, incinerated on-site using an approved and environmentally complaint incineration system. Please see the Waste Management Plan for full details including different types of waste and the methods by which they are managed.

5.6 Fuel

A fuel cache will be established to store aviation fuel (Jet-A) for helicopters and diesel for the drill as well as a propane cylinder for the cook stove and a 20 litre gasoline jerry can for the gas generator at the emergency shelter. Table 3 below outlines the maximum fuel quantities expected to be stored at the Grad project at any given time during drilling operations.

Fuel will be stored in impermeable berms and enclosed in secondary containment systems to ensure compliance with applicable regulations. All fuel transfer will be carried out using a small electric pump equipped with an automatic fuel shut-off nozzle or hand-operated “wobble” pump, both of which are designed for safe and efficient fuel transfer from barrels. To minimize the risk of spills, absorbent pads will be use to catch drips and small spills during refueling activities.

Spill kits will be stationed at each fuel storage location to ensure a prompt response in the event of a spill. Any spills will be cleaned up immediately upon occurrence, and reportable spills will be documented and filed as required. Preventative measure will be taken to avoid spillage such as absorbent pads used to catch drips and small spills during refueling. Further details on spill management, mitigation, and response can be found in Rackla’s Spill Contingency Plan, which has been submitted with this application.

Table 3. Maximum Anticipated Quantities of Fuel at a given time

Type of Fuel	Number of containers	Capacity of containers	Type of container	Proposed storage/staging location
Diesel:	6	205 litre	drum	In lined berm
Gasoline:	1	20 litre	Jerry can	In lined berm
Aviation Fuel:	6	205 litre	drum	In lined berm
Propane:	2	20 lb	canister	At emergency shelter for cook stoves

5.7 Activities and Timing

Drilling will be carried out using a diamond drill. Other exploration activities will be also conducted, including aerial or ground-based surveys, geological mapping, prospecting, rock and soil sampling, and surface trenching with a mini-excavator.

Diamond Drilling: This activity involves a helicopter-supported diamond drill rig extracting 40-65 mm diameter core samples. Hole depths on the Grad property are anticipated to range between 250-500 m. The drill rig will operate 24 hours per day by two crews of two drillers. The diamond drilling is expected to use 30-40m^3 per day and water will be sources by from the nearest waters source, as highlighted in Figure 2. The proposed locations for the emergency shelter, fuel cache and drill sites are approximate and may change slightly based on new information.

Construction of drill platforms and helicopter landing pads: Up to 20 drill platforms that can also be used as helicopter landing pads will be constructed throughout the 5-year permit window. These will be constructed out of wooden timbers and measuring 4.9 x 4.9 m each. For the setup, a small area of the slope will be leveled to allow the pad to be built and stabilized. Ground disturbance will be minimal.

Surface trenching: Surface trenching will be conducted in the initial phase using a mini excavator weighing approximately 4,000 kg. Trenches will measure approximately 100 m in length, 2 m in width and 1 m in depth. Disturbance will be minimal as trenching activities will take place in the high-alpine region, primarily on rocky, talus terrain that lacks vegetation. The proposed location for trenching activities are outlined in Figures 3 and 4. Once the trench is open, the rock exposed at the base will be mapped and sampled. Shortly thereafter the excavated material will be filed back into the trench and the surface re-contoured to as natural a state as possible. All trenches will be filled in by the end of the work season.

Geological Mapping and Sampling: Approximately 500 hectares will be explored through geological mapping, prospecting, rock and soil sampling.

The operations are expected to last between 4 to 14 weeks during the summer, with all activities supported by helicopter. The proposed activities will occur within a 5-year permit window, with the possibility of extension. During the exploration program, Rackla will progressively restore and reclaim trench and drill sites as they are completed and if they are no longer required for the advancement of the program. Each exploration season following the 2025 season will depend on the success of the first season at Grad.

6. Ongoing Reclamation, Closure and Cleanup

6.1 Closure Goals and Objectives

Rackla Metals has established a Closure and Reclamation Plan to guide the Company's activities while exploring the region. All personnel must familiarize themselves with the plan and adhere to the policies. The goal of the plan is to return the work areas to a natural and stable state that require no long-term care requirements and are supportive of traditional and non-traditional land uses.

6.2 Closure Activities

The Grad project closure activities will include:

- The removal of all structures, machinery, equipment, materials, fuel drums, garbage and other storage containers and any items used in connection with the operation. Wood timbers used for drill platforms and helicopter pads will be dismantled and re-cycled for use on another drill site and then removed at the end of all exploration activities.

- The slopes will be re-contoured and stabilized to a natural slope to prevent erosion or sediment loss.

- The site is completely left clean and a hole marker plug is inserted at the top of a drill hole.

- The clean-up of any spills or contaminated materials

Additional measures for closure and cleanup are detailed in the Closure and Reclamation Plan, which outlines strategies for site restoration. The Spill Contingency Plan ensures prompt and thorough spill response, while the Waste Management Plan provides clear guidelines for waste handling, disposal, and backhauling. Additionally, the Wildlife Management Plan includes specific measures to minimize environmental impacts associated with the program, ensuring responsible and suitable operations.

6.3 Ongoing Reclamation

To further improve the final closure activities, Rackla commits to ongoing, progressive reclamation to be undertaken throughout the project life. The closing of all drill sites, helicopter pads, and the emergency shelter will occur promptly after completion of use, recycling as many materials as possible in set-up for the next structures. Further methods are outlined in the plans mentioned above regarding ongoing reclamation.

Appendix A – Eligibility

Property	CLAIM NAME	CLAIM NUMBER	CLAIM STATUS	ISSUE DATE	ANNIVERSARY DATE	AREA (hectares)	OWNERS	LAND CLAIM AREA
Grad	GRAD 04	M12067	ACTIVE	7/11/2024 7:00:00 AM	7/11/2026 7:00:00 AM	1000	Rackla Metals Inc. (100%)	SAHTU
	GRAD 03	M12066	ACTIVE	7/11/2024 7:00:00 AM	7/11/2026 7:00:00 AM	1000	Rackla Metals Inc. (100%)	SAHTU
	GRAD 07	M12071	ACTIVE	9/17/2024 7:00:00 AM	9/17/2026 7:00:00 AM	1125	Rackla Metals Inc. (100%)	SAHTU
	GRAD 08	M12072	ACTIVE	9/17/2024 7:00:00 AM	9/17/2026 7:00:00 AM	1200	Rackla Metals Inc. (100%)	SAHTU
	GRAD 09	M12073	ACTIVE	9/17/2024 7:00:00 AM	9/17/2026 7:00:00 AM	1200	Rackla Metals Inc. (100%)	SAHTU
Ogre	GRAD 05	M12068	ACTIVE	7/11/2024 7:00:00 AM	7/11/2026 7:00:00 AM	1000	Rackla Metals Inc. (100%)	SAHTU
	GRAD 06	M12069	ACTIVE	7/11/2024 7:00:00 AM	7/11/2026 7:00:00 AM	1000	Rackla Metals Inc. (100%)	SAHTU

Verification of claim status can be viewed on the NWT Mining Recorder website at the following web address:

https://www.maps.geomatics.gov.nt.ca/Html5Viewer_PROD/index.html?viewer=NWT_MTV.

Appendix B – Impact-Mitigation Assessment Table

Potential Impacts	**Activity** *Use an "x" to indicate which apply*	X	**Potential Project Impacts and Proposed Mitigations** *Describe the potential impact(s) and the proposed measure(s) to reduce each of these impacts.*
ABIOTIC COMPONENTS			
Land			
• Soil contamination • Soil compaction • Destabilization/erosion	• Fuel storage, transfer and use • Soil Sampling • Use of motorized and heavy equipment • Trenching, diamond drilling, RC drilling • On-site storage of waste (minimal and only associated with lunches and meals on site, and	X	Potential impacts include spills and spills or leaks of drilling fluids during operations. Mitigations include: 1. A Spill Contingency Plan will be implemented 2. Fuel and caches will be located at least 100 m away from the Ordinary High Water Mark of any waterbody or watercourse 3. Fuel will be stores in impermeable fuel berm with secondary containment 4. Fuel storage will be routinely monitored and inspected 5. Portable drip trays and absorbent padding to catch drips will be used. Appropriately sized fuel transfer hoses with pumps will be used when fueling to avoid any leaks or drips onto the land 6. Spill kits will be located at every fuel storage location 7. Regular maintenance and oil checks of all motorized equipment will be undertaken to avoid preventable leaks 8. All chemical substances including fuel will be appropriately labelled 9. Drill water with cuttings will be redirected into a sump at least 100 m away from the Ordinary High Water Mark of

	occasional use of emergency shelter)		any waterbody or watercourse 10. Any spill will be cleaned up immediately upon occurrence 11. Any contaminated material will be securely stored to prevent contaminants from being released to the environment 12. Hazardous and potentially hazardous waste will be backhauled to Camp XY for proper disposal or waste facility to minimize storage of hazardous materials on site. 13. At project closure all equipment, fuel, and waste will be removed 14. For a cam, impacts are reduced by use of an already existing camp, Camp XY which will reduce our overall footprint from the project 15. The use of drill pads and a camp platform (for the emergency shelter) will provide an elevated, controlled surface to evenly distribute weight and minimize area of land that would potentially be affected by heavy equipment. This will be followed by rehabilitation post-operation. 16. Where practical, selecting a location for the emergency shelter that has previously been cleared, or a naturally cleared area to minimize disturbance. 17. Establishment of emergency shelter location on dry, durable, unvegetated ground to minimize ground impacts and potential for erosion Use of natural depressions or dug sumps to constrain liquid wastes (e.g., greywater, cuttings) and minimize potential of contaminating or scouring surrounding area 18. Filling and recontouring any dug sumps, drill holes, and trenches created on cessation of use to protect permafrost and prevent erosion 19. Prevent introduction of non-native vegetation by removing debris or soil from any mobile heavy equipment brought to site 20. Limiting the width and depth of the trench to the minimum necessary to achieve project goals. This reduces the overall area disturbed. 21. Choosing trenching locations that avoid high-risk or environmentally sensitive areas, all trenching activities will take place further than 100 m away from water source 22. There will be no brush clearing involved in any project activities as the project area is in the high-alpine where there is little to no vegetation present.
Disturbance of sensitive features such as hot or warm spring Potential effects	Disturbance of wildlife use of licks or direct impacts to mineral licks from Project footprint or activities	X	1. Avoid any direct disturbance of hot or warm springs in all circumstances 2. As per the Sahtu Land Use Plan, avoid conducting land use activities within 1 km of any known mineral lick where feasible 3. Program activities are planned in areas where impacts are

			confined to talus slopes with no vegetation or already existing clearings.
Water			
Ground & Surface Water			
• Changes in water volume or changes in water quality	• Withdrawal of water from a waterbody or watercourse for project use • Transfer, storage and use of fuel • Trenching, diamond drilling	X	1. Minimizing water use to the extent practical and to a cumulative daily use of no more than 99 m3 per day. 2. Ensuring water withdrawal and sourcing aligns with DFO and Land and Water Board guidance for the protection of fish and fish habitat, such as limiting water withdrawal to <10% of instantaneous flow or under ice water withdrawal to <10% of available water volume 3. Following DFO's protective measures for fish and fish habitat and standard codes of practice and respect the NWT in-water works restricted activity timing windows to the extent feasible 4. No camp, sumps, or fuel storage within 100m of a waterbody except with Inspector approval 5. Implementation of a strict no fishing policy for Project staff 6. All staff will undergo orientation and training on project policies related to wildlife feeding and fishing 7. Drilling fluids and sediment is redirected into a sump which allows for fluid collection as well as sediment management preventing uncontrolled discharge of fluid into the surrounding area (see Waste Management Plan). The RC drill does not use water
Permafrost			
• Potential thermal disturbance or loss of Permafrost	• Trenching, diamond drilling	X	Activities will be designed to mitigate adverse environmental impacts related to degradation of permafrost. Although drilling and trenching is expected to be in Talus and into bedrock on south-facing slope with increased sun exposure. Mmitigation strategies include: 1. Project equipment and emergency shelter will be elevated to minimize thermal impacts, as elevated structures allow for air circulation 2. After project completion, disturbed areas from trenching and drilling activities will be stabilized to prevent erosion 3. Filling and recontouring any dug sumps, drill holes, and trenches created on cessation of use 4. Activities are designed to mitigate adverse effects and environmental impacts related to degradation of permafrost. Ground disturbance kept to a minimum, drill hole locations relocated to minimize permafrost disturbance wherever practical. 5. Limiting the width and depth of the trench to the minimum necessary to achieve project goals. This reduces the overall area disturbed 6. Trenching activities will be confined to 100m long x 1m deep on arid talus terrain

Air			
Potential for helicopter and activity-related disturbances	• Use of helicopters • Mobilization and operation of equipment for operational activities	X	1. Maintaining the highest possible altitude per recommendations the highest Sahtú Land Use Plan setback altitude, even when wildlife are not present, except when activities require otherwise (e.g., for take off/landing, when conducting altitude specific aerial surveys, and where required for safety) 2. Field crews will conduct a scan for wildlife prior to landing; if caribou, sheep, or bears are within 500 m or species-specific setbacks cannot be reliably maintained, the crew will be deployed in a different location 3. If wildlife is encountered flight paths will be deviated 4. Helicopters will avoid landing in areas where wildlife are present where feasible 5. Helicopters will avoid hovering over wildlife when spotted 6. Preferred site access flight routes will be used where possible to minimize disturbance of wildlife 7. More information in attached Wildlife, Archaeology and Environmental Awareness Plan for mitigation strategies.
Potential decrease in air quality and contribution to increased greenhouse gases	Equipment and helicopter fuel consumption	X	1. Minimizing idling, and ensuring efficient scheduling of flights and energy efficiency. 2. Emissions related to the combustion of fossil fuels will be discontinuous, short term and localized 3. Minimizing helicopter use and equipment run times where feasible 4. Carrying out preventative maintenance on equipment 5. Coordinating waste backhaul to avoid redundancies and reduce emissions
BIOTIC COMPONENTS			
Vegetation			
Introduction of non-native (invasive) species	Mobilization of equipment for operational activities	X	1. Prevent introduction of non-native vegetation by removing debris or soil from any mobile heavy equipment brought to site
Increased risk of fire		X	The majority of work will be in the high alpine, well above tree-line on rock-talus slopes that do not support vegetation growth. The emergency shelter will be equipped with fire fighting equipment designed to limit the possibility of fire ignition
Terrestrial Wildlife Habitat			
Potential disturbance of wildlife dens, or nests	Related to project activities and footprint	X	1. A Wildlife, Archaeology, and Environmental Awareness Plan will be implemented 2. There will be no bush clearing activity and avoiding trenching activities during nesting periods where possible 3. Avoid destroying active nests containing eggs or young. If found, establish a suitable buffer zone (based on regulatory guidance) until all young have fledged 4. Avoiding areas which carnivore dens are discovered to be

			in use 5. Skirting emergency shelter tents to deter wildlife denning 6. Implementing wildlife setbacks and sensitivity windows to the extend feasible 7. Conducting regular inspections to confirm setbacks from known active nests or den sites are being maintained
Attraction of wildlife by attractants such as food and waste	On-site storage and use of food and food waste (expected to be minimal) and other potential wildlife attractants	X	1. All waste will be contained and managed in an organized and appropriate manner as outlined in the Waste Management Plan. 2. After each day on-site waste will be brought to Camp XY in the Yukon for appropriate management and disposal. Until then, or if temporary storage is required, waste attractive to wildlife will be double bagged and placed in an enclosed structure to restrict odors from escaping to minimize odor and attraction of wildlife. 3. A strict no feeding wildlife policy will be implemented 4. No landfill will be established on site; these have the potential to attract wildlife 5. Kitchen wastewater from any use of the emergency shelter will be screened to remove food particles prior to discharge and the greywater sump will be inspected daily to remove any food waste and treated as needed to prevent being an attractant. 6. All food waste from occasional use of the emergency shelter will be backhauled back to Camp XY in the Yukon for proper disposal.
Disturbances to key lifecycle stages: breeding, feeding, nesting, staging	Helicopter activity	X	Measures taken to avoid sensitive periods, as detailed in Wildlife, Archaeology and Environmental Awareness Plan.
Increase in noise	Operation of equipment, generators, and helicopter	X	1. Noise will be discontinuous, short term and localized 2. Noise will be reduced to extent practical by minimizing idling, minimizing flights where appropriate, establishing preferred flight paths the reduce disturbance of sensitive areas 3. Ensure proper maintenance of equipment (e.g., lubrication, tightening of loose parts) to reduce mechanical noise 4. Design flight paths to avoid sensitive wildlife habitats, particularly during critical periods such as calving or nesting seasons 5. Maintaining the highest possible altitude over wildlife areas such as the National Park Reserves to reduce noise on the ground 6. Minimize hovering and circling to reduce prolonged noise exposure 7. Group noisy activities, such as running the generator, into shorter time frames to provide wildlife with extended quiet periods
Direct harm to living things, and human-wildlife conflicts	Caused by project activities or personnel	X	1. Implementation of a Wildlife Management Plan 2. Implementation of a strict no hunting policy for Project staff

			3. Equipping field crews with bear deterrence kits which include airhorns, bear spray and bear bangers 4. Where appropriate, making use of wildlife monitors 5. Possible bird strikes with helicopter will be mitigated by avoiding sensitive periods as outlines in the Wildlife, Archaeology and Environmental Awareness Plan 6. Wildlife setbacks as described in the Wildlife, Archaeology and Environmental Awareness Plan 7. Work areas will be inspected for evidence of wildlife access or initiation of nesting
Aquatic Habitat			
Effects on health fish habitat habitat	Withdrawal of water from a waterbody for Project use, potential run off from drilling activities	X	1. Minimizing water use to the extent practical and to a cumulative daily use of no more than 99 m3 per day 2. Ensuring water withdrawal and sourcing aligns with DFO and Land and Water Board guidance for the protection of fish and fish habitat, such as limiting water withdrawal to <10% of instantaneous flow or under ice water withdrawal to <10% of available water volume 3. Following DFO's protective measures for fish and fish habitat and standard codes of practice and respect the NWT in-water works restricted activity timing windows to the extent feasible 4. No camp, sumps, or fuel storage within 100m of a waterbody except with Inspector approval 5. Implementation of a strict no fishing policy for Project staff 6. All staff will undergo orientation and training on project policies related to wildlife feeding and fishing 7. Drilling fluids and sediment is redirected into a sump which allows for fluid collection as well as sediment management preventing uncontrolled discharge of fluid into the surrounding area (see Waste Management Plan).
CULTURAL COMPONENTS			
Cultural Integrity and Heritage Resources			
Potential change to, or loss of cultural integrity and heritage resource	From project activities	X	1. Implementing a Wildlife, Archaeology and Environmental Awareness Plan 2. Conducting a Traditional Knowledge Study to increase information of the land Project activities is taking place on. 3. Gathering information on the presence of known archaeological sites from the PWNHC and adhering to applicable buffer distances. 4. Conducting and Archaeological Overview Assessment of areas of planned activities 5. Conducting activities preferentially in areas of Low Archaeological potential 6. Per the SLUP: *"In areas where there is a high risk of impact to known or suspected archaeological sites, as determined by the PWNHC, an archaeological impact assessment must be conducted prior to commencement of the land use activity"*

			7. Educating Project staff on identification of potential archaeological resources and avoidance and notification procedure 8. If archaeological sites are discovered, adhere to any buffer distances prescribed
Social and Economic Well-being			
Changes in social and economic opportunities or losses (employment, training)	Project activities, purchasing and employment	X	1. Direct hires from Sahtu/Norman Wells communities, additional training opportunities in rolls such as cook, laborer, cleaning, archaeological support, field assistant, core cutting, food preparation, geotechnical work on core, camp maintenance and set up, drilling and drill helpers, field technician roles, archaeological research assistant, and wildlife (or bear) monitoring 2. Good and services will be preferentially sourced from local communities 3. Support of community initiatives where requested and financially feasible 4. As per the Sahtu Land Use Plan and is aware of the concerns and the Conformity Requirements (CRs) and will abide by the best efforts to ensure it does not infringe upon ecological, cultural, social, or economic values identified for protection in the plan.
Impairment of the aesthetic quality of the land		X	Although it is not expected from a program of this nature and scale but implementation measures will include: 1. Restoring the Project area to a natural and stable state, similar to those present prior to project activities and to a state that requires no long-term care requirements and is supportive of traditional and non-traditional land uses. 2. Implementation of a Closure and Reclamation Plan

Appendix C – Maps to Supplement Conformity Requirements Table

REDACTED

Figure 5. High Archaeological Potential Areas and Grad Worksites