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**Arctic Canadian Diamond Company Ltd.
Land Use Permit W2017D0004**

Pursuant to the *Mackenzie Valley Resource Management Act* and Mackenzie Valley Land Use Regulations, the Wek'èezhìi Land and Water Board grants this Land Use Permit to:

Arctic Canadian Diamond Company Ltd.
(Permittee)

of 900-606 4 Street SW, Calgary, AB, T2P 1T1
(Mailing Address)

hereinafter called the Permittee, to proceed with the following land-use operation, subject to the annexed definitions and conditions contained therein:

Location:	Misery Underground, Lac du Sauvage, NT
Purpose:	Mining Exploration - Mine Shaft
Type:	A
Effective Date:	July 12, 2018
Expiry Date:	July 11, 2023

Amendment – Changes to Authorizations to reflect Security Decision:	May 18, 2023
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A handwritten signature in black ink, appearing to read "Mason Mantla".

Mason Mantla, Chair
Wek'èezhìi Land and Water Board

A handwritten signature in black ink, appearing to read "Meghan Schnurr".

Meghan Schnurr, Witness



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LAND USE PERMIT

Permit Class	Permit No	Amendment No
A	W2017D0004	1 (May 6, 2020)

Subject to the *Mackenzie Valley Land Use Regulations* and the terms and conditions in this Permit, authority is hereby granted to:

Arctic Canadian Diamond Company Ltd.

Permittee

To proceed with the land use operation described in application of:

Signature Claudine Lee	Date February 5, 2019
Type of Land use Operation Mining and Associated Activities	
Location Lac du Sauvage , NT	

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the *Mackenzie Valley Land Use Regulations*.

Dated at Yellowknife this 4th day of February , 2021

Signature Chair

Signature Witness

Commencement Date

Expiry Date

July 12, 2018

July 11, 2023

Attention

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit by the Board.



**Conditions Annexed to and Forming Part
of Land Use Permit # W2017D0004**

Part A: Scope of Permit

1. This Permit entitles Arctic Canadian Diamond Company Ltd. to conduct the following land-use operation:
 - a) extraction and storage of waste rock and ore from the Misery Development;
 - b) installation, operation, and maintenance of power lines and associated infrastructure as described in the application submitted August 15, 2017;
 - c) operation, and maintenance of the Misery haul road and associated infrastructure;
 - d) construction, use, and maintenance of supporting infrastructure at the Misery Development;
 - e) use and expansion of the Misery camp;
 - f) construction and maintenance of site facilities;
 - g) construction and maintenance of a temporary ore stockpile;
 - h) use of machinery and equipment to support construction and operations of the Misery pit;
 - i) storage of fuel; and
 - j) use of explosives
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, Tłı̨chǫ, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit) and have the following meanings:

Act - the *Mackenzie Valley Resource Management Act*.

Archaeological Overview - as defined by the Prince of Wales Northern Heritage Centre – *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories* is incorporated by reference herein.

Archaeological Impact Assessment - as defined by the Prince of Wales Northern Heritage Centre – *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories* is incorporated by reference herein.

Board - the Wek'èezhìi Land and Water Board established under Part 3 of the Act, as the case may be.

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

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.

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.

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.

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 the Government of the Northwest Territories – Department of Lands.

Misery Development - all of the activities and facilities associated with the Construction, operation, and Reclamation of the Misery pit.

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.

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.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* (April 2007, that describes the set of procedures to be implemented to minimize the effects of a spill).

Toxic - a 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 includes the meaning of that term set out 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)

Condition	Category
26(1)(a) Location and Area	
1. The Permittee shall use an existing campsite, as described in the complete application.	EXISTING CAMP
2. The Permittee shall not conduct this land-use operation on any lands not designated in the complete application.	LOCATION OF ACTIVITIES
3. Prior to the commencement of drilling, the Permittee shall submit the drill target locations on a 1:50,000-scale map with coordinates and map datum to an Inspector and the Board.	DRILL LOCATIONS
26(1)(b) Time	
5. At least 48 hours prior to the commencement of the land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 767-9187 ext. 24188.	CONTACT INSPECTOR
6. At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: <ul style="list-style-type: none"> a) the plan for removal or storage of equipment and materials; and b) when final cleanup and reclamation of the land used will be completed. 	REPORTS BEFORE REMOVAL
7. 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: <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). 	IDENTIFY AGENT
26(1)(c) Type and Size of Equipment	
8. The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application.	ONLY APPROVED EQUIPMENT
26(1)(d) Methods and Techniques	
9. The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse.	STORAGE ON ICE

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

10. 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

11. The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses. **PROGRESSIVE EROSION CONTROL**
12. The Permittee shall, where flowing water from a Borehole is encountered: **FLOWING ARTESIAN WELL**
- 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.
13. The Permittee shall ensure that vehicle travel is restricted to site roads unless otherwise authorized in writing by the Inspector. **TRAVEL RESTRICTED TO SITE ROADS**
14. The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting. **SUSPEND OVERLAND TRAVEL**

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

15. At least seven days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided to the Board and an Inspector. **CHEMICALS**
16. The Permittee shall dispose of all Toxic substances as described in the approved Waste Management Plan. **WASTE CHEMICAL DISPOSAL**
17. The Permittee shall dispose of all combustible waste petroleum products by removal to an approved disposal facility. **WASTE PETROLEUM DISPOSAL**
18. The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT *Spill Contingency Planning and Reporting Regulations*, the Permittee shall:
- a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;
 - b) report each spill to an Inspector within 24 hours; and
 - c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. **REPORT SPILLS**
19. The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump or natural depression. 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 **DRILLING WASTE**

Watercourse, unless otherwise authorized in writing by an Inspector.

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

26(1)(h) Wildlife and Fish Habitat

21. The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. **HABITAT DAMAGE**

22. The Permittee shall not install pole access pads or power poles within 30 m of a Watercourse. **WATERCOURSE**

26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

23. The Permittee shall adhere to 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**

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

24. 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**

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

26. The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: **SITE DISCOVERY AND NOTIFICATION**
1. immediately suspend operations on the site; and
 2. notify the Board at (867) 765-4592 or an Inspector at (867) 767-9187 ext. 24188, and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71250 or ext. 71251.

26(1)(l) Security Deposit

27. Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$1,453,799. **SECURITY DEPOSIT**

28. 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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| 29. The Permittee shall:
(a) examine all Fuel Storage Containers and containers for leaks a minimum daily; and (b) repair all leaks immediately. | CHECK FOR LEAKS |
| 30. The Permittee shall not place any Fuel Storage Containers or tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | FUEL NEAR WATER |
| 31. The Permittee shall ensure that all fuel caches containing 20 or more Fuel Storage Containers have adequate Secondary Containment. | FUEL CACHE
SECONDARY
CONTAINMENT |
| 32. The Permittee shall set up all refueling points with Secondary Containment. | SECONDARY
CONTAINMENT –
REFUELING |
| 33. The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | FUEL CONTAINMENT |
| 34. 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 |
| 35. The Permittee shall adhere to 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 |
| 36. 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 |
| 37. 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 |
| 38. The Permittee shall clean up all leaks, spills, and contaminated material. | CLEAN UP SPILLS |
| 26(1)(n) Methods and Techniques for Debris and Brush Disposal | |
| 39. The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses. | MINIMIZE AREA
CLEARED |

26(1)(o) Restoration of the Lands

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| 40. | The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so. | PROGRESSIVE RECLAMATION |
| 41. | The Permittee shall adhere to the approved Closure and Reclamation Plan. | RECLAMATION PLANNING |

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

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| 42. | The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation. | DISPLAY PERMIT |
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26(1)(q) Biological and Physical Protection of the Land

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| 43. | 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 |
| 44. | The Permittee shall adhere to 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 |
| 45. | All revised plans submitted to the Board shall include a brief summary of the changes made to the plan. | SUMMARY OF CHANGES |