



July 21, 2022

Nighthawk Gold Corp.
#301 – 141 Adelaide St. W.
TORONTO, ON M5H 3L5

Attention: Mr. Richard Roy

**Re: Land Use Permit W2018C0007
Mineral Exploration
Colomac and Damoti Lake Area, NT**

Dear Mr. Roy,

An inspection of the completed drill sites from the 2021 Exploration Program and the active diamond drill program was conducted by Inspectors Clint Ambrose and Karine Gignac on July 19th, 2022. The inspection was carried out to ensure operating conditions annexed to the above noted land use permit are being adhered to during this land use operation. All findings of the inspection were discussed on site with Major Drilling personnel (Contractor) and Mr. John Nicholson (Permittee) in a phone conversation upon completion of the inspection.

All of the completed drill sites on Territorial Land were inspected and the Inspectors are pleased to report that no major concerns were noted. It is anticipated that drill steel, rod grease clean-up & tree disposal will be addressed when surveyors pickup all of the completed sites. Two diamond drills were active at the time of the inspection and once again, no major concerns were noted, just the need to improve drill waste management at the drill collars. Your copy of the Environmental Inspection Report is enclosed and should be self-explanatory.

If you have any questions or concerns, please contact the undersigned at (867) 767-9188 or Ms. Karine Gignac at (867) 767-9187 ext. 24189.

Sincerely,

Clint Ambrose
Manager, Resource Management (Inspector)
North Slave Regional Office
GNWT – Department of Lands

cc: WLWB
Nighthawk Gold Corp. – via email
CIRNAC – Tim Morton – via email





ENVIRONMENTAL INSPECTION REPORT

Permittee:	Nighthawk Gold Corp	Inspection Date – July 19 th , 2022
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		Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	W2018C0007	February 14 th , 2024	March 22 nd , 2022
Quarry Permit No(s).	N/A		
Contractor:	Major Drilling	Subcontractor:	

Location(s) Inspected:	Completed drill sites (177 total) from the 2021 Exploration Program and the active diamond drill program.
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Current Stage of Operation:	Two (2) diamond drills were active in the Cass land use area and on the 20 th & 21 st setup of the 2022 exploration program.
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Program Modifications Approved:	
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Condition of Operation “A” - Acceptable “U” - Unacceptable “N/A” - Not Applicable

#	Operating Condition	Aspect Inspected			Condition
		Drill Program			
A	Location and Area	A			
B	Time	A			
C	Type and Size of Equipment	A			
D	Methods and Techniques	A*			#17 Mineral Exploration Drill Casings
E	Type, Location, Capacity and Operation of All Facilities	A			
F	Control or Prevention of Ponding of Water, Flooding, Erosion, Slides and Subsidence of Land	A			
G	Use, Storage, Handling and Ultimate Disposal of Any Chemical or Toxic Material	A*			#40 Drilling Waste Containment
H	Wildlife and Fisheries Habitat	A			
I	Storage, Handling and Disposal of Refuse or Sewage	A			
J	Protection of Historical, Archeological and Burial Sites	A			
K	Objects and Places of Recreational, Scenic or Ecological Value	N/A			
L	Security Deposit	A			
M	Fuel Storage	A			
N	Methods and Techniques for Debris and Brush Disposal	A*			#72 Brush Disposal/Time
O	Restoration of the Lands	A			
P	Display of Permits and Permit Numbers	A			
Q	Matters Not Inconsistent With the Regulations	A			
R	Sections 8 to 16 M.V.L.U.R.	A			



ENVIRONMENTAL INSPECTION REPORT Pg. 2

Date: July 19th, 2022

Permit #: W2018C0007

Explanatory Remarks

An inspection of the completed drill sites from the 2021 Exploration Program and the active diamond drills was conducted by Inspectors Clint Ambrose and Karine Gignac on July 19th, 2022. The inspection was carried out to ensure operating conditions annexed to the above noted land use permit are being adhered to during this land use operation. All findings of the inspection were discussed on site with Major Drilling personnel (Contractor) and Mr. John Nicholson (Permittee) in a phone conversation upon completion of the inspection.

The 2021 Exploration Program finished on approximately September 29th, 2021 and the Permittee drilled a total of **177 land based holes** on Territorial land. All completed drill sites were inspected and examples of completed setups in various locations throughout the land use area can be viewed in Figure 1 thru 10.

Overall the Inspectors were very pleased with the condition of the sites since drill pad size was kept to a minimum, no obvious garbage or debris was observed, it appeared that fuel handling was compliant with the operating conditions of the permit, drill waste was well managed to prevent mobilization into an adjacent watercourse, the fuel cache in the Fishhook Lake area was removed and all equipment was demobilized.

There were a few concerns noted with some of the completed drill sites and the first concern can be viewed in Figure 11. As seen in this Figure, an anchor is present and the casing is quite high. As per Condition #17 of the land use permit, all casing (drill steel) is to be pulled or cut flush with the ground surface. This concern was discussed with Mr. Nicholson and the Inspector was informed that all of the completed drill sites still require surveying and at this time, this concern will be addressed. The maximum height of casing should be no more than 12" but every effort to get it below this height must occur.

The second concern was with the presence of rod grease at a couple of sites inspected and as viewed in Figure 12. When the sites are re-visited, all rod grease must be collected, containerized and shipped offsite for proper disposal at a licensed waste disposal facility in Yellowknife.

Although the majority of tree/brush disposal appeared satisfactory like viewed in Figure 13, a few sites had trees piled (Figure 14). Once the drill pulls off a target and a thorough clean-up conducted, all trees must be pulled back over the site and spread so that all parts of the trees lie flat on the ground surface. This practice will help with the decomposition of the trees and provide micro climates to promote natural re-vegetation.

As agreed upon, the Permittee will be providing a follow up report to the Inspectors with photos demonstrating that the aforementioned concerns have been satisfactorily addressed and this cooperation is anticipated & appreciated.

The 2022 Exploration Program on Territorial Land commenced on June 19th, 2022 and at the time of the inspection, the Major diamond drills were on the **20th and 21st** setup of the season. The drills can be viewed in Figure 15 thru 18 and the following was observed during the inspection;

- The size of the drill pads continue to be kept to a minimum as required by Condition #73 of the land use permit,
- Fuel drums at the water pump & adjacent to the drills are being stored on spill pallets (Figure 19),
- All ancillary equipment and the power packs for the drill have a form of secondary containment present (Figure 20 thru 22),
- Spill response materials were readily available throughout the land use area (Figure 23 & 24),
- Minimal drill additives are in use and the Inspectors have been provided the Safety Data Sheets (SDS) for all of the products observed on site,
- Water meters (Figure 25) have been installed on the mud tank inside the drill shack and diligent readings are being taken by the drillers at the start and conclusion of each shift,
- Waste is being segregated and removed back to the Colomac Camp for incineration or shipment offsite to a licensed facility in Yellowknife,
- The drillers are trying to reduce the requirement for anchors by using natural features (i.e.: trees, boulders, etc.) but if required, both drillers were aware of the need to cut them flush with the ground surface, and
- Drill waste is being managed in a manner to prevent mobilization to a watercourse (Figure 26) but improvements were discussed with Major drilling personnel and Mr. Nicholson to ensure drilling occurs in the "Dry".

As noted in the August 4th, 2021 Environmental Inspection Report and observed during the recent inspection, the Inspector requires the Permittee & Contractor to implement measures that will allow drill waste to be collected at the drill collar for pumping to ensure drill waste does not spread under the drill and holes can be drilled in the "Dry". The Inspectors discussed the use of casing pots, Rubbermaid containers, earthen sumps, etc. that could be installed during drill setup.



ENVIRONMENTAL INSPECTION REPORT Pg. 3

Date: July 19 th , 2022	Permit #: W2018C0007
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Explanatory Remarks

The Inspectors were informed that casing pots are being stored at the camp and could be used on subsequent drill setups and the cooperation of the Permittee & Contractor to comply with Condition #40 of the land use permit is anticipated & appreciated.

Overall, the Inspectors were very pleased with the manner in which this land use operation is being conducted and are confident that compliance with the operating conditions of the land use permit will continue for the remainder of this land use operation. It is respectfully requested that the Weekly Report continues to be provided to the Inspectors as it is very helpful for ascertaining the progress of this land use operation.

Once the end date for the seasonal suspension of drilling operations is known, please ensure the Inspectors are given advanced notice as required by Condition #11 of the permit.

Completed off Site
Representative's Signature

Clint Ambrose
Inspector


Inspector's Signature