

**DRAFT CONDITIONS ANNEXED TO  
AND FORMING PART OF LAND USE  
PERMIT NUMBER W2018C0007**

**Part A: Scope of Permit**

1. This Permit entitles Nighthawk Gold Corp. to conduct the following activities in the Indin Lake Gold Property (64° 0' 0.76" N to 64° 31' 52" N Latitude and 114° 48' 50" W to 115° 26' 43" W Longitude):
  - a) Construction, use, and maintenance of winter spur roads from the GNWT Wekweètì Winter Road to Damoti Lake, Colomac, Spider Lake and Diversified, as well as other spur roads within the land use area,
  - b) Use of equipment listed in the land use permit application,
  - c) Use of an existing camp at the Colomac Site and satellite camps in the land use area (if required and approved by Inspector),
  - d) Use and storage of explosives for trenching and bulk sampling (if required),
  - e) The establishment of fuel caches, and
  - f) Mineral Exploration including bedrock sampling, geophysics and diamond drilling.
2. The 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 absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial, Tlicho, and Municipal legislation.

**Part B: Definitions**

**“Act”** means the *Mackenzie Valley Resource Management Act*,

**“Artesian Aquifer”** means a water-bearing stratum, which when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface;

**“Board”** means the Wek’eezhii Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*,

**“Drill Waste”** means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;

**“Inspector”** means an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*,

**“Sump”** means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein;

**Part C: Conditions Applying to All Activities (the headings correspond to Subsection 26 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 accepted applications dated February 29, 2012 and May 29, 2014.  | PLANS                     |
| 2. | The Permittee shall operate in accordance with the requirements of the <i>Colomac Site Restrictions</i> annexed to this permit, and any revisions to the <i>Colomac Site Restrictions</i> as and when approved by the Board. | COLOMAC SITE RESTRICTIONS |
| 3. | The Permittee shall not conduct any part of the land use operation within three hundred (300) metres of any privately owned or leased land or structure, unless authorized in writing by an Inspector or the Board.          | PRIVATE PROPERTY          |
| 4. | When the Permittee is drilling within one hundred (100) metres of the ordinary high water mark of a water body, they must ensure that cuttings do not enter any water body.  | LOCATION OF DRILLSITES    |
| 5. | The Permittee shall use an existing campsite at the Colomac Site or satellite camps (e.g., at Damoti Lake); provide the location to an Inspector for approval.   | CAMP LOCATION             |
| 6. | Prior to the commencement of diamond drilling, the Permittee shall submit to an Inspector the proposed drill targets on a digital map with coordinates and map datum.  | DRILL LOCATIONS           |
| 7. | Prior to the commencement of trenching or bulk sampling, the Permittee shall submit to the Board and an Inspector the proposed locations and detailed plans for these activities.  | BULK SAMPLING             |
| 8. | Prior to the construction of any new winter road portages, the Permittee shall submit to an Inspector the proposed portage locations.  | WINTER ROAD LOCATIONS     |

**26(1)(b) TIME**

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| 9.  | The Permittee's Field Supervisor shall contact an Inspector at (867) 669-2794 at least forty-eight (48) hours prior to the commencement of this land use operation.   | CONTACT INSPECTOR      |
| 10. | The Permittee shall advise an Inspector at least ten (10) days prior to the completion of the land use operation of (a) the plan for removal or storage of equipment and materials, and (b) when final clean-up and restoration of the land used will be completed.   | REPORTS BEFORE REMOVAL |
| 11. | The Permittee shall provide in writing to an Inspector and the Board, at least forty-eight (48) hours prior to commencement of this land use operation, the following information:<br>(a) person, or persons, in charge of the field operation;<br>(b) alternates; and<br>(c) all methods for contacting the above person(s). | IDENTIFY AGENT         |
| 12. | The Board, for the purpose of this operation, designates April 15 as spring break-up, unless otherwise authorized in writing by an Inspector.   | SPRING BREAK-UP        |
| 13. | The Permittee shall clean up and v-notch all ice bridges prior to spring break-up or completion of the land use operation, unless otherwise authorized in writing by an Inspector.  | REMOVE ICE BRIDGE      |
| 14. | The Permittee shall remove all snow fills from stream crossings prior to spring break-up or completion of the land use operation, unless otherwise approved in writing by an Inspector.   | REMOVE SNOW FILLS      |

**26(1)(c) TYPE AND SIZE OF EQUIPMENT**

- 15. The Permittee shall not use any equipment except of the type, size and number that is listed in the accepted application, unless otherwise authorized in writing by an Inspector. ONLY APPROVED EQUIPMENT

**26(1)(d) METHODS AND TECHNIQUES**

- 16. The Permittee shall not conduct vehicle travel in areas without snow-covered surfaces. All-terrain-vehicles and side-by-sides (utility-task-vehicles) can use existing trails and established mine roads and easements. VEHICLE TRAVEL
- 17. The Permittee shall construct and maintain winter roads with a minimum of ten (10)centimetres packed snow (or ice)at all times during this land use operation. If thiscannot be done, then the Permittee shall construct Ice Roads in a manner authorized by an Inspector. SNOW ROADS/  
ICE ROADS
- 18. The Permittee shall not store material other than that required for immediate use on the ice surface of water bodies. During drilling on ice, materials are safely stored next to the drill and remain there until the hole is completed. This includes the items required to complete the hole safely. STORAGE ON ICE
- 19. The Permittee shall remove or cut off and seal all drill casings at ground level immediately upon completion of drilling. REMOVAL AND SEALING OF DRILL CASINGS

**26(1)(e) TYPE, LOCATION, CAPACITY AND OPERATION OF ALL FACILITIES**

- 20. The Permittee shall not locate any sump within one hundred (100) metres of the ordinary high-water mark of any water body, unless otherwise authorized in writing by an Inspector, e.g., if an alternative cannot be readily located and in all cases, materials would not enter any waterbody. SUMPS FROM WATER
- 21. 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**

- 22. The Permittee shall, where flowing water from bore holes is encountered, (1) plug the bore hole in such a manner as to permanently prevent any further outflow of water; and (2) report the artesian occurrence to an Inspector immediately. PLUG ARTESIAN WELLS
- 23. The land use operation shall not cause obstruction to any natural drainage. NATURAL DRAINAGE
- 24. The Permittee shall implement erosion control measures as the land use operation progresses. EROSION CONTROL
- 25. The Permittee shall not use any material other than water in the construction of ice bridges. ICE BRIDGE MATERIALS
- 26. The Permittee shall not use any material other than snow in the construction of snow fills. SNOW FILLS
- 27. The Permittee shall minimize approach grades on all watercourse crossings. MINIMIZE APPROACH
- 28. The Permittee shall not use any self-propelled equipment for clearing brush within 10 metres of the high water mark of any watercourse, unless otherwise authorized in writing by an Inspector. HAND CLEARING ONLY
- 29. The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. PREVENTION OF RUTTING
- 30. The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting. SUSPEND OVERLAND TRAVEL
- 31. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. VEHICLE MOVEMENT FREEZE-UP

**26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL**

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| 32. | The Permittee shall not use chemicals in connection with the land use operation that were not identified in the accepted application unless the MSDS sheets are provided to an Inspector and the Board and usage of the chemical(s) is authorized in writing by an Inspector.  | APPROVAL OF CHEMICALS    |
| 33. | The Permittee shall dispose of all toxic or persistent substances by removal to an approved disposal facility.   | CHEMICAL DISPOSAL        |
| 34. | The Permittee shall remove all drill waste containing toxic or persistent chemical additives to an approved waste disposal facility.   | DRILL WASTE DISPOSAL     |
| 35. | The Permittee shall deposit all non-toxic drill waste into a sump or natural depression at least one hundred metres from the ordinary high-water mark of any water body, or as authorized in writing by an Inspector, e.g., if an alternative cannot be readily located and in all cases, materials would not enter any water body.          | DRILL WASTE              |
| 36. | The Permittee shall remove all drill waste off ice surfaces.   | DRILL WASTE DISPOSAL     |
| 37. | The Permittee shall not allow any drilling waste to spread to surrounding lands or into water bodies.  | DRILL WASTE CONTAINMENT  |
| 38. | When drilling on ice, the Permittee shall use a closed circuit drilling system with the disposal of cuttings into a land-based sump or pump return water and cuttings to a suitable sump or natural depression located 100 m from the ordinary high water mark, or other suitable location that assures materials do not enter a water body. | DRILLING ON ICE          |
| 39. | The Permittee shall dispose of all combustible waste petroleum products by removal to an approved waste disposal facility.   | WASTE PETROLEUM DISPOSAL |
| 40. | The Permittee shall report all spills immediately to the 24 hour Spill Report Line (867) 920-8130 in accordance with instructions contained in "NT-NU Spill Report" form.  | REPORT SPILLS            |

**26(1)(h) WILDLIFE AND FISHERIES HABITAT**

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| 41. | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish habitat during this land use operation. | HABITAT DAMAGE |
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**26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE**

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| 42. | The Permittee shall adhere to the approved Waste Management Plan and shall annually review the Plan and make any necessary revisions to reflect changes in operations, technology, or wastes on site. Revisions to the Plan shall be submitted to the Board for approval.  | WASTE MANAGEMENT PLAN |
| 43. | The Permittee shall dispose of all sewage and grey water as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector.   | SEWAGE DISPOSAL       |
| 44. | The Permittee shall remove all non-combustible garbage and debris, including plastics from the land use area to a disposal site as described in the approved Waste Management Plan.  | REMOVE GARBAGE        |
| 45. | The Permittee shall use a forced-air fuel-fired incinerator to burn all combustible, non-hydrocarbon bearing, garbage except plastics as described in the approved Incinerator Management Plan. The Permittee shall annually review the Plan and make any necessary revisions to reflect changes in operations, technology, or wastes on site. Revisions to the Plan shall be submitted to the Board for approval. | INCINERATORS          |
| 46. | The Permittee shall keep all garbage and debris in a secure container until disposed of.   | GARBAGE CONTAINER     |

**26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES**

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| 47. | The Permittee shall not operate any vehicle or equipment within one hundred and fifty (150) metres of a known or suspected historical or archaeological site or burial ground. | OPERATE VEHICLE  |
| 48. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.  | SITE DISTURBANCE |

49. The Permittee shall, where a suspected archaeological or burial site is discovered: CONTACTS  
(1) immediately suspend operations on the site; and (2) notify the Board at (867) 713-2500 or an Inspector at (867) 669-2794, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688.

**26(1)(l) SECURITY DEPOSIT**

50. The Permittee shall be liable for any damages in excess of the amount of the posted security. LIABILITY FOR DAMAGES

**26(1)(m) FUEL STORAGE**

51. The Permittee shall report in writing to an Inspector the location and quantity of all fuel caches within ten (10) days of their establishment. REPORT FUEL LOCATION
52. The Permittee shall not place any fuel storage containers within one hundred (100) metres of the ordinary high water mark of any watercourse, unless otherwise authorized in writing by an Inspector. FUEL NEAR WATERCOURSE
53. The Permittee shall locate mobile fuel facilities on land when stationary for any period of time exceeding twelve (12) hours. FUEL ON LAND
54. The Permittee shall mark all stationary petroleum products storage facilities with flags, posts or similar devices so that they are at all times plainly visible to local vehicle travel. MARK FUEL LOCATION
55. The Permittee shall seal all container outlets except the outlet currently in use. SEAL OUTLET
56. The Permittee shall mark all fuel containers, including 45-gallon drums, with the Permittee's name. MARK CONTAINERS
57. The Permittee shall install and maintain adequate secondary containment for all fuel caches having more than 20 containers. SECONDARY CONTAINMENT REQUIREMENT
58. The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. FUEL CONTAINMENT
59. The Permittee shall ensure that spill-response equipment is in place, prior to commencement of operations, to respond to any potential spills. SPILL RESPONSE
60. The Permittee shall adhere to the approved Spill Contingency Plan and shall, both annually and prior to the establishment of any fuel caches not described in the approved Plan, review the Plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels. Revisions to the Plan shall be submitted to the Board for approval. SPILL PLAN

**26(1)(n) METHODS AND TECHNIQUES FOR DEBRIS AND BRUSH DISPOSAL**

61. The Permittee shall dispose of all brush and debris cleared from trails, drill pads and lines by: BRUSH DISPOSAL  
pushing or felling the material into the adjacent forest; and  
cutting the stems from the branches and cutting the branches into lengths so that all parts of the trees felled lie flat on the ground surface.
62. The Permittee shall progressively complete disposal of all debris and brush. PROGRESSIVE DISPOSAL

**26(1)(o) RESTORATION OF THE LANDS**

63. Prior to the expiry date of this Permit, the Permittee shall clean-up and restore the permit area to substantially the same condition as it was prior to the commencement of the operation. FINAL CLEAN-UP
64. The Permittee shall backfill and restore all sumps prior to the expiry date of this Permit. BACKFILL SUMPS

**26(1)(p) DISPLAY OF PERMITS AND PERMIT NUMBERS**

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

**26(1)(q) BIOLOGICAL AND PHYSICAL PROTECTION OF THE LAND**

66. The Permittee shall not commence any drilling or move any equipment within five hundred (500) metres of one or more caribou. CARIBOU DISTURBANCE

# COLOMAC SITE RESTRICTIONS

**PERMITTEE:** Nighthawk Gold Corp.

**PERMIT NUMBER:** W2018C0007

**EFFECTIVE DATE OF COLOMAC SITE RESTRICTIONS:**

Condition 2 of Land Use Permit W2018C0007 states that "The Permittee shall operate in accordance with the requirements of the Colomac Site Restrictions annexed to this permit, and any revisions to the Colomac Site Restrictions as and when approved by the Board." The specific site restrictions are as follows:

- i) To ensure the health and safety of its workers, the Permittee shall not access the Tailings Containment Facility, Tailings Containment Area access road, Open Pit Area, or Main Mine Complex areas for any purpose as indicated in Colomac Site Map 1 (attached). Access to the airstrip access road shall be permitted.
- ii) The Permittee shall not establish any camps or store equipment, fuel, or other supplies in the aforementioned areas.
- iii) The Permittee shall not drill, trench, excavate any sump, or otherwise alter or disturb the engineered tailings cap within the Tailings Containment Area, Dam 1/Dam 1 B structures, Dyke 7 and spillway, Dam 2 discharge channel, Spruce Lake Disposal Cell, landfill cap in Zone 2.5 Pit, Primary Crusher cap, Steeves Lake Shoreline remediation area, or Hydrocarbon Soil Remediation area as indicated in Colomac Site Map 1.
- iv) The Permittee shall not establish any camps or store equipment, fuel, or other supplies within 30 m of the south bank of the Truck Lake Channel or within 30 m of the south shore of Truck Lake.
- v) The Permittee shall not store bulk fuel north of the decommissioned Explosives Magazine area along the airstrip access road.
- vi) The Permittee shall not ford or cross the Truck Lake Channel for any purpose.
- vii) The Permittee shall not adversely alter the water quality within the Spanner Lake and Paddle Lake - MidgefJy Lake - Lake 315 watersheds or within the drainage pathway between Tailings Lake and Indin River as indicated in Colomac Site Map 2.
- viii) If drilling within the watershed divides indicated on Colomac Site Map 2, the Permittee shall contain all drill waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based sump or natural depression outside of the indicated areas.
- ix) The Permittee shall not alter or disturb the tailings water repository in Zone 2.0 Pit or in the historic Duck Lake tailings remediation area as indicated in Colomac Site Map 1.
- x) The Permittee shall not access the warehouse building known as "Big Blue" as indicated in Colomac Site Map 1, unless otherwise authorized by the owner of the building.
- xi) The Permittee shall not impact upon caribou migration around the Colomac site.
- xii) The Permittee shall not alter, block or otherwise disturb the caribou barriers or pathways indicated in Colomac Site Map 2.

- xiii) The Permittee shall not impede or obstruct, in any way, the Crown's access to the site for monitoring or inspection purposes.

**Description of areas referred to in the Colomac site restrictions**

1. Discharge Pathway - Tailings Lake to Indin River
  - i) Spanner Lake and Paddle Lake-Midgefly Lake-315 Lake watersheds
  - ii) Surveillance Network Stations 1563-39, 1563-14, 1563-40, 1563-41, 1563-13, 1563-32
2. Tailings Containment Area
  - i) Engineered retention structures at Dam 1 / Dam 1B including thermosyphons and thermistor instrumentation strings
  - ii) Engineered tailings cap at Dam 1&2, mid-lake, Dyke 7 and causeway areas in Tailings Lake
  - iii) Engineered tailings cap in Spruce Lake
  - iv) Engineered Spruce Lake Disposal Cell (mill process waste repository)
  - v) Engineered retention and drainage structures Dyke 7, buttress and spillway
  - vi) Engineered drainage structure at Dam 2 Discharge Channel
3. Tailings Containment Area Access Road
  - i) Duck Lake crossing restoration
  - ii) Sewage lagoon and decommissioned retention berm
  - iii) Historic Duck Lake tailings remediation area (west shore)
4. Open Pit Area
  - i) Zone 2.0 Pit (treated tailings water repository)
  - ii) SNP 1563-26 in Zone 2.0 Pit
  - iii) Pressure sensor (hydrology monitoring) in Zone 2.0, 2.5, and 3.0 Pits
  - iv) Pressure sensor (hydrology monitoring) in Baton Lake
  - v) Engineered, non-hazardous landfill in Zone 2.5 Pit
  - vi) SNP 1563-29 (Baton Lake)
5. Spot Pond - Truck Lake - Steeves Lake Drainage
  - i) French drain between Baton and Spot Lake
  - ii) Engineered channel and plug at Spot Pond-Truck Lake drainage
  - iii) SNP 1563-23 (Truck Lake)
  - iv) Truck Lake re-vegetation areas along north and west shores
  - v) Engineered wetland at Truck Lake outflow to Truck Lake Channel
  - vi) Engineered Truck Lake Channel
  - vii) SNP 1563-4 (Truck Lake discharge at Steeves Lake)

6. South Waste Rock Dump Area

- i) Hydrocarbon Soil Remediation Area
- ii) Boneyard Remediation Area
- iii) Engineered Primary Crusher cap
- iv) Big Blue Warehouse

7. Main Mine Complex

- i) Camp pad (decommissioned sewage vault and pit privies)
- ii) Tank Farm Area and G Tank Remediation excavation and re-grade areas
- iii) Maintenance Shop excavation and re-grade area
- iv) Mill Facility (power house, leach tanks, thickener tank) pad and re-grade area
- v) Engineered Steeves Lake Shoreline (armour wall, attenuation and peat trench)
- vi) Hydrocarbon Monitoring and Recovery Well Field
- vii) decommissioned Land Treatment Unit (landfarm facility)
- viii) SNP Stations 1563-20 and 42 (below mill area, outside remediated shoreline)
- ix) SNP Stations 1563-46-49 (Steeves Lake east shore)
- x) Decommissioned explosives magazine area (airstrip access road)
- xi) Access to the airstrip access road shall be permitted

8. Caribou Pathways and Barriers

- i) Barrier at Ridge Lake
- ii) Pathway between Dyke Lake to Steeves Lake and ramp to Steeves Lake
- iii) Pathway between Steeves Lake to Spanner Lake
- iv) Pathway between Baton Lake and Lower Long Lake, north to Duck Lake
- v) Barrier at south end of Zone 3.0 Pit
- vi) Barrier at East Access Hill
- vii) barriers at North Waste Dump (west accesses and northeast corner)
- viii) Pathway along ring road/trails around west and east side of TCA