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31 March 2025

Dr. Anneli Jokela
Regulatory Manager, Wek'èezhii Land and Water Board
#1-4905 48th Street
Yellowknife, NT X1A 3S3

Re: Nighthawk Gold Corp. – Indin Lake Gold Project, NT – Water Management Plan Version 1.1 – Information Request

Dear Dr. Jokela,

The Wek'èezhii Land and Water Board (WLWB) issued Type A Land Use Permit W2021C0009 and Type A Water Licences W2021L2-0004 (non-federal) and W2021L2-0005 (federal) to Nighthawk Gold Corporation (Nighthawk) for the Indin Lake Gold Project on 13 January 2023. Nighthawk submitted Version 1.0 of the Water Management Plan to the WLWB on 21 April 2023 for approval in accordance with Part F, Condition 4 of both licences. The WLWB issued a Reasons for Decision on 1 March 2024, directing Nighthawk to submit Version 1.1 of the Water Management Plan with Revisions #1 to 5. Nighthawk submitted Version 1.1 of the Water Management Plan to address the WLWB Reasons for Decision on 29 October 2024.

In response to Board staff comment 3 on the Water Management Plan (Version 1.1), Nighthawk proposed that a revised Water Management Plan (i.e., Version 1.2) be submitted to “include more detail on the types of triggers that would initiate closure of the rock piles” at Damoti Lake. Nighthawk indicated this would include “Previous mitigation and engineered solutions initiated in response to a High Action Level exceedance have not stopped or reversed the trend towards higher water quality concentrations (or lower pH) within an appropriate timeframe; water quality predictions (using the monitoring dataset) indicate that concentrations will continue to increase; EQC exceedances are confirmed to be linked to runoff from the rock piles and have occurred over more than one sampling event, and the magnitude of the exceedances has increased; and consultation with the Inspector and WLWB has determined that closure of the rock piles is the most appropriate mitigation available.”



To avoid a full review of Version 1.2 of the Plan, the Board submitted an information request via email on 10 March 2025 asking that Nighthawk provide the proposed triggers for closure of the rock piles to help inform the Board's decision on Version 1.1 of the Water Management Plan. Nighthawk understands that the proposed triggers will be circulated to Parties for public review and that Nighthawk will be provided an opportunity to respond.

Proposed triggers for permanent closure of the rock piles

Proposed triggers for permanent closure of the rock piles at Damoti Lake are outlined as follows. These triggers assume that there has already been an effluent quality criteria (EQC) exceedance (or acute toxicity) at the point of discharge to the receiving environment (SNP 5-6) and that a Spill Response Plan has been developed and implemented to respond to this exceedance, per Part F, Condition 14 of Water Licence W2021L2-0004. As outlined in the Water Management Plan Version 1.1, responses proposed for an EQC exceedance are expected to include:

- responses for the Low, Moderate, and High action levels, as applicable (Table 8 of Water Management Plan, Version 1.1)
- resampling to verify the exceedance as soon as possible
- increasing the frequency of sampling
- reviewing results at the receiving environment stations (SNP 5-4 and SNP 5-5)
- if a sample is found to be acutely toxic, conducting a follow-up multi-concentration test to determine the median lethal concentration for the species for which greater than 50% mortality was observed
- if the EQC exceedance is verified in follow-up samples, considering corrective actions and engineered solutions, in consultation with the Inspector and WLWB, including closure of the rock piles. Refer to the Damori Lake Interim Closure and Reclamation Plan for guidance on final closure options (Nighthawk 2023).

The following triggers for closing the rock piles have been developed under the assumption that mitigations outlined above have not been successful in reversing upward trends in concentrations and that runoff from the rock piles is resulting in ecological effects in the aquatic receiving environment of Lardass Lake, i.e., a High Action Level has been triggered at SNP 5-4 in Lardass Lake (Table 9 of Water Management Plan, Version 1.1). The triggers also assume that Nighthawk has considered available engineering solutions to retain and manage runoff from the rock piles. If an engineered option is available to retain and manage runoff, then the triggers provide enough time (at least one open water season) for Nighthawk to design and implement an engineered solution to stop or reverse an upward trend, before deciding on final closure of the rock piles.



If engineered solutions are not feasible, or have not been successful at reversing the upward trend in concentrations above EQC, then closure of the rock piles will be triggered by the following conditions:

1. Four consecutive EQC exceedances (for grab samples or average concentrations) for the same parameter.
2. Results are confirmed to be linked to runoff from the rock piles and not other regional influences (e.g., wildfires, flooding, or dry conditions across the site).

Four consecutive exceedances allow for an appropriate amount of time for Nighthawk to:

- communicate and investigate an initial EQC exceedance
- develop and implement a Response Plan (as part of following the Spill Contingency Plan)
- assess if response actions are achieving goals of the Response Plan, e.g., stopping or reversing the upward trend
- consider and implement engineering solutions to manage runoff

An example timeline is provided as Figure 1.

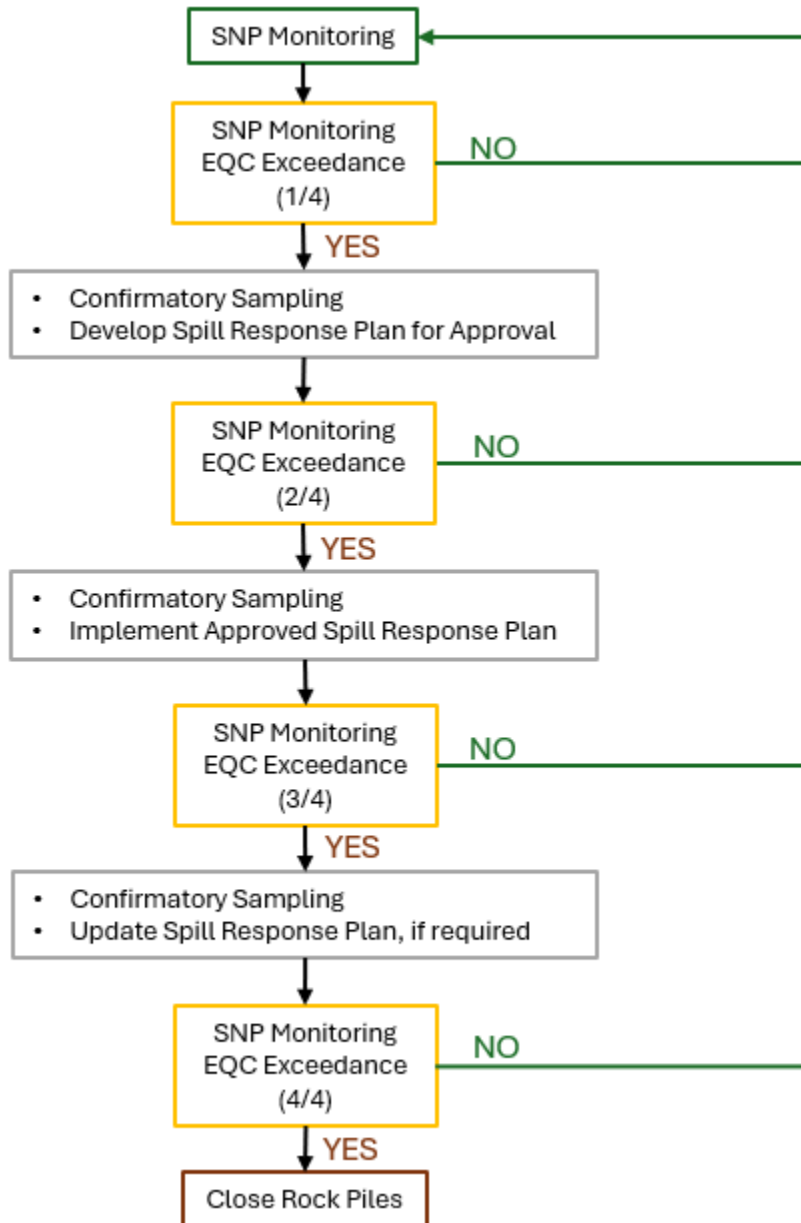


Figure 1: Example flow chart of triggers leading to closure of rock piles.



We trust that the proposed triggers meet the intent of the Board's information request. However, if you require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "John McBride". The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

John McBride MSC. PGeo

VP Exploration