

Conditions Annexed to and Forming Part of Land Use Permit # W2022D0003

Part A: Scope of Permit

1. This Permit entitles the Permittee to conduct the following land-use operation:
 - a) construction of a waste rock pile;
 - b) construction of a temporary kimberlite ore storage pad;
 - c) construction of a crusher pad;
 - d) construction of a road connecting Misery Haul Road to the Winter access road;
 - e) storage of granite waste rock and temporary storage of kimberlite ore;
 - f) storage of fuel; and
 - g) storage of equipment to support operations.
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, Tłıchǫ, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Board - the Wek'èezhìi Land and Water Board established under Part 3 of the Act.

Closure and Reclamation - the process and activities that facilitate the return of areas affected by the Project to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment, human activities, and the surrounding environment.

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.

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 Indian Affairs and Northern Development Canada or the Minister of the Government of the Northwest Territories – Department of Lands, as the case may be.

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.

Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

Progressive Reclamation - Closure and Reclamation activities conducted during the operating phase of the project.

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* that describes the set of procedures to be implemented to minimize the effects of a spill.

Safety Data Sheet - a technical document, typically written by the manufacturer or supplier of a chemical, that provides information about the hazards associated with the product, advice about safe handling and storage, and emergency response procedures.

Toxic Material - any 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 also as defined 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.

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Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) 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 application. | LOCATION OF ACTIVITIES |
| 2. | The Permittee shall use an existing campsite, as described in the complete application. | USE EXISTING CAMP |
| 3. | The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High-Water Mark, except at crossings. | PARALLEL WATERCOURSE
SETBACK |

26(1)(b) Time

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| 4. | At least 48 hours prior to the initial commencement of the land-use operation, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867) [REDACTED] | INITIAL NOTIFICATION –
CONTACT INSPECTOR |
| 5. | 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:
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 |
| 6. | At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:
a) the plan for removal or storage of equipment and materials;
b) when final cleanup and reclamation of the land used will be completed; and
c) when the Final Plan will be submitted. | REPORTS BEFORE
FINAL REMOVAL |

26(1)(c) Type and Size of Equipment

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| 7. | The Permittee shall only use equipment of a similar type, size, and number to that listed in the complete application. | USE APPROVED
EQUIPMENT |
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26(1)(d) Methods and Techniques

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

8. 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

9. The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent: **PERMAFROST PROTECTION**
- a) any vegetation present from being removed;
 - b) the melting of Permafrost; and
 - c) the ground settling and/or eroding.
10. The Permittee shall install and maintain suitable erosion control structures as the land-use operation progresses. **PROGRESSIVE EROSION CONTROL**
11. The Permittee shall apply appropriate mitigation at the first sign of erosion. **REPAIR EROSION**
12. The Permittee shall only conduct off-road vehicle travel on snow-covered surfaces. **OFF-ROAD VEHICLE TRAVEL**
13. The Permittee shall prepare the site in such a manner as to prevent rutting or gouging of the ground surface. **PREVENTION OF RUTTING**
14. The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting or gouging. **SUSPEND OVERLAND TRAVEL**
15. 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**
16. The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector. **STREAM BANKS**
17. The Permittee shall not excavate land within 100 metres of the Ordinary High-Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **EXCAVATION SETBACK**

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

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| 18. | At least seven days prior to the use of any chemicals that were not identified in the complete application, the Safety Data Sheets must be provided to the Board and an Inspector. | CHEMICALS |
| 19. | The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. | WASTE CHEMICAL DISPOSAL |

26(1)(h) Wildlife and Fish Habitat

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| 20. | 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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| 21. | The Permittee shall dispose of all Waste as described in 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 |
| 22. | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE CONTAINER |

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

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| 23. | 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 |
| 24. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | SITE DISTURBANCE |
| 25. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered:

a) immediately suspend operations on the site; and
b) notify the Board at (867) 765-4592 or an Inspector at (867) [REDACTED] and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71251 or ext. 71255. | SITE DISCOVERY AND NOTIFICATION |

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

26(1)(l) Security Deposit

- 26. A minimum of 90 days prior to commencement of construction, the Permittee shall submit a security estimate of the total liability associated with the Lynx WRSA to the Board for approval. Once the Project liability has been determined by the Board, Arctic Canadian Diamond Company Ltd.'s posted security will be updated. **DETERMINATION OF PROJECT LIABILITY**
- 27. The Permittee shall deposit the approved amount of security with the Minister prior to commencement of this land-use operation. **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

- 29. The Permittee shall:
a) examine all Fuel Storage Containers and Tank for leaks; and
b) repair all leaks immediately. **REPAIR LEAKS**
- 30. The Permittee shall place Fuel Storage Containers and or Tanks a minimum of 100 metres from the Ordinary High-Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **FUEL STORAGE SETBACK**
- 31. The Permittee shall ensure that all fuel caches 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 mark all Fuel Storage Containers and Tanks with the Permittee's name. **MARK CONTAINERS AND TANKS**
- 35. The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel. **MARK FUEL LOCATION**

36. The Permittee shall have a maximum of [REDACTED] litres of fuel stored on the land use site at any time, unless otherwise approved by the Board. **MAXIMUM FUEL ON SITE**
37. 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**
38. The Permittee shall comply with 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**
39. 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**
40. All equipment that may be parked for two hours or more, shall have a hazmat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately. **DRIP TRAYS**
41. The Permittee shall clean up all leaks, spills, and contaminated material immediately. **CLEAN UP SPILLS**
42. During the period of this Permit, if a spill occurs or is foreseeable, the Permittee shall:
- a) implement the approved Spill Contingency Plan;
 - b) report it-immediately using the NU-NT Spill Report Form by one of the following methods:
 - Telephone: (867) 920-8130
 - Fax: (867) 873-6924
 - E-mail: spills@gov.nt.ca
 - Online: Spill Reporting and Tracking Database
 - c) within 24 hours, notify the Board and an Inspector; and
 - d) within 30 days of initially reporting the incident, submit a detailed report to the Board and an Inspector, including descriptions of causes, response actions, and any changes to procedures to prevent similar occurrences in the future. Any updates to this report shall be provided to the Board and an Inspector in writing as changes occur.
- REPORT SPILLS**

26(1)(n) Methods and Techniques for Debris and Brush Disposal

43. The Permittee shall not clear areas larger than identified in the complete application. **MINIMIZE AREA CLEARED**

26(1)(o) Restoration of the Lands

44. All outstanding liabilities and obligations of the Permittee in relation to work performed or required to be performed under Land Use Permit W2015D0005 are fully incorporated into and subsumed under this Permit, and the Permittee must therefore complete the restoration and other obligations set out in or incurred under Permit W2015D0005, as well as such further obligations as may be set out in or incurred under this Permit. **TRANSFER OF LIABILITIES**

45. A minimum of 90 days prior to commencement of construction, the Permittee shall submit details regarding the reclamation of the Lynx WRSA to the Board for approval. These details shall be tracked in subsequent CRP Progress Reports until incorporated into the next version of the Closure and Reclamation Plan. **RECLAMATION PLANNING**

46. Prior to the end of the land-use operation, the Permittee shall complete all cleanup and restoration of the lands used. **FINAL CLEANUP AND RESTORATION**

47. Prior to the end of the land-use operation, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. **NATURAL VEGETATION**

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

48. 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

49. 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**

50. The Permittee shall comply with 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**

51. All revised plans submitted to the Board shall include a brief summary of the changes made to the plan.

SUMMARY OF CHANGES

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