

Type B Water Licence MV2022L8-0009
EREX International Ltd. - Yellowknife Lithium Project (Federal)

Table of Contents

- Part A: [Scope and Defined Terms](#)
- [Part B](#): General Conditions
- [Part C](#): Security
- [Part D](#): Water Use
- [Part E](#): Construction
- [Part F](#): Waste and Water Management
- [Part G](#): Aquatic Effects Monitoring
- [Part H](#): Spill Contingency Planning
- [Part I](#): Closure and Reclamation

Schedules

- [Schedule 1](#): Annual Water Licence Report (Part B)
- [Schedule 2](#): Security (Part C)
- [Schedule 3](#): Waste and Water Management (Part F)

Annex A: Surveillance Network Program

- [Part A](#): Surveillance Network Program Description and Monitoring Requirements
- [Part B](#): Flow and Volume Measurement
- [Part C](#): Reporting Requirements

[Annex B](#): Concordance Table of Items Requiring Submission

[Annex C](#): Table of Revision History

Part A: Scope and Defined Terms

Scope:

1. This Licence entitles the Licensee to use Water and deposit Waste for mineral exploration activities for the Yellowknife Lithium Project. **SCOPE**

The scope of this Licence includes the following:

- a) Drilling;
- b) Channel sampling;
- c) Trenching;
- d) Use of explosives;
- e) Use of equipment, vehicles, and machines;
- f) Use and storage of fuel;
- g) Construction, operation, and maintenance of Winter Roads;
- h) Construction, operation, and maintenance of camp;
- i) Withdrawal of Water for drilling and camp consumption;
- j) Depositing of drill cuttings and Sewage into Sumps; and
- k) Progressive Reclamation and associated Closure and Reclamation activities.

The scope of the Project is as described in the Preliminary Screening Determination for MV2022L8-0009, dated December 21, 2022 and May 17, 2023.

**SCOPE – PRELIMINARY
SCREENING**

3. This Licence is issued subject to the conditions contained herein with respect to the use of Water and the deposit of Waste in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposits of such Waste may enter any Waters. Any change made to the *Mackenzie Valley Resource Management Act* and/or the Mackenzie Valley Federal Areas Water Regulations that affects licence conditions and defined terms will be deemed to have amended this Licence. **LEGISLATION SUBJECT
TO CHANGE**
4. Compliance with this Licence does not relieve the Licensee from responsibility for compliance with the requirements of any applicable federal, territorial, or municipal legislation. **LEGISLATIVE
COMPLIANCE**

Defined Terms:¹

Action Level – a predetermined qualitative or quantitative trigger which, if exceeded, requires the Licensee to take appropriate actions.

Analyst – an Analyst designated by the Minister under subsection 84(2) of the *Mackenzie Valley Resource Management Act*.

Aquatic Effects Monitoring Program (AEMP) – a monitoring program developed for the Project in accordance with this Licence and the MVLWB/GNWT *Guidelines for Aquatic Effects Monitoring Programs*.

Artesian Aquifer – a Water-bearing stratum which, when encountered during drilling operations, produces a pressurized flow of Groundwater that reaches an elevation above the Water table or above the ground surface.

Board – the Mackenzie Valley Land and Water Board established under subsection 99(1) of the *Mackenzie Valley Resource Management Act*.

Closure Cost Estimate - an estimate of the cost to close and reclaim the Project.

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 and human activities.

Closure and Reclamation Plan (CRP) – a document, developed in accordance with this Licence and the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*, that clearly describes the Closure and Reclamation for the Project.

Construction – any activities undertaken during any phase of the Project to construct, build, upgrade, or replace any structures, facilities, or components of, or associated with, the Project.

Discharge – a direct or indirect deposit or release of any Water or Waste to the Receiving Environment.

Engagement Plan – a document, developed in accordance with the MVLWB *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.

Greywater – all liquid Waste from showers, baths, sinks, kitchens, and domestic washing facilities, but does not include Toilet Waste.

¹ Defined terms are capitalized throughout the License, including when used in other definitions.

Defined Terms:¹

Groundwater – as defined in section 1 of the Waters Regulations: all water in a zone of saturation below the land surface, regardless of its origin.

Inspector – an Inspector designated by the Minister under subsection 84(1) of the *Mackenzie Valley Resource Management Act*.

Licensee – the holder of this Licence.

Mackenzie Valley Federal Areas Waters Regulations – the regulations proclaimed pursuant to section 90.3 of the *Mackenzie Valley Resource Management Act*.

Minister – the Minister of Northern Affairs.

Ordinary High-Water Mark – the usual or average level to which a Watercourse rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing Watercourses (rivers, streams), this refers to an 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 predominantly aquatic vegetation to terrestrial vegetation (excepting Water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Progressive Reclamation – Closure and Reclamation activities conducted during the operating phase of the Project.

Project – the undertaking described in Part A, Conditions 1 and 2.

Receiving Environment – the natural environment that, directly or indirectly, receives any deposit of Waste from the Project.

RECLAIM – Crown-Indigenous Relations and Northern Affairs Canada's model for estimating Closure and Reclamation costs.

Runoff – the overland flow of Water or Wastewater that occurs when precipitation, meltwater, or other Water is not absorbed by the land.

Seepage – any Water or Waste that drains, passes through, or escapes from any structure designed to contain, withhold, divert, or retain Water or Waste.

Sewage – all Toilet Wastes and Greywater.

Spill Contingency Plan (SCP) – a document developed for the Project in accordance with INAC's *Guidelines for Spill Contingency Planning*.

Defined Terms:¹

Sump – a human-made excavation or a natural depression designated for depositing Water and/or Waste.

Surveillance Network Program (SNP) – a monitoring program required by this Licence and detailed in Annex A.

Toilet Wastes – all human excreta and associated products, not including Greywater.

Traditional Knowledge – the cumulative, collective body of knowledge, experience and values built up by a group of people through generations of living in close contact with nature. It builds upon the historic experiences of a people and adapts to social, economic, environmental, spiritual, and political change.

Unauthorized Discharge – a Discharge of any Water or Waste not authorized under this Licence

Waste – as defined in section 51 of the *Mackenzie Valley Resource Management Act*:

any substance that would, to an extent that is detrimental to its use by people or by any animal, fish or plant, degrade or alter or form part of a process of degradation or alteration of the quality of any water to which it is added. Alternatively, it means any water that contains a substance in such a quantity or concentration or that has been so treated, processed or changed, by heat or other means, that it would, if added to any other water, degrade or alter or form part of a process of degradation or alteration of the quality of that other water to which it is added. It includes:

- a) any substance or water that is deemed, under subsection 2(2) of the *Canada Water Act*, to be waste;
- b) any substance or class of substances prescribed by regulations made under subparagraph 90.3(1)(b)(i);
- c) water that contains any substance or class of substances in a quantity or concentration that is equal to or greater than a quantity or concentration prescribed;
- d) in respect of that substance or class of substances by regulations made under subparagraph 90.3(1)(b)(ii); and
- e) water that has been subjected to a treatment, process or change prescribed by regulations made under subparagraph 90.3(1)(b)(iii).

Waste Management Plan (WMP) – a document, developed in accordance with the MVLWB *Guidelines for Developing a Waste Management Plan*, that describes the methods of Waste management for the Project from Waste generation to final disposal.

Wastewater – any Water that is generated by Project activities or originates on-site, and which contains Waste, and may include, but is not limited to, Runoff, Seepage, Sewage, Minewater, and Effluent.

Water – as defined in section 51 of the *Mackenzie Valley Resource Management Act*: any inland waters, whether in a liquid or frozen state, on or below the surface of land.

Watercourse – as defined in section 2 of the Mackenzie Valley Federal Areas Waters Regulations: a natural watercourse, body of Water or Water supply, whether usually containing Water or not, and includes Groundwater, springs, swamps, and gulches.

Defined Terms:¹

Water Management Area – a geographical area of the Northwest Territories established by section 3 and Schedule 1 of the Mackenzie Valley Federal Areas Waters Regulations.

Water Supply Facilities – the area(s) and structures designed to collect and supply Water for the Project.

Water Use – as defined in section 51 of the *Mackenzie Valley Resource Management Act*: a direct or indirect use of any kind other than a use connected with shipping activities that are governed by the *Canada Shipping Act, 2001*, including

- a) any diversion or obstruction of waters;
- b) any alteration of the flow of waters; and
- c) any alteration of the bed or banks of a river, stream, lake or other body of water, whether or not the body of water is seasonal.

Water Use Fee – the fee for use of Water as per the Mackenzie Valley Federal Areas Waters Regulations pursuant to section 90.3 of the *Mackenzie Valley Resource Management Act* and the MVLWB Water Use Fee Policy.

Winter Road – a seasonal road consisting of ice bridges and/or overland components.

Part B: General Conditions

- | | | |
|----|--|---|
| 1. | The Licensee shall ensure a copy of this Licence is maintained on site at all times. | COPY OF LICENCE |
| 2. | The Licensee shall take every reasonable precaution to protect the environment. | PRECAUTION TO PROTECT ENVIRONMENT |
| 3. | In conducting its activities under this Licence, the Licensee shall make every reasonable effort to consider and incorporate any scientific information and Traditional Knowledge that is made available to the Licensee. | INCORPORATE SCIENTIFIC INFORMATION AND TRADITIONAL KNOWLEDGE |
| 4. | In each submission required by this Licence or by any directive from the Board, the Licensee shall identify all recommendations based on Traditional Knowledge received, describe how the recommendations were incorporated into the submission, and provide justification for any recommendation not adopted. | IDENTIFY TRADITIONAL KNOWLEDGE |
| 5. | All references to policies, guidelines, codes of practice, statutes, regulations, or other authorities shall be read as a reference to the most recent versions, unless otherwise noted. | REFERENCES |
| 6. | The Licensee shall ensure all submissions to the Board:
a) Are in accordance with the MVLWB <i>Document Submission Standards</i> ;
b) Include a conformity statement or table which identifies where the requirements of this Licence, or other directives from the Board, are addressed; and
c) Include any additional information requested by the Board. | SUBMISSION FORMAT AND CONFORMITY |
| 7. | The Licensee shall ensure management plans are submitted to the Board in a format consistent with the MVLWB <i>Standard Outline for Management Plans</i> , unless otherwise specified. | MANAGEMENT PLAN FORMAT |
| 8. | The Licensee shall comply with all plans, including revisions, approved pursuant to the conditions of this Licence. | COMPLY WITH SUBMISSIONS AND REVISIONS |
| 9. | The Licensee shall conduct an annual review of all plans and make any revisions necessary to reflect changes in operations, contact information, or other details. No later than March 31 each year, the Licensee shall send a notification letter to the Board, listing the documents that have been reviewed and do not require revisions. | ANNUAL REVIEW |

- | | | |
|-----|--|--|
| 10. | The Licensee may propose changes at any time by submitting revised plans to the Board, for approval, a minimum of 90 days prior to the proposed implementation date for the changes. The Licensee shall not implement the changes until approved by the Board. | REVISIONS |
| 11. | The Licensee shall revise any submission and submit it as per the Board's directive. | REVISE AND SUBMIT |
| 12. | If any date for any submission falls on a weekend or holiday, the Licensee may submit the item on the following business day. | SUBMISSION DATE |
| 13. | The Licensee shall comply with the Schedules , which are annexed to and form part of this Licence, and any updates to the Schedules as may be made by the Board. | COMPLY WITH SCHEDULE(S) |
| 14. | The Licensee shall comply with the Surveillance Network Program , which is annexed to and forms part of this Licence, and any updates to the Surveillance Network Program as may be made by the Board. | COMPLY WITH SURVEILLANCE NETWORK PROGRAM |
| 15. | The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be updated at the discretion of the Board. | UPDATES TO COMPLIANCE DATE(S) |
| 16. | The Licensee shall comply with all directives issued by the Board in respect of the implementation of the conditions of this Licence. | COMPLY WITH BOARD DIRECTIVES |
| 17. | The Licensee shall ensure signs are posted for all active Surveillance Network Program stations. All sign(s) shall be located and maintained to the satisfaction of an Inspector. | POST SURVEILLANCE NETWORK PROGRAM SIGN(S) |
| 18. | The Licensee shall install, operate, and maintain meters, devices, or other such methods for measuring the volumes of Water used to the satisfaction of an Inspector. | MEASURE WATER USE |
| 19. | Beginning March 31, 2024 and no later than every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the Board and an Inspector. The Report shall be in accordance with the requirements of Schedule 1, Condition 1. | ANNUAL WATER LICENCE REPORT |
| 20. | The Licensee shall comply with the Engagement Plan , once approved. | ENGAGEMENT PLAN |
| 21. | Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Engagement Plan . The Licensee shall not commence mineral exploration activities, including drilling, channel sampling, and trenching prior to Board approval of the Plan. | ENGAGEMENT PLAN – REVISED |

- | | | |
|-----|--|---|
| 22. | A minimum of ten days prior to the initial commencement of Project activities, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur. | NOTIFICATION –
COMMENCEMENT |
| 23. | A minimum of ten days prior to re-commencement of Project activities following a temporary shut-down period, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur. | NOTIFICATION – RE-
COMMENCEMENT |
| 24. | The Licensee shall immediately provide written notification to the Board and an Inspector of any non-compliance with the conditions of this Licence. | NOTIFICATION – NON-
COMPLIANCE WITH
CONDITIONS |
| 25. | The Licensee shall immediately provide written notification to the Board of any non-compliance with a Board directive issued in respect of the implementation of the conditions of this Licence. | NOTIFICATION – NON-
COMPLIANCE WITH
DIRECTIVES |
| 26. | The Licensee shall ensure that a copy of any written authorization issued to the Licensee by an Inspector is provided to the Board. | COPY – WRITTEN
AUTHORIZATION |
| 27. | The Licensee shall submit a current Project schedule to the Board and an Inspector upon request. | SUBMIT CURRENT PROJECT
SCHEDULE |

Part C: Security

- | | | |
|----|--|--|
| 1. | The Licensee shall post and maintain a security deposit with the Minister in accordance with Schedule 2. The Licensee shall not commence activities until the security deposit has been accepted by the Minister. | POST SECURITY DEPOSIT |
| 2. | Upon request of the Board, the Licensee shall submit an updated Closure Cost Estimate using the current version of RECLAIM or another method acceptable to the Board. | UPDATE CLOSURE COST
ESTIMATE |
| 3. | The amount of the security deposit required by Part C, Condition 1 may be adjusted by the Board: <ul style="list-style-type: none"> a) Based on an updated Closure Cost Estimate as per Part C, Condition 2; or b) Based on such other information as may become available to the Board. | ADJUSTED SECURITY
AMOUNT |
| 4. | If the amount of the security deposit is adjusted by the Board as per Part C, Condition 3, the Licensee shall post the adjusted amount with the Minister within | POST ADJUSTED SECURITY
AMOUNT |

the timeframe set by the Board. The Licensee shall not commence any new activities associated with a security adjustment until the additional security deposit has been accepted by the Minister.

5. Unless otherwise approved by the Board, the Licensee may not submit security adjustment requests except with any of the following submissions:
 - a) Closure and Reclamation Plans; or
 - b) Closure and Reclamation Completion Reports.

**SECURITY ADJUSTMENT
REQUESTS**

Part D: Water Use

1. The Licensee shall only obtain fresh Water for the Project as set out in the following table.

**WATER SOURCE AND
MAXIMUM VOLUME**

Name and Type of Water Source	Latitude	Longitude	Purpose of Water Use	Maximum Quantity (m ³ per year)
Lake 11	62.59741335	-113.4735664	Drilling, drill trails and pads	29,110
Lake 18 - Hidden Lake	62.53187000	-113.5195400	Drilling, camp, Winter Roads	2,036,000
Thompson Lake	62.61395657	-113.4995663	Drilling, drill trails and pads, Winter Roads	274,700
Lake 35	62.60151231	-113.4677549	Drilling, drill trails and pads, Winter Roads	905
Lake 36	62.60385735	-113.4811710	Drilling, drill trails and pads, Winter Roads	553
Lake 37	62.60600475	-113.4754963	Drilling, drill trails and pads, Winter Roads	1,935
Lake 38	62.61017922	-113.4745420	Drilling, drill trails and pads, Winter Roads	1,574
Lake 40	62.60964687	-113.4618941	Drilling, drill trails and pads, Winter Roads	2,139
<u>Dorothy Lake</u>	<u>62.45168</u>	<u>-112.534</u>	<u>drilling, camp, winter roads, trails, and pads</u>	<u>109,135</u>
<u>E13</u>	<u>62.37558</u>	<u>-112.8</u>	<u>winter roads</u>	<u>455</u>
<u>E14</u>	<u>62.37166</u>	<u>-112.795</u>	<u>winter roads</u>	<u>39,864</u>
<u>E15</u>	<u>62.37377</u>	<u>-112.748</u>	<u>winter roads, camp</u>	<u>52,955</u>
<u>E23</u>	<u>62.4252</u>	<u>-112.604</u>	<u>winter roads</u>	<u>34,546</u>
<u>E24</u>	<u>62.43489</u>	<u>-112.583</u>	<u>winter roads</u>	<u>1,942</u>
<u>E41</u>	<u>62.37821</u>	<u>-112.8</u>	<u>winter roads</u>	<u>4,209</u>
<u>E42</u>	<u>62.37547</u>	<u>-112.723</u>	<u>winter roads, camp</u>	<u>23,049</u>
<u>E43</u>	<u>62.36553</u>	<u>-112.717</u>	<u>winter roads, camp</u>	<u>16,815</u>
<u>E48</u>	<u>62.41006</u>	<u>-112.86</u>	<u>winter roads</u>	<u>27,667</u>
<u>E54</u>	<u>62.4412</u>	<u>-112.559</u>	<u>drilling, camp, winter roads, trails, and pads</u>	<u>20,998</u>
<u>FF59</u>	<u>62.3537</u>	<u>-112.755</u>	<u>winter roads</u>	<u>28,702</u>
<u>FF60</u>	<u>62.35252</u>	<u>-112.744</u>	<u>winter roads</u>	<u>6,329</u>
<u>FF61</u>	<u>62.33435</u>	<u>-112.743</u>	<u>winter roads</u>	<u>72,183</u>
<u>FF63</u>	<u>62.36571</u>	<u>-112.683</u>	<u>winter roads</u>	<u>109,135</u>

- | | | |
|----|---|---|
| 2. | The Licensee may only withdraw up to a combined total of 299 m ³ /day of Water for the Project, as defined in this Licence, and the project defined in Water Licence MV2022L8-0008. | MAXIMUM VOLUME –
YELLOWKNIFE LITHIUM
PROJECT |
| 3. | The Licensee shall only withdraw Water from authorized Water sources with a minimum depth of three metres. | MINIMUM WATER
SOURCE DEPTH |
| 4. | In any single ice-covered season, the Licensee shall not withdraw greater than 10% of the available Water volume of any approved Water source, as calculated using the appropriate maximum expected ice thickness and bathymetric data, or, where bathymetric data is not available, in accordance with the MVLWB/GNWT <i>Method for Determining Available Winter Water Use Capacity for Small-Scale Projects</i> . | MAXIMUM UNDER-ICE
WATER WITHDRAWAL
VOLUME |
| 5. | The Licensee shall only withdraw Water using the Water Supply Facilities, unless otherwise authorized temporarily in writing by an Inspector. | WATER WITHDRAWAL –
FACILITIES |
| 6. | Prior to withdrawing Water from an approved Water source, the Licensee shall post sign(s) to identify the intake for the Water Supply Facilities. All sign(s) shall be located and maintained to the satisfaction of an Inspector. | POST WATER INTAKE
SIGN(S) |
| 7. | The Licensee shall construct and maintain the Water intake(s) with a screen designed to prevent impingement or entrapment of fish. | WATER INTAKE SCREEN |
| 8. | Prior to locating a Water intake in a fish-bearing Watercourse, the Licensee shall obtain written authorization for the location from an Inspector. | WATER INTAKE LOCATION
– AUTHORIZATION |
| 9. | Each year, prior to the January 3, 2023, and in advance of any Water use, the Licensee shall pay the Water Use Fee in accordance with the MVLWB <i>Water Use Fee Policy</i> . | WATER USE FEE |

Part E: Construction

Intentionally left blank.

Part F: Waste and Water Management

- | | | |
|----|--|---|
| 1. | The Licensee shall manage Waste and Water with the objective of minimizing the impacts of the Project on the quantity and quality of Water in the Receiving Environment through the use of appropriate mitigation measures, monitoring, and follow-up actions. | OBJECTIVE – WASTE AND
WATER MANAGEMENT |
| 2. | The Licensee shall minimize erosion by implementing suitable erosion control measures that shall be located and maintained to the satisfaction of an Inspector. | EROSION CONTROL |

Management and Monitoring Plans

- | | | |
|----|---|--|
| 3. | The Licensee shall comply with the Waste Management Plan , once approved. | WASTE MANAGEMENT PLAN |
| 4. | Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Waste Management Plan . The Licensee shall not commence Project activities prior to Board approval of the Plan. | WASTE MANAGEMENT PLAN -REVISED |
| 5. | The Licensee shall comply with the Explosives Management Plan , once approved. The Plan shall be in accordance with the requirements of Schedule 3, Condition 1. | EXPLOSIVES MANAGEMENT PLAN |
| 6. | A minimum of 90 days prior to handling, using, or storing explosives, the Licensee shall submit to the Board, for approval, an Explosives Management Plan . The Plan shall be in accordance with the requirements of Schedule 3, Condition 1. The Licensee shall not handle, use, or store explosives prior to Board approval of the Plan. | EXPLOSIVES MANAGEMENT PLAN – SUBMIT |

Commented [MVLWB1]: Pending Board decision on the Waste Management Plan Version 3

Discharge and Disposal Locations and Rates

- | | | |
|----|--|--|
| 7. | The Licensee shall deposit all Waste as described in the approved Waste Management Plan . | DRILL CUTTINGS – SUMPS |
| 8. | A minimum of ten days prior to depositing any Waste into a licenced municipal facility, the Licensee shall provide written notification to the Board and an Inspector. | NOTIFICATION – WASTE DEPOSIT |
| 9. | The Licensee shall not discharge Waste to any Watercourse, or to the ground surface within 100 metres of the Ordinary High-Water Mark of any Watercourse. | DISCHARGE LOCATION – ORDINARY HIGH-WATER MARK |

Other

- | | | |
|-----|--|--------------------------------|
| 10. | If an Artesian Aquifer is encountered and producing Water at the ground surface, the Licensee shall: | REPORT ARTESIAN AQUIFER |
| | a) Within 48 hours, notify the Board and an Inspector, in writing, including the flow rate in cubic metres; | |
| | b) Deposit Artesian Aquifer Water to a snow-bermed or self-contained area, unless otherwise authorized by an Inspector; | |
| | c) Collect a sample of no less than ten litres of Artesian Aquifer Water, provide five litres of the sample to an Inspector for analysis, analyze the remaining sample as set out for SNP station 2, and provide the analytical results to the Board and an Inspector; | |

- d) Seal the borehole to permanently prevent any further outflow of water and to the satisfaction of an Inspector; and
- e) Within 24 hours following cessation of the flow of Artesian Aquifer Water, submit a detailed report of the event to the Board and an Inspector, including the total amount of Water in cubic metres that has been released, and the total amount of Water in cubic metres stored in the snow-bermed, or otherwise approved, storage area.

Part G: Aquatic Effects Monitoring

Intentionally left blank.

Part H: Spill Contingency Planning

- | | | |
|----|--|--|
| 1. | The Licensee shall ensure that Unauthorized Discharges associated with the Project do not enter any Water. | OBJECTIVE – PREVENT
WASTE INTO WATER |
| 2. | The Licensee shall comply with the Spill Contingency Plan , once approved. | SPILL CONTINGENCY PLAN |
| 3. | Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Spill Contingency Plan . The Licensee shall not commence Project activities prior to Board approval of the Plan. | SPILL CONTINGENCY PLAN
– REVISED |
| 4. | If a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall: <ul style="list-style-type: none"> a) Implement the approved Spill Contingency Plan referred to in Part H, Condition 2; b) Report it immediately using the NU-NT Spill Report Form by one of the following methods: <ul style="list-style-type: none"> • Telephone: (867) 920-8130 • Fax: (867) 873-6924 • E-mail: spills@gov.nt.ca • Online: Spill Reporting and Tracking Database c) Notify the Board and an Inspector immediately; and d) Within 30 days of initially reporting the incident, or within a timeframe authorized by an Inspector, 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. Written notification shall be provided to the Board and an Inspector if any changes occur. | REPORT SPILLS |
| 5. | The Licensee shall ensure that spill prevention infrastructure and spill response equipment is in place prior to commencement of the Project. | SPILL PREVENTION AND
RESPONSE EQUIPMENT |

Commented [MVLWB2]: Pending Board decision on the Spill Contingency Plan Version 3.

- 6. The Licensee shall restore all areas affected by spills and Unauthorized Discharges to the satisfaction of an Inspector.

CLEAN UP SPILLS

Part I: Closure and Reclamation

- 1. Within 16 months following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a **Closure and Reclamation Plan**.
- 2. Every three years following the previous approval, or as directed by the Board, the Licensee shall submit to the Board, for approval, a revised **Closure and Reclamation Plan**.
- 3. Three years prior to the expiry date of this Licence, or a minimum of two years prior to the end of operations, whichever occurs first, the Licensee shall submit to the Board, for approval, a final **Closure and Reclamation Plan**.
- 4. The Licensee shall endeavor to carry out approved Progressive Reclamation as soon as is reasonably practicable.
- 5. The Licensee shall not conduct Progressive Reclamation except as approved by the Board.
- 6. Beginning March 31, 2024 and no later than every March 31 thereafter, the Licensee shall provide written notification to the Board and an Inspector of any approved Progressive Reclamation that will be conducted in the upcoming year. Notification shall include the name and contact information for the individual responsible for overseeing the Progressive Reclamation. Written notification shall be provided to the Board and an Inspector if any changes occur.
- 7. Within 90 days of completing Closure and Reclamation of any specific component of the Project, the Licensee shall submit to the Board a **Closure and Reclamation Completion Report**. The Report shall be in accordance with the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*.

CLOSURE AND RECLAMATION PLAN

CLOSURE AND RECLAMATION PLAN – REVISED

CLOSURE AND RECLAMATION PLAN – FINAL

PROGRESSIVE RECLAMATION

PROGRESSIVE RECLAMATION – CARRY OUT AS APPROVED

PROGRESSIVE RECLAMATION – NOTIFICATION

CLOSURE AND RECLAMATION COMPLETION REPORT

Commented [MVLWB3]: Pending Board decision on the Closure and Reclamation Plan Version 2.

Signed on behalf of the Mackenzie Valley Land and Water Board

Tanya MacIntosh, Chair

Amanda Gauthier, Witness

Schedule 1: Annual Water Licence Report

Condition

1. The **Annual Water Licence Report** referred to in Part B, Condition 19 of this Licence shall include, but not be limited to, the following information about activities conducted during the previous calendar year:
 - a) A brief summary of Project activities;
 - b) An updated Project schedule;
 - c) The monthly and annual quantities in cubic metres of fresh Water obtained from all sources, as required in Part B, Condition 18 of this Licence;
 - d) A summary of the calibration and status of the meters and devices referred to in Part B, Condition 18 of this Licence;
 - e) A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, referred to in Part B, Condition 20 of this Licence;
 - f) A summary of how Traditional Knowledge was incorporated into decision making;
 - g) A summary of major maintenance activities conducted in accordance with this Licence;
 - h) A summary of activities conducted in accordance with the approved **Waste Management Plan**, referred to in Part F, Condition 3 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of Waste;
 - ii. Monthly and annual quantities, in cubic metres, of drill Waste discharged, by location;
 - iii. Monthly and annual quantities of Sewage discharged, by location; and
 - iv. A map depicting the location of the Sumps.
 - i) A summary of activities conducted in accordance with the approved **Explosives Management Plan**, referred to in Part F, Condition 5 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of explosives;
 - ii. Monthly and annual quantities/volumes by location of explosives managed under the Plan;
 - iii. A summary and interpretation of any monitoring results;
 - iv. A list of any Action Level exceedances; and
 - v. A description of actions taken in response to any Action level exceedances.
 - j) A summary of activities conducted in accordance with the approved **Spill Contingency Plan**, referred to in Part H, Condition 2 of this Licence, including:
 - i. A list and description for all Unauthorized Discharges, including the date, NWT spill number, volume, location, summary of the circumstances and follow-up actions taken, and status (i.e., open or closed), in accordance with the reporting requirements in Part H, Condition 4 of this Licence; and
 - ii. An outline of any spill training carried out.

Condition

- k) A summary of activities conducted in accordance with the **Closure and Reclamation Plan**, referred to in Part I, Condition 1 of this Licence, including:
 - i. Details of any Progressive Reclamation undertaken;
 - ii. A discussion on whether planning and implementation remains on schedule, and a summary of any new scheduling setbacks;
 - iii. A summary of engagement conducted regarding Closure and Reclamation; and
 - iv. A list of any factors that would increase or decrease the Closure Cost Estimate the next time the Estimate is updated.
- l) Tabular summaries of all data and information generated under the SNP annexed to this Licence, in Excel format;
- m) A summary and interpretation of the results from the geochemical characterization and a discussion on the potential for acid rock drainage and metal leaching based on the geochemical data;
- n) A list of any non-compliance(s) with the conditions of this Licence or any directive from the Board pursuant to the conditions of this Licence;
- o) A summary of actions taken to address concerns, non-conformances, or deficiencies in any reports filed by an Inspector; and
- p) Any other details requested by the Board by November 30th of the year being reported.

Schedule 2: Conditions Applying to Security

Condition

1. The amount of security referred to in Part C, Condition 1, shall total ~~\$48,055.00~~. The total security amount shall be deposited with the Minister prior to the commencement of the Project activities.

Commented [MVLWB4]: Pending Board decision on security.

Schedule 3: Conditions Applying to Waste and Water Management

Condition

1. The **Explosives Management Plan** referred to in Part F, Condition 5 of this Licence shall include, but not be limited to, the following:
 - a) Information regarding explosives management, including:
 - i. A description of the facilities used for management and storage of explosives;
 - ii. Maps and diagrams of the facilities and monitoring locations;
 - iii. A description of the mitigation approaches to be employed with respect to storage, handling, blasting, disposal, and spills;
 - iv. The predicted ammonium nitrate dissolution rate;
 - v. A description of how climate change has been considered, including any linkages to other plans required under this Licence; and
 - vi. Any other information required to describe how explosives will be managed such that the objectives listed in Part F, Condition 1 will be met.
 - b) Information regarding monitoring, including:
 - i. Details of the monitoring, including rationale, that will be undertaken to evaluate whether the mitigation approaches for storage, handling, and blasting procedures are effective, including:
 - a. monitoring locations, parameters, frequencies, methods, and types of instrumentation; and
 - b. predicted performance values for monitoring parameters based on expected facility design.
 - ii. Linkages to other monitoring programs required under this Licence; and
 - iii. Any other information about monitoring that will be performed to meet the objectives in Part F, Condition 1.
 - c) Information regarding responses to monitoring results, including:
 - i. A description of how the Licensee will link the results of monitoring to those corrective actions necessary to ensure that the objectives listed in Part F, Condition 1 are met. This description shall include:
 - a. Definitions, with rationale, for Action Levels applicable to the performance of the mitigation measures; and
 - b. For each Action Level, a description of how exceedances of the Action Level will be assessed and generally, which types of actions will be taken for the Action Levels exceeded.
 - d) Information regarding contingency planning, including:
 - i. A description of reasonably foreseeable scenarios; and
 - ii. For each scenario identified in (d)(i) above:
 - a. A description of response action options; and
 - b. A risk-based analysis of response action options, identifying preferred options and alternate options.

Annex A: Surveillance Network Program

Annexed to Type B Water Licence MV2022L8-0009

EREX International Ltd.

Table of Contents

Part A: Surveillance Network Program Description and Monitoring Requirements

Part B: Flow and Volume Measurement

Part C: Reporting Requirements

Part A: Surveillance Network Program Description and Monitoring Requirements

1. The location of sampling sites and specific monitoring requirements are as follows:

Table 1: Surveillance Network Program (SNP) Station Quick Reference Table

SNP Station	Description/Rationale	Status
1	The daily Water Use for each approved Water source used as per Part D, Condition 1	Active
2	A floating SNP station for when Artesian Aquifer is encountered and producing Water at the ground surface	Active when Artesian Aquifer is encountered

Table 2: Surveillance Network Program (SNP) Requirements

SNP Station	Location	Coordinates	Sampling Frequency	Sampling Parameters	Rationale
1	As described in Part D, Condition 1		Daily, when Water use is occurring	Flow, volume	Compliance monitoring, in accordance with Water Use limits identified in Part D, Condition 1 and Part D, Condition 2 of this Licence. To monitor the quantity of daily Water use.
2	Artesian Aquifer is encountered and producing Water at the ground surface		As directed by the Inspector	Field parameters ¹ , standard parameters ² , major ion ³ , turbidity, dissolved metals ⁴	To determine the Water quality of the Artesian Aquifer Water as described in Part F, Condition 10

Notes:

¹ Field parameters shall include, at a minimum, the following parameters: pH, temperature, conductivity, dissolved oxygen

² Standard parameters shall include, at a minimum, the following parameters: pH, conductivity, total suspended solids

³ Major ions shall include, at a minimum, the following parameters: alkalinity, hardness, calcium, chloride, fluoride, magnesium, potassium, sodium, sulphate, total dissolved solids

⁴ Dissolved metals shall include, at a minimum, the following parameters: aluminum, antimony, arsenic, barium, beryllium, bismuth, boron, cadmium, cesium, chromium, cobalt, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, rubidium, selenium, silver, strontium, thallium, tin, titanium, uranium, vanadium, and zinc. Dissolved metals shall be analyzed after passing an unpreserved sample through a 0.45 micron filter

2. The locations of SNP stations are subject to approval of an Inspector. Once SNP stations have been established, an updated map detailing the locations of all SNP stations, as well as an associated table detailing coordinates for each SNP station, shall be submitted to the Board.
3. More frequent sample collection may be required at the request of an Inspector.
4. All sampling, sample preservation, and analyses shall be conducted in accordance with methods prescribed in the current edition of American Public Health Association's (APHA) *Standard Methods for the Examination of Water and Wastewater* at the time of analysis, or by such other methods approved by an Analyst.
5. All analyses shall be performed in a laboratory accredited by the Canadian Association for Laboratory Accreditation (CALA) for the specific analyses to be performed or as approved by an Analyst.
6. A Quality Assurance/Quality Control (QA/QC Plan) plan which includes both field and laboratory requirements shall be submitted to an Analyst for approval not less than sixty (60) days.

7. The Licensee shall act in accordance with the approved QA/QC Plan and shall review annually or as directed by the Board and make any necessary revisions to reflect changes in operations. Proposed revisions shall be submitted to an Analyst for approval.
8. If the QA/QC Plan is not approved by the Analyst, the Licensee shall revise the QA/QC Plan according to the Analyst's direction and resubmit to the Analyst for a decision.

Part B: Flow and Volume Measurements

1. All flow and volume measurements shall be measured and recorded continuously (i.e., using electronic data storage chips, water elevation, or weir, or equivalent) during periods of flow or pumping and reported on a monthly basis in cubic metres (m³) as per Annex A, Part C, Condition 1:
 - a) The daily volume of Water pumped from water source as described in Part D, Condition 1 and Part D, Condition 2 for all purposes (SNP station 1).

Part C: Reporting Requirements

1. The Licensee shall, within thirty (30) days following the month being reported, submit to the Board and Inspector, in electronic and printed formats acceptable to the Board, all data and information required by the Surveillance Network Program, including results and interpretation of the approved QA/QC program procedures, any interpretive comments and calculations, and rationale for SNP stations where samples were not collected. **Monthly SNP Reports** should also include:
 - a) Information regarding the calibration and status of the meters and devices referred to in Part B of this Licence;
 - b) The coordinates of all SNP stations which were established within the month being reported, including an updated map identifying the locations of all the SNP stations; and
 - i. Weekly quantity of Water in cubic metres withdrawn from the Water Supply Facilities.
 - c) A tabular summary of cumulative Water Use.

Annex B: MV2022L8-0009 - Concordance Table of Items Requiring Submission

Commented [MVLWB5]: To be updated pending Board decisions.

Licence Condition	Report/Plan Title	Timeline for Submission
Part B, Condition 19	Annual Water Licence Report	Beginning March 31, 2024 and no later than every March 31 thereafter
Part B, Condition 21	Engagement Plan	Within 90 days following the effective date of this Licence
Part C, Condition 2	Updated Closure Cost Estimate	Within 16 months following the effective date of this Licence
Part F, Condition 4	Waste Management Plan	Within 90 days following the effective date of this Licence
Part F, Condition 6	Explosives Management Plan	A minimum of 90 days prior to handling, using, or storing explosives
Part H, Condition 2	Spill Contingency Plan	Within 90 days following the effective date of this Licence
Part I, Condition 1	Closure and Reclamation Plan	Within 16 months following the effective date of this Licence

Annex C: MV2022L8-0009 - Table of Revision History

Commented [MVLWB6]: To be updated pending Board decisions.

Date	Location of Change	Change
May 29, 2023	Part A, Condition 1: Scope	Scope updated according to the Amendment Application
May 29, 2023	Part A, Condition 2: SCOPE – PRELIMINARY SCREENING	Updated to reflect the Board's decision on preliminary screening for the Amendment Application
May 29, 2023	Part A: Defined Terms	Definition for Winter Road added
May 29, 2023	Part B, Condition 19: ANNUAL WATER LICENCE REPORT	Administrative update to clarify that the first Annual Water Licence Report is due in 2024
May 29, 2023	Part D, Condition 1: WATER SOURCE AND MAXIMUM VALUE	Updated based on the Amendment Application, including additional water sources
May 29, 2023	Part F, Condition 7: DRILL CUTTINGS – SUMPS	Added based on the Amendment Application
May 29, 2023	Part F, Condition 10: REPORT ARTESIAN AQUIFER	Added based on the Amendment Application
May 29, 2023	Part I, Condition 1: CLOSURE AND RECLAMATION PLAN	Updated to reflect the Board decision that the Closure and Reclamation Plan be submitted within 16 months of the effective date of the Licence, not one year
May 29, 2023	Schedule 1, Condition 1: Annual Water Licence Report	Updated based on the Amendment Application
May 29, 2023	Schedule 2, Condition 1: Conditions Applying to Security	Security updated
May 29, 2023	Annex A: Surveillance Network Program	SNP Station 2 added, clarified the Sampling Frequency for SNP Station 1