

**YELLOWKNIFE LITHIUM PROJECT**  
**PROJECT DESCRIPTION**  
**EREX International Ltd.**  
(March, 2023)

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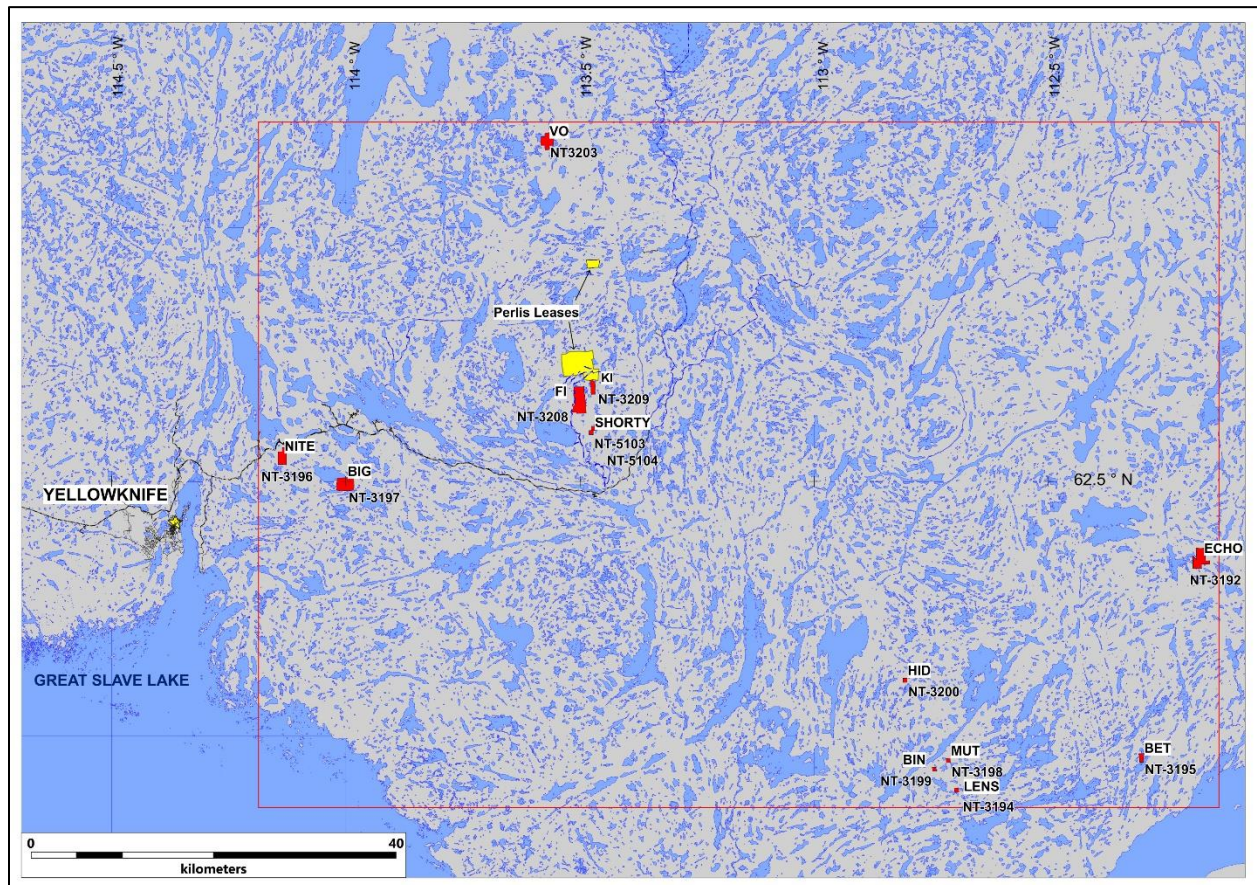
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## INTRODUCTION:

EREX International Ltd. (“EREX”) holds 13 mineral leases east of Yellowknife, bounded by the red rectangle in Figure 1 (i.e. latitudes: 62.179129 to 62.854255, and longitudes: 112.135661 to 114.186622); referred to as the Yellowknife Lithium Project (YLP or the “Project”). While the Project area is relatively large, EREX’s leases within it have a very small footprint of 1,497.70 hectares. Much less than the area occupied by a typical gold or diamond project. Furthermore, EREX has recently entered into an option to purchase agreement with Perlis Enterprises Inc. to acquire Perlis’s 13 mineral leases that cover the abandoned Thompson-Lundmark mine as listed in Table 1 below and one lease 11 km to the north.



**Figure 1. Map outlining Yellowknife Lithium Project area (red rectangle), EREX’s (solid red rectangles) & Perlis’s leases (yellow)**

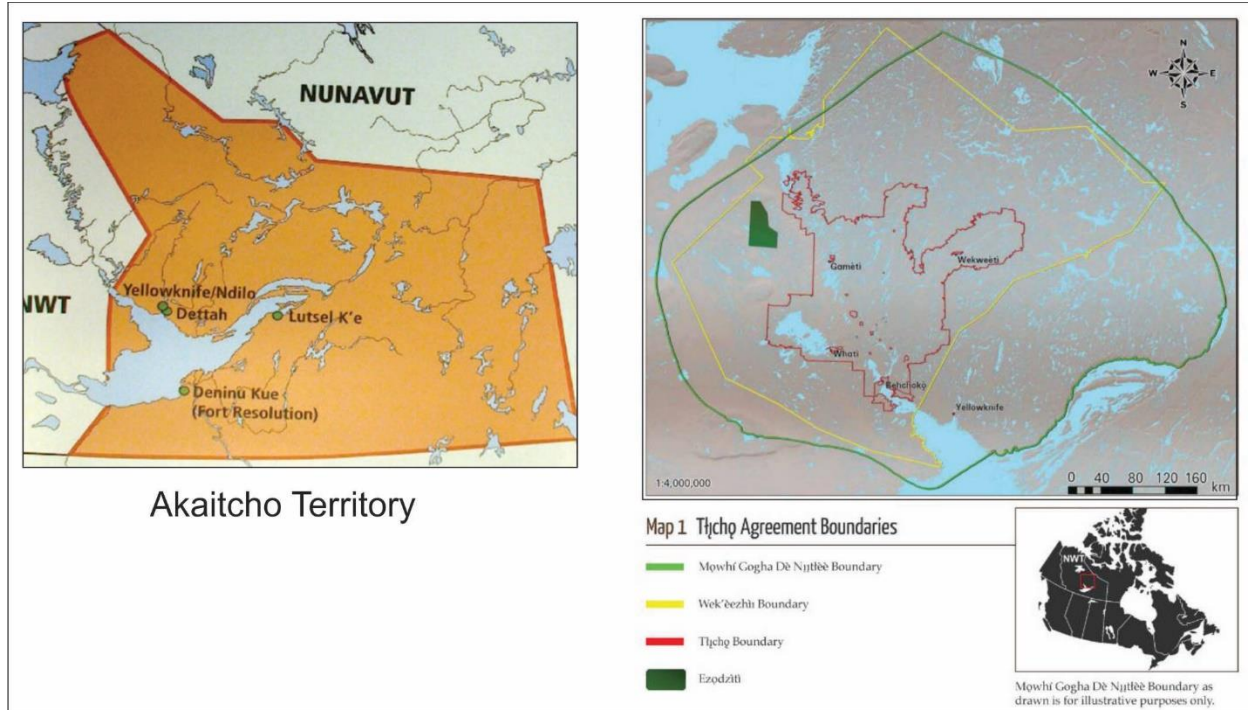
The leases range from 14 km northeast of Yellowknife, in the case of NT-3196 (NITE) and 112 km east in the case of N-3192 (ECHO). Yellowknife is, therefore, the closest supply and logistics center.

Table 1. Lease Status

Lease Number	Lease Name	Term Expiry Date	Area	Regulatory Jurisdiction
EREX International Ltd				
NT-3192	Echo	2027-08-23	256.00	Territorial
NT-3194	Lens	2027-08-23	21.70	“
NT-3195	Bet	2027-08-23	42.80	“
NT-3196	Nite	2027-08-23	148.00	“
NT-3197	Big	2027-08-23	297.00	“
NT-3198	Mut	2027-08-23	19.10	“
NT-3199	Bin	2027-08-23	18.60	“
NT-3200	Hid	2027-08-23	21.60	“
NT-3203	VO	2027-08-23	194.00	“
NT-3208	Ki Dyke	2027-08-23	72.80	“
NT-3209	Fi	2027-08-23	364.00	“
NT-5104	Shorty	2031-03-23	20.50	“
NT-5103		2031-03-23	21.60	“
Total area: 1497.70				
Leases owned by Perlis Enterprises Ltd. subject to option agreement with EREX				
NT-3365	T-L 1	2033-08-29	31.93	Federal
NT-3366	T-L 2	2034-11-29	100.12	Federal
NT-3367	T-L 3	2033-08-29	189.28	Territorial
NT-3368	T-L 4	2033-08-29	156.63	Territorial
NT-3369	T-L 5	2033-08-29	154.34	Territorial
NT-3370	T-L 6	2033-08-29	96.1	Territorial
NT-3371	T-L 7	2033-08-29	79.69	Territorial
NT-3390	T-L 8	2033-08-29	31.43	Federal
NT-3391	T-L 9	2034-11-29	31.92	Federal
NT-3392	T-L 10	2034-11-30	33.12	Federal
NT-3393	T-L 11	2034-11-29	31.47	Territorial
NT-3394	T-L 12	2034-11-29	27.99	Federal
NT-3395	T-L 13	2034-11-29	26.64	Federal
NT-3785	T-L 14	2040-11-08	115.0	Territorial
Total area: 1105.66				



The Project area is traditionally known as the Akaitcho Territory to five Dene First Nations<sup>1</sup> who occupy the area. It is also within M̄qwhì Gogha Dè N̄jłłèè<sup>2</sup> of the Tłı̨ch̄q (Figure 2). In addition, Metis people, represented by the North Slave Metis Alliance, have considered the area as part of their traditional territory.



**Figure 2. Maps of Akaitcho territory and Tlı̨ch̄q Agreement Boundaries.**

The Project covers low-lying, rolling topography ranging in elevation between 250 and 320 meters above sea level. Muskeg, marshes, and lakes separated by northwesterly to northeasterly trending bedrock ridges are the dominant features. Numerous small lakes occur in the area where work is proposed. Recent forest fires have burnt the area covered by several leases, and others are relatively sparsely treed. There are no major rivers running through the leases.

Except for the six leases closest to Yellowknife, there are no communities, lodges, or trap lines in the immediate vicinity. Therefore, the impact of the proposed exploration work is expected to be minimal from a social and environmental aspect. Some parts of the Project area are used for food gathering, hunting, and trapping by various aboriginal groups. Bison Historical Services Ltd has been retained to prepare an Archaeological Overview Assessment (“AOA”) of the historical

<sup>1</sup> The five Dene First Nations are: Deninu Kue, Lutsel K'e Dene, Smith's Landing, Yellowknives Dene Ndilo, and Yellowknives Dene Dettah. Akaitcho Territory is defined by Treaty 8 of 1899.

<sup>2</sup> M̄qwhì Gogha Dè N̄jłłèè is the traditional use area of the Tłı̨ch̄q, the boundaries of which were settled by Chief Monfwì during the signing of Treaty 11 in 1921. In this area, the Tłı̨ch̄q are able to exercise their traditional land use activities as set out in the Tłı̨ch̄q Agreement.

resources within and around the lease areas. This study will be supplemented by Traditional Knowledge through ongoing community consultation.

**PURPOSE:**

The purpose of the exploration work is to estimate lithium resources in the pegmatite dykes that occur on the leases. EREX will also complete studies that will evaluate the feasibility for extracting the lithium minerals, predominantly spodumene, from the pegmatite rock, as well as, building a mine for that purpose. Production of a spodumene concentrate can be done using conventional mineral processing technology. The tailings and mine waste generated from mining of the pegmatites and surrounding Burwash Formation metasedimentary rocks are believed to be relatively benign in terms of toxicity or potential acid generating capability.

**PROPOSED ACTIVITIES:**

EREX has applied to the Mackenzie Valley Land and Water Board for a Type A Land Use Permit (“LUP”) and two Type B Water Licences (“WL”) for federal and territorial land for the following work activities:

1. Mineral exploration including diamond core and reverse circulation (RC) drilling, saw-cut channel sampling, and trenching;
2. Use of water for drilling, camp consumption, core cutting and winter roads, less than 299 cubic metres/day;
3. Use of equipment, vehicles, and machines;
4. Use and storage of fuel, to a maximum of 109.965 litres of fuel stored within the Project area;
5. Use of helicopters and float/ski-equipped fixed-wing aircraft;
6. Construction, operation, and maintenance of a temporary camp and satellite camps;
7. Opening and maintenance of an existing winter access road (Thompson-Lundmark road);
8. Establishing and maintaining temporary access roads and drill trails during the winter program, including ice road access;
9. Constructing temporary built timber drill platforms for drilling during the summer months;
10. Ongoing reclamation of temporary drill access trails and built timber drill platforms when they are no longer needed and;
11. Engagement with all affected parties to inform them of EREX’s plans in a timely manner so that they will be able to freely and fully consider the Project and provide their consent to the proposed activities if they are acceptable.



The LUP Permit MV2022C0021 was granted on January 3, 2023 for a period of five years, with a possible two-year extension. The Water Licenses MV2022L8-0009 (federal), and MV2022L8-0008 (territorial) were granted for seven-year terms.

Exploration work activities are now planned to start following spring break-up. Summer drilling activities will be completed using helicopter support to minimize ground disturbance impacts to fauna and flora.

Beyond the first year of work, drilling is expected to resume in the winter of 2024 and continue into summer 2024. This work cycle will be repeated for the term of the permit and licenses to thoroughly evaluate the lithium resources contained on all the leases. This ongoing work will comprise infill, geotechnical and metallurgical drilling in order to upgrade resources to measured and indicated categories and support development planning. Drilling may consist of 180 or more holes per year spread over the Project leases.

Initially, exploration activities will focus on the six leases closest to Yellowknife (Figure 3). The Ingraham Trail (Highway 4) passes to the north of the NITE and BIG leases and to the south of the Hi, Fi and Ki leases. There is an existing winter road to the abandoned Thompson-Lundmark mine that passes through lease NT-3209 (Fi).

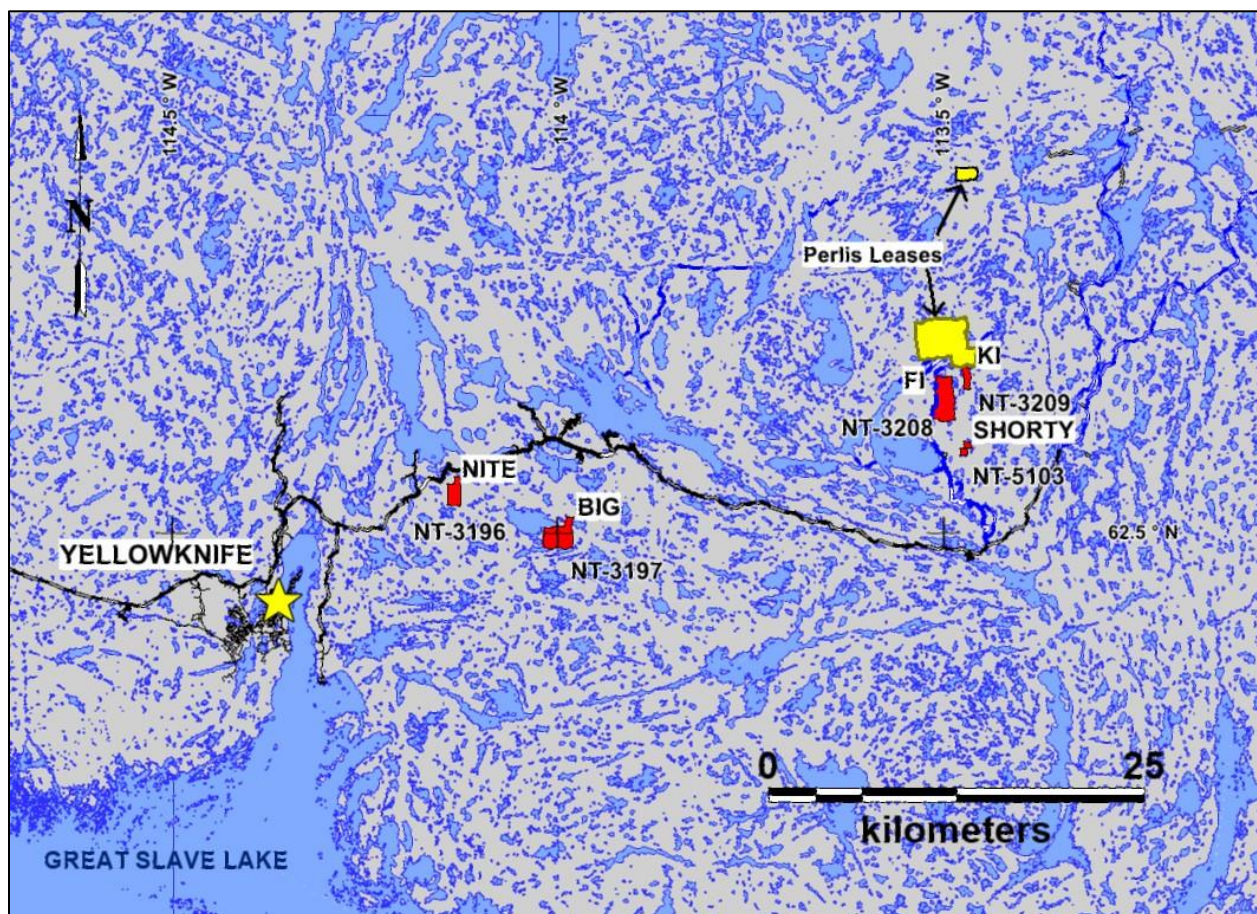


Figure 3. Location map for EREX's mineral leases closest to Yellowknife

**SPRING-SUMMER 2023:**

The first phase of work during spring and summer will consist of camp construction and a large diamond drilling program (“LDP”).

Camp, drilling equipment and fuel will be mobilized into the main camp site at Hidden Lake using helicopters and float equipped fixed wing aircraft. Camp will be located on land within the reclaimed area of the abandoned Hidden Lake mine that is under the jurisdiction of the Federal Government of Canada. An access agreement for the camp between EREX and Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) has been concluded.

Unitized helicopter portable drill rigs will be used during the summer portion of the program. These drills will bore HQ-sized core and will be capable of drilling to depths of 500 metres. If utilized, an RC drill will move around the leases completing shorter holes of less than 150 meters.

Drill rigs will be placed on constructed lumber pads supported by 6 x 6 inch. The drill pads typically occupy an area of 12 x 12 m. All efforts will be made to utilise drilling sites that are already clear of vegetation to minimise disturbance. Initially, drilling will be located outside of areas identified as having high archaeological potential in the archaeological overview assessment (AOA). An archaeological impact assessment (AIA) will be completed prior to planning or completing any disturbance in areas identified in the AOA.

Waste generated by the drilling activities will be flown back to camp for incineration or taken off site for disposal at an appropriate facility as required. Drill holes with artesian flow will be plugged. All casing will be cut at ground level or removed, and the collar location will be staked and labeled.

When drilling at a site is complete, pad reclamation will begin. Here the pad is broken down and the lumber will be removed by helicopter and transported to another location for reuse, or it will be neatly stacked in one location on the lease for future use or later removal.

**Hidden Lake Camp - Fi-Ki-Shorty leases (NT-3208, NT-3209, NT-5103, and NT-5104)**

The Hidden Lake temporary exploration camp is proposed to accommodate up to 49 people in facilities listed in Table 2 and illustrated in Figures 4 and 5. There will not be more than 50 people in camp at one time. The camp will serve drill crews, geologists and associated technicians working on the Fi-Ki-Shorty leases (NT-3208, NT-3209, NT-5103, and NT-5104). Access to the Hidden Lake camp during summer will be via helicopter or float equipped fixed wing aircraft.

The Hidden Lake camp and any other camps set out during the YLP will be constructed and arranged according to Northern Land Use Guidelines for Camp and Support Facilities (2015, GNWT, Lands Department). Where possible all best efforts will be made to build camp on pre-existing and already disturbed areas.



Waste products generated by camp and associated activities daily in the Project area will be managed according to EREX's Waste Management Plan.

**Table 2. Hidden Lake Camp Accommodations**

Item, Purpose	Quantity	Dimensions (m)	Area (m <sup>2</sup> )
Tent, Sleepers	18	4.3 x 4.9	379.26
Tent, First Aid	1	4.3 x 4.9	21.07
Tent, Kitchen	2	4.3 x 9.8	84.28
Tent, Men's Dry	1	4.3 x 9.8	42.14
Tent, Women's Dry	2	4.3 x 6.1	52.46
Tent, Office	2	4.3 x 4.9	42.14
Tent, Core logging	3	4.3 x 9.8	126.42
Tent, Core cutting	3	4.3 x 4.9	63.21
Tent, Toilets	2	4.3 x 4.9	42.14
Generator, Shack	3	3.7 x 4.9	54.39

The "exclusion zone" noted on Figure 4 is a restricted area 50 metres in radius around each of the capped mine opening over the East and West shafts at the Hidden Lake mine where EREX "shall not enter onto, use or occupy."

Figure 6 shows the camp used by the reclamation contractor at the Hidden Lake mine site during the 2010 remediation program. Figure 7 shows the Hidden Lake mine site as it was in September of 2022.

At conclusion of the permit and licence terms all equipment, wooden floors and structures will be removed, and the sites will be reclaimed. Sumps will be backfilled and compacted, and all garbage and refuse will be removed and disposed of appropriately. Where necessary, vegetation will be replaced, and any cleared vegetation will be backscattered over the area to promote regrowth.



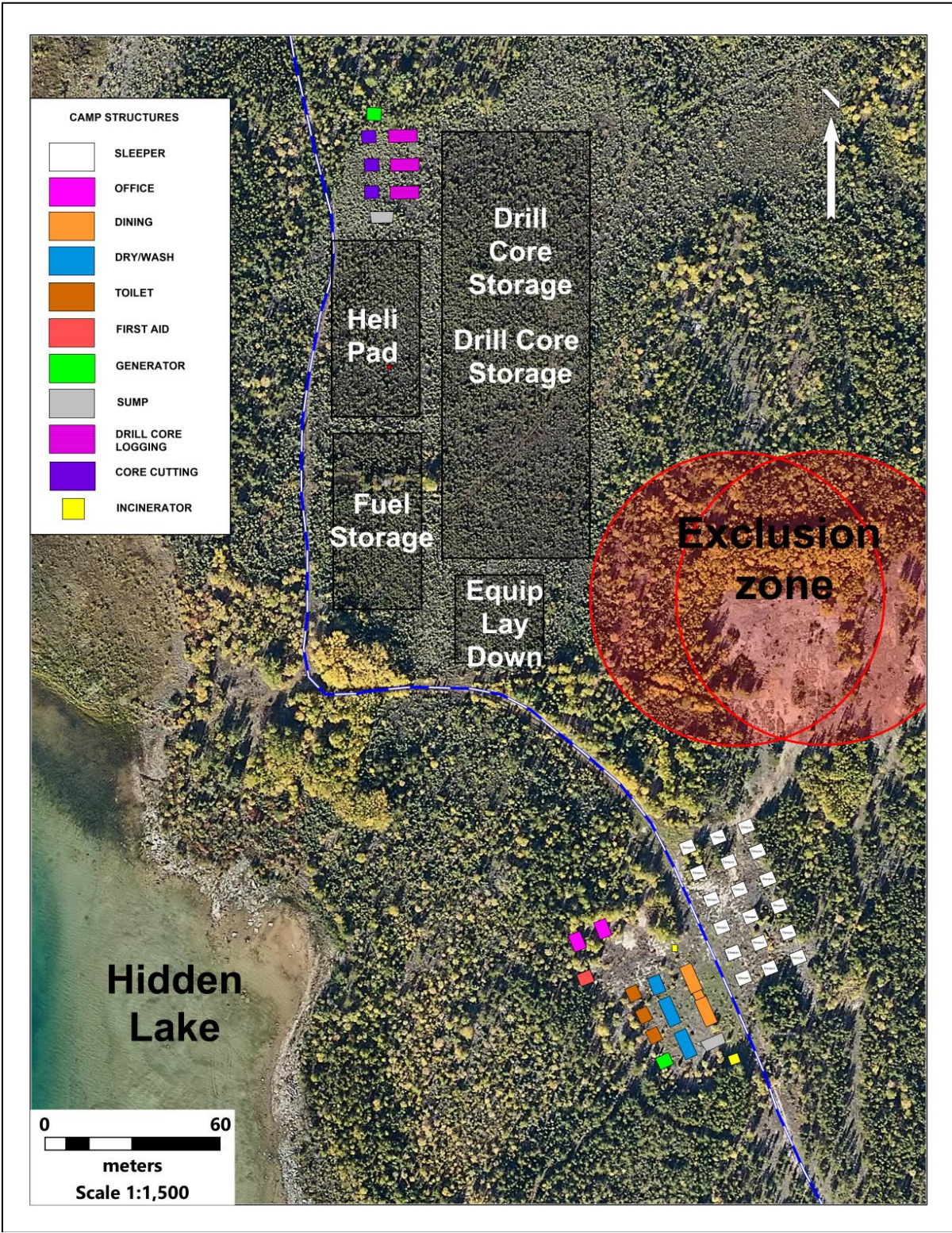


Figure 4. Proposed layout of Hidden Lake campsite on Federal land



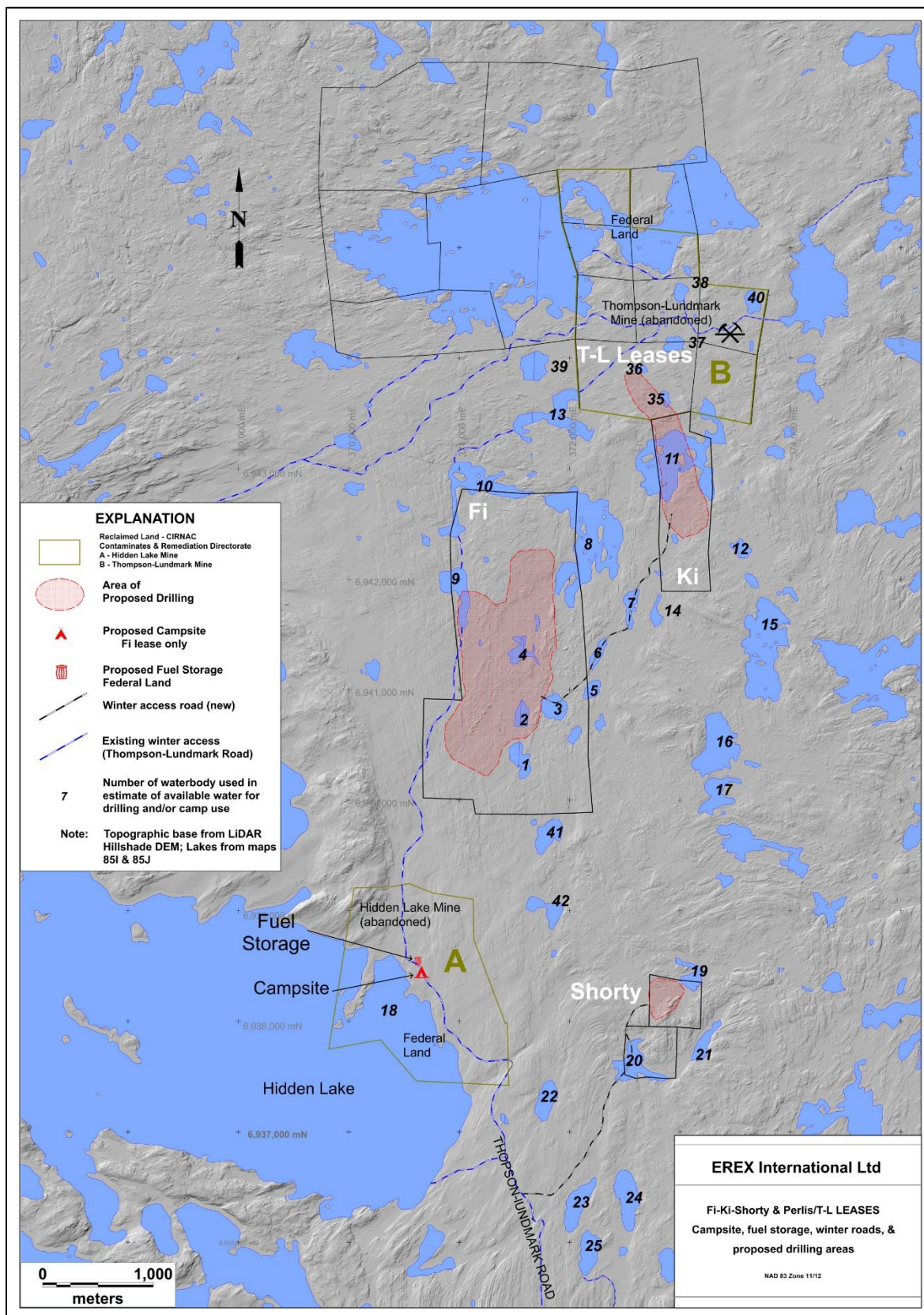


Figure 5. Areas for proposed drilling, campsite and fuel cache, Fi-Ki-Shorty leases





**Figure 6. Previous camp of reclamation contractors at Hidden Lake gold mine. 2010.**



**Figure 7. View of reclaimed area Hidden Lake gold mine as of September 17, 2022.**



**Bighill Lake area – NITE and BIG leases (NT-3198, NT-3197)**

Drilling on the NITE and BIG leases will be undertaken with crews based in Yellowknife independent of the LDP.

Unitized helicopter portable drill rigs will be used during the summer, like the LDP. Drill rigs, lumber, fuel, and equipment will be transported to the leases via helicopter from staging points along the Ingraham Trail/Highway 4. Drill crews will commute daily to and from Yellowknife to the staging sites and transported out to the leases via helicopter. A fuel cache on site of up to 12 drums will be needed to support the drilling work. Drilling methods, drill pad construction and site reclamation will be the same as the LDP.

At the end of each shift, drill core will be flown out to the staging area via helicopter. It will be transported to a core logging and sampling facility in Yellowknife with the drill crews.

On the NITE lease, drill crews can walk to drilling sites from the Ingraham trail and drill rig moves will be done using a helicopter.

**Mapping and Surface Sampling**

Mapping, prospecting, and surface sampling will be ongoing during summer on a Project wide basis. Saw-cut channel sampling using gas powered saws will be conducted on outcropping exposures of the pegmatite dykes. Channel samples approximately 7 centimetres wide and 10 centimetres deep will be cut across the dykes at 100 metres intervals. These results will be used in conjunction with the drill core results to estimate lithium resources for the dykes.

At select sites, trenches may be blasted in the dykes using explosives to obtain bulk samples. These samples will be used for metallurgical studies on the recovery of lithium minerals from the dykes. Samples will weigh up to one tonne and will be collected from trenches measuring approximately 2.5 m long, 0.5 m deep and 0.3 m wide. It is anticipated that up to 10 tonnes of rock may be broken out of 10 trenches. A licenced contractor with a valid blasting certificate will be retained to supply explosives and do the blasting. Explosives will not be stored on the Project site but will be transported from the contractor's facility on the day of blasting.

It is anticipated that ongoing mapping and sampling on other leases in the Project area will generate valid drill targets. In these instances, additional diamond drilling will be completed to test the target areas during the term of the permit and water licences.

**WINTER 2023/2024:**

To complete the planned work, the summer drill program will transition into a winter program when conditions allow during 2023/2024. It is anticipated that winter drilling will take place during January to mid-April, but with climate change that may vary from year to year.

The Thompson-Lundmark Road will be re-opened to access the Hidden Lake camp and the Fi, Ki, and Shorty leases. The road will be maintained throughout winter for the mobilization of additional equipment and fuel as well as ongoing camp supply runs, crew rotations and shipments from site.

Drilling on the Fi, Ki, and Shorty leases will be completed with unitized drilling equipment housed in winterized skid shacks. Drill rigs will be moved around using dozers or skidders on temporary access roads and trails and drill crew movements to and from camp will be via snow machine or ATV.

To continue winter drilling on the BIG lease, drill rigs and associated equipment will be towed using a skidder or bulldozer. Mobilization to the lease will be via an ice road across Pontoon Lake, onto an existing portage that leads to Bighill Lake, and across the east side of Bighill Lake to the drilling area (Figure 8). The winter access route to the BIG lease has not been finalised. The final decision on routes will be made in consultation with local cabin owners and from recently completed LiDAR and orthophotography of the area to locate routes with the least environmental impact.

For the NITE lease, drill rigs will either be towed to the drilling area using a skidder or bulldozer or it will be transported using a helicopter.

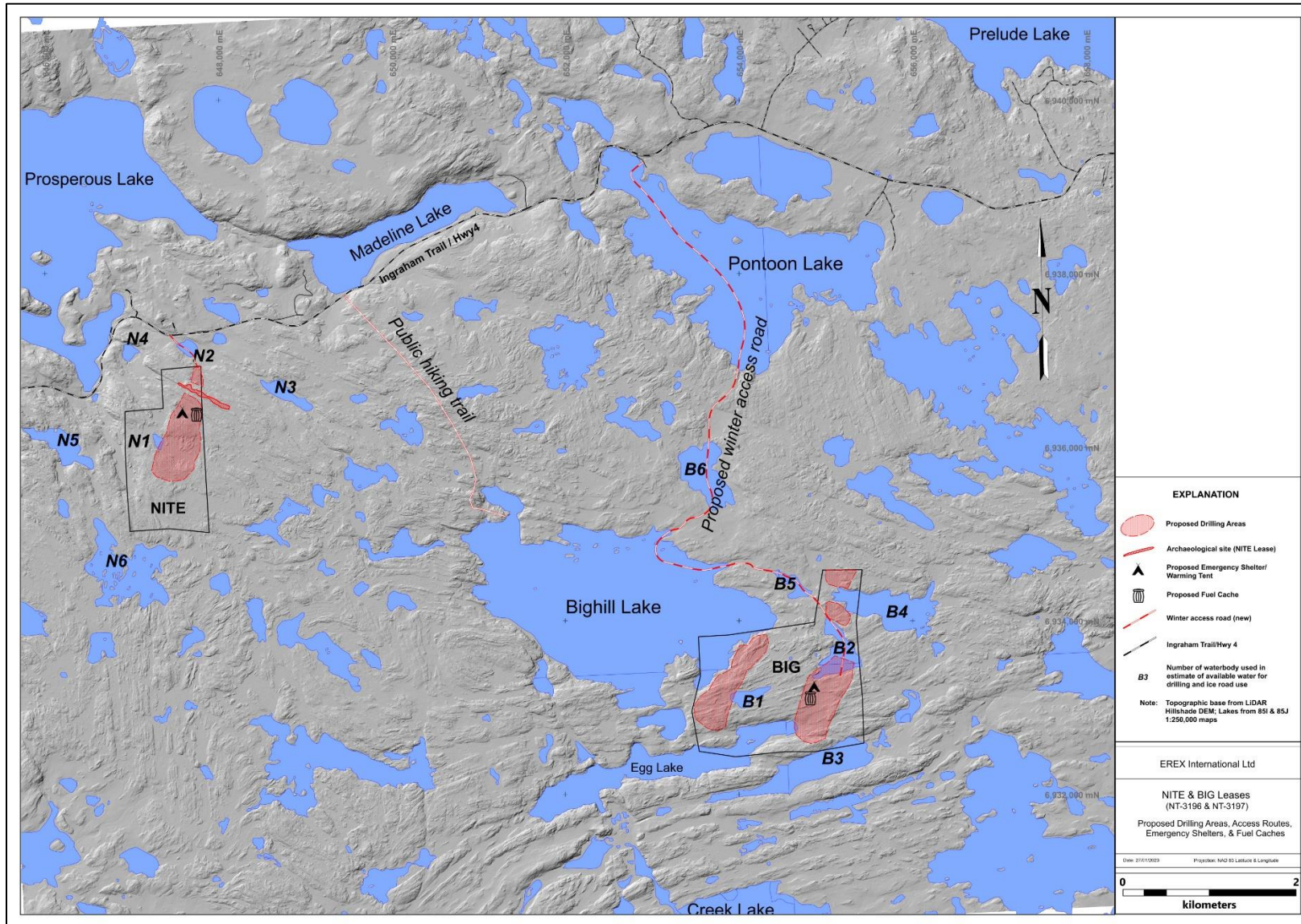
Drill rigs will move around the BIG and NITE leases with either a skidder, bulldozer or helicopter. Drill crews will commute daily to and from Yellowknife to staging points on the Ingraham Trail/Highway 4. From here they will travel to the BIG and NITE leases via snow machine, ATV or helicopter. At the end of each shift, drill core will be taken out to the staging areas with the drill crew. It will then be transported to a core logging and sampling facility in Yellowknife. Temporary emergency warming tents will be established in winter, on both leases while drilling is ongoing.

All winter drilling access trails and sites will be prepared in accordance with guidelines specified in Northern Land Use Guidelines: Access Roads and Trails (GNWT, 2015). New access trails for the winter portion of the drill program have not been finalized. Access trail location will be determined from recently completed LiDAR and orthophotography of the lease areas to locate routes having the least environmental impact. Construction of access trails will only commence once ground truthing has been completed.

Wherever possible, existing or old trails will be used to minimise ground disturbance. When new trails and pads are required, forestry mulchers attached to heavy equipment will be used to clear

vegetation to ground surface which preserves the root structure. Despite being slower, this method is more environmentally friendly than clearing trail with a bulldozer as it prevents excessive ground disturbance of sensitive soils while keeping permafrost intact.

During winter work, EREX will monitor and ensure that there is adequate snowpack on the road and trail network to support vehicle and equipment movement. This is to ensure that the ground and sensitive vegetation is not overly disturbed during active work programs.



**Figure 8. Areas for proposed drilling, shelter, and fuel cache, NITE & BIG leases.**



**GEOCHEMICAL ANALYSES:**

Analyses and assays of rock cores retrieved from diamond drilling, chips from RC drilling, as well as surface saw-cut channel samples, and trench samples will provide the primary data used in the estimation of the lithium resources for the pegmatites. In addition, the geochemical data derived from this work will provide information on the levels of toxic elements, such as arsenic, cadmium, mercury, and selenium, in the rock, that could contaminate the surrounding environment. This information will help to inform measures to mitigate contamination from these elements should they exceed CCMC allowable levels and should development proceed. It should be noted that in a LUP application (MV2009X0045) submitted by the Contaminants and Remediation Directorate, CIRNAC, for a Remedial Action Plan for the abandoned Hidden Lake Mine, it was pointed out that:

*“Acid-base accounting analysis was conducted to determine the acid generating potential of both categories of waste rock. Preliminary investigations determined that a small portion of the waste rock may have some potential to result in metal leaching. However, subsequent evaluations determined that the waste rock has a negligible potential to result in adverse impacts. More specifically, the potential for measurable impacts to Hidden Lake is considered to be nil.”*

**TANCO LAKE – ECHO Lease (NT-3192)**

A small drill program (“SDP”) will also be completed on the ECHO lease (NT-3192) (formerly called THOR) during the term of the permit and licenses. Work will only commence after an AIA has been completed on the lease. An area for high archaeological potential was identified in the AOA at ECHO that is coincident with the main drilling area.

Work will be conducted out of a helicopter-supported drill camp established on the lease. The camp will have accommodation for up to 16 people in 12 – 16’ by 16’ tents, including Kitchen, Dry, core logging, and core cutting.

Mobilization of camp and fuel by fixed wing aircraft on skis may take place in the late winter of 2023 before break-up. Campsite, fuel cache, and proposed drill area locations are illustrated on Figure 9. Fuel cached at the ECHO campsite will total a maximum of 50 drums of Jet-B, 50 drums of diesel, 2 drums of regular gasoline at any one time. Water for the camp and possibly drilling will be drawn from Tanco Lake. Additional water sources for drilling include the unnamed lakes labelled T2 and T3 in Figure 9.

Drilling activities will be executed during the summer months in a similar fashion to the LDP using helicopter portable drill rigs and hand constructed lumber drill pads.

Waste generated by the drilling activities will be flown back to camp for incineration or taken off site for disposal at an appropriate facility as required. Drill holes with artesian flow will be

plugged. All casing will be cut at ground level or removed, and the collar location will be staked and labeled.

At conclusion of the permit and licence terms all equipment, wooden floors and structures will be removed, and the sites will be reclaimed. Sumps will be backfilled and compacted, and all garbage and refuse will be removed and disposed of appropriately. Where necessary, vegetation will be replaced, and any cleared vegetation will be backscattered over the area to promote regrowth.

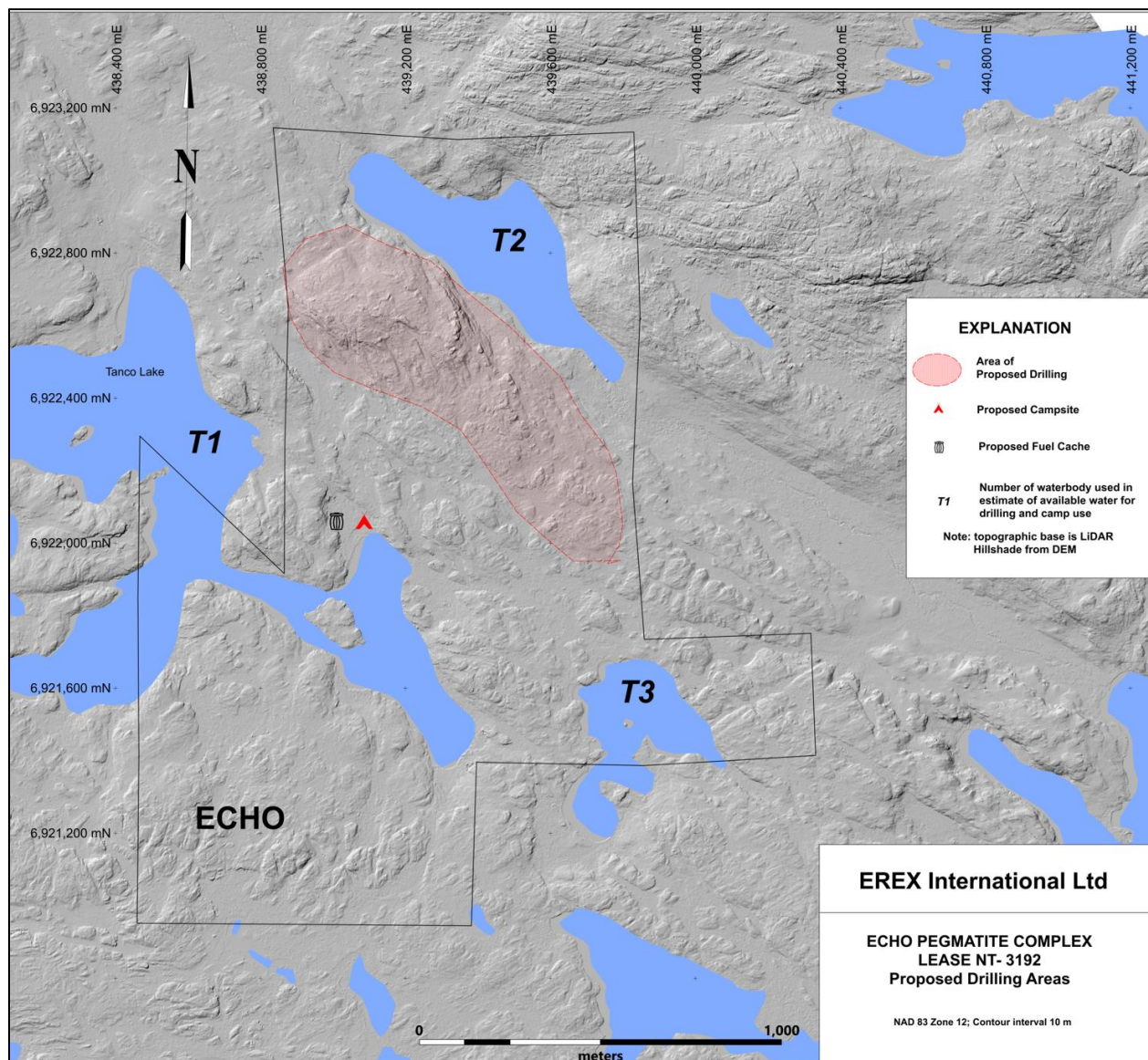


Figure 9. Areas for proposed drilling, camp, and fuel cache, ECHO lease

### FUEL STORAGE:

A maximum of 125,020 litres of fuel will be stored within the project area. For the LDP, diesel and jet (helicopter) fuel will be stored in bulk fuel systems with a capacity of up to 75,000 litres, consisting of double-walled steel tanks. These tanks will be situated on Federal land within the reclaimed area of the abandoned Hidden Lake gold mine (Figure 4 & 5). Storage Tank Permits will be obtained for all tanks with capacity >4,000 L, as required by the *Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations* (Canada, 2008).

A limited amount of fuel in 205 litre drums will also be brought in and stored beside the bulk fuel tanks on Federal land, in a secondary containment area. The approximate amount and variety of fuels that will be on site at any one time are listed in Table 3.

Fuel will be transferred from the bulk systems into smaller containers (e.g. 205 litre steel drums or tidy tank) for local transport to drill sites, the generator shacks or the helicopter pad, or directly into vehicles. Drums will be stored horizontally with their caps in the “3 and 9 o’clock” positions to minimize bung pressure and potential leakage.

Fuel will be dispensed using purpose-built manual or electric pumps. Liquid-tight containers or sumps will be placed below each tap, valve and nozzle used to dispense fuel. Spill kits, absorbent matting and copies of the Spill Contingency Plan will be present at all bulk fuel, small cache, and refuelling sites.

All fuel caches, including bulk fuel systems, fill lines and distribution lines will be marked with flags, posts, or similar devices to maximize their visibility. Fuel spills, if they occur, will be managed according to EREX’s Spill Contingency Plan.

**Table 3. Fuel Types to be used in the Project and stored at the Hidden Lake camp**

Type of Fuel	Number of containers	Capacity of containers (e.g., litres, pounds)	Type of container (e.g., barrel, tank, tidy-tank)	Proposed storage or staging location(s)
Diesel/Aviation Fuel	3	25,000 ltr	Tanks	By camp
Diesel:	60	205 ltr	Barrel	By camp
Gasoline:	10	205 ltr	Barrel	By camp
Aviation Fuel:	60	205 ltr	Barrel	By camp
Propane:	40	45 kg	100# cylinders	At camp
Other: various lubricants, including drilling fluids	100	1 ltr to 22 ltr	Tubes, cans, and pails	At camp

## WATER USAGE

### Territorial Land

During the term of the permit and water licences, water will be used for winter road construction, construction of drill trails and pads, camp supply and diamond core drilling. A list of potential water sources to support exploration activities and their estimated water availability are found in Table 4 and illustrated on Figures 5, 8, 9, and 10.

The estimated daily water use for winter road work is 299 m<sup>3</sup>. Water use will become negligible once the winter roads are constructed, or if road maintenance requires additional water, it is expected to be considerably reduced. In any case, water use will not exceed the Annual Withdraw limit of the source and total Project water use will not exceed 299 m<sup>3</sup>/day.

Water for drilling will be from sources on territorial land and will use the nearest waterbody to the drill sites. For diamond drilling, water use is estimated on the following basis. During winter, draw rates are highest to prevent hose line freezing. Drill rigs will average 2,000L/hr, 24hrs/day for approximately 48 m<sup>3</sup> of water per day per drill. This is a conservative average and water draw could be up to 70 m<sup>3</sup> per drill rig in some instances. Drilling from ice pads on lakes will use significantly less water than this amount. Similarly, during summer when pumps do not need to be continuously run, water usage volumes will be lower. In any case, water use will not exceed the Annual Withdraw limit of the source and total water use on the Project will not exceed 299 m<sup>3</sup>/day.

Depending on the water capacity of a lake, to be determined prior to drilling, there may be circumstance where two or more drills draw water from one lake. Small water bodies (area <50,000 m<sup>2</sup>) will typically have no more than 2 drills drawing water at any one time. Large water bodies (area >50,000 m<sup>2</sup>) may support up to 4-5 drills at any one time.

All water intakes will be screened according to DFO recommendations. As part of the surveillance network program ("SNP") the proponent will log from what lake, and for what drill water is being drawn and on what days that has taken place. That log will be available to government resource inspectors.



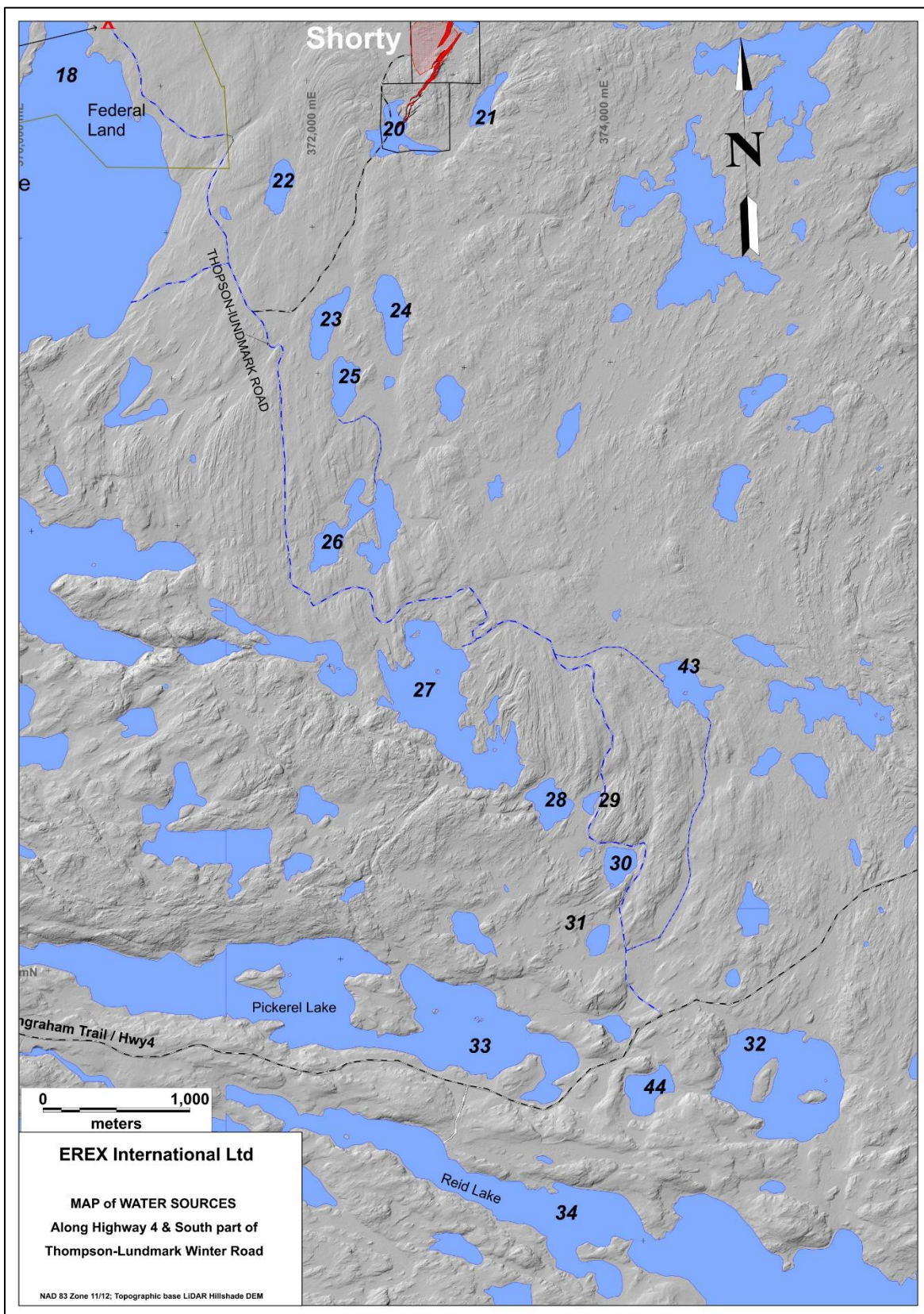


Figure 10. Map of water sources for winter road/ice road construction

**Federal Land:**

The Hidden Lake water source will be used to support winter road construction, Hidden Lake camp, and as a back-up water source for drilling. Camp water use from Hidden Lake is estimated at 251 litres per person per day (Canada average residential water use 2011<sup>3</sup>), and for 49 persons would be 12.3 m<sup>3</sup>/day. Core saw water consumption is estimated at 0.2 m<sup>3</sup>/day. Three core saws are anticipated at the Hidden Lake Camp, for a total use of 0.6 m<sup>3</sup>/day. Additional water use may include washing trucks and equipment, helicopter maintenance/cleaning, and core logging. Total estimated daily camp water consumption from Hidden Lake is ~15 m<sup>3</sup>/day. Additionally, Hidden Lake will be used as a water source for winter road construction and drilling on the nearby leases. Water draw from Hidden Lake will not exceed the Annual Withdraw limit of the source. Daily water usage will be monitored through the SNP and will not exceed the daily project maximum of 299 m<sup>3</sup>/day (combined Federal and Territorial land).

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<sup>3</sup> <https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/residential-water-use.html>

**Table 4: Proposed Water Sources with no Available Bathymetry.**  
**Lake ID/Names & Locations**

Water Source ID	Centroid		Estimated surface area m <sup>2</sup>	Land type: NWT Mineral Lease No. & Name	Proposed Use	Estimated water volume/Annual Withdrawal Limit (m <sup>3</sup> )
	Lat	Long				
1	62.57192949	-113.4998973	37,210	NT-3209 (Fi)	Drilling/Drill trails & pads	3,721
2	62.57553903	-113.4998993	22,860	NT-3209 (Fi)	Drilling/Drill trails & pads	2,286
3	62.57621547	-113.4941418	41,390	NT-3209 (Fi)	Drilling/Drill trails & pads/ice road	4,140
4	62.58066714	-113.5013641	29,883	NT-3209 (Fi)	Drilling/Drill trails & pads	2,988
5	62.57771982	-113.4876575	18,280	NT-3209 (Fi)	Drilling/Drill trails & pads/ice road	1,828
6	62.58056913	-113.4867888	19,680	NT-3209 (Fi)	Drilling/Drill trails & pads/ice road	1,968
7	62.58438234	-113.4813769	28,070	NT-3209 (Fi)	Drilling/Drill trails & pads/ice road	2,807
8	62.58918924	-113.4903848	337,800	NT-3209 (Fi)	Drilling/Drill trails & pads	33,770
9	62.58472263	-113.5106554	72,840	NT-3209 (Fi)	Drilling/Drill trails & pads	7,284
10	62.59268952	-113.5131188	139,000	NT-3209 (Fi)	Drilling/Drill trails & pads	13,900
11	62.59741335	-113.4735664	291,100	Federal & Territorial Land NT-3208 (Ki)	Drilling/Drill trails & pads	29,110
12	62.58961989	-113.4623981	18,680	NT-3208 (Ki)	Drilling	1,868
13	62.59934745	-113.4993244	116,030	Territorial Land	Drilling	11,603

Table 3 continued.

Water Source ID	Centroid		Estimated surface area m2	Land type: NWT Mineral Lease No. & Name	Proposed Use	Estimated water volume/Annual Withdrawal Limit (m <sup>3</sup> )
	Lat	Long				
14	62.58432114	-113.4766796	15,520	Territorial Land	Drilling	1,552
15	62.58151314	-113.457307	255,000	Territorial Land	Drilling	25,500
16	62.57363202	-113.4653004	140,900	Territorial Land	Drilling	14,090
17	62.56948023	-113.4644386	59,740	Territorial Land	Drilling	5,974
18 - Hidden Lk	62.53187000	-113.5195400	20,360,000	Federal & Territorial Land NT-3209 (Fi)	Drilling/camp use/ice road	2,036,000
19	62.55485883	-113.4685825	33,690	NT-5103 & NT-5104	Drilling	3,369
20	62.54774154	-113.4764870	75,990	NT-5103 & NT-5104	Drilling/Drill trails & pads	7,599
21	62.54954550	-113.4650934	33,360	NT-5103 & NT-5104	Drilling	3,336
22	62.54418204	-113.4928998	46,910	Territorial Land	Winter road	4,691
23	62.53850830	-113.4862178	64,400	Territorial Land	Winter road	6,440
24	62.53634349	-113.4780336	81,220	Territorial Land	Winter road	8,122
25	62.53195608	-113.4840341	52,430	Territorial Land	Winter road	5,243
26	62.52338826	-113.4784220	161,900	Territorial Land	Ice road	16,190
27	62.51247639	-113.4701442	467,000	Territorial Land	Ice road	46,700
28	62.50638735	-113.4569956	63,480	Territorial Land	Ice road	6,348
29	62.50644477	-113.4514562	10,910	Territorial Land	Winter road	1,091
30	62.50248612	-113.4475967	44,950	Territorial Land	Ice road	4,495
31	62.49805128	-113.450598	2,500	Territorial Land	Winter road	250
32	62.48918214	-113.4267120	459,300	Territorial Land	Ice road	45,930
33 - Pickerel Lk	62.49313170	-113.4627415	1,565,300	Territorial Land	Ice road	156,530
34 - Reid Lk	62.46878949	-113.4044136	6,173,000	Territorial Land	Ice road	617,300
N1	62.5261617	-114.1374017	13,290	NT-3196 (NITE)	Drilling	1,329
N2	62.53567722	-114.1299882	31,190	NT-3196 (NITE)	Drilling	3,119



Table 3 continued.

Water Source ID	Centroid		Estimated surface area m2	Land type: NWT Mineral Lease No. & Name	Proposed Use	Estimated water volume/Annual Withdrawal Limit (m <sup>3</sup> )
	Lat	Long				
N3	62.5303557	-114.1082615	74,240	Territorial Land	Drilling	7,424
N4	62.53545735	-114.1425446	23,490	Territorial Land	Drilling	2,349
N5	62.52588477	-114.1599319	149,400	Territorial Land	Drilling	14,940
N6	62.15377356	-114.1447082	486,400	Territorial Land	Drilling	48,640
Pontoon Lk	62.54235648	-114.0179422	3,241,000	NT-3197 (BIG)	Ice road	324,100
Bighill Lk	62.51000562	-114.0358298	4,482,600	NT-3197 (BIG)	Drilling/Drill trails & pads/ice road	448,260
Egg Lk	62.48974797	-114.0292066	871,760	NT-3197 (BIG)	Drilling/Drill trails & pads/ice road	87,176
B1	62.49996955	-114.0075306	53,450	NT-3197 (BIG)	Drilling/Drill trails & pads	5,345
B2	62.50246400	-113.9871946	158,880	NT-3197 (BIG)	Drilling/Drill trails & pads/ice road	15,888
B3	62.48953467	-113.9904414	409,600	NT-3197 (BIG)	Drilling/Drill trails & pads/ice road	40,960
B4	62.50520565	-113.9715706	364,800	NT-3197 (BIG)	Drilling/Drill trails & pads/ice road	36,480
B5	62.50850622	-113.996407	44,770	Territorial Land	Drilling/Drill trails & pads/ice road	4,477
B6	62.51999517	-114.0151896	277,300	Territorial Land	Ice road	27,730
Tanco Lk	62.42667000	-112.1879400	4,227,000	NT-3192 (ECHO)	Drilling/camp use	422,700
T2	62.43112900	-112.1931700	159,700	NT-3192 (ECHO)	Drilling/camp use	15,970
T3	62.41929300	-112.1619610	924,940	NT-3192 (ECHO)	Drilling/camp use	92,494

Table 3 continued.

Water Source ID	Centroid		Estimated surface area m2	Land type: NWT Mineral Lease No. & Name	Proposed Use	Estimated water volume/Annual Withdrawal Limit (m <sup>3</sup> )
	Lat	Long				
Thompson Lk	62.61395657	-113.4995663	2,747,000	Territorial & Federal Land	Drilling/Drill trails & pads/ice road	274,700
35	62.60151231	-113.4677549	9,054	Federal Land	Drilling/Drill trails & pads/ice road	905
36	62.60385735	-113.4811710	5,525	Federal Land	Drilling/Drill trails & pads/ice road	553
37	62.60600475	-113.4754963	19,350	Federal Land	Drilling/Drill trails & pads/ice road	1,935
38	62.61017922	-113.4745420	15,740	Federal Land	Drilling/Drill trails & pads/ice road	1,574
39	62.60375838	-113.4999925	51,230	Territorial Land	Drilling/Drill trails & pads/ice road	5,123
40	62.60964687	-113.4618941	21,390	Federal Land	Drilling/Drill trails & pads/ice road	2,139
41	62.56561122	-113.4941854	48,350	Territorial Land	Drilling/Drill trails & pads/ice road	4,835
42	62.55940869	-113.4927950	41,220	Territorial Land	Drilling/Drill trails & pads/ice road	4,122

Table 3 continued.

Water Source ID	Centroid		Estimated surface area m2	Land type: NWT Mineral Lease No. & Name	Proposed Use	Estimated water volume/Annual Withdrawal Limit (m <sup>3</sup> )
	Lat	Long				
43	62.51342508	-113.4381506	78,720	Territorial Land	Ice road	7,872
44	62.48885832	-113.4437242	70,950	Territorial Land	Ice road	7,095

### CLOSURE & RECLAMATION:

At the end of the permit and license terms, if a renewal is not sought, all equipment will be removed and demobilized from site and all camp infrastructure (tents/shacks/floors) will be taken apart and removed. Rubbish and refuse will be removed and disposed of appropriately at facilities in Yellowknife. All fuel storage sites and caches will be removed, and any identified contamination will be cleaned up as per the Spill Contingency Plan. The land will be returned to its original condition prior to EREX commencing exploration activities on the Project.

EREX will comply with security requirements for closure and reclamation that the MVLWB requests as a condition of the Land Use Permit and Water Licenses. EREX has submitted to the MVLWB a Closure and Reclamation Plan, as well as a security estimate, prepared using RECLAIM 7.0.

### POTENTIAL ENVIRONMENTAL IMPACTS AND MITIGATION:

Over the life of the Project the proponent recognizes that there is potential for environmental impacts to the Project area and wildlife within it. Every effort will be made to avoid or minimize these impacts as summarized in Table 5 below and further elaborated on in EREX's Wildlife Management Plan.

**Table 5. Overview of potential environmental impacts and proposed mitigations**

Potential Environmental Impact	Proposed Mitigation
Prospecting, Mapping and Sampling	<ul style="list-style-type: none"> <li>No mitigation required; these activities will have minimal impact on the land.</li> </ul>
Land Disturbance due to Drilling Activities	<ul style="list-style-type: none"> <li>Drilling operations will be restricted to a very small footprint which will subsequently be reclaimed to its natural state using CCME and industry best practices.</li> <li>Wherever possible, existing, or old trails will be used to minimise ground disturbance. Access trail location will be determined from recently completed LiDAR and orthophotography of the lease areas to locate routes having the least environmental and land disturbance impact.</li> <li>During summer activities and snow-free times, drilling rigs will be helicopter portable and hand built lumber drill pads will be utilized at each drilling site. This will negate the need to use bulldozers and/or skidders for trail construction or drill moves when the ground can be easily disturbed during snow free conditions.</li> <li>Permittee will remove or cut off and seal each drill casing at ground level.</li> </ul>



Potential Environmental Impact	Proposed Mitigation
Contamination of Soil, Groundwater, and Waterbodies due to Drilling or Fuel Spills	<ul style="list-style-type: none"> <li>Follow an approved spill plan and procedure.</li> <li>Spill kits and equipment will be in place and readily available.</li> <li>Regular inspection of fuel caches and transfer areas.</li> <li>Personnel will be trained in proper spill procedures.</li> <li>Sealing of any drill holes that encounter artesian conditions.</li> <li>Proper waste management practices.</li> <li>Secondary containment for fuel caches.</li> <li>Proper labeling and positioning of fuel drums.</li> </ul>
Contamination of Waterbodies due to Drilling Waste	<ul style="list-style-type: none"> <li>Depositing drill-cuttings in a natural depression and locating sumps at least 100 m from the highwater mark of any water course will limit potential for contamination.</li> </ul>
Soil compaction, Settling, and Erosion	<ul style="list-style-type: none"> <li>Disturbed sites and land will be returned as close to the original condition as possible. Re-vegetation may be required in some instances.</li> <li>Will ensure the ground is capable to support vehicle movements during winter to help limit land disturbance.</li> <li>Backfilling and compacting/restoring sumps following their use will help limit potential for localized erosion.</li> <li>Provide adequate insulation of the ground surface beneath all camp structures to help prevent permafrost degradation.</li> <li>Using forestry mulchers to clear vegetation for drill trails and pads to ground surface which preserves the root structure. This method has the least impact on vegetation and ground as it prevents excessive disturbance of sensitive soils while keeping permafrost intact.</li> </ul>
Damage to Vegetation	<ul style="list-style-type: none"> <li>During the winter portion of work, EREX will ensure there is adequate snowpack to support vehicle movements so that ground vegetation is not disturbed.</li> <li>Campsites will be located on durable land and whenever possible on previously cleared areas to limit vegetation disturbance.</li> </ul>
Impacts to Wildlife and Fish Habitat	<ul style="list-style-type: none"> <li>Abide by all applicable legislation to prevent damage to fish habitat and impacts to wildlife, especially Bathurst Caribou.</li> <li>No feeding wildlife.</li> <li>Minimize erosion, properly-manage drilling wastes, prevent obstruction of natural drainage, ensure proper waste management practices so as not to attract wildlife, and respond to spills immediately.</li> <li>Will not commence any drilling or movement of equipment when caribou are known to be within 500 m of a work area.</li> <li>Note, the area proposed to be worked during drilling is relatively small and confined to the lease areas. It is believed that any impacts to exposures with clad lichens – the food source for Caribou – will be</li> </ul>

Potential Environmental Impact	Proposed Mitigation
	very small, relative to surrounding areas where habitat for clad lichen is abundant.
Disturbances to Archaeological Sites	<ul style="list-style-type: none"> <li>• Making workers aware of what to do if they suspect they have encountered an archaeological site and follow the <i>Archaeological Chance Find Procedure</i> document.</li> <li>• Working with government bodies that have documented archaeological and cultural heritage sites and ensure that they are being avoided.</li> <li>• Using traditional knowledge studies over the project area to help avoid areas identified as having archaeological and cultural significance.</li> <li>• Only completing work outside of areas identified as having high archaeological potential in the completed archaeological overview assessment (AOA). An archaeological impact assessment (AIA) will be completed prior to planning or completing any work in areas identified in the AOA.</li> </ul>
Increases in Noise Levels	<ul style="list-style-type: none"> <li>• It is difficult to mitigate noise generated from camp operations, drilling, equipment, snowmobile or helicopter use. Whenever possible, work operations will be temporarily halted when wildlife of significance is within 500 m of a work area.</li> <li>• The project will be discontinuous, short term, and limited to smaller individual lease areas, minimizing noise levels.</li> </ul>