

# **RECLAMATION AND CLOSURE PLAN**

(Version 1.0)

November 2022

## **YELLOWKNIFE LITHIUM PROJECT**

Yellowknife area, NWT

### **EREX International Ltd.**

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## Table of Contents

Summary .....	3
Revision History .....	3
1 Introduction .....	3
1.1 Project & Facilities Description .....	3
1.2 Scope .....	3
1.3 Closure Principles, Goals, and objectives.....	4
1.4 Location.....	4
1.5 Site Description .....	5
1.6 Management Plan.....	5
1.7 Plan Implementation .....	6
2 Roles and Responsibilities.....	6
2.1 Staff, Contractors, Suppliers, and Visitors .....	6
2.2 Managers and Supervisors.....	7
2.3 Program Manager .....	7
2.4 Drill Contractors.....	7
3 Seasonal and Temporary Closure.....	7
3.1 Fuel and Material Storage.....	8
3.2 Waste .....	8
3.3 Water Intake .....	8
3.4 Camp and Core Logging Facilities .....	8
3.5 Drills .....	8
3.6 Winter Roads and Trails.....	8
4 Final Closure.....	8
5 Reporting and Documentation .....	9
6 Security .....	9
7 References .....	10

### Figures

Figure 1: Location of Yellowknife Lithium Project .....	5
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### Appendix A - Tables

Table 1. List of Equipment Proposed to be used during YLP .....	11
Table 2. List of Camp Structures Proposed to be used during YLP .....	12
Table 3. List of Camp Structures Proposed to be used during YLP .....	13

## Summary

This Plan describes what EREX International Ltd. (“EREX”) will do to close its Yellowknife Lithium Project annually, in the event of a temporary closure, and at the end of the project.

## Revision History

This is the first version (Version 1.0) of the Closure and Reclamation Plan was submitted with the application for the Type A Land Use Permit and Type B Water Licences (Federal and Non-Federal) in November 2022.

## 1 Introduction

EREX’s Yellowknife Lithium Project (“YLP”) consists of a large drill program (“LDP”) operated out of the Hidden Lake Camp to be situated on Federal Land that covers the remediated site of the Hidden Lake gold mine.

A smaller, independently operated, two drill program (“BDP”) will be conducted on the BIG and NITE leases (NT-3197 and NT-3196, respectively) with crews for those operations being based in Yellowknife and commuting to the drill sites daily. The BDP is expected to operate during the winter season using an ice road across Pontoon Lake, portage to Bighill Lake, and an ice road across the southeast side of Bighill Lake onto the BIG lease. During summer crews will be transported to drill sites by helicopter from Yellowknife and drills will be moved by helicopter, or alternatively based in a small camp on the lease. If possible a short access trail from Highway 4 to the north end of the NITE lease will provide access to planned drill sites there.

A small drill program (“SDP”) is also proposed for the THOR lease (NT-3192) consisting of one or two drills during the summer field season and operated out of a camp to be established on that lease.

### 1.1 Project & Facilities Description

Activities associated with EREX’s LDP will be based out of the Hidden Lake Camp and are focused on drill testing lithium-bearing pegmatites on the Fi, Ki, and Hi leases (NT-3209, NT-3208, Nt-5103, and NT-5104, respectively) using both core and reverse circulation drills. At its maximum scope, the LDP may consist of a combination of up to seven (5) drills of any type (i.e., five (4) diamond and one (1) small reverse circulation (RC) drills) in use at any one time. Drill core will be logged and cut for samples at the Hidden Lake Camp; RC cuttings will be sampled at the drill. Fuel for drilling will be brought to site in tidy tanks on drillers vehicles during the winter; during the summer fuel will be set out at the drills in drums by helicopter.

For the BDP one drill will work on the BIG lease and one on the NITE lease. A core logging and cutting facility that can double as an emergency warming shelter will be established on each lease. It is anticipated that drilling will continue through the winter and carry on into the summer.

Winter access, mobilization and demobilization is by way of Highway 4 (Ingraham Trail) to the Thompson-Lundmark winter road and then up that road for 10 kilometres to the Hidden Lake Camp. During the summer access will be by either float plane or helicopter to the Hidden Lake Camp.

A list of equipment, camp infrastructure and fuel to be used during the drilling programs is appended.

### 1.2 Scope

This Plan applies to seasonal, temporary, and final Project closure, including fuel caches, drill sites, winter roads, and core storage areas.

Seasonal closure refers to planned annual Project closure and decommissioning of winter roads at the end of each season. Temporary closure refers to either a planned or unplanned closure which may occur at any time and is not considered to be final. Final closure refers to a planned decommissioning of the entire Project at the end of the final season of the permit.

This plan is intended to satisfy applicable components of the following<sup>1</sup>:

- Standard Outline for Management Plans (MVLWB 2021);
- LWB Guidelines for Closure and Reclamation Cost Estimates for Mines, draft (MVLWB 2021b);
- Guidelines for Closure and Reclamation Cost Estimates for Mines (Mackenzie Valley Land and Water Board, Indian and Northern Affairs Canada, Government of Northwest Territories 2017);
- Guidelines for Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories (Mackenzie Valley Land and Water Board, Aboriginal Affairs and Northern Development Canada 2013);
- Environmental Guidelines for the Construction, Maintenance and Closure of Winter Roads in the Northwest Territories (GNWT 1993);
- RECLAIM 7.0 Model for Estimating Reclamation Costs - User Manual: Mining Version (GNWT 2017a);
- RECLAIM 7.0 workbook – Mining (GNWT 2017b);
- Mine Site Reclamation Policy for the NWT (INAC 2007);
- Guidelines for Safe Ice Construction (GNWT 2015);
- Mackenzie Valley Resource Management Act;
- Mackenzie Valley Land Use Regulations (1998); and
- Waters Act and Waters Regulations

### 1.3 Closure Principles, Goals, and objectives

The final closure goal is to return Project-affected areas to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and human activities.

Closure activities are aimed at ensuring the following principles are applied to the closed Project:

- Project components are physically and chemically stable upon closure;
- Long-term active care is not required; and
- The closed Project area is compatible with future uses.

The temporary closure objectives for the Project are as follows:

- Ensure that the facilities do not pose a risk to the physical environment, wildlife, or humans; and
- Carry out progressive reclamation of disturbed areas as soon as they are no longer being used.

Final closure objectives for the Project are as follows:

- Re-establish pre-disturbance terrain conditions, where practical; and
- Restore areas occupied by the Project to a condition compatible with future land use

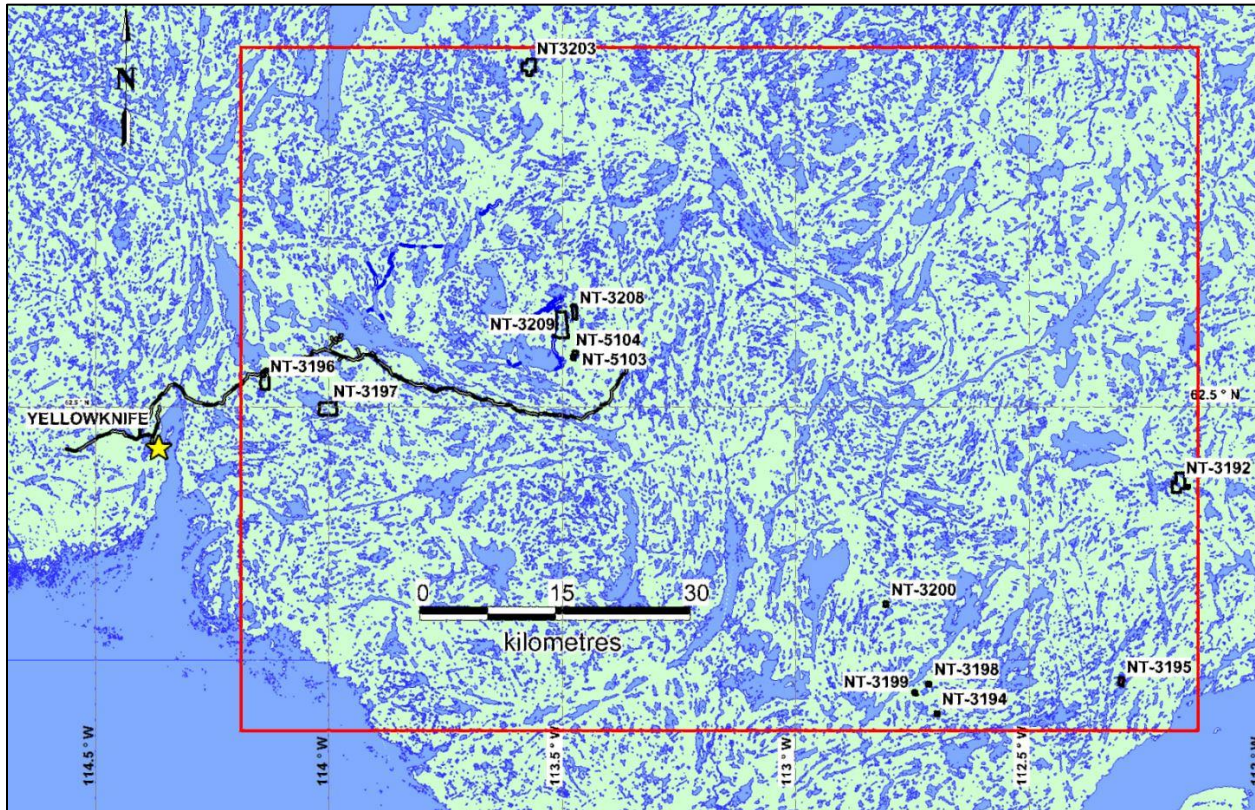
### 1.4 Location

The YLP covers an area of 7,897 square kilometres within which EREX holds 13 mineral leases in 12 separate parcels (Figure 1). The leases total 1,497.70 hectares in area and are situated east of Yellowknife. The six

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<sup>1</sup> This list may not be exhaustive; other legislation and guidelines may apply and may be updated from time to time.

leases closest to Yellowknife are the focus of the LDP. The nearest supply and logistics center is in Yellowknife.



**Figure 1: Location of Yellowknife Lithium Project**

### 1.5 Site Description

The Project occurs in the Taiga Shield Ecozone, that around the Leases varies from High Boreal: consisting of discontinuous permafrost, hummocky to rolling bedrock or boulder till, with cover of peatlands, young jack pine stands on recently burned outwash; elsewhere, closed black spruce stands with lichen and shrub understories are dominant; paper birch and dwarf birch regeneration on recent burns. A transition occurs to the east and northeast of the YPP to Low Subarctic ecoregion consisting of widespread permafrost over similar terrain as in the High Boreal; cover of open, low-growing black spruce forest with lichen and shrub understories are dominant; jack pine stands are less extensive than in the High Boreal ecoclimatic region (Ecosystem Classification Group. 2008)

Large game wildlife in the region include barren-ground caribou, muskox, grizzly bear, and occasionally moose. Furbearing animals include hare, fox, wolf, wolverine, and arctic ground squirrel. Waterfowl and avian species in the region include migratory and upland breeding birds such as grouse, ptarmigan, passerine, shorebirds, raptor, falcon, hawk, eagle, owl, loon, crane, swan, duck, and goose. Fish resources in the area include Lake Trout, Cisco, Round Whitefish, Northern Pike, and Burbot.

### 1.6 Management Plan

The Plan is reviewed annually and updated to ensure compliance with regulations, permits and relevant legislation and to reflect changes in activities associated with the LDP, BDP, and the SDP of the YLP, .

Revisions will be submitted to the MVLWB for approval. In the event that the scope of the YLP changes in a significant way, EREX will re-evaluate the existing Plan, engage with relevant parties to discuss the changes, and revise the Plan as needed.

### 1.7 Plan Implementation

This Plan is effective upon approval and is valid throughout all phases of the Project. The Program Manager or designate is responsible for Plan implementation. A copy of this Plan is maintained at the exploration camps from which activities associated with the LDP, BDP, and the SDP are occurring in a given field season.

## 2 Roles and Responsibilities

The YLP and LDP, BDP and the SDP are owned and operated by EREX. Equity Exploration Consultants Ltd. ("EECL") has been contracted by EREX to manage and operate exploration activities.

EREX is responsible for activities associated with its YLP, including implementation and management of this Plan. EREX's contact information is as follows:

**EREX International Ltd.**  
 300 – 1055 West Hasting Street  
 Vancouver, B.C. V6E 2E9  
 Phone: 604-616-8299  
**Contact: Carl Verley, P.Ge.**  
 Vice-president  
 Email: [cverley@telus.net](mailto:cverley@telus.net)

EECL is EREX's exploration Program Manager. In some instances, EREX may delegate its authority for program components to EECL. EECL's contact information is as follows:

**Equity Exploration Consultants Ltd.**  
 1238 – 200 Granville Street  
 Vancouver, B.C. V6C  
 Phone: 604-688-9806  
 Contact: Darcy Bake/Chris Hughes,  
 Role: Program Manager  
 Email: [darcyb@Equityexploration.com](mailto:darcyb@Equityexploration.com), [chrish@equityexploration.com](mailto:chrish@equityexploration.com)

### 2.1 Staff, Contractors, Suppliers, and Visitors

All personnel conducting activities on site, including staff, contractors, suppliers and visitors, are required to implement this Plan as it pertains to their activities on site. Specifically, these responsibilities include:

- Taking all necessary steps to minimize negative effects to water, land, and air in accordance with existing, MVLWB-approved Management Plans;
- Cooperating fully with supervisors and/or EREX management to implement effective environmental protection programs;
- Only carrying out duties and tasks for which an appropriate level of training has been provided;
- Where there is uncertainty, asking questions and bringing concerns to the attention of Managers or Supervisors when working with products or conducting tasks that may pose potential environmental risks; and

- Reporting spills and emergency situations in accordance with relevant management plans

## 2.2 Managers and Supervisors

Managers and Supervisors have a responsibility to ensure that staff, contractors, consultants, and visitors have been trained in EREX closure and reclamation expectations and procedures, where relevant. Additional Manager and Supervisor responsibilities include the following:

- Maintaining a no blame work environment in implementing mitigation measures and follow-up actions;
- Ensuring site-, task-, and material-specific training is provided to all departments and staff;
- Ensuring there are appropriate and sufficient supplies on site to support implementing mitigation measures and follow-up actions;
- Aiding in response to environmental hazards;
- Maintaining records of inspections, personnel training, equipment testing, maintenance, and decommissioning;
- Ensuring compliance reporting is undertaken in a timely manner; and
- Engaging with relevant parties in a timely and transparent manner, where appropriate.

## 2.3 Program Manager

In addition to the responsibilities listed above, the Program Manager or designate has the following additional responsibilities:

- Overseeing waste handling, transport, sampling, and management;
- Day-to-day oversight of all related reclamation efforts; and
- Coordinating with other managers and supervisors to ensure safe and appropriate allocation of resources on site.

## 2.4 Drill Contractors

Drill contractors are responsible for ensuring each drill site is cleaned up to the satisfaction of an EREX or EECL inspector following each drill move and prior to commencing drilling at a new drill target. Closure-related activities to be undertaken include:

- Removing all drill timbers, hoses, equipment, debris, and garbage from the drill site;
- Pulling or cutting drill stems flush with the ground surface;
- Capping or plugging drill holes;
- Backfilling flush with the ground surface any areas that may have eroded or subsided around the drill stem;
- Removing to a natural depression all drill cuttings; and
- Implementing erosion control measures where necessary.

# 3 Seasonal and Temporary Closure

Seasonal and temporary closure may occur for different reasons; however, related closure activities are the same. Typical activities associated with seasonal and temporary closure of each Project component are outlined below.

### 3.1 Fuel and Material Storage

Fuel and other materials such as drill additives, lubricants, and coolants may remain in the fuel storage area at the Hidden Lake Camp for emergency use and to support operation start-up at the resumption for a field season. Fuel remaining in at the Hidden Lake Camp is inspected to ensure integrity of Bulk storage tanks and barrels or other storage containers. Drums are stored on their sides with bungs in the 3 o'clock and 9 o'clock positions and no closer than 100 metres from the Ordinary High Water Mark (OHWM)<sup>2</sup> of the nearest watercourse.

### 3.2 Waste

Hazardous and domestic waste generated during the winter season is truck out to Yellowknife on the winter road on a weekly basis. During summer those materials will be flown out to Yellowknife on weekly service flights by float plane or helicopter. Treatment or off-site disposal of hazardous and domestic waste will be in accordance with the current MVLWB-approved Waste Management Plan.

### 3.3 Water Intake

The water intake facilities for each drill are removed from the lake, drained, and securely stored with drills. Fuel is removed from the water pump prior to storage

### 3.4 Camp and Core Logging Facilities

During Spring Break-up and Fall Freeze-up between winter and summer, summer and winter seasons respectively, the Hidden Lake Camp will be put into care and maintenance with a caretaker and possibly one or two maintenance people on site. During the care and maintenance period the camp will be cleaned and repairs as necessary will be undertaken to facilities. Fuel storage areas will continue to be inspected for leakage daily. Core storage area will be inspected for stability.

### 3.5 Drills

At the end of the winter season drills are demobilized from the field and stored in a designated, durable area at Hidden Lake Camp. Some drills may be removed from their unitized drill shacks in preparation for summer helicopter supported drill moves and left in the field at the next designated drill site. Fuel lines are disconnected, and fuel tanks are either emptied or stored in suitable containment. Drill cuttings deposits undergo a final inspection to ensure stability. Drill steel is pulled or cut flush with the ground surface. Drill holes are capped or sealed with plugs and/or concrete. The area around drill stems undergo a final inspection to ensure any areas of subsidence around drill stems have been backfilled in such a manner as to prevent water accumulation.

### 3.6 Winter Roads and Trails

At the end of each winter season, all supplies, mobile equipment used in winter road construction and maintenance, and equipment not needed for the summer program will be removed. Crews will V-notch ice bridges if streams are crossed prior to freshet.

## 4 Final Closure

Final closure at the end of the Project involves a planned abandonment of the property and the winter roads. Final closure entails removal of all equipment back to Yellowknife and V-notching ice bridges as needed.



Core remains on site, stored in a stable manner.

Diamond drill demobilization occurs during winter months with drills and related components using the ice road to get to Highway 4 (Ingraham Trail) and then on to Yellowknife. All fuel, wastes and other materials are bulked and packaged in a manner suitable for off-site transport and disposal, recycling, or resale, as appropriate. Fuel caches are decommissioned. Any containment berms are inspected to determine if they are suitable for reuse on other sites. If not suitable for reuse, containment berms are disposed of off-site. Following fuel cache decommissioning, the land underneath is inspected for evidence of leaks resulting in contamination. If any soil contamination is detected, contamination delineation and clean-up will be undertaken in the following summer in consultation with the Inspector. Further removal of equipment and materials from the Hidden Lake camp is addressed in the MVLWB-approved Management Plans associated with the LDP.

## 5 Reporting and Documentation

Annual reporting occurs in accordance with Water Licence and Land Use Permit terms and conditions. Temporary and final closure efforts are photo-documented, and an inventory is maintained.

## 6 Security

Financial security for closure costs is estimated using the RECLAIM 7.0 MODEL, an EXCEL workbook developed for estimating reclamation and mine closure costs.

General assumptions of the security estimate prepared by EREX include, but are not limited to the following:

- Mobilization costs are included for every piece of equipment or machine required for the work (i.e. does not assume that existing equipment is available and in good working condition). Any equipment of value or that is salvageable is likely to be removed or sold.
- Unit costs are based on third-party contractors conducting all of the work.
- Work is limited to that which can be carried out in the summer with manual labour, and in winter programs with equipment mobilized on the Thompson-Lundmark winter road. No substantive earthworks are carried out.
- Quantities are based upon estimates made by EREX.
- CIRNAC has completed remediation of the Hidden Lake Mine and is now entering an adaptive monitoring and management phase. As such, all camp facilities and equipment has been removed from site and there is no opportunity for shared use. EREX has an access agreement with CIRNAC to use the land at the Hidden Lake Mine for its campsite, excluding an area of 50 metres from each of the Hidden Lake Mine West and East Shafts.

Security is held by the Government of Northwest Territories.

Cost estimate(s) in RECLAIM are provided separately and accompanied by a summary document, detailing assumptions, as well as land and water allocations.

## 7 References

Mackenzie Valley Land Use Regulations (SOR/98-429)

Mackenzie Valley Resource Management Act (S.C. 1998, c. 25)

Waters Act. S.N.W.T. 2015,c.3

Waters Regulations. R-019-2014

Department of Fisheries and Oceans Canada (DFO). 2020. Interim code of practice: temporary stream crossings. Available at <https://www.dfo-mpo.gc.ca/pnw-ppe/codes/temporary-crossings-traversees-temporaireseng.html>

ECG (Ecosystem Classification Group). 2008. Ecological regions of the Northwest Territories - Taiga Shield. Yellowknife NT: Department of Environment and Natural Resources, Government of the Northwest Territories; [accessed October 2022]. [https://www.enr.gov.nt.ca/sites/enr/files/wkss\\_taiga\\_shield-2008.pdf](https://www.enr.gov.nt.ca/sites/enr/files/wkss_taiga_shield-2008.pdf).

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Mackenzie Valley Land and Water Board (MVLWB), Aboriginal Affairs and Northern Development Canada. 2013. Guidelines for Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories

MVLWB, Indian and Northern Affairs Canada, Government of Northwest Territories. 2017. Guidelines for Closure and Reclamation Cost Estimates for Mines.

**Appendix A: Maximum Equipment, Camp Structures, and Fuels onsite for Project**  
**Table 1. List of Equipment Proposed to be used during YLP**

No. of pieces	Type/Description	Weight tonnes or kg	Proposed use
7	Unitized, bulldozer or skidder transportable diamond drill (Longyear LF-70 or similar); – winter program convertible for helicopter transport during summer.	10 tonnes	Core drilling
1	Super Hornet reverse circulation drill	6 tonnes	Reverse circulation drilling
4-5	Solids removal equip't cw generator	3 tonnes	Remove rock cuttings from drill return water
4	Skidder or D-6 Bulldozer	25 tonnes	Moving drills in winter
1	Water truck	20 tonnes	For winter road construction and drill pads
1	Excavator, small	10 tonnes	For digging sumps
10	Water pumps	100 kg to 10 kg	Drill and camp water supply
1	Grader	10 tonnes	Winter road maintenance & snow removal
2	Snow cats	6 tonnes, each	Snow removal & road construction
1	Hagglund BV206	3 tonnes	Crew transport
6	ATV's (Polaris Ranger or similar)	½ tonne, each	Crew transport
8	Snow machines	300 kg, each	Camp and operations support
8	Pick-up trucks	2.5 tonnes, each	Camp and operations support
6	Core saws (electric)	40 kg	To cut drill core
4	Cut-of saws (gas) summer prog.	7 kg, each	Surface rock sampling
1	40 kw diesel generator	1,200 kg	Camp main power
1	20 kw diesel generator	400 kg	Camp standby power
3	5kw-10 kw diesel generators	200 kg	Power of core saws
46	Oil heaters, 75,000 BTU output	15 kg each	To heat sleeper tents, dry, kitchen mess, core shack, toilet facility.
3	Ice auger	7 kg	For determining lake ice thickness, cutting holes for water supply
1	Pionjar pack-sack blast hole drill, gasoline powered	45 kg	Drilling blast holes for trenching
1	Dual chambered Incinerator	1500 kg	Hidden Lake Camp

**Table 2. List of Camp Structures Proposed to be used during YLP**

Item, Purpose	Quantity	Dimensions (ft)		Dimensions (m)		Area (m <sup>2</sup> )
		width	length	width	length	
Fi, Ki, Hi leases (NT-3208, NT-3209, NT-5103, NT-5104)						
Tent, Sleepers	18	14	16	4.3	4.9	379.26
Tent, First aid	1	14	16	4.3	4.9	21.07
Tent, Kitchen	2	14	32	4.3	9.8	84.28
Tent, Mens Dry	1	14	32	4.3	9.8	42.14
Tent, Womens Dry	2	14	20	4.3	6.1	52.46
Tent, Drillers Office	1	14	16	4.3	4.9	21.07
Tent, Company Office	1	14	16	4.3	4.9	21.07
Tent, Core logging	3	14	32	4.3	9.8	126.42
Core cutting	3	14	20	4.3	4.9	63.21
Tent, toilets	2	14	16	4.3	4.9	42.14
Generator, Shack	1	12	16	3.7	4.9	18.13
<b>Total Area</b>						<b>871.25</b>

NITE & BIG (NT-3196 & NT-3197)						
Tent, Core logging	2	14	16	4.3	4.9	42.14
Core cutting	2	14	16	4.3	4.9	42.14
<b>Total Area</b>						<b>84.28</b>

THOR (NT-3192)						
Tent, Sleepers	4	14	16	4.3	4.9	84.28
Tent, Kitchen	1	14	16	4.3	4.9	21.07
Tent, Dry	1	14	16	4.3	4.9	21.07
Tent, Office	1	14	16	4.3	4.9	21.07
<b>Total Area</b>						<b>147.49</b>

**Table 3. List of Camp Structures Proposed to be used during YLP**

Type of Fuel	Number of containers	Capacity of containers (litres, kg)	Type of container (barrel, tank, tidy-tank)	Proposed storage or staging location(s)	Maximum
At Hidden Lake Camp for work on Fi, Ki, Hi leases (NT-3208, NT-3209, NT-5103, NT-5104)					
Diesel	3	15,000 ltr	Tanks	Camp	50,000 ltrs
Diesel:	60	205 ltr	Barrel	Camp and drill sites	12,300 ltrs
Gasoline:	10	205 ltr	Barrel	Camp	2,050 ltrs
Aviation Fuel:	60	205 ltr	Barrel	Camp	12,300 ltrs
Propane:	40	45 kg	100# cylinders	Camp and drill water pumps	1,800 kg
Other: various lubricants, including drilling fluids	100	1 ltr to 22 ltr	Tubes, cans, and pails	Camp and drills	
NITE & BIG (NT-3196 & NT-3197)					
Diesel:	12	205 ltr	Barrel	Core tent & Drill	2,460 ltrs
Other: various lubricants, including drilling fluids	10	1 ltr to 22 ltr	Tubes, cans, and pails	Drills	
THOR (NT-3192)					
Diesel:	50	205 ltr	Barrel	Camp and drill sites	10,250 ltrs
Aviation Fuel:	50	205 ltr	Barrel	Camp	10,250 ltrs
Propane:	10	45 kg	100# cylinders	Camp	
Other: various lubricants, including drilling fluids	30	1 ltr to 22 ltr	Tubes, cans, and pails	Camp and drills	