

## PERMIT TO ALTER A BODY OF WATER

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Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 39, 48

Date: **JANUARY 29, 2021**

File No: **526**  
Permit No: **ALT11597-2021**

Permit Holder: **Marathon Gold Corporation**  
**62A Hardy Avenue**  
**Grand Falls-Windsor, NL A2A 2P8**  
**ncapps@marathon-gold.com**

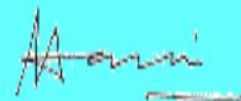
Attention: **Nicholas Capps**

Re: **Valentine Lake Mineral Exploration Project - Drilling within Wetlands**

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Permission is hereby given for : **the exploratory drilling within wetlands in Valentine Lake Property, southwest of Millertown for mineral exploration purposes in connection with mineral exploration approval E210004, in reference to the application dated January 18, 2021 and additional information received on January 27, 2021.**

- This Permit does not release the Permit Holder from the obligation to obtain appropriate approvals from other concerned municipal, provincial and federal agencies.
- The Permit Holder must obtain the approval of the Crown Lands Administration Division if the project is being carried out on Crown Land.
- This Permit is subject to the terms and conditions indicated in Appendices A and B (attached).
- It should be noted that prior to any significant changes in the design or installation of the proposed works, or in event of changes in ownership or management of the project, an amendment to this Permit must be obtained from the Department of Environment, Climate Change and Municipalities under Section 49 of the *Water Resources Act*.



(for) MINISTER

**APPENDIX A**  
**Terms and Conditions for Permit**

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**Exploration**

1. All drill rigs, pumps, generators, other motorized equipment and associated fuel tanks shall have metal trays, absorbent pads or impervious liners under them to catch and contain in excess of 110 % of the aggregate volume of any fuel, lubricant and oil.
2. All water, runoff or effluent from the mineral exploration activity (or any other type of similar undertaking), that is pumped or flows by gravity, shall have silt, sludge, sediment, cuttings, and visible turbidity removed by means of sediment boxes, settling tanks, settling ponds, sumps dug into the ground, filtration or other suitable treatment, to less than or equal to 30 milligrams per litre of Total Suspended Solids (TSS), before being discharged to the environment. More specifically, at the last point of control, the final discharge of all water, runoff or effluent must conform to the limits specified in Schedule A of the Environmental Control Water and Sewer Regulations, 2003, <https://www.assembly.nl.ca/Legislation/sr/Regulations/rc030065.htm>. It is the responsibility of the Permit Holder to demonstrate, that the final discharge meets the requirement of these Regulations.
3. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.
4. All silt, sludge, sediment, cuttings, drilling additives, and drilling mud must be collected and disposed of at a waste disposal site approved by the Department of Digital Government and Service NL in accordance with the Environmental Protection Act, SNL, 2002 cE-14.2. This material shall not be left on the ground, nor buried in a sump. This material shall not be disposed of anywhere within a Protected Public Water Supply Area without explicit written permission from the Water Resources Management Division.
5. Diamond drilling or trenching operations can not be undertaken without a valid Water Use License/Permit.

**General Alterations**

6. Any work that must be performed below the high water mark must be carried out during a period of low water levels.
7. Any flowing or standing water must be diverted around work sites so that work is carried out in the dry.
8. Water pumped from excavations or work areas, or any runoff or effluent directed out of work sites, must have silt and turbidity removed by settling ponds, filtration, or other suitable treatment before discharging to a body of water. Effluent discharged into receiving waters must comply with the *Environmental Control Water and Sewage Regulations, 2003*.
9. All operations must be carried out in a manner that prevents damage to land, vegetation, and watercourses, and which prevents pollution of bodies of water.
10. All vehicles and equipment must be clean and in good repair, free of mud and oil, or other harmful substances that could impair water quality.
11. Wood preservatives such as penta, CCA or other such chemicals must not be applied to timber near a body of water. All treated wood or timber must be thoroughly dry before being brought to any work site and installed.

12. Any areas adversely affected by this project must be restored to a state that resembles local natural conditions. Further remedial measures to mitigate environmental impacts on water resources can and will be specified, if considered necessary in the opinion of this Department.
13. The bed, banks and floodplains of watercourses, or other vulnerable areas affected by this project, must be adequately protected from erosion by seeding, sodding or placing of rip-rap.
14. All waste materials resulting from this project must be disposed of at a site approved by the Department of Digital Government and Service NL.
15. Sediment and erosion control measures must be installed before starting work. All control measures must be inspected regularly and any necessary repairs made if damage is discovered.
16. The attached Completion Report (Appendix C) for Permit No. 11597 must be completed and returned to this Department upon completion of the approved works. Pictures must be submitted along with the completion report, showing the project site prior to and after development.
17. This Permit is valid for two years from the date of issue. Work must be completed by that date or the application and approval procedure must be repeated.
18. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
19. All work must be carried out within the Permit Holder's legal property boundaries.

**Special Conditions**

20. In case of drilling on the ice cover of the said bodies of water, a dyke or other suitable device must be placed around the immediate perimeter of the ice hole and around the perimeter of the drilling area to prevent any fluid, fuel or other foreign substance from entering the water or spreading across the ice surface.
21. Diamond drilling or trenching operations can not be undertaken without a valid Water Use Licence/Permit.
22. Mineral lands exploration approval E210004 will expire on January 15, 2022.

**APPENDIX B**

**Special Terms and Conditions for Permit**

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1. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall keep all systems and works in good condition and repair and in accordance with all laws, by-laws, directions, rules and regulations of any governmental authority. The Permit Holder or its agent(s), subcontractor(s), or consultant(s) shall immediately notify the Minister if any problem arises which may threaten the structural stability of the systems and works, endanger public safety and/or the environment or adversely affect others and/or any body of water either in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for all damages suffered by the Minister and Government resulting from any defect in the systems and works, operational deficiencies/inadequacies, or structural failure.
2. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall operate the said Project and its systems and works in a manner which does not cause any water related and/or environmental problems, including but not limited to problems of erosion, deposition, flooding, and deterioration of water quality and groundwater depletion, in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for any and all damages associated with these problems caused as a result of changes, deficiencies, and inadequacies in the operational procedures by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
3. If the Permit Holder or its agent(s), subcontractor(s), or consultant(s) fails to perform, fulfil, or observe any of the terms and conditions, or provisions of this Permit, as determined by this Department, the Minister may, without notice, amend, modify, suspend or cancel this Permit in accordance with the *Water Resources Act*.
4. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) indemnify and hold the Minister and Government harmless against any and all liabilities, losses, claims, demands, damages or expenses including legal expenses of any nature whatsoever whether arising in tort, contract, statute, trust or otherwise resulting directly or indirectly from granting this Permit, systems and works in or outside the said Project areas, or any act or omission of the Permit Holder or its agent(s), subcontractor(s), or consultant(s) in or outside the said Project areas, or arising out of a breach or non-performance of any of the terms and conditions, or provisions of this Permit by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
5. This Permit is subject to all provisions of the *Water Resources Act* and any regulations in effect either at the date of this Permit or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.
6. This Permit shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador.

- cc: Amir Ali Khan, Ph.D., P.Eng.  
Manager, Water Rights, Investigations and Modelling Section  
Water Resources Management Division  
Department of Environment, Climate Change and Municipalities  
P.O. Box 8700  
4th Floor, West Block, Confederation Building  
St. John's, NL A1B 4J6  
akhan@gov.nl.ca
- cc: Jeremy Keeping (Western)  
Land Management Specialist  
Crown Lands Administration  
Department of Fisheries, Forestry and Agriculture  
jeremykeeping@gov.nl.ca
- cc: Matthew Snow  
Exploration Approvals Geologist  
Mineral Lands Division  
Department of Industry, Energy and Technology  
50 Elizabeth Avenue, P.O. Box 8700  
St. John's, NL A1B 4J6  
exploration\_approval@gov.nl.ca



### Appendix C - Completion Report

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 39, 48

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Attention: **Nicholas Capps**

Re: **Valentine Lake Mineral Exploration Project - Drilling within Wetlands**

Permission was given for : **the exploratory drilling within wetlands in Valentine Lake Property, southwest of Millertown for mineral exploration purposes in connection with mineral exploration approval E210004, in reference to the application dated January 18, 2021 and additional information received on January 27, 2021.**

*I (the Permit Holder named above or agent authorized to represent the Permit Holder) do hereby certify that the project described above was completed in accordance with the plans and specifications submitted to the Department of Environment, Climate Change and Municipalities and that the work was carried out in strict compliance with the terms and conditions of the Permit issued for this project.*

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

This completion report must be completed and forwarded to the following address upon completion of the approved work.

Department of Environment, Climate Change and Municipalities  
Water Resources Management Division  
PO Box 8700  
St. John's NL A1B 4J6

**APPENDIX D**  
**Location Map for Permit**

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