

PERMIT FOR DEVELOPMENT

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

Date: **MAY 03, 2021**

File No: **550-01-02-05-075**

Permit No: **PRO11743-2021**

Permit Holder: **Exploits Discovery Corp.
1100-595 Howe Street
Vancouver, BC
V6C 2T5**

[REDACTED]

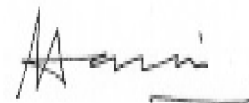
Attention:

[REDACTED]

Re: **Gander WSMC-Gander Lake PPWSA-Mineral Exploration-Exploits Discovery Corp**

Permission is hereby given for : **mineral exploration activities (drilling and trenching) in the Gander Lake Protected Public Water Supply Area (used by the towns of Gander, Glenwood and Appleton) with reference to the application dated February 25, 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 and Climate Change under Section 49 of the *Water Resources Act*.



(for) MINISTER

APPENDIX A
Terms and Conditions for Permit

PPWSA General

1. 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.
2. 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.
3. All persons working on this project must be informed that they are within a Protected Public Water Supply Area, and must be made aware of all conditions of this Permit. A copy of this Permit must be on site during operations.
4. The attached Completion Report (Appendix C) for Permit No. 11743 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.
5. An undisturbed (no cutting or ground disturbance) buffer zone of at least **300 metres** shall be maintained around Gander Lake, at least **100 metres** along both sides of all streams and main tributaries running into Gander Lake, at least **50 metres** around Soulis Pond, and at least **30 metres** around all ponds and along both sides of all other water bodies. Activity or development within these buffer zones is prohibited. All buffer zones must be marked with signs or flagging tape to avoid encroachment into the buffer zones.
6. All waste material is to be collected in refuse containers, and disposed of at an approved waste disposal site outside the Protected Public Water Supply Area in accordance with the *Environmental Protection Act, SNL 2002 cE-14.2*.
7. Equipment storage, maintenance facilities associated with this project, and all maintenance other than emergency repairs must not be located/carried out within the Protected Public Water Supply Area.
8. The Department reserves the right to require that the Permit Holder follow, and cover all costs incurred by the Permit Holder or this department, associated with any water quality monitoring program that may be ordered by the Minister for the purpose of ensuring that the water quality is maintained within acceptable guidelines.
9. Officials of the Department and the appropriate Municipal Authority, Operator, or Watershed Management Committee may visit the site to ensure compliance with this Permit.
10. Liaison is to be maintained with the appropriate Municipal Authority and Environmental Scientist. If there are any specific problems (ie sedimentation, fuel spill, other potential water quality impairment), the Chair of the Water Supply Committee must be notified immediately at (709)651-5915. The Environmental Scientist must also be notified immediately at **(709)292-4280**.
11. The felling or disposing of trees, parts of trees, sawdust, bark, logging debris or slash into a water body or upon the frozen surface of a water body is strictly prohibited.

12. Motorized vehicles, including snowmobiles and ATVs, shall not be used to cross the frozen surface of Gander Lake, the intake pond within the Protected Public Water Supply Area.
13. Treated wood shall not be used in a water body or within buffer zones established in Condition 5 of any water body measured from the high water mark. The use of creosote treated wood anywhere within the Protected Public Water Supply Area is strictly prohibited.
14. The Permit Holder must inspect the site daily, and any water quality impairment related problems are to be reported immediately to the Environmental Scientist at (709)292-4280 and the Watershed Monitoring Committee at (709)651-5915.
15. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
16. This Permit is valid for one year from the date of issue.
17. Any changes in water quality resulting directly from this project, rendering the water unsuitable as a public water supply, are the responsibility of the Permit Holder. The Minister may order the Permit Holder to provide an alternate source of potable water to the affected community until water quality returns to an accepted level.
18. All vehicles and equipment must be in good working order with no leaking fuel, oil, or other harmful substances that could impair water quality.
19. Drainage from roads and other disturbed areas into any body of water must first be discharged into a settling pond, a vegetated area or pass through a sedimentation fence where all suspended material can settle out before draining into any body of water.
20. Any streams not visible on a 1:50,000 scale map (including field identified streams) shall require a minimum buffer of 30 m.
21. For any clearing inside buffer zones: no ground disturbance (no disturbance to the root mat, no grubbing, or removal of soil) shall take place in the buffer zones. The Permit Holder is to ensure that the appropriate best practices are employed to prevent any detrimental effects that could impact water quality. Where possible, work in buffer zones shall be completed when the ground is frozen.
22. Exploration activities must not extend within 200 meters of a scheduled salmon river without prior registration for and release under the *Environmental Protection Act* SNL 2002 cE-14.2.
23. Where permits, licences, approvals or authorizations are issued by multiple governments departments or agencies, in the case of similar conditions, the more stringent of those shall prevail; in the case of conflicting conditions, the Permit Holder shall seek clarification and direction in writing from each of the respective departments or agencies.
24. The Permit Holder is required to ensure that adequate sanitary (bathroom) facilities are available or provided on site. This may be in the form of a portable toilet, chemical toilet, pit privy (outhouse), sub-surface disposal system, or municipal sewer system. If a portable toilet or chemical toilet is used, the waste water must be disposed of in a septic disposal system approved by Service NL, or at an approved waste disposal site, outside the Protected Public Water Supply Area in accordance with the *Environmental Protection Act* SNL 2002 cE-14.2. If a pit privy (outhouse) or sub-surface disposal system is used, it must be located outside the required buffers, and be subject to Service NL standards, requirements and approval.

25. The issuance of this permit does not guarantee, nor set precedent, that additional or similar permits or amendments will be issued in this or any other Protected Public Water Supply Area for additional or similar activity or development.
26. Any activity within a freshwater body (including wetlands and flood risk areas), requires a Permit under Section 48 of the Water Resources Act, 2002. This Permit refers to Section 39 of the Water Resources Act, 2002 and does not grant permission for the above stated work including fording and/or culvert or bridge installation.
27. 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.

Exploration

28. All silt, sludge, sediment, cuttings, drilling additives, and drilling mud must be collected, properly disposed of and not permitted to flow freely over the ground into any receiving waterbody, including wetlands. A layered risk mitigation approach is required.
29. The primary layer of risk mitigation, where physical conditions allow, shall consist of the construction of a temporary sump pit. The temporary sump pit shall be constructed on the down-slope side of the drill pad to collect discharge waters and to allow solids to settle out. In areas where it is physically impossible to dig a sump pit, a settling tank will be required. Performance of the sump pit or settling tank during operations and after heavy rainfall events should be monitored on an hourly basis and any issues reported to the Water Resources Management Division of this Department.
30. The secondary layer of risk mitigation shall consist of, but may not be limited to, some combination of additional temporary sump pits, sediment traps, interceptor ditches of sump pit runoff prior to discharge into any waterbody, settling tanks or constructed settling ponds. The design of secondary risk mitigation layers shall be approved by the Environmental Scientist prior to any development activity.
31. 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.
32. Should an accumulated mass of material from the drilling activity be collected by either the primary or secondary risk mitigation layer, the accumulation shall be excavated and deposited in the sump pit prior to rehabilitation.
33. Material collected in a settling tank as part of a primary risk mitigation layer can be buried outside of the PPWSA or outside of any buffer zone within the PPWSA, if conditions are suitable.
34. Drilling fluids other than water must be approved by this Department prior to their use.
35. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.

36. Water, runoff or effluent must not be discharged within the buffer zones of a body of water including wetlands, nor in such a manner that it has a direct surface route back to a body of water.
37. At least seven (7) days advance notice of the beginning and end of the planned drilling and trenching operations is required. The municipal authority must be notified at info@gandercanada.com and the Environmental Scientist must be notified at trentpollett@gov.nl.ca. Any changes in the planned drilling operation must also be communicated in a timely manner, and approved with a subsequent Permit or amendment before being undertaken.
38. Diamond drilling or trenching operations can not be undertaken without a valid Water Use License/Permit.
39. All boreholes shall be sealed with bentonite and the collar must to be removed at the end of the drilling season or end of the calendar year, whichever occurs first.
40. Prior to completion of the project, sump pits/trenches/test pits/any engineered excavation for the retention of sediment shall be rehabilitated appropriately. Rehabilitation may include backfilling of stockpiled materials such as subsoils and till, re-covering the backfilled site with stockpiled organic cover and any additional organic materials, seeding, or other measures.
41. The Permit Holder is required to provide this Department with all documents, information and data which may be requested or required in order to carry out an inspection or investigation.
42. The percentage of land disturbance from drill pad sites, trenches and trails in any sub-watershed within the PPWSA, as represented in the attached location map, must not exceed 5% of that sub-watershed area
43. There shall be no reinjection of silt, sludge, sediment, cuttings, drilling additives, and drilling mud back into the drill hole.
44. In the case of an event that may impact drinking water quality, the Proponent's Contingency Plan shall be followed.
45. All storm runoff shall be diverted away from any engineered excavation for the retention of sediment (e.g. sump, sediment basin, settling pond).
46. The Permit Holder is required to undertake a water quality monitoring program while conducting exploration activities in Work Area 2 (as indicated on the attached maps). Requirements of the sampling program are outlined in conditions 47 and 48, and all water quality data must be submitted to this Department within 14 days of the samples being taken.
47. Water samples shall be collected from the public water supply intake pond (Gander Lake) downslope of the drilling activity. Samples shall be collected before the drilling begins, once per week while the operation is ongoing, after any extreme rain event of more than 20 mm of rain in a 24 hour period, 7 days after the completion of the drilling project and in the Spring of 2022 after the snow has melted.
48. Each sample taken for the sampling program outlined in condition 47 will be analyzed for the following parameters: Alkalinity, Aluminum, Ammonia, Antimony, Arsenic, Barium, Boron, Bromide, Cadmium, Calcium, Chloride, Chromium, Colour, Conductivity, Copper, Dissolved Organic Carbon, Fluoride, Hardness, Iron, Lead, Magnesium, Manganese, Mercury, Nickel, Nitrate, Nitrite, pH, Potassium, Selenium, Sodium, Strontium, Sulphate, Total Dissolved Solids, Total Suspended Solids, Total Kjeldahl Nitrogen, Total Organic Carbon, Total Phosphorus, Turbidity, Uranium, Zinc, BTEX/TPH and Polycyclic Aromatic Hydrocarbons.

49. All water used for washing trenches must not overflow or otherwise leave the trench and flow along the ground. Other runoff or effluent must not be discharged within buffer zones of a waterbody, including wetlands, nor in such a manner that it has a direct surface route back to a body of water.
50. Where trenching is required, no trenching shall be carried out within 75 m of the banks of a waterbody or wetland within the PPWSA. Topsoil shall be removed and stockpiled prior to trenching in order to be used for surface re-vegetation of the reclaimed trench.

Fuel Storage

51. There shall be no bulk fuel storage associated with this project within the protected water supply area. Fuel shall be brought to the operating area in no more than two (2), 205 litre barrels or one (1) 500 litre slip tank. Refueling sites shall be located at least 150 metres from any water body or wetland. The Permit Holder is hereby informed that fuel storage and handling requires a separate approval under the *Storage and Handling of Gasoline and Associated Products Regulations, CNR 775/96*.
52. A complete oil spill clean-up kit must be on site at all times when gasoline or fuel powered equipment is being used or refueled. The kit must contain the following:
- Fire pump and 100 metres of hose
 - Two hand operated fuel pumps
 - Six recovery containers such as empty 205 litre drums
 - Four shovels
 - Two pick axes
 - Ten metres of containment boom
 - Twenty-five absorbent pads
 - One hundred litres of loose absorbent material
53. Contaminated snow and soil must be removed from the site and disposed of at an approved location outside the protected public water supply area, in accordance with the *Environmental Protection Act, SNL 2002 cE-14.2*.
54. Any spills of gasoline, fuel or oil, regardless of volume, shall be reported immediately to the Environmental Scientist and the appropriate Municipal Authority or Watershed Management Committee by calling (709)292-4280 and (709)651-5915 respectively. Furthermore, all spills in excess of 70 litres shall be reported immediately to the 24 hour spill report line at 1-800-563-9089.

Trails

55. Fill material must be obtained from an approved quarry site. It must not be taken from beaches or streams, and must not be dredged from a body of water.
56. Removal of streambank vegetation or trees is not permitted. Overhanging brush that collects snow and blocks ice movement may be pruned and cut back to allow free flow of water.
57. Where sand or gravel is used in the construction of trails, these areas must be closely monitored during and after periods of heavy rainfall for any signs of erosion or washout. Where washouts occur, these sections of trail must be replaced with boardwalks.
58. Trail embankments near watercourses must be adequately protected from erosion by sodding, seeding or placing of rip-rap.
59. Permit Holder must avoid construction activities in a wetland wherever possible.

60. A Domestic Wood Harvesting Permit is required from the Regional Services Division of the Forestry Services Branch for any wood cutting activities.
61. Heavily travelled areas must be kept well drained to prevent the formation of mud puddles which can contribute to erosion and siltation events.

APPENDIX B
Special Terms and Conditions for Permit

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: Shabnam Mostofi, Ph.D., P.Eng.
Environmental Engineer
Water Resources Management Division
Dept of Environment and Climate Change
ShabnamMostofi@gov.nl.ca
- cc: Town of Appleton
P.O. Box 31, Site 4
Appleton, NL A0G 2K0
townofappleton@personainternet.com
- cc: Town of Gander
100 Elizabeth Drive
Gander, NL A1V 1G7
info@gandercanada.com
- cc: Town of Glenwood
P.O. Box 130
Glenwood, NL A0G 2K0
townofglenwood@hotmail.com
- cc: Andrea Devereaux
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
- cc: Mr. Trent Pollett
Environmental Scientist, Drinking Water
Water Resources Management Division
Department of Environment and Climate Change
3 Crommer Avenue
Grand Falls - Windsor, NL
A2A 1W9
trentpollett@gov.nl.ca
- cc: Ms. Paula Dawe, P.Eng.
Manager, Drinking Water and Wastewater Section
Water Resources Management Division
Department of Environment and Climate Change
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
pauladawe@gov.nl.ca

Appendix C - Completion Report

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

Date: **MAY 03, 2021**

File No: **550-01-02-05-075**
Permit No: **PRO11743-2021**

Permit Holder: **Exploits Discovery Corp.**
1100-595 Howe Street
Vancouver, BC
V6C 2T5



Attention:



Re: **Gander WSMC-Gander Lake PPWSA-Mineral Exploration-Exploits Discovery Corp**

Permission was given for : **mineral exploration activities (drilling and trenching) in the Gander Lake Protected Public Water Supply Area (used by the towns of Gander, Glenwood and Appleton) with reference to the application dated February 25, 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 and Climate Change 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 and Climate Change
Water Resources Management Division
PO Box 8700
St. John's NL A1B 4J6

APPENDIX D
Location Map for Permit



Second Attached Image File

