

PERMIT FOR DEVELOPMENT

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

Date: **AUGUST 18, 2021**

File No: **550-01-01-05-054**

Permit No: **PRO12024-2021**

Permit Holder: **Cartier Iron Corporation**
20 Adelaide Street East, Suite 200
Toronto, ON, M5C 2T6

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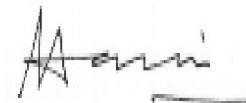
Attention:

██████████

Re: **Clarenville - Shoal Harbour River PPWSA - Mineral Exploration - Cartier Iron Corporation**

Permission is hereby given for : **mineral exploration activities including drilling 8 boreholes and ground geophysics surveying (via controlled source audio-frequency magnetotellurics) within the Shoal Harbour River Protected Public Water Supply Area (used by the Town of Clarenville) with reference to the application dated June 24, 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. 12024 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 **150 metres** shall be maintained around Shoal Harbour River for a distance of 1 kilometer upstream, at least **75 metres** along the remainder of Shoal Harbour River, at least **50 metres** along both sides of all streams and main tributaries running into Shoal Harbour River, 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 if work is taking place near the buffer zone.
6. 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.
7. 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*.
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 appropriate Town Manager/Clerk, Mayor, Chair of the Local Service District Committee, or Chair of the Water Supply Committee must be notified immediately at (709)466-7937. The Environmental Scientist must also be notified immediately at (709)729-4817.

11. 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.
12. The Permit Holder must inspect the site daily (hourly during active drilling), and any water quality impairment related problems are to be reported immediately to the Environmental Scientist at (709)729-4817 and the appropriate Municipal Authority or Watershed Monitoring Committee at (709) 466-7937.
13. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
14. This Permit is valid for one year from the date of issue.
15. 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.
16. All vehicles and equipment must be in good working order with no leaking fuel, oil, or other harmful substances that could impair water quality.
17. Any streams not visible on a 1:50,000 scale map (including field identified streams) shall require a minimum buffer of 30 m.
18. Exploration activities must not extend within 200 meters of a scheduled salmon river without prior registration for and release under the Environmental Protection Act, Environmental Assessment Division, Department of Environment and Climate Change.
19. 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.
20. 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, 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.
21. 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.

Exploration

22. 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. A layered risk mitigation approach is required.

23. The primary layer of risk mitigation, where physical conditions allow, shall consist of the construction of a temporary sump pit and/or similar containment area. 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 or above ground constructed containment area will be required. Performance of the sump pit, settling tank or above ground containment area 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.
24. 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, above ground containment area or constructed settling ponds. The design of secondary risk mitigation layers shall be approved by the Environmental Scientist prior to any development activity.
25. 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.
26. 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.
27. 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.
28. Drilling fluids other than water must be approved by this Department prior to their use.
29. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.
30. Water, runoff or effluent must not be discharged within 30 meters of a body of water, nor in such a manner that it has a direct surface route back to a body of water.
31. 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.
32. At least seven (7) days advance notice of the beginning and end of the planned drilling operations is required. The municipal authority must be notified at (709) 466-7937 or info@clarenville.net and the Environmental Scientist must be notified at (709)685-8948 or christavskinner@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.
33. The drill holes must be sealed with bentonite and the collar must be removed at the end of the drilling program.

34. 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.
35. There shall be no reinjection of silt, sludge, sediment, cuttings, drilling additives, and drilling mud back into the drill hole.
36. In the case of an event that may impact drinking water quality, the Proponent's Contingency Plan shall be followed.
37. All storm runoff shall be diverted away from any engineered excavation for the retention of sediment (e.g. sump, sediment basin, or settling pond).
38. Material collected in a settling tank or above ground containment area 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.

Special Conditions

39. For boreholes **BE21P-01, PBE21P-02, BE21P-03, BE21P-04 and BE21P-05** (as identified in map 4 of Appendix D) the following restrictions apply: the five (5) preceding days to drilling must have daily recorded rainfall of less than 5 mm as recorded by the nearest Environment and Climate Change Canada Weather Station or other reliable daily rainfall recording methods approved by the Environmental Scientist.
40. Fuel tank(s) will be transported to and from site via helicopter with immediate removal upon completion of project.
41. Bog mats are to be used in wet areas along the access route and are mandatory inside the wetland including the 30m buffer area identified in map 4 of Appendix D.

General Alterations

42. Any work that must be performed below the high water mark must be carried out during a period of low water levels.
43. Any flowing or standing water must be diverted around work sites so that work is carried out in the dry.
44. The use of heavy equipment in streams or bodies of water is not permitted. The operation of heavy equipment must be confined to dry stable areas.
45. 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.
46. Periodic maintenance such as painting, resurfacing, clearing of debris, or minor repairs, must be carried out without causing any physical disruption of any watercourse. Care must be taken to prevent spillage of pollutants into the water.
47. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
48. 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.

49. Fill material must be of good quality, free of fines or other substances including metals, organics, or chemicals that may be harmful to the receiving waters.
50. All work must be carried out within the Permit Holder's legal property boundaries.

Fuel Storage

51. There shall be no bulk fuel storage associated with this project within the protected public 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. 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. 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)729-4817 and (709) 466-7937 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.
54. 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*.
55. Refueling sites shall be located at least 150 metres from any water body.
56. During refueling, the following conditions must be adhered to:
- Refueling is to take place during daylight hours only
 - Appropriate permit holder staff must be on site and supervising the refueling activity
 - Spill kit must be in close proximity to refueling site
 - Overflow prevention devices must be utilized to aid in spill prevention

Commercial Harvesting

57. A Commercial Timber Harvesting Permit may be required to clear land and should be obtained from the Department of Fisheries, Forestry and Agriculture. Cleared areas shall be limited to the area required to complete approved works.
58. 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.

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: Amir Ali Khan, Ph.D., P.Eng.
Manager, Water Rights, Investigations and Modelling Section
Water Resources Management Division
Dept. of Environment and Climate Change
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
akhan@gov.nl.ca
- cc: Christa Skinner
Environmental Scientist
Water Resources Management Division
Dept. of Environment and Climate Change
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
christavskinner@gov.nl.ca
- cc: Daniel Humber
Environmental Engineer, Water Rights, Investigations and Modelling Section
Water Resources Management Division
Dept. of Environment and Climate Change
DanielHumber@gov.nl.ca
- cc: Paula Dawe, P.Eng.
Manager, Drinking Water and Wastewater Section
Water Resources Management Division
Dept. 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
- cc: Town of Clarenville
99 Pleasant Street
Clarenville, NL A5A 1V9
info@clarenville.net
publicworks@clarenville.net
- cc: Steve Mills
Conservation Officer IV
Eastern Regional Services Division
Dept. of Fisheries, Forestry and Agriculture
97 Manitoba Drive, Suite 208
Clarenville, NL A5A 1K3
stevemills@gov.nl.ca

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. Kevin Sheppard
Director, Mineral Lands Division
Department of Natural Resources
50 Elizabeth Avenue, P.O. Box 8700
St. John's, NL A1B 4J6
kevinsheppard@gov.nl.ca

Appendix C - Completion Report

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

Date: **AUGUST 18, 2021**

File No: **550-01-01-05-054**
Permit No: **PRO12024-2021**

Permit Holder: **Cartier Iron Corporation**
20 Adelaide Street East, Suite 200
Toronto, ON, M5C 2T6
[REDACTED]

Attention: [REDACTED]

Re: **Clarenville - Shoal Harbour River PPWSA - Mineral Exploration - Cartier Iron Corporation**

Permission was given for : **mineral exploration activities including drilling 8 boreholes and ground geophysics surveying (via controlled source audio-frequency magnetotellurics) within the Shoal Harbour River Protected Public Water Supply Area (used by the Town of Clarenville) with reference to the application dated June 24, 2021.**

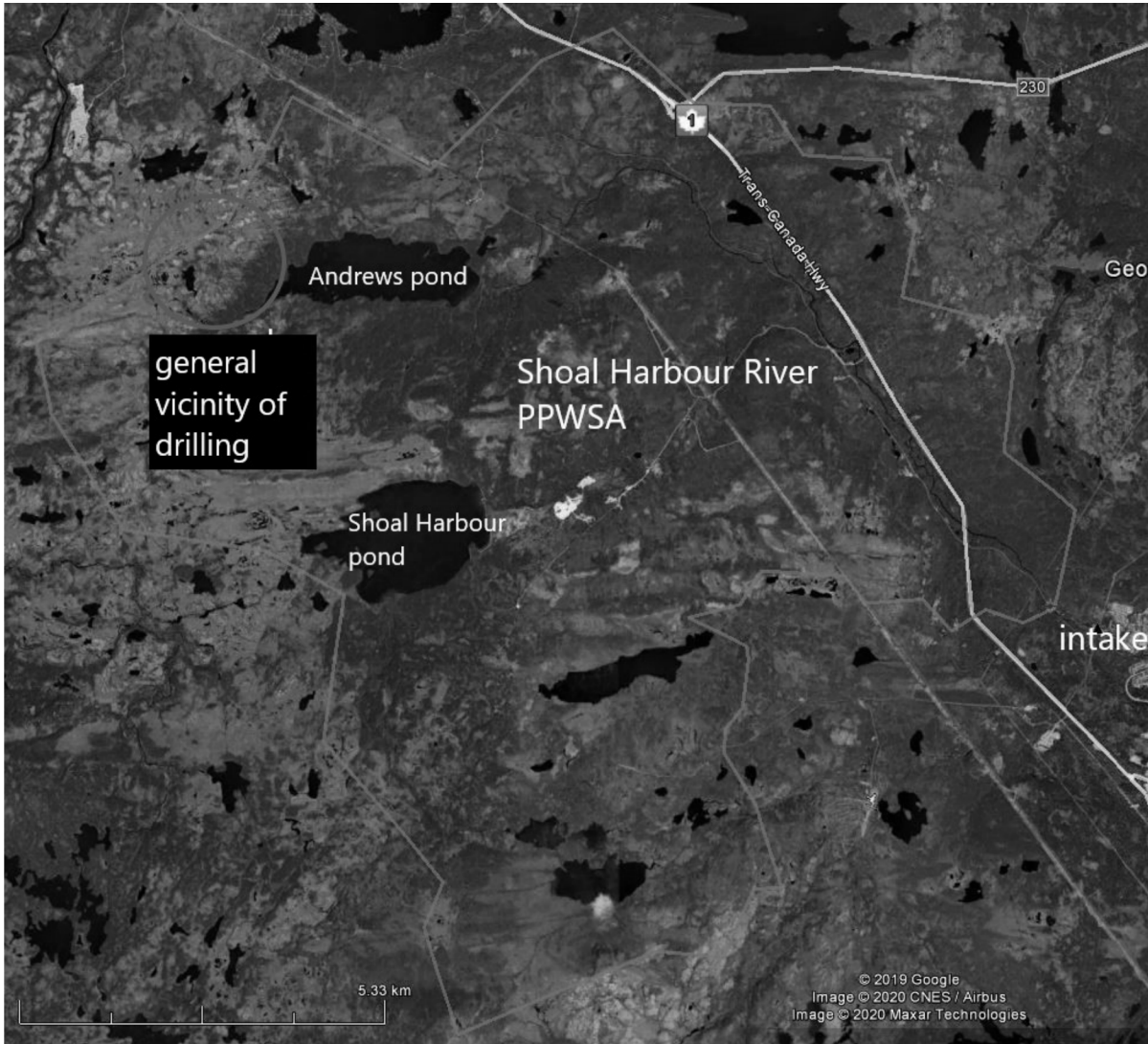
I (the Permit Holder named above or agent authorized to represent the Permit Holder) do hereby certify that the project described above was completed in accordance with the plans and specifications submitted to the Department of Environment and Climate Change and that the work was carried out in strict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

Date: _____ Signature: _____

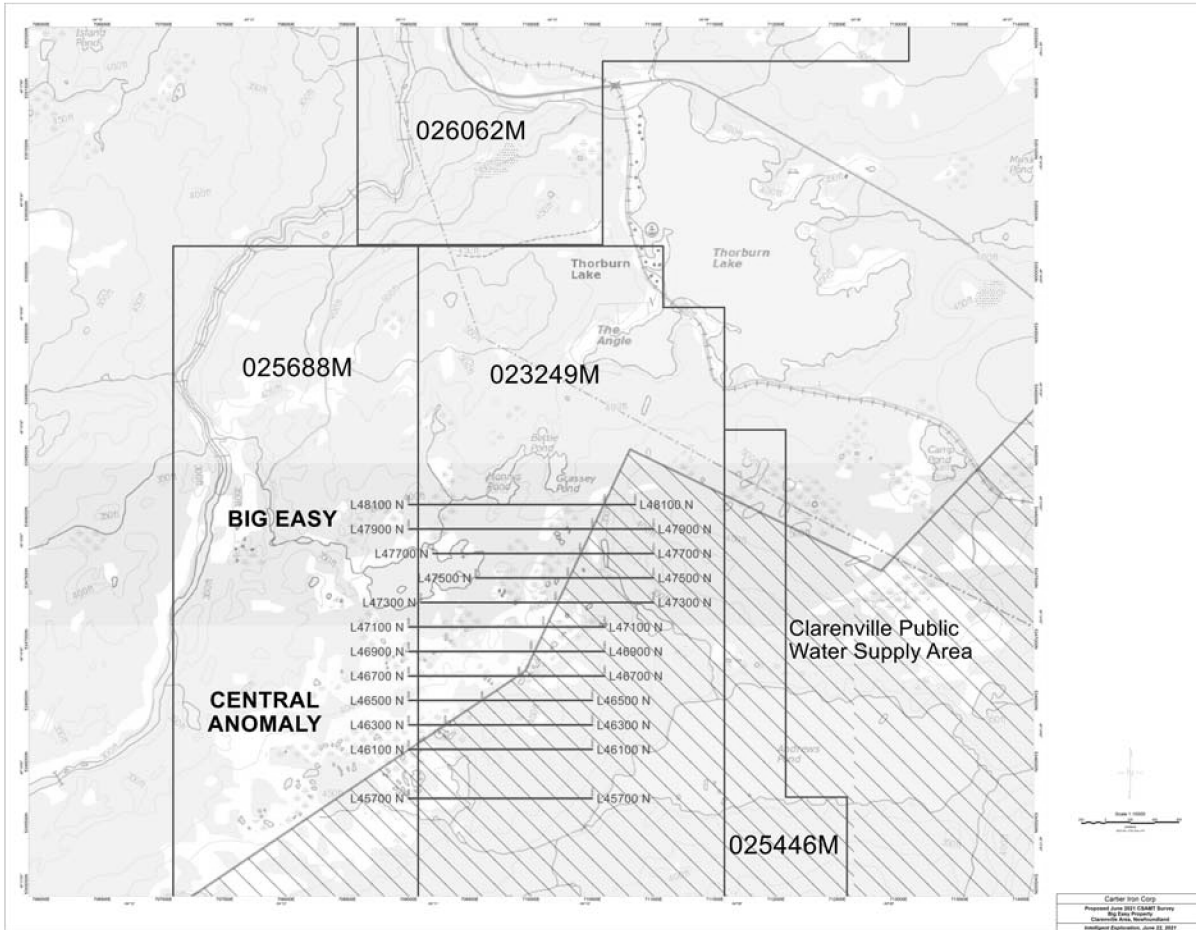
This completion report must be completed and forwarded to the following address upon completion of the approved work.

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

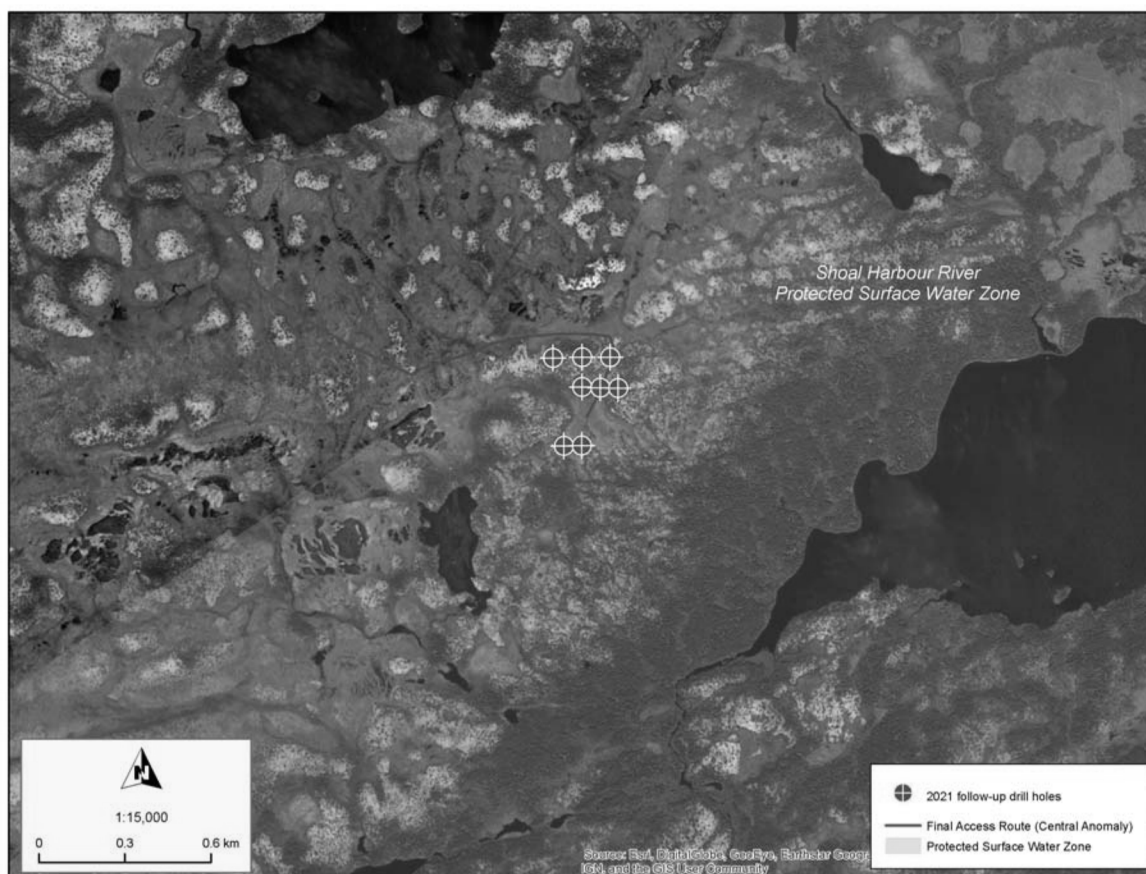
APPENDIX D
Location Map for Permit



Second Attached Image File



Third Attached Image File



Fourth Attached Image File

