



**LAND USE PERMIT**

Permit Class	Permit No	Amendment No
A	W2014Q0005	

Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

**Husky Oil Operations Limited**

Permittee

To proceed with the land use operation described in application of:

Signature Ken Hansen	Date December 22, 2014
Type of Land Use Operation Chedabucto Mineral Exploration Program	
Location Western shore of the north arm of Great Slave Lake, 50 kilometers west of Yellowknife, NT. The Chedubucto Property Latitude 62° 29' 35" N and Longitude 115° 29' 22" W	

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ , \_\_\_\_\_

Signature Chair

Signature Witness

Commencement Date

Expiry Date

**Attention**

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit by the Board.





**CONDITIONS ANNEXED TO AND FORMING PART  
OF LAND USE PERMIT NUMBER W2014Q0005**

**Part A: Scope of Permit**

1. This permit entitles Husky Oil Operations Limited to conduct the following land-use activities associated with exploration assessment work on claims and mineral leases held by the company in order to evaluate a high quality silica deposit at the Chedabucto Property site, NT located at 62° 29' 35" N, 115° 29' 22" W:
  - a) use of equipment listed in the land use permit application dated December 22, 2014,
  - b) storage of fuel listed in the land use permit application dated December 22, 2014,
  - c) use of power-driven, earth-drilling machinery for reverse circulating and diamond drilling to delineate the silica deposit,
  - d) maintenance and operation of a temporary tent camp/core shack,
  - e) seasonal shutdown and removal of the tent camp/core shack and equipment,
  - f) geophysical surveys,
  - g) geochemical sampling,
  - h) trenching for mini-bulk sampling of sand,
  - i) pioneering of winter road routes in the area for logistical support,
  - j) closure and reclamation on an ongoing basis and at permit expiry.
2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1 of this permit.
3. Compliance with the terms and conditions of this Permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial, Tłjchq, and Municipal legislation.

**Part B: Definitions**

**"Act"** means the *Mackenzie Valley Resource Management Act*;

**"Archaeological Impact Assessment"** means archaeological research as defined by the Prince of Wales Northern Heritage Centre in their *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*.

**"Board"** means the Wek'èezhìi Land and Water Board established under section 57.1 of the Act;



**“Borehole”** means a hole that is made in the surface of the ground by drilling or boring.

**“Drilling Fluids”** means any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

**“Drilling Waste”** means all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

**“Flowing Artesian Well”** means a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

**“Fuel Storage Container”** means a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.

**“Fuel Storage Tank”** means a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.

**“Greywater”** means all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

**“Habitat”** means the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

**“Inspector”** means an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

**“Minister”** means a member of the Executive Council appointed as a Minister under the Legislative Assembly and Executive Council Act who is responsible for the enactment or its subject matter or the department to which its context refers.

**“Oil-Based Drilling Muds”** means Drilling Fluids that are commonly formulated with diesel, mineral oil, or low-toxicity linear olefins and paraffins.

**Ordinary High Water Mark** means the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the “active channel/bank-full level” which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

**“Secondary Containment”** means containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

**“Sewage”** means all toilet wastes and Greywater.



**“Sewage Disposal Facilities”** means Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage.

**“Spill Contingency Plan”** means a document, developed in accordance with Aboriginal Affairs and Northern Development Canada’s *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

**“Sump”** means a man-made pit or natural depression in the earth's surface used for the purpose of depositing waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.

**“Toxic Material”** means any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

**“Waste”** means any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the *Act*.

**“Waste Management Plan”** means a document, developed in accordance with the Board’s *Guidelines for Developing a Waste Management Plan*, which describes the methods of waste management from waste generation to final disposal.

**“Watercourse”** means a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.



**Part C: Conditions Applying to All Activities** (headings correspond to Subsection 26(1) of the Mackenzie Valley Land Use Regulations)

**26(1)(a) Location and Area**

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|----|--|---------------------------|
| 1. | The Permittee shall not conduct any part of the land-use operation within (300) metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Board.                                  | PRIVATE<br>PROPERTY       |
| 2. | The Permittee shall not conduct any part of the land-use operation within (100) metres of a cabin used for traditional activities, including trapping, hunting, or fishing, unless otherwise authorized in writing by the Board. | AVOID CABINS              |
| 3. | The Permittee shall use an existing campsite, as described in the complete application.  | EXISTING CAMP             |
| 4. | Prior to the commencement of drilling, the Permittee shall submit the drill target locations on a 1:50,000-scale map with coordinates and map datum to an Inspector and the Board.   | DRILL LOCATIONS           |
| 5. | The Permittee shall not conduct a quarry operation within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.   | QUARRY SETBACK            |
| 6. | The Permittee shall not conduct this land-use operation on any lands not designated in the complete application.   | LOCATION OF<br>ACTIVITIES |

**26(1)(b) Time**

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| 7.  | At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 765-6648.   | CONTACT<br>INSPECTOR      |
| 8.  | At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector: (a) the name(s) of the person(s) in charge of the field operation; (b) alternates; and (c) all methods for contacting the above person(s). | IDENTIFY AGENT            |
| 9.  | At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: (a) the plan for removal or storage of equipment and materials; and (b) when final cleanup and reclamation of the land used will be completed.  | REPORTS BEFORE<br>REMOVAL |
| 10. | The Board, for the purpose of this operation, designates April 15, as spring break-up.   | SPRING BREAK –<br>UP      |



**26(1)(c) Type and Size of Equipment**

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| 11. | The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application. | ONLY APPROVED<br>EQUIPMENT |
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**26(1)(d) Methods and Techniques**

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| 12. | Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing at ground level.                                  | MINERAL<br>EXPLORATION<br>DRILL CASINGS |
| 13. | The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation. | WINTER ROADS                            |
| 14. | The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse.  | STORAGE ON ICE                          |

**26(1)(e) Type, Location, Capacity, and Operation of All Facilities**

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| 15. | The Permittee shall ensure that the land use area is kept clean at all times.   | CLEAN WORK<br>AREA  |
| 16. | The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | SUMPS FROM<br>WATER |

**26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land**

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| 17. | The land-use operation shall not cause obstruction to any natural drainage.  | NATURAL<br>DRAINAGE               |
| 18. | The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses.  | PROGRESSIVE<br>EROSION<br>CONTROL |
| 19. | The Permittee shall, where flowing water from a Borehole is encountered: (a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and (b) immediately report the occurrence to the Board and an Inspector. | FLOWING<br>ARTESIAN WELL          |
| 20. | The Permittee shall not conduct off-road vehicle travel in areas without snow-covered surfaces.  | OFF-ROAD<br>VEHICLE TRAVEL        |
| 21. | The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.   | SUSPEND<br>OVERLAND<br>TRAVEL     |



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| 22.   | The Permittee shall not use any material other than clean water and snow in the construction of ice bridges.  | ICE BRIDGE MATERIALS          |
| 23.   | The Permittee shall not use any materials other than clean snow and water in the construction of snow fills.  | SNOWFILL MATERIALS            |
| 24.   | Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector.  | REMOVE OR V-NOTCH SNOWFILLS   |
| 25.   | Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and v-notch all ice bridges, unless otherwise authorized in writing by an Inspector.   | V-NOTCH ICE BRIDGES           |
| 26.   | The Permittee shall minimize approach grades on all Watercourse crossings.  | MINIMIZE APPROACH             |
| 27.   | The Permittee shall slope the sides of waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.  | EXCAVATION AND EMBANKMENTS    |
| <b>26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material</b> |   |                               |
| 28.   | The Permittee shall not use any Drilling Fluids, muds, or additives that were not identified in the complete application, unless the MSDSs are provided to the Board and Inspector and usage of the chemical(s) is authorized in writing by the Board.  | DRILLING CHEMICALS            |
| 29.   | At least seven days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided to an Inspector and the Board.   | CHEMICALS                     |
| 30.   | When drilling within 100 metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based Sump or natural depression.   | DRILLING NEAR WATER OR ON ICE |
| 31.   | The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump or natural depression. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High Water Mark of any Watercourse , unless otherwise authorized in writing by an Inspector. | DRILLING WASTE                |
| 32.   | The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility.   | DRILLING WASTE DISPOSAL       |



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| 33.   | The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses.  | DRILLING WASTE<br>CONTAINMENT  |
| 34.   | Prior to the expiry date of this Permit or the end of operations, whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector.  | BACKFILL SUMPS                 |
| 35.   | The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT <i>Spill Contingency Planning and Reporting Regulations</i> , the Permittee shall: (a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130; (b) report each spill to an Inspector within 24 hours; and (c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. | REPORT SPILLS                  |
| 36.   | The Permittee shall dispose of all Toxic Material as described in the approved <b>Waste Management Plan</b> .   | WASTE CHEMICAL<br>DISPOSAL     |
| 37.   | The Permittee shall dispose of all combustible waste petroleum products by removal to an approved disposal facility.  | WASTE<br>PETROLEUM<br>DISPOSAL |
| <b>26(1)(h) Wildlife and Fish Habitat</b>                           |   |                                |
| 38.   | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation.   | HABITAT DAMAGE                 |
| <b>26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage</b> |   |                                |
| 39.   | The Permittee shall adhere to the <b>Waste Management Plan</b> , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.   | WASTE<br>MANAGEMENT            |
| 40.   | The Permittee shall keep all garbage and debris in a secure container until disposal.   | GARBAGE<br>CONTAINER           |
| 41.   | The Permittee shall dispose of all garbage, waste, and debris as described in the approved <b>Waste Management Plan</b> , unless otherwise authorized in writing by an Inspector.   | REMOVE<br>GARBAGE              |
| 42.   | The Permittee shall dispose of all Sewage and Greywater as described in the approved <b>Waste Management Plan</b> .   | SEWAGE<br>DISPOSAL             |





**26(1)(j) Protection of Historical, Archaeological, and Burial Sites**

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| 43. | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground.  | ARCHAEOLOGICAL<br>BUFFER              |
| 44. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.   | SITE<br>DISTURBANCE                   |
| 45. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: (a) immediately suspend operations on the site; and (b) notify the Board at (867) 765-4592 or an Inspector at (867) 765-6648, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | SITE DISCOVERY<br>AND<br>NOTIFICATION |

**26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value**

*This section left intentionally blank*

**26(1)(l) Security Deposit**

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| 46. | Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$_____. | SECURITY<br>DEPOSIT  |
| 47. | All costs to remediate the area under this Permit are the responsibility of the Permittee.  | REMEDIATION<br>COSTS |

**26(1)(m) Fuel Storage**

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| 48. | The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | FUEL NEAR<br>WATER       |
| 49. | The Permittee shall ensure that all fuel caches have adequate Secondary Containment. The Permittee shall set up all refueling points with Secondary Containment.                                 | SECONDARY<br>CONTAINMENT |
| 50. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses.   | FUEL<br>CONTAINMENT      |
| 51. | The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name.  | MARK<br>CONTAINERS       |
| 52. | The Permittee shall have a maximum of 85,175.00 litres of fuel stored on the land use site at any time, unless otherwise authorized in writing by the Board.                                     | MAXIMUM FUEL<br>ON SITE  |



53.	Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to an Inspector and the Board.	REPORT FUEL LOCATION
54.	The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use.	SEAL OUTLET
55.	The Permittee shall adhere to the <b>Spill Contingency Plan</b> , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.	SPILL CONTINGENCY PLAN
56.	Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills.	SPILL RESPONSE
57.	All equipment that may be parked for two hours or more, shall have a hazmat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately.	DRIP TRAYS
58.	The Permittee shall clean up all leaks, spills, and contaminated material.	CLEAN UP SPILLS
<b>26(1)(n) Methods and Techniques for Debris and Brush Disposal</b>		
59.	The Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed prior to the expiry date of this Permit.	BRUSH DISPOSAL/ TIME
60.	The Permittee shall not clear areas larger than identified in the complete application.	MINIMIZE AREA CLEARED
<b>26(1)(o) Restoration of the Lands</b>		
61.	Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used.	FINAL CLEANUP AND RESTORATION
62.	Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation.	NATURAL VEGETATION
<b>26(1)(p) Display of Permits and Permit Numbers</b>		
63.	The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation.	DISPLAY PERMIT
64.	The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation.	COPY OF PERMIT



**26(1)(g) Biological and Physical Protection of the Land**

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|---|------------------------|
| 65. The Permittee shall not move any equipment or commence any drilling when one or more caribou are within five hundred (500) metres.  | CARIBOU<br>DISTURBANCE |
| 66. The Permittee shall adhere to the <b>Engagement Plan</b> , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | ENGAGEMENT<br>PLAN     |
| 67. All revised plans submitted to the Board shall include a brief summary of the changes made to the plan.   | SUMMARY OF<br>CHANGES  |

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