

PERMIT TO ALTER A BODY OF WATER

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

Date: **MARCH 13, 2024**

File No: **527**
Permit No: **ALT13537-2024**

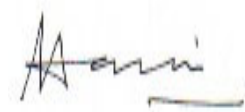
Permit Holder: **Champion Iron Limited**
1155, boul. René-Lévesque Ouest Office 3300
Montréal, QC H3B 3X7
mpilotte@mineraiferquebec.com

Attention: **Mireille Pilotte**

Re: **Multiple Waterbodies - Kami Project - Geotechnical Investigation**

Permission is hereby given for : **the drilling of eight (8) drill holes with multiple waterbodies for the purpose of geotechnical investigations to support the design of water management infrastructure for the Kami Project, in reference to the application received on December 23, 2023, and additional information received on February 5, 2024 and on February 6, 2024.**

- 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

Ice Drilling

1. A dyke or other suitable device must be placed around the immediate perimeter of the ice hole to prevent any fluid, fuel or other foreign substance from entering the water.
2. The initial placement of the drill rod assembly or drill casing onto the bottom of the body of water shall be done with the minimum disturbance possible to any bottom sediment that may be present.
3. Used drilling mud and cuttings must be collected in a system of settling tanks and disposed of at a site approved by this department. This site must not be within 100 metres of a body of water.
4. The proponent must ensure that the ice is sufficiently thick and structurally sound to safely support the drilling rig and all associated equipment before placing equipment on the ice surface.
5. The proponent is hereby informed that an application form for fuel storage must be completed and approval must be obtained under the *Storage and Handling of Gasoline and Associated Products Regulations, CNR 775/96*.
6. Drilling fluids other than water must be approved by this Department prior to their use.
7. A complete oil spill clean-up kit must be on site at all times when gasoline or fuel powered equipment is being used or refuelled. The kit must contain the following:
 - One hand operated fuel pump
 - One recovery container such as an empty 205 litre drum
 - One shovel
 - One pick axe
 - Five metres of containment boom
 - Five absorbent pads
 - Twenty-five litres of loose absorbent material
8. The proponent must report any environmental problem encountered in connection with the body of water to the Water Resources Management Division within 24 hours of the incident. Problems to be reported include, but are not limited to, equipment breaking through the ice or being lost in the body of water, any spillage of fuel, lubricant, drilling mud or any other material, siltation of water or depletion of any source of water used for any purpose in connection with the approved activity.
9. The ice conditions must be inspected at least once a day while the equipment is on the ice. More frequent inspections are required when there are sudden temperature changes. A written record of these inspections must be kept in a suitable log book.

Geotechnical Testing

10. A water quality monitoring program is not required at this time. However, the Department reserves the right to require that the Permit Holder sample, analyse, and submit results of water quality tests, for the purpose of ensuring that the water quality is maintained within acceptable guidelines. All analyses must be undertaken by a CALA accredited laboratory.
11. The proponent must use existing trails, winter roads or cut lines wherever possible as access routes to limit unnecessary clearing of additional vegetation and prevent soil compaction

12. Monitoring wells and boreholes, when no longer required, must be decommissioned as specified in this Department's policy - **Guidelines for Sealing Groundwater Wells**.
13. Monitoring well sample results must be submitted to the Manager of the Groundwater Section of this Department within 30 days of the completion of the work.
14. The work must meet the requirements of the Environmental Protection Plan (latest approved version) for the project.
15. Other than emergency repairs, all maintenance of the drill rig or other equipment, must be carried out on land, no closer than 30 metres to any body of water.

General Alterations

16. Any work that must be performed below the high water mark must be carried out during a period of low water levels.
17. Any flowing or standing water must be diverted around work sites so that work is carried out in the dry.
18. 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*.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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.
24. All waste materials resulting from this project must be disposed of at a site approved by the Department of Digital Government and Service NL.
25. 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.
26. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
27. 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.
28. 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.

29. The attached Completion Report (Appendix C) for Permit No. 13537 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.
30. 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.
31. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.

Special Conditions

32. All work activities must be carried out in such a way that it does not adversely impact water quality in the Duley Lake area.

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: Ms. Paula Dawe, P.Eng.
Manager, Water Rights, Investigations and Modelling 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
- cc: Jeff Bannister (Western and Labrador)
Western and Labrador Regional Lands Manager
Crown Lands Administration Division
Department of Fisheries, Forestry and Agriculture
JeffBannister@gov.nl.ca
- cc: Fish and Fish Habitat Protection Program
Aquatic Ecosystems Branch
Fisheries and Oceans Canada
P.O. Box 5667
St. John's, NL A1C 5X1
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- cc: Town of Labrador City
Ms. Cathy Etsell
317 Hudson Drive
P.O. Box 280
Labrador City, NL A2V 2K5
townclerk@labradorcity.ca
- cc: Jennifer Barnes
Director (A) , Office of Indigenous Affairs and Reconciliation
Government of Newfoundland and Labrador
JenniferBarnes@gov.nlc.a

Appendix C - Completion Report

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

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Attention: **Mireille Pilotte**

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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

