

## QUARTZ MINING LICENSE QML-0011

This License is issued pursuant to section 135(2) of the Quartz Mining Act, S.Y. 2003, c.14. Previous versions of this License are hereby withdrawn and replaced.

**Mining License No:** QML-0011

**Issued to:** Victoria Gold (Yukon) Corp.  
Suite 1000, 1050 West Pender Street  
Vancouver, British Columbia V7X 1K8

**Project Name:** Eagle Gold Mine

**Location:** NTS 106D-04 & 105M-13;  
Latitude: 64° 1'12"N, Longitude: 135° 49'6"W  
Mayo Mining District

**Effective Date:** March 24, 2016

**Amendment Effective Date:** The date upon which the signature of the Director is affixed

**Expiry Date:** September 20, 2040

**Scope of Authorization:** Development, production, reclamation and closure of an open pit mine and gold extraction through heap leaching involving ore crushing, cyanide leaching and a carbon adsorption desorption and recovery system.

Dated this 29 day of June, 2022.



Director, Mineral Resources  
Department of Energy, Mines and Resources

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## PART I - GENERAL PROVISIONS

### 1.0 Definitions

#### 1.1 In this License

"Act" means the Quartz Mining Act, S.Y. 2003, c.14;

"approved plan" means a plan listed in Schedule C and for greater certainty includes any terms and conditions specified by the Director as set out in the Schedule;

"borrow material" means rock, sand, gravel and other similar materials obtained by excavation, other than pre-existing surface materials, that is to be used for the construction of roads and other engineered structures, works and installations;

"day" means a calendar day;

"Director" means the Director of the Mineral Resources Branch;

"engineer" means a professional engineer as defined in, and licensed under, the *Engineering Profession Act*, R.S.Y. 2002, c.75;

"environmental management system" means the coordinated approach to managing day to day operations and environmental emergencies as described in the Hazardous Materials Management Plan, the Spill Contingency Plan, the Emergency Response and Health and Safety Plan, and the Cyanide Management Plan, as each is described in Schedule B and listed in Schedule C of this License;

"environmental protection plans" means the plans prepared by the Licensee to manage the environmental effects of the Undertakings as described in the following: the Waste Management Plan, the Environmental Monitoring and Surveillance and Reporting Plan, the Traffic Management Plan, the Wildlife Protection Plan, the Heritage Resource Protection Plan, the Spill Contingency Plan, the Hazardous Materials Management Plan, the Cyanide Management Plan, the Emergency Response and Health and Safety Plan, and the Sediment and Erosion Control Plan as each is described in Schedule B and listed in Schedule C of this License;

"Inspector" means an Inspector designated pursuant to the Act;

"License" means the Quartz Mining License QML-0011;

"Licensee" means the person to whom this License is issued;

"mine" includes:

- (a) the open pits and all related mine infrastructure, as referenced in the Mine Development and Operations Plan described in Schedule C;
- (b) the waste rock and overburden storage facilities;
- (c) any roads required for the Undertaking; and
- (d) all supporting infrastructure such as fuel tanks, repair and maintenance shops, and explosive storage buildings, as each may be described in an environmental protection plan or operations plan;

"Minister" means the Minister of Energy, Mines and Resources;

"open pit" means the surface workings open to daylight that will be excavated to extract waste rock and ore as identified in the Mine Development and Operations Plan described in Schedule B;

"operations plans" means any and all of the following: the Mine Development and Operations Plan, the Heap Leach and Process Facilities Construction and Operation Plan, and the Road Construction Plan, as each is described in Schedule B and listed in Schedule C of this License;

"ore" means rock containing minerals that will be extracted in the heap leach facility;

"overburden" means soil or other unconsolidated material that lies above the rock surface;

"permanent closure" means the closure of the Undertaking as evidenced by the cessation of development and production as authorized by this License for a period of time longer than two (2) consecutive months other than a temporary closure;

"Regulation" means the *Quartz Mining Land Use Regulation*, O.I.C. 2003/64;

"temporary closure" means the closure of the Undertaking as evidenced by the cessation of development and production authorized by this License for a period longer than two (2) consecutive months, unless a longer period is requested in writing, with reasons, by the Licensee no less than fourteen (14) days before the expiry of the two-month period and approved in writing by the Director before the expiry of the two month period;

"Undertaking" means all development, production, reclamation and closure authorized by this License related to the extraction of gold from the mineral claims identified in Schedule A;

1.2 Any term not defined in this License that is defined in the Act has the same meaning as in the Act.

1.3 The following schedules form part of this License:

- (a) Schedule A - Listed Mineral Claims and Leases
- (b) Schedule B - Plans to be Submitted for Review and Approval as Approved Plans
- (c) Schedule C - Approved Plans and Authorized Activities
- (d) Schedule D - Annual Reporting Requirements

## **2.0 Coming into Effect**

2.1 The authorizations, obligations, and requirements set out in this License come into effect on the Effective Date.

## **3.0 Authorized Activities**

3.1 The Licensee is authorized to carry out activities set out in Part 1 of Schedule C:

- (a) on the mineral claims listed in Schedule A; and
- (b) in accordance with the terms and conditions set out in this License.

3.2 The Licensee must provide written notice to the Director of the date it intends on commencing the Undertaking. The notice must be provided no less than thirty (30) days prior to commencing development.

## **4.0 Extensions of Time Limits**

4.1 If the Licensee submits a written request to extend a time limit imposed by this License no less than five days before the expiry of the time limit in question, the Director may extend the time limit. The new time limit will replace the time limit imposed in this Licence solely with respect to the written request.

## **5.0 Correspondence**

5.1 Any written communication, notice or report required to be given by the Licensee pursuant to this License may be provided by personal delivery to the persons identified below, by facsimile, electronic mail or by registered mail to the addresses set out below.

To the Licensee: Chief Operating Officer, Victoria Gold (Yukon) Corp.  
Suite 1000, 1050 West Pender Street  
Vancouver, British Columbia V7X 1K8  
[mayranto@vgcx.com](mailto:mayranto@vgcx.com)

To the Director:        Director, Mineral Resources  
Department of Energy, Mines and Resources  
P.O. Box 2703  
Whitehorse, Yukon Y1A 2C6  
Email to: [Todd.Powell@yukon.ca](mailto:Todd.Powell@yukon.ca)  
Email CC: [emr-qml@yukon.ca](mailto:emr-qml@yukon.ca)

- 5.2        Either the Licensee or the Director may change its address for service while this License is in effect by notifying the other in writing. All written communications, notices or reports will be considered to have been received by the Licensee or the Director, as the case may be, ten (10) days after the mailing thereof, or if personally delivered or sent by facsimile or by electronic mail, on the day of delivery.

## **PART II - DEVELOPMENT AND IMPLEMENTATION OF PLANS**

### **6.0        Approval and Amendment of Plans**

- 6.1        When the Licensee is required to submit a plan under this License, the Licensee must:
- (a) submit the plan in writing to the Director;
  - (b) ensure that the plan meets the requirements for that type of plan as directed by the Director in writing; and
  - (c) not undertake any of the activities described in the plan until the plan is approved in writing by the Director and Schedule C amended accordingly.
- 6.2        If the Licensee wants to amend an approved plan, it must submit the proposed amendment to the Director as if the amendment was a plan under paragraph 6.1 of this License. If the Director approves the amendment, the Licensee agrees that the amendment and any terms and conditions set out by the Director in his/her approval will be considered to be an approved plan or a part of an existing approved plan, whichever is appropriate in the circumstance.
- 6.3        If the Director directs in writing, and with reasons, that an approved plan be amended, the Licensee must prepare the required amendment and submit it to the Director as if it was a plan referred to paragraph 6.1 of this License.
- 6.4        All plans submitted by the Licensee with respect to the design or construction of any engineered structures, works or installations related to the Undertaking must be under the stamp or seal of an engineer.

**7.0 Required Plans**

- 7.1 The Licensee must submit to the Director the plans listed in Schedule B.
- 7.2 The Licensee must submit to the Director an updated reclamation and closure plan on or before October 1<sup>st</sup>, 2016 and every two (2) years thereafter, commencing after the Effective Date of this License.

**8.0 Implementation of Plans**

- 8.1 Unless otherwise indicated by a term of this License or in writing by the Director, the Licensee must implement each approved plan as of the date each plan becomes an approved plan and once the Undertaking has commenced.
- 8.2 The Licensee must undertake reclamation at the site in accordance with the approved reclamation and closure plan.

**PART III - DEVELOPMENT AND MINE OPERATIONS****9.0 Development and Mine Operations**

- 9.1 The Licensee must immediately implement the relevant component of the environmental management system if a spill or release of dangerous or hazardous substances or materials occurs at site.
- 9.2 At least thirty (30) days prior to commencing any construction of an engineered structure, the Licensee must submit to the Director detailed designs of the structure stamped or sealed by an engineer.
- 9.3 The Licensee must follow the procedures for determining the acid rock drainage or metal leaching potential of all material that may be stored on surface or used for construction purposes as set out in the approved plan listed in Schedule C titled "Geochemical characterization of Proposed Excavation Areas and Borrow Sources from the Eagle Gold Project, Yukon", dated May 2013, or any amendment to this plan once the amendment becomes an approved plan.
- 9.4 Waste rock used for construction or fill purposes must have a pH of at least 5.0, a NP:AP ratio of at least 3:1, and a total sulphide sulphur content of no greater than 0.3%.
- 9.5 The Licensee must not remove more than 132 million tonnes of waste rock from the open pit, in total, during the term of this License.

- 9.6 The Licensee must not process ore at a rate exceeding 29,500 tonnes per day, based upon a 12-month average, during the term of this License.
- 9.7 The Licensee must not extract more than 92 million tonnes of ore from the mine over the term of this License.
- 9.8 The Licensee must not place more than 77 million tonnes of ore on the heap leach facility during the term of this License.

## **PART IV - PERMANENT AND TEMPORARY CLOSURE**

### **10.0 Permanent Closure and Temporary Closure**

- 10.1 The Licensee must provide written notice to the Director of its intention to permanently close the Undertaking at least sixty (60) days prior to the Licensee bringing about permanent closure and specify the intended date for permanent closure.
- 10.2 Immediately upon permanent closure, the Licensee must implement the approved reclamation and closure plan as it relates to permanent closure.
- 10.3 The Licensee must provide written notice to the Director of its intention to temporarily close the Undertaking at least seven (7) days prior to the Licensee bringing about temporary closure.
- 10.4 Immediately upon temporary closure, the Licensee must implement the approved reclamation and closure plan as it relates to temporary closure.
- 10.5 The Licensee acknowledges that the Director may, after giving the Licensee a reasonable opportunity to be heard on the matter, declare the Undertaking to be in temporary closure. Immediately upon receiving notice of the Director's declaration the Licensee must implement the approved reclamation and closure plan as it relates to temporary closure.
- 10.6 No production or development activities may be undertaken during temporary closure or permanent closure unless otherwise authorized in writing by the Director.
- 10.7 Within thirty (30) days of commencement of temporary closure, whether determined by notice under paragraph 10.3 or declaration under 10.5, the Licensee must provide to the Director:
  - (a) written notice indicating for which engineered structures, works or installations at the site it has already provided as-built drawings to the Director; and



- (b) copies of as-built drawings for those engineered structures, works or installations for which no such drawings have been previously provided to the Director.
- 10.8 The Licensee must provide written notification to the Director at least thirty (30) days in advance of its intention to end temporary closure and resume development and production and must receive the written authorization from the Director before development and production commences.
- 10.9 If temporary closure lasts longer than five (5) continuous years from the date notice is given under paragraph 10.3 of this License or a declaration made under paragraph 10.5 of this License, permanent closure will automatically be determined to have occurred as of that date.

## **PART V - FINANCIAL SECURITY**

### **11.0 Financial Security**

- 11.1 The Licensee must furnish and maintain security with the Minister in the amount of \$68,662,300 (CDN) no later than September 15, 2022.  
*(Amended June 29, 2022)*
- 11.2 The Licensee acknowledges that the amount of security to be furnished and maintained will be reviewed and adjusted by the Minister no less than once every two years in accordance with the *Security Regulation*, OIC 2007/77.
- 11.3 If the Minister determines that additional security must be provided during the term of this License, the Licensee must furnish and maintain the additional amount of security.
- 11.4 If the Licensee fails to furnish and maintain the security referred to in paragraph 11.1 or 11.3 of this License, the Licensee's authority to carry on operations under this License is suspended until the security is furnished as required unless otherwise agreed to by the Director in writing.
- 11.5 The Licensee acknowledges that the written notice of the Minister referred to in paragraph 11.3 of this License will, upon issuance, amend paragraph 11.1 of this License with respect to the amount of security and the requirement to furnish and maintain security in accordance with the payment schedule included in the notice will be considered a requirement of this License as of the date of the notice.
- 11.6 If security is furnished in the form of a surety bond or irrevocable letter of credit, and the surety or institution issuing the bond or letter of credit provide notice to the Minister of its intention to terminate its obligation, then the Licensee must furnish another form of

security acceptable to the Minister, in the full amount required by this license thirty(30) days before the date of termination or within ninety(90) days after the date of notice, whichever is shorter, or the Licensee will be in default of the requirement to furnish and maintain security as required by this license and Yukon government may immediately demand payment from the surety or institution.

*(Amended December 20, 2019)*

## **PART VI - AUDITS AND REPORTING**

### **12.0 Environmental Audit**

- 12.1 The Licensee must carry out an environmental audit, to be undertaken by an independent contractor acceptable to the Director, no later than October 1<sup>st</sup> in every second (2<sup>nd</sup>) year from the Effective Date, to determine if the environmental protection plans and regulatory controls set out in this License are sufficient to ensure that the environmental quality at, in and around the mine is being protected and that the environmental management systems and controls are functioning as intended.
- 12.2 The audit must review the management, operations and practices of the Licensee that are intended to ensure environmental protection during production and development. The audit must evaluate:
- (a) compliance with the approved plans;
  - (b) the adequacy of the environmental protection plans to meet the objectives and intent of each plan;
  - (c) compliance with the internal environmental policies and procedures of the Licensee;
  - (d) the progress and success of reclamation and closure efforts completed to date;
  - (e) the reliability and integrity of information relating to environmental reporting and compliance; and
  - (f) any other requirements, including the scope and focus of the audit, as directed by the Director in writing.
- 12.3 Within sixty (60) days of an environmental audit being completed, the Licensee must provide the Director with a copy of the audit and a report detailing any remedial action to be undertaken by the Licensee in response to the audit.

### **13.0 Reporting and Inspections**

- 13.1 The environmental characterization report dated March 2015, and submitted by the Licensee with its application for this License, must be updated by the Licensee on or before June 15<sup>th</sup>, 2020. The report must be updated every three (3) years from the effective date of this License, unless the Director directs, in writing, that the report must

be updated on a more frequent basis. Descriptions of the environmental conditions at the site must be accompanied by supporting data and analysis demonstrating a suitable understanding of site-specific environmental conditions.

- 13.2 The Licensee must ensure that an inspection of the physical stability of all engineered structures, works and installations located at the site is conducted by an independent engineer by October 1<sup>st</sup> of each year of the term of this License, including the heap leach facility, the heap leach facility embankment, the waste rock storage areas, the open pit and any diversion structures or dams and any other engineered structures or works associated with the Undertaking.
- 13.3 Within ninety (90) days of the inspection referred to in paragraph 13.2, the Licensee must submit to the Director and the Inspector a written report prepared by the engineer that conducted the annual inspection documenting the results of the inspection, including a:
- (a) summary of the stability, integrity and status of all of the inspected structures, works, and installations; and
  - (b) any recommendations for remedial actions made as a result of these investigations and evaluations.
- 13.4 The Licensee must take immediate steps to implement any of the recommendations for remedial action made as a result of the inspection referred to in paragraph 13.2 of this License and provide to the Director and the Inspector a written statement detailing how and when each of the recommendations for remedial action will be addressed.
- 13.5 The Licensee must:
- (a) evaluate data gathered as a result of implementation of the monitoring and surveillance plan on a semi-annual basis;
  - (b) develop and implement a program to take immediate steps to address any results from the monitoring and surveillance activities that indicate any change in environmental performance of the Undertaking or non-compliance with the Act, the Regulation, this License or any of the approved plans; and
  - (c) provide the Director with a statement detailing the program referred to in paragraph (b) and summarizing the action taken to address the change or non-compliance.
- 13.6 Within sixty (60) days of completing construction of any engineered structures the Licensee must submit a report to the Director containing:
- (a) as-built drawings of all structures, works and installations constructed; and
  - (b) a summary of any quality assurance or quality control monitoring conducted by or for the Licensee in the course of constructing the structures, works and installations.
- 13.7 In the event of a cyanide release or exposure incident in Yukon related to the Project,

the Proponent shall immediately notify the Director and Inspector, and make publicly available, the following information:

- (a) notification to management, regulatory agencies, outside response providers and medical facilities of the cyanide emergency;
- (b) notification to potentially affected communities of the cyanide related incident and any necessary response measures;
- (c) any hospitalization or fatality related to cyanide exposure;
- (d) the nature of release on or off the mine site requiring response, remediation, or reporting under applicable regulations; and
- (e) the nature of release that exceeds applicable cyanide limits or that causes applicable limits to be exceeded.

- 13.8 The Licensee must provide quarterly monitoring reports on wildlife observations and incidents to the Director and the Inspector, these reports are to be submitted on the first working day in March, June, September, and December of each year.
- 13.9 On or before March 31<sup>st</sup> of each year of the term of this License, the Licensee must submit an annual report, in writing, in accordance with Schedule D and any written direction of the Director, covering the period of January 1<sup>st</sup> to December 31<sup>st</sup> of the prior year.

**SCHEDULE A - LISTED MINERAL CLAIMS AND LEASES**

Grant Number	Claim Name	Grant Number	Claim Name
YA14986	DG 43	YA14987	DG 44
YA14988	DG 45	YA14989	DG 46
YA14991	DG 48	YA14992	DG 49
YA14993	DG 50	YA14994	DG 51
YA14995	DG 52	YA14996	DG 53
YA14997	DG 54	YA14998	DG 55
YA17734	Bob 6	YA17735	Bob 7
YA17930	Smoky 1	YA17931	Smoky 2
YA17932	Smoky 3	YA17933	Smoky 4
YA17934	Smoky 5	YA17935	Smoky 6
YA17936	Smoky 7	YA17937	Smoky 8
YA17938	Smoky 9	YA17939	Smoky 10
YA17956	Smoky 27	YA17958	Smoky 29
YA17959	Smoky 30	YA17968	Smoky 39
YA17969	Smoky 40	YA17973	Smoky 48
YA17977	Smoky 56	YA17983	Smoky 66
YA17984	Smoky 67	YA17985	Smoky 68
YA30072	Smoky 44	YA30073	Smoky 45
YA30074	Smoky 46	YA30075	Smoky 47
YA30076	Smoky 51	YA30077	Smoky 52
YA30078	Smoky 53	YA30079	Smoky 54
YA30080	Smoky 62	YA30081	Smoky 63
YA30082	Smoky 64	YA30083	Smoky 65
YA30084	Smoky 74	YA30086	Smoky 76
YA43044	DG 82	YA43045	DG 83
YA43061	DG 100	YA43062	DG 101
YA43063	DG 102	YA43064	DG 103
YA43120	Smoky 83	YA43121	Smoky 84
YA43122	Smoky 85	YA43128	Smoky 91
YA43129	Smoky 92	YA43131	Smoky 94
YA43132	Smoky 95	YA43133	Smoky 96
YA43134	Smoky 97	YA43135	Smoky 98
YA43144	Smoky 107	YA43145	Smoky 108
YB18935	WEST 168	YB18937	WEST 170
YB18939	WEST 172	YB18949	WEST 182
YB18951	WEST 184	YB64630	Roni 1
YB64631	Roni 2	YB64632	Roni 3
YB64633	Roni 4	YB64634	Roni 5
YB64636	Roni 7	YB64638	Roni 9
YB64639	Roni 10	YB64640	Roni 11
YB64641	Roni 12	YC02852	Tin Dome 9

Grant Number	Claim Name	Grant Number	Claim Name
YC02853	Tin Dome 10	YC02854	Tin Dome 11
YC02855	Tin Dome 12	YC11275	Dub 201
YC11254	Dub 180	YC11277	Dub 203
YC11276	Dub 202	YC11280	Dub 206
YC11279	Dub 205	YC11282	Dub 208
YC11281	Dub 207	YC11332	Dub 258
YC11331	Dub 257	YC11364	Dub 290
YC11338	Dub 264	YC38832	Dub 1536
YC11365	Dub 291	YC38835	Dub 1539
YC38833	Dub 1537	YC38839	Dub 1543
YC38837	Dub 1541	YE55726	Smoky Fr 55
YC38841	Dub 1545	YF33531	VBS 401
YE55727	Dub Fr. 1620	YF33878	VBS 278
YF33552	VBS 422	YF33902	VBS 302
YF33879	VBS 279	YF33967	VBS 367
YF33903	VBS 303	YF33987	VBS 387
YF33969	VBS 369	YF33990	VBS 390
YF33989	VBS 389	YF33997	VBS 397
YF33996	VBS 396	YF33999	VBS 399
YF33998	VBS 398		

## **SCHEDULE B - PLANS TO BE SUBMITTED FOR APPROVAL AS APPROVED PLANS**

### **Construction, Development and Operations Plans**

*Emergency Response and Health and Safety Plan* - A plan that provides detailed procedures and responsibilities for response to emergency situations that may be encountered.

*Mine Development and Operations Plan* - A plan that details the activities for the construction, operation, maintenance and monitoring of the mine.

*Road Development and Operations Plan* - A plan that details the construction and operations of roads developed for the purposes of the Undertaking.

*Waste Rock Management Plan* - A plan that provides a description of the activities for the segregation of the various overburden and waste rock streams, including how the categories of waste rock will be managed throughout the mine life, details of the construction, operation and monitoring of the various waste rock and overburden storage facilities.

*Cyanide Management Plan* - A plan that provides details on the transportation, handling, storage and use of cyanide and any mitigation to limit exposure and prevent release to the environment including a cyanide specific monitoring program.

*Heap Leach and Process Facilities Construction and Operations Plan* - A plan that describes the construction, operation and monitoring of the process facilities, and the organizational roles and responsibilities, facility description, operation, maintenance and surveillance measures and any contingency measures for the heap leach pad and related infrastructure.

### **Environmental Protection and Environmental Management Plans**

*Adaptive Management Plan* – A plan that provides detailed descriptions of procedures and actions that will be employed should negative effects on the environment be observed. The plan should demonstrate that actions can be taken prior to causing unacceptable effects.

*Environmental Monitoring, Surveillance and Reporting Plan* - A plan that describes methods and techniques for collecting and reporting monitoring information regarding conditions of engineered structures and environmental conditions at the Undertaking, as well as quantitative thresholds which trigger the implementation of adaptive management strategies.

## Schedule B – Plans to be Submitted for Approval as Approved Plans

*Hazardous Materials Management Plan* - A plan provides details of the storage and handling of various hazardous chemicals utilized in the Undertaking.

*Sediment and Erosion Control Plan* - A plan that describes methods and techniques for protecting undisturbed lands, minimizing footprints and reducing erosion of soils due to land disturbance and weathering by wind and water.

*Spill Contingency Plan* - A plan that describes the measures designed to minimize the potential impact to the environment following a fuel or chemical spill.

*Waste Management Plan* - A plan that describes the mitigations and methods used to manage solid and liquid wastes and special wastes to ensure protection of the environment and human health.

*Wildlife Protection Plan* - A plan that describes the mitigation measures or practices pertaining to wildlife attractants, vehicle use, habitat management, wildlife harassment and wildlife health.

**Socio-Economic Mitigation Plans**

*Heritage Resource Protection Plan* - A plan that describes measures to identify and protect historic sites, historic objects, and works of archaeological, paleontological, pre-historic, historic, scientific or aesthetic value.

*Traffic Management Plan* - A plan that describes the mitigation measures or practices pertaining to the control of vehicle access, whether private or public vehicles, on the various roads included in the Undertaking.



## **SCHEDULE C - APPROVED PLANS AND AUTHORIZED ACTIVITIES**

### **Part 1: Authorized Activities**

The Licensee is authorized to carry out the following activities as set out below as directed by the approved plans set out in Part 2. For greater certainty, if there is no approved plan that addresses the activity to be carried out, the activity cannot be carried out until a plan is approved for the conduct of the activity.

#### **1. Access**

The Licensee is authorized to access the Undertaking via gravel road to the site.

#### **2. Camp**

The Licensee is authorized to operate a camp for up to 400 people during construction, and 250 people during operations consisting of bunkhouse accommodation, mine dry, cooking facilities, water and sewage facilities, heating, and recreational facilities.

#### **3. Industrial Complex**

The Licensee is authorized to operate and maintain an industrial complex in support of the undertaking, including a transmission line and substation, explosives and magazine storage area and fuel containment facility.

#### **4. Metal Recovery and Process Facilities and Ancillary Infrastructure**

The Licensee is authorized to operate and maintain a metal recovery and process facility consisting of equipment for crushing and conveying ore, ore stockpiles, cyanide leaching, carbon adsorption desorption and recovery, ore storage and transportation and ancillary infrastructure.

#### **5. Open Pit Mining Operations**

The Licensee is authorized to carry out production using conventional open pit truck, shovel and loader operations, including rotary drills, blasting and ancillary services.

#### **6. Heap Leach Operations**

The Licensee is authorized to construct, operate and maintain a valley fill heap leach including an embankment, in-heap pond, composite liner systems, solution recovery wells, solution collection, distribution and storage, a leak detection and recovery system and events ponds.

#### **7. Waste Rock, Frozen Material, and Overburden Management**

Subject to part III of the license the Licensee is authorized to deposit waste rock from the open pit in the Platinum Gulch and Eagle Pup Waste Rock Storage Areas. The Licensee is authorized to deposit overburden from the Undertaking in the Ice Rich Overburden Storage Area, and Reclamation Soil Stockpile.

## Part 2: Approved Plans

The following plans are approved, subject to the listed conditions.

### **1.0     Construction, Development and Operations Plans**

#### **1.1     Emergency Response**

- **"Heap Leach and Process Facilities Emergency Response Plan, Version 2019-01"** dated May 2019 and prepared by the Licensee.

#### **1.2     Mine Development and Operations**

- **"Mine Development, Operations and Material Management Plan, Version 2017-01"** dated July 2017 and prepared by the Licensee.
- **"Explosives Management Plan, Version 2017-01"** dated July 2017 and prepared by the Licensee.

The approval of the Explosives Management Plan is subject to the following conditions:

- (a) Prior to storage of explosives on the site SGC must obtain a magazine licence and blasting permit from Yukon Workers' Compensation, Health and Safety Board;
- (b) The storage and use of explosives on the mine site must be conducted in accordance with Section 14.24 through 14.28 of the Yukon Occupational Health and Safety Regulations;
- (c) Prior to use of explosives, a safe work procedure must be developed and implemented that addresses what an operator must do if explosives are discovered while undertaking mucking, crushing, or other site activities;
- (d) All blasting operators must have the relevant training and permits as described under section 14.03 and 14.04 of the Yukon Occupational Health and Safety Regulations; and
- (e) A log must be maintained on site, and available for review by Safety Officers, which documents any blasting misfires and the conditions under which they occurred.

#### **1.3     Cyanide Management**

- **"Cyanide Management Plan, Version 2019-02"** dated April 2019 and prepared by the Licensee.

Subject to the following conditions:

- (a) Prior to transportation of cyanide to the mine site, an updated Cyanide Management Plan shall be submitted for review and approval, this update must include:
  - i. an annual independent third-party audit (consistent with the International Cyanide Management Code) of the cyanide management plan and its execution;
  - ii. a copy of all Standard Operating Procedures referred to in the plan; and
- (b) Cyanide transportation must be provided by a certified cyanide transporter

compliant with the International Cyanide Code.

#### 1.4 Road Construction

- **"Road Construction Plan, Version 2020-02"** dated April 2022 and prepared by the Licensee.
- **"Geochemical Characterization of Proposed Excavation Areas and Borrow Sources from the Eagle Gold Project, Yukon"** dated May 2013 and prepared by SRK Consulting.

Subject to the following conditions:

- (a) Prior to construction an updated plan with final designs shall be submitted to the Director for review and approval;
- (b) The updated plan must include designs for parking and staging areas that
  - i. where possible, avoids impacts to riparian vegetation within 30 m of the high water mark;
  - ii. where possible, avoids impacts to stream channels; and
  - iii. avoids the introduction of sediments into surface waters.

#### 1.5 Waste Rock and Overburden Management

- **"Waste Rock and Overburden Facility Management Plan, Version 2017-01"** dated June 2017 and prepared by the Licensee.
- **"Frozen Materials Management Plan, Version 2017-01"** dated July 2017 and prepared by the Licensee.
- **"Geochemical Characterization of Proposed Excavation Areas and Borrow Sources from the Eagle Gold Project, Yukon"** dated May 2013 and prepared by SRK Consulting.
- **"Eagle Gold Project, Report of Metallurgical Test Work"** dated December 2013 and prepared by Kappes, Cassiday & Associates.

Subject to the following conditions:

- (a) A Quality Assurance and Quality Control Plan and field screening report for geochemical characterization must be submitted to the Director for review prior to utilizing excavated rock for construction purposes; and
- (b) The Licensee shall conduct further investigations on less durable rock considered for use in the rock drains beneath the waste rock storage area. Should the rock be incapable of maintaining long-term drainage due to mechanical degradation, the Licensee shall ensure additional measures are implemented to protect against reduced flow volumes and increased pore water pressure.

#### 1.6 Heap Leach and Process Facilities Construction and Operations

- **"Heap Leach Process and Facilities Plan, 2017-01"** dated December 2017 and prepared by the Licensee.
- **"Heap Leach Detailed Design Report"** Dated November 16, 2017 and prepared by

BGC Engineering Inc.

- **"Heap Leach Facility Foundation Improvement Plan, 2017-01"** dated June 2017 and prepared by the Licensee.
- **"Technical Specifications – Heap Leach Facility"** dated October 2017 and prepared by BGC Engineering Inc.
- **"Cyanide Destruction Column Studies Report"** dated March 2014 and prepared by Tetra Tech.
- **"Heap Leach Facility Contingency Water Management Plan, 2020-01"** dated January 2020 and prepared by the Licensee.
- **"Water Balance Modeling for the Eagle Gold Mine Heap Leach Pad Facility"** dated October 2018 and prepared by The Mines Group.
- **"Heap Leach Facility Operation, Maintenance and Surveillance Manual, Version 2020-01"** dated January 2020 and prepared by the Licensee.

## **2.0 Environmental Protection and Environmental Management Plans**

### **2.1 Environmental Monitoring and Reporting**

- **"Environmental Monitoring, Surveillance and Adaptive Management Plan, Version 2020-01"** dated February 2020 and prepared by the Licensee.

### **2.2 Sediment and Erosion Control**

- **"Water Management Plan, 2020-01"** dated January 2020 and prepared by the Licensee.

### **2.3 Hazardous Materials Management**

- Incorporated into Waste Management

### **2.4 Waste Management**

- **"Solid Waste and Hazardous Materials Management Plan, Version 2017- 02"** dated July 2017 and prepared by the Licensee.
- **"Mine Water Treatment Solids Management Plan, Version 2014-01"** dated July 2014 and prepared by Engineering Analytics Inc.

### **2.5 Spill Contingency**

- **"Spill Response Plan, Version 2017-02"** dated July 2017 and prepared by the Licensee.

### **2.6 Wildlife Protection**

- **"Wildlife Protection Plan, Version 2017-01"** dated July 2017 and prepared by the Licensee.

## **3.0 Socio-Economic Mitigation Plans**

**3.1 Dust Control**

- **"Dust Control Plan, Version 2017-02"** dated July 2017 and prepared by the Licensee.

**3.2 Heritage Resource Protection**

- **"Heritage Resource Protection Plan, Version 2017-01"** dated July 2017 and prepared by the Licensee.

**3.3 Traffic Management**

- **"Traffic Management Plan, Version 2017-01"** dated July 2017 and prepared by the Licensee.

Subject to the following conditions:

- (a) The use and management of the South McQuesten Road and the Haggart Creek Road must be regularly monitored. If warranted, amendments to the traffic and access management plan must be made to reflect changing conditions or uses of the roads.

**4.0 Reclamation and Closure**

**4.1 Reclamation and Closure**

- **"Reclamation and Closure Plan, Version 2018-03"** dated September 2018 and prepared by the Licensee.

Subject to the following conditions:

- (a) Opportunities must be made available for First Nation of Na-cho Nyäk Dun participation in the design and implementation of reclamation research programs, and the development of post-closure terrestrial, human health and water quality closure objectives and criteria;
- (b) The temporary closure plan must include the following:
  - i. measures to mitigate the risk of wildlife exposure to cyanide; and
  - ii. solution management for the heap leach facility, incorporating the results of the most recent HLF water balance model.
- (c) Upon commencement of development activities, the subsequent updated reclamation and closure plan required pursuant to paragraph 7.2 of the License, must include the following:
  - i. update the "Closure Schedule" in Section 8.1 to include the reclamation and closure research programs
  - ii. a reclamation and closure research program overview and schedule with presentation of the following elements, organized by closure phase:
    1. research program;
    2. program component and locations;

3. integrated program components (e.g., sampling programs, program locations);
  4. integrated input/outputs (e.g., samples, test analyses);
  5. program milestones/decisions; and
  6. frequency and duration of sampling/testing
- iii. updates to cover system designs for waste management facilities including:
    1. a framework describing the timing and frequency of updates to the conceptual model of closure cover system design, including tasks listed in section 10.2 of the reclamation and closure plan; and
    2. consideration of alternate cover materials and/or cover thickness to achieve design objectives
  - iv. updates to the passive water treatment reclamation research program including:
    1. addressing uncertainty about performance and design of proposed passive water treatment systems for each facility;
    2. consideration for use of parallel components (i.e. multiple cells), and detail surrounding use of iron as a treatment reagent; and
    3. consideration of passive treatment research at phased scales for all components of passive treatment systems (e.g. aerobic and anaerobic wetlands, bioreactors, aeration components, flow management reservoirs etc.)
  - v. update to the heap biological detoxification and in-heap bioreactor research program including:
    1. clarification of sequencing and role for the in-heap bioreactor as part of the medium-term and long-term program for meeting closure water quality standards and objectives.

## SCHEDULE D - ANNUAL REPORTING REQUIREMENTS

The Annual Report must include:

### Site Activities

- (a) a summary of construction activities associated with the Undertaking;
- (b) a summary of mining activities;
- (c) a summary of proposed development and production for the coming year;
- (d) a map showing the status of all structures, works, and installations associated with the Undertaking;
- (e) the total amount of ore and waste removed from the open pit for the year and for the life of the Undertaking;
- (f) the total amount of gold produced and removed from the undertaking;
- (g) the total amount of waste rock removed from the Undertaking and deposited into each deposit location;
- (h) the total amount of waste rock stored in each waste rock storage facility;
- (i) details respecting any action taken as a result of the recommendations made by the engineer in relation to the inspection referred to in 13.2 of QML-0011;
- (j) a summary of any update to estimates of ore reserves and the life of the mine, including reserve category, tonnage and grade;
- (k) the total amount and the average grade of ore stockpiled;
- (l) the remaining reserve life of the mine;
- (m) results and interpretation from all QA/QC programs for the site;
- (n) a summary of heap leach facility construction including:
  - i. the total amount and the average head grade of ore placed on the heap leach pad for the year and the life of the Undertaking;
  - ii. the mass/volume and end of year configuration of ore lifts placed in the heap leach facility with the identification of any final benches or slopes achieved during the year;
  - iii. the records of ore properties for ore placed on the heap and records of any of agglomeration conducted; and
  - iv. report on metallurgical performance of the heap leach facility

### Environmental Monitoring

- (a) a summary of the programs undertaken for environmental monitoring and surveillance as outlined in the *Environmental Monitoring, Surveillance and Adaptive Management Plan* and the *Wildlife Protection Plan*, including an analysis of these data and any action taken or adaptive management strategies implemented to monitor or address any changes in environmental performance;
- (b) a summary of operating procedures for cyanide-related tasks and their implementation, including the review of proposed process and operational changes and modifications deemed necessary for potential impacts on personnel health and safety and the incorporation of personnel protection measures;

- (c) a summary of all safety measures taken (signs, etc.) to identify the presences of cyanide to all personnel;
- (d) a summary of all tests and calibration records for HCN monitoring equipment;
- (e) a summary of the results of the waste rock quality assurance/quality control monitoring for the past year;
- (f) a summary of invasive plants that have been identified on site and measures taken to control or remove invasive plants;
- (g) a summary of ambient air quality monitoring and modelling (which includes emissions related to the gold recovery process) and mitigation measures taken;
- (h) a summary of spills and accidents that occurred at the site and measures taken respond to any spills or accidents;
- (i) a summary of the level of traffic, access control issues, wildlife incidents and other accidents, and any upgrade or maintenance work planned for the upcoming year;
- (j) a summary of sound-levels associated with blasting activities;
- (k) a summary of any site improvements undertaken to address sediment and erosion control;
- (l) a summary and interpretation of humidity cell or other geochemical tests undertaken on materials on site, including
  - i. geochemical characterization of the expanded open pit, including kinetic testing to predict metal leaching potential;
  - ii. assumptions and conclusions of geochemical predictions and the effectiveness of mitigation measures;
  - iii. the segregation of waste rock based on metal leaching potential; and
  - iv. results of long-term column tests to study the effects to stability and permeability of the heap leach facility;
- (m) a summary of cyanide release or exposure that occurred at the Undertaking, including:
  - i. any hospitalization or fatality related to cyanide;
  - ii. the nature of release and the response or remediation required; and
  - iii. any exceedances to cyanide limits in permits or authorizations.

#### Physical Monitoring

- (a) a summary of any heap leach, waste rock, or open pit stability incidents;
- (b) a summary of data collected to date as part of the Physical Monitoring Program;
- (c) details of results, including data collected, for the Physical Monitoring Program;
- (d) a summary report on the performance of engineered structures in service during the reporting year including:
  - i. any operational deficiencies or failures to achieve operational requirements;
  - ii. records of any leakage into the LDRS of the HLF;
  - iii. a detailed record of any major maintenance work carried out;
  - iv. plans to conduct major maintenance work for the following year; and
  - v. status report on any backup equipment and supplies for emergency management of the heap leach facility including records of exercising such equipment.



Reclamation and Closure

- (a) any temporary closure or permanent closure that has occurred during the year;
- (b) a summary of activities related to care and maintenance of the Undertaking, including any temporary closure activities if applicable;
- (c) a summary of progressive and ongoing reclamation activities;
- (d) a summary of proposed development and production and reclamation activities for the coming year;
- (e) a summary of reclamation research and results; and
- (f) a hazardous materials inventory and description of hazardous materials storage.

Socio-economic Monitoring

- (a) a summary of action taken by the Licensee with respect to development and implementation of a joint committee that will confirm socio-economic indicators, reporting and responding to monitoring results.