



Application for Water Licence Amendment

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P.O. BOX 119
GJOA HAVEN, NUNAVUT
XOB 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

kNK5 wmoEp5 vtmpq
NUNAVUT IMALIRIYIN KATIMAYIT
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo; request for background information; and change to Block 24	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

0. EXISTING LICENCE NO: 2BE-CPM2527

This application seeks a narrow amendment to Water Licence 2BE-CPM2527 to (i) include two small, temporary exploration camps and (ii) authorize limited additional drillholes within the already approved project area and within a small new area of additional claims. No increase in the project's risk profile is proposed: water-use volumes remain low and short-term, mitigation measures are unchanged and standard, and no wastewater will be discharged to any water body. The expiry date (13 April 2027) remains unchanged.

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

Yes No

If No, a licence assignment must be completed and approved by the NWB. **An amendment will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: **Alexandre Jones Vilela da Silva**
c/o **1501253 B.C. Ltd (Somerset Minerals Ltd)**

Address: **329 Howe Street**
Vancouver BC V6C 3N2
Canada

Phone: +1 (775) 587-5995

Fax: N/A

e-mail: alex.vilela@somersetminerals.com.au

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: **Denise Lockett**

Address: **#104, 1319 Martin Street
White Rock, BC Canada V4B 3W6**

Phone: **604 340 4756**

Fax: N/A

e-mail: lockettda@telus.net

(Attach authorization letter.) Attached (**attachment 1**).

3. NAME OF PROJECT

Has the name of the project changed?

Yes No

If Yes, indicate the name of the project including the name of the location: _____

4. LOCATION OF UNDERTAKING

Does the proposed amendment change the location of the amended undertaking?

Yes No

Provide the project extents and camp locations. Identify proposed changes.

Project Extents

NW:	Latitude: (67° 52' 35.23" N)	Longitude: (118° 03' 04.58" W)
NE:	Latitude: (67° 52' 35.23" N)	Longitude: (114° 40' 10.11" W)
SE:	Latitude: (67° 10' 23.79" N)	Longitude: (114° 40' 10.11" W)
SW:	Latitude: (67° 10' 23.79" N)	Longitude: (118° 03' 04.58" W)

Camp Location(s)

New proposed Camp Location(s) – previous licence did not have any approved camps. Actual camp pads may shift slightly to optimize proximity to water sources and terrain, remaining ≥ 31 m from the ordinary high-water mark (OHWM). See Map 4 (Jura) and Map 5 (Hope Lake). First camp to be put in will be Jura, with Hope Lake camp dependent on funding. The camps will be used in short campaigns of 2-8 weeks at a time, and likely contain ~10-20 people at a time. Only the camp locations are newly added and project extents are unchanged relative to existing approval footprint (now including newly staked claims that are contiguous).

Please see attached maps for proposed locations.

Jura Camp:	Latitude: (67° 34' 22.99" N)	Longitude: (115° 03' 24.54" W)
Hope Lake Camp Option 1:	Latitude: (67° 25' 41.59" N)	Longitude: (116° 24' 19.77" W)
Hope Lake Camp Option 2:	Latitude: (67° 26' 23.28" N)	Longitude: (116° 28' 05.18" W)

5. MAP

Does the proposed amendment change the locations of any of the main components of the undertaking?

Yes No

Attach a topographical map, indicating the main components of the undertaking. Identify proposed changes.

NTS Map Sheet No.: 86o, 86n Map Name: Dismal Lakes, Coppermine Map Scale: 1:50,000

No other components change; maps illustrate camps (added), support corridors, and potential water sources. No in water works are proposed.

See attached **attachment 4** 'Map Appendix'.

6. NATURE OF INTEREST IN THE LAND

Does the proposed amendment change the nature of the interest in the land?

Yes No

If Yes, indicate changes: Changes are limited to: (i) addition of two temporary exploration camps within the existing project area; (ii) additional drillholes within newly acquired contiguous claims also within the project area. No other change to rights or footprint.

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

Mineral Lease from Nunavut Tunngavik Incorporated (NTI) (NTI C054C058)

Date of issuance: **Nov 1, 2024** Date of expiry: **Oct 31, 2044**

Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

Surface

Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: **Class A LUP applied for on Oct 26, 2025**. Date of expiry of existing permit **#N2025C0005** (Class B): **March 31, 2030**.

Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA).
Date (expected date) of issuance: **Amendment applied for on 21st November 2025**. Date of expiry of existing permit **KIA KTL325C002** (Class III): **April 24, 2027**.

IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: _____ Date of expiry: _____

Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

Other _____

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

Yes No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations: **1501253 B.C. Ltd**

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the existing project is located.

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input checked="" type="checkbox"/> West Kitikmeot |

Does the proposed amendment change the land use planning area?

Yes No

If yes, indicate the land use planning area in which the amended undertaking is located.

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water

licence?

Yes No

If Yes, indicate date issued and attach copy. **January 10, 2025 (attachment 2)**

Does the proposed amendment change the original NPC conformity determination or the need to obtain one?

Yes No

If Yes, indicate date issued (or expected) and attach a copy: The **Oct 8, 2025** NPC decision (**attachment 3**) confirms conformity for the added camps and expanded drillhole distribution within the West Kitikmeot area.

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

Yes No

If Yes, indicate date issued and attach copy. _____

Does the proposed amendment change the original NIRB screening determination or the need to obtain one?

Yes No

If Yes, indicate date issued (or expected) and attach a copy. A NIRB screening (filed as No 126241, decision expected around **12 Dec 2025**) addresses the two small camps and additional drillholes. No significant adverse effects are predicted with standard mitigation.

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Does the proposed amendment change the description of the undertaking?

Yes No

Please see Map Appendix (**attachment 4**).

The amendment adds two small, temporary camps and authorizes up to 100 additional drillholes distributed within the claims outline (see Map 2–5). 2025 drilling was RC drilling (dry); no camps were established in 2025.

Water for drilling (diamond holes only) will be ≤ 30 m³/day per active diamond rig, sourced from nearby lakes/streams with screened intakes and drawdown controls; no water will be returned to any water body. Camp water needs are low and short-term; greywater will be contained and disposed to sump ≥ 31 m from OHWM.

Fuel storage meets setbacks and secondary containment protocol; no in water works are proposed.

Map 1: “PREVIOUS LICENCE – topographic map showing water bodies and satellite imagery”

This map shows the area approved in the existing water licence (2BE-CPM2527), and shows areas that were approved for drilling on IOL and Crown land (in yellow). This work involved personnel staying in Kugluktuk and flying to/from the project area daily by helicopter. No camps were put in. Seventeen (17) drillholes were drilled on during the first year’s program, three (3) were drilled on Crown land, and fourteen (14) drilled on IOL. All drillholes were progressively rehabilitated as soon as the hole was complete.

Map 2: “AMENDMENT APPLICATION – topographic map showing water bodies and satellite imagery”

This map shows the proposed activities for the current amendment application. The yellow claims are claims that have been recently acquired, and are to be included in proposed work program (claims attached as **attachment 5**). The yellow polygons show the proposed area for the two small and temporary camps, which are also denoted by a star. The red outline shows the extent of possible support activities, such as winter trail and fuel storage.

The current amendment application is proposing for two small temporary camps, and up to 100 additional drillholes throughout the project area within the claims outline. Drilling is very small scale and low impact, and I have attached some before/during/after photos as examples of 2025 drilling (**attachment 6**). The distance between the two camps is 60km, and they will use water from different sources.

Small amount of water (up to ~30m³/day) may be used for drilling anywhere in the project area, with no waste water returned to any water body, no toxic or hydrocarbon materials in water, and the use of meshes over intake hoses and maximum drawdown calculated and monitored from each waterbody.

Water used for camp purposes will be sourced from the lakes, river and streams from around the proposed camp locations, and will also follow strict water management protocol as outlined in the NWB permit conditions, such as no waste water returned to any water body, no toxic or hydrocarbon materials in water, and the use of meshes over intake hoses and maximum drawdown calculated and monitored from each waterbody.

Map 3: “AMENDMENT APPLICATION - NTS Map Sheet – 86n and 86o”

This map shows the proposed activities for the current amendment application, on top of the NTS map sheets. The yellow polygons show the proposed area for the two small and temporary camps, which are also denoted by a star. The red outline shows the extent of possible support activities, such as winter trail and fuel storage.

Map 4: “Jura Camp”

This map shows proposed camp location for the Jura camp, on IOL parcel CO-58. This camp is proposed to be put in first, with mobilisation in February-March via snow cat (or similar) and sled. Water will be taken from nearby lakes or rivers, and the camp will be at least 31m away from the ordinary high-water mark of any water body, and all fuel stored in appropriate containers within secondary containment bunds. No wastewater of any type will be deposited into any water bodies.

Map 5: “Hope Lake Camp”.

This map shows proposed camp location for the Hope Lake camp, on Crown land. This camp will likely be put in later in the season in March-April and is funding dependant, with mobilisation via snow cat and sled and aircraft support. Water will be taken from nearby lakes or rivers, and the camp will be at least 31m away from the ordinary high-water mark of any water body, and all fuel stored in appropriate containers within secondary containment bunds. No wastewater of any type will be deposited into any water bodies.

10. OPTIONS

Does the proposed amendment change any of the alternative methods and locations that were considered to carry out the project?

Yes No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. Identify proposed changes.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Indicate the primary classification of undertaking for the existing licence by checking one of the following boxes:

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Miscellaneous (describe below): |
| <input type="checkbox"/> Power | _____ |

Does the proposed amendment change the classification of primary undertaking?

Yes No

If Yes, indicate the primary undertaking of the amendment:

Information in accordance with applicable Supplemental Information Guidelines (SIG) (**attachment 7**) must be updated and submitted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.

- Hydrostatic Testing
- Tannery
- Tourist / Remote Camp
- Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
- Onshore Oil and Gas Exploration Drilling
- Mineral Exploration / Remote Camp
- Advanced Exploration
- Mine Development
- Municipal
- General Water Works
- Power

12. WATER USE

Indicate, using the boxes below, the types of water use(s) approved in the existing licence.

- | | |
|---|---|
| <input type="checkbox"/> To obtain water for camp/ municipal purposes | <input type="checkbox"/> To divert a watercourse |
| <input checked="" type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To alter the flow of, or store water | |
| <input type="checkbox"/> Other: _____ | |

Does the proposed amendment change the type(s) of water use(s)?

Yes No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of water use(s) noting any water use(s) that are to be added, continued, or removed.

- To obtain water for camp/ municipal purposes **(added)**
 To obtain water for industrial purposes **(cont.)** To divert a watercourse
 To cross a watercourse To modify the bed or bank of a watercourse
 To alter the flow of, or store water Flood control
 Other: _____

13. QUANTITY OF WATER INVOLVED

See attached spill and fuel management plan (**attachment 8**)

Does the proposed amendment change the source of water? Yes No

Indicate the water source(s). Identify proposed changes:

Additional potential sources are identified within newly acquired contiguous claims (see Maps 2, 4 and 5). All sources are within the same general catchments as the existing licence.

Potential water sources for camps shown on "Jura Camp Map" and "Hope Lake Camp" map, and attached as **attachment 4.5**.

(show location(s) on map)

Does the proposed amendment change the quality of the water source and/or its available capacity?

Yes No

Describe the quality of the water source(s) and the available capacity(s). Identify any changes: Water sources are large lakes and rivers throughout the project area.

Water will be withdrawn from nearby lakes and streams. Seasonal lake drawdown will be limited to not more than 0.10 m. The available seasonal volume per lake equals lake surface area multiplied by 0.10 m. Stream withdrawals will be limited to not more than ten percent of instantaneous low flow. Withdrawals will be distributed among waterbodies to avoid localized effects.

Lakes: To ensure conservative withdrawals and protect aquatic habitat, we will limit seasonal drawdown from any one lake to ≤ 0.10 m (10 cm) of the lake's surface elevation. Available seasonal volume per lake (m^3) = lake surface area (m^2) \times 0.10 m. Example: a 0.50 km^2 lake (500,000 m^2) provides up to 50,000 m^3 of seasonal capacity; at a peak program rate of 299 m^3/day , that single lake alone could supply ~167 days without exceeding the cap. We will distribute withdrawals across multiple lakes to reduce local effects. Intakes will be **screened** to avoid entrainment/impingement of fish, with pump rates managed to prevent impingement

Streams: For any stream source, withdrawals will be $\leq 10\%$ of low-flow. Where necessary we will estimate low-flow from spot gauging and/or hydrologic references and will keep withdrawals below the limit. Intakes will be screened to avoid entrainment/impingement of fish, with pump rates managed to prevent impingement.

Monitoring & reporting: We will meter/track all withdrawals by source and report volumes and locations annually, consistent with licence conditions; if a planned single-source withdrawal could draw a lake down significantly, we will file the 30-day hydrologic notification package (volume, hydrologic overview, effects, mitigation) for Board approval in advance.

Does the proposed amendment change the overall quantity of water to be used?

Yes No

Provide the overall estimated quantity to be used. Identify proposed changes: Total daily water use for all purposes combined will be not more than 299 m³ per day to include water for domestic purposes and drilling. Typical daily use will be lower and will vary by activity and season. This cap provides administrative headroom while remaining subject to the lake and stream limits described above.

Does the proposed amendment change the quantity of water to be used from each source?

Yes No

Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes:

Diamond drilling generally up to 30 m³ per day per active rig.
Camps generally up to 10 m³ per day per active camp, maximum two camps.
RC drilling is dry. Half the drillholes will be RC.

Estimate for Jura = Up to ~10m³/day x 130 days = 1300m³

Estimate for Hope Lake = Up to ~10m³/day x 130 days = 1300m³

**Estimate for drilling = Up to 30m³/day for diamond drilling when drill rig is active (around half of the holes are expected to be diamond rigs, the other half RC which is a dry drilling method). It is likely only up to 50 holes would be drilled each year, so drilling 100 holes would likely take 2+ years.
30m³/day x 100 holes x 4days/hole / 2 = 6,000m³.**

We are applying for **up to 299m³ per day** as an absolute maximum, it is not expected that daily water use will approach this even if there were several drill rigs, and both camps were being utilized at the same time.

Does the proposed amendment change the quantity of water to be used for each purpose?

Yes No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes.:

Camps = ~2,600m³ per year

Drilling = up to ~6,000m³ per year

Does the proposed amendment change the method(s) of extraction?

Yes No

Describe the method(s) of extraction. Identify proposed changes: Proposed methods of extraction remain the same, pumped via hoses from lakes or streams using screened intakes; pump rates managed to prevent impingement or entrainment.

Does the proposed amendment change the quantity(s) of water returned to source(s)?

Yes No

Estimated quantity(s) of water returned to source(s). Identify proposed changes.
No water will be returned to its source. Grey water and drill cutting water from drilling will be settled and then disposed of in a hand-dug sump or natural depression more than 31m from the ordinary high-water mark of any water body. The only difference in water type with this application is that of greywater wastewater from the camp, that will be treated to settle out solids and then disposed of in a sump. This amount is expected to be less than 5m³/day.

Does the proposed amendment change the quality(s) of water returned to source(s)?

Yes No

Describe the quality(s) of water(s) returned to source(s). Identify any changes: Not applicable as no water is returned to any water body.

14. WASTE

Check the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input checked="" type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): <u>Return drilling water/mud from drilling.</u> | |

Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?

Yes No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of waste(s) to be generated and/or deposited noting the addition, removal or continued generation and/or disposal of waste(s).

- | | |
|--|--|
| <input checked="" type="checkbox"/> Sewage (cont.) | <input checked="" type="checkbox"/> Waste oil (cont.) |
| <input checked="" type="checkbox"/> Solid Waste (cont.) | <input checked="" type="checkbox"/> Greywater (ADDITION) |
| <input checked="" type="checkbox"/> Hazardous (cont.) | <input type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal (cont.) | <input checked="" type="checkbox"/> Contaminated soil and/or water (cont.) |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): <u>Return drilling water/mud from drilling. (cont.)</u> | |

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Does the proposed amendment change the quantity(s) of the types of wastes involved?

Yes No

Does the proposed amendment change the composition(s) of the types of wastes involved?

Yes No

Does the proposed amendment change the method(s) of treatment for the types of waste involved?

Yes No

Does the proposed amendment change the method(s) of disposal for the types of waste involved?

Yes No

If Yes to any of the above, describe the proposed changes: **See attached Waste Management Plan (attachment 9), and below.**

- Extra waste is expected from food scraps/rubbish generated at the camps
- New composition of waste is greywater from showers/washing
- New treatment/disposal includes a dual chamber incinerator, and greywater disposal in sumps

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal. **See attached Waste Management Plan.**

Type of Waste	Composition	Potential quantity Generated per day of active camp and drilling	Treatment Method	Disposal Method
Inert construction debris	Camp construction Drill rig shelter	0.01 m ³	Incinerate in dual chambered incinerator or remove to Kugluktuk/Yellowknife for approved disposal facility	Contain ash in sealed 45 gallon drums and remove to an approved disposal facility
Combustible waste	Food scraps, paper	0.025 m ³ Per day of camp use	Incinerate in dual chambered incinerator or remove to Kugluktuk/Yellowknife for approved disposal facility	Contain ash in sealed 45 gallon drums and remove to an approved disposal facility
Hazardous waste	Cleaning liquids, used oil and lubricants	0.0005 L	Stored separately in secondary containment	Remove to an approved facility for disposal
Contaminated soils	Soils with any spilled hydrocarbons or hazardous chemicals	0	Clean up contaminated soil with shovels/rakes and place into sealed 45 gallon drums	Remove to Kugluktuk/Yellowknife for approved disposal facility
Sewage	Camp and drill staff	0.025 m ³	Managed via bag-and-burn incinerating toilets or sealed-containment and fly out to an approved facility	Contain ash in sealed 45 gallon drums and remove to an approved disposal facility

			(Kugluktuk/Yellow knife). No sewage discharge to land or water. Ash, if generated, will be contained and shipped to an approved facility.	
Greywater		2-3 m ³	<p>Greywater (from kitchen, hand-wash and showers) will be contained in a constructed sump located ≥31 m from the ordinary high-water mark, in an area where direct flow to any water body is not possible.</p> <p>Use strainers/grease traps at the kitchen sink and only biodegradable soaps to reduce loading before the sump</p>	<p>The sump will be bermed/contained to prevent overland flow, sized for the full greywater volume plus precipitation, inspected daily, and decommissioned by backfilling and contouring to surrounding grade prior to spring break-up or camp demobilization, Coordinates of each active and backfilled sump will be logged and reported annually. Sump may be a natural depression that is properly constructed and bermed that does not drain to any water body and meets the sump setback/containment requirements.</p>

16. OTHER AUTHORIZATIONS

Does the proposed amendment change the need for other authorizations in addition to the sub-surface and surface land use authorizations provided in Block 6?

Yes No

If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Does the proposed amendment change the predicted environmental impacts of the undertaking or the mitigation measures?

Yes No

Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.

No material change in environmental effects is anticipated. Drilling effects are temporary and localized; sites are progressively reclaimed. Camps are small and seasonal; fuel and waste are fully contained with setbacks and secondary containment. Water withdrawals are low, screened, and distributed; no wastewater is discharged to water bodies. Standard wildlife and spill-prevention protocols apply. Cumulative effects are not expected at these scales.

The only changes to the existing permit are to allow extra drillholes, and for water use related to two small and temporary camps.

Please see attachment 9.5 for Wildlife management plan.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?

Yes No

If Yes, provide the names, addresses and the nature of water use by those persons or properties.

Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?

Yes No

If Yes, provide the names, addresses and the nature of water use of those persons or properties.

No adverse affect. However, it is worth noting that the proposed Hope Lake Camp is proximal to 1-2

existing exploration camps at Hope Lake/Airstrip (Tundra Copper Corp and White Cliff Minerals).

Our camp will not adversely affect persons or property or users with precedence because: (i) water use is expected to be minimal, for short periods of time, within licensed limits, and from potentially different sources source without measurable effect on levels or quality; (ii) greywater and sewage are fully contained and managed off-surface; (iii) all fuel/waste meet setbacks and secondary containment; (iv) flight and ground traffic are limited to operational needs and will be coordinated to minimize disturbance; and (v) spill prevention and wildlife-attractant controls meet or exceed current requirements. Prior to mobilization, nearby operators will be notified and provided a 24/7 contact to coordinate water-source use and traffic.

Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

N/A

19. INUIT WATER RIGHTS

Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inuit Organization (DIO) during consideration of the existing licence?

Yes No

If Yes, which DIO(s)

Kitikmeot Inuit Association

The Proponent paid \$26.35 to KIA for up to 1,000 m³ of water use under KTL325C002 (≤ 20 m³/day \times 40 drilling days). No change to Inuit water rights is anticipated.

The proposed amendment to KTL325C002 (details attached as **attachment 10**, **attachment 11**, and **attachment 12**) proposes up to 10,950 m³ / year of water use (30m³ / day \times 365) for combined drilling and camp purposes on IOL, which equates to a water use fee of \$288.35.

Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?

Yes No

If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

See attached Consultation Log, and corresponding community advertisements and presentations (**attachment 21**, **attachment 22**, **attachment 23**, **attachment 24**, and **attachment 25**.)

21. SECURITY INFORMATION

Does the proposed amendment change the financial security assessment?

Yes No

Does the proposed amendment change the estimate of the total financial security for final reclamation?

Yes No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment resulting from the proposed amendment.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

Please see attached closure and reclamation plan. (**attachment 20**). The Company currently has an existing \$70,000 security deposit with the Kitikmeot Inuit Association (KIA) under Licence KTL325C002. For the proposed camp on Inuit Owned Land (IOL), we have also budgeted a further \$60,000 in closure costs, bringing the total security coverage to \$130,000. The \$60,000 camp-removal budget using Kikiak contracting based out of Kugluktuk is broken down as follows:

- Demobilization to Kugluktuk using snow cats – CAD\$20,000
 - Deconstruction of camp (labour) – CAD\$35,000
 - Waste disposal in Kugluktuk (non-toxic waste at \$500/m³), 10 m³ × \$500/m³ – CAD\$5,000
- Total – CAD\$60,000

Our first camp will be at Jura (on IOL), and the existing KIA security already covers that activity. Given that drill pads are progressively reclaimed after each hole and there's no increase in maximum concurrent disturbance, the Company proposes no additional security under the NWB water amendment at this time. A second camp at Hope Lake will proceed only if funding and exploration results support it. If required, we will post a specific security amount of \$60,000 for Hope Lake camp at the time of mobilization.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

Yes No

Provide an updated statement of financial security. The parent Company of 1501253 B.C. Ltd is Somerset Minerals Limited ("Somerset") (ASX: SMM) is a publicly listed company on the Australian Securities Exchange. As disclosed in its most recent quarterly cash flow report for the period ended 30 September 2025 (attached), Somerset reported a closing cash balance of approximately A\$1.0 million (approximately C\$0.9 million). Subsequent to the end of that period, on 10 December 2025 Somerset announced that it had received firm commitments to raise approximately A\$3.7 million (approximately C\$3.4 million) to support ongoing exploration activities at its Coppermine Project in Nunavut, Canada (see attached public announcement). Following completion of this placement, which is anticipated on or around Friday, 19 December 2025, Somerset's pro forma cash position is expected to be approximately A\$4.8 million (approximately C\$4.4 million). This financial backing ensures that the necessary funds will be available to meet all exploration and reclamation commitments, including any financial security requirements associated with the project. Christopher Hansen, who currently serves as a director of both Somerset Minerals Limited and 1501253 B.C Ltd, provides continuity in management and oversight throughout the acquisition process and the subsequent exploration program.

Please see **attachment 13** and **attachment 14** regarding financial security.

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

Yes No

Provide a list of the officers of the company (**see attachment 15**).

Is the Certificate of Incorporation or evidence of registration of the company name the same?

Yes No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

See **attachment 16** and **attachment 17**.

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Studies Undertaken to Date

2025 activities were conducted in accordance with the Licence. During the 2025 programs, drilling was conducted using reverse-circulation (RC) drilling, which is a dry drilling method. No water was withdrawn from surface or groundwater for drilling, camp, or suppression. No greywater or sewage systems were established on site, as all staff were based out of Kugluktuk and flew to/from the project area each day. No spills occurred.

As no water was used or discharged, and there were **no camp liquid wastes, no water quality, hydrology, or effluent studies were required** or undertaken.

Kivalliq Inuit Association (KIA) representatives visited drill sites during operations and reported no concerns to the Proponent.

Supporting materials attached: drilling photos (before/during/after drilling shown in **attachment 6**).

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

Section 23 – Studies Undertaken to Date, Compliance Assessment and Status

The Company conducted dry RC drilling during 7th July 2025 – 19th July 2025 and 23rd August 2025 – 12th September 2025. **No water was withdrawn** from any source and **no liquid wastes** (greywater, sewage, drill water) were generated or discharged to surface.

Studies: None were required or undertaken given the absence of water use/discharge.

Compliance: Activities were conducted in accordance with the Licence. Conditions related to water withdrawal, sumps, and effluent were not triggered. Fuel management was compliant, and no spills were reported.

Inspector Reports: No inspector reports were issued; although two KIA representatives visited the drill sites on Monday 21st of July and raised no concerns to the Proponent.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

24. PROPOSED TIME SCHEDULE

When are proposed amendments scheduled to be undertaken: February 2026 (or as soon as amendments are granted).

Does the proposed amendment change the time schedule considered in the existing licence for any phase of development?

Yes No

Indicate the start and completion dates for each applicable phase of development (construction, operation, closure, and post closure). Identify proposed changes.

Construction

Proposed Start Date: February/March 2026 Proposed Completion Date: March/April 2026
(month/year) (month/year)

Operation

Proposed Start Date: February 2026 Proposed Completion Date: March 2027
(month/year) (month/year)

Closure

Proposed Start Date: April 2027 Proposed Completion Date: April 2027
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Operations may occur in any season throughout the year, however *most* exploration activities are expected to occur in spring-summer-autumn. Closure works (sump backfilling/contouring, material removal) will be completed before final demobilization no later than April 2027.

Construction

Winter Spring Summer Fall All season

Operation

Winter Spring Summer Fall All season

Closure

Winter Spring Summer Fall All season

Post - Closure

Winter Spring Summer Fall All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? 13th April 2027

Is the Licensee applying for a combined renewal and amendment of the existing licence?

Yes No

If Yes, indicate the proposed term of the renewal (maximum of 25 years): _____

Requested date of renewal issuance: _____ Requested Expiry Date: _____
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Will the proposed amendment change the content of annual reports or the annual report template?

Yes No

If Yes, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

Annual Reports will include: (i) dates and volumes by source for all withdrawals; (ii) camp water use by camp and month; (iii) greywater volumes and sump locations with coordinates; (iv) waste generated and disposition (incinerated/shipped); (v) fuel storage totals and any changes; (vi) summary of drills active, hole counts, progressive reclamation completed.

27. CHECKLIST

The following must be included with the application for Amendment for the water licensing process to begin.

Completed Application for Water Licence Amendment form.

X Yes No If no, date expected _____

Information addressing Supplement Information Guideline (SIG), where applicable (see Block 11)

X Yes No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

X Yes No If no, date expected _____

Indication of Renewal Requirement (see Block 26)

X Yes No If no, date expected _____

English Summary of Amendment Application. **(attachment 18)**

X Yes No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Amendment Application. **(attachment 19)**

Yes No If no, date expected: Before 19th December.

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

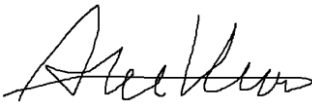
Yes No If no, date expected: Fees will be paid over the phone with a debit card, upon Registry acknowledgement of license submission.

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

Yes No If no, date expected: Proponent to call and make payment over the phone with a debit card, on acknowledgement of license submission, likely the week of the 15th December.

28. SIGNATURE

Summary: This amendment enables two small temporary camps and additional drillholes within the existing area. Total daily water use for all purposes will be ≤ 299 m³/day (typical use much lower) with diamond drilling ≤ 30 m³/day per active rig, camps ≤ 10 m³/day per active camp (max two), and dry RC drilling. No discharges to water bodies. Mitigation measures remain unchanged and standard. Licence expiry (13 April 2027) is unchanged, closure will be completed before expiry.

Alexandre Jones Vilela da Silva (Alex Vilela)	Exploration Manager		11th December 2025
Name (Print)	Title (Print)	Signature	Date