

# 1501253 BC Ltd.'s responses to KIA's Review dated March 18, 2025.

**Date:** March 25, 2025

**To:** John Roesch, Senior Project Officer, KIA, Department of Lands, Environment and Resources

**Copy:** Richard Dwyer, Manager of Licensing, Nunavut Water Board

**From:** Alexandre Jones Vilela da Silva, c/o 1501253 BC Ltd.

**Subject:** Response to Environmental Protection Operations Directorate's review of 1501253 BC Ltd.'s Type B Water Licence Application 2BE-CPM---- for the Coppermine Project

**Region:** Kitikmeot

## Summary

The Kitikmeot Inuit Association (KIA) has reviewed 1501253 BC Ltd.'s Type B Water Licence Application 2BE-CPM---- for the Coppermine Project and made several recommendations. This document directly addresses these recommendations by either responding directly in this document, and/or amending application documents. The document list below outlines documents that were amended to assist with the queries and recommendations, and have been attached with this response.

## Document List:

Closure and Reclamation Plan

Wildlife Management Plan 1501253 B.C. Ltd V3

Water Use Application V2

MAP APPENDIX\_1501253 BC Ltd

Spill and Fuel Management Plan 1501253 B.C. Ltd V3

Waste Management Plan 1501253 B.C. Ltd V3

Maps IOL Application V2

Seasonal Ranges\_Nagy et al

Subpopulation\_Nagy 2011

**Recommendation 1:** The proponent and the NWB consider cumulative environmental effects from the project in relation to other projects operating in the same area, in particular to water draw down from local water sources.

**Response 1:** 1501253 BC Ltd. would like to clarify the size and scope of the current proposed work program as being very small and of a short and temporary nature. The project is applying to drill 15 short drillholes (approximately 1250 metres total), which the Company expects to take 2-3 weeks in total, using one drill rig. The rig used will be a small, light, helicopter transportable drill rig as shown in the below photo. At the start of the application process the Company was unsure what type of drill rig was going to be used (diamond core or RC), so applied for water use coincident with a small diamond core drill rig (maximum 20m<sup>3</sup>/day, more likely 2-3m<sup>3</sup>/day). Since applications have started, the company has engaged contractors for an RC drill rig, which is a dry drilling method and doesn't use any water. The company would like to note the very small footprint of each drill site (maximum 15x15 metres, the drill rig taking up about 2x3 metres or less). The company has requested up to 1.2 Ha total disturbance, which is 0.001% (one thousandth of a percent) of the company's total claim area, and 0.002% (two thousandths of a percent) of the company's land area which overlaps IOL.

Due to the company only conducting exploration on its own tenements, there will be no crossover with water extraction from neighbouring licence holders, as water would only be taken from lakes on the Companies own licences. However, due to the Company planning on using an RC rig for this season's drilling, the Company doesn't expect to have to draw water from within the project area. Should a diamond rig be used, it is likely that only 2-3m<sup>3</sup>/day would be used, as recycling tanks are used to re-use water.

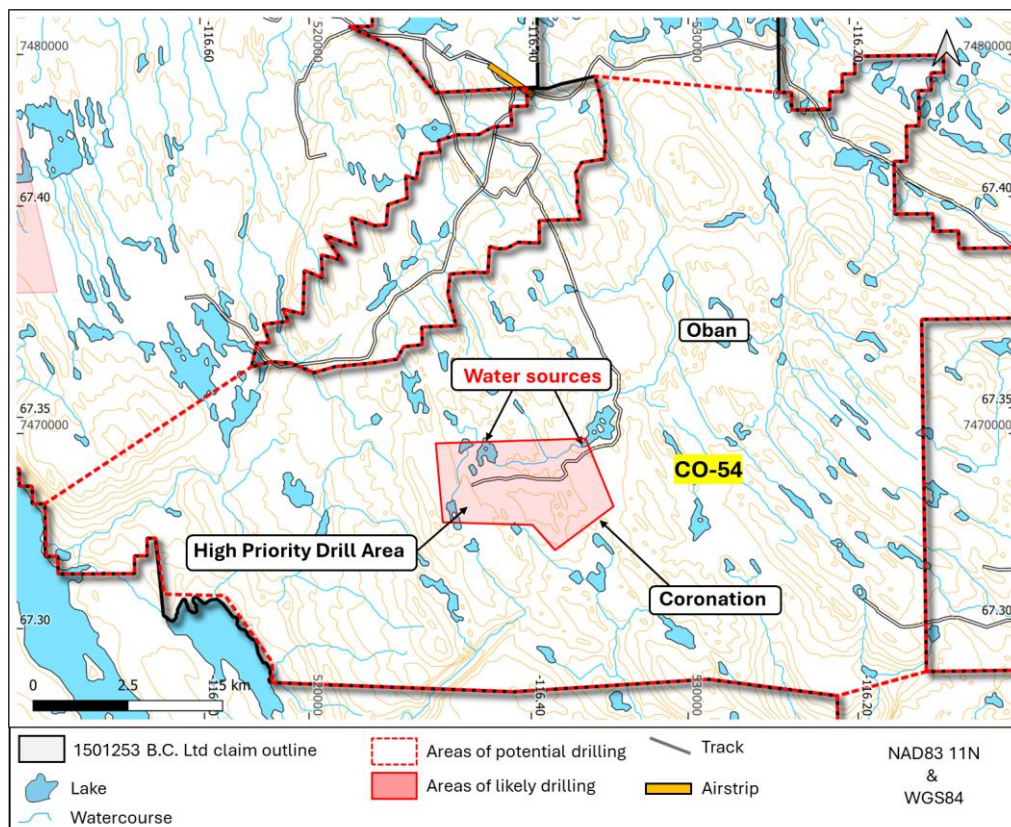
The closest the Company expects to be drilling is at least 10 km away from one of White Cliff's apparent proposed drilling areas.



**Recommendation 2:** The proponent provide the location of drilling activities in relation to local water sources.

**Response 2:** Should water be taken for drilling purposes (which is unlikely as we plan on using an RC drill rig, which is a dry drilling method, and no camp is being proposed), water would be taken from nearby small lakes or streams close to the drill location. If water is taken for drilling purposes, it will be done by a small pump sitting in a secondary containment bund, with a mesh fitted over the intake hose.

Please see below image for highest priority drill location on CO-54, where the majority of the 15 planned holes are likely to occur, and lakes and water courses in the area which may be used as water sources. Due to the early-stage nature of mineral exploration, ongoing interpretation, and need to collect further data in the field, it is not possible to dictate the exact collar locations of the drillholes yet. The location where drilling will likely occur is shown on the map. During the entire program, drilling will only occur more than 31 metres away from the ordinary high-water mark of any water body, and no wastewater will be deposited into any water bodies, or closer than 31 metres from the ordinary high-water mark of any water body. Small hand-dug sumps will be used to dispose of any wastewater, none of which will contain any pollutants or hazardous materials.







**Recommendation 4:** The proponent update and clarify submitted documents addressing KIA's comments as required.

**Response 4:**

**Acquisition of Prescott Project** announcement dated Dec 10, 2024 – This twenty-three page describes Somerset's acquisition of the Coppermine Project, adjacent to White Cliff Minerals Rae Project.

**Response:** N/A

**NPC File # 150589** dated Jan. 10, 2025 – This two-page document lists lead regulatory and Company personnel and summary description of the project and then states that NPC has determined it is exempt from screening by the NIRB, and that NPC has no concerns regarding the cumulative impacts of the project proposal.

There are good descriptions of the various aspects of the project provided. It mentions this will be the maiden exploration program for the Company in this area. An extensive list of Material and Fuel Use is provided. It mentions the Project Schedule is for a start date of 2025-01-01 and end date of 2028-01-01.

**Response:** N/A

**Mineral Exploration Agreement** between NTL and 1501253 Nunavut Ltd. dated November 1, 2024 – This agreement deals with the two proposed sub-surface IOL parcels the company wants to drill on. The other two parcels (i.e., CO-53 & CO-61) are not included. The document provides guidance for the company based on a template that considers a wide range of exploration projects up to small-scale mining projects.

**Response:** N/A

**Application for Access to Inuit Owned Land** – This seven-page form was completed and dated Jan. 27, 2025.

**Response:** N/A

**Appendix A of KIA IOL Application** - Part 1 of this appendix text mentions that an airstrip by Hope Lake may be used for fixed wing aircraft and that ATVs may be used to transport light drill equipment or fuel using existing tracks where possible. And in winter, supplies may be transported from Kugluktuk to the drill sites via winter tracks,

*supported by Kugluktuk based businesses or personnel. No all-weather roads or permanent structures will be built...”*

*Project Summary - Text states the drills are to sit on 8”x8”x12’ timbers. The KIA have identified a deficiency in there being no plans to use coco matting under the drill rigs to minimize disturbance to the underlying vegetation.*

*Work could be undertaken during any of the four seasons and would cease during caribou calving and post calving periods. In winter, winter tracks may be utilized to access sites from Kugluktuk. No information is provided on how these winter roads would be deactivated. All disturbances should be checked on by regulatory agency inspectors prior to demobilizing them from the project areas and remedied immediately by the company.*

**Response:** The company will place coco matting under the drill rig to minimize disturbance to underlying vegetation. This has been updated in the Wildlife Management Plan document. Details on winter track deactivation has been added to the Closure and reclamation Document.

**CPM Annual Report** dated June 30, 2024 – the Annual Report provided in the NWB submission is for Somerset Minerals Ltd. It discussed their project work in the high arctic on several islands including Prince of Wales, Somerset and Cornwallis Islands as well as other locations. There is no mention of the Coppermine project area to be investigated as part of this current application process.

**Response:** N/A

**Water Sources-IMLE.csv** dated Feb. 10, 2025 – This Excel spreadsheet lists some 766 potential water sources, identifies their centroid lat. & long. locations, surface areas and estimated water volumes available from each assuming a drawdown of 0.1 meter. The closeness of any of these sites to the eventual drill sites has not been demonstrated as the proposed drill site locations have not been identified.

**Response:** The drill site locations are outlined in the attached ‘MAP APPENDIX\_1501253 BC Ltd’ document and were submitted in the ‘2. Maps Water Application’ document with the water use permit application. These images clearly show streams, rivers, ponds and lakes, and show the areas where drilling will likely take place. The 766 potential water sources are taken from the centroids of the lakes shown in these maps. The closeness of the drill site to water sources will be up to 600 metres away, with water extracted via a long plastic hose.

**NWB Water License Application** dated Feb. 11, 2025 – The application filled in by the company appears to utilize a NWB General Water License Application template from April 2013. A check of the NWB website still shows that version of the application as being current.

**Response:** N/A

**Section 4 - Location of Undertaking** states the project will utilize a hotel in Kugluktuk for camp requirements for persons working on the project. Up to 15 persons may be involved. The capacity for housing this number of persons in Kugluktuk is unknown and if not what new facilities will be required to accommodate the workers?

**Response:** The company has been in contact with and received quotes from all available accommodation centres in Kugluktuk and checked capacity and available dates, and sees no issues regarding accommodation.

**Section 15 – Quantity & Quality of Waste Involved** text states waste drill water will be disposed of in hand-dug sumps, whereas **Section 17 – Predicted Environmental Impacts...** states this water may be disposed of in natural depressions or designated sumps. Care is required to minimize the spread of the waste drill water across a larger footprint and thus a deeper and smaller surface area dug sump is much preferred. And each drill's sump needs to be backfilled with excavated soil once the drilling has been completed at that site. A list of all likely drill additives is not provided. However, the text suggests their selection of additives will ensure minimal potential environmental impacts in the event of any spills.

**Response:** Water will be disposed of in deeper and smaller hand-dug sumps, so that each sumps footprint is small as possible. Each sump will be backfilled with soil upon site cleanup. This has been updated in the 'Water Use Application V2' document.

The Company has added potential drill additives and spill materials to the 'Spill and Fuel Management Plan 1501253 B.C. Ltd V3' document, which is attached.

**Section 18 - Water Rights...** states "...the Company is not aware of any overlapping water users in these areas". However, White Cliff Minerals propose to be drilling on a number of the same parcels as other companies so there is potential for cumulative impacts of drawing water from the same sources.

**Response:** The company would like to direct the reader to Response 1, at the top of this document.

**Section 20** – Consultation discusses communication between Company personnel and the Mayor of Kugluktuk. It is unclear who “Amanda (HTO representative)” is and whether that communication was finally made.

**Response:** This section is to show a record of effort made by the Company to engage with the local community of Kugluktuk, to address any concerns that they may have and allow us to introduce ourselves to form a relationship. Amanda Dumond is the Manager of the Kugluktuk HTO. Communication with Kugluktuk HTO is ongoing.

**Section 21** -Security Information provides an estimated cost of \$9,600-\$18,000 for final reclamation of all the sites and proposes financial security in that range. The upper estimate should be the minimum to be considered as several other elements are not included but should be added which would add to the total; e.g., helicopter cost for transport of reclamation workers between the drill sites, removal costs for any hazardous wastes, restoration of winter tracks or trails between drill sites, etc.

The KIA suggests security in the order of \$40,000 for these reasons, unless the company provide detailed cost estimates for these tasks that support a lower total financial security.

**Response:** Due to reclamation being conducted on a continuous basis, the Company does not anticipate there to be any chance of unforeseen reclamation, and anticipates this to be very low if it were necessary. However, the Company agrees to the proposed bond from KIA of \$40,000 for final reclamation security.

**Section 22** – Financial Information mentions the agreement between 1501253 BC Ltd. and Somerset Minerals Limited. It states Somerset is listed on the Australian Securities Exchange and appears to be financially capable to undertake the proposed program based on their claimed cash balance. They should have the funds to be able to provide adequate financial security to cover any potential environmental or other liabilities incurred by the project.

**Response:** N/A

**Section 24** – Proposed Time Schedule only states that Operation and Closure of the project could be all-season. And a two-year window of May, '25 - May, '27 is proposed for Operation of the project. No specific dates are proposed for the other three stages of the project (i.e., Construction, Closure and Post-Closure) although it is anticipated these will be very short-duration stages for this project.



**Response:** Due to the very early-stage nature and small scale of activities, this work program will not follow a typical ‘*Construction, Closure and Post-Closure*’ format, as there is no camp being constructed, and drill sites will be rehabilitated as they are completed. The Company would like to direct the reader to the ‘*Closure and Reclamation Plan*’ for details on how rehabilitation will be done throughout the project.

*Waste Management Plan – The document is not dated.*

**Response:** This document has been dated.

**Section 1** - *Introduction includes mention of photography to be taken at the drill sites after activities are completed. Figure 1 outlines the areas of potential drilling which does not line up with the area map with all the KIA parcel numbers provided in the Coppermine Summary for WK document (ref: KIA 2025b). The source of the map in that document is not known by KIA and should be properly referenced.*

**Response:** The company has submitted maps relevant to each department for its applications.

- For the KIA land access application, maps clearly showing areas of proposed drilling in relation to the different IOL parcels were submitted.
- For the water use application, maps clearly showing areas of proposed drilling in relation to water sources were submitted.

The areas of drilling remain the same in all maps and all applications.

The maps have been created on Company GIS software called QGIS, so that the appropriate layers and features can be clearly shown for the appropriate departments. The maps that were submitted to the KIA outlining the areas of proposed drilling are attached as ‘Maps IOL Application V2’.

**Section 2** - *Waste Types refers to “...activities proposed for the 2024 field season...” It is unclear when this document was prepared and also for which project the material may have been pulled from.*

**Response:** This was a typo. The document has been corrected, and is attached as ‘Waste Management Plan 1501253 B.C. Ltd V3’.

**Section 3.0** - *Waste Management Infrastructure mentions the use of a waste staging area in a bear-fenced perimeter of the project’s camp location. However, other*

*documentation states there will be no camp and that workers will be flown daily to the sites from Kugluktuk where they will be housed in a hotel (ref: Water License Application Section 4.).*

**Response:** This was an error. There will be no camp. The waste staging area details have been updated in the document, and attached as 'Waste Management Plan 1501253 B.C. Ltd V3'.

**Wildlife Management Plan** – *The document is not dated. Interestingly the site supervisor for the project and main contact for all wildlife-related matters is a person out of Australia. It is presumed this person will be periodically based out of Kugluktuk during the program.*

**Response:** The document has been dated and attached. The site supervisor is the Company's Exploration Manager who will be on site, managing and overseeing the program.

**Section 1 – Introduction** *The bulk of this section deals with what is likely material from the Spill and Management Plan where descriptions of fuel and spill management for the project are discussed. This material should be removed from the Wildlife Management Plan.*

**Response:** This information is relevant to the project, and is incorporated at the start of the document in case the Wildlife Management Plan is read on its own, in isolation to the Spill Management Plan.

**Section 4.1 - Drill Rig Setup** *mentions the recording of all wildlife encounters to be recorded in a Wildlife Log and discussed with other workers. This log should be available for review by site inspectors.*

**Response:** Yes, this will be available for review by inspectors.

**Section 4.5 - Reporting** *mentions wildlife interactions and it outlines agencies that should be contacted in the event of any incidents.*

*It is unknown to KIA whether the general locations and dates of when caribou calving and post- calving typically occur in this area (and the parcels themselves) and if so, these should be specified in the MP so as to ensure they aren't missed.*

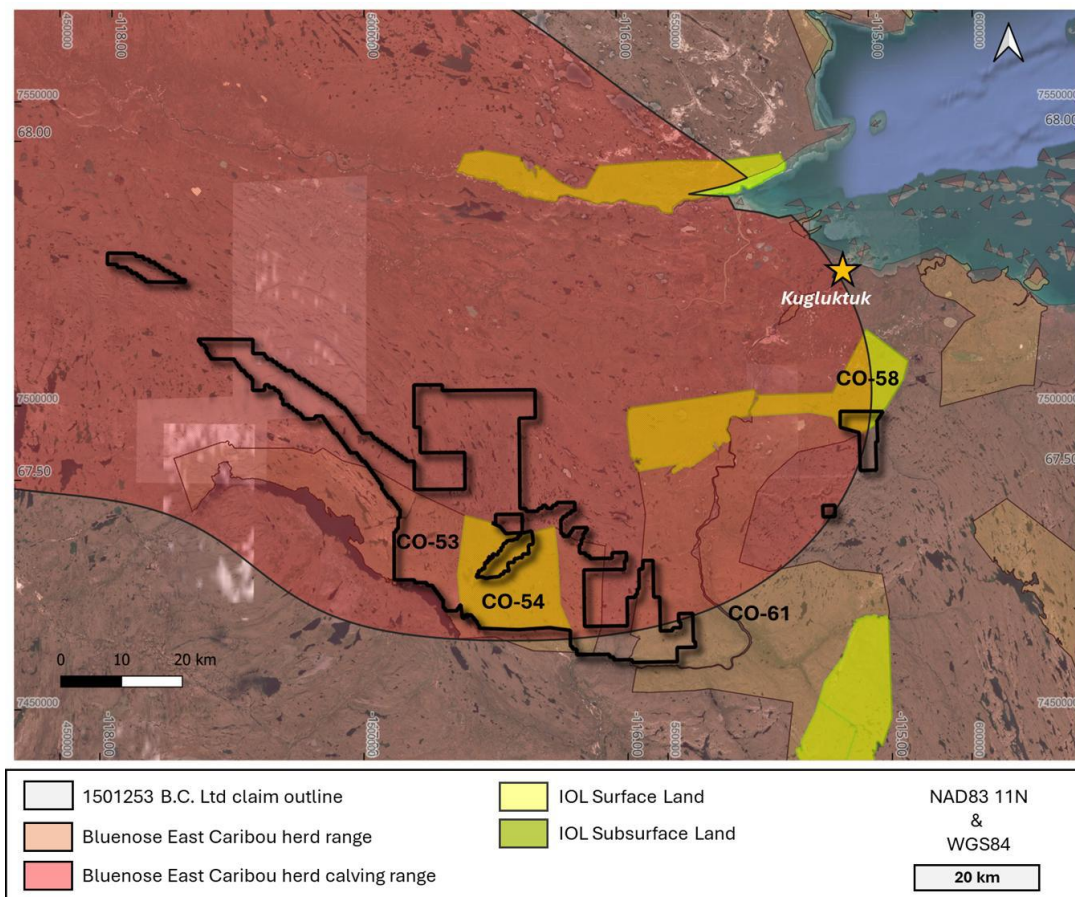
*Due to the remoteness of the parcels and the company's plans to do field exploration work with personnel wandering across the parcels emergency communication mechanisms (e.g., all field personnel to carry walkie talkies or satellite phones) in the event there is a wildlife interaction.*

**Response:** The outline for the Bluenose East caribou herd geographical calving range is shown on a map below, in the attached 'Maps IOL Application V2', and was submitted to the KIA in the separate IOL use application. The dates of 28<sup>th</sup> May – 3<sup>rd</sup> July are mentioned in the Project Summary and NPC determination attached to the water permit application. This geographic outline of caribou calving comes from the 2011 paper by Nagy et al., titled 'subpopulation structure of caribou (*Rangifer tarandus* L.) in arctic and subarctic Canada', which shows the annual and calving range of the Bluenose east caribou herd.

Another paper by J.A. Nagy et al, titled 'Seasonal Ranges of the Cape Bathurst, Bluenose-West, and Bluenose East Barren-Ground Caribou Herds', 2005, (attached) defines the bluenose east caribou herd calving and post-calving dates as being from 28<sup>th</sup> May – 20<sup>th</sup> June. Delaying work until the 3<sup>rd</sup> of July as proposed allows a 2-week buffer after post-calving.

This proposed shutdown period calving date range (28<sup>th</sup> May – 3<sup>rd</sup> July ) used for this application was taken from White Cliff Minerals approved permits (NPC determination 150522, NIRB 24EN047) for exploration work done in 2024. This map and references has been added to the Wildlife Management Plan, which is attached.

All staff will be equipped with necessary communication devices, such as walkie-talkies, satellite phones, or emergency-personal-locator-beacons as needed.



**Spill and Fuel Management Plan** - The document is not dated. The document includes phone numbers of lead contacts in the event of a spill. Due to the remoteness of the drill sites and the need to respond to spills immediately the Plan should include names of site personnel who will have satellite phones as well as communication between Company personnel on different land parcels and that can reach appropriate agencies in a timely manner as well as to access any additional resources that may be required for clean-ups.

**Response:** This document has been dated.

The document will be updated closer to the time with satellite phone numbers (the company hasn't hired or bought these yet) and specific communication details regarding contacts.

**Section 2.0** - Potential Spill Materials Inventory mentions Jet Fuel and Diesel Fuel. It is unknown whether any of the drill additives or fuels, lubricants, etc. for any of the other mechanical units to be used at the sites should also be included in the inventory. Are any of them classified as Hazardous Materials?

**Response:** Potential drill additives and spill materials have been added to the 'Spill and Fuel Management Plan 1501253 B.C. Ltd V3' document, which is attached. Jet fuel and diesel are classified as hazardous materials. All lubricant, fuel and additives will be treated as hazardous and stored appropriately.

**Section 5 – Roles and Responsibilities** outlines the three levels of personnel to be involved. It mentions but possibly needs to stress that it is the responsibility of the Site Supervisor to notify the appropriate authorities should there be a reportable spill.

**Response:** The Spill and Fuel management plan has been updated to stress that it is the site supervisors role to notify the appropriate authorities should there be a reportable spill.

**Recommendation 5:** Documentary photos and videos should be provided of each drill site and other disturbance before and after of work and reclamation and that these be provided to KIA.

**Response 5:** Agreed, this is outlined in the Closure and Reclamation Plan.

**Recommendation 6:** The proponent provide a more detailed closure & reclamation plan with cost estimates being provided to set an appropriate amount of financial security for reclamation.

**Response 6:** The Company has set out a detailed Closure and Reclamation Plan, which is attached. Due to reclamation being conducted on a continuous basis, the Company does not anticipate there to be any chance of unforeseen reclamation, and anticipates this to be very low if it were necessary. However, the Company agrees to the proposed bond from KIA of \$40,000 for final reclamation security.

If you have any more questions or I can be of any further assistance, please don't hesitate to contact me.

Kind regards,

**Alex Vilela**

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