

Table 1. Response to INAC comments submitted regarding Type B water licence application 2BE-KUU----

ID #	Subject	Party Concern	Party Recommendation	NxGold Response
INAC1	Spill Contingency Plan	Figure 1 Kuulu Project Site Map	INAC recommends that the Licensee provide the coordinates of each proposed fuel cache on Figure 1 that was provided in the Spill contingency plan. And to also provide the location where all spill kits are available other than 'in the shop' and include in Figure 1 as to where 'the shop' is located.	<p>Proposed fuel cache coordinates are provided in the attached Table 2.</p> <p>The camp and the fuel caches have not yet been established. Accordingly, spill kits and the shop are yet to be in place.</p> <p>Once the camp and fuel caches are established and spill kits in place, NxGold will provide the INAC Inspector (the Inspector) and the NWB with the coordinates for all.</p>
INAC2	Spill Kits	Section 4.5 Spill Kits of NxGold Spill Contingency plan	INAC recommends a verification of the size and location of the spill kits that NxGold is providing as to the size of fuel in the product inventory 3.1.	<p>Once the camp and fuel caches are established, NxGold can advise the Inspector of the location and capacity of each fuel cache and the associated spill kit.</p> <p>For planning purposes, NxGold listed typical contents of both a small spill kit and a large spill kit in its <i>Spill Contingency Plan</i>. Large spill kits are stationary and would typically be deployed with each fuel cache and at each drill. Small spill kits are portable and so would be typically deployed where smaller volumes of fuel are used or stored such as at water pumps, camp generator, incinerator, camp heli pad, around camp and in vehicles (atv, boat).</p>

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INAC3	Inspection Report for previous exploration camp #2BE-PET1114 at same location	<p>1. A fuel cache remains at N63° 6' 44.50", W92° 31' 12.19". The cache has approximately 86 drums ranging from full, to partially full, and empty. (NxGold has communicated to the NWB that they intend to take ownership of this fuel cache).</p> <p>2. The fuel is within a secondary containment berm ('berm') but the structure was compromised with water.</p> <p>3. The water appears to be contaminated inside the berm.</p> <p>4. There appears to be some hydrocarbon staining on the ground where the berm may have over topped with water.</p> <p>5. The fuel drums are in poor condition, most labels appear to be incorrect or missing; all of the drums are rusting from being stored improperly. The drums appear to be repacked.</p>	If the licensee/applicant intends to take ownership of the fuel cache then steps to remediate this area and the contaminated soil should take place immediately.	<p>NxGold has visited the site and stabilized the existing fuel berm:</p> <ul style="list-style-type: none"> • A drain filter was installed (1 <i>Spill Monkey™</i>); • Barrels were repositioned such that they are now more stable; • Repairs to the berm structure were made such that the sides of the berm can no longer be overtopped. <p>NxGold intends to take ownership of the berm and remains committed to remediate the site at the earliest opportunity.</p> <p>Further, NxGold has communicated these plans and activities with the Inspector and understands the activities to be acceptable.</p>
INAC4	Previous licence # 2BE-PET1114	The previous exploration site and its associated water licence #2BE-PET1114, expired in 2014, was last inspected July 29, 2016.	INAC recommends that a final inspection or a 'close out inspection' to be completed of the previous licence 2BE-PET1114 to ensure that this licence can be cancelled. Other structures and associated debris such as the burn pit with ash and rain drums left from the previous licence 2BE-PET1114 and any contaminated hydrocarbon soil must be remediated before the cancellation of the aforementioned licence.	In addition to the fuel berm related activities mentioned in NxGold's response to INAC3, NxGold also undertook an initial clean-up of the site including collection of debris and garbage and removal of the residue in the burn pit. These waste materials are being temporarily stored in the existing fuel containment berm until

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				<p>such time as the berm can be cleaned up.</p> <p>Prior to application to the NWB, NxGold spoke with both the Inspector and the NWB technical and licencing staff about the interaction between 2BE-KUU---- and 2BE-PET1114. It was understood that if NxGold articulated their intent in writing at the time of application, to take responsibility for the outstanding items listed in the 2BE-PET1114 inspection report, 2BE-KUU---- could proceed to licencing without a closeout inspection of 2BE-PET1114.</p> <p>Should a close out inspection report and cancellation process for 2BE-PET1114 occur, NxGold is committed to continued collaboration with the Inspector and the NWB; however, this process should not preclude administration of 2BE-KUU----.</p>

Table 2. Proposed Coordinates for Kuulu Project potential fuel cache locations (2BE-KUU----)

Item	Easting	Northing
Fuel Cache 1	519606	6995834
Fuel Cache 2	521146	6996177
Fuel Cache 3	520802	6997672
Fuel Cache 4	521886	6999116
Fuel Cache 5	520590	7000119
Fuel Cache 6	520350	7002213
Fuel Cache 7	523065	7000153
Fuel Cache 8	523149	7002174
Fuel Cache 9	523845	6997832
Fuel Cache 10	524666	7000758