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RE: Comments Response for Storm Project Water Licence No. 2BE-STO2025 Amendment/ Renewal Application

Aston Bay Holdings Ltd. (Aston Bay) has reviewed the comments provided from Fisheries and Oceans Canada (DFO), Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and the Qikiqtani Inuit Association (QIA) regarding the Storm Project (the Project) water licence 2BE-STO2025 renewal/amendment. Aston Bay would like to express our appreciation for the time these agencies and individuals spent reviewing the proposed Project activities and providing their comments.

Response to Crown-Indigenous Relations and Northern Affairs Canada

CIRNAC #1 Lake North of Camp

Water withdrawal from this lake will occur exclusively during winter or early spring conditions when the lake surface is frozen. Water will be accessed by creating a temporary opening in the ice using an auger or similar equipment. Portable pumps, powered by small generators, will be used to transfer water directly into transportable tanks (e.g., slung containers).

Transportation of water from the lake to the camp will be conducted entirely by helicopter. Tanks will be flown empty to the withdrawal location, filled on site, and then returned to camp via sling load. All equipment and fuel Gerry cans will have drip trays placed under them for secondary containment. As per the Spill Prevention and Response Plan (SPRP), spill kits will be strategically placed anywhere hazardous materials are used or stored for quick response in event of any incidents.

All associated equipment, including pumps and generators, will be removed from the site immediately following each use. As such, no permanent or semi-permanent infrastructure (e.g., pipelines, roads, or stream crossings) will be constructed or required between the lake and the camp, and no water will be pumped directly across the Aston Bay River.

A temporary insulated cover (e.g., rigid foam insulation affixed to plywood and weighted) may be placed over the ice opening between withdrawal events to minimize refreezing and reduce the need for repeated ice cutting. This cover will be removed upon completion of water-taking activities for the season.

Water will be withdrawn from the central portion of the lake at depths sufficient to avoid sediment disturbance. Given that withdrawals occur through the ice and well above the lakebed, there is no anticipated interaction with shoreline areas or bottom sediments. Consequently, the risk of sediment mobilization, erosion, or impacts to bank stability is negligible.

No sediment and erosion control measures are required for this activity due to the absence of ground disturbance, shoreline interaction, or surface flow pathways. The activity is consistent with the requirements of Part C of the Water Licence, and all operations will be conducted in a manner that minimizes environmental impact.

CIRNAC #2: Seasonal Shutdown Storage

During operations and temporary closures, all chemicals and hazardous materials are stored within designated, controlled storage areas. Where tent structures are utilized, these are purpose-built, heavy-duty, weather-resistant units designed for northern conditions and are securely anchored to withstand high winds and snow loads.

Within these structures, all chemicals and hazardous materials are stored in appropriate containers and placed within secondary containment systems (e.g., impermeable berms or spill containment pallets) with sufficient capacity to contain potential leaks or spills, in accordance with best management practices and applicable regulatory requirements.

Additional measures implemented to prevent wildlife intrusion and environmental exposure include:

- Secure closure of all storage structures when not in use;
- Use of sealed and properly labeled containers;
- Storage of materials off the ground where appropriate;
- Regular inspection of storage areas prior to seasonal shutdown to confirm structural integrity and containment effectiveness.

Hazardous materials that are not suitable for outdoor or tent storage, due to sensitivity or risk profile, will be preferentially stored within more robust structures (e.g., rigid-frame buildings or secure plywood structures) where available.

This storage approach has been successfully implemented at the site during previous seasons without incident, including no observed failures of containment systems or wildlife interactions. Notwithstanding this track record, Aston Bay remains committed to continuous improvement and will ensure that all storage practices meet the requirements of the Water Licence and applicable guidelines at the time of implementation.

CIRNAC #3: Marine Landing Area

As of 2025, the Project's Fuel Management Plan (FMP) has been consolidated into the SPRP to improve document integration and reduce redundancy. The SPRP has been updated to reflect current operations, including fuel handling, transport, and storage associated with the Marine Landing Area (MLA). A detailed record of these updates is provided in the table of amendments within the SPRP.

Marine Landing Area Description and Infrastructure

The proposed MLA is a temporary, seasonal use area and will not involve the construction of permanent or semi-permanent infrastructure within the intertidal or marine environment. Materials, including fuel, equipment, and supplies, will be delivered via sealift/barge and offloaded directly onto naturally occurring beach or gravel areas.

All materials will be staged a minimum of 31 metres above the high-water mark to maintain a buffer from marine waters. No excavation, dredging, grading, or installation of fixed infrastructure (e.g., docks, fuel lines, or storage tanks) is required to support MLA operations.

Fuel Handling, Storage, and Transport

Fuel delivered to the MLA will be temporarily staged in approved containers (e.g., drums or sealed tanks) and managed in accordance with the SPRP. From the MLA, fuel will be transported to camp or drill sites via helicopter sling loads.

All fuel stored at the MLA will be:

- Placed within secondary containment (e.g., spill berms, lined containment systems) with sufficient capacity;
- Located on stable, level ground above the high-water mark;
- Secured and regularly inspected to confirm container integrity.

Prevention of Sediment Deposition and Water Contamination (Part E Compliance)

Aston Bay confirms that activities at the MLA are designed to prevent the deposition of sediment or debris into any waterbody, in accordance with Part E of the Water Licence.

As no in-water works or shoreline modifications are proposed, potential pathways for sedimentation are limited to minor, short-term disturbance from equipment operating on the beach surface. These effects are expected to be minimal, localized, and temporary.

To mitigate potential impacts to water quality, the following measures will be implemented:

- Restriction of vehicle and equipment movement to stable, naturally compacted beach areas;
- Maintenance of a minimum setback distance from the high-water mark for all staging and storage activities;
- Immediate cleanup of any debris associated with offloading activities;
- Regular visual monitoring of the shoreline and adjacent waterbodies for signs of sediment disturbance or contamination.

Spill Prevention and Response Measures

Comprehensive spill prevention and response measures, as outlined in the SPRP, will be applied to all MLA activities, including:

- Supervised fuel handling and transfer operations;
- Availability of spill kits and response equipment at all times;
- Routine inspection of fuel containers and handling equipment;
- Daily inspection of mobile equipment for leaks or deficiencies;
- Personnel training in spill prevention and emergency response procedures.

Response to Fisheries and Oceans Canada (DFO)

Aston Bay acknowledges the comments and recommendations provided by the DFO regarding the potential effects of water withdrawal on fish and fish habitat, including risks related to entrainment, impingement, and habitat availability during both open-water and ice-covered conditions.

Aston Bay is committed to conducting all water withdrawal activities in full compliance with the Fisheries Act and applicable DFO guidance. Water sourcing for the Project has been designed to minimize potential impacts to fish and fish habitat through careful selection of withdrawal locations, conservative withdrawal rates, and implementation of established mitigation measures.

To reduce the risk of entrainment and impingement, all water intake systems will incorporate appropriate fish protection measures, including:

- Use of screened intake hoses designed and operated in accordance with DFO's Interim Code of Practice: End-of-Pipe Fish Protection Screens for Small Water Intakes in Freshwater (for flows ≤0.150 m^3/s);
- Intake placement in deeper water and away from shoreline or sensitive habitat areas, where feasible;
- Routine inspection and maintenance of intake systems to ensure proper functioning.

For withdrawals from flowing waterbodies, Aston Bay will:

- Limit withdrawal rates to less than 10% of instantaneous flow; and
- Ensure flows are not reduced below 30% of mean annual discharge, consistent with DFO guidance.
- For withdrawals from lakes during winter conditions, Aston Bay will:
- Follow the DFO Protocol for Winter Water Withdrawal in the Northwest Territories (2010);
- Limit withdrawals to no more than 10% of available under-ice water volume;
- Withdraw water from deeper portions of the lake to avoid disturbance of sediments and overwintering habitat.

Aston Bay will plan in-water activities to respect Nunavut Restricted Activity Timing Windows for the Protection of Fish and Fish Habitat, where practicable.

The lake north of camp has been confirmed to be char-bearing based on results of a 2025 field program conducted by Ausenco. As the lake falls within Zone 1, the restricted activity window is from September 1 to June 30.

Water withdrawal from this source may be required during early spring (prior to June 30), when the primary water source (Aston Bay River) remains frozen and unavailable. In these circumstances:

- All applicable DFO protocols and guidance will be followed;
- A Request for Review will be submitted to DFO in advance of any planned withdrawal within the restricted timing window.

In support of this process, required supporting information will be provided, including mapping, bathymetry, volume calculations, and proposed withdrawal rates. Bathymetric data for the lake was collected during a 2024 field program and will be used to inform under-ice volume estimates and withdrawal limits.

Notwithstanding the timing window overlap, Aston Bay does not anticipate adverse effects on fish or fish habitat for the following reasons:

- Water withdrawal will occur under ice-covered conditions, eliminating interaction with shoreline or spawning habitats;
- Intake locations will be situated in deep, central portions of the lake, away from littoral zones where fish are more likely to occur;
- Withdrawal volumes will remain within conservative thresholds (≤10% under-ice volume), preventing impacts to dissolved oxygen levels or overwintering habitat;
- Intake systems will be appropriately screened and operated in accordance with DFO guidance, minimizing risk of entrainment or impingement.

Additional measures include:

- Selection of withdrawal sites that avoid sensitive habitat, where known;
- Visual monitoring of withdrawal activities for signs of fish interaction or environmental effects;
- Immediate adjustment or cessation of operations if any adverse effects are observed.

Aston Bay will assess all activities against DFO's criteria for site-specific review and will submit a Request for Review where required.

In accordance with regulatory obligations, DFO will be notified without delay if any Project activities result in, or are likely to result in:

- The death of fish by means other than fishing; or
- The harmful alteration, disruption, or destruction of fish habitat.

Through adherence to DFO guidance, implementation of conservative withdrawal limits, and use of appropriate intake design and operational controls, Aston Bay will ensure that water withdrawal activities are conducted in a manner that avoids or minimizes potential impacts to fish and fish habitat. Where operational constraints require limited activity within a restricted timing window, Aston Bay will follow all applicable review processes and provide supporting technical information to demonstrate that risks to fish and fish habitat remain low.

Response to Qikiqtani Inuit Association

QIA #1: Stream Water Withdrawals

Water use for the camp is minimal and well below the maximum of 10 m^3/day authorized under the current water licence, and represents a very small proportion of flow in the Aston River. A hydrological field study completed in July 2025 (report in preparation) indicated that the flows in Aston River upstream of the camp did not fall below 2 m^3/s. This flow rate corresponds to a daily discharge of over 170,000 m^3/day.

Based on observed flow rates in the Aston River and the proportionally small volume of authorized withdrawals relative to river discharge, routine streamflow monitoring is not anticipated to be required to maintain compliance with environmental flow guidelines. No measurable effects on water levels, fish habitat, or ecological function are anticipated.

If, at any time, the volume of water in the Aston River appears to have been significantly reduced, or if there is a concern that environmental flow requirements may not be maintained, Aston Bay will conduct streamflow measurements to verify that instantaneous withdrawals remain below 10% of actual flow and do not reduce flows below 30% of the mean annual discharge. Preventive measures may include distributing withdrawals between the two camp sources, to avoid localized stress on any single system.

QIA #2: Water Withdrawals from lake north of Storm Camp in winter

Based on bathymetry work completed in 2024, the lake north of Storm Camp contains a volume of approximately 2.68 million cubic metres. Winter water withdrawals will continue to follow best practices consistent with the DFO Protocol for Winter Water Withdrawal from Ice-covered Waterbodies in the Northwest Territories and Nunavut (DFO 2010). This includes:

- Installing intake screens to prevent fish entrainment.
- Measuring ice thickness and lake depth at the intake location to ensure withdrawals occur at least 2 m below the bottom of the ice, as required by DFO.
- Tracking withdrawal volumes and comparing them against the known lake volume to ensure that total winter withdrawals remain well below 10% of the available under-ice water volume.

Given the large volume of the lake and the relatively small volumes required for camp operations, withdrawals represent a very small proportion of available under-ice water. Through these measures, Aston Bay ensures that water withdrawals for both camp and drilling activities are protective of aquatic habitat, fish, and overall ecosystem integrity, consistent with QIA and DFO guidance.

QIA #3: Greywater Treatment

Camp greywater will not undergo any active chemical or biological treatment. Greywater will be managed through a passive physical treatment, consisting of containment, settling, and controlled infiltration within a dedicated, excavated greywater sump. The sump will be designed and located to prevent runoff to surface water, minimize potential effects on vegetation, and avoid areas of sensitive permafrost or other environmentally sensitive sites.

Environmental safeguards will include:

- Regular inspection and maintenance of the sump to ensure proper containment and infiltration.
- Placement of the sump on well-drained, stable soils to prevent pooling or surface seepage.
- Visual monitoring of surrounding soils and vegetation for any signs of saturation, erosion, or contamination.
- Implementation of corrective actions if any evidence of discharge beyond the sump is observed.

Greywater management in this manner aligns with best practices for exploration camps in northern environments and is outlined in the Project's Environmental Management Plan.

QIA #4: Aquatic ecological effects of water intake pipes

The NIRB application was revised to explicitly acknowledge the potential for biological impacts to aquatic species, including effects to habitat and migration or spawning, associated with water withdrawals for camp operations, staging areas, and mineral exploration activities. These potential effects were listed in the *Identification of Environmental Impacts* table.

Habitat protection during installation and operation of water intake infrastructure will include:

- Avoidance of disturbance or permanent alteration of shorelines or streambanks.
- Installation of intake pipes using non-invasive methods, minimizing disturbance to substrates and riparian vegetation.
- Use of intake screens and operational controls to reduce the risk of fish entrainment.
- Prevention of fuel, lubricants, or other deleterious substances from entering water during setup and operation.
- Regular visual inspections of intake locations and adjacent shorelines for signs of erosion, sedimentation, or habitat disturbance.
- Monitoring of withdrawal rates and operational conditions to ensure they remain within approved limits.

Adaptive management measures will be implemented if unexpected low-flow conditions or environmental concerns arise, including adjusting withdrawal rates or temporarily suspending withdrawals, as appropriate.

QIA #5: Drilling Greywater Sump Sizing

Sumps for drilling fluids (greywater) are established in existing natural depressions, located a minimum of 31 m from the ordinary high-water mark of any waterbody, positioned downslope of the drill collar, and oriented to ensure that all surface runoff and drill return fluids are directed into the sump, thereby preventing uncontrolled discharge.

Natural depression sump sizing is determined based on anticipated daily drilling water use, site-specific topography, and prevailing weather conditions to ensure adequate containment capacity and account for operational variability, precipitation events, and short-term increases in water use.

During drilling operations, drillers and the site geologist actively monitor drill fluid returns and sump conditions to confirm that fluids remain fully contained and that there is no overflow, seepage, or migration toward surrounding terrain or waterbodies. If site conditions change or additional capacity is required, a new sump site will be utilized or supplementary containment measures will be implemented immediately.

These measures ensure that drilling greywater is effectively contained on site, prevent runoff beyond the drill area, and minimize any potential risk to surface water, groundwater, or aquatic habitat.

QIA #6: Inconsistency in caribou mitigation measure descriptions\

Aston Bay is committed to adhering to all applicable regulator requirements and accepted best practices to prevent, mitigate, and manage any potential impacts of activities conducted at the Storm Project.
Please see the response to the Government of Nunavut #2 for streamlined commitments to caribou mitigation.

QIA #7: Details included in Wildlife Record Log

Section 2.4 Wildlife and Habitats of the Environmental Management Plan has been revised to clarify the scope and intent of wildlife observations recorded in the Wildlife Log. Given the nature of an exploration-stage field program and the northern environment, it is not feasible to document all wildlife observed (e.g., common birds, insects, or rodents) when no incident or interaction has occurred. Accordingly, the Wildlife Record Log will focus on recording observations of marine mammals and larger, less common terrestrial animals and birds, as well as all species listed under the Species at Risk Act (SARA) or assessed by COSEWIC.

To ensure appropriate oversight, the Environmental Management Plan further clarifies that all wildlife interactions or incidents, regardless of species, will be documented in the Wildlife Record Log.

The information to be included in a record has been updated to specify the following:

- Species observed and the number of individuals present
- Geographic coordinates
- General location description
- Behaviour of the wildlife, including direction of travel
- Description of the incident/interaction, if applicable
- Distance from drillpad/camp, if applicable
- Any actions taken by Project personnel

QIA #8: Completion of pre-disturbance bird nest surveys

Section 2.4.1 has been updated to include a pre-disturbance sweep within a 100 m radius of the drillsite to check for nests prior to ground disturbance. Personnel will also be trained to identify the birds listed as Species at Risk and the characteristics of a nesting bird. While the method of recording and identifying nest locations did not require a physical landmark, the management plan has been updated to specifically prohibit the use of identifying a nest location with flagging tape.

QIA #9: Incorrect Nesting Zone referenced

The nesting zone has been corrected to N10 and the nesting timeframe updated to late May to mid-August.

QIA #10: Location of carnivore dens

Section 2.4.5 Carnivores and Dens of the Environmental Management Plan has been updated to include the wording provided by the QIA; that prior to commencement of field work, the Government of Nunavut Wildlife Division will be contacted to acquire the locations of any known denning sites, particularly for polar bears and wolverines, so that the planning of Project activities may take these sites into consideration.