


15th April 2026

To
Francis Emingak
Screening Officer
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0

Dear Francis,

Please see below for responses to CIRNAC regarding the Notice of Screening for 1517081 B.C. LTD
“Victory Lake” Project Proposal.

Sincerely,



Alex Vilela
Exploration Manager
For and on behalf of:
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CIRNAC #1: Fuel and Hazardous Material Storage and Spill Risk

Comment/Recommendation:

The Project materials present inconsistent fuel inventories and storage configurations. The Application indicates up to 200 drums (205 L) per fuel type (~41,000 L each), whereas the Spill & Fuel Management Plan limits on-site storage to 100 drums (~20,500 L per fuel type), with distributed caches of approximately 10,000-20,000 L and total cache volumes < 80,000 L. This discrepancy introduces uncertainty in the maximum spill scenario used for planning containment and response. While distributed caches reduce single-point failure risk, they increase the number of transfer events and handling interfaces. Given proximity to lakes and the use of overland transport on snow/ice, spill pathways may include rapid lateral transport during thaw periods, increasing the likelihood of hydrocarbon migration to surface water and shallow soils. CIRNAC recommends that the Proponent considers:

- *Reconciling fuel inventories across all filings to clearly define the maximum concurrent on-site volumes and associated worst-case spill scenario;*
- *Providing a high-level fuel logistics and transfer schedule to contextualize handling frequency; and*
- *Confirming secondary-containment specifications (e.g., berms/portable systems) that demonstrate adequacy under extreme precipitation/snowmelt.*

Proponent Response:

The Proponent acknowledges that the current filing package presents fuel quantities in more than one way and agrees this should be clarified. The broader project materials include planning-range equipment tables that refer to approximately 100–200 drums of diesel and 100–200 drums of Jet A or avgas as a conservative logistics envelope for the program as a whole, whereas the Spill and Fuel Management Plan V1.2 provides the current spill-planning inventory and confirms maximum on-site quantities of 100-200 drums of jet fuel and 100-200 drums of diesel, plus smaller quantities of gasoline, oils/lubricants, and propane, with the maximum amount stored in a fuel cache to be less than 80,000L. The Spill and Fuel management plan states that “*All fuel caches will remain under 80,000L, and it is likely that not all the fuel used for the program will be on site at the same time, and that fuel caches containing 20,000L or so will be resupplied as needed.*” The Proponent confirms that the spill-planning basis and maximum concurrent inventory for the 2026 program should be taken from the Spill and Fuel Management Plan V1.2 inventory table.

To provide context for handling frequency, fuel is intended to be stored in smaller, distributed caches rather than in one centralized storage area. Current planning is for temporary fuel caches generally in the order of 20,000 L, located at the drill site and resupplied as needed, with total cache volumes remaining below 80,000 L and with the expectation that not all program fuel would be present on site at the same time. This distributed approach reduces the potential size of any single release while allowing orderly resupply of a remote, mobile exploration program. Fuel transfer events will be limited to initial mobilization, periodic resupply as required, and daily operational fuelling at the drill or accommodation areas by trained personnel using small spill kits, insta-berms and/or absorbent pads during transfer.

The Proponent further confirms that all fuel drums will be stored either within lined 20 ft × 20 ft bermed secondary containment systems or approved portable containment units, each sized to

contain at least 110% of the largest single drum volume within the containment area, with additional freeboard for precipitation and site-specific conditions. Fuel storage locations will be set back at least 31 m from the ordinary high-water mark of any waterbody and will be inspected daily. Spill kits, empty recovery drums, and daily inspection checklists are also included in the current spill plan. These measures are considered appropriate for snowmelt and heavy precipitation conditions given the small distributed cache arrangement and daily inspection requirements.

CIRNAC #2: Drill Cuttings and Artesian Groundwater Management

Comment/Recommendation:

The Waste Management Plan indicates that up to ~50 m³/day of water may be used for drilling, with fluids recycled where practicable, and that drill cuttings and fluids will be disposed in hand-dug or natural sumps located ≥31 m from waterbodies. While this approach is consistent with standard exploration practices, the disposal of cuttings and fluids into unlined sumps in potentially thawed or permeable active-layer soils presents a pathway for downward and lateral migration of dissolved constituents. The use of “standard non-toxic drill fluids such as salt” introduces ionic loading (e.g., chlorides), which can depress the freezing point of porewater and alter soil thermal regimes, potentially affecting permafrost stability and vegetation recovery. Furthermore, the application materials do not describe contingency measures in the event that artesian groundwater is encountered. Uncontrolled artesian flow could mobilize fine sediments and dissolved constituents, create preferential flow pathways, and result in persistent discharge to surface environments if not properly sealed. CIRNAC recommends that the Proponent considers:

- *Confirming if only inert drilling fluids would be deposited to sumps/natural depressions and that backfilling occurs after contents have frozen with grading to avoid ponding; and*
- *Describing procedures for managing artesian groundwater, including immediate control measures and final drillhole abandonment practices to ensure long-term hydraulic isolation.*

Proponent Response:

The Proponent confirms that diamond drilling at Victory Lake will use a closed-loop mud system, with drilling water recycled where practicable to reduce withdrawals, and with drill cuttings and fluids directed to sumps located at least 31 m from the ordinary high-water mark of any waterbody. The current project materials also state that no additives other than standard, non-toxic drill fluids such as salt would be used if needed, and that no discharge of pollutants to waterbodies is proposed.

To address CIRNAC’s comment directly, the Proponent confirms that only inert or standard non-toxic drilling fluids would be directed to sumps or natural depressions, and that sumps will be backfilled and graded so as to avoid ponding and encourage stable site recovery. Where conditions allow, the Proponent’s preference will be to backfill after solids have settled and contents have frozen or otherwise stabilized. The Proponent will also minimize the use of any additives and will only use such materials where operationally necessary. Progressive reclamation, re-contouring, site photo documentation, and sump backfilling are already part of the current waste and closure approach.

While artesian groundwater conditions are not expected to be common in this style of early-stage program, if artesian flow or unexpected groundwater is encountered the Proponent will immediately suspend the affected drilling activity, contain and redirect water away from waterbodies and sensitive ground, install casing and/or apply appropriate sealing materials as needed to regain control of the hole, and abandon the hole in a manner that achieves long-term hydraulic isolation. Any such occurrence would be documented and managed under the Project's existing spill, water, and reclamation procedures. This approach is consistent with the Project's commitment to minimize disturbance, avoid discharges to waterbodies, and continuously rehabilitate drill sites.

CIRNAC #3: Soil Disturbance and Reclamation

Comment/Recommendation:

The Closure and Reclamation Plan proposes temporary timber platforms with coco-matting, hand levelling/re-contouring after drilling, progressive reclamation, and post-move debris checks, which indicates intent to restore sites and protect permafrost (including avoiding ponding at collars and backfilling temporary depressions). However, the application materials do not describe salvaging and replacing vegetation mats/topsoil, loosening compacted soils, or whether any post-drilling surface stabilization would be applied where needed. CIRNAC recommends that the Proponent considers salvaging/replacing vegetation mats/organics for use in reclamation to support natural revegetation.

Proponent Response:

The Proponent agrees with CIRNAC that reclamation language can be strengthened. The current Closure and Reclamation Plan already commits to progressive reclamation following each drillhole, removal of all temporary infrastructure, use of timber platforms and coco-matting to reduce disturbance, hand levelling and re-contouring, debris inspections, photography before and after work, and complete removal of waste and fuel containers from site. The Project also emphasizes that no permanent roads, airstrips, or buildings are proposed.

To further support natural recovery, the Proponent confirms that where practical and where surface organics or vegetation mats are encountered and can be handled without causing greater disturbance, those materials will be salvaged and replaced during reclamation. This will be applied particularly on tundra or organic surfaces, whereas on rocky outcrop or very thin soils there may be little or nothing suitable to salvage. Where localized compaction or surface instability is observed after drill demobilization, the Proponent will loosen or roughen the surface by hand tools as appropriate and apply minor stabilization measures if needed to reduce ponding and encourage natural revegetation. This is consistent with the Project's progressive reclamation approach and with its objective of returning disturbed areas to near-original condition.

CIRNAC #4: Consultation with Interested Parties

Comment/Recommendation:

CIRNAC recommends that the Proponent continue its efforts to engage with potentially interested parties regarding its project proposal. These parties include the Issatik Hunters and Trappers Organization (Whale Cove), the Kangiqtinig Hunters and Trappers Organization (Rankin Inlet), the Baker Lake Hunters and Trappers Organization, the Hamlets of Whale Cove, Rankin

Inlet, and Baker Lake, the Kivalliq Inuit Association, and any other relevant organizations or individuals. As part of these consultation activities, several issues should be considered, including but not limited to:

- *Incorporation of Inuit Qaujijmajuqangit and local knowledge in project activities;*
- *Mitigation measures to prevent any disturbance to wildlife and the environment;*
- *Mitigation measures to prevent disturbance to sites of cultural, archaeological, and/or environmental significance;*
- *The experience of community members who participate in traditional harvesting activities within or in close proximity to the project area;*
- *Training and employment opportunities for Inuit and community members;*
- *Procurement opportunities for local and Inuit-owned businesses; and*
- *Regular updates on the status of project activities.*

Proponent Response:

The Proponent agrees and confirms that consultation will continue. The current consultation log shows that Victory Exploration has already undertaken introductory engagement with Kivalliq Inuit Association, the Rankin Inlet HTO, and Whale Cove HTO. The Whale Cove HTO specifically raised concern about declining caribou numbers and the perceived impact of helicopters on caribou and hunting, and the proposed shutdown period during calving and post-calving was well received. The consultation log also shows further follow-up attempts with the Whale Cove HTO and continued contact with KivA in early 2026.

The Proponent will continue outreach with the Issatik HTO (Whale Cove), Aqiggiag HTO (Rankin Inlet), Baker Lake HTO, the Hamlets of Whale Cove, Rankin Inlet, and Baker Lake, Kivalliq Inuit Association, and any other potentially interested organizations or individuals. This ongoing engagement will focus on incorporating Inuit Qaujijmajuqangit and local knowledge into field planning, discussing wildlife mitigation and archaeology and heritage avoidance, understanding harvesting use and travel patterns, and identifying opportunities for local employment and procurement. Current project plans already state a preference for hiring and procuring from Whale Cove, Rankin Inlet, and Baker Lake, including wildlife monitors, labourers, freight, expediting, geological assistants, and air support.

The Proponent also confirms that the Project is designed to be temporary and low-impact, with strict caribou mitigation measures, shutdown periods during calving/post-calving, wildlife monitoring, progressive reclamation, and a strong preference for using existing accommodations, permitted camps, or local fishing huts rather than constructing permanent infrastructure. These features are intended to reduce wildlife disturbance and limit effects on harvesting, travel routes, and culturally important land use.

Thank you for your review and input regarding the Victory Lake Project.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. Kivalliq' or similar, written in a cursive style.

Alex Vilela

Exploration Manager

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1517081 B.C. Ltd.

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