

APPENDIX D

ENVIRONMENT & WILDLIFE MANAGEMENT PLAN (EWMP)

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TABLE OF CONTENTS

1.0 DUNNEDIN ENVIRONMENTAL POLICY - EXPLORATION	1
2.0 GENERAL ENVIRONMENTAL PROTECTION	2
2.1 Authorizations	2
3.0 WILDLIFE – POTENTIAL IMPACT, SPECIES AT RISK, MONITORING, PROTECTION MEASURES	4
3.1 Caribou	6
3.2 Muskox	8
3.3 Bears and Other Predators	8
3.4 Birds and Waterfowl	9
4.0 AQUATIC LIFE	10
5.0 ATTRACTANTS, DISTURBANCE AND MITIGATION	10
6.0 ARCHEOLOGY	11
7.0 INTERNAL INSPECTIONS	12
8.0 COMMUNITY CONSULTATION SUMMARY - EWMP	12
9.0 SCOPE OF PROJECT ACTIVITIES (Commencing March 2017)	14

1.0 DUNNEDIN ENVIRONMENTAL POLICY - EXPLORATION

Dunnedin Ventures Inc. (Dunnedin) is committed to the protection of the environment during its exploration activities, through the application of the following principles.

- Deal proactively with environmental issues by identifying potential impacts and implementing preventative actions, measures to mitigate and effective contingency plans.
- Strictly adhere to and comply with all applicable environmental legislation and regulations and the Terms and Conditions of the Licences and Permits.
- Identify and evaluate all environmental aspects and possible impacts of exploration activities, and develop procedures for minimizing, as much as is reasonably achievable, the environmental impacts while carrying out these activities.
- Facilitate clear and effective communication of Dunnedin's environmental requirements to employees and contractors to encourage their participation and compliance.
- Provide effective training including orientation of terms and conditions of all licenses and permits, conduct internal assessment/inspections and periodically review procedures during weekly meetings.

2.0 GENERAL - ENVIRONMENTAL PROTECTION

Environmental protection ultimately rests with the company having authorization from the regulatory agencies to conduct exploration activities. Environmental awareness and a good knowledge of environmental protection measures help to avoid or reduce adverse exploration impacts. Front line field personnel and contractors must know and follow the applicable work conditions established by land use and water use regulatory agencies and other permitting and licensing authorities.

Prior to annual exploration activities, representatives from the Hamlet of Chesterfield Inlet, the **Chesterfield Inlet** (Aqigiq) Hunters and Trappers Organization (HTO), the **Rankin Inlet (Kangiqliniq) HTO**, the **Hamlet of Rankin Inlet and the Kivalliq Inuit Association (KIA)** will be invited to accompany Dunnedin personnel to the proposed exploration sites. Advice will be sought as to timing of activities, wildlife movements and suggested avoidance measures. In addition, Dunnedin has committed to the Aqigiq HTO to contract wildlife monitors to accompany annual field crews for the purpose of monitoring wildlife, providing advice on avoidance and to ensure the safety of field crews.

Dunnedin Ventures Inc. expects all personnel and contractors operating on its behalf will recognize and respect the rights of other land users.

Through its permits and licences, Dunnedin requires:

- That all personnel, contractors, consultants and visitors to the project area respect the land, the waters and the local wildlife.
- The rules, regulations, terms and conditions of the applicable laws, licences and permits are to be strictly adhered to.
- The use of environmentally friendly agents where readily available, and discourages the use of non-environmentally friendly products except where absolutely necessary (i.e. no efficient alternative exists, safety/health considerations etc.)
- All garbage and litter to be removed from all field sites (including cigarette butts).
- Practicing preventive maintenance activities will reduce the likelihood of failure resulting in an environmental impact.

2.1 Authorizations

Dunnedin Ventures Inc. must apply and comply with the terms and conditions of a number of authorizations in order to conduct exploration activities as follows:

- **INAC (Indigenous and Northern Affairs Canada)** – Land Use Permit (LUP). This permit allows Dunnedin to conduct approved activities on those portions of Crown Land that falls within the companies claim boundaries. Dunnedin currently holds a Class A Land Use Permit (N2015C0019) for the purpose of completing prospecting, till and rock sampling. Dunnedin Ventures has applied for an amendment to its permit to

include diamond and reverse circulation drilling, trenching, ground geophysical surveys, bulk sampling and the establishment of an overland winter trail.

- KIA (Kivalliq Inuit Association) – Land Use Licence (LUP). Dunnedin currently holds a Class 1 Land Use Licence ((KVL115B02) for the purpose of prospecting and preliminary exploration work. The Land Use Licence allows Dunnedin Ventures to conduct approved activities on Inuit Owned Lands (IOL), more specifically Surface Land Only Parcel CI-15. Dunnedin has applied to the KIA an application for a Class 3 Land use permit to complete diamond drilling, trenching, ground geophysical surveys, bulk sampling and the establishment of an overland winter trail.
- NWB (Nunavut Water Board) – Water Licence. Dunnedin Ventures is submitting to the NWB an application for a Class B Water Use Licence for the use of water during diamond drilling operations and the subsequent collection of waste water from the drilling operations in an approved drill sump.

Dunnedin Ventures Inc is bound by the terms and conditions set out in the each of the licences and permits while conducting any of its permitted exploration activities. In addition, there are a number of Acts, Regulations, Guidelines and Recommendations the company must also follow which includes (but are not limited to):

- Fisheries Act
- Caribou and Muskox Protection Measures included in Appendix H of the Keewatin Land Use Plan
- Migratory Birds Convention Act and Migratory Birds Regulations
- Nunavut Act
- Aeronautics Act
- Fisheries and Oceans Canada (DFO) Guidelines for the use of Explosives in or near Canadian Fisheries Waters
- Nunavut Archaeological and Paleontological Sites Regulations
- Department of Fisheries and Oceans Operational Statements and Guidelines.
- Nunavut Waters and Nunavut Surface Rights Tribunal Act.
- Territorial Lands Act and Land Use Regulations
- Nunavut Land Claims Agreement
- Environmental Protection Act and Canadian Environmental Protection Act
- Nunavut Wildlife Act and Species at Risk Act
- Guide to Spill Contingency Planning and Reporting
- Transport Canada-Transportation of Dangerous Goods Act
- Public Health Act
- CCME Canada-wide Standards for Dioxins and Furans

Contact numbers for relevant Government of Nunavut Kivalliq Regional Wildlife Offices are:

- Arviat (867) 857-2976
- Baker Lake (867) 793-2944
- Chesterfield Inlet (867) 898-9130
- Rankin Inlet (867) 645-8083

3.0 WILDLIFE – POTENTIAL IMPACT, SPECIES AT RISK, MONITORING AND PROTECTION MEASURES

Dunnedin acknowledges that exploration programs have the potential to temporarily impact wildlife and wildlife habitat, and thus commits to adhere to monitoring and mitigation strategies as well as legislated avoidance. All terms and conditions of licences and permits will be strictly adhered to including the recommendations in the Caribou Protection Measures.

Potential Impacts. Potential impacts to wildlife and wildlife habitat include displacement/avoidance from habitat, habituation/attraction to personnel and/or unintentional interactions/disturbance. It is recognized that the Lorillard and Qamanirjaq herds are particular sensitivity in the regional project area; Dunnedin will work with stakeholders to develop strategies to minimize potential negative effects through a focused monitoring and mitigation measures.

This plan has been designed to address specific wildlife species (inclusive of caribou), species group and their critical habitats. Selected species, species groups and their critical habitats that are the focus of this Plan are;

- Those that occur within and immediately adjacent to the project site or along project flight paths during project operations,
- Those that are important harvestable species, and
- Those with special conservation Status.

Species at Risk. Environment Canada and COSEWIC has indicated that there may be Species at Risk within the Kahuna Diamond project. A list of the species at risk in Nunavut can be found in Schedule 1 of SARA (Species at Risk Act). The SARA registry can be found at www.sararegistry.gc.ca. Schedules of SARA are amended on a regular basis so it is important to periodically check the registry for updates. If any of the listed species are sighted on the Kahuna Diamond project, the information will be recorded.

The species or species groups of most concern with the Kahuna Diamond Project area are:

Species or Species Group	Species or Species Group
Barren-ground Caribou - specifically, Beverly, Qamanirjaq and Lorillard herds	Peregrine Falcon (and their nests)
Muskox	Red-necked Phalarope
Arctic Fox (and their dens)	Short-eared Owl
Wolf (and their dens)	Migrating Waterfowl and Waterbirds (and their nests)
Grizzly Bear (and their dens)	Other Raptors (and their nests)
Wolverine (and their dens)	
Polar Bear	

Approaching and feeding wildlife is strictly prohibited. Dunnedin Ventures Inc. understands the impacts to wildlife through human interaction including harassment and disturbance and will insure its contractors and employees follow the terms and conditions as set out by the regulatory authorities. There are absolutely no exceptions to this rule. If wildlife are present in the area, all employees and contractors are to avoid any contact with wildlife.

Harassment and disturbance of wildlife is prohibited. If any employees and contractors are approaching a work site where migrating caribou, caribou cows and calves, muskoxen nurse groups or other wildlife are in the area, this work site will be avoided until the animals have moved on a distance of 2 to 5 kilometres from the site.

If employees and/or contractors encounter wildlife at any time, every effort should be made to stay out of sight of wildlife or redirect travel away from wildlife where possible, and when necessary suspend work to avoid impact to the wildlife.

Monitoring. Monitoring is an important component to the exploration program. Exploration is dynamic and continually changing. Every field season is unique, exploration activities are conducted in different areas from year to year. All drill sites and field crews will have wildlife sighting sheets used to document the species sighted, date, time of sighting, GPS location, number of species and activities. These locations will be provided each year as part of the Work Plan that is submitted to regulators annually. **Any dangerous incidents and accidents involving wildlife will be reported immediately.**

Sightings of wildlife are to be recorded. This is a condition for conducting exploration activities in the Kivalliq Region of Nunavut. **Wildlife observations and monitoring information will be reported and logged by all workers and contractors during operations and during flights. The Wildlife Monitor, site Supervisor or company designate will collect and record the information below daily, which is compiled and submitted to all regulatory agencies in annual regulatory reports:**

- Type and number of wildlife observed
- Time and location of the observation
- Details of encounter including direction of approach and departure, and behaviour
- Comments on surrounding activity, attractants, people, and potential mitigation measures to deter wildlife or limit access
- Staff will report caribou herds larger than 50 and muskox herds greater than 10 to the KIA, Government of Nunavut Department of Environment (GN DOE) and the Aqigiq and Kangiqliniq HTOs'.
- Contact for wildlife sightings and reporting is: Ecosystems Biologist, Wildlife Research Section, Box 209, Igloolik, Nunavut, X0A 0L0 or via email at mwilson@gov.nu.ca.

Firearms may be carried for safety reasons, but only if such firearms are properly registered and stored in accordance with applicable legislation and used by individuals with valid licenses. All firearm discharges must be documented and reported immediately to the Project Manager or site supervisor.

No hunting is permitted from any Dunnedin facilities or work sites, Hunting is strictly prohibited by all Dunnedin employees, contractors and consultants while conducting business on behalf of Dunnedin.

Low level aircraft and helicopter flights must make every effort to avoid areas which are crucial nesting and denning habitats. In areas where migrating caribou, caribou cows and calves, muskoxen nurse groups or other wildlife are presents, there will be no landings unless under an emergency situation. Helicopters will not land in any area where wildlife are present unless under an emergency situation. In the event of bad weather or an emergency, when low level flights are required, these instanced will be recorded and reported to the Kivalliq Inuit Association.

Flight altitudes must be strictly observed and recorded. Unless there is a specific requirement for low level flights, fixed wing aircraft and helicopters will maintain a minimum altitude of 610 meters above ground level in places where there are migrating caribou, caribou cows and calves, muskoxen nurse groups and other wildlife. In areas where there are colonies of birds observed, the flight levels will be restricted to a vertical distance of 1000 metres and a horizontal distance of 1500 metres from birds.

Helicopter pilots will be instructed that they are not to fly over wildlife in a way to cause them to change behavior, run or flee at any time, within or outside of migration. If such an interaction should occur incidentally, helicopter pilots will be instructed to divert and/or change altitude as quickly as safely practicable, and choose alternate corridors on future flights.

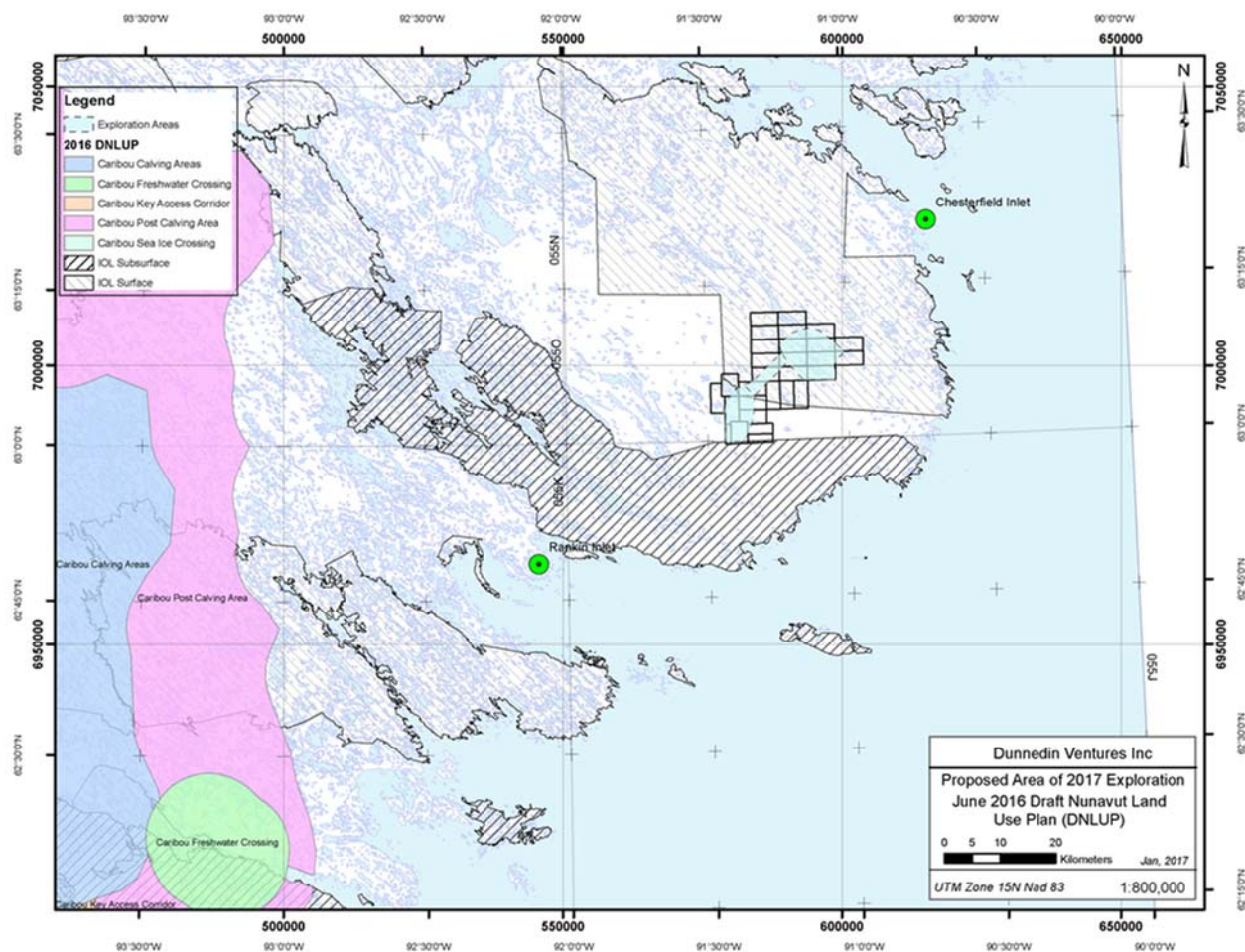
Nuisance wildlife is to be reported immediately. Proper food storage, the handling of food waste and removal from the field will mitigate wildlife encounters.

Caribou, muskoxen, predatory mammals (wolf, bear, wolverine and fox) and birds that have potential to be temporarily impacted by interaction during Dunnedin's proposed activities require specific monitoring and mitigation strategies. Impacts and protocols for specific wildlife are described below.

3.1 Caribou

The Kahuna Diamond Project overlaps with the annual range of the Qamanirjuaq and Lorillard Caribou Herds and special considerations are required so as to avoid disturbance or diversion of migrating and calving herds. Potential impacts on caribou and caribou habitat include displacement/avoidance from habitat, habituation/attraction and/or unintentional interactions/disturbance; particularly from aircraft, surveying and mechanical operations, particularly during summer migration and calving periods (April to September).

For clarity, the entire Kahuna Diamond Project is not located in any previous Caribou Protection Area (DIAND), or Calving and Post Calving Protected Areas outlined in the Nunavut Planning Commission's (NPC) June 2016 Draft Nunavut Land Use Plan (DNLUP). Exploration work areas referenced herein are located more than 80 kilometres from the nearest Caribou Calving/Post Calving boundary and more than 106 kilometres from the nearest Freshwater Caribou Crossing referenced in the DNLUP.



Dunnedin strives to minimize the impact on caribou and avoid critical and sensitive wildlife areas. Therefore the company will implement Caribou Protection Measures by monitoring caribou activity approaching work areas and suspending exploration activity (blasting, drilling, overflights, vehicles, surveying etc.) in the event cows and/or calves are observed, paying particular attention to the sensitive migration and calving period the between May 15 and July 15. In addition, no operations will be allowed to block or substantially divert migrating caribou herds (concentrations of 50 or more) and Dunnedin Ventures will not resume activities until caribou have safely moved out of the area. Cessation of exploration will begin when migrating caribou, caribou cows and calves are observed within 5 kilometres of activity, and fully suspended within 2 kilometres.

Activities such as driving of snowmobiles and ATV's, drilling, mapping, prospecting, blasting and overflights by aircraft at any altitude of less than 610 metres above ground level, will not be conducted when caribou are present. Drilling, blasting and flights will be on notice to commence shutdown when migrating caribou are within 5 kilometres, and cease operations within 2 kilometers of activity. No drilling will be conducted within 5 kilometres of a "designated caribou crossing" between May 15 and September 1. Likewise no camps, fuel caches or blasting will be conducted within 10 kilometres of a designated caribou crossing between May 15 and September 1.

Wildlife monitors from the Aqigiq HTO will be contracted annually to accompany Dunnedin field personnel at all times for the purpose of monitoring for wildlife and provide advice on avoidance and mitigation as well as to ensure the safety of the field crews.

3.2 Muskox

Muskox might be observed in Kahuna Project area during activities. Muskox may be in a weakened condition by late winter and vulnerable, especially breeding adults and young animals. Staff will not approach or interact with muskox herds so as to avoid herd dispersion and displacement from calving areas, which could have negative effects on muskox breeding. Critical time to avoid male muskox is during breeding season (August to September).

The GN recommends that field workers not approach muskox closer than 200 metres during the calving season (April to June). Similar to the Caribou Protection Measures, Dunnedin's work programs will also cease blasting, the use of ground equipment/vehicles (drills, snowmobiles and ATVs) and aircraft overflights at altitudes less than 610 meters when muskox, especially cows and calves approach operations.

3.3 Bears and Other Predators

Barren-Ground Grizzly Bears range over most of the project area from late April to late October. All human-bear interactions are to be reported immediately to the project manager, who will then contact the KIA, The Government of Nunavut-Department of Environment, Environment Canada, the Government of Nunavut Wildlife Biologist and the Aqigiq and Kangiqliniq HTO's.

A copy of the Bear Safety material will be available on site and at the offices of Dunnedin Ventures Inc. All employees and contractors will receive Bear Safety Training. Bear safety information and material will be kept in a binder on site. The Government of Nunavut published the "Bear Safe in Nunavut". This document will be referred to in the safety orientation that all personnel, contractors and consultants receive when they arrive at site. A copy of the manual will be kept at the site headquarters and in the Vancouver head office (<http://www.gov.nu.ca/environment/information/resources>). If bears are present in the area, work will cease until the bears have safely moved out of the area.

Wolverines are relatively small and often difficult to spot in the field, except for tracks or diggings. Wolverines are aggressive scavengers which can be particularly dangerous and

attracted to exploration activities camp, thereby avoidance methods similar to bear must be employed.

Wolves could be occasionally seen in work areas and have wide-ranging movements. Arctic foxes are the most common predatory mammal species to be encountered in the area.

Predatory mammals rarely attack people however; there is some risk of canines carrying rabies, and other diseases. A close encounter with any predatory mammal could be dangerous. Arctic fox in particular are easily habituated around work sites and humans.

Den sites will be avoided. All denning sites are to be avoided. If a den site is located, its UTM coordinates are to be recorded so that the den site can be avoided. The coordinates are forwarded to the appropriate regulatory authorities. Any exploration activities will cease immediately.

The following buffers are recommended (by the Government of the Northwest Territories) for active dens between the den and all exploration activities between May 1 and July 15.

- Wolves 800 m buffer
- Grizzly Bear 300 m buffer
- Wolverine 2000 m buffer
- Fox 150 m buffer

Bear incidents and/or interactions, and wolf or fox den sighting will be reported to:

Vicki Sahanatien, GN Wildlife Deterrent Specialist Vsahanatien@gov.nu.ca	867-934-2191
Rob Harmer, Regional Wildlife Manager, Government of Nunavut	867-857-2976
Craig Bearsall, KIA Environmental Technician, cbearsall@kivalliqinuit.ca	867-645-5754
Aqigiq HTO	867-898-9063
Kangiqliniq HTO	867-645-2350

3.4 Birds and Waterfowl

Birds and waterfowl might be observed in the vicinity of the project or during operations. Raptors, migratory and breeding birds and their nests are not to be disturbed. No nests or eggs are to be disturbed by any activities. If an employee or contractor comes across any active nests, they are to cease all activities immediately to ensure that the nest is not disturbed. Coordinates are to be recorded on the wildlife sighting sheets. The critical nesting period for raptors is between May 1 and July 15. The GN recognizes the time of fledging, occurring in the latter part of summer (August 15 to September 1) as a critical nesting stage for migratory birds. Dunnedin will apply a 100 metre buffer from migratory bird or raptor nesting sites, and work will not resume until the nest is no longer occupied. Moving or

disturbing the nest of a migratory bird is in contravention of the *Migratory Birds Convention Act*.

In areas where there are colonies of birds observed, aircraft the flight levels will be restricted to a vertical distance of 1000 metres and a horizontal distance of 1500 metres from birds. Dunnedin will avoid migratory birds, colonies and sensitive nesting areas by adjusting flight corridors if necessary.

The Peregrine Falcon has been identified as a species of Special Concern by COSEWIC. If any nests are found, a buffer must be maintained. A 1500 metre buffer is recommended for the Peregrine Falcon. Any nests discovered will be recorded and the GPS coordinates provided to the KIA, Government of Nunavut Department of Environment and the Aqigiq HTO.

4.0 AQUATIC LIFE

Work in and around water bodies must be done in such a manner as to not disturb any aquatic habitat or life.

Fishing is strictly forbidden while conducting business on behalf of Dunnedin Ventures Inc.

Dunnedin's site supervisor and/or drill foreman is responsible for ensuring safe working conditions at the drill site which includes measuring ice thickness, to avoid break through, before moving heavy equipment across the ice or drilling from the ice surface.

No waste is to enter any body of water. Waterlines must be properly placed and screened in accordance with the "Freshwater Intake End-of-Pipe Screen Guideline" (DFO).

All sumps, fuel caches and camps must be located at least 31 meters from the high water mark of any body of water unless otherwise approved by the appropriate regulatory authority.

5.0 ATTRACTANTS, DISTURBANCE AND MITIGATION

The potential impacts to wildlife due to the presence of the Kahuna Diamond project include:

- Attracting wildlife,
- Habitat disturbance
- Unintentional disturbances

Wildlife can be naturally inquisitive and some species are attracted to areas that are occupied by humans due primarily by scents and smells. Dunnedin will discourage this by minimizing all waste including food wastes and utilizing proper temporary storage of these attractants in sealed containers until such time they are removed from the site. At no time will it be permitted by any personnel, contractors or consultants to feed or to use food products to entice wildlife closer to activities. All active work sites will be kept clean of all food wastes.

Habitat disturbance during exploration programs are temporary. Dunnedin will act proactively

to complete site reclamation and remediation immediately following the completion of the work (i.e. at drill sites, bulk sample sites etc.). Habitat disturbance on the Kahuna Diamond project will result to some extent from diamond drilling and bulk sample activities. The effects of habitat disturbance at drill sites are temporary and in most cases **are cleaned up fully upon completion of the drill hole to the extent that** it would be unlikely that an individual would be able to locate the previous season's drill collar or sump.

Despite best efforts and practices, unintentional disturbances can occur. As an example, every effort will be made to avoid nest and den sites. However, should a field crew happen upon nests or dens, the coordinates will be recorded and the crew will immediately vacate the area. These areas will be avoided until they are no longer being inhabited. These encounters will be immediately reported to the Government of Nunavut and the Kivalliq Inuit Association. All unintentional disturbances, no matter what the nature, will be reported immediately and will be documented in the annual report.

6.0 ARCHEOLOGY

Work will cease in any area where a known archeological site has been located. If any employee or consultant finds an archeological site, work must cease immediately, a 50 metre buffer is established, the GPS coordinates are recorded and the finding is reported to the Project Manager. Records of each site encountered are to be reported **immediately to the Land Administration Division at INAC**, the Department of Culture and Heritage and the Kivalliq Inuit Association. Handling of any archeological artifact is strictly prohibited.

Prior to embarking on exploration activities described herein, Dunnedin contracted Golder Associates to conduct an Archaeological Reconnaissance Study over selected exploration areas on the Kahuna property. The completed report was received on September 22, 2016 and was incorporated into the October 2016 application resubmission. A summary of the findings are presented here:

"As a result of the 2016 archaeological reconnaissance, two archaeological sites have been documented within the proposed exploration areas and eight have been documented in the Dunnedin claims, but outside the currently proposed exploration boundaries. None of the sites are currently in conflict with previous exploration activities. As required by territorial and federal legislation, no land use operations can be conducted within 30 m of a known or suspected archaeological site. The UTM coordinates of all known features have been provided to Dunnedin for incorporation into the project planning. Known archaeological sites and features will be avoided by this buffer during ongoing exploration activities"

Dunnedin will follow recommendations by the Department of Culture and Heritage and Golder Associates. It has incorporated these known sites into the exploration database and operations will make necessary adjustments in the field to avoid each site with the recommended buffer. Additional archaeological studies will be carried out if any artifacts or sites are identified during ongoing work, and as operations advance beyond the current proposed scope of activities.

7.0 INTERNAL INSPECTIONS

Internal inspections are to be completed by the project manager, or designate, on a monthly basis. In addition to this, daily inspections of the individual work, storage and staging areas allows for a timely response to potential impacts affecting the surrounding environment. All employees and contractors are responsible for maintaining a clean and safe workplace.

Some points to consider from a Land Use Inspector or a community visitors point of view:
When flying to the work site.

- Is there any garbage lying around?
- Has any garbage flown away and can be seen lying on the Tundra?
- Are items stored in a neat and tidy manner?

Drips and Leaks

- While walking around the work sites, keep aware of potential sites for leaks or drips.
- In areas of potential leaks, place a drip pan or a collection device underneath the area.
- In areas where potential leaks and drips may occur, keep absorbent pads accessible.
- Report all leaks and drips to the Project Manager.

Fuel Storage areas

- Make sure that the fuel drums are stored according to code and best practices.
- Keep the fuel storage site tidy and neat.
- Visually inspect the fuel storage area on a regular basis to ensure there is no leaking or damaged drums and that all barrels are stored in the 3:00 and 9:00 o'clock position.

8.0 COMMUNITY CONSULTATION SUMMARY – ENVIRONMENTAL AND WILDLIFE MANAGEMENT PLAN

The following is a summary of comments related to Dunnedin's Environmental and Wildlife Management Plan after presenting the project and its components to communities, including work site visits. In addition, letters of support were received from Mayor Barney Aggark on behalf of the Hamlet of Chesterfield Inlet and the Board of Directors of the Aqigiq Hunters and Trappers Organization.

In general, there was no concern noted about the Environmental Wildlife Management Plan, its revisions, or proposed activities:

- *On April 12, 2016, Chris Taylor and Denise Lockett of Dunnedin Ventures Inc. (DVI) held a public meeting in Chesterfield Inlet to present the Kahuna Project and address community concerns. In attendance were members of the Hamlet Council, the Deputy Mayor, members of the HTO, the KIA and CEDO. DVI delivered a presentation that included company background, the Kahuna Project and the proposed EWMP. The company took the opportunity to recognize community concerns about the abandoned Shear Minerals Sedna Camp at Joesphine Lake. DVI explained that the company is independent from Shear Minerals, it has no history with the camp, it has no plans to use the camp and it has no mineral claims or property in the camp area. The company then informed the community of a proposed a site visit with members from the KIA and HTO to identify sites of historical significance within the project area.*

- *A question about burial sites on the property was raised. DVI clarified there were none on record but that an archeologist will be contracted to investigate potential work sites and will perform an archeological assessment of proposed bulk sampling sites prior to any surface disturbance.*
- *A community member with the Inuit Heritage Trust added that there are many historical sites and that Joesphine River and Joesphine Lake are known Char habitat traditionally used by the Inuit. Chris Taylor stated that the company requires and requests advice from community members to avoid impacts to heritage sites and wildlife populations.*
- *Peter Kattegatsiak Sr. (KIA Director and Hamlet Councillor) asked to be included in the upcoming site visit. He said he may be able to interpret certain landscapes, land formations, eskers, water runoff's, creeks and rivers that were of cultural or historical importance to local Inuit. Arrangements were made to forward maps in advance of the visit so that Mr. Kattegatsiak could familiarize himself with DVI's proposed work sites.*
- *On April 13, 2016, DVI held a public meeting in Rankin Inlet to present the Kahuna Project and address community concerns. In attendance were Mayor Bob Janes, MLA Tommy Sammurtok (Rankin Inlet North / Chesterfield Inlet), MLA Alex Sammurtok (Rankin Inlet South / Whale Cove), Robert Connolly with the GN ED&T and members of the community. DVI delivered a presentation that included a company and project background and the proposed EWMP.*
- *Initial questions expressed concerns about the abandoned Shear Minerals camp at Joesphine Lake. The company clarified that DVI has never been related to Shear Minerals, has no plans to use the camp and has no mineral claims in the camp area. As a good corporate citizen the company offered KIA assistance with the cleanup. Robert Connolly GN ED&T provided information about the road from Chesterfield inlet to Joesphine Lake being built with GN funding.*
- *On April 27, 2016, DVI held a conference call with Barney Aggark, Mayor of Chesterfield Inlet and HTO President to discuss DVI's Wildlife and Environment Mitigation Plan. Barney was pleased with the favorable comments he heard from community members that attended the April 12 meeting.*
- *On July 7, 2016 DVI met with Barney Aggark, Mayor of Chesterfield Inlet and HTO President and later in the day met with Peter Kattegatsiak, KIA Director, Wildlife Officer, Hamlet Councillor and HTO member for input and advice on the Wildlife and Environment Mitigation Plan. No concerns were raised. It was acknowledged that impact reduction is a project focus and that wildlife monitors from Chesterfield Inlet with valid firearms licences were required.*
- *On August 8, 2016, Peter Kattegatsiak, KIA / HTO and Harry Aggark HTO accompanied by Chris Taylor of DVI flew a helicopter to proposed bulk sample and exploration sites on the property. Advice was sought on wildlife timing and interaction reduction methods. No issues were raised. At the bulk sample sites, methods to infill shallow depressions remaining from work conducted by Shear Minerals were also discussed.*
- *On August 9, 2016 in Chesterfield Inlet, DVI met with members from the KIA CLARC, CLO, HTO, the Hamlet and Hamlet Elders. It was recommended that helicopter flight paths avoid caribou and geese and that wildlife monitors were needed. It was agreed that proposed activities to commence on August 26, 2016 were low impact and should proceed as planned.*
- *DVI requested input as to sensitive places or sensitive periods where work programs should be modified to avoid impacts. Marjorie Autut stated caribou travel from Baker Lake area toward the project area in August and in late September and October they move south and inland. She also noted Arctic char travel up the Josephine River to Josephine Lake. She presented a map showing the location of KIA Land Use Licence KVR16Y01 that she holds with her husband Paul. Hamlet Representative and HTO member Harry Aggark expressed concern for fish habitat in late August and noted that locals have cabins on the river*

(shown on the map) where they go to fish. DVI confirmed that there are no plans to conduct exploration along the river or at Joesphine Lake.

- Marjorie requested clarification on the use of explosives. DVI responded that there were no plans for use of explosives in 2016. Utilizing the winter trail route used by previous operators between Rankin Inlet and Chesterfield Inlet the company plans to use Challengers and cargo sleds in 2017 to mobilize equipment to 3 specific sites for bulk sampling kimberlite. The three sites are well inland and away from the Joesphine River and Joesphine Lake. Careful use of a small amount of explosives would be necessary to enable the collection of the larger samples planned. This was confirmed by Peter Kattegatsiak, KIA/HTO and Harry Aggark HTO who were present and had inspected the sites on the previous day (August 8, 2016) and raised no concern.*
- On August 10, 2016 a public meeting was held in Chesterfield Inlet with members of the Hamlet to introduce DVI, present the Kahuna Project and address community concerns. Maps showing the property location with respect to the abandoned camp at Joesphine Lake were shown and it was clarified that DVI is independent from and unrelated to Shear Minerals, the company responsible for the camp. The focus turned to DVI's proposed exploration program including bulk sampling at three sites, diamond drilling at individual targets and the till sampling. Access in 2017 would include an overland haul from Rankin Inlet using Challengers and cargo sleds via the winter trail route from Rankin Inlet to Chesterfield Inlet that has been used with previous programs. Equipment to be moved to site includes an excavator and a drilling rig. Bulk sampling and drilling activities are to be undertaken only when wildlife is not present. Marjorie asked about archeological sites. DVI confirmed that an archeological assessment would be undertaken in September 2016 and that DVI will not work where archeological sites have been identified.*

A log of Dunnedin's Community Consultation record can be found in Appendix E of Dunnedin's resubmitted NIRB application.

9.0 SCOPE OF PROJECT ACTIVITIES (Commencing March 2017)

A detailed description of proposed Kahuna Diamond Project activities is provided in Appendix A – "Detailed Project Description and Work Plan".

The nature of early stage exploration programs is that work plans are continually changing based upon several factors including company's prior and on-going exploration results, corporate matters (financial capabilities, global market conditions, availability of field personnel) and ground conditions in the field. For example, at the time of submission of Dunnedin's modified application, the company had not yet determined the total field budget nor the exact location of drill holes (within the proposed exploration areas presented in figure 3 – APPENDIX A). The exact location of drill holes is solely based upon results generated in the field and as such, drill holes are proposed within general areas rather than specific sites prior to a program. As an example, it is standard practice to drill one or two initial holes to determine the validity of geological interpretations with remaining holes contingent upon the success of the first two. This assures efficient exploration practice but also mitigates environmental impacts by restricting work areas to a small footprint based on successful test work. A summary of Kahuna Diamond Project individual items is provided below, with reference to sections and Appendices in the initial application:

1. Timeframe of exploration – as indicated in the Part 1 form, the project activities will likely commence March 1, 2017 and continue until March 1, 2018, with seasonal breaks due to daylight hours or weather/climate conditions. The exact start date of exploration work will largely depend upon the company's financial capabilities and ground conditions. Ideally, drilling and bulk sampling will be completed during the winter freeze period (October to May) to mitigate environmental impacts and to take advantage of the lower cost of overland transport of crews and equipment. The winter exploration program will continue until the ground conditions dictate that overland travel is no longer safe due to spring break-up conditions. The next timeframe of activity will commence when weather conditions are deemed safe for helicopter travel. All "summer" activities post spring-breakup (June to September) will be helicopter supported. The helicopter supported activities will continue as long as weather conditions allow. Work programs will typically cease after summer and prior to winter to allow for snowfall and freeze-up.

2. Duration and intensity of activities

- a. **Drilling:** The total number of drill holes will depend upon the company's financial capabilities, at present the company is proposing to drill approximately 2500m in up to 50 diamond drill holes. As stated in APPENDIX A Page 7, up to three holes will be drilled from each site to various depths up to 200m deep. Precise locations of the drill holes will be determined in the field and are targeting results currently being received by the company. (NOTE: the company is still awaiting till sampling results from samples collected in August 2016 and rock sample results from samples collected in August 2015). Precise hole locations are also dependent upon field conditions (i.e. A desktop determination of a hole location may be changed in the field due to several factors including wildlife habitats, archaeological considerations, physical restrictions such as lakes, boulder fields, waterways, marshes). It is common practice for an exploration stage project to completely abandon an entire set of proposed drill holes due to a lack of results or adverse ground conditions. For this reason, the company has proposed exploration areas within which it will complete drilling and cannot provide exact drill hole coordinates at this time.
- b. **Bulk sampling:** Currently proposed to occur in three areas as described on Page 11 of APPENDIX A. and shown on Figure 4. All three sites have been previously excavated by past explorers in the region. The bulk sample site foot print is expected to be small. Target volume for the excavation is 200m³ for a 500 tonne bulk sample. A sample site 25m long x 2 metres wide x 4 metres deep or equivalent will achieve this. Samples will be collected by excavator. Sample sites require blasting with two light load blasts to facilitate sample collection. The first blast will break shallow but frozen overburden to access kimberlite in bedrock. The second blast will be in the exposed kimberlite to a depth of approximately 4 metres to break the kimberlite and allow for excavation. Blast mats will be used at all times to minimize noise levels, material dispersion and to ensure worker

safety. Precise locations of blast sites, should blasting be required, will be determined in the field.

The Mine Health and Safety Regulations, The Explosives Use Act, and the Explosives Use Regulations administered by the WSCC Nunavut, the federal Explosive Act and the Explosives Regulations administered by Natural Resources Canada, and the federal Transportation of Dangerous Goods Act Canada or the Government of Nunavut Department of Economic Development and Transportation govern the permitting and certification process for the transportation, storage and handling of explosives outside mine sites in Nunavut. Dunnedin will ensure that the blasting contractor is certified and authorized in accordance with these acts and regulations to conduct the proposed work.

Before an explosives magazine and a detonator magazine, meeting the requirements of the Explosives Act is located on the property, valid magazine permits will be obtained from the Chief Inspector. Sites for magazine placement will be in accordance with the regulations.

- c. **Winter Trail:** The overland Winter Trail Application is provided in APPENDIX G and a map of the overland haul route is provided in Figure 5 of APPENDIX A. The overland haul route proposed for the winter months closely follows the route recommended and used by nearby communities and previously permitted by Shear Minerals Ltd from 2007 to 2009. For clarity, Dunnedin is not constructing a “Winter Road”. The selected route utilizes frozen water bodies as much as possible and where practical, therefore the timeline for use will be from March to ice break-up (early spring/May)
- d. **Helicopter Flight lines:** Flight paths for helicopter supported work have not been provided as they are completely dependent on how much work is remaining after the winter exploration program has completed. Ideally Dunnedin would like to complete all of the drilling and bulk sampling during the winter exploration phase to minimize extra helicopter costs. During the summer months, flight lines vary greatly from day to day as pilots will typically plan routes each day depending upon weather conditions, environmental and wildlife concerns (migrating caribou) and air traffic considerations. In general, heli-supported shift work requires morning and evening ferry flights, with occasional interim supply flights to sites, during daylight hours. Often, exploration companies will share helicopter resources with other nearby exploration companies in order to minimize costs and as such flight lines and schedules will be adjusted to accommodate both companies. All flight paths are recorded and documented in the company’s annual work summaries.

