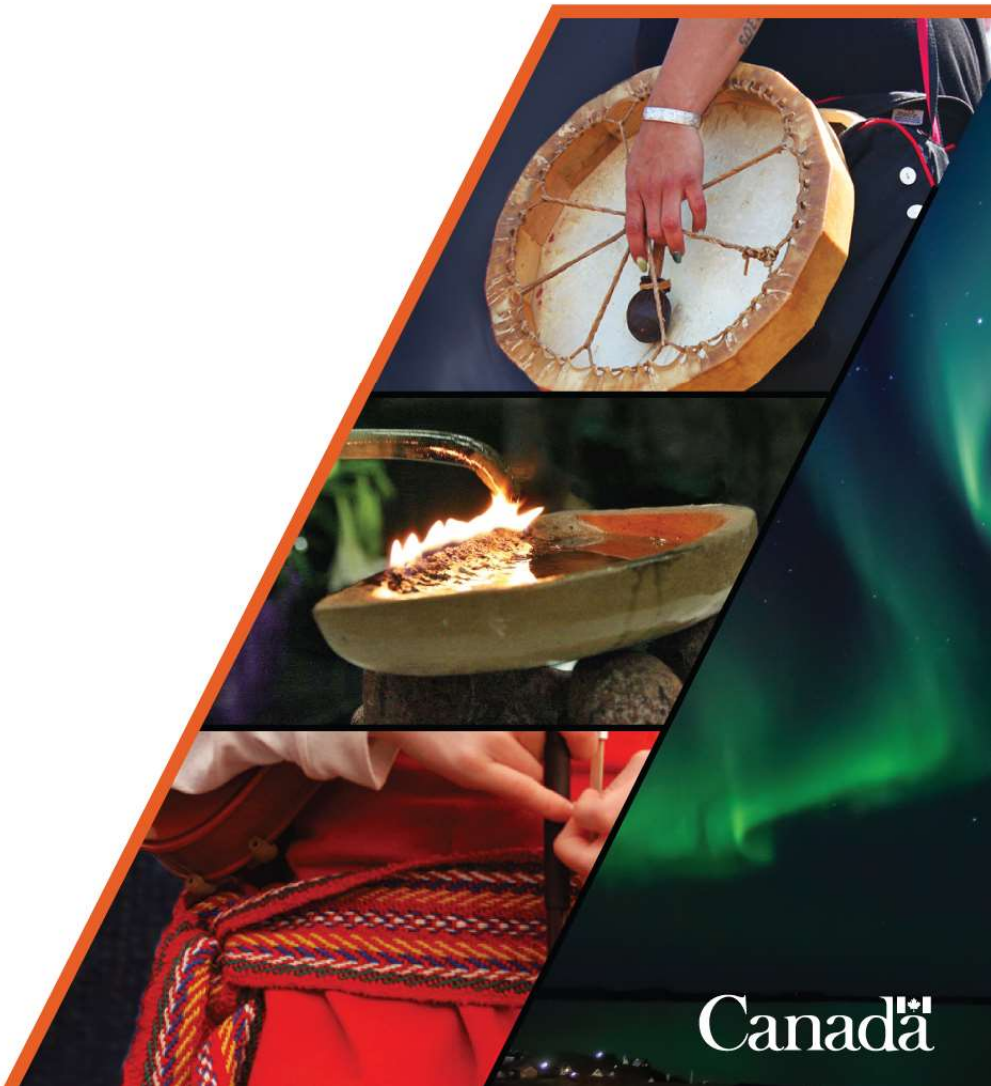
CIRNAC Comments to NIRB

Re: Notice of Screening for Honey Badger Silver Inc.'s "Nanisivik" Project Proposal



Nunavut Regional Office
918 Sivumugiaq Street
Iqaluit, NU, X0A 3H0

Your file - Votre référence
26EN037
Our file - Notre référence
GCdocs# 150105606

September 28, 2026

Mia Beattie
Impact Assessment Officer
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0
via NIRB public registry

Re: Notice of Screening and Comment Request for Honey Badger Silver Inc.'s "Nanisivik" Project Proposal

Dear Mia Beattie,

On September 4, 2026, the Nunavut Impact Review Board (NIRB) invited parties to comment on Honey Badger Silver Inc.'s "Nanisivik" project proposal. Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) appreciates the opportunity to provide comments and offers the responses below as it pertains to the NIRB's request:

Any matter of importance to the Party related to the project proposal

CIRNAC #1: Fuel and Spill Prevention

The Project may establish remote fuel caches to support exploration and drilling activities, with a maximum diesel inventory of 3,895 L identified for the Property. The Spill Prevention and Response Plan includes secondary containment, spill-response equipment and inspection requirements; however, the number and exact locations of remote fuel caches have not yet been identified. Until final cache locations are selected, site-specific conditions such as terrain stability, drainage pathways and proximity to waterbodies cannot be assessed. These factors could influence the potential migration and environmental consequences of a fuel release. CIRNAC recommends that the Proponent consider updating fuel storage and spill mitigation plans and selecting sites that minimize risks associated with unstable terrain, drainage pathways and proximity to waterbodies.

CIRNAC #2: Wastewater and Drilling Fluid Management

The Project identifies up to 296 m^3/day of water use for drilling and proposes recirculation and filtration to reduce water consumption and fluid losses. Residual drilling fluids and cuttings would be directed to sumps or natural depressions at least 31 m from the ordinary high-water mark. The Environmental Management Plan also refers to excavated sumps (2 × 2 × 3 ft), while the

Project may use up to 5,000 lb (~2.27 tonnes) of calcium chloride. The documents do not distinguish the total circulating water volume from the volume ultimately requiring disposal, nor do they demonstrate that the proposed sumps or natural depressions would accommodate the maximum residual wastewater and fines generated. In addition, the proposed 20-person temporary camp would generate approximately 3 m^3/day of greywater for disposal to an existing excavated sump; however, the capacity of the sump to accommodate this volume through infiltration under site-specific soil, active-layer and permafrost conditions has not been demonstrated. The suitability of residual fluids containing drilling additives for land disposal is also not clearly established. CIRNAC recommends that the Proponent considers:

- Demonstrating that sumps or natural depressions have sufficient capacity to accommodate the maximum residual wastewater and drill fines anticipated following recirculation and filtration;
- Limiting sump disposal to inert drilling fluids, with alternative containment or disposal for residual fluids containing $CaCl_2$ or other non-inert additives;
- Demonstrating the camp greywater sump may sufficiently manage ~3 m^3/day under site-specific ground conditions; and
- Defining contingency measures where frozen ground, low permeability, saturation or insufficient depression capacity prevents effective infiltration or containment.

CIRNAC #3: Acid Rock Drainage and Metal Leaching from Trenching

The Project proposes approximately 40 trenches, involving ~1,600 m^3 of excavated material. The application states that any sulphide-bearing material encountered during trenching would likely have acid-rock-drainage potential and would be replaced into the trenches following mapping and sampling. However, the material may remain exposed while mapping and sampling are completed, and the application does not describe how such material would be managed during this temporary exposure. Although the project area experiences relatively low precipitation, exposed and fragmented sulphide-bearing material could still come into contact with precipitation, snowmelt, and accumulated water, potentially generating metal-bearing and/or acid runoff before backfilling. CIRNAC recommends that the Proponent consider:

- Assessing the metal-leaching potential of sulphide-bearing material to inform its temporary storage and final backfilling;
- Implementing erosion and sediment control measures for temporary excavated-material stockpiles, including measures to control contact-water runoff prior to backfilling;
- Determining whether trenching may encounter groundwater and identifying appropriate measures to collect and manage accumulated trench water, where necessary; and
- Demonstrating that backfilling of potentially ARD-generating material would provide effective long-term control of oxidation, metal leaching and contaminated drainage.

CIRNAC #4: Permafrost Disturbance and Ground Stability

The application reports active-layer thicknesses of ~25 cm in localized Moss-Lichen areas and generally 60 cm to greater than 85 cm elsewhere, while proposed trenches would extend approximately 1-2 m below ground surface. These excavation depths could extend below the active layer and disturb perennially frozen or ice-rich ground. Excavation, removal and replacement of material can alter the thermal regime, drainage and ground-ice conditions,

potentially resulting in thaw settlement, slumping, ponding or erosion after backfilling. Although the Proponent proposes avoiding sensitive terrain and responding to observed ground instability, the plans do not describe how ice-rich or thaw-sensitive ground would be identified and managed before or during trench excavation. CIRNAC recommends that the Proponent consider:

- Conducting site-specific observations of active-layer depth and ground-ice conditions before trench and sump excavation;; and
- Preventing ponded water and altered drainage within reclaimed excavations that could promote permafrost degradation, subsidence or slumping.

CIRNAC #5: Waste Battery Management

The Waste Management Plan identifies filtered waste fuel for use in tent stoves and states that contaminated or expired fuels may also be combusted in tent stoves rather than backhauled. The same plan states that lead-acid and rechargeable batteries may be temporarily stored in quantities of 1,000 kg or less for less than 180 days. Waste fuel should only be burned in boilers or furnaces certified and approved for that purpose and volumes more than 500 kg of waste batteries as the level at which registration as a Hazardous Waste Management Facility should be considered. CIRNAC recommends that the Proponent consider revising the battery-storage provisions to reflect the current guidance and anticipated project-specific quantities; and/or identifying backhaul and receiving-facility arrangements for waste fuel, batteries and other hazardous wastes where on-site reuse or treatment may not appropriate.

CIRNAC appreciates the opportunity to provide comments. Should you have any questions, please contact Muhammad Arslan by e-mail at muhammad.arslan@rcaanc-cirnac.gc.ca.

Sincerely,

Richard Bingley
Manager, Impact Assessment