Permit No: 60-010-01

AIR EMISSIONS PERMIT

Issued Pursuant to the *Environment Act* and
the *Air Emissions Regulations*

Permittee:	Yukon Energy Corporation
Mailing Address:	Box 5920, Whitehorse, YT Y1A6S7
Site Location:	413 Campbell Street, Faro, YT Y0B 1K0
GPS:	62.233462, -133.361147
Authorized Representative:	Travis Ritchie
Phone:	(867) 393-5350
Email:	travis.ritchie@yec.yk.ca
Effective Date:	Date of director's signature
Expiry Date:	December 31, 2035

This permit replaces permit #60-010-01 issued on May 11, 2022.

Scope of Authorization: In accordance with your application, you are authorized to operate electricity generating equipment at the above site location (the "site"), **to a maximum capacity of 20.4 megawatts** as set out in the terms and conditions of this permit.

Dated this 19th day of January, 2026

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Bryna Cable
Director, Environmental Protection and Assessment Branch
Department of Environment, Government of Yukon

PART 1: DEFINITIONS

1. In this permit,
   "Act" means the *Environment Act*, R.S.Y. 2002, c. 76, as updated from time to time;

   "approved plan" means a plan that is submitted by the permittee and approved by an environmental protection analyst under this permit and includes any terms and conditions specified by the environmental protection analyst in the approval;

   "associated personnel" means all employees, contractors and volunteers involved in the permitted activities;

   "BCER" means the British Colombia Energy Regulator, Noise Control Best Practices Guideline;

   "Branch" means the following sections within the Environmental Protection and Assessment Branch, Department of Environment, Government of Yukon: Standards & Approvals; the Environmental Compliance & Inspections Section; and/or the Directorate;

   "emission factor" means the mass emission of a pollutant per unit of energy produced in either grams per kilowatt-hour (g/kWh) or kilograms per megawatt-hour (kg/MWh);

   "emission rate" means the average rate in grams per second (g/s) or kilograms/hour (kg/h) at which a pollutant is emitted from a source, determined either:
   i) as estimated based on emission factors derived from published literature regarding sources of similar type and age (estimated emission rates); or
   ii) as derived from measured data obtained from manual stack testing carried out by the permittee (measured emission rates);

   "environmental protection analyst" means an employee of the Branch so designated by the Minister of Environment under the Act;

   "environmental protection officer" means an employee of the Government of Yukon so designated by the Minister of Environment under the Act;

   "nameplate capacity" means the maximum amount of energy that can be produced, as indicated on the generator's nameplate;

   "NO_2" means nitrogen dioxide;

"Regulations" means the *Air Emissions Regulations*, O.I.C. 1998/207;

"source" means a fuel-fired electricity generator which has a maximum nameplate capacity equal to or more than 1.0 megawatts; and

"total annual emissions" means the emissions derived by multiplying emission factors or measured emission rates for each source by the previous three-year average total energy production for that source.

2. Any term not defined in this permit that is defined in the Act or the Regulations has the same meaning as in the Act or the Regulations.

PART 2: GENERAL

1. The permittee is authorized to conduct:
    a. operation of electricity generating facilities to a maximum capacity of 20.4 megawatts at the site, in accordance with the terms and conditions of this permit.

2. No condition of this permit limits the applicability of any other law or bylaw.

3. The permittee shall ensure that all activities authorized by this permit occur on property that the permittee has the right to enter upon and use for that purpose.

4. The permittee shall ensure that all associated personnel:
    a. have access to a copy of this permit;
    b. are knowledgeable of the terms and conditions of this permit; and
    c. receive the appropriate training for the purposes of carrying out the requirements of this permit.

5. The permittee shall provide notice in writing to an environmental protection analyst prior to any significant change of circumstances at the site, including without limitation:
    a. discontinuation of any regulated activity at the site;
    b. change of ownership of the site or any of the sources; and,
    c. change to the mailing address or phone number of the permittee.

6. The permittee shall obtain approval from an environmental protection analyst prior to:
    a. any addition, modification, removal or replacement of any equipment or components related to the release, abatement, control or treatment of air emissions; or,

b. any movement of the source(s) offsite.

7. Where conflicts exist between this permit, the permit application or any plans, this permit shall prevail.

8. If an inspection reveals that the site or source(s) is in any way not in compliance with this permit, the permittee shall repair the damage or take other actions as required to bring the site or source(s) into compliance.

9. For clarity, all obligations of the permittee under this permit survive the expiry date to the extent that each is not superseded by one or more conditions in a subsequent permit.

PART 3: OPERATION AND MAINTENANCE

1. In accordance with the manufacturer's recommendations and best management practices, the permittee shall inspect, maintain and operate the sources, any stand-alone air pollution control equipment, and testing and monitoring equipment as necessary to provide optimum control of air contaminant emissions during all operating periods.

2. Except for maintenance or test purposes, the permittee shall run the sources at each site in order of highest possible efficiency under the circumstances.

3. The permittee shall ensure that the fuel used by the source(s) conforms to the most recent Canadian federal *Sulphur in Diesel Fuel Regulations* for off-road applications.

PART 4: EMISSIONS MANAGEMENT

1. The permittee shall submit to an environmental protection analyst for approval, by January 31 2026, an updated Faro Generating Station - Air Quality Monitoring Plan for nitrogen dioxide. The plan shall be updated to include:
    a. Monthly data reporting for October through April of NO_2 hourly averages and meteorological data for the month, and
    b. One report for May through September of NO_2 hourly averages and meteorological data.

2. Upon request of an environmental protection analyst, the permittee shall provide a review of air dispersion modelling assessment assumptions to determine the validity of the modelling. Should an environmental protection analyst determine an updated air

dispersion modelling assessment is required, the permittee shall submit a report on a schedule as approved by an environmental protection analyst.

PART 5: NOISE MANAGEMENT

1. The permittee shall submit to an environmental protection analyst, by June 30 2026, an updated noise modelling report which includes:
    a. Modelling for the expected operating scenario;
    b. Modelling for the worst-case operating scenario, with a full station capacity of 20.4MW;
    c. Noise contour mapping for the community of Faro, and
    d. An assessment of adjustments in accordance with the BCER.

2. Based on the updated noise modelling report, the permittee shall create a noise management plan that outlines mitigations to reduce noise to meet permissible sound levels, determined in accordance with the BCER. The plan shall outline a schedule for implementation of mitigations and shall be approved by an environmental protection analyst.

3. Following the implementation of the noise management plan, the permittee shall conduct a comprehensive sound level survey to verify compliance with the permissible sound levels. The comprehensive sound level survey shall be completed on a schedule approved by an environmental protection analyst.

PART 6: COMPLAINT MANAGEMENT SYSTEM

1. The permittee shall submit to an environmental protection analyst for approval, by January 31 2026, an updated complaint management plan. The plan shall be updated to include the requirement of an annual public meeting in Faro, under the process for community engagement.

PART 7: REPORTING

1. The permittee shall submit to an environmental protection analyst a report which identifies:
    a. the total annual operating hours for all sources at the site;
    b. the estimated total annual emissions of sulphur dioxide, fine particulate matter, carbon monoxide, nitrogen dioxide, and nitrous oxide from each source at the site, including the calculation used to determine those results, and
    c. outcomes from the complaint management system,

by March 31st of each year of this permit for the previous calendar year.

PART 8: UNAUTHORIZED EMISSIONS

1. The permittee shall report to either an environmental protection officer or the 24-hour Yukon Spill Report Centre (**867-667–7244**) as soon as possible under the circumstances in the event of an unauthorized release or emission, such as fugitive emissions or emissions resulting from burning fuel other than that allowed for under this permit.

PART 9: RECORDS

1. The permittee shall keep all records required under this permit in a format acceptable to an environmental protection officer for a minimum of three years and make them available for inspection by an environmental protection officer upon request.

2. The permittee shall keep the following records:
    a. a copy of each report and approved plans developed under this permit, and any amendments to and approvals (if applicable) of each report and plan;
    b. summaries of all inspections carried out under this permit (including the name of the person conducting the inspection, the date of each inspection, any observations recorded during the inspection, actions taken as a result of those observations, and the date each action was taken);
    c. notes concerning any spills, leaks or unauthorized emissions occurring at the site, including substance involved, estimated quantity, date of observation of the spill or leak, spill reports made and clean-up procedures implemented;
    d. any and all deficiencies remedied in accordance with Part 2.7, and how and when they were remedied; and,
    e. notes concerning any instance where the most efficient source was not used in accordance with Part 3.3 and the reason for use of the less efficient source.