



March 4, 2020

Enforcement File: 20-025FSJ

Signalta Resources Limited
#700, 840 6th Ave SW
Calgary, AB T2P 3E5

Attention: Mr. Wayne MacDonald

RE: Warning: Fail To Comply With Condition Of An Authorization

Dear Mr. MacDonald,

Signalta Resources Limited (Signalta) holds water use authorizations AD 100109709 WU #5404 and AD 100109873 WU #5438 issued under the Water Sustainability Act. Each authorization contains the following condition:

The Permit Holder must maintain accurate records of all water withdrawal activities throughout the term authorized. Water withdrawal records for each diversion point, including "0" values for months where no water was withdrawn, must be recorded monthly. Water withdrawal records must be submitted to the Commission on a quarterly basis via eSubmission. Quarterly reports are due on or before April 25, July 25, October 25 and January 25.

This condition provides the company three weeks to compile its water withdrawal data and to submit a report to the Oil and Gas Commission (Commission). A report for the months of November and December was due no later than January 25, 2020.

On January 29, 2020, the Commission contacted Signalta and the required reports were received on February 5, 2020.

Late reporting may result in issuance of a violation ticket. The Commission notes Signalta has no non-compliance history related to late water reporting.

Given the circumstances, Signalta is hereby issued a warning only for the following:

Signalta, on or about January 26, 2020, at or near Fort St. John in the province of BC, did fail to comply with the condition of an authorization contrary to Section 106(3)(k) of the Water Sustainability Act.

If Signalta has any questions about this matter please feel free to contact the undersigned.

Sincerely,

<Original signed by>

Oil and Gas Commission