

August 6, 1997

Shirley Pfister
MONOPROS LIMITED
a De Beers company
P.O. Box 2520,
Yellowknife, NT.
X1A 2P8

RE: NWB Permit No. NWB2KIK

Dear Ms. Pfister:

Please find attached permit No. NWB2KIK issued by the Nunavut Water Board pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada*. The terms and conditions of the attached permit related to water use and waste disposal are an integral part of this approval.

Sincerely,

Philippe di Pizzo
Executive Director

Enclosure: Permit No. NWB2KIK

cc: Ms. Shannon Pagotto, Indian and Northern Affairs Canada
Mr. Jim Cunningham, Kitikmeot Inuit Association
Mr. Joe Ahmad, Nunavut Impact Review Board

WATER USE AND WASTE DISPOSAL PERMIT

Pursuant to Article 13 of the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada*, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to Monopros Limited authorization to use and dispose of waste in conjunction with exploratory drilling near Kikerk Lake, subject to the terms and conditions outlined in Federal Land Use Permit No. N97C753 and Kitikmeot Inuit Association Land Use Permit No. I96C096.

PERMIT NO:	NWB2KIK
PERMITTEE:	MONOPROS LIMITED a De Beers company P.O. Box 2520, Yellowknife, NT X1A 2P8 Tel: (403) 873-4530 Fax: (403) 873-4532
START DATE:	August 6, 1997
COMPLETION DATE:	June 18, 1999
PURPOSE:	Water Use and Waste Disposal associated with Exploration Drilling.
LOCATION:	Kikerk Lake Area General Latitude: 67°00' to 67°15' Longitude: 113°00' to 113°25'

This permit issued and recorded at Gjoa Haven includes and is subject to the annexed conditions.

Approved by,

Philippe di Pizzo, Executive Director

1. SCOPE:

1. Compliance with the terms and conditions of this permit does not absolve the permittee from responsibility for compliance with all applicable Federal, Territorial and Municipal legislation.
2. This permit is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters.

2. CONDITIONS FOR WATER USE AND WASTE DISPOSAL:

1. No land-based drilling is to be done within thirty (30) metres of the high water mark of any water body or watercourse. Drilling wastes from land-based drilling shall be disposed of in a sump such that they do not enter any water body.
2. With respect to access road construction, pad construction or other earthworks, the deposition of debris or sediment into any water body is prohibited. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.
3. If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon project termination.
4. Winter lake and stream crossings shall be constructed entirely of ice and snow materials; stream crossings shall be removed or notched prior to spring breakup.
5. The permittee shall not erect camps or store material on the surface ice of streams or lakes except that which is for immediate use.
6. Disposal of all sewage shall be in a sump located a minimum of thirty (30) metres from the normal high water mark and such that they do not enter any water body.
7. All spills of oil, fuel, or other deleterious materials shall be reported immediately to the 24-Hour Spill Line at (403) 920-8130.
8. The permittee shall ensure that any chemicals, fuel, or wastes associated with the project do not enter waters frequented by fish. All sumps and fuel caches shall be located a minimum of thirty (30) metres from the normal high water mark and in such a manner that no fuel can enter any such water body.
9. The NWB shall be notified of any changes in operating plans or conditions associated with this water use activity.

NWB2KIK

10. If operating plans change to incorporate a winter lake-based drilling program, the Board shall be informed thirty (30) days prior to any such change.
11. Upon expiration of the authorization, the permittee shall submit to the Nunavut Water Board, within thirty (30) days, a summary report of the water use and waste disposal activities, abandonment and restoration of the site, and list of unauthorized spills and follow-up action taken.

**GENERAL CONDITIONS FOR THE ADMINISTRATION OF PERMITS
ISSUED BY THE NUNAVUT WATER BOARD (NWB)**

The following conditions form an integral part of Permit No. **NWB2KIK** :

1. At the time of issuance, a copy of the Permit is placed on the Water Register in the NWB Head Office in Gjoa Haven, and is available to the public.
2. If the Permittee contemplates the renewal of Permit No. NWB2KIK , it is the responsibility of the Permittee to apply to the NWB for renewal of the permit. The past performance of the Permittee, new documentation and information, and issues raised during a public hearing, if the NWB is required to hold one, will be used to determine the terms and conditions of the Permit renewal. Note that if the permit expires before the NWB issues a new one, then water use and waste disposal must cease, or the Permittee will be in contravention of the Nunavut Land Claims Agreement. The NWB recommends that an application for the renewal of Permit No. NWB2KIK be filed at least one month before the Permit's expiry date.
3. If Permit No. NWB2KIK requires amendment, then a public hearing may be required. The Permittee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process may vary depending on the scope of the amendment requested.
4. Any communication with respect to this permit shall be made in writing to the attention of:

Philippe di Pizzo
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NT. X0E 1J0
Telephone No: (403) 360-6338
Fax No: (403) 360-6369

5. The Permittee shall submit all reports, studies, and plans to the Board in three copies.