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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

DECISION

LICENCE NUMBER: 8BC-TEH0708

This is the decision of the Nunavut Water Board (NWB) with respect to an application for a new Water Licence dated October 25, 2006 made by:

CUMBERLAND RESOURCES LIMITED

to allow for the construction of a 115 kilometre all weather access road and associated water crossings, between the Hamlet of Baker Lake and the Meadowbank Gold Project site located within the Kivalliq Region, Nunavut (located between 65°00'75"N latitude and 96°04'39"W longitude).

DECISION

After having been satisfied that the application was in conformity with the applicable Land Use Plan and exempt from the requirement for screening by the Nunavut Impact Review Board in accordance with Schedule 12.1, Paragraph 5 of the *Nunavut Land Claim Agreement* (NLCA), the NWB decided that the application could proceed through the regulatory process. In accordance with S.55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA) and Article 13 of the NLCA, public notice of the application was given and interested persons were invited to make representations to the NWB.

After reviewing the submission of the Applicant and considering the representations made by interested persons, the NWB, having given due regard to the facts and circumstances, the merits of the submissions made to it and to the purpose, scope and intent of the NLCA and of the NWNSRTA, waived the requirement to hold a public hearing and furthermore delegated its authority to approve the application to the Chief Administrative Officer pursuant to S. 13.7.5 of the NLCA and S. 49(a) of the NWNSRTA, and determined that:

Licence Number 8BC-TEH be issued subject to the terms and conditions contained therein. (Motion #: 2006-58)

SIGNED this 20th day of February 2007 at Gjoa Haven, NU.

Original Signed By :

Philippe di Pizzo
CHIEF ADMINISTRATIVE OFFICER

PDP/jm/mh

Table 1.1
Supplemental information to be submitted by Licensee

Licence Condition	Report Title	Timeline for Submission
Part B, Item 2	Annual Report	To be submitted March 31 st of the year following the calendar year.
Part B, Item 3	Site Water Management Plan	To be submitted thirty (30) days following the issuance of the licence.
Part C, Item 16	Notification of Suspension of Access Road Operation/ Notification of Resumption of Access Road Operation	One week prior to suspension of operation/ One week prior to resumption of operation
Part C, Item 17	Quarry Rock Geochemical Characterization	To be submitted thirty (30) days following the issuance of the licence.
Part G, Item 1	Spill Contingency Plan	To be kept on site thirty (30) days following the issuance of licence.
Part H, Item 1	Abandonment and Reclamation Plan	To be submitted three (3) months prior to abandonment.
Part I, Item 1	Monitoring Plan (including Quality Assurance/ Quality Control Plan)	To be submitted thirty (30) days following the issuance of the licence.

LICENCE 8BC-TEH

Pursuant to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and 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

CUMBERLAND RESOURCES LIMITED

(Licensee)

of

950-505 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA V7X 1M4

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water for a period subject to restrictions and conditions contained within this Licence:

8BC-TEH0708

Licence Number

NUNAVUT 06 & 07

Water Management Area

MEADOWBANK GOLD PROJECT ACCESS ROAD, KIVALLIQ REGION, NUNAVUT

Location

WATER CROSSING (BRIDGES AND CULVERTS)

Purpose

MISCELLANEOUS – TYPE “B”

Classification of Undertaking

NOT APPLICABLE

Quantity of Water Not to Exceed

FEBRUARY 20, 2007

Date of Licence

FEBRUARY 8, 2008

Expiry Date of Licence

Dated this 20th day of February 2007 at Gjoa Haven, NU.

Original Signed By:

Philippe di Pizzo, Chief Administrative Officer

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the construction of twenty-three (23) water crossings, of which ten (10) are bridges and thirteen (13) are culverts, as part of the overall construction of an all weather access road referred to as the Meadowbank Access Road, and identified in the report accompanying the Application. The accompanying report includes provisions allowing for the drainage of surface water from the road crown and its subsequent redirection and collection, and water quality monitoring. The Licence further allows for the operation of the access road as outlined in the same report and as per the conditions stated herein. Both the construction and operation of the access road are classified as Miscellaneous as per Schedule II of the Regulations, contained within the geographical coordinates 65°00'75"N latitude and 96°04'39"W longitude

- i. This Licence 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. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the Nunavut Waters and Nunavut Surface Rights Tribunal Act, or other statutes, imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and;
- ii. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation including a Nunavut Impact Review Board Project Certificate.

2. Definitions

“Act” means the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“Amendment” means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

“Appurtenant Undertaking” means an undertaking in relation to which a use of water or a deposit of waste is permitted by a licence issued by the Board;

“Board” means the Nunavut Water Board established under the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“Engineer” means a professional engineer registered to practice in Nunavut in

accordance with the Engineering, Geological and Geophysical Act (Nunavut) S.N.W.T. 1998, c.38, s.5;

“Greywater” means all liquid wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet wastes;

“Inspector” means an Inspector designated by the Minister under Section 85 (1) of the *Act*;

“Licensee” means the holder of this Licence;

“Modification” means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;

“Nunavut Land Claims Agreement” (NLCA) means the *“Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada”*, including its preamble and schedules, and any amendments to that agreement made pursuant to it;

“Regulations” means the *Northwest Territories Water Regulations* sor/93-303 8th June, 1993;

“Sewage” means all toilet wastes and greywater;

“Spill Contingency Plan” means a Plan developed to deal with unforeseen petroleum and chemical events that may occur during the operations conducted under the Licence;

“Sump” means an excavation in impermeable soil for the purpose of catching or storing water or waste;

“Toilet Wastes” means all human excreta and associated products, but does not include greywater;

“Waste” means, as defined in S.4 of the *Act*, any substance that, by itself or in combination with other substances found in water, would have the effect of altering the quality of any water to which the substance is added to an extent that is detrimental to its use by people or by any animal, fish or plant, or any water that would have that effect because of the quantity or concentration of the substances contained in it or because it has been treated or changed, by heat or other means;

“TSS” means Total Suspended Solids.

3. Enforcement

- i. Failure to comply with this Licence will be a violation of the *Act*, subjecting the Licensee to the enforcement measures and the penalties provided for in the *Act*;
- ii. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- iii. For the purpose of enforcing this Licence and with respect to the use of water and deposit or discharge of waste by the licensee, Inspectors appointed under the *Act*, hold all powers, privileges and protections that are conferred upon them by the *Act* or by other applicable law.

PART B: GENERAL CONDITIONS

1. The water use fees, in accordance with Section 9 of the *Regulations* are not applicable.
2. Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than March 31st of the year following the calendar year being reported which shall contain the following information:
 - i. A summary report of construction activities, including photographic records before, during and after construction;
 - ii. A list of unauthorized discharges or spills and a summary of follow-up actions taken;
 - iii. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - iv. Results of the Monitoring Program; and
 - v. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
3. The Licensee shall submit to the Board a Site Water Management plan, within thirty (30) days following the issuance of the licence, for Board approval, that includes but is not limited to the following:
 - i. A description of the quantity and direction of surface water flow from the road and over the surrounding landscape, along with topographic maps that effectively delineate the movement of waters on site;
 - ii. A detailed description of the location and capacity of water retention areas that would allow for the management of surface water runoff from the road;

- iii. A detailed description of the sampling locations along the access road where the water procured would provide the most representative analytical results, as determined by an appropriately qualified Engineer through a clear disclaimer outlining any limitations to judgment made by the Engineer, and of the quality of the surface water draining from the road surface;
 - iv. A description of the contingency measures that will be implemented in the event that the water quality does not meet CCME criteria (see Part I, Item 1 iv); and
 - v. Any further information that a qualified Engineer believes to be pertinent to describe the movement and quality of surface water draining from the access road.
- 4. The Licensee shall notify the Board of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.
 - 5. If the Licensee contemplates the renewal of this Licence, it is the responsibility of the Licensee to apply to the Board for its renewal. The past performance of the Licensee, new documentation and information, and issues raised during a public hearing, if the Board is required to hold one, will be used to determine the terms and conditions of the Licence renewal. Note that if the Licence expires before the Board issues a new one, then water use and waste disposal must cease, or the Licensee will be in contravention of the Nunavut Land Claims Agreement. The Board recommends that an application for the renewal of this Licence be filed at least four months before the Licence expiry date.
 - 6. If this Licence requires an amendment, a public hearing may be required. The Licensee should submit applications for amendment as soon as possible to give the Board sufficient time to go through the amendment process. The process may vary depending on the scope of the amendment requested.
 - 7. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times. Any communication with respect to this Licence shall be made in writing to the attention of:
 - i. **Manager of Licensing:**
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369
 - ii. **Inspector Contact:**
Water Resources Officer, INAC
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0

Telephone: (867) 975-4295
Fax: (867) 979-6445

8. The Licensee shall submit one paper copy and one electronic copy of all reports, studies, and plans to the Board. Reports or studies submitted to the Board by the Licensee shall include a detailed executive summary in Inuktitut.
9. It is the responsibility of the Licensee to ensure that any documents or correspondence submitted by the Licensee to the Board have been acknowledged by the Manager of Licensing.
10. This Licence is not assignable except as provided in Section 44 of the *Act*.
11. The expiry or cancellation of this Licence does not relieve the holder from any obligations imposed by the Licence as *per* Section 46 of the *Act*.

PART C: CONDITIONS APPLYING TO THE PROTECTION OF WATER

1. The Licensee shall ensure that any chemicals, petroleum products or wastes associated with the undertaking do not enter any water body.
2. The Licensee shall not cut any stream bank or remove any material from below the ordinary high water mark of any water body.
3. The Licensee shall not do anything that will cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
4. Sediment and erosion control measures shall be implemented prior to and maintained during the operation to prevent entry of sediment into water.
5. The Licensee shall undertake appropriate corrective measures to mitigate impacts on surface drainage resulting from the Licensee's operations.
6. The Licensee shall limit any in-stream activity to low water period. In-stream activity is prohibited during fish migration.
7. The Licensee shall locate stream crossings to minimize approach grades. Approaches shall be stabilized during construction and upon completion of the project, to control runoff, erosion and subsequent siltation to any water body.
8. Machinery is not permitted to travel up the stream bed and fording of any water body is to be kept to a minimum and limited to one area and a one-time event. Equipment used should be well cleaned and free of oil and grease and maintained free of fluid leaks.
9. The Licensee shall ensure that pollutants from machinery fording the crossings do not

enter water.

10. Mechanized clearing is not licensed within thirty (30) metres of the normal high water mark of any water body in order to maintain a vegetative mat for bank stabilization.
11. The Licensee shall ensure that all fill material used is from an approved source and shall be free of contaminants.
12. To minimize impacts on surface drainage, the Licensee shall prepare all sites in such manner as to prevent rutting of the ground surface.
13. Equipment storage holding areas should be located on gravel, sand or other durable land, a distance of at least thirty (30) metres above the ordinary high water mark of any water body in order to minimize impacts on surface drainage and water quality.
14. The Licensee shall designate an area for the deposition of excavated and stockpiled materials that is at least thirty (30) metres above the ordinary high water mark of any water body.
15. The Licensee shall not utilize any equipment or vehicles in the course of this undertaking unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall cease if rutting occurs.
16. The Licensee shall notify the Inspector and the NWB as to when the use of the access road will be suspended during to the spring freshet and when operation of the access road resumes afterwards. This notice shall be provided one week prior to the closure of the road and one week prior to its subsequent opening.
17. The Licensee shall provide a report, developed and reviewed by a qualified engineer and/or a geochemist, supporting the conclusion that the quarry rock to be used for the construction of the access road will neither generate acid nor leach significant concentrations of metals, within thirty (30) days following the issuance of the licence. This report shall include, but not be limited to, the following:
 - i. The location, horizontal and vertical distribution, and number of samples procured from each quarry location;
 - ii. The number and type of analyses performed;
 - iii. Detailed discussion of the limitations of the sampling and analytical methods and procedures employed; and
 - iv. Detailed discussion of the results of the analyses and their ramifications regarding acid drainage and metals leaching in the quarry rock.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. No open burning of waste or on-site land filling of domestic waste is permitted.
2. All domestic wastes (including, but not limited to incinerator ash, domestic sewage, and non-combustible refuse) shall be disposed of off-site at an active NWB licensed facility.
3. The Licensee shall remove from the construction site all hazardous wastes and waste oils generated through the course of the operation, and have them hauled to an active NWB licensed waste disposal site.

PART E: CONDITIONS APPLYING TO CONSTRUCTION

1. For the purposes of culvert and bridge installations, the Licensee shall not encroach on the natural channel width by the placement of abutments, footings or armouring below the ordinary high water mark, so that there is no restriction to the natural channel processes.
2. The Licensee shall not store material on the surface of frozen streams or lakes except what is for immediate use.
3. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any corrective measures in the event of any impacts on surface drainage.
4. Winter lake and stream crossings, including ice bridges, shall be constructed entirely of water, ice or snow; stream crossings shall be removed or notched prior to spring break-up.
5. With respect to access road, pad construction or other earthworks, the deposition of debris or sediment into any water body is prohibited. These materials shall be disposed a distance of at least thirty (30) metres from the ordinary high water mark in such a fashion that they cannot enter the water.
6. The Licensee shall submit as-built drawings of the access road and water crossing structures, stamped by an appropriately qualified Engineer, within ninety (90) days of the completion of construction.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

1. No drilling activities are authorized.

PART G: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

1. In accordance with section 6(2)(g)(i) and (ii) of the Regulations, the Licensee shall, within thirty (30) days of issuance of this Licence, keep on the site of operations a Spill Contingency Plan that will describe how petroleum products and hazardous materials will be handled, stored and disposed of, as well as how they will be contained and cleaned-up in the event of a spill. This Plan shall include, but not be limited to, the following:
 - i. The name, address and contact number for the person in charge, management or control of the contaminant (in this case, fuel oil and any other chemicals associated with the program);
 - ii. The name and address and telephone number of the employer;
 - iii. The name, job title and 24 hour contact number for the person or persons responsible for activating the spill plan;
 - iv. A detailed description of the facility, including size and storage capacity and its geographic location – in UTM coordinates (map sheet number, Eastings and Northings) and in geographic coordinates (Lat/Long);
 - v. A description of the type and amount of contaminants stored on site;
 - vi. A description of the spill prevention measures to be undertaken in the handling, storage and disposal of petroleum products and hazardous materials;
 - vii. Steps taken to report, contain, clean up and dispose of a spill on applicable topographic conditions, i.e., land, water, snow, and ice;
 - viii. A site map of sufficiently large scale to show the location of buildings, storage areas of potential contaminants, sensitive areas such as water bodies, probable pathways of contaminant flow and general topography;
 - ix. A description of the spill response training provided to employees who will respond to a spill, including, but not limited to, detail of the formal training and expertise of personnel responsible for supervising the spill response, and an outline of any planned training and simulation exercises;
 - x. An inventory and location of the response and clean up equipment available to the spill clean up team;
 - xi. The means by which the spill plan is activated; and
 - xii. The date that the spill plan was prepared.
2. The Licensee shall annually review the Plan referred to in this Part and if needed, modify it to reflect changes in operation and/or technology. The Plan and any revisions shall be

submitted with the Annual Report.

3. The Licensee shall ensure that all sumps and fuel caches shall be located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body and inspected on a regular basis.
4. The Licensee shall have a spill kit with a minimum capacity of approximately 205 litres available at the construction site and for use along the access road, in the event that fuel lines and/or hydraulic hoses rupture on construction and related equipment.
5. The Licensee shall ensure that any emergency maintenance and servicing on equipment be conducted only in designated areas and shall implement special procedures (such as the use of drip pans and absorbents) to manage motor fluids and other waste and contain potential spills.
6. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - i. Employ the Spill Contingency Plan;
 - ii. Report the spill or potential spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295 (a spill report form is available for use in reporting from the NWB ftp site at:
<ftp://ftp.nunavut.ca/nwb/NWB%20Administration/NWB%20GENERAL%20INFORMATION/Standardized%20Forms/>); and
 - iii. For each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.

PART H: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall submit to the Board for approval three (3) months prior to abandonment, an Abandonment and Restoration Plan prepared in accordance with applicable sections of the "*Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990)*".
2. The Licensee shall complete all restoration work prior to the expiry of this Licence.
3. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.

4. The Licensee shall remove from the site material and infrastructures, including but not limited to, all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, and equipment before the expiry of this License.
5. In order to promote natural growth of vegetation and the needed microclimate for seed deposition, all disturbed surfaces shall be prepared by ripping, grading, or scarifying the surface to conform to the natural topography.
6. Areas that have been contaminated by hydrocarbons from normal operating procedures shall be remediated to the satisfaction of an Inspector. Hydrocarbon impacted soils shall be removed from the site and disposed of at an approved waste disposal site.
7. All disturbed areas shall be contoured and stabilized upon completion of work and restored to a pre-disturbed state.
8. The Licensee shall backfill and restore, to the satisfaction of an Inspector, all sumps to the pre-existing natural contours of the land.
9. All roads shall be re-graded to match natural contour to reduce erosion.
10. All bridges and culverts shall be removed and the drainage opened up to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.

PART I: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall provide a Monitoring Program for approval by the Board, developed and signed by a qualified Engineer and/or geochemist, within thirty (30) days following the issuance of the licence. The proposed monitoring program, as determined by an appropriately qualified Engineer through a clear disclaimer outlining any limitations to judgment made by the Engineer, shall include, but not be limited to, the following:
 - i. An appropriate number of samples to be collected of runoff water from the access road and accumulated water in the quarries, and analyzed for geochemical characteristics, to confirm that the quarry rock used for construction is neither acid generating, nor leaching significant concentrations of metals;
 - ii. An appropriate number of samples to be collected of runoff water from the access road and accumulated water in the quarries, and analyzed for TSS to confirm that the sediment and erosion control measures are functioning properly;
 - iii. An appropriate number of samples to be collected of accumulated water in the quarries and analyzed for presence of by-products of explosives use to ensure that impacts of these chemicals to waters is within acceptable limits;
 - iv. A comparison of water sample results to the applicable guidelines provided in the CCME *Guidelines for Freshwater Aquatic Life* (dated December 2006) in tabular

format, highlighting individual parameter results that have exceeded these guidelines;

- v. Recommendations to mitigate the impacts to waters in the event that the results of the analyses performed exceed the CCME criteria;
 - vi. A description of the sampling methodology and the field sampling quality control/quality assurance plan, in accordance with INAC *QA and QC Guidelines for use by Class "B" Licensees in Collecting Representative Water samples in the Field and for submission of a QA/QC Plan (1996)*.
2. Sampling must be overseen and reviewed by a qualified Engineer, and shall take place once per month during the period from the start of June to the end of September.
 3. The Licensee shall monitor all activities for signs of erosion and shall implement and maintain sediment and erosion control measures prior to the undertaking to prevent entry of sediment into any water body.
 4. The Licensee shall obtain a digital photographic record of all the water crossings before, during and after construction has been completed.
 5. An Inspector may impose additional monitoring requirements. The Licensee shall provide a summary of the Inspector imposed monitoring requirements through the Annual Report.
 6. All sampling, sample preservation and analyses shall be conducted in accordance with methods prescribed in the current edition of *Standard Methods for the Examination of Water and Wastewater*, or by such other methods approved by the Board.
 7. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
 8. The Licensee shall include in the Annual Report (required under Part B, Item 2) all data and information required by this Part.