

NORTHWEST TERRITORIES WATER BOARD

REASONS FOR DECISIONS S.P.

Issued Pursuant to Section 26 of
the Northwest Territories Waters Act, Chap. 39, R.S.C

LICENCE NUMBER: N7L2-1666 (TYPE "B")

This is the decision of the Northwest Territories Water Board with respect to an application for Licence dated March 6, 1996, made by:

Lytton Minerals Limited
501 - 700 West Pender Street
Vancouver, British Columbia V6C 1G8

for: Disposal of waste for the extraction of a bulk sample and associated uses the Jericho Diamond Project in the Carat Lake area, Latitude 65° 59' 50" N. and Longitude 111° 28' 30" W., Northwest Territories.

With respect to this application, notice was given in accordance with Section 23 of the Northwest Territories Waters Act. No Public Hearing was held in connection with this application.

DECISION

After having been satisfied that the project had been screened pursuant to the Canadian Environmental Assessment Act and that any potentially adverse environmental effects were insignificant or mitigable with known technology and, as such, the application could proceed through the regulatory process and after reviewing the submission of the Applicant and written comments received by the Board; the Board, having due regard to the facts and circumstances, the merits of the application made to it and to the purpose, scope and intent of the Northwest Territories Waters Act and Regulations made thereunder determined that:

Licence Number N7L2-1666: be issued subject to the terms and conditions contained therein.

The Board's reasons for this decision are as follows:

1. Concerns received by the Board were not seen as issues under the Northwest Territories Waters Act and Regulations nor of a magnitude that would, in the Board's view, warrant a public hearing or refusal to issue the Licence.
2. Provided that the Licensee operates in accordance with the terms and conditions imposed by the Licence, the quality of water in any water body within the Licence area should not be impaired.

Licence Number N7L2-1666 contains provisions which the Board feels necessary to ensure and monitor compliance with the Northwest Territories Waters Act and the Regulations made thereunder and to provide appropriate safeguards in respect of the applicant's use of the waters affected by the Licence. The Board will provide reasons for decision for any specific clause or clauses contained in the Licence if requested to do so in writing.

SIGNED this 30th day of May, 1996 on behalf of the Northwest Territories Water Board.


Chairman
Northwest Territories Water Board



WATER REGISTER: N7L2-1666

May 3, 1996

Mr. D. Alexander
President
Lytton Minerals Limited
501 - 700 West Pender Street
VANCOUVER, BC V6C 1G8

Dear Mr. Alexander:

RE: ISSUANCE OF A "B" TYPE LICENCE

Attached is a duplicate of Licence No. N7L2-1666 granted to Lytton Minerals Limited by the Northwest Territories Water Board in accordance with the Northwest Territories Waters Act. The other original of this Licence has been filed with the Department of Indian Affairs and Northern Development in Yellowknife, Northwest Territories.

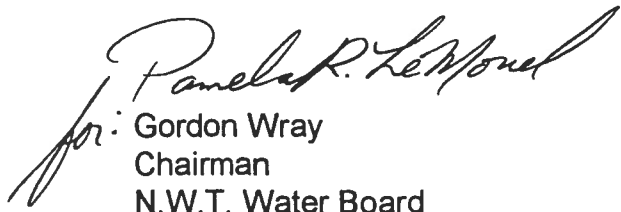
The Board notes the intention to place an impermeable liner for full containment of minewater in the Retention Pond, should it be constructed. The Board commends and supports this initiative.

Also attached are general procedures for the administration of licences in the Northwest Territories. I request that you review these and address any questions to the Board's office.

In conclusion, please be advised that this letter with attached procedures, all inspection reports, and correspondence related thereto are part of the public Water Register, and are intended to keep all interested parties informed of the manner in which the Licence requirements are being met. All Water Register material will be considered when the Licence comes up for renewal or amendment.

The full cooperation of Lytton Minerals Limited is anticipated.

Sincerely,


for: Gordon Wray
Chairman
N.W.T. Water Board

Attachments (2)

P.O. Box 1500, Yellowknife, N.W.T., X1A 2R3, 9th Floor, Precambrian Building
Phone: (403) 920-8191 Fax: (403) 873-9572

GENERAL PROCEDURES FOR THE ADMINISTRATION OF LICENCES
ISSUED UNDER THE NORTHWEST TERRITORIES WATERS ACT
IN THE NORTHWEST TERRITORIES

1. At the time of issuance, a copy of the Licence is placed on the Water Register in the Office of the Northwest Territories Water Board in Yellowknife, and is then available to the public.
2. To enforce the terms and conditions of the Licence, the Minister of Indian Affairs and Northern Development has appointed Inspectors in accordance with Section 35(1) of the Northwest Territories Waters Act. The Inspectors coordinate their activities with officials of the Water Resources Division of the Department of Indian Affairs and Northern Development. The Inspector responsible for Licence No. N7L2-1666 is located in the Nunavut District Office.
3. To keep the Water Board and members of the public informed of the Licensee's conformity to Licence conditions, the Inspectors prepare reports which detail observations on how each item in the Licence has been met. These reports are forwarded to the Licensee with a covering letter indicating what action, if any, should be taken. The inspection reports and covering letters are placed on the public Water Register, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of prime importance that you react in all areas of concern regarding all inspection reports so that these concerns may be clarified.
4. If the renewal of Licence No. N7L2-1666 is contemplated it is the responsibility of the Licensee to apply to the Water Board for renewal of the Licence. The past performance of the Licensee, new documentation and information, and points raised during a public hearing, if required, will be used to determine the terms and conditions of any Licence renewal. Please note that if the Licence expires and another has not been issued, then water and waste disposal must cease, or you, the Licensee, would be in contravention of the Northwest Territories Waters Act. It is suggested that an application for renewal of Licence No. N7L2-1666 be made at least eight months in advance of the Licence expiry date.
5. If, for some reason, Licence No. N7L2-1666 requires amendment, then a public hearing may be required. You are reminded that applications for amendments should be submitted as soon as possible to provide the Water Board with ample time to go through the amendment process. The process may take up to three (3) months or more depending on the scope of the amendment requested.

The Surveillance Network Program annexed to the Licence can be modified at the discretion of the Board and does not require a public hearing. A request for any proposed change to the Surveillance Network Program should be forwarded to the Board in writing, including a rationale for the change.

6. Specific clauses of your Licence make reference to the Board, Analyst or Inspector. The contact person, address, phone and fax number of each is:

BOARD: Executive Assistant
Northwest Territories Water Board
Box 1500
YELLOWKNIFE, NT X1A 2R3

Phone No: (403) 669-2772

Fax No: (403) 669-2719

ANALYST: Analyst
Water Laboratory
Northern Affairs Program
Department of Indian Affairs
and Northern Development
Box 1500
4601 - 52nd Avenue
YELLOWKNIFE, NT X1A 2R3

Phone No: (403) 669-2780

Fax No: (403) 669-2718

INSPECTOR: Inspector
Nunavut District Office
Northern Affairs Program
Department of Indian Affairs
and Northern Development
P.O. Box 100
IQALUIT, NT X0A 0H0

Phone No: (819) 979-4405

Fax No: (819) 979-6445