

Licence Condition			Requested Updates to Terms and Conditions
PART A - SCOPE, ENFORCEMENT, DEFINITIONS			
Scope			
1	a	This Licence authorizes Lupin Mines Incorporated ("LMI" or "Licensee") to use Water and dispose of Waste associated with Mining and Milling undertakings in accordance with Schedule V of the Regulations at the Lupin Mine, located on the west shore of Contwoyto Lake, within the Kitikmeot Region, Nunavut (approximate Latitude 65°46'N and Longitude 111°14'W), as outlined in the Water Licence Renewal Application.	Update in accordance with Nunavut Water Regulations.
PART B - GENERAL CONDITIONS			
1		The amount of Water use fees shall be determined in accordance with the section 9(b) of the Regulations. Payment of fees shall be made in accordance with section 9(6)(b) of the Regulations.	Update in accordance with Nunavut Water Regulations.
2		The Licensee shall file an Annual Report with the Board, not later than March 31st of the year following the calendar year reported and shall be developed in accordance with Schedule B.	Update such that while the Project is in care and maintenance, revised assessments of mine reclamation are required on a less frequent basis such as every three years.
	Schedule B Item 1	The Annual Report referred to in Part B, Item 2, shall include:	
	m	An updated assessment of the current mine reclamation liability using the most current version of RECLAIM as required by Part I, Item 3; and	
12		The Licensee shall, for all Plans submitted under this Licence, include a proposed timetable for implementation. Plans submitted, cannot be undertaken without subsequent written Board approval and direction. The Board may alter or modify a Plan if necessary to achieve the legislative objectives and will notify the Licensee in writing of acceptance, rejection or alteration of the Plan.	Remove or update general conditions regarding Plans such that project activities are not hindered or delayed due to timing of approval.
13		In the event that a Plan is not found acceptable to the Board, the Licensee shall provide a revised version to the Board for review within thirty (30) days of notification by the Board.	
14		The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board.	
15		Every Plan to be carried out pursuant to the terms and conditions of this Licence shall become a part of this Licence, and any additional terms and condition imposed upon approval of a Plan by the Board become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.	
16		The Licensee shall review the Plans or Manuals referred to in this Licence as required by changes in operation and/or technology and modify the Plans or Manuals accordingly. Revisions to the Plans or Manuals are to be submitted in the form of an Addendum to be included with the Annual Report required by Part B, Item 2, complete with a revisions list detailing where significant content changes are made.	

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PART E- CONDITIONS APPLYING TO WASTE DISPOSAL		
	The Tailings Containment Area shall be constructed, operated and maintained to engineering standards such that:	
6	f Weekly inspections of the dam(s), Tailings line(s), and catchment basin(s) shall be carried out and records of these inspections shall be kept for review upon the request of an Inspector, or as otherwise approved by the Board. More frequent inspections shall be performed at the request of an Inspector; and	<p>Compliance with this condition is difficult during care and maintenance. LMI requests that this condition be updated as recommended in the 2013 Geotechnical Engineering Report, as follows:</p> <p>During care and maintenance, inspections shall be carried out on a bi-weekly basis during freshet (approx. May and June), and monthly during the remainder of the open water period (approx. July - October) of the following: (a) collection and return of seepage in Dam 2; (b) water levels in ponds 1 and 2, and cells 3 and 5; (c) general surface erosion and anomalies on dams; and (d) tension crack in Dam M. If water levels in the ponds rise, then inspections shall be carried out bi-weekly during the open water season (approx. May - October). Records of these inspections shall be kept for review upon the request of an Inspector, or as otherwise approved by the Board. More frequent inspections shall be performed at the request of an Inspector.</p>
14	The Licensee shall remove from the project site, all hazardous Wastes generated through the course of the Operation, for disposal at an approved hazardous waste disposal facility.	Update condition based on Board approval of <u>Waste Management Plan (Solid and Hazardous) - Care and Maintenance, March 2013</u>
PART H - CONDITIONS APPLYING TO EMERGENCY RESPONSE AND CONTINGENCY PLANNING		
1	The Licensee shall submit to the Board for approval, no later than thirty (30) days following approval of the Licence by the Minister, an updated "Spill Contingency Plan, Lupin Operations". The Spill Contingency Plan shall be prepared in accordance with Schedule H, Item 1.	Update based on Board approval of <u>Spill Contingency Plan (Care and Maintenance), March 2013.</u>
5	<p>Licensee shall operate the Bulk Fuel Storage Facilities in accordance with all applicable legislation, guidelines and practices, including:</p> <p>a Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products, 2003; CCME;</p> <p>b National Fire Code, 1995, and</p> <p>c Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations, SOR/2008-197, June 12, 2008.</p>	Update with National Fire Code, 2010.
6	The Licensee shall perform, at a minimum, weekly inspections of fuel containment facilities for leaks and settlement and shall keep a written log of inspections to be made available to an Inspector upon request, or as otherwise approved by the Board in writing.	<p>Compliance with weekly inspections during care and maintenance is difficult to achieve. LMI recommends updating this condition based on Board approval of <u>Fuel Containment Management Strategy (Care and Maintenance), March 2013</u> as follows:</p> <p>"The Licence shall perform regular inspections of fuel storage and containment facilities for leaks and settlement and shall keep a written log of inspections to be made available to an Inspector upon request, or as otherwise approved by the Board in writing."</p>

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PART I - CONDITIONS APPLYING TO ABANDONMENT, RECLAMATION AND CLOSURE PLANNING		
1	The Licensee shall, no later than thirty (30) days following approval of the Licence by the Minister, submit to the Board for approval, an updated Interim Abandonment, Reclamation and Closure Plan, prepared in accordance with Schedule I, Item 1.	Update based on Board approval of <u>Interim Abandonment and Restoration Plan, March 2013.</u>
2	The Licensee shall, no later than thirty (30) days following approval of the Licence by the Minister, submit to the Board for approval, a Care and Maintenance Plan that shall be prepared in accordance with Schedule I, Item 2.	Update based on Board approval of <u>Care and Maintenance Plan (and associated appendices), March 2013.</u>
3	The Licensee shall submit to the Board annually, an updated assessment of the current mine reclamation liability using the most current version of RECLAIM, its equivalent or other method acceptable to the Board.	Update such that while the Project is in care and maintenance, revised assessments of mine reclamation are required on a less frequent basis such as every three years.
PART J - CONDITIONS APPLYING TO MONITORING		
7	The Licensee shall submit to the Board a revised, Quality Assurance/Quality Control (QA/QC) Plan. The Plan shall be modified to include up to date sampling methods to all applicable standards, acceptable to an accredited laboratory as required by Part J, Item 5 and Part J, Item 6. The Plan shall include a covering letter from the accredited laboratory confirming acceptance of the Plan for analyses to be performed under this Licence.	Update based on <u>Water Quality Monitoring Plan and Quality Assurance/ Quality Control Plan (Care and Maintenance), March 2013</u>
10	The NWB may modify the Monitoring Program without a public hearing. Requests for changes to the Monitoring Program should be forwarded to the NWB in writing, and should include the justification and appropriate evidence to support the change.	Recognizing that the project is currently in a care and maintenance phase, LMI requests updates to terms and conditions of the water licence in relation to general monitoring as well as water and waste management requirements.