

June 30, 1998

Mr. Kerry M. Curtis
Cumberland Resources Ltd.
#906 - 595 Howe Street
Vancouver, B. C., V6C 2T5

RE: NWB Permit No. NWB2MEA9899

Dear Mr. Curtis,

Please find attached Permit No. **NWB2MEA9899** 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. **NWB2MEA9899**

cc: Ms. Shannon Pagotto, Indian and Northern Affairs Canada
Mr. Tongola Sandy, Kivalliq Inuit Association
Mr. Joe Ahmad, Nunavut Impact Review Board
Mr. Jon Pierce, Nunavut Planning Commission

APPROVAL FOR WATER USE AND WASTE DISPOSAL

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 Cumberland Resources Ltd. approval to use water and dispose of waste in conjunction with exploratory drilling for the Meadowbank Project, subject to the terms and conditions outlined herewith and in Kivalliq Inuit Association Permit No. KE97PO92.

APPLICATION NO:	NWB2MEA9899
PERMITTEE:	Cumberland Resources Ltd. #906 -595 Howe Street Vancouver, B. C., V6C 2T5 Telephone: (604) 6606-2557; Facsimile: (604) 608-2559
START DATE:	June 22 , 1998
EXPIRY DATE:	December 31, 1999
PURPOSE:	Water Use and Waste disposal associated with Exploration Drilling
LOCATION:	Meadowbank River, Northwest Territories General Latitude: 65°00' N; Longitude: 96°00' W

This approval 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 approval does not absolve the Permittee from responsibility for compliance with all applicable legislation, guidelines, or directive.
2. This approval 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, and with respect to any other impacts of the Permittee's activities on water quality, quantity or flow, including on surface drainage.

2. CONDITIONS FOR THE USE AND PROTECTION OF WATER:

1. The Permittee shall obtain water for domestic purposes from the lake known as Third Portage Lake, up to a maximum volume of 100 cubic metres per day.
2. The Permittee shall equip all water intake hoses with a screen with an appropriate mesh size to ensure that there is no entrapment of fish.
3. The Permittee shall perform bacteriological analysis of water used for human consumption every month.
4. 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.
5. The Permittee shall ensure compliance with Section 36 of the *Fisheries Act* which requires that no person shall deposit or permit the deposit of a deleterious substance of any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such water body.
6. The Permittee shall follow the *Interim Guidelines for On-Ice Drilling in the NWT* for all on-ice drilling operations. These are:
 - i. All drill cuttings shall be removed from the ice surface.
 - ii. The release of total suspended solid in the receiving environment shall be in compliance with the *Guidelines for Total Suspended Solids* contained in the *Canadian Council of Ministers of the Environment's (CCME) Canadian Water quality Guidelines, Chapter 3 - Freshwater Aquatic Life*.
 - iii. For kimberlite targets, non-toxicity must be demonstrated; toxicity testing shall be done on the effluent from the drilling operation and the results shall be submitted to the Board.
7. The Permittee shall establish baseline conditions of water quality before drilling through lake ice.
8. If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon project termination.
9. The *Fisheries Act* prohibits the harmful alteration, disruption or destruction of fish habitat. No construction or disturbance of any stream, lake bed or banks of any definable watercourse is permitted unless formally authorized by the Department of Fisheries and Oceans.

3. CONDITIONS FOR THE DISPOSAL OF WASTE:

1. All drill wastes shall be disposed of on land in a sump at least thirty (30) metres from the high water mark of a water body.
2. The Permittee shall not deposit any waste in any body of water, or on the banks thereof, which may impair the quality, quantity, or flow of water.
3. Areas designated for waste disposal shall not be located within thirty (30) metres of the ordinary high water mark of any body of water, unless otherwise authorized.

4. The Permittee shall construct a sump to contain all greywater discharged and shall ensure drainage is away from any water body.
5. All combustible and kitchen waste shall be incinerated.
6. All scrap metal, discarded machinery and parts, and other bulky material shall be disposed of in an approved disposal site.
7. The Permittee shall not bury any scrap metal and other bulky wastes.

4. CONDITIONS FOR CAMPS AND ACCESS INFRASTRUCTURES:

1. The Permittee shall not erect camps or store material on the surface of streams or lakes except what is for immediate use. Camps shall be located on gravel, sand or other durable land in order to minimize impacts on surface drainage.
2. Camps shall be kept clean and tidy at all times.
3. 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 breakup.
4. To minimize impacts on surface drainage, the Permittee shall prepare all sites in such a manner as to prevent rutting of the ground surface.
5. The Permittee shall equip bulldozer blades used in this operation with “mushroom” type shoes or a similar type of device.
6. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.
7. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.
8. The Permittee shall be required to undertake any corrective measures in the event of any impacts on surface drainage as a result of the Permittee’s operations.
9. The Permittee shall construct and maintain winter roads with a minimum of ten (10) centimetres of packed snow at all times during its operations.

5. CONDITIONS FOR THE USE AND STORAGE OF FUEL, CHEMICALS AND ADDITIVES:

1. Only drill additives proven to be non-toxic shall be used in conjunction with this drilling program.
2. Drilling additives or muds shall not be used in connection with holes drilled through the lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.
3. All spills of oil, fuel, or other deleterious materials shall be reported immediately to the 24-Hour Spill Line at (867) 920-8130 and to the INAC Water Resources Inspector at (867) 979-4405
4. 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.

5. The Permittee shall have one extra fuel storage container on site equal to, or greater than, the size of the largest fuel container.
6. The Permittee shall examine regularly all fuel and chemical storage containers for leaks, All leaks should be repaired immediately.

6. CONDITIONS FOR ABANDONMENT AND RESTORATION:

1. Upon abandonment, the Permittee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material.
2. The Permittee shall backfill and restore to the satisfaction of the Inspector all sumps back to the natural surrounding contours of the land prior to the expiry of this permit.
3. The Permittee shall undertake progressive restoration for any components of the project which are no longer required for the Permittee's operations.

7. OTHER CONDITIONS:

1. The NWB shall be notified of any changes in operating plans or conditions associated with this project.
2. If operating plans change, the Board shall be informed thirty (30) days prior to any such change.
3. Within thirty (30) days upon expiration of this approval, the Permittee shall submit to the Nunavut Water Board and to the Inspector a summary report of activities, water quality data, abandonment and restoration of the site, and list of unauthorized spills and follow-up action taken.

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

The following form an integral part of this approval:

1. A copy of this approval and associated documents is placed on the NWB Public Register.
2. The Inspector for this approval is:

Paul Smith
Water Resources Officer
Department of Indian and Northern Affairs
Iqaluit, NT X0A 0H0
Tel.: (867) 979-4405
Fax: (867) 979-6445
3. Any communication with respect to this approval shall be made in writing to the attention of:

Philippe di Pizzo
Executive Director
Nunavut Water Board
Gjoa Haven, NT X0E 1J0
Tel.: (867) 360-6338
Fax: (867) 360-6369
4. The Permittee shall submit all reports, studies, and plans associated with this approval in three copies, and include an Executive Summary in Inuktitut.