

NWB2MEA0002



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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

May 2, 2000

Brian Alexander
Project Manager
Cumberland Resources Ltd.
#906 - 595 Howe Street
Vancouver, B. C., V6C 2T5
Via email: info@goldmin.com

RE: NWB Permit No. NWB2MEA0002

Dear Mr. Alexander,

Please find attached Permit No. **NWB2MEA0002** 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,

Original signed by:

Philippe di Pizzo
Executive Director

Enclosure: Permit No. **NWB2MEA0002**

cc: R. Beavers, Indian and Northern Affairs Canada
L. Manzo, Kivalliq Inuit Association
Nunavut Impact Review Board
A. Wilson, Environment Canada
C. Nichols, Sustainable Development
L. Coady, 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, trenching and hydrological assessment for the Meadowbank Project, subject to the terms and conditions outlined herewith and in the applicable land use permit.

APPLICATION NO:	NWB2MEA0002
PERMITTEE:	Cumberland Resources Ltd. #906 -595 Howe Street Vancouver, B. C., V6C 2T5 Telephone: (604) 608-2557; Facsimile: (604) 608-2559 Email: info@goldmin.com
START DATE:	May 2, 2000
EXPIRY DATE:	May 1, 2002
PURPOSE:	Water Use and Waste disposal associated with Exploration
LOCATION:	Kivalliq Region, Meadowbank River, Nunavut General Latitude: 65°00' N; Longitude: 96°00' W

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

Original signed by:

Philippe di Pizzo
Executive Director

PART A: SCOPE, DEFINITIONS & ENFORCEMENT

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 directives.
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 surface drainage.
3. Definitions:

 "sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein; and

 "drill waste" means all materials or chemicals, solid or liquid, associated with drilling of bore holes and includes bore hole cuttings.

 "combustible waste" means paper, non-treated wood products, kitchen food waste, and sewage waste.
4. The Permittee shall maintain a copy of this permit at the sites of operation at all times.
5. Enforcement
 - i. Subject to Part A, Item 5 (iv), failure to comply with this permit will be a violation of the *Northwest Territories Water Act*, exposing the permittee to the enforcement measures and the penalties provided for in the Act.
 - ii. Subject to Part A, Item 5 (iv), all inspection and enforcement services regarding this permit will be provided by inspectors appointed under the *Northwest Territories Water Act*.
 - iii. Subject to Part A, Item 5 (iv), inspectors appointed under the *Northwest Territories Water Act* enjoy-with respect to this permit, and for the purpose of enforcing this permit, and with respect to the use of water and deposit or discharge of waste by the licensee-all powers, privileges and protections that are conferred upon them by the *Northwest Territories Water Act* or by other applicable law.
 - iv. To the extent that the *Northwest Territories Water Act* is, subsequent to the issuance of this permit, replaced with respect to water management in

Nunavut by other federal legislation (including, without limitation, a regulation or order referred to in Section 10.10.2 of the *Nunavut Land Claims Agreement*), and to the extent that the other federal legislation is consistent with the *Nunavut Land Claims Agreement*, the other federal legislation shall apply with respect to this permit and the *Northwest Territories Water Act* shall cease to apply with respect to this permit.

PART B: GENERAL CONDITIONS

1. The Permittee shall file a report with the Board no later than March 31 of the year following the calendar year reported, which shall contain the following information:
 - i. A list of unauthorized discharges and a summary of follow-up actions taken;
 - ii. Revision to the Contingency Plan;
 - iii. Progressive reclamation work undertaken;
 - iv. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
2. The NWB shall be notified of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.

PART C: 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. If the drilling requires water in sufficient volumes that the source waterbody may be drawn down please submit details (volume required, size of waterbody) to the NWB for review.
4. 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.
5. 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.

6. The Permittee shall not remove any material from below the ordinary high water mark of any waterbody.
7. The Permittee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
8. Sediment and erosion control measures shall be implemented prior to and maintained during the operation to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO DRILLING OPERATIONS AND TRENCHING

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. 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.
3. 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 and/or an Inspector upon request.
4. The Permittee shall establish baseline conditions of water quality before drilling through lake ice.
5. 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.
6. Drill sludges shall be disposed of at least thirty (30) metres from the high water mark of any water body or watercourse at a site where direct flow into a water body is not possible.

7. If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon project termination.
8. The Permittee may only excavate and stockpile in areas designated in the application.

PART E: CONDITIONS APPLYING WASTE DISPOSAL

1. 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.
2. 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.
3. The Permittee shall construct a sump to contain all greywater discharged and shall ensure drainage is away from any water body.
4. All combustible waste shall be incinerated.
5. Open burning of waste is prohibited.
6. The Permittee shall not bury any scrap metal and other bulky wastes. All scrap metal, discarded machinery and parts, and other bulky material shall be disposed of in an approved disposal site.
7. The Permittee shall ensure that all hazardous wastes generated through the course of the operation are backhauled and disposed of in an approved dumpsite.

PART F: 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. To minimize impacts on surface drainage, the Permittee shall prepare all sites in such a manner as to prevent rutting of the ground surface.
3. 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.

4. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.
5. 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.
6. 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.
7. The Permittee shall construct and maintain winter roads with a minimum of ten (10) centimetres of packed snow at all times during its operations.
8. 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.

**PART G: CONDITIONS APPLYING TO SPILL PREVENTION AND
CONTINGENCY PLANNING**

1. 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.
2. The Permittee shall revise the approved Contingency Plan titled, "Fuel Transport and Storage Management Plan" annually to reflect changes in operation and/or technology.
3. If, during the duration of this permit, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Permittee shall:
 - i. Employ the Contingency Plan;
 - ii. Report the incident immediately to the 24-Hour Spill Line at (867) 920-8130; and Submit to the Inspector a detailed report on each occurrence no later than thirty (30) days after initially reporting the event.
 - iii. 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 examine regularly all fuel and chemical storage containers for leaks, all leaks should be repaired immediately.

5. The Permittee shall construct an impermeable dyke around each stationary fuel container or group of stationary fuel containers where one container has the capacity exceeding 4000 litres.
6. The Permittee shall seal all fuel container outlets except that outlet currently in use.
7. The Permittee shall mark all fuel containers with the Permittee's name.
8. The Permittee shall dispose of all combustible waste petroleum products by incineration or removal to an approved waste disposal site.

PART H: CONDITIONS APPLYING TO 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.
4. The Permittee shall submit to the Board for approval within six (6) months of issuance of this permit an Abandonment and Restoration Plan. The Plan shall be in accordance with the "*Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories, September 1990.*" A detailed cost estimate of the cost for final reclamation shall be included. The Board may assess the need for security deposit in light of Abandonment and Restoration activities.

PART I: OTHER CONDITIONS

1. The following conditions shall apply in the construction, operation and removal of weirs (aquadams) to minimize disturbance to the channels and receiving waters:
 - i. All unused and scrap materials shall be stored away from the watercourse during the duration of the operation;
 - ii. At the end of the flow data collection period, the cross section of the channels shall be restored to their original condition;
 - iii. Removal of naturally occurring material from the bed or bank of the channels

- below the ordinary high water mark is prohibited;
- iv. All sites affected by the placement or removal of the weir shall be stabilized and suitable erosion control measures shall be implemented to minimize sediment into the channels;
 - v. Emplacement of the weir shall be done such that the channel is not significantly obstructed during the spring freshet;
 - vi. Materials used shall be clean and free of contaminants; and
 - vii. The NWB shall be notified at least thirty (30) days prior to the removal of the weirs.

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

The following conditions form an integral part of Permit No. NWB2MEA0002 :

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. **Documents in the Register are available to the public.**
2. If the Permittee contemplates the renewal of Permit No. NWB2MEA0002, it is its responsibility to apply to the NWB for its renewal. 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. NWB2MEA0002 be filed **at least three months** before the Permit's expiry date.
3. If Permit No. NWB2MEA0002 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, Nunavut X0E 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369

5. The Permittee shall submit all reports, studies, and plans to the Board in three copies. Reports or studies submitted to the Board by the Permittee shall include a **detailed executive summary in Inuktitut**.