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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: 2BB-MEA1318

December 1, 2016

Ryan Vanengen
Agnico Eagle Mines Ltd.
Meadowbank Gold Mine
P.O. Box 540
Baker Lake, Nunavut, X0C 0A0

E-mail: ryan.vanengen@agnicoeagle.com

RE: Amended Licence No. 2BB-MEA1318 (Previously 2BE-MEA1318)
Meadowbank Advanced Exploration Project

Dear Mr. Vanengen:

Please find attached Amended Licence No. **2BB-MEA1318** issued to Agnico Eagle Mines Ltd. (AEM or Licensee or Applicant) by the Nunavut Water Board (NWB) 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* (*Nunavut Agreement*). The terms and conditions of the attached Licence related to water use and waste deposit are an integral part of this approval.

If the Licensee contemplates the renewal of this Licence, it is the responsibility of the Licensee to apply to the NWB for its renewal. The past performance of the Licensee, 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 Licence renewal. Note that if the Licence expires before the NWB issues a new one, then water use and waste deposit must cease, or the Licensee may be in contravention of the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. However, the expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence. The NWB recommends that an application for the renewal of this Licence be filed at least three (3) months prior to the Licence expiry date. It should be noted that in accordance with s. 75(1)(a) of the Nunavut Planning and Project Assessment Act (NuPPAA), the Board is not allowed to issue a permit or authorization for any project proposal that is not submitted to the Nunavut Planning Commission (NPC) in accordance with s. 76 of NuPPAA.

If the Licensee contemplates or requires an amendment to this Licence, the NWB may decide, in the public interest, to hold a public hearing. The Licensee should submit application for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process and timing may vary depending on the scope of the amendment; however, a minimum of sixty (60) days is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and are

acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration.[1]

Sincerely,

Lootie Toomasie
Nunavut Water Board
Vice-Chair

LT/kk

Enclosure: Licence No. **2BB-MEA1318**
Comments – ECCC, INAC and KIA

Cc: Kivalliq Distribution List

[1] Indigenous and Northern Affairs Canada (INAC), November 7, 2016; Environment and Climate Change Canada (ECCC), November 4, 2016 and the Kivalliq Inuit Association (KIA), May 6, 2016.

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DECISION
LICENCE No. 2BB-MEA1318 AMENDMENT No. 4

Licensee:	**AGNICO EAGLE MINES LTD.**
Previous Licence No:	**2BE-MEA1318, Type "B"**
New Licence No:	**2BB-MEA1318**
Licence Issued:	**March 7, 2013**
Amendment No. 1 Issued	**July 31, 2014**
Amendment No. 2 Issued	**February 27, 2015**
Amendment No. 3 Issued	**January 27, 2016**
Effective Date:	**December 1, 2016**
Licence Expiry:	**March 6, 2018**

This is the decision of the Nunavut Water Board (NWB) with respect to an application for an amendment to Water Licence 2BE-MEA1318 that was issued March 7, 2013, made by:

AGNICO EAGLE MINES LTD.

to allow for the use of water and deposit of waste during camp operations and activities during mineral exploration activities consisting of prospecting, geological mapping, geophysical surveys, diamond and reverse circulation drilling, trenching and quarrying, bulk sampling, water crossings installation during road construction, operation of Storm-water Management Pond, development/construction of portal/ramp, services and operations pads, storage of waste rock and ore on pads, fuel storage, laydown/garage/office/warehouse area for the rump at Amaruq (IVR) Camp at the Meadowbank Advanced Exploration Project, located within the Kivalliq Region, Nunavut generally at the geographical coordinates as follows:

Project Extents

NW:	Latitude: (65° 35' N)	Longitude: (97° 40'W)
NE:	Latitude: (65° 35'N)	Longitude: (94° 30' W)
SE:	Latitude: (64° 30'N)	Longitude: (94° 30' W)
SW:	Latitude: (64° 30'N)	Longitude: (97° 40' W)

Camp Location
Amaruq Camp:

Latitude: 65° 24' 14" N Longitude: 96° 40' 50" W

After having been satisfied that the application was in conformity with the Keewatin Regional Land Use Plan[2] and subject to the terms and conditions recommended by the Nunavut Impact Review Board's Screening Decision Report[3] in accordance with Article 12 of the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* (*Nunavut Agreement*) and s. 88, 92(1) and 92(2)(a) of *Nunavut Planning and Project Assessment Act* (*NuPPAA*), 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*

[2] NPC Conformity Determination, File No. 148261, dated October 21, 2015.
[3] NIRB Screening Decision Report, File No. 11EN010, dated October 5, 2016.

Act (*Act*) and Article 13 of the *Nunavut Agreement*, 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 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 *Nunavut Agreement* and of the *NWNSRTA*, decided to waive the requirement to hold a public hearing, determined that pursuant to its authority under Article 13 of the *Nunavut Agreement* and the *Act*, the Nunavut Water Board hereby grants the following Amended Licence.

Licence Number 2BE-MEA1318 issued March 7, 2013 shall be assigned Licence Number 2BB-MEA1318 and be amended subject to the terms and conditions contained therein (Motion #: 2016-B1-018).

SIGNED this 29th day of November 2016 at Gjoa Haven, NU.

Sincerely,

Lootie Toomasie
Nunavut Water Board
Vice-Chair

WATER LICENCE No. 2BB-MEA1318

BACKGROUND

Agnico Eagle Mines Ltd. (AEM or Licensee or Applicant) submitted an application dated March 31, 2016, to the NWB for an amendment to the existing Water Licence, 2BE-MEA1318, for the Meadowbank Exploration Project. The existing Licence was issued by the NWB on March 7, 2013.

The existing Licence allows for the use of water and deposit waste during Amaruq camp operations and activities related to exploration that include prospecting, geological mapping, geophysical surveys, diamond drilling on land and on ice, trenching and quarrying, water crossings installation during gravel road construction, operation and closure at the Meadowbank Exploration Project. The overall quantity of water permitted for all purposes is 299 cubic metres per day.

CURRENT APPLICATION

The March 31, 2016 Amendment 4 application (Application) includes the development/construction of an underground portal/ramp and operation of an underground drilling and bulk sample program for the removal of 9,000 to 15,000 tonnes (or 4,700 to 7,900 m^3) of ore and approximately 612,400 tonnes (325,700 m^3) of waste rock. In addition to the existing and approved exploration camp infrastructure, services and operations' pads, a storm water storage pond (AP-5), and ramp laydown area with offices / warehouse / garage are proposed to be constructed next to the portal. Two wings are proposed to be added to the present Amaruq camp, and the sewage treatment capacity to be increased.

ISSUES

The following section outlines the issues identified by the NWB and raised by interested parties and provides the background on the terms and conditions imposed within the body of the licence.

Security

In accordance with s. 76(1) of the NWNSRTA, the Board may require a licensee to furnish and maintain security with the Minister, in a form determined by the Regulations or satisfactory to the Minister[4]. Further, in a matter related to the posting of security, the Board may not issue a licence unless the Board is satisfied that the financial responsibility of the applicant, taking into account the applicant's past performance, is adequate for the mitigation measures and any costs associated with the closure or abandonment of the undertaking[5]. For other similar advanced exploration projects, the NWB required that reclamation security be posted[6].

[4] Subsection 76(1) of the NWNSRTA states: 76(1) The Board may require an applicant, a licensee or a prospective assignee to furnish and maintain security with the Minister in the form, of the nature, subject to such terms and conditions in an amount prescribed by, or determined in accordance with, the regulations or that is satisfactory to the Minister.

[5] See subsection 57(b) of the NWNSRTA.

[6] Section 76(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, 2002.

The NWB noted that the Licensee provided a Conceptual Reclamation and Closure Plan that includes a reclamation cost estimate. The RECLAIM 7.0 was used in calculating the cost of reclamation and closure.

The NWB was also provided by Indigenous and Northern Affairs Canada (INAC) with a site assessment and closure estimate completed by INAC's contractor, Arcadis Canada Inc. In its comment, INAC stated *that there is an approximate difference of $2.0 Million between the two closure cost estimates and hopes that an agreement can be reached on Quantum of security under water licence 2BE-MEA1318*.

The Applicant was provided with an opportunity to respond to interveners' comments, and in its response to INAC comments, AEM indicated that *overall, Agnico Eagle is in agreement with INAC's closure cost estimate provided by ARCADIS. Agnico Eagle will work with INAC to resolve the discrepancies between the closure costs estimated by INAC and Agnico Eagle's original estimates.*

The Board has reviewed the activities considered under the application in the context of the financial liability estimate provided by the Applicant as well as gave due consideration to INAC's comments provided in this respect. While the Board believes that there will be opportunities to revisit reclamation cost estimate throughout the Licence term, the Board accepts the amount proposed by INAC and agreed to by AEM as being within reason for the activities indicated.

The Board has included condition under Part B, Item 1 in the Licence requiring the Licensee to furnish and maintain reclamation security in the amount of three million eight hundred eighty – three thousand dollars ($3,883,000), in the form that is satisfactory to the Minister within thirty (30) days from the date of issuance of this Licence.

The Licensee shall also provide annual security updates to the Board, which are to be included within the annual report required by Part B, Item 6(h) of the Licence.

Water Use

The Licence issued on April 4, 2013, permitted a water use volume of 269m^3/day that was increased to 299m^3/day as per Amendment 2 and Amendment 3, dated February 27, 2015 and January 27, 2016, respectively. The application stated that the *quantity of water expected to be used in developing the portal and decline is 5 to 7 m^3/day, which can be accommodated under the quantity of water allowed under the Type B water licence. The additional 35persons in camp will result in an additional 9 m^3/day of water being allocated to camp use. The increased water use can be met within the 299 m^3/day allowed under the Type B water licence.* The NWB notes that these adjustments between water amounts for camp use and drilling/industrial use do not change the overall quantity of water to be used under this Licence. The maximum water use for the project is set at 299m^3/day as described under Part C, Item 1 of the amended Licence.

Although low hydraulic conductivity is expected through the continuous permafrost and talik below Whale Tail Lake, however, the Licensee assumes that groundwater inflows will be encountered during the ramp development. ECCC recommended that the Licensee *identify contingencies for storage and treatment if groundwater quality is not acceptable for discharge*

to the receiving environment (aquatic or terrestrial) and/or larger than predicted volumes of groundwater inflows are encountered.

Within its responses to interveners' comments, AEM included a Water Management Plan entitled "*Water Management and Water Balance related to Amaruq Exploration Portal/Ramp Program, Quarry and Advanced Underground Exploration and Bulk Sample Amaruq Exploration Site, Nunavut*" dated November 15, 2016 and completed by Golder Associates Limited (Golder). The Board has approved this Plan under Part C, Item 2 of the Licence.

The Licensee also included in its responses a document entitled "*Groundwater Quality Investigation, Amaruq, Nunavut*" dated November 15, 2016 and completed by Golder. The Board is aware that as part of the baseline studies for the development of Whale Tail Pit Project, groundwater samples were collected from a Westbay monitoring well installed to target the talik zone below Whale Tail Lake, which is the area targeted for the development of the underground ramp to access the ore for bulk sampling. The Licensee is advised to update the Board with groundwater quality investigation's new results whenever new information becomes available.

Waste Disposal

Waste Rock and Ore Storage

The NWB acknowledges the inclusion within the Application of the Technical Memorandum completed by Golder Associates and entitled "*Evaluation of the Geochemical Properties of Waste Rock from the Underground Ramp, Whale Tail Underground Deposit, Amaruq Mining Project*" that presents the results of the preliminary geochemical assessment and provides recommendations on management of the waste rock from these areas. However, the Board notes that more information is required regarding waste rock and quarry management, specifically with respect to the management of potentially acid-generating (PAG) rock or rock with metal leaching (ML) potential.

Under Part E, Item 6, the Board requires that the Licensee provides to the Board for review, at least sixty (60) days prior to construction, an Acid Rock Drainage and Metal Leaching (ARD-ML) Characterization Plan for Amaruq Site, including underground and operations and quarrying.

Waste Water Disposal

The Main Application Document indicates that the services pad to hold infrastructure supporting underground development, laydown, bulk sample and the operational pad to hold piles of waste rock, aggregate and crusher, will be engineered such that all surface runoff is directed in one direction to simplify water management.

It was also stated that *the services pad will drain to the northwest to enter the drainage path from storm water management pond A-P5. As the pad is to be built of not potentially acid generating (NPAG) rock that does not leach trace metals above water licence criteria shown in Table 5, the major concern will be suspended solids in flowing water. A silt fence will be placed across the flow path to capture suspended solids before the water enters Whale Tail Lake.*
The operations pad will be built of the same types of waste rock as the services pad. However,

the operations pad will hold poles of various rock types encountered in developing the ramp and accesses. The pad will be graded such that water will flow west to storm water storage pond A-P5.

The "*Water Management and Water Balance Related to Amaruq Exploration Portal/Ramp Program, Quarry and Advanced Underground Exploration and Bulk Sample Amaruq Exploration Site, Nunavut*" submitted to the Board as additional information stated that *all contact water (i.e. in A-P5 pond or Quarry 1) that does not meet Type B discharge criteria will be captured, monitored and stored in A-P5, prior to discharge. Based on the water balance results, the storm water storage pond A-P5 will be the main infrastructure of containment for contact water and has the capacity to store 180% of the overall projected contact water volumes between June 2018 and the end of 2020.*

In its comment of November 7, 2016, regarding the potential leachate /run-off from bulk sample stored on the pad, INAC stated that it *would like further clarification here on whether the run-off from these waste pads will be collected in a sump or collection pond prior to testing/sampling.*

AEM responded that *waste rock pad is located within the natural drainage area of A-P5. A-P5 will serve as the collection pond to ensure no contaminants will enter the receiving environment and a diversion structure will be constructed to ensure all drainage is controlled and directed to A-P5.*

The Board notes that in ECCC's comment of November 4, 2016, the Environment and Climate Change Canada (ECCC) acknowledges that the existing Licence includes limits for arsenic, copper, lead, nickel, zinc, total suspended solids, oil and grease and pH applied to effluent discharges from containment ponds, and states that the *increase in drilling and blasting may introduce substances into the water to be managed which are not currently included in the water licence.* ECCC recommends that the licence *discharge criteria be amended to include limits for salinity/chloride and ammonia*. AEM is also requested to *clarify how and where water in A-P5 will be discharged once the berm is installed* as AEM indicated that a berm will be constructed to increase storage capacity and to natural discharge from A-P5 to Whale Lake.

In its response to comments the Licensee agreed with ECCC's recommendation with stating *given the similarities of the groundwater quality at Amaruq to Meadowbank, Agnico Eagle proposes to use the Type 2AM MEA1525 Part F Item 3 Portage Effluent limits for TDS, chloride and ammonia presented in Table 1.*

Parameter	***Maximum Average Concentration***	***Maximum Allowable Grab Sample Concentration***
TDS (mg/L)	*1400*	*1400*
NH_3-N (mg/L)	*16*	*32*
T-Cl^- (mg/L)	*1000*	*2000*

The NWB concurs with ECCC's and AEM's recommendations and has included total dissolved solids, total chloride and ammonia as discharge criteria for the effluent discharge from Storm-water Management Pond A-P5 and other possible trench containment ponds and quarry sumps in addition to the trace metals, pH, total suspended solids, total oil and grease under Part D, Item 14 of the Licence.

Sewage Disposal

The Application states that *additional 35 persons in camp will result in an additional 9 m^3 of water being allocated to camp use*. Therefore, there will be more wastewater and sewage sludge due to the additional persons on-site. It was also stated that *the water returned to the source related to this application is not expected to change the receiving environment water quality as all ramp site contact water will be directed and stored in the storm water storage pond and contained. Prior to discharge to land (to allow for contaminants to attenuate), water quality will be monitored and will not be discharged unless it meets the approved Type B water license criteria*.
The Main Application Document indicates that two "Bionest" Wastewater Treatment Systems (WWTS) will be installed in addition to existing three WTS to increase the wastewater treatment capacity from 33,500 L/day to 53,500 L/day.

The Licensee is advised that Part D, Item 18, requiring to provide a notification to Inspector prior to effluent release is applicable to the Wastewater Treatment System only prior to the beginning of continuous discharge once the treatment system is set up and operational.

The NWB acknowledges that on March 22, 2016, AEM provided an updated Wastewater Treatment System (WWTS) Operation and Maintenance (O&M) Plan, which took into consideration INAC's December 10, 2015 comments and recommendations made with respect to the Amendment 3 Application. The updated WWTS O&M Plan is acceptable by the Board. However, the Licensee is advised that under Part B, Item 12 all Plans referred to in this Licence shall be reviewed/updated, as required by changes in operation and/or technology, for the inclusion within the Annual Report.

OTHER

Environmental Management

Spill Contingency Plan

The Board notes that the Application includes an updated Spill Contingency Plan entitled "*Spill Contingency Plan Exploration Camp, Drill Sites, Portal/Ramp and Quarry*" dated March 2016 with additions regarding the development of a portal/ramp and quarry operations. Under Part H, Item 1 of the Licence, the Board has approved the updated Plan, and advises the Licensee that the next annual update of the plan should reflect changes to Licence number and relevant government organizations, and should include a topographic map indicating site infrastructures and all spill kits' locations.

Quarry Management Plan

The Board notes that the 2015 Annual Report submitted to the NWB on March 18, 2016 included a document entitled: "*Amaruq Gold Project Quarrying Management Plan*" prepared in November 2015 to fulfil the requirements of Amendments No. 2 and 3. The Board has approved the Plan under Part E, Item 7 of this Licence.

Abandonment and Restoration Plan

The Application included also an updated Abandonment and Restoration Plan entitled: "*Conceptual Closure and Reclamation Plan & Reclaim Estimate*" Version 6, March 2016 with updates including the addition of the portal/ramp, two dormitory wings, two "Bionest" sewage treatment plants, two pads to be constructed with waste rock, a quarry, and a reclamation cost estimate. Under Part I, Item 1, the Board has approved the updated Plan, and advises the Licensee that the next annual update of the plan should reflect changes to Licence number and relevant government organizations along with the closure cost estimate.

Monitoring

To ensure consistency with other comparable advanced exploration and bulk sampling projects in Nunavut, the Board requires that the Licensee establish, implement and report on the Monitoring Program outlined in Part J of the licence. In addition to the existing Monitoring Stations, the Licensee shall establish a station to monitor the effluent discharged from Storm-water Management Pond A-P5 in accordance with the Part D, Item 14. This is also applicable to any potential trench water containment ponds.
The Board has also included monitoring requirements for the run-off and/or discharge from the quarry sites to receiving environment in addition to the monitoring requirements associated with drillings.
The Licensee is also required to submit to the Board for review within the 2016 Annual Report, a Quality Assurance/Quality Control Plan (QA/QC) prepared in accordance with and in consultation with the accredited laboratory conducting the analyses. The Plan shall include a cover letter from the accredited laboratory confirming approval of the Plan for analyses to be performed under this Licence.

Other Applicable Legislation

The Licensee is directed to the written submissions received during the public review period for this Application for Amendment 4, specifically to the comments received from Environment and Climate Change Canada (ECCC) and Indigenous and Northern Affairs Canada (INAC). The Licensee is reminded that compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all other applicable Federal, Territorial and Municipal legislation.

The NWB notes that INAC October 20, 2015 Inspection identified some operational non-compliance issues. The Board advises that the Licensee give serious consideration to INAC Inspector's recommendations, and in the interim take necessary steps practicable to prevent any impact to the environment.

WATER LICENCE No. 2BB-MEA1318 (Licence 2BE-MEA1318 – Amendment 4)

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

AGNICO EAGLE MINES LTD.

(Licensee)

C.P. 87, 765 CH. DE LA MINE GOLDEX, VAL-D'OR QUEBEC J9P 4N9

(Mailing Address)

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

Licence Number/Type:	2BB-MEA1318 / TYPE "B"
Water Management Area:	THELON / BAKER LAKE / QUOICH / BACK / WATERSHEDS (5 / 8 / 9 / 31)
Location:	MEADOWBANK ADVANCED EXPLORATION PROJECT - KIVALLIQ REGION, NUNAVUT
Classification:	MINING UNDERTAKING
Purpose:	DIRECT WATER USE AND DEPOSIT OF WASTE
Quantity of Water use not to Exceed:	TWO HUNDRED AND NINETY-NINE (299) CUBIC METRES PER DAY
Date of Amendment Issuance:	DECEMBER 01, 2016 (ORIGINAL LICENCE ISSUED MARCH 7, 2013)
Expiry of Licence:	MARCH 6, 2018

This Licence renewal, issued and recorded at Gjoa Haven, Nunavut, includes and is subject to the annexed conditions.

Lootie Toomasie,
Nunavut Water Board, Vice-Chair

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of water and the deposit of waste for a Mining Undertaking classified as per Schedule I of the Regulations at the Meadowbank Advanced Exploration Project, located approximately 70-125 km north of the Hamlet of Baker Lake within the Kivalliq Region, Nunavut. Activities associated with the project include camp operation, treatment and disposal of greywater and sewage, fuel storage, environmental baseline data collection, prospecting, geological mapping, geophysical surveys, diamond and reverse circulation drilling, underground development and underground exploration drilling, bulk sampling, construction of pads and handling and storage of waste rock and ore on pads, water crossings' installations, trenching and quarrying.

a. 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

b. 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.

2. Definitions

"**Act**" means the *Nunavut Waters and Nunavut Surface Rights Tribunal Act;*

"**Addendum**" means the supplemental text that is added to a full plan or report usually included at the end of the document and is not intended to require a full resubmission of the revised report.

"**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;*

"Bulk Sampling" means the activities described in the Amendment Application and supporting documents dated March 31, 2016.

"Effluent" means treated or untreated liquid waste material that is discharged into the environment from a structure such as a settling pond, landfarm or a water treatment plant;

"Engineer" means a professional engineer registered to practice in Nunavut in accordance with the *Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2* and the *Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by S.N.W.T. 2009, c.12*;

"**Fuel Storage Facility**" means the fuel storage facility as described in the Amendment Application and supporting documents dated March 31, 2016;

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

"**High Water Mark**" means the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities);

"ICP Scan" means the laboratory method for determining trace metals in water through Emission Spectroscopy using inductively coupled plasma (including from approximately 22 to 32 elements, depending on the laboratory performing the analysis);

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

"Licensee" means the holder of this Licence;

"**Minister**" means the Minister of Indigenous and Northern Affairs Canada (INAC)

"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 Agreement" 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 *Nunavut Waters Regulations* (SOR/2013/669 18th April, 2013);

"Sewage" means all toilet wastes and greywater;

"Spill Contingency Plan" means a Plan developed to deal with unforeseen petroleum and hazardous materials events that may occur during the operations conducted under the Licence;

"Storm-water Management Pond A-P5" means a facility designed to temporarily contain runoff from areas impacted by activities, and site infrastructure, specifically the services

and operation pads with waste rock and ore stockpiles and groundwater as described in the Amendment Application and supporting documents dated March 31, 2016;

"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;

"Trench Water Containment" means the lined sump or sumps, poly tank or other means of containment for water that has collected within the blasted and excavated trench(s) and subsequently removed for disposal upon confirmation of water quality;

"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.

"Wastewater Treatment System (WWTS)" means the wastewater treatment system as described in the Amendment Application and associated documents, received on March 31, 2016.

"Water" or "Waters" means waters as defined in section 4 of the Act.

"**Water Supply Facilities**" means the Fresh Water Intake and associated infrastructure as described in the Amendment Application and supporting documents dated March 31, 2016.

3. **Enforcement**

a. 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*;

b. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and

c. 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 Licensee shall, within thirty (30) days of issuance of this Licence, furnish and maintain security with the Minister in the form in accordance with the Regulations, or that is

satisfactory to the Minister in the amount of three million and eight hundred eighty–three thousand dollars ($3,883,000).

2. The Licensee shall furnish and maintain such further or other amounts of security as may be required by the Board based on annual estimates of current Meadowbank Advanced Exploration Project restoration liability using the current version of RECLAIM, its equivalent or other similar method approved by the Board, in accordance with principles of INAC's "Mine Site Reclamation Policy for Nunavut" (2002).

3. The Licensee may, submit to the Board for approval, a written request for a reduction to the amount of security. The submission shall include supporting evidence to justify the request.

4. The security deposit shall be maintained until such time as the Minister is satisfied that the Licensee has complied with all provisions of the approved Abandonment and Restoration Plan. This clause shall survive the expiry of this Licence.

5. The amount of Water use fees shall be determined and payment of those fees shall be made in accordance with section 12 of the *Regulations.*

6. The 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, containing the following information:

    a. The daily, monthly and annual quantities in cubic metres of all freshwater obtained for all purposes at Monitoring Station MEA-1;
    b. The daily, monthly and annual quantities in cubic metres of water pumped from the underground;
    c. An estimate of the current volume of waste rock and ore stockpiled on site;
    d. Tabular summary of all data generated under the Monitoring Program, Part J;
    e. A summary of modification and/or major maintenance work carried out on the Water Supply Facilities, Bulk Fuel Storage and Containment Facilities, and Wastewater Treatment Facility, including all associated structures, and an outline of any work anticipated for the next year;
    f. A list of unauthorized discharges and a summary of follow-up actions taken;
    g. Any revisions to the Spill Contingency Plan, Water Management Plan, Waste Management Plan, Quarry Management Plan, Abandonment and Restoration Plan, as required by Part B, Item 12, submitted in the form of an Addendum;
    h. An updated estimate of the current Meadowbank Advanced Exploration Project restoration and liability, as required under Part B, Item 2, based upon the results of the restoration research, project development monitoring, and any modifications to the site plan;
    i. A summary of drilling/trenching activities and progressive reclamation of drill/trench sites;
    j. Report all artesian flow occurrences as required under Part F, Item 7;
    k. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;

l. A summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed;
m. A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted; and
n. Any other details on water use or waste disposal requested by the Board by the 1st of November of the year being reported.

7. The Licensee shall notify the NWB of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.
8. The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of water volumes as required under Part J, Item 1.

9. The Licensee shall post signs in the appropriate areas to inform the on-site personnel and public of the location of the Water Supply Facility, Wastewater Treatment System and Monitoring Stations. All signs shall be in English and Inuktitut.

10. 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.

11. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.

12. The Licensee shall review the Plans referred to in this Licence, as required by changes in operation and/or technology, and modify the Plan accordingly. Revisions to the Plans shall be submitted in the form of an Addendum to be included with the Annual Report.

13. 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 conditions 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.

14. 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:

(a) Manager of Licensing:
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369
Email: licensing@nwb-oen.ca

(b) Inspector Contact:
Manager of Field Operations, INAC

Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4295
Fax: (867) 979-6445

15. 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 (and/or Inuinnaqtun).
16. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the NWB is received and acknowledged by the Manager of Licensing.

17. This Licence is assignable as provided for in section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all domestic freshwater for the Amaruq Camp from Whale Tail Lake as outlined in the application. Drill/industrial water shall be obtained from local water source(s), proximal to the drilling targets as outlined in the application. The volume of water for the purposes of this Licence shall not exceed two hundred and ninety-nine (299) cubic metres *per day*.

2. The Board has approved the Plan entitled: "Water Management and Water Balance related to Amaruq Exploration Portal/Ramp Program, Quarry and Advanced Underground Exploration and Bulk Sample Amaruq Exploration Site, Nunavut" dated November 15, 2016 and submitted as additional information within the Application.

3. Streams cannot be used as a water source unless authorized and approved by the Board in writing.

4. If the Licensee requires water in sufficient volume that the source water body may be drawn down, the Licensee shall, at least thirty (30) days prior to commencement of use of water, submit to the Board for approval in writing, the following: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.

5. The Licensee shall equip all water intake hoses with a screen of an appropriate mesh size to ensure that fish are not entrained and shall withdraw water at a rate such that fish do not become impinged on the screen.

6. The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized.

7. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.

8. Sediment and erosion control measures shall be implemented prior to and maintained during the undertaking to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall locate areas designated for waste disposal at a minimum distance of thirty-one (31) metres from the ordinary High Water Mark of any water body such that the quality, quantity or flow of water is not impaired, unless otherwise approved by the Board in writing.

2. The Licensee shall not practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.

3. The Licensee is authorized to dispose of all acceptable food waste, paper waste and untreated wood products in an incinerator.

4. The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters, unless otherwise approved by the Board in writing.

5. The Licensee shall provide to the Board, documented authorization from the community of Baker Lake, prior to the backhauling and disposal of any waste.

6. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation at a licensed waste disposal site.

7. The Licensee shall maintain records of all waste backhauled and records of confirmation of proper disposal of backhauled waste. These records shall be made available to an Inspector upon request.

8. The Licensee shall dispose of all Greywater to a sump located a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing. Upon commissioning of the Wastewater Treatment System "Bionest" (WWTS), the Licensee shall direct all Greywater to the WWTS, unless otherwise approved by Board in writing.

9. The Licensee shall collect and remove all Toilet Wastes to the Meadowbank Mine site for disposal, or contain in latrine pits or treat, using incineration, chemical, portable or composting toilets. Latrine pits shall be located at a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any water body, treated with lime and covered with native material to achieve the pre-existing natural contours of the land prior to abandonment. Upon commissioning of the Wastewater Treatment System "Bionest" (WWTS), the Licensee shall direct all Toilet Wastes to the WWTS, unless otherwise approved by Board in writing.

10. All Wastewater effluent discharged from the Wastewater Treatment System (WWTS), at

Monitoring Station MEA-2 shall not exceed the following Effluent quality limits:

Parameter	Maximum Concentration of any Grab Sample
pH	6.0 to 9.5
Biochemical Oxygen Demand (BOD5)	80 mg/L
Total Suspended Solids (TSS)	100 mg/L
Fecal Coliforms	1000 CFU/100mL
Oil and Grease	5 mg/L & No visible sheen

11. All solid waste (sludge) from WWTS shall be disposed of in latrine pits that shall be located at a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any water body, treated with lime and covered with native material to achieve the pre-existing natural contours of the land prior to abandonment.

12. The Licensee shall direct all Water accumulated in blasted or excavated trenches to a Trench Water Containment to allow for sampling prior to release. Water collected in hand-dug trenches shall be directed to a natural depression sump, as required by Part D, Item 1.

13. All Effluent discharged from Fuel Storage Facility at Monitoring Station MEA-3, shall not exceed the following Effluent quality limits:

Parameter	Maximum Concentration of any Grab Sample (µg/L)
Benzene	370
Ethylbenzene	2
Toluene	90
Lead	1
Oil and Grease	15,000 and no visible sheen

14. All Effluent discharged from Storm-water Management Pond A-P5 at Monitoring Station MEA-4 and from trench-water containments and quarry sumps shall be carried out in accordance with Part D, Item 1, directed to a natural depression where direct flow into a water body is not possible and no additional impacts are created. All Effluent discharges shall not exceed the following Effluent quality limits:

Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration of any Grab Sample (mg/L)
Total Ammonia	16	32
Total Arsenic	0.5	1.00
Total Chloride	1000	2000
Total Copper	0.30	0.60
Total Lead	0.20	0.40
Total Nickel	0.50	1.00
Total Zinc	0.50	1.00
Total Suspended Solids	25	50

(TSS)		
Total Dissolved Solids (TDS)	1400	1400
Oil and Grease	No visible sheen	No visible sheen
pH	6.0-9.5	6.0-9.5

15. All discharges shall be released in such a manner to minimize surface erosion. Upon confirming compliance required of Part D, Item 14, water to be released to the environment may be used for other industrial purposes, including use for dust suppression activities on roads and quarries as well as drilling.

16. In the event that Effluent planned for discharge exceeds the limits provided in Part D, Items 10, 13 and/or 14, the Licensee shall investigate the cause of the noted exceedance and report any findings, along with planned mitigation measures to meet these limits, prior to any discharge.

17. The Licensee shall provide at least ten (10) days' notification to an Inspector, prior to initiating the release of Effluent from any facilities in this Part. The notice shall include water quality results, an estimate of volume and the proposed receiving location.

18. The Licensee shall maintain all constructed facilities, including the Wastewater Treatment Facilities, Bulk Fuel Storage Facility, Portal/Ramp, Services and Operation Pads, Quarry and Containment Pond(s), to the satisfaction of an Inspector.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

1. The Licensee shall not erect camps or store material on the surface of frozen streams or lakes including the immediate banks except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.

2. The Licensee shall conduct all activities in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake corrective measures in the event of any impacts on surface drainage.

3. The Licensee shall construct all winter lake and stream crossings, including ice bridges, entirely of water, ice or snow. The Licensee shall minimize disturbance by locating ice bridges in an area that requires the minimum approach grading and the shortest crossing route. Stream crossings shall be removed or the ice notched prior to spring break-up.

4. With respect to access road, pad construction or other earthworks, the deposition of debris or sediment into or onto any water body is prohibited. These materials shall be disposed at a distance of at least thirty-one (31) metres from the ordinary High Water Mark in such a fashion that they do not enter Water.

5. The Licensee shall not mobilize heavy equipment or vehicles for trenching or other activities unless the ground surface is capable of fully supporting the equipment or vehicles

without rutting or gouging. Overland travel of equipment or vehicles shall be suspended if rutting occurs.

6. The Licensee shall submit to the Board for review, at least sixty (60) days prior to construction, an Acid Rock Drainage and Metal Leaching (ARD-ML) Characterization Plan for Amaruq site, including underground and operations and quarrying.

7. The Board has approved the Plan entitled: "Amaruq Gold Project Quarrying Management Plan" dated November 2015 and submitted within the 2015 Annual Report.

8. The Licensee shall submit to the Board for review within thirty (30) days prior to construction, issued-for-construction drawings for all engineered project infrastructures (i.e. roads, camp pad construction, water crossings) stamped by a qualified Engineer. A Construction Summary Report including as-built plans and drawings stamped by a qualified Engineer shall be submitted to the Board within ninety (90) days of completing construction undertakings.

9. The Licensee shall maintain a minimum of thirty-one (31) metres large undisturbed buffer zone between the periphery of quarry sites and the high water mark of any water body. The Licensee shall not excavate and/or remove material from the quarry beyond a depth of one (1) meter above the high water mark or above the groundwater table, to prevent the contamination of groundwater. The quarrying shall be in accordance with all applicable legislation and industry standards including the *Northern Land Use Guidelines, Pits and Quarries* (INAC, 2010).

10. Sediment and erosion control measures shall be implemented prior to and maintained during the construction and operation where necessary to prevent entry of sediment into water.

11. The Licensee shall ensure that all containment and runoff control structures are constructed and maintained to prevent escape of wastes to the surface or groundwater systems.

12. The Licensee shall limit any in-stream activity including crossing/fiording to low water period. Machinery fording the watercourse to bring equipment required for construction to the opposite side is limited to a one-time event (over and back) and should occur only if an existing crossing at another location is not available or practical to use. In-stream activity is prohibited during fish migration.

13. The Licensee shall only use rock for construction that is determined to be non-acid generating and non-metal leaching.

14. The Licensee shall, for the purposes of clear span bridge installation, ensure that all activities remain outside of the natural channel width by the placement of abutments, footings or armoring above the ordinary high water mark so that there is no restriction to the natural channel processes.

15. With respect to construction or other earthworks where direct or indirect flow into a water body is possible, the deposition of debris or sediment into or onto any water body is

prohibited. These materials shall be disposed a distance of at least thirty-one (31) metres from the ordinary High Water Mark in such a fashion that they do not enter the water.

16. All surface runoff during the construction of any facilities, where flow may directly or indirectly enter a water body, shall meet the following Effluent quality limits:

Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
Total Suspended Solids	50.0	100.0

17. The Licensee shall ensure that all construction of engineered structures is supervised and field checked by an appropriately qualified and experienced Engineer in such a manner that the project specification can be enforced and, where required, and the quality control measures can be followed. The Licensee shall maintain and make available at the request of the Board and/or an Inspector, all construction records of all engineered structures.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS AND TRENCHING

1. The Licensee shall not conduct any land-based drilling / trenching within thirty-one (31) metres of the ordinary High Water Mark of any water body, except drilling specified in Part F, Item 2, and unless otherwise approved by the Board in writing.

2. The Licensee is authorized to conduct land-based drilling within thirty-one (31) metres of the ordinary High Water Mark of any water body during winter conditions within the project area, as identified in the Amendment Application and associated documents received on April 8, 2011.

3. The Licensee shall, when conducting drilling within thirty-one (31) metres of the ordinary High Water Mark, carry out activities on stable ground such as frozen tundra or bedrock, to prevent disturbance to the natural ground and limit erosion and sedimentation.

4. The Licensee is authorized to conduct drilling based on barge within two lakes, as described in the Amendment Application and associated documents received in July / August, 2015.

5. The Licensee shall establish water quality conditions of adjacent Waters or Waters immediately downstream of any drilling program within thirty-one (31) metres of the ordinary High Water Mark of any water body:

   a. prior to any such drilling program as per Part J, Item 9;
   b. upon completion of any such drilling program; and
   c. the summer season following any such drilling program.

6. The Licensee shall dispose of all drill waste, including water, chips, muds and salts ($CaCl_2$) in any quantity or concentration, from land-based and on-ice drilling, in a properly constructed sump or an appropriate natural depression located at a distance of at least thirty-

one (31) metres from the ordinary High Water Mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.

7. If artesian flow is encountered, drill holes shall be immediately sealed and permanently capped to prevent induced contamination of groundwater or salinization of surface waters. The Licensee shall report all artesian flow occurrences within the Annual Report, including the location (GPS coordinates) and dates.

8. Drilling additives or mud shall not be used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.

9. For "on-ice" drilling where drill additives are not being used, return water released must be nontoxic, and not result in an increase in total suspended solids in the immediate receiving waters, above the Canadian Council of Ministers for the Environment, Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).

10. The Licensee shall establish water quality conditions prior to and upon completion of any drilling program through lake ice.

11. The Licensee shall, during trenching activities utilizing blasting, provide mitigation measures to prevent the transport of rock material, explosives residues, sediment and other materials from entering water as required by Part C, Item 9 and Part E, Item 4.

12. The Licensee shall stockpile all overburden/topsoil generated during trenching using proper erosion prevention measures. Upon completion of operation, the Licensee shall backfill, reclaim/re-contour and re-vegetate all disturbed areas.

13. The Licensee shall provide to the Board for review, at least sixty (60) days prior to the beginning of trenching operations, a proposed Trenching Plan which shall include the following:

    a. Size and location of trenches including GPS coordinates;
    b. Approximate dimensions (length, width and depth) of each trench;
    c. Proposed mitigation measures for the prevention of the transport of sediments, blasting residues, fly rock and other materials, from the trench area to nearby water bodies;
    d. Projected volume and quality of water discharged from each trench with potential treatment required; and
    e. Proposed monitoring program to be carried out on trench waste water prior to discharge.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee may, without written consent from the Board, carry out Modifications to the Water Supply Facilities and Waste Disposal Facilities provided that such Modifications are

consistent with the terms of this Licence and the following requirements are met:

a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
c. such Modifications are consistent with the NIRB Screening Decision;
d. the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and
e. the Board has not rejected the proposed Modifications.

2. Modifications for which all of the conditions referred to in Part G, Item 1 have not been met can be carried out only with written approval from the Board.

3. The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

1. The Board has approved the Plan entitled "*Amaruq Gold Project Spill Contingency Plan Meadowbank Exploration Camp, Drill Sites, Portal/Ramp and Quarry"*, updated March 2016 and submitted as additional information within the Application.

2. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering Water. All sumps and fuel caches shall be located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent water body and inspected on a regular basis. An exception to this condition is provided for in Part H, Item 4.

3. The Licensee shall provide secondary containment for a limited fuel supply and all external pumps and motorized equipment used in drilling operations as authorized per Part F, Item 2 where drilling occurs within thirty-one (31) metres of the ordinary High Water Mark.

4. The Licensee shall conduct equipment maintenance and servicing in designated areas and shall implement special procedures (such as the use of drip pans) to manage motor fluids and other waste and contain potential spills.

5. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:

a. Employ the approved Spill Contingency Plan;
b. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and
c. 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 I: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION OR TEMPORARY CLOSURE

1. The Board has approved the Plan entitled "*Conceptual Closure and Reclamation Plan & Reclaim Estimate"*, updated March 2016 and submitted as additional information within the Application.

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 backfill and restore all sumps to the pre-existing natural contours of the land.

5. The Licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this Licence.

6. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.

7. The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.

8. In order to promote 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.

9. Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to meet objectives as outlined in the Government of Nunavut's Environmental Guideline for Site Remediation, 2010. The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.

10. The Licensee shall restore all drill holes, trenches and disturbed areas to natural conditions immediately upon completion of the drilling or trenching. The restoration of drill holes must include the removal of any drill casing materials and if having encountered artesian flow, the capping of holes with a permanent seal. Where drill casings cannot be removed the Licensee shall cut off the casings at ground level and identify with signage.

11. The Licensee may leave the casings on site, if it intends to continue drilling in existing casings, but shall add signaling to keep the area safe for the other territory users. The drill casings left cannot stay on the field for more than 2 years after the drilling.

12. The Licensee may store drill cores produced by the appurtenant undertaking in an appropriate manner and location at least thirty-one (31) metres above the ordinary High Water Mark of any adjacent water body, where any direct flow into a water body is not possible and no additional impacts are created.

13. The Licensee shall contour and stabilize all disturbed areas to a pre-disturbed state upon completion of work.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp at Monitoring Station MEA-1, and for drilling and other purposes.

2. The Licensee shall, at a minimum, maintain Monitoring Stations at the following locations:

Monitoring Station	Description	Status
MEA-1	Amaruq (IVR) Camp Water Intake	Volume
MEA-2	Effluent discharged from the Wastewater Treatment System "Bionest" (WWTS)	Volume and Effluent Quality
MEA-3	Effluent discharged from the Bulk Fuel Storage Facilities	Volume and Effluent Quality
MEA-4	Effluent discharged from Storm-water Management Pond A-P5 and Trench-water containment ponds	Volume and Effluent Quality

3. The Licensee shall sample the effluent discharging from the WWTS at Monitoring Station MEA-2 prior to being released into environment in order to provide confirmation of effluent quality as required by Part D, Item 10, for the following parameters:

pH
Biochemical Oxygen Demand (BOD_5)
Total Suspended Solids (TSS)
Fecal Coliforms
Oil and Grease (and visual)

4. The Licensee shall the effluent discharging from the Bulk Fuel Storage Facilities at Monitoring Station MEA-3 prior to being released into environment in order to provide confirmation of effluent quality as required by Part D, Item 13.

5. The Licensee shall sample the effluent discharging from Storm-water Management Pond and other containment ponds at Monitoring Station MEA-4 prior to being released into environment in order to provide confirmation of effluent quality as required by Part D, Item 14.

6. The Licensee shall provide the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized for all purposes.

7. The Licensee shall provide the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with camp operations and exploration activities are deposited including sump locations associated with drilling and drill casings left as stuck and cut off and for further drilling in casings.

8. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all drill holes located within thirty-one (31) metres of the ordinary High Water Mark, as per Part F, Item 2, and provide these locations on a map of suitable scale for review as part of the annual report.

9. The Licensee shall establish background and post drilling water quality for pH, conductivity, temperature and dissolved oxygen at the nearest downstream water body to drill locations. Monitoring is to be done just prior to commencement of drilling and weekly thereafter, concluding one week after drilling has been completed and the site restored.

10. The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Items 9 and 10. Monitoring shall include, at a minimum, the following:

Group	Parameters
Physical Parameters	pH, electrical conductivity, total suspended solids.
Major Ions	Calcium, chloride, magnesium, potassium, sodium, sulphate.
Total Metals	Aluminum, antimony, arsenic, barium, beryllium, boron, cadmium, chromium, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, selenium, silver, strontium, tin, titanium, uranium, vanadium and zinc.

11. The Licensee shall establish baseline water quality conditions prior to drilling within thirty-one (31) metres of the ordinary High Water Mark as per Part F, Items 2 and 3. Monitoring shall include the following:

Group	Parameters
Physical Parameters	pH, electrical conductivity, total suspended solids, turbidity.

Major Ions	Calcium, chloride, magnesium, potassium, sodium, sulphate.
Total Metals	Aluminum, antimony, arsenic, barium, beryllium, boron, cadmium, chromium, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, selenium, silver, strontium, tin, titanium, uranium, vanadium and zinc.

12. The Licensee shall, where turbidity is observed in adjacent waters or waters immediately downstream of any drilling program conducted within thirty-one (31) metres of the ordinary High Water Mark of any water body, during summer following any such drilling program as per Part F, Item 5 (c), conduct additional monitoring of the parameters listed in Part J, Item 10 to determine whether any further mitigation is required.

13. The Licensee shall monitor runoff and/or discharge from the quarry sites to receiving environment, during blasting activities, during periods of flow and following significant precipitation events, on a monthly basis, for the following parameters:

Group	Parameters
Physical Parameters	pH (field and laboratory), temperature (field), alkalinity, bicarbonate, carbonate, electrical conductivity, hardness, hydroxide, ion balance, total dissolved solids, total suspended sediments.
Nutrients	Ammonia-nitrogen, nitrate nitrogen, nitrite-nitrogen, ortho-phosphate.
Major Ions	Calcium, chloride, magnesium, potassium, sodium, sulphate.
Total Metals	Aluminum, antimony, arsenic, barium, beryllium, boron, cadmium, chromium, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, selenium, silver, strontium, tin, titanium, uranium, vanadium and zinc.

14. The Licensee shall, during periods of flow and just after a major rainfall event, conduct water quality testing immediately upstream and downstream of the water crossings, any significant water seeps in contact with the road and any flows originating from borrow pits or rock quarries on a monthly basis prior to construction, during the construction and upon completion for the parameters listed under Part J, Item 11.

15. The Licensee shall implement a water crossings visual inspection and maintenance program prior to, during spring freshet and after heavy rainfall events to identify issues related to watercourse crossings structural integrity and hydraulic function.

16. The Licensee shall submit to the Board for review within the 2016 Annual Report, a Quality Assurance/Quality Control Plan (QA/QC) prepared in accordance with and in consultation with the accredited laboratory conducting the analyses. The Plan shall include a cover letter from the accredited laboratory confirming approval of the Plan for analyses to be performed under this Licence. This Plan shall be developed in accordance with current Standard

Methods and the 1996 Quality Assurance (QA) and Quality Control (QC) Guidelines for Use by Class "A" (INAC).

17. The Licensee shall annually review the approved Quality Assurance/Quality Control plan and modify it as necessary. Proposed changes shall be submitted to an accredited laboratory for approval.

18. 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 in writing.

19. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.

20. The Licensee shall include in the Annual Report required under Part B, Item 2 and in Construction Summary Report required under Part E, Item 8 all data, monitoring results and information required by this Part.

21. Additional monitoring may be requested by the Inspector.