

P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪ ᑲᓂᓕᓂᓪ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BB-MEL0709**

August 2, 2007

Mark Balog
Comaplex Minerals Corp.
901, 1015 4th St. SW,
Calgary AB T2R 1J4
Email: mbalog@comaplex.com

**RE: Amendment of Licence 2BB-MEL0709 (Previously 2BE-MEL0709)
Meliadine West Exploration and Bulk Sampling Project**

Dear Mr. Balog,

Please find attached amended Licence No. **2BB-MEL0709** issued to Comaplex Minerals Corp. 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 Licence related to water use and waste disposal 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 disposal must cease, or the Licensee will be in contravention of the Nunavut Land Claims Agreement. 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.

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 applications 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 thirty (30) 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 acknowledged by the Manager of Licensing.

.../2

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. Comments were received from the Government of Nunavut Department of Environment, Indian and Northern Affairs Canada and Environment Canada. The NWB notes that the Government of Nunavut and Environment Canada recommend the installation of an incineration device that is capable of meeting emission limits established under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions. All comments are attached for your consideration.

Sincerely,



Thomas Kabloona
A/Chief Executive Officer

TK/tla/dh

Enclosure: Licence No. 2BB-MEL0709
Comments GN-DoE, INAC, EC.

cc:	Andrew Keim	INAC
	Carson Gillis	NTI
	Cindy Parker	EC
	Colette Spagnuolo	INAC
	Earle Baddaloo	GN
	Erin Calder	NWMB
	Stephen Hartman	KivIA
	Jim Rogers	INAC
	John Dawe	GN
	Paul Savoie	DFO
	Peter Kusugak	INAC
	Leslie Payette	NIRB

DECISION LICENCE AMENDMENT No. 1

Licensee:	Comaplex Minerals Corp.
Previous Licence No:	2BE-MEL0709 Type "B"
New Licence No:	2BB-MEL0709
Date of Licence:	February 23, 2007
Effective Date of Amendment No.1:	July 31, 2007

This is the decision of the Nunavut Water Board (NWB) with respect to an application for an amendment to Water Licence No. 2BE-MEL0709 issued February 23, 2007 made by:

COMAPLEX MINERALS CORPORATION

to allow for the use of water and disposal of waste to for exploration and bulk sampling operations, camp operations, domestic waste treatment and/or disposal, fuel containment, and all associated uses at the Meliadine West Exploration and Bulk Sampling Project. This Project is located 35-km northwest of the community of Rankin Inlet in the Kivalliq Region, Nunavut, with the approximate geographical coordinates:

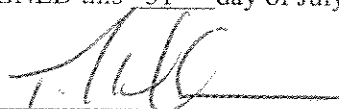
Latitude: 63°1'30"N Longitude: 92° 10'20"W (existing Meliadine camp location)

After having been satisfied that the application was in conformity with the applicable Land Use Plan and exempt from the requirement for screening by the Nunavut Impact Review Board in accordance with Schedule 12.1, Paragraph 5 of the *Nunavut Land Claim Agreement* (NLCA), 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 Act* (NWNSRTA) and Article 13 of the NLCA, 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 NLCA 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 *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the Nunavut Water Board hereby grants the following licence amendment.

Licence Number 2BE-MEL0709 issued February 23, 2007 shall be assigned to Licence Number 2BB-MEL0709 and amended subject to the terms and conditions contained therein. (Motion #: 2007-2007-06-04)

SIGNED this 31st day of July 2007 at Gjoa Haven, NU.



Thomas Kabloona
A/Chief Executive Officer

LICENCE NUMBER: 2BB-MEL0709

BACKGROUND

Comaplex Minerals Corp. (Licensee) submitted an application dated May 3, 2007 to the NWB for an amendment to the existing water Licence (2BE-MEL0709) for the Meliadine West Exploration Project. The existing Licence was issued by the NWB on February 23, 2007.

The existing Licence was subject to a public comment period and review and covered surface drilling, operation of a camp for up to 50 people, domestic water use and waste disposal. The overall quantity of water permitted for all purposes was 80 cubic metres.

CURRENT APPLICATION

The May 3, 2007 amendment application includes the operation of an underground drilling and bulk sample program for the removal of 12,860 tonnes of ore and approximately 57,000 cubic metres of waste rock. The underground exploration program requires an additional 10 cubic metres of water from a new water source. The amendment involves stockpiling waste rock and ore on the surface and the operation of a processing area to crush/screen and assemble representative samples of the ore for metallurgical testing off site.

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

The NWB has noted that the Licensee provided a letter of credit valued at \$950,000 on file with the Kivalliq Inuit Association. Justification for the amount of current restoration liability was not provided to the NWB for review. For other similar projects, the NWB has required a security deposit¹. Given the change in activities proposed for the site, which include the removal of 12,860 tonnes of mineralized rock and 57,000 cubic metres of waste rock from the underground decline for storage on surface, the NWB will require that the Licensee provide an updated estimate of current Meliadine West Project site restoration liability as required under Part B, Item 2 of the Licence. The Licensee must also provide annual security updates to the Board, which are to be included in the annual report required by Part B, Item 5(ix) of the Licence.

Water Use

The Licence issued on February 23, 2007 permitted a water use volume of 80m³/day. The water

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

use under this Licence has been adjusted to reflect the additional 10 m³/day of water required for the underground exploration and bulk sampling activities proposed by the Licensee. The maximum water use for the project is set at 90m³/day as described under Part C, Item 1 of the amended Licence.

Waste Disposal

Waste Rock and Ore Storage

The Board agrees with the concerns brought forward by Indian and Northern Affairs Canada, Environment Canada, and the Government of Nunavut concerning runoff from the storage pads and the potential for negative impacts on nearby freshwater sources. Based on the current uncertainty regarding the volumes and concentrations of contaminants from these areas, and the need to understand and ensure that the potential impacts for ARD and Metal Leaching are assessed, managed and mitigated, the NWB has imposed the requirement for the Licensee to submit for approval, a Waste Rock and Ore Storage Management Plan **prior to the storage of rock on surface**. This Plan, requested under Part E, Item 6 of the Licence, requires that the Licensee address the design and operation of the storage pads and include measures to collect and contain runoff for monitoring prior to discharge to the surrounding environment. These measures were initially supported by the Nunavut Impact Review Board's (NIRB) Screening Decision², which stated "*NIRB is recommending the use of berms to collect runoff in the immediate locations around the ore stockpile and waste rock areas.*"

Spray Irrigation

The NWB notes a number of issues with the proposed spray irrigation for the treatment of ammonia from waste rock and ore stockpiles surface runoff and seepage. The NWB concurs with the comments and recommendations provided by Environment Canada and the Government of Nunavut, which state that more site-specific information is required in order to ensure that this method would be effective and not cause additional adverse affects. Although the Licensee provided a response to those comments stating that:

"Spray irrigation is an accepted and effective method of dispersing ammonia out of water"

this finding is based on a study by Microbial Technologies (Sept 2003) for spray irrigation dispersal of ammonia from mine water at the Jericho Mine. The NWB references the NIRB's Final Hearing Report for the Jericho Diamond Project which did not approve spray irrigation. Rather, condition 38 of the Report requires that:

"...spray irrigation, if it is incorporated as a project component in the future, is referred back to NIRB with further design detail to be dealt with under NLCA Article 12.4.3". (pg. 86)

Although NIRB recommended that water quality monitoring be undertaken if spray irrigation is

² Screening Decision Report NIRB File No.: 07EN044, Dated July 3, 2007.

used for dealing with ammonia, the NWB is concerned that other potential ecosystemic impacts, such as metal accumulation in soils and uptake by plants, have not been fully considered. This concern is relevant based on leach extraction test results summarized in the SRK Memo³, and submitted as part of the amendment application, which states on page. 10 that:

“concentrations of aluminum, arsenic, copper and zinc were slightly elevated compared to CCME aquatic life guidelines in the mafic volcanic sample, and concentrations of aluminum and arsenic were slightly elevated compared to CCME aquatic life guidelines in the greywacke sample. Potential for release of trace concentrations of these elements is consistent with the mineralogy and elemental composition of the samples. The number of samples is too few to determine the potential variability in concentrations within or between each of these rock types. However, once further information on the underground development plans is available, these data could be used in scoping level calculations to provide an initial indication of the potential magnitude of contaminant loading. If those calculations indicate potential for impacts, further testing may be warranted”.

Given the present uncertainties, which include a lack of kinetic testing analysis, details regarding the volumes of runoff and ecosystemic impacts, the Board does not approve the use of spray irrigation for the treatment of ammonia at this time. Should the Licensee wish to pursue spray irrigation as an option, the NWB will require a detailed plan and further assessment from NIRB concerning potential impacts.

Toilet Waste

It was noted during the amendment application review that, based on the “*Northern Remote Site Protocols, April 1999*”, prepared for the Nunavut Impact Review Board by Dillon Consulting Limited, the Licensee would exceed the current limitation in the Licence with respect to the incineration of toilet waste and the disposal of greywater given the number of person-days per year on-site. In addition, the Board notes that underground operations will take place on a year-round basis and that the Licensee will be releasing greywater during the winter months when snow and ice are present over the tundra and adequate treatment may not be provided. As such, the NWB recommends that the Licensee give due regard to condition Part D, Item 7 during winter months. The NWB anticipates that should the Licensee consider extending the Project beyond the term proposed, that an alternative plan for the treatment of sewage and greywater prior to release be submitted for approval.

Environmental Management

Spill Contingency Plan

The Board agrees with the minor comments provided by the Government of Nunavut, Indian and Northern Affairs Canada and Environment Canada. Additionally, the Board observes that the fuel tank facilities, although double-walled, do not incorporate secondary containment or liners to prevent the release of fuel due to potential accidents caused by collisions, faulty valves or operational oversights. This is a concern to the Board given the large amount of fuel stored

³ SRK Consulting, “*Acid Base Accounting and Metals Leaching Analyses, including Test Results*”, dated January 26, 2006

on-site. As such, a revised Plan is requested in Part H, Item 1. The Plan must incorporate preventative measures and protocols to reduce the potential for spills during fuel transfer and to manage traffic entering and exiting the facilities. The Plan must be prepared in accordance with the Spill Contingency Planning and Reporting Regulations developed under Section 34 of the *Environmental Protection Act*. The Licensee must update the Plan by referring, but not limiting, to the comments received by interested parties during the review of the application.

The Board also notes the comment provided by Environment Canada regarding the potential for new regulations and technical requirements for fuel storage and encourages the Licensee to be proactive in this regard. The Board expects to be copied on any inspections undertaken by Environment Canada.

Abandonment and Restoration Plan

The Board notes that there are two abandonment and restoration documents on file. One entitled "*Preliminary demobilization and reclamation plan Meliadine West Gold Project Camp*" dated January 2007, and another contained within "*Field Operations - Advanced exploration: drilling environmental management system Meliadine West gold project*".

Given the advanced stage of exploration activities the Board requires more detail than what is provided in the preliminary plan. A revised Plan is requested in Part I: item 1 of the Licence. The Plan must be a stand-alone document and specific to the scope of this Licence for the Meliadine West advanced exploration project. The plan shall be prepared in accordance with the *Mine Site Reclamation Guidelines for the Northwest Territories* (INAC 2006) and consistent with the *Mine Site Reclamation Policy for Nunavut* (INAC 2002). The Licensee shall update the Plan by referring, but not limiting, to the comments received by interested parties during the review of the application. In addition, the Licensee shall address specific protocols and procedures for the reclamation of contaminated soil and propose soil quality remediation objectives in accordance with the Government of Nunavut's *Environmental Guideline for Site Remediation* (2002). The cost of implementing the plan must also be addressed.

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, the Site Water Management Plan requested as per Part E, Item 5 of the Licence directs the Licensee to propose a site-specific water monitoring program inclusive of proposed monitoring locations, frequency of sampling and analysis, parameters to be monitored and discharge limits. Once reviewed by interested persons and approved by the NWB additional conditions will be added to the Licence for the protection of freshwater.

Other Applicable Legislation

The Licensee is directed to the written submissions received during the public review period for

this Application for renewal, specifically to the comments received by Environment Canada, Indian and Northern Affairs and the Government of Nunavut. 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. Environment Canada reminds the Applicant that the Fisheries Act, Section 36(3) requires all wastes discharged to water to be demonstrated to be non-toxic.

LICENCE [2BB-MEL0709]

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

COMAPLEX MINERALS CORP.

(Licensee)

of

901, 1015 4TH STREET S.W., CALGARY AB T2R 1J4

(Mailing Address)

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

2BB-MEL0709

Licence Number

NUNAVUT 06

Water Management Area

MELIADINE LAKE AREA, KIVALLIQ REGION, NUNAVUT

Location

WATER USE AND WASTE DISPOSAL

Purpose

MINING AND MILLING – TYPE “B”

Classification of Undertaking

90 CUBIC METRES PER DAY

Quantity of Water Not to Exceed

FEBRUARY 23, 2007 (Amended July 31, 2007)

Date of Licence

JULY 31, 2009

Expiry Date of Licence

Dated this 31st day of July, 2007 at Gjoa Haven, NU.



Thomas Kabloona

A/Chief Executive Officer

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of water and the disposal of waste for an undertaking classified as Mining and Milling as per Schedule II of the *Regulations* for the Meliadine West Exploration and Bulk Sampling Project, located approximately 35 km northwest of Rankin Inlet within the Kivalliq Region, Nunavut (with the general coordinates of latitude: 63°1'30"N and longitude: 92° 10'20"W).

- i. 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;
- ii. 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;

“**Analyst**” means an Analyst designated by the Minister under Section 85 (1) of the *Act*;

“**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 Fuel Storage Facility” means the fuel storage facility as described in the Amendment supporting document entitled: Application to conduct underground mineral exploration and assemble bulk sample, submitted to NIRB May 2007. Pg 25..

“Engineer” means a professional engineer registered to practice in Nunavut in accordance with the Engineering, Geological and Geophysical Act (Nunavut) S.N.W.T. 1998, c.38, s.5;

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

“ICP Scan” means the laboratory method for determining trace metals in water through Emission Spectroscopy using inductively coupled plasma (including up to approximately 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;

“Minewater” means groundwater or any water used in mining, which is pumped or flows out of any underground workings or open pit;

“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 Land Claims Agreement” (NLCA) 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 *Northwest Territories Water Regulations* sor/93-303 8th June, 1993, omitting Section 5, Water Use or Waste Deposit Without a Licence;

“Sewage” means all toilet wastes and greywater;

“Sludge” means accumulated and concentrated solids removed from the Sewage Disposal Facility;

“Solid Waste” means garbage, refuse, or other discarded material resulting from operating the undertaking, excluding sewage sludge, commercial, industrial or hazardous waste.

“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;

"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;

"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.

3. Enforcement

- i. 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*;
- ii. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- iii. 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 water use fees of \$30, payable to the Receiver General for Canada, shall be sent to the Board annually in advance of any use in accordance with Section 9 of the *Regulations*.
2. The Licensee shall submit to the Board for approval within ninety (90) days of the effective date of the amended licence, an assessment of current restoration liability (based on advanced exploration and bulk sampling plans) using the most recent version of RECLAIM or other equivalent method as approved by the Board.
3. The Licensee shall furnish and maintain a security deposit with the Minister as required by the Board in a form and amount acceptable to the Minister.
4. The security deposit shall be maintained until such time as the Minister and the Kivalliq Inuit Association are 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 or renewals thereof.

5. 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 which shall contain, but not be limited to, the following information:
- i. the monthly and annual quantities in cubic metres of all freshwater obtained from Pump Lake at Monitoring Station MEL-1;
 - ii. the monthly and annual quantities in cubic metres of Minewater pumped from the underground;
 - iii. tabular summaries of all data generated under the Monitoring Program;
 - iv. a summary of modification and/or major maintenance work carried out on the Water Supply and the Waste Disposal Facilities, including all associated structures, and an outline of any work anticipated for the next year;
 - v. a list of unauthorized discharges and follow-up action taken;
 - vi. updates or revisions to the Abandonment and Restoration Plan, QA/QC Plan, Site Water Management Plan, Waste Rock and Ore Storage Management Plan, and Spill Contingency Plan;
 - vii. a brief description of follow-up action taken to address concerns detailed in inspection and compliance reports prepared by the Inspector;
 - viii. a summary of drilling activities and progressive reclamation of drill sites;
 - ix. An updated estimate of the current Meliadine restoration liability based upon the results of the restoration research, project development monitoring, and any modifications to the site plan;
 - x. an estimate of both the current and anticipated volume of waste rock and ore stockpiled on site;
 - xi. a public consultation/participation report describing consultation with local organizations and residents of the nearby communities, if any were conducted;
 - xii. a summary of any abandonment and restoration work completed during the year and an outline of any work anticipated for the next year;
 - xiii. a summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed; and
 - xiv. any other details on water use or waste disposal requested by the Board by November 1st of the year being reported.

6. 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.
7. The Licensee shall maintain flow meters or other such devices, or implement suitable methods required for the measuring of water volumes, to be operated and maintained to the satisfaction of an Inspector.
8. 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 and the Waste Disposal Areas. All signs shall be located and maintained to the satisfaction of an Inspector.
9. The Licensee shall immediately report to the 24-hour Spill Report Line (867) 920-8130 any spills of Waste that are reported to or observed by the Licensee.
10. 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:

(i) 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@nunavutwaterboard.org

(ii) Inspector Contact:

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

(iii) Analyst Contact:

Taiga Laboratories
Department of Indian and Northern Affairs
4601 – 52 Avenue, P.O. Box 1500
Yellowknife, NT X1A 2R3
Telephone: (867) 669-2781
Fax: (867) 669-2718

11. 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.

12. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the Board is received and acknowledged by the Manager of Licensing.
13. This Licence is not assignable except as provided in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all water for domestic camp use, up to a maximum of 10 m³/day, from Meliadine Lake at Monitoring Program Station MEL-1 and for the underground Bulk Sampling Program, up to a maximum of 10 m³/day at Pump Lake at Monitoring Station MEL-2 or as otherwise approved by the Board. Water use for drilling purposes shall be obtained from Meliadine Lake or as required from sources proximal to the drilling targets. The total volume of water for the purposes of this Licence, from all sources shall not exceed 90 m³/day.
2. The Licensee shall maintain the Water Supply Facility to the satisfaction of the Inspector.
3. Streams cannot be used as a water source unless authorized and approved by the Board.
4. If the Licensee requires water in sufficient volume that the source water body may be drawn down the Licensee shall, at least 30 days prior to commencement of use of water, submit to the Board for approval 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 operation to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall locate areas designated for waste disposal, a minimum distance of thirty (30) 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 authorized by the Board.

2. The Licensee shall not practice open burning of domestic waste, unless otherwise approved by the Board
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 provide to the Board, documented authorization from the relevant community prior to the backhauling of any waste.
5. The Licensee shall backhaul and dispose of all hazardous wastes generated through the course of the operation in an approved waste disposal site.
6. 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.
7. Unless otherwise approved by the Board, the Licensee shall contain all greywater in a sump located at a distance of at least thirty (30) metres above the ordinary high water mark of any water body, at a site where flow into a water body is not possible and no additional impacts are created.
8. Unless otherwise approved by the Board the Licensee shall dispose of all toilet wastes through incineration, chemical or composting toilets. Any remaining residue generated through the course of the operation shall be backhauled and disposed of in an approved waste disposal site.
9. The Licensee shall discharge waste in such a manner to minimize surface erosion.
10. The Licensee shall maintain, all constructed facilities, including the Bulk Fuel Storage Facilities, sumps and the containment area(s) to the satisfaction of an Inspector.
11. The Licensee shall notify an Inspector at least ten (10) days prior to any discharge from the containment area(s).

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 immediate banks except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.
2. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any corrective measures in the event of any impacts on surface drainage.

3. Winter lake and stream crossings, including ice bridges, shall be constructed entirely of water, ice or snow. The Licensee should 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 roads, pad construction or other earthworks, 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 (30) metres from the ordinary high water mark in such a fashion that they do not enter the water.
5. The Licensee shall submit to the Board a Site Water Management Plan, within ninety (90) days following the issuance of the amended Licence, for Board approval, that includes but is not limited to the following:
 - a. a description of the quantity and direction of water flow from the storage pads, ore processing area, underground workings, bulk fuel storage areas, access roads, quarries and the overall site;
 - b. a detailed description of the location and capacity of water retention areas that would allow for the management of surface water runoff from the general site area;
 - c. a detailed design of any structures used to contain and collect surface water runoff from the waste rock storage, ore storage and processing area prior to monitoring and release;
 - d. a detailed description of the monitoring locations throughout the site which would provide the most representative analytical results, as determined by an appropriately qualified Engineer through a clear disclaimer outlining any limitations to judgment made by the Engineer, of surface water quality draining from the storage and processing area and any other Infrastructure;
 - e. proposed monitoring plan including parameters, proposed discharge limits and frequency of sampling and analysis; and
 - f. any further information that a qualified Engineer believes to be pertinent to describe the movement, quantity and quality of surface water draining from the Project site and any other Infrastructure.
6. The Licensee shall submit to the Board for approval, within thirty (30) days of the issuance of the amended Licence and prior to the storage of waste rock and ore, a Waste Rock and Ore Storage Management Plan that addresses, but is not limited to the following:

- i. Detailed design and drawings, stamped by an Engineer clearly indicating location, method of construction and materials used along with the operation plan of the storage pads;
 - ii. The ARD and metal leaching potential of the materials brought to surface at the site. The Plan must also address measures to collect and contain surface runoff from the storage and processing areas for sampling prior to release
 - iii. The long term storage of the materials is to be addressed and assessed through the use of kinetic testing methods and further associated work on material as it becomes available.
7. If the Board does not approve the Plans referred to in this Part, the Licensee shall revise this Plans and resubmit it to the Board for approval within thirty (30) days of receiving notification of the Board's decision.
 8. The Licensee shall implement the Plans specified in this Part as and when approved by the Board.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

1. The Licensee shall not conduct any land based drilling within thirty (30) metres of the ordinary high water mark of any water body, unless otherwise approved by the Board.
2. The Licensee shall ensure that all drill waste, including water, chips, muds and salts (CaCl_2) in any quantity or concentration, from land-based and on-ice drilling, shall be disposed of in a properly constructed sump or an appropriate natural depression located at a distance of at least thirty (30) 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.
3. 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.
4. Where drilling activity has penetrated below the permafrost layer, the NWB requests that the proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.
5. 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.
6. 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. 10mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100mg/L).

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

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:
 - i. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
 - ii. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
 - iii. 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
 - iv. 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 Licensee shall submit within sixty (60) days of issuance of the Licence, a revised Spill Contingency Plan prepared in accordance with the *Spill Contingency Planning and Reporting Regulations* developed under Section 34 of the *Environmental Protection Act*. The Licensee shall update the Plan by referring to, but not limited by, the comments received by interested parties during the review of the application. The Licensee shall also include preventative measures and procedures to be followed and implemented in order to reduce fuel spills. Particular emphasis shall be placed on fuel transfer procedures and vehicular activity in the area of fuel storage tanks.

2. If the Board does not approve the Spill Contingency Plan referred to in this Part, the Licensee shall revise the Plan and resubmit it to the Board for approval within thirty (30) days of receiving notification of the Board's decision.
3. The Licensee shall implement the Plan specified in Part H, Item 1 as and when approved by the Board
4. The Licensee shall review the Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Further revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report, unless directed otherwise by an Inspector.
5. The Licensee shall ensure that any chemicals, petroleum products or wastes associated with the project do not enter water. All sumps and fuel caches shall be located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body and inspected on a regular basis. The Licensee shall provide secondary containment for fuel storage areas.
6. The Licensee shall ensure that any equipment maintenance and servicing be conducted only 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.
7. The Licensee shall regularly inspect fuel tanks and connectors for leaks and movement and shall keep a written log of inspections to be made available to an Inspector upon request.
8. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - i. Employ the Spill Contingency Plan;
 - ii. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and
 - iii. 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 ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING

1. The Licensee shall submit to the Board for approval, within sixty (60) days of issuance of this Licence, a revised stand-alone Abandonment and Reclamation Plan that is specific to the scope of this Licence and prepared in accordance with the *Mine Site*

Reclamation Guidelines for the Northwest Territories (INAC) 2006 and consistent with the *INAC Mine Site Reclamation Policy for Nunavut*, 2002. The Licensee shall refer to comments submitted by interested parties as part of the review of the Plan. The Plan shall address reclamation of contaminated soils, including soil quality remediation objectives as per the Government of Nunavut's *Environmental Guideline for Site Remediation* (2002) and the long term storage of waste rock and ore based on kinetic testing studies as determined through the Plan under Part E, Item 6.

2. If the Plan referred to in Part I, Item 1 is not approved, the Licensee shall make the necessary revisions and resubmit the Plan within thirty (30) days following notification from the Board.
3. The Licensee shall implement the Plan specified in Part I, Item 1 as and when approved by the Board.
4. The Licensee shall review the Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report, unless directed otherwise by an Inspector.
5. The Licensee shall complete all restoration work prior to the expiry of this Licence.
6. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.
7. When possible to do so, the Licensee shall backfill and restore, to the satisfaction of an Inspector, all sumps to the pre-existing natural contours of the land.
8. The Licensee shall remove from the site infrastructures and site material, including but not limited to, all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment before the expiry of this Licence.
9. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.
10. All culverts shall be removed and the drainage opened up to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.
11. 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.
12. Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to the satisfaction of an Inspector. The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon approval by an Inspector.

13. Drill holes and disturbed areas will be restored to natural conditions immediately upon completion of the drilling. The reclamation of drill holes must include the removal of any drill casing materials and the capping of holes with a permanent seal.
14. The Licensee may store drill core produced by the appurtenant undertaking in an appropriate manner and location at least thirty (30) 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, or as directed by an Inspector.
15. All disturbed areas shall be contoured and stabilized upon completion of work and restored to a pre-disturbed state.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

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

Monitoring Program Station Number	Description	Status
MEL-1	Raw water supply intake at Meliadine Lake	Active (Volume cubic metres)
MEL-2	Raw water supply intake at Pump Lake	Active (Volume cubic metres)
MEL-3	Downstream of greywater sump prior to effluent entering Meliadine Lake when flow is observed	Active
MEL-4	Meliadine Lake at the point immediately below the sump	Active

2. Licensee shall sample at Monitoring Program Station MEL-3 and MEL-4 monthly during greywater discharge and periods of flow at the point of entry into Meliadine Lake. Samples shall be analyzed for the following parameters:

Biochemical Oxygen Demand - BOD	Faecal Coliforms
Total Suspended Solids	pH
Oil and Grease (and visual)	

3. The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Item 7. Monitoring shall include but not be limited to the following:

Total Suspended Solids

pH
Electrical Conductivity, and
Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and
Trace Arsenic and Mercury

4. The Monitoring Program and compliance dates specified in the Licence may be modified at the discretion of the Chief Administrative Officer.
5. The Licensee shall maintain the necessary signs to identify the stations of the Monitoring Program. All signs shall be located and maintained to the satisfaction of an Inspector.
6. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling, underground bulk sampling and other purposes from all sources.
7. 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.
8. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with camp operations and drilling operations are deposited.
9. The Licensee shall submit a Quality Assurance/Quality Control Plan to an Analyst for approval within three (3) months of the issuance of the licence. The plan shall include analysis of field blanks and certified reference material, and replicate sampling in order to assess accuracy, precision and field contamination.
10. If the Plan referred to in Part J, Item 9 is not approved, the Licensee shall make the necessary revisions and resubmit the Plan within thirty (30) days following notification from the Board.
11. The approved quality assurance/quality control plan shall be implemented as approved by an Analyst.
12. The Licensee shall annually review the approved Quality Assurance/Quality Control plan and modify it as necessary. Proposed modifications shall be submitted to an Analyst for approval.
13. 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.

14. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
15. An Inspector may impose additional monitoring requirements.
16. A Monthly Monitoring Program Summary Report shall be submitted to the Board for review within thirty (30) days following the month being reported. This summary shall include the monitoring results of Part J, Items 1 through 3.
17. The Licensee shall, include in the Annual Report required under Part B, Item 5, all monitoring data and analysis and information required by this Part.