

File No.: 2BB-MRY1114/Amendment No.1

December 4, 2013

James Millard, M.Sc., P.Geo.
Senior Environmental Superintendent
Baffinland Iron Mines Corporation
Suite 300 – 2275 Upper Middle Road East, Oakville
ON L6H 0C3

Email: Jim.Millard@Baffinland.com

RE: NWB Licence No. 2BB-MRY1114 Amendment No. 1

Dear Mr. Millard:

Please find attached Amendment No. 1 to Licence No. **2BB-MRY1114** issued to Baffinland Iron Mines Corporation (BIMC or Licensee) by the Nunavut Water Board (NWB or 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 (Nunavut Land Claims Agreement or NLCA).* 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 Board considers it necessary to hold a public hearing before dealing with the renewal application) 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 Licence, then water use and waste disposal 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 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's 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 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, are complete and are acknowledged by the Manager of Licensing.

The Licensee should note that this Board-initiated Amendment (No.1) is issued under the Board's jurisdiction as set out in s. 43(1) iii of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and reflects the evidence and discussions presented to the Board during the Public Hearing associated with the Licensee's application for a Type "A" Water Licence regarding the revised scope and associated security that should remain under Licence No. **2BB-MRY1114** once the Mary River Project's main Type "A" Water Licence is issued. This amendment to Licence No. 2BB-MRY114 is consistent with the Board's expectations and discussions at the Public Hearing in respect of the Type "A" Water Licence Application, the scope and security provisions of the Type "A" Water Licence 2AM-MRY1325 issued on June 12, 2013 as approved by the Minister of Aboriginal Affairs and Northern Development Canada on July 15, 2013, and the Record of Proceedings/Reasons for Decision associated with Licence 2AM-MRY1325.¹

In addition, consistent with the consultative approach envisioned and practiced for this Board-initiated amendment, the NWB distributed correspondence² in which interested parties, including the main stakeholders, Aboriginal Affairs and Northern Development Canada (AANDC), the Qikiqtani Inuit Association (QIA) and the Licensee, were invited to provide comments with respect to this amendment. Submissions were received from two intervening parties as well as the Licensee. Copies of the intervening parties' submissions as well as the Licensee's submission are enclosed for your information.³

Sincerely,

Thomas Kabloona Nunavut Water Board

Chair

TK/sj/ri

Enclosure: Licence No. 2BB-MRY1114 Amendment No. 1

Comments: AANDC, QIA, BIMC

Cc: Qikiqtani Distribution List

1

¹ Nunavut Water Board, Record of Proceedings/Reasons for Decision: 2AM-MRY1325, June 12, 2013.

² Letter from D. Côté, NWB, to Mary River Distribution List, Re: Type "B" Water Licence No. 2BB-MRY1114; Notification and Call for Comments from Interested Parties; Proposed Nunavut Water Board Initiated Amendment (No.1) to the Scope and Associated Terms and Conditions for the Undertaking and Security Provisions of the Type "B" Water Licence No. 2BB-MRY1114 – Mary River Project, Nunavut; Baffinland Iron Mines Corporation, dated September 27, 2013.

³ Aboriginal Affairs and Northern Development Canada (AANDC), dated October 15, 2013; Qikiqtani Inuit Association (QIA), dated October 15, 2013 and Baffinland Iron Mines Corporation, dated October 10, 2013.

TABLE OF CONTENTS

DECISION		
BACKGR	OUND	3
WATER LICENCE AMENDMENT		
PART A:	SCOPE, DEFINITIONS AND ENFORCEMENT	2
1.	Scope	2
2.	Definitions	2
3.	Enforcement	4
PART B:	GENERAL CONDITIONS	
PART C:	CONDITIONS APPLYING TO WATER USE	7
PART D:	CONDITIONS APPLYING TO WASTE DISPOSAL	8
PART E:	CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND	
	OPERATIONS	9
PART F:	CONDITIONS APPLYING TO DRILLING OPERATIONS	
PART G:	CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING	12
PART H:	CONDITIONS APPLYING TO MODIFICATIONS	12
PART I:	CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION (OR
	TEMPORARY CLOSING	13
PART J:	CONDITIONS APPLYING TO THE MONITORING PROGRAM	14

LICENCE NO. 2BB-MRY1114 AMENDMENT NO.1

This is the decision of the Nunavut Water Board (NWB or Board) with respect to the Board-initiated Amendment (No.1) to Licence 2BB-MRY1114. The decision takes into consideration the Minister of Aboriginal Affairs and Northern Development Canada's approval of the Type "A" Water Licence for the Mary River Project as well as the relevant changes incorporated under the Board-initiated Amendment (No.1) to Licence 2BB-MRY1114 issued originally in response to the water licence renewal application dated January 6, 2011 and made by:

BAFFINLAND IRON MINES CORPORATION.

The amended licence allows for the use of water and the deposit of waste during activities related to a Mining undertaking that includes land-based and on-ice exploration and geotechnical drilling programs, progressive reclamation programs, activities in support of future engineering and scientific studies, a bulk sampling program at Deposit No.1, and related activities in support of the Mary River Exploration Project(previously called the Mary River Project), located within the Qikiqtani Region of Nunavut, with general geographical coordinates as follows:

Latitude: 72° 05' 00" N Longitude: 77° 45' 00" W Latitude: 72° 05' 00" N Longitude: 81° 00' 00" W Latitude: 69° 49' 00" N Longitude: 81° 00' 00" W

Latitude: 69° 49' 00" N Longitude: 77° 45' 00" W (Project Extents)

DECISION

Because this Board initiated Amendment (No.1) includes a significant reduction to the scope of activities and undertakings initially included under the pre-amended licence and no new activities and undertakings, the NWB has noted the continued relevance of the Nunavut Planning Commission's (NPC) conformity determination that states the project is in conformity with the North Baffin Regional Land Use Plan⁴ as well as the Nunavut Impact Review Board's (NIRB) s. 12-1(5) screening exemption decision⁵ for the project under Article 12 of the *Nunavut Land Claim Agreement (NLCA)*. In accordance with s. 55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act)* and Article 13 of the *NLCA*, public notice of the amendment was given and interested persons were invited to make representations to the NWB.

After reviewing the information related to the file and considering the 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 *Act*, waived the requirement to hold a public hearing, and determined that:

Amendment No.1 to Licence No. 2BB-MRY1114 be issued, under Motion No.: 2013-20-26, subject to the terms and conditions contained therein.

Signed this 4th day of November, 2013 at Gjoa Haven, NU.

Thomas Kabloona

Nunavut Water Board, Chair

TK/sj/ri

⁴Nunavut Planning Commission (NPC) Conformity Determination, February 8, 2008 and January 6, 2011.

⁵ Nunavut Impact Review Board (NIRB) Screening Exemption Decision, February 23, 2011.

BACKGROUND

The NWB issued renewal Licence 2BB-MRY1114 (Type "B" Licence) to Baffinland Iron Mines Corporation (BIMC or Licensee) for the Mary River Project (Project) on April 5, 2011, allowing for the use of Water and the deposit of Waste in support of ongoing basic and advanced exploration activities and undertakings, including progressive reclamation program, a bulk sampling program, and activities in support of engineering and scientific studies. The Project is located on northern Baffin Island within the Qikiqtani Region of Nunavut. In addition, the NWB issued a separate Licence, 2AM-MRY1325 (Type "A" Licence), on June 12, 2013, to the Mary River Project for the development, operation, closure and reclamation of an open-pit iron ore mine.

To facilitate transition from the advanced exploration phase to the Project development and eventual mining and reclamation phases of the Project, some of the activities and/or undertakings included under the scope of the Type "B" Licence were intentionally included within the scope of the Type "A" Licence application with the expectation that those same activities and undertakings would be removed from the scope of the Type "B" Licence following the issuance of a Type "A" Licence to the Project. Now that a Type "A" Licence has been issued to the Project, the Board has decided to initiate an Amendment (No.1) to the Type "B" Licence for the purposes of removing the redundant activities and undertakings currently captured under both licences and to adjust the security required to be held under this licence to reflect the reduced scope of licence 2BB-MRY1114. The Board-initiated amendment is in accordance with section 43(1) iii of the Act, which generally states that the Board may amend, for a specified term or otherwise, any condition of a licence where the Board considers the amendment to be in the public's interest.

The Board believes that public interest will be served by the amendment in that the redundant activities and undertakings that currently exist within the scope of both licences will be reconciled and overlap between to the two existing licences will be removed, contributing to clarity for both the Licensee in terms of compliance obligations and those parties responsible for holding and applying reclamation security under the Licences. The Board recognizes that an amendment to the scope of the Type "B" licence also triggers amendments to financial security conditions and other interrelated terms and conditions associated with the licence and the Board has made these consequential amendments throughout the licence.

PROCEDURAL HISTORY

On September 27, 2013, the NWB issued correspondence to the public informing interested persons of the proposed Board initiated Amendment (No.1) contemplated for Licence 2BB-MRY1114 and requested that relevant comments be provided to the Board by October 11, 2013. Prior to the submission deadline, AANDC requested⁶ a one-day extension to the comment deadline period. In response, the NWB extended the comment period to October 15, 2013, during which submissions were received from AANDC and the QIA. The Board had received a submission from the Licensee prior to the extended comment period.

Based on the submissions received from the Licensee and intervening parties, no written objections were expressed in principle to any potential Board decision that may result in the

⁶ Letter from Ian Parsons, A/Manager, Water Resource Division, AANDC to Phyllis Beaulieu, Manager of Licensing, NWB, Re: Request for Extension – Notification and Call for Comments from Interested Parties on the Proposed Nunavut Water Board Initiated Amendment No. 1 to the Scope and Associated Terms and Conditions for the Undertaking and Security Provisions of the Type "B" Water Licence 2BB-MRY1114, dated October 10, 2013.

approval and issuance of the Board initiated Amendment (No.1). The intervening parties, however, provided several recommendations for the Board's consideration.

In accordance with the NWB's September 27, 2013 correspondence, the revised scope of activities and undertakings associated with the Mary River Project, now called the Mary River Exploration Project, under this Board initiated Amendment No.1 to Licence 2BB-MRY1114 are as follows:

- Geotechnical drilling in support of future infrastructure development at Milne Inlet (Milne Port) Site;
- On-going exploration and geotechnical drilling activities under BIMC's mineral claims and development at the Mine (Mary River) Site;
- Water use to support on-going exploration and geotechnical drilling at the Mine (Mary River) Site;
- Geotechnical drilling to support future infrastructure development at the Steensby Port (Steensby Inlet) Site;
- On-going exploration and geotechnical drilling activities on BIMC mineral claims and development areas at the Steensby Port (Steensby Inlet) Site;
- Progressive reclamation programs;
- Activities in support of future engineering and scientific studies; and
- Potential bulk sampling program(s) at Deposit No.1.

The initial Licence for the Mary River Project, NWB2MRY0406, was issued on June 11, 2004 and expired on June 30, 2006. The licence allowed for the use of 80 cubic metres of water per day and the deposit of waste in support of activities that include camp operations and exploration drilling. The NWB amended Licence NWB2MRY0406 on August 4, 2005 to allow for an increase in water use to 290 cubic metres per day as well as authorized the operation and maintenance of the Milne Inlet winter road for seasonal use, including maintenance and repairs when necessary, during the months of March, April and May.

On February 20, 2007, the NWB issued the first renewal, Licence 2BB-MRY0708, to the project, which expired on December 31, 2008. The Licence allowed for the use of four hundred and seventy-five (475) cubic metres per day of water and the deposit of waste in support of camp operations and exploration drilling at the Mary River Project sites. Before the expiry of Licence 2BB-MRY0708, two amendments were issued. Amendment No. 1 was issued on July 16, 2007, authorizing the construction of an all-weather road and fuel containment structures, implementation of a bulk sampling program, operation of camp facilities, and treatment and disposal of domestic waste. Amendment No. 2 was issued on February 13, 2008, and it allowed for the use of alternative water sources and the extension of the term of the licence to 2010.

The NWB renewed Licence 2BB-MRY0810 as Licence 2BB-MRY1114 on April 5, 2011 with the expiration date set for April 5, 2014. The Licence allows for the use of three hundred and eighty-five (385) cubic metres of water per day and the deposit of waste in support of specific activities at the various project sites, including a bulk-sampling program, an all-weather road construction, land-based and on-ice exploration drilling programs, a geotechnical drilling and progressive reclamation programs, activities in support of engineering and scientific studies, ongoing maintenance to existing project infrastructure, camp operations, domestic waste treatment and/or disposal, fuel containment and other associated activities at the Mary River Project.

ISSUES

The following sections provide the background relevant to the terms and conditions included in this Licence Amendment No.1 in the context of the submissions received and/or the Board's rationale. It should be noted that under this Amendment (No.1) to Licence 2BB-MRY1114, the Board has removed or modified, where appropriate, terms and conditions that are no longer applicable to the Licence.

Licence Term

The Board has not included any changes to the term of the licence under this Amendment. In the event that the Licensee determines that it is necessary to renew the Amended Licence, the application for such a renewal should be filed at least *three months* prior to the Licence expiry date in order to allow adequate time for the Board to complete the renewal process prior to the expiry of the licence.

Security

In accordance with section 76(1) of the NWNSRTA, 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 and in an amount prescribed by, or determined in accordance with, the Regulations or that is satisfactory with the Minister.

The Regulations allow the Board to fix the amount of security that the Licensee or applicant is required to furnish to an amount not exceeding the aggregate of the cost of:

- a. Abandonment of the undertaking;
- b. Restoration of the site(s) of the undertaking; and
- c. Any ongoing measures that may remain to be taken after the abandonment of the undertaking.

Under the pre- amended Licence, 2BB-MRY1114, the Licensee had furnished and maintained security for the Project in the amount of \$6,738,216.00 in accordance with the estimated and accepted potential reclamation cost for land and water. During the Public Hearing for the Type "A" Licence, the Licensee indicated that based on the reassessment of activities and undertakings that remain under the scope of the Type "B" Licence the Licensee proposes to furnish financial security in the amount of \$1,250,000.00 under any amended Type "B" Licence. In the review of this information provided at the Public Hearing, there were no submissions objecting to this amount or otherwise indicating that the financial security based on the revised scope of the Type "B" Licence would be inadequate or should be revised.

Having removed the redundant activities and undertakings from the original Type "B" Licence, the Board concurs that the amount of security furnished under the original Type "B" Licence may no longer be consistent with the scope of activities and undertakings currently considered under the Amendment No.1 to Licence 2BB-MRY1114. Therefore, the Board has adjusted the financial security requirements associated with potential reclamation activities under this Amendment from \$6,738,216.00 to \$1,250,000.00 as proposed by the Licensee.

Further, as contemplated by the Board's Type "A" Decision⁷ this proposed reduction in security held under the Type "B" Water Licence requires reconciliation with the security requirements of the Type "A" Water Licence to ensure that the amount of security held by the Qikiqtani Inuit Association under land based instruments and Aboriginal Affairs and Northern Development

⁷ See the discussion in the Type "A" Decision, at pp. 58-63.

Canada under both the Type "A" Water Licence and the amended Type "B" Water Licence are sufficient to meet the total security requirements for 2013 as outlined in the Type "A" Decision.⁸

The following Table provides the parties with further direction as contemplated under Part C, Item 5 of the Type "A" Water Licence 2AM-MRY1325 regarding the security reconciliation once Amendment No. 1 to Part B, Item 2 of the Type "B" Water Licence 2BB-MRY1114 takes effect.

Table 1: Summary of Reconciled Security Requirements Updated 2013

Held By		Amount
The Qikiqtani Inuit Association	Existing LOC	\$26,200,000.00
Aboriginal Affairs and	Amended Type "B" Water Licence 2BB-	\$1,250,000.00
Northern Development Canada	MRY1114	
	Security for activities and undertakings formerly included under the Existing Type "B" Water Licence to be incorporated into the Type "A" Water Licence" and removed from the scope of the Amended Type "B" Water Licence 2BB-MRY1114	\$5,488,216.00
	Security required under Part C Item 1(a) of the Type "A" Water Licence 2AM-MRY1325	\$ 4,311,784.00
TOTAL SECURITY HELD 2013		\$37,250,000.00

Water Use

With the issuance of this Amended Type "B" Licence, the Board has reduced the volume of water authorized for use from three hundred and eighty-five (385) cubic metres per day to two-hundred and ninety-nine (299) cubic metres per day to better reflect the requirements for the activities and undertakings under this Amended Licence in the context of the Regulations that recently came into effect. For water source(s) not identified in the licence, the Licensee is required to provide to an Inspector and the Board at least fifteen (15) days' notice prior to using water from such source(s).

No water use has been included in the amendment for domestic or camp purposes as all camp facilities originally captured under the scope of this licence are now included under the type "A" water licence issued for the Mary River Project.

Waste Disposal

Bulk Fuel Storage

The Board has removed the terms and conditions applicable to the storage of bulk fuel as contained in the Amendment because such activity is now captured under the Type "A" Licence 2AM-MRY1325 that has been issued to the Mary River Project.

⁸ See Tables 3, 4 and 5 in the Type "A" Decision at p. 61.

Bulk Sample Management Plan

The Bulk Sampling Program was completed two years before the previous licence had expired. The licensee has indicated that it intends to potentially conduct further bulk-sampling program(s) on Deposit No.1 as part of its activities and undertakings in the future. Prior to doing so, the Licensee is required provide to the Board for approval, an updated Bulk-Sampling Management Plan and an updated security estimate specifically for and prior to conducting any such activities as well as advise the Board at least sixty (60) days prior to doing so. This requirement is outlined in Part D, Items 7 and 8 of the Amended Type "B" Licence.

Design Drawings

The requirements pertaining to the submission of design drawings for infrastructure and/or facilities have been removed under the amendment as those requirements have already been or included under the Type "A" Licence issued for the Mary River Project.

Drilling

The Board has not made any changes to the terms and conditions that apply to on-land and onice exploration and geotechnical drilling or drilling within thirty (30) metres of the ordinary High Water Mark for the purposes of conducting geotechnical investigations, provided that the Licensee informs the Board at least ten (10) days in advance of geotechnical drilling and satisfies the requirements under Part F in this Amended Licence.

Environmental Monitoring Plan

Terms and conditions requiring the submission of an Environmental Monitoring Plan to the Board for approval within (60) days from the issuance of this amendment have been included under Part J, Item 1 to address any monitoring requirements including details with respect to the location of monitoring stations and proposed parameters to be monitored under this licence.

Geotechnical Report

The terms and conditions requiring the submission of Geotechnical Reports have not been included in this Amendment as the facilities and infrastructure associated with this requirement are currently captured under the Type "A" Licence issued for the Mary River Project

Spill Contingency Planning

In accordance with Part G, Item 1 of this Amended Licence, the Licensee is required to submit to the Board for approval, a revised Spill Contingency Plan that reflects the reduced scope of activities under the Mary River Exploration Project.

Site Water Management Plan

The requirements pertaining to the submission for approval of a Site Water Management Plan for review have not been included under the Amended Licence as those activities and requirements are currently included under the Type "A" Licence issued for the Mary River Project.

Quality Assurance/Quality Control (QA/QC) Plan

Requirements pertaining to the submission of a *Quality Assurance/Quality Control (QA/QC)* Plan for review by the Board within sixty (60) days following the issuance of this licence have been included under Part J in the Licence. The QA/QC plan must include a letter from an analyst confirming the acceptability of the Plan.

Wastewater Management Plan and Wastewater Effluent

The requirements associated with the submission of any Wastewater Management Plan for approval as well as adhering to the requirements pertaining to effluent generated from domestic and industrial wastewater treatment facilities have not been included in this Amendment as those requirements are currently captured under the Type "A" Licence issued for the Mary River Project.

Abandonment and Restoration

In accordance with Part I, Item 1 of this Amendment, the Licensee is required to submit to the Board for Approval, within sixty (60) days of the issuance of this amendment, a revised Abandonment and Restoration Plan that better reflects the reduced scope of activities. The Licensee must note that conditions applying to the re-grading of roads and restoration of disturbed areas to the natural contour and/or pre-disturbed state have been retained under this Amendment. However, water and wastewater treatment facilities and camp infrastructure have been removed from the scope of this Amendment.



NUNAVUT WATER BOARD WATER LICENCE AMENDMENT

Licence No. 2BB-MRY1114 Amendment No.1

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 to

BAFFINLAND IRON MINES CORPORATION

(Licensee)

2275 UPPER MIDDLE ROAD EAST, SUITE 300, OAKVILLE, ON L6H 0C3

(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 Amendment:

Licence Number/Type: 2BB-MRY1114 TYPE "B" AMENTMENT NO.1

Water Management Area: GIFFORD (21) & ECLIPSE SOUND (48) WATERSHEDS

Location: MARY RIVER EXPLORATION PROJECT

QIKIQTANI REGION, NUNAVUT

Classification: MININING 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 Licence Issuance: AMENDMENT NO.1 ISSUED December 4, 2013 (LICENCE

ISSUED APRIL 5, 2011)

Expiry of Licence: April 5, 2014

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

Thomas Kabloona,

Nunavut Water Board, Chair

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence Amendment (No 1) allows for the use of Waters and the deposit of Waste for a Mining undertaking, classified as per Schedule 1 of the *Regulations* at the Mary River Exploration Project (previously called the Mary River Project), located approximately160 kilometres south of Pond Inlet within the Qikiqtani Region, Nunavut. Project's activities and undertakings include land-based and on-ice geotechnical and exploration drilling programs, progressive reclamation programs, activities in support of scientific and engineering studies and a potential bulk sampling Program.

- i. This Licence Amendment 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 Amendment (No.1) 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 Amendment 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;

"<u>Addendum</u>" 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;

"<u>Amendment</u>" 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;

"Licence or Amended Licence" refers to Amendment No.1 to Licence 2BB-MRY1114 or Licence 2BB-MRY1114;

"<u>Appurtenant Undertaking</u>" 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;

- "<u>Bulk Sampling Program</u>" means potential activities designed and conducted to further investigate the metallurgical properties of the claim blocks associated with Deposit No.1 at the Mary River Project during the 2014 period.
- "<u>Effluent</u>" means treated or untreated liquid waste material that is discharged into the environment from any structures and/or facilities associated with this Amended Licence;
- "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*;
- "<u>Greywater</u>" means all liquid wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet wastes;
- "<u>High Water Mark</u>" 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);
- "<u>ICP Scan</u>" 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);
- "<u>Inspector</u>" means an Inspector designated by the Minister under Section 85 (1) of the *Act*;
- "Licensee" means the holder of this Amended Licence;
- "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 *Nunavut Waters Regulations* SOR/2013-69 18th April, 2013;
- "Secondary Containment" means an impermeable structure, external to and separate from primary containment, which prevents unplanned spills of hazardous materials and provides a minimum capacity of 110% of the original vessel. Where multiple vessels are stored within the containment, it must provide a minimum capacity equal to the sum of the largest vessel and 10% of the aggregate volume of all other vessels located in the containment. This structure shall also provide containment and control of hoses and nozzles:

"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;

"Sewage" means all toilet wastes and greywater;

"Sump" is a structure or depression that collects, controls, and filters liquid waste before it is released to the environment. This structure should be designed to prevent erosion while allowing percolation of liquid waste;

"<u>Toilet Wastes</u>" means all human excreta and associated products, but does not include greywater;

"<u>Waste</u>" 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;

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

3. **Enforcement**

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*;

- a. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- b. 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 payable to the Receiver General for Canada shall be sent to the Board annually for the right to the use of Waters in accordance with s.12 of the *Regulations*.
- 2. The Licensee shall, within thirty (30) days of issuance of this licence amendment, furnish and maintain financial security with the Minister, in the form that is satisfactory to the Minister, in the amount of one million, two hundred fifty thousand (\$1,250,000.00) dollars in support of potential reclamation activities.
- 3. The Licensee shall furnish and maintain security 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 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 Amendment.
- 5. The Licensee or other participants in the Annual Security Review conducted in accordance with Schedule C of Licence 2AM-MRY1325 may include a review and reconciliation of the security amount under Part B, Item 2 during the Annual Security Review.
- 6. The Licensee shall file with the Board no later than March 31st of the year following the calendar year being reported, an Annual Report on the appurtenant undertaking, which shall contain the following information:
 - i. the monthly and annual volumes, in cubic metres, of freshwater used for all purposes under the Licence and obtained from sources located on, in or flowing through Crown Lands;
 - ii. the monthly and annual volumes, in cubic metres, of freshwater used for all purposes under the Licence and obtained from sources located on, in or flowing through Inuit-owned lands;
 - iii. A summary, including photographic records before, during and after any relevant construction activities or modifications and/or major maintenance work carried out on facilities under this Licence Amendment and an outline of any work anticipated for the next year;
 - iv. The geochemical analysis of drill cores as per Part F, Item 3;
 - v. Detailed discussion on the performance, installation, and evaluation, including the use of photographic record, of the primary and secondary containment functions used in fuel storage to safeguard impacts to freshwaters;
 - vi. Report all artesian flow occurrences as required under Part F, Item 6;
 - vii. A list of unauthorized discharges and a summary of follow-up action(s) taken;
 - viii. A brief description of follow-up action(s) taken to address concerns presented within inspection and compliance reports prepared by the Inspector;
 - ix. Updates in the form of an addendum or revisions to the Abandonment and Restoration Plan, and Spill Contingency Plan;
 - x. A description of all progressive and/or final reclamation work undertaken, including drill sites, presented with photographic records of site conditions before, during and after completion of operations;

- xi. An updated estimate of the current restoration liability required under Part B, Item 2, based upon the results of restoration research, project development monitoring, and any changes or modifications to the project;
- xii. Tabular summaries of all data generated under the Monitoring Program in Part J;
- xiii. A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted;
- xiv. A summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed; and
- xv. Any other details on Water use or Waste disposal requested by the Board by November 1 of the year being reported.
- 7. The Licensee shall notify the Board 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 and maintain flow meters or other such devices, or implement suitable methods required for the measuring of Water and Waste volumes, to be operated and maintained to the satisfaction of an Inspector.
- 9. 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.
- 10. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
- 11. 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, including a record of revision, are to be submitted in the form of an Addendum within the Annual Report.
- 12. 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.
- 13. The Licensee shall post signs in the appropriate areas to identify the location of all Monitoring Stations designated under Part J. All signs shall be located and maintained to the satisfaction of an Inspector.

11. 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: <u>licensing@nunavutwaterboard.org</u>

(b) **Inspector Contact:**

Manager of Field Operations, AANDC Nunavut District, Nunavut Region P.O. Box 100 Iqaluit, NU X0A 0H0

Telephone: (867) 975-4295 Fax: (867) 979-6445

- 12. 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 with translation in Inuktitut.
- 13. The Licensee is responsible for ensure that any documents or correspondence submitted by the Licensee to the Board have been received and acknowledged by the Manager of Licensing.
- 14. This Licence is assignable as provided in s. 44 of the *Act*.
- 15. The expiry or cancellation of this Licence does not relieve the holder from any obligations imposed by the Licence as per s. 46 of the Act.

PART C: CONDITIONS APPLYING TO WATER USE

- 1. The Licensee shall obtain all drill water from source(s) proximal to the drilling targets and shall not exceed two hundred and ninety-nine (299) cubic metres per day.
- 2. The Licensee shall provide to the Board and the Inspector, at least fifteen (15) days' notice prior to the use of Waters from any sources not currently identified, for the purposes outlined under Part C, Item 1.
- 3. Streams cannot be used as a water source unless authorized and approved by the Board in writing.

- 4. The Licensee shall submit to the Board for approval in writing, at least thirty (30) days prior to the use of Water, in cases where the Licensee requires Water in sufficient volume that the source Water body may be drawn down, the following information: 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. The Licensee shall implement sediment and erosion control measures prior to and maintain such measures 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 landfilling or open-burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood so as 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.
- 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 all communities in Nunavut receiving Wastes from the Mary River Exploration Project prior to any backhauling and disposal of wastes to those communities.
- 5. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of operation at a licensed waste disposal facility.
- 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 or the Board upon request.

- 7. The Licencee shall submit to the Board for approval within sixty (60) days prior to the commencement of any potential bulk sampling program under this Licence, a Bulk-Sampling Management Plan, which addresses Acid Rock Drainage and Metal Leaching Potential through the verification of Kinetic Testing, Waste Rock Storage and Ore Storage Management.
- 8. The Licensee shall provide to the Board for approval at least sixty (60) days prior to the commencement of the activities mentioned in Part D, Item 7, an updated financial security estimate in support of potential reclamation liabilities associated with the activities or undertakings in Part, Item 7.
- 9. The Licensee shall contain all greywater in a Sump located at 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 any Water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing.
- 10. The Licensee shall contain all toilet wastes in latrine pits or use 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.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

- 1. No camp activities are authorized under the provisions of this Licence.
- 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 and in such a manner that they do not enter the Water. The Licensee shall ensure that any chemicals or waste associated with the undertakings do not enter any Water body.
- 5. The Licensee shall not cut any stream bank or remove any material from below the ordinary High Water Mark of any Water body.

- 6. The Licensee shall not do anything that will cause erosion to the banks of any body of Water and shall provide necessary controls to prevent such erosion.
- 7. The Licensee shall undertake appropriate corrective measures to mitigate impacts on surface drainage resulting from the Licensee's operations.
- 8. The Licensee shall limit any in-stream activity to low flow periods. In-stream activity is prohibited during fish migration.
- 9. The Licensee shall locate stream crossings to minimize approach grades. Approaches shall be stabilized during construction and upon completion of the project, to control runoff, erosion and subsequent siltation to any water body.
- 10. Machinery is not permitted to travel up the stream bed and fording of any water body is to be kept to a minimum and limited to one area and a one-time event. Equipment used should be well cleaned and free of oil and grease and maintained free of fluid leaks.
- 11. The Licensee shall, during activities involving machinery fording the Water crossings, prevent pollutants from entering Water.
- 12. The Licensee shall only use fill material during construction that is from an approved source and shall be free of contaminants.
- 13. Equipment storage holding areas should be located on gravel, sand or other durable land, a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any Water body in order to minimize impacts on surface drainage and Water quality.
- 14. The Licensee shall designate an area for the deposition of excavated and stockpiled materials that is at least thirty-one (31) metres above the ordinary High Water Mark of any Water body.
- 15. The Licensee shall not utilize any equipment or vehicles in the course of this undertaking unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall cease if rutting occurs.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

- 1. The Licensee shall not conduct any land-based exploration drilling within thirty-one (31) metres of the ordinary High Water Mark of any water body, unless otherwise approved by the Board in writing.
- 2. The Licensee may for the purpose of any geotechnical investigations carry out drilling activities within thirty (30) metres of the ordinary High Water Mark of any Water body, provided that such activities are consistent with the terms of this Licence and a request has been submitted and received by the NWB, at least ten (10) days in advance of such

drilling, that includes a thorough description of the proposed activities and the following:

- a. An appropriate scaled site map, complete with approximate GPS coordinates of planned drilling locations and the associated Water bodies;
- b. Locations of waste deposition, that are consistent with Part F, Item 4; and
- c. Mitigation measures that are planned to be in place, prior to, during drilling and following if required to protect Waters.
- 3. The Licensee shall analyze the geochemical constituents of drill cores as follows:
 - a. That reflects actuality and is truly representative of the drilling program for all constituents that may impact waters as determined, and clearly qualified, by a Geochemist registered in Nunavut;
 - b. All assumptions, and any limitation to each assumption, in determining a representative sampling population reflecting actuality and the geochemical testing methods employed;
 - c. Includes all raw data and an accompanying summary table of the geochemical analysis;
 - d. Define clear conclusions on the results of the geochemical analysis; and
 - e. Present the geochemical analysis in the Annual Report as required by Part B, Item 6(iv).
- 4. The Licensee shall dispose of all drill waste, including water, chips, muds and salts (CaCl₂) in any quantity or concentration, from land-based 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.
- 5. Drill 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. 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 to NWB, including the location (GPS coordinates) and dates.
- 7. If the bottom of the permanently frozen ground, or permafrost, is broken through by the drill, the depth of the bottom of permafrost and location should be reported in the annual report to the Board for data management purposes.
- 8. For "On-Ice" drilling where drill additives are not being used, return water released must be non-toxic, and not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers of 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).

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

PART G: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

- 1. The Licensee shall submit, to the Board for approval, a revised Spill Contingency Plan within thirty (30) days from the issuance of this Licence. The revised Spill Contingency Plan, shall be prepared in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations (R-068-93) and must address the reduced scope of activities under this amended licence.
- 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.
- 3. 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-one (31) metres from the ordinary High Water Mark of any adjacent water body and inspected on a regular basis.
- 4. The Licensee shall conduct any 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:
 - i. Employ the approved 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.
- 6. The Licensee shall in addition to Part H, Item 6, report to the NWT/NU Spill Line if the release is near or into a Water body, regardless of the quantity of releases of harmful substances.

PART H: 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. such Modifications are consistent with the NIRB Screening Decision;
- iv. 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
- v. the Board has not rejected the proposed Modifications.
- 2. Modifications for which all of the conditions referred to in Part H, 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 I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING

- 1. The Licensee shall submit to the Board for approval within sixty (60) days following the issuance of this Licence, an updated Abandonment and Restoration Plan prepared in accordance with applicable sections of the "Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990) and must reflect the reduced scope of activities under this amended licence.
- 2. 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, to the satisfaction of an Inspector, 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 but not limited to, 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, unless otherwise identified within any approved Plan under Part H, Item 1, remove all culverts and open the natural drainage channel. In carrying out this activity, measures shall be implemented to minimize erosion and sedimentation.

- 8. In order to promote the 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 backfill 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 and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials and the capping of holes with a permanent seal.
- 11. The Licensee may store drill core 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.
- 12. 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 Licensing shall submit to the Board, for approval in writing, a comprehensive Monitoring Plan at least sixty (60) days from the date of issuance of this amendment. The Plan shall address all monitoring requirements associated with Parts F and J of this licence.
- 2. The Licensee is required to submit to the Board for review a stand-alone Quality Assurance/Quality Control (QA/QC) Plan within sixty (60) days following the date of issuance of this amendment.
- 3. The Plan referred to in Part J, Item 2 shall include a letter from an Analyst confirming the acceptability and approval and of the Plan, and the Plan shall be implemented as approved by the Analyst.
- 4. The Licensee shall annually review the approved Quality Assurance/Quality Control plan and modify it as necessary. Modifications shall be submitted to an Analyst for approval.
- 5. The Licensee shall measure and record, in cubic metres, the daily volume of Water utilized for drilling and any other purposes under this Licence.

- 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 determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with drilling operations are deposited
- 8. An Inspector may impose additional monitoring requirements.
- 9. The Licensee shall provide the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where Water bodies are utilized for all purposes. For freshwater sources not previously identified, the Licensee shall report the coordinates of the proposed sources to the Inspector and the Board at least 10 days prior using any water.
- 10. The Licensee shall obtain representative samples of the water column below any ice, where required under Part F, Items 8 and 9. Monitoring shall include, at minimum the following:
 - a. Total Suspended Solids
 - b. Electrical Conductivity
 - c. pH
 - d. Total Trace metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Al, Sb, Ba, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), Trace Arsenic and Mercury
- 11. 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.
- 12. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
- 13. The Licensee shall submit a Monitoring Program summary report to the Board for review under the Part B, Item 6. This summary shall include, at a minimum, all the monitoring requirements under this Part.