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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYIT  
OFFICE DES EAUX DU NUNAVUT

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**File: 2BE-BEL1114**

May 17, 2012

Gordon McKinnon  
Canadian Orebodies Inc.  
301 – 141 Adelaide Street West  
Toronto, ON M5H 3L5  
Email: [gmckinnon@canadianorebodies.com](mailto:gmckinnon@canadianorebodies.com)

**RE: 2BE-BEL1114 Type ‘B’ – Amendment No. 1**

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Dear Mr. McKinnon:

Please find attached, Amendment No.1 to Licence No. 2BE-BEL1114 Type “B” issued to Canadian Orebodies Inc. by the Nunavut Water Board (NWB) (**Motion 2012-00-L11**) 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 terms and conditions of the original Licence and attached amendment related to water use and waste disposal remain an integral part of this approval.

The NWB notes that, among others, there is the Nunavut Impact Review Board’s (NIRB) Decision No.11EN024 which states that the proposed amendment does not change the general scope of the original project activities. Therefore, the application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original June 13, 2011 Screening Decision Report. The Nunavut Planning Commission (NPC) Land use Conformity Determination indicates that the project is located within a region that does not currently have an approved land use plan in place.

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

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<sup>1</sup> Aboriginal Affairs and Northern Development Canada (AANDC), May 4, 2012; and Environment Canada (EC), May 10, 2012.

Sincerely,



Thomas Kabloona  
Nunavut Water Board  
Chair

TK/kk/pb

Enclosure: Licence No. **2BE-BEL1114 - Amendment No.1**  
Comments – AANDC, EC

Cc: Qikiqtani Distribution List

## LICENCE 2BE-BEL1114 AMENDMENT No. 1

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<b>Licensee:</b>	<b>Canadian Orebodies Inc.</b>
<b>Licence No:</b>	<b>2BE-BEL1114 Type “B”</b>
<b>Licence Issued:</b>	<b>June 16, 2011</b>
<b>Effective Date:</b>	<b>May 17, 2012</b>
<b>Licence Expiry:</b>	<b>June 16, 2014</b>

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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*, with respect to the application for amendment dated March 20, 2012, made by Canadian Orebodies Inc., for the Belcher Islands Project, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued June 16, 2011, with an expiry date of June 16, 2014, shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during drilling operations, allowing Canadian Orebodies Inc. to include an additional area for the exploration program, and to increase from ten (10) to one hundred and sixty (160) cubic metres per day the overall quantity of water to be used for camp activities and drilling in support of expanded exploration activities at the Belcher Island Diamond Drilling Project.

### Water use

The total volume of water authorized under the current Licence is ten (10) cubic metres per day for camp and drilling requirements. The Licensee has requested an increase in water use to one hundred and fifty seven (157) cubic metres per day for the drilling and three (3) cubic metres per day for the camp activities.

There were no concerns expressed during the review period with respect to the amount of water requested or the manner in which it would be used as long as there are proper measures in place to cope with the increase in waste water. EC noted that any additional sumps required to handle increases in waste generated should be created at suitable locations .

Taking into account the information presented in the application and considering interveners' comments, the Board has included, under Part C, Item 1 of this amendment, an increase in water use to a total of 160 m<sup>3</sup>/day.

### Spill Contingency Plan

The submitted Amendment application included an updated Plan entitled “*Contingency Plan Belcher Islands Diamond Drilling Program Canadian Orebodies*” dated March 2012. The Board has accepted the revision to the approved Spill Contingency Plan.

### Abandonment and Restoration Plan

The updated Plan entitled “*Abandonment and Restoration Plan Belcher Islands Diamond Drilling Program Canadian Orebodies*” dated March 2012 has been found acceptable by the Board.

### Other Comments Received

The NWB received comments on the amendment application from Aboriginal Affairs and Northern Development Canada (AANDC), and Environment Canada (EC).

In its submission, AANDC recommended the use of an approved incinerator for the disposal of combustible waste, and stated that the Proponent shall make determined efforts to achieve compliance with the *Canada-Wide Standards for Dioxins and Furans* and the *Canada-Wide Standard for Mercury Emissions* during incineration of combustible waste.

AANDC also noted that all transfer of hazardous waste must be in accordance with the GN’s “*Environmental Guideline for General Management of Hazardous Waste – January 2002*” - Copies of all manifest forms related to the transport of hazardous waste/waste oil should be submitted as part of the Annual Report for this site.

EC expressed no concerns with the application at the time of submission.

## AMENDMENT No. 1

The Licence, (Page 1), shall be amended to indicate the following:

### DECISION

**Licence Number: 2BE-BEL1114**

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated April 19, 2011 for a new Water Licence made by:

### CANADIAN OREBODIES INC.

to allow for the use of water and disposal of waste during camp and exploration activities including regional prospecting, rock sampling and land-based, diamond drilling at the Belcher Islands Project located within the Belcher Islands, Qikiqtani Region, Nunavut, generally located at the geographical coordinates as follows:

#### Project Extents – Haig Inlet:

NW:	Latitude: 56° 32' 57.9'' N	Longitude: 79° 12' 20.4'' W
NE:	Latitude: 56° 25' 30.3'' N	Longitude: 78° 59' 59.7'' W
SE:	Latitude: 56° 15' 58.2'' N	Longitude: 79° 00' 23.4'' W
SW:	Latitude: 56° 16' 03.0'' N	Longitude: 79° 09' 39.0'' W

#### Project Extents – Haig West:

NW:	Latitude: 56° 30' 58.3'' N	Longitude: 79° 17' 51.7'' W
NE:	Latitude: 56° 30' 56.5'' N	Longitude: 78° 15' 39.6'' W
SE:	Latitude: 56° 15' 01.7'' N	Longitude: 79° 18' 38.5'' W
SW:	Latitude: 56° 15' 02.1'' N	Longitude: 79° 22' 50.3'' W

#### Camp Location(s)

Latitude: 56° 21' 32.1192'' N	Longitude: 79° 3' 59.2992'' W
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Quantity of Water use not to Exceed: **ONE HUNDRED AND SIXTY (160) CUBIC METRES PER DAY**

### **PART C: CONDITIONS APPLYING TO WATER USE**

#### Amend Item 1

The Licensee shall obtain all water for domestic camp use from Kasegalik Lake. Total domestic water use shall not exceed three (3) cubic meters per day. Drill water shall be obtained from water source(s), proximal to the drilling targets as outlined in the amendment application and shall not exceed one hundred and fifty seven (157) cubic meters per day. The volume of water for the purpose of this Licence shall not exceed one hundred and sixty (160) cubic meters per day.

Insert Item 7

The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of each water source used for the purposes outlined in Part C, Item 1 at least ten (10) days prior to using the water source.

**PART H:      CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING**

Amend Item 2

The Licensee shall implement the Plan entitled “Contingency Plan Belcher Islands Diamond Drilling Program Canadian Orebodies” dated March 2012, that was originally approved by the Board.

**PART I:      CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION  
OR TEMPORARY CLOSURE**

Amend Item 2

The Licensee shall implement the Plan entitled “Abandonment and Restoration Plan Belcher Islands Diamond Drilling Program Canadian Orebodies”, dated March 2012, that was originally approved by the Board.

**All remaining terms and conditions of the Licence 2BE-BEL1114 Type ‘B’ dated June 16, 2011 still apply.**

This Licence Amendment issued and recorded at Gjoa Haven, NU on May 17, 2012.

Approved by,



Thomas Kabloona  
Nunavut Water Board  
Chair