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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2BE-BEL1114

August 24, 2012

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

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

Dear Mr. McKinnon:

Please find attached, Amendment No. 2 to Licence No. 2BE-BEL1114 Type “B” issued to Canadian Orebodies Inc. by the Nunavut Water Board (NWB) (**Motion 2012-05-L04**) 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. 11EN024¹ 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 indicated that the project is located within a region that does not have an approved land use plan in place² therefore a Conformity Determination is not required.

¹ NIRB Screening Decision dated August 17, 2012.

² NPC Conformity Determination dated April 21, 2012.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified³. This information is attached for your consideration.

Sincerely,



Thomas Kabloona
Nunavut Water Board
Chair

TK/kk/ri

Enclosure: Licence No. **2BE-BEL1114 - Amendment No. 2**

Comments – AANDC, EC

Cc: Qikiqtani Distribution List

³ Aboriginal Affairs and Northern Development Canada (AANDC), August 16, 2012; and Environment Canada (EC), August 3, 2012.

LICENCE No. 2BE-BEL1114
AMENDMENT No. 2

Licensee:	Canadian Orebodies Inc.
Licence No:	2BE-BEL1114 Type “B”
Licence Issued:	June 16, 2011
Amendment No. 1 Issued:	May 17, 2012
Effective Date:	August 24, 2012

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 June 21, 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, amended on May 17, 2012, 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 additional areas for the exploration program.

The overall quantity of allocated water shall not be changed.

Spill Contingency Plan

The submitted Amendment application included an updated Plan entitled “*Contingency Plan Belcher Islands Diamond Drilling Program Canadian Orebodies*” dated June 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 June 2012 has been found acceptable by the Board.

Comments Received

The NWB received comments on the amendment application from Aboriginal Affairs and Northern Development Canada (AANDC) and Environment Canada (EC). AANDC expressed no opposition to the proposed amendment application. It was recommended that the Licensee revise their submitted Abandonment and Restoration Plan to include detailed provisions for the reclamation of drill holes. The Spill Contingency Plan should simply reference the position, AANDC’s Manager of Field Operations, Nunavut Regional Office for reporting hazardous material spills. EC expressed no concerns with the amendment application.

AMENDMENT No. 2

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

Project Extents – Kihl Bay:

NW:	Latitude: 56° 25' 30'' N	Longitude: 79° 00' 15'' W
NE:	Latitude: 56° 26' 00'' N	Longitude: 78° 52' 00'' W
SE:	Latitude: 56° 13' 30'' N	Longitude: 78° 52' 45'' W
SW:	Latitude: 56° 13' 30'' N	Longitude: 79° 01' 00'' W

Project Extents – Wiegang Island:

NW:	Latitude: 56° 41' 30'' N	Longitude: 79° 17' 15'' W
NE:	Latitude: 56° 41' 00'' N	Longitude: 79° 07' 30'' W
SE:	Latitude: 56° 36' 30'' N	Longitude: 79° 07' 45'' W
SW:	Latitude: 56° 36' 30'' N	Longitude: 79° 17' 00'' W

Project Extents – Kugong Island:

NW:	Latitude: 56° 16' 30'' N	Longitude: 80° 06' 45'' W
NE:	Latitude: 56° 41' 30'' N	Longitude: 79° 58' 15'' W
SE:	Latitude: 56° 10' 00'' N	Longitude: 79° 58' 15'' W
SW:	Latitude: 56° 10' 00'' N	Longitude: 80° 06' 45'' W

Camp Location(s)

Latitude: 56° 21' 32.1192'' N	Longitude: 79° 3' 59.2992'' W
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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 June 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 June 2012, that was originally approved by the Board. The Licensee shall, with the 2012 Annual Report, submit to the Board for review, an Addendum to the Plan approved under Part I, Item 1 that will address the AANDC concerns submitted to the NWB during the amendment application review.

All remaining terms and conditions of the Licence 2BE-BEL1114 Type ‘B’ dated June 16, 2011, and Amendment No. 1 dated May 17, 2012 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on August 24, 2012.

Approved by,



Thomas Kabloona
Nunavut Water Board
Chair