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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-CRA1015**

April 1, 2010

Jo Price
CBR Gold Corp.
Suite 220, 9797-45th Ave.
Edmonton, AB,
T6E 5V8
Email: jop@cbrgoldcorp.com

RE: NWB Licence No. 2BE-CRA1015

Dear Ms. Price,

Please find attached renewal Licence No. **2BE-CRA1015** issued to CBR Gold Corp. by the Nunavut Water Board (NWB) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada*. 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* (NLCA) and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSTRA). 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 sixty (60) days is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. The NWB notes that, among other items, there is a Nunavut Impact Review Board Decision requirement for incineration to comply with the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions. This requirement is supported by and Indian and Northern Affairs Canada. Environment Canada outlined appropriate incineration equipment and best

management practices required to achieve the CWS for dioxins/furans and mercury. This information is attached for your consideration.¹

Sincerely,



Thomas Kabloona
Nunavut Water Board
Chair

TK/tla/pb

Enclosure:

Licence No. **2BE-CRA1015**
Comments- INAC, EC, DFO, KIA, A. Baker

cc: Distribution – Kitikmeot and Kivalliq

¹ Indian and Northern Affairs Canada (INAC), February 5, 2010; Environment Canada (EC), February 11, 2010; Fisheries and Oceans Canada (DFO), February 4, 2010; Kitikmeot Inuit Association (KIA), January 26, 2010; A. Baker, January 21, 2010.

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DECISION

LICENCE NUMBER: 2BE-CRA1015

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated November 24, 2009 for a new Water Licence made by:

CBR GOLD CORP.

to allow for the use of water and disposal of waste during camp and exploration activities including regional prospecting, geological mapping, rock sampling, ground and possibly airborne geophysics, potential diamond drilling, temporary winter road from Hayes camp to Three Bluffs deposit, and operation of four (4) camps including the main camp Hayes (40 persons) and secondary camps - Ingot (25 persons), Bullion (25 persons), and Crater (25 persons), at the Committee Bay Project located within the Kitikmeot and Kivalliq Regions of Nunavut, generally located at the geographical coordinates as follows:

Latitude: 66°39'30"N Longitude: 91°33'11"W (Hayes camp)
Latitude: 66°35'40"N Longitude: 92°37'34"W (Ingot camp)
Latitude: 66°23'30"N Longitude: 93°07'30"W (Bullion camp)
Latitude: 66°22'19"N Longitude: 88°51'21"W (Crater camp)
Latitude: 66°32'41"N Longitude: 92°32'41"W (Herc Strip Cache)

DECISION

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 having been notified by the Nunavut Planning Commission that the application was in conformity with the Keewatin Regional Land Use Plan and subject to a 12.4.4(a) Screening Decision by the Nunavut Impact Review Board in accordance with Article 12 of the *Nunavut Land Claims Agreement (NLCA)*, the NWB decided that the application could proceed.

After reviewing the submission of the Applicant and considering the representations made by interested parties, 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*, waived the requirement to hold a public hearing, and determined that:

**Licence Number 2BE-CRA1015 be issued subject to the terms and conditions contained therein.
(Motion #: 2009-23-L06)**

SIGNED this 1st day of April 2010 at Gjoa Haven, NU.



Thomas Kabloona
Nunavut Water Board
Chair

BACKGROUND

CBR Gold Corp. (Licensee and previously Committee Bay Resources Limited²) and predecessor companies have been exploring for economic mineral deposits in the Committee Bay Greenstone Belt over the past 12 years.

The Licensee intends to evaluate the potential for economic concentrations of minerals within the Committee Bay region. Activities include geological sampling, mapping, prospecting, geophysics, diamond drilling, and the construction of a temporary winter road from Hayes camp to Three Bluffs deposit to allow for spring drilling.

CBR Gold Corp. maintains four camps (Hayes, Bullion, Ingot and Crater camps) along the Committee Bay Greenstone Belt to support exploration activities of its Committee Bay Project, which was previously known as the Crater Lake Project. The camps will be occupied off-and-on between mid-March and late September, and it is not anticipated that all four camps would be active at the same time.

During the winter months activities are supported by snow machines, helicopters and ski/wheel equipped Twin Otter aircraft that can land on the frozen lakes at all four camps. An ice strip will be constructed on the lake at Hayes camp in order to accommodate larger fixed-wing aircraft for the purpose of mobilizing larger pieces of equipment and supplies and to demobilized empty fuel drums and miscellaneous equipment. Exploration activities in the summer months will be supported by helicopter and Twin Otter.

Water for each camp will be obtained from lakes proximal to each site and water for drilling will be obtained from lakes and ponds close to drill targets.

PROCEDURAL HISTORY

The Licensee submitted a water licence application for renewal and amendment of Licence 2BE-CRA0710, to the Nunavut Water Board (NWB) on November 24, 2009. Following a preliminary technical review and the submission of additional information clarifying the application, the NWB distributed the application to interested parties for review on January 12, 2010.

The NWB received a Nunavut Impact Review Board (NIRB) screening decision dated February 26, 2010 and a positive Land Use Plan conformity determination from the Nunavut Planning Commission (NPC) on March 11, 2010.

The NWB received comments on the application from interested parties, including, Environment Canada (EC), Indian and Northern Affairs Canada (INAC), the Kitikmeot Inuit Association (KIA), and a Ms. A. Baker.

Based upon the results of the detailed assessment, including consideration of any potential accidents, malfunctions, or impacts to water that the overall project might have in the area, the

² Certificate of Amendment on file May 15, 2009.

Board approved the application and has issued Licence 2BE-CRA1015

ISSUES

Request for Hearing

In comments submitted January 21, 2010, Ms. Baker suggested that the NWB hold a public hearing before issuing a Licence. Ms. Baker's concerns included wildlife mitigation, consultation, acid rock drainage and waste disposal. Based on the application and information on file since the original Licence was issued in 2007, at this time, the NWB does not find that a public hearing is required. The NWB also relies on the outcome of the NPC conformity determination and NIRB Screening Decision³ in arriving at that conclusion. Between these approvals and the conditions attached to them, the NWB finds that the project will be sufficiently mitigated and regulated to address the concerns raised by Ms. Baker.

Term of Licence

In review of the application and the comments received from interested parties, there were no comments provided or concerns raised with respect to the Licensee's request for a licence term of five (5) years. The NWB has issued the Licence for five (5) years.

Annual Report

The requirement to produce Annual Reports is to ensure that the NWB has an accurate and timely annual update of water use and waste disposal activities for a given project during a calendar year. This information is maintained on the Public Registry and is available to interested parties upon request

Water Use

No concerns were submitted regarding the volume of water requested by the Licensee. Based on the application information, the Licensee requested that the Licence be amended to increase the volume of water permitted from 140 cubic metres per day to 218 cubic metres per day. In accordance with the application, the NWB has imposed a daily limit of two hundred and ten (210) cubic metres for total drilling, respecting the request for thirty five (35) cubic metres per each of six drills and a contingency for winter road maintenance. An additional four (4) cubic metres of water is permitted for Hayes camp, and two (2) cubic metres for each of the remaining three camps (Bullion, Ingot, Crater) for domestic purposes. In order to monitor the withdrawal of water the NWB has assigned names to each camp lake based on the camp name. This will facilitate reporting in accordance with the monitoring program.

Sewage

It is generally recommended that disposal locations for greywater and drilling wastes, be located a minimum distance of thirty (31) metres from any water body and such that there is no

³ NIRB Screening Decision, February 26, 2010; File No.07EN021

adverse effects to the quality, quantity and flow of water. INAC supports the application of the application of standard Type B licence conditions for this project, which have been carried over from the previous Licence.

Additionally, the NWB notes the issue raised by EC with respect to the incineration of raw sewage. EC advised the NWB that raw sewage should not be burned in batch incinerators that are typically used in the north. Raw sewage should only be burned in incineration equipment designed for this type of waste. As a result, the NWB will require that Toilet Wastes be contained in latrine pits or treated using 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. If the Licensee decides to pursue sewage sludge incineration, it should provide the Board with an amendment application including the design specifications of the incinerator and a letter from the manufacturer stating that this equipment is suitable for burning this type of waste.

Spill Contingency Plan

The Spill Contingency Plan submitted with the application is generally acceptable and has been approved. The NWB would like to highlight the comments provided by INAC including the requirement to ensure that water that collects within secondary containment facilities does not result in the harmful contamination of surrounding water sources. Any effluent released should have no visible sheen of oil and grease.

Finally, the Licensee is to update the Plan with an addendum, with consideration given to the comments provided by INAC during the review of the application and the items identified in Part H, Item 2.

Winter Road Construction

INAC provided the following recommendations regarding the 10-km winter road from Hayes camp to the Three Bluffs deposit. First being that the Licensee maintain a minimum of ten (10) centimetres packed snow/ice surface at all times during use; and second, materials should not be stored on the ice surface of water bodies other than that required for immediate use. The NWB agrees with INAC and notes that the latter recommendation is a condition of licences regulating airstrips, winter roads and on-ice drilling. These conditions are included in Part E of the Licence.

Abandonment and Restoration

INAC noted that the A&R Plan was last revised in 2007 and that the Licensee was required to submit a revised plan by June 1, 2008. This requirement is carried forward into the renewed Licence and the Licensee must submit an updated A&R Plan within sixty (60) days of issuance of this Licence.

Monitoring

The results of the monitoring program outlined in Part J are to be included in the Annual Report. If on-ice drilling is required, the Licensee must take note of relevant conditions under Part F and Part J of the Licence. The monitoring program has been updated to reflect the water use requested in the renewal application.



NUNAVUT WATER BOARD WATER LICENCE

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

CBR GOLD CORP.

(Licensee)

SUITE 220, 9797 – 45th AVENUE., EDMONTON, ALBERTA, T6E 5V8

(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:

Licence Number/Type: 2BE-CRA1015 TYPE “B”

Water Management Area: NUNAVUT 06 & 07

Location: COMMITTEE BAY PROJECT
KITKMEOT & KIVALLIQ REGION, NUNAVUT

Classification: MINING AND MILLING UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not
to Exceed: TWO HUNDRED AND EIGHTEEN (218) CUBIC METRES
PER DAY

Date of Licence Issuance: APRIL 1, 2010

Expiry of Licence: APRIL 1, 2015

This Licence, issued and 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 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* at the Committee Bay Project, located approximately 135 km south of Kugaaruk and 150 km west of Repulse Bay, within the Kitikmeot and Kivalliq Regions of Nunavut.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and
- b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. Definitions

“**Act**” means the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

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

“**Amendment**” means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

“**Appurtenant Undertaking**” means an undertaking in relation to which a use of water or a deposit of waste is permitted by a licence issued by the Board;

“**Board**” means the Nunavut Water Board established under the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“**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 from approximately 22 to 32 elements, depending on the laboratory performing the analysis);

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

“Licensee” means the holder of this Licence;

“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;

“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**

- a. Failure to comply with this Licence will be a violation of the *Act*, subjecting the Licensee to the enforcement measures and the penalties provided for in the *Act*;
- b. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- c. For the purpose of enforcing this Licence and with respect to the use of water and deposit or discharge of waste by the Licensee, Inspectors appointed under the *Act*, hold all powers, privileges and protections that are conferred upon them by the *Act* or by other applicable law.

PART B: GENERAL CONDITIONS

1. The 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 file an Annual Report on the appurtenant undertaking with the Board no later than March 31st of the year following the calendar year being reported, containing the following information:
 - a. A summary report of water use and waste disposal activities;
 - b. A list of unauthorized discharges and a summary of follow-up actions taken;
 - c. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - d. Report all artesian flow occurrences as required under Part F, Item 3;
 - e. Where drilling activity has penetrated below the permafrost layer, the depth of permafrost and location of the drill hole are to be included as required under Part F, Item 4;
 - f. A summary of all information requested and results of the Monitoring Program; and
 - g. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
3. The Licensee shall review the Plans referred to in this Licence as required by changes in operation and/or technology and modify the Plans accordingly. Revisions to the Plans are to be submitted in the form of an Addendum to be included with the Annual Report required by Part B, Item 2, complete with a revisions list detailing where significant content changes are made.
4. 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.

5. The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of water volumes as required under Part J, Item 1.
6. 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.
7. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
8. 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.
9. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times. Any communication with respect to this Licence shall be made in writing to the attention of:
 - (a) **Manager of Licensing:**
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369
Email: licensing@nunavutwaterboard.org
 - (b) **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
10. The Licensee shall submit one paper copy and one electronic copy of all reports, studies, and plans to the Board. Reports or studies submitted to the Board by the Licensee shall include a detailed executive summary in Inuktitut and Inuinnaqtun.
11. 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.
12. This Licence is assignable as provided for in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all water for domestic camp use from camp lakes. Domestic water use shall not exceed four (4) cubic metres per day for Hayes camp lake. Domestic water use shall not exceed two (2) cubic metres per day for either Bullion, Ingot or Crater camp lakes. Drilling and associated winter road use water shall be obtained from local water source(s) proximal to the drilling targets as outlined in the application and shall not exceed two hundred and ten (210) cubic metres per day. Water for the temporary winter road may be obtained from the lake indicated on the winter road map, submitted with the renewal application. The total volume of water for the purposes of this Licence shall not exceed two hundred and eighteen (218) cubic metres per day.
2. Streams cannot be used as a water source unless authorized and approved by the Board in writing.
3. If the Licensee requires water in sufficient volume that the source water body may be drawn down the Licensee shall, at least thirty (30) days prior to commencement of use of water, submit to the Board for approval in writing, the following: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.
4. 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.
5. The Licensee shall not remove any material from below the ordinary high water mark of any water body unless authorized.
6. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
7. 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 at a minimum distance of thirty one (31) metres from the ordinary high water mark of any water body such that the quality, quantity or flow of water is not impaired, unless otherwise approved by the Board in writing.
2. The Licensee shall not practice on-site land filling of domestic waste or waste products, unless otherwise approved by the Board in writing.

3. The Licensee is authorized to dispose of all acceptable food waste, paper waste and untreated wood products in an incinerator.
4. The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters, unless otherwise approved by the Board in writing.
5. The Licensee shall provide to the Board documented authorization from all communities receiving wastes from the Committee Bay Project prior to any backhauling of wastes to those communities.
6. The Licensee shall remove and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation, to a licensed waste disposal site.
7. The Licensee shall maintain records of all waste backhauled and records of confirmation of proper disposal of backhauled waste. These records shall be retained for the duration of the Licence and made available to an Inspector upon request.
8. The Licensee shall dispose of all Greywater in a sump located a distance of at least thirty one (31) metres above the ordinary high water mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing.
9. The Licensee shall contain all Toilet Wastes in latrine pits or treated using 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. The Licensee shall not erect camps or store material on the surface of frozen streams or lakes, including the immediate banks, except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.
2. Winter lake and stream crossings, including ice bridges, shall be constructed entirely of water, ice or snow. The Licensee shall minimize disturbance by locating ice bridges at 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.
3. The Licensee shall maintain a minimum packed snow thickness for overland and

portage winter road operations of at least ten (10) centimeters during use, to minimize transport of sediments onto the ice and impacts to water.

4. 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.
5. 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 a distance of at least thirty one (31) metres from the ordinary high water mark in such a fashion that they do not enter the water.
6. 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.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

1. The Licensee shall not conduct any land based 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 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 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. All sumps shall be backfilled and contoured to prevent precipitation run-off collection prior to the end of the project field season.
3. If artesian flow is encountered, drill holes shall be immediately sealed and permanently capped to prevent induced contamination of groundwater or salinization of surface waters. The Licensee shall report all artesian flow occurrences within the Annual Report, including the location (GPS coordinates) and dates.
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. The Licensee may store drill cores produced by the appurtenant undertaking in an appropriate manner and location at least thirty one (31) metres above the ordinary high water mark of any adjacent water body, where any direct flow into a water body is not possible and no additional impacts are created.

6. 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.
7. For on-ice drilling where drill additives are not being used, return water released must be nontoxic, and not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment, Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).
8. 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:
 - a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
 - b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
 - c. such Modifications are consistent with the NIRB Screening Decision
 - d. the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and
 - e. the Board has not rejected the proposed Modifications.
2. Modifications for which all of the conditions referred to in Part G, Item 1 have not been met can be carried out only with written approval from the Board.
3. The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

1. The Board has approved the Plan entitled “Spill Contingency Plan for Camps and Remote Operations, CBR Gold Corp., June 10, 2009”.
2. The Licensee shall, within thirty (30) days of issuance of this Licence, submit to the Board an addendum to the Plan, that includes corrections and additions as indicated in

this Part, and any other items as determined through the review of the Plan:

- a. Those items identified by INAC in their review of the Plan and provided under Item 5 of their submission dated February 5, 2010;
 - b. Update the introduction section, 1.0 to indicate the Plan is in effect until the expiry date of this licence, April 1, 2015;
 - c. Water discharged from secondary containment areas shall have no visible sheen of oil and grease.
3. Fuel containers, including barrels, should be marked with the responsible party's name, product type, and year purchased or filled.
4. The Licensee shall prevent 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.
5. 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.
6. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a. Employ the Spill Contingency Plan;
 - b. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and
 - c. For each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING

1. The Licensee shall revise and submit to the Board for approval in writing within sixty (60) days of issuance of this Licence, an Abandonment and Restoration Plan, specific to the Committee Bay Project, prepared in accordance with applicable sections of the "Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990)". In developing the Plan, the Licensee shall incorporate the recommendations provided by INAC in their submission dated February 5, 2010, Item 6.
2. The Licensee shall remove hazardous waste, empty barrels and fuel drums from the site

on an annual basis to prevent the over accumulation of these materials.

3. The Licensee shall complete all restoration work prior to the expiry of this Licence.
4. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.
5. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
6. The Licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this Licence.
7. 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.
8. 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, January 2002. The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.
9. 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.
10. 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 measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling and winter road construction.
2. 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.
3. 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.

4. The Licensee shall obtain representative samples of the water column below any ice, where required under Part F, Items 7 and 8. Monitoring shall include but not be limited to the following:

Total Suspended Solids

pH

Electrical Conductivity,

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

5. 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.
6. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
7. The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.