

File No.: 2BE-CRA1520/ Amendment No. 2

May 5, 2016

Simeon Robinson North Country Gold Corp. 220-9797 45th Avenue, Edmonton, AB, T6E 5V8

Email: Simeon.Robinson@aurynresources.com

RE: Licence No. 2BE-CRA1520 Type "B" – Amendment No. 2; Water Use for combined Diamond Drilling, Fly Camps, Ice Strip, and Winter Trail Purposes

Dear Mr. Robinson,

Please find attached Amendment No. 2 to Licence No. **2BE-CRA1520** issued to North Country 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 (Nunavut Land Claims Agreement or NLCA).* The terms and conditions of the current Licence related to the use of Water and the deposit of Waste remain an integral part of this approval.

The NWB notes that the Nunavut Planning Commission's (NPC) conformity determination, issued on February 27, 2007, continues to apply to the current application<sup>1</sup>. NPC also confirmed that the proposed activity is Exempt from Nunavut Impact Review Board (NIRB) Screening and the activities therein remain subject to the terms and conditions recommended in the original January 28, 2011 Screening Decision Report.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration.<sup>2</sup>

Sincerely,

Thomas Kabloona Nunavut Water Board,

1.160

Chair

<sup>&</sup>lt;sup>1</sup> NPC Determination Letter sent December 23, 2015

<sup>&</sup>lt;sup>2</sup> Indigenous and Northern Affairs Canada (INAC), dated February 5, 2016.

TK/ce/kk

Licence No. <u>2BE-CRA1520 – Amendment No. 2</u> Comments – INAC Enclosure:

Cc: Kitikmeot

## LICENCE AMENDMENT No. 2

Licensee: North Country Gold Corp.
Licence No: 2BE-CRA1015 Type "B"

Licence Issued: March 4, 2015 Licence Expiry: March 3, 2020 Amendment No.1 July 3, 2015

Amendment No. 2 Effective Date: May 5, 2016

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 an application for amendment, dated December 10, 2015, by the North Country Gold Corp. (NCGC or Licensee), the Board hereby grants the following Licence Amendment.

The Licence issued March 4, 2015 with an expiry date of March 3, 2020 and its Amendment No. 1, issued on July 6, 2015, shall be amended to include the following terms and conditions with respect to the use of Water and deposit of Waste during activities related to exploration activities (Mining Undertaking<sup>3</sup>) that includes additional diamond drilling at the Committee Bay Project in addition to the Three Bluffs deposit, local flooding/maintenance of the permitted ice airstrip on Sandspit Lake (Hayes Camp) and maintaining the winter trail between the Hayes Camp and the Three Bluffs deposit. Proximal lakes and static ponds nearby the Three Bluffs site shall be used as additional water supply sources.

### **Procedural History**

On December 10, 2015, NCGC submitted to the Board an Amendment No. 2 application to allow the combined use of Water for all Diamond Drilling, Fly Camps, Ice Strip, and Winter Trail Purposes.

The Amendment No. 2 application included the following documents as supplementary information:

- Cover letter dated December 10, 2015
- Application for Water Licence Amendment No. 2
- Exploration/Remote Camp Supplementary Questionnaire
- Committee Bay Project, Non-Technical Summary, in English and Inuktitut
- Detailed Non-Technical Summary, Committee Bay Project
- Supplementary Information, Cover Page List of Appendices
- Appendix 1 Authorization Letter for Simeon Robinson
- Appendix 2 NPC Conformity Correspondence
- Appendix 3 NIRB Screening Correspondence

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<sup>&</sup>lt;sup>3</sup> Schedule I, Nunavut Waters Regulations, SOR/2013-69

- *Appendix 4 Maps and Drawings*
- *Appendix 5 Reclamation Estimate*
- *Appendix 6 Incorporation Certificate*
- Abandonment and Reclamation Plan, Revision 1
- Archaeology and Paleontology Plan, Revision 1
- Comprehensive Waste Management Plan, Revision 1
- Corporate and Social Responsibility Action Plan, Revision 1
- Fuel Management Plan, Revision 1
- Quarry Management Plan, Revision 1
- Spill Prevention and Response Plan, Revision 3 (including MSDS sheets)
- Proposed Hayes Camp to Three Bluffs all-weather access road, Transportation Management Plan, Revision 1
- Waste Water Treatment System Management Plan, Revision 1
- Biological Test Method: Reference Method for Determining Acute Lethality of Effluents to Daphnia magna, Environment Canada
- Biological Test Method: Reference Method for Determining Acute Lethality of Effluents to Rainbow Trout, Environment Canada

On January 18, 2016, after an initial review the Board distributed the application for an eighteen (18) day comment period. On February 5, 2015, Indigenous and Northern Affairs Canada (INAC), submitted their comments regarding the proposed activities to the Board.

#### LICENCE AMENDMENT No. 2

The Licence shall be amended to indicate the following:

### PART C: CONDITIONS APPLYING TO WATER USE

# Amend

#### Item 1

The Licensee shall obtain all Water for domestic camp use for the Hayes Camp from Sandspit Lake and at the local nearby lakes and ponds for Bullion, Ingot or Crater secondary camps and for temporary Fly Camps. Domestic use of Water shall not exceed fifty (50) cubic metres per day. Industrial use of Water for exploration drilling, local flooding/maintenance of the permitted ice airstrip on Sandspit Lake (Hayes Camp) and maintaining the winter trail between the Hayes Camp and the Three Bluffs deposit is not to exceed 245 cubic metres per day and shall be obtained from local lakes and static ponds proximal to the drilling targets/ice airstrip/winter trail, as outlined on Map A and in Appendix 1 of the submitted *Detailed Non-Technical Summary*. Total use of Water shall not exceed two hundred and nighty-five (295) cubic metres per day for all purposes, or as otherwise approved by the Board in writing.

All remaining terms and conditions of the Licence 2BE-CRA1520 Type 'B" dated March 4, 2015, including the terms and conditions outlined in Amendment No. 1 dated July 3, 2015, still apply.

This Licence Amendment No. 2 (by Motion No: 2016-B1-001) is issued and recorded at Gjoa Haven, NU on May 5, 2016.

Approved by,

Thomas Kabloona Nunavut Water Board

Chair