

DECISION

LICENCE NUMBER: NWB2G009801

This is the decision of the Nunavut Water Board (NWB) with respect to an application for a Licence dated November 1997, made by:

Kit Resources Limited

to allow for the extraction of a bulk sample and associated uses at the Goose Lake property by Kit Resources Limited.

With respect to this application, the NWB gave notice to the public that Kit Resources Limited had filed an application for renewal.

DECISION

After having been satisfied that the application had been screened pursuant Article 12 of the Nunavut Land Claims Agreement and that any potentially adverse environmental effects were insignificant or mitigable with known technology, the NWB decided that the application could proceed through the regulatory process. After reviewing the submission of the Applicant and the written and oral comments expressed 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 Nunavut Land Claims Agreement, determined that:

Licence Number NWB2G009801 be issued subject to the terms and conditions contained therein.

SIGNED this day _____ day of September 1998 at Gjoa Haven, NT.

Philippe di Pizzo
Executive Officer

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I. INTRODUCTION

Following an application filed by Kit Resources Limited on November 13, 1997 to the Nunavut Water Board, the Nunavut Impact Review Board (NIRB) conducted an environmental screening of Kit Resources Limited's request for an industrial water licence for water use and waste disposal to conduct a four-phased exploration program which will include: diamond drilling, trenching, bulk sampling, and environmental monitoring in conjunction with its operations at Goose Lake. The screening was conducted pursuant to the provisions of Article 12, Section 12.4.4 of the Nunavut Land Claims Agreement. The application was referred for review and comments to Nunavut Tunngavik Incorporated, Kitikmeot Inuit Association, Department of Indian and Northern Affairs, Fisheries and Oceans Canada, Environment Canada, the Renewable Resources Department, and the Health and Social Services Department (G.N.W.T.), the Hamlet of Cambridge Bay, and the Hunter's and Trapper's Association (Ekaluktitiak) of Cambridge Bay. Based upon the results of this screening and technical review, including consideration of any potential accidents, malfunctions, or cumulative environmental effects that the overall project might have in the area, the NIRB concluded in its screening decision dated February 26, 1998 that this project could proceed through the regulatory process.

In accordance with the *Nunavut Land Claims Agreement*, Article 13, Section 13.7.2, the NWB shall hold a public hearing before approving any application. The NWB may, where there is no public concern expressed, waive the requirement for a public hearing. Notice of the application was posted in the News North newspaper. After considering and reviewing the evidence presented by interested parties the NWB determined that a public hearing was not required and has issued licence NWB2G009801.

II. GENERAL CONSIDERATIONS

C. Term of the Licence

Based on the powers held by the Northwest Territories Water Board under the Northern Inland Waters Act, the NWB may issue a licence for a term not exceeding twenty-five years. In licence NWB2G009801, the NWB imposes requirements for extensive studies.

In order to properly carry out these studies, sufficient time shall be given to permit the licensee to develop and submit the terms of reference of the studies, to gather and analyze data, to implement mitigative measures, and to complete the reports to the satisfaction of the NWB. Therefore, the NWB believes that a term of three years is appropriate and will allow the licensee to carry out its proposed work.

B. Security Deposit

Security deposits are funds which are set aside for site restoration after closure, whereas

II. GENERAL CONSIDERATIONS (contd.)

performance bonds are generally used for remedial activities in case of contamination during the operation. In this case, the NWB believes that it is appropriate to allow the security deposit to be used for both purposes.

The NWB has concluded that it is necessary and appropriate to adopt the principle of full recovery as the basis for establishing the amount of the security deposit required from licensees. The Board may fix the amount of security required to be furnished by the applicant in an amount not exceeding the aggregate of the costs of:

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

In fixing an amount of security, the Board may have regard to:

- a. The ability of the applicant, licensee or prospective assignee to pay the costs referred to in that subsection; and
- b. The past performance by the applicant, licensee or prospective assignee in respect of expired licences or any other licence or approval.

Based on several factors including the preliminary assessment of reclamation costs for the mine (approximately \$166,201.00), and the possibility that the mine closure is not completed according to generally accepted environmental standards in Canada, the NWB considers that imposing a security deposit equal to the actual costs of reclamation would not be required at this time, particularly since the Board may modify the amount of security in light of the total current mine restoration cost to be provided as a requirement of this licence. To ensure that the Crown will bear no costs for proper abandonment and restoration and long term monitoring after closure of the mine, the Board has decided that a security deposit in a total amount of seventy thousand (\$70,000.00) dollars, would provide adequate guaranty. This amount takes into account the fact that the Kitikmeot Inuit Association has imposed a requirement in the land use permit for security in the amount of one-hundred thousand (\$100,000.00) dollars. Moreover, the Board considered in its deliberations the fact that it has imposed conditions in the new licence requiring the mine to perform progressive abandonment and restoration work.

C. Reporting Requirements

The NWB has requested that the mine provide an executive summary in Inuktitut of all

II. GENERAL CONSIDERATIONS (contd.)

studies and reports prepared under this licence. The Board feels that it is important that the information collected and analyzed as requirements of this licence be summarized in the appropriate languages and given back to the residents of nearby communities.

D. Spill Prevention

The Board requires that all operation requesting licenses for water use and waste disposal prepare comprehensive Contingency Plans to establish a state of readiness which will ensure prompt and effective response to possible spills or system failure events. The contingency plan will assist the licensee in responding to emergencies such that the impacts to the environment and public health are minimized.

E. Studies

Acid Rock Drainage

The objective of static tests is to identify samples (rock, tailings, soils) that have the potential to generate net acidity. The test procedure, known as acid-base accounting (ABA), provides a value known as Net Neutralization Potential used to determine if a particular sample will theoretically generate acidity over time. Once samples have been identified, kinetic tests are used to subject the samples to chemical weathering under controlled laboratory conditions in order to confirm the potential to generate net acidity, to measure the rates of acid generation and sulfide oxidation, and to determine the leaching of heavy metals.

Kinetic tests must be performed over several months in order to provide reliable data. The information obtained is critical as it may show the acid generation is negligible or that it may be severe only for a relatively short period, which would suggest that long term treatment is unnecessary. On the other hand, if the results of the kinetic tests show that long term treatment is necessary, then the kinetic data can be used to address the severity and duration of acid drainage. These same test results can then be used to optimize treatment and control techniques before and after abandonment.

To ensure that appropriate actions are taken to control and treat potential ARD areas, the licensee is required to submit a plan which in turn will be implemented according to conditions set out by the NWB upon approval of the plan.

F. Abandonment and Restoration (A&R)

II. GENERAL CONSIDERATIONS (contd.)

The NWB would like to ensure that no complications are encountered and that all required data are available well before final abandonment. To accomplish these objectives, the NWB considers that additional detailed information from the licensee and progressive A&R is necessary.

G. Other

Authority of the Board

The Nunavut Land Claims Agreement (NLCA) specifically states no person may use water or dispose of waste into water without the approval of the NWB. Contrary to the Northwest Territories Water Board which has the authority to approve only certain types of licences under the Northwest Territories Waters Act, other types of uses being subject to ministerial approval under the same Act, the Nunavut Water Board has the authority to approve any use of water and disposal of waste under the NLCA. Such an approval by the Board is not subject to the review, concurrence, validation, or approval by the Minister of Indian and Northern Affairs.

III. LICENCE NWB2G009801

Pursuant to 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

KIT RESOURCES LIMITED

(Licensee)

of

**Suite 340, Park Place
666 Burrard Street, Vancouver, BC V6X 2X8**

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water for a period subject to restrictions and conditions contained within this licence:

NWB2G009801

Licence Number

NORTHWEST TERRITORIES 05

Water Management Area

GOOSE LAKE, NORTHWEST TERRITORIES
(Latitude/Longitude: 65°33' N / 106°25' W)

Location

**INDUSTRIAL WATER USE AND WASTE
DISPOSAL**

Purpose

**EXPLORATION AND EXTRACTION OF BULK
SAMPLE AND ASSOCIATED USES**

Description

100 CUBIC METRES DAILY

Quantity of Water Not to be Exceeded

SEPTEMBER 1, 1998

Date of Licence

AUGUST 31, 2001

Expiry Date of Licence

Dated this _____ of September 1998 at Gjoa Haven, NT.

Philippe di Pizzo
Executive Director

PART A: SCOPE AND DEFINITIONS

1. SCOPE

- a. This licence entitles Kit Resources Limited to use water and dispose of waste in conjunction with a four-phased exploration program which will include: diamond drilling, trenching, bulk sampling and environmental monitoring and associated uses at Kit Resources Limited's, Goose Lake Camp, Northwest Territories, (65°33' N / 106°25' W) as shown in Figure 1, appended to this licence.
- c. 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 a future Nunavut Waters 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.
- d. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with all applicable Federal, Territorial and Municipal legislation.
- b. The Licensee shall have applied for and received a new Licence for mining and milling undertakings before any ore bodies in the area referred to in Part A, Item 1(a) are brought into production, other than for the mining of a bulk ore sample.

2. DEFINITIONS

In this Licence: NWB2G009801

"Average Concentration" means the concentration as determined in Part B, Item 6 of the "Surveillance Network Program" submitted to the Board in accordance with the sampling and analysis requirements specified in the "Surveillance Network Program";

“Board” means the Nunavut Water Board established under the Nunavut Land Claims Agreement;

“Grab Sample” means a single water or wastewater sample taken at a time and place representative of the total discharge;

“Inspector” means an Inspector designated by the Department of Indian and Northern Affairs Canada in a manner consistent with the Memorandum of Understanding between the Department of Indian and Northern Affairs and the Board;

“Licensee” means the individual or organization to whom licence NWB2G009801 is issued or assigned;

“Minewater” means ground water or any other water used in mining which is pumped or flows out of any underground workings or open pit;

“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;

“Reclamation Trust Fund” means a trust recognized by the Canadian Income Tax Act by which the beneficiary establishes, under the terms of a contract entered into with Her Majesty in right of Canada on or after January 1, 1996, funds set aside for the sole purpose of funding the reclamation of a mine;

“Retention Pond” means any natural or man made depression designed to act as a settling facility for the purpose of separating solids from minewater.

“Waste” means 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 substance contained in it or because it has been treated or changed, by heat or other means;

“Waste Rock” means all unprocessed rock materials that are produced as a result of mining operations and having no economical value; and

“Water Supply Facilities” comprises the area and associated intake infrastructure at Goose Lake.

PART B: GENERAL CONDITIONS

1. The water use fee shall be paid annually in advance as set out in Schedule II annexed to this licence.
2. Prior to the use of water or the deposit of waste for any undertaking directly associated with the extraction of a bulk sample, the Licensee shall post and maintain a security deposit according to the following schedule:
 - a) within thirty (30) days of issuance of this licence, an amount of seventy thousand (\$70,000.00) dollars;
 - b) such further or other amounts as may be required by the Board based on annual estimates of current mine restoration liability in accordance with Part I, Item 4 of this Licence.

This clause shall survive the expiry of this licence or renewals thereof.

3. The security deposit may be applied to carry out work necessary to fulfil requirements of this licence where there is contravention of a condition of the licence and subsequent failure by the licensee to comply with a direction issued by the Board or by any other competent and authorized government department and agency whose requirements are equally stringent as those of the Board. Security deposits may be applied for a failure to meet operational requirements as well as the provision of the Final Abandonment and Restoration Plan.

The Security Deposit shall be maintained until such time as the Board is satisfied that the Licensee has complied with all provisions of the approved Final Abandonment and Restoration Plan. This clause shall survive the expiry of this Licence or renewals thereof.

3. The Licensee may submit to the Board for approval the Terms of Reference for the establishment of a Reclamation Trust Fund. The Licensee shall implement the terms of the Trust Agreement as, and when, approved by the Board.
4. The licensee shall file a report with the Board no later than March 31 of the year following the calendar year reported, which shall contain the following information:
 - a. The monthly and annual quantities (in cubic metres) of water pumped from Goose Lake;
 - b. The monthly and annual quantities (in cubic metres) of minewater pumped

from underground;

- c. Tabular summaries for all data and information generated under the “Surveillance Network Program”;
 - d. A summary of any construction work, modification and major maintenance work carried out on the waste disposal facilities, including all associated structures;
 - e. A summary of exploration and development activities as that relate to water use and waste disposal;
 - f. A summary of all work carried out under the Waste Rock Disposal Plan in accordance with Part G, Item 9 including the updated results of ongoing Acid Rock Drainage and related geochemical test work;
 - g. A list of unauthorized discharges and summary of follow-up actions taken;
 - h. A progress report on any studies requested by the Board that relate to waste management, water use, and restoration, as well as a brief description of any future studies planned by the Licensee;
 - i. A summary of any abandonment and restoration work undertaken during the year and an outline of any work anticipated for the next year;
 - j. An updated estimate of the total current mine restoration cost based upon the results of the mine restoration research, the mine development monitoring, and any modifications to the mine plan;
 - k. A public consultation/participation report describing consultation with local organizations and the residents of the nearby communities;
 - l. A brief summary of work done to address concerns or deficiencies listed in the inspection reports and/or compliance reports;
 - m. Any other details on water use or waste disposal requested by the Board by November 1st of the year being reported; and
 - n. An executive summary in terms understandable to the general public translated into Inuktitut of all plans, reports, or studies conducted under this licence.
5. All research and studies undertaken by the Licensee shall follow the “Ethical

Principles for the Conduct of Research in the North”, Association of Canadian Universities for Northern Studies (1982).

6. The Licensee shall comply with the “Surveillance Network Program” annexed to this Licence, and any amendment to the said “Surveillance Network Program” as may be made from time to time, pursuant to the conditions of this Licence.
7. The “Surveillance Network Program” and compliance dates specified in the Licence may be modified at the discretion of the Board.
8. The Licensee shall install meters or such devices, or use such methods as approved by the Board for measuring the volumes of water used and waste discharged. The meters and measuring devices or methods shall be operated and maintained to the satisfaction of an Inspector.
9. The Licensee shall continue to maintain the necessary signs to identify the stations of the “Surveillance Network Program”. All postings shall be located and maintained to the satisfaction of an Inspector.
10. The Licensee shall ensure a copy of this Licence is maintained at the site of operation at all times.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all freshwater for domestic purposes from Goose Lake or as otherwise approved by the Board.
2. The daily quantity of water withdrawn for all purposes shall not exceed 100 cubic metres.
3. The water intake hose use on the water pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. All minewater, should it be encountered, shall be directed to a Retention Pond/Settling Pond or as approved by the Board.
2. The Licensee shall, by December 1, 1998 submit to the Board for approval a plan which proposes methods of treatment of minewater, should it be encountered, as well as runoff water from ore and waste rock storage areas. The plan shall

include a site map identifying all receiving areas.

3. The Licensee shall implement the plan referred to in Part D, Item 2 as and when approved by the Board.
4. All waste discharged by the Licensee shall not exceed the following effluent quality standards at the point of discharge:

PARAMETER	MAXIMUM AVERAGE	MAXIMUM CONCENTRATION OF CONCENTRATION GRAB SAMPLE	ANY
Total Arsenic	0.50 mg/l	1.00 mg/l	
Total Copper	0.30 mg/l	0.60 mg/l	
Total Lead	0.20 mg/l	0.40 mg/l	
Total Zinc	0.50 mg/l	1.00 mg/l	
Suspended Solids	25 mg/l	50 m g/l	
Oil and Grease	5.0 mg/l		

The waste shall have a pH between 6.0 and 9.5.

5. The Licensee shall provide notice to an Inspector and implement the approved plan in Part D, Item 2 prior to any discharge of waste.
6. All minewater discharged shall be conducted in such a manner to minimize surface erosion.
7. The Licensee shall implement an acid generation potential monitoring plan for the ore and waste rock generated during the extraction of the bulk sample. The plan shall be submitted to the Board for their review.

PART E: CONDITIONS APPLYING TO DRILLING OPERATIONS

1. No land-based drilling is to be done within thirty (30) metres of the high water mark of any water body or watercourse. Drilling wastes from land-based drilling shall be disposed of in a sump such that they do not enter any water body.
2. All sumps and spill basins should be located a minimum of 30 metres from the normal high water mark and in a manner that substances, deleterious to fish, can not enter any such water body.
3. The Licensee shall ensure compliance with Section 36 of the *Fisheries Act* which

requires that no person shall deposit or permit the deposit of a deleterious substance of any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such water body.

8. The Licensee shall follow the *Interim Guidelines for On-Ice Drilling in the NWT* for all on-ice drilling operations. These are:
 - i. All drill cuttings shall be removed from the ice surface.
 - ii. The release of total suspended solid in the receiving environment shall be in compliance with the *Guidelines for Total Suspended Solids* contained in the *Canadian Council of Ministers of the Environment's (CCME) Canadian Water Quality Guidelines, Chapter 3 - Freshwater Aquatic Life*.
 - iii. For kimberlite targets, non-toxicity must be demonstrated; toxicity testing shall be done on the effluent from the drilling operation and the results shall be submitted to the Board.
9. Only drill additives proven to be non-toxic shall be used in conjunction with this drilling program.
10. Drilling additives or muds shall not be used in connection with holes drilled through the lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.
11. The Licensee shall establish baseline conditions of water quality before drilling through lake ice.
12. If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon project termination.
13. The *Fisheries Act* prohibits the harmful alteration, disruption or destruction of fish habitat. No construction or disturbance of any stream, lake bed or banks of any definable watercourse is permitted unless formally authorized by the Department of Fisheries and Oceans.
14. All drill wastes shall be disposed of on land in a sump at least thirty (30) metres from the high water mark of a water body.
15. The Licensee shall not deposit any waste in any body of water, or on the banks thereof, which may impair the quality, quantity, or flow of water.
16. Areas designated for waste disposal shall not be located within thirty (30) metres of the ordinary high water mark of any body of water, unless otherwise authorized.

17. The Licensee shall construct a sump to contain all greywater discharged and shall ensure drainage is away from any water body.
18. All combustible and kitchen waste shall be incinerated.
19. All scrap metal, discarded machinery and parts, and other bulky material shall be disposed of in an approved disposal site.
20. The Licensee shall not bury any scrap metal and other bulky wastes.

PART F: CONDITIONS APPLYING TO CONSTRUCTION

1. The Licensee shall not erect camps or store material on the surface of streams or lakes except what is for immediate use. Camps shall be located on gravel, sand or other durable land in order to minimize impacts on surface drainage.
21. Winter lake and stream crossings, including ice bridges, shall be constructed entirely of water, ice or snow; stream crossings shall be removed or notched prior to spring breakup.
22. Access and tote road construction, pad construction or other earthworks, should be constructed and maintained to engineering standards to ensure there is no erosion that could release sediments into local water bodies.
23. Prior to the construction of Settling Pond #1, and Settling Pond #2 and the impoundments, construction details should be submitted to the Board for their review.
24. The *Fisheries Act* prohibits the harmful alteration, disruption or destruction of fish habitat. No construction or disturbance of any stream, lake bed or banks of any definable watercourse is permitted unless formally authorized by the Department of Fisheries and Oceans.

PART G: CONDITIONS APPLYING TO SPILL PREVENTION AND CONTINGENCY PLANNING

1. The Licensee shall submit to the Board for approval by December 1, 1998, a Contingency Plan. The plan shall be in accordance with the Northwest Territories Water Board's, "Guidelines for Contingency Planning" (1987).

2. The Contingency Plan shall be reviewed annually by the Licensee and revised as necessary to reflect changes in operation and technology. The annual update shall outline any spill training and communications exercises carried out within the year being revised. The proposed revisions shall be approved in writing by the Board.
3. If not approved by the Board, the Contingency Plan referred to in Part G, Item 1 shall be revised and resubmitted within thirty (30) days of receiving notification of the Board's decision.
4. If, during the period of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a. Employ the Contingency Plan;
 - b. Report the incident immediately via the 24-Hour Spill Reporting Line (867) 920-8130; and
 - c. Submit to an Inspector a detailed report on each occurrence no later than thirty (30) days after initially reporting the event.

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 specific 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;
 - c. 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
 - d. 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 consent 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.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall submit to the Board for approval within six (6) months of issuance of this licence an Abandonment and Restoration Plan in accordance with the Northwest Territories Water Board's "Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories, September 1990".
2. If not approved, the Licensee shall submit a revision of the Plan referred to in Part I, Item 1 to the Board for approval within sixty (60) days after receiving notification of the Board's decision.
3. The Licensee shall implement the plans referred to in Part H, Item 1 as approved by the Board in accordance with the schedules and procedures specified in the plans, and shall endeavour to carry out progressive restoration of disturbed areas.
5. The Licensee shall provide the Board annually, as required in Part B, Item 2 (b) an updated estimate of the current mine restoration liability using the current version of RECLAIM, its equivalent or other similar method approved by the Board.
6. The Licensee shall review the Abandonment and Restoration Plan annually, and shall modify the Plan as necessary to reflect input from the Board, changes in operations and technology, and results from restoration research and other studies.
All proposed modifications to the Plan shall be submitted to the Board for approval.
7. The Licensee shall notify the Board of closure of the operation as soon as reasonably feasible.
8. If during the period of this license, the Licensee notifies the Board in writing of the operation is closing indefinitely, a final Abandonment and Restoration Plan shall be submitted to the Board for approval within sixty (60) days of notification.

SCHEDULE I

SURVEILLANCE NETWORK PROGRAM

Licence Number: **NWB2G009801**

Effective Date of Licence: **September 1st , 1998**

SNP SAMPLING LOCATIONS, SAMPLING REQUIREMENTS, AND ANALYSIS REQUIREMENT. (Amendment 01)

Station Numbers	Description	Sampling Requirements	Analysis Requirements	
GOO - 1	Water Intake at Goose Lake	Not required		
GOO - 2	Minewater discharge (if encountered) into Settling Pond/Retention Pond	Once during first week and monthly thereafter	Total Ammonia Total Suspended Solids Total Chromium pH	Total Arsenic Total Copper complete ICP Metal scan
GOO - 3	Outflow from Settling Pond/Retention Pond prior to discharge to the receiving environment.	Once during first week and monthly thereafter	Total Ammonia Total Suspended Solids Total Chromium pH	Total Arsenic Total Copper complete ICP Metal scan
GOO - 4	Receiving water	Once during first week and monthly thereafter during open water.	Total Ammonia Total Suspended Solids Total Chromium pH	Total Arsenic Total Copper complete ICP Metal scan

**The pH, temperature and specific conductivity of the sample shall be recorded at the time of sampling.*

B. SNP GENERAL REQUIREMENTS

1. The Licensee shall, by October 1, 1998 submit to the Board for approval a quality assurance/quality control plan which addresses analysis of field blanks and certified reference material, and replicate sampling in order to assess accuracy, precision and field contamination.
1. The plan referred to in Part B, Item 1 of the SNP, shall be implemented as approved by the Board.
2. All 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 as approved by the Board.
3. All analyses shall be performed in a laboratory approved by the Board.
4. The following example is provided to illustrate the procedures for calculating the average concentration. If the effluent stream is sampled weekly for each substance, the following lead values may be obtained:

Week 1	Sample #1	.15
Week 2	Sample #2	.12
Week 3	Sample #3	.10
Week 4	Sample #4	.18
<i>Running Average = (.15+.12+.10+.18)/4=.137</i>		
Week 5	Sample #5	.20
<i>Running Average = (.12+.10+.18+.20)/4=.150</i>		
Week 6	Sample #6	.16
<i>Running Average = (.10+.18+.20+.16)/4=.160</i>		

C. FLOW MEASUREMENT REQUIREMENTS

1. The monthly quantity of water pumped from Station Number GOO - 1 shall be measured and recorded in cubic metres.
2. The monthly quantity of minewater discharged Station Number GOO - 2 shall be measured and recorded in cubic metres.

D. REPORTS

1. The Licensee shall submit to the Board within thirty (30) days following the month being reported, all data and information required by the "Surveillance Network Program",

including the results of the approved quality assurance plan.

E. MODIFICATIONS TO THE SNP

1. Modifications to the Surveillance Network Program may be made only upon written approval of the Board.

SCHEDULE II - LICENSING CONSIDERATIONS

I. APPLICATIONS FOR LICENCE AMENDMENT, RENEWAL, ASSIGNMENT OR CANCELLATION.

1. An Application for an amendment or renewal shall be in the form set out by the Board and shall contain the information identified therein and be accompanied by a deposit equal to any water use fee that would be payable under subsection II (1) in respect of the first year of the licence that is being applied for.
5. The fee payable on the submission of an application for the amendment, renewal, cancellation or assignment of this licence is thirty (30) dollars.
6. An application for authorization for the assignment of the licence shall be submitted to the Board, accompanied by the fee set out in (2), no less than 45 days before the date on which the applicant proposes to assign the licence, and shall:
 - a. Be signed by the assignor and the assignee; and
 - e. Include the name and address of the assignee.
7. An application for cancellation of a licence shall be in writing and shall set out the reason for the requested cancellation and a description of the measures taken or proposed to be taken, prior to cancellation, for abandonment of the appurtenant undertaking.

II. WATER USE FEES

1. The fee payable by the licensee for the right to the use of water, calculated on an annual basis, in respect of an industrial, mining and milling undertaking, is the greater of thirty (30) dollars and the aggregate of:
 - a. For the first 2,000 m³ per day that is authorized by the licence, \$1 for each 100 m³ per day,
 - b. For any quantity greater than 2,000 m³ per day but less than or equal to 4,000 m³ per day that is authorized by the licence, \$1.50 for each 100 m³ per day, and
 - c. For any quantity greater than 4,000 m³ per day that is authorized by the licence, \$2 for each 100 m³ per day.
2. For the purposes of paragraph (1), where a licence authorizes the use of water on a basis other than a daily basis, the licence fee payable shall be calculated by converting the rate of authorized use to an equivalent daily rate.
3. Where the volume of water is specified in a licence to be total watercourse flow, the

licence fee will be calculated using the mean daily flow of the watercourse, calculated on an annual basis.

4. Licence fees are payable only for the portion of the year during which the licence is in effect.
5. The licence fees shall be paid:
 - a. In respect of a licence for a term of one year or less, at the time the licence is issued; and
 - b. In respect of a licence for a term of more than one year:
 - i. For the first year of the licence, at the time the licence is issued, and
 - ii. For each subsequent year of the licence, or for any portion of the final year of the licence, in advance, on the anniversary of the date of issuance of the licence.

III. SECURITY DEPOSITS

1. Security deposits shall be in the form of:
 - a. A promissory note guaranteed by a bank in Canada and payable to the Receiver General;
 - b. A certified cheque drawn on a bank in Canada and payable to the Receiver General;
 - c. A performance bond approved by the Treasury Board for the purposes of paragraph (c) of the definition “security deposit” in section 2 of the *Government Contract Regulations*;
 - d. An irrevocable letter of credit from a bank in Canada; or
 - e. Cash
2. Security deposits shall be furnished by the licensee:
 - a. In respect of a licence for a term of one year or less, no later than 30 days after the licence is issued; and
 - b. In respect of a licence for a term of more than one year:
 - i. For the first year of the licence, no later than 30 days after the licence is issued, and
 - ii. For each subsequent year of the licence, or for any portion of the final year of the licence, in advance, on the anniversary of the date of issuance of the licence.

**SCHEDULE III - GENERAL CONDITIONS FOR THE ADMINISTRATION OF LICENCES
ISSUED BY THE NUNAVUT WATER BOARD (NWB)**

1. At the time of issuance, a copy of the Licence is placed on the Water Register in the NWB Head Office in Gjoa Haven, and is available to the public.
2. To enforce the terms and conditions of the Licence, the Department of Indian Affairs and Northern Development designates Inspectors in a manner consistent with the Memorandum of Understanding between the Department of Indian and Northern Affairs and the NWB. The Inspectors coordinate their activities with the NWB staff and officials of the Water Resources Division of DIAND. The Inspector responsible for Licence No. NWB2G009801 is located in the Nunavut District office.
3. To keep the NWB and members of the public informed of the Licensee's conformity to Licence conditions, the Inspectors prepare inspection and compliance reports which detail observations on how the Licensee has met each condition in the Licence. These reports are forwarded to the Licensee with a covering letter requesting what action, if any, should be taken. The inspection reports and covering letters are placed on the public Water Register, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of importance that the Licensee react in all areas of concern regarding inspection reports so that these concerns may be clarified.
4. If the Licensee contemplates the renewal of Licence No. NWB2G009801, it is the responsibility of the licensee to apply to the NWB for renewal of the licence. 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. 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. The NWB recommends that an application for the renewal of Licence No. NWB2G009801 be filed at least one year before the Licence's expiry date.
5. If Licence No. NWB2G009801 requires amendment, then a public hearing may be required. The Licensee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The duration of the process may vary depending on the scope of the amendment requested.
6. The NWB can modify the Surveillance Network Program annexed to the licence without a public hearing. Requests for changes to the Surveillance Network Program should be forwarded to the NWB in writing, and should include the justification for the change.
7. Any communication with respect to this licence shall be made in writing to the attention of:
Philippe di Pizzo
Executive Director

Nunavut Water Board
P. O. Box 119
Gjoa Haven, NT. X0E 1J0
Telephone No: (867) 360-6338
Fax No: (867) 360-6369

8. Inspection and enforcement of the terms and conditions of this licence are performed by:

Nunavut District Office
Northern Affairs Program
Department of Indian Affairs
and Northern Development
P. O. Box 100
Iqaluit, NT. X0A 0H0
Telephone No: (867) 979-4405
Fax No: (867) 979-6445

9. The Licence requires that you submit a security deposit to the attention of:

Office Manager
Nunavut Water Board
P. O. Box 119
Gjoa Haven, NT. X0E 1J0
Telephone No: (867) 360-6338
Fax No: (867) 360-6369

10. The licensee shall submit all report, plans and studies to the Board in **three** copies.

FIGURE 1 SITE MAP - PROJECT ENVIRONMENTAL IMPACT AREA WITH SNP STATIONS