

File No.: 2BE-GRE1621/Renewal

October 6, 2016

John McNeice, CEO Aura Silver Resources Inc. 5560 Main St., PO Box 279 Manotick, ON K4M 1A3 David Frenette Agnico Eagle Mines Ltd. C.P. 87-765 chemin de la mine Goldex Val-d'Or, QC J9P 4N9

Email: <u>boaz@sympatico.ca;</u> boaz@aurasilver.com;

david.frenette@angicoeagle.com

RE: NWB Renewal Licence No. 2BE-GRE1621

Dear Mr. McNeice and Mr. Frenette

Please find attached Licence No. **2BE-GRE1621** issued to Aura Silver Resources Inc. 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 attached Licence related to the use of Water and the deposit of Waste 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 the use of Water and the deposit of Waste must cease, or the Licensee may be in contravention of the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. 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 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 are acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. Indigenous and Northern Affairs Canada (INAC) recommended that the following information shall be submitted by the Licensee to the Nunavut Water Board to be uploaded and available at the NWB's Public Registry: Meadowbank Gold Project's waste disposal authorization for the Greyhound site's waste, and monitoring results for any on-ice drilling that has occurred at site. This information is attached for your consideration.¹

Sincerely,		

Lootie Toomasie, Vice Chair Nunavut Water Board

LT/sa/ip

Enclosure: Licence No. 2BE-GRE1621

Comments: INAC and DFO

Cc: Kivalliq Distribution List

¹ Indigenous and Northern Affairs Canada (INAC), September 12, 2016; Fisheries and Oceans Canada (DFO), September 12, 2016

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DECISION

LICENCE NUMBER: 2BE-GRE1621

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated May 9, 2016 for a renewal of a Water Licence made by:

AURA SILVER RESOURCES INC.

to allow for the use of Water and disposal of Waste during activities related to exploration that include prospecting geophysical surveying and drilling, land-based and on-ice drilling, at the Greyhound Project located within the Kivalliq Region, Nunavut generally located at the geographical coordinates as follows:

Latitude: 64° 36' 30" N Longitude: 96° 10' 00" W (Drilling) Latitude: 64° 42' 30" N Longitude: 96° 28' 00" W (Drilling)

DECISION

After having been satisfied that the application was for a location that was in conformity with the Keewatin Regional Land Use Plan¹ and exempt from the requirement for screening as described within Section 12.4.3 by the Nunavut Impact Review Board² in accordance with Article 12 of the *Nunavut Land Claim Agreement (NLCA)*, the NWB decided that the application could proceed through the regulatory process. In accordance with S.55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (Act)* 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 reviewing the submission of the Applicant and considering the representations made by interested persons, 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 *Act*, waived the requirement to hold a public hearing, and determined that:

Licence No. 2BE-GRE1416 be renewed as Licence No. 2BE-GRE1621 subject to the terms and conditions contained therein. (Motion #: 2016-B1-012)

Signed this 6th day of October, 2016 at Gjoa Haven, NU.

Lootie Toomasie, Nunavut Water Board, Vice Chair

LT/sa/ip

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¹ NPC, Re: NPC File #148290 Greyhound Project, Water Licence Renewal, June 7, 2016

² NIRB Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Aura Silver Resources Inc.'s "Greyhound – Exploration Drilling" project, Kivalliq Region, June 10 2015

I. Background

The Greyhound Property is located approximately 50 km northwest of Baker Lake and operations for drilling at the site are staged at the nearby Agnico Eagle Mines Ltd.'s Meadowbank Mine site.

Water use and Waste disposal activities for a drilling exploration program at Aura Silver Resources Inc.'s Greyhound Property were regulated under the previous Type 'B' Water Licence, 2BE-GRE1416. Operations at the site are conducted under an option agreement with Agnico Eagle Mines Ltd., with the latter acting as the Licensee's Representative in the water licensing process.

There is no camp infrastructure located at the site. A drilling program began on the site in 2010 but was discontinued in 2013. Drilling recommenced at the site in 2014 after an option agreement was put in place between the Licensee and Licensee's Representative.

The current Water Licence authorizes 100 m³/day of Water use for drilling purposes as well as the deposit of Waste. The Licensee sought to renew 2BE-GRE1416 for a ten (10) - year term.

II. Procedural History

On July 13, 2016, the Nunavut Water Board (NWB or Board) received from Agnico Eagle Mines Ltd., the Licensee's representative, the following documents in support of the renewal of Licence 2BE-GRE1416:

- Articles of Continuance
- o Greyhound Area 20160509
- o NIRB December 12, Exemption Letter
- o Non-Technical Summary English and Inuktitut
- o NPC Conformity 2009 Resubmitted
- o NWB Letter Authorizing AEM for Aura Silver November 27, 2015
- o Renewal Application
- o Water Licence Inspection Report July 22, 2015

On August 11, 2016, the NWB acknowledged receipt and distributed the application to interested persons for a thirty (30) day comment and/review period. On or before the deadline for comments, submissions were received from Indigenous and Northern Affairs Canada (INAC) and Fisheries and Ocean (DFO). Both intervening parties provided comments pertaining to measures that the proponent could implement to

enhance protection of the environment associated with the project area. In addition, INAC recommended that the Board consider issuing the renewal licence for a five-year term instead of the ten-year term requested by the Licensee. The NWB has taken INAC's recommendations into consideration in determining the term being allowed for under this renewed licence and has established a five (5) year term's licence.

III. General Considerations

Site Coordinates

During the final technical review of the Application, the Board's staff determined that the Project coordinates as stated in the submitted Application Form (Item 4 location of the undertaking) did not match the previous Water Licence Project coordinates.

The information was confirmed by the Applicant, who stated that he the coordinates included in the renewal Application covered all the Greyhound property and that coordinates in the previous license, as they are stated, had only covered a part of the propriety. The "Option Agreement" between Aura Silver Resources Inc. and Agnico Eagle Mines Limited, June 1, 2014 includes the entire Greyhound Project property.

Annual Reporting

The requirement for providing an annual report to the NWB is included under Part B, Item 2, which is also a legislative requirement of the Regulations¹. In addition to the general requirements of the Regulations, the NWB may request by November 1st of the year being reported, information to be provided specific to the items raised during review of the application as well as that identified through inspections of the project activities.

The Licensee is reminded that Water use under Part C, Item 1 is to be recorded and reported as per Part J, Item 1, providing details on the amount of Water use on a daily basis, as authorized. The monthly/annual total Water use volumes may also be provided as additional information.

Spill Contingency Planning

The Licensee, has not submitted an updated Spill Contingency Plan (SCP). Although a SCP was submitted and approved with the previous licence issuance, INAC's reviewer recommended that the Licensee ensure that their SCP is specific to the Greyhound Property, including updated information regarding the types, quantities and locations of hazardous materials and locations of spill kits. Accordingly, the Board has established under Part H Item 1 a condition requiring the Licensee to update the May 2014 site specific Spill Contingency Plan and submit within thirty (30) days of Licence issuance.

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¹ Nunavut Waters Regulations SOR/2013-69 18th April, 2013, sec. 14



NUNAVUT WATER BOARD WATER LICENCE RENEWAL

Licence No. 2BE-GRE1621

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

AURA SILVER RESOURCES INC.

(Licensee)

5560 MAIN St., P.O. BOX 279, MANOTICK, ON K4M 1A3

(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 renewal:

Licence Number/Type: 2BE-GRE1621 / TYPE "B"

Water Management Area: BAKER LAKE WATERSHED (08)

Location: GREYHOUND PROJECT, WHITEHILLS LAKE AREA

KIVALLIQ REGION, NUNAVUT

Classification: MINING UNDERTAKING

Purpose: DIRECT USE OF WATER AND DEPOSIT OF WASTE

Quantity of Water use not

to Exceed: ONE HUNDRED (100) CUBIC METRES PER DAY

Date of Licence Issuance: October 6, 2016

Expiry of Licence: October 5, 2021

This Licence renewal issued and recorded at Gjoa Haven, Nunavut, includes and is subject to the annexed conditions.

Lootie Toomasie, Nunavut Water Board Vice Chair

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of Water and the deposit of Waste for a Mining undertaking classified as per Schedule 1 of the *Regulations* at the Greyhound Project, located approximately 40-50 kilometers north of Baker Lake within the Kivalliq Region, 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.

"<u>Amendment</u>" 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 Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2 and the Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by

- "High Water Mark" means the usual or average level to which a body of Water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities);
- "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 Nunavut Waters Regulations SOR/2013-69 18th April, 2013;
- "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;
- "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.
- "Water" or "Waters" means waters as defined in section 4 of the Act.

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, payable to the Receiver General for Canada, shall be sent to the Board annually for the right to the use of Water in accordance with Section 12 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. Any revisions to the Spill Contingency Plan and Abandonment and Restoration Plan, as required by Part B, Item 7, submitted in the form of an Addendum;
 - d. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - e. Report all artesian flow occurrences as required under Part F, Item 3;
 - f. Details pertaining to location of sump(s) and drill holes;
 - g. A summary of all information requested and results of the Monitoring Program; and
 - h. 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 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.
- 4. 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.
- 5. 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.

- 6. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
- 7. The Licensee shall review the Plans referred to in this Licence, as required by changes in operation and/or technology, and modify the Plan accordingly. Revisions to the Plans shall be submitted in the form of an Addendum to be included with the Annual Report.
- 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@nwb-oen.ca

(b) Inspector Contact:

Manager of Field Operations, 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.
- 11. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the NWB 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. Drill water shall be obtained from local Water source(s), proximal to the drilling targets

- as outlined in the application and shall not exceed one hundred (100) cubic metres per day.
- 2. Streams cannot be used as a Water source unless authorized and approved by the Board in writing.
- 3. The Licensee shall submit to the Board for approval in writing, at least thirty (30) days prior to the use of Water of a sufficient volume that the source water body may be drawn down, a request for the use of Water containing the following information: 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 undertaking 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, 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 submit to the Board, a copy of documented authorization received from the Licensee of the Meadowbank Gold Project. prior to backhauling and disposal of any

- waste from the Greyhound Project to the Meadowbank Gold Project.
- 6. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation at 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 made available to an Inspector upon request.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

- 1. No camp activities are authorized under the provisions of this Licence.
- 2. The Licensee shall not store material on the surface of frozen streams or lakes including the immediate banks except what is for immediate use.
- 3. The Licensee shall conduct all activities in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake corrective measures in the event of any impacts on surface drainage.
- 4. 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.
- 5. The Licensee shall not mobilize heavy equipment or vehicles for trenching or other activities unless the ground surface is capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall be suspended if rutting occurs

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 dispose of all drill waste, including Water, chips, muds and salts (CaCl₂) in any quantity or concentration, from land-based and on-ice drilling, 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.

- 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. 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.
- 5. 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).
- 6. 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 Licensee shall submit for Board approval within thirty (30) days following issuance of the Licence, a revised Spill Contingency Plan, prepared in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93, that addresses comments received by the parties and includes the following:
 - a. Shall be specific to the Greyhound Property;
 - b. Include appropriate contact information for the responsible parties conducting the activities; and
 - c. Shall include updated information regarding the types, quantities and locations of hazardous materials and locations of spill kits.
- 2. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering 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.
- 3. The Licensee shall conduct any equipment maintenance and servicing 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.
- 4. 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 approved 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.
- 5. The Licensee shall, in addition to Part H, Item 4, regardless of the quantity of releases of harmful substances, report to the NWT/NU Spill Line if the release is near or into a Water body.

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

1. The Licensee shall submit to the Board for approval within sixty (60) days of issuance of this Licence, an updated Abandonment and Restoration Plan prepared in accordance with applicable sections of the "Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990)". The Plan is to reflect the requests of the Inspector in the most recent Inspection Reports and changes in area of operations and/or technology.

- 2. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.
- 3. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
- 4. 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.
- 5. 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.
- 6. 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, 2010. 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.
- 7. The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials or if unable to, cut off casings at ground elevation and backfilling. If having encountered artesian flow, the capping of holes with a permanent seal.
- 8. 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.
- 9. The Licensee shall contour and stabilize all disturbed areas to a pre-disturbed state upon completion of work.
- 10. The Licensee shall complete all restoration work prior to the expiry of this Licence.

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 drilling and other purposes.

- 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 drilling operations are deposited.
- 4. The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Item 5 and 6. Monitoring shall include but not be limited to the following:

Total Suspended Solids

рН

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.