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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No. 2BE-HAK0915

September 12, 2013

Robert Prairie
Director, Ecological Effects Assessment
Xstrata Canada Corporation,
8801 Transcanadienne, Suite 400
St-Laurent, QC H4S 1Z6
Email: rprairie@xstratzinc.ca

Subject: Licence No. 2BE-HAK0915 – Amendment No. 2

Dear Mr. Prairie:

Please find attached, Amendment No. 2 to the Licence No. 2BE-HAK0915 Type “B” issued to Xstrata Canada Corporation by the Nunavut Water Board (NWB) (**Motion 2013-B1-038**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence and attached amendment related to water use and waste disposal remain an integral part of this approval.

The NWB notes that, among others, there is the Nunavut Impact Review Board’s (NIRB) Decision No. EX186 which states that the proposed amendment does not change the general scope of the original project activities, and is therefore exempt from the requirement for screening pursuant to Schedule 12-1(5) of the NLCA. The activities therein remain subject to the terms and conditions recommended in the original April 1, 2004 Screening Decision Report No. 04EN012. The Nunavut Planning Commission (NPC) Land use Conformity Determination indicates that the project is located within a region that does not currently have an approved land use plan in place.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified¹. This information is attached for your consideration.

¹ Aboriginal Affairs and Northern Development Canada (AANDC), August 19, 2013, Environment Canada (EC), September 4, 2013, Fisheries and Oceans (DFO), August 23, 2013, and Kitikmeot Inuit Association (KIA), September 4, 2013.

The NWB advises the Licensee that the 2013 Annual Report including revised Spill Contingency, and Abandonment and Restoration Plans was also reviewed and accepted by the NWB Staff as part of the review for the amendment application.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a stylized flourish at the end.

Thomas Kabloona
Nunavut Water Board Chair

TK/KK/mp

Enclosure: Licence No. **2BE-HAK0915 - Amendment No. 2**
Comments – AANDC, EC, DFO and KIA

Cc: Kitikmeot Distribution List

LICENCE 2BE-HAK0915 AMENDMENT No. 2

Licensee:	Xstrata Canada Corporation
Licence No:	2BE-HAK0915 Type “B”
Licence Issued:	December 14, 2009
Amendment No. 1:	June 11, 2010
Effective Date:	September 10, 2013
Licence Expiry:	December 31, 2015

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated June 21, 2013, made by Xstrata Canada Corporation, for the Hackett River Project, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued December 14, 2009, with an expiry date of December 31, 2015, shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during drilling operations, allowing Xstrata Canada Corporation to increase from two hundred and fifty (250) to two hundred and ninety nine (299) cubic metres per day the overall quantity of water to be used for camp and drilling activities in support of expanded exploration activities at the Hackett River Project.

Comments Received

The NWB received comments on the amendment application from Aboriginal Affairs and Northern Development Canada (AANDC), Environment Canada (EC), Fisheries and Oceans Canada (DFO) and Kitikmeot Inuit Association (KIA). No specific concerns were expressed with the application at the time of submission.

Taking into account the information presented in the application and considering interveners' comments, the Board has included, under Part C, Item 1 of this amendment, an increase in water use to a total two hundred and ninety nine (299) m³/day.

AMENDMENT No. 2

The Licence, (Page 7), shall be amended to indicate the following:

DECISION

Licence Number: 2BE-HAK0915

Quantity of Water use not to Exceed: **TWO HUNDRED AND NINETY NINE (299)**
CUBIC METRES PER DAY

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain all water for Hackett River camp use from Camp Lake. Total domestic water use shall not exceed thirty (30) cubic metres per day. Drill water shall be obtained from lakes and ponds, proximal to the drilling targets as outlined in the application and shall not exceed two hundred and sixty nine (269) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed two hundred and ninety nine (299) cubic metres per day.

Insert Item 8

The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of potential water sources to be used for the purposes outlined in Part C, Item 1 at least ten (10) days prior to exploration program or using the water sources.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

Insert Item 5

The Licensee shall implement the Plan entitled “Spill Contingency Plan Hackett River Exploration Project” dated May 2, 2013, that was originally approved by the Board.

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

Amend Item 1

The Licensee shall implement the Plan entitled “Abandonment and Restoration Plan Hackett River Exploration Project Xstrata Zinc Canada”, dated April 29, 2013, that was originally approved by the Board.

All remaining terms and conditions of the Licence 2BE-HAK0915 Type ‘B’ dated December 14, 2009 and Amendment No. 1 dated June 11, 2010 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on September 10, 2013.

Approved by,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a long horizontal flourish extending to the right.

Thomas Kabloona
Nunavut Water Board Chair