



ᐅᓄᓐ ᐱᓕᓕᓐ ᐅᓄᓐ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No: 2BE-KDP2227

September 12, 2022

Jeff Ward, VP Exploration
Kodiak Copper Corp.
Suite 1020-800 West Pender Str
Vancouver, BC, V6C 2V6

jward@kodiakcoppercorp.com

Tara Gunson, Geologist
APEX Geoscience Ltd.
#100-11450 160 Street NW
Edmonton, AB T5M3Y7

tgunson@apexgeoscience.com

RE: NWB Water Licence No: 2BE-KDP2227

Dear Mr. Ward and Ms. Gunson:

Please find attached Water Licence No: 2BE-KDP2227 issued to Kodiak Copper Corp. by the Nunavut Water Board (NWB or Board) 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 Agreement)*. 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 may be in contravention of the *Nunavut Agreement* 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. It should be noted that in accordance with Section 75(1)(a) of the *Nunavut Planning and Project Assessment Act (NuPPAA)*, the Board is not allowed to issue a permit or authorization for any project proposal that has not been submitted to the Nunavut Planning Commission (NPC) in accordance with Section 76 of *NuPPAA*.

If the Licensee contemplates or requires an Amendment to this Licence, the NWB may decide, in the public's 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.

Sincerely,

Lootie Toomasie
Nunavut Water Board
Chair

LT/ng/rqd

Enclosure: **Licence No: 2BE-KDP2227**

Cc: Distribution List – Kivalliq

TABLE OF CONTENTS

I.	BACKGROUND	ii
II.	PROCEDURAL HISTORY	ii
III.	GENERAL CONSIDERATIONS	iii
	<i>Term of the Licence</i>	<i>iii</i>
	<i>Annual Reporting</i>	<i>iii</i>
	<i>Water Use</i>	<i>iv</i>
	<i>Deposit of Waste</i>	<i>iv</i>
	<i>Management Plans</i>	<i>iv</i>
	<i>Monitoring</i>	<i>iv</i>
	DECISION.....	v
	REPLACEMENT WATER LICENCE	1
	PART A: SCOPE, DEFINITIONS AND ENFORCEMENT	2
1.	Scope	2
2.	Definitions	2
3.	Enforcement	4
	PART B: GENERAL CONDITIONS	4
	PART C: CONDITIONS APPLYING TO WATER USE	7
	PART D: CONDITIONS APPLYING TO WASTE DISPOSAL	7
	PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS.....	9
	PART F: CONDITIONS APPLYING TO DRILLING AND TRENCHING OPERATIONS 10	
	PART G: CONDITIONS APPLYING TO MODIFICATIONS	11
	PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING	12
	PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING.....	12
	PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM.....	14

I. BACKGROUND

The Kahuna Diamond Property consists of 66 mineral claims located on Crown Land and Inuit Owned Land within the Kivalliq Region of Nunavut, covering approximately 820.3 square kilometers. It is located 54 kilometers northeast of the community of Rankin Inlet and 25 kilometers to the southwest of the community of Chesterfield Inlet.

Exploration work in the area started in 2015 based out of Rankin Inlet, however, the Kahuna Camp was established later in 2018. The field camp is located on Crown Land approximately 40 kilometres northeast from Rankin Inlet and 50 kilometres southwest from Chesterfield Inlet. It is co-owned by Kodiak Copper Corp. and Solstice Gold Corp.

The previous Water Licence No: 2BE-KDP1722 allowed to conduct exploration activities at the Kahuna Diamond Property which expired on May 30, 2022. To ensure continuation of its exploration activities or undertakings, the Licensee applied to NWB on April 5, 2022 to replace its previous expired Licence with a new Licence for a term of five years.

The approved scope of activities included rock, till and soil sampling, prospecting, and geological mapping, ground geophysical surveying, diamond drilling, reverse circulation drilling and bulk sampling and the drill program to operate from March to May. Ground based prospecting and sampling activities to follow in mid-June once the land gets free from snow and the property surface becomes fully accessible.

II. PROCEDURAL HISTORY

On April 5, 2022, Apex Geoscience Ltd., on behalf of Kodiak Copper Corp. (Kodiak or Licensee), submitted to the NWB an application requesting to renew Water Licence No: 2BE-KDP1722. The following documents were included within the Application package:

- Water Licence Application Cover E-mail;
- Application for Water Licence Replacement;
- NPC Determination, dated January 7, 2016;
- NPC Determination, dated November 9, 2016;
- NPC Determination, dated November 20, 2017;
- NPC Determination, dated September 7, 2021;
- NIRB Screening Decision, dated February 28, 2017;
- NIRB Screening Decision, dated March 2, 2018;
- Kodiak Copper Corp Kahuna Diamond Property Permitting Authorization;
- Non-technical Summaries in English and Inuktitut;
- Abandonment and Restoration Plan, dated May 30, 2022;
- Emergency Response Plan;
- Environment and Wildlife Management Plan, dated May 30, 2022;
- Fuel Management Plan, dated May 30, 2022;
- Spill Prevention and Response Plan, dated May 30, 2022
- Waste Management Plan, dated May 30, 2022;

- Kahuna Diamond Property, 2022 Work Plan, Kodiak Copper Corp., dated November 1, 2021;
- Water Licence Compliance Assessment, dated June 1, 2021;
- Water Licence Compliance Assessment Status Report, dated April 11, 2022;
- Exploration-Remote Camp Questionnaire;
- Community Consultation Log;
- Certificate of Incorporation;
- Certificate of Change of Name;
- Letter of Authorization for APEX Geoscience Ltd.;
- Condensed Interim Consolidated Financial Statements.

On June 22, 2022, following a preliminary internal technical review, the NWB concluded that the Application met the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act)* and forwarded Notice of the Application to interested parties. All parties were invited to make representations to the NWB by July 22, 2022.

On July 22, 2022, the NWB received comments from Crown-Indigenous and Northern Affairs (CIRNA)¹, stating that CIRNA had no comments for the application and submitted documents.

Complete details on interveners' submissions received, as well as the information provided for the Application are available using the following link:

<ftp://rdwyer@ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-KDP2227%20Kodiak%20Copper%20Corp/2%20ADMIN/3%20SUBMISSIONS>

Based on the results of the detailed assessment of the Application, including consideration of any potential accidents, malfunctions, or impacts to Water that the overall Project might have in the area, the Board has approved the Application and has issued Water Licence No: 2BE-KDP2227.

III. GENERAL CONSIDERATIONS

Term of the Licence

In accordance with Section 45 of the *Act*, the NWB may issue a licence for a term not exceeding twenty-five (25) years. The Applicant requested a five (5) year licence, which the Board determined is consistent for the nature of the undertaking and has therefore granted.

Annual Reporting

As a requirement of section 14(1) of the *Nunavut Waters Regulations (Regulations)* and similar to the terms and conditions generally included in all Licences issued by the NWB, the Board has included under [Part B, Item 2](#) of this Licence, requirement to submit Annual Reports for the

¹ CIRNA Letter, re: Crown-Indigenous Relations and Northern Affairs Canada Review of the Licence Replacement Application for the Kahuna Diamond Property Project, Type B Water Licence No.: 2BE-KDP2227, dated July 22, 2022.

purpose of ensuring that the NWB has an accurate annual update of the activities related to Water use and Waste disposal during each calendar year. This information is maintained on the Public Registry and is available to interested parties upon request. A “*Standardized Form for Annual Reporting*” is to be used by the Licensee and could be supplemented by additional monitoring documentation and Licensee’s annual reporting forms.

Water Use

The current Water usage authorized under Water Licence: 2BE-KDP2227 is 100 m³/day (3 m³/day for camp operation and 97 m³/day for drilling). The Applicant has requested the same amount of Water use as previous Licence to allow for the camp use and for drilling activities. No concerns were expressed by the interveners with respect to the requested freshwater amount, or to the manner in which it is obtained or used. Therefore, the Water use condition was approved in the newly issued Licence under [Part C, Item 1](#).

Deposit of Waste

All requirements pertaining to Waste management that were imposed by previous Water Licence have been carried forward into the replacement Water Licence.

Management Plans

The management plans were submitted as part of the Application along with other information. The NWB has reviewed and approved the following plans under relevant parts of this Water Licence.

- Waste Management Plan, dated May 30, 2022;
- Spill Prevention and Response Plan, dated May 30, 2022;
- Fuel Management Plan, dated May 30, 2022;
- Abandonment and Restoration Plan, dated May 30, 2022;

Monitoring

All Monitoring requirements imposed by previous Water Licence have been carried forward into newly issued Licence under [Part J](#).

DECISION

WATER LICENCE NO: 2BE-KDP2227

This is the decision of the Nunavut Water Board (NWB or Board) with respect to an application dated April 5, 2022 for the renewal of a Water Licence made by:

KODIAK COPPER CORP.

to allow for the use of Water and the deposit of Waste during camp operations and activities related to a mineral exploration project that include prospecting, geological mapping, till sampling, geophysical surveys, land-based diamond drilling and related activities, at the Kahuna Diamond Property, located within the Kivalliq Region, Nunavut, at the following general geographical coordinates:

Project Extents :	NW: Latitude: 63° 15' 30" N	Longitude: 91° 48' 45" W
	NE: Latitude: 63° 14' 45" N	Longitude: 90° 43' 45" W
	SE: Latitude: 62° 58' 45" N	Longitude: 90° 45' 00" W
	SW: Latitude: 62° 59' 30" N	Longitude: 91° 49' 00" W

Camp Location:	Latitude : 63° 02' 22" N	Longitude: 91° 29' 52" W
----------------	--------------------------	--------------------------

DECISION

After having received confirmation from the Nunavut Planning Commission (NPC)¹ that the Application is for a proposal that was previously reviewed by NPC, and conformity determinations issued on April 28, 2015, January 7, 2016, November 9, 2016 and November 20, 2017 still apply and it conforms to the Keewatin Regional Land Use Plan, and the activities were previously screened by the Nunavut Impact Review Board (NIRB File No: 15EN028), the NWB decided that the Application could proceed through the regulatory process. In accordance with Section 55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (Act)* and Article 13 of the *Nunavut Agreement*, 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 *Nunavut Agreement* and of the *Act*, waived the requirement to hold a public hearing, and determined that:

Water Licence No: 2BE-KDP2227 be issued subject to the terms and conditions contained therein (Motion #: 2022-B1-010).

Signed this 12th day of September 2022 at Gjoa Haven, NU.

Lootie Toomasie
Nunavut Water Board, Chair
LT/ng/rqd

¹ Nunavut Planning Commission, Conformity Determination, dated September 7, 2021.



NUNAVUT WATER BOARD REPLACEMENT WATER LICENCE

Licence No: 2BE-KDP2227

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

KODIAK COPPER CORP.

(Licensee)

SUITE 1020-800 WEST PENDER STR, VANCOUVER, BC, V6C 2V6

(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-KDP2227 / TYPE "B"**

Water Management Area: **WILSON WATERSHED NO. 13**

Location: **KAHUNA DIAMOND PROPERTY, 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: **SEPTEMBER 12, 2022**

Expiry of Licence: **SEPTEMBER 11, 2027**

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

Lootie Toomasie,
Nunavut Water Board, 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 Kahuna Diamond Property, located between the communities of Kangiqliniq (Rankin Inlet) and Igluligaarjuk (Chesterfield Inlet), within the Kivalliq Region, Nunavut.

The Kahuna Diamond Property is located at the following general geographical coordinates:

NW: Latitude : 63° 15' 30" N	Longitude : 91° 48' 45" W
NE: Latitude : 63° 14' 45" N	Longitude : 90° 43' 45" W
SE: Latitude : 62° 58' 45" N	Longitude : 90° 45' 00" W
SW: Latitude : 62° 59' 30" N	Longitude : 91° 49' 00" W

- 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;

“**Effluent**” means treated or untreated liquid Waste material that is discharged into the environment from a structure such as a settling pond, landfarm or a treatment plant;

“**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 S.N.W.T. 2009, c.12*;

“**Greywater**” means all liquid Wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include Toilet Wastes;

“**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;

“**Maximum Average Concentration**” means the average concentration of any four consecutively collected samples taken from the identical sampling location and taken during any given timeframe. Where less than four samples from the identical sampling location are obtained, the Maximum Average Concentration shall also apply as the Effluent quality criteria for discharge;

“**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 Agreement**” 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;

“**Secondary Containment**” means an impermeable structure, external to and separate from primary containment, which prevents unplanned spills of hazardous materials and provides a minimum capacity of 110% of the original vessel. Where multiple vessels are stored within the containment, it must provide a minimum capacity equal to the sum of the largest vessel

and 10% of the aggregate volume of all other vessels located in the containment. This structure shall also provide containment and control of hoses and nozzles;

“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 or Sumps” A structure or depression that collects, controls, and filters liquid Waste before it is released to the environment. This structure should be designed to prevent erosion while allowing percolation of liquid Waste;

“Toilet Wastes” means all human excreta and associated products, but does not include Greywater;

“Waste” or “Wastes” 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 for the right to the use of Water shall be paid annually 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 the 31st of March of the year following the calendar year being reported, containing

the following information:

- a. Summary report of Water use and Waste disposal activities for the reporting period including the following:
 - i. quantity of Water (in cubic meters/year) obtained for domestic and other purposes from sources on, in or flowing through Inuit-Owned Lands;
 - ii. quantity of Water (in cubic meters/year) obtained for domestic and other purposes from sources on, in or flowing through Crown Lands;
 - iii. quantity of Waste disposed at on-site Waste disposal facility;
 - iv. quantity of Waste backhauled to approved facility for disposal;
 - b. List of unauthorized discharges and a summary of follow-up actions taken;
 - c. Any revisions to the Spill Contingency Plan, Abandonment and Restoration Plan and any other Plans, submitted in the form of an Addendum, including record of revisions, as required by [Part B, Item 7](#);
 - d. 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. Brief description of follow-up action taken to address concerns detailed in inspection and compliance reports prepared by the Inspector;
 - g. Summary of all information requested and results of the Monitoring Program;
 - h. Summary of modification and/or major maintenance work carried out on the Water Supply Facilities, including all associated structures, and an outline of any work anticipated for the next year;
 - i. Summary of drilling activities and progressive reclamation of drill sites;
 - j. Details pertaining to locations of Sump(s) and drill waste disposals;
 - k. A public consultation/participation report describing consultation with local organizations and residents of the nearby communities;
 - l. A summary of any abandonment and restoration work completed during the year and an outline of any work anticipated for the next year;
 - m. A summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed;
 - n. GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for all temporary camps established, in use or abandoned during the year being reported; and
 - o. Any other details on Water use or Waste disposal requested by the Board by the 1st of November 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, CIRNA
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4284
Fax: (867) 979-6445
10. The Licensee shall submit 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*.
13. The expiry or cancellation of this Licence does not relieve the Licensee from any obligation imposed by the Licence, or any other regulatory requirement.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain three (3) cubic meters Water for domestic/camp use from local source(s) proximal to the camp. The Licensee shall obtain ninety-seven (97) cubic meters Water use from source(s) proximal to drilling targets as outlined in the Application. The total volume of Water for all purposes under this Licence shall not exceed one hundred (100) cubic metres per day.
2. 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 commencement of the exploration program or use of such Water sources.
3. Streams cannot be used as a water source unless authorized and approved by the Board in writing.
4. The Licensee shall submit to the Board for approval, at least thirty (30) days prior to the use of Water of a sufficient volume that the source water body may be drawn down, the following information: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.
5. 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.
6. The Licensee shall not conduct any work below the ordinary High Water Mark of any water body unless approved by the Board in writing.
7. The Licensee shall not cause erosion to the banks of any water body and shall provide necessary controls to prevent such erosion.
8. 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 Board has approved, with the issuance of this Licence, the plan entitled “*Waste Management Plan, Kahuna Property, Kodiak Copper Corp.*”, dated May 30, 2022, which were submitted as additional information with the Application.
2. 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.

3. The Licensee shall not practice on-site landfilling of domestic Waste, unless otherwise approved by the Board in writing.
4. The Licensee is authorized to dispose of all acceptable food Waste, paper Waste and untreated wood products in an incinerator designated for this purpose.
5. 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.
6. The Licensee shall confirm through appropriate test methods, that the bulk sampling waste rock is free of contaminants, is non-acid generating and non-metal leaching prior to disposal in accordance to the approved Abandonment and Restoration Plan. Results shall be reported within the Annual Report.
7. 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.
8. The Licensee shall provide to the Board with documented authorization from all communities in Nunavut receiving Wastes from the Kahuna Diamond Property prior to the backhauling and disposal of any Wastes to those communities.
9. 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 or the Board upon request.
10. The Licensee shall direct Water accumulated in blasted or excavated trenches to a Trench Water Sump to allow for sampling prior to release. Water collected in hand-dug trenches shall be directed to a natural depression sump.
11. All Effluent discharged from the Trench Water Sump shall not exceed the following Effluent quality limits:

Parameter	Maximum Allowable Concentration in any Grab Sample
pH	6.5-9.0
Total Suspended Solids (TSS)	25 mg/L
Oil and Grease	10 mg/L and no visible sheen
Lead	0.02 mg/L
Nickel	0.50 mg/L
Zinc	0.6 mg/L
Arsenic	0.10 mg/L
Copper	0.040 mg/L

12. The Licensee shall establish compliance with the Effluent quality limits of Part D, Item 11 prior to discharge.
13. The Licensee shall locate areas designated for Effluent discharge at a minimum distance of thirty-one (31) metres from the ordinary High Water Mark of any water body where direct flow into a water body is not possible and additional impacts are not created unless otherwise approved by the Board in writing.
14. The Licensee shall provide at least ten (10) days notification to an Inspector, prior to initiating the release of Effluent from any facilities listed in this Part. The notice shall include Effluent quality monitoring results, an estimate of volume and the proposed receiving location.
15. The Licensee shall contain all Greywater in a Sump located at 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.
16. The Licensee shall contain all Toilet Wastes in latrine pits or use incineration, 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. With respect to the incinerator, the Licensee shall insure that a suitable incinerator is used for combusting such Waste and the incinerator is operated according to the manufacturer's specification.

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. 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.
3. The Licensee shall construct all winter lake and stream crossings, including ice bridges, entirely of Water, ice or snow. The Licensee shall minimize disturbance by locating ice bridges in 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.
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 at 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 on-site 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.
6. The Licensee shall limit any in-stream activity to low water periods. In-stream activity is prohibited during fish migration.
7. The Licensee shall implement sediment and erosion control measures prior to and maintain such measures during construction and operation to prevent entry of sediment into water.

PART F: CONDITIONS APPLYING TO DRILLING AND TRENCHING 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 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.
7. The Licensee shall, during trenching activities utilizing blasting, provide mitigation measures to prevent the transport of blast rock, explosives residues, sediments and other

materials from entering water.

8. The Licensee shall provide to the Board for approval in writing, at least ninety (90) days prior to beginning any trenching operations, a trenching plan, which shall include the following:
 - a. Size and location (including GPS coordinates) of trenches;
 - b. Approximate dimensions (length, width and depth) of each trench;
 - c. Approximate mass of sample extracted from trenches for testing;
 - d. Proposed mitigation measures for the prevention of the transport of sediments, blasting residues, fly rock and other materials, from the trench area to the nearby water bodies;
 - e. Plans for disposal of any waste rock or overburden generated from the activity;
 - f. Projected volume and quality of water discharged from each trench with potential treatment required; and
 - g. The proposed monitoring program to be carried out on trench wastewater prior to discharge.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee shall submit to the Board for review for-construction design drawings, stamped and signed by a qualified Engineer, at least sixty (60) days prior to the construction of any dams, dykes or structures intended to contain, withhold, divert or retain Water or Wastes.
2. 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.
3. Modifications for which all of the conditions referred to in [Part G, Item 2](#) have not been met can be carried out only with written approval from the Board.
4. 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, with the issuance of this Licence, the Plan entitled “*Spill Prevention and Response Plan, Kahuna Property, Kodiak Copper Corp.*”, dated May 30, 2022, which was submitted as additional information with the Application.
2. The Board has approved, with the issuance of this Licence, the Plan entitled “*Fuel Management Plan, Kahuna Property, Kodiak Copper Corp.*”, dated May 30, 2022, which was submitted as additional information with the Application.
3. 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.
4. 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.
5. 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 NWT/NU Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4284; 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.
6. The Licensee shall, in addition to Part H, Item 5, regardless of the quantity of releases of harmful substances, report to the 24-Hour 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 Board has approved, with the issuance of this Licence, the Plan entitled “*Abandonment and Restoration Plan, Kahuna Diamond Property, Kodiak Copper Corp.*”, dated May 30, 2022, which was submitted as additional information with the Application.
2. The Licensee shall complete all restoration work prior to the expiry of this Licence.

3. The Licensee shall carry out progressive reclamation of any components of the Project no longer required for the Licensee's operations.
4. The Licensee shall backfill and restore all Sumps to the pre-existing natural contours of the land.
5. 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.
6. The Licensee shall re-grade all roads and airstrip, if any, to match natural contour to reduce erosion.
7. The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.
8. 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.
9. 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.
10. 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 and if having encountered artesian flow, the capping of holes with a permanent seal. Where drill casings cannot be removed the Licensee shall cut off the casings at ground level and identify with signage.
11. The Licensee may leave the casings on site, if it intends to continue drilling in existing casings, but shall add signaling to keep the area safe for the other territory users. The drill casings left cannot stay on the field for more than 2 years after the drilling.
12. 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.
13. The Licensee shall, upon completion of sampling activities, restore all exploration trenches and bulk sample large diameter drill holes, prior to the closure of seasonal exploration programs and removal of equipment from site. Trenches are to be in-filled and covered with stockpiled overburden materials and re-contoured to the natural terrain, setting drainage away from nearby watercourses.

14. The Licensee shall contour and stabilize all disturbed areas to a pre-disturbed state upon completion of work.

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 other purposes from water sources flowing through Inuit Owned Land and Crown Owned Land.
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 Kahuna Diamond Property (camp operations and drilling operations) are deposited.
4. The Licensee shall include in the Annual Report required under [Part B, Item 2](#) all data, monitoring results and information required by this Part.
5. The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Item 5. 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)

Trace Arsenic and

Mercury.

6. The Licensee shall sample, prior to the release of any Effluent from the Trench Water Sump, in order to verify compliance with condition under Part D, Item 11. Analysis shall include:

Total Suspended Solids

pH

Electrical Conductivity,

Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: As, Cr, Co, Cu, Pb, Ni, Fe, and, Zn).

7. 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.

8. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
9. Additional monitoring requirements may be requested by the Board or an Inspector.