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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BB-MEL0914**

July 31, 2009

Mark Balog
Comaplex Minerals Corp.
901, 1015 4th St. SW,
Calgary AB T2R 1J4
Email: mbalog@comaplex.com

RE: Licence 2BB-MEL0914, Meliadine Lake Gold Project

Dear Mr. Balog,

Please find attached, the renewal Licence No. **2BB-MEL0914** issued to Comaplex Minerals Corp. (Comaplex or Licensee) 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*. The terms and conditions of the attached Licence related to water use and waste disposal are an integral part of this approval.

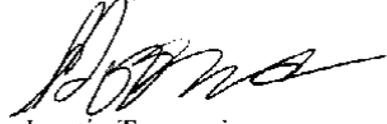
If the Licensee contemplates the renewal of this Licence, it is the responsibility of the Licensee to apply to the NWB for its renewal. The past performance of the Licensee, new documentation and information, and issues raised during a public hearing, if the NWB is required to hold one, will be used 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 will be in contravention of the Nunavut Land Claims Agreement. 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.

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 acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. Comments were received from the Government of Nunavut Department of Environment, Indian and Northern Affairs Canada, Environment Canada and the

Government of Nunavut Department of Culture, Language, Elders and Youth. All comments are attached for your consideration.¹ In addition, the Licensee's attention is directed to the requirement of a submission, under Part B, Item 6 to address concerns in relation to an Inspector's Direction, issued August 13, 2008.

Sincerely,



Lotic Toomasie,
Board Member

And on behalf of Board Members:
Tommy Tatatuapik
Ross Mrazek

TK/dc/ph

Enclosure: Licence No. 2BB-MEL0914
NIRB Screening Decision, File No.: 07EN044, October 1, 2008
Comments

cc: Distribution - Kivalliq

¹ Government of Nunavut – Department of Culture, Language, Elders and Youth (GN-CLEY), April 15, 2009; Government of Nunavut – Department of Environment (GN-DOE), May 11, 2009; Indian and Northern Affairs Canada (INAC), May 11, 2009; and Environment Canada (EC), July 4, 2008 and May 11, 2009

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DECISION

LICENCE NUMBER: 2BB-MEL0914

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated March 19, 2009 for a renewal of a Water Licence made by:

COMAPLEX MINERALS CORP.

to allow for the use of water and disposal of waste during exploration drilling, camp operations, maintenance of bulk sample infrastructure and conducting a Feasibility Study at the Meliadine West Gold Project. This Project is located 25-km northwest of the community of Rankin Inlet in the Kivalliq Region, Nunavut, with the approximate geographical coordinates:

Latitude: 63°01'30"N Longitude: 92° 10'20"W (existing Meliadine camp location)

DECISION

After having been satisfied that the application is in conformity with the Keewatin Regional Land Use Plan and subject to a July 3, 2007 12.4.4(a) Screening Decision by the Nunavut Impact Review Board 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* (NWNSRTA) 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 *NWNSRTA*, waived the requirement to hold a public hearing, and determined that:

Licence Number 2BB-MEL0914 be issued subject to the terms and conditions contained therein. (Motion #: 2009-09-L01)

SIGNED this 31th day of July 2009 at Gjoa Haven, NU.



Lottie Toomasie,
Board Member

And on behalf of Board Members:
Tommy Tatatuapik
Ross Mrazek

LICENCE NUMBER: 2BB-MEL0914**I. INTRODUCTION**

Comaplex Minerals Corp. (Comaplex or Licensee) and its joint venture partners have been conducting mineral exploration in the Meliadine West area since June, 1995. The lands in the exploration area are Inuit Owned Lands (IOL) pursuant to the Nunavut Land Claims Agreement (NLCA). Land use for the exploration activities has been authorized by the Kivalliq Inuit Association (KivIA), the regional Inuit Association who holds title to IOL in the Kivalliq Region of Nunavut.

The Meliadine West Gold Project camp is located approximately 25 km northwest of Rankin Inlet (63°01'30"N latitude and 92°10'20"W longitude). The Meliadine property is situated within the Meliadine greenstone belt, in the Hearne sub-province of the Churchill Province. Rocks of the Meliadine belt are part of the Rankin Inlet Group. The Meliadine trend is defined by northwest trending stratigraphy and a regional structure known as the Pyke Break or Fault. The gold mineralization at Meliadine is found in quartz-vein stock works, laminated veins and sulphidized iron formation in complexly folded and sheared iron formation rocks, sedimentary rocks, and volcanic rocks in or near certain volcanic-sedimentary contacts. The "ore" zone in this underground exploration program (the Tiriganiaq gold deposit) is in a shear off of the Pyke Fault. This gold deposit includes a series of mineralized sheets of varying thickness dipping north and plunging east and west. The minerals in the ore zones include both carbonate bearing rock (basic) and sulphide bearing (acidic) rock.

The area is characterized by low arctic tundra with a summer active layer up to 1 m on dry exposed ridges and less than 0.5 m in the high organic humic soils under meadows. The camp, with a capacity for up to 75 persons, is located approximately five metres above lake level on a peninsula surrounded on three sides by Meliadine Lake.

Comaplex has completed the bulk sampling program and is currently evaluating the results and potentially moving towards completing a feasibility study. The results from the Underground Exploration program confirmed important aspects of the continuity and grade of gold mineralization at the Tiriganiaq Gold Deposit. Comaplex is encouraged by these results and will now begin studies (Feasibility Study) to determine if a mine is possible on the Meliadine property. Future work will include continued diamond drilling, geochemical and environmental studies, and monitoring activities.

II. PROCEDURAL HISTORY

On December 18, 1998 an application for a new water licence was filed by WMC International Ltd. The application was to allow WMC International Ltd. the use of water and disposal of waste for its Meliadine West Gold Exploration Project. The Board issued water Licence No. NWB2MEI.9901 on March 3, 1999. After renewal and amendments, the License was assigned to Comaplex on June 11, 2004. The preceding Licence was issued on February 23, 2007 to

Comaplex for a diamond drilling program in support of their gold exploration program. Amendment No.1 was issued on July 31, 2007 to allow for a bulk sample program, associated activities and additional infrastructure. This amendment, which advanced the scope of the project to include bulk sampling by way of underground decline, resulted in the classification change from a drilling exploration project to a bulk sample project and therefore the change in file designation from a 2BE to a 2BB, or Licence No. 2BB-MEL0709. Amendment No. 2 was issued December 2, 2008 which allowed for the construction of a lined fuel berm for the purpose of holding fuel bladders and drums, with a total capacity of 1,792,000 L. The Licence term was also extended with this amendment until July 31, 2009.

The Nunavut Water Board (NWB) received an application for renewal of Licence 2BB-MEL0709 on March 31, 2009, referred to in this application as the Meliadine West Gold Project. The application consisted of the following documentation;

- Application cover letter;
- Executive Summary; English and Inuktitut;
- Signed Application form, received March 31, 2009;
- Advanced Exploration Questionnaire;
- 2008 Annual Report, including a 2009 Work Plan;
- Water Management Plan, dated June 2008;
- Waste Management Plan, dated June 2007;
- Waste Rock and Ore Storage Management Plan, dated August 31, 2007;
- Fuel Management and Spill Contingency Plan, Revised, dated June 2008;
- Abandonment and Restoration Plan;

Following an internal preliminary technical review, a notice of the application was posted and the application information was made available for general comment from April 3, 2009 to May 4, 2009. With the receipt of the Waste Rock and Ore Storage Management Plan Addendum 1 on April 19, 2009 the comment period deadline for the application was extended until May 11, 2009. Submissions were received from GN-CLEY, INAC, EC and GN-DoE. Following the submissions, Comaplex responded to comments on July 3, 2009. Based upon the results of the detailed assessment, including consideration of any potential accidents, malfunctions, or impacts to water that the overall project might have in the area, the Board approved the application and has issued Licence 2BB-MEL0914.

III. GENERAL CONSIDERATIONS

The following section outlines the issues identified by the NWB and raised by interested parties and provides the background on the terms and conditions imposed within the body of the licence.

A. Security

Under Licence 2BB-MEL0709, Comaplex provided a submission on October 5, 2007 under Part B, Item 2 of Amendment No.1, with respect to an assessment of current restoration

liability. The document submitted was referred to as a "Site Liability Security Deposit Review" which summarized the current security liability and the status of security held by the landowner. For other similar projects, the NWB has required a security deposit².

The NWB has noted that the Licensee provided a letter of credit, valued at \$950,000, on file with the Kivalliq Inuit Association (KivIA). A detailed justification for the amount of current restoration liability was not provided to the NWB for review. The estimate provided to the NWB on Oct 5, 2007 relied on quotes by contractors rather than the RECLAIM model. Comaplex had stated that RECLAIM does not accurately reflect true Abandonment and Restoration costs as it does not account for local resale value or account for salvage costs. In addition to the estimates provided under Part B, Item 2 of the previous Licence, INAC, within their submission, provided a cost estimate for security that included an estimate for water related liabilities. The table below summarizes the liability estimates received.

Estimated By:	Liability	Applied Contingency
Consultant for KivIA	\$738,503	20% included
Comaplex Northern Contractor 1	\$413,839	10% included
Comaplex Northern Contractor 2	\$652,140	No contingency
INAC	\$639,000 (Total Liability)	20% included
INAC	\$451,000 (Water Related)	20% included

INAC recommended to the NWB that its estimate be considered and security be imposed with respect to water related security for this project as a condition of the Water Licence. In determining whether to impose security for the full liability of the Project or Water related liability, the Board relied on its previous decision for the Doris North Gold Mine where the Board fully canvassed the issue of the Board's jurisdiction over land and water related security, and concluded that the Board has jurisdiction to determine the total land and water related amount of security.³

And further, the Decision for the Meadowbank Gold Project concluded that:⁴

Absent evidence of an agreement between various holders of security, in this case INAC and KivIA, on how total financial security for final reclamation will be held such that the total outstanding reclamation liability for land and water combined is secured, and will be executed such that land and water related reclamation will be approached holistically, the Board is not prepared to split land and water security.

What this Board can do is encourage INAC and KivIA to continue to work diligently toward a solution, and remind Comaplex that Part B, Item 3 of the Licence permits Comaplex to request, with supporting evidence to justify the request, that the Board review the amount of the security requirement.

² Boston Camp Licence 2BB-BOS0712 and Ulu Mine Licence 2BM-ULU0008 may be found on the Nunavut Water Board FTP site at http://www.nunavutwaterboard.org/en/public_registry.

³ The Board's Reasons for Decision for 2AM-DOH0713 may be found on the Nunavut Water Board FTP site at http://www.nunavutwaterboard.org/en/public_registry

⁴ The Board's Reasons for Decision for 2AM-MEA0815 may be found on the Nunavut Water Board FTP site at http://www.nunavutwaterboard.org/en/public_registry, p 27.

In determining the financial security requirement, the Board has relied on the liability estimate provided by INAC which included a detailed assessment of all liabilities which was not provided by the Licensee. In addition, the estimate provided by INAC is within the range of estimates provided by the Licensee. The NWB has therefore, imposed the requirement for Comaplex to furnish and maintain financial security in the amount of Six Hundred and Thirty Nine Thousand Dollars (\$639,000), in a form acceptable to the Minister of Indian and Northern Affairs Canada.

B. Term of Licence

In accordance with the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* s. 45, the NWB may issue a licence for a term not exceeding twenty-five years. In determining an appropriate term of a water licence, the Board considers a number of factors including, but not limited to; the results of INAC site inspections and the corresponding compliance record of the Applicant, as well as intervener comments provided during the application review process.

In review of the comments received on the application, the NWB has noted that there were no concerns expressed with respect to the requested licence term of five (5) years proposed by the Applicant. In review of the information available during the renewal process, the NWB concurs with the Applicant that a Licence term of approximately five (5) years is appropriate.

The licence duration will allow the Licensee to properly carry out the terms and conditions of the licence and will ensure that sufficient time is given to permit the Licensee to develop, submit and implement the plans required under the licence to the satisfaction of the NWB and carry out the proposed activities during this period.

C. Annual Reporting

The NWB has imposed on the Licensee, the requirement to produce an Annual Report. These Reports are for the purpose of ensuring that the NWB has an accurate annual update of the Licensee's activities related to water use and waste disposal during a calendar year. This information is maintained on the Public Register and is available to interested parties upon request. A "*Standardized Form for Annual Reporting*" is to be used by the Licensee and is available from the NWB file transfer protocol (FTP) site under the Public Registry link at the NWB Website.

Website Public Registry:

(<ftp://nunavutwaterboard.org/ADMINISTRATION/Standardized%20Forms/>).

This form provides the basis for annual reporting and format, however individual licences with project specific reporting requirements will need to provide information in addition to that of the standard form.

D. Water Use

Amendment No. 1 to the preceding Licence (amended on July 31 2007) permitted a water use

volume of ninety (90) m³/day. The Licensee has not requested a change in total allowable water use as part of the renewal application.

Comaplex has presented that it utilizes a flow-through type system with water pumped from the source. This involves a continuous water flow to a storage tank for camp use, with the unused remaining volume of water allowed to flow back to the source lake. This has led to some disagreement on how total water use is calculated. INAC issued an Inspectors Direction on August 13, 2008, following a site inspection on August 2, 2008. The Direction instructed Comaplex to:

“Within 30 days of issuance of Direction, install flow meters on the intake for all domestic and drilling uses of water.”

In response to the INAC Inspectors Direction, Comaplex sent a letter on September 8, 2008 to the Minister of INAC requesting a review of the Inspectors Direction. On October 17, 2008 the Deputy Minister on behalf of the Minister responded to Comaplex’s request and identified that the Direction was based on a Licence requirement and could not be changed without an amendment to the Licence.

To date, Comaplex has not requested a Licence amendment with respect to the requirement of flow monitoring. However, in response to comments received during the renewal application, Comaplex suggested that installing a water meter on the camp water tank would better represent the actual total water used, compared to a water meter at the intake.

In review of the application, the NWB relied on the definition of “Use” provided by the *Act*⁵. All water taken from a source and later returned to that water body would qualify under the definition as an “indirect use of water”, used to keep the water lines from freezing during use. Although this may not reflect the actual water consumption, it is an accurate measure of water Use. Also, the Licensee was not clear in its application, whether water from the flow-through system that is not consumed by the camp or drills is returned directly to the source lake, or indirectly overland. Therefore, having given due consideration to the information presented during the review, the NWB has determined that water extracted from the source water supply, for any purpose, is considered a Use of water and that the Licensee is encouraged to either investigate alternative operational methods in supplying water to the camp and drill sites, thereby reducing water consumption volumes or apply for an amendment to the Licence in order to accommodate the anticipated water volumes required.

As such, the monitoring station MEL-1, raw water supply intake at Meliadine Lake and MEL-2, raw water supply intake at Pump Lake shall remain active and the Licensee shall employ

⁵ “use”, in relation to waters, means a direct or indirect use of any kind, including, but not limited to,

- (a) Any use of water power an geothermal resources;
- (b) Any diversion or obstruction of waters;
- (c) Any alteration of the flow of waters; and
- (d) Any alteration of the bed or banks of a river, stream, lake or other body of water, whether or not the body of water is seasonal.

However it does not include navigation or any other use connected with shipping activities that are governed by the *Canada Shipping Act*.

accurate means of measuring water from these and any other approved water sources including sources proximal to drill rigs. The Board has imposed the requirement for Comaplex to provide to the NWB and Inspector within fourteen (14) days of issuance of the renewal, details on how and when the Licensee will achieve compliance on outstanding issues raised in the August 13, 2008 Inspectors Direction.

E. Waste Disposal

Sewage Waste

The preceding Licence, 2BB-MEL0709, authorized the incineration of sewage wastes and the treatment of grey water through disposal to a sump, which was followed by a wetland prior to entering Meliadine Lake. On August 13, 2008 the Inspector issued a Direction to Comaplex as a result of deficiencies noted during a site inspection. A requirement under the Direction was that

Within 30 days of issuance of Direction, discontinue the discharge of grey water at the current location and install means by which grey water will not be deposited directly into Meliadine Lake.

As a response to this direction the Licensee proposed to implement an alternate approach to treating Toilet Wastes and Greywater. Comaplex has proposed, as part of this renewal application, to install a wash car with low flush toilets and direct the Sewage to a holding tank prior to treatment in a BIODISK wastewater treatment unit (BIODISK) which discharges to an upgraded sump and upgraded wetland.

Submissions received during the public/technical review period generally approved of the new treatment approach. Environment Canada however, within their comments provided on May 11, 2009, requested more information on the operation of the BIODISK system including how the Licensee intends to handle flow volume fluctuations, how sludge will be managed, and how effluent will be disposed during sub-freezing temperatures. The GN-DOE in its May 11, 2009 submission requested more information on the BIODISK system through an updated Waste Management Plan.

On July 3, 2009 Comaplex provided to the NWB, a response to comments received during the review process. The response included additional information on the proposed upgrades, a preliminary drawing for the sump/wetland and noted that additional plans would be forthcoming.

Prior to the commissioning of the Sewage Disposal Facility and within sixty (60) days following issuance of the Licence, Comaplex is to submit for approval; a revised Waste Management Plan that includes the relevant information on the BIODISK system, for construction drawings of the upgraded sump and wetland, that are stamped and signed by an Engineer, and sludge management/disposal plans for the sludge generated through operation of the system. The Plan shall also identify the final point of control and compliance for the Facility. Sewage management procedures should be discussed for system malfunctions and for operation during sub-freezing temperatures, as this could have an impact on the treatment

process.

Effluent discharge and regulated effluent quality are considered to be an important aspect of a continuous discharge treatment system. The NWB has included effluent quality criteria for the Sewage Treatment Facility effluent based on the generally accepted interpretation of Table 4.1 of the *Guidelines for the Discharge of Treated Municipal Wastewater in the Northwest Territories, 1992* and to be consistent with similar licences with sewage treatment systems and discharges. It is expected that treatment efficiencies would be similar to the design parameters provided by Comaplex within the 2008 Annual Report, that include:

- Biological Oxygen Demand (BOD) – 15 mg/L;
- Total Suspended Solids (TSS) – 15 mg/l;
- Phosphorus – 1 mg/L;
- Fecal Coliforms – 200 per 100 mL; and
- Temperature of effluent – 10 °C.

The discharge criteria at the point of compliance detailed under Part D, Item 13 are not, in the Boards view considered onerous with respect to the capabilities of the BIODISK system. With additional treatment provided in the upgraded sump and upgraded wetland area, the final water entering Meliadine Lake is expected to be of higher quality than at the point of compliance. Annual and Monthly reporting will verify whether the facilities, once operational, are performing to expectations.

Landfarm/Contaminated Soil Storage

During a 2008 site visit by the Kivalliq Inuit Association (KivIA), contaminated soils were noted on site. Comaplex had stated in the September 8, 2008 Letter to the Minister that the KivIA had requested and approved a landfarm during and following a KivIA site inspection.⁶ Following an INAC Site Inspection on August 2, 2008 where the landfarm was noted, an Inspectors Direction was issued on August 13, 2008 that required Comaplex to:

Within 30 days apply to the Nunavut Water Board for an amendment to the current license to allow for land farming activities as found on site or to remove the noted contaminated soils from site within the same time period.

Comaplex requested that the landfarm be part of the Licence during its amendment application dated September 15, 2008. During review of the application, staff requested additional technical information on the landfarm. This information was not received and the Board motioned that the amendment be approved without the landfarm due to insufficient information to make a determination.

With the current Application, the Licensee has not requested that the landfarm be included under the Licence. INAC, in its May 11, 2009 submission, had identified that the proposed decommissioning of the landfarm during the summer of 2009 and the associated deposit of wasted without NWB approval would contravene Section 12 of the *Act*. INAC further

⁶The NWB is not in receipt of any correspondence from the Kivalliq Inuit Association that confirms this statement.

commented that the NWB should impose a condition in the renewal licence that requires Comaplex to submit a Plan of Compliance within thirty (30) days of issuance, which addresses the removal of the unapproved waste to a facility that is approved to accept it. It is acceptable to INAC for the Board to amend the renewal licence and incorporate a properly engineered landfarm facility at the site with recommended conditions included. In follow-up correspondence received by the NWB on July 3, 2009, Comaplex addressed comments made by INAC with respect to the landfarm and identified that compounds of concern identified by INAC will be tested for, prior to the discharge of any contact water. Also, a consultant will sample the soils during the summer of 2009 to verify if remediation of the diesel contaminated soil is complete. Comaplex closed with requesting NWB input on how to proceed with the landfarm situation.

The NWB understands that the Licensee has indicated that the soil in the contaminated soil storage may be remediated, or may be soon remediated. Given the previous testing results and that the contaminated soil is on a lined rock pad over four metres thick, there appears a low future probability of waste from the facility entering a waterbody. As such, all future contact water discharges and final remediation of the facility are subject to discharge criteria detailed under Part D, Item 17 and a revision of the Abandonment and Restoration (A&R) Plan. The revised Plan requires A&R procedures for the contaminated soil storage area, including but not limited to, sampling under and down gradient of the facility and disposal options for the remediated soil. Upon Board approval of the A&R Plan revision, submission of soil quality data confirming complete remediation and confirmation from the Government of Nunavut, Environmental Protection Service that the soil meets applicable remediation criteria⁷, the soil will then be considered acceptable, through consultation with the KivIA, for future use.

F. Site Water Management Plan

On June 2, 2008 the Board received a revision of the approved Plan entitled "Meliadine West Gold Project Water Management Plan" dated June 2008. In review of the application several minor issues with the Plan were noted, therefore the Licensee shall be required, within (60) days of issuance of the Licence, to submit an addendum to the approved Plan that addresses the requirements detailed under Part E, Item 5.

G. Spill Contingency Plan

As part of the Application, the Licensee submitted the previously approved plan entitled "Fuel Management And Spill Contingency Plan, Comaplex Minerals Corp., Meliadine West Project" dated July 2008. Comments received by INAC and EC request an updated Spill Contingency Plan that addresses changes and upgrades to the project. The Board requires an updated Plan for approval within sixty (60) days following issuance of the Licence Renewal. As with revisions to all Plans, the Board recommends that a table be included with the Plan that documents the date, purpose and page(s) of the revision. The requirement for this submission is detailed under Part H, Item 1.

⁷Canadian Council of Ministers of the Environment (CCME) Canadian Soils Quality Guidelines and the Government of Nunavut, Environmental Protection Service "Environmental Guideline for Site Remediation" dated January 2002.

H. Abandonment and Restoration Plan

On April 2, 2008, Comaplex submitted a Plan entitled "Abandonment and Restoration Meliadine West Gold Project Camp and Underground Exploration Area" dated April 2008. On June 10, 2008 the file was distributed for review and comment. Comments received from Environment Canada on July 4, 2008 have been included in the review of the renewal application. The NWB has approved the Abandonment and Restoration Plan as part of the Licence renewal. As several issues were identified, the Licensee is to submit for approval, within sixty (60) days of Licence issuance, a revision to the Plan, detailed under Part I, Item 2.

I. Monitoring

To ensure consistency with other advanced exploration and bulk sampling projects licensed in Nunavut, the Board requires that the Licensee establish, implement and report on the Monitoring Program outlined in Part J of the licence. In addition, the Board is requiring, within ninety (90) days of issuance of the Licence, the submission of a Quality Assurance/Quality Control Plan that provides documentation of proper methods for field sampling, preservation, shipping/sample control and is accompanied by an approval letter from an accredited laboratory responsible for the analytical requirements of the Licence. This requirement is detailed under Part J, Items 11 and 12.



**NUNAVUT WATER BOARD
WATER LICENCE**

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

COMAPLEX MINERALS CORP.

(Licensee)

901, 1015 4TH STREET S.W., CALGARY AB T2R 1J4

(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: 2BB-MEL0914 TYPE "B"

Water Management Area: NUNAVUT 06

Location: MELIADINE WEST GOLD PROJECT
KIVALLIQ REGION, NUNAVUT

Classification: MINING AND MILLING UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not
to Exceed: NINETY (90) CUBIC METRES PER DAY

Date of Licence Issuance: JULY 31, 2009

Expiry of Licence: JULY 31, 2014

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

Lottie Toomasie,
Board Member

And on behalf of Board Members:
Tommy Tatatuapik
Ross Mrazek

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of water and the disposal of waste for an undertaking classified as Mining and Milling as per Schedule II of the *Regulations* for the Meliadine West Gold Project, located approximately 25 km northwest of Rankin Inlet within the Kivalliq Region, Nunavut (with the general camp coordinates of latitude: 63°01'30"N and longitude: 92° 10'20"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;

“Bermed Fuel Containment Facilities” means the bermed area designed to hold fuel bladders and fuel barrels as described and detailed in the drawings Figures 2 and 2A dated September 2008 and submitted to the NWB in the Amendment No. 2 application dated September 18, 2008;

“Board” means the Nunavut Water Board established under the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“Bulk Fuel Storage Facility” means the fuel storage facility as described in the 2007 Amendment No. 1 application supporting document entitled “Application to conduct underground mineral exploration and assemble bulk sample”, submitted to NIRB May 2007. Pg 25.

“Engineer” means a professional engineer registered to practice in Nunavut in accordance with the Engineering, Geological and Geophysical Act (Nunavut) S.N.W.T. 1998, c.38, s.5;

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

“ICP Scan” means the laboratory method for determining trace metals in water through Emission Spectroscopy using inductively coupled plasma (including up to approximately 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;

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

“Minister” means the Minister of Indian and Northern Affairs Canada;

“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 *Northwest Territories Water Regulations sor/93-303 8th June, 1993*, omitting Section 5, Water Use or Waste Deposit Without a Licence;

“Sewage” means all toilet wastes and greywater;

“Sewage Disposal Facility” means the Pre-treatment Wastewater Collection Well, BIODISK water treatment system, upgraded sump and upgraded wetland area, as described in Figure 2, Camp Infrastructure Planned Upgrades, dated February 2009

submitted with the renewal application and Figure 4, dated March 29, 2008 of Appendix 2 in the 2008 Annual report;

“Sludge” means accumulated and concentrated solids removed from the Sewage Disposal Facility;

“Solid Waste” means garbage, refuse, or other discarded material resulting from operating the undertaking, excluding sewage sludge, commercial, industrial or hazardous waste.

“Spill Contingency Plan” means the Plan entitled “Fuel Management And Spill Contingency Plan, Comaplex Minerals Corp., Meliadine West Project” dated July 2008 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;

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

“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 Supply Facilities” means the screened intake pipe, pump, water storage tank and all associated infrastructure as described in the application for renewal dated April 23, 2009.

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 of \$30, payable to the Receiver General for Canada, shall be sent to the Board annually in advance of any use in accordance with Section 9 of the *Regulations*.
2. The Licensee shall furnish and maintain a financial security of Six Hundred and Thirty Nine Thousand Dollars (\$639,000) in the form, of the nature, subject to such terms and conditions, in accordance with the Regulations, or that is satisfactory to the Minister.
3. Licensee shall review as required by changes in project operation, project components and or technology revise and submit annually to the Board for review, an updated estimate of the Meliadine Lake Gold Project restoration liability using the current version of RECLAIM, its equivalent or other similar method approved by the Board, in accordance with principles of INAC's "Mine Site Reclamation Policy for Nunavut" (2000).
4. Licensee shall furnish and maintain such further or other amounts of security as may be required by the Board, based on an updated estimate of current mine reclamation liability under Part B, Item 3.
5. The security deposit shall be maintained until such time as the Minister and the Kivalliq Inuit Association are satisfied that the Licensee has complied with all provisions of the approved Abandonment and Restoration Plan. This clause shall survive the expiry of this Licence or renewals thereof.
6. The Licensee shall, within fourteen (14) days following issuance of the Licence, provide to the NWB and Inspector, details on how and when the Licensee will achieve compliance on outstanding issues raised in the August 13, 2008 Inspectors Direction.
7. 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 which shall contain, but not be limited to, the following information:
 - a. the monthly and annual quantities in cubic metres of all freshwater obtained from Pump Lake at Monitoring Station MEL-1 and MEL-2;
 - b. the monthly and annual quantities in cubic metres of Minewater pumped from the underground;
 - c. an estimate of the current volume of waste rock and ore stockpiled on site;
 - d. tabular summaries of all data generated under the Monitoring Program, Part J;
 - e. a summary of modification and/or major maintenance work carried out on the

- Water Supply Facilities, Bulk Fuel Storage Facility; Bermed Fuel Containment Facilities, and Sewage Disposal Facility, including all associated structures, and an outline of any work anticipated for the next year;
- f. a list of unauthorized discharges and follow-up action taken;
 - g. updates or revisions to the Abandonment and Restoration Plan, Site Water Management Plan, Waste Rock and Ore Storage Management Plan, Spill Contingency Plan and the Operations and Maintenance Manual; revisions may be subject to Board approval;
 - h. An updated estimate of the current Meliadine Lake Gold Project restoration liability, as required under Part B, Item 3, based upon the results of the restoration research, project development monitoring, and any modifications to the site plan;
 - i. a brief description of follow-up action taken to address concerns detailed in inspection and compliance reports prepared by the Inspector;
 - j. a summary of drilling activities and progressive reclamation of drill sites;
 - k. a summary of any abandonment and restoration work completed during the year and an outline of any work anticipated for the next year;
 - l. a summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed;
 - m. a public consultation/participation report describing consultation with local organizations and residents of the nearby communities, if any were conducted;
 - n. any other details on water use or waste disposal requested by the Board by November 1st of the year being reported.
8. 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.
 9. The Licensee shall install and maintain flow meters or other such devices, or implement suitable methods capable of measuring water volumes as required to comply with Part C, Item 1 and the Monitoring Program, Part J.
 10. The Licensee shall post signs in the appropriate areas to inform the on-site personnel and public of the location of the Water Supply Facility and the Sewage Disposal Facility. All signs shall be in English and Inuktitut.
 11. The Licensee shall, for all Plans submitted under this Licence, include a proposed timetable for implementation and the Board recommends that a table be included with

the Plan that documents the date, purpose and page(s) of the revision. 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.

12. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
13. 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.
14. The Licensee shall review the Plans referred to in this Licence as required by changes in operation and/or technology and modify the Plans accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report, unless directed otherwise by an Inspector. Addendums should be accompanied with a concordance sheet that provides an overview of the changes made to the plan.
15. 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:

(i) 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@nunavutwaterboard.org

(ii) Inspector Contact:

Water Resources Officer, INAC
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4295
Fax: (867) 979-6445

16. 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.
17. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the Board is received and acknowledged by the Manager of Licensing.

18. This Licence is assignable as provided for in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all water for camp use, up to a maximum of ten (10) m³/day, from Meliadine Lake at Monitoring Program Station MEL-1. All water use for the Underground workings and associated infrastructure, Waste Rock Storage Pad and proximal drill sites shall be obtained from Pump Lake at Monitoring Station MEL-2 or as otherwise approved by the Board. Water use for drill sites distant from Pump Lake shall come from lakes and ponds near the drilling targets. The total volume of water for the purposes of this Licence, from all sources shall not exceed ninety (90) m³/day.
2. Streams cannot be used as a water source unless authorized and approved by the Board.
3. If the Licensee requires water in sufficient volume that the source water body may be drawn down the Licensee shall, at least thirty (30) days prior to commencement of use of water, submit to the Board for approval the following: 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 operation to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall locate areas designated for waste disposal, 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 authorized by the Board.
2. 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.

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 practice on-site land filling of domestic or industrial waste, unless otherwise approved by the Board in writing.
5. The Licensee shall provide to the Board, documented authorization from the community of Rankin Inlet or any other community in Nunavut with an approved solid waste disposal facility, prior to the backhauling of any non-hazardous waste.
6. The Licensee shall backhaul and dispose of all hazardous wastes generated through the course of the operation in an approved 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.
8. Unless otherwise approved by the Board, 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 flow into a water body is not possible and no additional impacts are created.
9. Prior to commissioning of the Sewage Disposal Facility, the Licensee shall dispose of all Toilet Wastes through incineration, chemical or composting toilets. Any remaining residue generated through the course of the operation shall be backhauled and disposed of in an approved waste disposal site.
10. The Licensee shall, within sixty (60) days following issuance of the Licence and prior to the commissioning of the Sewage Disposal Facility, submit to the Board for approval in writing, a revised Waste Management Plan, that includes the following:
 - a. All relevant information on the BIODISK treatment unit that addresses the information requirements of Environment Canada and the Government of Nunavut, Department of Environment;
 - b. For construction drawings of the upgraded sump and wetland that are stamped and signed by an Engineer;
 - c. Sludge management/disposal plan options to the proposed disposal of depositing sludge in depressions near drill collars and drill sites;
 - d. Identify the final point of control and compliance for the Sewage Disposal Facility;
 - e. Sewage (effluent) management procedures for operation during sub-freezing temperatures; and
 - f. Applicable procedures provided in Environment Canada's Draft Technical Document for Batch Waste Incinerators should be included.

11. Upon commissioning, the Licensee shall direct all Sewage to the Sewage Disposal Facility, or as otherwise approved by the Board in writing.
12. The Licensee shall annually notify an Inspector at least ten (10) days prior to commissioning and commencing discharge from the Sewage Disposal Facility to the wetlands sump.
13. Discharge at MEL-7 from the BIODISK waste water treatment system shall be directed to the upgraded sump and shall not exceed the following Effluent quality limits:

Parameter	Maximum Concentration of any Grab Sample
pH	6.0 to 9.5
BOD ₅	80 mg/L
TSS	100 mg/L
Faecal Coliforms	1000 CFU/100mL
Oil and Grease	5 mg/L & No visible sheen

14. The Licensee shall discharge Waste in a manner to minimize surface erosion.
15. The Licensee shall maintain all constructed facilities, including the Bulk Fuel Storage Facilities, sumps and the containment area(s) to the appropriate engineering standards.
16. The Licensee shall notify an Inspector at least ten (10) days prior to discharge from either MEL-5 and MEL-6.
17. Discharge at MEL-5 and MEL-6 shall not exceed the following Effluent quality limits:

Parameter	Maximum Concentration of any Grab Sample
Benzene(µg/L)	370
Toluene(µg/L)	2
Ethylbenzene(µg/L)	90
Lead(µg/L)	1
Oil and Grease(mg/L)	15 and no visible sheen
Phenols (µg/L)	20

18. If effluent does not meet the effluent quality limits of Part D, Item 17, it shall be considered hazardous waste and disposed off-site at an approved facility.
19. The Licensee shall treat contaminated soil to the treatment objective and, prior to the removal of any treated soil for future use, confirm with the Government of Nunavut, Environmental Protection Service that the soils have been treated to meet the required treatment objective.
20. The Licensee shall ensure that, with the exception of flow through water from the Water Supply Facility, all discharges under the Licence are directed to land such that direct

flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing.

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 immediate banks except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.
2. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any corrective measures in the event of any impacts on surface drainage.
3. Winter lake and stream crossings, including ice bridges, shall be constructed entirely of water, ice or snow. The Licensee should 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 roads, 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 submit to the Board, within sixty (60) days following issuance of the Licence, an addendum to the approved Plan entitled "Meliadine West Gold Project Water Management Plan" and dated June 2008 that addresses the following:
 - a. Installation instructions for the Geo-Synthetic Liner;
 - b. As-Built Drawing for any structures used to collect and contain surface water runoff. The Drawings are to be signed and stamped by a qualified Engineer; and
 - c. Revise the reference to the Monthly Monitoring Report to Part J, Item 13.
6. The Licensee shall implement the approved Plan entitled "Waste Rock and Ore Storage Management Plan for Materials Generated During the Excavation of the Exploration Decline at the Tiriganiaq Deposit, Meliadine West Project" dated August 2007 with Addendum 1, dated April 2009:
7. The Licensee shall review the Plans referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Further revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report, unless directed otherwise by an Inspector.

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.
2. The Licensee shall ensure that all drill waste, including water, chips, muds and salts (CaCl₂) in any quantity or concentration, from land-based and on-ice drilling, shall be disposed of 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. 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. Where drilling activity has penetrated below the permafrost layer, the NWB requests that the proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.
5. 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.
6. 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. 10mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100mg/L).
7. 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 AND CONSTRUCTION

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. 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 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.
4. The Licensee shall, upon constructing the Bermed Fuel Containment Facilities, construct as detailed in Figure 2 and Figure 2A, submitted as part of the amendment application to Licence 2BB-MEL0709, dated September 15, 2008.
5. The Licensee shall install the HDPE liner at the Bermed Fuel Containment Facilities, as per the Manufacturer's recommended specifications and procedures.
6. The Licensee shall ensure that all rock used in the construction of the Bermed Fuel Containment Facilities does not pose a risk for acid rock drainage or metal leaching.
7. Construction of the Bermed Fuel Containment Facilities shall be consistent with the Canadian Council of Ministers of the Environment (CCME) Guidance Document PN 1326 entitled "*Environmental Code of Practice for Above Ground and Underground Storage Tank Systems Containing Petroleum Product and Allied Petroleum Products (2003)*".
8. The Licensee shall provide to the Board, within ninety (90) days of completion of construction of the Bermed Fuel Containment Facilities, the Manufacturer's specifications and installation instructions for the HDPE liner, all respective design drawings and construction reports, including as-built drawings, documentation of field decisions that deviate from original plans and any data used to support these decisions. These drawings and reports shall be stamped and signed by a professional engineer registered in Nunavut.
9. The Licensee shall provide to the Board, within ninety (90) days of completion of construction of the Sewage Disposal Facility, as-built drawings signed and stamped by an Engineer.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

1. The Licensee shall submit for Board approval within sixty (60) days of issuance of the Licence, a revised Spill Contingency Plan that takes into consideration the current project components at the Meliadine West Gold Project and recent changes to the waste management plans and the planned commissioning of the Sewage Disposal Facility.
2. If the Board does not approve the Spill Contingency Plan referred to in this Part, the Licensee shall revise the Plan and resubmit it to the Board for approval within thirty (30) days of receiving notification of the Board's decision.
3. The Licensee shall review the Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Further revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report, unless directed otherwise by an Inspector.
4. The Licensee shall ensure that any chemicals, petroleum products or wastes associated with the project do not enter 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. The Licensee shall provide secondary containment for fuel storage areas.
5. The Licensee shall ensure that any equipment maintenance and servicing be conducted only 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.
6. The Licensee shall regularly inspect fuel tanks and connectors for leaks and movement and shall keep a written log of inspections to be made available to an Inspector upon request.
7. 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 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.

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

1. The Board has approved the Plan entitled “Abandonment and Restoration Meliadine West Gold Project Camp and Underground Exploration Area” dated April 2008.
2. The Licensee shall submit to the Board for approval, within sixty (60) days of issuance of this Licence, a revised Plan that shall include the following:
 - a. Update the Plan to reflect changes to the project;
 - b. Abandonment and restoration details for the closure of the contaminated soil storage area;
 - c. Detailed information on the end use for remediated soils;
 - d. Name and title of person responsible for preparing and updating the Plan;
 - e. An estimated time frame for implementing the plan;
 - f. A detailed description of reclamation procedures for drill sites; and
 - g. A discussion on documentation and inspection of the site following closure.
3. If the revision referred to in Part I, Item 2 is not approved, the Licensee shall make the necessary revisions and resubmit the Plan within thirty (30) days following notification from the Board.
4. The Licensee shall review the Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report.
5. The Licensee shall complete all restoration work prior to the expiry of this Licence.
6. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee’s operations.
7. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
8. The Licensee shall remove from the site infrastructures and site material, including but not limited to, all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment before the expiry of this Licence.
9. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.
10. All culverts shall be removed and the drainage opened up to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.
11. 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.

12. Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to the satisfaction of an Inspector. The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon approval by an Inspector.
13. Drill holes and disturbed areas will be restored to natural conditions immediately upon completion of the drilling. The reclamation of drill holes must include the removal of any drill casing materials and the capping of holes with a permanent seal.
14. The Licensee may store drill core 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, or as directed by an Inspector.
15. All disturbed areas shall be contoured and stabilized upon completion of work and restored to a pre-disturbed state.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall maintain Monitoring Stations at the following locations:

Monitoring Program Station Number	Description	Status
MEL-1	Raw water supply intake at Meliadine Lake	Active (Volume cubic metres)
MEL-2	Raw water supply intake at Pump Lake	Active (Volume cubic metres)
MEL-3	Immediately downstream of old greywater sump prior to effluent entering wetland area, when flow is observed	Active
MEL-3a	Immediately downstream of upgraded sump prior to the effluent entering upgraded wetland area, when flow is observed	Active
MEL-4	At a point immediately upstream of the discharge from the wetland area / upgraded wetland area to Meliadine Lake	Active

MEL-5	Point of discharge for the Bermed Fuel Containment Facilities	Active
MEL-6	Point of discharge for the contaminated soil storage	Active
MEL-7	Final effluent discharge from the BIODISK treatment system	Active

2. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling, and other purposes from all sources.
3. 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.
4. Licensee shall sample at Monitoring Program Station MEL-3, MEL-3a, MEL-4 and MEL-7, monthly during Sewage treatment, effluent discharge and during periods of flow at the point of entry into Meliadine Lake. Samples shall be analyzed for the following parameters:

Biochemical Oxygen Demand – BOD ₅	Faecal Coliforms
Total Suspended Solids	pH
Oil and Grease (and visual)	

5. The Licensee shall, prior to the release of effluent from the Bermed Fuel Containment Facilities at Monitoring Program Station MEL-5 and the contaminated soil storage at MEL-6 for the purpose of demonstrating compliance, sample for the parameters listed under Part D, Item 17.
6. The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Item 7. Monitoring shall include but not be limited to the following:

Total Suspended Solids
pH
Electrical Conductivity, and
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

7. The Licensee shall maintain the necessary signs to identify the stations of the Monitoring Program. All signs shall be in English and Inuktitut.

8. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with camp operations and drilling operations are deposited.
9. 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.
10. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
11. The Licensee shall within ninety (90) days following issuance of the Licence, submit to the Board a Quality Assurance/Quality Control (QA/QC) Plan. The Plan shall include up to date field sampling methods to all applicable standards, acceptable to an accredited laboratory as required by Part J, Item 9 and Part J, Item 10. The Plan shall include a covering letter from the accredited laboratory confirming acceptance of the Plan for analyses to be performed under this Licence
12. The Licensee shall annually review the QA/QC plan submitted under Part J, Item 11 and modify it as necessary. Revised plans shall be submitted to the NWB with an approval letter from an accredited lab that meets standards set in Part J, Item 9 and Part J, Item 10.
13. A Monthly Monitoring Program Summary Report shall be submitted to the Board for review within thirty (30) days following the month being reported. This summary shall include the monitoring results of Part J, Items 1 through 6 and applicable results of the approved QA/QC Plan.
14. The Licensee shall, include in the Annual Report required under Part B, Item 7, all monitoring data and analysis and information required by this Part.