

File No: **2BE-MLL2328**

May 5, 2023

Merle Keefe Environmental Engineer Sabina Gold & Silver Corp. #1800 – 555 Burrard Street Box 220 Vancouver, British Columbia V7X 1M9

Email: mkeefe@sabinagoldsilver.com

RE: NWB Water Licence No: 2BE-MLL2328

Dear Mr. Keefe:

Please find attached Water Licence No: **2BE-MLL2328**, issued to Sabina Gold & Silver 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 the use of Water and the deposit of Waste are an integral part of this approval. This Water Licence will replace the expired Water Licence No: 2BE-MLL1722.

If the Licensee contemplates the continuing of this Undertaking after the Water Licence expires, it is the responsibility of the Licensee to apply to the NWB for a renewal water licence. The past performance of the Licensee, new documentation and information, and issues raised during a public hearing, if the NWB is required to hold one, will be used to determine the terms and conditions of the renewal Water Licence. Note that if the Licence expires before the NWB issues a new one, then the use of Water and the deposit of Waste must cease, or the Licensee may be in contravention of the *Nunavut Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA)*. 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 s. 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 s. 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 <u>sixty (60) days</u> is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and are acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received from interested persons on issues identified. This information is attached for your consideration.¹

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Lootie To	oomasie	

Nunavut Water Board

Chair

Sincerely

LT/as/rh

Enclosure: Water Licence No: 2BE-MLL2328

Comments - CIRNA, ECCC, DFO

Cc: Kitikmeot Distribution List

¹ Crown Indigenous Relations and Northern Affairs Canada (CIRNA), March 3, 2023; Environment and Climate Change Canada (ECCC), March 7, 2023; Department of Fisheries and Oceans Canada (DFO), February 13, 2023.

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DECISION

LICENCE NUMBER: 2BE-MLL2328

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated February 3, 2023 for the renewal of a Water Licence made by:

SABINA GOLD & SILVER CORP.

to allow for the use of waters and the deposit of waste during camp and exploration operations and related activities at the Wishbone – Malley Project, located within Kitikmeot Region, Nunavut, generally located at the following geographical coordinates:

Project Extents

Latitude: 66° 00' 00" N	Longitude: 109° 00' 00" W
Latitude: 66° 00' 00" N	Longitude: 106° 45' 00" W
Latitude: 66° 45' 00" N	Longitude: 106° 45' 00" W
Latitude: 66° 45' 00" N	Longitude: 109° 00' 00'' W

Camps

Latitude: 65° 28' 35" N Longitude: 107° 37' 31" W (Rocky Camp) Latitude: 65° 24' 18" N Longitude: 107° 39' 48" W (Rocky 2 Camp)

For the purpose of this Licence, in cases where the above-mentioned project extents overlap with the project extents of Licence No: 2BE-GEO2025 and/or 2BE-GOO2028, the respective areas of overlap will be tentatively treated as if they were specifically under Licence No: 2BE-GEO2025 and 2BE-GOO2028, respectively.

DECISION

After having been satisfied that the Application is for a proposal that falls outside of an area with an approved land use plan in place, exempt from section 235 of *Nunavut Planning and Project Assessment Act* (NuPPAA), and exempt from screening in accordance with section 12.4.3 of the Nunavut Agreement, as determined by the Nunavut Planning Commission (NPC)¹, the NWB decided that the Application could proceed through the regulatory process. In accordance with s. 55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (*Act*) and Article 13 of the *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:

Licence No: 2BE-MLL1722 be replaced with Licence No: 2BE-MLL2328 subject to the terms and conditions contained therein (Motion #: 2023-B1-002).

Signed this 5th day of May, 2023 at Gjoa Haven, NU.

Lootie Toomasie

Nunavut Water Board, Chair LT/as/rh

¹ Nunavut Planning Commission, Determination, dated, August 11, 2022.

I. BACKGROUND

The Wishbone – Malley Project (Project) is an exploration project operated by Sabina Gold & Silver Corp. (Sabina or the Licensee or Applicant). It is located near Bathurst Inlet in the Kitikmeot Region of Nunavut.

Wishbone-Malley is an exploration area which currently has no erected infrastructure, although the expired Licence had permits for the construction of seasonal or temporary camps to support exploration activities. Sabina has stated that, as in previous years, they intend to continue using the existing Back River Project facilities, when possible, to support regional exploration and minimize exploration activity footprint.

The previous Type "B" Water Licence 2BE-MLL1722 was issued on June 30, 2017 and expired on June 29, 2022. This Replacement License allows Sabina to continue exploration in this area for the next 5 years. No amendments were requested by Application and all the terms and conditions of the expired Type "B" Water Licence 2BE-MLL1722 are carried forward.

II. PROCEDURAL HISTORY

The application and supporting information (the Application), submitted for the renewal of the expired Type "B" Water Licence 2BE-MLL1722, contained the following documents:

- Water Licence Application
- Executive Summary
- NPC Conformity Determination NPC #148494
- NPC Conformity Determination NPC #149780
- NIRB Screening Decision Report (File No. 06EN033)
- NIRB Screening Decision Report (File No. 08EA084)
- Project Map
- Spill Contingency Plan
- Waste Management Plan
- Abandonment and Restoration Plan
- Certificate of Amendment of Registration
- Non technical Project Summaries in English, Inuktitut and Inuinnaqtun

Application Scope

The scope of the Application remains the same as that of the expired licence and includes the following:

- Staking, prospecting, and reconnaissance geology; geological mapping and geochemical surveys; aerial, ground, and down hole geophysical surveys, and mechanical and hand trenching/stripping; construction of ice strip depending on exploration activities and resupply activities;
- Establishment of a sixty (60) person seasonal camp;
- Establishment of a thirty (30) person temporary camp;
- Reclamation of drill sites, site clean-up and progressive reclamation;
- Total water use of two hundred (200) cubic metres per day; and
- Term of five (5) years.

Procedural History

Following receipt and an internal preliminary review, the NWB distributed the Application on February 07, 2023 for a four (4) week review and comment period with the deadline for submission set for March 07, 2023. Prior to the comment deadline, the NWB received submissions from the Department of Fisheries and Oceans (DFO), Crown-Indigenous Relations and Northern Affairs Canada (CIRNA) and Environment and Climate Change Canada (ECCC). Sabina provided a response to the intervenors' comments on April 11, 2023. All intervenors confirmed, by May 2, 2023, that their concerns had been addressed.

With respect to pre-licensing requirements, the NWB received the Nunavut Planning Commission's (NPC) Land Use Conformity Determination³ for the Undertaking indicating that the project proposal falls outside of the areas with applicable land use plans in place and that a screening determination by Nunavut Impact Review Board (NIRB) is not required as the previous one issued to the project remains applicable.

III. FILE HISTORY

The NWB issued two licences to the Project in the past, which are summarized below:

- Licence No: 2BE-MLL1217 was issued on March 27, 2012 and expired on March 26, 2017. The Licence allowed for the use of two hundred (200) cubic metres of water per day and the deposit of waste in support of a mining exploration program.
- Licence No: 2BE-MLL1722 was issued on June 30, 2017 and expired on June 29, 2022. The Licence allowed for the use of two hundred (200) cubic metres of water per day and the deposit of waste in support of a mining exploration program.

The NWB has placed in its Public Registry copies of the Application and all comments received from Interveners. This information can be accessed on the NWB's FTP site using the following link:

 $\frac{ftp://ftp.nwb-oen.ca/registry/2\%20MINING\%20MILLING/2B/2BE\%20-\%20Exploration/2BE-MLL2328\%20Sabina/1\%20APPLICATION/2023\%20Renewal$

IV. GENERAL CONSIDERATIONS

The following sections provide general overviews of the rationale for some of the main terms and conditions included under the Replacement Licence.

Term of the Licence

In accordance with s. 45 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (*NWNSRTA* or Act), the NWB may issue a licence for a term not exceeding twenty-five (25) years. In determining an appropriate term for a renewal licence, the Board generally takes into consideration several factors including Interveners' comments, the Licensee's compliance

³ Nunavut Planning Commission, determination, August 11, 2022.

history, as well as the rationale contained in the Application.

In their Application, the Licensee has requested a five (5) year term. The Interveners, in their submissions, did not object to the term requested for the requested licence. The Board, in examining the compliance history of the licensee, felt that the requested term was practical for the Undertaking. The Board has therefore granted the five (5) year term requested by the Licensee. In so doing, the Board believes and expects that the five-year term will provide the Licensee with significant opportunities to consistently abide by the terms and conditions in the Licence over time and provide ongoing compliance record prior to a need for renewal. The expired Licence No: 2BE-MLL1722 is replaced by Licence No: 2BE-MLL2328.

Annual Report

Under Part B, Item 1 of the Licence, the Licensee is required to submit Annual Reports for the purpose of ensuring that the NWB has an accurate annual update of 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 is available from the NWB file transfer protocol (FTP) site under the Public Registry link at the NWB Website:

ftp://ftp.nwb-oen.ca/other documents/Standardized Forms/

Water Use

The quantity of water requested by the Applicant remains the same, two hundred (200) cubic metres per day. Seventy (70) cubic metres per day is allocated for domestic camp use and one-hundred and thirty (130) cubic metres of water is allocated for exploration activities. The Board has authorized the Licensee to use a maximum of two hundred (200) cubic metres of water per day as per Part C, Item 1 of the Replacement Licence.

Camp

The Licensee is authorized to build two temporary or seasonal camps to support exploration activities under this Licence.

The Licensee has stated in the Application that no camp infrastructure exists in the Wishbone – Malley exploration area at this time. All exploration activities are supported by Sabina's existing Back River Project camps which include Goose, George or the MLA (Marine Laydown Area) which are covered under Licences 2BE-GOO2028, 2BE-GEO2025 and 2AM-BRP1831.

No concerns were expressed by the Interveners with respect to authorizing Camp operations to support exploration activities. Terms and conditions for Camp operations are included in Part E of the Licence.

Deposit of Waste

The Licensee indicated in their application that they will utilize pacto toilets, whereby the blackwater waste will be collected in pacto bags and will be incinerated. Ash generated from

black water incineration will be stored in designated, sealed and labelled drums and removed from site for proper disposal.

Since there is no camp infrastructure in the Wishbone – Malley exploration area yet, at this stage, all waste generated during exploration activities will be managed at Sabina's existing Back River Project camps, although the Licensee is authorised to establish camps as requested.

The Licensee has submitted the plan titled "Back River Project, Exploration Non-Hazardous Waste Management Plan" dated June, 2022 along with the Application package. This document is being approved by the Board with the issuance of the Licence.

Spill Contingency Plan

The Licensee has submitted the plan titled "Exploration Spill Contingency Plan" dated May, 2022 along with the Application package. This Plan is being approved by the Board with the issuance of the Licence.

Abandonment and Restoration Plan

The Licensee has submitted the plan titled "Back River Project, Abandonment and Restoration Plan, Wishbone – Malley" dated May, 2022 along with the Application package. This Plan is being approved by the Board with the issuance of the Licence.

Monitoring

Part J of the Licence details the environmental monitoring requirements. Requirements are similar to the expired Licence.

It should also be noted that additional sampling may be imposed by the Inspector.

Summary of Comments

Crown-Indigenous Relations and Northern Affairs (CIRNA) March 3, 2023:

- 1. CIRNA requested that the Applicant clarify how they will test the treated water, to confirm that it is safe to be deposited into the environment.
 - a. The Applicant responded that they will confirm the treated water meets discharge criteria, imposed for Monitoring Station GEO-1 under Licence 2BE-GEO2025, prior to release to the environment. They have also stated that "Any water that cannot be treated at Wishbone to meet these criteria would be backhauled to the Back River Project for management as outlined in the approved waste management plans."
- 2. CIRNA stated that they do not recommend open burning of materials and requested that the Applicant clarify how they plan on burning the building structures on site.
 - a. The Applicant stated that "Any on site burning would be undertaken in alignment

with guidance issued by the Government of Nunavut, including:

- ECCC Solid Waste Management for Northern and Remote Communities, Planning and Technical Guidance Document, March 2017; and
- Government of Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste."
- 3. CIRNA recommends that the applicant removes the areas from the Spill Prevention and Response Plan, which do not pertain to the Wishbone area and that the information presented is that for only water licence 2BE-MLL1722.
 - a. The Applicant stated that "Sabina will consider creating a Wishbone-only Spill Contingency Plan (SCP) if a wishbone camp is to be established. Until that time, activities at Wishbone are fully reliant on facilities at Goose and George and, as such, will abide by the exploration SCP developed for those projects, and which considers remote exploration drilling."
- 4. CIRNA requested the Applicant to clarify how greywater will be released into the environment.
 - a. The Applicant stated that "Greywater discharged to the sump will be left to naturally percolate."
- 5. CIRNA requested the Applicant to clarify will happen with contact water that was observed to have an oily sheen.
 - a. The Applicant referred CIRNA to the response provided for CIRNA-1.
- 6. CIRNA requested the Applicant to clarify what they mean by a "consolidation trench".
 - a. The Applicant stated that "The Cuttings Consolidation Trench is a sump as defined in 2BE-MLL1722; it is designed to prevent erosion while allowing percolation of liquid waste".

Environment and Climate Change Canada (ECCC) March 7, 2023:

- 1. ECCC advised the Applicant to investigate waste disposal practices that minimize or eliminate the use of open burning to the extent practical.
 - a. The Applicant stated that, "Any on site burning that does occur would be undertaken in alignment with guidance issued by the Government of Nunavut." Sabina committed to adhering to Part D, Item 5 of the Water Licence.

Department of Fisheries and Oceans (DFO) February 13, 2023:

1. DFO stated that "Provided that the plans are implemented in the manner, and during the timeframe, described, the Program is of the view that the proposal will not require an authorization under the Fisheries Act, or the Species at Risk Act."

By May 2, 2023, CIRNA and Environment and Climate Change Canada (ECCC) confirmed that all their comments/questions were answered reasonably by the Applicant.



NUNAVUT WATER BOARD WATER LICENCE

Licence No: 2BE-MLL2328

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

SABINA GOLD & SILVER CORP.

(Licensee)

SUITE #1800 – 555 BURRARD STREET. VANCOUVER, BC V7X 1M9

(Mailing Address)

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

Licence Number/Type: 2BE-MLL2328 / TYPE "B"

Water Management Area: QUEEN MAUD GULF (30) AND BACK (31)

WATERSHEDS

Project / Location: WISHBONE – MALLEY PROJECT/ KITIKMEOT

REGION, NUNAVUT

Classification: MINING UNDERTAKING

Purpose: DIRECT USE OF WATER AND DEPOSIT OF WASTE

Quantity of Water use not

to Exceed: TWO HUNDRED (200) CUBIC METRES PER DAY

Date of Licence Issuance: MAY 05, 2023

Expiry of Licence: MAY 04, 2028

This Replacement 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 Wishbone – Malley Project, located approximately 120 kilometres south of Bathurst Inlet within the Kitikmeot Region, Nunavut.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of Water and the depositing of Waste of any type in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposits of such Waste may enter any Waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of Waste that may be so deposited or under which any such Waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and
- b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. **Definitions**

"Act" means the Nunavut Waters and Nunavut Surface Rights Tribunal Act;

"Addendum" means the supplemental text that is added to a full plan or report usually included at the end of the document and is not intended to require a full resubmission of the revised report;

"<u>Amendment</u>" means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

"Applicant" means the Licensee;

"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 Agreement and the Nunavut Waters and Nunavut Surface Rights Tribunal Act;

"<u>Effluent</u>" 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;

"<u>Greywater</u>" means all liquid wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet wastes;

"<u>High Water Mark</u>" 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);

"<u>Inspector</u>" means an Inspector designated by the Minister under Section 85 (1) of the *Act*;

"Licensee" means the holder of this Licence;

"<u>Modification</u>" 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;

"<u>Nunavut Agreement</u>" 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;

"<u>Toilet Wastes</u>" means all human excreta and associated products, but does not include greywater;

"<u>Waste</u>" 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 use Waters 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 March of the year following the calendar year being reported, containing the following information:
 - a. A summary report of Water use and Waste disposal activities;
 - b. Quantity of Water (in cubic metres/day) obtained during the reporting period for domestic and other purposes from sources on, in or flowing through Inuit-Owned Land;
 - c. Quantity of Water (in cubic metres/day) obtained during the reporting period for domestic and other purposes from sources on, in or flowing through Crown Land;
 - d. Quantity of Waste disposed of at on-site Waste disposal facility;
 - e. Quantity of Waste backhauled to approved facility for disposal;
 - f. A list of unauthorized discharges and a summary of follow-up actions taken;
 - g. Any revisions to the Spill Contingency Plan, Closure and Reclamation Plan, and other management Plans required by Part B, Item 7, submitted in the form of an Addenda;
 - h. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - i. Report all artesian flow occurrences as required under Part F, Item 3;

- j. A summary of all information requested and results of the Monitoring Program;
- k. Details pertaining to locations of sump(s) and drill holes;
- 1. GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that provided in the application;
- m. A summary, including photographic records before, during and after any relevant construction activities or Modifications and/or major maintenance work carried out on facilities under this Licence and an outline of any work anticipated for the next year;
- n. A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted;
- o. Any other details on water use or waste disposal requested by the Board by the 1st 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: <u>licensing@nwb-oen.ca</u>

(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 an 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 and Inuinnaqtun.
- 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 Water for domestic camp use from sources proximal to camp facility(ies). Total camp Water use shall not exceed seventy (70) cubic metres per day. Water for drilling shall be obtained from source(s), proximal to the drilling targets and shall not exceed one hundred and thirty (130) cubic metres per day. The volume of Water for all purposes under this Licence shall not exceed two hundred (200) cubic metres per day.
- 2. The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of each water source to be used for the purposes outlined in Part C, Item 1, at least ten (10) days prior to using the water source.
- 3. The use of Water from streams or any water bodies not identified in Part C, Item 1, is prohibited unless authorized by the Board in writing.
- 4. 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 in writing the following: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.
- 5. The withdrawal of Water from any stream shall not exceed ten (10) per cent of the low flow of that stream unless approved by the Board in writing.

- 6. 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.
- 7. The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized.
- 8. The Licensee shall not cause erosion to the banks of any water body and shall provide necessary controls to prevent such erosion.
- 9. Sediment and erosion control measures shall be implemented prior to and maintained during the undertaking to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

- 1. The Licensee shall locate areas designated for Waste disposal at a minimum distance of thirty-one (31) metres from the ordinary High Water Mark of any water body such that the quality, quantity or flow of water is not impaired, unless otherwise approved by the Board in writing.
- 2. The Board has approved the Plan entitled *Back River Project, Exploration Non-Hazardous Waste Management Plan*, dated June, 2022 that was submitted as additional information with the Application.
- 3. The Licensee shall not practice on-site land-filling 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.
- 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 provide to the Board documented authorization from all communities in Nunavut receiving Wastes from the Wishbone Malley Project prior to the backhauling and disposal of wastes to those communities.
- 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 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.

- 9. 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.
- 10. The Licensee shall dispose of all toilet Waste 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 facility.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

- 1. The Licensee is allowed to establish two (2) temporary or seasonal camps in support of the Project or as otherwise authorized by the Board in writing.
- 2. The Licensee shall provide notice to an Inspector and the Board that includes the coordinates of each temporary or seasonal camp referred to in Part E, Item 1, at least fifteen (15) days prior to establishing the camp(s).
- 3. 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.
- 4. 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.
- 5. 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.
- 6. With respect to access road, pad construction or other earthworks, the deposition of debris or sediment into or onto any water body is prohibited. These materials shall be disposed a distance of at least thirty-one (31) metres from the ordinary High Water Mark in such a fashion that they do not enter the Water.
- 7. The Licensee shall not mobilize heavy equipment or vehicles 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.
- 8. The Licensee will ensure that all stream crossings are at a minimum of five hundred (500) meters from spawning areas.
- 9. Sediment and erosion control measures shall be implemented prior to and maintained during the construction and operation where necessary to prevent entry of sediment into Water.

<u>PART F:</u> <u>CONDITIONS APPLYING TO DRILLING OPERATIONS</u>

- 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.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

- 1. The Licensee may, without written consent from the Board, carry out Modifications to the Water Waste management facilities provided that such Modifications are consistent with the terms of this License and the following requirements are met:
 - a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
 - b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*:
 - c. such Modifications are consistent with the NIRB Screening Decision;
 - d. the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and
 - e. the Board has not rejected the proposed Modifications.
- 2. Modifications for which all of the conditions referred to in Part G, Item 1 have not been met can be carried out only with written approval from the Board.
- 3. The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licensee 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 the Plan entitled Exploration Spill Contingency Plan, dated May,

- 2022 that was submitted as additional information with the Application.
- 2. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering water. All Sumps and fuel caches shall be located at a distance of at least thirty-one (31) metres from the ordinary High-Water Mark of any adjacent water body and inspected on a regular basis.
- 3. The Licensee shall conduct any equipment maintenance and servicing in designated areas and shall implement special procedures (such as the use of drip pans) to manage motor fluids and other waste and contain potential spills.
- 4. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a. Employ the approved Spill Contingency Plan;
 - b. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4284; and
 - c. For each spill occurrence, submit to the Inspector and the Board, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.
- 5. The Licensee shall, in addition to Part H, Item 4, regardless of the quantity of releases of harmful substances, report to the NWT/NU Spill Line if the release is near or into a Water body.

PART I: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION, OR TEMPORARY CLOSURE

- 1. The Board has approved the Plan entitled *Back River Project, Abandonment and Restoration Plan, Wishbone Malley,* dated May 2022 that 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, sewage / wash-water pits 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 intakes, pumps and lines, material and equipment prior to the expiry of this Licence.
- 6. All roads and airstrip, if any, shall be re-graded 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 contour and stabilize all disturbed areas to the extent possible to predisturbed 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 used from sources located on, in or flowing through Crown Land, utilized for camp, drilling and other purposes.
- 2. The Licensee shall provide the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of Water are utilized for all purposes.
- 3. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where Wastes associated with camp 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.	Additional monitoring requirements may be imposed by the Inspector.